

# \$147 Million in Insured Losses Expected From Colorado Tornado

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<?xml version="1.0"?>\$147 Million in Insured Losses Expected From Colorado Tornado Chad Hemenway

Colorado insurers can expect up to \$147 million in insured losses from a tornado and hail on May 22, which would rank the storm fourth among the state's costliest insured disasters.

According to the Rocky Mountain Insurance Information Association, about 20,000 claims for damage to homes and automobiles are expected from the tornado, high winds and hail that hit the Windsor, Colo., area, about 60 miles north of Denver. Damage reported in about 8,000 homeowners claims ranges from roof damage to complete losses. Another 12,000 claims have been received, the association said.

The storm system is the only one within the state's top 10 costliest events to include a tornado. The costliest tornado event prior to this one was about \$20 million caused by a tornado in June, 1990. Most of the state's largest insured losses come from hail -- include \$625 million in damages caused by hail in July, 1990.

"Historically, tornadoes haven't caused this amount of costly damage in Colorado because they have touched down in less populated areas," said Carole Walker, executive director of the Rocky Mountain Insurance Information Association.

More than 900 tornado events have been reported so far this year, compared with the three-year average of 539 from the months of January through May, according to the National Oceanic and Atmospheric Administration. The three-year average for twisters in a calendar year is 1,159 (BestWire, May 27, 2008).

The top writers of homeowners multiperil in Colorado, according to 2006 A.M. Best Co. state/line product information on direct premiums written, were: State Farm Group, 23.9%; Farmers Insurance Group, 15.1%; American Family Insurance Group, 13%; Allstate Insurance Group, 10.3%; and USAA Group, 6.8%.

The top writers of private-passenger automotive in Colorado, according to 2006 A.M. Best Co. state/line product information on direct premiums written, were: State Farm Group, 21%; Farmers Insurance Group, 13.5%; American Family Insurance Group, 10.1%; Allstate Insurance Group, 8.9%; and Progressive Insurance, 7.2%.

(By Chad Hemenway, associate editor, BestWeek: Chad.Hemenway@ambest.com)

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