

# News Release

Contacts:

**Missy DeAngelis**

Guy Carpenter

1.917.937.3118

[missy.deangelis@guycarp.com](mailto:missy.deangelis@guycarp.com)

**Jennifer Ainslie**

Guy Carpenter

44.207.357.2058

[jennifer.ainslie@guycarp.com](mailto:jennifer.ainslie@guycarp.com)

## **Guy Carpenter Cites El Niño and North Atlantic Oscillation as Key Climate Drivers in 2015**

*New Report Demonstrates Impact of Historic El Niño and North Atlantic Oscillation on Tropical Activity and European Windstorm Severity*

**New York, March 22, 2016** - Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), today reported that 2015 marked one of the strongest El Niño periods on record, while a positive phase of the North Atlantic Oscillation (NAO) was evident both at the beginning and close of the year.

According to Guy Carpenter's *Global Catastrophe Review – 2015*, although these prominent climate drivers were associated with an exceptional tropical season in the Pacific and severe windstorms and flooding in Europe, 2015 was a quiet year in terms of global insured losses, which totaled around USD 30.5 billion. Insured losses were below the 10-year and 5-year moving averages of around USD 49.7 billion and USD 62.6 billion, respectively. Last year also marked the lowest total insured catastrophe losses since 2009 and well below the USD 126 billion seen in 2011.

The most destructive and deadliest catastrophic event of 2015 came in the form of the powerful Mw 7.8 earthquake that struck Nepal in April. This event saw a tragic loss of life around 9,000 with millions more affected, including 500,000 people rendered homeless. The following September, a magnitude 8.3 earthquake struck near Illapel, Chile, causing estimated insured losses ranging from USD 600 million to USD 900 million.

### **El Niño's Impact on the Tropical Season**

Characterized by warm waters in the tropical east Pacific, the strong El Niño seen in 2015 was associated with record-setting tropical cyclone activity in the North Pacific basin, but relatively quiet activity in the North Atlantic. Heavy Pacific typhoon activity affected Mainland China, Japan, the Philippines and Taiwan, while Mexico saw landfall of Hurricane Patricia, the strongest hurricane observed in the Western Hemisphere. In total, the 2015 tropical season produced 27 major hurricanes, surpassing the previous record of 21 major hurricanes seen in 1992.

"The onset of such a strong El Niño significantly influenced the record-setting activity seen in the 2015 tropical season," said James Waller, PhD, Research Meteorologist for GC Analytics. "As with typical El Niño years, wind shear was elevated in the Atlantic basin and even reached record levels in 2015. The Tropical Atlantic basin saw 11 named storms in 2015, while the Tropical North Pacific basin saw the most active season in the historical record, surpassing the exceptional 1992 season."

### **North Atlantic Oscillation (NAO) Brings Strong Storm Activity**

According to Guy Carpenter, the positive NAO phase, such as observed in the 2014/2015 winter season, is often associated with increased storm transits and greater storm severity. This year proved to be no exception with windstorms Elon and Felix affecting Northern Europe in early January, while significant flood events affected Central Italy in early March.

## Guy Carpenter Cites El Niño and North Atlantic Oscillation as Key Climate Drivers in 2015

March 22, 2016

The most significant events were Storms Mike and Niklas at the end of March, which followed each other in close succession. Storm Mike caused downed trees and transportation disruption, with a reported gust of 151 kilometers per hour (92 mph). Storm Niklas brought high winds and heavy rains to much of Northern Europe, with a wind speed of 190 kilometers per hour (116 mph) observed at Germany's highest mountain. The storm also brought significant transportation disruption for air, rail and land. Guy Carpenter reports that Winter Storm Niklas produced estimated insured losses of USD 1.0 billion.

Beyond natural catastrophes in 2015, there were also significant man-made catastrophic events, including the Port of Tianjin explosions in August, with the Guy Carpenter CAT-VIEW<sup>SM</sup> post-event briefing estimating insured losses of between USD 1.6 and USD 3.3 billion. Significant events also affected the oil and aviation sectors, including the loss of the TransAsia flight over Taiwan and the downing of a Russian MetroJet over Egypt with 224 dead. The year of 2015 also saw the coordinated terror attacks in France which resulted in at least 130 fatalities.

The full briefing is available at [www.GCCapitalIdeas.com](http://www.GCCapitalIdeas.com).

### TAGS/KEYWORDS

Guy Carpenter, James Waller, natural catastrophe, El Niño, North Atlantic Oscillation, Hurricane, Windstorm, Flood

### About Guy Carpenter

Guy Carpenter & Company, LLC is a global leader in providing risk and reinsurance intermediary services. With over 50 offices worldwide, Guy Carpenter creates and executes reinsurance solutions and delivers capital market solutions\* for clients across the globe. The firm's full breadth of services includes line-of-business expertise in agriculture; aviation; casualty clash; construction and engineering; cyber solutions; excess and umbrella; excess and surplus lines; healthcare & life; marine and energy; mutual insurance companies; political risk and trade credit; professional liability; property; public sector; retrocessional reinsurance; surety; terrorism and workers compensation. GC Fac<sup>®</sup> is Guy Carpenter's dedicated global facultative reinsurance unit that provides placement strategies, timely market access and centralized management of facultative reinsurance solutions. In addition, GC Analytics<sup>®\*\*</sup> utilizes industry-leading quantitative skills and modelling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. For more information, visit [www.guycarp.com](http://www.guycarp.com) and follow Guy Carpenter on Twitter [@GuyCarpenter](https://twitter.com/GuyCarpenter).

[Guy Carpenter](http://www.guycarp.com) is a wholly owned subsidiary of [Marsh & McLennan Companies](http://www.marsh.com) (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy, and people. With annual revenue of \$13 billion and 60,000 colleagues worldwide, Marsh & McLennan Companies provides analysis, advice, and transactional capabilities to clients in more than 130 countries through: [Marsh](http://www.marsh.com), a leader in insurance broking and risk management; [Mercer](http://www.mercer.com), a leader in talent, health, retirement, and investment consulting; and [Oliver Wyman](http://www.oliverwyman.com), a leader in management consulting. Marsh & McLennan is committed to being a responsible corporate citizen and making a positive impact in the communities in which it operates. Visit [www.mmc.com](http://www.mmc.com) for more information.

\*Securities or investments, as applicable, are offered in the United States through GC Securities, a division of MMC Securities LLC, a US registered broker-dealer and member [FINRA/NFA/SIPC](http://www.finra.org). Main Office: 1166 Avenue of the Americas, New York, NY 10036. Phone: (212) 345-5000. Securities or investments, as applicable, are offered in the European Union by GC Securities, a division of MMC Securities (Europe) Ltd. (MMCSEL), which is authorized and regulated by the Financial Conduct Authority, main office 25 The North Colonnade, Canary Wharf, London E14 5HS. Reinsurance products are placed through qualified affiliates of Guy Carpenter & Company, LLC. MMC Securities LLC, MMC Securities (Europe) Ltd. and Guy Carpenter & Company, LLC are affiliates owned by Marsh & McLennan Companies. This communication is not intended as an offer to sell or a solicitation of any offer to buy any security, financial instrument, reinsurance or insurance product. \*\*GC Analytics is a registered mark with the U.S. Patent and Trademark Office.