



Mitigating Hail Damage

According to the Insurance Information Institute, Texas experiences the most impactful hail events every year in the United States. Numbers compiled in their study showed that Texas averages 676 events per year. An impactful event is described as a system that produces hail with a diameter of one inch or larger (<https://www.iii.org/table-archive/22795>). Every Spring, the state experiences a barrage of severe weather systems that bring flooding, high winds and hail. When these systems blow in, we hope that our buildings and fleet make it through unscathed. There are, however, risk management techniques that can be utilized to protect them and ensure that they do. In this article, we will discuss the importance of selecting the correct roofing materials, as well as, utilizing an emergency action plan to protect your fleet.

Building Claims

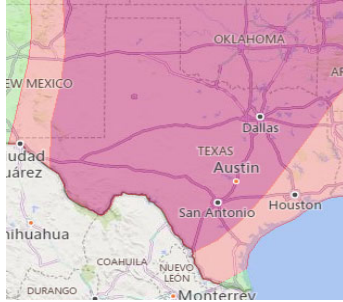
TCRMF Building Damage Claims 2012-2022		
Claim Type	# of Claims	Total Incurred
Freeze	105	\$ 4,412,557
Hail	193	\$ 3,440,110
Flood	43	\$ 3,113,369
Wind	99	\$ 1,851,039
Fire	16	\$ 1,628,601
Water	106	\$ 809,727
Total	562	\$ 15,255,403

As you can see in the table to the left, hail events produced the highest number of claims and the second highest total claim costs among weather related events. Hail-producing thunderstorms are most prevalent in the Spring (April to June) but can carry over into the summer (July – September) due to warmer temperatures and high humidity. Although, hail events in March are not unheard of as we have already seen this year.

Risk Management Resources to Mitigate Building Damage due to Hail

When a building suffers damage to the roof, the affected areas of the building are not exclusive to the roof. Most often, water leaks into the building and damages ceilings, walls, flooring, and other building components, not to mention the contents of the building. To mitigate these more impactful claim types, here are a few resources to utilize:

- Be sure to install the correct roofing material rated for your area. FM Global, a leader in property loss mitigation, has developed a map (see below) with different hail ratings. The majority of Texas is affected by two different ratings, Severe Hail and Very Severe Hail.



As you can see on the map, most of Texas is covered in purple which signifies Very Severe Hail (VSH). The peach area signifies Severe Hail (SH). The ratings are important when new construction and replacement roofing materials are selected. When selecting materials, Severe Hail may sound like the best option available but that is not the case in Texas. As a best practice, you want to use roofing materials with the VHS rating.

- Develop a roof maintenance inspection process. This can be accomplished by having your maintenance staff walk the roof to look for potential damage to the roof cover. You can also hire an inspector to come out periodically to check for exposures that could be made worse with hail. You want to do this prior to March. Also watch for tree overgrowth around roof edges. Trees should be scaled back away from the roof line.



- Severe Weather Emergency Action Plan – Developing an Emergency Action Plan (EAP) for a severe weather event (Hurricanes, Floods, and Freezing Weather will have their own EAP) can help detail the roles of staff when an event is approaching or actively occurring. The plan establishes a team leader who is responsible for tracking the storm and assigning tasks to EAP team members. The TCRMF Loss Control staff has EAPs available for Fund members to utilize at their facilities.

Auto Physical Damage Claims

TCRMF Auto Physical Damage Claims 2012-2022			
Claim Type	# of Claims	Total Incurred	Average per Claim
Auto Physical Damage	893	\$ 2,987,416	\$ 3,345.37
Auto Physical (Hail)	430	\$ 1,928,438	\$ 4,484.74
Total	1323	\$ 4,915,854	

Let's turn our focus now to Auto Physical Damage. As is to be expected, most incidents involved motor vehicle accidents. However, there were 430 hail related claims that affected eighteen Fund members over the past ten years. Though the number of incidents were almost half of vehicle accidents, hailstorms had a greater impact per claim (\$4,485 vs. \$3,345). To drive home the impact hail can have on your fleet, ten Centers suffered significant damage to almost their entire fleet in separate, unrelated storms. This does not even include the 2023 Fund Year claims that have already totaled 27 damaged vehicles and \$230,468 in incurred costs.

Risk Management Resources to Mitigate Auto Physical Damage

Not to be left out on hail related damage, fleet vehicles are also exposed to these destructive storm events. For this reason, the Loss Control staff has begun looking into mitigation solutions to assist members reduce the frequency and severity associated with these storm events.

The first mitigation resource involves car covers. Though effective in protection, is it possible to cover all vehicles before the hail producing storm arrives? The answer depends on how many vehicles you need to cover, how many staff are available to assist and how much warning you have before the storm is above you. If you know of a hail producing cell that is an hour or more away, you might have enough time to protect your fleet. However, severe storm cells can pop up in a moment's notice. Another alternative is to move vehicles to a nearby parking garage (an agreement with a garage owner) or covered area (car wash or gas station). This will reduce the time of protecting the vehicles with a cover but distance now plays a factor into this equation. How far is the protective structure? How quickly can we get back to grab the next vehicle? Most Centers have 12 or 15-passenger vans. Utilize them so you can move ten or more vehicles at a time and then transport the drivers back to grab more vehicles. Unfortunately, notification still plays a key role.

There are ways to protect your fleet prior to any storm even developing. The first would be to pay attention to future forecasts. If the forecast is predicting severe thunderstorms with the potential for hail, activate the Emergency Action Plan at that time and begin protecting vehicles. This will also help protect your fleet if the storm were to hit after hours (and let's be honest, they always seem to hit after hours or on a weekend).

The next solution is the installation of covered parking. This is a costly approach but one that could protect your fleet where most or all are parked in one location. Initial research into this protection method has found that covered parking carries an approximate cost of \$1,500 per parking space. However, as mentioned above, the average cost per hail-related claim is three times that amount. Referring to the hail rating map above, except for members along the Gulf Coast and near the Sabine River, TCRMF members have an anticipated exposure to very severe hail events. Given the unpredictability of these storms, it is better to have a permanent structure to protect your fleet.

There are different types of covered parking, but all can help protect your fleet and reduce the number of claims that are filed when a hail producing storm rolls through. Below are a few examples of covered parking:



TCRMF member structure



Photo: shadesystemsinc.com



Photo: shadesystemsinc.com

Thunderstorms in Texas are unpredictable and usually leave some form of damage in their wake. Through inspections and effective Emergency Action Plans, members can reduce the amount of damage they experience during these storms. The TCRMF Loss Control Team is here to help develop plans and to assist Fund members with the mitigation of hail related property claims.