

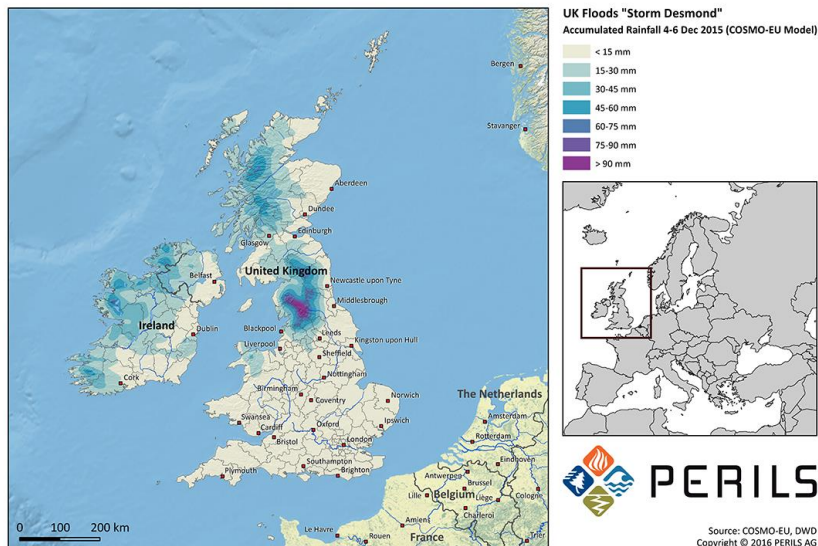
PERILS DISCLOSES FIRST UK FLOOD LOSS ESTIMATE FOR STORM DESMOND OF GBP 717M

Zurich, 15 Jan 2016 – PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today disclosed its first loss estimate for the floods in the UK resulting from storm Desmond.

The initial estimate of the insured property market loss for the flood damage caused by storm Desmond during the period from 4 to 24 December 2015 is GBP 717m. Windstorm losses from the event are estimated at GBP 42m. As a result, Desmond’s losses from the peril of windstorm do not qualify for further reporting by PERILS.

Storm Desmond was identified and named by the UK Met Office / Met Éireann. The storm was also named Ted by the Free University of Berlin, Helga by the Danish Meteorological Institute, and Synne by the Norwegian Meteorological Institute.

The storm brought record-breaking rainfall to the UK, which fell on ground already saturated from a series of depression systems during November. This led to severe flooding which mainly affected the counties of Cumbria and Lancashire in Northwest England, with flood waters peaking on 5 and 6 December 2015. In addition to the UK, Ireland and Scandinavia were also affected by wind and rain from storm Desmond between 4 and 6 December 2015.



Accumulated rainfall amounts from 4-6 December 2015: The map shows the accumulated rainfall amounts for the UK and Ireland for the period of 4-6 December 2015 (source: DWD, COSMO-EU model). The rainfall peaks over the Lake District in Cumbria are clearly visible and exceeded historical records. The resulting flooding mainly affected the counties of Cumbria and Lancashire in Northwest England, and led to an insured property market loss of GBP 717m (PERILS initial loss estimate).

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In line with the PERILS loss reporting schedule, the second flood loss report for storm Desmond will be made available on 4 March 2016, and will be followed by a third loss report on 4 June 2016 which will contain loss data by CRESTA zone, and by the property sub-lines Residential and Commercial. It is possible that for these subsequent loss reports, PERILS may need to re-evaluate the loss aggregation period to take into account the flooding which resulted from storms “Eva” and “Frank” later in December. In making this judgment, PERILS will consider factors such as objective scientific data, information received from the data-providing insurance companies, and the prevailing event definition used by re/insurance buyers and sellers.

Luzi Hitz, CEO of PERILS, commented: "Given the record-breaking amount of rain which fell over Northwest England from 4 to 6 December, and the fact that it fell on water-saturated soil following an exceptionally wet November, it is no surprise that extensive flooding occurred from overflowing rivers and surface water run-off. After 2005 and 2009, this is the third time that the Northwest of England has been affected by severe floods. This clearly underpins the need for the reliable UK flood insurance data which PERILS strives to provide, helping to further improve the industry's understanding of UK flood risk and ultimately making it easier to insure."

Eduard Held, Head of Products at PERILS, added: "After careful investigation and numerous discussions with data-providing insurance companies and other key market players, we concluded that for our initial estimate we would view the flooding from Desmond as an event on its own. In subsequent loss reports, and in line with our approach of applying the prevailing event definition used by the re/insurance markets, we may need to combine the flood losses from storm Desmond with flood losses from later events."

About PERILS

PERILS is an independent Zurich-based organisation providing industry-wide natural catastrophe exposure and claims data. The PERILS Industry Exposure & Loss Database is available to all interested parties via annual subscription. The database contains industry property sums insured and loss information for 14 countries on a CRESTA zone level and per property line of business. PERILS industry loss estimates, provided via the PERILS Industry Loss Index Service, can be used as triggers in insurance risk transactions such as industry loss warranty contracts (ILW) or insurance-linked securities (ILS). The use of PERILS exposure and loss data other than in conjunction with a valid PERILS License and according to its terms, by a Licensee or an Authorized User as defined in the License, is illegal and expressly forbidden.



More information can be found on www.perils.org

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