



Preliminary Swiss Re *sigma* estimates that over 238 000 people were killed by catastrophes in 2008, insured losses soar to USD 50 billion

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**Zurich, 18 December 2008 - According to initial estimates from the forthcoming Swiss Re *sigma* study on catastrophes, more than 238 000 people lost their lives to natural catastrophes and man-made disasters in 2008 – the fourth largest number of deaths since 1970. While the total cost to society was USD 225 billion, USD 50 billion was covered by property insurance, making 2008 the second costliest year ever in terms of insured losses.**

In 2008, large loss events tragically claimed over 238 000 lives. In early May, tropical cyclone Nargis struck Myanmar, killing 138 400 people, setting off one of the largest humanitarian crises in recent memory. Later in May, a devastating earthquake measuring 7.9 on the moment magnitude scale shook China's Sichuan region, killing 87 400 people and leaving over 10 million homeless. Most of the losses from these two events were not insured.

**Property insurers will face claims of over USD 50 billion...**

Catastrophes cost insurers more than USD 50bn in 2008, making it the second costliest year in insurance history. Of the total amount, natural catastrophes accounted for USD 43bn, with storms costing insurers USD 39bn. Hurricanes in the US and the Caribbean triggered record losses, with Hurricane Ike resulting in claims of USD 20bn, followed by Hurricane Gustav at USD 4bn (insured losses include property, motor, offshore damage and flood losses covered by the NFIP). In Europe, winter storm Emma caused damages of USD 1.4bn, which are significantly lower than those caused by last year's winter storm Kyrill (USD 6bn).

**... including USD 7 billion for man-made catastrophes**

Man-made disasters continued to be costly for the insurance industry in 2008. Explosions and major fires resulted in losses of USD 4.8bn. Damages to industry and industrial warehouses accounted for approximately USD 2.1 bn of this amount, while oil and gas-related incidents - excluding offshore damage from hurricanes - cost insurers another USD 1.5bn.

**Natural catastrophes and man-made disasters cost society USD 225 billion in 2008**

Catastrophes in 2008 cost society USD 225bn. This figure includes both insured and uninsured losses to buildings, infrastructure and vehicles. The Sichuan earthquake was the costliest at USD 85bn. Hurricane Ike ranked second (USD 40bn), followed by snow storms and freezing rain across China (USD 20bn).

In terms of man-made disasters, a ruptured pipeline on Varanus Island in Western Australia in June 2008 was one of the costliest, resulting in losses to industry and the local economy of at least USD 1.8bn.

**Table 1: The most costly insured losses in 2008**

<i><b>Ranking</b></i>	<i><b>Insured losses (in USD m)</b></i>	<i><b>Date (start)</b></i>	<i><b>Event</b></i>	<i><b>Country</b></i>
1	20 000	06.09.2008	Hurricane Ike	US, Caribbean
2	4 000	26.08.2008	Hurricane Gustav	US, Caribbean
3	1 389	29.02.2008	Winter storm Emma	Germany, Austria, Czech Rep. et al
4	1 325	22.05.2008	Tornadoes, rainfall, hail	US
5	1 300	10.01.2008	Snow storms, freezing rain	China
6	1 100	29.05.2008	Thunderstorms, winds, hail	US

**Table 2: Catastrophes with the most fatalities in 2008**

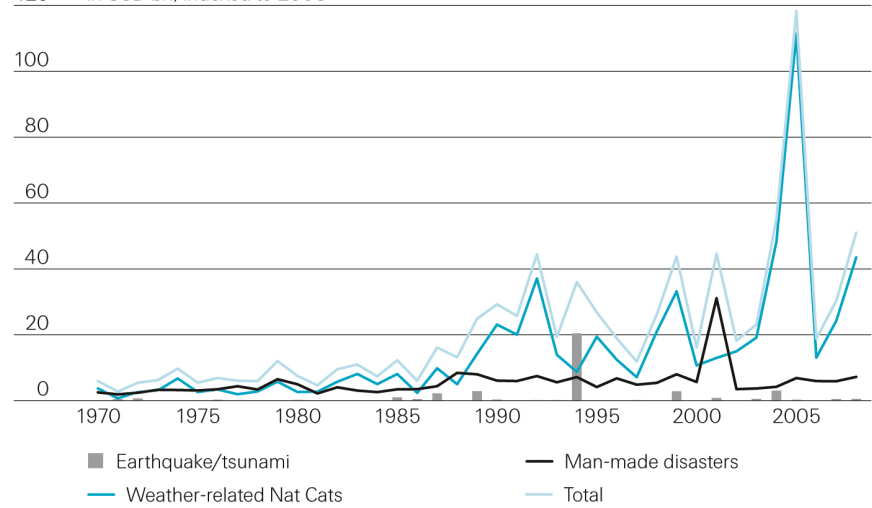
<i><b>Ranking</b></i>	<i><b>Victims (dead and missing)</b></i>	<i><b>Date (start)</b></i>	<i><b>Event</b></i>	<i><b>Country</b></i>
1	138 373	02.05.2008	Tropical cyclone Nargis, winds up to 200 km/h	Myanmar (Burma)
2	87 449	12.05.2008	Earthquake (M <sub>w</sub> 7.9); aftershocks	China
3	1 413	19.06.2008	Typhoon Fengshen/No 6, winds up to 140 km/h	Philippines, China
4	1 300	05.01.2008	Heavy snowfall, cold wave	Afghanistan
5	>500	01.09.2008	Hurricane Hanna, winds up to 130 km/h	Haiti, Caribbean, US

**Table 3: The worst catastrophe years since 1970**

<i><b>Ranking</b></i>	<i><b>Insured catastrophe losses</b></i>			<i><b>Victims</b></i>	
	<i><b>Year</b></i>	<i><b>in USD m</b></i>	<i><b>in USD m at 2008 prices</b></i>	<i><b>Year</b></i>	<i><b></b></i>
1	2005	107 024	118 084	1970	374 042
2	2008	50 768	50 768	1976	311 516
3	2004	48 206	54 996	2004	242 506
4	2001	36 457	44 375	2008	238 466
5	1999	33 624	43 505	1991	162 339

### Insured catastrophe losses 1970–2008

in USD bn, indexed to 2008



\* 2008: provisional figures

Source: Swiss Re, *sigma* preliminary estimates of catastrophe losses in 2008

<b>Definitions and selection criteria for <i>sigma</i> catastrophe statistics:</b>	
Natural catastrophes	Loss events triggered by natural forces
Man-made disasters	Loss events associated with human activities
Total losses	Losses with a direct economic impact
Insured property claims	Part of total loss covered by property insurance
<b>Minimum selection criteria:</b>	
Total losses	USD 85.5m
Or: Insured property claims	Shipping: USD 17.2m Aviation: USD 34.4m Other: USD 42.7m
Or: Casualties	Dead or missing: 20 Injured: 50 Homeless: 2 000

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## Notes for editors

### **Swiss Reinsurance Company Ltd**

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA-" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.

The comprehensive *sigma* study "Natural and man-made catastrophes in 2008" will be published in spring 2009. Electronic copies and printed copies will be available at that time. If you wish to pre-order a printed copy, please call or send your full postal address to:

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