

PERILS DISCLOSES THIRD PROPERTY LOSS ESTIMATE FOR THE DECEMBER 2018 SYDNEY HAILSTORMS OF AUD 766M

First time market loss data for Australian Hail event available at postcode level

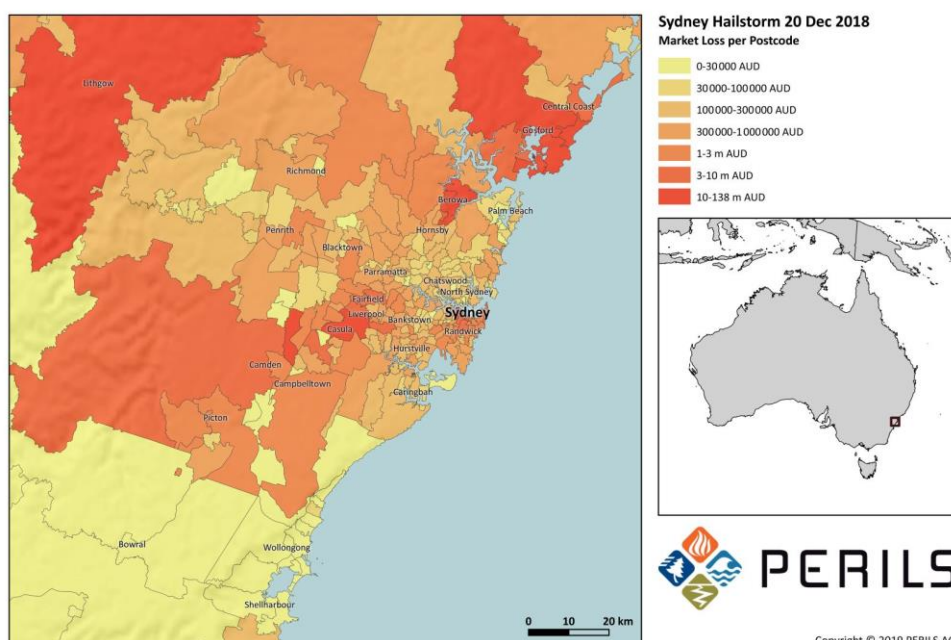
Zurich, 20 June 2019 –PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today disclosed its third loss estimate for the hailstorms which affected the greater Sydney region on 20 December 2018. The estimate also includes the losses from the storm activity in southeastern Queensland on 21 and 22 December 2018.

The revised estimate of the property insurance market loss is AUD 766m. This compares to the second loss estimate of AUD 633 million which was issued by PERILS on 20 March 2019, three months after the event. In line with the PERILS event definition, the PERILS loss number covers the Property line of business only. Losses from Motor and other lines of business are not included.

The third report marks the first time that a detailed market loss footprint, based on collected insurance loss data, is made available for an Australian hail event. The event loss information is provided by postcode and by Property lines of business and is complemented with information on damage degrees and hail intensities based on radar measurements by the Australian Bureau of Meteorology.

The data also allows subscribers to compare the loss footprint information with the market sums insured for the affected regions (also provided by PERILS). Damage degree functions as a percentage of total sums insured can then be derived and correlated with hail intensities.

In addition, the information enables users to validate vulnerability functions in probabilistic Cat models with actual, high-quality and independent market data. As such, the Sydney Hailstorms loss footprint released today will contribute to a better understanding of the peril of hail and its effects on insured property risks in Australia.



Sydney Hailstorms of 20 December 2018, Loss Footprint: On 20 December 2018, a large convective storm system brought intense hail to the greater Sydney region causing one of the biggest hailstorm losses on record. PERILS' third property market loss estimate is AUD 766m. Event loss data in this loss report are available by postcode and property lines of business.

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The hailstorms were part of a convective storm system which affected Sydney and surrounding regions in New South Wales, and which started in the late afternoon of Thursday 20 December 2018. Multiple storm cells generated strong winds, rainfall and intense hail with hailstones of more than 8 cm in diameter. Severe thunderstorms also occurred in Brisbane and on the Gold Coast on 21 and 22 December which caused additional industry losses.

Darryl Pidcock, Head of PERILS Asia-Pacific, commented: "This market loss footprint for the Sydney Hailstorms perfectly illustrates the PERILS value proposition. Our goal is to increase data availability for natural catastrophe events to help better understand and manage natural catastrophe risk. This report also breaks new data ground in that it is the first time that an Australian hail event has been provided in such granularity for both losses and intensities. Reliable historical data are the fundamental base of any meaningful Cat risk assessment."

He added: "We are grateful for the ongoing support of insurers, particularly as the preparation of detailed loss information took place during the busy financial year end and reinsurance renewals period. We hope to repay some of that effort through the provision of high-quality industry data, assisting the market to manage Cat risk in a sustainable manner."

In line with the PERILS loss reporting schedule, the fourth loss estimate for Sydney Hailstorms will be released on 20 December 2019, 12 months after the event.

About PERILS

PERILS is an independent Zurich-based organisation providing industry-wide natural catastrophe exposure and event loss data. The PERILS Industry Exposure & Loss Database is available to all interested parties via annual subscription. The database contains industry property sums insured and event loss information 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 service currently covers the following 16 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. 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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