

GET THE FACTS!



2011 DISASTER LOSSES COST INSURERS \$116 BILLION

On March 28th, Swiss Re stated that natural disasters in 2011, including the earthquake in Japan and floods in Australia and Thailand, cost the global economy \$370 billion and set a new record for economic losses from catastrophes. Swiss Re said insured catastrophe losses increased from 2010 by more than 100 percent to \$116 billion. In December of the previous year, Swiss Re estimated that the losses would total \$108 billion. In January Munich Re, the world's largest reinsurer, estimated that the insurance industry would pay \$105 billion for the natural disasters. According to Swiss Re, the earthquake in Japan accounted for more than half of the economic losses for 2011, and the \$35 billion in insured damage made the quake the most costly in history.

Swiss Re, Reuters, Chicago Tribune, Page N/A, March 28, 2012

DISASTERS PUSH LLOYD'S OF LONDON INTO RED

On March 28, Lloyd's of London reported a pretax loss of 516 million pounds for 2011, compared with a profit of 2.2 billion pounds the previous year. The annual loss was the first reported by the insurance market in six years and is attributed to a series of natural catastrophes, including the earthquake and tsunami in Japan, earthquakes in New Zealand, and floods in Thailand and Australia. The insurance market made payouts totaling 4.61 billion pounds for disasters last year, more than twice the catastrophe claims of 2.12 billion pounds the previous year. At the same time, **Lloyd's announced that its top executives will receive salary increases of as much as 20 percent as part of a general compensation reform that will also reduce their maximum potential bonuses.**

Adam Jones, Financial Times, Page N/A, March 28, 2012

ATTENTION SMOKERS!

Smoking may cause long term damage not just to the lungs, but to the brain as well. In a study of more than 21,000 people who were followed for 23 years, those who smoked more than two packs of cigarettes a day in midlife were 157% more likely to develop Alzheimer's disease and 172% more prone to vascular dementia in older age than nonsmokers. The reason? Smoking impairs blood vessel function which may contribute to Alzheimer's.

Canadian Cardiovascular Congress

COASTAL CROSSROADS: HURRICANES AND THE SHIFTING NATURE OF CATASTROPHIC LOSS IN THE UNITED STATES

This power point report by Robert Hartwig, president of the Insurance Information Institute (I.I.I.), and Steven Weisbart, senior vice president and chief economist of I.I.I., was presented before the National Hurricane Center Conference. It analyzed the shifting patterns in U.S. insured catastrophe losses and showed that in recent years non-tropical events such as thunderstorms and tornados have been the main cause of insured loss, supplanting tropical storms and hurricanes. The presentation compared historical and recent distributions of catastrophe losses by type of disaster and included a review of federal disaster declarations from 1953 to 2012 in the U.S. and state by state, noting that in both 2010 and 2011 records were set. A section reviewing U.S. catastrophe loss trends by frequency and severity showed that trends are headed upward. An analysis of severe weather by state and by type of event in 2011 and to-date in 2012 concluded the report.

Robert Hartwig and Steven Weisbart, Insurance Information Institute, Special Report, 37 slides, March 27, 2012