

26 November 2019

Twelve Capital Event Update – Earthquake in Albania

This morning an earthquake of the magnitude scale M_w 6.4 occurred on the west coast of Albania. According to the European-Mediterranean Seismological Centre (“EMSC”) the epicentre was located 30km west of the capital Tirana at a depth of 10km.

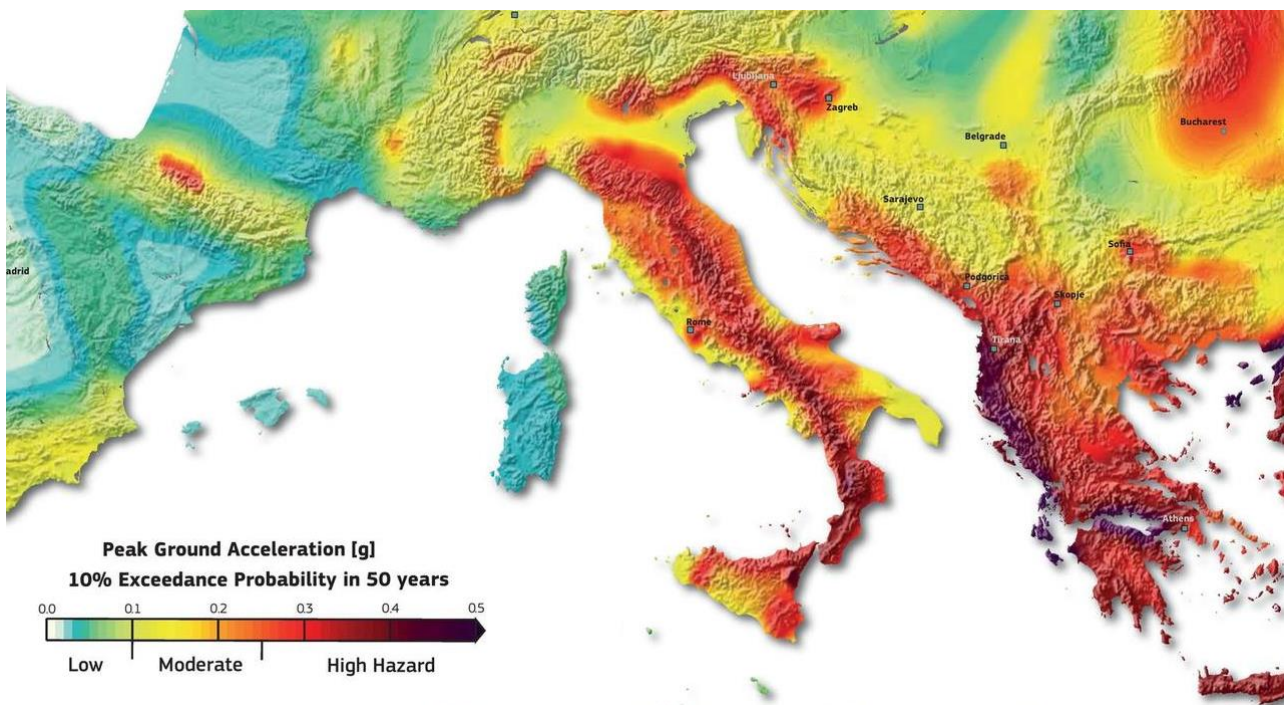
Initial reports indicate substantial damage to buildings and structures. Various news portals also report injured people requiring medical assistance. At the time of writing four fatalities have been reported.

The impact of this earthquake was also felt in various neighbouring countries of Albania, such as Italy, Monte Negro and Greece.

While it is far too early to estimate the economic damage and related impact on the insurance market, Twelve Capital does not expect this event to have an impact on any of its Cat Bond or ILS portfolios.

Albania belongs to the high hazard areas in Europe with a 10% probability in 50 years to experience an event, with an acceleration of 30 to 50% of peak ground acceleration. This is largely due to the complex active faults in the Euro-Mediterranean seismic region, see map below.

The last strong earthquake in Albania occurred on 9 January 1988 with a magnitude scale M_w 5.4.



Source: European Seismic hazard map, D.Giardini et al, ETHZ, European commission

As usual, Twelve Capital will be monitoring the situation over the forth-coming days and will issue a more detailed update with an impact estimate should that become relevant.

Please feel free to contact us with any questions.

With compliments,

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