

# News release

## Preliminary *sigma* estimates: global disaster events cost insurers USD 34 billion in 2014

- Total economic losses from disaster events in 2014 reached USD 113 billion worldwide
- Insured losses from natural catastrophes and man-made disasters totalled USD 34 billion in 2014, below recent annual averages
- Around 11 000 people lost their lives in natural catastrophe and man-made disaster events in 2014

Zurich, 17 December 2014 — According to preliminary *sigma* estimates, total economic losses from natural catastrophes and man-made disasters were USD 113 billion in 2014, down from USD 135 billion in 2013. Out of the total economic losses, insurers covered USD 34 billion in 2014, down 24% from USD 45 billion in 2013. This year disaster events have claimed around 11 000 lives.

Of the estimated total economic losses of USD 113 billion in 2014, natural catastrophes caused USD 106 billion, down from USD 126 billion in 2013. The outcome is well below the average annual USD 188 billion loss figure of the previous 10 years. The total loss of life of 11 000 from natural catastrophe and man-made disaster events this year is down from the more than 27 000 fatalities in 2013.

Insured losses for 2014 are estimated to be USD 34 billion, of which USD 29 billion were triggered by natural catastrophe events compared with USD 37 billion in 2013. Man-made disasters generated the additional USD 5 billion in insurance losses in 2014.

This year started with extreme winter conditions in the US and Japan and, as the year drew to a close, the Northeast US was once again gripped by very low temperatures and heavy snow. The storms in the US at the beginning of 2014 alone caused insured losses of USD 1.7 billion. This is above the average full-year winter storm loss number of USD 1.1 billion of the previous 10 years. In mid-May, a spate of strong storms with large hail stones hit many parts of the US over a five-day period, resulting in insured losses of USD 2.9 billion, the highest of the year.

The North Atlantic hurricane season was relatively mild again in 2014. No major hurricane made landfall in the US, the ninth year running that this has happened. However, Mexico was impacted by Hurricane Odile from the East Pacific in September. Strong winds and heavy rains resulted in insured losses of USD 1.6 billion, as Odile hit the Cabo San Lucas and other tourist resort

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areas in which there are a number of hotels and where commercial insurance penetration is relatively high. This made Hurricane Odile the second most costly catastrophe event in Mexico ever after Hurricane Wilma in 2005.

On the other side of the Pacific, the Philippines was once again hit by a typhoon at the beginning of December. Early loss estimates for Typhoon Hagupit indicate less damage than Typhoon Haiyan caused in 2013. Also, evacuation procedures based on lessons learned from the Haiyan experience have meant less loss of life than otherwise may have been.

In Europe, a series of small loss-inducing weather events hit different countries at the beginning of the year. One major event was wind and hail storm Ela in June, which caused significant damage to properties and vehicles in parts of France, Germany and Belgium, resulting in overall insured losses of USD 2.7 billion. Bulgaria was also hit by hail activity in June. Other severe weather events were heavy rains and flooding in the UK, Serbia, Croatia, Italy and France at different times during the year.

In Asia, monsoon rains in September brought extensive flooding and damage across India and Pakistan. These floods have claimed the largest number of lives of any flood event in 2014. The following month, India was hit by another extreme event, this time Cyclone Hudhud on the east coast.

Where there was excessive rain in some places, other areas of the world had little. For example, some areas in China had a very dry summer, leading to severe drought conditions that affected agricultural output. The loss estimates for these events are not yet known.

**Table 1: The most costly insured catastrophe losses in 2014 (USD billion)**

Month	Insured losses <sup>1</sup>	Economic losses	Event	Country
May	2.9	3.7	Thunderstorms, hail <sup>2</sup>	United States
June	2.7	3.1	Wind and hail storm Ela <sup>3</sup>	France, Germany, Belgium
Feb	2.5	5.0	Snow storm <sup>4</sup>	Japan
Jan	1.7	2.5	Snow storm <sup>2</sup>	United States
Sep	1.6	3.2	Hurricane Odile <sup>5</sup>	Mexico
June	1.3	1.7	Thunderstorms <sup>2</sup>	United States

Note: (1) Property and business interruption, excluding liability and life insurance losses.

Source: (2) US natural catastrophe figures with the permission of Property Claims Services; (3) National insurance associations and Swiss Re estimates; (4) The General Insurance Association of Japan and Swiss Re estimates; (5) Mexican Association of Insurance Institutions and Swiss Re estimates.

**Table 2: Total economic and insured losses in 2014 and 2013**

USD billion (in 2014 prices)

	2014	2013	annual change	10-year average
<b>Economic losses (total)</b>	<b>113</b>	<b>135</b>	<b>-16%</b>	<b>200</b>
Nat cat	106	126	-16%	188
Man-made	7	9	-22%	12
<b>Insured losses (total)</b>	<b>34</b>	<b>45</b>	<b>-24%</b>	<b>64</b>
Nat cat	29	37	-22%	57
Man-made	5	8	-31%	6

Source: Swiss Re Economic Research & Consulting

The estimates in this release include all latest updates to source data made by 28 November 2014. Ongoing events and revisions to estimates for previous ones may further change the 2014 loss outcomes. Estimates in USD terms for prior years are in 2014 prices.

#### Notes to editors

##### Accessing data by sigma:

The data from the study can be accessed and visualised at [www.sigma-explorer.com](http://www.sigma-explorer.com). This mobile enabled web-application allows users to create charts, share them via social media and export them as standard graphic files.

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