Europe Floods to China Quake Fuel $85 Billion in Economic Losses

By Kathleen Chaykowski - Jul 24, 2013

European flooding and an earthquake in China are among catastrophes that contributed to about $85 billion of economic losses worldwide in the first half of this year, according to Aon Plc. (AON)

The figure is $10 billion higher than the same period of 2012 and 15 percent below the 10-year average, London-based Aon’s Impact Forecasting said yesterday in a report. Insured losses for the six months through June totaled at least $20 billion, about 20 percent less than last year, the report shows.

“The costliest natural disaster during the first half of 2013 was, by far, the massive flooding event across Central Europe in May and June,” according to the report.

The storms, which killed at least 23 people, caused about $22 billion of economic losses and as much as $5.3 billion in insured losses on the Continent. The April China earthquake, which claimed about 200 lives, was the second-most expensive, with about $14 billion in economic losses. Droughts in Brazil and China and an outbreak of severe weather that spawned tornadoes in the U.S. also fueled losses, the report shows.

Chubb Corp., the insurer of high-end homes, is among firms that incurred losses tied to flooding in the period. The Warren, New Jersey-based company said on July 9 that disasters including U.S. storms and Canada flooding cost $156 million, or 60 cents a share, in the second quarter.

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