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## State Beach and Windstorm Plans' Role in Insuring Coastal Risks Continues to Grow

**MALVERN, Pa.** — A new study from the Insurance Research Council (IRC) describes how the role of beach and windstorm plans in some states has changed from serving as a market of last resort, to providing unintentional incentives for economic development in areas vulnerable to severe wind damage. The report explains how state-run plans interact with voluntary homeowners insurance markets and describes how each of the five state beach and windstorm plans (Alabama, Mississippi, North Carolina, South Carolina, and Texas) and two statewide plans (Louisiana and Florida) would weather a hurricane catastrophe. The study reviews each plan's growth in insured exposure from a theoretical perspective. Individual state case studies analyze each plan's origin, operational framework, and financial structure, along with overall residual market health in each state.

"There is a widespread lack of understanding of beach and windstorm plans. This report pieces together existing literature and sparse data to provide a detailed look at each plan," said Elizabeth Sprinkel, Senior Vice President of the IRC. "With this study, we now have more widely available information clarifying the formation, operation, and financial viability of state beach and windstorm plans. This report should serve as reference for public policy decisions regarding coastal homeowners' insurance markets now and in the future."

For more detailed information on the study's methodology and findings, contact David Corum by phone at (484) 831-9046, or by e-mail at [irc@TheInstitutes.org](mailto:irc@TheInstitutes.org), or visit IRC's Web site at [www.ircweb.org](http://www.ircweb.org). Copies of the study are available at \$125, for an electronic version, or \$140 each, for a printed copy.

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**NOTE TO EDITORS:** The Insurance Research Council is a division of the American Institute For Chartered Property Casualty Underwriters (The Institutes). The Institutes are the leader in delivering proven knowledge solutions that drive powerful business results for the risk management and property-casualty insurance industry. The Institutes' knowledge solutions include the CPCU designation program; associate designation programs in areas such as claims, risk management, underwriting, and reinsurance; introductory and foundation programs; online courses; research; custom solutions; assessment tools; and continuing education (CE) courses for licensed insurance professionals and adjusters through its CEU.com business unit.

The IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. The IRC does not lobby or advocate legislative positions. It is supported by leading property-casualty insurance organizations.

### Beach and Windstorm Plans' Exposure As a Percentage of Each State's Total Coastal Exposure

