

Costliest year on record for weather disasters with USD344 billion global economic loss in 2017 – Aon catastrophe report

All natural disasters cost USD353 billion, with insurance industry in position to handle high volume of claims payouts and explore future growth to build resilience in underinsured regions

TORONTO, January 24, 2018 – [Impact Forecasting](#), Aon Benfield's catastrophe model development team, today launches its [Weather, Climate & Catastrophe Insight: 2017 Annual Report](#), which evaluates the impact of the natural disaster events that occurred worldwide during 2017 to promote awareness and enhance resilience. [Aon Benfield](#) is the global reinsurance intermediary and capital advisor of Aon plc (NYSE:AON).

The report reveals that there were 330 natural catastrophe events in 2017 that generated economic losses of USD353 billion – of which 97 percent (USD344 billion) was due to weather-related events, including Hurricanes Harvey, Irma and Maria in the US and Caribbean, plus Typhoon Hato in China and Cyclone Debbie in Australia. For historical context, 2017's natural catastrophe losses were 93 percent higher versus the 2000-2016 average.

Insured losses to the private sector and government-sponsored programs were among the costliest ever incurred, reaching USD134 billion in 2017 – just behind the record USD137 billion in 2011. This is 139 percent higher than last year's USD56 billion, primarily due to high insurance penetration in the US that suffered a very active Atlantic hurricane season, severe weather events (convective storms) and wildfires.

Eric Andersen, CEO of Aon Benfield, commented: "While 2017 was an expensive year for the insurance industry, the reinsurance market had an estimated USD600 billion in available capital to withstand the high volume of payouts. Most critically, the US weather and wildfire events in particular have demonstrated the value of reinsurance, with claims being paid in an average of eight days to augment the recovery process."

Additional key findings include:

- 36 percent (USD80 billion) of economic damage from Hurricanes Harvey, Irma and Maria was insured
- 31 billion-dollar events occurred globally, with 16 alone in the US
- Wildfires caused USD14 billion of insurance losses in 2017 – the highest on record for the peril
- 10,000 human fatalities were caused by natural disasters, with the deadliest event being a massive landslide event in Sierra Leone when more than 1,100 people lost their lives
- 2017 was the third warmest year on record since 1880 for combined land and ocean temperatures.

Steve Bowen, Impact Forecasting director and meteorologist, said: "The high cost of disasters in 2017 served as a reminder that we continue to face increasing levels of risk as more people and exposures are located in areas that are particularly vulnerable to major, naturally occurring events. As weather scenarios grow more volatile in their size and potential impact, it becomes more imperative than ever to identify ways to increase awareness, improve communication, and lower the insurance protection gap. We know natural disasters are going to occur. The question is how prepared are we going to be when the next one strikes."

Other significant events during the year included:

- An October wildfire outbreak, the most destructive ever recorded in the US state of California, caused nearly USD13 billion in economic damage
- Substantial summer flooding causing more than USD12 billion in damage across China
- Southern Europe endured an extended drought during the summer and autumn months that caused USD6.6 billion in damage across parts of Spain, Italy and Portugal
- Elsewhere in Europe, the costliest thunderstorm event of the year affected central sections of the continent, particularly Poland, and left a damage bill of nearly USD800 million
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- In Mexico, two powerful earthquakes in September led to nearly USD6.0 billion in combined economic losses, including major damage across Mexico City on the 32nd anniversary of its historic 1985 tremor.

Read the full [Weather, Climate & Catastrophe Insight: 2017 Annual Report](#).

Watch meteorologist and author [Steve Bowen's short film on the key findings of the report](#).

Access current and historical natural catastrophe data, plus event analysis, on Impact Forecasting's [Catastrophe Insight website](#)

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Notes to editors

Top 10 Global Economic Loss Events

| Date(s) | Event | Location | Deaths | Economic Loss (USD) | Insured Loss (USD) |
|-----------------|------------------|----------------------------|------------------|--------------------------------|----------------------------------|
| Aug.25 – Sept.2 | Hurricane Harvey | United States | 90 | ~100 billion | ~30 billion |
| September 18-22 | Hurricane Maria | Caribbean Islands | 651 | ~65 billion | ~27 billion |
| September 4-12 | Hurricane Irma | U.S., Caribbean Islands | 134 | ~55 billion | ~23 billion |
| October | Wildfires | United States | 43 | 13 billion | 11 billion |
| Summer | Flooding | China | 116 | 7.5 billion | 300 million |
| Summer & Autumn | Drought | Southern Europe | N/A | 6.6 billion | 700 million |
| September 19 | Earthquake | Mexico | 370 | 4.5 billion | 1 billion |
| July | Flooding | China | 37 | 4.5 billion | 125 million |
| August 23-25 | Typhoon Hato | China | 22 | 3.5 billion | 250 million |
| May 8-11 | Severe Weather | United States | 0 | 3.4 billion | 2.6 billion |
| | | | All Other Events | 87 billion | 38 billion |
| | | | Totals | 334 billion¹ | 134 billion^{1,2} |

1 Subject to change as loss estimates are further developed

2 Includes losses sustained by private insurers and government-sponsored programs