

## Press release

# Wildfires, storms, floods contribute to record 92% of global insured losses in 2025, says Swiss Re Institute

- **In 2025, secondary perils<sup>1</sup> – among them wildfires, severe convective storms and floods – accounted for a record 92% of total global natural catastrophe insured losses of USD 107 billion**
- **Population growth, rising asset values and elevated reconstruction costs among factors increasing exposure and insured losses over time**
- **Swiss Re's modelling shows that in a peak-loss scenario, insured losses could reach USD 320 billion in 2026, underscoring the continued need for well-designed adaptation and risk mitigation measures**

**Zurich, 19 March 2026 – Secondary perils dominated natural catastrophe headlines in 2025. The LA wildfires generated record-breaking combined insured losses of around USD 40 billion. Losses from severe convective storms (SCS) remained elevated with USD 51 billion of losses. 2025 was also notable due to the absence of a major US hurricane landfall. With long-term global insurance losses from natural catastrophes continuing to follow the 5–7% annual growth rate, sustained adaptation and risk mitigation are instrumental to maintain long-term insurability and reduce protection gaps.**

Balz Grollmund, Head Catastrophe Perils, said: "The below-trend natural catastrophe losses seen in 2025 are the result of favourable variability rather than any easing of underlying risk. If losses return to normal long-term levels, they would total USD 148 billion in 2026. According to our modelled peak-loss scenario, insured losses could even climb to about USD 320 billion in 2026. As exposure keeps building, the upward trend in insured losses is structural and it is critical to identify the risk drivers behind this to manage and reduce risks before losses occur."

Urs Baertschi, CEO Property & Casualty Reinsurance, said: "A peak loss scenario year could be more than double the recent annual insured natural catastrophe losses and exceed USD 300 billion. Further risk awareness, adaptation and mitigation, alongside sufficient insurance and reinsurance, play vital roles in societal resilience. We protect against peak

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risks by absorbing low-frequency, high-severity events that can quickly turn a quiet year into a record loss year."

At USD 107 billion in 2025, global insured losses were below the long-term natural catastrophe loss trend yet still elevated due to a high frequency of events impacting densely built, high-value areas. With combined insured losses of USD 40 billion, the LA wildfires represent the largest insured wildfire loss event on *sigma* records. 2025 was the third-costliest year on record for SCS – including hailstorms and damaging winds, after 2023 and 2024 (in 2025 prices) – adding USD 5.1 billion of insured losses globally. Meanwhile, global flood-related insured losses were well below average in 2025 – at USD 3.4 billion compared to a USD 15.4 billion previous five-year average.

### **Loss potential rising as more vulnerable assets meet hazard shifts**

According to *sigma* insured loss data, between 1970 and 2025, exposure growth explains more than 80% of the long-term global increase in global weather-related insured losses.

In North America, growth is driven mainly by wildfire and SCS, with wildfire insured losses growing at an annual rate of 14%. In Europe, over half of insured loss growth is due to SCS, which are growing at an estimated annual growth rate of 10%. In Asia, secondary-peril growth is dominated by floods, while in Oceania/Australia it is more evenly split across SCS and floods, with smaller wildfire impact.

Tropical cyclones remain the largest contributor to the overall long-term annual average level of losses, while SCS are the single largest driver of historical insured loss growth (38% contribution). Wildfires, despite highest growth rates, contribute about 20%, due to lower historical loss levels. Floods account for roughly 10% of global insured loss growth.

However, in some cases, exposure alone no longer explains the speed of loss growth with hazard intensification and evolving vulnerability becoming increasingly material in certain regions and perils. In North America, the lengthening of fire seasons and long-term changes in temperature and precipitation patterns are further compounding the loss threat that fires present. In Europe, where SCS insured losses are growing fastest, less than half of the observed increase can be explained by exposure growth alone. This points to additional drivers such as changing storm characteristics and shifting vulnerability.

### **USD 220 billion catastrophe losses in 2025 underscore protection gap concerns**

Global economic losses from natural catastrophes were USD 220 billion in 2025, about 49% of which were insured – the highest share on *sigma* records and a clear indication that the insurance industry is playing its part in navigating global protection gaps. However, protection gaps remain especially wide in emerging economies, where 80–90% of catastrophe losses are typically not covered by insurance, underscoring the need to pair stronger adaptation and risk management with broader, more accessible insurance coverage.

Jérôme Jean Haegeli, Head Swiss Re Institute and Group Chief Economist, said: "Most long-term loss growth comes from a simple reality: more valuable property is being built in harm's way, and rebuilding costs have risen. At the same time, *sigma* analysis suggests that for some perils and regions, hazards and vulnerability are evolving faster than exposure alone would imply. As such, sustained and well-designed adaptation and risk mitigation measures are increasingly decisive to keep insurance viable and affordable – and to reduce the global protection gap represented by underinsurance."

**Table: Estimated total economic and insured losses in 2025 and 2024**

USD billion in 2025 prices	2025	2024	Previous 10-yr avg
<b>Economic losses</b>	235	338	280
Nat cat	220	327	267
Man-made	15	11	13
<b>Insured losses</b>	120	151	121
Nat cat	107	141	111
Man-made	13	9	10

Note: Due to rounding, some totals may not correspond with the sum of the separate figures  
Source: Swiss Re Institute

<sup>1</sup> Secondary perils include wildfires, severe convective storms, floods, winter storms (outside of Europe), droughts and all other non-primary natural catastrophe perils i.e. secondary perils exclude earthquakes, tropical cyclones and extratropical cyclones (European winter storms). Wildfires, severe convective storms and floods alone accounted for 88% of total global insured natural catastrophe losses in 2025.

#### How to order this sigma study:

The English version of the *sigma* 01/2026, "Natural catastrophes in 2025: the persistent rise of wildfire and storm risk", is available in electronic format. You can download it here: [sigma](#).

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