

CAT Resource Center Event Report

April 2024 Gulf Floods—Update

Overview Updates—As of June 5, 2024

- While insurance claims and loss information are still developing in the market, Guy Carpenter has re-evaluated the insured loss estimates from the recent claims information, as well as the analysis of precipitation map layers being made available through the GC Advantage Point® platform.
- Based on Guy Carpenter’s analysis with information available as of May 30, 2024, Guy Carpenter estimates total insured losses arising from this event to exceed USD 1.6 billion and could reach as high as USD 2.4 billion for the UAE, of which Motor represents ~10%.
- Given the relatively low insurance penetration rate in the UAE, the economic loss is likely to be much higher.
- JBA, global leader in flood risk management, conducted an Extreme Value Analysis on rainfall data to estimate the return period of the event. On that basis, the observed daily rainfall of 168 mm in Dubai coast on April 16 suggests a 125-year rainfall event for Dubai City, while in the east of the UAE (Kalba), the 240 mm of rainfall suggests a 365-year event in that area. The 24-hour accumulated rainfall was lower in Oman, with 90 mm of rainfall observed in Al Mudhaibi, suggesting an 85-year rainfall event.¹

Given the increased frequency and severity of floods observed in the region, Guy Carpenter’s Peril and Model Advisory team is developing Guy Carpenter’s own proprietary model GCAT Flood for the MENA region, planned to be released very soon.

GC Catastrophe Peril & Model Advisory teams provide peril insights, model evaluation, model development and help clients formulate and validate their view of risk.

If you would like more information on a specific region or are interested in what new models are on the development plan, if you need help to understand if the latest (or any historical) event would affect your policies, or to understand the latest updates in risk scores and climate change, or if you need help to define your own view of risk, please reach out to one of our GC regional team members.

References

¹ JBA: <https://www.jbarisk.com/products-services/event-response/dubai-floods-april-2024/>

For further details about the event and its impact on the insurance market, please refer to the initial report: Guy Carpenter, CAT Resource Center Event Report Gulf Floods – April 2024

<https://www.guycarp.com/insights/2024/04/Gulf-Floods-April-2024.html>

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About Guy Carpenter

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