

GENESIS® | 2025 CLIENT FORUM

GAINING THE EDGE

A Berkshire Hathaway Company



Gaining an Edge – Navigating the Claims Landscape

Presented by Glenn Frankel, Head of GenRe North America Claims

April 2025





Gaining an Edge

Navigating the Claims Landscape

Glenn A. Frankel
Head of North America Claims
Gen Re



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Overview/Agenda

Property

2024 CAT Activity – Billion Dollar Events

Climate Change – What is going on??

- Air and Sea Temperatures
- Severe Convective Storms
- Wildfires

Demographics

Preparedness and Resiliency

Casualty

Nuclear Verdicts

- The Data

Social Inflation

Auto

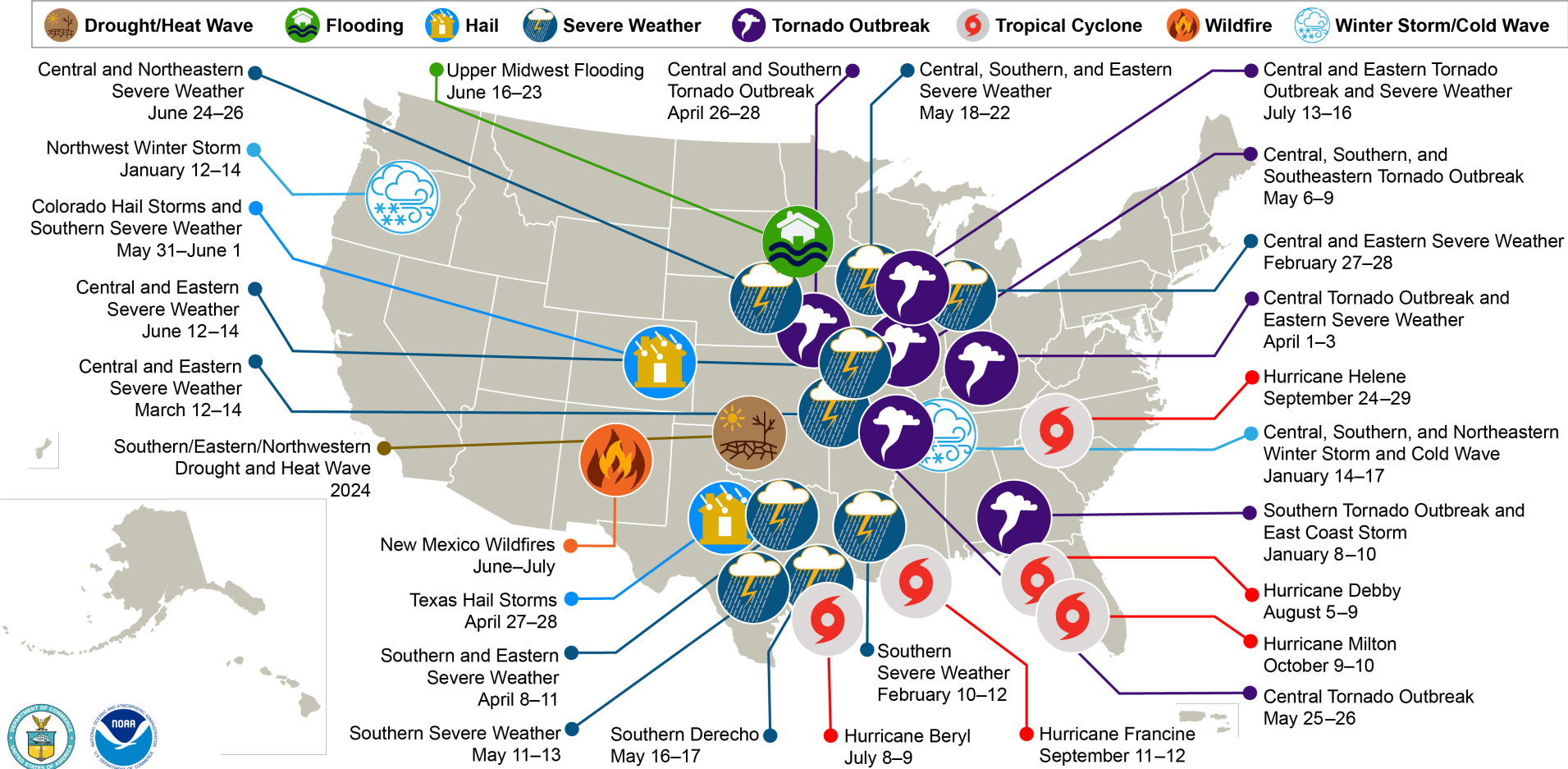
Fraud (Time Permitting)



Property

2024 CAT Activity – Billion Dollar Events

2024 – US Billion Dollar Weather & Climate Events



This map denotes the approximate location for each of the 27 separate billion-dollar weather and climate disasters that impacted the United States in 2024

Source: <https://www.ncei.noaa.gov/access/billions>



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27
Events

17
SCS

1
Drought

5
Hurricane/Typhoon

1
Wildfire

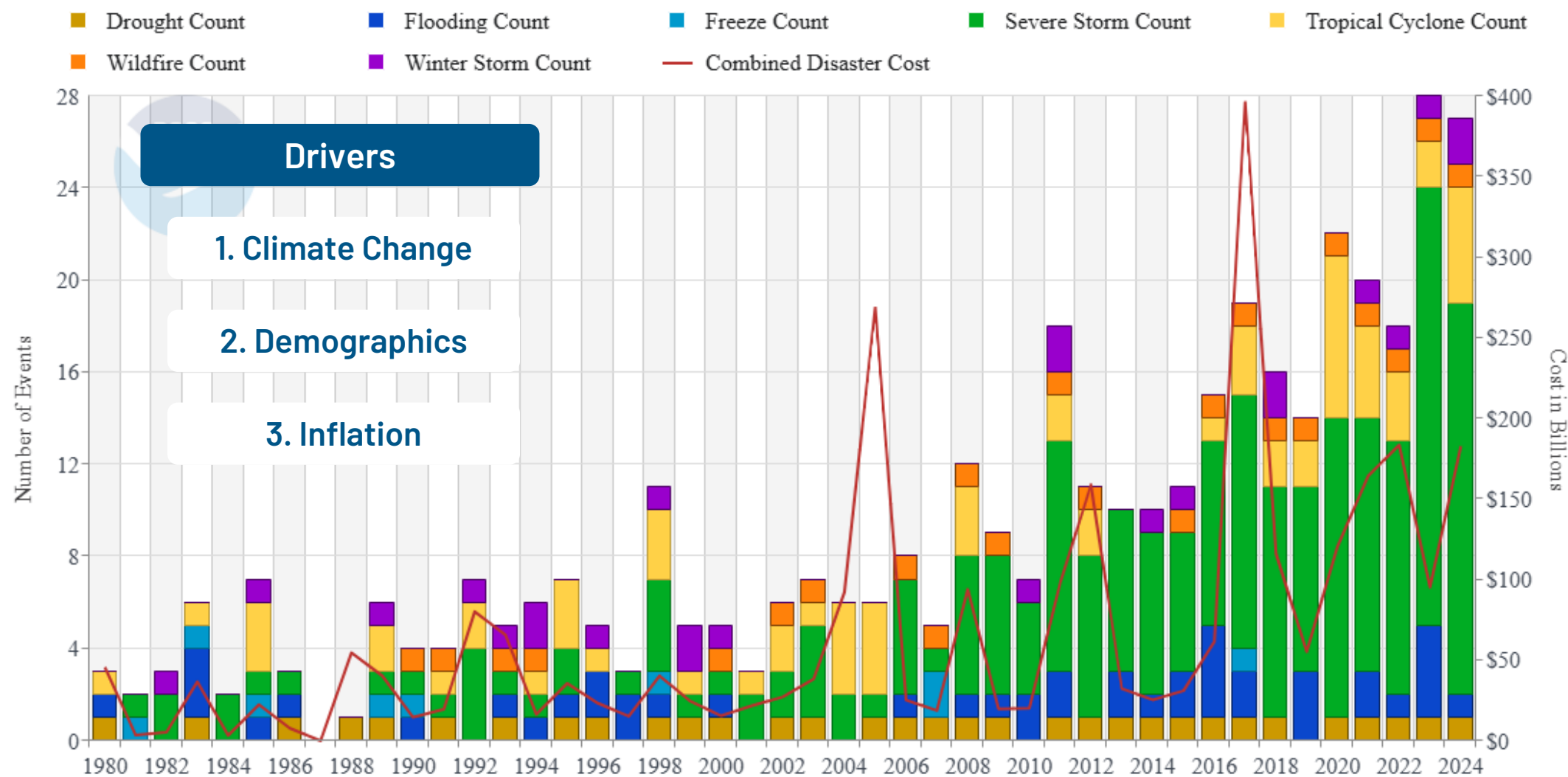
1
Flooding

2
Winter Storm

568
Deaths

\$182.7B
Total Cost

U.S. Billion Dollar Weather & Climate Events 1980–2024 (CPI Adjusted)



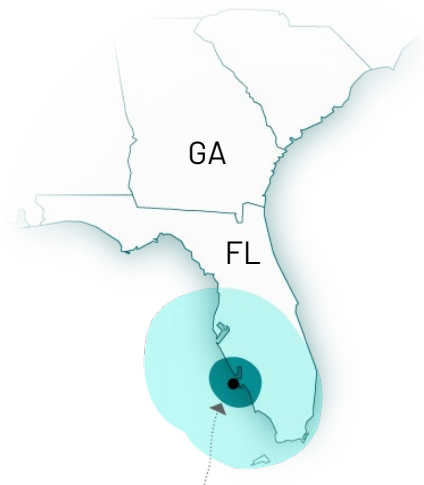
Source: www.ncei.noaa.gov/access/billions/time-series



2024 – Hurricanes Helene & Milton – Storm Size



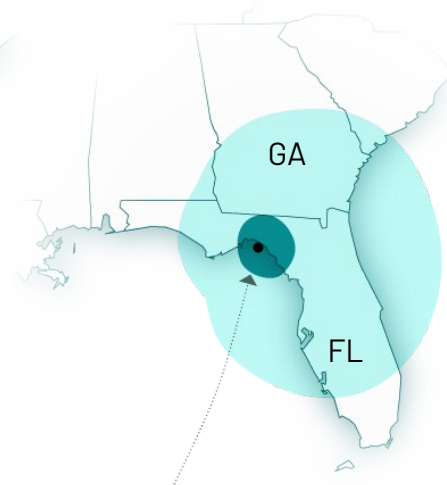
Ida
Aug. 2021



Ian
Sept. 2022



Idalia
Aug. 2023

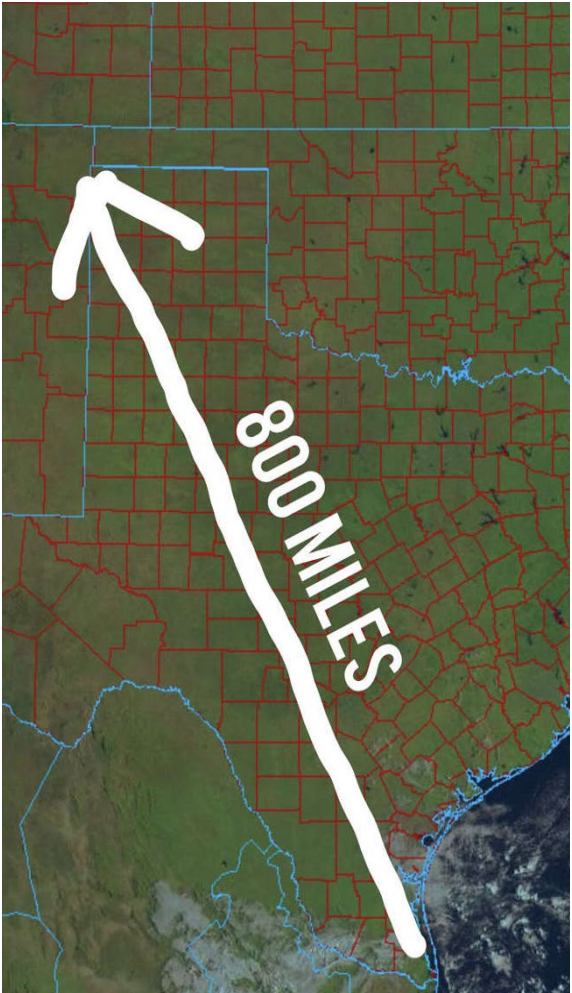
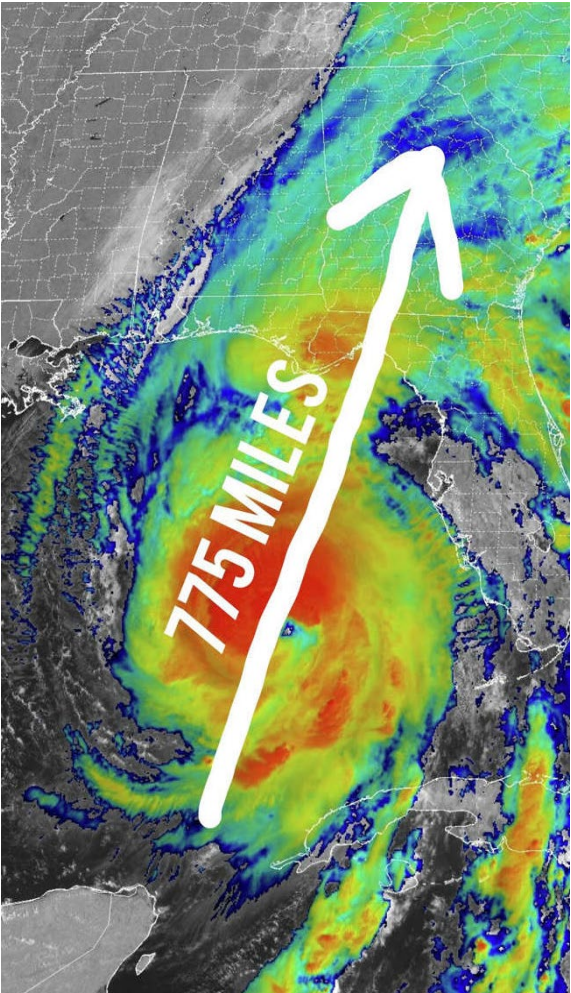
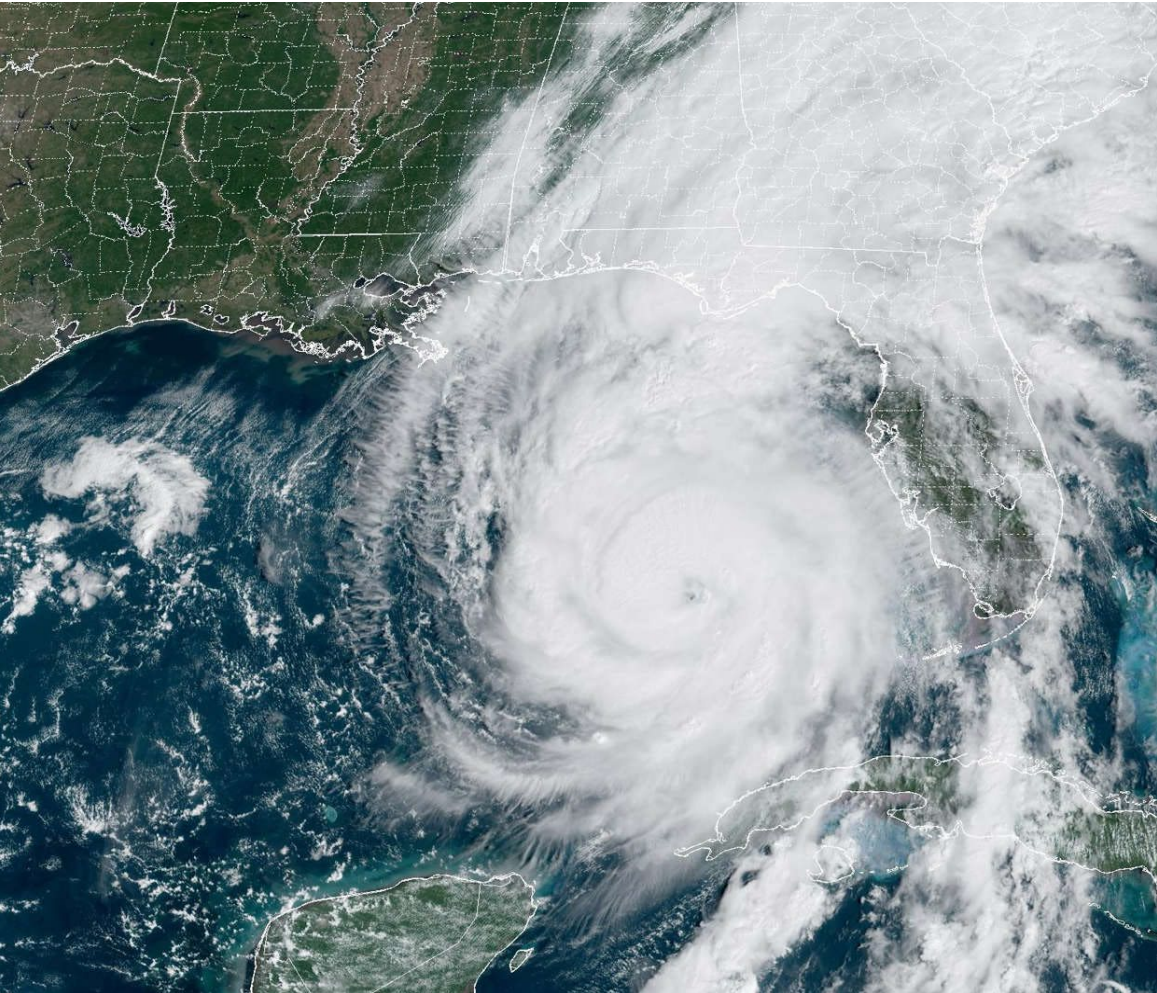


Helene
Sept. 2024



Milton
Oct. 2024

2024 – Hurricane Helene – Size



2024 – Hurricane Helene – How Much Water?!?

Helene Rainfall

>40 Trillion
Gallons

Enough Water to Fill

**Lake
Tahoe**

60,000,000
Olympic-Sized
Swimming Pools

Dallas Cowboy's
Stadium
51,000 Times

North Carolina
to a Depth of
3.5 Feet

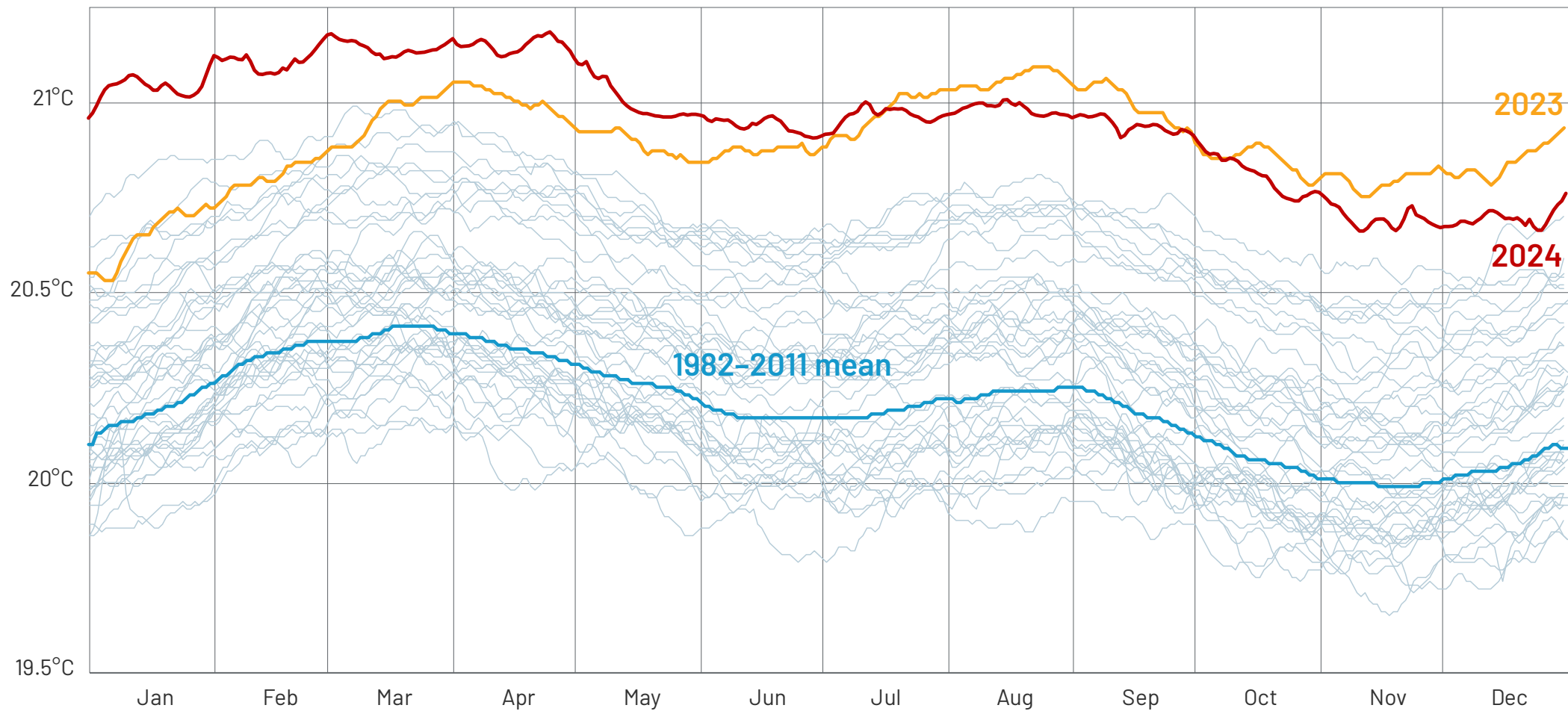


Property

Climate Change – What is going on??

2024 – Climate Change: What is Going On??

Average Daily Global Sea Surface Temperatures – 1982–2024

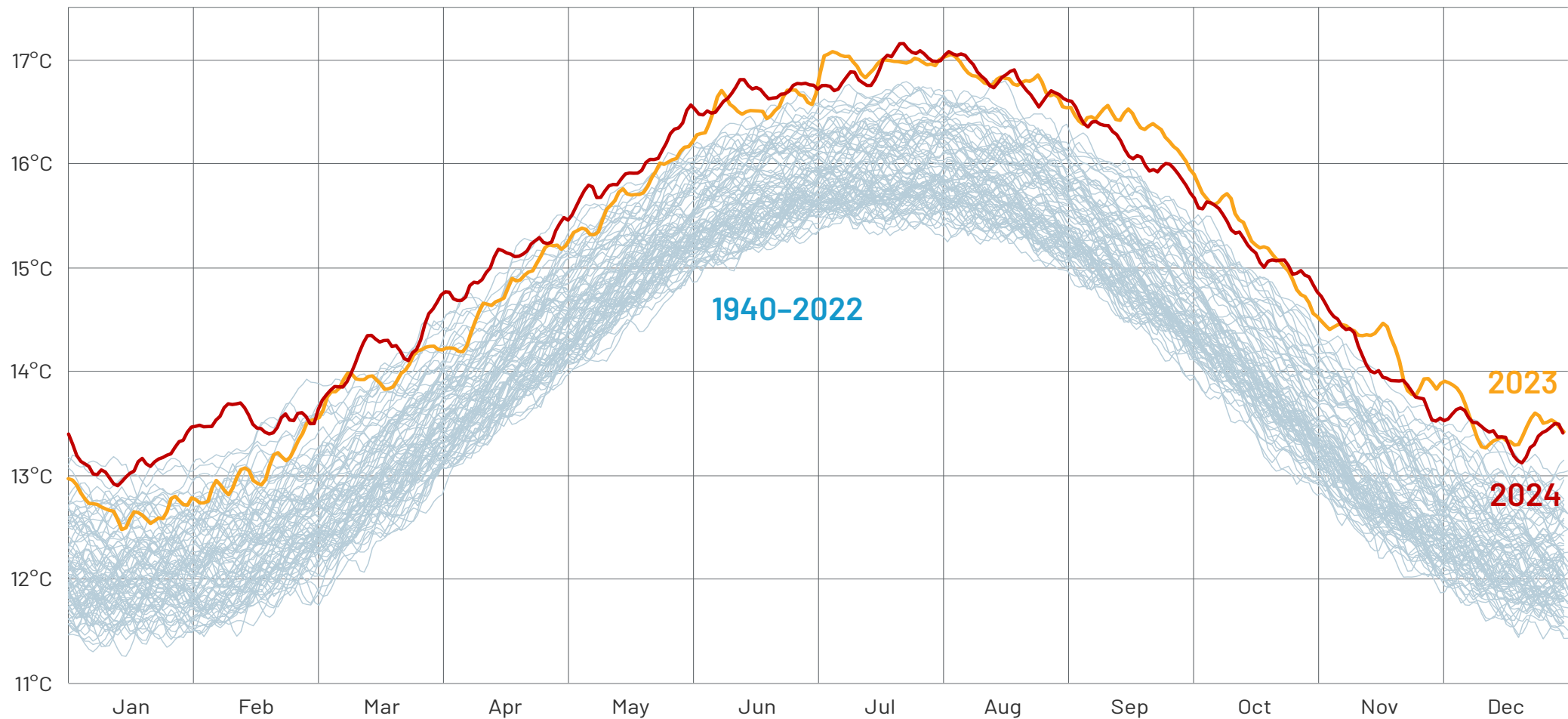


Sources: US National Oceanic and Atmospheric Administration, Climate Reanalyzer



2024 – Climate Change: What is Going On??

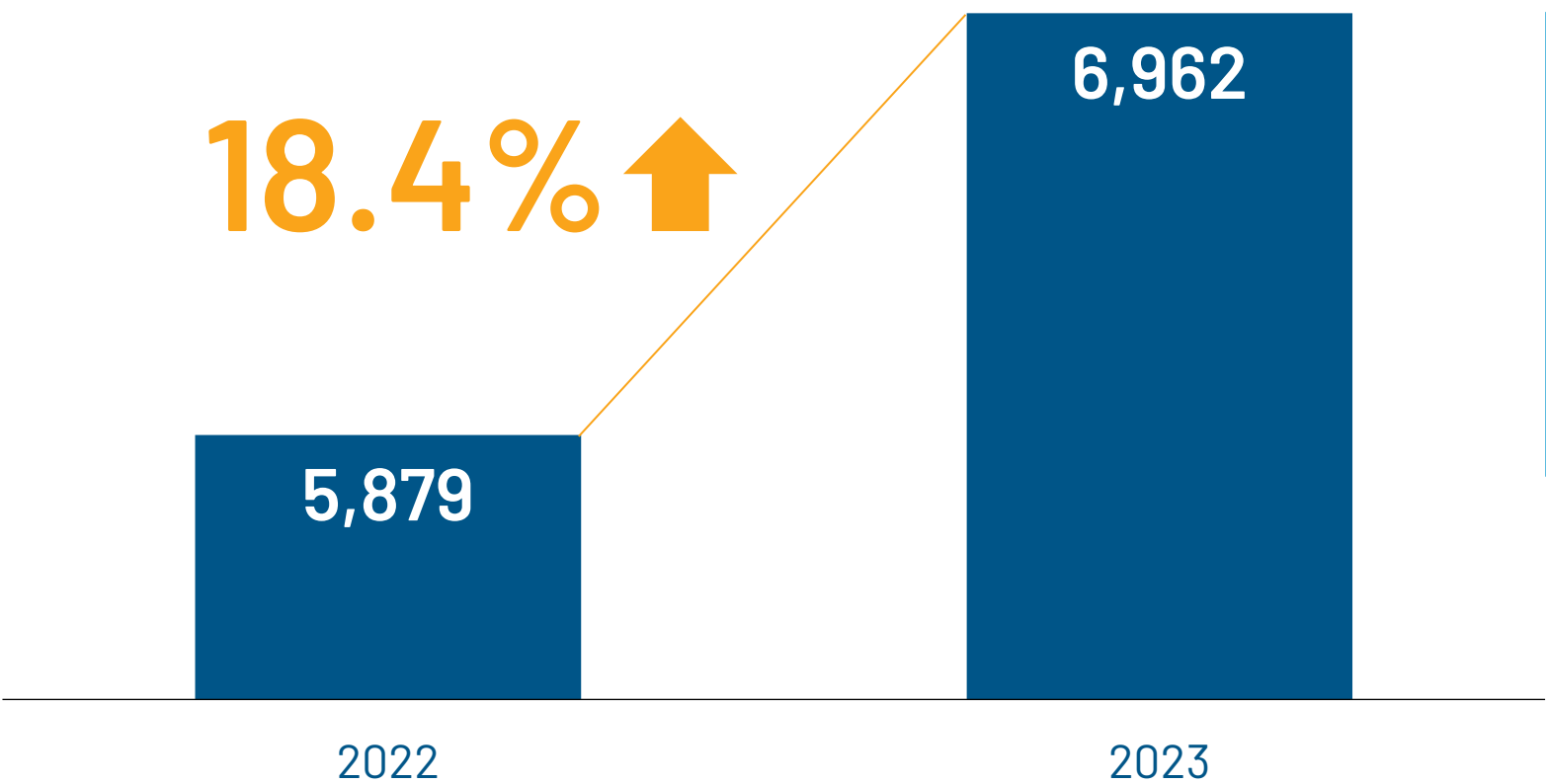
Average Daily Air Surface Temperatures – 1940-2024



Sources: [Climate Reanalyzer](#)

2024 – Climate Change: What is Going On??

Hail Storms – One Inch & Larger

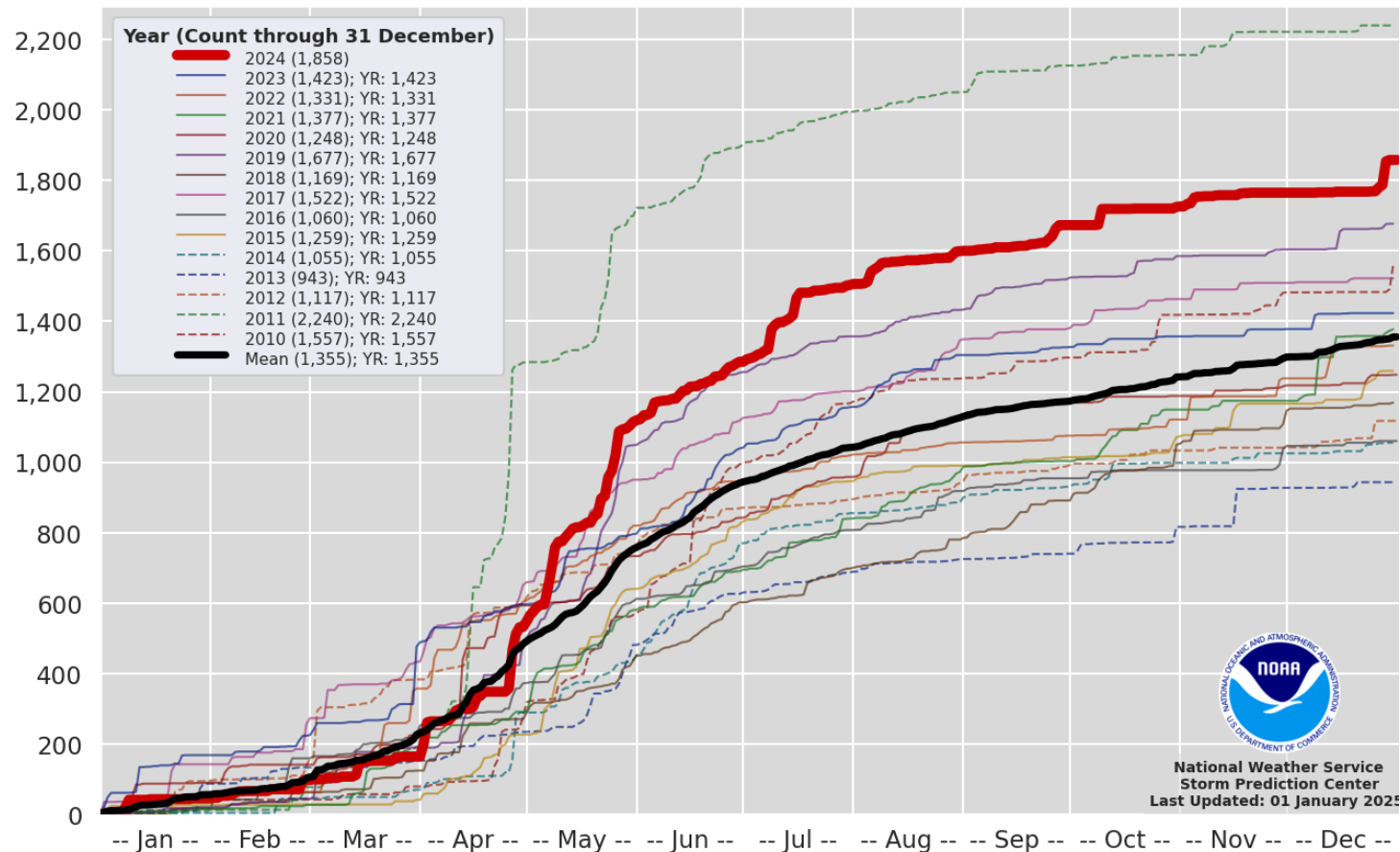


Top 5 States

- 1. Texas
- 2. Nebraska
- 3. Kansas
- 4. Colorado
- 5. Missouri

2024 – Climate Change: What is Going On??

Annual Tornado Count – 2010 through 2024 United States Annual Counts of Tornado LSRs*



2024

- States Without Tornadoes
- Nevada
 - Vermont
 - Maine

- Record Number of Tornadoes
- Oklahoma
 - Ohio
 - West Virginia
 - Iowa

*Preliminary sightings/events from NWS Local Storm Reports (LSRs). Annual Mean is based on Preliminary LSRs from 2010-2024
Source: <https://www.spc.noaa.gov/wcm>

Climate Change: What is Going On??

2024 Wildfire Activity

- **Texas – Smokehouse Creek Fire**

- Acres Burned

1.1 Million

- **California – West Coast Conditions**

- Acres Burned

1,050,012

- Park Fire – Acres Burned

430,000

- Growth Rate Study

California Wildfires 2001 to 2020

Fast Fire

>4,003

Acres Burned
per Day

2001-2020

398%

Increase in
Fast Fires

Damage

90%

Caused by 3% of
Fastest Fires

Source: Smokehouse Creek fire in Texas Panhandle 100% contained | The Texas Tribune; Mapping the Park Fire, among the largest fires in California history; The fastest-growing and most destructive fires in the US (2001 to 2020) | Science

Climate Change: What is Going On??

LA County Wildfire Claims Trackers

(as of 3/5/25)

37,749

Claims Filed

27,821

Claims Partially Paid

\$12.1B

Claims Paid to Date

Source: [LA County Wildfire Claims Tracker](#)

2025 – LA Wildfires

- Structures Burned > 12,000
- Acres Burned > 40,000
- Fatalities 29
- Fast Fire 16X Average Wildfire
- Insured Losses Est. \$25B–\$40B
- Total Economic Losses Est. \$200B–\$280B
- Costliest Fire in US History
- Potential Issues
 - Insurance Companies
 - Number of Occurrences
 - Additional Living Expenses
 - Cause?
 - Labor and Replacement Costs
 - Rebuild?

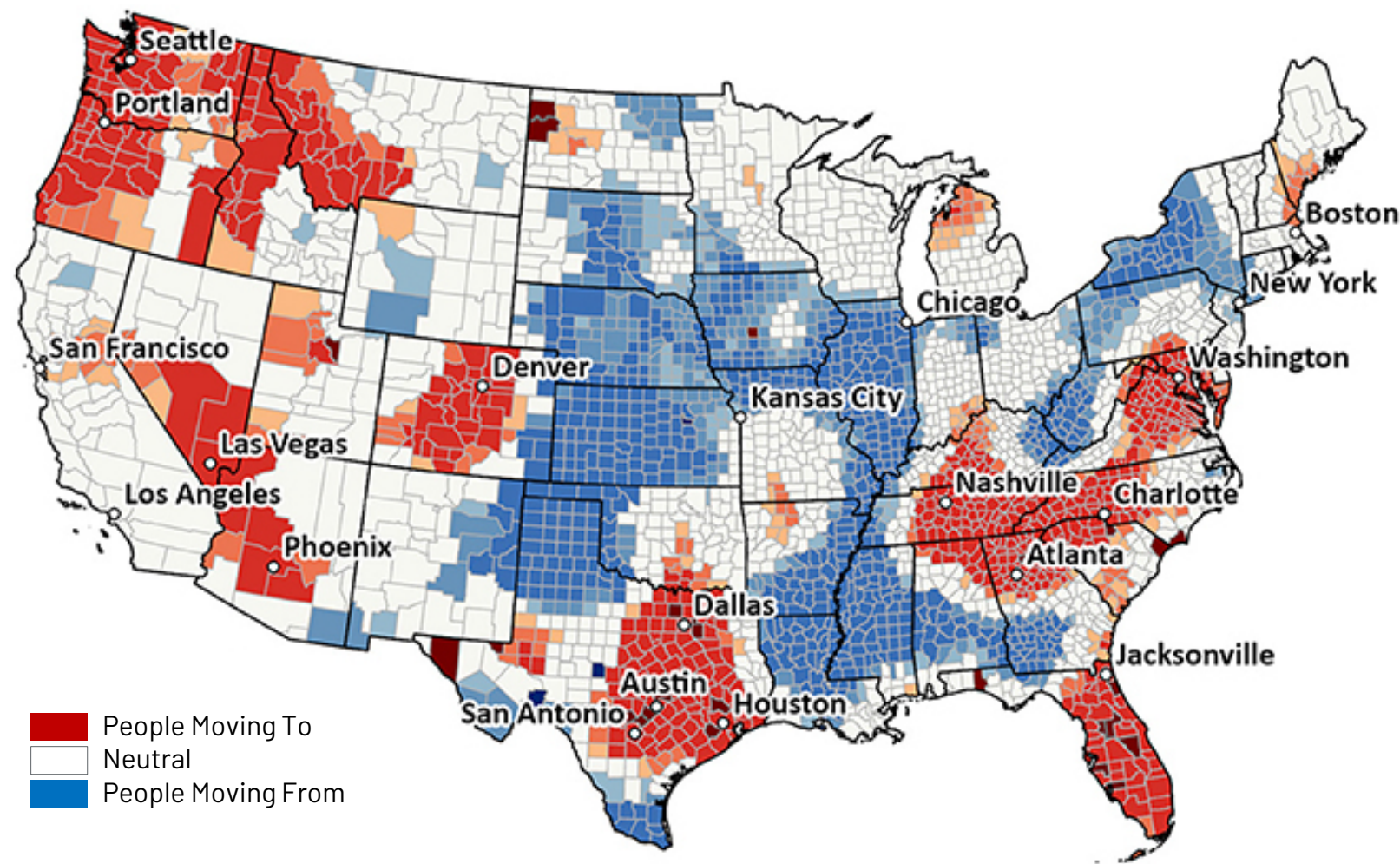


Property

Demographics

Demographics

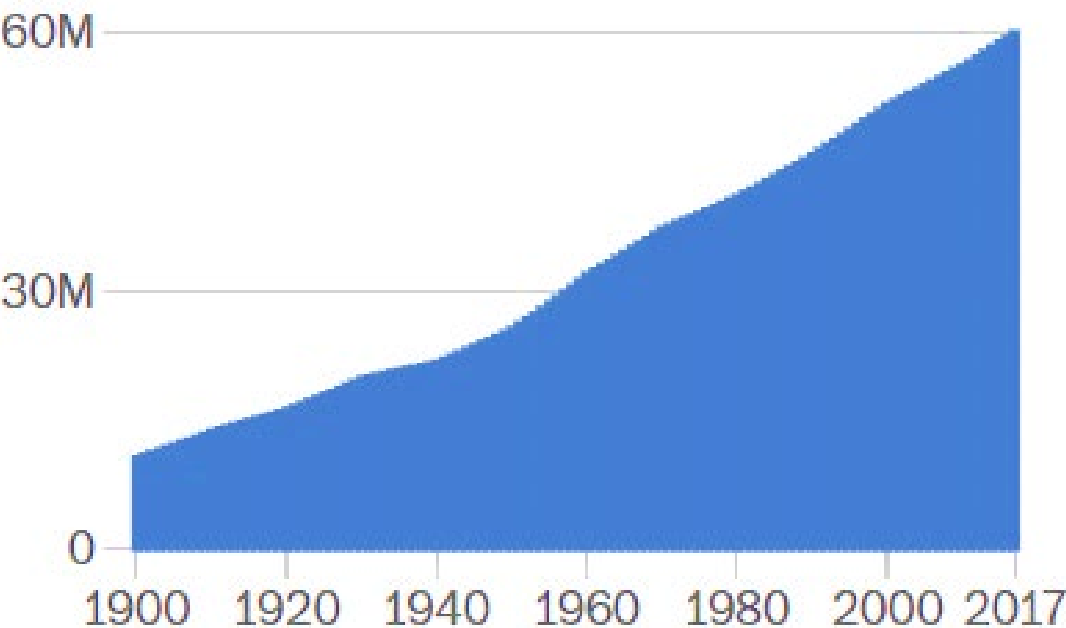
U.S. Migration Patterns – 2010–2020



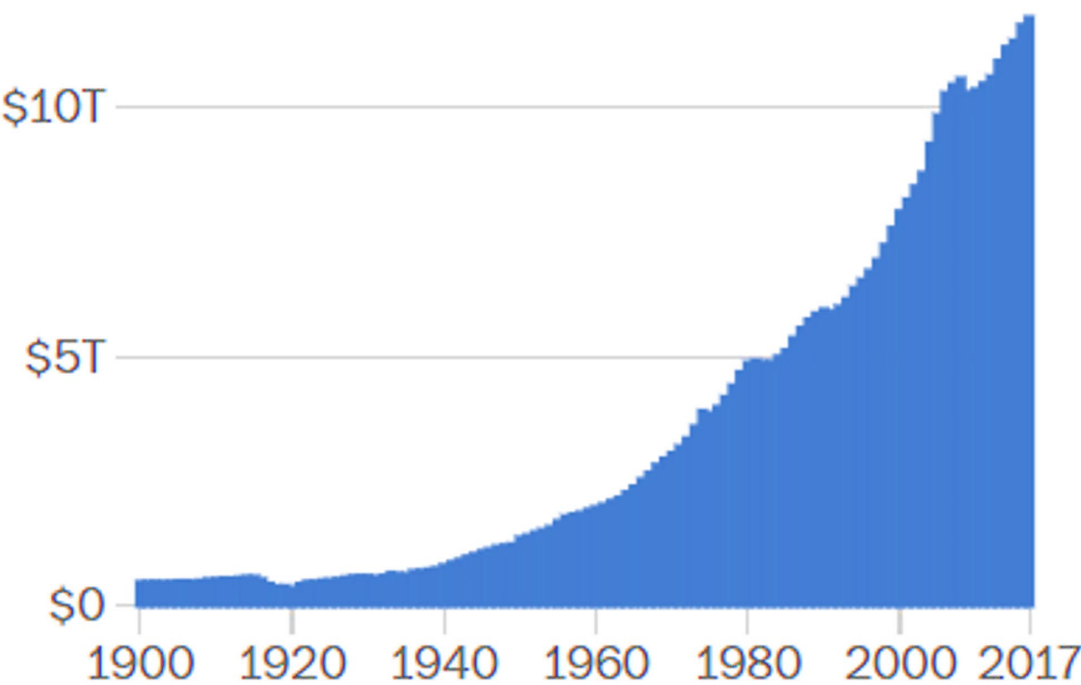
Demographics

U.S. Coastal Counties – 1900–2017

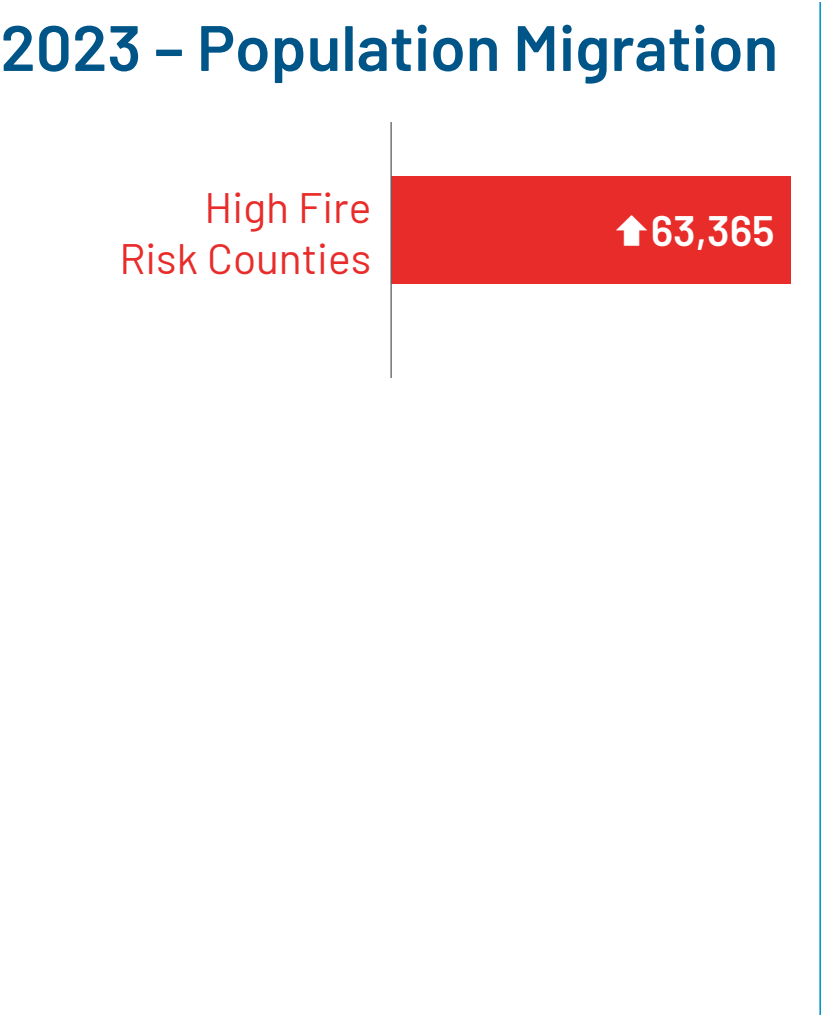
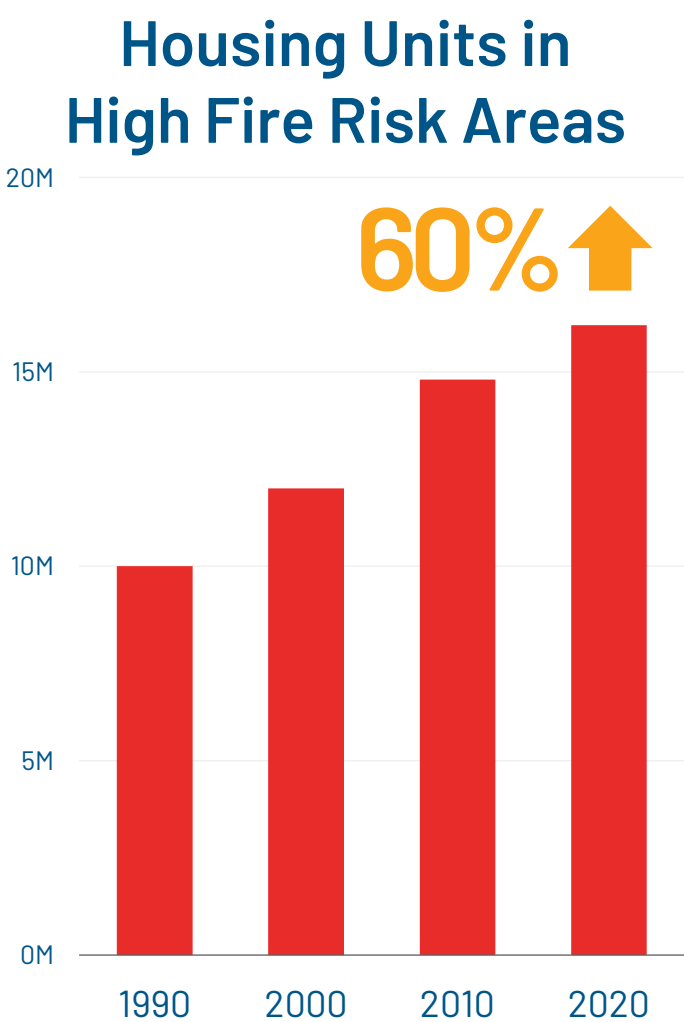
Population



Wealth



Demographics



Source: Wildland-Urban Interface (WUI) Change 1990-2020 – SILVIS LAB – UW-Madison (wisc.edu), Thousands More People Are Moving In Than Out of Fire- and Flood-Prone America, Fueled by Migration to Texas and Florida, Redfin Corporation (RDFN)



Demographics

Wildland Urban Interface

Housing Units in WUI

1990
30.1M

2020
44.1M

47% ↑

Source: Analysis | Why more billion-dollar disasters like Helene and Milton are happening – Washington Post

Demographics

Wildfire Risk – Top 4 Metro Areas

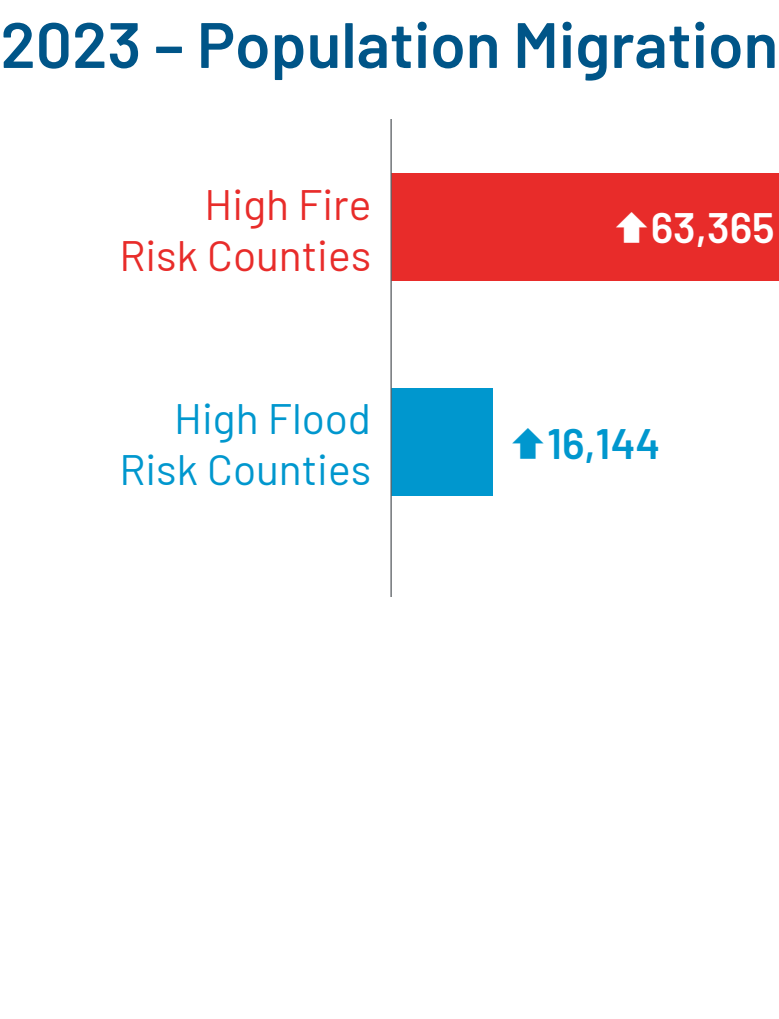
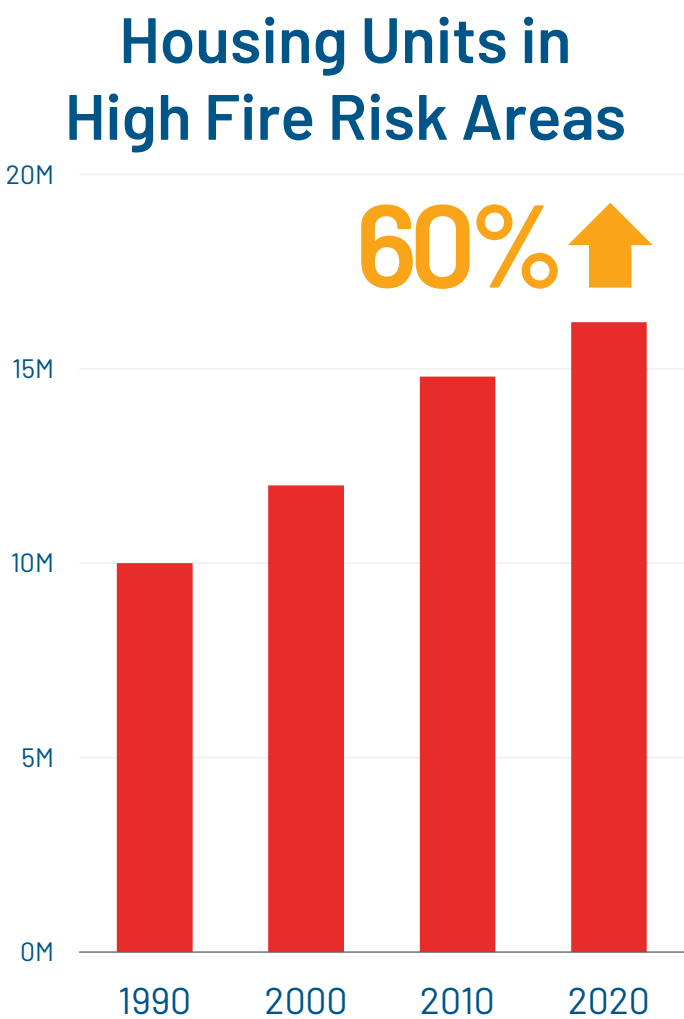
Metro Area	Rank	Total Homes at High-Extreme Risk		Total RCV Amount in Billions	
		2019	2024	2019	2024
Los Angeles–Long Beach–Anaheim, CA	1	121,589	185,763 53%↑	\$71.00	\$143.24 102%↑
Riverside San Bernardino–Ontario, CA	2	108,787	166,372 53%↑	\$40.94	\$86.65 131%↑
San Diego–Chula Vista Carlsbad, CA	3	75,096	123,060 64%↑	\$35.81	\$75.57 111%↑
Sacramento Roseville– Folsom, CA	4	68,056	91,475 34%↑	\$27.50	\$53.17 93%↑



Source: Top 15 US Metros With Exposure to Wildfire Risk | CoreLogic®

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Demographics



Source: Wildland-Urban Interface (WUI) Change 1990-2020 – SILVIS LAB – UW-Madison (wisc.edu), Thousands More People Are Moving In Than Out of Fire- and Flood-Prone America, Fueled by Migration to Texas and Florida, Redfin Corporation (RDFN)



Demographics

New Construction – 2019–2023 High Risk Flood Counties

Nationally

1.6M
Homes Built
in the U.S.



290,000
Homes Built in
High Risk Flood Areas

Top States

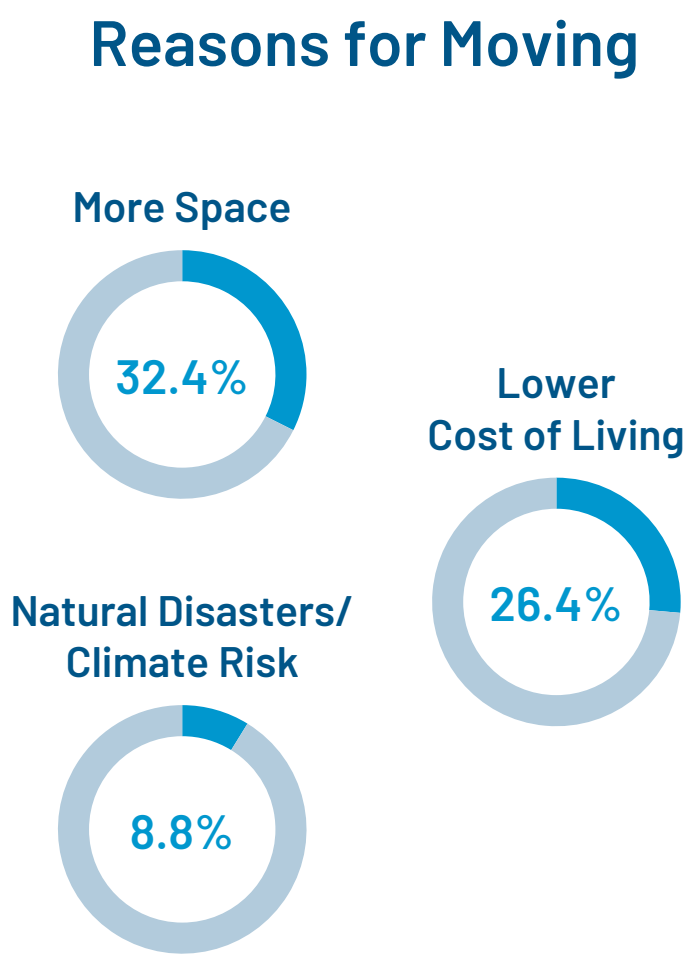
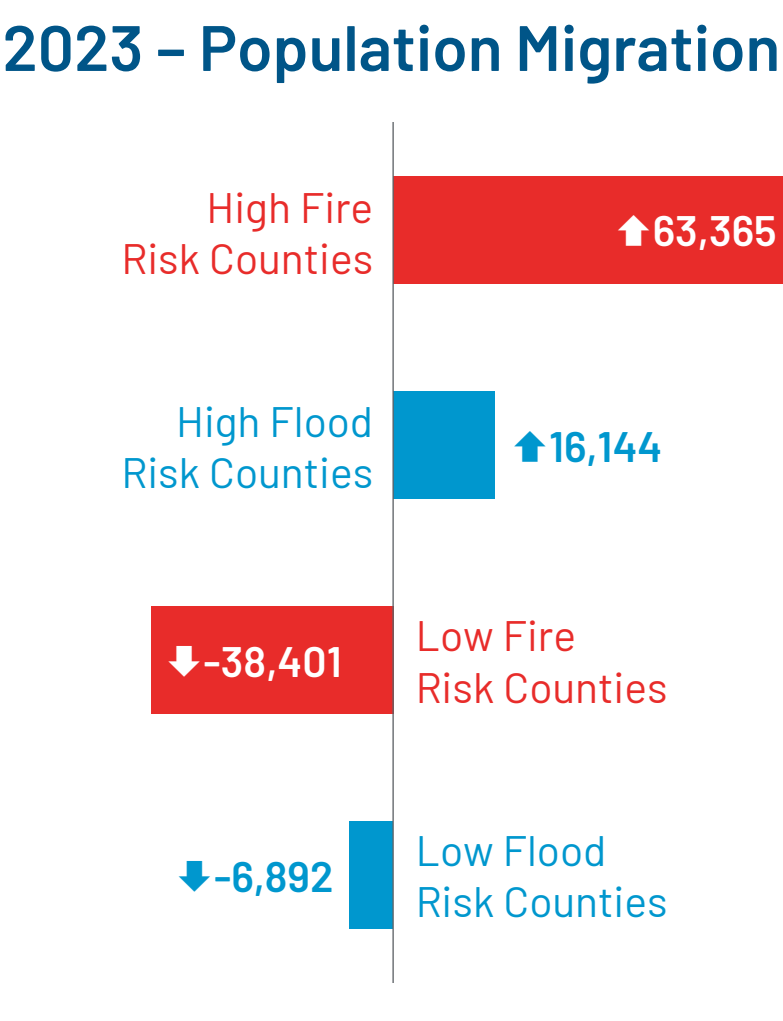
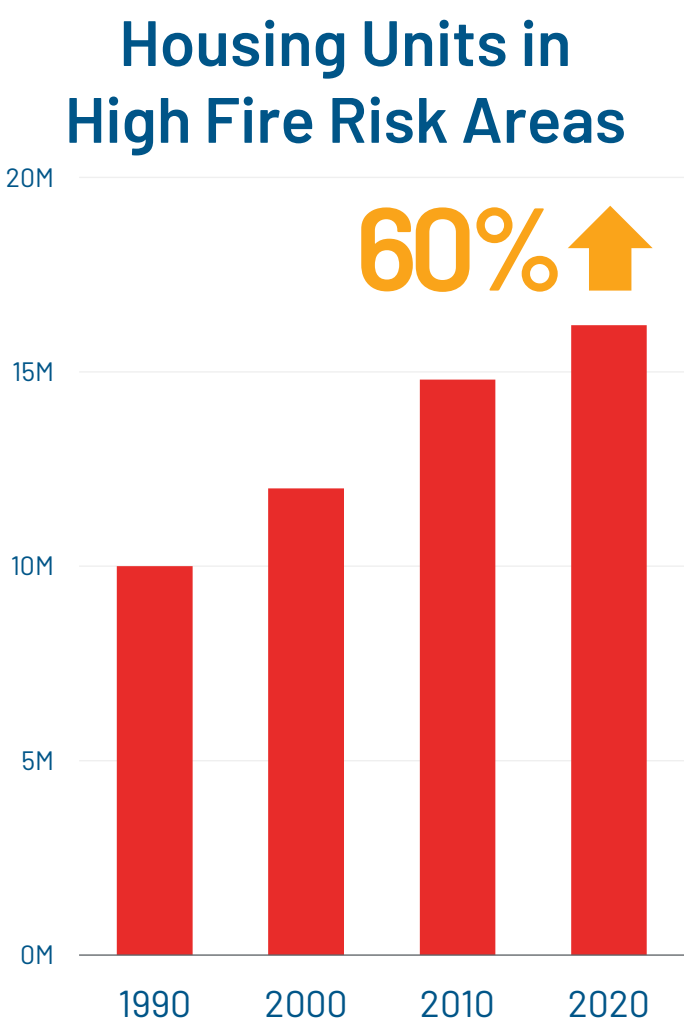
Florida
77,000

Texas
63,000

California
21,000

North Carolina
11,000

Demographics



Source: Wildland-Urban Interface (WUI) Change 1990-2020 – SILVIS LAB – UW-Madison (wisc.edu), Thousands More People Are Moving In Than Out of Fire- and Flood-Prone America, Fueled by Migration to Texas and Florida, Redfin Corporation (RDFN)



Property

Preparedness and Resiliency

Preparedness & Resiliency

Risk Mitigation

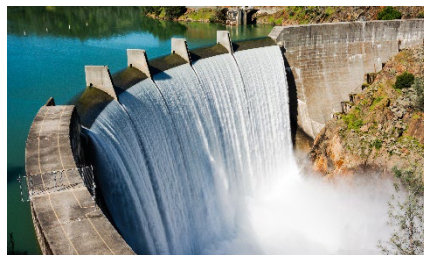


Infrastructure Investment

Preparedness & Resiliency

Infrastructure Investment

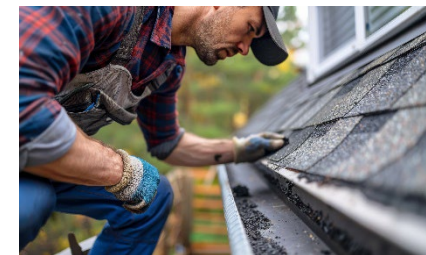
Gray Infrastructure



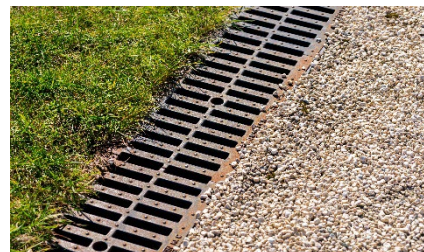
Dams



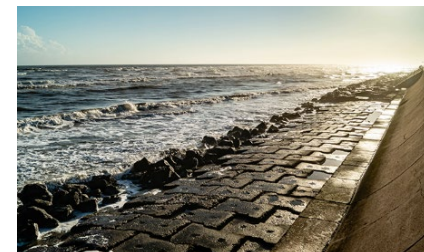
Dykes/Levees



Gutters

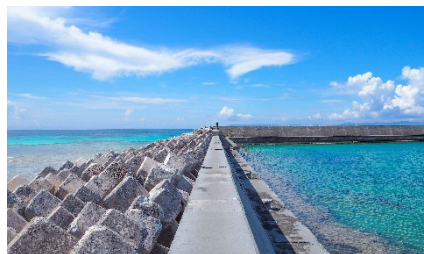


Drains

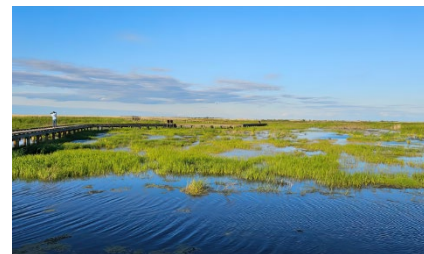


Seawalls

Green Infrastructure



Barrier Island
Restoration



Wetland
Restoration



Beach
Nourishment

Source: [swiss-re-institute-expertise-publication-climate-adaptation-resilience-rebuild.pdf](#)

Preparedness & Resiliency

Risk Mitigation



**Infrastructure
Investment**



**Building Codes and
Zone Restrictions**

Preparedness & Resiliency – Building Codes

Florida – Hurricane Ian (2022)



Source: Florida Building Codes Made a Big Difference for Newer Homes in Ian, Reports Show, <https://www.insurancejournal.com/news/southeast/2022/10/17/690281.htm>

Preparedness & Resiliency

Risk Mitigation



**Infrastructure
Investment**



**Building Codes and
Zone Restrictions**



**Resilient
Engineering**

Preparedness & Resiliency – Resilient Engineering – Hunter's Point, FL

“Hurricane Proof Homes”

Resiliency Features

- Elevated Construction
- Hurricane-proof windows and doors
- Underground Utilities
- Girding
- Fortified Foundation
- Solar and Battery Powered
- Raised Electrical Outlets



Source: *Is This Florida's Most 'Hurricane-Proof' Home—and Community?*

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Preparedness & Resiliency – Resilient Engineering – Hunter's Point, FL

“Hurricane Proof Homes”



Flooding Streets



Secured Solar Panels



Hydrostatic (Flood) Vents

Source: Is This Florida's Most 'Hurricane-Proof' Home—and Community?; Helene and Milton put this net-zero, hurricane-proof community to the test. The lights stayed on as everything else went dark | CNN; Florida homeowner reveals state of 'hurricane-proof' home after storms ravaged state: 'So many people lost so much ...'; https://image.vevor.com/us/HTFKB16%C3%978X2PCSL8IV0/original_img-v5/flood-vent-m100-1.1.jpg?timestamp=1670929733344

Preparedness & Resiliency – Resilient Engineering – Babcock Ranch, FL



Resiliency Features

- Underground Utilities
- Solar Powered
- Retention Ponds
- Drainage Ponds
- High Point Construction
- 50% Green Space
- Metal Shutters

Preparedness & Resiliency – Resilient Engineering – Babcock Ranch, FL

Hurricane Milton Damage



Preparedness & Resiliency

Risk Mitigation



**Infrastructure
Investment**



**Building Codes and
Zone Restrictions**



**Resilient
Engineering**



**Technology
Engineering**

Preparedness & Resiliency – Technology Engineering

Wildfire Prevention:

The Fire Dome

How Does it Work?

- Protected Perimeter/Barrier
- Detect/Extinguish Spot Fires



Preparedness & Resiliency – Technology Engineering

AquaFence – Facts

Mechanics

Panels Secure
to Ground

Protection

Up to
15 Foot Surge

Installation

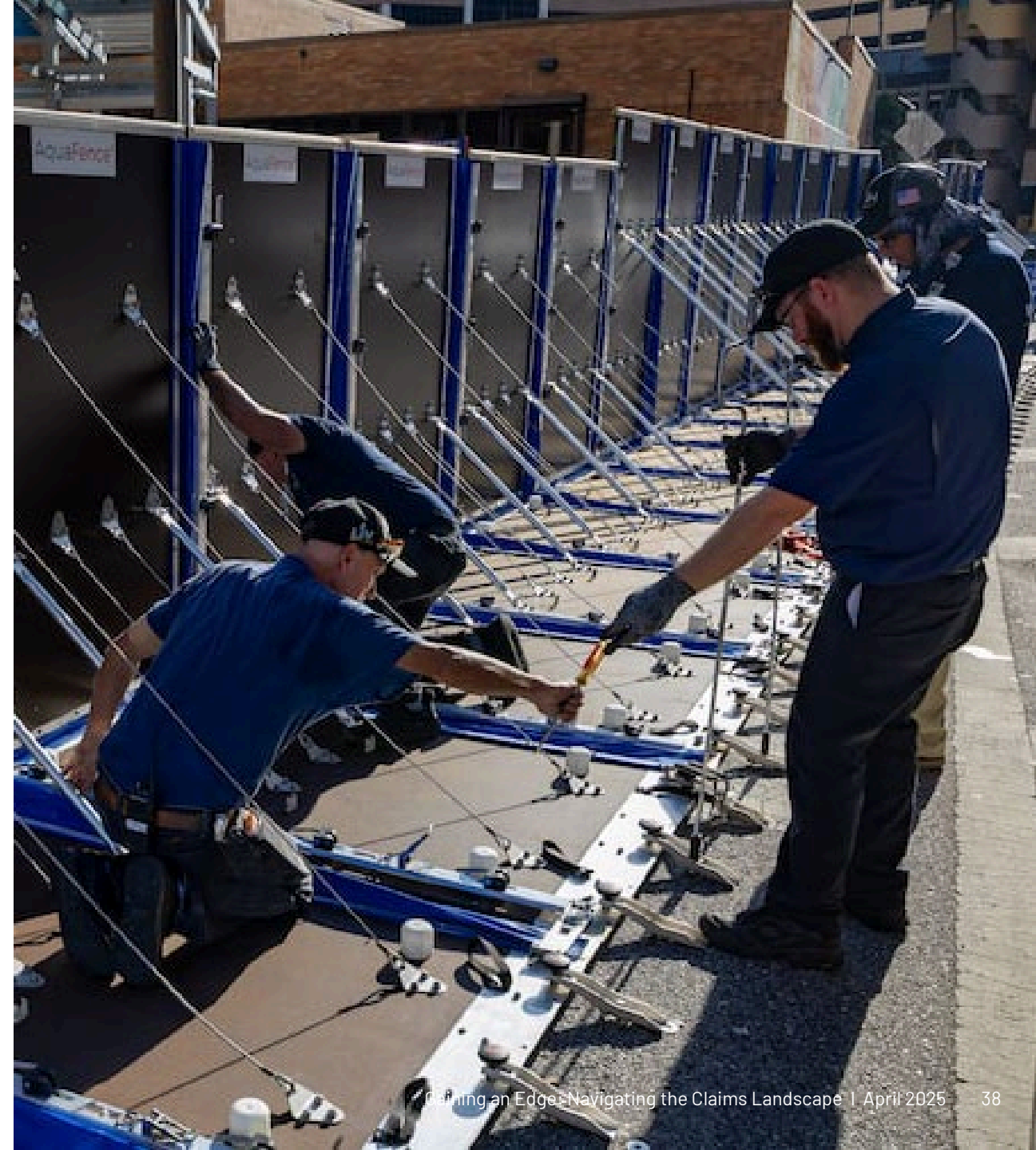
100 Feet in
30 Minutes

Reusable

Up to
60 Times

Cost

\$350 to \$1,000
per Linear Foot



*Source: Milton storm surge could be too much for Tampa General's AquaFence;
AquaFence Flood Protection*



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Preparedness & Resiliency – Technology Engineering

AquaFence Hurricane Milton



Source: Milton storm surge could be too much for Tampa General's AquaFence;
[AquaFence Flood Protection](#)

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Casualty

Nuclear Verdicts

Nuclear Verdicts – 2013–2022: The Data

Study

U.S. Chamber of
Commerce Institute for
Legal Reform

Data

All personal injury & wrongful
death verdicts **\$10M**
and up from 2013–2022

Nuclear Verdicts

1,288
(10 years)



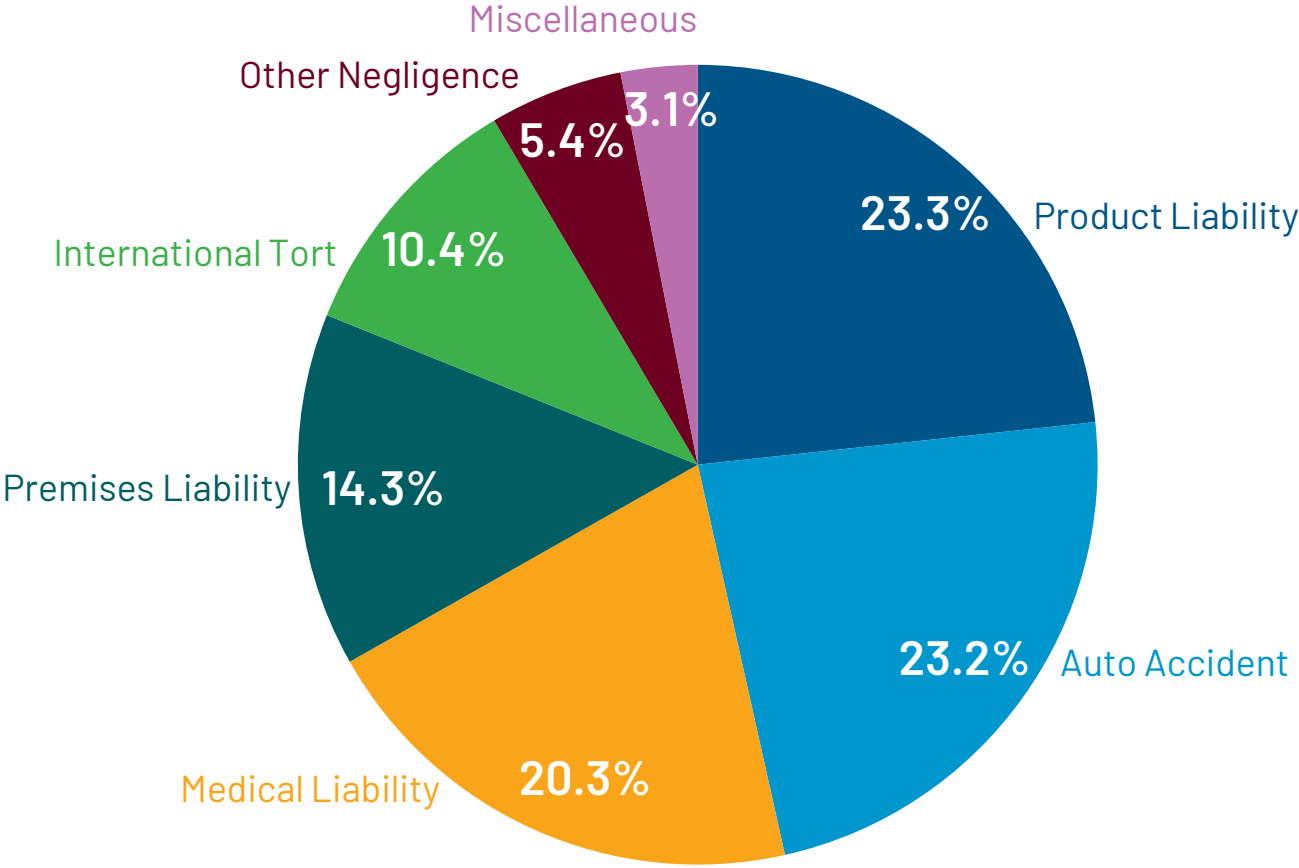
129
per year

10.8
per month

1
every 3.5 days

Nuclear Verdicts – 2013–2022

Case Breakdown



The Big Three

Product Liability ➡ 23.3%

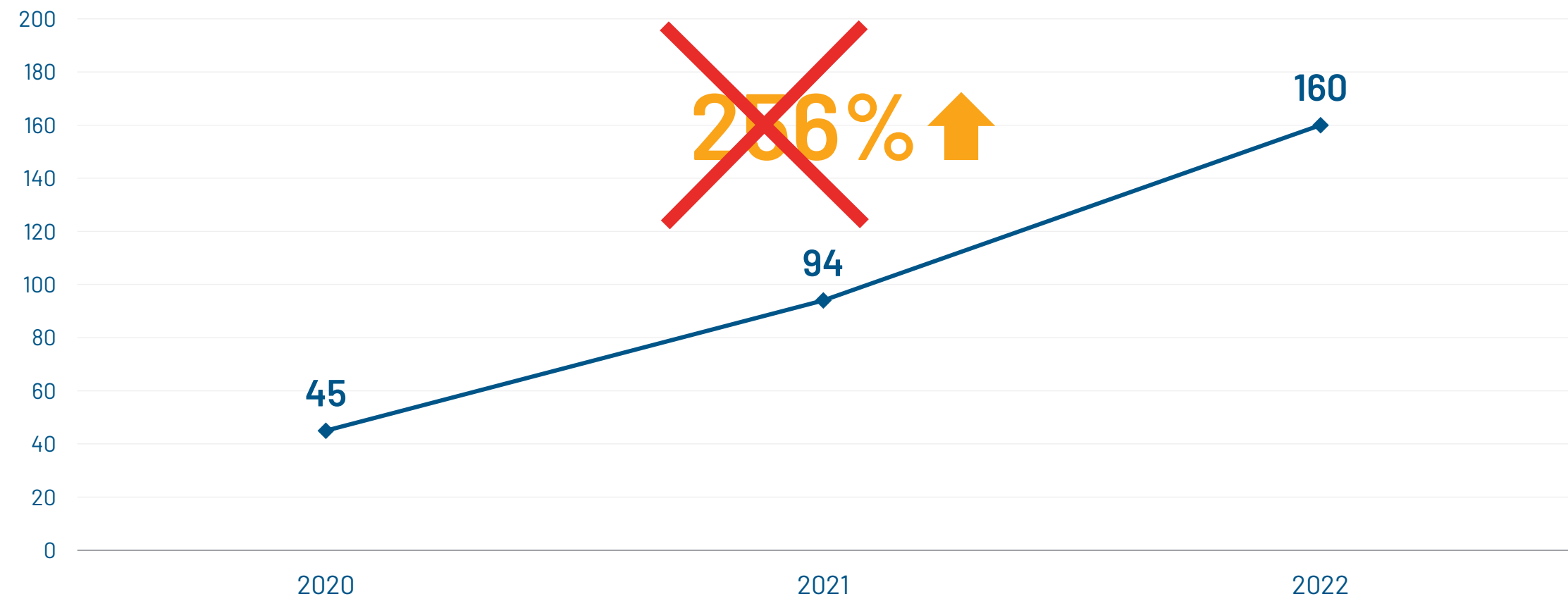
Auto ➡ 23.2%

Medical ➡ 20.3%

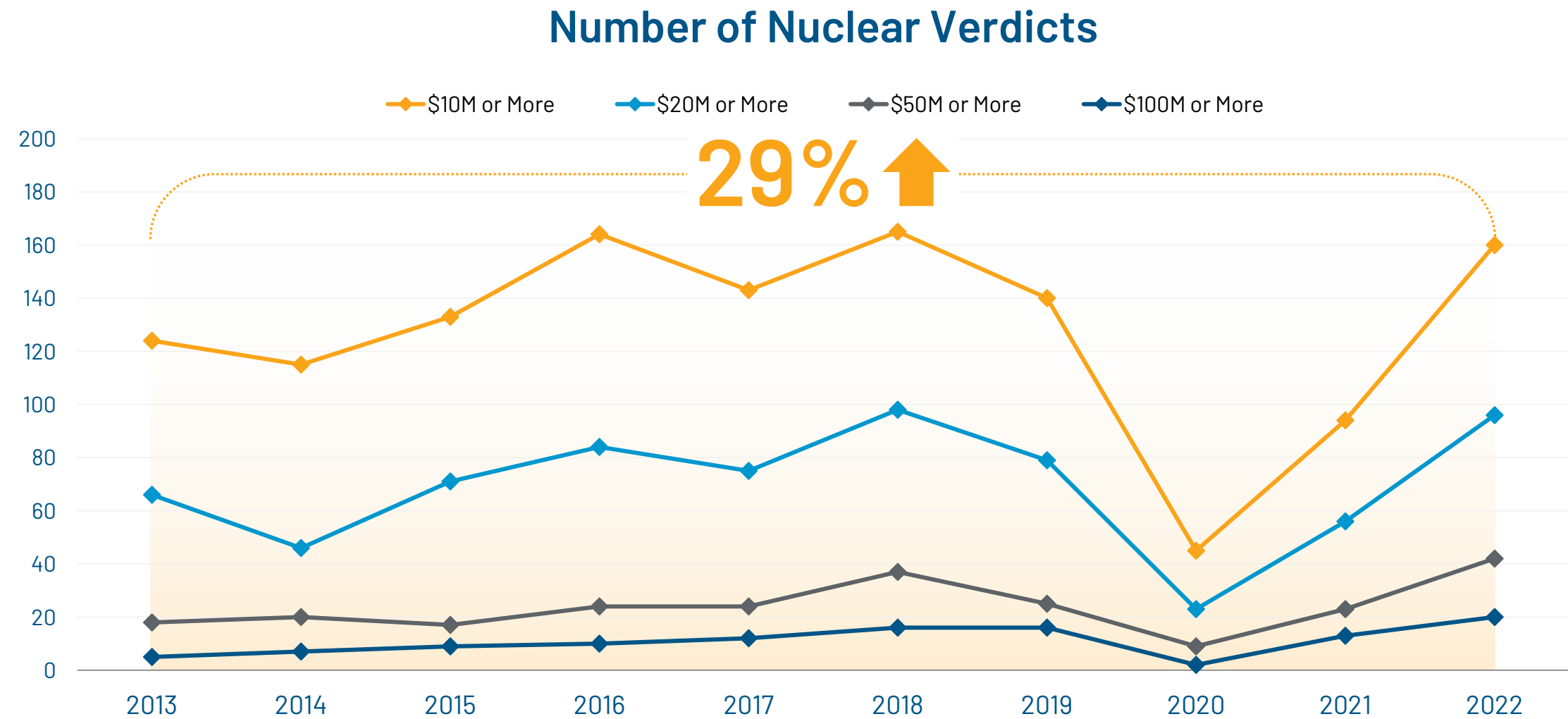
TOTAL ➡ 66.8%

Nuclear Verdicts – 2013–2022

Number of Nuclear Verdicts – 2020–2022



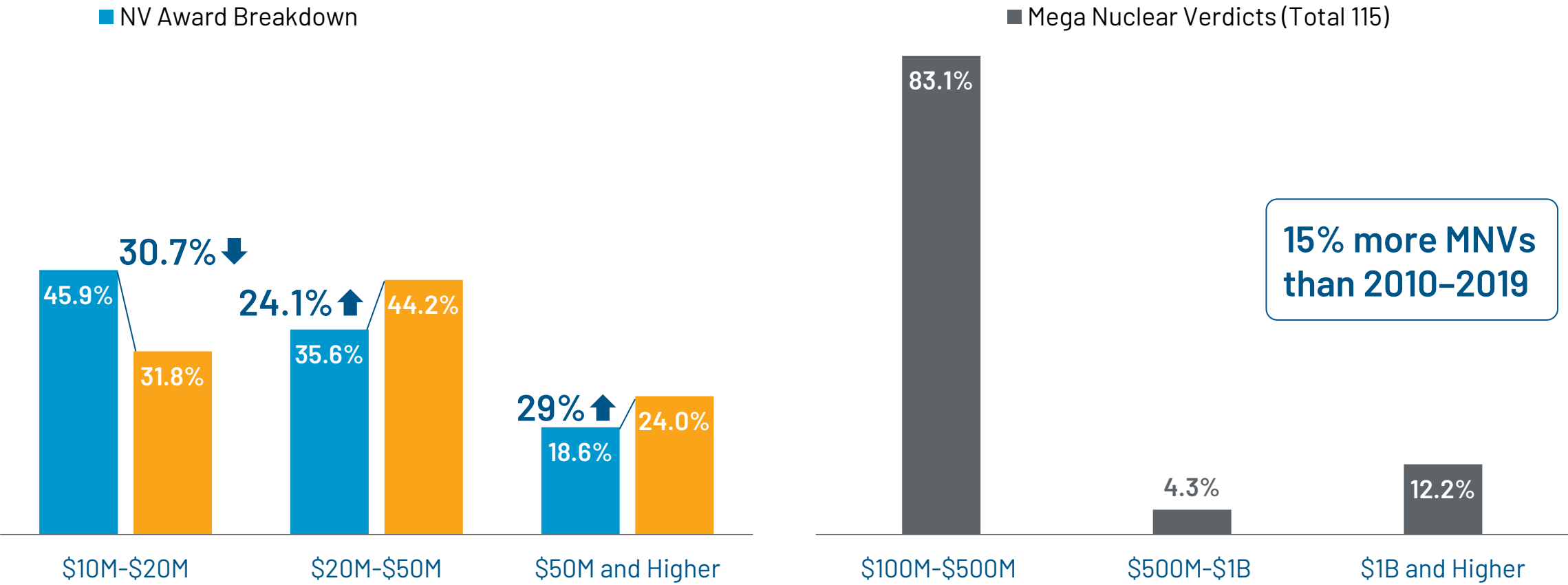
Nuclear Verdicts – 2013–2022



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions – ILR ([instituteforlegalreform.com](https://www.instituteforlegalreform.com))

Nuclear Verdicts – 2013–2022

Nuclear Verdict Awards – Range Distribution

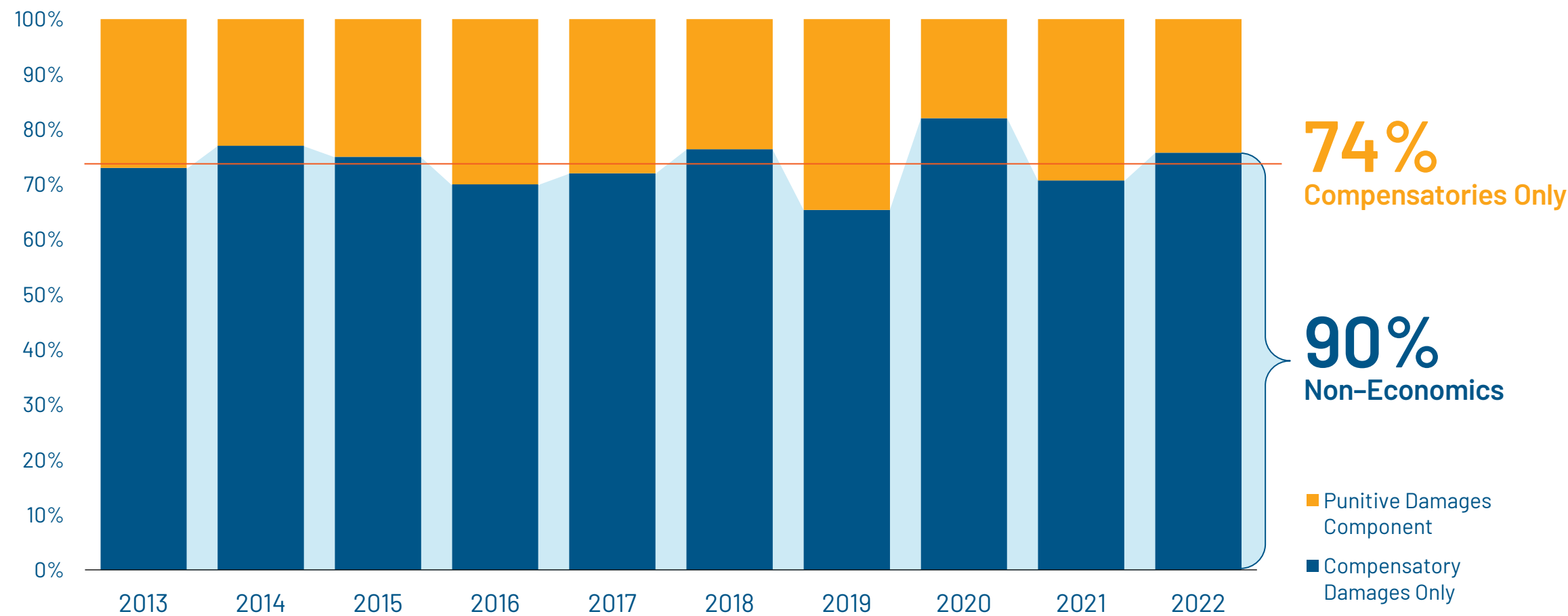


Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions – ILR (instituteforlegalreform.com)

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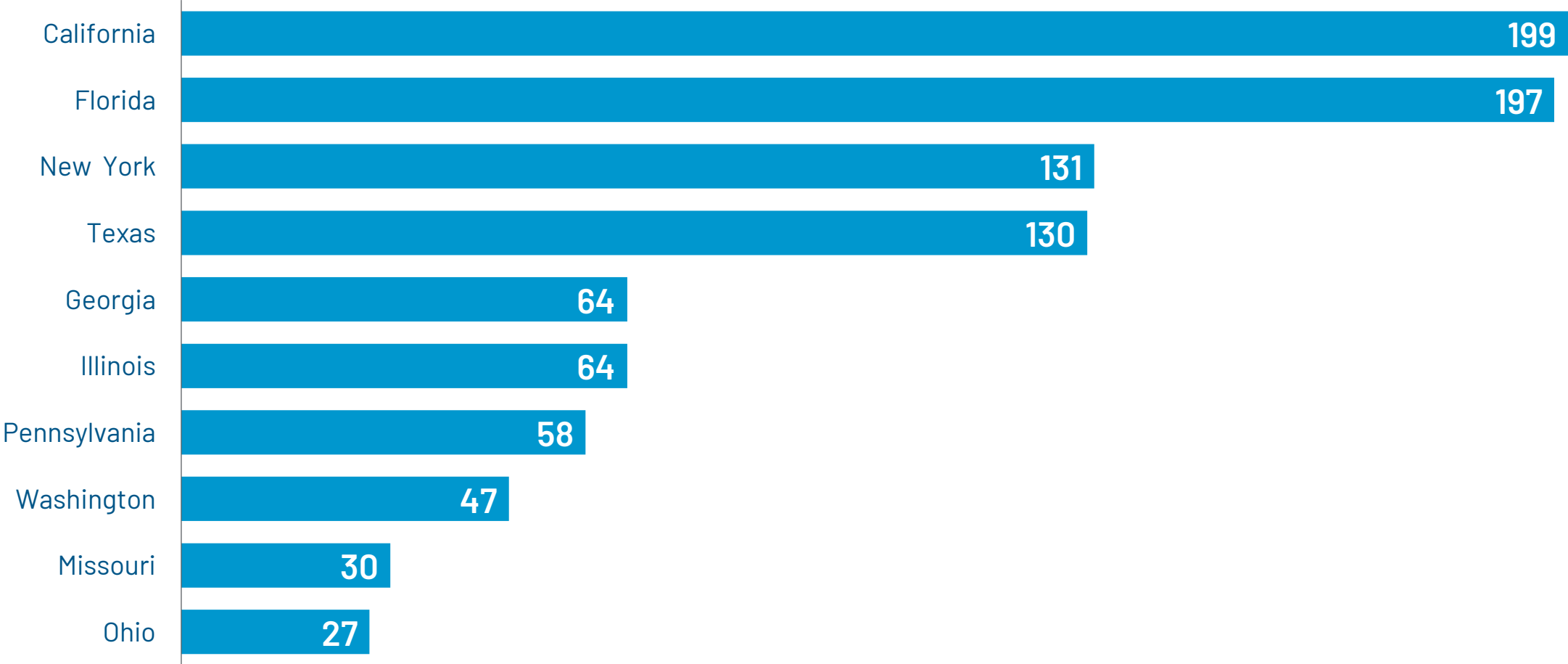
Nuclear Verdicts – 2013–2022

Nuclear Verdict Damages Makeup – Punitives vs. Compensatories



Nuclear Verdicts – 2013–2022

State Nuclear Verdicts – Top 10



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions – ILR (institutelegalreform.com)



Nuclear Verdicts – 2013–2022

State Nuclear Verdicts – Top 10 per Capita

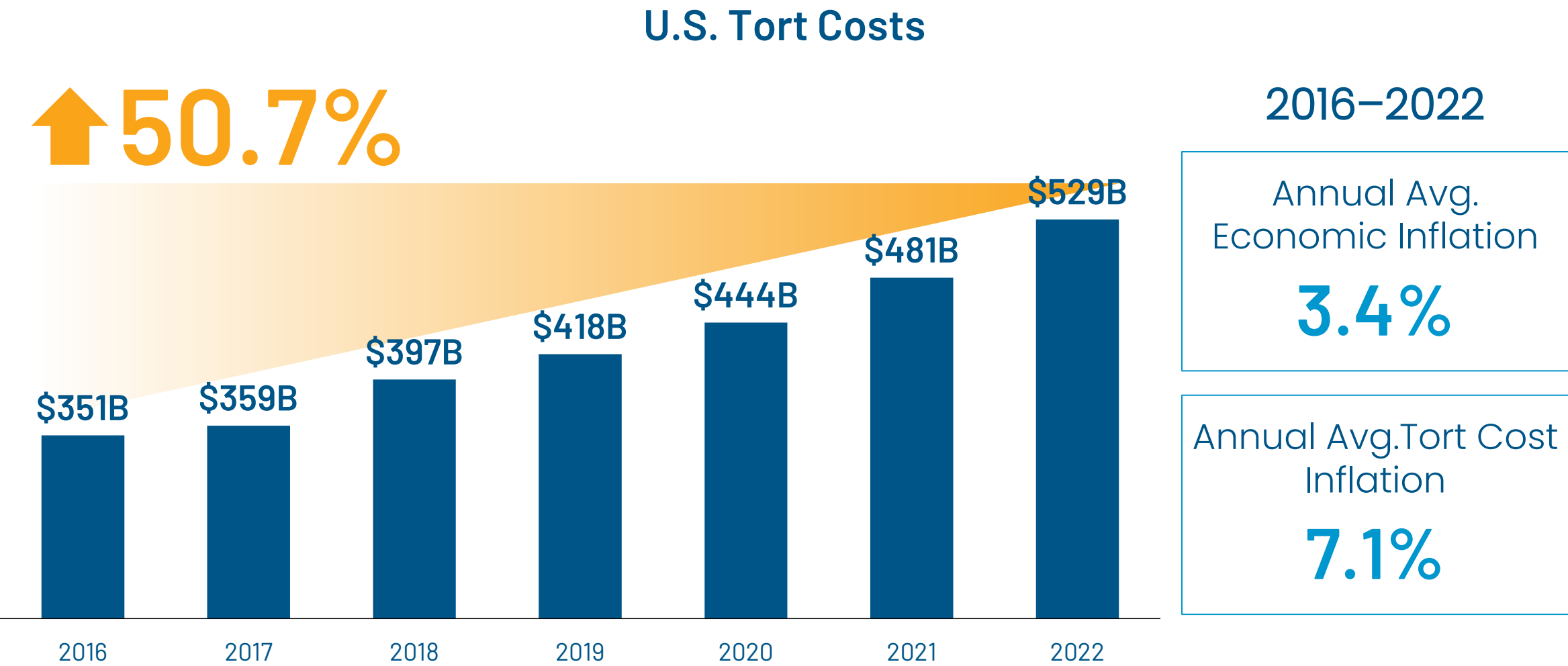
State	Per Capital Rank	Cumulative Rank (prior slide)	Average State Population	Nuclear Verdicts per 100K people	
Florida	1	2	20,975,886	0.939	42% ↑
New York	2	3	19,741,604	0.664	
Washington	3	8	7,429,799	0.633	
Georgia	4	5 (tie)	10,461,694	0.612	
New Mexico	5	–	2,096,622	0.572	Dropped Out – TX, OH and PA
Rhode Island	6	–	1,068,310	0.562	
Wyoming	7	–	581,307	0.516	
California	8	1	39,182,465	0.508	
Illinois	9	5 (tie)	12,770,239	0.501	
Missouri	10	9	6,116,383	0.490	



Casualty

Social Inflation/Legal System Abuse

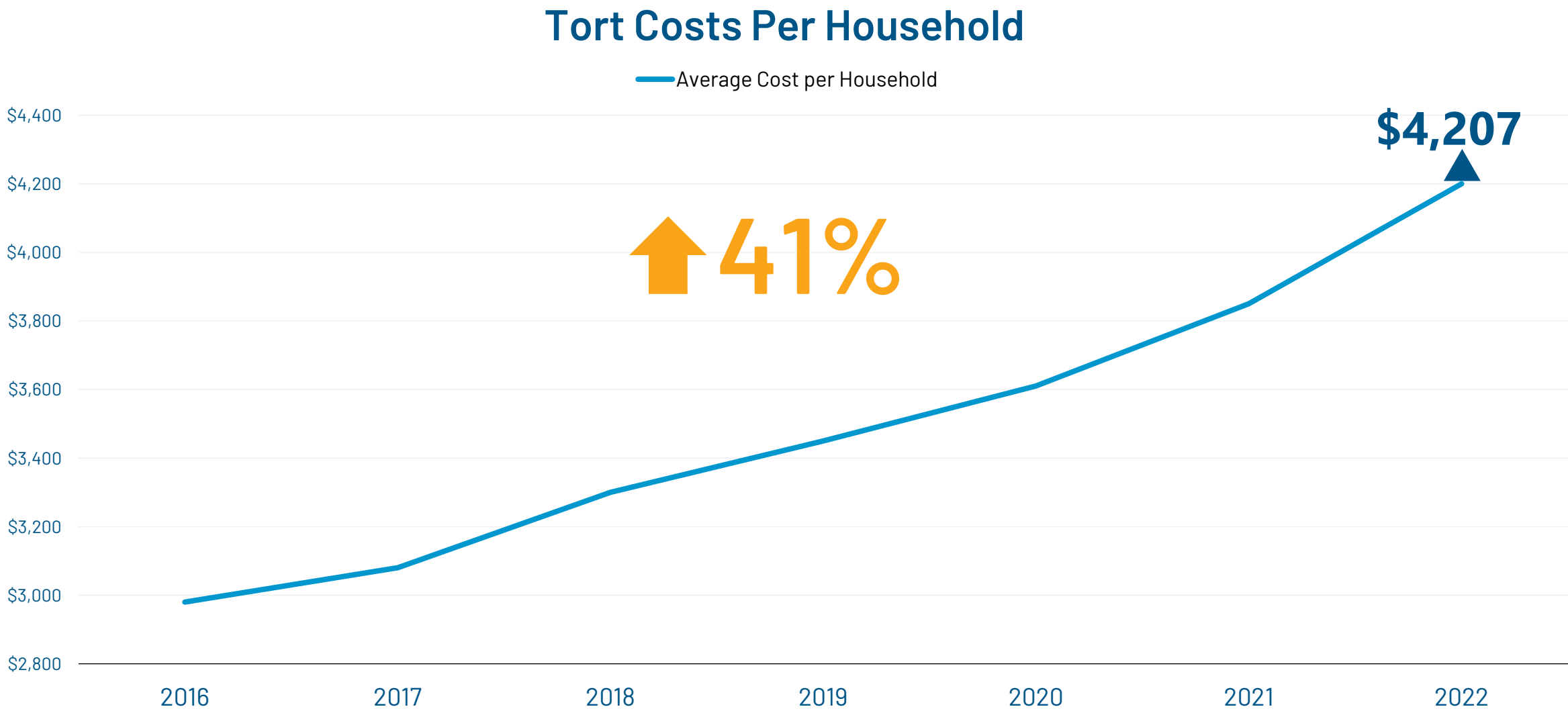
Social Inflation/Legal System Abuse – Tort Costs 2016–2022



Source: Tort Costs in America, November 2024 – ILR (instituteforlegalreform.com)

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Social Inflation/Legal System Abuse – Tort Costs 2016–2022

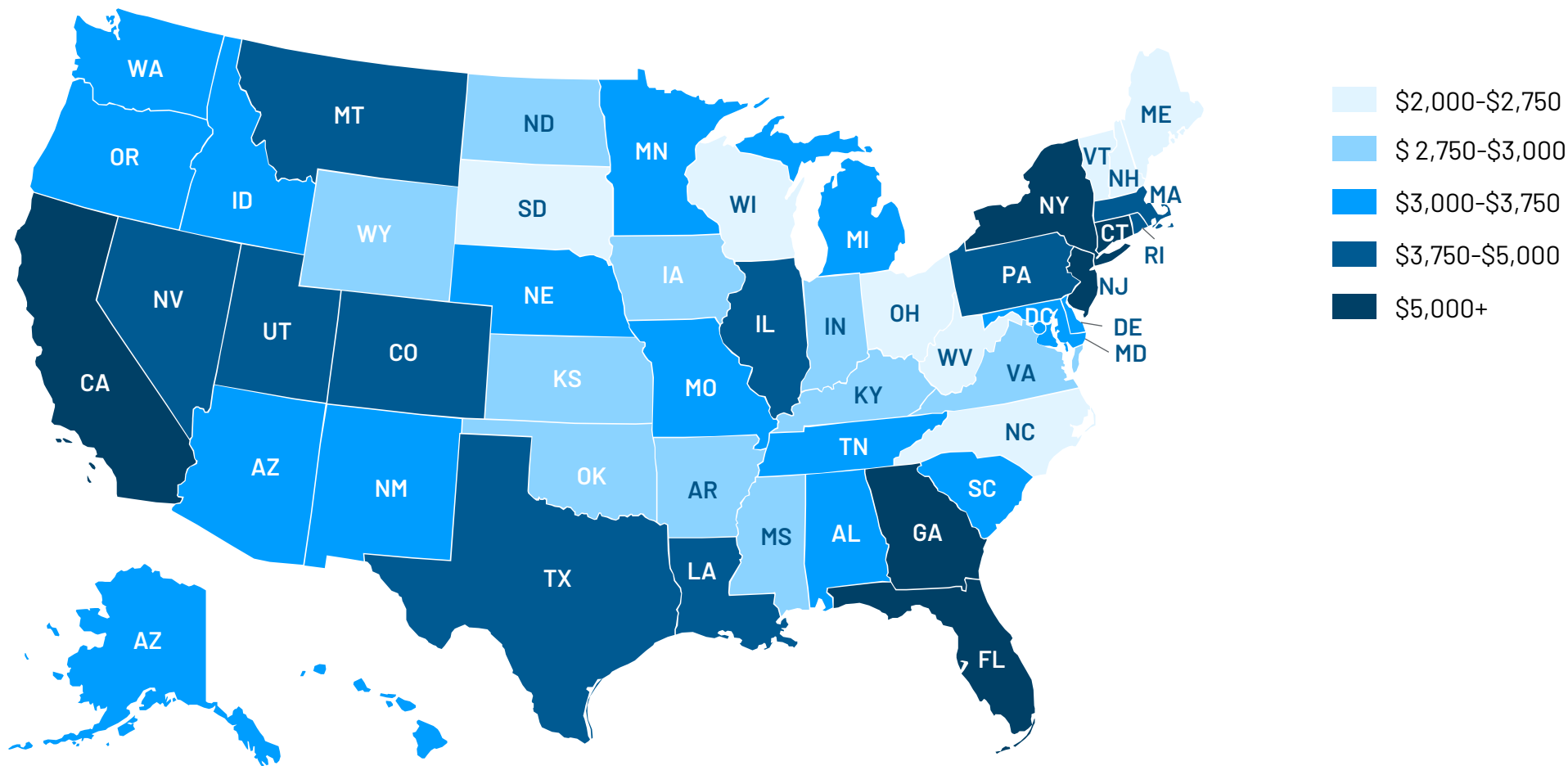


Source: Tort Costs in America, November 2024 – ILR (instituteforlegalreform.com)



Social Inflation/Legal System Abuse – Tort Costs 2016–2022

Tort Costs Per Household By State



Social Inflation/Legal System Abuse

Contributing Factors



**Third Party
Litigation Financing**



**Advertising/Social
Media Impact**



**Limits
Compression**



**Plaintiff Trial
Strategies**



**Changing Juries:
The New Normal**

Social Inflation/Legal System Abuse – Third Party Litigation Financing

Impact

No Transparency

Prolongs Lawsuits/Wastes
Judicial Resources

More Verdicts

Increased Legal Costs

2016 – 2022:

Defense Costs: 30%↑

Complex Cases: 60%↑

Changes Settlement
Evaluation

Vicious Cycle

National Security
Concerns

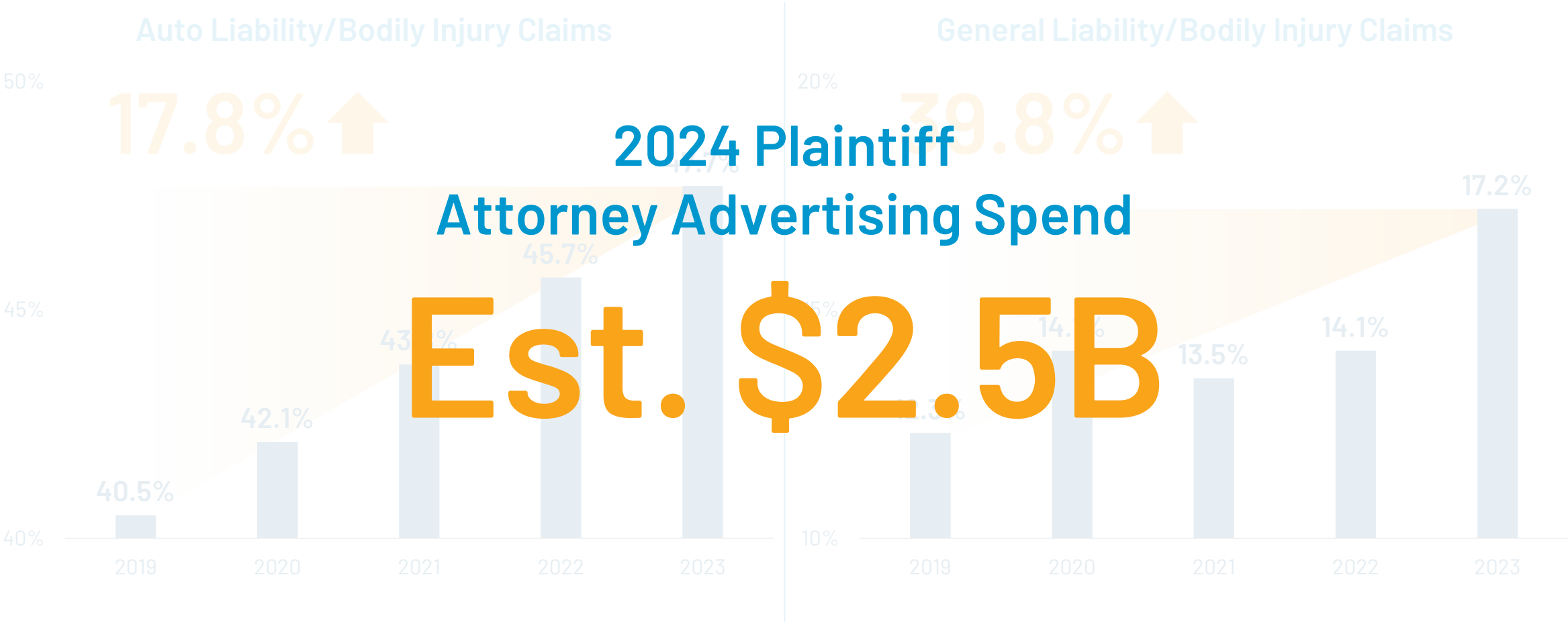


AUM ➡ > \$15B

Tort Reform
IN, LA, MT, WV, WI

Social Inflation/Legal System Abuse – Attorney Representation Rates

5-Year View



Source: Sedgwick, Liability Litigation Observations and Trends (2024); LexisNexis Risk Solutions – 2023 Survey

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Social Inflation/LSA – What Can We Do??

Florida

9% of National
HO Claims

79% of National
HO Lawsuits

Florida 2022 – How Bad Was It?

2020-2022 Average
Annual Volume of Lawsuits
vs. Insurance Companies

100K

Litigation Rates
FL vs. All Other

↑ 10X

Claim Costs
FL vs. All Other

↑ 30%–50%

2022 Insurance Company
FL Defense Costs

\$3B

Lawsuits Filed Just
Prior to Tort Reform

280,122

Social Inflation/Legal System Abuse – What Can We Do?? – Florida – MACRO

2022 and 2023 Tort Reform Highlights

Elimination of One-Way Attorney's Fees	Prohibition of Assignment of Benefits	Modified Comparative Negligence	Two-Year Statute of Limitations
--	---------------------------------------	---------------------------------	---------------------------------

Lawsuits vs. H0 Insurers

3Q23 36,639	3Q24 27,923 ↓23.8%	3Q21 67,788	3Q24 27,923 ↓58.8%
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Source: Florida Passes Tort Reform: What You Need to Know | Marshall Dennehey; Lawsuits against insurers declined again this year. Will this year's hurricanes reverse the trend? – Insurance News | InsuranceNewsNet

Social Inflation/Legal System Abuse – What Can We Do?? – Georgia – MACRO



Social Inflation/Legal System Abuse – What Can We Do?? – MICRO

Litigation Strategies

**Pick Better
Juries**

**Anchor
Damages**

**Be Most
Reasonable/
Accept
Responsibility**

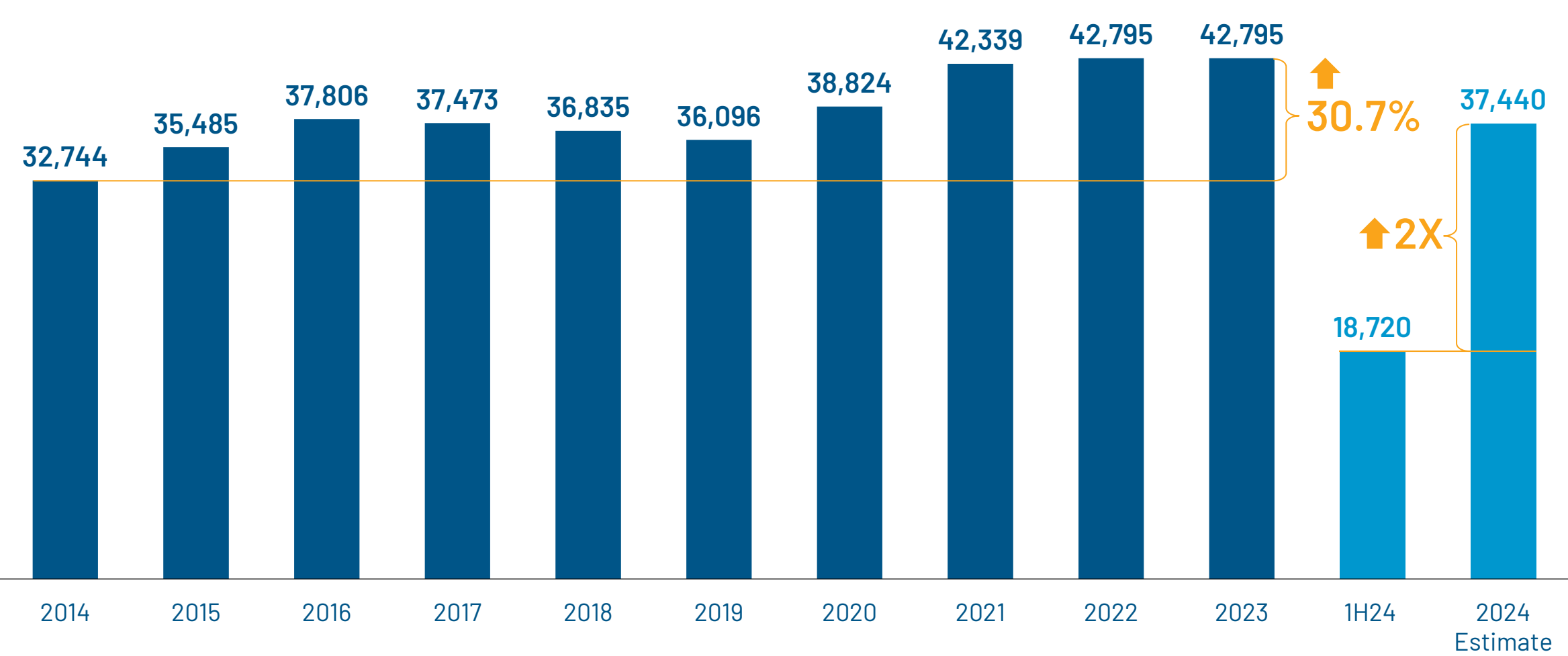
**Personalize
the Insured/
Defendant**



Casualty

Auto

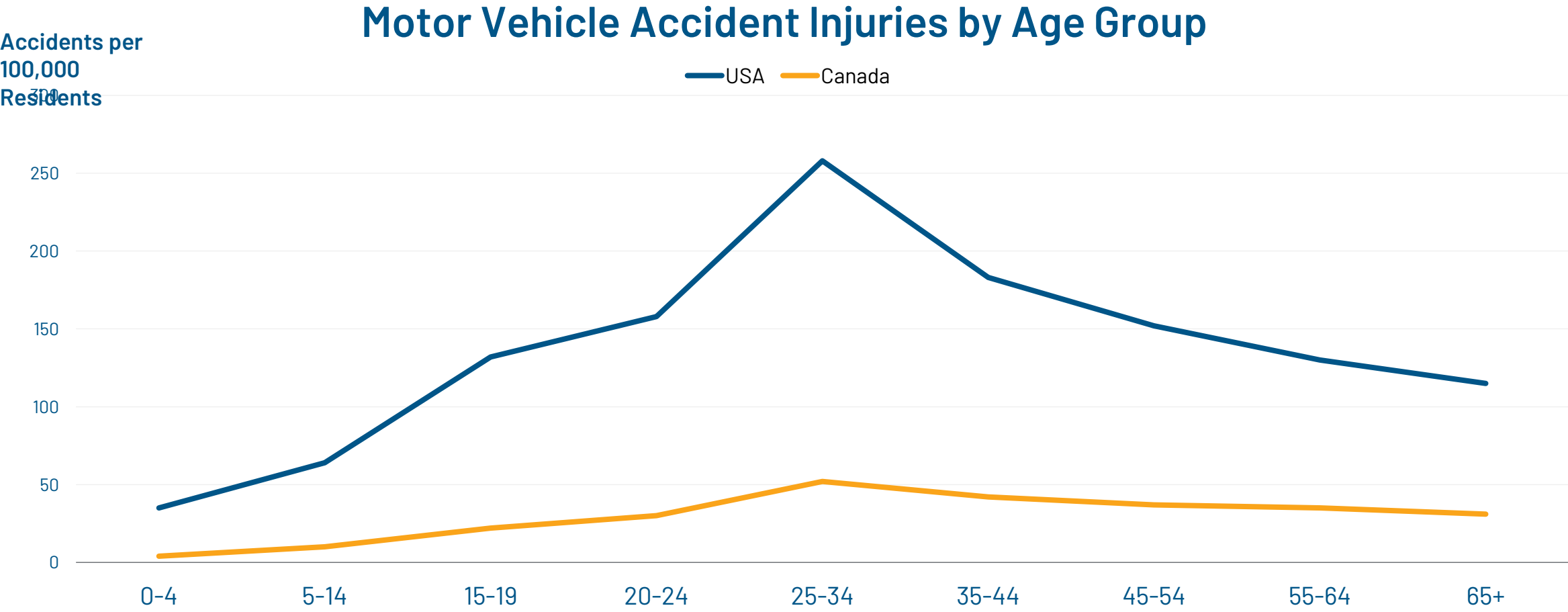
Auto – Traffic Fatalities – 2014-1H24



Source: NHTSA | National Highway Traffic Safety Administration Highway

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Auto – U.S. vs. Canada



Source: Traffic Accident Statistics: Canada vs. The United States (safer-america.com)

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Casualty

Fraud

Insurance Fraud

What is Insurance Fraud?

The wrongful or criminal deception of an insurance company for the purpose of wrongfully receiving compensation or benefits.

INSURANCE FRAUD

Source: Insurance Fraud – Definition, Examples, Cases, Processes; Insurance Fraud Statistics 2024 – Forbes Advisor



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Key Stats

Estimated Annual Cost

\$308.6B

Annual Cost per Family

\$900

Estimated Fraudulent Claims

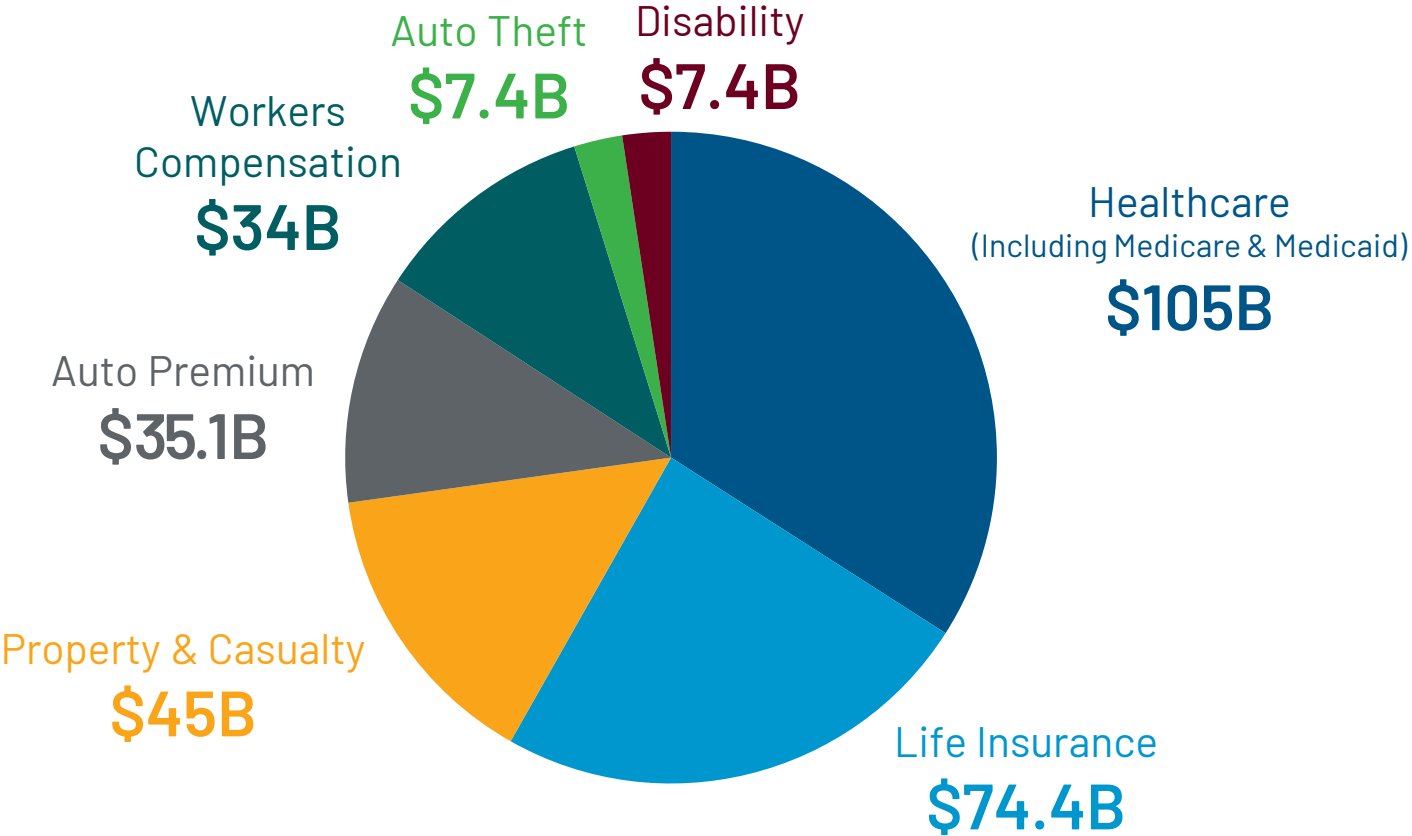
20%

Insurance Fraud

Type of Insurance Fraud Annual Total of Insurance Losses

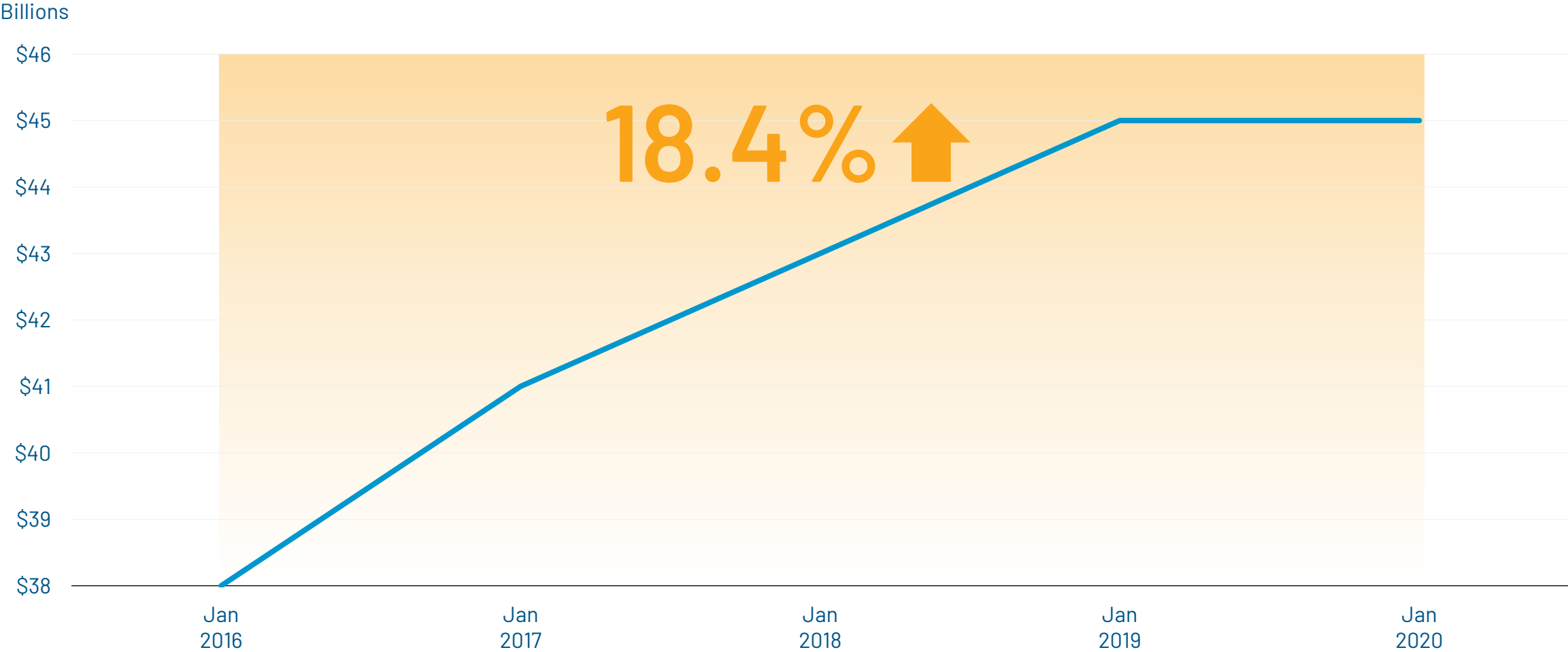
United States
Estimated

\$308.6B



Insurance Fraud

Property & Casualty Insurance Fraud – 2016–2020



Source: Insurance Fraud Statistics 2024 – Forbes Advisor

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Insurance Fraud

NYC Traffic Accident Scam – October 2024



Insurance Fraud

Staged Traffic Accidents



Source: California, Florida, New York face biggest rise in auto insurance fraud | Fox Business

Insurance Fraud

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