

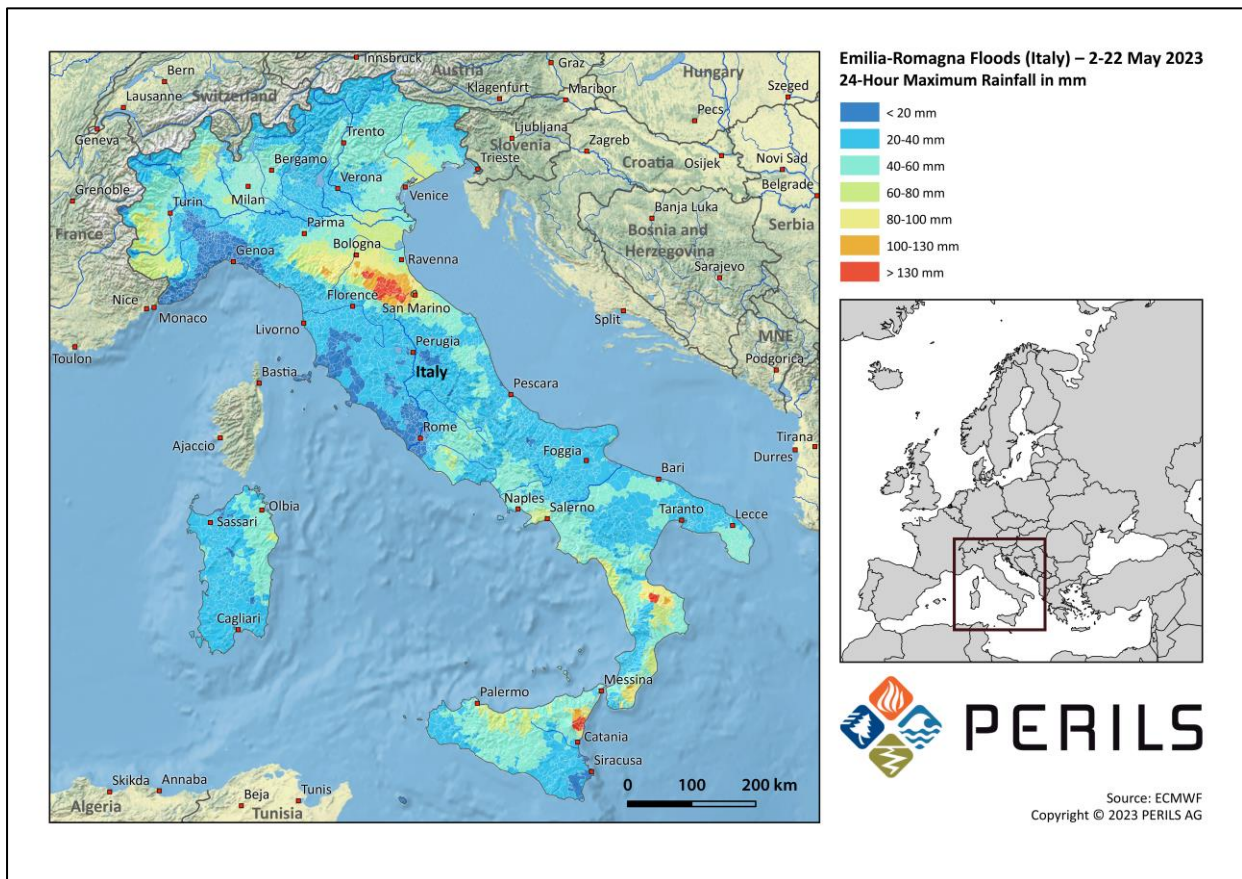


## PERILS PUTS INITIAL INDUSTRY LOSS ESTIMATE FOR THE EMILIA-ROMAGNA FLOODS AT EUR 377M

**Zurich, 5 July 2023** – PERILS, the independent Zurich-based organisation providing industry-wide catastrophe insurance data, has today disclosed its initial industry loss estimate for the floods in the Emilia-Romagna region of Italy during the period of 2 to 22 May 2023.

PERILS’ estimate of the insurance market loss, based on loss data collected from the majority of the Italian insurance market, is EUR 377 million. In line with the PERILS coverage definition for Italy, this loss number covers the property line of business.

An updated estimate of the market loss from the Emilia-Romagna Floods will be made available on 22 August 2023, three months after the event end date.



**24-Hour maximum rainfall, 2 to 22 May 2023:** The map shows the maximum rainfall amounts within a 24-hour period over Italy for the period of 2 to 22 May 2023. The heavy rain led to catastrophic flooding predominantly in the Emilia-Romagna Region of north-central Italy. The initial PERILS industry loss estimate for the floods is EUR 377m.

After an extended period of severe drought conditions, Italy experienced extensive rainfall throughout the entire month of May and into early June 2023. On 2 May and then again on 16 and 17 May, extreme rainfall with more than 200mm falling in 24 hours caused severe inundation and hundreds of landslides across several provinces of the Emilia-Romagna and the Marche regions. Large cities such as Bologna, Cesena, Forli, Faenza, Ravenna, and Rimini were affected by mud-laden overflowing waterways and rain-induced flash flooding. The flooding was



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more severe during the second phase of 16 May onwards. The total economic loss for the event is currently estimated by the Italian government to be close to EUR 9bn, with close to 50% attributable to damage to public infrastructure. Sadly 17 people lost their lives, two in the first phase of flooding and 15 in the second phase.

The flooding was fuelled by an extended period of low-pressure weather over much of Italy during May. The poor weather culminated in intense rainfall, first on 2 May with local precipitation of up to 200mm in 24 hours, and again on 16 and 17 May with up to 300mm in 48 hours. This rainfall was characterised by its persistent and stationary nature, leading to large local water accumulations which overwhelmed the capacity of rivers and urban drainage systems. In addition, the rain on 2 May fell on dried-out soil and the rain on 16 and 17 May fell on water-saturated ground, further aggravating flooding.

Luzi Hitz, CEO of PERILS, commented: “Reports show that insurance penetration in Italy for flood is low, particularly for homeowners and small commercial risks, compared to larger commercial and industrial risks. However, trying to get a true sense of the protection gap that exists is challenging. In the case of the Emilia-Romagna Floods, infrastructure damage formed a substantial part of the overall economic loss – much larger than would be expected for a windstorm or severe convective storm event. Comparing the insured loss to the overall economic loss is therefore not an accurate means of establishing the protection gap as the state-retained infrastructure losses should be removed from the calculations to ascertain insurance penetration rates effectively.”

### **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 18 countries: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, Turkey, and the United Kingdom. In addition, PERILS industry exposure data are available for Indonesia, the Philippines and Thailand. 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](http://www.perils.org)

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