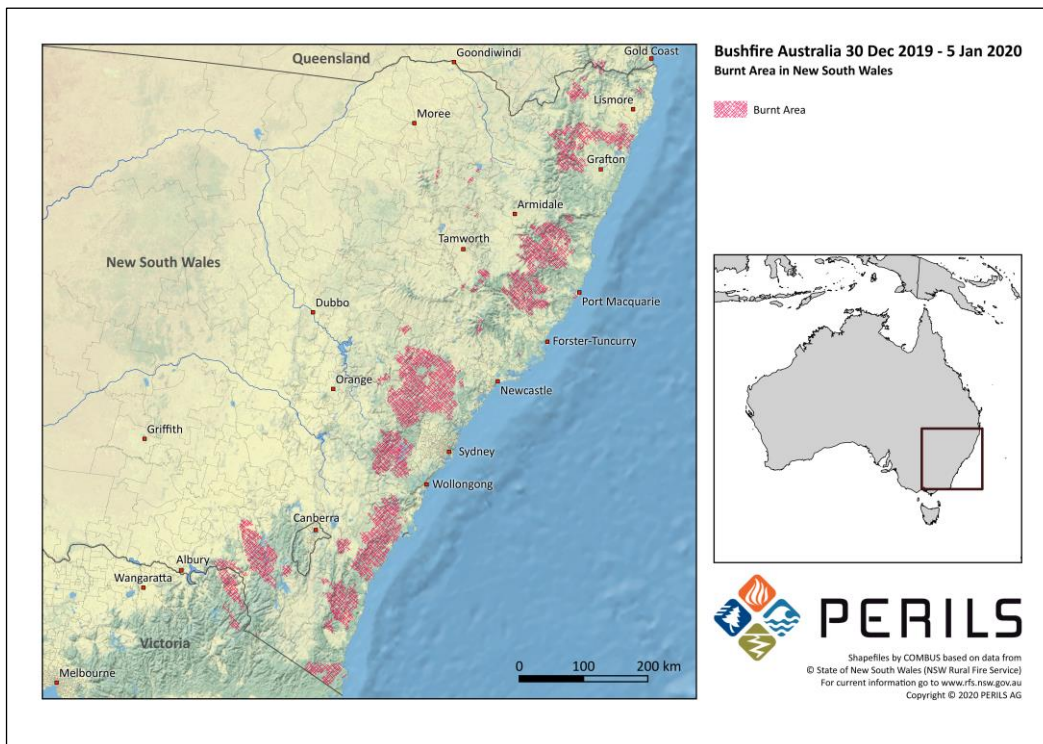


AUD 1'568M - PERILS RELEASES FIRST PROPERTY LOSS ESTIMATE FOR THE DECEMBER 2019 - JANUARY 2020 AUSTRALIAN BUSHFIRES

Zurich, 17 February 2020 –PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today disclosed its initial property loss estimate for the Australian bushfires for the peak period during the turn of the year 2019/2020. This is the first bushfire loss event to be reported by PERILS in Australia.

The initial estimate of the property insurance market loss is AUD 1'568m based on loss data collected from affected insurers. This covers the peak industry event loss for seven consecutive days caused by the bushfires in Australia that occurred at the end of 2019 and beginning of 2020. The event definition follows the 168 hours clause which is predominantly used in the Australian re/insurance market to define a bushfire "event". The peak seven-day loss period differs among insurers but generally lies between 20 Dec 2019 and 6 January 2020. For the majority of insurers, it is between 30 Dec 2019 and 5 January 2020.

In line with the PERILS event definition, the PERILS loss number of AUD 1'568 million covers the Property line of business only. An updated estimate of the market loss from the Australian bushfires will be made available on 5 April 2020, three months after the event's end date.



Australian Bushfires for the peak seven-day loss period between 30 December 2019 to 5 January 2020, Footprint of Burnt Area for NSW.

The Australian 2019/2020 bushfire season is the worst on record, driven by a combination of record high temperatures, record low rainfall, extremely dry bushland and strong winds. During the peak loss period, there were devastating fires across the states of New South Wales (NSW), Victoria and South Australia, which caused at least 34 fatalities.

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There have been major property losses in rural towns with approximately 10 million hectares of burnt bushland since September across the affected states. This is an area similar in size to England (13 million hectares) and over 16 times the size of the 2018 California bushfires. Events have also taken a significant toll on Australia's wildlife, with estimates that over one billion animals have been lost in the fires.

During the peak period, a multi-agency recovery response involving Federal, local and state governments, the Australian Defence Force and various Non-Government Organisations, was in operation. Firefighting experts, many of whom were volunteers and aircraft from various foreign governments were also involved.

Losses to the insurance industry are the highest ever for bushfires with a national aggregate total for the season so far of AUD 1.9bn¹. As reported here, losses are AUD 1'568m for the peak loss period of seven consecutive days and occurred primarily in the states of New South Wales, Victoria and South Australia. To put these losses into context, they surpass the industry losses sustained in the Black Saturday Bushfires of February 2009 (AUD 1'070m¹ original industry loss), and the Canberra Bushfire of January 2003 (AUD 350m¹ original industry loss).

Darryl Pidcock, Head of PERILS Asia-Pacific, commented: "The bushfire season has had a devastating impact on many local communities, which may take years to recover. Our sincere sympathies go out to those who have also lost loved ones, including the firefighters who have made considerable sacrifices. While the quantum of insurance losses will cover only a portion of the overall economic cost of the disaster, it still plays a very important function in enabling individuals, businesses and communities to rebuild. PERILS' mission by making available insurance industry loss information from this event is to help improve the understanding of bushfire insurance risk going forward and to facilitate the availability of capacity for future bushfire events."

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

PR Contact

Nigel Allen

+44 7988 478824

nigel.allen@perils.org

¹ Insurance Council of Australia