

# THE CAT RESOURCE CENTER

## Lahaina, Maui Wildfire

Thursday August 24, 2023

The second costliest natural catastrophe in Hawaii history behind Hurricane Iniki of 1992, the extent of destruction and loss of life in the Lahaina wildfire is severe. This briefing provides an update on the statistics of the wildfire, publicly available industry loss estimates and probes a range of issues the fire brings to bear for the insurance industry.

### Lahaina, Maui Fire Statistics

As of August 23, 2023



Lahaina Structures Impacted: 3,100



Peak Wind Gusts by County:  
67 mph Maui, 82 mph Honolulu,  
82 mph Hawaii



Replacement Cost Value:  
\$1.3B estimated by  
CoreLogic



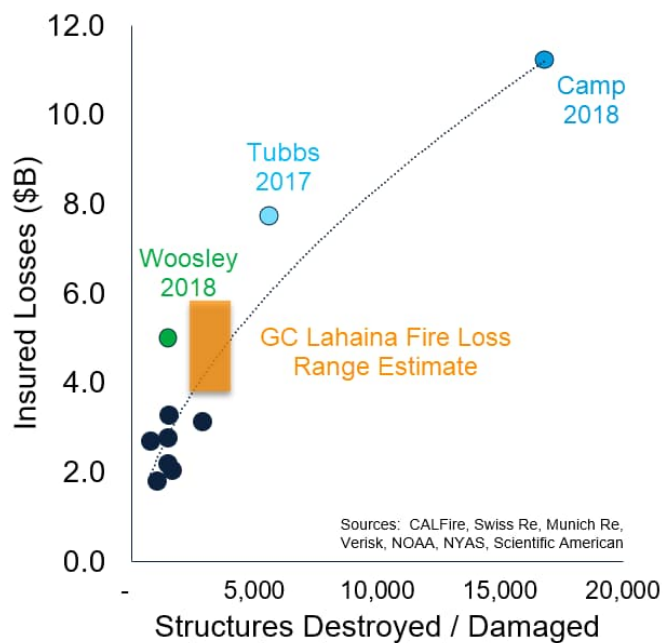
Fatalities: 115 people  
Missing: 1,000 to 1,100 people

## LAHAINA FIRE INSURED INDUSTRY LOSS: \$4B to \$6B

**Industry Loss Estimates:** A range of insurance loss estimates have been provided for the Lahaina fire in the chart to the right. The range of estimates is largely due to uncertainties in demand surge and business interruption in an island economy. Given these factors, Guy Carpenter estimates the insured losses will end on the higher end of the range of industry datapoints based on an analysis of the largest wildfires in the state of California.

Source	Date	Insured Loss Estimate (\$B)
RBC	8/14	\$3.0
KCC	8/16	\$3.2
FEMA	8/16	\$5.5
Moody's Analytics	8/16	\$3.0 - \$6.0
State of Hawaii	8/16	\$5.6
RMS	8/21	\$3.0 - \$4.5

Insured Losses vs. Structures Impacted  
Top 10 California Losses



## UNCERTAINTIES IN INSURED LOSS ESTIMATES

### Demand Surge for an Island Economy



**20% to 35%**

Demand surge seen in Puerto Rico after Hurricane Maria

### Business Interruption in Kaanapali Beach



**30-90 days**

Reservation cancellations for largest Maui hotel corridor

### Debris Removal Costs



**\$1B to \$3B**

Cost of debris removal after large California wildfires

Imagery source: Guy Carpenter event reconnaissance

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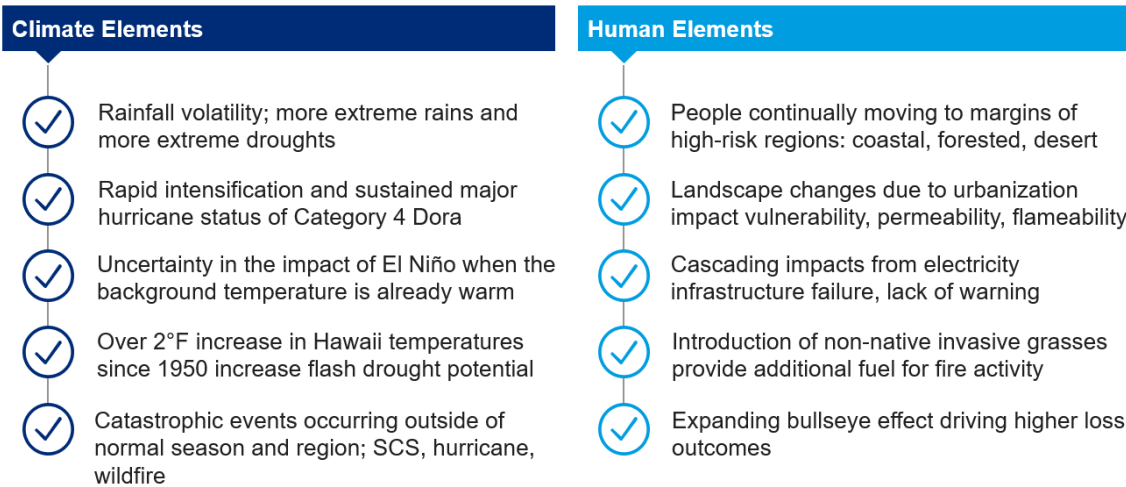
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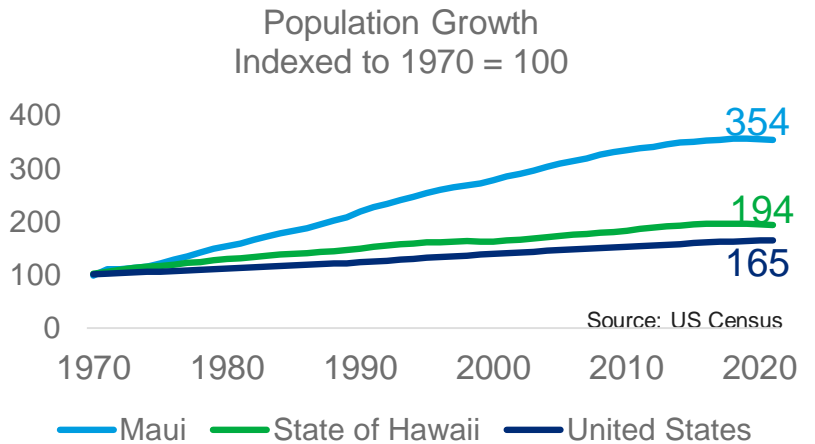
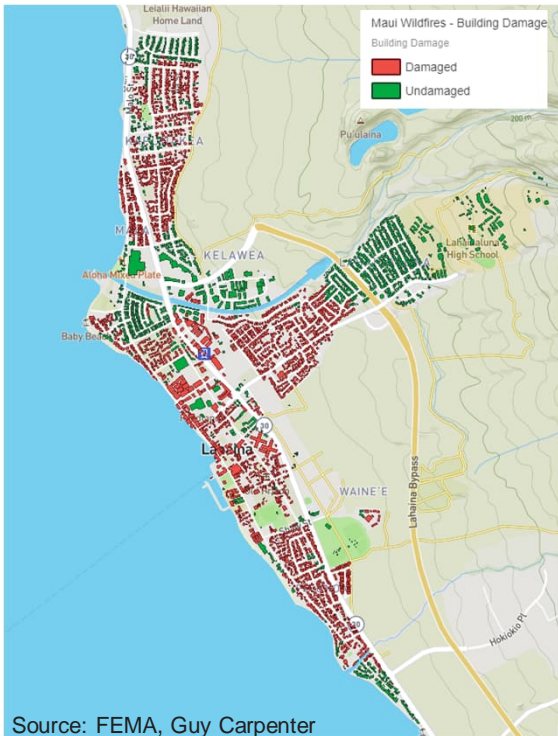
### Implications for the Insurance Industry

#### 1) Human Influences Amplifying Catastrophic Losses Beyond Climate

As with any major natural disaster, particularly those which are not anticipated, multiple factors converge to initiate an event. There is no clear signal that any single factor in the fire ignition and spread is linked to climate change, but rather natural variability of several key elements resulted in the conditions necessary for the fire to occur. Human elements outside of man-made climate change were the largest contributors to the event.



#### 2) Urban Conflagration with Rapid Population Growth



The Lahaina fire initiated downslope of the Lahaina bypass and quickly spread west and downhill to the Pacific Ocean. Due to winds more than 60 mph the initial wildfire spread rapidly as ground fire and eventually structure to structure spread via ember transmission. The population growth of Maui over the last fifty years significantly outpaced the state of Hawaii. The town of Lahaina experienced 28% growth since 2000, with increasing density of housing and businesses due to limited area of buildable land. The pace of spread overwhelmed fire fighting resources resulting in the deadliest fire in over 100 years for the United States.

