Preliminary \textit{sigma} estimates for 2018: global insured losses of USD 79 billion are fourth highest on \textit{sigma} records

- Total economic losses from natural and man-made disasters in 2018 are estimated to be USD 155 billion, down from USD 350 billion in 2017.
- Global insured losses from catastrophes in 2018 are estimated to be USD 79 billion, the fourth highest on \textit{sigma} records and higher than the annual average of the previous 10 years.
- Disaster events claimed more than 11 000 victims in 2018.

Zurich, 18 December 2018 – According to preliminary \textit{sigma} estimates, total economic losses from natural and man-made catastrophes in 2018 declined to USD 155 billion from USD 350 billion in 2017. Global insured losses are estimated to be around USD 79 billion, higher than the annual average of the previous 10 years. There have been a number of smaller and mid-sized loss-generating disaster events across all regions this year, also affecting regions with well-established insurance cover. Together, these have made 2018 the fourth costliest year on \textit{sigma} records in terms of losses covered by the insurance industry. Globally, more than 11 000 people have died or gone missing in disaster events in 2018, similar to the number of victims in 2017.

Total economic losses from natural catastrophes and man-made disasters are estimated to be USD 155 billion in 2018. Natural catastrophes caused USD 146 billion of the losses, and man-made disasters USD 9 billion. Of the total economic losses, USD 79 billion have been covered by insurance, down from USD 150 billion in 2017, but more than the previous 10-year annual average (USD 71 billion). Natural catastrophes accounted for USD 71 billion of this year's insured losses, and man-made disasters for the remaining USD 8 billion. This year is projected to be the fourth most expensive year on \textit{sigma} records for insurance. More than 11 000 people have died or gone missing in catastrophe events in 2018. The earthquake in Sulawesi, Indonesia in September had the highest human toll of the year, with over 3 500 estimated dead or missing.

**Extreme weather caused fourth highest number of insured losses**

There has not been a singular major natural catastrophe event (such as Hurricanes Harvey, Irma, Maria in 2017) in 2018. Nevertheless, the aggregated losses from a number of smaller and mid-sized events, alongside some major man-made disasters, have caused sizable overall insured losses. Like last year, the losses from the 2018 series of events highlight the increasing vulnerability of the ever-growing concentration of humans and
property values on coastlines and in the urban-wildlife interface. The very presence of human and property assets in areas such as these means extreme weather conditions can quickly turn into catastrophe events in terms of losses inflicted.

Examples of this year’s devastating natural catastrophe events include Hurricanes Michael and Florence; Typhoons Jebi, Trami and Mangkhut; heat waves, droughts and wildfires in Europe and California; winter and thunderstorms around the world; floods in Japan and India; earthquakes in Japan, Indonesia and Papa New Guinea; and volcano eruptions in Hawaii. Insurance contributed USD 79 billion in paid claims to lessen the hardship for people and businesses affected by this year’s disaster events. In other words, more than 50% of all economic losses were insured, demonstrating again the significant contribution of the insurance sector to mitigating catastrophe risk.

The loss estimates in this media release are preliminary and may be subject to change, as not all loss-generating events have been fully assessed yet.

Table 1: Total economic and insured losses in 2018 and 2017
USD billion (in 2018 prices)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>annual change</th>
<th>10-year average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic losses (total)</td>
<td>155</td>
<td>350</td>
<td>-56%</td>
<td>220</td>
</tr>
<tr>
<td>Nat cat</td>
<td>146</td>
<td>342</td>
<td>-57%</td>
<td>208</td>
</tr>
<tr>
<td>Man-made</td>
<td>9</td>
<td>8</td>
<td>9%</td>
<td>12</td>
</tr>
<tr>
<td>Insured losses (total)</td>
<td>79</td>
<td>150</td>
<td>-47%</td>
<td>71</td>
</tr>
<tr>
<td>Nat cat</td>
<td>71</td>
<td>143</td>
<td>-50%</td>
<td>63</td>
</tr>
<tr>
<td>Man-made</td>
<td>8</td>
<td>7</td>
<td>20%</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Swiss Re Institute

Chart 1: Catastrophe-related insured losses (1970-2018)

Source: Swiss Re Institute
Notes to editors
This year marks the 50th anniversary of sigma, Swiss Re's flagship and an insurance industry leading research publication. Please visit the sigma 50-years section on the Swiss Re Institute website to find out more about the evolution of sigma, and the breadth and depth of the overall research offering from the Swiss Re Institute: https://www.swissre.com/institute/search-page.html?searchterm=sigma+50+years

Swiss Re
The Swiss Re Group is one of the world’s leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally. It is organised into three Business Units, each with a distinct strategy and set of objectives contributing to the Group’s overall mission.