



Preliminary Swiss Re *sigma* estimates of catastrophe losses in 2004: major storm losses in the US and Japan make it a record year for insurance claims

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Zurich, 16 December 2004 – According to preliminary Swiss Re *sigma* estimates, more than 21,000 people around the world lost their lives as a result of natural and man-made catastrophes in 2004. The catastrophes caused overall economic losses of about USD 105 billion worldwide. Property insurers across the globe had to contend with claims of approximately USD 42 billion.

At the time of going to press, around 300 natural and man-made catastrophes around the world had been registered in 2004, claiming the lives of more than 21,000 people and causing total economic damage of approximately USD 105 billion. Property insurers worldwide will bear USD 42 billion of the total losses, thus making 2004 – after 1992, 1999 and 2001 – another record year in terms of insurance claims. About 95% of claims were attributable to natural catastrophes.

The largest claims occurred in the US and Japan: the US, Caribbean, Gulf of Mexico and parts of the Atlantic Basin were hit by a series of hurricanes in August and September. For the first time since 1886, three hurricanes, Charley, Frances and Jeanne, made landfall in the same state – Florida; Ivan made landfall in Alabama, but continued its path across Florida. All four hurricanes caused losses in the billions. Charley wrought economic damage of USD 16 billion, including insurance claims of USD 7 billion. The figures for the other hurricanes were: Frances USD 10 billion and 5 billion, respectively; Jeanne USD 8 billion and 4 billion, respectively; and Ivan USD 22 billion and 11 billion, respectively.

Japan experienced the highest number of typhoons for decades in the period June to October. Typhoon Songda caused total economic losses of USD 6.2 billion, including property claims of 2.5 billion. The figures for Typhoon Tokage were USD 1.4 and 0.8 billion, respectively; and for Typhoon Chaba, USD 1.8 billion and 0.7 billion, respectively. In addition, the region of Niigata, already reeling from Typhoon Tokage, was hit in October by the Chuetsu earthquake (registering 6.9 on the Richter scale) and strong aftershocks.

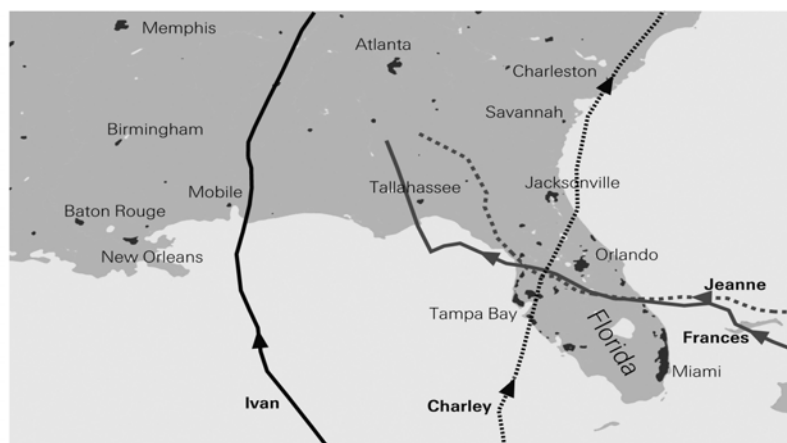
The total economic losses caused by the earthquake and attendant landslides along with infrastructure damage are estimated at USD 19 to 28 billion, including insurance claims of USD 0.6 billion. Europe had to cope with fewer natural catastrophes than in previous years. However, 191 people were killed and more than 2,000 injured in March following a terrorist attack on Madrid train stations.

Developing countries again suffered the highest number of fatalities in 2004. In Haiti, flooding claimed more than 3,300 lives in May; in September, Hurricane Jeanne killed another 2,900 on the island. Of the 21,000 victims of catastrophes recorded by *sigma* in 2004, almost half were in Asia or Africa: storms and flooding in the Philippines from mid-November to early December were responsible for over 1,700 deaths. In February, 640 people lost their lives in an earthquake in Morocco; and in March more than 360 people were killed by Cyclone Gafilo in Madagascar.

Burden for property insurers: rising trend

It is still not possible to put a final figure on the losses, particularly in regions hit by more than one catastrophe. However, it is clear that, with insurance claims of around USD 42 billion, 2004 will go down as one of the most expensive in recent history. By way of comparison: in 1992, losses adjusted for inflation were in the region of USD 38 billion (including Hurricane Andrew); in 2001 they reached USD 37 billion (including the 11 September terrorist attack); and in 1999, they totalled USD 36 billion (including the Lothar and Martin winter storms). Thus 2004 reinforces the trend towards higher losses, which can be attributed in part to rising population densities and value concentrations as well as to the growing urbanisation of exposed areas.

US hurricanes in 2004



Source: Swiss Re, Focus Report, Hurricane season 2004

Costly insured losses in 2004

<i>Insured losses (USD bn)</i>	<i>Victims (dead and missing)</i>	<i>Date (start)</i>	<i>Event</i>	<i>Country</i>
11.0	110	02.09.2004	Hurricane Ivan	US, Caribbean et al
7.0	24	11.08.2004	Hurricane Charley	US, Cuba et al
5.0	38	26.08.2004	Hurricane Frances	US, Bahamas
4.0	2,900	13.09.2004	Hurricane Jeanne	US, Haiti et al
2.5	51	06.09.2004	Typhoon Songda	Japan, South Korea

Deadliest catastrophes 2004

<i>Victims (dead and missing)</i>	<i>Date (start)</i>	<i>Event</i>	<i>Country</i>
3,344	23.05.2004	Flooding	Haiti, Dom. Rep. et al
2,900	13.09.2004	Hurricane Jeanne	Haiti, US et al
1,400	29.11.2004	Cyclone Winnie, flooding	Philippines
1,182	20.06.2004	Flooding, landslides	Bangladesh, India
640	24.02.2004	Earthquake (6.4 Richter scale)	Morocco

Glossary of *sigma* catastrophe statistics

Natural catastrophes	Loss events triggered by natural forces
Man-made/technical disasters	Loss events associated with human activities
Economic losses	Losses with a direct economic impact
Insured loss	That part of the economic losses covered by insurance contracts

Notes to editors

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