

## 2005 a Record Year for Casualty Claims

According to ISO's Property Claim Services unit, U.S. property/casualty insurers are expected to pay homeowners and businesses a record \$56.8 billion for 2005 insured property losses from 24 catastrophic events. That's more than twice the previous record set in 2004, when insurers paid \$27.3 billion in catastrophe claims.

Five hurricanes—Katrina, Wilma, Rita, Ophelia, and Dennis—accounted for \$52.7 billion, nearly 93 percent of last year's insured losses affecting nine states.

Policyholders in 39 states filed more than 4 million personal and commercial property and automobile claims. Five states accounted for more than 80 percent

of those claims and almost half the dollar loss. They are:

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Dr. Robert Hartwig, chief economist of the I.I.I

Louisiana, \$27.2 billion; Mississippi, \$12.2 billion; Florida,

\$9.9 billion; Texas, \$2.9 billion; Alabama, \$1.5 billion.

Catastrophic activity in the fourth quarter was also unusual with Tropical Storm Zeta developing in late December, well beyond the official end of hurricane season, Nov. 30. Five fourth-quarter

events triggered \$8.9 billion in insured losses—the costliest fourth quarter on record in the past 10 years. Wilma's \$8.4 billion loss produced the lion's share of the quarter's steep tally.

Mississippi, totaling \$11.4 billion, as of Jan. 24, according to the Insurance Information Institute (I.I.I.). Homeowners insurers ultimately expect to pay more than 1 million homeowners claims totaling \$16.4 billion.

“While progress in settling claims has been steady,” said Dr. Robert Hartwig, chief economist of the I.I.I., “it has gone slower than the industry's experience in past natural disasters due to the unique obstacles posed by this devastating catastrophe.”

In Louisiana, insurers have settled 479,500 homeowners claims, or 69 percent of expected homeowners claims from Hurricane Katrina, totaling \$7.5 billion, reported the I.I.I. In Mississippi, 253,000 or 71 percent of expected homeowners claims, totaling \$3.9 billion, have been settled. In addition, about 90 percent of more than 300,000 claims from damaged vehicles have been settled in both states, the I.I.I. said.

### Nearly 70 Percent of Homeowners Claims From Hurricane Katrina Have Been Settled

Homeowners insurers have settled nearly 70 percent of claims from Hurricane Katrina in Louisiana and Mis-



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Year	Number of Events	Losses (in \$ billions)
1996	41	\$ 7.4
1997	25	2.6
1998	37	10.1
1999	27	8.3
2000	24	4.6
2001	20	26.5
2002	25	5.9
2003	21	12.9
2004	22	27.3
2005	24	56.8