



Earth



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Years

WE BELIEVE

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Firefighter Trying to Control Wildfire in Montana, USA

Source: *National Geographic*

RISKS DUE TO WILDFIRES

Wildfires are blazes that are uncontrolled and fueled by different types of weather, dry underbrush, and wind, which burn land by the acres and take over everything in their paths, in just a few minutes.

Sometimes, these wildfires are so large that it takes a long time for the firefighting crews to gain control over the situation. This could result in massive destruction. Wildfires generally occur in areas with dry conditions, strong winds, and droughts. Sometimes, they are man-made and spread to forest area.

Countries like Australia - where wildfire is known as “Bushfire” and California, USA - are some areas which experience more risks than other countries do.

In Australia, Bushfires and grassfires are common. Grassfires are fast moving, passing in five to ten seconds and smouldering for minutes. They have a low to medium intensity and primarily damage crops, livestock and farming infrastructure, such as fences. Bushfires are generally slower moving, but have a higher heat output. This means they pass in two to five minutes, but they can smoulder for days. Fire in the crown of the tree canopy can move rapidly.

Indigenous Australians have long used fire as a land management tool and it continues to be used to clear land for agricultural purposes and to protect properties from intense, uncontrolled fires.

Historically, bushfires have caused loss of life and significant damage to property. While naturally occurring bushfires cannot be averted, their consequences can be minimized by implementing mitigation strategies and reducing the potential impact to areas which are most vulnerable.

Causes of Wildfire

Three conditions must be present for a wildfire to burn. This is also considered a Fire Triangle: Fuel, oxygen, and a heat source. Reasons of wildfire are as below.

Human Activities

90% of the wildfires in the U.S. are caused by people. Below man-made activities can cause wildfire:

- Burning Debris
- Unattended Campfires
- Equipment Failure or Engine Spark
- Cigarettes
- Fireworks
- Arson (Setting something to fire intentionally)

Natural Events

Lightening or volcanic eruptions sometimes cause wildfires. Scientists have found that every degree of global warming sets off a 12 percent bump in lightning activity. Since 1975, the number of fires ignited by lightning has increased between two and five percent.

Droughts or prolonged dry weather conditions coupled with strong winds may further worsen the situation.

Effects of Wildfires

In populated regions, wildfires pose a risk to lives and infrastructure and significant losses can occur. Losses are particularly severe where fires affect large areas and are of high severity.

- Loss of homes, wildlife, and vegetation
- Soil lose its nutrients thus reducing future crop yield
- Air pollution
- Loss of jobs
- Health Problems
- Higher insurance cost



An aerial view of homes burned by wildfire in the Coffey Park neighborhood of Santa Rosa, Calif., Oct. 10, 2017

Source: New York Times



The main building at Paras Vineyards burns in the Mount Veeder area of Napa in California Oct. 10, 2017.

Source: National Geographic

North America and Australia have significant levels of insurance penetration. Therefore, the potential increases in fire activity can be expected to have some implications for the insurance industry, especially for property and, to some extent, liability lines.

Table below shows economic and insured loss due to some recent wildfires.

Date	Country	Event	Economic Loss (US\$)	Insured Loss (US\$)
October 8-20, 2017	USA	Three separate events in California	10.5 billion	8.0 billion (Preliminary)
Feb12-18, 2017	Australia	New South Wales bushfires	NA	25.67 million
November 28-30, 2016	USA	Man-made fire spread to forest due to dry conditions	1.2 billion	600 million - 1 billion
November 22-27, 2016	Israel	Wildfire, urban fire	520 million	NA
August 8-13, 2016	Portugal	Wildfire	166 million	NA
July 22 - 26, 2016	California, United States	Wildfire	NA	25 - 100 million
May 2- 9, 2016	Canada	Fort McMurray wildfires	3.95 billion	2.78 billion
Jan 6- 12, 2016	Australia	Bushfires	NA	52 million
Jan 1- 19, 2016	Cyprus	Drought, wildfires	191 million	NA
December 25- 26, 2015	Australia	Great Ocean Road Bushfire	73 million	63 million
November 25- 28, 2015	Australia	Bushfires	146 million	124 million
November 12- 15, 2015	Australia	Bushfires	109 million	12 million
September 9 -14, 2015	USA	Wildfires in California	400 million	300 million
April 12- 15, 2015	Russia	Wild fires in Khakassia	123 million	NA
Jan 2- 8, 2015	Australia	Bushfires(Adelaide Hills)	51 million	45 million
July 31 - Aug 25, 2014	Sweden	Wildfires	100 million	30 million
April 12-16, 2014	Chile	Wildfires	34 million	NA
October 17 - 27, 2013	New South Wales, Australia	Bushfires	268 million	164 million
June 11- 16, 2013	Colorado, USA	Black Forest Fires	500 million	300 million
Jan 4 - 10, 2013	Tasmania, Australia	Wildfires	98 million	80 million
June 24 - 28, 2012	Colorado, USA	Canyon Fire	600 million	300-600 million
January 1- 6, 2012	Chile	Wildfires	200 million	15 million
November 23 - 24, 2011	Australia	Bushfires	54 billion	NA
September 4 - 9, 2011	Texas, USA	Wildfires	1 billion	300-600 million
June 9 - 30, 2011	Texas, USA	Wildfires	183 million	NA
May 29 -June 23, 2011	Arizona, New Mexico, Texas, and Florida	Wildfires	200 million	NA

Date	Country	Event	Economic Loss (US\$)	Insured Loss (US\$)
May 14- 17, 2011	Alberta, Canada	Wild fires	NA	687 million
December 2-5 , 2010	Israel	Wildfires	56 million	10 million
July 1 - August 18, 2010	Russia	Wildfires	15 billion	NA
July 20 - 27, 2009	Sardinia, Italy	Wildfires	115 million	NA
July 18 - August 5, 2009	Canada	Wildfires	NA	110 million
May 5 -11, 2009	California, USA	Urban Forest Fires	NA	100 million
Feb 7- 14, 2009	Australia	Victoria Bushfires	1.30 billion	1.08 billion
November 13-24, 2008	California, USA	Wildfires	800 million	500 million
November 24 - 27, 2007	California, USA	Wildfires	315 million	NA
October 21- 24, 2007	California, USA	Wildfires	2 billion	1 billion plus
August 23 - 30, 2007	Greece	Wildfires	1.75 billion	
June 24 - July 2, 2007	California, USA	Wildfires	NA	150 million
Jan 8-9, 2007	California, USA	Wildfires	NA	60 million
June 20 - August 26, 2005	Portugal, Spain, and France	Wildfires	2.12 billion	NA
Jan 10- 14, 2005	Australia	Bushfires	37 million	20 million



A helicopter drops water over a wildfire spreading through the hills in Yatova, Spain in 2012 | *Source: AFP*

Source: *Geoscience Australia, ICA, Lloyds, Munich Re, National Geographic, PCS, and Swiss Re*

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