

TEXAS INSURANCE LAW NEWSBRIEF

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TEXAS AND ITS COURTS ARE IN DEEP FREEZE; AN AVALANCHE OF INSURANCE CLAIMS TO COME

Due to the wild Texas weather this week, court activity has slowed to a crawl, on top of the existing impacts of Covid-19. Nor have any courts published any new updates on when they plan to resume in-person jury trials.

Meanwhile, that same wild weather is expected to lead to the largest wave of insurance claims and subsequent insurance lawsuits in the history of a single weather catastrophe in the US. Texas has never experienced a weather disaster with a statewide scope like this one. Texans from Beaumont to El Paso endured historic frigid temperatures and snowfall, compounded by extended power and water outages. Primarily because of broken plumbing lines and subsequent water damage, and in some areas, collapsing roofs due to snow buildup, the number of expected insurance claims is anticipated to exceed every hurricane, tornado, flood and wildfire event combined for the last 5 years nationally. Texas alone could see more than a million property damage claims, as well as many additional business interruption claims, auto accidents, and tort claims against builders and contractors. We expect claim volumes to easily be four times Hurricane Katrina and five times Hurricane Ike. The number of resulting lawsuits could easily be in the 100,000-150,000 range.