

FEMA Projects up to \$3.5 to \$7 Billion in Hurricane Helene Flood Insurance Claim Payments

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WASHINGTON – As of Nov. 7, more than 55,000 flood loss claims have been reported to the National Flood Insurance Program (NFIP) from Hurricane Helene. The program has paid approximately \$830 million in claim payments to policyholders.

FEMA has projected Hurricane Helene could potentially generate National Flood Insurance Program claims losses between \$3.5 to \$7 billion (initial estimate), including loss adjustment expenses. The losses include flood insurance claims received from six states, with the majority of claims coming from Florida.

The agency based the initial estimate on several data points. These include policy information, daily reports of claims and payments made, significant historical events patterns of reported claims and payments, current economic conditions and claim adjuster observations.

As NFIP flood insurance claims are submitted for payment, these are paid from the National Flood Insurance Fund and Reserve Fund. The program also has authority to borrow an additional \$9.9 billion in funds.

In addition, FEMA currently holds \$1.92 billion of reinsurance coverage for Fiscal Year 2024. If a covered flood event results in NFIP claim payouts that equal or exceed an agreed upon amount, then reinsurers agree to pay a certain percentage of NFIP flood risk.

[FEMA's reinsurance program](#) includes an annual traditional reinsurance program with a \$7 billion or more trigger for a percentage of coverage and three capital market placements with a coverage beginning at \$6.52 billion in received claims payments. To recoup the full amount of reinsurance coverage, the National Flood Insurance Program would need to incur at least \$11.5 billion in flood insurance



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claims losses from Hurricane Helene.

The NFIP reinsurance program helps FEMA manage the future exposure of the NFIP through the transfer of NFIP flood risk to private reinsurance companies and through a transformer reinsurer to private capital market investors. By securing reinsurance at a fair and reasonable cost, FEMA has an additional method to fund payment of flood claims after catastrophic flood events.

Insurance providers, such as the NFIP, pay premiums to reinsurers. In exchange, reinsurers provide coverage for losses incurred up to a specified amount for covered events like Hurricane Helene.

While Hurricane Helene is a significant flood insurance event that may trigger reinsurance payments, it will take many months for FEMA to determine if the NFIP is able to collect under its reinsurance agreements.

Additional information on FEMA's National Flood Insurance Program can be found at on [FEMA.gov](https://www.fema.gov).

