



Prepare for the Impact of Climate and Temperature Change on Hurricanes



In 2019, weather experts predicted an above-average chance of a highly active hurricane season for 2020, forecasting 13 to 19 named storms in the Atlantic.¹ For the actual 2020 season, we experienced 29 named storms, surpassing the prior record of 28 storms in 2005.² As we have witnessed, rising sea levels and increased rainfall caused by the warming environment are impacting the severity of hurricanes.

According to the National Oceanic and Atmospheric Administration (NOAA) — the U.S. government agency whose mission is to understand and predict changes in climate, weather, oceans, and coasts — there is no clear evidence that climate change is resulting in more frequent hurricanes. However, there is support for the warning that the warmer ocean temperature and rising sea levels are creating more intense storms with greater rainfall. And more intense rainfall can lead to more damage from high winds and flooding.

While an increase in the severity of hurricanes can be disconcerting, unlike other natural disasters, hurricanes can be charted and predicted ahead of time, affording us ample warning before reaching landfall. Following are recommendations to help you prepare.

Loss Control Measures: Best Practices When Securing, Renovating or Building a Home

Taking proactive measures to reduce the size of a potential loss can benefit both your well-being and finances. Whether renovating an existing home or building a new one, using the best building materials within your budget can pay dividends for many years to come. A dwelling that's constructed with top-grade materials — ones highly rated for construction quality and durability — and that meets current building codes can positively impact insurance premiums by putting your home in a more preferred rating tier, providing credits for loss control, and/or requiring a smaller hurricane deductible.

Several years ago, a Florida-based client of USI Insurance Services contacted us about a planned renovation. As part of the risk assessment, the USI personal risk specialist recommended several loss control measures, including updating the roof strapping to provide better protection from wind damage.

The personal risk specialist also identified more than \$50,000 in highly valued collectibles that were eligible for scheduling on the homeowners policy, which broadened the coverage

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on these items without a deductible. When the renovation was complete, USI increased the insured value of the home to \$700,000 and submitted a wind mitigation form to the insurance company. The wind mitigation efforts and additional collectibles coverage reduced the client's wind deductible from 5% of the home coverage to 2%.

When Hurricane Katrina struck, the home was damaged by the storm but fared quite well because of the protective steps taken during the renovation. There was a bit of damage to the roof and exterior of the home, and the total of the repairs, emergency measures and temporary relocation costs exceeded \$50,000. Because of the improved construction from the renovation, the client was responsible for only 2% of the loss, or \$14,000, saving them \$21,000 from the original 5% deductible. Additionally, because the total insured value of the home was increased after the renovation, the client was able to complete the hurricane repairs at full replacement cost less the deductible, avoiding a major shortfall from the previous coverage.

Home Material Upgrades and Evacuation Services: Essential Tools

Warning of an impending storm provides precious time to protect your property and family. Having an evacuation plan in place can save lives, and it can also help safeguard high-value items exposed to the dangers from hurricanes. Utilizing services designed to relocate art, wine, boats and other highly valued items prior to a storm are critical components of an effective risk management strategy.

When designing personal risk management plans, USI personal risk specialists recommend loss control and mitigation steps, as well as insurance coverage, to address exposures our clients face. Managing the risk posed by hurricanes starts with measures to help prevent damage from high-speed winds and airborne debris from storms. Installing hurricane-grade glass and shutters also can have a substantial impact in reducing potential property damage.

A USI client had purchased a vacation home near the Florida panhandle, and had their USI representative create a personal risk management plan to protect their property and family from the perils of a hurricane. In assessing the risk for the new property, we



validated the cost to rebuild the home, established the value of the art to be installed in the home, and recommended the installation of automatic wind shutters. When Hurricane Michael made landfall in 2018, the investments in the construction and loss control treatment paid off.

The Category 5 storm left a trail of devastating damage in its path. Fortunately, our client was not in the direct path of the storm, and the wind mitigation efforts that had been taken prevented our client's home from being pierced during the hurricane. The loss control strategy saved potentially tens of thousands of dollars in claims. The minimal damage to the exterior of the home and landscaping fell well below the hurricane deductible.

How USI Can Help

NOAA and other weather experts project that the rainfall and intensity of storms will increase as the climate and the ocean warm. Taking preventative action to safeguard your home from catastrophe can reduce the premium charged for the coverage, lower the deductible, and prevent or reduce the damage caused by the storm. While we cannot control the frequency or severity of hurricanes, we can prepare for exposures to keep our families and property safe.

Please review our [disaster planning checklist](#) and contact a USI personal risk advisor for more information about developing a proper risk mitigation plan.

¹ <https://www.noaa.gov/media-release/busy-atlantic-hurricane-season-predicted-for-2020>
² <https://www.noaa.gov/news/2020-atlantic-hurricane-season-takes-infamous-top-spot-for-busiest-on-record>

The USI ONE Advantage[®]

To analyze our client's personal exposures and challenges, our personal risk team leverages USI ONE[®], a fundamentally different approach to risk management. USI ONE integrates proprietary business analytics with a networked team of local and national experts in a team-based consultative process to evaluate the client's personal risk profile and identify targeted solutions to address those risks. Clients then receive tailored recommendations for more efficient investment of premium dollars through customized personal insurance risk management programs that enhance coverage and manage rate control.