



## Sigma preliminary estimates: natural catastrophes and man-made disasters in 2013 cost insurers worldwide USD 44 billion

Contact:

Media Relations, Zurich  
Telephone +41 43 285 7171

Lucia Bevere, Zurich  
Telephone +41 43 285 9279

Thomas Holzheu, Armonk  
Telephone +1 914 828 6502

Clarence Wong, Hong Kong  
Telephone +852 2582 5644

Swiss Re Ltd  
Mythenquai 50/60  
P.O. Box  
CH-8022 Zurich

Telephone +41 43 285 2121  
Fax +41 43 285 2999  
www.swissre.com

- **Total economic losses from disasters reached USD 130 billion in 2013 worldwide**
- **Insured global losses from natural catastrophes and man-made disasters totalled USD 44 billion, with flooding a major driver**
- **Around 25 000 lives were lost as a result of natural catastrophes and man-made disasters in 2013**

**Zurich, 18 December 2013 – According to preliminary *sigma* estimates, insured losses from natural catastrophes and man-made disasters in 2013 are estimated to be around USD 44 billion, down from USD 81 billion in 2012. Insured losses from natural catastrophes are at least USD 38 billion, down from USD 75 billion, while man-made disasters generated the remaining USD 6 billion of insured claims this year, little changed from 2012.**

The overall economic losses from this year's catastrophic events reached USD 130 billion, compared with USD 196 billion in 2012. The total loss of life climbed to around 25 000 from 14 000 last year.

### **High loss of life from Typhoon Haiyan in the Philippines**

In November, Typhoon Haiyan hit the Philippines with some of the strongest winds ever recorded, heavy rains and storm surges. Haiyan has claimed more than 7 000 lives, which is the highest loss of life from a single event in 2013. Despite the devastation wreaked, insured losses are expected to be modest as insurance penetration is low in the country.

### **Flooding causes extensive damage across all continents**

The flooding that affected large areas of central and eastern Europe in June 2013 created overall losses of USD 18 billion, with insured losses estimated at USD 4 billion. The insured losses were higher than the 2002 floods in the same region which cost the industry over USD 2 billion (USD 3 billion at current prices). The June flooding ranks as the second most expensive fresh water flood event on *sigma* records, but is a distant second to the 2011 Thailand flood which led to insured claims of over USD 16 billion.

Also in June, rain-induced flooding hit Alberta, Canada, causing insured losses of nearly USD 2 billion, the highest ever recorded in the country



for any disaster. There were also heavy rains and floods in Australia, India, China, Indonesia, Southern Africa and Argentina this year.

### European severe weather events feature prominently

In addition to floods, Europe suffered a number of other severe weather events, including hail and windstorms. Hailstorm Andreas battered Germany and France in July, resulting in insured losses of USD 3 billion. Later in the year, Windstorm Christian in central and northern Europe is estimated to have caused more than USD 1 billion in insured claims. The more recent Windstorm Xaver in the same region has triggered additional insured losses of around USD 1 billion.

Kurt Karl, Chief Economist at Swiss Re, says "In many parts of the world, insurance penetration remains low. Together with preventative measures, insurance can lessen the destructive impact and financial burden that large catastrophic events can have on people's lives. It can also help accelerate reconstruction efforts, as we have seen in areas where insurance penetration is higher."

Harsh spring and autumn weather spawned severe thunderstorms and deadly tornadoes in the US, which brought devastation of properties and hefty losses to the insurance industry. However, the 2013 North Atlantic hurricane season was benign.

**Table 1: The most costly insured catastrophe losses in 2013<sup>1</sup>**

Date	Insured losses <sup>2</sup> (in USDbn)	Economic losses (in USDbn)	Event	Country	
1 June	4.1	18.0	Floods	Germany, Czech Republic et al.	[2]
2 July	3.4	3.8	Hailstorm Andreas	Germany, France	[2]
3 June	1.9	4.8	Floods	Canada	[2]
4 May	1.8	3.2	Severe thunderstorms, tornadoes	US	[3]
5 March	1.6	2.2	Thunderstorms, tornadoes, hail	US	[3]
6 May	1.4	2.0	Severe thunderstorms, tornadoes, large hail	US	[3]
7 October	1.4	2.7	Windstorm Christian	Germany, Denmark et al.	[4]
8 April	1.1	1.6	Snow storm, ice, tornadoes, heavy rains	US	[3]
9 December	1.0	>1.4	Windstorm Xaver	UK, Denmark et al.	[2]
10 January	1.0	1.5	Floods caused by Cyclone Oswald	Australia	[5]

<sup>1</sup> The numbers in this table are subject to revision as estimate information on losses progresses/is finalised

<sup>2</sup> Property and business interruption, excluding liability and life insurance losses

[2] Swiss Re estimate

[3] With the permission of Property Claims Services (PCS)

[4] Perils AG

[5] Insurance Council of Australia

Go to [www.sigma-explorer.com](http://www.sigma-explorer.com) to chart 2013 and historical *sigma* data on natural catastrophes and man-made disasters.



**Notes to editors:**

<b>Definitions and selection criteria for <i>sigma</i> catastrophe statistics:</b>	
Natural catastrophes	Loss events triggered by natural forces
Man-made disasters	Loss events associated with human activities
Insured catastrophe losses	Losses caused by the catastrophes covered by property insurance
Total economic losses	Also include the uninsured part of the property losses related to the catastrophes
<b>Minimum selection criteria:</b>	
Total losses	USD 96 million
Or: Insured property claims	Shipping: USD 19.3 million Aviation: USD 38.6 million Other: USD 48 million
Or: Casualties	Dead or missing: 20 Injured: 50 Homeless: 2 000

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The comprehensive *sigma* study "Natural catastrophes and man-made disasters in 2013" will be published in Spring 2014. If you wish to pre-order a printed copy, please send your order, complete with your full postal address, to: [sigma@swissre.com](mailto:sigma@swissre.com).

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