

Despite huge floods, insurers under less pressure

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Catastrophes continued to wreak misery and material havoc in 2000. According to preliminary Swiss Re estimates, major events worldwide claimed 17,000 lives and caused losses totalling USD 38 billion not including indirect economic losses. As there was only one billion-dollar natural catastrophe loss, the cost to the insurance industry USD 11 billion worldwide was relatively low. In the record-breaking year of 1999 it had been USD 31 billion.

Total losses comparable to the average over the 1990s

17,000 people died in large loss events in 2000; almost half of them perished in natural catastrophes. Total losses of USD 38 billion roughly correspond to the average for the 1990s and, according to the *sigma* statistics, are predominantly due to natural catastrophes. Particularly noteworthy were the floods in Asia in late summer and autumn, and in Western Europe in late autumn. The number of fatalities from man-made disasters - almost 9,000 - was significantly above the average for the past decade. That two-thirds of these fatalities resulted from traffic catastrophes on land, water and in the air testifies to increased mobility.

Only one billion-dollar natural catastrophe loss

The year 2000 cost insurers USD 11 billion, with USD 7.6 billion resulting from natural catastrophes; floods alone accounted for USD 2.5 billion a reference to the often underestimated flood loss potential. As only the Tokai floods in Japan reached the billion-dollar threshold, the claims burden from natural catastrophes was relatively low. This is in stark contrast to the preceding year in which seven billion-dollar storm and earthquake events brought the second-highest losses in insurance history. The accumulation of storms and earthquakes striking highly populated areas in 1999 was purely random as was their absence in the year 2000. It is assumed that the trend towards high losses will continue uninterrupted, particularly as many risk factors will persist: higher population densities, higher concentrations of insured values, especially in endangered areas.

Major man-made losses in 2000

The heavy cost of man-made disasters to the insurance industry (USD 3.5 billion) continued in 2000: USD 1.4 billion was due to explosions and major fires and USD 1.3 billion to aviation and aerospace accidents. Worthy of particular mention were an explosion in a Kuwaiti oil refinery (USD 400 million) and an explosion in an American chemical factory (USD 300 million).

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