

News release

Swiss Re Institute estimates global economic losses of USD 44 billion from catastrophes in the first half of 2019

- Natural catastrophes accounted for USD 40 billion economic losses in H1 2019, down from USD 45 billion a year earlier
- Global insured losses from disasters were USD 19 billion in H1 2019, down from USD 26 billion in H1 2018
- Disaster events claimed more than 5 000 victims in H1 2019

Zurich, 15 August 2019 – Global economic losses from natural catastrophes and man-made disasters in the first half of 2019 amounted to USD 44 billion, according to Swiss Re Institute's preliminary *sigma* estimates. This figure is well below USD 109 billion, the average first-half economic losses of the previous ten years. It is also lower than the losses of USD 51 billion reported for the same period a year earlier. Of the total global economic losses in the first half of 2019, USD 19 billion were covered by insurance, the main driver being thunderstorms and flooding events in different parts of the world. More than 5 000 people lost their lives or went missing in disaster events during the period.

Of the USD 44 billion in total global economic losses, natural catastrophes accounted for the majority, or USD 40 billion in the first half of 2019, compared with USD 45 billion in the year-earlier period. The remaining USD 4 billion of losses were caused by man-made disasters. Global insured losses from natural catastrophes fell to USD 15 billion from USD 21 billion the year before, while insured losses from man-made disasters decreased to USD 4 billion from USD 5 billion.

Only about 42% of the global economic losses were insured (compared with 52% in the first half of 2018) as several large-scale disaster events, such as cyclone Idai in southern Africa and cyclone Fani in India, occurred in areas with low insurance penetration. Cyclone Idai, which caused strong winds and severe flooding across Mozambique, Malawi, Zimbabwe and Madagascar, was the deadliest natural catastrophe in the first half of this year, claiming more than 1 000 victims. Economic losses from cyclone Idai are estimated at least at USD 2 billion, of which only about 7% were insured.

Martin Bertogg, Head of Catastrophe Perils at Swiss Re, said: "The experience of the first half of this year has once again exposed the existing protection gap issues in emerging countries. For example, cyclone Idai showed just how fragile African coastal communities are. And in India, cyclone Fani inflicted widespread damage and large uninsured losses. Similarly, the nature and location of the events underline the theme of secondary perils taking a larger

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share of the overall loss burden, as we analyzed in more detail in our last catastrophe *sigma*.¹"

Secondary perils were primary loss drivers

Secondary perils such as thunderstorms, torrential rains and snowmelt caused the highest losses through wind and water damage in the first half of 2019 in many regions of the world, including the US, Canada, Europe, Australia, China and Iran. Swiss Re Institute's *sigma* estimates the total economic losses of these events at USD 32 billion. Approximately USD 13 billion of these losses were insured.

As in the first half of 2018, several parts of the world also experienced heatwaves and dry weather conditions this year, with temperature records broken in several locations, particularly in Europe. The full impact of the extreme summer weather is yet to be determined.

Bertogg added: "Intense heatwaves and dry spells of the like we've seen over the last few years are expected to become more frequent, exacerbating the conditions conducive to wildfires and agriculture losses. We also expect more variable rain patterns, as rising temperatures load the atmosphere with more vapour. Society will need to adapt and prepare for these increasing occurrences."

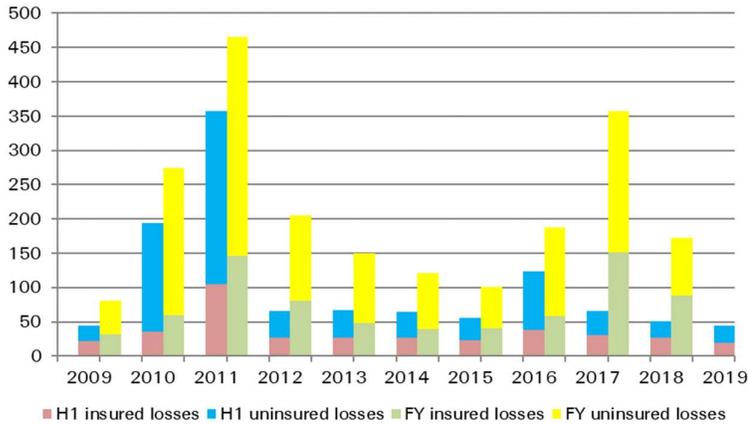
Table 1: Total economic and insured losses in H1 2019 and H1 2018

USD billion	H1 2019	H1 2018	Annual change	H1 10-yr avg*
Economic losses	44	51	-13%	109
Nat cat	40	45	-12%	101
Man-made	4	6	-22%	8
Insured losses	19	26	-30%	36
Nat cat	15	21	-30%	31
Man-made	4	5	-31%	5

* This refers to the average annual half-year losses of the previous 10 years.
 Source: Swiss Re Institute

¹ See *sigma* 2/2019 - Natural catastrophes and man-made disasters in 2018: "secondary" perils on the frontline

Figure 1: Catastrophe-related losses in USD billion (2009 – 2018)



Source: Swiss Re Institute

The [sigma explorer web app](https://sigmaexplorer.com) has been enriched further. Go to sigmaexplorer.com to view, download and share [natural catastrophe data projected onto world maps](#).

Swiss Re

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