

Catastrophe Losses in 2007 Impacted by High Losses from Flood and Storm Damage in Europe

by NAMIC

According to initial estimates, tens of thousands of people were killed by natural and man-made catastrophes in 2007. The catastrophes led to overall financial losses of \$61 billion across the globe. Property insurers had to contend with losses totaling \$25 billion.

The preliminary estimates of catastrophe losses in 2007 mentioned in the Swiss Re sigma include three insured losses running into the billions in Europe, two in North America, and one in Asia. Although the insured losses, at \$25 billion, were \$9 billion higher than in the previous year, 2007 is below the long-term loss trend.

The largest losses occurred in the first half of the year and were concentrated in Europe. The second half of the year, as of Dec. 11, has been less eventful. Over the course of the year, more than 20,000 people died in catastrophes. Bangladesh, for example, was hit several times, with monsoon rains and landslides in July and August and then with Cyclone Sidr in mid-November, killing more than 4,000 people and destroying extensive parts of the country's southwestern region.

Property insurers pay out losses in excess of \$22 billion for natural catastrophes...

In 2007, Europe was unusually hard-hit by natural catastrophes. In January, Germany, the UK, Belgium, and the Netherlands reported losses from winter storm Kyrill. During the summer, the UK was also hit twice by heavy rains and flooding.

In the United States, a winter storm struck the East Coast in April, bringing heavy rainfall and flooding. At the end of October, the Witch forest fires raged in California. As these woodland areas are densely populated, these fires, known as urban forest fires, caused extensive property damage. The fires in California are associated with the heat and extreme lack of rainfall. Japan was spared record losses, whereas Australia reported flood and storm damage in New South Wales (NSW) in June.

...and more than \$2 billion for man-made catastrophes

Major man-made disasters caused insured losses in excess of \$2 billion in 2007, with major industrial fires, explosions, and aviation and spacecraft losses at the top of the list. Insured property losses were approximately of the same magnitude as those in 2006.

Source: Swiss Re

Â© Copyright 2007, National Association of Mutual Insurance Companies (NAMIC).

Catastrophe Losses in 2007 Impacted by High Losses from Flood and Storm Damage in Europe by NAMIC