Insurance claims pile up after Texas' devastating winter storm

The Dallas Morning News

Insurers expect hundreds of thousands of claims from burst pipes and water damage after the winter storm that paralyzed Texas and other parts of the country.

Claims are piling up in what could become the costliest weather event in Texas history. One analyst estimates there'll be more than 750,000 claims from the storm that froze much of the country from Texas to Tennessee.

But the majority of claims will be in Texas, where the White House granted a disaster declaration to 108 counties that experienced the harshest damage from zero-degree temperatures worsened by widespread power outages.

Insurers will likely have to pay for millions of hotel room stays when Texans lost power and water, burst pipe claims that could cost $10,000 to $20,000 on average, and business loss insurance from unpassable roads and lack of electricity. Untabulated will be the costs to those without insurance, particularly renters that aren't required to carry any.

Last week, the Insurance Council of Texas estimated that losses could surpass the $20 billion cost figure from 2017′s Hurricane Harvey. AccuWeather said damage in Texas could go as high as $26 billion.

Catastrophe risk firm Karen Clark & Co.'s estimate is slightly lower at $18 billion in damage claims to insurance companies across several states.

Complicating the recovery is a shortage of plumbers in the region, a sudden flood of out-of-state contractors, new insurance adjusters brought in to settle claims and the ongoing COVID-19 pandemic.

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Source: https://uphelp.org/insurance-claims-pile-up-after-texas-devastating-winter-storm/ Date: September 8, 2026

Less than a week after the coldest temperatures hit North Texas on Tuesday morning, San Antonio-based USAA said it had received more than 50,000 claims. USAA, the state's fifth-largest homeowners insurance provider, said claims were dominated by losses from power outages and burst pipes from water that froze and expanded inside the confined spaces.

State Farm, the state's largest homeowners insurance provider, has received 28,000 claims, a spokesman for the company said.

But claims will likely continue through this week as Texas residents discover water leaks and damage from pipes that cracked under pressure.

Insurance analysts are torn over whether insurance companies will raise premiums next year to cover the widespread costs of this winter storm.

"The good news is, opposed to Hurricane Harvey, this type of event is covered by the standard insurance policy," said Karen Clark, whose firm Karen Clark & Co. in Boston calculates the financial risk of weather events and other catastrophes for insurance firms.

Much of the damage to homes and other properties from Hurricane Harvey, which rocked Houston and Texas' Gulf Coast in 2018, was not covered unless policyholders had extra wind and flood insurance.

Standard homeowners insurance policies do cover freezes and loss of power. However, many policies do require homeowners to take precautions to prevent frozen pipes, such as turning off water.

Insurance companies have been constantly fine-tuning policy language to put more burden on policyholders, said Amy Bach, executive director of consumer advocacy group United Policyholders. That ranges from pro-rated costs for roof repairs to requirements that consumers carry special types of insurance for a growing number of situations, she said.

"I fully expect that many of the impacted Texas residents will have to fight to collect benefits for repairs to restore their damaged assets," Bach said.

Houston-based Smartclaims said some residents on the Gulf Coast are still working through claims from Hurricanes Laura and Delta last summer.

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“There isn’t always the bandwidth to deal with back-to-back storms and that’s what you are going to see here with this winter storm,” said Ted Patestos, co-owner and licensed adjuster at SmartClaims, a firm that employs public insurance adjusters hired on behalf of policyholders.

“There is likely to be a lot of delays in payment of claims, which is common when you have these kinds of unanticipated events,” he said.

Consumer advocates are pushing homeowners and those with renters insurance to stand up to insurance companies that may offer claim settlements that are too low. Those who feel like they are being treated unfairly, though, may have little recourse but to hire a public insurance adjuster or a lawyer to cover the high cost of some of these repairs.

Disaster relief funds approved last week by President Joe Biden should help Texans with unforeseen costs for hotel rooms and home repairs. The Federal Emergency Management Agency has posted a website to help residents apply for aid and to sort through rumors and myths about the disaster aid. For example, disaster relief funds do not cover exorbitant electricity bills from customers on market-rate energy plans.

However, those funds could help cover insurance deductibles and disaster relief money is given to residents after insurance companies cover costs. It’s also available for those without insurance.

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