



If You Pollute Less, You Lose Insurance

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Bad news New Yorkers. We're losing our homeowners' insurance. CNN is carrying [a story](#) that reports that Allstate, which insures 26% of the downstate New York's homeowners, is discontinuing its homeowners' insurance policies in the region. (Hat tip to PeakOil.com for drawing attention to this in [a forum](#).)

The article begins,

NEW YORK (CNNMoney.com) - Faced with over \$3 billion in claims from the barrage of hurricanes last year, Allstate is going on the defensive by pulling out of high-risk markets as the industry prepares for increasingly severe hurricanes over the next two decades.

Allstate began to reduce exposure in hurricane-prone Florida in 2005, severing ties with 95,000 homeowners. But the country's largest publicly-held auto and home insurer, now has its eyes set on New York.

The company announced last month that it would stop writing new homeowners' policies in the New York region which includes the five boroughs, Long Island and Westchester. But starting this May, Allstate will also cancel an increasing number of policies each year once they reach the end of their three-year expiration period, said Allstate spokesman Michael Trevino.

This is bad news for the region's economy because it will now be harder to find an insurer and rates will climb at the remaining insurers. More ominously, what does this say about the odds of a destructive hurricane hitting the area?

The businessmen and women who run Allstate aren't just people shooting their mouths off with speculation about what may or may not happen.

They have lots of real money riding on their decision being overly cautious or not cautious enough will cost their company billions of dollars. It is clear through their decision to abandon a huge and lucrative market what they think the globally warmed future holds in store.

One tends to think of hurricanes as a uniquely Southern phenomenon, and hurricanes certainly do lose strength as they make their way through our chilly waters. But we live on the same Atlantic Ocean as North Carolinians. A month before Hurricane Katrina destroyed New Orleans, [Aaron Naparstek](#) wrote [a great article](#) on the history of the hurricanes that have hit the metropolitan area and the potential problems that would ensue if a big one hit us directly:

The 1938 Long Island Express, a borderline category-4 hurricane that plowed into West Hampton, causing widespread death and devastation across New York, New Jersey and

New England, was the last major hurricane to hit the region. Statistically speaking, "a storm of that magnitude may repeat every 70 to 80 years or so," Lee says. "So, do the math. Whether it happens this year, next year, or in five years, it's going to happen." And with this year's hurricane season forecasted to be even busier and more dangerous than last year's record-setter, "It's just a matter of time," Lee says.

Yikes. It sounds as though the folks at Allstate may have read Naparstek's article. But we forgive him.

What does this have to do with Peak Oil? To the extent that carbon dioxide emissions released by burning fossil fuels are responsible for global warming, and global warming is responsible for the increasingly violent hurricane seasons we've been seeing, it's another reason to reduce our individual energy consumption levels. As apartment-dwelling, transit-riding New Yorkers, we use much less energy per capita than anyone else in the country. Kyoto Protocol or not, we're already doing our fair share to reduce greenhouse gas emissions. If only it were easy to persuade others to do the same.



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