



Preliminary estimates for 2010 from Swiss Re *sigma* show that natural catastrophes and man-made disasters caused economic losses of USD 222 billion and cost insurers USD 36 billion

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Zurich, 30 November 2010 – According to initial estimates from Swiss Re's *sigma* team, worldwide economic losses from natural catastrophes and man-made disasters were USD 222 billion in 2010, more than triple the 2009 figure of USD 63 billion. The cost to the global insurance industry was USD 36 billion, an increase of 34% over the previous year. Approximately 260 000 people died in these events, the highest number since 1976.

In 2010, severe catastrophes claimed significantly more lives than the previous year: nearly 260 000 were killed, compared to 15 000 in 2009. The deadliest event in 2010 was the Haiti earthquake in January, claiming more than 222 000 lives. Approximately 15 000 people died during the summer heat wave in Russia. The summer floods in China and Pakistan also resulted in 6 225 deaths.

High earthquake losses in 2010

Natural catastrophes cost the global insurance industry roughly USD 31 billion in 2010, and man-made disasters triggered additional claims of approximately USD 5 billion. By way of comparison, overall insured losses totalled USD 27 billion in 2009. Despite notably higher than average earthquake losses, overall claims in 2010 were in line with the 20-year average due to unusually modest US hurricane losses. However, the estimate of USD 36 billion is still subject to uncertainty due to, amongst other things, the ongoing European winter storm season.

Eight events triggered losses of over USD 1 billion each

In the first eleven months of 2010, eight events each triggered insurance losses in excess of USD 1 billion. The costliest event in 2010 was the earthquake in Chile in February, which cost the insurance industry USD 8 billion, according to preliminary estimates. The earthquake that struck New Zealand in September cost insurers roughly USD 2.7 billion. Winter storm Xynthia in Western Europe led to insured losses of USD 2.8 billion. Property claims from the BP Deepwater Horizon explosion in the Gulf of Mexico are estimated at USD 1 billion. Given the complexity of the claims, the figure is still subject to substantial uncertainty. The overall insurance loss is higher, as liability losses are not included in the *sigma* numbers. Floods in

France during the month of June caused insured losses just below USD 1 billion.

Natural catastrophes and man-made disasters cost society USD 222 billion in 2010

These devastating events caused economic losses to soar to an estimated USD 222 billion, compared to USD 63 billion in 2009.

Thomas Hess, Chief Economist of Swiss Re, commented: "The humanitarian catastrophes again showed how important prevention and post disaster management are for protecting the lives and health of people affected by natural hazards. They also revealed large differences in how developed insurance systems are in the affected countries and how important insurance is in coping with the financial consequences of disasters. While most of the costliest events caused by the earthquakes in Chile and New Zealand and the winter storm in Western Europe were covered by insurance, events like the earthquake in Haiti and floods in Asia were barely insured."

Table 1: The most costly insured catastrophe losses in 2010

Ranking	Insured losses (in USD m)	Date (start)	Event	Country
1	8 000	27.02.2010	Earthquake (M_w 8.8) triggers tsunami	Chile
2	2 854	27.02.2010	Winter storm Xynthia	France/ Germany/ Spain et al
3	2 677	04.09.2010	Earthquake (M_w 7.0)	New Zealand
4	2 000	12.05.2010	Storms with winds up to 130 km/h, hail	US
5	1 580	20.04.2010	Storms with winds up to 120 km/h, hail	US
6	1 023	13.03.2010	Storms, hail, rain, floods	Australia
7	1 014	22.03.2010	Storm, winds up to 120 km/h, hail, rain, mudslides	Australia
8	1 000	20.04.2010	Explosion on Deepwater Horizon	Gulf of Mexico, US

US natural catastrophe figures: with the permission of Property Claims Services (PCS)

Table 2: Catastrophes with the most fatalities in 2010

Ranking	Victims (dead and missing)	Date (start)	Event	Country
1	222 570	12.01.2010	Earthquake (M_w 7.0); aftershocks	Haiti
2	15 000	15.06.2010	Heat wave with temperatures up to 40 degrees Celsius	Russia
3	2 480	01.07.2010	Floods caused by monsoonal heavy rain	China
4	2 280	14.04.2010	Earthquake (M_w 6.9); aftershocks	China
5	1 980	21.07.2010	Floods caused by monsoonal heavy rain	Pakistan
6	1 765	08.08.2010	Floods caused by heavy rains, mudslides	China

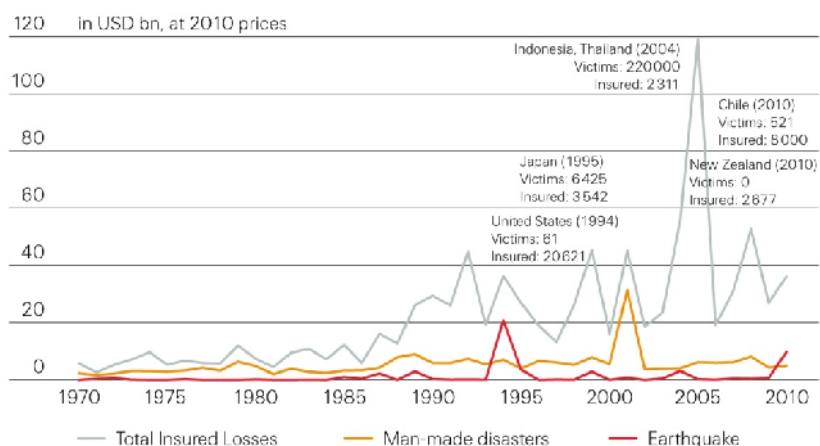
Table 3: Earthquakes with the highest insured losses 1970–2010

Ranking	Insured losses (in USD m)	Date (start)	Event	Country	Victims (dead or missing)
1	20 621	17.01.1994	Northridge earthquake (M _w 6.6)	USA	61
2	8 000	27.02.2010	Earthquake (M _w 8.8) triggers tsunami	Chile	521
3	3 542	17.01.1995	Earthquake in Kobe (M _w 7.2)	Japan	6 425
4	2 677	04.09.2010	Earthquake (M _w 7.0)	New Zealand	0
5	2 311	26.12.2004	Earthquake (M _w 9.0) triggers tsunami	Indonesia	220 000

Table 4: Earthquakes with the most fatalities 1970–2010

Ranking	Victims (dead or missing)	Date (start)	Event	Country	Insured losses (in USD m)
1	255 000	28.07.1978	Earthquake (M _w 7.5)	China	n/a
2	222 570	12.01.2010	Earthquake (M _w 7.0); aftershocks	Haiti	30
3	220 000	26.12.2004	Earthquake (M _w 9.0) triggers tsunami	Indonesia	2 311
4	87 449	12.05.2008	Earthquake (M _w 7.9)	China	372
5	73 300	08.10.2005	Earthquake (M _w 7.6)	Pakistan, India,	n/a

Insured losses 1970–2010



Definitions and selection criteria for <i>sigma</i> catastrophe statistics:	
Natural catastrophes	Loss events triggered by natural forces
Man-made disasters	Loss events associated with human activities
Insured catastrophe losses	Losses caused by the catastrophes covered by property insurance
Total economic losses	Also include the uninsured part of the property losses related to the catastrophes
Minimum selection criteria:	
Total losses	USD 86.6m
Or: Insured property claims	Shipping: USD 17.4m Aviation: USD 34.8m Other: USD 43.2m
Or: Casualties	Dead or missing: 20 Injured: 50 Homeless: 2 000

Notes to editors

Swiss Reinsurance Company Ltd

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The comprehensive *sigma* study "Natural and man-made catastrophes in 2010" will be published in spring 2011. 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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