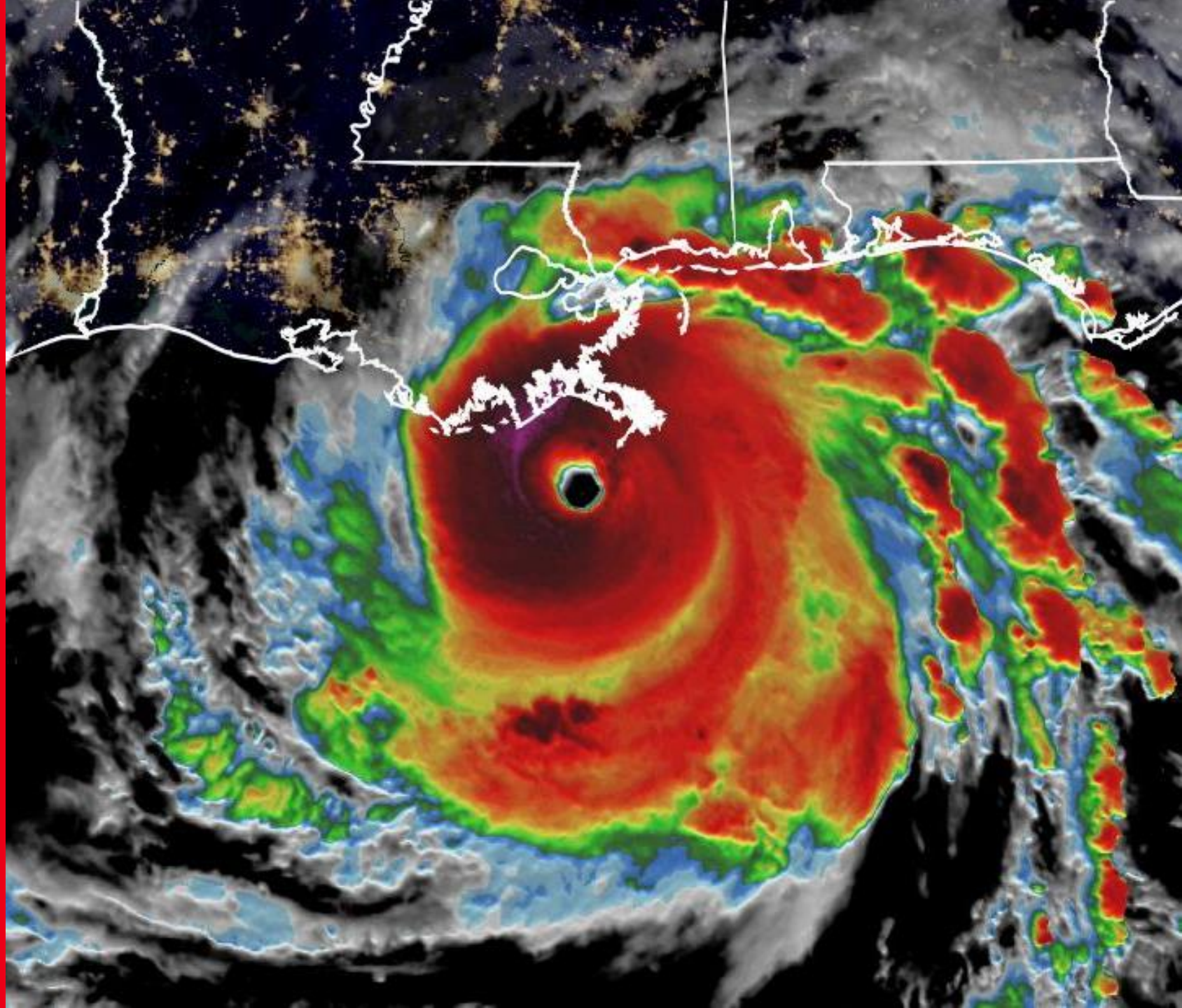


AON

2021 Cat Review

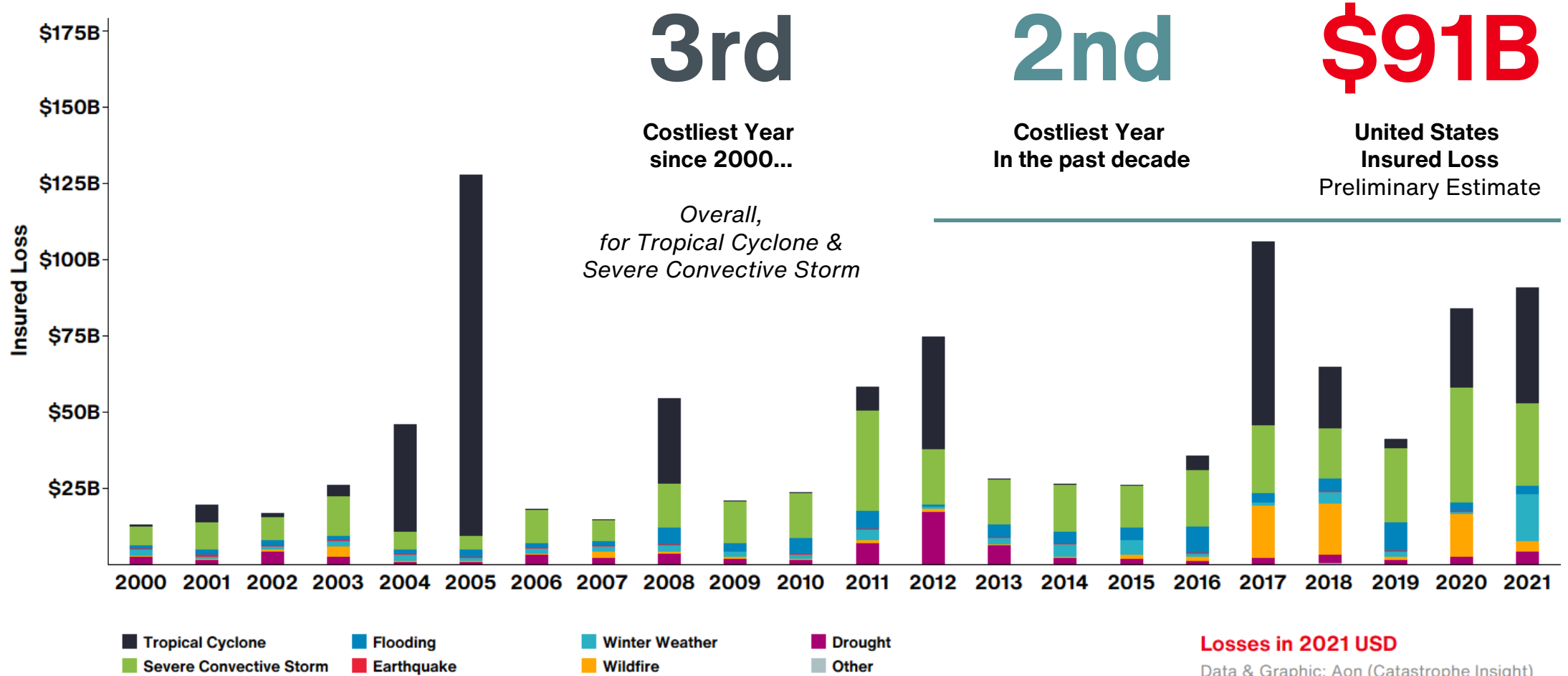
ISCM Coffee Talk

January 14, 2022

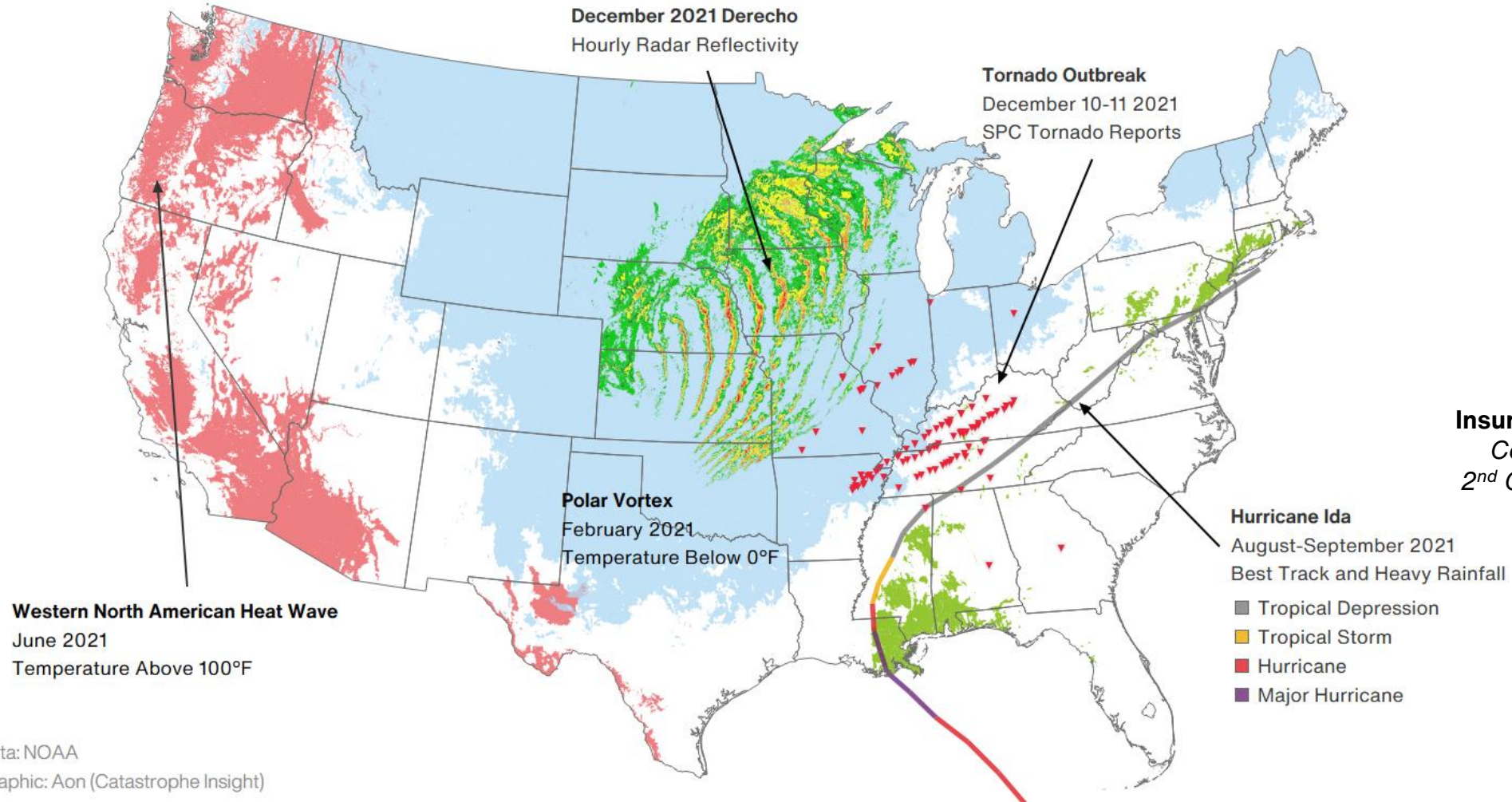


U.S. Insured Losses by Natural Peril

Losses in 2021 USD



Top U.S. Catastrophes of 2021



Data: NOAA
Graphic: Aon (Catastrophe Insight)

13

Billion-dollar
Insured Loss Events

\$36B

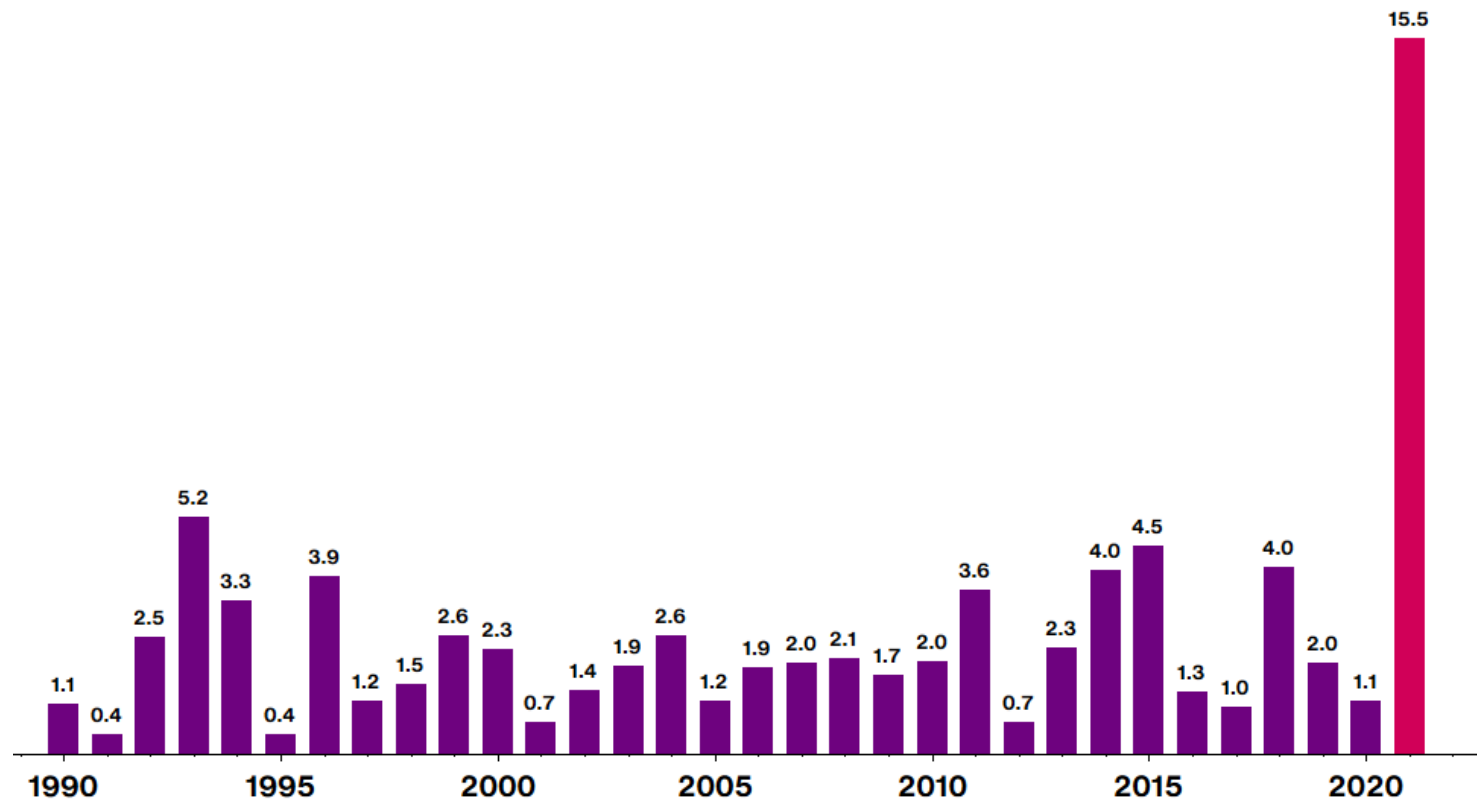
Insured Loss from Hurricane Ida
Costliest U.S. Cat of 2021
2nd Costliest TC in U.S. History

U.S. Winter Weather

Insured Losses in 2021 USD

U.S. Insured Loss: Winter Weather

1990-2021



U.S. Polar Vortex

February 2021

Costliest Winter Weather
Event on Record

\$24 billion
Economic Loss

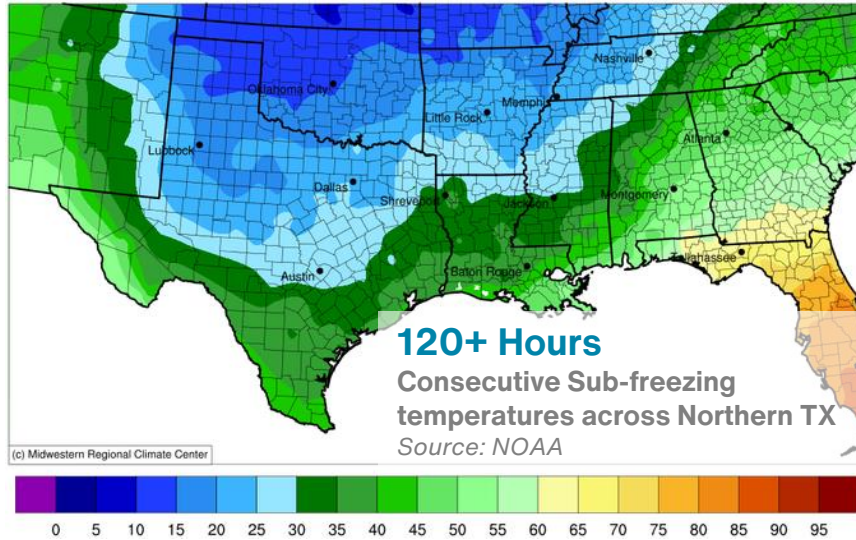
\$15 billion
Insured Loss

Losses in 2021 USD Bn
Data & Graphic: Aon (Catastrophe Insight)

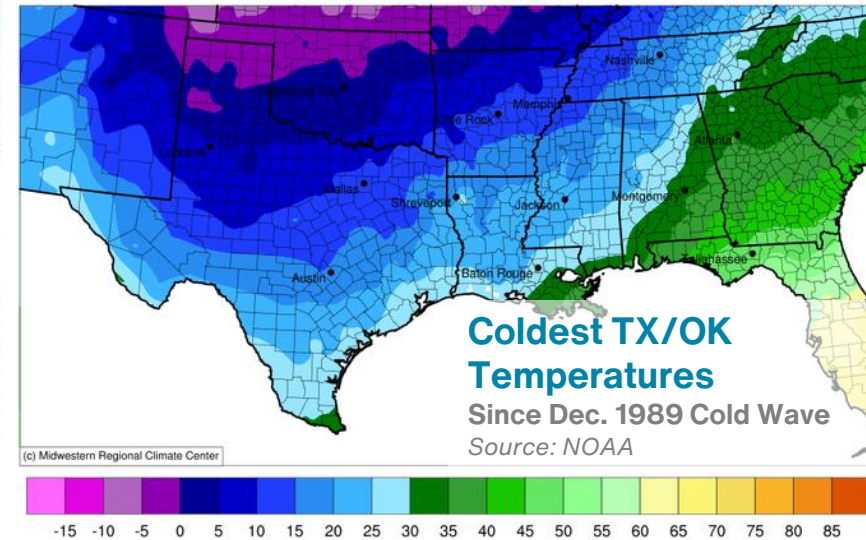
U.S. Polar Vortex Event – February 2021

Multiple storm systems impact the U.S.

Average Maximum Temperature (°F)
February 12, 2021 to February 18, 2021



Average Minimum Temperature (°F)
February 12, 2021 to February 18, 2021



4.4M+

Customers in Texas affected by power outages at peak

3,500+

Record Cold Day-time High Temperatures Set

2,000+

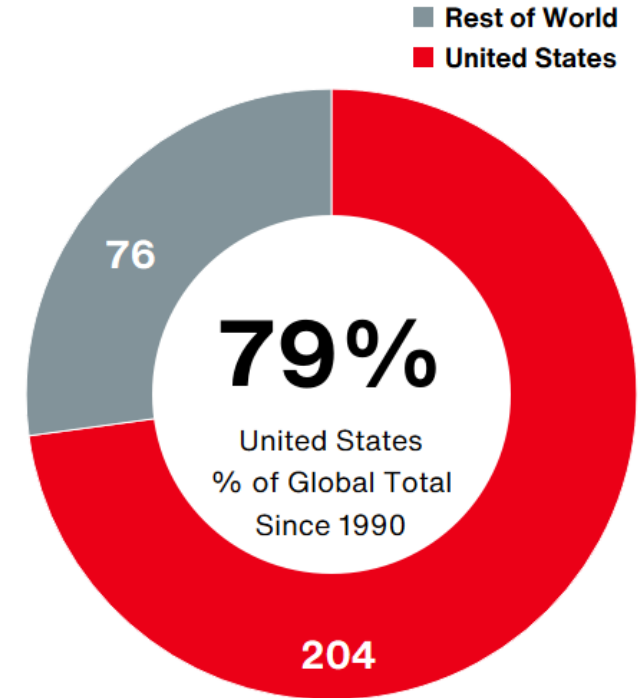
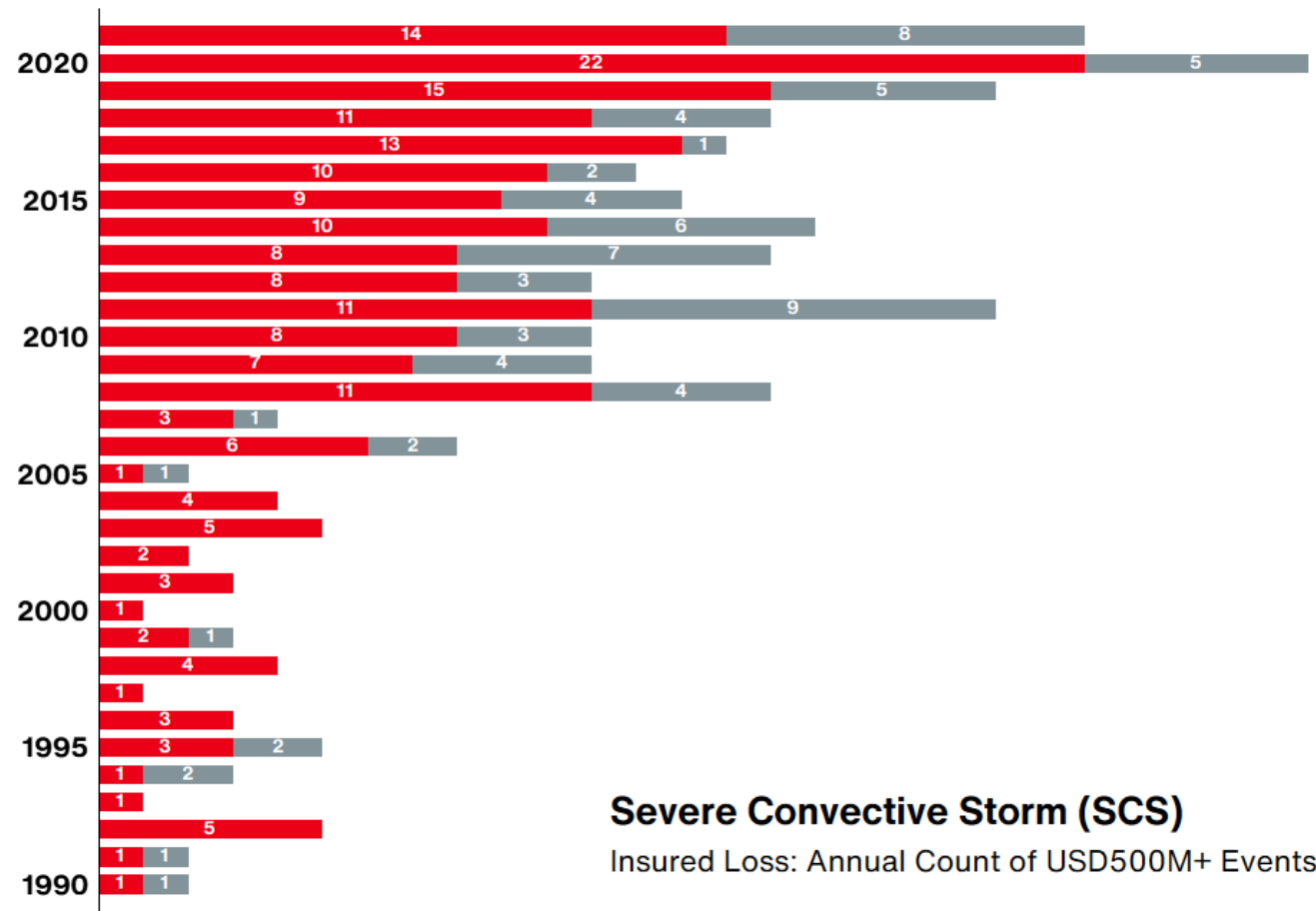
Record Cold Night-time Low Temperatures Set

\$3.7B

Previous record for costliest winter weather event in U.S. "Storm of the Century" – March 1993

Historical U.S. Severe Convective Storm (SCS) Activity

Economic Losses in 2021 USD



Losses in 2021 USD bn
Data & Graphic: Aon (Catastrophe Insight)

Off-Peak Activity Exacerbated Severe Thunderstorm Losses in 2021

Year-end tornado and derecho events (Dec 10-11; Dec 15) captured headlines

Hourly Radar Reflectivity

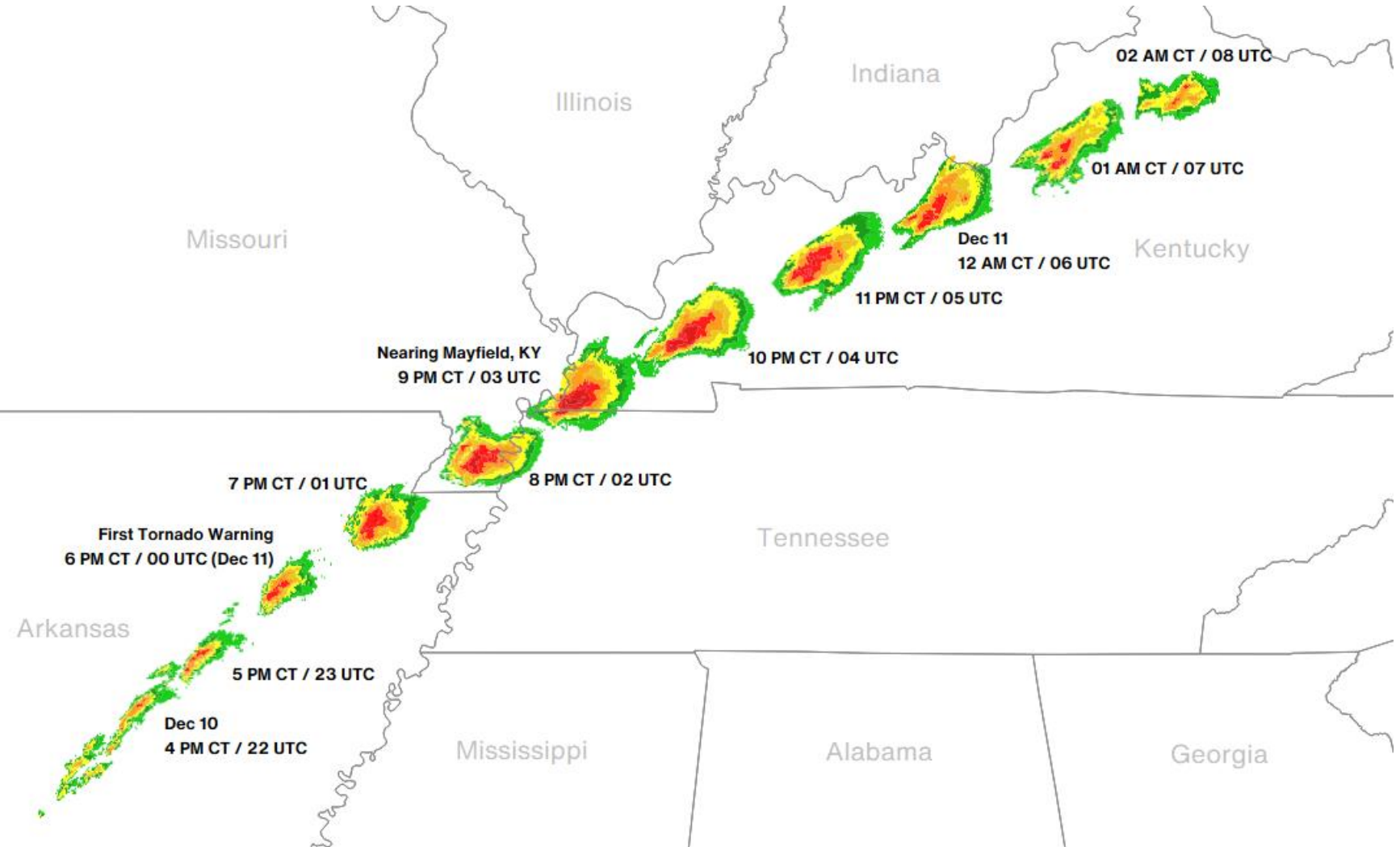
from 21:00 UTC December 10
to 8:00 UTC December 11

Supercell Factoids

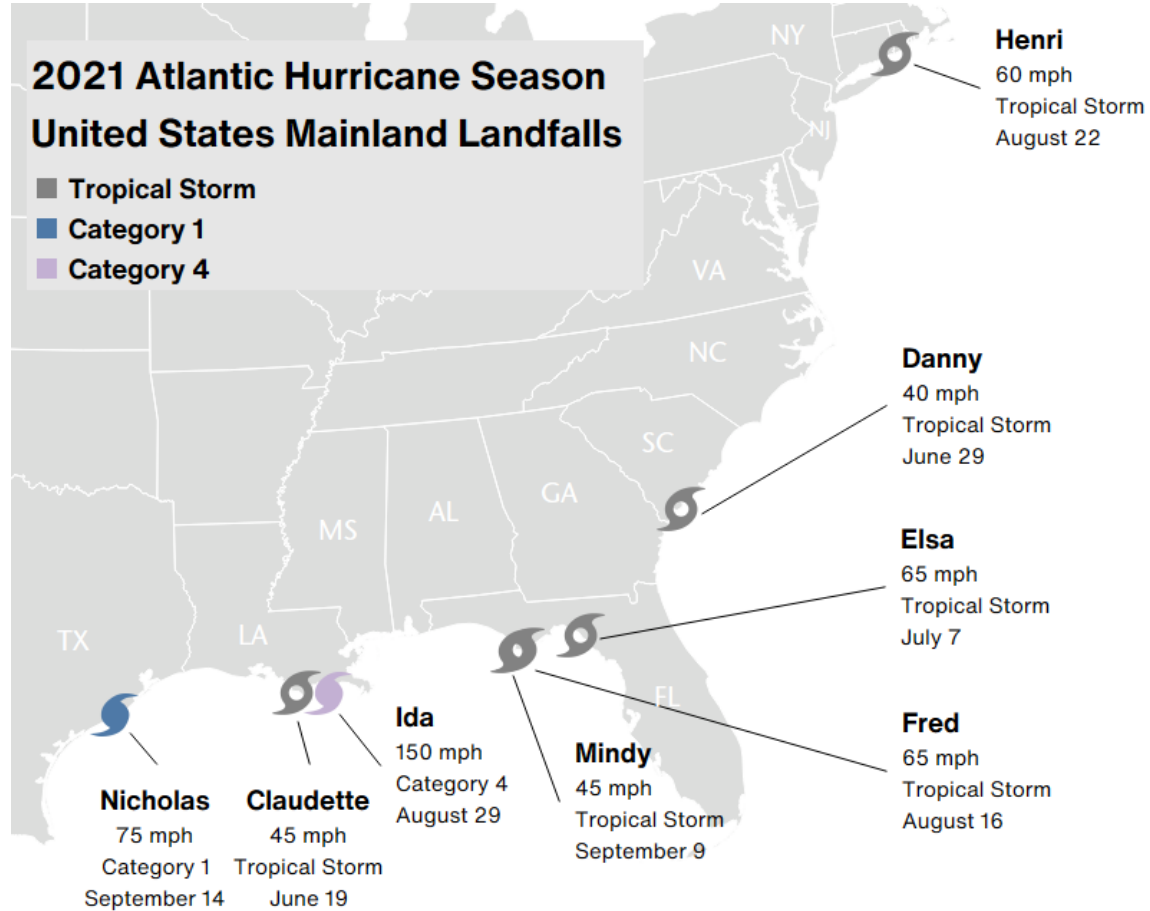
- Tracked for more than 600 miles (1,000 kilometers) across five states (AR, MO, TN, KY, OH)
- Active for more than 11 consecutive hours (3:30 PM CT Dec 10 to 2:40 AM CT Dec 11)
- At least six tornado emergency declarations issued
- Likely spawned one of the longest single-tornado paths ever recorded in world history (exact length TBD)

Data: NOAA

Graphic: Aon (Catastrophe Insight)



2021 North Atlantic Hurricane Season Summary



2021 Atlantic Hurricane Seasonal Stat Highlights

145

Accumulated
Cyclone Energy (ACE)
Satellite Era Rank: 14th

21

Named Storms
3rd Most on Record
4th Season w/ 20+ NS

13.75

Number of
Major Hurricane Days
Satellite Era Rank: 6th

\$80B

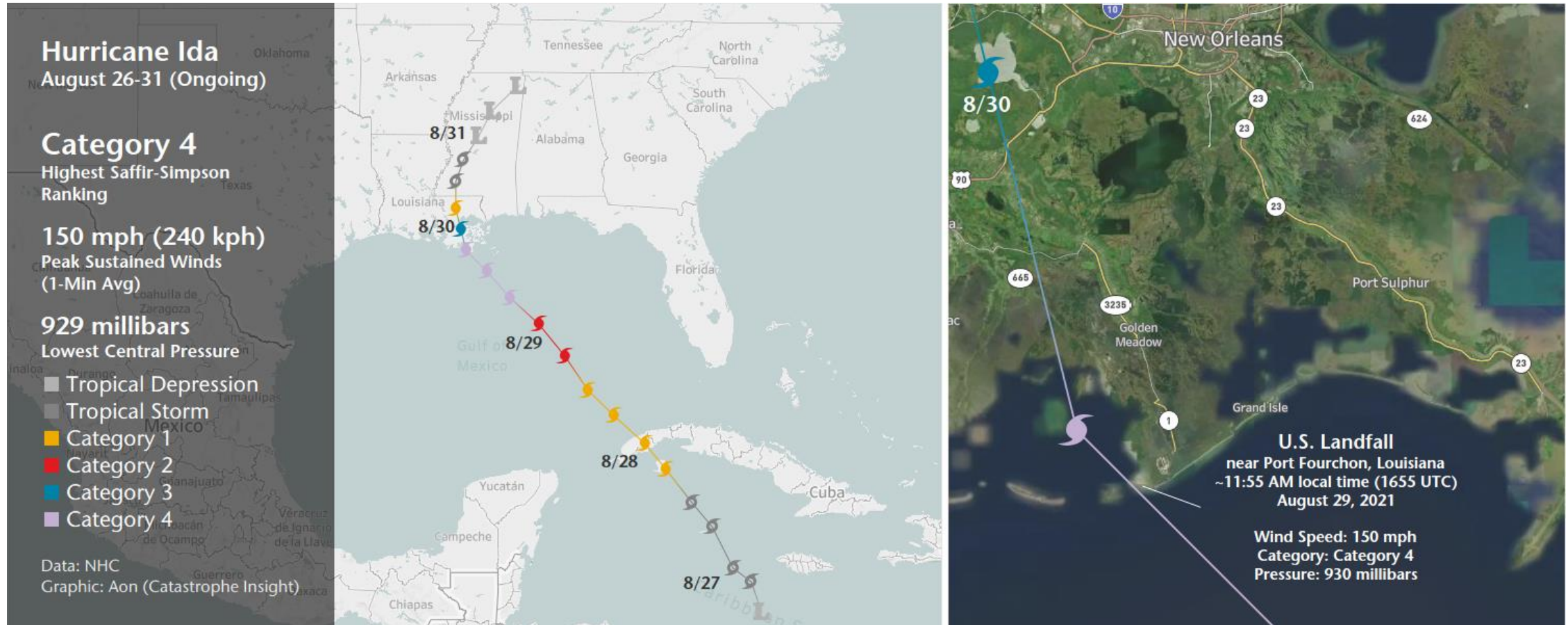
United States
Economic Loss
Preliminary Estimate

Satellite Era: 1965-Present (Highest Quality Data)

Data: NOAA & Aon
Graphic: Aon (Catastrophe Insight)

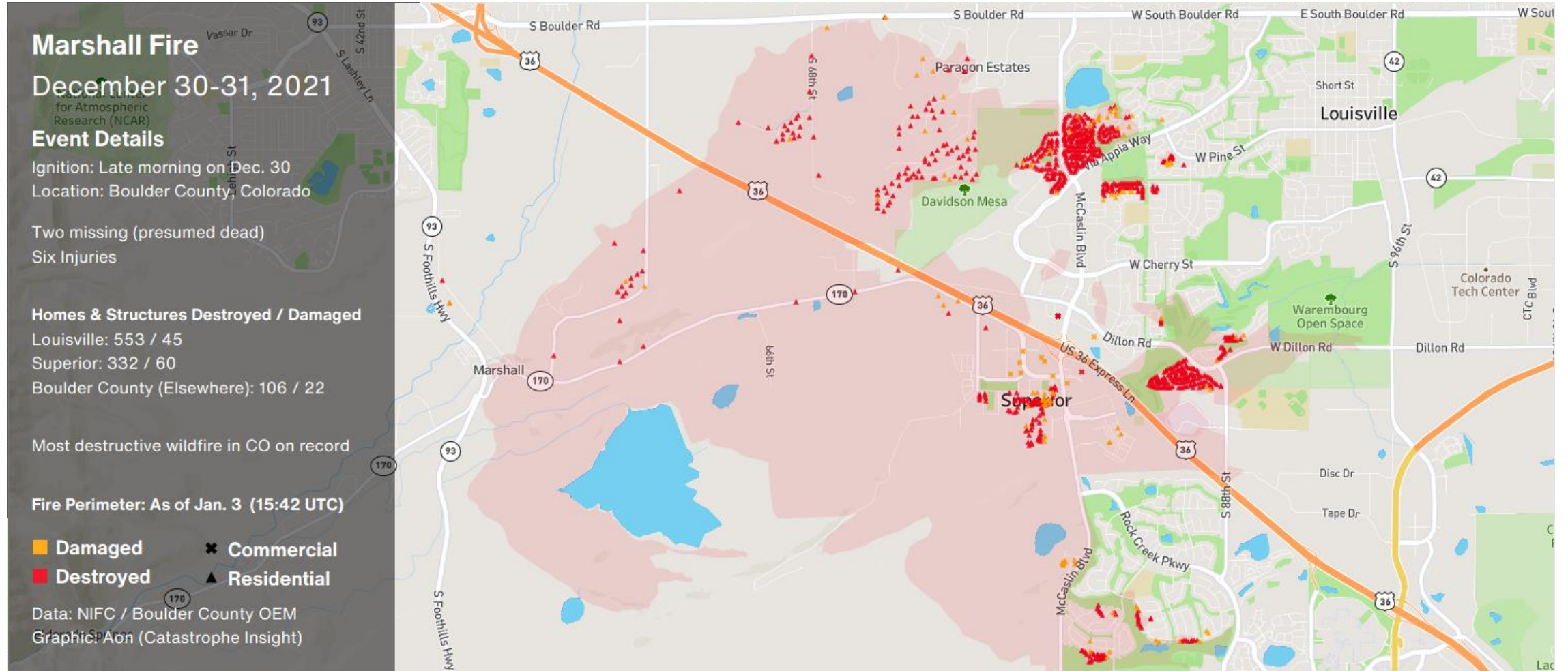
Major Hurricane Ida (2021)

First time in back-to-back years with 150mph (Cat 4) landfalls in single state



Marshall Fire (December 30-31, 2021)

Costliest wildfire in Colorado history



The Consumer Price Index inflation rate is currently at a 39-year high

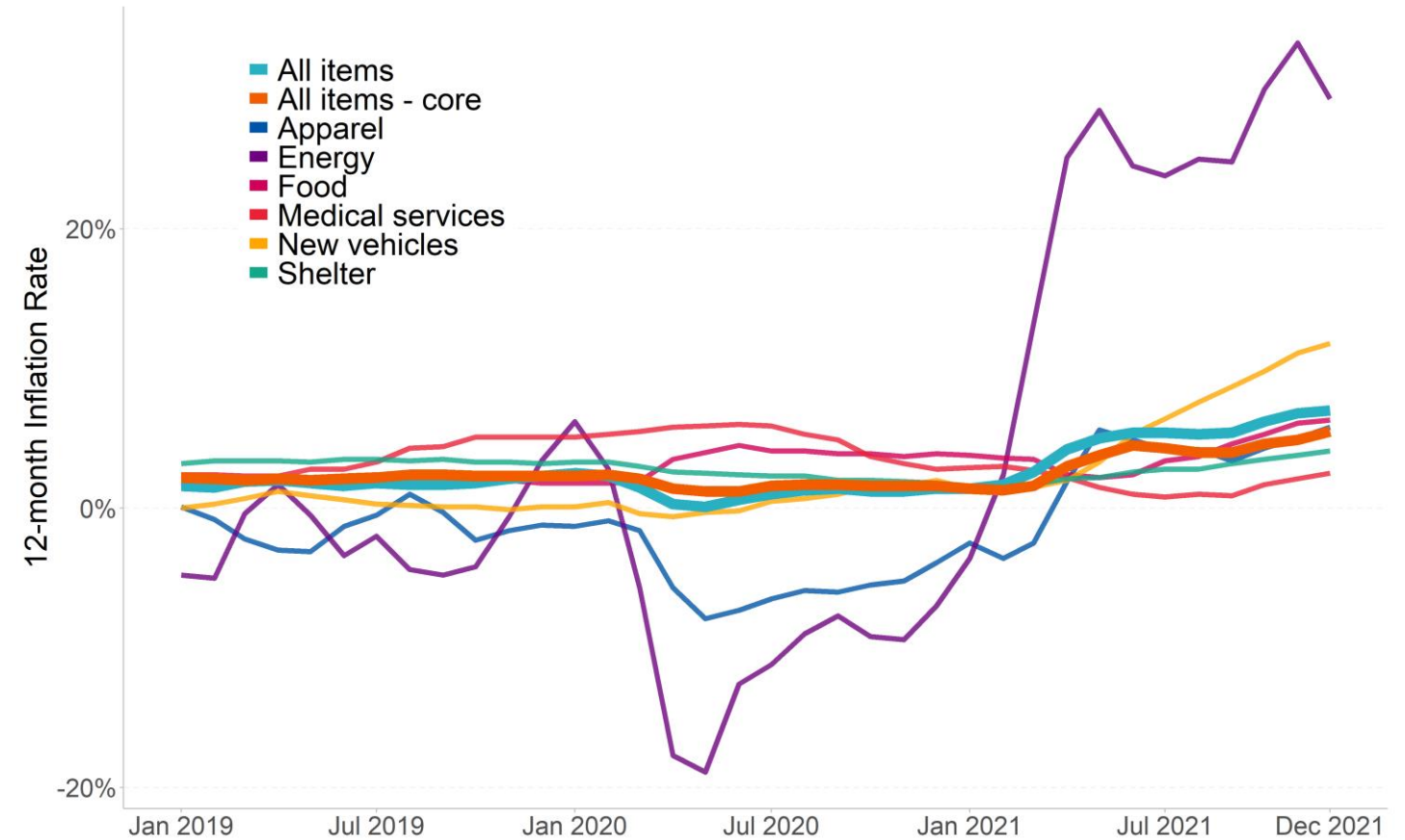
But broad average hides details in individual commodities and services



Core inflation excludes food and energy prices

CPI Component	Latest 12-month Inflation Rate
Apparel	5.8%
Energy	29.3%
Food	6.3%
Medical services	2.5%
New vehicles	11.8%
Shelter	4.1%

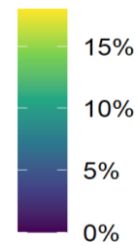
Year-over-Year Change in CPI and Individual Components



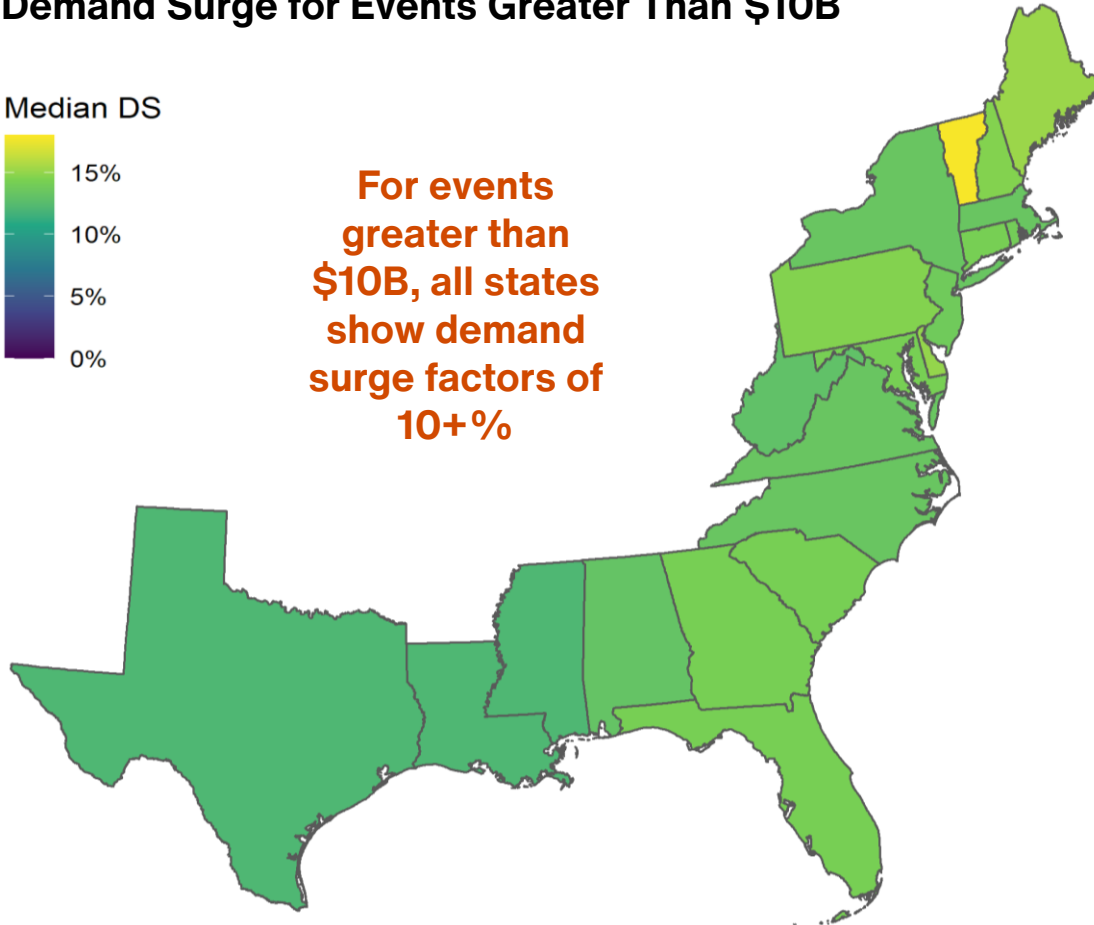
10+% demand surge factors are already accounted for in the models

Demand Surge for Events Greater Than \$10B

Median DS



For events greater than \$10B, all states show demand surge factors of 10+%



Modeled demand surge increases as the severity of the event increases

\$100B events have factors of 30+%

For small and medium sized events (\$1B+), median demand surge is between 5% and 10%

Important to note that demand surge is designed to capture the conditions that are currently driving higher prices

Supply shortages of critical materials and high demand are typical after large catastrophes

COVID has caused similar phenomena recently which has led to higher prices

Thank You!

Contacts

Dan Hartung, CCRMP

Managing Director

Reinsurance Solutions – Analytics

daniel.hartung@aon.com