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Damage from wildfires in Europe jumps 75% in a year with 800,000 hectares burnt

- **Climate change severely heightening risk of wildfire destruction of property**
- **Modelling for European wildfire risk lags behind US and Canada**

Damage from large* wildfires in Europe has jumped dramatically, with a 75% increase in the amount of land burnt in the latest year, shows analysis by Chaucer, the global specialty (re)insurance group.

In 2020, 787,130 hectares of land were burnt across 35 European countries, up from 450,250 hectares in 2019.

Chaucer says whilst much attention has been paid to the impact of climate change on wildfires in North America, European wildfires have also been increasing in frequency and severity as a result of climate change and urbanization. Higher temperatures have increased the risk of fires starting on the continent, whilst drought-like conditions from dry soil are also making it easier for wildfires to spread rapidly.

The abandonment of traditional agriculture in Mediterranean countries has contributed to a build-up of vegetation, resulting in increased size and severity of fires. As Europe is a densely-populated continent, the potential for material losses to property are considerable.

Chaucer says the fact that forest management practices have not kept up with evolving trends has made efforts to suppress wildfires considerably less effective, leading to more damage being caused.

Modelling for wildfire risk in Europe lags behind United States and Canada

Chaucer says modelling capabilities of wildfire risk in Southern Europe are less advanced when compared to the US and Canada. As a result, (re)insurance companies are having to rely on internal methods for assessing risk rather than probabilistic hazard models. Although the industry has started to see some broker-led initiatives and solutions.

As wildfires have only recently been considered a material peril, the modelling used to predict behaviour is not as developed as that of other natural catastrophes, such as hurricanes.

The high number of variables that influence wildfire behaviour, such as weather patterns, fuel, property characteristics, topography (orientation towards the sun and land gradient, for example), also make patterns difficult to predict.

The countries which saw the largest increases in amount of land burnt in the past year include Bosnia & Herzegovina (246%); Croatia (130%); Italy (36%) and Greece (34%). A single fire in Bosnia and Herzegovina resulted in over 8,000 hectares being burnt.

Ellen Gyandzhuntseva, Head of Exposure Management at Chaucer says: “The significant increase in land destroyed by wildfires is creating a challenge for the industry.”

“Climate change and shifting demographic patterns are making wildfires more dangerous. Until modelling becomes more sophisticated, and the risk is better understood, wildfire risk in Europe will be difficult to adequately price.”

Ellen Gyandzhuntseva says: “Wildfires have only become a major priority as a peril relatively recently. However, given the increase in frequency and severity, losses are beginning to mount. We have already seen some (re)insurers begin to limit their exposure as a result.”

*** Over 30 hectares, Source: JRC Technical Report**

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About Chaucer

Chaucer are a leading specialty (re)insurance group working with brokers, coverholders and clients to protect and support business activities around the world. Our services are accessed both through Lloyd's of London and the company markets.

We are defined by an enterprising, bespoke approach to (re)insurance, enabled by the individual character, experience and imagination of our expert teams.

Chaucer is a member of the China Re Group and backed by their financial and operational resources. China Re is one of the world's largest reinsurance companies whose outstanding and comprehensive strength is rated A (excellent) by AM Best and A (strong) by S&P Global Rating.

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