Swiss Re
Institute

Press release

Rising heat, growing exposure, changing hazards: benign first half of 2026 masks rising natural catastrophe risk, finds Swiss Re Institute

- **Global insured natural catastrophe losses in first half of 2026 estimated at USD 42 billion, lowest first-half total since 2020**
- **Severe convective storms remained the biggest insured-loss driver at an estimated USD 28 billion, below long-term trend**
- **June's record heat and persistent dry conditions set the stage for an active European wildfire season**

Zurich, 11 August 2026 – The first half of 2026 saw estimated insured natural catastrophe losses of USD 42 billion, 16% below the 10-year average. Insured losses from severe convective storms were also below trend, with the biggest outbreaks largely sparing the most exposed regions in the US. At the same time, June's record heat and persistent dry conditions set the stage for an active wildfire season in Europe and other parts of the world.

Balz Grollimund, Head Catastrophe Perils at Swiss Re, said: "A less costly first half of the year does not mean the risk has gone away. One major hurricane, earthquake or wildfire can quickly change the picture. Europe's recent wildfires highlight how hotter and drier conditions are making large wildfires more likely and, with more homes, businesses and infrastructure built in risk-exposed areas, also more costly."

As the world's fastest-warming continent, Europe now experiences 64% more hot days, defined as days when the daily maximum temperature reaches 30°C or more, than in the 1950s. June's record heat in western Europe, together with persistent dry conditions, also created an environment more conducive to wildfires across western and southern Europe, where major fires affected France and Spain in July.

Wildfire risk has so far accounted for only a relatively small share of insured losses in Europe. Yet it is the fastest-growing weather peril globally. Insured wildfire losses in Europe have increased by an estimated 8–11% per year in real terms since 1970, Swiss Re Institute's research shows.

The early start to Europe's wildfire season illustrates how hazards are changing. Fire seasons are becoming longer, while conditions conducive

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to wildfires are becoming more frequent and affecting regions historically less exposed.

Above-average storm activity, below-trend losses
Although severe convective storm activity across the US remained above average, relatively few of the highest-impact events affected Texas, the Southern Plains and the Southeast, where the combination of frequent storms and high concentrations of insured assets typically generates the largest insured losses. This illustrates how insured losses depend not only on the severity of events, but also on where they strike.

Insurance covered around 42% of first-half economic losses, above the 30-year average of 33%, reflecting the concentration of damage in highly insured markets and across widely covered perils. By contrast, the earthquake sequence in Venezuela caused an estimated USD 20 billion in economic losses. Although no reliable insured-loss estimate is yet available, low insurance penetration suggests that only a small share of the damage is expected to be insured.

A quieter first half does not necessarily mean a quieter year
Historically, the second half of the year accounts for an average of 58% of global insured natural catastrophe losses, mainly driven by North Atlantic hurricanes. While El Niño tends to suppress Atlantic hurricane activity, it does not eliminate landfall risk: 22% of US hurricane landfalls since 1950 occurred during El Niño conditions. Atlantic hurricanes, however, are only one component of second-half catastrophe risk. El Niño may influence tropical cyclone activity in the Central and East Pacific and could alter the risk of floods, wildfires, and other weather extremes elsewhere.

Beyond seasonal outlooks, the long-term drivers of catastrophe losses remain unchanged, including growing exposure in hazard-prone areas and rising reconstruction costs. Strengthening resilience and reducing underlying risk will therefore be increasingly important in maintaining the affordability and availability of insurance.

Total economic and insured losses in H1 2026 and H1 2025
(USD billion in 2026 prices)

	H1 2026	H1 2025	H1 10-y avg*	% change vs H1 10-y avg
Economic losses	107	160	119	−9%
Nat cat	100	152	111	−10%
Man-made	7	8	7	−3%
Insured losses	48	98	56	−15%
Nat cat	42	91	50	−16%
Man-made	6	7	6	−4%

* Note: H1 10-year average refers to the average first-half losses between 2016 and 2025.
Source: Swiss Re Institute

How to order this sigma study:
The English version of the sigma insights "First-half 2026 insured catastrophe losses: below trend, rising risks" is available in electronic format. You can download it here.

About Swiss Re
The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 70 offices globally.

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