

Multiple smaller catastrophes deliver average insured-loss year in 2018

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LONDON, Jan. 16, 2019 (GLOBE NEWSWIRE) -- Insured losses from major natural catastrophes in 2018 totalled roughly \$71.5 billion, only slightly more than the annual average since 2011, but the third-highest total during the eight-year period, according to the [Summary of Natural Catastrophe Events 2018](#) report, published today by Willis Re, the reinsurance division of Willis Towers Watson, the leading global advisory, broking and solutions company (NASDAQ:WLTW).

The average is driven upwards by peak annual losses of \$120 billion in 2011 and \$143 billion in 2017. In contrast to these previous peak years, where one or two natural disasters contributed a large percentage of the total insured loss, no such major event or events account for a large proportion of the 2018 losses. Instead, the total arises from a series of smaller and medium-sized loss events.

Insured losses from natural catastrophes since 2011, \$ USD billion	
2011	120
2012	60
2013	35
2014	33
2015	23
2016	39.5
2017	143
2018	71.5
Average	65.6

**Willis Re estimates, presented in USD at 1 December exchange rates for the year reported*

The largest single insured loss was the Camp Fire, which will cost re/insurers between \$6.0 and \$10.75 billion, pushing the likely combined losses from the Carr, Mendocino, Camp, and Woolsey wildfires to about \$15-17 billion. The insured loss range for Hurricane Michael is \$6.0 to \$10.0 billion; Typhoon Jebi in Japan delivered an estimate of \$8.5 billion of insured losses. The largest European loss was winter storm Friederike, with insured losses of about \$2.0 billion. No single major insured loss from natural disasters occurred in Latin-America or the Caribbean.

Karl Jones, Managing Director and Head of International Catastrophe Analytics at Willis Re, said 2018 was an unusual year. "The industry experienced a large number of mid-sized natural catastrophes. Three events – the Camp Fire, Typhoon Jebi, and Hurricane Michael – have all reached at least the high single digit billions in insured losses, but only the Camp Fire seems likely to exceed the level of \$10 billion. However, a large number of smaller, billion-dollar losses, principally storms, has added up to make 2018 a costly catastrophe year. With the exception of the major California wildfires, these losses are well within modelled expectations."

Vaughn Jensen, Executive Vice President and Head of North America Catastrophe Analytics at Willis Re, said: "The re/insurance industry has now absorbed more than \$200 billion worth of natural catastrophe losses over a two-year period. It has been a significant test for both traditional and ILS capacity but overall the sector's capitalisation remains strong. The distribution of smaller catastrophes in 2018 has given retrocessionaires and excess of loss reinsurers some breathing spaces, with the clear exception of aggregate covers as well as accounts with a concentration of exposure in California. The frequency of catastrophe losses over the last two years continues to result in many primary insurers rethinking their strategy around retention levels. Several sustained storms may also lead to reconsideration of hours clauses by cedants and reinsurers. On the back of this unusual catastrophe experience, we expect to see further reinsurance program adjustments as the year progresses."

View the complete report [here](#).

About Willis Re

One of the world's leading reinsurance brokers, Willis Re is known for its world-class analytics capabilities, which it combines with its reinsurance expertise in a seamless, integrated offering that can help clients increase the value of their businesses. Willis Re serves the risk management and risk transfer needs of a diverse, global client base that includes all of the world's top insurance and reinsurance carriers as well as national catastrophe schemes in many countries around the world. The broker's global team of experts offers services and advice that can help clients make better reinsurance decisions and negotiate optimum terms. For more information, visit [willisre.com](#).

About Willis Towers Watson

Willis Towers Watson (NASDAQ:WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has over 40,000 employees serving more than 140 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](#)

Contacts:

Media

Annie Roberts: +44 20 3124 7080 | Annie.Roberts@willistowerswatson.com

Investors

Rich Keefe: +1 215 246 3961 | Rich.Keefe@willistowerswatson.com



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