

What we learned from Joplin

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Department of Insurance,
Financial Institutions &
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Audience: November 4, 2014

Overview

- Tornado damage and impact
- State response
- Post-event responses and activities
- Lessons learned



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“A fist coming out of the sky ...”

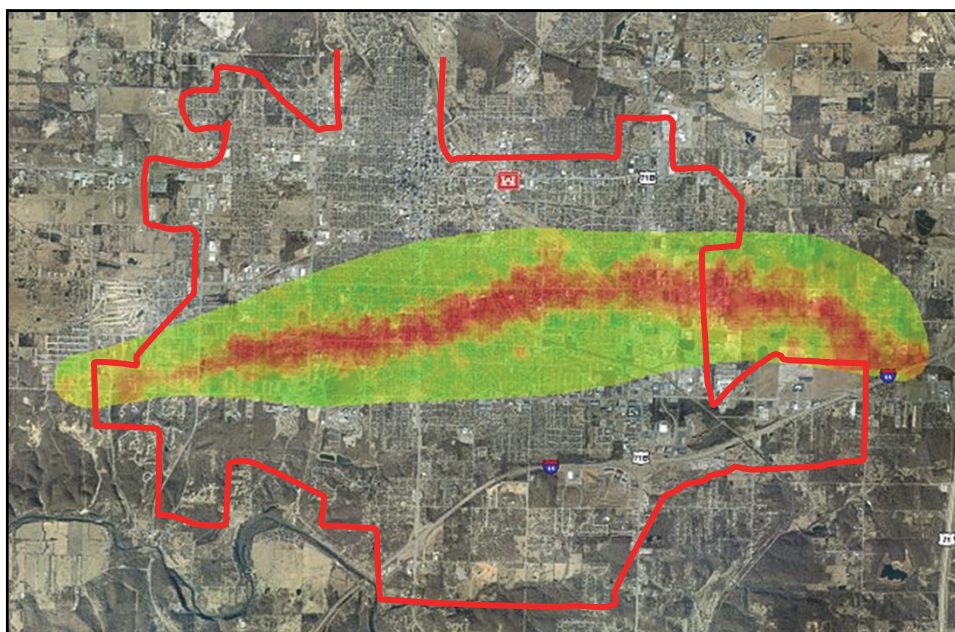
- Joplin, Missouri / 5-22-2011 / 5:34 pm
- EF5 multiple-vortex tornado
- Single most costly tornado in US history
 - ▶ 25% of Joplin destroyed
 - ▶ \$3 Billion to rebuild
- Seventh deadliest tornado in US history
 - ▶ 161 fatalities
 - ▶ 1000 injured



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“Feeling the Pressure”

- Scope of damage
 - ▶ Large loss of life
 - ▶ Crippling catastrophic damage
 - ▶ Large volume of insured claims
- National attention
 - ▶ Media, all levels of government
 - ▶ Attraction for fraudulent activity



Insurance Data

Line of Business	Claims Received	Claims Expected	Losses Paid
Commercial Property	2,142	2,159	\$986,829,440
Residential Property	8,647	8,784	\$535,724,886
Commercial Auto	309	309	\$4,377,076
Private Auto	6,982	7,117	\$47,898,047
Other Commercial	313	315	\$15,031,287
County Mutuals	1,477	1,516	\$61,789,887
Total	19,870	20,199	\$1,651,650,623



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Responsive Government

- Executive Orders
- Unified delivery of state services
- Bulletins and Guidance
- Expedited complaint process
- Recovery Round-Up



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Post-Event Activities

- Legislative proposals introduced, but not enacted
 - ▶ Valued policy law
- Close monitoring of rate activity
- Market Conduct reviews
 - ▶ No exams or investigations initiated
- Consumer outreach on 1 year anniversary



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Lessons Learned

- 2011 Legislation:
 - ▶ Senate Bill 132
 - Insurance company access to damage areas
 - ▶ Senate Bill 101
 - Residential contractors – aka “Storm Chasers”
- Build a “regulatory response toolbox”
 - ▶ Identify potential issues and options
 - ▶ Seek uniformity with other states
 - ▶ Coordinated communication with other state agencies
 - ▶ Flexibility in response is essential

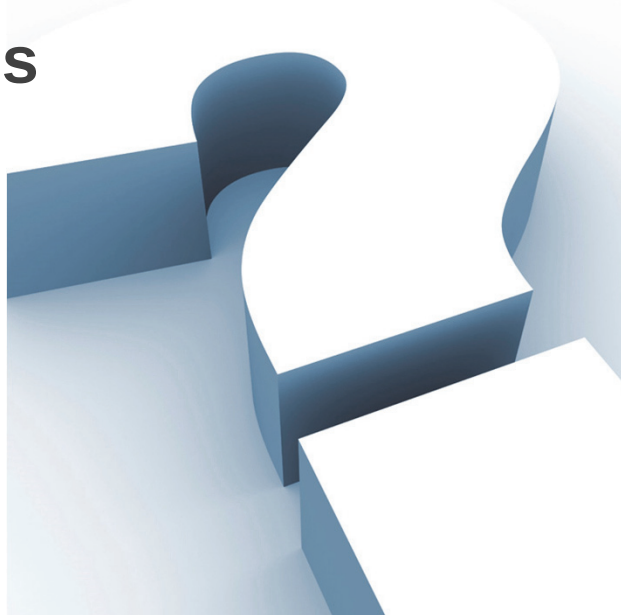


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Questions



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