



Counting the Cost of Climate Change

Scott McNea
Alliant Public Entity



2025 WEBINAR SERIES



Objectives

- › Understand how climate change is affecting the property insurance market.
- › Explore how insurers and regulators are responding.
- › Identify strategic tools for navigating premium increases and capacity shortfalls.

Weathering the Storm

- › How Climate Change Is Reshaping Property Insurance
- › Understanding Market Shifts, Strategies and Resilience Tools

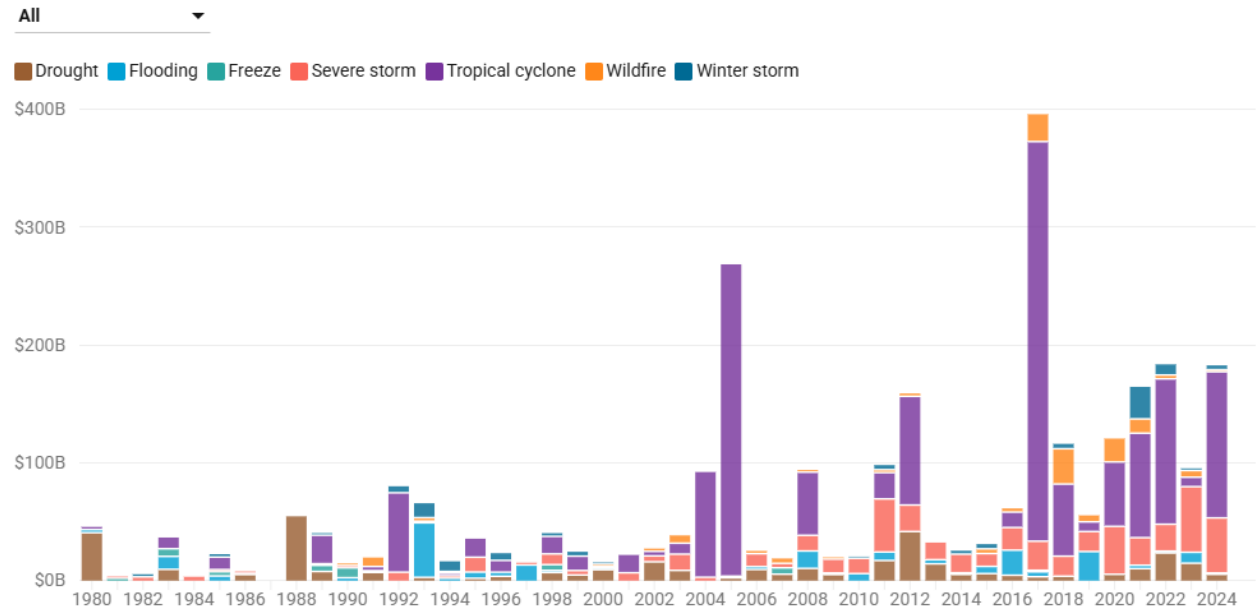


The Climate Crisis by the Numbers

- › \$183B in insured losses from 27 disasters in 2024 alone!
- › Top 3 threats: Wildfires, SCS & Hail, Flooding

Costs of billion-dollar disasters are increasing

U.S. billion-dollar disaster events by (CPI-adjusted) cost and type, 1980–2024



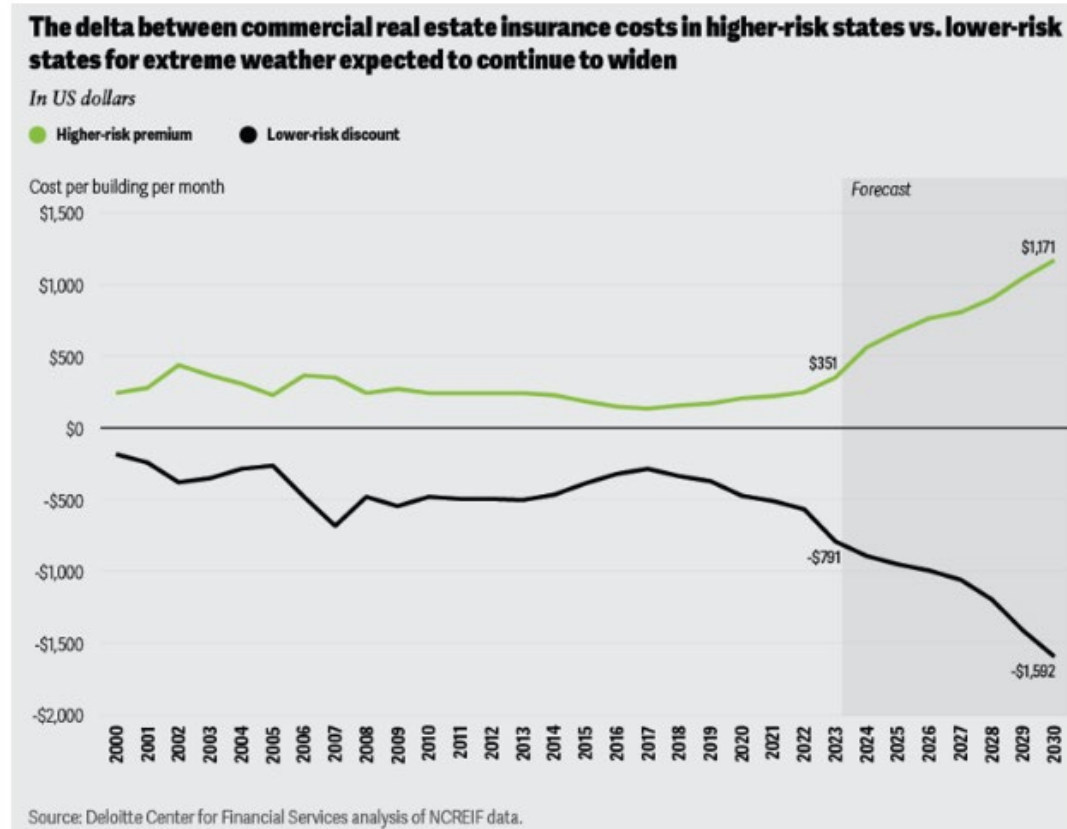
Use menu to filter by disaster event type.

Source: National Oceanic and Atmospheric Administration, "U.S. Billion-Dollar Weather and Climate Disasters (2025)" (last accessed February 2025).

Chart: Center for American Progress

How is the Insurance Industry Responding?

- › Rising premiums in high-risk zones

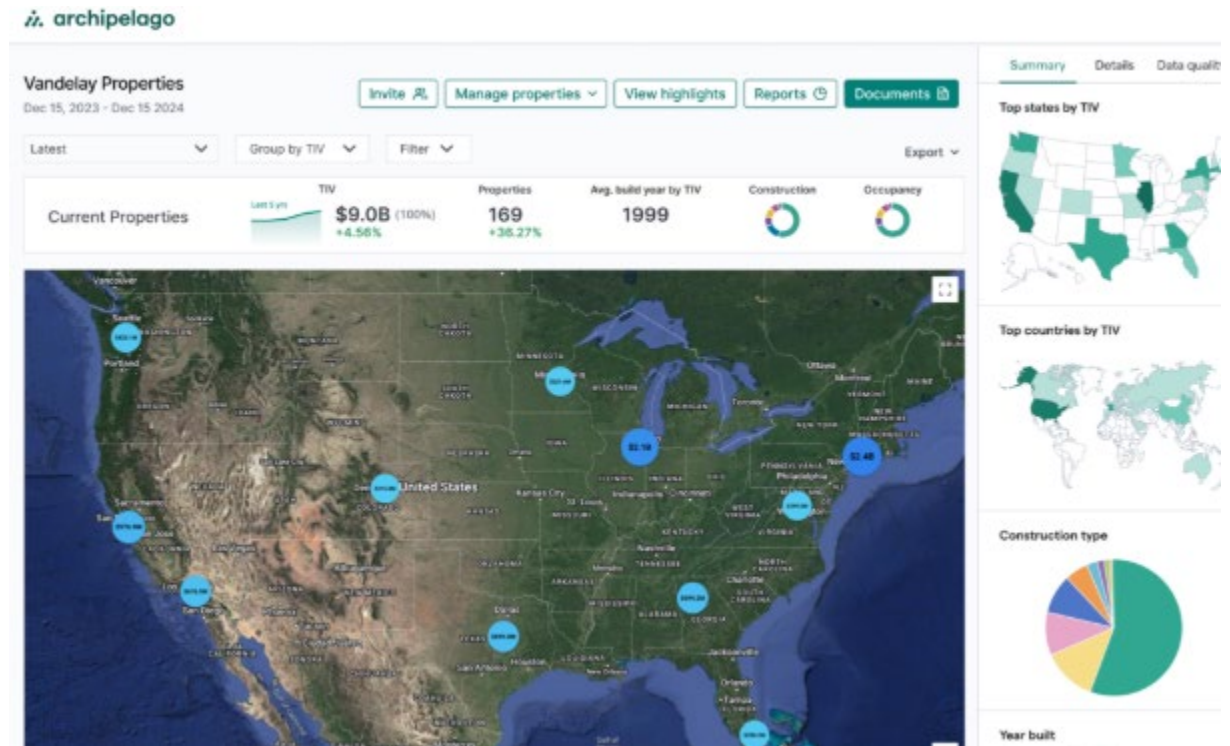


Market Disruption & Coverage Gaps

- › Reduced or excluded coverages:
 - Hail
 - SCS
 - Tornado
- › Non-renewals and market exits
- › Example: CA wildfire, FL coastal risk

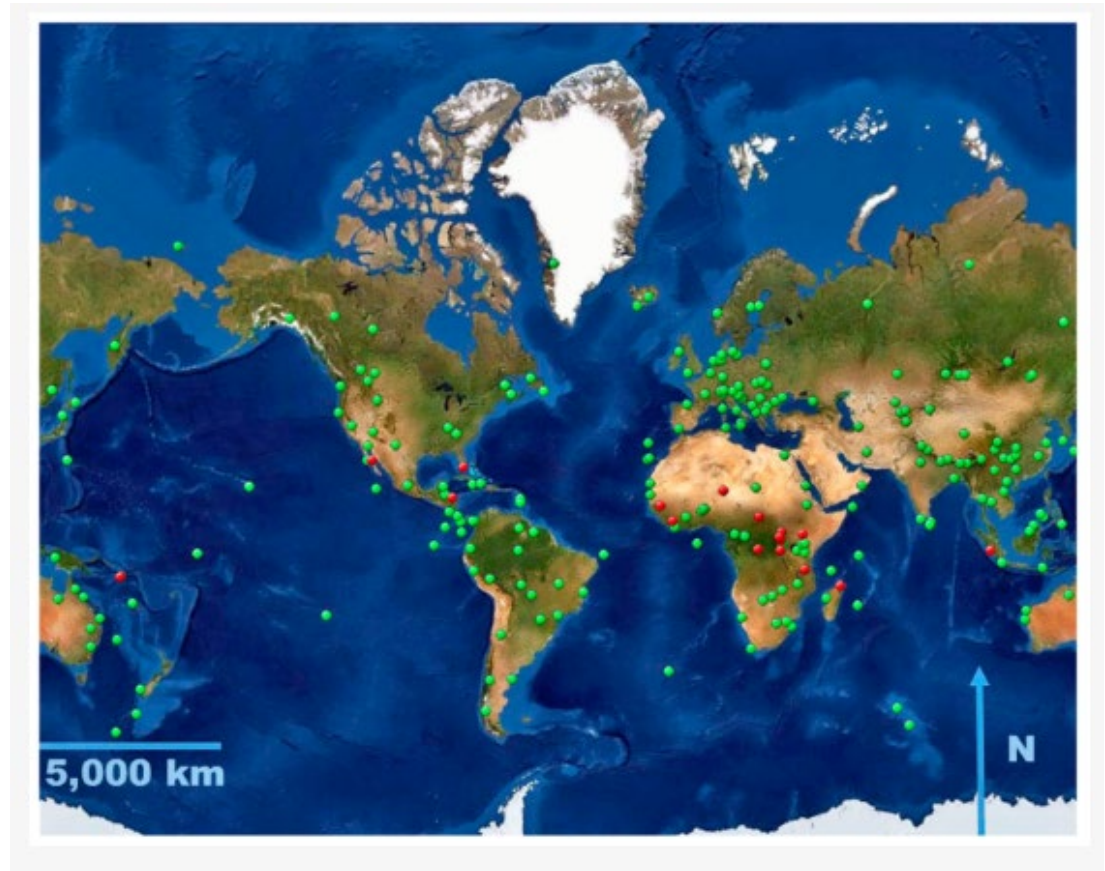
Insurer Adaptation - Data & Technology

- › Use of satellite imagery, AI and CAT modeling



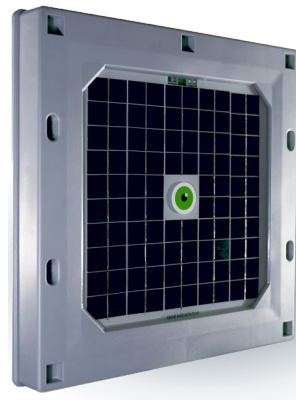
Insurer Adaptation - Data & Technology

- › Real-time risk scoring and pricing
- › Using predictive analytics



Climate-Focused Products

- › Parametric insurance
- › Event-triggered payouts



Climate-Focused Products

- › Captives and risk pools
- › Resilience credits and green underwriting



ESG and Regulatory Pressures

- › TCFD, NAIC climate disclosures
- › Insurers divesting from coal and carbon-intensive industries
- › Pressure on transparency and long-term solvency



Public Entity Spotlight

Unique insurance challenges faced by municipalities, utilities and schools



Aging infrastructure

Budget limitations

High Property
concentrations

Impact on Lending and Real Estate

Insurance availability and affordability are starting to affect real estate transactions and financing

Results:

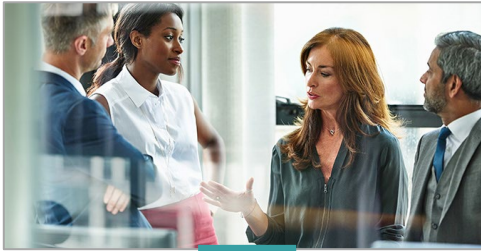
- › Deals stalled or cancelled due to insurance gaps

2025 WEBINAR SERIES



What can you do?!?

Property Owner Strategies



Know your risk!



Are you exposed to flood?
Hail/SCS? Wildfire?



Work with your brokers and
insurance companies to
understand your risk.

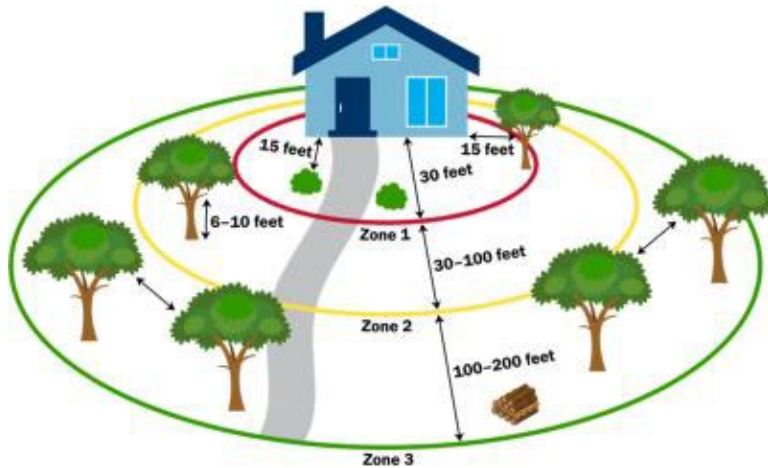
Property Owner Strategies: Flood

- › Floodwalls
- › Barriers
- › Curbs
- › Lift your critical infrastructure
- › Remove high value equipment from low grade spaces



Property Owner Strategies: wildfire

- › Create a defensible space
- › Clean gutters and rooftops



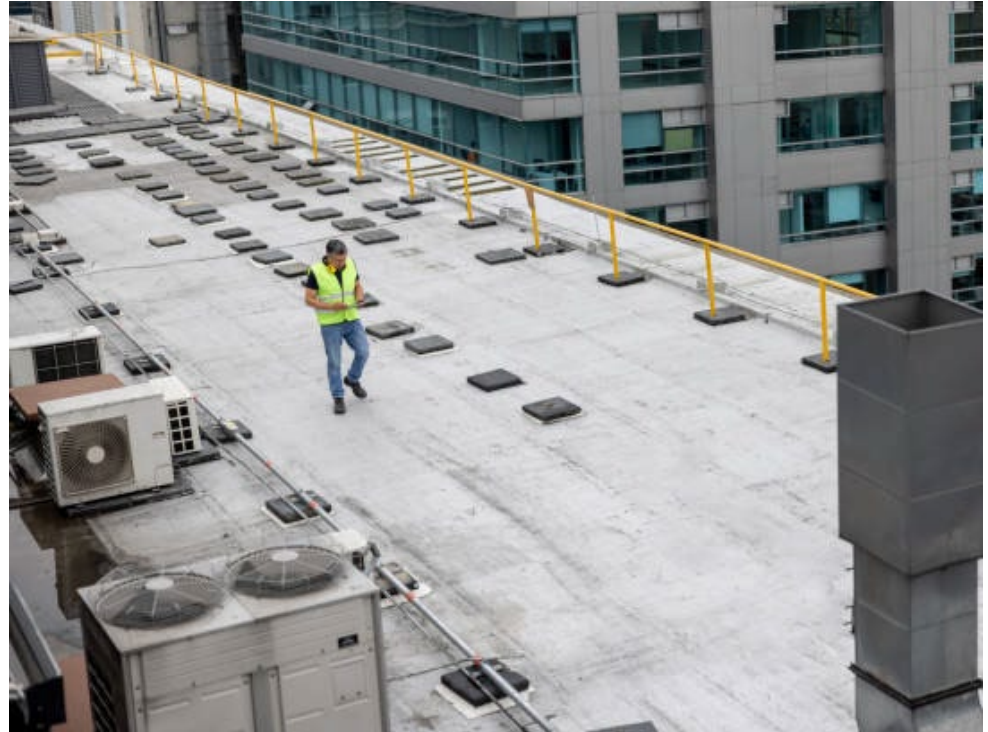
Investing in Hail Loss Mitigation Strategies

- › Proactive Prevention Measures



Pre-Loss Roof Inspections

- › Regular roof inspections as part of a preventative maintenance strategy.
- › Identifying blisters, cracks or tears in the roof cover.
- › Checking for standing water, damaged flashing, HVAC covers or even plant growth.



Spring Inspection Strategy

April Showers bring May flowers!

- › March inspections to prepare for April/May storms.
- › Drains, gutter and scuppers cleared.
- › Full roof flashing inspections.
- › Go over the Emergency Response Plan.
- › Stock your emergency response supplies (Tarps, sealants, boards for windows, etc.)
- › Reach out to your disaster recovery contractors.



Pre-Incident Planning

Essential for Natural Hazards

- › Establishing contractor relationships with Disaster Relief companies.
- › How much does a new roof cost?
- › Who would you call for damage recovery?
- › Where are your vulnerabilities?
- › When stuff hits the fan, it's better to have your contractor on speed dial.
- › Companies, like Cotton GDS, who conduct catastrophe preplanning as a part of their service.



Post-Event Roof Inspections

Don't Calm After the Storm!

- › Time is of the essence!
- › Get on the roofs and look for damages.
- › Prioritize critical buildings, expensive roofs and vulnerable roofs.





Roof Replacement Planning

Remember: Age of Roof is a Significant Factor in Loss Expectancy

Commercial roof covers have a typical lifespan of 15-25 years, depending on material, environment, etc.

› Metal roofs have 50-70 years

Consider: Upgrading to VSH or SH-rated roofs?

Broker's Role in Navigating Crisis

Talk to your Broker!!!

SOV audits

Engineering Engagement

Marketing strategy

Alternative risk financing

Property Loss Prevention Strategy

Key Takeaways



Climate change is reshaping risk and insurance access.



Data, innovation and ESG are driving underwriting changes.



Policyholders must act as partners in risk management.



Work with your brokers and insurance companies to understand and mitigate.

2025 WEBINAR SERIES



Q&A

- › “What challenges are you facing in your property insurance renewal?”

2025 WEBINAR SERIES



Thank You/Contact Information

- › Name, title, email, LinkedIn or company URL



The More Rewarding
Way to Manage Risk