

# Flood most damaging peril of 2016, causing nearly one-third of \$210bn global economic losses – according to Aon catastrophe report

Warmest year on record a notable contributor to elevated weather-related losses

**CHICAGO, January 17, 2017** – [Impact Forecasting](#), Aon Benfield’s catastrophe model development team, today launches its [2016 Annual Global Climate and Catastrophe Report](#), which evaluates the impact of the natural disaster events that occurred worldwide during the last 12 months 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 315 natural catastrophe events in 2016 that generated economic losses of USD210 billion. For historical context, 2016 was the seventh highest year on record with the combined economic loss exceeding the USD200 billion threshold for the first time since 2013.

The top three perils—flooding, earthquake and severe weather—combined for 70 percent of all economic losses in 2016. While at least 72 percent of catastrophe losses occurred outside of the United States, it still accounted for 56 percent of global insured losses.

Overall, just 26 percent (USD54 billion) of overall economic losses were covered by insurance in 2016 due to a higher percentage of damage occurring in areas with a lower insurance penetration. However, the public and private insurance industry losses were 7 percent above the 16-year average and the highest insured loss total since 2012. 2016 marked the end of a four-year downward trend since the record year in 2011.

There were at least 34 natural disasters that caused more than USD1.0 billion in economic damage around the globe, though just 11 of those events had insurable losses reach the same threshold. The vast majority of the billion-dollar events (30) were weather-related, and only nine had insured losses at or above USD1.0 billion.

Steve Bowen, Impact Forecasting director and meteorologist, said: “After a decline in catastrophe losses during the previous four years, 2016 marked a bit of an uptick in natural peril costs to the global economy. When recognizing that we have seen a nominal increase in both annual and individual weather disaster costs in recent decades, we recognize that factors such as climate change, more intense weather events, greater coastal exposures and population migration shifts are all contributors to the growing trend. With these parameters in place, and forecasts continuing to signal greater risk and vulnerability, it is anticipated that weather-related catastrophe losses will further increase in the coming years. The data and analysis in this report will help businesses, communities, governments and the re/insurance industry to better prepare and help mitigate the growing risks of these disasters.”

Notable events driving economic and insured losses in 2016 included:

- A series of April earthquakes in Japan was the costliest event both economically (USD38 billion in losses) and for the insurance industry (USD5.5 billion)
- Six of the top 10 costliest insured loss events occurred in the United States, including Hurricane Matthew and multiple severe weather outbreaks

- For the fourth consecutive year, flooding was costliest overall peril at USD62 billion (30% of the total). The most significant flood events were along the Yangtze River basin in China (USD28 billion in damage) and in the US state of Louisiana (USD10-15 billion in losses).
- A notable entry into the top five insured losses was for a 'secondary' peril – wildfire – in Fort McMurray, Canada that cost the industry nearly USD3.0 billion.
- The United States experienced 14 individual billion-dollar economic loss events and Asia-Pacific experienced 13 such events – compared to four in EMEA and three in the Americas.

Read the full 2016 Annual Global Climate and Catastrophe Report: <http://aon.io/2joGyPI>

Watch Steve Bowen's short film on the key findings of the report, shot in St Augustine, Florida which was impacted by Hurricane Matthew. <https://youtu.be/-sz2ASRi8yQ>

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

## ENDS

### Further information

For further information please contact the Aon Benfield team: [Alexandra Lewis](#) (+44 207 086 0541) or [David Bogg](#)

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### Notes to editors

### Top 10 Global Economic Loss Events

Date(s)	Event	Location	Deaths	Economic Loss (USD)	Insured Loss (USD)
April 14 & 16	Earthquake	Japan	154	38 billion	5.5 billion
Summer	Flooding	China	475	28 billion	750 million
Sept. 28 – Oct. 10	HU Matthew	US, Caribbean	605	15 billion	5.0 billion
August	Flooding	United States	13	10 to 15 billion	3.0 billion
Yearlong	Drought	China	0	6.0 billion	200 million
May / June	Flooding & SCS	Western/Central Europe	20	5.5 billion	3.4 billion
Yearlong	Drought	India	0	5.0 billion	750 million
August 24	Earthquake	Italy	299	5.0 billion	100 million
July	Flooding	China	289	4.7 billion	200 million
May	Wildfire	Canada	0	4.5 billion	2.8 billion
			ALL OTHER EVENTS	83 billion	33 billion
			<b>TOTALS</b>	<b>210 billion<sup>1</sup></b>	<b>54 billion<sup>1,2</sup></b>

<sup>1</sup> Subject to change as loss estimates are further developed

<sup>2</sup> Includes losses sustained by private insurers and government-sponsored programs

