

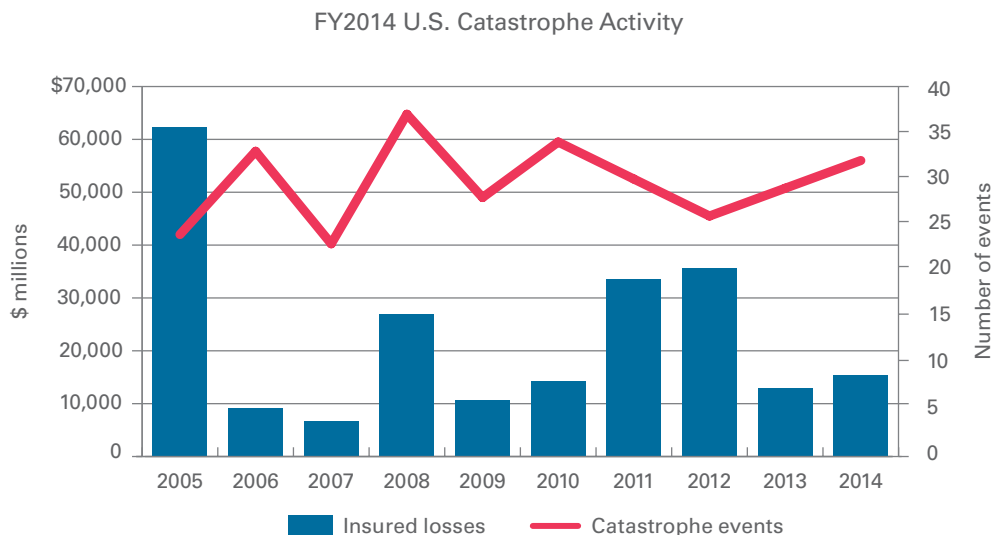
On January 1, 2016, PCS catastrophe code format will be modified from two digits to four. [Click to find out more.](#)

# Up a Little, Down a Lot: PCS® Full-Year 2014 Catastrophe Review

In some ways, North American catastrophe losses rose a little. In other ways, they fell a lot. Overall, 2014 was a quiet catastrophe year, with insured losses from North American catastrophe activity reaching only \$16 billion. While that's in line with 2013, the losses underlying the aggregate number are much different. Insured losses from PCS-designated catastrophe events in Canada fell 72 percent year over year. And although U.S. insured losses climbed 20 percent from 2013, the \$15.4 billion 2014 total is still well below the ten-year average. Frequency grew slightly for North America, rising to 37 events last year from 35 in 2013.

## FY2014 U.S. CATASTROPHE REVIEW

PCS® designated 32 U.S. catastrophe events in 2014 — up slightly from 29 the year before. However, the resulting industrywide loss estimates are a bit different. U.S. catastrophe losses reached \$15.4 billion last year, up 19 percent. PCS has resurveys open on one catastrophe event, and preliminary estimates have not yet been published for another.



Source: PCS, a unit of Verisk Analytics

However, the 2014 result is off 33 percent compared with the ten-year average of \$22.7 billion. Of course, 2005 took the average significantly higher: U.S. catastrophe events resulted in more than \$50 billion in insured losses, about 80 percent of which came from Hurricane Katrina. The nine-year average (2006 through 2014) is about \$18.3 billion, 20 percent above 2014.

Frequency for 2014 was slightly above the ten-year average of 29.5 events. Over the past ten years, 2014 is one of only five years in which the number of catastrophe events designated by PCS reached at least 30. The most active year of the past decade was 2008, during which PCS designated 37 U.S. catastrophe events.

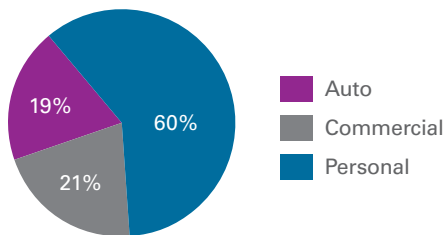
Catastrophe activity last year affected 38 states, with Texas remaining the most affected, at \$2.2 billion. Colorado was next, at \$1.7 billion, followed by Illinois and Pennsylvania, both at \$1.2 billion. Catastrophe losses in Nebraska edged up above \$1.1 billion. Once again, Oklahoma is not among the ten most affected states of the year, despite historically high frequency and severity.

State	Losses
Texas	\$2,200
Colorado	\$1,700
Illinois	\$1,200
Pennsylvania	\$1,200
Nebraska	\$1,100
Michigan	\$800
Missouri	\$600
Iowa	\$600
New York	\$500
South Carolina	\$500

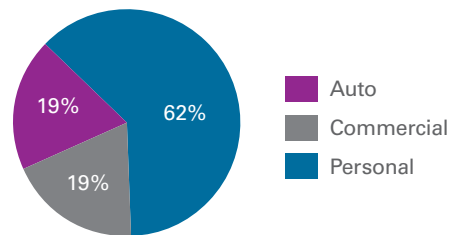
Source: PCS, a unit of Verisk Analytics

Personal losses accounted for 60 percent of catastrophe losses in 2014, down slightly from 62 percent in 2013. Commercial losses rose slightly from 19 percent to 21 percent, with auto unchanged year over year.

FY2014 U.S.



FY2013 U.S.



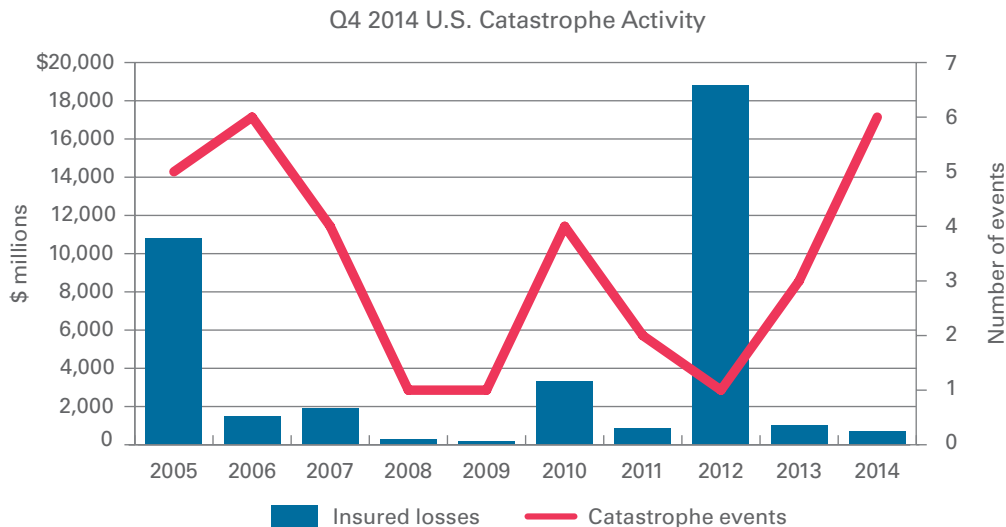
Source: PCS, a unit of Verisk Analytics

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## FOURTH-QUARTER 2014 U.S. CATASTROPHE REVIEW

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PCS designated 6 catastrophe events in fourth-quarter 2014. Resulting in just under \$700 million in insured losses, it was the quietest fourth quarter since 2009 (\$200 million). The most severe fourth quarter was in 2012, when Superstorm Sandy caused \$18.8 billion in insured losses.



Source: PCS, a unit of Verisk Analytics

Frequency was up significantly in the fourth quarter of 2014. PCS designated 6 catastrophe events, well over the ten-year average of 3.3. The most active fourth quarter of the past ten years was 2006, during which 6 events occurred, resulting in \$1.5 billion in insured losses. The quietest fourth quarters of the past decade came in 2008, 2009, and 2012 — each of which had only 1 PCS-designated catastrophe event. Of course, 2012 stands out for the severity of Superstorm Sandy.

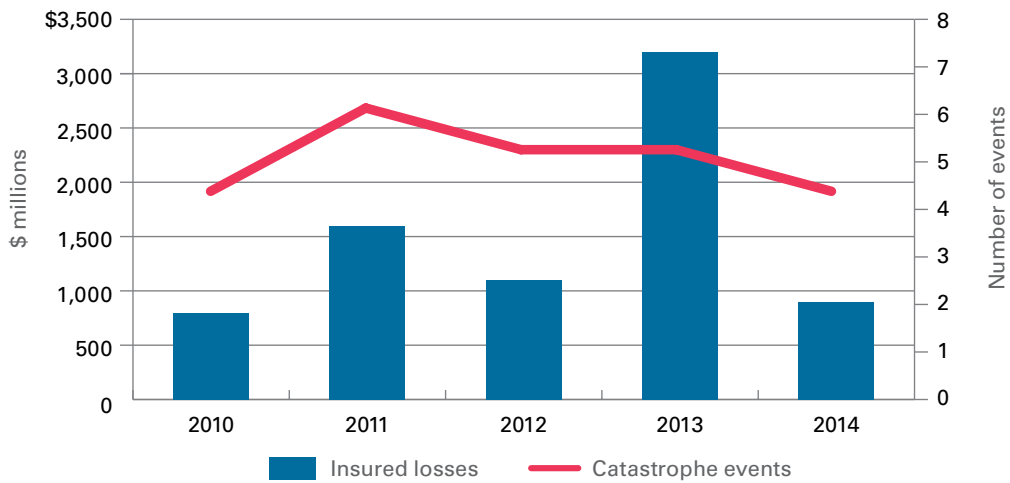
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## FY2014 CANADIAN CATASTROPHE REVIEW

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PCS designated 5 catastrophe events in Canada in 2014, with 1 in the fourth quarter. Insured losses from those events reached about C\$900 million, making 2014 the quietest catastrophe year since 2010 (\$800 million). Catastrophe losses fell 72 percent year over year. While that may appear to be a significant drop, 2013 was the most active year on record for PCS Canada®, with more than \$3 billion in insured losses from PCS-designated catastrophe events.

FY2014 Canadian Catastrophe Losses



Source: PCS, a unit of Verisk Analytics

Over the past five years, the average insured loss from a PCS-designated catastrophe event was \$1.5 billion, largely because of 2013’s \$3.2 billion in insured losses. Also, 2011 was quite active, with \$1.6 billion in catastrophe losses. Frequency was down slightly from Canada’s five-year average of 5.8 events, with 2011 the most active year at 7.

The lone fourth-quarter event in Canada resulted in insured losses of C\$96 million and occurred in Ontario and Quebec. Since 2010, 17 catastrophe events have occurred in Ontario, with 9 each in Alberta and Quebec. During that period, Alberta sustained C\$4.5 billion in catastrophe losses, followed by Ontario with C\$2.6 billion.



## Contact PCS

For more information about PCS and to get started with U.S. and Canadian catastrophe data, please contact:



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