

# News release

## Preliminary *sigma* estimates for 2018: global insured losses of USD 79 billion are fourth highest on *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 *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 *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 *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 *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

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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 Papua 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.

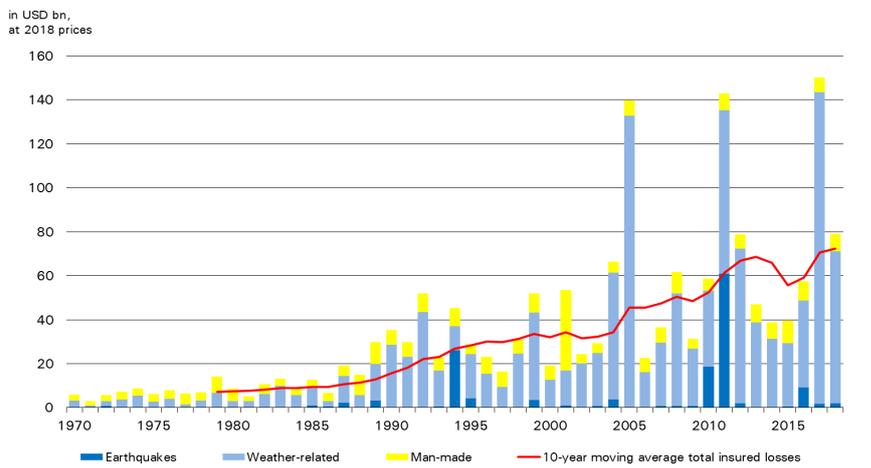
**Table 1: Total economic and insured losses in 2018 and 2017**

USD billion (in 2018 prices)

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

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>

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