

News release

Global insured catastrophe losses rise to USD 112 billion in 2021, the fourth highest on record, Swiss Re Institute estimates

- Natural catastrophes caused estimated global insured losses of USD 105 billion in 2021, the fourth highest since 1970
- Hurricane Ida was the main loss-making event, but once again more than half of the global losses came from secondary perils
- Natural catastrophe losses are likely to continue to grow more than global GDP given increases in wealth, urbanisation and climate change

Zurich, 14 December 2021 – Extreme weather events in 2021, including a deep winter freeze, floods, severe thunderstorms, heatwaves and a major hurricane, resulted in annual insured losses from natural catastrophes estimated at USD 105 billion, the fourth highest since 1970¹, according to Swiss Re Institute's preliminary *sigma* estimates. While Hurricane Ida was the costliest natural disaster in 2021, winter storm Uri and other secondary peril events caused more than half of total losses as wealth accumulation and climate change effects in disaster-prone areas drive claims. Man-made disasters triggered another USD 7 billion of insured losses, resulting in estimated global insured losses of USD 112 billion in 2021.

"In 2021, insured losses from natural disasters again exceeded the previous ten-year average, continuing the trend of an annual 5–6% rise in losses seen in recent decades. It seems to have become the norm that at least one secondary peril event such as a severe flooding, winter storm or wildfire, each year results in losses of more than USD 10 billion. At the same time, Hurricane Ida is a stark reminder of the threat and loss potential of peak perils. Just one such event hitting densely populated areas can strongly impact the annual losses," said Martin Bertogg, Head of Cat Perils at Swiss Re.

The two costliest natural disasters of the year were both recorded in the US. Hurricane Ida wreaked USD 30 – 32 billion in estimated insured damages, including flooding in New York,² and winter storm Uri caused USD 1.5 billion in insured losses. Uri brought extreme cold, heavy snowfall and ice accumulation, especially in Texas where the power grid experienced multiple failures on account of freezing conditions. The costliest event in Europe meanwhile was the July flooding in Germany, Belgium and nearby countries,

¹ *sigma* records disaster losses since 1970.

² The USD 30 – 32 billion losses include those from the National Flood Insurance Program (NFIP), the US government-run flood insurance scheme.

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causing up to USD 13 billion in insured losses, in comparison with economic losses of above USD 40 billion. This indicates a still very large flood protection gap in Europe. The flooding was the costliest natural disaster for the region since 1970 and also the world's second highest, after the 2011 Thailand flood.

"The impact of the natural disasters we have experienced this year once again highlights the need for significant investment in strengthening critical infrastructure to mitigate the impact of extreme weather conditions," said Jérôme Jean Haegeli, Swiss Re's Group Chief Economist. "Investments in infrastructure support sustainable growth and resilience and need to be upscaled. In the US alone, the infrastructure investment gap to maintain critical and aging infrastructure is USD 500 billion on average per year until 2040. Partnering with the public sector, the insurance industry is critical for strengthening society's resilience to climate risks, by investing in and underwriting sustainable infrastructure."

Further devastating secondary peril activity in Europe included severe convective storms in June, with thunderstorms, hail and tornadoes causing widespread damage to property in Germany, Belgium, the Netherlands, Czech Republic and Switzerland. The resulting insured losses are estimated at USD 4.5 billion. Elsewhere in the world, there were severe flooding events in China's Henan province and British Columbia in Canada, among others.

On the other end of the extreme weather spectrum, Canada, adjacent parts of the US and many parts of the Mediterranean experienced record temperatures in 2021. During the last days of June, a "heat dome" set a new all-time Canadian temperature record of nearly 50°C in a village in British Columbia. Temperatures in the Death Valley, California reached 54.4°C during one of multiple heatwaves in the southwest. The exceptional heat was often accompanied by devastating wildfires. However, the associated insured losses were lower than in recent years, when the fires affected more populated areas. In California, wildfires destroyed in particular large forest areas but in contrast to 2017, 2018 and 2020, encroached on areas of lower property concentration.

These *sigma* catastrophe loss estimates are for property damage and exclude claims related to COVID-19. Loss estimates in this media release are preliminary and are subject to change as not all loss-generating events have been fully assessed yet. For example, catastrophe activity in December has remained elevated and resulting losses are still being assessed. COVID-19 has elongated the claims lifecycle, particularly for large events, and it will take considerably longer than normal to assess the final tally.

Table 1: Total economic and insured losses in 2021 and 2020

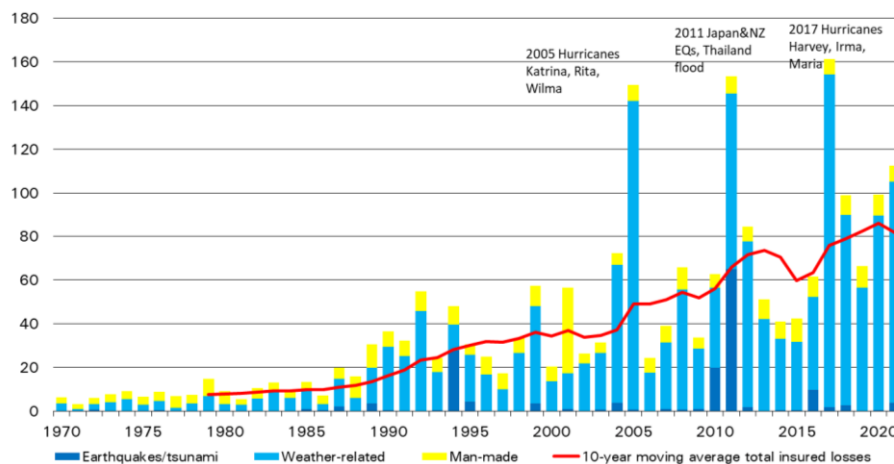
USD billion (in 2021 prices)

	2021	2020	annual change	Previous 10-year average
Economic losses (total)	259	216	20%	229
Nat cat	250	202	24%	216
Man-made	9	14	-38%	13
Insured losses (total)	112	99	13%	86
Nat cat	105	90	17%	77
Man-made	7	10	-24%	9

Note: Due to rounding, some totals may not correspond with the sum of the separate figures.

Source: Swiss Re Institute

Figure 1: Global insured losses since 1970



Source: Swiss Re Institute

Go to sigma-explorer.com to view, download and share [natural catastrophe data projected onto world maps](#).

Notes to editors

Swiss Re

The Swiss Re Group is one of the world’s leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cybercrime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally.