

INTERNATIONAL CAT LOSS ACTIVITY IN 2020 WELL BELOW ANNUAL AVERAGE CRESTA RELEASES Q1/2021 UPDATE OF CLIX INDUSTRY LOSSES

Zurich, 6 April 2021 – CRESTA, the insurance industry organisation that provides a global standard for risk accumulation zones and Cat industry losses, has today released the Q1/2021 update of its CLIX industry losses and provided data on international Cat activity during 2020.

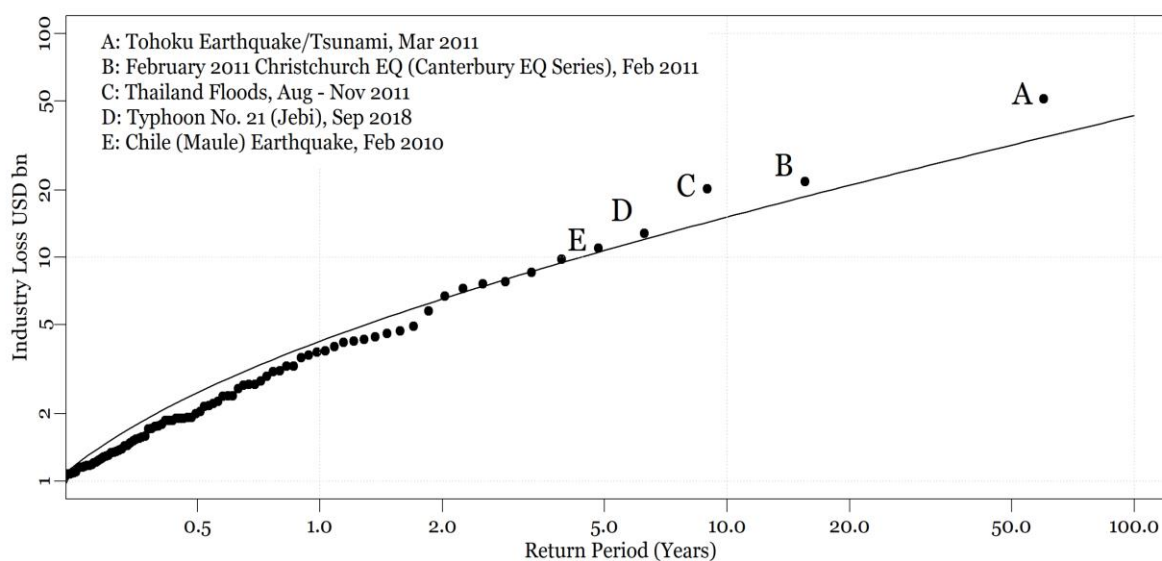
CLIX, the CRESTA Industry Loss Index, provides industry loss data on international Cat events (excluding US) which have generated industry losses in excess of USD 1bn. In the latest update, a total of 32 Cat events going back to 2017 were reviewed. 22 of these exceeded the CLIX capturing trigger and were consequently updated.

For 2020, CLIX is currently tracking seven Cat events which generated a combined industry loss of USD 9.4bn, a figure well below the long-term annual average. This benign international Cat loss activity continued into Q1 2021 with only two events outside the US categorised as having the potential to exceed a USD 1bn industry loss. These include the Fukushima Mw7.0 Earthquake which occurred in Japan in February and the floods and storms which affected the Australian states of New South Wales and Queensland in March.

All Events EP Curve

Observations and Pareto fit (solid line)

CRESTA CLIX



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21 years of CLIX Industry Loss History: CRESTA CLIX provides data on natural catastrophe industry losses since 2000. This 21-year loss history facilitates detailed actuarial analysis, such as calculating return periods for various industry loss levels.

Looking along the entire CLIX Loss List, from 2000 to the present day, it is clear that recent loss activity is not an accurate guide to future losses. The 21-year time series, corrected for changes in insured values and asset prices, reveals that the annual average loss from major international Cat events was USD 16.2bn (USD 13.7bn excluding the Tohoku Earthquake of 2011). Further, during this period, industry event losses of USD 2bn or greater occurred on average twice a year, while in 2020 based on current information no international Cat events have exceeded this loss level. Further actuarial analysis of the entire CLIX loss list also reveals that a USD 5bn industry event loss can be expected to occur approximately once every 1.75 years, while a USD 10bn loss may be reached or exceeded once every 4 years.

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Matthias Saenger, Technical Manager of CLIX, commented: “These results illustrate the actuarial analysis potential created by the CLIX Loss List, including the technical pricing of industry-loss-based risk transfer products. With our latest update, the list now contains 21 years of well-structured and independent industry loss data. Losses can be analysed by geography, time, or natural peril, with the insights gained applied to pricing and reserving activities, as well as capital management and reinsurance or retrocession buying.”

He continued: “We are extremely pleased with the positive response from the global re/insurance industry to the establishment of CLIX. It is clear that there is strong demand in the marketplace for an independent source of well-structured and regularly updated industry Cat loss data.”

Access to CRESTA’s CLIX database is via subscription. CLIX data for the year 2018 are open to the public and can be accessed directly at clix.cresta.org.

About CLIX

CLIX is a service provided by CRESTA and offers benchmark information on natural catastrophe losses incurred by the global insurance industry. The CLIX database provides key information for all major Cat events since 2000. The geographic coverage of the database is global, excluding the US. CLIX industry losses are reviewed quarterly up to a maximum of three years after the event.

More information on CLIX can be found on clix.cresta.org.

About CRESTA

The CRESTA organisation was established by the insurance and reinsurance industry in 1977 as an independent body for the technical management of natural catastrophe insurance. Its manager is PERILS CRESTA AG, a subsidiary of Zurich-based PERILS AG. CRESTA's main goal is to establish and maintain a uniform global system for the exchange, comparison, visualization and modelling of aggregated insurance data used for risk accumulation control and risk assessment, among other uses. Over time, CRESTA will add other services increasing standardization, efficiency and data availability to the benefit of the insurance industry.

More information on CRESTA can be found on cresta.org.

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