

News Brief



Severe Convective Storm Losses for 2025 Already Exceed \$20 Billion

Insured losses from the severe convective storms (SCS) that occurred between May 14–17, 2025, are estimated to range from \$4 billion to \$7 billion. According to recent estimates from reinsurance brokers, these storms are likely to rank among the costliest SCS events in U.S. history.

“Two large severe weather outbreaks on May 14-17 and May 18-20 significantly impacted the central and eastern United States over the past week,” said Aon’s Impact Forecasting team in a report. “Storms on May 14-17 were particularly devastating, resulting in extensive tornado and hail damage and 30 fatalities across the Ohio River Valley and Midwest. Notably, a powerful EF-3 tornado wrecked parts of St. Louis, Missouri, severely damaging thousands of buildings.”

Dozens of injuries and at least 29 deaths have been reported throughout the storms, with 27 fatalities occurring on May 16 in a particularly fierce series of tornadoes. Property modeler Cotality (formerly known as CoreLogic) estimates that about 63,000 properties with nearly \$16 billion in reconstruction cost value were in the path of the May tornadoes. Over 40,000 homes faced exposure to hail damage, the firm added.

Reinsurance broker Gallagher Re predicted primary insurance losses between \$4-7 billion. The estimates are subject to change but encompass damage to residential and commercial properties, autos, and agricultural business operations.

“The overall economic tally will reach even higher, though given the high volume of damage claims coming from wind or hail-related damage, there is an expectation that a large portion of impacts will be

covered by standard insurance policies,” said Gallagher Re, adding, “Property damage costs associated with a confirmed EF3 tornado in the St. Louis, Missouri metro region alone was estimated by city officials at \$1.6 billion.”

Year-to-date, severe convective storm (SCS) losses for insurers have surpassed \$20 billion—marking the eighth time in the past nine years that losses have exceeded this threshold by this point in the year.

“The U.S. has now recorded at least eight separate billion-dollar insured U.S. SCS loss events in 2025,” said Gallagher Re. “We’ve long passed the point of justifying any semantic categorization that considers SCS to be a ‘secondary’ peril for the U.S. insurance market,” said Steve Bowen, chief science officer and meteorologist for Gallagher Re, in a LinkedIn post. “This has proven itself to be a perennial major loss driver for many insurance carriers.”

He added, “Combined with the considerable wildfire losses from January, the U.S. heads toward the start of the Atlantic hurricane season with insurance industry losses already beyond \$60 billion for the year. Reinsurers, however, remain very well capitalized and in position to absorb sizeable natural catastrophe losses should they arise in the months to come.”