

# **Texas Department of Insurance**

## **Insured Losses Resulting from the February 2021 Texas Winter Weather Event**

Catastrophe Statistical Plan Data as of March 31, 2021

September 1, 2021

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

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# **Texas Department of Insurance**

## **February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

### **Background and Purpose**

From February 11-19, 2021, most of Texas experienced a prolonged period of frigid cold, ice, sleet, and snow. Temperatures in much of the state remained below freezing until February 20, and much of the state experienced sustained or rotating power outages. The prolonged freezing temperatures and accompanying power outages resulted in property damage caused by freezing pipes; fallen tree limbs; the weight of ice, sleet, and snow; and other related causes.

On February 26, 2021, the Texas Department of Insurance issued Bulletin B-0009-21, activating its catastrophe statistical plan to collect data for this event. This data compilation contains data provided by TDI's statistical agent, Insurance Services Office, Inc. (ISO) for the February 2021 Texas winter weather event.

### **Overview of Data**

This document provides a summary of the data submitted. Data is for property insurance, automobile insurance, and all other lines of insurance. The data includes the experience of insurers that wrote more than \$5 million in written premiums in Texas in 2019, respectively, for these lines of insurance. The data includes experience from licensed insurers and eligible surplus lines insurers. Insurers reporting data account for approximately 94% of the Texas property insurance market, 95% of the Texas automobile insurance market, and 86% of the market for all other lines of insurance. The data includes insured losses resulting from damages caused by freezing (including related water damage), ice, snow, wind, or power outage. The claims and losses for automobile insurance only include losses under comprehensive coverage. It does not include liability or collision claims that resulted from accidents caused by icy road conditions.

This document provides a snapshot as of March 31, 2021, or 48 days after the beginning of the event (February 11), and 40 days after the end of the event (February 19). At that time, insurers were still investigating and adjusting many residential and commercial property claims. Paid losses can be expected to increase substantially in future reports. In addition, later data may show an increase in reported claims and incurred losses.

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As of March 31, 2021, reporting insurers indicated they had 456,531 insurance claims and expected to ultimately pay about \$8.2 billion in insured Texas losses from this event. The \$8.2 billion consists of \$2.27 billion in payments made to policyholders, \$3.19 billion in unpaid losses on individual claims (claim reserves), and \$2.74 billion in actuarially determined reserves for incurred but not reported (IBNR) losses. Insurers expect that about \$2.67 billion of the \$8.2 billion (33%) will be covered by reinsurance. Reinsurance is insurance that insurance companies buy to protect their surplus.

As of March 31, 2021, approximately 31% of the claims were open, 37% were closed with a payment to the policyholder, and 32% were closed without a payment to the policyholder. The percentage of claims open differs between residential property and commercial property.

For residential property claims that were closed by March 31, 2021, on average insurers closed a claim after 15.9 days. This did not differ much between policies that provided actual cash value (ACV) coverage versus policies that provide replacement cost coverage (RCV). For residential property-ACV policies, the average time to close a claim was 14.6 days. For residential property-RCV policies it was 16.1 days.

The average incurred loss was about \$11,500 for residential property policies, about \$74,900 for commercial property policies, about \$3,800 for automobile policies, and about \$4,700 for all other. These averages will likely change as the data matures and insurers investigate and adjust claims.

#### **TDI Claim and Loss Survey**

On February 26, 2021, when TDI activated its catastrophe statistical plan, TDI also issued an ad hoc survey to 68 top personal and commercial lines insurers to report weekly aggregate claims and losses resulting from the winter weather event. The survey does not include surplus lines companies, has limited data elements, and has no geographic breakdown. However, it provides a snapshot of claims data more quickly than the catastrophe statistical plan. Appendix C contains a comparison of the data collected under the catastrophe statistical plan with data collected under TDI's claim and loss survey.

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#### **Known Data Issues**

This compilation is missing data from three companies that account for 0.8% of the automobile insurance market, and a small percentage of the property (<0.1%) and all other lines markets (0.1%). TDI is looking into whether one medium-sized residential property insurer misreported whether the risks were ACV or RCV. However, TDI expects the impact of any misreporting to be small. Future data compilations will include any corrections needed from this insurer.

#### **Open Claims and Days to Close a Claim**

There is no industry standard definition for when a claim should be considered “closed” or “open.” Each insurer makes that determination based on its own claims handling process. Policyholders with an “open” claim may have received a partial payment or payment in full. Insurers may hold a claim open for administrative reasons—to pay an adjuster or to book a salvage recovery, for example.

In general, the more damage there is, the longer it takes an insurer to settle a claim. Commercial property claims tend to be more complex, take longer to settle, and will have a higher percentage open than residential claims.

Many residential property replacement cost policies have a provision in the policy that the insurer will pay the actual cash value of the claim until the policyholder repairs or replaces the damaged property. After the policyholder has repaired or replaced the damaged property, the insurer will pay the difference between replacement cost and actual cash value (called the “holdback payment”). Some insurers will hold replacement cost claims open until the policyholder makes repairs and the insurer issues the holdback payment. Other insurers will close the claim after it makes the actual cash value payment and reopen the claim to make the holdback payment.

When calculating the number of days to close for claims that are reopened some insurers are not able to easily remove periods when the claim was closed. For example, if a claim was: open for 20 days then closed; reopened 50 days later; and closed three days after that, some insurers will report this as having been open for 73 days rather than 23 days.

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**Questions**

Questions? Please contact us at 512-676-6605 or [GovernmentRelations@tdi.texas.gov](mailto:GovernmentRelations@tdi.texas.gov).

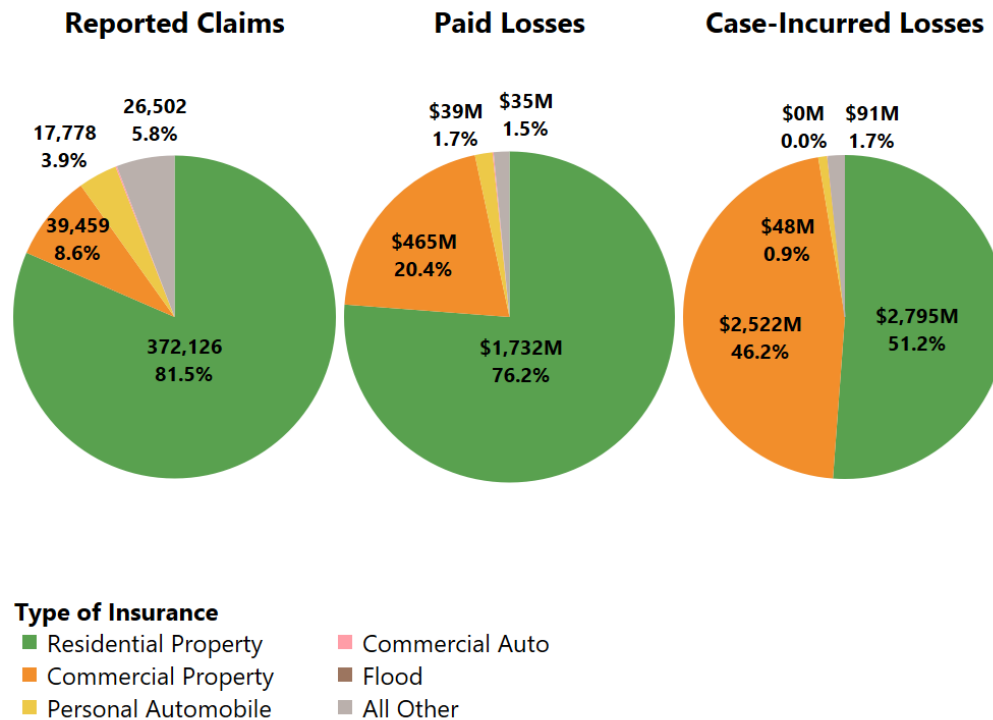
# Texas Department of Insurance February 2021 Texas Winter Weather Event

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## Claims and Losses by Type of Insurance

About 81.5% of the claims were on residential property policies; 8.6% were on commercial property policies; 3.9% were on personal auto physical damage policies; and 5.8% were for all other types of insurance. Claims for commercial automobile and flood insurance were a very small percentage of the total claims (<0.2%). While the number of commercial property claims were small, it had a much higher percentage of paid losses (20.4%) and case-incurred losses (46.2%) because of its high average cost per claim.

**Summary of Claims and Losses by Type of Insurance**



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TDI's data breaks the types of insurance into the following categories:

- **Residential property-ACV policies:** Residential property insurance policies that provide actual cash value (ACV) coverage to the dwelling or the roof (or to the contents, in the case of renters and condo owner policies). This includes homeowner policies, renters policies, condo owners policies, and residential dwelling fire and allied lines policies.
- **Residential property-RCV policies:** Residential property insurance policies that provide replacement cost value (RCV) coverage to the dwelling or the roof (or to the contents, in the case of renters and condo owner policies). This includes homeowner policies, renters policies, condo owners policies, and residential dwelling fire and allied lines policies.
- **Business interruption:** Either the business interruption portion of a commercial property policy (including a businessowner policy, or the commercial property portion of a commercial multiple peril policy) or a commercial policy that provides coverage for business interruption in the event of a covered loss.
- **Commercial property (other than business interruption):** All other commercial property insurance coverage, including businessowners, farm and ranch-owners, farm and ranch, and the commercial property portion of a commercial multiple peril policy.
- **Flood insurance:** Residential and commercial property insurance that provides coverage for damage cause by flood or rising water. For the purposes of this data compilation, flood insurance includes claims for private flood insurance and claims for federal flood insurance policies sold by private insurers under the National Flood Insurance Program's "Write Your Own" program.
- **Personal automobile physical damage:** Insurance coverage against physical loss to an insured vehicle or trailer provided through a personal automobile policy. Insured vehicles include cars, trucks, motorcycles, RVs, golf carts, ATVs, and other vehicles insured under a personal auto policy. Personal automobile physical damage does not include third-party liability claims or uninsured motorist claims.



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- **Commercial automobile physical damage:** Insurance coverage against physical loss to an insured vehicle or trailer provided through a commercial automobile policy. Insured vehicles include cars, trucks, taxis, buses, tractor-trailers, vehicles insured under a garage dealer's or garage keeper's policy, and other vehicles insured under a commercial auto policy. Commercial automobile physical damage does not include third-party liability claims or uninsured motorist claims.
- **All other:** All other claims experience that insurers can attribute to the February 2021 Texas winter weather event for any of the following lines of insurance:
  - Multi-peril crop;
  - Private crop;
  - Ocean marine;
  - Inland marine;
  - Aircraft;
  - Boiler and machinery; or
  - Aggregate write-ins.

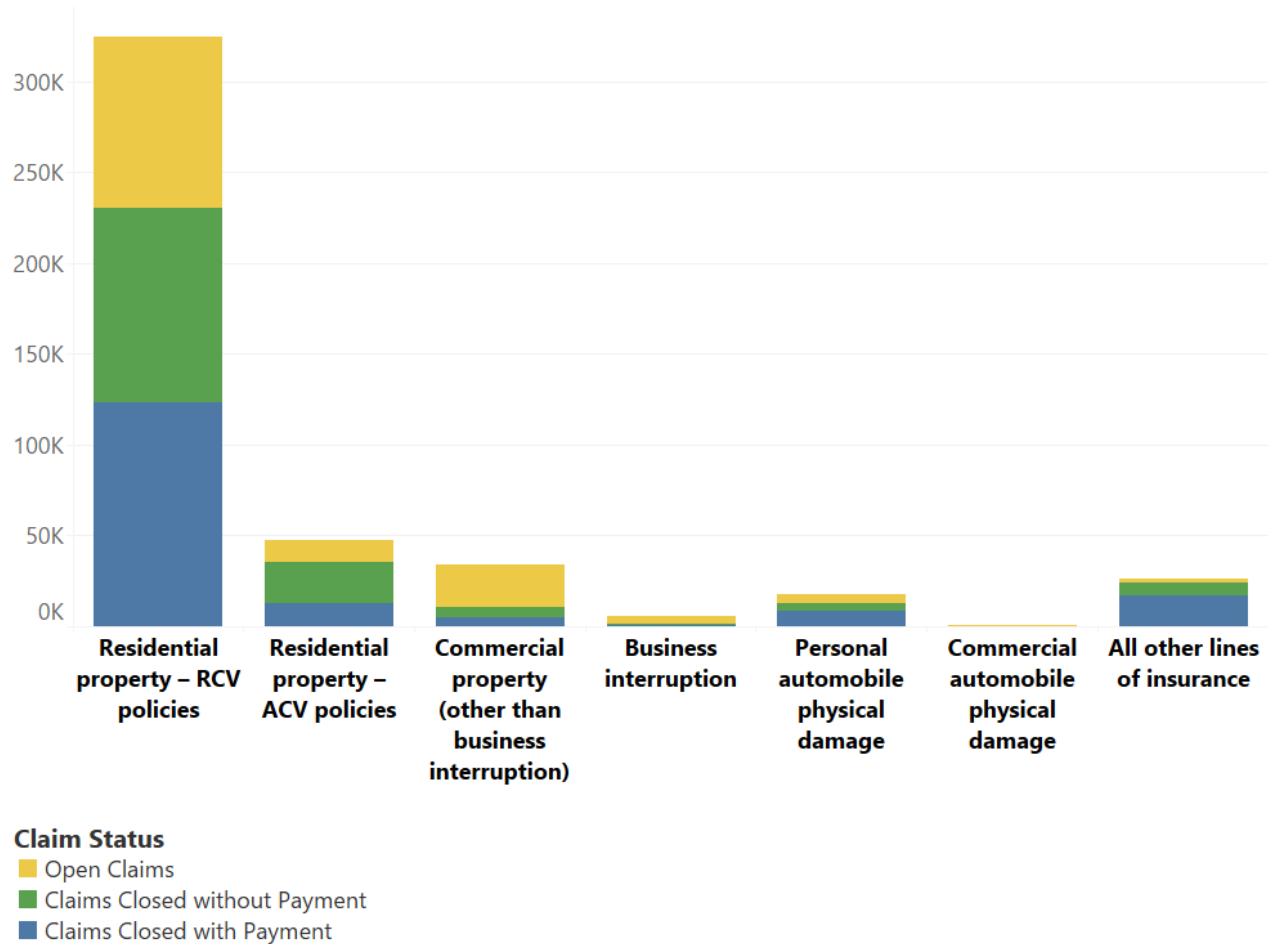
# Texas Department of Insurance

## February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

This chart shows the number of claims by type of insurance and by claim status. Most claims were on residential property policies with replacement cost coverage.

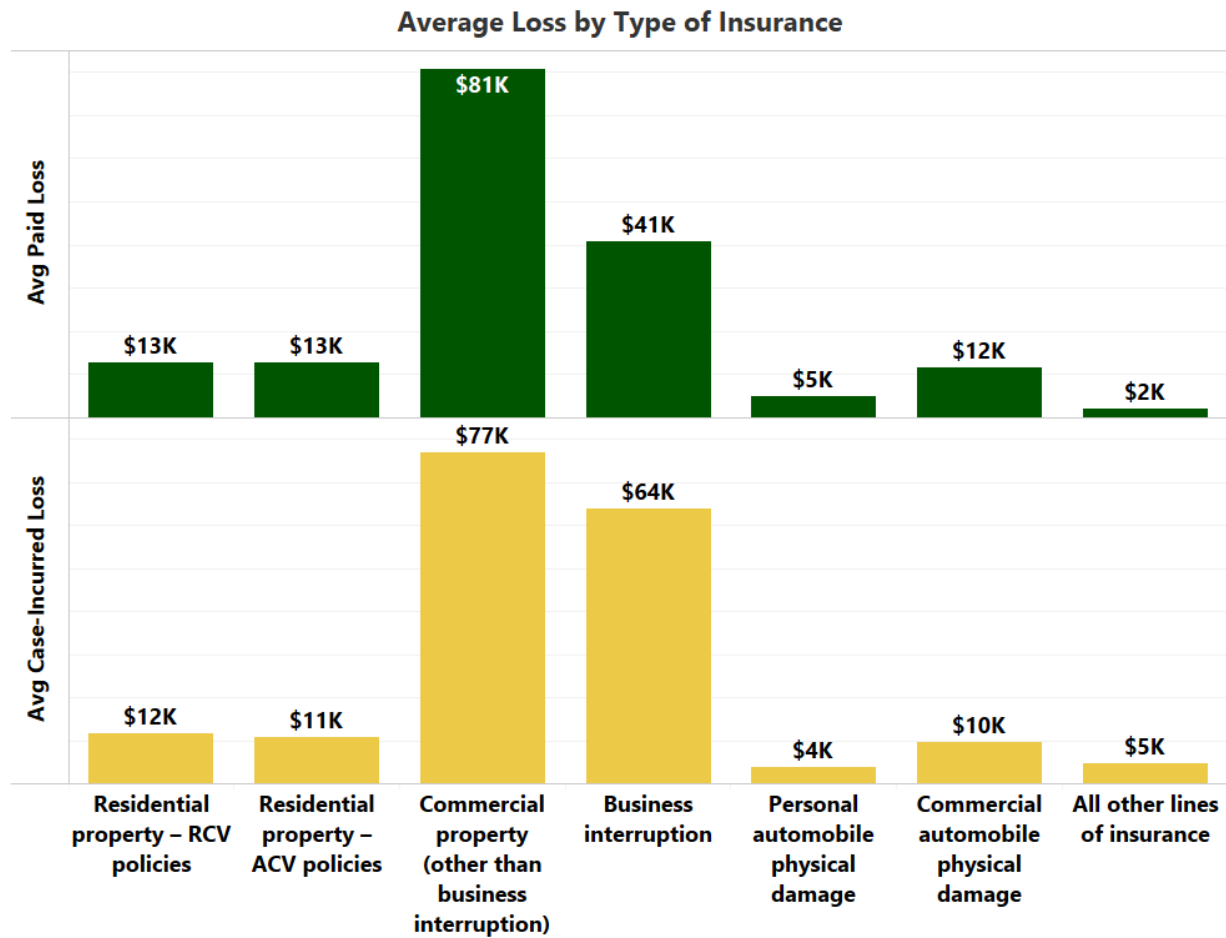
### Number of Claims by Claim Status



## Texas Department of Insurance February 2021 Texas Winter Weather Event

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The average claim size differs significantly depending on the type of insurance. The average paid loss can be unusually high if there are many open claims. This is because insurers tend to make partial payments before closing a claim (for example, an additional living expense payment).



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Table 1 provides statewide data in more detail.

Line of Insurance	Reported Claims	Closed with Payment	Closed without Payment	Percent Open	Avg Days to Close	Total Paid Losses (in millions)	Total Case-Incurred Losses (in millions)
Residential property – RCV policies	324,523	38.0%	32.9%	29.1%	16.0	\$ 1,568.8	\$ 2,527.0
Residential property – ACV policies	47,603	27.0%	47.3%	25.7%	14.6	\$ 162.7	\$ 268.3
Commercial property (other than business interruption)	34,011	15.4%	15.3%	69.2%	0.0	\$ 423.3	\$ 2,212.4
Business interruption	5,448	18.7%	10.9%	70.4%	0.0	\$ 41.4	\$ 309.5
Personal automobile physical damage	17,778	45.8%	25.1%	29.1%	0.0	\$ 39.2	\$ 48.4
Commercial automobile physical damage	643	30.3%	26.7%	42.9%	0.0	\$ 2.3	\$ 4.6
Flood Insurance	23	0.0%	87.0%	13.0%	0.0	\$ -	\$ 0.0
All other lines of insurance	26,502	65.0%	26.2%	8.8%	0.0	\$ 34.7	\$ 91.0
<b>Grand Total</b>	<b>456,531</b>	<b>36.8%</b>	<b>32.1%</b>	<b>31.1%</b>	<b>15.9</b>	<b>\$ 2,272.3</b>	<b>\$ 5,461.2</b>

### Claims and Losses by County

TDI asked insurers to report data for all Texas ZIP codes and counties. The table below shows data for the top 25 counties affected by this event. This includes residential property, commercial property, automobile, flood, and all other types of insurance.

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<b>County</b>	<b>Reported Claims</b>	<b>Closed with Payment</b>	<b>Closed without Payment</b>	<b>Percent Open</b>	<b>Total Paid Losses (in millions)</b>	<b>Total Case-Incurred Losses (in millions)</b>
Harris	102,573	35.0%	30.5%	34.5%	\$ 551.6	\$ 1,084.3
Dallas	43,134	34.3%	31.3%	34.3%	\$ 295.9	\$ 764.8
Bexar	40,611	47.0%	37.4%	15.6%	\$ 69.4	\$ 216.3
Tarrant	32,630	35.7%	31.9%	32.4%	\$ 194.9	\$ 443.5
Travis	28,535	37.3%	35.8%	26.9%	\$ 105.7	\$ 425.7
Collin	19,281	33.0%	29.0%	37.9%	\$ 157.7	\$ 329.9
Fort Bend	17,417	35.3%	28.3%	36.4%	\$ 105.7	\$ 185.1
Denton	14,439	34.3%	29.2%	36.5%	\$ 116.5	\$ 242.7
Montgomery	13,449	34.9%	28.2%	36.9%	\$ 89.7	\$ 179.4
Williamson	12,767	38.2%	38.5%	23.3%	\$ 39.0	\$ 90.0
Bell	11,872	48.9%	37.3%	13.7%	\$ 20.1	\$ 76.7
Galveston	8,418	36.5%	28.0%	35.4%	\$ 50.0	\$ 82.8
Brazoria	7,647	36.3%	29.6%	34.1%	\$ 41.6	\$ 154.7
Hays	3,897	37.4%	38.0%	24.5%	\$ 11.1	\$ 27.3
Comal	3,826	41.0%	34.6%	24.4%	\$ 11.4	\$ 26.3
Nueces	3,531	31.7%	46.4%	21.9%	\$ 3.8	\$ 9.4
McLennan	3,113	35.4%	34.7%	29.9%	\$ 10.2	\$ 35.4
Smith	2,939	34.6%	31.6%	33.9%	\$ 23.8	\$ 139.7
Guadalupe	2,715	49.8%	34.8%	15.4%	\$ 4.8	\$ 9.9
Ellis	2,651	33.0%	32.9%	34.0%	\$ 13.7	\$ 27.9
Jefferson	2,571	34.5%	31.0%	34.5%	\$ 10.2	\$ 19.3

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<b>County</b>	<b>Reported Claims</b>	<b>Closed with Payment</b>	<b>Closed without Payment</b>	<b>Percent Open</b>	<b>Total Paid Losses (in millions)</b>	<b>Total Case-Incurred Losses (in millions)</b>
Brazos	2,483	35.0%	32.0%	33.0%	\$ 10.6	\$ 23.4
Coryell	2,287	49.7%	38.0%	12.4%	\$ 2.7	\$ 6.8
Rockwall	2,133	31.9%	24.2%	43.9%	\$ 25.6	\$ 46.7
Parker	2,107	36.5%	31.8%	31.7%	\$ 11.5	\$ 20.2
All Other	67,315	35.7%	31.7%	32.6%	\$ 256.0	\$ 563.7
Unknown	2,190	12.7%	13.0%	74.3%	\$ 38.9	\$ 229.1
<b>Grand Total</b>	<b>456,531</b>	<b>36.8%</b>	<b>32.1%</b>	<b>31.1%</b>	<b>\$ 2,272.3</b>	<b>\$ 5,461.2</b>

## ZIP Code Data

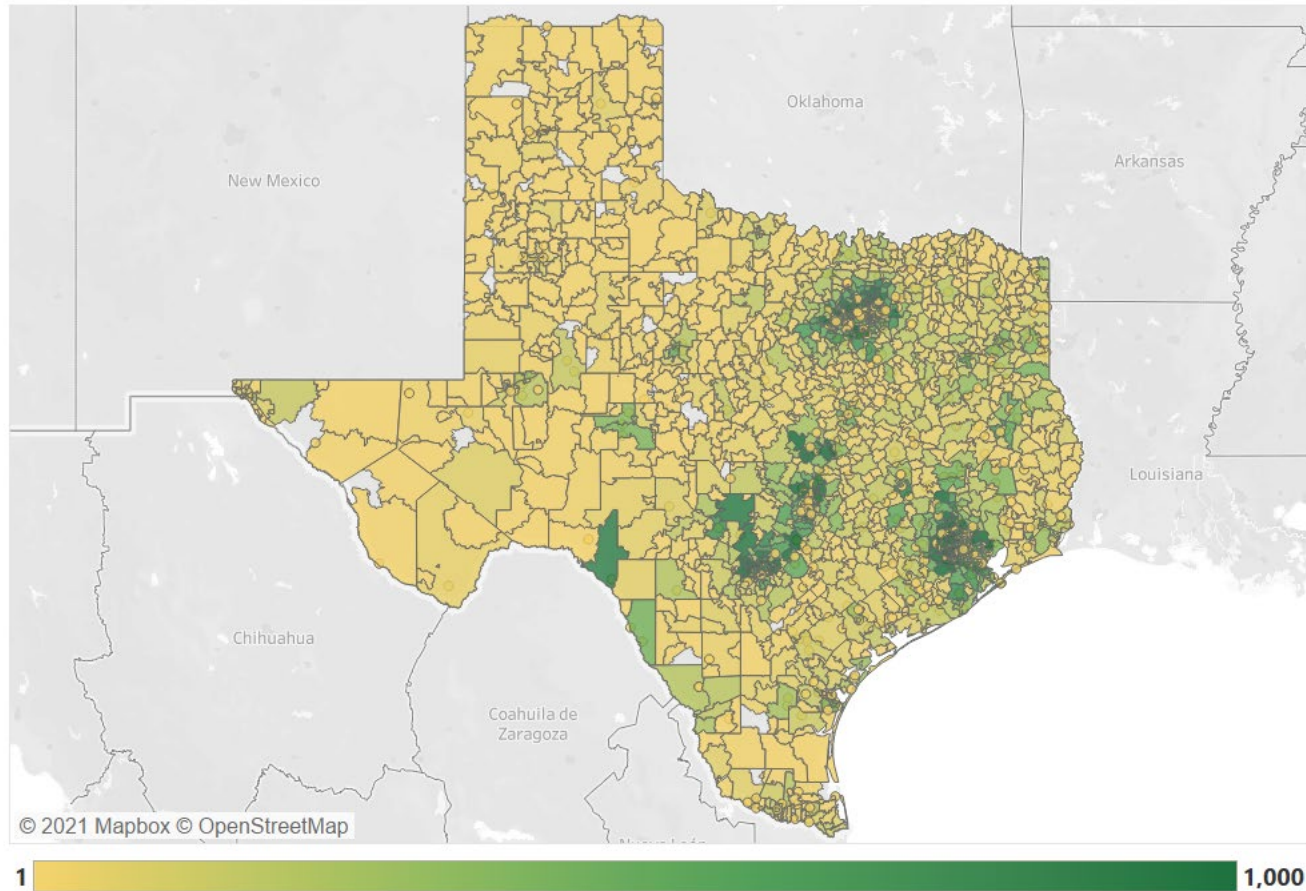
### All Lines of Insurance Combined

TDI collected data for all Texas ZIP codes. The following maps provide the reader with a broad perspective of where the claims and losses are located within Texas. ZIP code maps that follow will zoom in to different parts of Texas to make it easier to see data for individual ZIP codes.

Appendix D shows claims and losses by ZIP code for each Texas ZIP code with 10 or more reported claims.

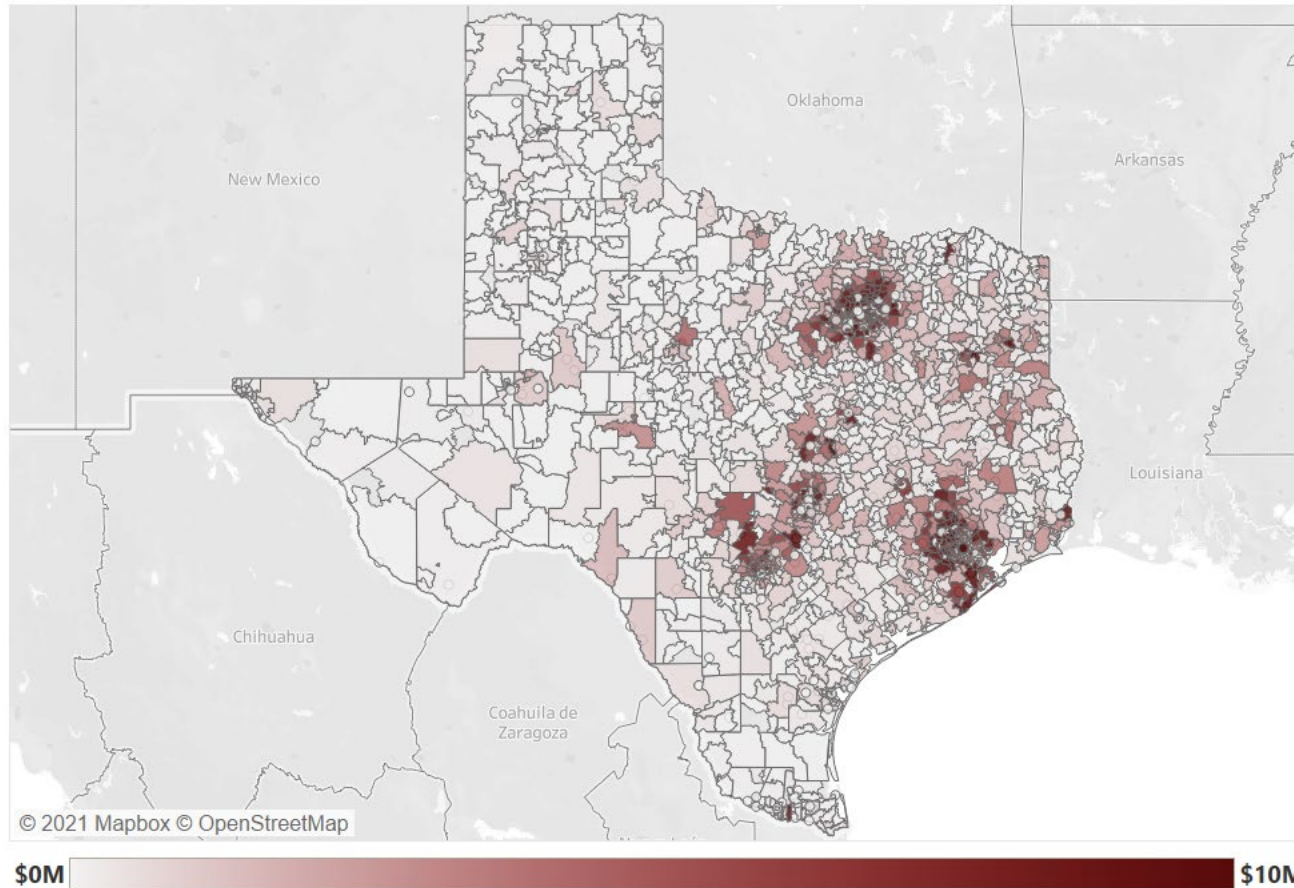
**Texas Department of Insurance**  
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Number of Reported Claims  
All Lines of Insurance Combined  
**Statewide**



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
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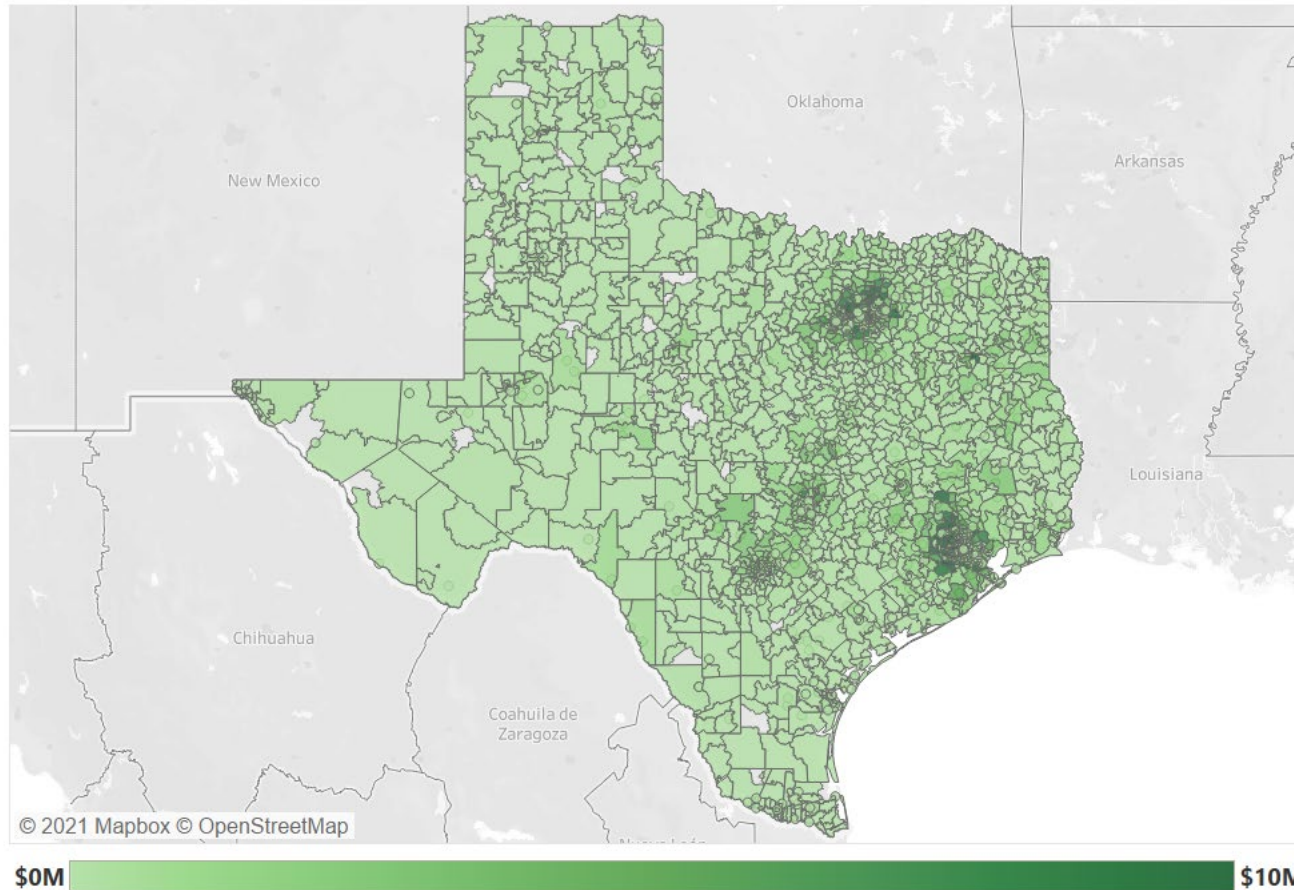
Amount of Case-Incurred Losses  
All Lines of Insurance Combined  
**Statewide**





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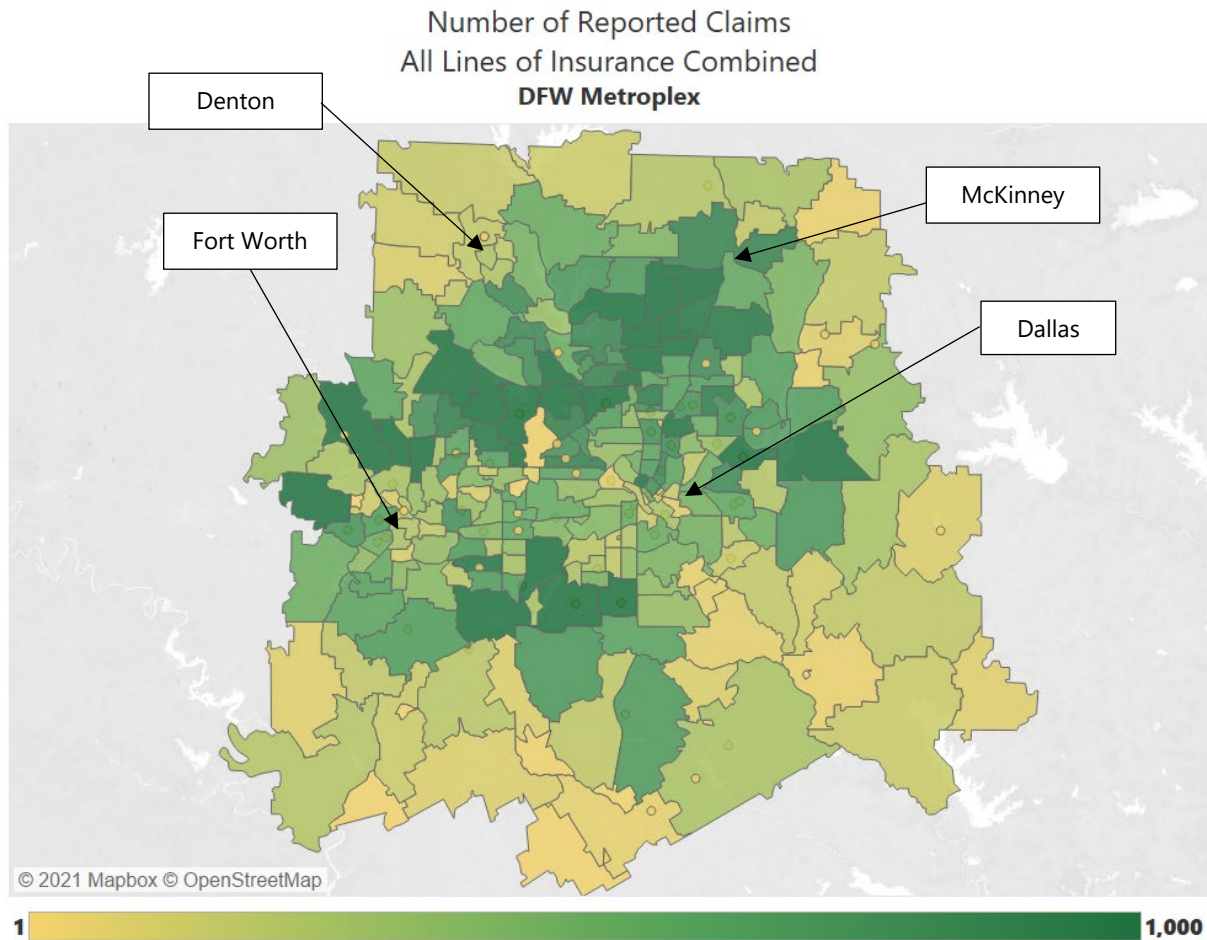
Amount of Paid Losses  
All Lines of Insurance Combined  
**Statewide**



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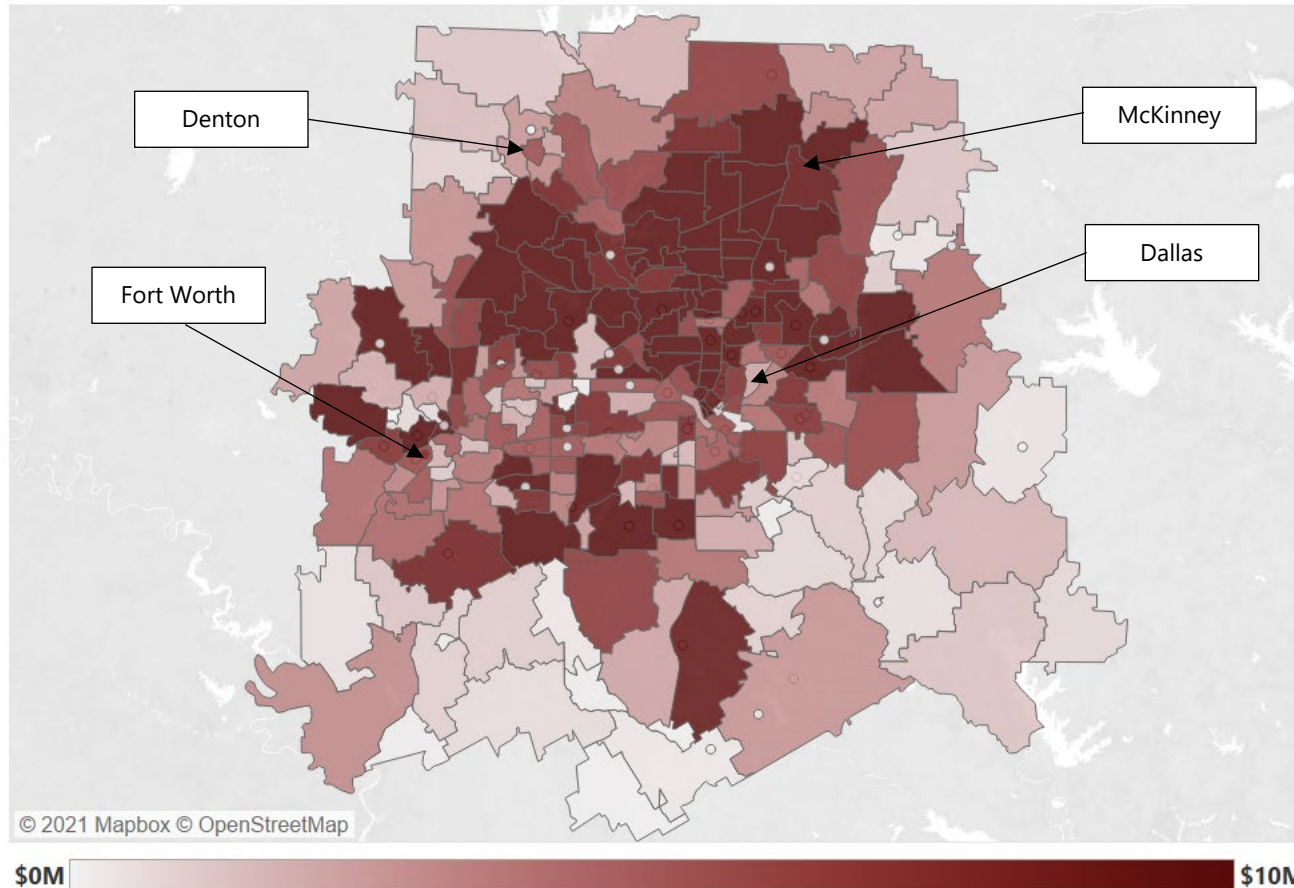
Data as of March 31, 2021 (40 Days After the End of the Event)

The next three maps show reported claims, case-incurred losses, and paid losses for ZIP codes in the following North Texas counties: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, and Tarrant. The arrows are only meant to orient the reader.



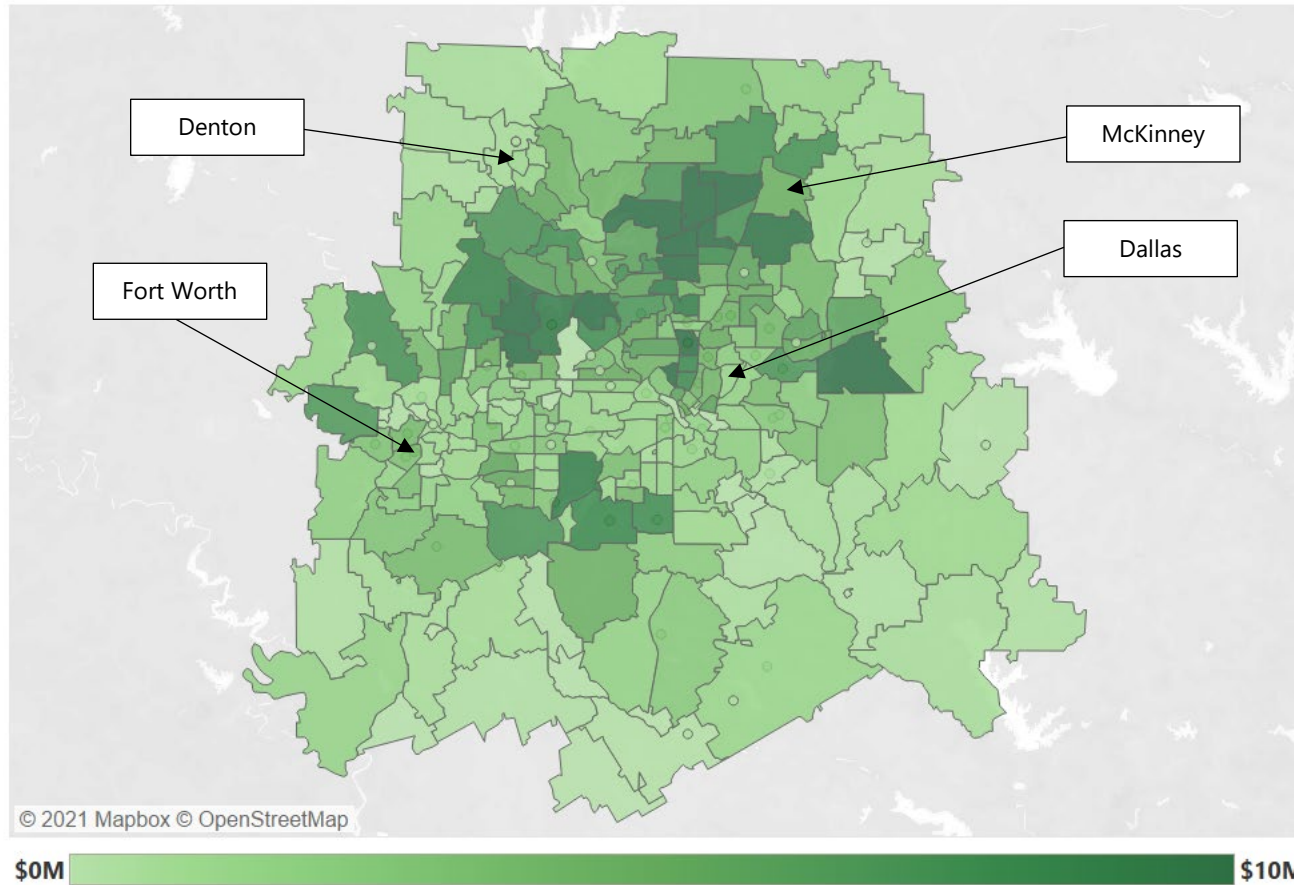
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Amount of Case-Incurred Losses  
All Lines of Insurance Combined  
**DFW Metroplex**



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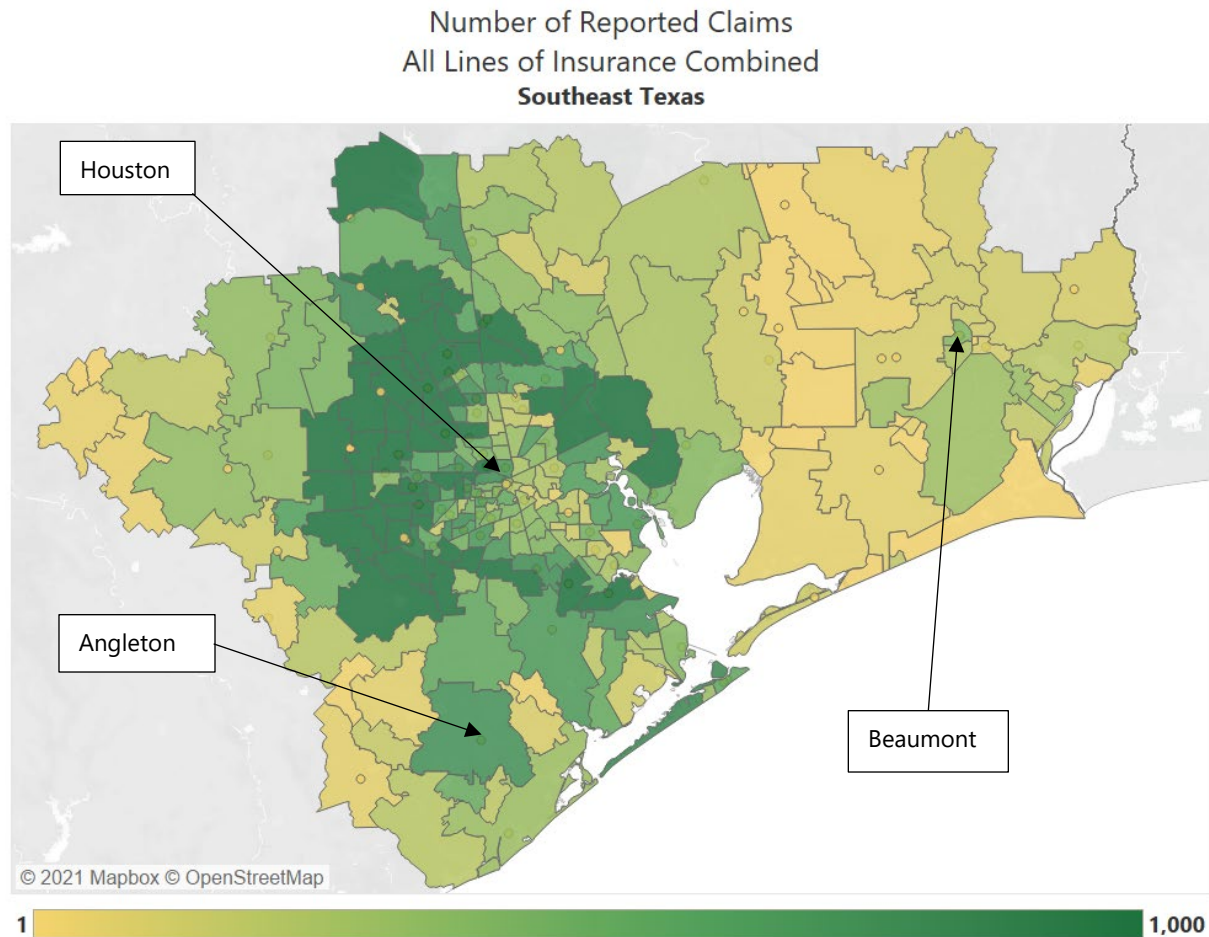
Amount of Paid Losses  
All Lines of Insurance Combined  
**DFW Metroplex**



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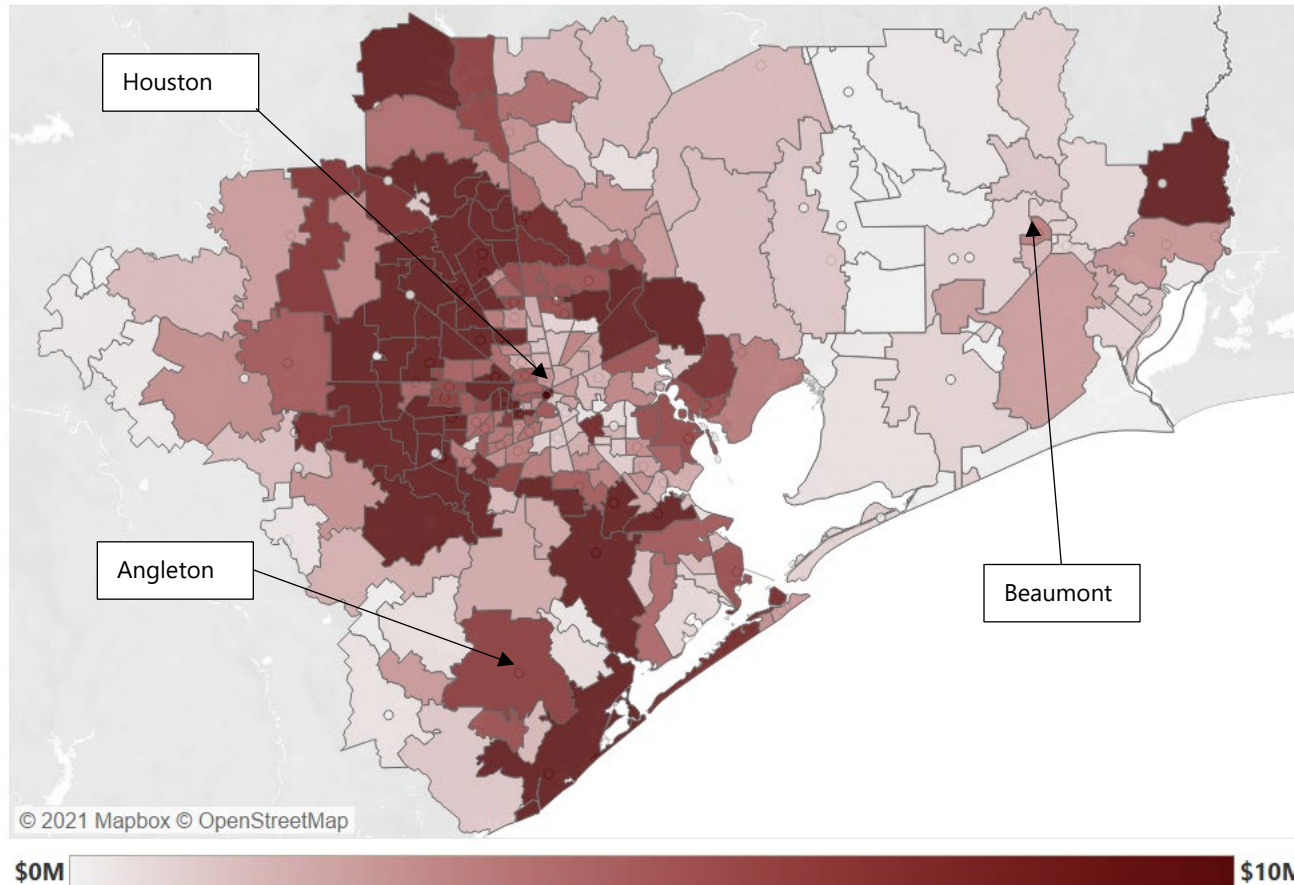
Data as of March 31, 2021 (40 Days After the End of the Event)

The next three maps show reported claims, case-incurred losses, and paid losses for ZIP codes in the following Southeast Texas counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jefferson, Liberty, Montgomery, Orange, and Waller. The arrows are only meant to orient the reader.



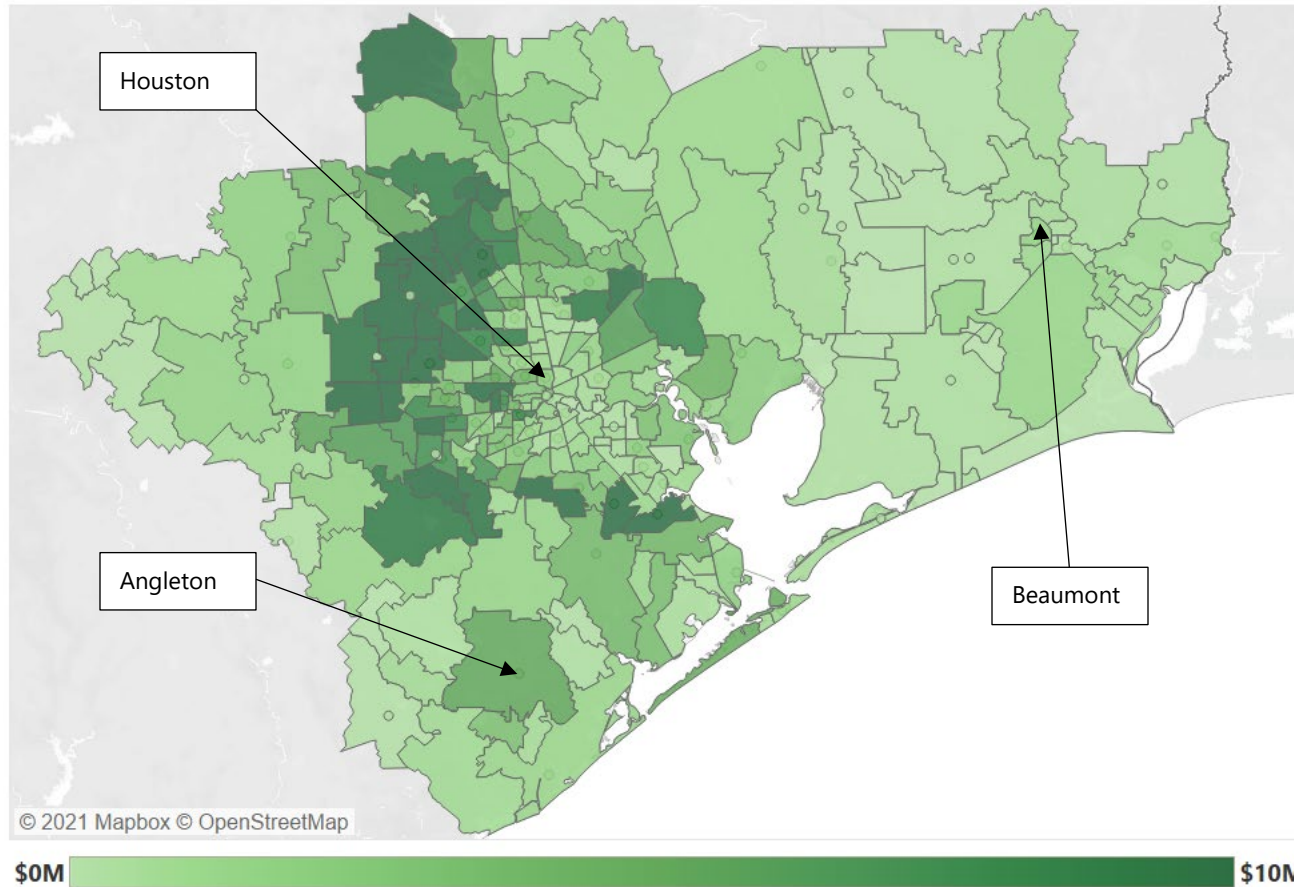
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Amount of Case-Incurred Losses  
All Lines of Insurance Combined  
**Southeast Texas**



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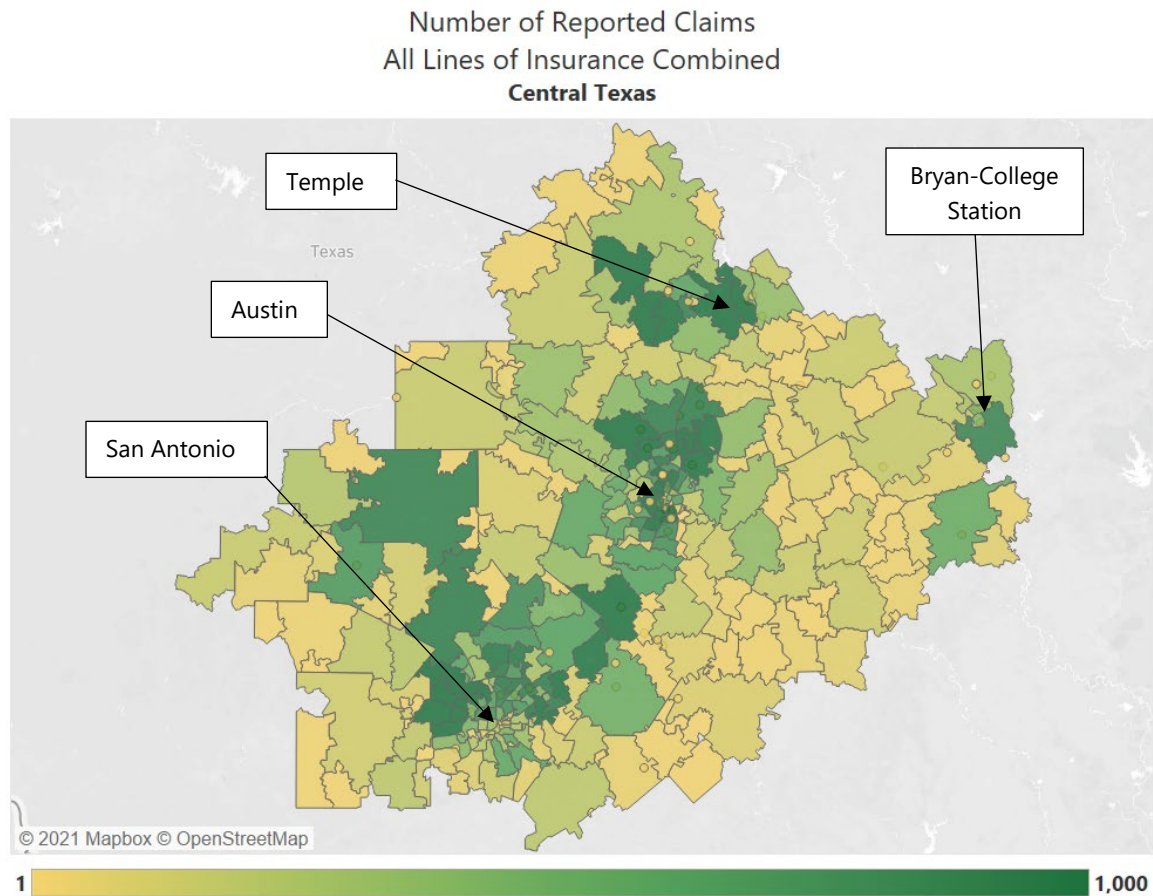
Amount of Paid Losses  
All Lines of Insurance Combined  
**Southeast Texas**



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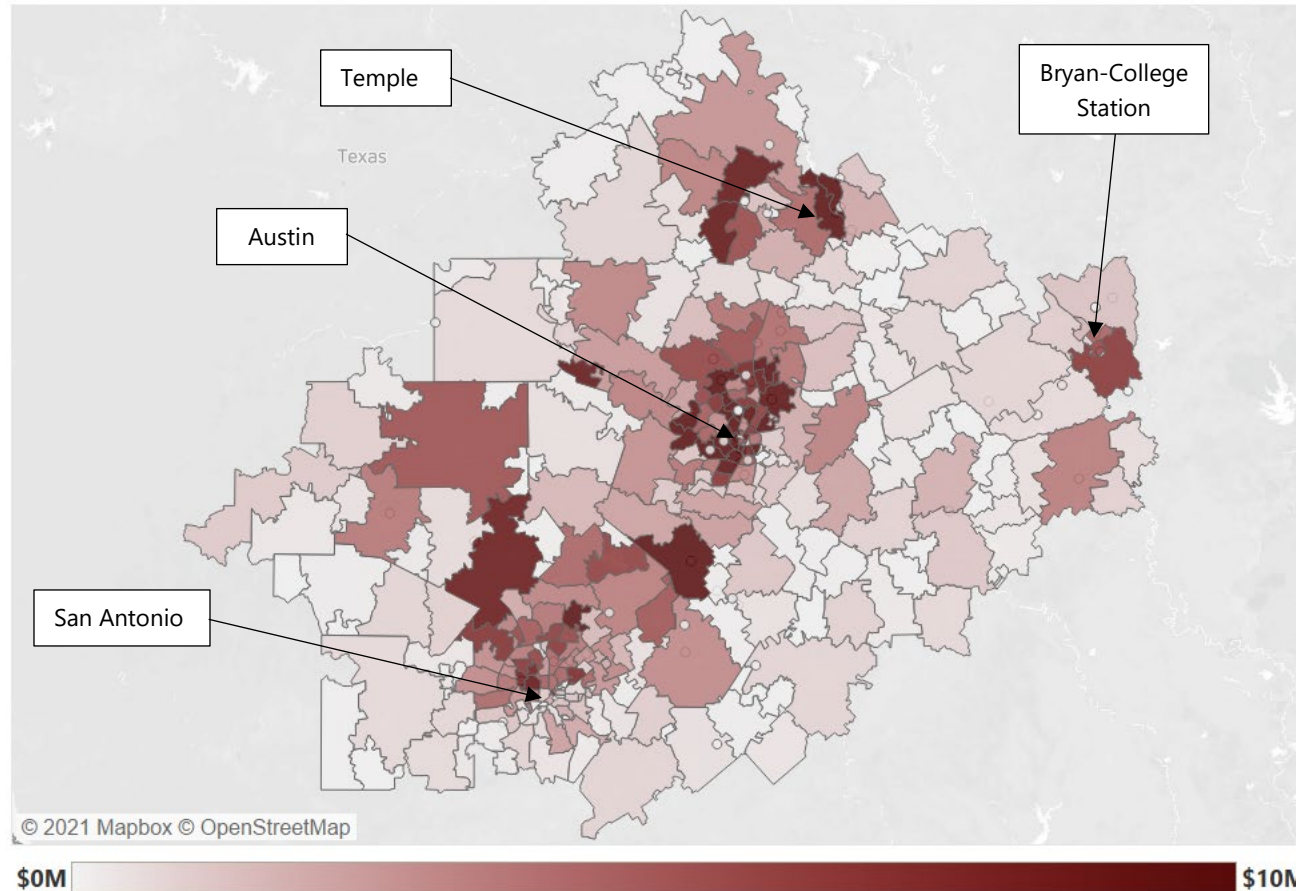
The next three maps show reported claims, case-incurred losses, and paid losses for ZIP codes in the following Central Texas counties: Bandera, Bastrop, Bell, Bexar, Blanco, Brazos, Burleson, Burnet, Caldwell, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays, Kendall, Kerr, Lampasas, Lee, Llano, Medina, Milam, Travis, Washington, Williamson, and Wilson. The arrows are only meant to orient the reader.





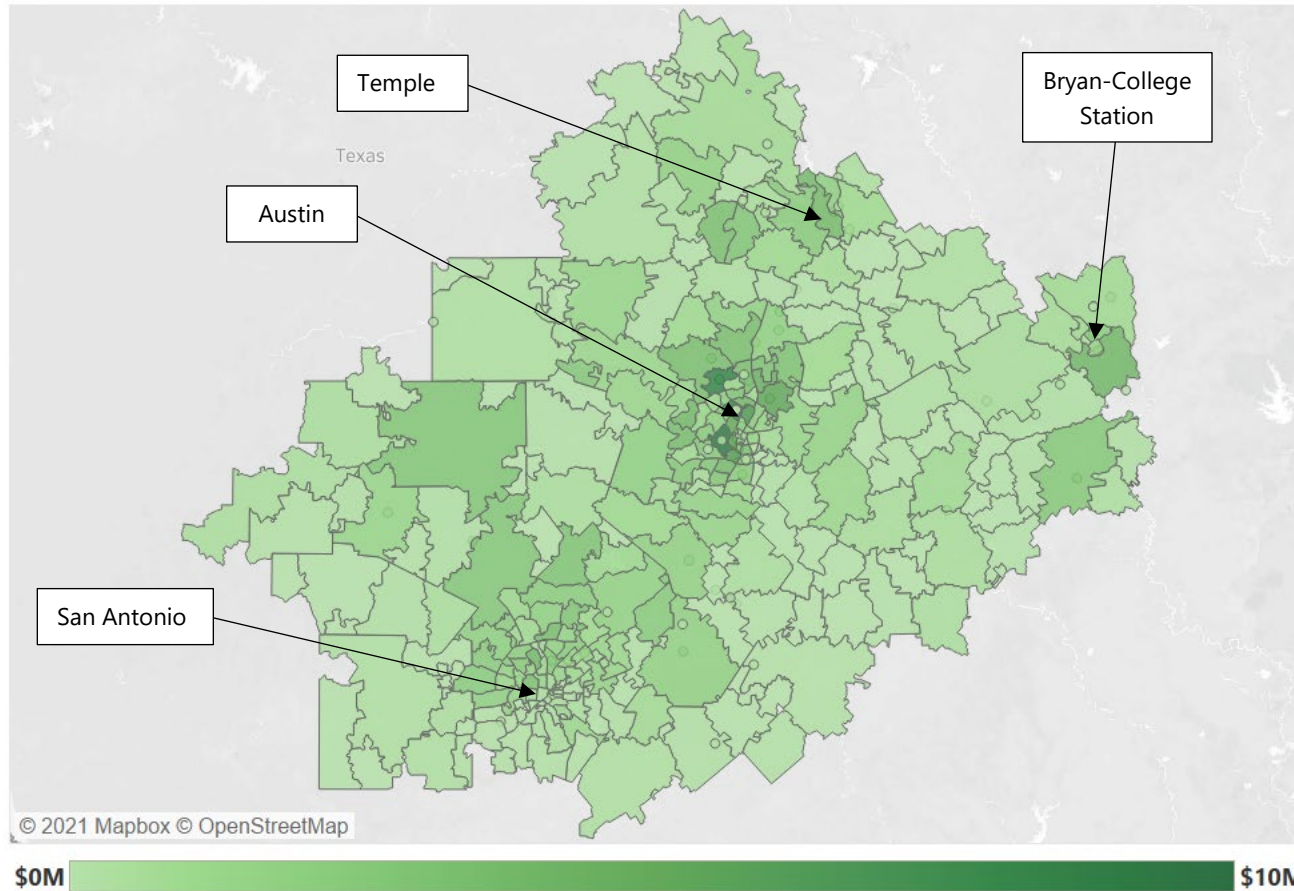
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Amount of Case-Incurred Losses  
All Lines of Insurance Combined  
**Central Texas**



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Amount of Paid Losses  
All Lines of Insurance Combined  
**Central Texas**



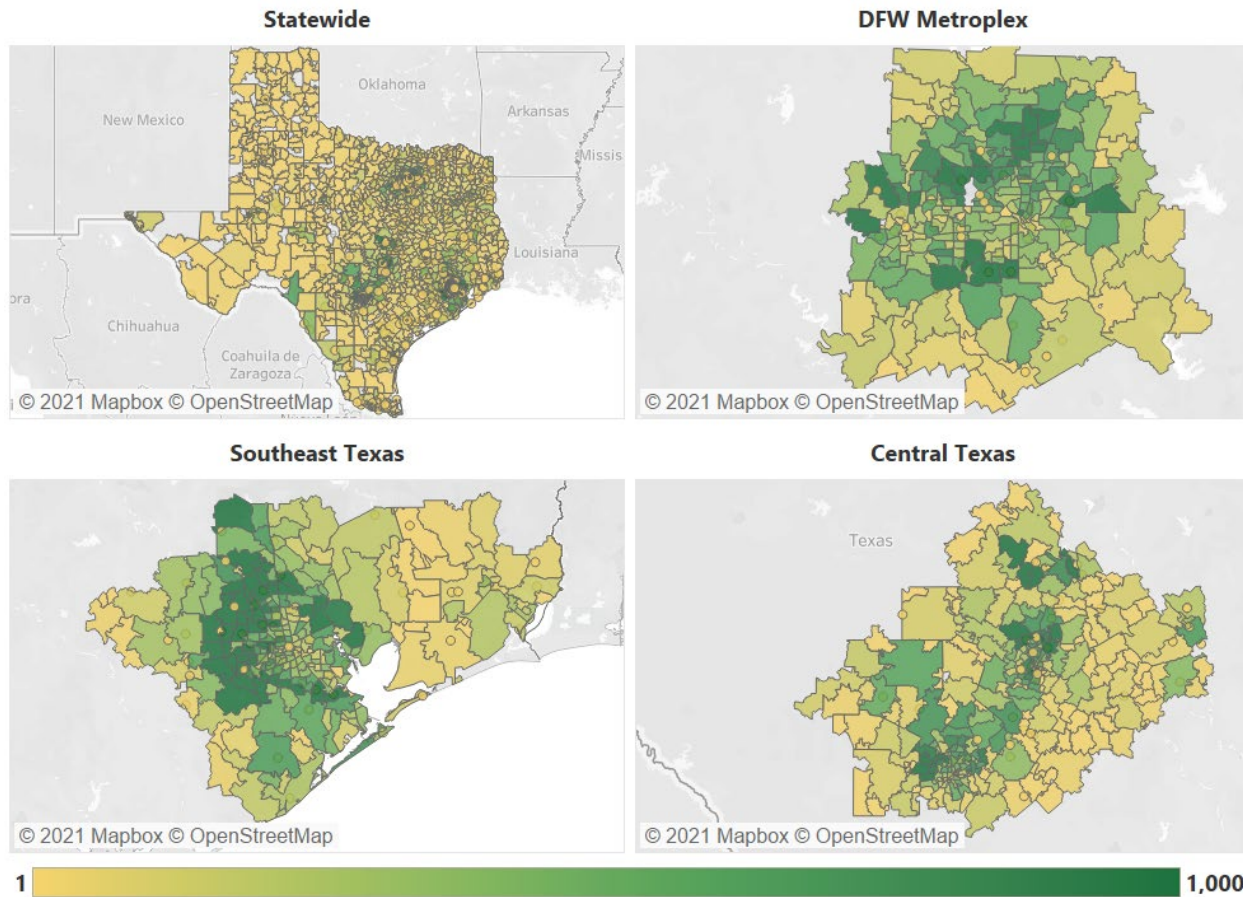
# Texas Department of Insurance February 2021 Texas Winter Weather Event

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## Residential Property Insurance

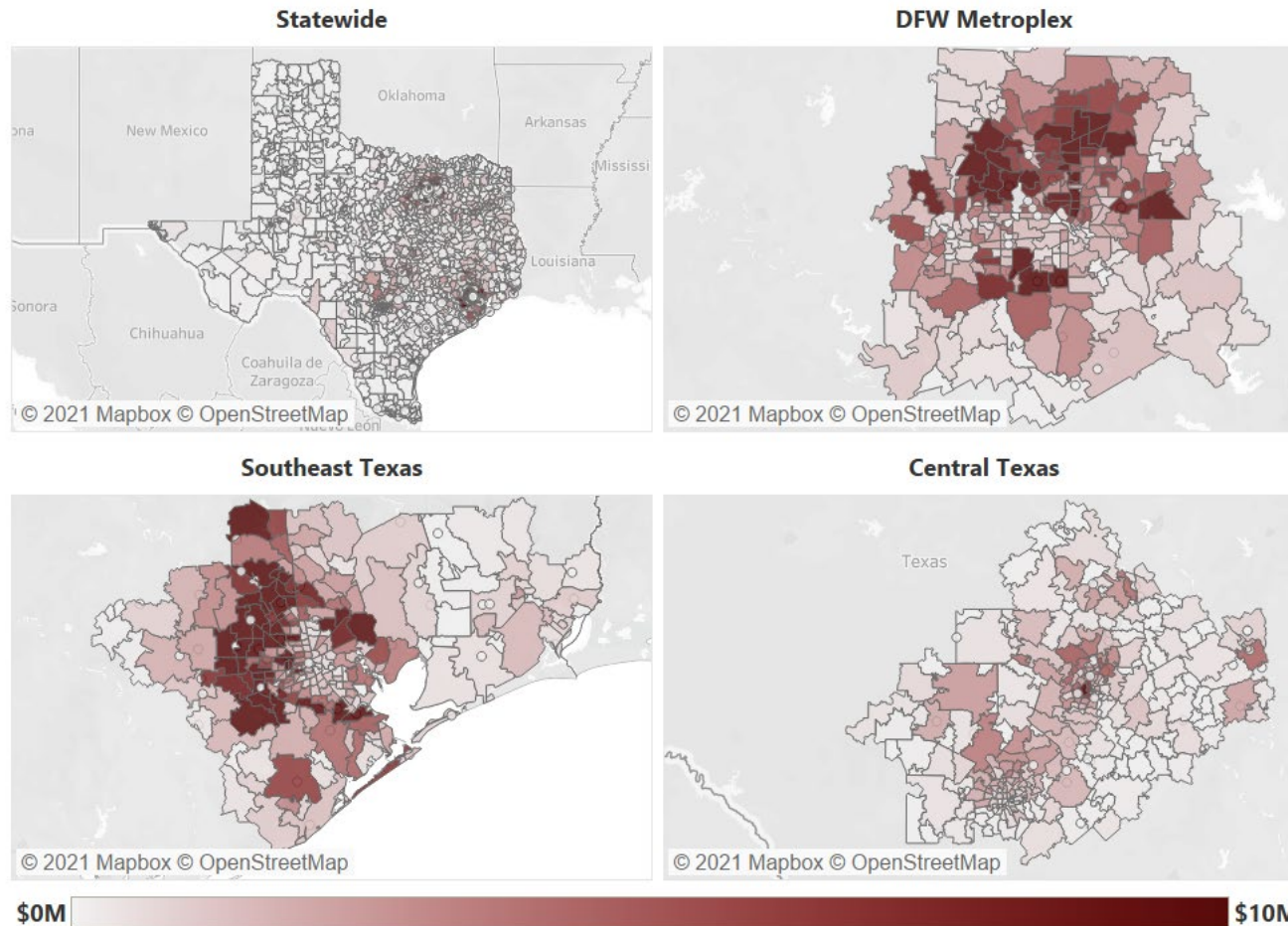
The following maps shows key statistics for residential property insurance claims by ZIP code.

### Residential Property Insurance Reported Claims



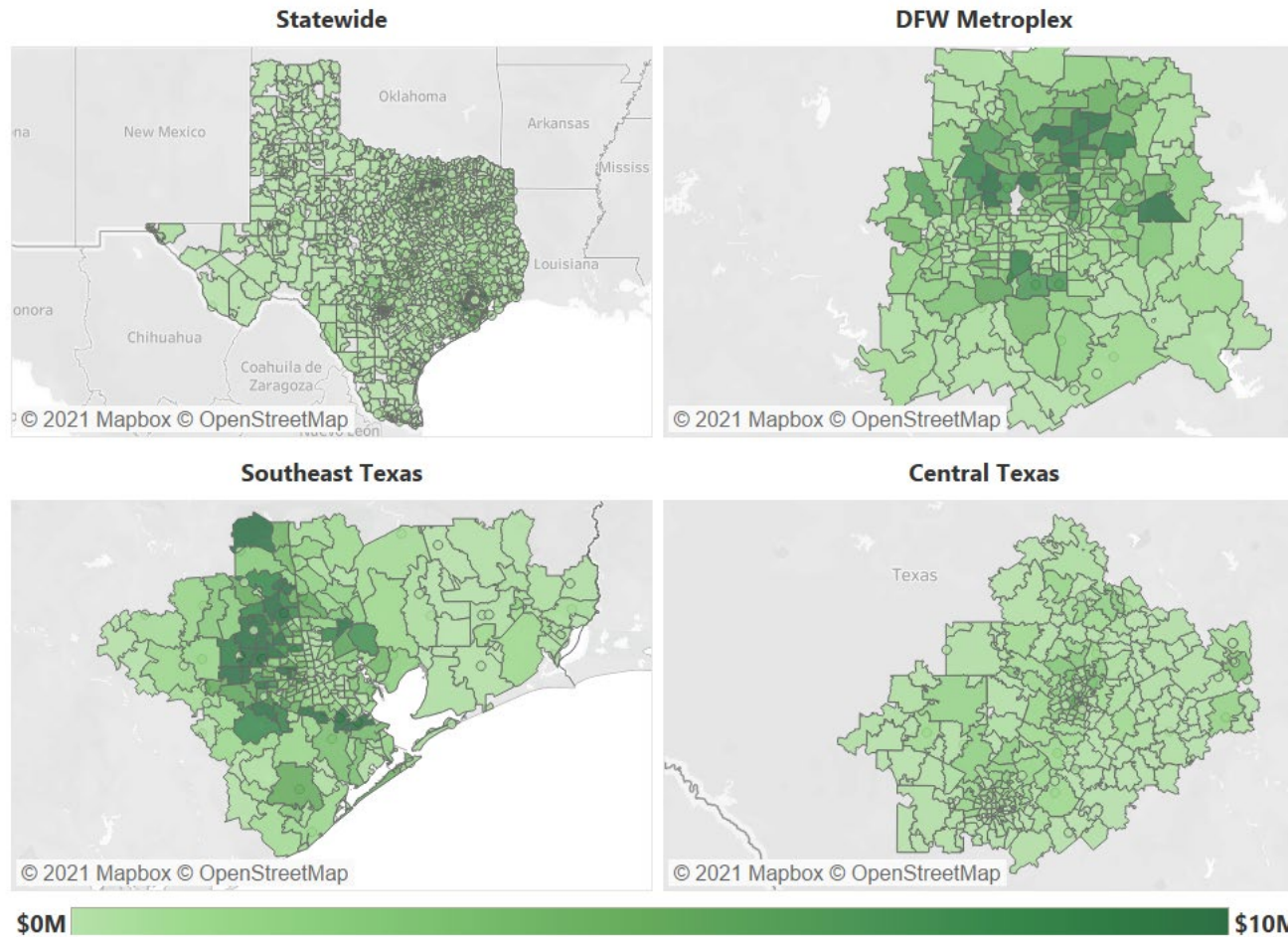
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**Residential Property**  
**Amount of Case-Incurred Losses**



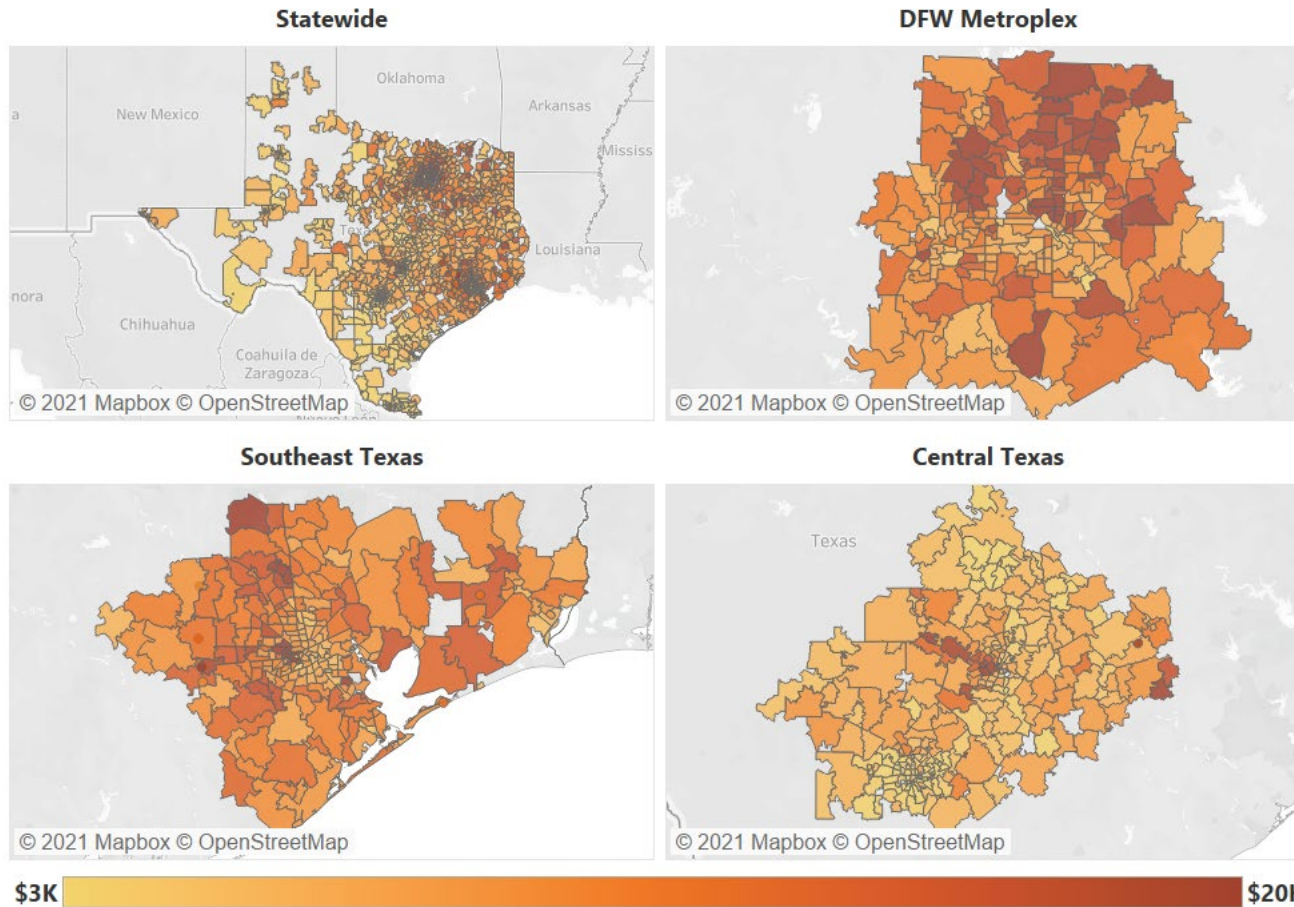
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**Residential Property  
Amount of Paid Losses**



**Texas Department of Insurance**  
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Residential Property Insurance  
**Average Case-Incurred Losses**  
ZIP Codes with 10 or more Reported Claims

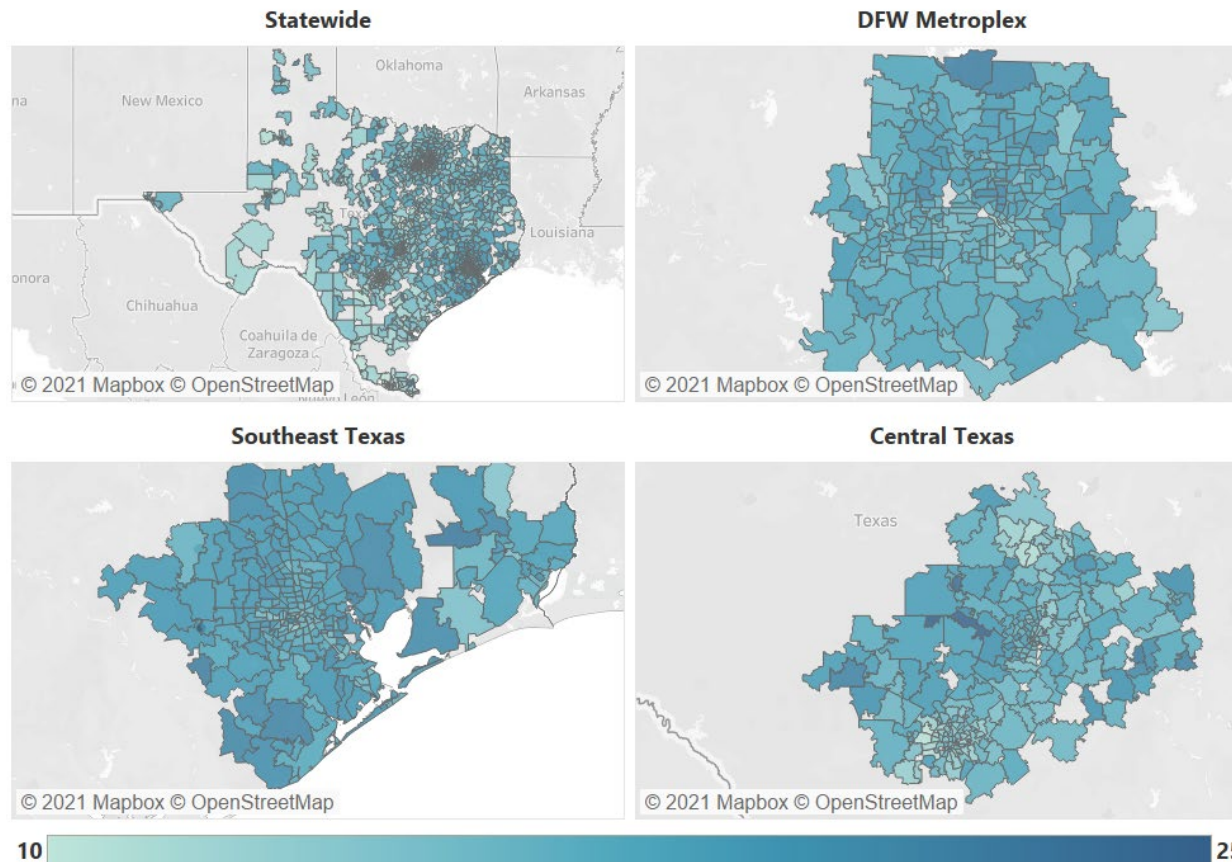


# Texas Department of Insurance February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

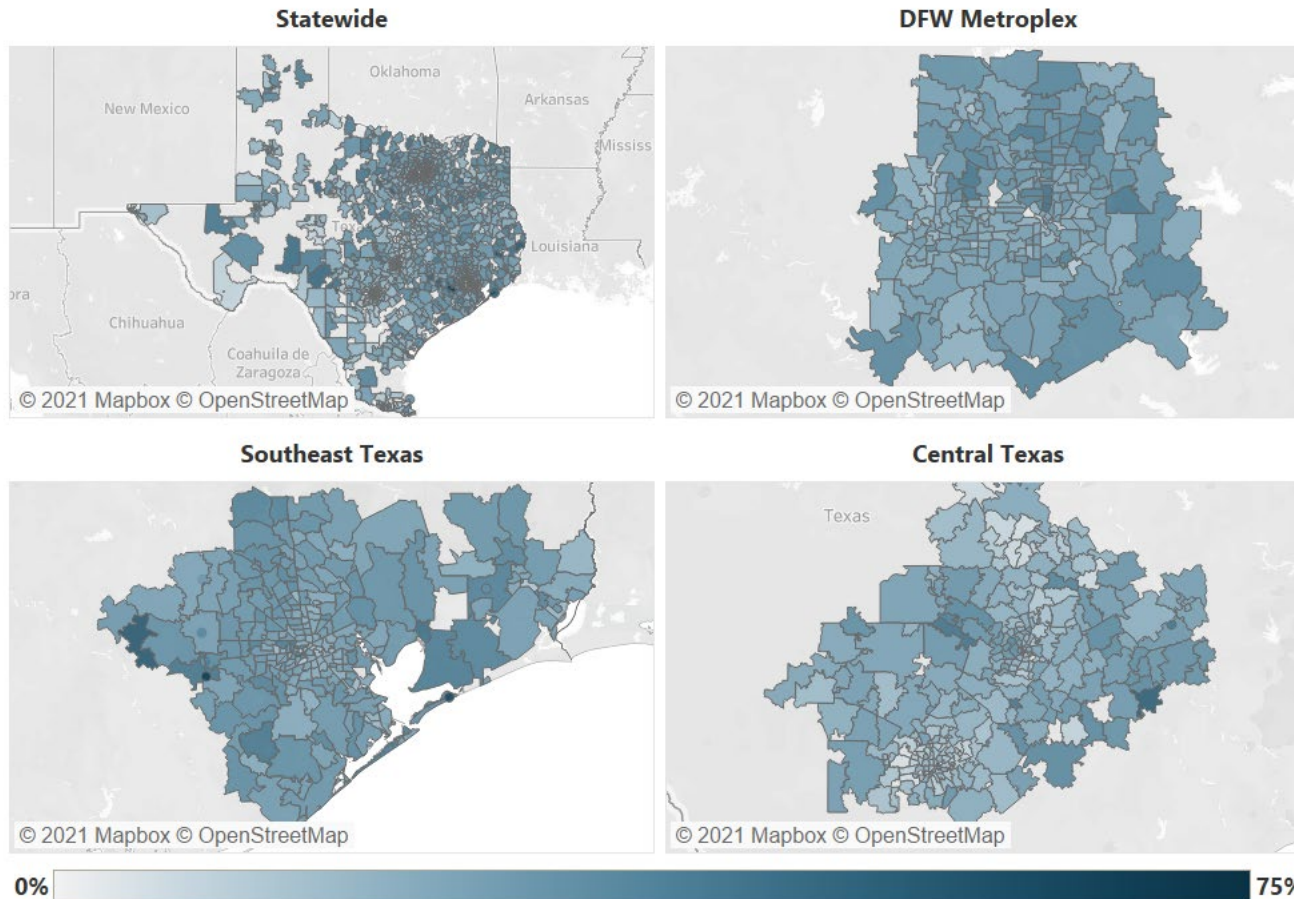
The average number of days to close a claim is only available for residential property insurance.

## Residential Property Insurance Average Number of Days to Close a Claim ZIP Codes with 10 or more Closed Claims



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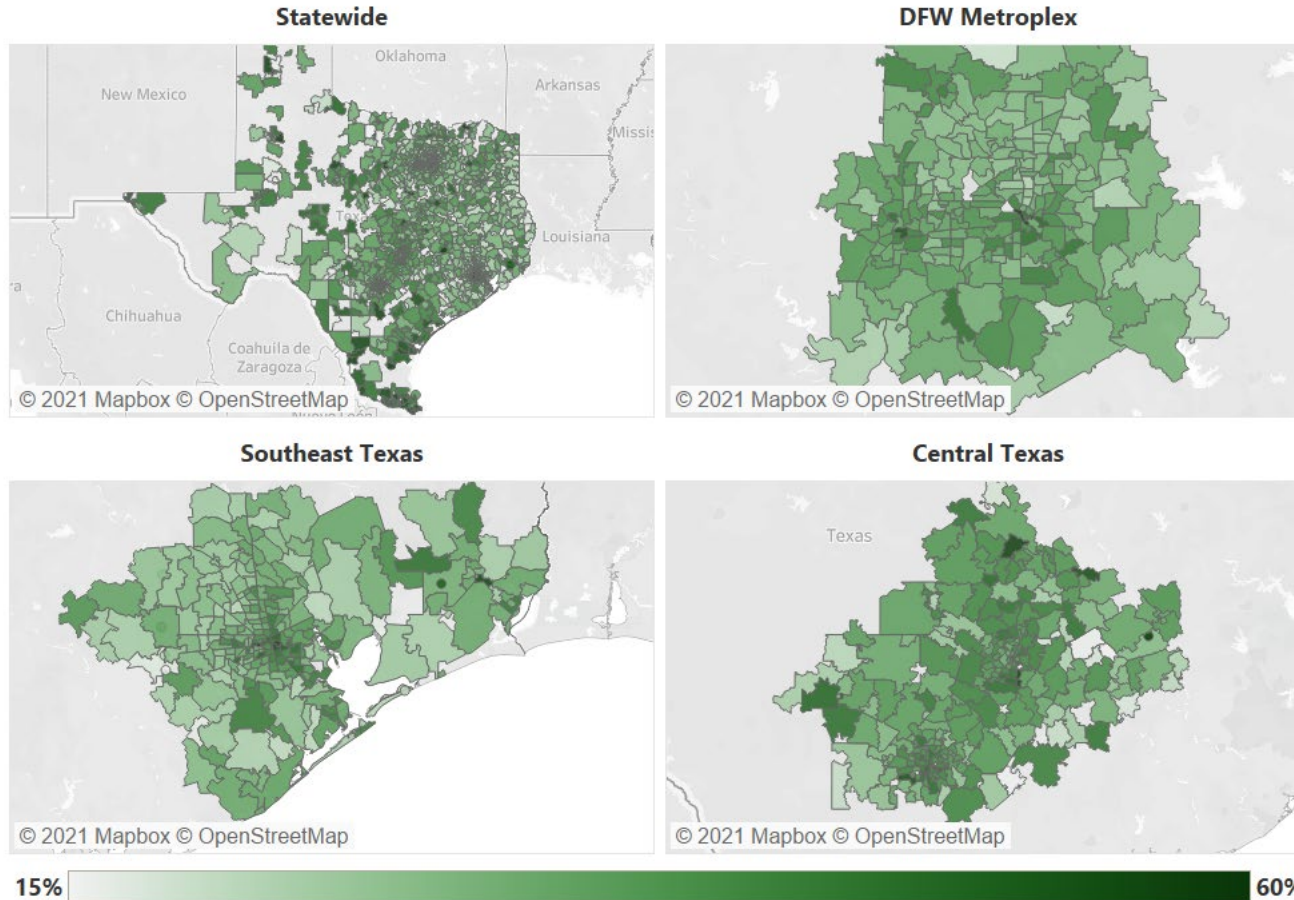
Residential Property Insurance  
**Percentage of Claims Open**  
ZIP Codes with 10 or more Reported Claims





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Residential Property Insurance  
**Percentage of Claims Closed without Payment**  
ZIP Codes with 10 or more Reported Claims

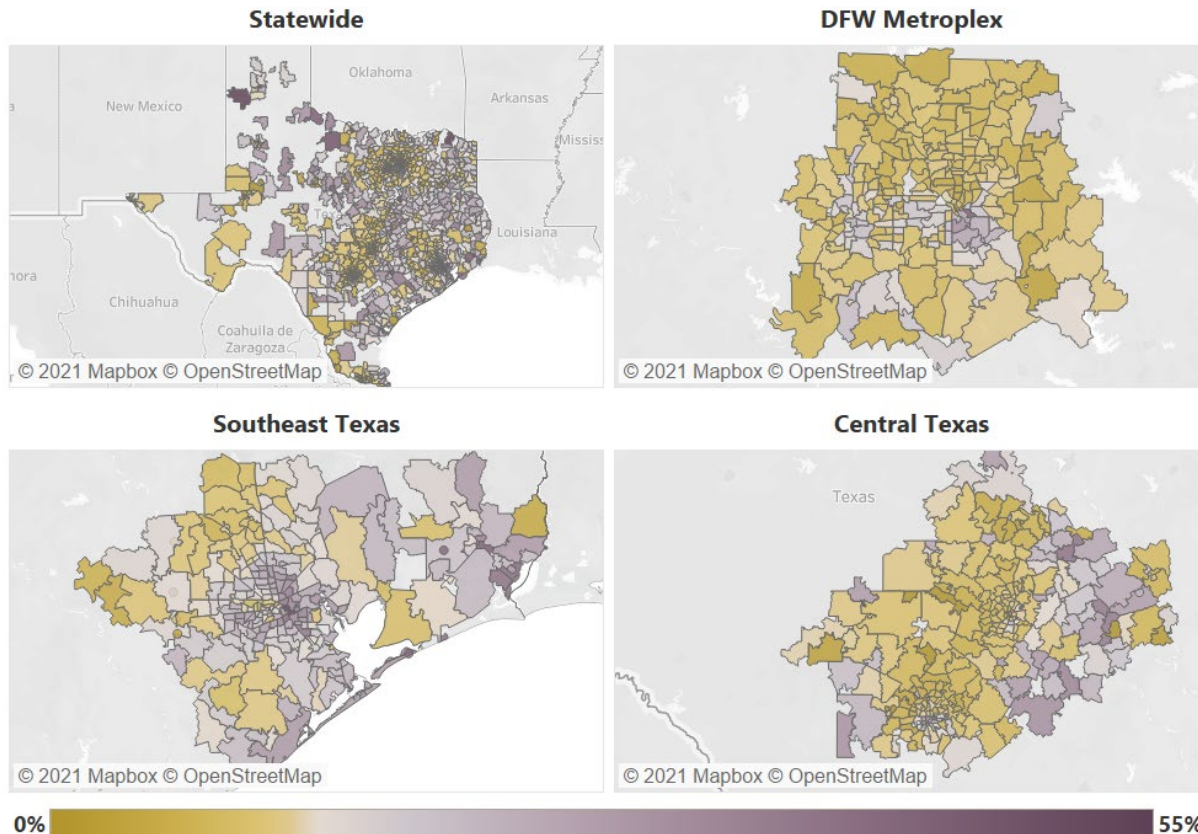


# Texas Department of Insurance February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

This map shows the percentage of residential property claims on policies that provide actual cash value (ACV) coverage to the dwelling or roof. ZIP codes with percentages less than the median percentage of 13.3% are shown as gold. ZIP codes with percentages greater than the median percentage are shown as purple.

Residential Property Insurance  
Percent of Reported Claims on ACV Policies  
ZIP Codes with 10 or more Reported Claims



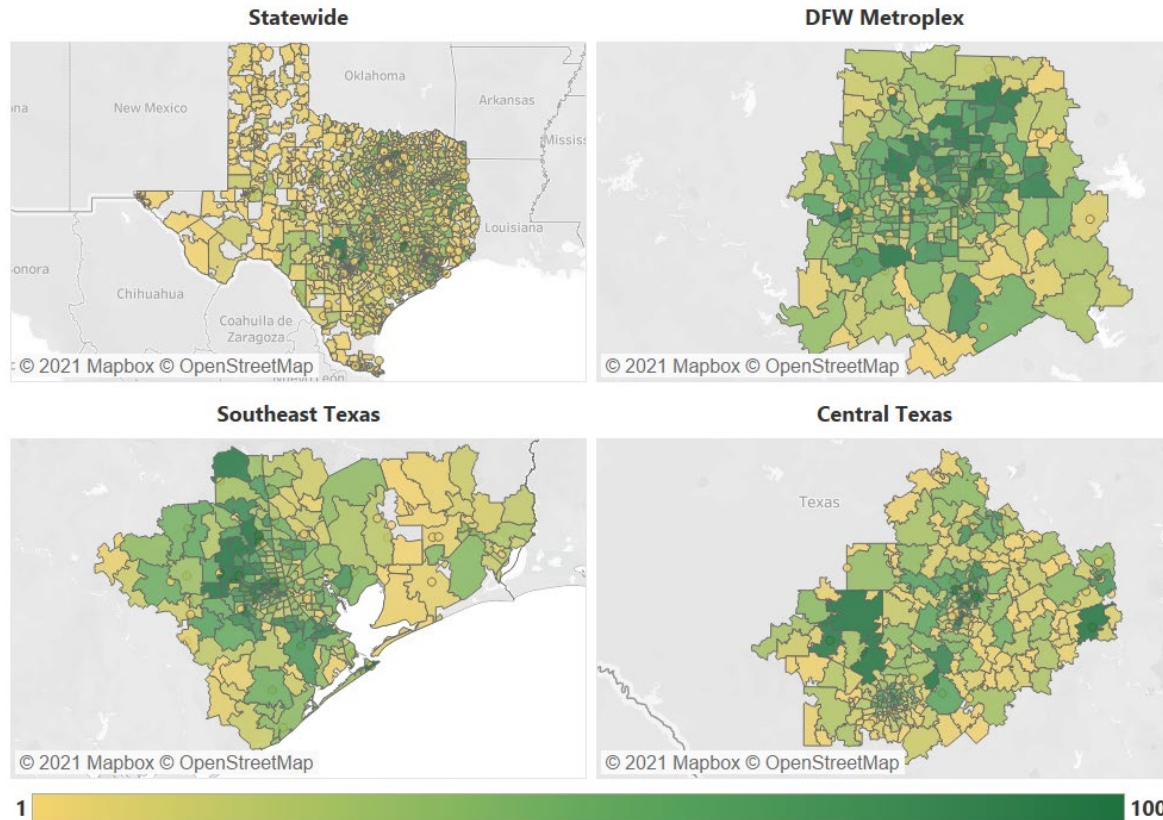
# Texas Department of Insurance February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

## Commercial Property Insurance

The following maps shows key statistics for commercial property insurance claims by ZIP code.

Commercial Property  
Number of Reported Claims

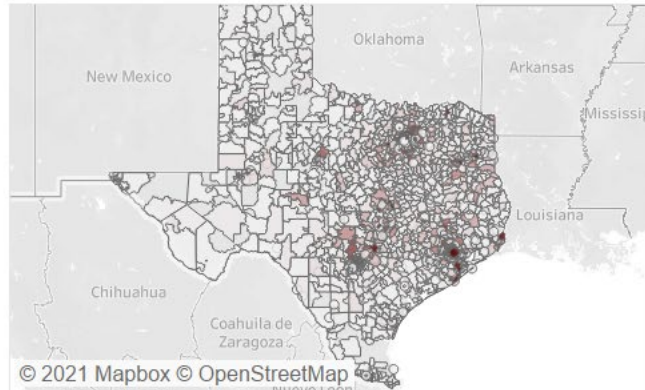


# Texas Department of Insurance February 2021 Texas Winter Weather Event

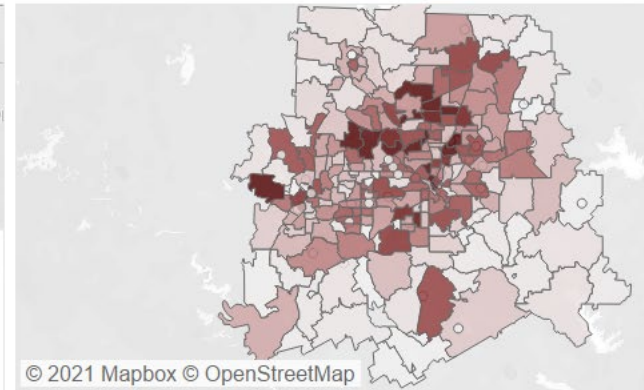
Data as of March 31, 2021 (40 Days After the End of the Event)

## Commercial Property Amount of Case-Incurred Losses

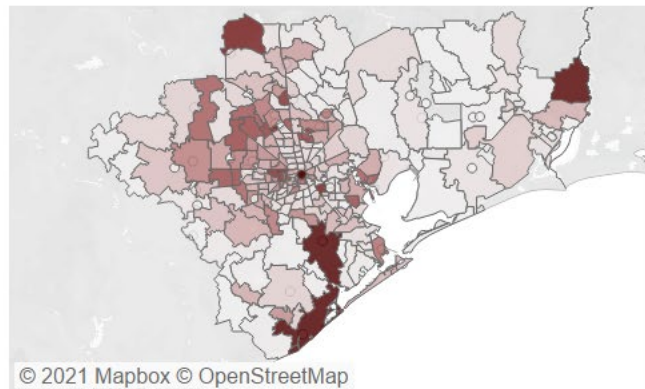
Statewide



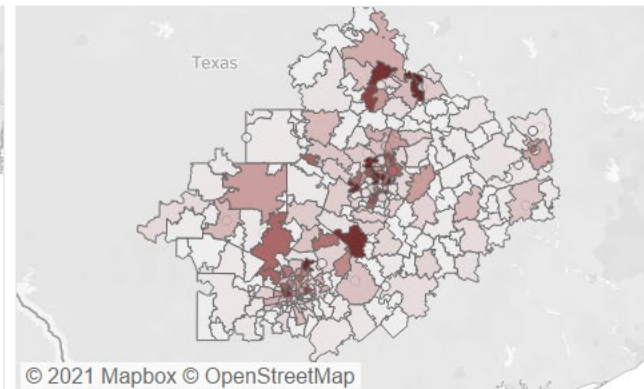
DFW Metroplex



Southeast Texas



Central Texas

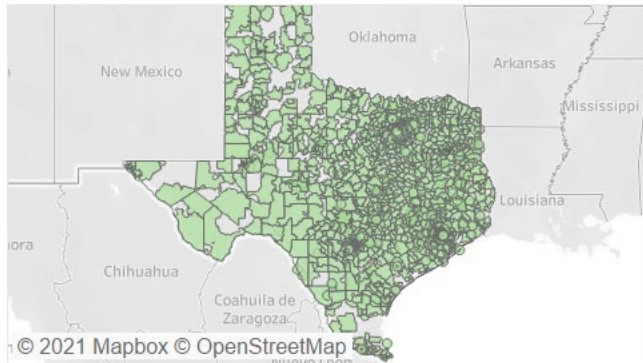


# Texas Department of Insurance February 2021 Texas Winter Weather Event

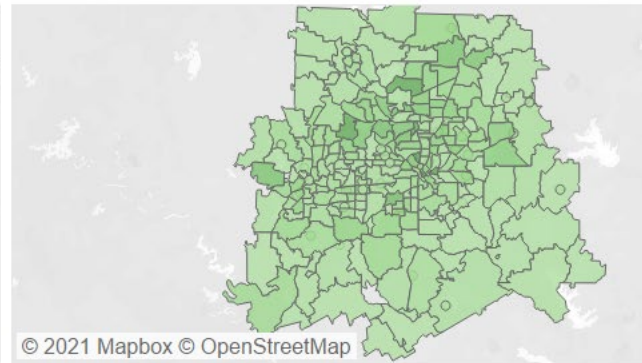
Data as of March 31, 2021 (40 Days After the End of the Event)

## Commercial Property Amount of Paid Losses

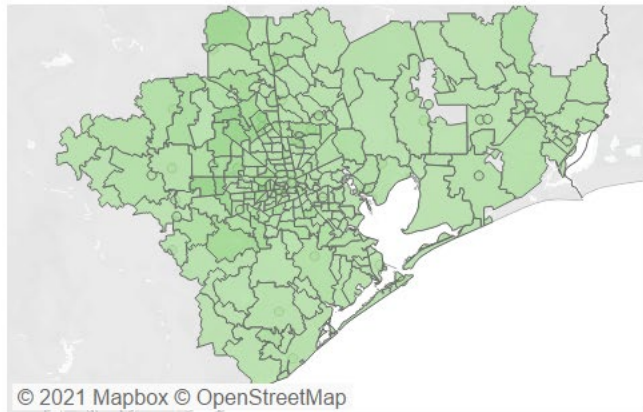
Statewide



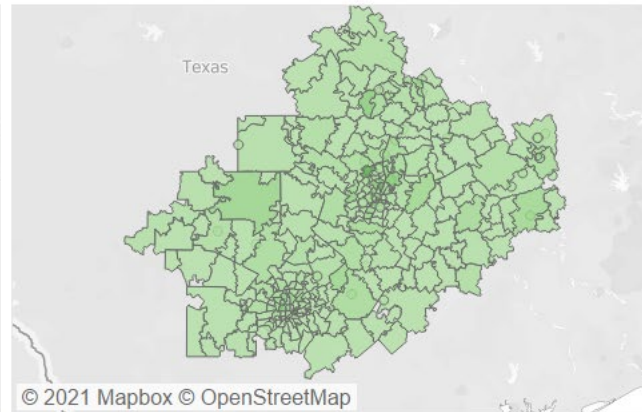
DFW Metroplex



Southeast Texas



Central Texas



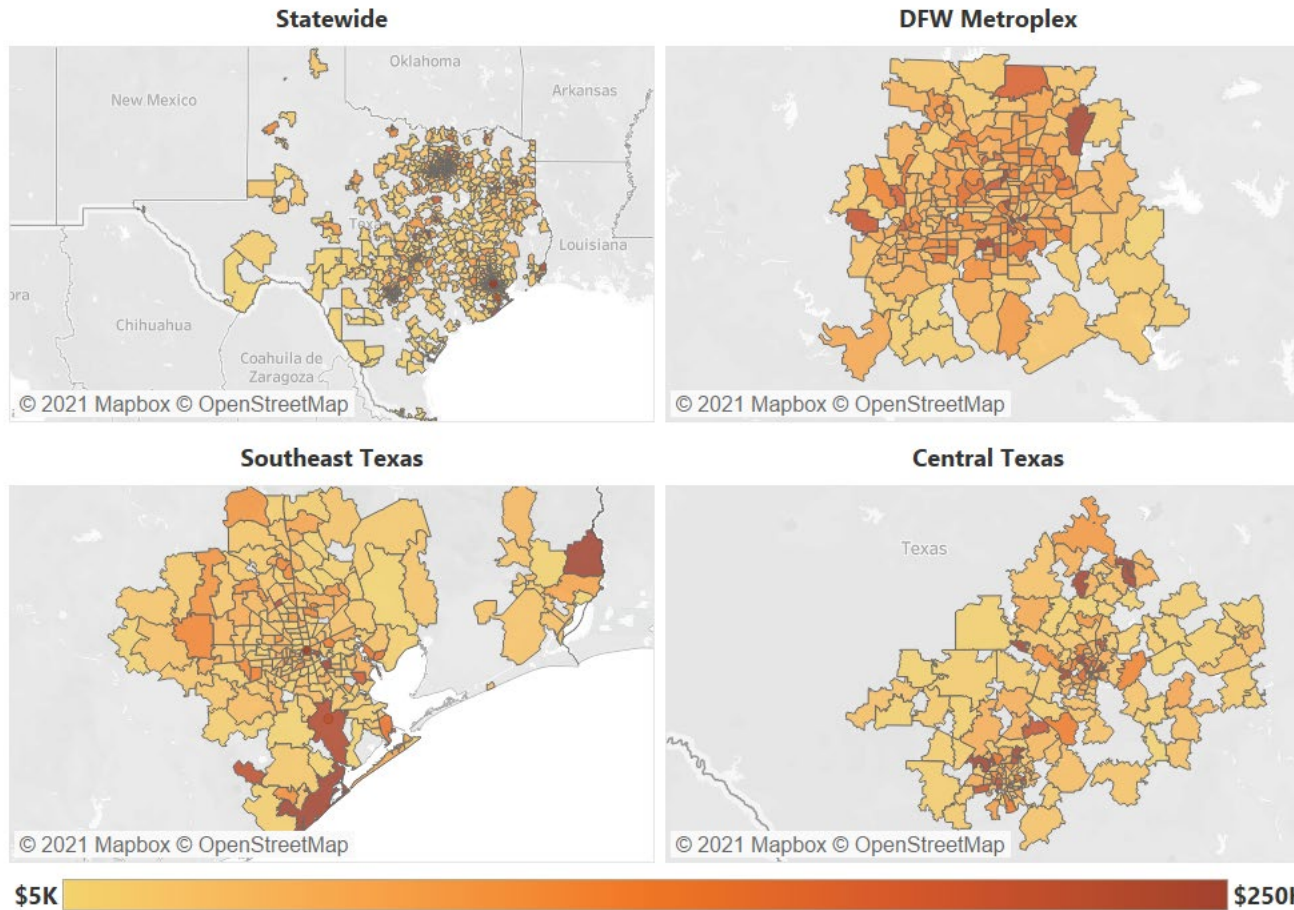
\$0M



\$10M

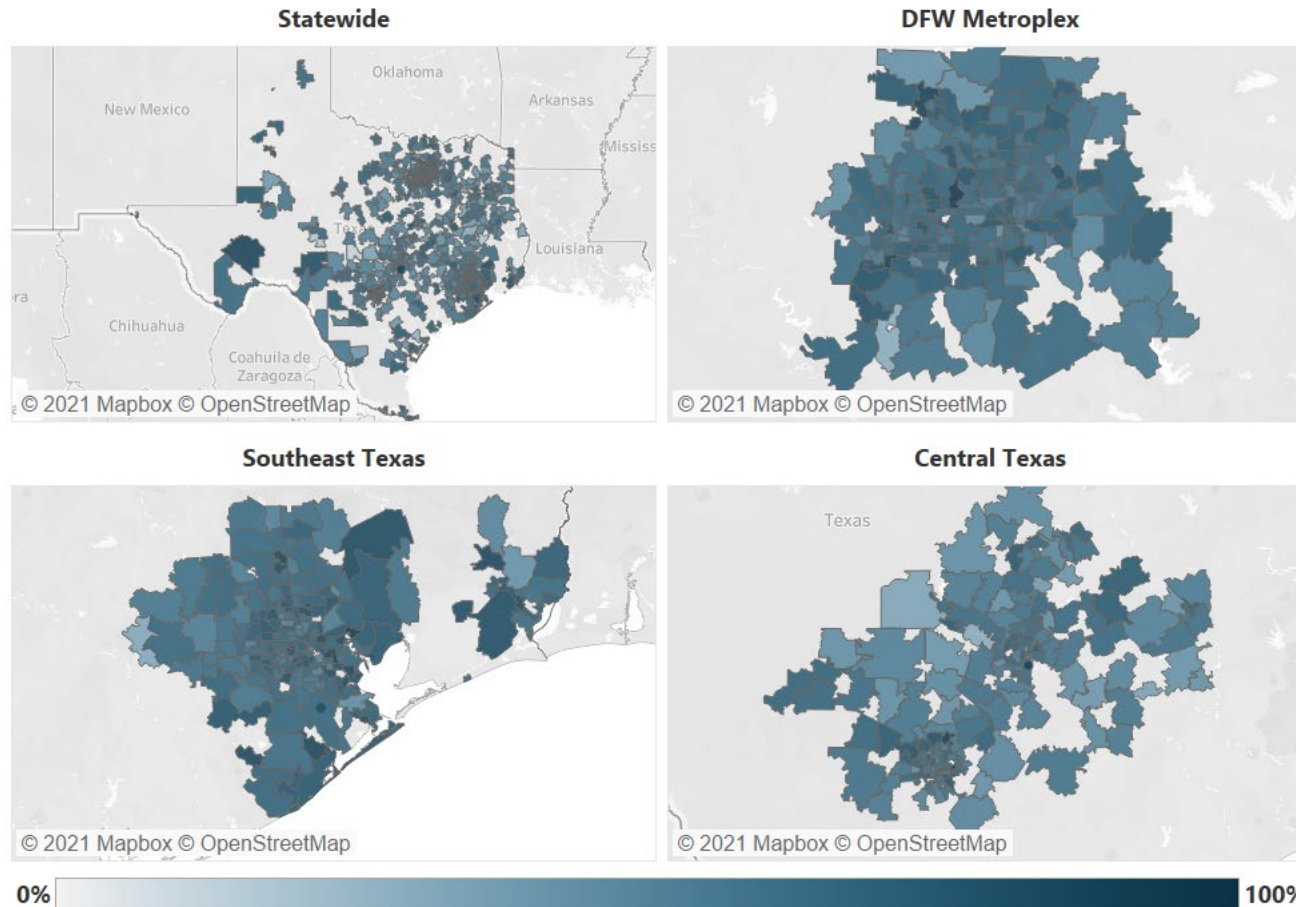
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Commercial Property  
**Average Case-Incurred Loss**  
ZIP Codes with 10 or more Reported Claims



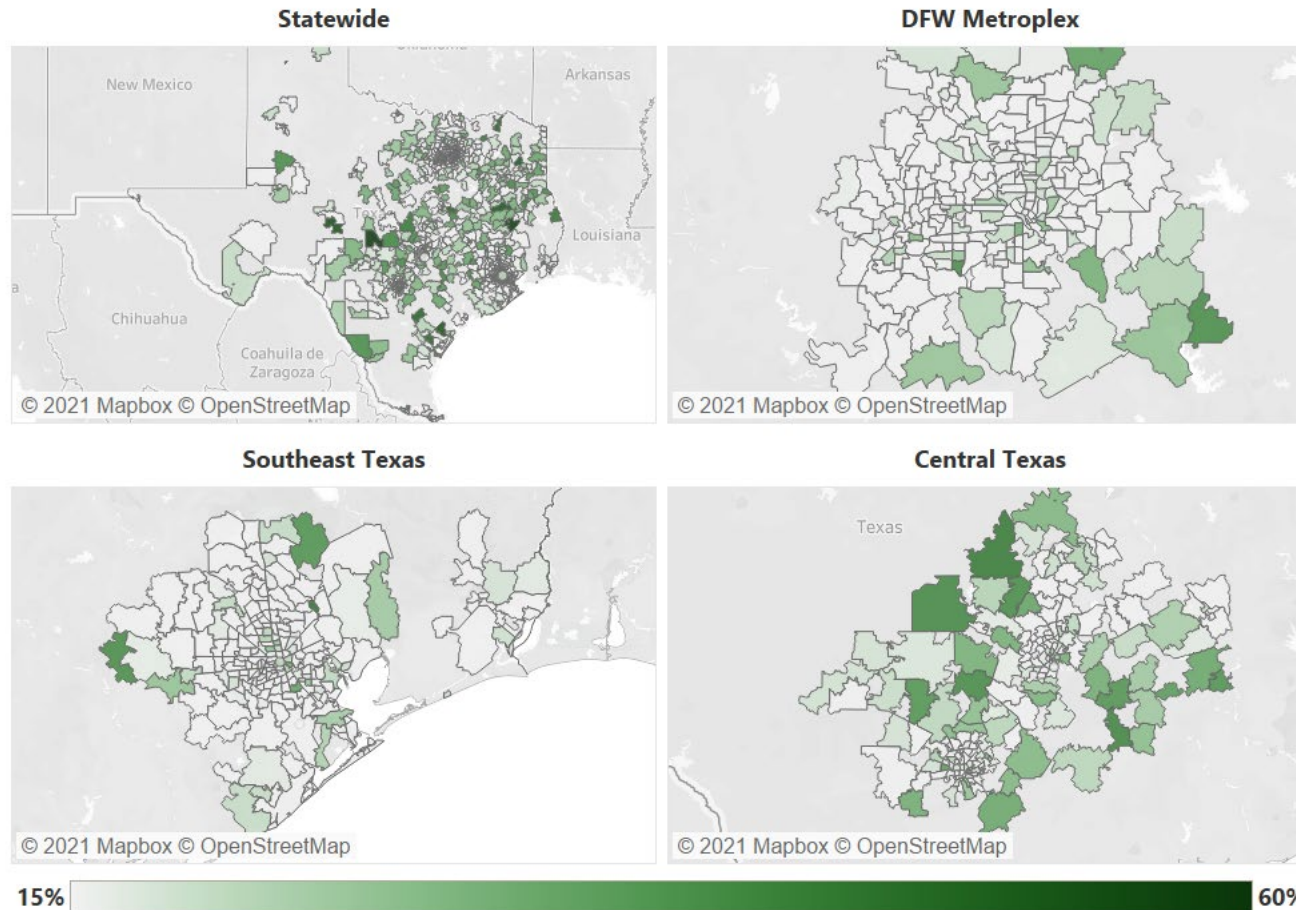
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

**Commercial Property**  
**Percentage of Claims Open**  
ZIP Codes with 10 or more Reported Claims



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Commercial Property  
**Percentage of Claims Closed without Payment**  
ZIP Codes with 10 or more Reported Claims





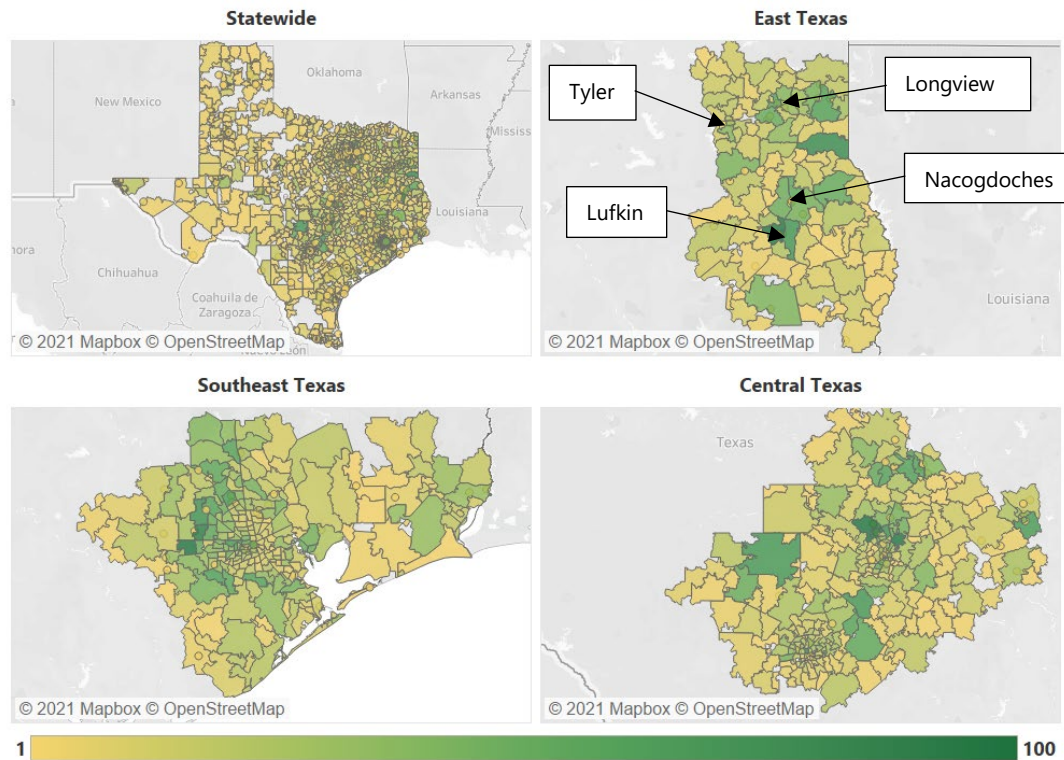
# Texas Department of Insurance February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

## Automobile Insurance

The following maps shows key statistics for automobile insurance claims by ZIP code. The automobile maps include East Texas instead of DFW because East Texas showed more automobile claims than other areas.

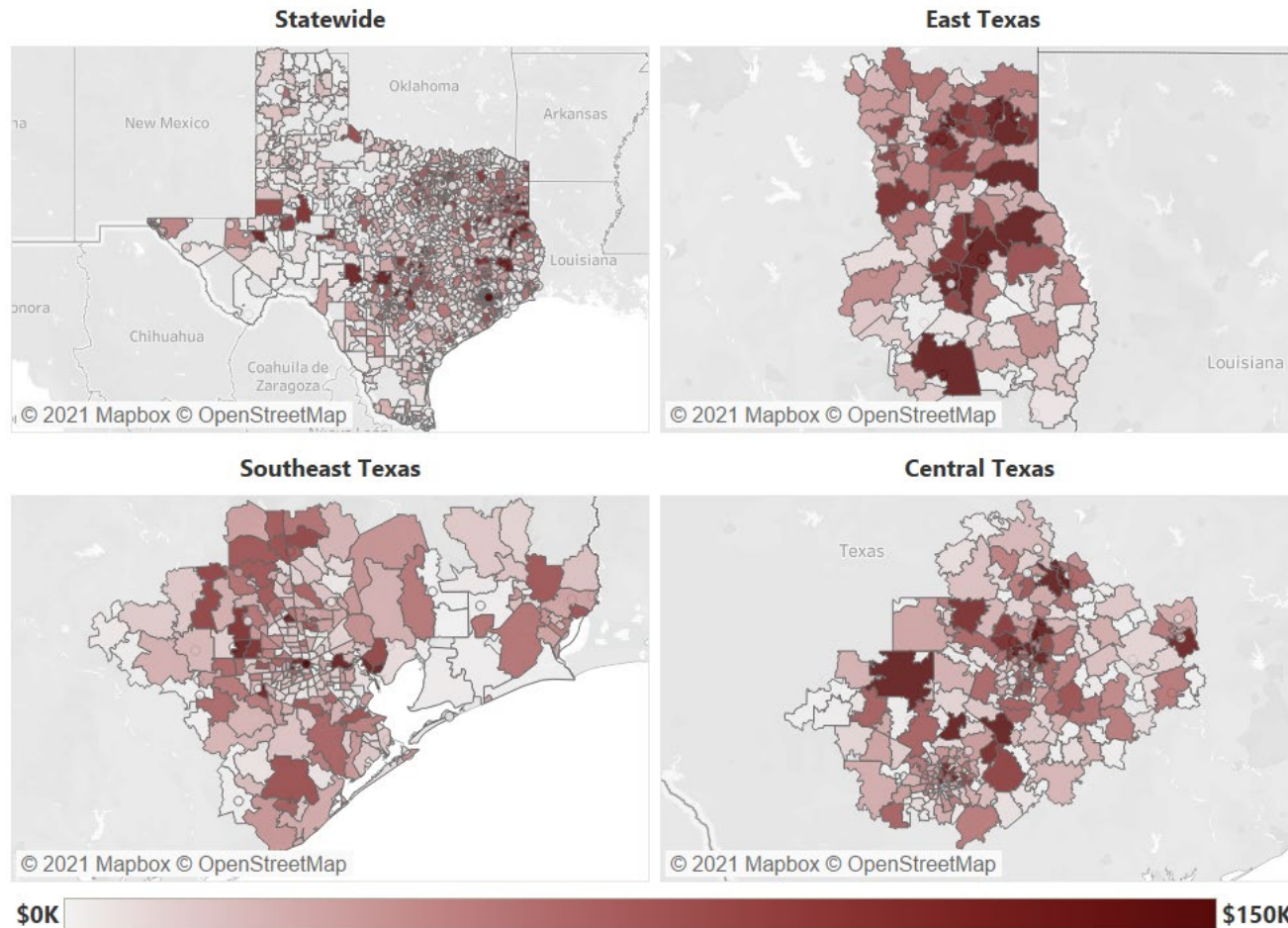
Personal and Commercial Automobile Insurance Combined  
Number of Reported Claims



East Texas includes the following counties: Angelina, Cherokee, Gregg, Harrison, Houston, Jasper, Marion, Nacogdoches, Newton, Panola, Polk, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Trinity, Tyler, Upshur, and Wood.

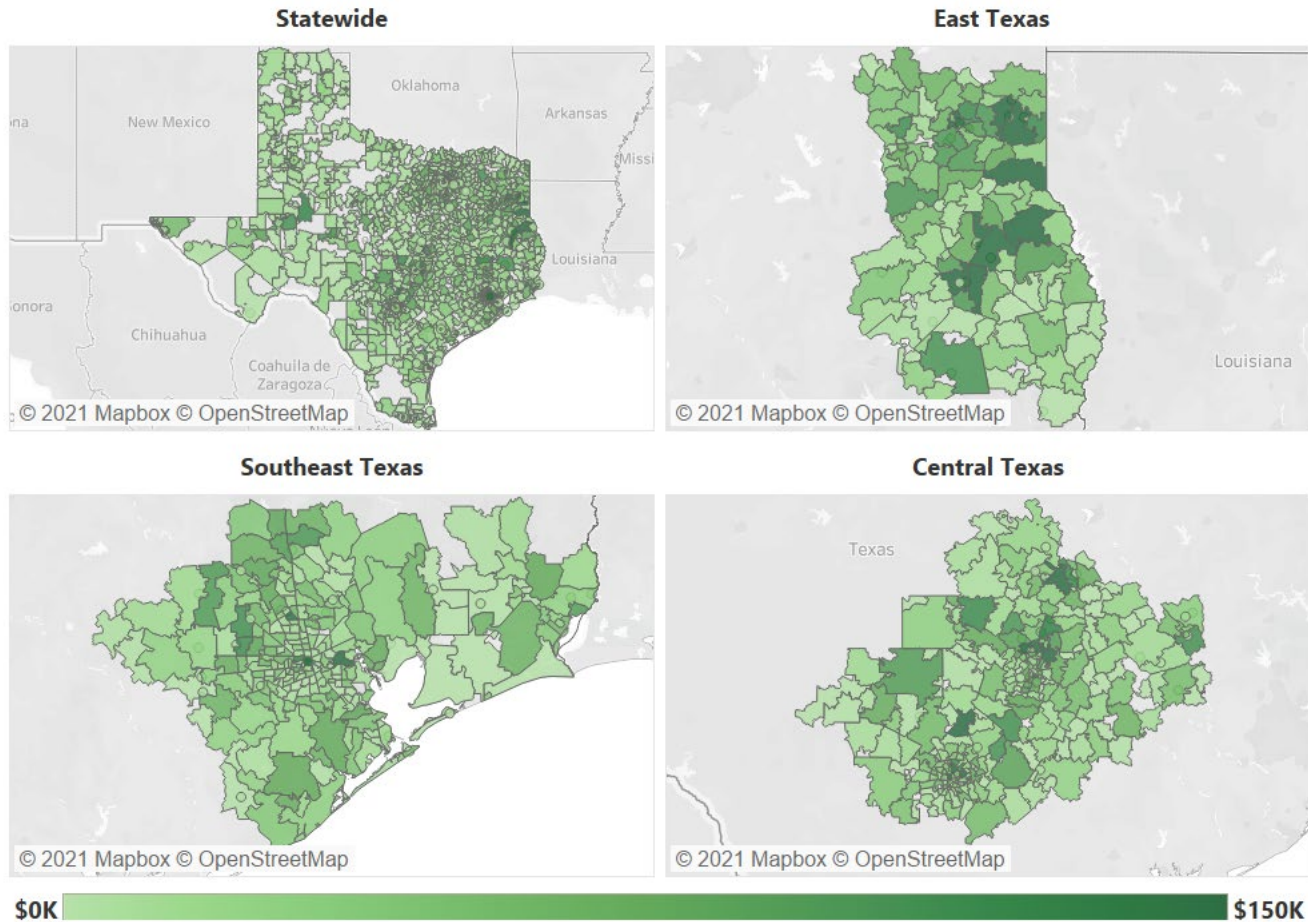
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Personal and Commercial Automobile Insurance Combined  
**Amount of Case-Incurred Losses**



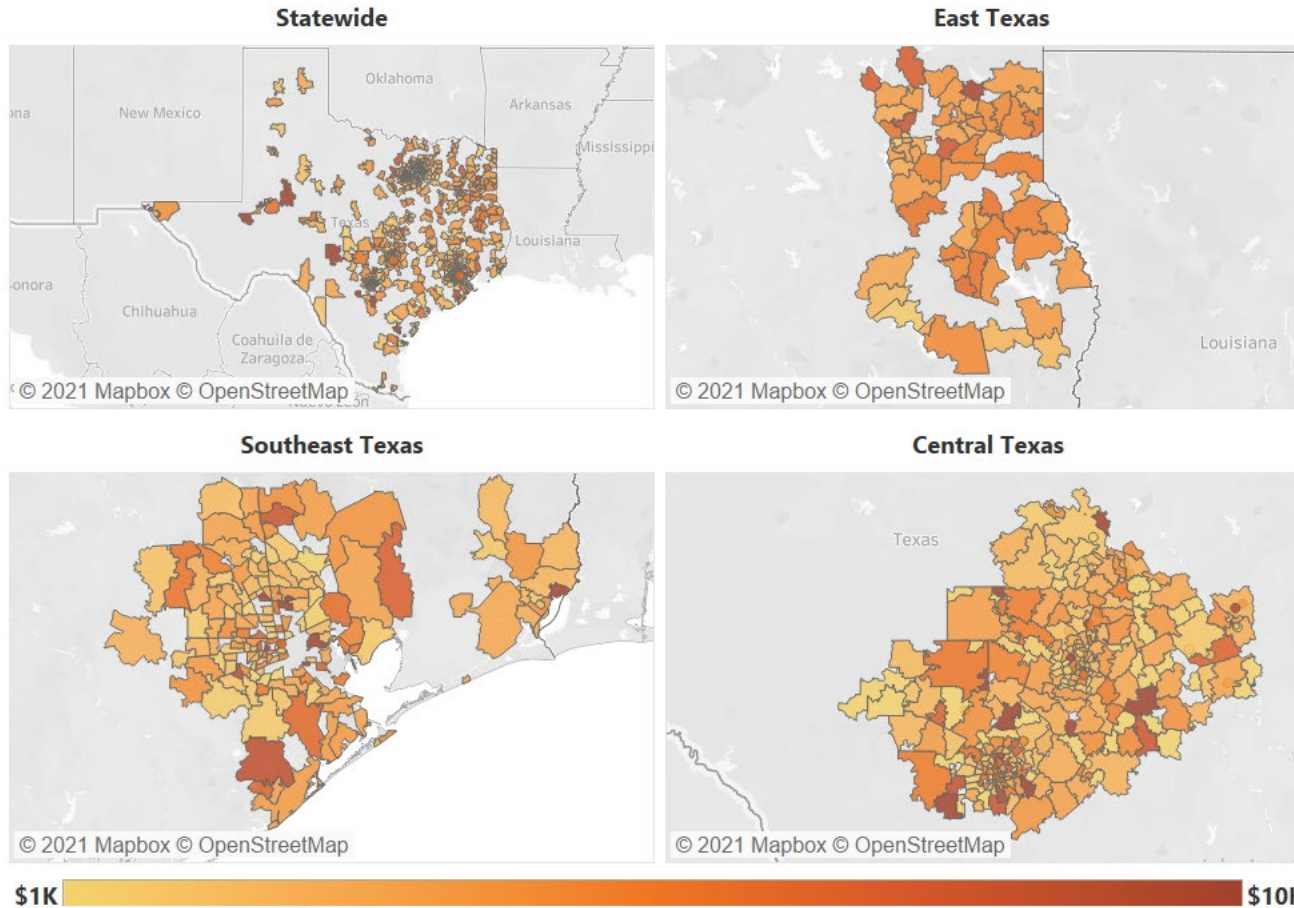
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Personal and Commercial Automobile Insurance Combined  
**Amount of Paid Losses**



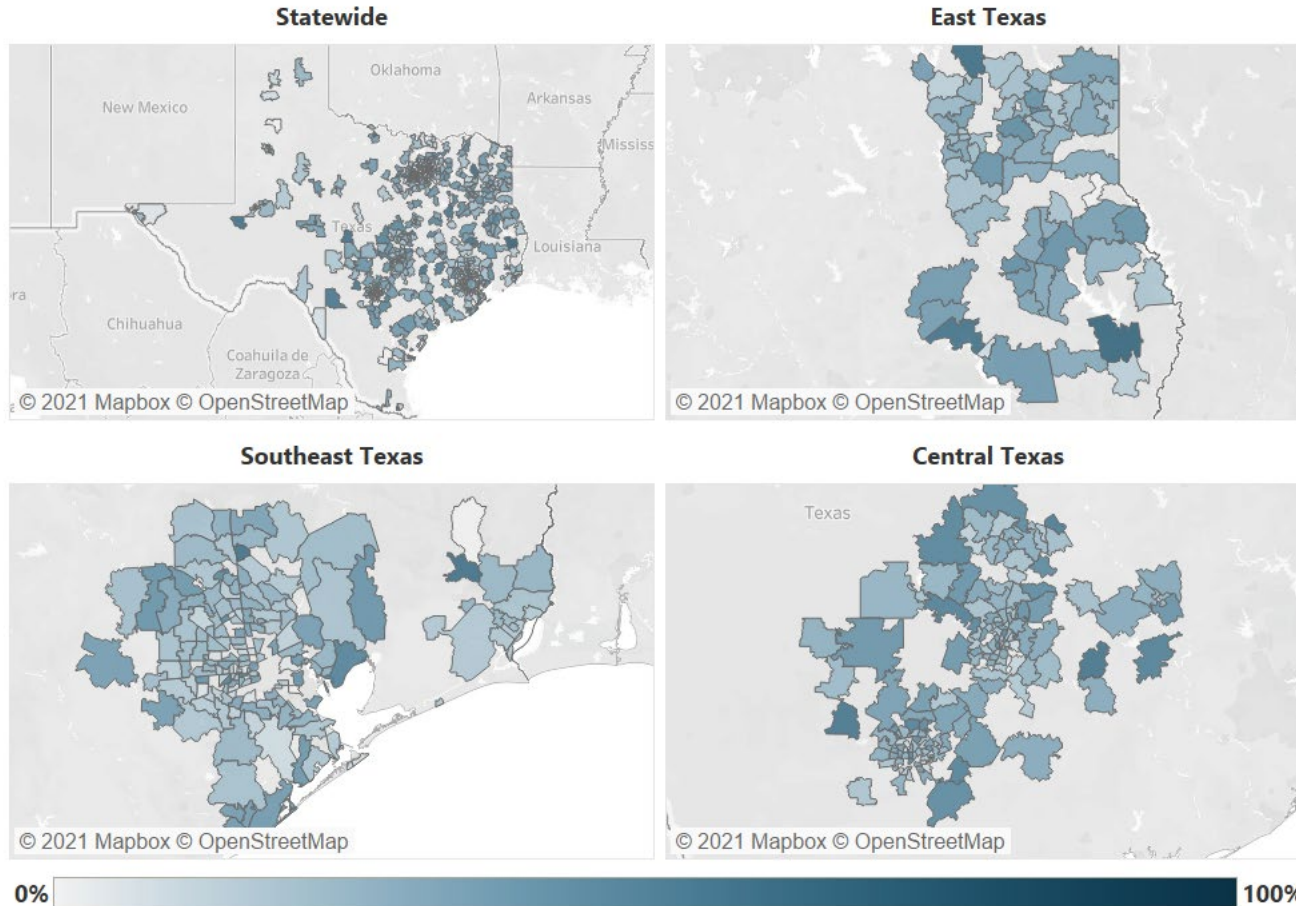
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Personal and Commercial Automobile Insurance Combined  
**Average Case-Incurred Loss**  
ZIP Codes with 10 or more Reported Claims



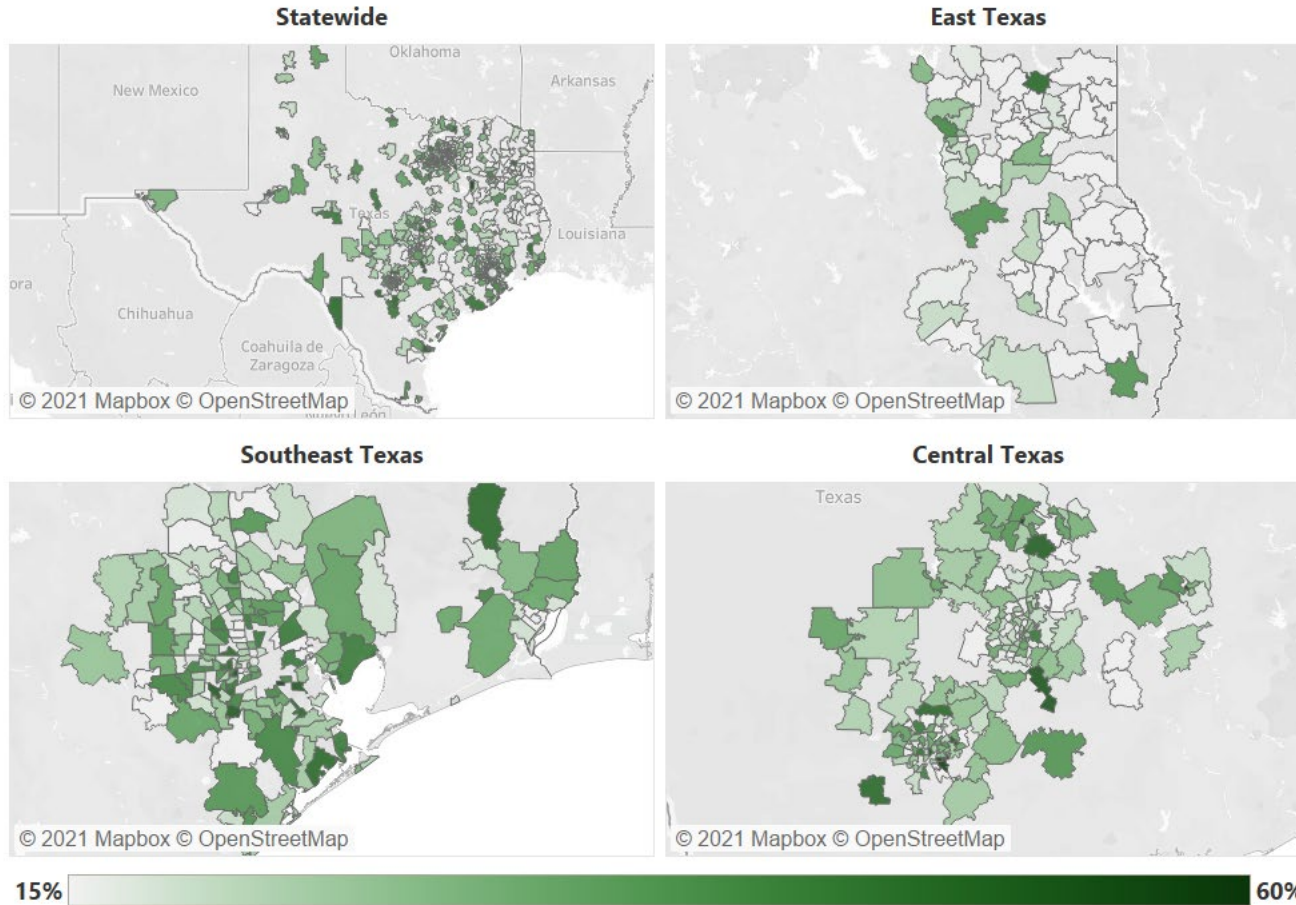
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Personal and Commercial Automobile Insurance Combined  
**Percentage of Claims Open**  
ZIP Codes with 10 or more Reported Claims



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

Personal and Commercial Automobile Insurance Combined  
**Percentage of Claims Closed without Payment**  
ZIP Codes with 10 or more Reported Claims



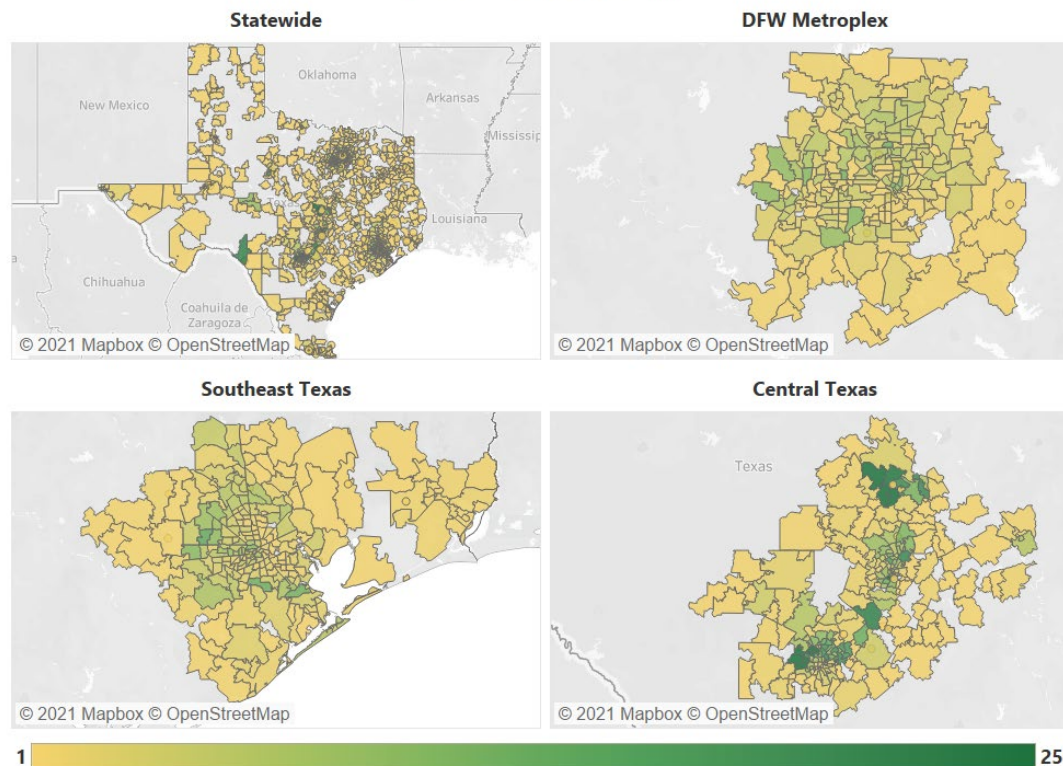
# Texas Department of Insurance February 2021 Texas Winter Weather Event

Data as of March 31, 2021 (40 Days After the End of the Event)

## All Other Lines of Insurance

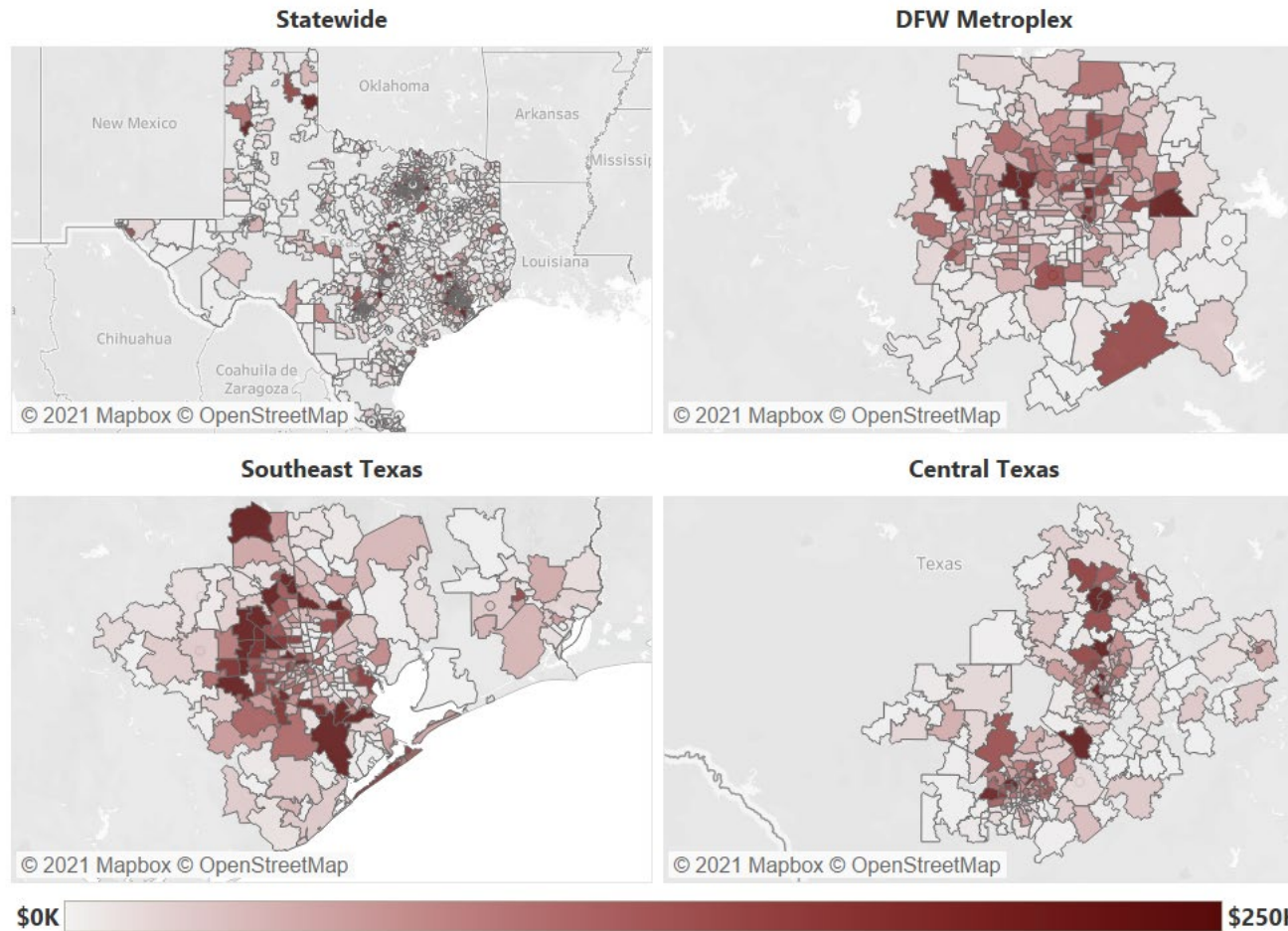
The following maps shows key statistics by ZIP code for all other lines of insurance. All other lines includes the following lines of insurance: multi-peril crop; private crop; ocean marine; inland marine; aircraft; boiler and machinery, and aggregate write-ins. For the purposes of these maps, since there were few flood insurance claims, flood claims are included with "all other."

All Other Lines of Insurance  
Number of Reported Claims



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

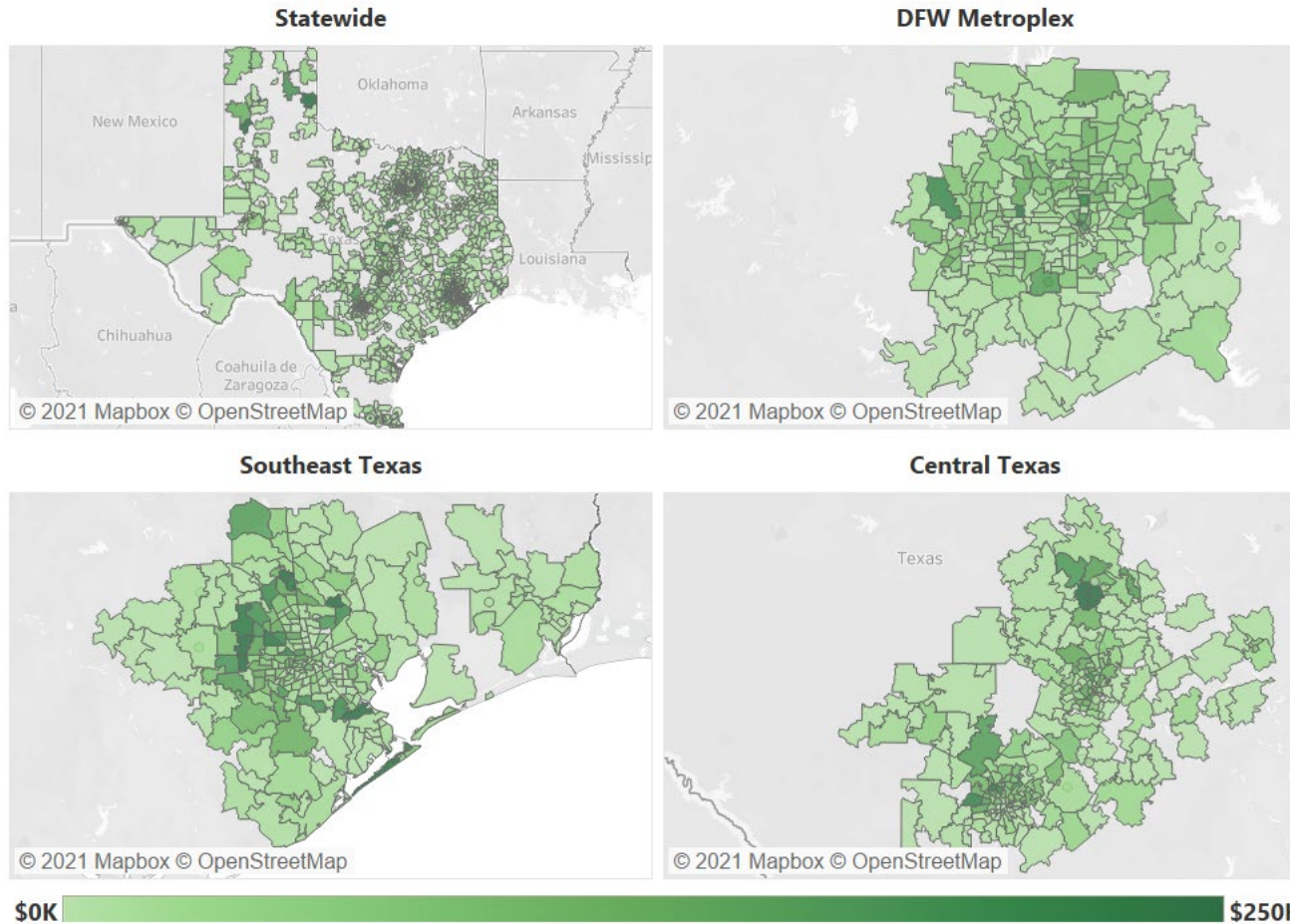
All Other Lines of Insurance  
Amount of Case-Incurred Losses





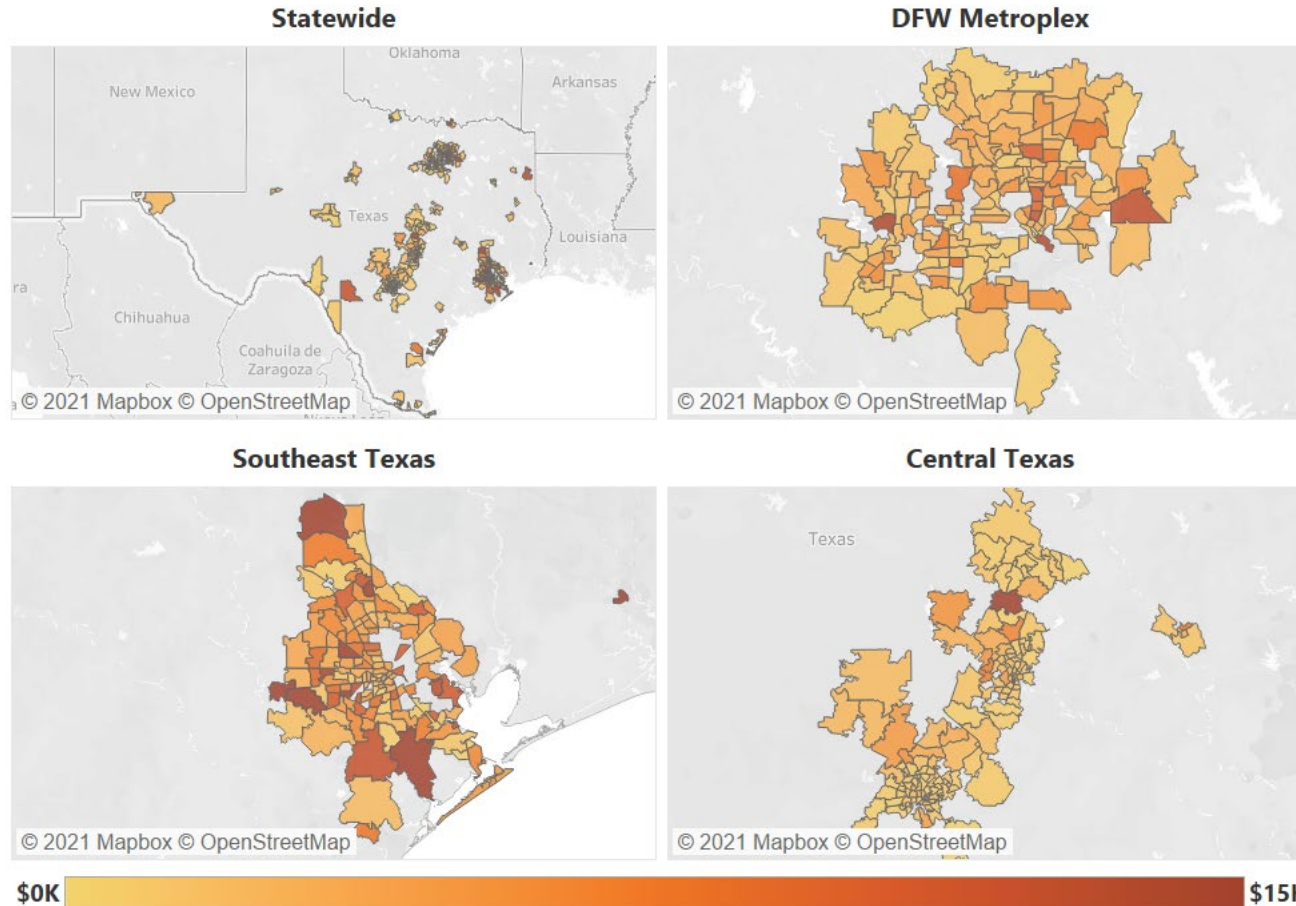
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

All Other Lines of Insurance  
Amount of Paid Losses



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

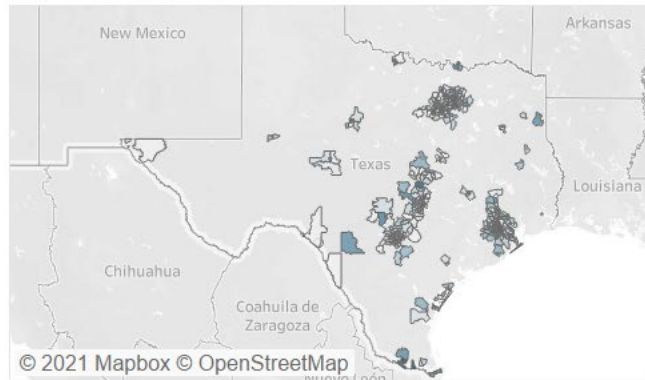
All Other Lines of Insurance  
**Average Case-Incurred Loss**  
ZIP Codes with 10 or more Reported Claims



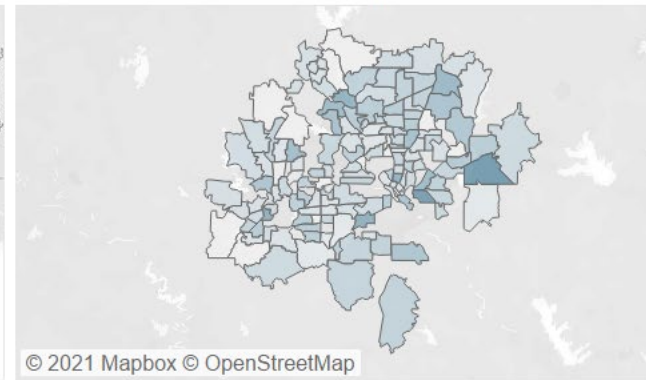
**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

All Other Lines of Insurance  
**Percentage of Claims Open**  
ZIP Codes with 10 or more Reported Claims

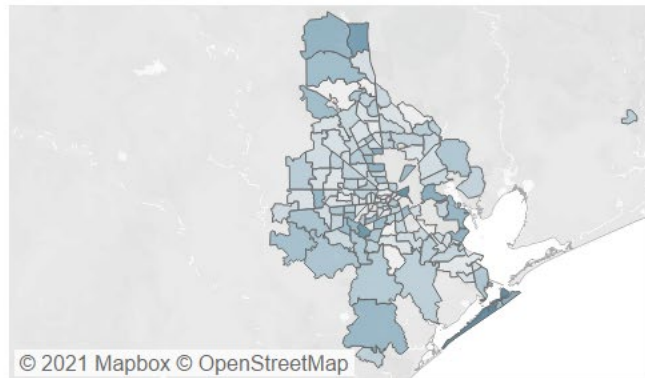
**Statewide**



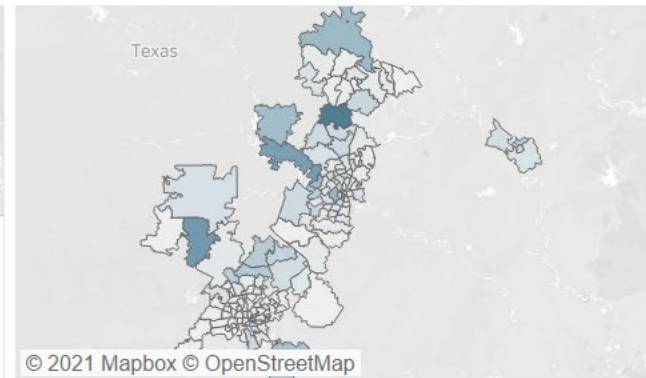
**DFW Metroplex**



**Southeast Texas**

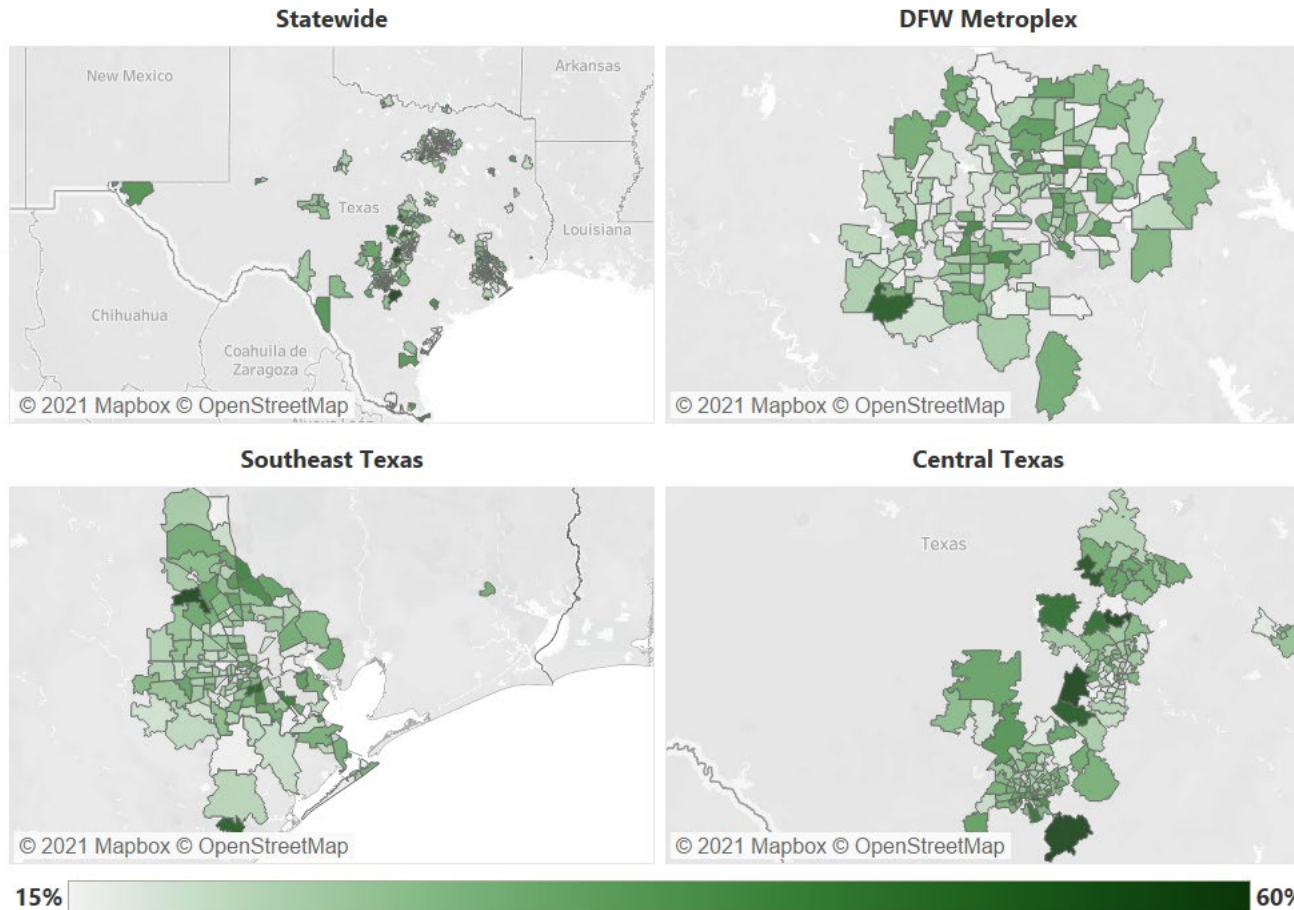


**Central Texas**



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)

All Other Lines of Insurance  
**Percentage of Claims Closed without Payment**  
ZIP Codes with 10 or more Reported Claims



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)  
Appendix A: Glossary of Terms

## Appendix A: Glossary of Terms

### **Data Elements**

**Average incurred loss** is a measure of the average amount of loss. It is calculated as the total incurred losses divided by the total number of claims closed with payment plus the total number of **open claims**.

**Average paid loss** is a measure of the average amount paid to claimants, excluding claims closed without payment. It is calculated as the total paid losses divided by the total number of claims closed with payment. Because insurers tend to make partial payments before closing a claim (for example, an additional living expense payment), the average paid loss can be unusually high if there are many open claims.

**Case-incurred losses** are amounts paid by the insurer to the claimant plus any claim reserves (or case reserves) held by the insurer. Case-incurred losses do not include reserves for incurred but not reported (IBNR) claims or other actuarially established reserves.

**Claims closed** are claims that were closed as of the reporting date. It includes both claims closed with payment and claims closed without payment. These claims may have been reopened, or may never have been reopened, at some time during the lifetime of the claim.

**Claims closed with payment** are claims that were closed as of the reporting date and where the insurer has made a payment to the claimant. These claims may have been reopened, or may never have been reopened, at some time during the lifetime of the claim.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix A: Glossary of Terms

**Claims closed without payment** are claims that were closed as of the reporting date and where the insurer has not made any payment to the claimant. These claims may have been reopened, or may never have been reopened, at some time during the lifetime of the claim.

**Claim reserves** are reserves for individual claims (case reserves) held by the insurer, usually in expectation of future payment.

**Estimated ultimate loss** is the estimated losses insurers ultimately expect to pay because of the event for direct business written. It is calculated as incurred losses plus incurred but not reported reserves for business directly written.

**Estimated ultimate net loss** is the estimated losses insurers expect to pay because of the event after ceding losses to other companies (both affiliated and non-affiliated companies) through reinsurance.

**Incurred but not reported (IBNR) reserves** are amounts insurers set aside to pay for claims that have already occurred but have not yet been reported to the insurance company. IBNR reserves are determined using actuarial methods.

**Open claims** are claims that were open as of the reporting date. Insurers may have made payments to the claimant for these claims, or the insurers may have made no payment to the claimant. These claims may have been previously closed (reopened claims) or may have never been closed.

**Paid losses** are amounts paid by the insurer to the claimant. Paid losses do not include any expense amounts paid by the insurer to adjust the claim.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix A: Glossary of Terms

**Reinsurance** is insurance that other insurance companies buy to protect their surplus (or ability to pay future claims). Estimated ultimate net loss includes the impact of reinsurance purchased from other insurance companies (ceded reinsurance) and, as applicable, reinsurance sold to other insurance companies (assumed reinsurance).

**Reopened claim** means a claim that has been reopened at least once during the lifetime of the claim. Reopened claims may be open or closed as of the reporting date and may be closed without payment or closed with payment. There are many reasons an insurer may reopen a claim, ranging from purely administrative reasons (for example, to process a payment to the claims adjuster for adjusting the claim) to a reinvestigation or reinspection of a claim.

**Reported claim** is a claim reported to the insurer. For residential property insurance, a claim means a single residence regardless of the number of coverages under which the insurer makes payment. For other lines of insurance, insurers use their own definition of what constitutes a single "claim." In this case, one claim may mean a single policy that generated a claim, a single piece of property that generated a claim, a single coverage on a policy that generated a claim, or some other definition.

**Types of Insurance**

**Actual cash value (ACV)** is the cost to repair or replace a piece of property based on current prices, less the cost of depreciation. Depreciation is the reduction in value of a piece of property over time due to wear and tear, deterioration, or aging.

**Aggregate write-in** is a catch-all category for miscellaneous types of insurance not otherwise classified for financial or statistical reporting purposes.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix A: Glossary of Terms

**Aircraft** insurance provides liability and physical damage coverage for private and commercial aircraft. Some aircraft insurance also provides coverage for damage to airports, hangars, or other land-based property.

**Boiler and machinery** insurance provides coverage for commercial machinery resulting from equipment failure or mechanical breakdown. Boiler and machinery insurance covers the cost to repair or replace the machinery but may also cover loss of income and other types of loss resulting from the equipment failure or mechanical breakdown.

**Businessowners** insurance provides property and liability insurance for small businesses. It may provide coverage for buildings, contents, or both, as well as premises liability coverage. It may also provide coverage for business interruption. Generally, businessowners insurance is designed for small to medium-sized businesses.

**Business interruption** insurance provides coverage for loss of business income resulting from a covered peril. Business interruption coverage may be purchased separately or purchased as part of a commercial property policy. For the purposes of the data call, insurers reported business interruption coverage separately even if purchased in conjunction with another policy.

**Commercial automobile** insurance primarily provides liability coverage for automobiles owned, operated, or in the custody of businesses. If "other than collision" coverage is purchased, commercial automobile insurance may provide coverage for vehicles owned or leased by the business for damage caused by weather-related perils, including coverage for flood or rising waters.

**Commercial property, other than business interruption** is commercial property insurance other than businessowners and business interruption. It includes most insurance that provides coverage to commercial buildings and their contents against



**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix A: Glossary of Terms

fire, windstorm, and other perils. Commercial property insurance may be sold alone, or packaged with other policies, such as a premises liability or commercial automobile policy. Commercial property policies usually do not provide coverage for flood or rising waters.

**Federal flood** insurance provides coverage for flood or rising water for residential and commercial structures. Federal flood insurance is underwritten by the federal government, even if sold through private insurance companies. Federal flood insurance is the most common type of flood insurance coverage purchased.

**Homeowners** insurance is the type of insurance purchased by most homeowners. It provides property coverage to dwelling and contents of an owner-occupied house. It usually also provides coverage for other structures on the property (such as storage buildings, detached garages, etc.), coverage for additional living expenses when the home becomes uninhabitable because of a covered cause of loss, and premises liability coverage for the homeowner. For the purposes of this data call, homeowners insurance also includes condominium unit owners and renters insurance. Renters and condominium unit owners insurance provides coverage for the contents of renters and condominium owners, as well as premises liability coverage. Homeowners policies usually exclude coverage for damage caused by a flood or rising water.

**Inland marine** insurance is a broad category that encompasses several types of insurance. For the most part, inland marine covers property in transit or property that is generally mobile. It includes both commercial insurance (motor truck cargo insurance, mobile equipment insurance) and personal insurance that provides coverage for things like jewelry or art.

**Mobile homeowners** insurance is homeowners insurance purchased by owner-occupants of mobile homes. Mobile homeowners policies sometimes provide coverage for damage cause by flood or rising waters.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix A: Glossary of Terms

**Multiple peril crop** is crop insurance sold under the Federal Crop Insurance Program and covers loss to crops resulting from drought, excess moisture, freeze, and disease. This type of insurance must be purchased before planting begins.

**Ocean marine** insurance provides liability and hull coverage for ocean-going vessels.

**Personal automobile** insurance primarily provides liability coverage for individually owned and operated automobiles. If comprehensive coverage is purchased, personal automobile insurance usually provides coverage for damage caused by weather-related perils, including coverage for flood or rising waters.

**Private crop**, commonly called crop-hail, is crop insurance underwritten and sold by private insurance companies. It is not federally backed and is not part of the Federal Crop Insurance Program. It covers limited perils, such as hail and fire, but can be purchased in the middle of the growing season.

**Private flood** insurance provides coverage for flood or rising water for residential or commercial structures. Private flood insurance is underwritten by private insurance companies rather than the government. Most private flood insurance in Texas is written by insurers that primarily insure commercial structures.

**Replacement cost or replacement cost value (RCV)** is the cost to repair or replace a piece of property based on current prices with an item of like kind or quality regardless of the age of the property. Replacement cost does not consider reduction in value due to age, normal wear and tear, or deterioration.

**Residential dwelling** insurance is similar to homeowners insurance except that it does not provide premises liability coverage, and it may provide coverage for fewer perils than a homeowners policy. Dwelling policies can cover fire only; fire

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**February 2021 Texas Winter Weather Event**

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Appendix A: Glossary of Terms

and extended coverage; or fire, extended coverage, and other extended coverages.<sup>1</sup> Residential dwelling policies usually exclude coverage for damage caused by a flood or rising waters.

**Residential property-ACV policies** are residential property insurance policies that provide actual cash value coverage to the dwelling or the roof (or to the contents, in the case of renters and condo owner policies). This includes homeowners policies, mobile homeowner policies, and residential dwelling policies.

**Residential property-RCV policies** are residential property insurance policies that provide replacement cost coverage to the dwelling and the roof (or to the contents, in the case of renters and condo owner policies). This includes homeowners policies, mobile homeowner policies, and residential dwelling.

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<sup>1</sup> Extended coverage includes windstorm, hurricane, hail, and miscellaneous other perils such as explosion, riot and civil commotion, smoke, and damage from aircraft and vehicles. Other extended coverage includes water damage and other miscellaneous perils, such as collapse.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix B: Comparison to Hurricane Harvey

**Appendix B: Comparison to Hurricane Harvey**

The following table provide a comparison of the data for the February 2021 Texas winter weather event to that of Hurricane Harvey. To make the two events more comparable we use Harvey data as of September 30, 2017 (28 days), TDI’s first Hurricane Harvey data compilation.

Key Statistic	Texas Winter Weather Event as of 3/31/2021 (40 Days)	Hurricane Harvey as of 9/30/2017 (28 Days) <sup>2</sup>
Estimated Ultimate Loss	\$ 8.202 B	\$15.683 B <sup>3</sup>
Estimated Ultimate Net Loss	\$ 5.532 B	\$ 7.253 B <sup>3</sup>
Paid Losses	\$ 2.272 B	\$ 4.487 B
Case-Incurred Losses	\$ 5.461 B	\$11.536 B
Reported Claims	456,531	671,098
Percent Closed with Payment	36.8%	27.5%
Percent Closed without Payment	32.1%	28.2%
Percent Open	31.1%	44.4%
Average Incurred Claim—Residential Property	\$11,507	\$ 7,649

<sup>2</sup> Some companies, including one large insurer, were not able to report Hurricane Harvey data as of September 30, 2017. These companies reported Hurricane Harvey data as of mid to late October 2017. See Page 2 of TDI’s September 30, 2017, Hurricane Harvey data compilation.

<sup>3</sup> Gross losses include \$5.583 billion in federal flood insurance losses written by private insurers under the National Flood Insurance Program’s “Write Your Own” program. These losses were “reinsured” by the federal government.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix B: Comparison to Hurricane Harvey

<b>Key Statistic</b>	<b>Texas Winter Weather Event as of 3/31/2021 (40 Days)</b>	<b>Hurricane Harvey as of 9/30/2017 (28 Days)<sup>2</sup></b>
Average Incurred Claim—Commercial Property	\$74,943	\$94,061
Avg. Time to Close a Claim (Residential only)	15.9	16.8

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix C: Comparison to TDI 2021 Winter Event Survey

**Appendix C: Comparison to TDI 2021 Winter Event Survey**

On February 26, 2021, when TDI activated its catastrophe statistical plan, TDI issued an ad hoc survey to 68 top personal and commercial lines insurers to report weekly aggregate claims and losses resulting from the February 2021, Texas winter weather event. This data call included limited data elements and no geographic breakdown. This appendix compares data reported under the *Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks* to data reported under that survey. For this comparison, claims and losses for flood and all other lines of insurance are excluded because TDI did not collect this data as part of its claim survey.

<b>Key Statistic</b>	<b>Cat Stat Plan Data as of 3/31/2021 (40 Days)</b>	<b>TDI Survey Data as of 3/26/2021 (35 Days)<sup>4</sup></b>	<b>Most Recent TDI Survey Data (7/30/2021 or 161 Days)<sup>5</sup></b>
Case-Incurred Losses	\$5,370M	\$3,519M	\$6,453M
Paid Losses	\$2,238M	\$1,643M	\$4,563M
Reported Claims <sup>6</sup>	430,006	385,513	431,194

<sup>4</sup> Reporting companies comprise 85% of the admitted Texas property insurance market and 94% of the admitted Texas automobile physical damage market.

<sup>5</sup> Reporting companies comprise 86% of the admitted Texas property insurance market and 95% of the admitted Texas automobile physical damage market.

<sup>6</sup> Residential property claim counts were defined differently between the two data calls. For the catastrophe statistical plan data, each claim is a structure no matter how many coverages are involved. For the TDI claims survey, companies could use their own internal definition of a claim.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix C: Comparison to TDI 2021 Winter Event Survey

<b>Key Statistic</b>	<b>Cat Stat Plan Data as of 3/31/2021 (40 Days)</b>	<b>TDI Survey Data as of 3/26/2021 (35 Days)<sup>4</sup></b>	<b>Most Recent TDI Survey Data (7/30/2021 or 161 Days)<sup>5</sup></b>
Percent Closed	67.5%	68.3%	91.8%
Percent Open	32.5%	31.7%	8.2%
Average Case-Incurred Claim—Residential Property <sup>7</sup>	\$11,507	\$ 6,556	\$ 9,632
Average Case-Incurred Claim—Commercial Property <sup>7</sup>	\$74,943	\$ 49,700	\$ 87,126
Average Case-Incurred Claim—Automobile	\$3,841	\$ 3,120	\$ 4,164

<sup>7</sup> The formula for average case-incurred loss differs between the survey data and the catastrophe statistical plan data. The formula used for the survey does not exclude claims closed without payment from the denominator because those claims were not included in the weekly survey.

**Texas Department of Insurance**  
**February 2021 Texas Winter Weather Event**  
Data as of March 31, 2021 (40 Days After the End of the Event)  
Appendix D: Data by ZIP Code

**Appendix D: Data by ZIP Code**

See separate attachment.



**Texas Department of Insurance**

**February 2021 Texas Winter Weather Event**

Data as of March 31, 2021 (40 Days After the End of the Event)

Appendix E: List of Texas ZIP Codes with Claims Data

**Appendix E: List of Texas ZIP Codes with Claims Data**

See separate attachment.