

Natural catastrophes and man-made disasters in the first half of 2011 – preliminary loss estimates

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According to preliminary *sigma* estimates, insured losses from natural catastrophes and man-made disasters reached an estimated USD 70 billion in H1 2011, more than double the USD 29 billion incurred in H1 2010. Insured losses from natural catastrophes reached USD 67 billion in H1 2011, up from USD 27 billion in the year-earlier period, while man-made disasters triggered additional insurance claims payments of roughly USD 3 billion, unchanged from H1 2010.

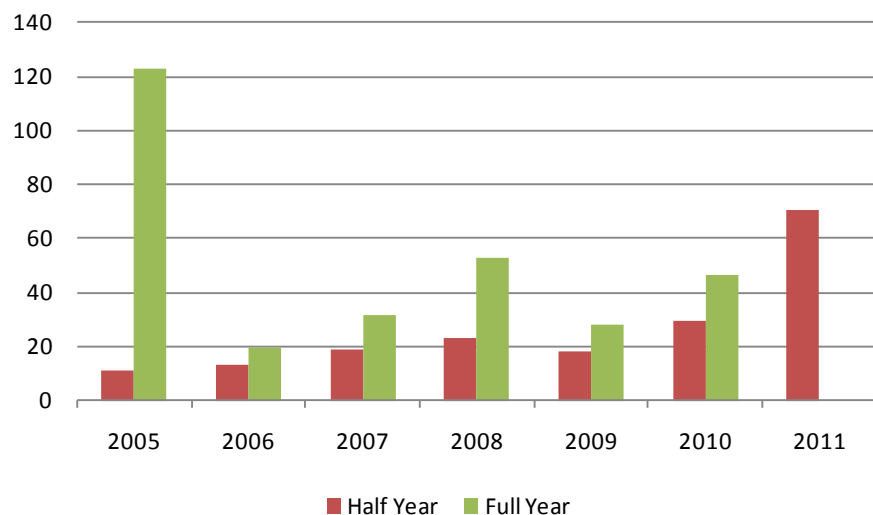
Total economic losses for these disasters were almost USD 278 billion compared to USD 166 billion in the year-earlier period. Approximately 26 000 people died in these H1 2011 events, less than a tenth the 288 000 catastrophe fatalities in H1 2010 which were mostly from the massive and tragic Haitian earthquake.

2011: a year of historic earthquakes and tornadoes

At more than USD 70 billion in the first half alone, 2011 already ranks as the second-worst calendar year for catastrophe-insured losses on *sigma* records topped only by 2005, when hurricanes Katrina, Wilma and Rita combined cost over USD 90 billion.

This year has seen the highest level of earthquake losses and already ranks second in terms of overall catastrophe-insured losses.

Insured losses (in USD billion, at 2011 prices)



At USD 39 billion, earthquake-insured losses in H1 alone make 2011 the most expensive calendar year in this category, even if no additional events occur in H2. Two earthquakes rank among the costliest in history:

- February's earthquake in Christchurch, New Zealand, was the second to hit the area in six months and resulted in USD 9 to 12 billion in insured losses.
- Estimates for the insured property losses from the powerful earthquake in Japan in March run to USD 30 billion while the total direct economic losses are estimated at roughly USD 210 billion. The aggregate total cost of the earthquake is likely to increase once the damage to nuclear facilities and business interruption costs are fully accounted for.

There were one European and several US wind events that contributed to the high total loss for the first half of 2011...

In terms of weather-related catastrophes:

- The US had a very severe first half, with five events in excess of USD 1 billion. Of these, two massive tornado events hit several states in the South and Midwest in April and May, triggering over USD 12 billion in insured losses and costing the lives of more than 400 people. The April event ranked as the 10th most costly US natural catastrophe and the May event ranked 12th. By comparison, the two most costly US weather events in 2010 triggered roughly USD 5 billion in insured claims.

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- Despite a very mild European winterstorm season, a sizable energy loss was recorded on the North Sea, where a storm damaged the FPSO Gryphon Alpha vessel, causing a loss of nearly USD 1 billion in property damage and business interruption.

...as well as record flooding losses in Australia.

In Australia, severe flooding in December 2010 and January 2011 has caused economic damage of USD 7 billion and insured claims of USD 2.8 billion, at latest count. Cyclone Yasi added USD 2 billion in economic damage, of which about half was insured.

This half-year interim tally does not include the full humanitarian and economic consequences of severe drought that caused wildfires and crop losses in the US, Canada and China, and a famine in the Horn of Africa.

Man-made disasters totalled about USD 3 billion.

Man-made disasters triggered additional insured losses of USD 3 billion. North America incurred the highest losses.

Table 1 - Five costliest disasters in H1 2011 (preliminary estimates)

Insured loss (in USD bn) ¹	Total loss (in USD bn)	Victims ²	Date (start)	Event	Country
30	210	20 362	11.03.2011	Earthquake (M _w 9.0), triggers tsunami	Japan
9 to 12	>12	181	22.02.2011	Earthquake (M _w 6.3), aftershocks	New Zealand
6.6	>7.5	354	22.04.2011	Severe storms, tornadoes	US (Alabama et al)
5.9	>7	155	20.05.2011	Severe storms, tornadoes	US (Missouri et al)
>2.8	>7.3	35	23.12.2010 to 17.01.2011	Floods caused by heavy rains	Australia (Victoria, Queensland)

¹ Property and business interruption, excluding liability and life insurance losses

² Dead or missing

Of the top five multi-billion dollar events, the Japanese earthquake caused the highest losses.

In addition, ten events triggered losses of more than USD 1 billion each in H1 2011. Three more events caused insured losses of just under USD 1 billion. In the full year of 2010, only eleven events caused insured claims in excess of USD 1 billion.

The Japanese earthquake was also the worst in terms of victims.

Table 2 - Five worst natural catastrophes in terms of victims

Victims ¹	Insured loss (in USD bn) ²	Date (start)	Event	Country
20 362	30	11.03.2011	Earthquake (M _w 9.0), triggers tsunami	Japan
>900	N/A	12.01.2011	Floods, landslides	Brazil
354	6.6	22.04.2011	Severe storms, tornadoes	US
305	N/A	03.06.2011	Floods, landslides	China
181	9 to 12	22.02.2011	Earthquake (M _w 6.3), aftershocks	New Zealand

¹ Dead or missing

² Property and business interruption, excluding liability and life insurance losses