



NEWS RELEASE

Global Insured Catastrophe Losses Now Expected to Average \$171 Billion Annually, Verisk Finds

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- *Average annual insured catastrophe losses increased by approximately \$19 billion in a year, the highest estimate Verisk has reported to date*
- *Despite a season with no U.S. hurricane landfalls, estimated losses exceeded \$100 billion for a sixth consecutive year*
- *Exposure growth, rising reconstruction costs and continued development in catastrophe-prone areas are pushing potential losses higher, regardless of weather patterns in any single year*

Jersey City, N.J., Sept. 01, 2026 (GLOBE NEWSWIRE) -- The catastrophe modeling business unit of Verisk (Nasdaq: VRSK), a leading data analytics and technology provider to the global insurance industry, today released **Verisk's 2026 Global Modeled Catastrophe Losses Report**. The annual report calculates that the insurance industry should be prepared to withstand \$171 billion in insured catastrophe losses on average in a given year, up \$19 billion from a year ago, and the highest estimate Verisk has reported to date. The industry's loss benchmark increased even after a year with no U.S. hurricane landfalls for the first time in a decade, and it reflects continued growth in property values and insured values worldwide.

"A quiet hurricane season can lead markets to respond as if risk has eased: rates soften, insurers keep more risk on their own books, and more capital competes to write new business," said Rob Newbold, president of Verisk Catastrophe and Risk Solutions. "But 2025 reminds us that the underlying risk landscape has changed and years without significant losses from U.S. hurricane activity no longer signal a quieter catastrophe environment."

For the sixth straight year, global insured catastrophe losses exceeded \$100 billion — a result driven not by severity perils like earthquakes and hurricanes, but by record-setting wildfires and significant severe thunderstorm activity, which

produces widespread hail, wind and tornado damage across many communities rather than a single catastrophic event.

“A more dynamic risk environment underscores how catastrophe models help insurers maintain underwriting discipline and make informed pricing, capital allocation and risk transfer decisions based on the full range of risk, not just the outcome of a single season,” Newbold added.

Understanding Verisk's \$171 Billion Loss Benchmark

The report's headline figure is Verisk's global insured average annual loss, or AAL: a modeled, long-term estimate of catastrophe risk derived from simulations across the company's global suite of models. It is not a prediction of losses in 2026 or in any other individual year; rather, it serves as a benchmark insurers can use to evaluate potential losses across a wide range of events, perils and regions.

Several additional insights help put the number into context:

- The United States accounts for the majority of modeled insured catastrophe risk. Of the \$171 billion global insured AAL, \$117 billion (68 percent) is attributed to the U.S.
- Severe thunderstorm accounts for 40 percent of modeled insured catastrophe risk, more than any other peril. It remains the largest contributor to Verisk's global insured AAL, ahead of tropical cyclone (27 percent), earthquake (10 percent), winter storm (9 percent), flood (7 percent) and wildfire (6 percent). The pattern held in 2025, when frequency perils, rather than a single hurricane, drove industry losses.
- A severe catastrophe year could generate losses nearly three times higher than the global insured AAL. The report also examines increasingly severe but plausible loss scenarios: At the 100-year return period – commonly used in the industry to describe a scenario with a 1 percent annual likelihood – modeled aggregate insured losses reach \$477 billion. At the 250-year return period, losses reach \$606 billion.

Since Verisk first published this report in 2012, the estimated global insured AAL has nearly tripled, rising from \$59 billion to \$171 billion. The original 2012 figure was expressed in 2012 dollars. The change also reflects Verisk's investment in expanding model coverage to more than 20 additional countries and regions, advances in science, data and modeling methods, updates to Verisk's view of risk, and growth in insured exposure.

What's Driving Higher Losses Beyond the Hazard

Catastrophe losses are shaped by more than the number or severity of storms, wildfires or earthquakes in a given year. Several long-term trends continue to increase the value of property at risk and the potential cost of future catastrophes:

- There is more property to insure. Property exposure in the countries Verisk models has grown roughly 7 percent annually since 2021, driven by both new construction and rising asset values.
- The cost of rebuilding keeps increasing. In the United States, residential reconstruction costs have risen about 5 percent annually since 2021, outpacing consumer inflation and increasing the potential cost of catastrophe losses even when hazard activity remains unchanged.
- More people and property are concentrated in hazard-prone areas. Population growth continues to be concentrated in catastrophe-exposed regions, while development expands in flood plains, wildfire zones and other high-risk locations. In England, for example, 7.1 percent of single-family homes already sit in the 100-year flood plain, and one in nine new homes built between 2022 and 2024 was built in a flood-risk area — a share Verisk's models project could rise to one in seven new homes by 2050.

Together, these trends increase insured catastrophe losses independently of weather patterns and help explain why the industry's risk benchmark continues to rise.

What would that mean in practice? Verisk's models show that adding a significant U.S. landfalling hurricane to a year like 2025 could push annual insured catastrophe losses to roughly \$200 billion. Industry reports indicate that total insured losses for 2025 ranged from \$107-\$129 billion. The figure reflects an aggregate total across all perils in a single year, not a single mega-event. Verisk's report treats that figure as a foreseeable scenario the industry should be prepared to withstand, not a tail risk to revisit only after it happens. For consumers, a year with increased significant natural catastrophe events could mean increased premiums, changes to underwriting terms, and in the hardest-hit areas, less available coverage in subsequent years.

Why a quiet hurricane season is not a quiet year

Verisk's report underscores that a year without a U.S. landfalling hurricane can lull the market toward thinner pricing and looser underwriting terms, precisely when discipline matters most. Down years, the report notes, are when catastrophe models help insurers separate resilience from volatility when the market eventually turns.

"The \$171 billion figure is not determined by the outcome of one hurricane season or one year of catastrophe losses," said Dr. Jay Guin, executive vice president and chief research officer of Verisk Catastrophe and Risk Solutions. "It reflects a wide distribution of potential events across perils and regions, using current exposure data and a view of hazard grounded in the near-present climate. That broader perspective helps the industry prepare for loss scenarios that historical experience alone may not reveal."

A persistent global protection gap

The report also quantifies a persistent and uneven protection gap. Globally, only about 38 percent of economic losses from natural catastrophes are insured, corresponding to a modeled economic AAL of more than \$450 billion. In Europe, the gap is wider than the global average: of the region's \$110 billion in expected annual economic catastrophe losses, only about \$24 billion (22 percent) is currently insured. In July 2025, flash floods in Central Texas, the deadliest flood event in nearly five decades, occurred in a region where the national flood insurance take-up rate is about 3 percent, and take-up in the hardest-hit county was about 2.5 percent. When an earthquake struck Myanmar in March 2025, insurers covered less than \$100 million of roughly \$12 billion in economic losses.

"Narrowing the protection gap requires broader access to insurance and a clear understanding of the risk," Newbold said. "By expanding model coverage and making both Verisk and third-party models available through our platforms, we are helping insurers evaluate risk in more markets and identify opportunities to extend coverage to communities that remain underinsured."

About the report

The 2026 Global Modeled Catastrophe Losses Report is produced using the same suite of catastrophe models and software that Verisk's insurance and reinsurance clients rely on every day, covering more than 120 countries and regions, so its figures can be reproduced and tested in clients' own environments. The **full report is available here**.

Verisk's catastrophe models are developed by AIR Worldwide Corporation, a wholly owned subsidiary of Verisk Analytics, Inc.

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About Verisk

Verisk (Nasdaq: VRSK) is a leading strategic data analytics and technology partner to the global insurance industry. It empowers clients to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud and make informed decisions about global risks, including climate change, extreme events, sustainability and political issues. Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk helps build global resilience for individuals, communities and businesses. With teams across more than 20 countries, Verisk consistently earns certification by **Great Place to Work**. For more, **visit Verisk.com** and the **Verisk Newsroom**.

Attachment

- **Contribution to global insured AAL by peril for all regions**

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Source: Verisk

Analytics, Inc.

Contribution to global insured AAL by peril for all regions

The AAL represents expected losses over extended periods, not what would be expected in any given year