

# Munich Re: Costs from catastrophes fell in 2009

## *Global warming increases damage in US*

**Matt Moore, Associated Press, 12-29-09**

FRANKFURT — Insurers' losses from natural disasters fell by more than half in 2009 thanks to fewer hurricanes and earthquakes, although climate change contributed to a significant increase in damages and losses in the U.S., a leading reinsurer said Tuesday.

Munich Re AG said in its annual review that insured losses came in at \$22 billion (euro15.3 billion) this year, down from \$50 billion in 2008. It said total economic losses, including losses not covered by insurance, fell 75 percent to \$50 billion from last year's \$200 billion.

The decrease was largely the result of fewer hurricanes and severe earthquakes that plagued 2008, though the company said that climate change was blamed for a significant increase in the amount of damages and losses in the U.S. because of heavy thunderstorms, hail, tornados and torrential rains.

"Initial analyses indicate that, apart from socio-economic factors, this is already due in part to climate change," said Peter Hoeppe, who heads Munich Re's Geo Risks Research unit.

"However, we should make no mistake: despite the lack of severe hurricanes and other mega-catastrophes, there was a large number of moderately severe natural catastrophes," Hoeppe said.

Winter storm Klaus was the costliest weather disaster in 2009. The storm, which hit northern Spain and southwest France on Jan. 23-25, with winds of up to 121 mph (195 kph), caused more than a million people to lose power, damaged buildings and cars and wrecked numerous solar panel farms in Spain. Insured losses came to \$3 billion amid total losses of \$5.1 billion.

The Sept. 30 earthquake that shook Sumatra caused the biggest number of deaths, with 1,200 people killed when the 7.6 quake caused tens of thousands of homes to collapse in Padang. Deaths from severe storms the Philippines, Vietnam and Taiwan numbered more than 1,700.

Munich Re board member Torsten Jeworrek, who oversees the company's global reinsurance business, voiced concern about the role of global warming in natural disasters.

"Climate change probably already accounts for a significant share," he said. "At Munich Re, we look closely at a multitude of risks and how best to handle them. Risks that change in the course of time are especially hazardous. Climate change is just such a risk of change."

Munich Re, a reinsurer, offers backup policies to companies writing primary insurance policies. Reinsurance helps spread risk so that the system can handle large losses from natural disasters.