

February 7, 2025

Senator Josh Hawley
Chair, Subcommittee on Disaster Management
Senate Committee on Homeland Security & Governmental Affairs
115 Russell Senate Office Building
Washington, D.C. 20510

Re: Insurer Response to Hurricanes Helene and Milton (*via email*)

Dear Senator Hawley:

The American Property Casualty Insurance Association (APCIA) respectfully submits our response to your [January 24, 2025, letter](#) about insurance company claims handling following Hurricanes Helene and Milton. APCIA's more than 1200 member companies write more than 67 percent of all the property casualty insurance in the U.S. with the common mission to advance private competitive insurance markets to protect consumers, businesses and communities.

Insurers have paid record amounts of insured losses in the southeast for hurricane losses over the last several years, including roughly \$65 billion of insured losses for Hurricane Ian in 2022 – the 2nd greatest insured loss in history. Hurricane Helene caused between \$80-100 billion in economic damages, but insured losses are estimated at around \$6.4 billion because most of the damages were from flooding. Hurricane Milton was more of a mixed wind-flood event. CoreLogic estimates that insured wind and flood losses for Hurricane Milton were \$17-28 billion with only \$4-6 billion of uninsured flood losses.ⁱ

Flood losses are primarily covered through the Federal Emergency Management Agency (FEMA) National Flood Insurance Program (NFIP). Flood insurance is generally only required for homes in federally designated flood zones with federally backed mortgages. In many of the areas hardest hit by Helene, fewer than 1% of the homes had flood insurance.ⁱⁱ Many of the claim issues that arose from Hurricanes Helene and Milton are related to the fact that property-owners did not have insurance coverage for their natural disaster losses or were underinsured by FEMA.ⁱⁱⁱ

While most NFIP policies are serviced through private insurance "Write Your Own" (WYO) insurance carriers, the funds for federally insured flood losses come from the federal program and flood loss adjustment standards and payments for NFIP policies are dictated by the federal government under FEMA. Since September 30, 2017, FEMA's NFIP has operated under 32 consecutive short-term extensions while the program awaits reform and a long-term reauthorization by Congress. FEMA requires that homeowners file a claim with their insurer before applying for disaster relief, even if the homeowner knows that their losses would not be covered.^{iv} Homeowners must then provide proof to FEMA that they are not being covered under their insurance policies.^v FEMA will not pay for losses that insurance policies already cover.^{vi}

If a homeowner has both flood and wind damage, there may be multiple adjusters identifying separate wind and flood losses for potential coverage determinations, even if the homeowner's servicing WYO insurer is also providing their private/standard homeowners insurance policy. For example, the homeowner President Trump interviewed in North Carolina about Hurricane Helene indicated that his flood insurance was his primary insurance. He stated that FEMA had not been helpful and that multiple adjusters had examined his property. However, an important consideration is that WYO insurers servicing the NFIP do not benefit from delaying or providing lower payments. They conduct loss adjustments based on FEMA standards and are paid a fee for servicing the claim.

The WYO servicer for the homeowner interviewed by the President also provided a separate homeowners policy to the person interviewed. Overall, that specific insurer has received only 30 complaints out of over 17,000 closed claims (only 0.176% or 1.76 complaints per 1,000 claims) and has made more than \$250 million in payments related to Hurricane Helene.

APCIA requested claims data information from the states impacted by these two catastrophic events as well as from FEMA. That state data included is for private company claims. Also, we do not have complaint numbers from FEMA/NFIP. We've attached the information we received to the end of this document. As there's quite a bit of data we've been able to gather, we have summarized some of the key facts in the table below.

Milton Statistics						
<i>State/NFIP & Report Date</i>	<i>Number of Claims</i>	<i>Percent Settled</i>	<i>Amt. Paid to Report Date</i>	<i>Number of Complaints</i>	<i>Complaint Ratios</i>	
					<i>Amount of 1%</i>	<i>per 1,000</i>
FL - 1/15/25	318,158	75	\$3.62 billion	2,390	.75	7.5
NFIP – 2/6/25	21,127	70.6	\$745 million	N/A		

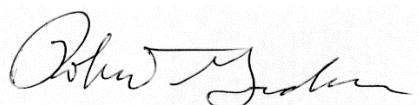
Helene Statistics						
State/NFIP & Report Date	Number of Claims	Percent Settled	Amt. Paid to Report Date	Number of Complaints	Complaint Ratios	
					Amount of 1%	per 1,000
FL – 1/15/25	142,062	84	\$2.16 billion	556	.39	3.9
NC – 12/20/24	114,705	75	\$1.13 billion	390	.34	3.4
SC – 1/20/25	159,284	86	\$1.29 billion	≤200*	.125	1.25
TN – 12/31/24	13,825	88.5	\$176 million	2	.015	.15
NFIP – 2/6/25	27,427	70	\$4.5 billion	N/A		
*SC Ins. Dept. estimate						

This information shows that, on average, the vast majority of the claims have been settled without consumers filing complaints with the state insurance departments. In all the states impacted by this event, the percentage of complaints registered is less than one (1) percent of the total number of claims.

It is also important to note that private homeowners insurers are extensively regulated by state insurance departments throughout the U.S. There are over 11,600 state insurance regulatory staff that conduct regular and market conduct examinations, including tracking individual consumer insurance complaints and claims activity.^{vii} Those states also require insurers to respond to a claim within 30 days of receipt of a claim (gathering necessary information, assessing damages, and determining the claim's validity).

On behalf of APCIA and our member insurers, we appreciate the opportunity to respond to your questions.

Sincerely,



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Attachments:

[Hurricane Milton Statistics.docx](#)
[Hurricane Helene Statistics.docx](#)

Endnotes:

ⁱ [https://www.corelogic.com/intelligence/hurricane-milton-first-direct-landfall-100-years/#:~:text=Update%3A%20October%2017%2C%202024,%2434%20billion%20\(Table%201\).](https://www.corelogic.com/intelligence/hurricane-milton-first-direct-landfall-100-years/#:~:text=Update%3A%20October%2017%2C%202024,%2434%20billion%20(Table%201).)

(insured losses include both private insurance and NFIP coverage).

ⁱⁱ <https://www.fathom.global/insight/hurricane-helene-milton-analysis/>

ⁱⁱⁱ Flood damage is excluded under standard homeowners, renters, and most business insurance policies. Most flood insurance is purchased as separate coverage through the NFIP, a part of the Federal Emergency Management Agency (FEMA). A minority of flood insurance policies are sold by private insurers.

^{iv} According to data published by the Florida Office of Insurance Regulation (FLOIR), of the Helene related homeowners claims in Florida, a majority of closed claims made without payment were because the losses were uncovered flood damage or were below the insurance policy deductible (the top two reasons). In Florida, most homeowners have an annual hurricane deductible (that typically ranges between \$500 up to 10% of the policy limit). Florida's CFO of Consumer Services recommends that "Policyholders should always file claims even when the cost to repair the windstorm damage is less than the hurricane deductible. If you file the claim, the company has a record of the amount of credit that should be applied towards the hurricane deductible for the second or subsequent windstorm claim resulting from a hurricane." Filing a claim even though the amount is less than the hurricane deductible is also important to protect the policyholder in case they discover additional hidden damage once repairs are made. Other reasons that claims are closed without payment include damage to uncovered structures – such as pool cages that are commonly excluded from homeowners policies.

^v <https://www.fema.gov/fact-sheet/when-applying-disaster-assistance-provide-fema-your-insurance-documentation>

^{vi} <https://www.fema.gov/node/can-i-apply-fema-assistance-if-i-have-insurance>

^{vii} https://content.naic.org/sites/default/files/inline-files/topics_white_paper_hist_ins_reg.pdf