

CoreLogic: Hurricane Florence Losses Estimated at \$3 to \$5B

By: Jann Swanson | Fri, Sep 14 2018, 11:31 AM

Even as Hurricane Florence is pushing unprecedented levels of flood waters into North and South Carolina homes, CoreLogic is issuing estimates regarding the storm's dollar costs. Their analysis shows that insured property losses for both residential and commercial properties **will be between \$3 and \$5 billion.**

CoreLogic basis its estimates on the National Hurricane Center's 8 a.m. September 13 track of the storm and the cone of uncertainty. Florence made landfall mid-morning on September 14 near New Bern, North Carolina and 250,000 homes in that state are projected to be affected by the hurricane. Losses in North Carolina are estimated to be between \$2.5 and \$4.5 billion and South Carolina is expected to suffer to the tune of \$0.3 to \$0.5 billion.

This includes wind damage and the storm surge but **does not include rainfall or flooding from rivers and other sources.** The company says the latter cannot be estimated as the full rainfall footprint is an element in computing the number and it is too early to forecast those losses. Florence seems to have been particularly confounding to those trying to chart her path, partially because she has moved so slowly.

The table below indicates expected losses in the most coastal counties in North Carolina and the Myrtle Beach area of South Carolina at the two-state border **in the case of either a Category One or Category Two landfall.** The table does not consider inland flooding. Certain counties will receive both Category 1 and Category 2 impacts because the properties closer to the coast are likely to experience stronger winds relative to the more inland properties. In particular, it is expected that South Carolina will not exceed tropical storm force winds based on the projected track and is therefore not included in the table.

Number of Residential Properties Affected by Wind and Surge by Saffir-Simpson Hurricane Wind Scale (SSHWS) Category

Potentially Impacted Counties	Potentially Impacted CBSAs	Cat 1	Cat 2
Onslow	Jacksonville, NC	25,000	15,000
Pender	Wilmington, NC	30,000	5,000
New Hanover	Wilmington, NC	110,000	0
Brunswick	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	40,000	0
Carteret	Morehead City, NC	30,000	0
Columbus	Non-Micro/Non-Metro Areas	<1,000	0
Bladen	Non-Micro/Non-Metro Areas	<1,000	0
Duplin	Non-Micro/Non-Metro Areas	<1,000	0

Source: CoreLogic September 2018

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The Florence losses are **expected to be larger than the three most recent historic hurricanes** if those events were to occur today with the current property exposure. Bertha (1996), Bonnie (1998), and Floyd (1999) were all Category 2 storms at landfall. Both Bertha and Bonnie were \$2 billion storms while Floyd caused \$4 billion in claims. The three had different tracks but were comparable to Florence in terms of their wind impacts. The higher costs expected from Florence are due to the significantly greater storm surge losses that are expected. None of the numbers include inland flooding losses.

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