

# News release

## Preliminary *sigma* estimates for 2015: global catastrophes cause economic losses of USD 85 billion

- Total economic losses from disaster events to reach USD 85 billion in 2015
- Insured losses from disaster events estimated at USD 32 billion in 2015
- Approximately 26 000 people died in disaster events in 2015

Zurich, 18 December 2015 — Preliminary *sigma* estimates indicate total economic losses from natural catastrophes and man-made disasters will reach approximately USD 85 billion in 2015. Insured losses, however, were just USD 32 billion. Insured losses from natural catastrophes were lower than in 2014, while man-made losses were higher. The explosions at the Port of Tianjin in China are expected to lead to the year's biggest insured loss, and the biggest man-made insured loss in Asia ever. In total, approximately 26 000 people lost their lives in disaster events this year, double the amount in 2014.

In 2015, total economic losses are estimated to reach USD 85 billion, down from USD 113 billion in 2014 and the previous 10-year loss average of USD 192 billion. Natural catastrophes caused USD 74 billion in losses and man-made disasters the remaining USD 11 billion. Of the total economic losses, USD 32 billion were insured (vs. USD 35 billion the year before), with USD 23 billion triggered by natural disasters, down from USD 28 billion in 2014. This is also below the annual average of USD 55 billion for the previous 10 years of natural catastrophe insured losses.

### A year of many disaster events

Losses were caused by various severe natural catastrophes across different perils in 2015, including windstorms, hurricanes, earthquakes, flooding and wildfires. A February winter storm in the US was the largest loss-making natural disaster of the year, resulting in insured losses of more than USD 2 billion. Low activity during the North Atlantic hurricane season kept the total global insured loss low.

Large disasters occurred in many other parts of the world also, contributing to the total number of fatalities more than doubling from the previous year to around 26 000. In April, a magnitude 7.8 earthquake struck Nepal and neighbouring countries, triggering a humanitarian catastrophe: around 9 000 people lost their lives and approximately 500 000 houses were destroyed. Economic losses are estimated to be

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more than USD 6 billion, of which only around USD 1 60 million are insured, owing to the country's low insurance penetration.

This year is likely to pass as the warmest on record, according to the World Meteorological Organization. Exceptionally high temperatures and lack of rainfall caused drought, wildfires and heatwaves in many regions. More than 5 000 people died in waves of extreme temperatures throughout the summer season in India, Pakistan, Europe, North Africa and the Middle East. In India and Pakistan temperatures soared to above 48°C in May and June, the highest recorded since 1995, claiming over 3 000 victims.

"It was another year of many disaster events, sadly resulting in a high number of victims," says Kurt Karl, Chief Economist at Swiss Re. "The overall economic impact of these events was devastating in the areas affected. Often these areas are the least equipped and have a low level of insurance penetration."

More lives were lost due to capsizing of many boats carrying migrants from conflict zones in northern Africa, while attempting to reach Europe, often in unseaworthy vessels.

#### **Man-made insurance losses rise**

Man-made disasters triggered USD 9 billion in overall insurance losses in 2015, up from USD 7 billion in 2014. The costliest event this year was the series of explosions at a storage facility in the Port of Tianjin in northeastern China on 12 August. The explosions claimed 173 lives and injured many more, as well as damaging and destroying vehicles, shipping containers, production facilities and surrounding property. The insured loss estimate is subject to a high degree of uncertainty due to the many different lines of business and coverage impacted, including potentially Contingent Business Interruption. Initial indications suggest claims of at least USD 2 billion, which would make this the largest ever man-made loss event in Asia for the insurance industry. Fires and explosions at other industrial sites and energy facilities in different regions added around USD 3 billion to the overall man-made insured tally.

All data in this release is based on information available at the time of publishing. The estimates are preliminary and may change once full-year source data is complete.

**Table 1: The most costly insured catastrophe losses in 2015 (USD billion)**

Month	Insured losses <sup>1</sup>	Total losses	Event	Country
August	>2	N/A	Explosions at Tianjin port <sup>2</sup>	China
Feb	2.1	2.7	Winter storm <sup>3</sup>	US
May	1.3	2.0	Thunderstorms, flooding in Texas <sup>3</sup>	US
Apr	1.2	1.6	Thunderstorms <sup>3</sup>	US
Sep	1.0	1.6	Wildland fire "Valley Fire" <sup>3</sup>	US
Apr	1.0	1.4	Winter storm Niklas <sup>4</sup>	Europe

Note: (1) Property and business interruption, excluding liability and life insurance losses.

Source: (2) Swiss Re estimate; (3) US natural catastrophe figures with the permission of Property Claims Services and Swiss Re estimate; (4) Perils AG and Swiss Re estimate

**Table 2: Economic and insured losses, 2015 and 2014**

USD billion (in 2015 prices)

	2015	2014	annual change	10-year average
<b>Economic losses</b>	85	113	-24%	192
Nat cat	74	104	-28%	180
Man-made	11	9	24%	12
<b>Insured losses</b>	32	35	-11%	62
Nat cat	23	28	-19%	55
Man-made	9	7	22%	7

Source: Swiss Re Economic Research & Consulting.

#### Notes to editors

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##### Accessing data by sigma:

The data from the study can be accessed and visualised at [www.sigma-explorer.com](http://www.sigma-explorer.com). This mobile enabled web-application allows users to create charts, share them via social media and export them as standard graphic files.