Billion Dollar Loss: Reducing the Cost of Hail through Insurance and Science

National Tornado Summit
Oklahoma City, OK
February 27, 2018

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Director of Underwriting Research
USAA
Our Mission
The mission of the association is to facilitate the financial security of its members, associates, and their families through provision of a full range of highly competitive financial products and services; in so doing, USAA seeks to be the provider of choice for the military community.

Our Core Values
Service ◆ Loyalty ◆ Honesty ◆ Integrity
San Antonio 2016 Hail Event

San Antonio hail storm called costliest in Texas history with nearly $1.4 billion in losses
By Patrick Danner  Updated 10:37 am, Thursday, April 21, 2016

Hailstorms across San Antonio area costliest in US history
ICOT: Combined losses total more than $2 billion

Sources: San Antonio Express-News mySA.com website, KSAT 12 News (ABC), NWS Austin/San Antonio
Billion Dollar Losses and Severe Storms 1980-2017

# Billion Dollar Insurance Losses by Type 1980-2017

## 1980-2009

<table>
<thead>
<tr>
<th>Events</th>
<th>Losses ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freeze</td>
<td>5%</td>
</tr>
<tr>
<td>Winter Storm</td>
<td>9%</td>
</tr>
<tr>
<td>Wildfire</td>
<td>8%</td>
</tr>
<tr>
<td>Drought</td>
<td>14%</td>
</tr>
<tr>
<td>Severe Storm</td>
<td>31%</td>
</tr>
<tr>
<td>Flooding</td>
<td>10%</td>
</tr>
<tr>
<td>Tropical Cyclone</td>
<td>23%</td>
</tr>
</tbody>
</table>

## 2010-2017

<table>
<thead>
<tr>
<th>Events</th>
<th>Losses ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildfire</td>
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<tr>
<td>Winter Storm</td>
<td>3%</td>
</tr>
<tr>
<td>Drought</td>
<td>3%</td>
</tr>
<tr>
<td>Severe Storm</td>
<td>57%</td>
</tr>
<tr>
<td>Flooding</td>
<td>17%</td>
</tr>
<tr>
<td>Tropical Cyclone</td>
<td>9%</td>
</tr>
</tbody>
</table>

Billion Dollar Severe Storm Losses by State 2010-2017

How USAA Promotes Resilience

IBHS Fortified

“Getting the roof right”

Education & advocacy
Learning from the IBHS Hail Study

In the field

In the lab
For additional questions, please contact me at:

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(210) 913-5275
Preparing Your Home Before Disaster Strikes

**STEP 1:** Prepare for high winds and rain.

- **Roof:** Inspect your roof and overhang for signs of wear or damage. Ensure it is well-connected to the roof sheathing.
- **Shutters:** Preinstall any hardware required to put up shutters, or precut plywood to protect windows and doors.
- **Trees:** Cut weak branches that could be susceptible to high winds.
- **Sump pump & drains:** Inspect drains to ensure proper operation. If a sump pump has a battery backup, replace the batteries regularly.
- **Seals:** Repair any cracks in the caulking around windows and doors. Fill gaps around pipes or wires that enter your home.
- **Attached structures:** Inspect porches, carports, entryway canopies and storage sheds to make sure they are firmly attached and structurally sound.
- **Surroundings:** Bring in loose items, such as garbage cans and lawn furniture, and pick up any yard debris that could act as a projectile during high winds.

**STEP 2:** Consult a home inspection professional for beneficial storm-resistant features, as well as your insurance agent for available discounts.
Preparing Before Disaster Strikes

Deductibles
Coverage limits
Policy exclusions
Emergency fund
Secure storage of records
Home inventory
Preparing For When Disaster Strikes

**Be informed. Make a plan. Take action.**

A natural disaster can strike any time and any place. No matter the season, start preparing now.

**STEP 1:** Stock your emergency kit* with:

**FOOD, WATER & MEDICATION**
Pack a three-day supply of nonperishables and 1 gallon of water per person, per day. Don’t forget about your pets!

**FIRST AID KIT, FLASHLIGHT & BATTERIES**
Include a battery-powered or hand-crank NOAA weather radio.

**MATCHES & TOOLS**
Include a multipurpose tool and a can opener.

**CHANGE OF CLOTHES, STURDY SHOES & SLEEPING BAGS**
Consider additional items for cold-weather climates, and include personal hygiene items.

**STEP 2:** Develop a family communication plan and practice your evacuation. Remember to lock up before you leave.

**STEP 3:** Take inventory of your belongings, and store your important documents off-site and/or use “cloud” storage.

**STEP 4:** Keep your emergency savings in an easily accessible account.

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*Additional items to consider include:* Paper maps of the local area, cell phones with their charging devices, children’s activities, and cash in case ATMs are not available.

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Expecting an evacuation? Gas up ahead of time to avoid long lines.