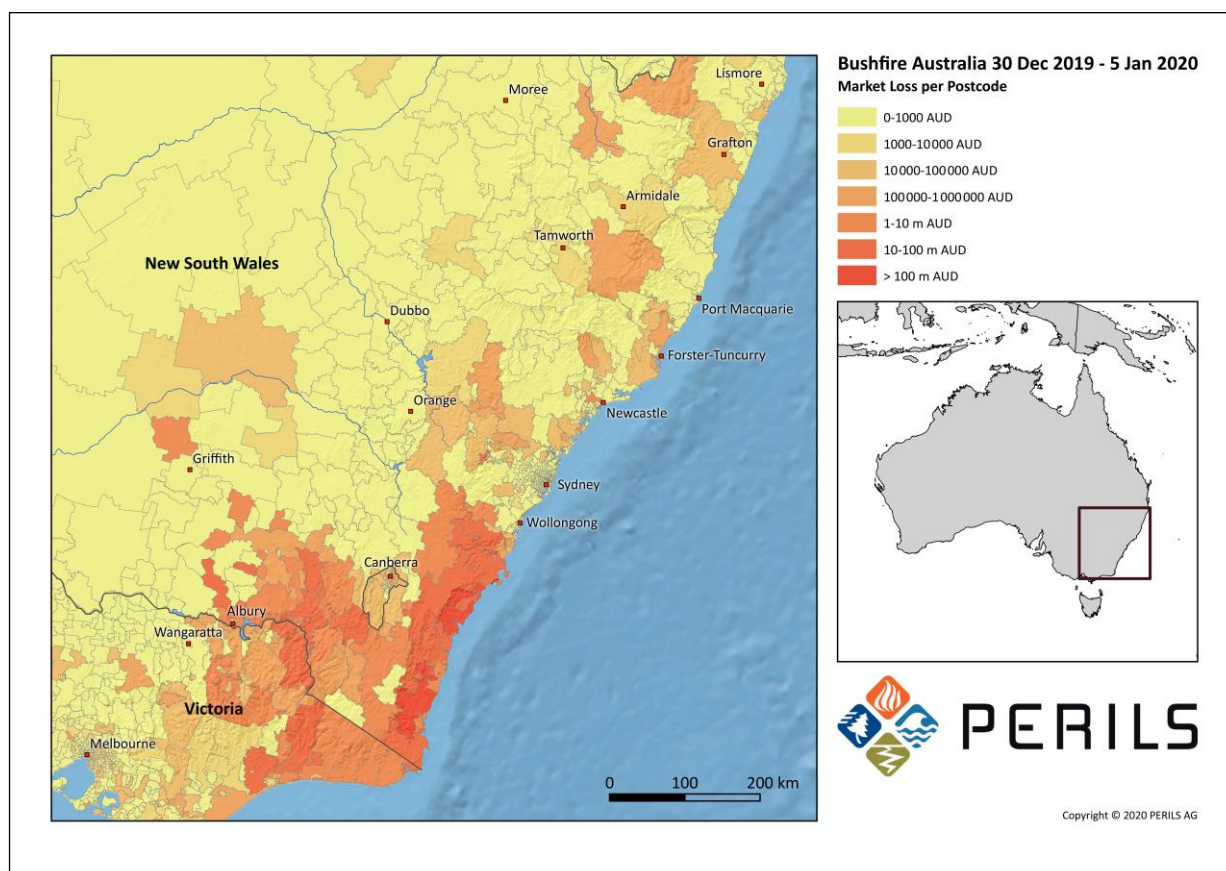


AUD 1,861M - PERILS RELEASES FIRST DETAILED INDUSTRY LOSS FOOTPRINT FOR THE AUSTRALIAN BUSHFIRES OF 2019/2020

Zurich, 6 July 2020 – PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today released the industry loss footprint for the Australian bushfires of 2019/2020, the first to provide detailed property and motor loss data at postcode level for this peril in Australia.

The industry loss data cover the peak period for the bushfires which occurred during the turn of the year and amount to a total of AUD 1,861m. The figure is based on detailed loss data collected from the vast majority of the Australian insurance market. It compares to PERILS' earlier loss estimates of AUD 1,568m which were issued on 17 February and 6 April 2020, respectively – due to the industry challenges posed by the coronavirus pandemic, PERILS did not carry out a second round of data collection prior to issuing its report on 6 April and so the estimate was unchanged.

The industry loss footprint applies the dominant event definition clause used in the Australian re/insurance market and covers the peak losses which occurred within a period of 168 consecutive hours (seven days) on Australian territory. The peak seven-day loss period differs among insurers but generally lies between 20 December 2019 and 6 January 2020. For the majority of insurers, it is between 30 December 2019 and 5 January 2020.



Industry loss footprint of the Australian bushfires 2019-20, peak seven-day loss period between 30 December 2019 to 5 January 2020.

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The industry loss report includes a detailed breakdown of property and motor losses by postcode, with the data further divided by residential and commercial lines. Loss amounts are provided for buildings, contents and business interruption, while additional granular information including fire intensity metrics and mean damage ratios are also made available. PERILS is the only loss reporting agency that provides insured loss data at this level of resolution and this is the first time it is available for bushfires in Australia.

The fire intensity metrics per postcode are based on satellite data. They can be used for correlation analysis of observed damage degrees and for deriving vulnerability functions to model bushfire risk in Australia.

An updated estimate of the industry loss from the Australian bushfires will be made available by PERILS on 6 January 2021, one year after the event's end date.

This report is released 6 months after the worst Australian bushfire season on record, known as the 'Black Summer'. It affected the entire continent and resulted in 34 fatalities and an estimated 18.6 million hectares of burnt land between September 2019 and March 2020. Insurance losses during the New Year peak period were most severe in the state of New South Wales, accounting for 70% of the industry loss, followed by Victoria (17%) and South Australia (13%). As a result of the bushfires, the Federal Government established the Royal Commission into National Natural Disaster Arrangements in February 2020 to examine the bushfire recovery and coordination efforts, as well as to recommend improvements for future response and recovery coordination.

Darryl Pidcock, Head of PERILS Asia-Pacific, commented: "This industry loss footprint is the first time PERILS has reported a bushfire event in Australia at such a detailed resolution. By providing the bushfire loss data and intensity information on a postcode and LOB level, we believe this can help the insurance industry better understand the impact of future bushfire events. The affected communities have been significantly impacted by these losses and are now facing additional pressures from the coronavirus pandemic. Our thoughts go out to those affected and we hope that they can rebuild their lives as soon as possible".

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 17 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, 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 is illegal and expressly forbidden.

More information can be found on www.perils.org

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