

Cost of world disasters tripled in 2010

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The global cost of natural and man-made disasters more than tripled in 2010 to \$US218 billion (\$A213.12 billion), reinsurer Swiss Re said, with the human toll the highest for decades.

Swiss Re's chief economist Thomas Hess said 2010 was not only characterised by severe earthquakes that "ranked among the deadliest, costliest and most powerful in history" but also by "a series of extreme weather events, such as major floods".

Such "severe catastrophes" claimed 304,000 lives last year, the highest level since 1976, compared with 15,000 in 2009, the report on Tuesday added.

These disasters cost the global insurance industry over \$US43 billion in 2010, up by more than 60 per cent from the previous year.

Earthquake losses - in particular those in Chile and New Zealand - accounted for almost one-third of all disaster losses in 2010, and high claims from seismic activity are expected to continue in 2011.

"Incidentally, earthquake losses for 2011 will also be above average as the total insured claims for the February 22 earthquake in Christchurch are estimated to be between \$US6 billion and \$US12 billion," said the reinsurer.

"The massive earthquake that struck Sendai on March 11 is also expected to trigger significant insured losses."

Swiss Re estimated last week that Japan's earthquake and tsunami had cost the company some \$US1.2 billion, but warned that this figure could be revised upwards.

"Although no long-term trend of increasing global earthquake activity has emerged, the number of fatalities and insured losses from earthquakes are on the rise," said Balz Grollimumd, who co-authored Swiss Re's study on disasters.

"The main reasons are population growth, the higher number of people living in urban areas as well as rising wealth and rapidly increasing exposures. Many of these rapidly growing urban areas are located in seismically active areas," he noted.

More than 222,000 people were killed in Haiti's earthquake, the deadliest disaster in 2010.

The \$US218 billion worldwide economic losses from natural and man-made catastrophes last year compared with \$US68 billion incurred in 2009, Swiss Re said.