



Like a good neighbor,
State Farm is there.®

State Farm Insurance Companies

Catastrophe Claim Manager Dakin Kinser

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State Farm Insurance Companies

“Definition of good neighbor: someone to be trusted; a courteous, friendly source of help when help is needed; someone you can count on; someone who cares.”

– Edward B. Rust, Jr. , President 1985 – present

- **The State Farm mission is to help people manage the risks of everyday life, recover from the unexpected, and realize their dreams.**
- **That is why our ads say, “Like a good neighbor, State Farm is there.®” It’s a philosophy we embrace and try to live by every day.**



What is a catastrophe?

The term ‘catastrophe’ in the property insurance industry denotes a natural or man-made disaster that is unusually severe.

An event is designated a catastrophe by the industry when claims are expected to reach a certain dollar threshold, currently set at \$25 million, and more than a certain number of policyholders and insurance companies are affected.’

– Insurance Information Institute

Catastrophe Claim Groups Issued

	2006	2007	2008	2009	2010	2011	2012
Auto Cat Claim Groups Issued	94	73	131	80	95	156	103
Fire Cat Claim Groups Issued	130	126	216	168	173	241	132
Total Cat Claim Groups Issued	224	199	347	248	268	397	235
Avg. time between new Cat Claim Groups	1.6 Days	1.8 Days	1.1 Days	1.5 Days	1.4 Days	0.9 Day	1.6 Days
Avg. Number of Claims per Cat Claim Group	3,050	2,079	2,979	2,947	2,484	2,827	3,490

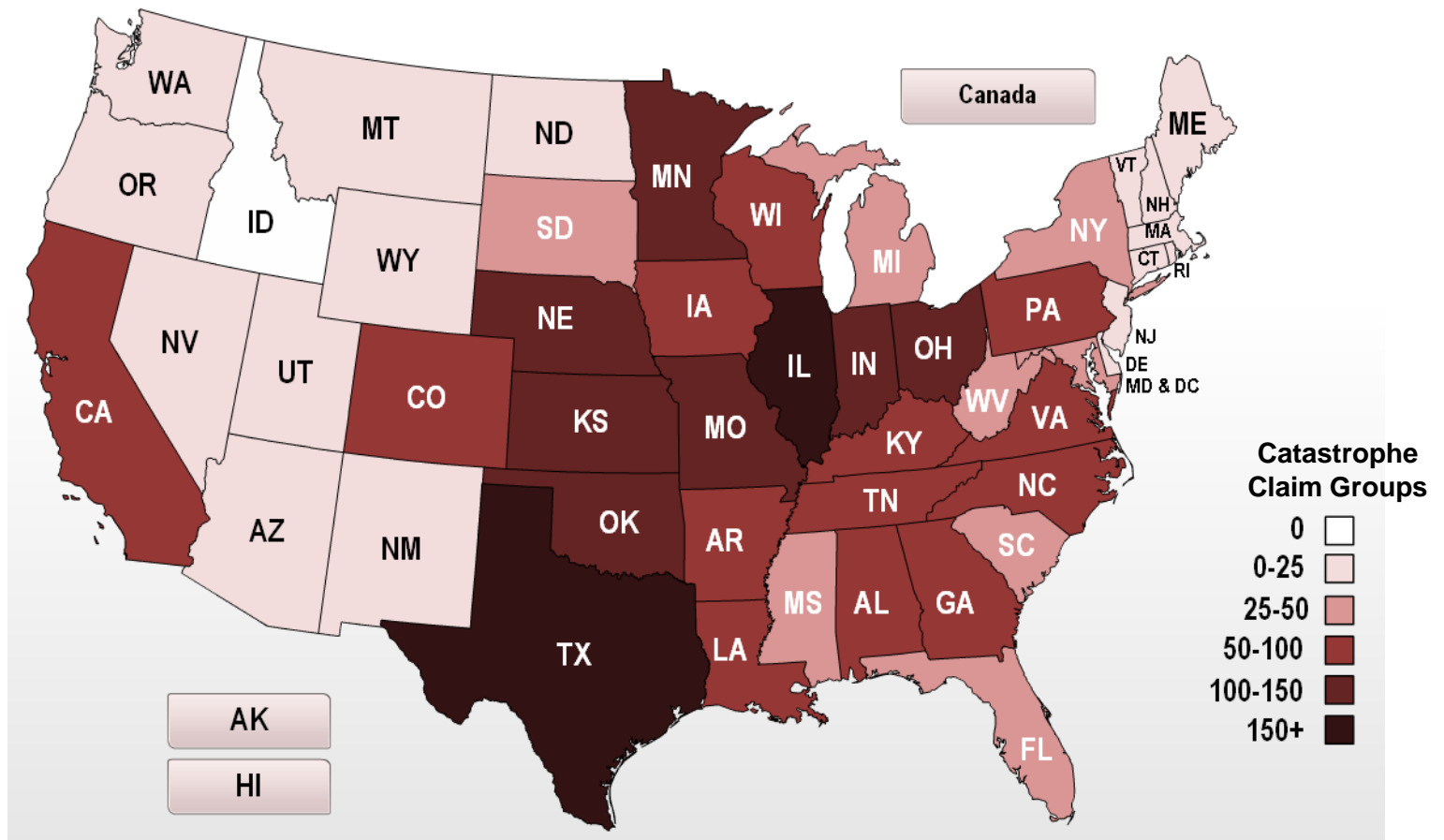
Source: Cat Code Database – unique count, recorded by beginning date of loss; MPIS – paid losses and paid claims, calendar year.

Note: The methodology used to count Cat Codes changed in 2009 from using the date the cat code was issued to using the beginning date of loss. Also, an audit of the Auto Cat Code database took place in 2009. Prior year Cat Code counts may be impacted as a result of these items.



Where do catastrophes occur?

2003-2012 Total Fire & Auto Catastrophe Claim Groups Declared



Source: Catastrophe Code Database – Unique count (each catastrophe code is counted once per state). Based on beginning date of loss.



Top 10 Fire & Auto Catastrophes

Enterprise Fire			
Rank	Date	Description	Claim Count
1	08/25/2005	Hurricane Katrina - FL, LA, MS, AL, GA, TN, TX	231,653
2	08/23/1992	Hurricane Andrew - FL, LA, MS	276,803
3	01/17/1994	Northridge Earthquake - CA	186,974
4	09/11/2008	Hurricane Ike - AR, GLZ, MAMZ, LA, MO, PA, TX	195,901
5	10/23/2005	Hurricane Wilma - FL	90,371
6	08/12/2004	Hurricane Charley	78,013
7	10/29/12	Hurricane Sandy	97,489
8	09/20/2005	Hurricane Rita - AR, FL, LA, MS, TX	73,714
9	09/2/2004	Hurricane Frances	81,848
10	04/25/2011	T/W/H – AL, AR, GA, LA, MS, NY, ON, VA	41,855

Enterprise Auto			
Rank	Date	Description	Claim Count
1	08/29/05	Hurricane Katrina - LA, MS, AL, FL, TX	134,427
2	10/29/12	Hurricane Sandy – CT, DE, MD, NJ, NY, PA, VA	26,504
3	10/24/05	Hurricane Wilma - FL	134,882
4	04/04/03	Wind/Hail - TX	67,434
5	04/25/11	Hail/Wind - AL, AR, GA, KY, LA, MO, MS, NC, NY, PA, SC, TN, VA	52,502
6	04/28/12	Hail/Wind – IL, IN, KY, MO, TX	58,156
7	09/12/08	Hurricane Ike -TX, MO, LA, IL, IN, MI, KY, OH, TN	35,614
8	08/24/92	Hurricane Andrew - FL	85,168
9	05/15/98	Hail - MN, WI	50,198
10	06/05/01	Tropical Storm Allison - TX (Southern)	25,392

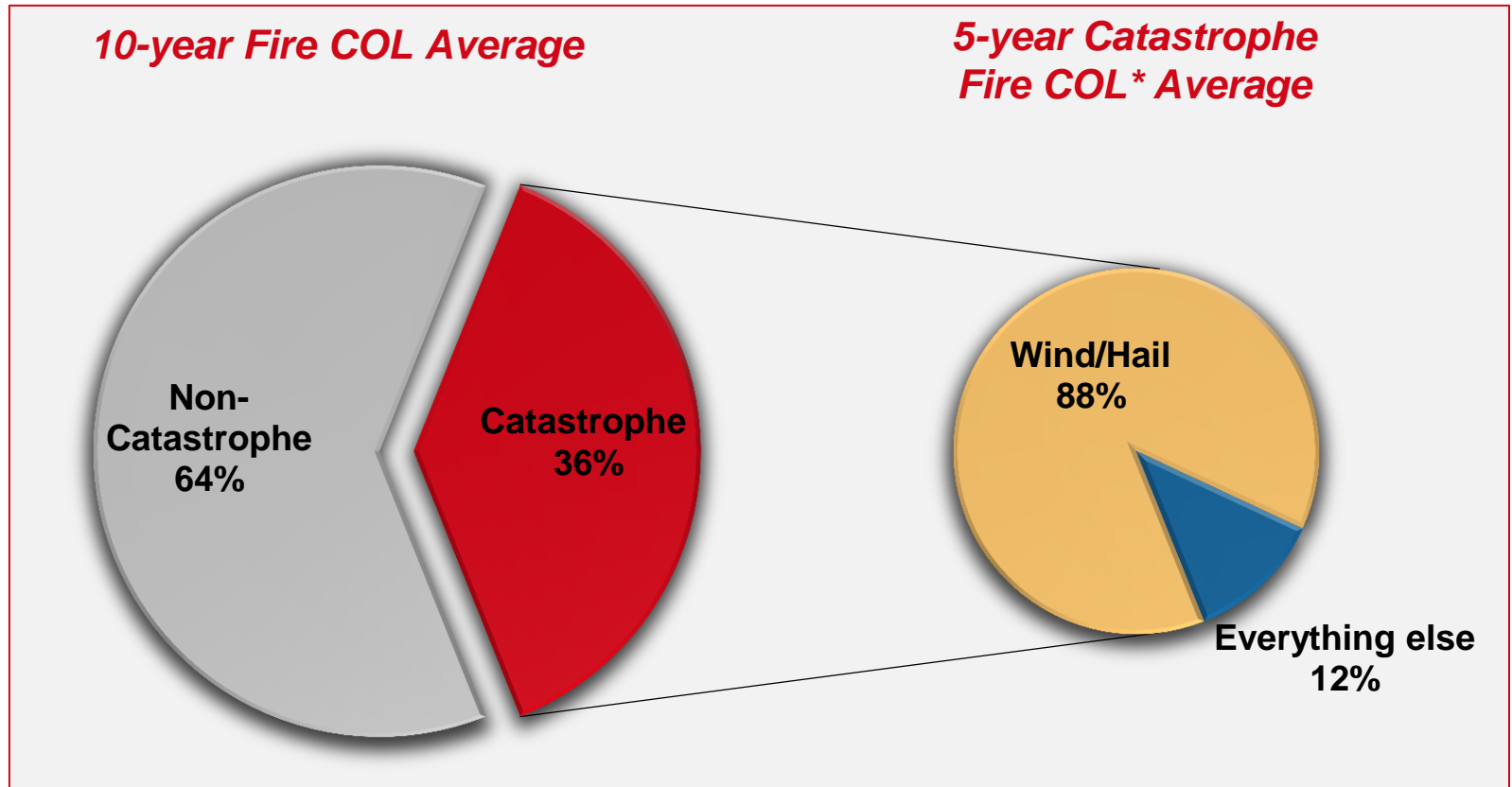
Source: Fire – Catastrophe Information System, New Reported Claim Counts, Excludes Flood, as of December 31, 2012. If event occurred before 1995, claims data is not available through the Loss Reserves application. Ranked by Total Ultimate Incurred Loss.

Source: Auto – Loss Reserves as of December 31, 2012. Ranked by Total Ultimate Incurred Loss



Cause of Loss

Catastrophe Services handles 36% of claims for the Enterprise; of those, hail/wind is the COL on 88%.



Source: MPIS - New reported claim counts, includes flood; PCADSS; *by peril

Texas

APRIL 2012



Harrisburg, Illinois

MAY 2012



Illinois

MAY 2012



Rockaway – Breezy Point, New York

OCTOBER 2012



Milford, Connecticut

OCTOBER 2012



Innovation

Aerial image before event



Post event



State Farm Catastrophe Team



- Largest catastrophe response team in the industry
- Dedicated team of catastrophe claim professionals
- 3 centralized catastrophe claim facilities
- Strategic contracts with independent adjusting firms
- Fleet of specialized vehicles

Catastrophe Response Vehicles



Mobile Catastrophe Facility



State Farm Catastrophe Services

