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Reinsurers Defend Against Rising Tide of Natural Catastrophe Losses, for Now.

Severe weather events are happening more often. Recently in the US, atmospheric river storms have been battering Northern California with heavy precipitation, major flooding, fierce winds and mudslides. These followed December's deadly winter storm Elliott, whose heavy snowfall, powerful winds and extreme cold temperatures caused estimated insured losses of approximately \$5.4 billion according to risk modeler Karen Clark and Co.

Climate change, which has led to increased frequency and severity of weather-related natural catastrophes, also poses a significant risk to insurers and reinsurers. Global insured natural catastrophe losses have averaged about \$100 billion over the past five years. Reinsurers in particular are feeling the heat as they accumulate losses from primary companies. To counter this, many are raising prices, limiting coverage and even exiting some markets to improve returns.

Economic losses from natural catastrophes rise across the globe

Cumulative natural catastrophes that caused \$1 billion or greater in damages

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