Hurricane Rita’s Losses total $4.7 Billion

The property and casualty losses from Hurricane Rita are expected to hit $4.7 billion with the majority of losses sustained in Texas and Louisiana. According to the Insurance Service Office Property Claims Services unit, Rita’s damage will result in approximately 400,000 claims. Texas had 195,000 claims with losses totaling $2.2 billion, while Louisiana had 180,000 claims and $2.4 billion in losses. Five other states reported losses just under $100 million.

Hurricane Rita made landfall at Sabine Pass just 14 miles from Port Arthur on Saturday, September 24 with winds near 120 miles per hour. In Texas, Rita’s storm surge and high winds damaged autos, homes, boats and businesses causing major damage in the Port Arthur, Orange and Beaumont area known as the Golden Triangle. Hurricane force winds toppled thousands of trees making it difficult for rescuers to reach storm victims and restore services.

“Hurricane Rita was more of a wind storm than a rain storm,” said Mark Hanna, a spokesman for the Insurance Council of Texas (ICT). “The storm moved much faster than was predicted and its hurricane force winds impacted nearly all of east Texas.”

Hurricane force winds between Lake Charles, Louisiana and Beaumont blew out windows, swept away rooftops and twisted highway billboard signs into the ground. Across the Louisiana state line, the fishing community of Holly Beach was practically leveled. More than a million residents lost power and some Texans were still without electricity a month after the storm.

Having seen the destruction caused by Hurricane Katrina, 2.5 million residents evacuated their homes in the Houston/Galveston area prior to the storm’s landfall. More than 100 lives were lost in accidents attributable to Hurricane Rita, many of them traffic fatalities.

Hurricane Rita’s winds downed huge trees making nearly all roads impassable in the piney woods of Woodville and Jasper.

The Texas Forest Service said more than 400 thousand acres of pine and hardwood trees were either damaged or destroyed from Hurricane Rita. The value of the timber losses amounted to $833 million. The timber losses amounted to 533 million cubic feet or 81 percent of the state’s annual harvest of timber.

Winds in excess of 100 miles per hour were reported as far north as Lake Livingston, 105 miles from Port Arthur. Spencer Karr, an emergency coordinator with
the Trinity River Authority, reported a 117 mile per hour wind gust at Lake Livingston Dam at 6:15 a.m. Saturday.

“We first received a wind gust from the north at 113 miles per hour and we readjusted the anemometer, thinking that couldn’t be right,” said Karr. “Moments later, we got the 117 mile per hour reading.”

Insurers received property claims as far north as Texarkana, nearly 300 miles from the Texas coastline.

The initial storm surge of 10 to 12 feet and rainfall in excess of eight inches flooded sugarcane and cotton crops near the coastline.

A spokesman for the Texas and Southwestern Cattle Raisers Association said thousands of cattle in Louisiana were lost in the storm surge, but Texas ranchers lost very few cows.

Thus far, just over 4,100 flood claims have been submitted from Texas to the National Flood Insurance Program. The flood losses are not reflected in the $4.7 billion loss to the property and casualty industry.

Hundreds of adjusters have been working with homeowners and businesses to reach policyholders that were affected by Hurricane Rita. Any policyholder, who wants to report a claim and has not heard from an agent or an insurance adjuster, is asked to contact their nearest insurance agent who can put them in touch with their insurance company.

The average payment of claims from Hurricane Rita has been $11,651. Other states reporting claims from the hurricane were Alabama with $13 million, Arkansas with $6.5 million, Florida with $23 million, Tennessee with $10 million and Mississippi with $33 million in losses.

Hurricane Rita’s $2.2 billion in damages makes it the state’s second costliest storm on record. The costliest storm in Texas history was Tropical Storm Allison that deluged the city of Houston with more than two feet of rain back on June 8, 2001 causing $3.5 billion dollars in damage. The state’s top 15 costliest weather catastrophes are listed on ICT’s Web site at http://www.insurancecouncil.org/facts/costlieststorms.doc.

“Rita was the ninth of what has become a long list of hurricanes to form this year,” said Hanna. “We can be thankful that Texas has only been hit by one of these storms. We’re all waiting for this record season for hurricanes to come to an end.”

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