
California Fires, Hurricane Michael 2018's Costliest Disasters

11/01/2019



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[California bushfires](#) and Hurricane Michael were named the most costly global disasters of 2018 among typhoons, hurricanes, wildfires, [tsunamis](#), earthquakes and other catastrophes, according to Munich Re - one of the world's leading insurer - annual report.

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"Many scientists see a link between these developments and advancing climate change. This is compounded by man-made factors such as burgeoning settlements in areas close to forests at risk from wildfire," Ernst Rauch, head of Climate and Geosciences at Munich Re, said in a release.

In 2018, the natural catastrophe bill clocked in at an overall global price tag of US\$160 billion below 2017's loss total of US\$350 billion, the reinsurer explained, adding that some half of 2018's 'loss total' was recoverable through insurance claims.

"The casualties and losses are immense, and measures to prevent fires and damage are vital. Insurers also need to take account of the rising losses in their risk management and pricing," Rauch explained.

California, the firm further detailed, experienced back-to-back worst-ever wildfire seasons, contributing US\$24 billion to the overall 2018 natural catastrophe loss burden.

"Our data shows that the losses from wildfires in California have risen dramatically in recent years. At the same time, we have experienced a significant increase in hot, dry summers, which has been a major factor in the formation of wildfires," Ernst Rauch, head of Climate and Geosciences at Munich Re, said in a release.

Additionally, [Hurricane Michael](#) logged overall losses of US\$16 billion and insured losses of US\$10 billion against the U.S. states' US\$16.5 billion losses against insured losses of US\$12.5 billion.

Globally, cyclones - including hurricanes Michael and Florence as well as typhoon which struck Japan - caused an above-average total loss of about US\$56 billion, in 2018. The most severe was [Typhoon Jebi](#) with overall losses of US\$12.5 billion and insured losses of around US\$9 billion.

"It would certainly make sense to have higher insurance density against flood losses given that studies have shown the influence of climate change on torrential rainfall events on the Gulf of Mexico coast, such as Hurricane Harvey in 2017," Munich Re said.

Florence had estimated insured losses of US\$5 billion out of a total of US\$14 billion in overall losses.

The German company ranks 2018 as the fourth-costliest year since 1980 in terms of insured losses.
