

# The Coastline at Risk: Estimated Insured Value of Coastal Properties



**AIR Worldwide Corporation**

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**BETTER TECHNOLOGY  
BETTER DATA  
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## The Coastline at Risk

The catastrophic aftermath of hurricane Katrina, above average hurricane activity in both 2004 and 2005, and the debate over the effects of global warming are leading many to ask whether hurricane risk is increasing. While the scientific debate over the effects of global warming on the frequency and severity of hurricanes remains inconclusive, there is no question that the significant increase in the number and value of exposed properties over the last decade has and will continue to contribute to increasing hurricane losses for insurers.

The increase in the number and value of exposed properties is driven primarily by population growth and an increased standard of living. These demographic trends have resulted in large increases in the total insured value of properties in coastal areas. AIR estimates that the value of properties in coastal areas of the United States has roughly doubled over the last decade.

The following table shows AIR estimates for the insured value of properties in coastal states and, separately, in the coastal counties within those states as of 2004. Of significance is that in the state most prone to hurricanes—Florida—close to 80% of the total insured value is located in coastal counties. Texas and the densely populated mid-Atlantic and Northeast states are also at considerable risk. Overall, 38% of the total exposure in Gulf and East Coast states is located in coastal counties, which accounts for 16% of the total value of properties in the U.S.

### Estimated 2004 Insured Value of Coastal\* Properties by State (\$B)

State	Residential Coastal*	Residential Total	Percent Coastal*	Commercial Coastal*	Commercial Total	Percent Coastal*	Total Coastal*	Total Exposure	Percent Coastal*
Alabama	36.5	306.8	12%	39.4	324.5	12%	75.9	631.3	12%
Connecticut	205.5	312.8	66%	199.4	328.5	61%	404.9	641.3	63%
Delaware	26.6	70.9	37%	19.9	69.2	29%	46.4	140.1	33%
Florida	942.5	1,186.0	79%	994.8	1,257.5	79%	1,937.4	2,443.5	79%
Georgia	29.7	618.3	5%	43.3	617.5	7%	73.0	1,235.7	6%
Louisiana	88.0	243.8	36%	121.3	307.9	39%	209.3	551.7	38%
Maine	64.5	105.2	61%	52.6	97.1	54%	117.2	202.4	58%
Maryland	5.4	457.9	1%	6.7	395.7	2%	12.1	853.6	1%
Massachusetts	306.6	575.6	53%	355.8	647.3	55%	662.4	1,223.0	54%
Mississippi	20.9	159.6	13%	23.8	171.8	14%	44.7	331.4	13%
New Hampshire	24.8	101.8	24%	20.9	94.2	22%	45.6	196.0	23%
New Jersey	247.4	744.0	33%	258.4	760.9	34%	505.8	1,504.8	34%
New York	512.1	1,101.9	46%	1,389.6	2,021.7	69%	1,901.6	3,123.6	61%
North Carolina	60.0	606.6	10%	45.3	582.7	8%	105.3	1,189.3	9%
Rhode Island	25.9	68.9	38%	17.9	87.7	20%	43.8	156.6	28%
S. Carolina	65.1	279.9	23%	83.7	301.3	28%	148.8	581.2	26%
Texas	302.2	1,301.5	23%	437.8	1,593.8	27%	740.0	2,895.3	26%
Virginia	60.0	607.3	10%	69.7	532.8	13%	129.7	1,140.2	11%
All Above States	3,023.6	8,848.8	34%	4,180.2	10,192.2	41%	7,203.7	19,041.1	38%
All Above States as % of Total U.S.	3,023.6	20,602.4	15%	4,180.2	23,053.2	18%	7,203.7	43,665.6	16%

\* Coastal properties are defined as properties located in the following counties.

**Alabama:** Baldwin, Mobile. **Connecticut:** Fairfield, Middlesex, New Haven, New London. **Delaware:** Kent, Sussex. **Florida:** Bay, Brevard, Broward, Charlotte, Citrus, Collier, Dixie, Duval, Escambia, Flagler, Franklin, Gulf, Hernando, Hillsborough, Indian River, Jefferson, Lee, Levy, Manatee, Martin, Miami-Dade, Monroe, Nassau, Okaloosa, Palm Beach, Pasco, Pinellas, St. Johns, St. Lucie, Santa Rosa, Sarasota, Taylor, Volusia, Wakulla, Walton. **Georgia:** Bryan, Camden, Chatham, Glynn, Liberty, McIntosh. **Louisiana:** Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Mary, St. Tammany, Terrebonne, Vermilion. **Maine:** Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York. **Maryland:** Worcester. **Massachusetts:** Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, Suffolk. **Mississippi:** Hancock, Harrison, Jackson. **New Hampshire:** Rockingham. **New Jersey:** Atlantic, Cape May, Cumberland, Hudson, Middlesex, Monmouth, Ocean. **New York:** Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk. **North Carolina:** Beaufort, Brunswick, Camden, Carteret, Chowan, Currituck, Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, Washington. **Rhode Island:** Bristol, Newport, Washington. **South Carolina:** Beaufort, Charleston, Colleton, Georgetown, Horry, Jasper. **Texas:** Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Victoria, Willacy. **Virginia:** Accomack, Northampton, Hampton City, Norfolk City, Poquoson City, Portsmouth City, Virginia Beach City.

## About AIR Worldwide Corporation

AIR Worldwide Corporation (AIR) is a leading risk modeling company helping clients manage the financial impact of catastrophes and weather. Utilizing the latest science and technology, AIR models natural catastrophes in more than 40 countries and the risk from terrorism in the United States. Other areas of expertise include site-specific seismic engineering analysis, catastrophe bonds, and property replacement cost valuation. A member of the ISO family of companies, AIR was founded in 1987 to provide its insurance, reinsurance, corporate and government clients a complete line of risk modeling software and consulting services that produce consistent and reliable results. Headquartered in Boston, AIR has additional offices in North America, Europe and Asia. For more information, please visit [www.air-worldwide.com](http://www.air-worldwide.com).