RESEARCH REPORT

The North Atlanta Water Damage Insurance Claims Study

What Georgia's Insurance Data Shows About the Most Common and Most Expensive Water Damage Claims in North Atlanta Homes — and What Gwinnett County Homeowners Can Do Before They Need to File One

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Data Sources: Insurance Information Institute (III) Facts + Statistics 2025 | ISO/Verisk Claims Data 2019-2023 | FEMA National Flood Insurance Program (NFIP) | Insurance Institute of Georgia (IIAG) 2024 P-C Marketplace Report | AM Best Georgia Homeowners Data | ValuePenguin 2026 Analysis | Insurify 2026 State Insurance Outlook | WABE/AJC Georgia Insurance Reporting

22.6%	$15,400	1 in 67	39.7%
of all homeowners insurance claims are water damage (III 2023)	average water damage claim payout (III/ISO 2019-2023)	insured U.S. homes files a water damage claim each year	cumulative Georgia premium increase since 2021

BOTTOM LINE: Water damage and freezing is the second-leading cause of homeowners insurance claims in the United States, accounting for 22.6% of all claims filed in 2023 — with an average payout of $15,400 per claim. In Gwinnett County, where FEMA identifies inland flood risk as among the highest in Georgia, an estimated 5,100 insured homes file water damage claims each year. Georgia homeowners are now paying 39.7% more for that coverage than they did in 2021 — with another 10% increase projected for 2026. For most homeowners, a water damage event is the single most financially significant property loss they will experience — and most of the leading causes are preventable with early detection and professional response.

EXECUTIVE SUMMARY

Water damage is not a rare event. It is the most predictable major property loss most North Atlanta homeowners will face — and the insurance data confirms it. According to the Insurance Information Institute's (III) 2025 report, water damage and freezing accounted for 22.6% of all homeowners insurance claims filed in 2023, making it the second-leading cause of property insurance losses after wind and hail. One in every 67 insured homes files a water damage claim in any given year. The average payout is $15,400 — enough to replace flooring, drywall, insulation, and contents across multiple rooms.

For Gwinnett County homeowners, the financial stakes are compounded by two factors specific to this market. First, FEMA's National Risk Index identifies Gwinnett as among Georgia's highest-risk counties for inland flooding — a risk category that standard homeowners insurance does not cover. Second, Georgia homeowners insurance premiums have risen 39.7% cumulatively since 2021, driven by Hurricane Helene's 2024 catastrophic inland flooding and sustained storm activity — with Insurify projecting an additional 10% increase in 2026. Filing a water damage claim in this environment does not just mean paying a deductible. It means a premium increase that may persist for years.

This study documents the published claims data behind these numbers, identifies the most common and most expensive water damage scenarios by type, and connects the national statistics to Gwinnett County's specific housing and flood risk profile. The conclusion is consistent across every data source: the most expensive water damage claims are disproportionately caused by events that professional early response can significantly limit — and the most financially damaging outcome is not filing a claim, but allowing water damage to develop undetected until structural compromise and mold growth require a far larger response.

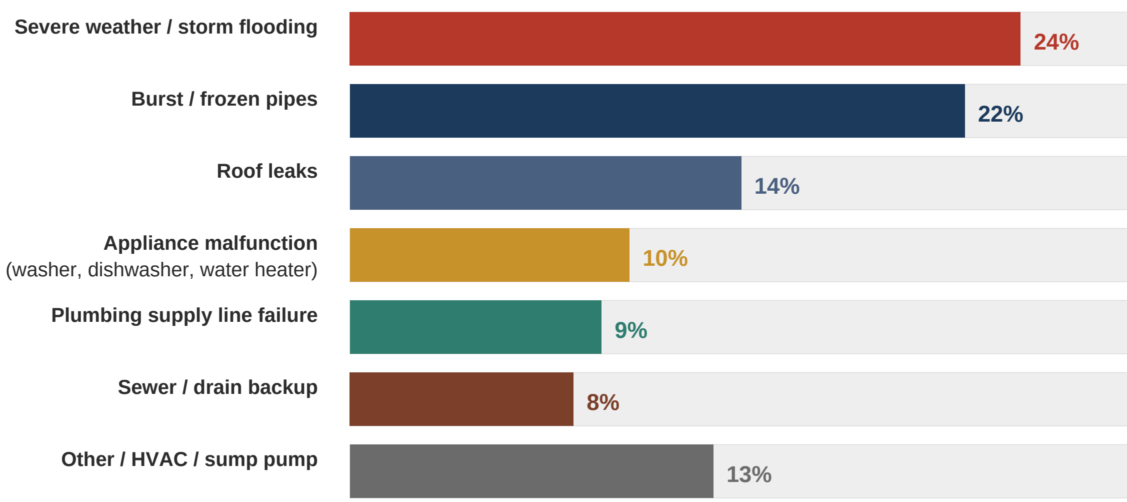
Finding 1

Water Damage Is the Second-Leading Cause of Homeowners Insurance Claims Nationally

22.6% of all claims (III, 2023)

The Insurance Information Institute's (III) 2025 Facts + Statistics report, drawing on ISO/Verisk claims data through 2023, confirms that water damage and freezing accounted for 22.6% of all homeowners insurance claims — second only to wind and hail at approximately 38%. The category has fluctuated between 22% and 28% over the 2019-2023 period, peaking at 27.6% in 2022. One in every 67 insured homes files a water damage or freezing claim each year, compared to one in 36 for wind and hail and one in 430 for fire and lightning. That ratio means a Gwinnett County homeowner is approximately six times more likely to file a water damage claim in any given year than a fire claim — yet fire damage receives far more prevention attention. The claims frequency of 1.61 per 100 house-years (2018-2022) means that across the estimated 341,000 insured housing units in Gwinnett County, approximately 5,100 water damage claims are filed annually.

Causes of Water Damage and Freezing Claims — National Distribution



Sources: Insurance Information Institute (III) / ISO 2019-2023; RestoPros citing III/FEMA 2026.
Percentages reflect national distribution of water damage and freezing claims by cause of loss.

Water damage cause distribution from Insurance Information Institute (III) / ISO 2019-2023 data and RestoPros citing III/FEMA 2026. Burst and frozen pipes represent approximately 22% of water damage claims — second only to severe weather events. Appliance malfunctions and roof leaks together account for nearly a quarter of all water damage claim events.

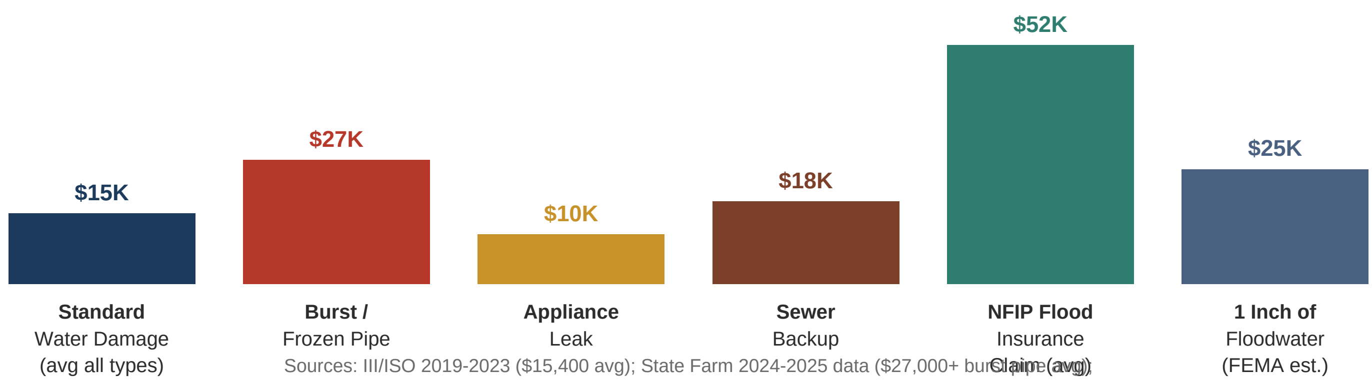
Finding 2

The Average Claim Is $15,400 — But the Type of Water Damage Determines the Final Bill

$15,400 average payout (III/ISO 2019-2023)

The III/ISO five-year average for water damage and freezing claims (2019-2023) is $15,400 per claim. But this average obscures significant variation by water damage type. Burst and frozen pipe claims, which account for approximately 22% of all water damage events, average over $27,000 per incident according to State Farm's 2024-2025 internal data — reflecting the volume of water a burst pipe can release into wall cavities, subfloors, and insulation before it is detected. Sewer backup claims — classified as black water contamination requiring specialized handling and mandatory porous material removal — typically run $15,000 to $30,000 depending on affected square footage and floor finishes. Appliance leaks from washing machines, dishwashers, and refrigerator ice lines average approximately $10,800 when caught quickly, but can exceed $25,000 when the leak goes undetected for weeks inside a wall or under flooring. The FEMA estimate that a single inch of floodwater causes $25,000 in damage reflects the comprehensive cost of flooring, drywall, insulation, contents, and professional drying — a figure that NFIP claim history ($52,000 average payout 2016-2022) confirms applies to real losses, not just estimates.

Average Insurance Claim Cost by Water Damage Type



Sources: III/ISO 2019-2023 ($15,400 avg); State Farm 2024-2025 data ($27,000+ burst pipe); FEMA NFIP avg payout $52,000 (2016-2022); FEMA 1-inch floodwater estimate; sewer backup industry avg.

Average claim costs from III/ISO 2019-2023 ($15,400 overall average); State Farm 2024-2025 claims data ($27,000+ for burst/frozen pipe); FEMA NFIP average payout $52,000 (2016-2022); FEMA 1-inch floodwater damage estimate; industry data for appliance and sewer backup claims. Individual claim costs vary significantly based on home size, finishes, detection speed, and extent of structural involvement.

What standard homeowners insurance does NOT cover: Flood damage from external water sources — storm surge, overflowing rivers, drainage backup from heavy rain — requires a separate flood insurance policy through FEMA's National Flood Insurance Program (NFIP) or a private insurer. One-third of NFIP claims come from outside designated high-risk flood zones. Many Gwinnett County homeowners in Zone X (moderate risk) have no flood coverage and no awareness that their standard policy excludes the most common form of external water intrusion.

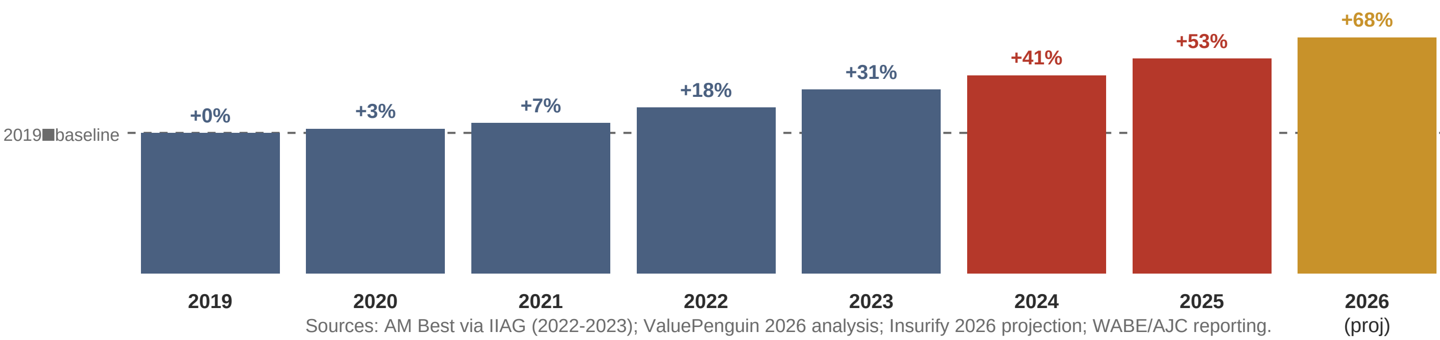
Finding 3

Georgia Homeowners Are Paying 39.7% More for Coverage Than They Were in 2021

39.7% cumulative GA premium increase 2021-2025

Georgia homeowners insurance premiums have increased at a pace significantly above the national average across each of the past four years. AM Best data cited by the Insurance Institute of Georgia (IIAG) documents an average annual premium increase of 9% from 2019 through 2023, with an 11% jump between 2022 and 2023 alone. ValuePenguin's 2026 analysis places Georgia's cumulative premium increase at 39.7% since 2021 — compared to approximately 28% nationally over the same period. The primary driver is catastrophic loss activity: Hurricane Helene's September 2024 inland flooding produced catastrophic losses in communities that neither homeowners nor their insurers had priced as high-risk, accelerating an already-active repricing cycle. Georgia insurers' direct incurred loss ratios hit 112% for the industry in 2024 — deeply unprofitable before adding expenses — triggering rate filings that consumers are now receiving at renewal. Insurify projects an additional 10% increase in Georgia premiums in 2026, one of the largest projected increases in the nation. The practical effect: a water damage claim filed in 2026 does not just cost the deductible. It marks the property as a claim-history property, potentially adding $180 or more annually to already-elevated premiums at the next renewal.

Georgia Homeowners Insurance Premium Growth — Cumulative Increase Since 2019



Sources: AM Best via IIAG (2022-2023); ValuePenguin 2026 analysis; Insurify 2026 projection; WABE/AJC reporting.
Cumulative index: 2019 = 100 baseline. Red bars indicate accelerated growth driven by Hurricane Helene (2024) and market repricing.

Premium index: 2019 = 100 baseline. Annual increases from AM Best data via IIAG 2024 P-C Marketplace Report; ValuePenguin 2026 analysis; Insurify 2026 Georgia insurance outlook. Red bars reflect post-Helene market repricing acceleration. 2026 bar reflects Insurify projection of approximately 10% additional increase.

Finding 4

Gwinnett County Is Among Georgia's Highest-Risk Counties for Inland Flooding

FEMA: Gwinnett among highest-risk GA counties for inland flooding

FEMA's National Risk Index identifies Gwinnett County as one of four Georgia counties rated 'High' or 'Very High' for inland flood risk — alongside Fulton and Cobb counties. The county's risk profile reflects a combination of factors: its dense residential development across a piedmont landscape with significant impervious surface coverage, an extensive network of tributary streams and retention facilities throughout residential subdivisions, and rainfall patterns that have produced repeated localized flash flooding events in communities that do not lie within mapped Special Flood Hazard Areas. Georgia has recorded 24,393 NFIP flood insurance claims totaling $516.2 million in payouts since 1978 — with the critical caveat that standard homeowners insurance does not cover any of these losses. A Gwinnett County homeowner experiencing flooding from a retention pond overflow, a drainage system backup during a heavy storm, or ground saturation entering a basement faces those costs without coverage unless they hold a separate flood insurance policy. FEMA data confirms that one-third of all NFIP claims originate from outside designated high-risk flood zones — meaning many Gwinnett homeowners in Zone X are uninsured for the specific water event most likely to affect their property.

Gwinnett County Water Damage Risk and Insurance Profile — 2026

~5,100	$78.7M	1 in 67	39.7%	+10%
Gwinnett homes filing water damage claims each year (est.)	**Estimated annual water** damage claim costs in Gwinnett County	**Insured U.S. homes** files a water damage claim each year (III)	**Georgia homeowners** insurance premium rise since 2021	**Projected Georgia** premium increase in 2026 (Insurify)

Gwinnett claim estimates: III 1-in-67 rate applied to ~341,000 insured Gwinnett housing units; $78.7M = est. claims x $15,400 avg.
Premium data: AM Best/IIAG; ValuePenguin; Insurify 2026 projection. FEMA: Gwinnett among Georgia's highest-risk counties for inland flooding.

Gwinnett claim estimate: III 1-in-67 annual claim rate applied to approximately 341,000 insured housing units in Gwinnett County (ACS 2019-2023). Annual claim cost estimate: ~5,100 claims x $15,400 III/ISO average = ~$78.7M. FEMA National Risk Index county ratings current as of 2026 data. Premium figures: AM Best/IIAG, ValuePenguin, Insurify.

Finding 5

Most Water Damage Claims Are Preventable — What the Data Shows About Early Response

48 hours: mold risk begins (EPA); response time determines final claim cost

The most consistent finding across water damage insurance and restoration data is that response speed is the single greatest determinant of final claim cost. The EPA documents that mold can begin developing within 24 to 48 hours of water intrusion — and that mold remediation requirements, once triggered, add $10 to $25 per square foot to the total restoration cost. A water damage event contained within the first four hours — before water migrates through drywall into wall cavities and beneath subfloors — typically remains a drying-and-surface-cleaning claim in the $3,000 to $8,000 range. The same event, left unaddressed for 48 to 72 hours, routinely escalates to structural drywall removal, subfloor replacement, and mold remediation in the $20,000 to $40,000 range. The 14,000 water damage events that occur across U.S. homes every day include a significant proportion that began as small, detectable leaks — hidden supply line failures, slow water heater corrosion, appliance hose degradation — that were not caught until visible damage appeared. The EPA estimates that 10% of homes leak more than 90 gallons of water per day from undetected sources. For Gwinnett County homeowners, where housing stock includes a substantial inventory of 1980s through 2000s construction with original plumbing infrastructure, early professional assessment after any water event is the most cost-effective insurance risk management available.

THE DATA: WATER DAMAGE CLAIM REFERENCE — WHAT GWINNETT HOMEOWNERS NEED TO KNOW

Data Point	Figure	Source
Water damage & freezing % of all HO claims (2023)	22.6%	III / ISO 2025
Water damage & freezing % of all HO claims (2022)	27.6%	III / ISO 2025
5-year avg water damage claims (2019-2023)	22.6%-27.6% range	III / ISO 2025
Avg water damage claim payout (2019-2023)	$15,400	III / ISO; This Old House 2026
Avg water damage claim payout (2018-2022)	$13,954	III / ISO; Guardian Service 2025
Annual U.S. water damage insurance cost (industry-wide)	~$13 billion/yr	NAIC 2026
Frequency: insured homes filing WD claim each year	**1 in 67**	**III / ISO 2019-2023**
WD claims frequency per 100 house-years (2018-2022)	1.61	HouseCashin/ISO 2025
Daily U.S. water damage events	~14,000	III / FEMA / iPropertyManagement
Basements experiencing some water damage (lifetime)	98%	iPropertyManagement
Burst/frozen pipe avg claim (State Farm 2024-2025)	$27,000+	State Farm internal data
Burst/frozen pipe % of winter water damage claims	**~22%**	**RestoPros / III 2026**
Appliance malfunction % of water damage events	~10%	RestoPros / III 2026
Roof leak % of water damage events	~14%	RestoPros / III 2026
Sewer/drain backup % of water damage events	~8%	Industry / III data
1 inch of floodwater estimated damage	$25,000	FEMA / NFIP
NFIP avg flood claim payout (2016-2022)	$52,000	FEMA NFIP
NFIP claims from outside high-risk zones (FEMA)	~1/3 of all claims	FEMA / FloodSmart
Georgia NFIP claims since 1978	24,393 claims	FEMA Open Data 2026
Georgia NFIP total payouts since 1978	**$516.2 million**	**FEMA Open Data 2026**
FEMA Gwinnett County flood risk rating	High (top 4 of 159 GA counties)	FEMA National Risk Index 2026
Gwinnett insured housing units (est.)	**~341,000**	**ACS 2019-2023**
Est. annual Gwinnett water damage claims	~5,100	III rate x Gwinnett units
Est. annual Gwinnett water damage claim costs	~$78.7 million	III avg x est. claims
Georgia avg homeowners premium (2026)	~$2,640/yr	ValuePenguin 2026
Georgia cumulative premium increase 2021-2025	39.7%	ValuePenguin 2026
Georgia premium increase 2024 alone	8.1%	Insurance Journal 2025
Georgia premium increase 2022-2023	~11%	AM Best / IIAG 2024
Projected Georgia premium increase 2026	~10%	Insurify 2026 outlook

Avg premium increase after WD claim filed	+$180/yr	Guardian Service / III
Mold development window after water intrusion	**24-48 hours**	**EPA**
Homes with undetected leaks >90 gal/day	10% of homes	EPA Fix a Leak Week

Blue rows: national claim frequency data. Red rows: claim cost data. Green rows: Gwinnett/Georgia flood risk data. Amber rows: Gwinnett County estimated impact figures. All county-level estimates apply published national rates to Gwinnett housing unit counts and are clearly identified as estimates.

WHAT STANDARD HOMEOWNERS INSURANCE COVERS — AND WHAT IT DOESN'T

Water Damage Type	Covered by Standard HO Policy?	Notes
Burst pipe (sudden and accidental)	**YES — typically covered**	**Must be sudden, not from neglected corrosion or freeze from inadequate heating**
Overflowing toilet or tub (accidental)	**YES — typically covered**	**Sudden overflow covered; slow leak from clog over time may be denied**
Appliance malfunction (washer, dishwasher, water heater)	**YES — typically covered**	**Sudden failure covered; gradual leak often denied as maintenance issue**
Roof leak (storm-caused)	**YES — if sudden storm damage**	**Pre-existing deterioration or lack of maintenance may be excluded**
Sewer / drain backup	**NOT covered by default**	**Requires separate water backup endorsement; typically $5,000-$25,000 coverage add-on**
Gradual / hidden leak (slow leak over time)	**NOT covered**	**Classified as maintenance failure; most commonly denied claim type**
Flooding from external source (storm, rising water, overflow)	**NOT covered**	**Requires separate NFIP or private flood insurance policy**
Mold resulting from covered water damage	**PARTIAL — limits vary**	**Many policies cap mold coverage at $5,000-$10,000; secondary mold may be excluded**

Coverage summaries reflect standard HO-3 policy terms as documented by III, This Old House (2026), and InfoSeeMedia (2026). Individual policy terms vary. Gwinnett County homeowners should review their specific policy declarations for water backup endorsements and mold coverage limits. This table does not constitute insurance advice.

WHAT THIS MEANS FOR GWINNETT COUNTY HOMEOWNERS

1 A water damage event is more likely than you think — and more expensive than you expect.

One in 67 insured Gwinnett homes files a water damage claim each year. That 1.5% annual probability compounds: over a 10-year ownership period, a Gwinnett homeowner has roughly a 14% probability of filing at least one water damage claim. The average payout is $15,400 — before accounting for the deductible, premium increase at renewal, and the secondary costs of temporary housing or business interruption that major losses require.

2 The most expensive claims share one characteristic: delayed detection.

A burst pipe that fills a wall cavity for 36 hours before anyone notices is a $30,000 claim. The same pipe, caught within four hours, is a $4,000 claim. Professional assessment immediately after any water event — even one that appears minor — determines whether hidden moisture has migrated into structural materials. The EPA documents mold risk beginning within 24 to 48 hours. Early professional response is not an expense; it is deductible management.

3

Your standard homeowners policy does not cover the water event most likely in Gwinnett.

External flooding — from retention pond overflow, storm drainage backup, or ground saturation — is the water damage scenario FEMA identifies as highest-risk for Gwinnett County. It is also the one scenario standard homeowners insurance explicitly excludes. FEMA data shows that one-third of all NFIP claims come from outside mapped high-risk zones. Many Gwinnett homeowners in Zone X have no flood coverage and no awareness of the gap — until a claim is denied.

4

Georgia's insurance market is repricing — filing a preventable claim costs more than it used to.

Georgia homeowners insurance premiums have risen 39.7% since 2021 and are projected to rise an additional 10% in 2026. Filing a water damage claim in this environment adds approximately $180 per year to already-elevated premiums. For a preventable event — an appliance hose that showed wear, a water heater at the end of its service life, a sump pump that had not been serviced — the financial calculation increasingly favors prevention and professional early response over filing a claim that elevates coverage costs for years.

About Water Pro Inc. — Gwinnett County's IICRC-Certified Restoration Team

Water Pro Inc. provides 24/7 emergency water damage restoration, mold remediation, sewage cleanup, and storm damage restoration throughout Gwinnett County and North Atlanta. Our IICRC-certified technicians respond to water emergencies with professional extraction equipment and a proven drying process designed to limit structural damage and prevent mold growth within the 24-48 hour window documented by the EPA. We provide complete insurance documentation — photos, moisture readings, and written scopes of work — and work directly with your insurance adjuster throughout the claims process. BBB A+ rated. Best of Gwinnett recipient.

470 Dacula Rd #95, Dacula, GA 30019 | Serving all of Gwinnett County

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METHODOLOGY & SOURCES

This report synthesizes published insurance claims data from the Insurance Information Institute (III), ISO/Verisk claims databases, FEMA's National Flood Insurance Program (NFIP), the Insurance Institute of Georgia (IIAG), and multiple independent research sources. National claim frequency (1 in 67 insured homes) and average claim cost ($15,400) are drawn directly from the III's 2025 Facts + Statistics: Homeowners and Renters Insurance report, citing ISO/Verisk accident-year incurred data 2019-2023. Gwinnett County claim estimates apply the III's published national frequency rate to Gwinnett's approximately 341,000 insured housing units (ACS 2019-2023) and are explicitly identified as estimates. Georgia premium increase data from AM Best via IIAG 2024 P-C Marketplace Report; ValuePenguin 2026 analysis; Insurify 2026 State Insurance Outlook. FEMA risk data from FEMA National Risk Index, current as of 2026. This report does not constitute insurance, legal, or financial advice. Individual policy terms, coverage determinations, and claim outcomes vary.

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