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WHEN IT RAINS, YOUR EMPLOYEES FEEL IT.

What extreme rainfall really costs your workforce –and what you can do about it.

A Research Report by Ric Platform Services, LLC
Ricbenefits.com

This report is not about climate science.

It's about the roughly 9.7 million employees at large U.S. companies who live where extreme rainfall will, at some point, disrupt their lives in ways most employers have never planned for.

When a major storm floods a road, closes a school, or damages a home, employees don't simply call in and move on. They scramble for childcare. They wait for contractors. They borrow money they don't have. They show up to work — if they show up at all — distracted, financially stressed, and running on empty.

We built this report to put numbers to a problem most HR teams know exists but rarely get to name: **extreme weather is a workforce issue, and right now, employees are absorbing the full cost of it alone.**

Our findings draw on data from the First Street Foundation, Bureau of Labor Statistics, FEMA, the CDC, and independent workforce research from BrightPlan, The Hartford, and other sources. Sources are documented at the end of this report.

SECTION 01

The Storm Your HR Team Isn't Tracking

Most companies have a business continuity plan. Very few have a plan for what happens to their **employees** when it floods. That gap is growing more expensive every year.

27	99%	96%
Billion-dollar weather disasters in 2024 (NOAA)	Of U.S. counties flooded in the past two decades	Of employees have zero flood insurance protection

For employers, the real cost isn't property damage. It's what happens to your workforce in the 72 hours after a major rainfall event:

- **Immediate disruption.** Roads flood. Schools close. Employees with childcare at a closed school face an unplanned absence. Renters with water damage are suddenly dealing with displaced belongings and no cash reserve to cover it.

- **Productivity loss.** Even employees who make it to work arrive distracted. BrightPlan found that financially stressed employees lose an average of **7.3 hours of productivity per week** — and that number spikes sharply after a financial shock like a flood.
- **Wage loss for hourly workers.** Under the FLSA, employers generally aren't required to pay non-exempt employees for unworked hours during weather closures. The financial hit lands directly on the worker.

> ***"49% of low-to-moderate income workers say their job has been personally impacted by unusual or extreme weather events."***
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> - Commonwealth,Climate Change's Impact on Worker Financial Security, 2023

SECTION 02

Absenteeism and Presenteeism: The Two Faces of the Problem

Absenteeism and presenteeism are the two ways extreme rainfall hits your bottom line. One is employees who can't be there. The other is employees who are there but can't perform. A major rainfall event creates both — at scale, across a concentrated geography, all at once.

Absenteeism: The employees who can't show up

The CDC reports that absenteeism costs U.S. employers **$225.8 billion annually** — roughly $1,685 per employee per year under normal conditions. A major weather event multiplies that baseline for affected workers across an entire region in a single day.

When a severe rainfall event hits — one with roughly a 1-in-3 chance of affecting your workforce over the span of an average career — flood-exposed workers face cascading barriers: flooded commute routes, closed transit, school and daycare closures, and property emergencies requiring immediate attention. For hourly workers in logistics, healthcare, hospitality, and retail — the most flood-exposed industries — an absence is also a day without income.

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$850,000+
Estimated productivity loss from a single qualifying rainfall event at a 10,000-person company in Florida — from absenteeism alone.

Presenteeism: The employees who show up but can't perform

Presenteeism is more invisible — and more expensive. Workforce research estimates it costs employers **more than $150 billion annually**. An absent employee represents one day of lost output. A distracted, financially stressed employee represents **weeks of reduced performance**.

Employees who experience a flood without any financial safety net don't bounce back the next week. They're managing contractor calls, insurance disputes, temporary housing, and the quiet stress of having no savings to cover it. That cognitive load comes to work with them.

$183B	7.3 hrs	10×
Annual cost of financially stressed employees (BrightPlan)	Productivity lost per week by stressed employees	Presenteeism costs vs. absenteeism (HBR/CDC)

SECTION 03

The Protection Gap: Why Your Employees Are Exposed

The vast majority of your employees have **no meaningful financial protection** against a flood event. Flood damage is excluded under standard homeowners and renters insurance. The federal program designed to fill that gap covers only 4% of U.S. households.

When a flood hits an uninsured household, the options are limited and slow. FEMA disaster assistance averages about **$3,000 per household** — and only if the president declares a federal disaster. For context, NFIP flood claim payouts during major events like Hurricane Harvey have averaged upwards of $50,000 per household. The gap between what FEMA provides and what recovery actually costs falls on the employee.

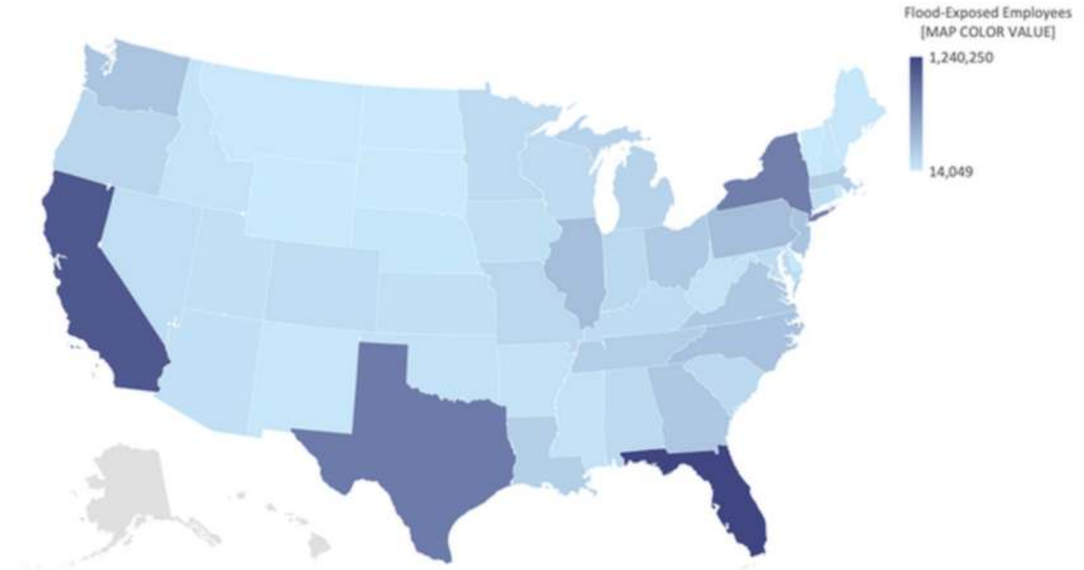
> ***"70% of annual flood losses in the U.S. remain uninsured — $17.1 billion in financial exposure absorbed by households every year."***
> - Federal Reserve Bank of Philadelphia, December 2024

The math for an uninsured employee after a flood

Expense	Estimated Cost
Temporary housing	$1,500 – $3,000 / week
Personal property replacement	$2,000 – $10,000+
Transportation disruption	$200 – $800
Emergency childcare	$300 – $900 / week
Lost wages (hourly workers)	$400 – $1,200+

1 in 3 U.S. employees cannot cover an unexpected $1,000 expense. Most flood events produce costs that are multiples of that figure.

Where your employees live is where the risk lives. Darker states reflect the highest concentrations of flood exposed employees,



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SECTION 04

What the Data Shows: State-by-State Workforce Exposure

The table below shows estimated workforce exposure for large employers (1,000+ employees) across ten of the most affected states. The "Event Cost" column reflects estimated productivity loss from a qualifying rainfall event per 10,000 employees — a single-event impact figure, not annualized.

Flood coverage rates hover near 4% of households nationally. There is no state in this table where a meaningful share of the exposed workforce has any financial protection in place.

State	Workers in Flood Zones	Lrg-Employer Workforce	Event Cost (per 10K empl.)	Flood Ins. Coverage
California	8.8%	5.3M	$1.02B	~4%
Florida	20.5%	2.6M	$902M	~4%
New York	11.5%	2.9M	$756M	~4%
Texas	9.5%	3.8M	$618M	~4%
Louisiana	21.1%	370K	$135M	~4%
West Virginia	24.4%	120K	$71M	~4%
Mississippi	17.4%	210K	$110M	~4%
Tennessee	11.7%	780K	$147M	~4%
N. Carolina	10.0%	1.4M	$223M	~4%
Washington	11.3%	1.1M	$271M	~4%

Source: Ric model. First Street Foundation 2020 (100-yr threshold); BLS state wages; event cost = exposed workers × hourly wage × 8 hrs × 3 days. Ric's qualifying threshold captures events with roughly a 1.3% annual probability — eligible workforce may be modestly larger.

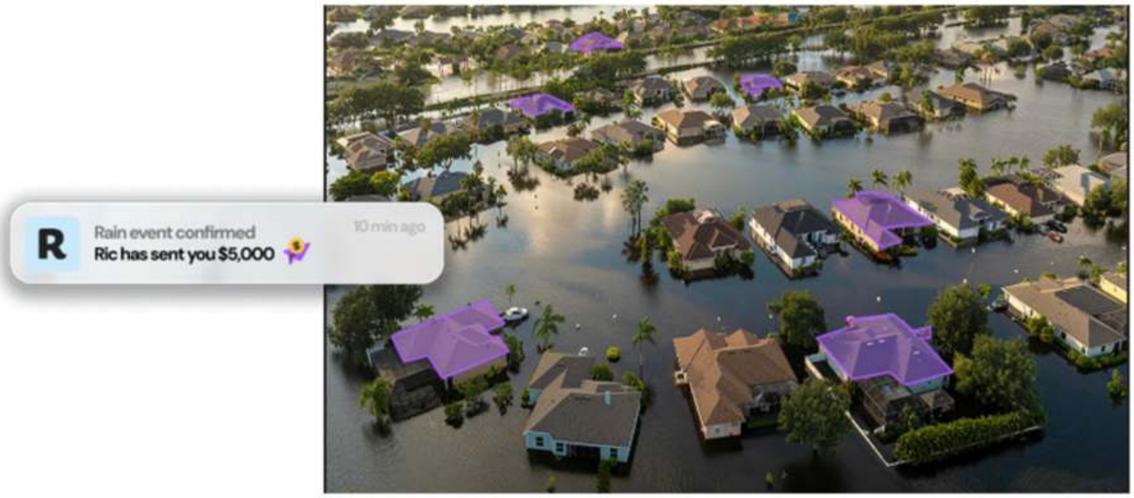
The question for HR leaders isn't ***whether*** this will happen. It's: **when it does, do your employees have a way to recover quickly enough to come back?**

01	02	03	04
Monitor	**Detect**	**Confirm**	**Pay**
Ric monitors rainfall at every covered location using NASA's satellite grid — 24/7, 365 days.	When rainfall hits the qualifying threshold at a covered location, the system detects it automatically.	The policyholder confirms they experienced a loss. No damage photos, no adjuster.	$5,000 or $10,000 deposited in under 5 days — before FEMA has opened a case file.

An honest note about how this works

Because Ric's trigger is based on measured rainfall — not personal damage — it's possible the threshold is met without an employee experiencing significant property loss. It's also possible that an employee experiences disruption from a nearby event that doesn't precisely meet the threshold at their address. This is called **basis risk**, and Ric communicates it clearly to every covered employee.

Ric is designed not as a replacement for traditional flood insurance, but as an **immediate liquidity tool** — cash when employees need it most, without the friction of a claims process.



> ***"The average FEMA disaster grant is roughly $3,000. NFIP flood claim payouts during major events have averaged upwards of $50,000. Ric pays $5,000–$10,000 in under 5 days — before either has been processed."***
>
> \- Ric, based on FEMA and NFIP data

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	Ric Rainfall Insurance	FEMA Disaster Assistance	Standard Home / Renters Ins.
Cash amount	**$5,000 or $10,000**	~$3,000 average	Not covered
Speed	**Under 5 days**	Months	Weeks to months
Trigger	**Satellite-verified rainfall**	Federal declaration	Damage inspection
Renters eligible?	**Yes**	No	Most policies: No
Claim required?	**No traditional claim**	Yes	Yes

SECTION 06

What Employers Can Do: Adding Ric as a Voluntary Benefit

This protection gap is solvable.And it doesn't require a large investment.Ric is offered as a voluntary employee benefit, distributed through open enrollment alongside health, dental, and other supplemental products.

Three ways to offer Ric

- **Employer-paid** — Cover flood-exposed employees at **$222/year ($18.50/month)** for the $5,000 benefit or **$444/year ($37/month)** for the $10,000 benefit. Surplus line taxes apply.
- **Employee-paid voluntary** — Deducted from payroll at the employee's election, at no cost to the employer. Surplus line taxes apply.
- **Shared-cost** — Employer subsidizes a portion; employees cover the rest

√ **Guaranteed issue** — every employee is accepted regardless of where they live or the condition of their home. No medical or property underwriting.

√ **Available in all 50 states.** Renters and homeowners both qualify. No flood zone restrictions.

√ **Open enrollment ready** — employees can be billed via payroll deduction, integrating seamlessly with your existing enrollment cycle.

√ **Backed by Tokio Marine HCC** (rated A++ by AM Best) — one of the world's leading specialty insurers.

Why benefits leaders are paying attention

The voluntary benefits landscape has expanded dramatically. Pet insurance — considered a novelty as recently as 2015 — is now offered by **36% of large U.S. employers** (SHRM, 2024). The pathway was identical: employers recognized employees wanted it, brokers made it easy to add, and enrollment numbers validated the demand.

Ric exists at the same inflection point for weather resilience. Employees who live in flood-exposed areas already know the risk. What they haven't had, until now, is a simple way to protect against it.

92%	61%	2 tiers
Of employees want more financial resources in their benefits (Gallagher)	Of employees will participate in voluntary benefits offered (Voya)	\$222/yr for \$5K benefit \$444/yr for \$10Kbenefit (Plus Surplus Line Taxes & Fees)

The bottom line

Extreme rainfall isn't a coastal problem. It's a workforce problem that plays out in parking lots, on school routes, in apartment buildings, and in the quiet financial math employees do at their kitchen tables after a storm.

Employers who recognize this are better positioned to respond to it. And when employees know their employer has their back — with something practical, immediate, and in their hands before FEMA opens a case file — **the effect on retention, engagement, and workforce resilience is real.**

That is what Ric is built to deliver.

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To learn more or to add Ric to your benefits package,
visit **ricbenefits.com** or contact us at **info@ricbenefits.com**

Sources & Methodology

- Flood exposure: First Street Foundation, The First National Flood Risk Assessment, 2020. Substantial flood risk = 1% annual probability.
- Workforce data: Bureau of Labor Statistics, State and Metro Area Employment, Hours, and Earnings. LinkedIn Economic Graph data by employer bracket and state.
- NFIP claims: FEMA / NFIP data. Average claim payouts during major events such as Hurricane Harvey have exceeded $50,000 per household. Average FEMA IHP grant approximately $3,000 (2016–2023). Congressional Research Service, 2024.
- Flood insurance coverage: FEMA 2024; ValuePenguin analysis of NFIP data (November 2024): ~3.3–4% of U.S. households.
- Flood protection gap: Federal Reserve Bank of Philadelphia, Working Paper 24-23, December 2024.
- Absenteeism: CDC / CDC Foundation. $225.8 billion annually, $1,685 per employee.
- Presenteeism: Workforce research estimates costs exceed $150 billion annually (HBR, 2004). CDC/GCC/EHS: ~$12,000 per employee per year.
- Financial stress: BrightPlan 2024 Wellness Barometer Survey. 7.3 hrs/week lost; $183B annual cost.
- Hartford 2024 Future of Benefits Report: 31% of workers say financial health always/almost always impacts productivity.
- Employer demand: Arthur J. Gallagher & Co., 2022 (92%). Voya, 2023 (61%).
- Pet insurance: SHRM Employee Benefits Survey, 2024 (36% of large employers).
- Extreme weather costs: NOAA NCEI, 2024 Billion-Dollar Weather and Climate Disasters.
- Employee financial vulnerability: 1 in 3 cannot cover a $1,000 unexpected expense (2024).
- Ric model: Exposed workers × BLS state avg wage × 8 hrs × 3 days. Conservative; excludes capital losses, overtime, and indirect costs.

About Ric Rainfall Insurance

Ric is a parametric rainfall insurance product offered as a voluntary employee benefit through U.S. employers. We are a licensed surplus lines broker, backed by Tokio Marine HCC (rated A++ by AM Best).
Available in all 50 states. Guaranteed issue.

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