

Insurers Report Rising Hail Damage Claims

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Inflation is driving up the cost of materials and labor to repair roofs and cars. Adding to insurers' costs is increased development in areas affected by severe storms.

Golf balls, tennis balls, softballs. All sound like the stuff of fun games — except when they are used to describe the size of the hailstones that often accompany severe thunderstorms.

Those hailstones can cause significant damage to homes and cars, a growing worry as warming temperatures fuel more destructive storms. This month, baseball-size hail, sometimes called “gorilla hail” because of its heft, was reported in Kansas and Missouri.

The insurance industry reported \$60 billion in losses from “severe convective storms” — a catchall name for thunderstorms that may spawn hail, heavy rain, lightning, high winds and tornadoes — last year, said Mark Friedlander, a spokesman for the Insurance Information Institute, a trade group. In 2022, the industry reported \$31 billion in losses.

Data from the National Oceanic and Atmospheric Administration's Storm Prediction Center show 5,879 reports of hailstones of one inch or larger in 2022, up 17 percent from 5,020 in 2021. Preliminary data for 2023 show 6,962 reports, including a significant increase in reports of very large hailstones of two inches or more.

A weather expert countered that it was unclear whether severe hail had significantly increased in the United States over the long term. Harold Brooks, senior research scientist at the National Severe Storms Laboratory, which is also part of NOAA, said the storm prediction center's hail data should be viewed with caution.

Reports, for instance, can be submitted by volunteer spotters whose training may vary. (Typically, people reporting hail are asked to compare it to the size of a ball or coin, which is then translated into a

measurement in inches.) Also, the criteria for severe hail was changed in 2010, making historical comparisons challenging.

Still, insurers are reporting bigger hail losses. In 2023, State Farm paid 27,300 claims for hail damage to homes and businesses, up from 23,200 in 2022, said Heather Paul, a company spokeswoman. Payouts totaled \$6.1 billion last year, more than the previous two years combined.

“We’re seeing severe weather increase,” Ms. Paul said.

In addition, inflation is driving up the cost of materials and labor to repair the damage, increasing insurers’ liability. More development in areas affected by severe storms is also a factor. State Farm’s average homeowner hail claim last year was about \$17,000, up from \$16,000 in 2022, Ms. Paul said.

That’s a worrying trend for homeowners because losses mean insurers may get “bold with nipping and tucking of coverage,” said Amy Bach, executive director of United Policyholders, a consumer advocacy group. Property owners and insurance adjusters have suggested that insurers are “getting aggressive” in denying hail claims, she said.

Insurers may deem roof damage to be merely cosmetic and cover less of the cost to fix it, or determine that it was mostly caused by wear and tear over time, Ms. Bach said. “I’m hearing that a lot,” she said. Check your policy for any limits or exclusions on coverage.

Mr. Friedlander of the Insurance Information Institute said property insurers were “financial first responders” in helping customers recover from severe weather. “They are paying hail claims based on the coverage as defined in the policy,” he said. “Each insurer has its own criteria for determining when a roof needs full replacement versus if it can be repaired from storm damage.”

Little can be done to protect your house if hail is imminent, but there are ways to fortify your property ahead of time to reduce damage. “If you’re in the market for a new roof, it’s a great time to upgrade your system as a whole,” said Ian Giammanco, lead meteorologist at the Insurance Institute for Business and Home Safety, which researches ways to strengthen homes against storms.

Hail accounts for much of the damage from severe thunderstorms, he said, and roofs bear the brunt of it. So it helps to use strong, impact-resistant roof shingles.

Asphalt shingles, used on three-fourths of homes in North America, are considered impact resistant if they are rated a three or four by independent laboratory tests (on a scale of one to four), Mr. Giammanco said. The home safety institute conducts further testing and publishes rankings (from “poor” to “excellent”) of commonly available products. Metal or tile roofs can also offer hail protection.

Impact-resistant asphalt shingles may cost more than conventional asphalt shingles — as much as 10 percent higher, depending on the location, Mr. Giammanco said. For people in areas with frequent hailstorms — like Colorado, Texas, Oklahoma and parts of the Midwest — the extra cost may be worth it. (Some data suggest that the traditional “hail alley” in the country’s midsection is shifting east. State Farm’s list of top states for hail claims paid included Illinois, at No. 2.)

On the plus side, insurance companies may offer premium discounts for properties with impact-rated roofing; check with your agent.

If you can’t swing the higher cost, take steps to make sure your roof is in good shape to avoid problems if you ever need to file a hail claim, Ms. Bach said. If your roof is at least 10 years old, consider having a reputable roofer inspect it to see if it needs repairs, she said.

Here are some questions and answers about hail:

How can I protect my car from hail damage?

If you don’t have a garage to shield your car, you may need to get creative if hail is in the forecast. Special inflatable covers that resemble puffer coats for cars may be a good option, Ms. Bach said. They cost several hundred dollars, though, so if that’s not in your budget, you may need to consider cheaper options.

“Raid your linen closet,” Ms. Paul of State Farm suggested. Heavy blankets, layered on your windshield, may help avoid or reduce damage. One car dealer advises anchoring the blankets by tucking edges inside the car doors or trunk and closing them.

Does my auto insurance policy cover hail damage to my car?

Protection for your car is covered by your auto policy’s “comprehensive” coverage, which is optional unless required under the terms of your car loan or lease. Check your policy or contact your insurance agent to confirm coverage. The deductible — the amount you pay out of pocket — is commonly \$500.

After a hailstorm, it's smart to take pictures and videos to document damage to your car as soon as it's safe to go outside.

Do insurance policies have special hail deductibles?

Policies in hail-prone states may have separate deductibles for hail and wind damage, Mr. Friedlander said. They are usually based on a percentage of the home's estimated replacement cost. For a home with a replacement cost of \$300,000 and a 2 percent deductible, you would be responsible for \$6,000. To see if you have this deductible, check your policy's "declarations" page.