

Twelve Capital Event Update – Greece Wildfires

Widespread wildfires broke out across Greece on 23 July with news outlets reporting significant damage. Local authorities estimate that more than 2,500 homes have been destroyed with approximately 4,000 suffering significant damage. The latest reports suggest more than 80 fatalities with a further 180 people injured.

The wildfires are reported to have started near the towns of Kineta, in the east, and close to the port of Rafina, in the west, although the cause of the outbreak is still unclear. The current heatwave and dry conditions may have increased the potential of wildfire risk. High winds of up to 60mph contributed to the fires rapid growth.

Even though reported damage is widespread, initial loss estimates suffered by the insurance industry are expected to be low, especially given the anticipated low levels of insurance penetration. The risk to insurance linked securities is expected to be negligible. This is in contrast to Californian wildfire risk where the insurance penetration is significant enough to cause a potential loss to ILS portfolios, as highlighted by the launch of the industry's first wildfire only catastrophe bond (Phoenix Re Ltd Series 2018-1) earlier this month.

Figure 1: Wildfire locations in Greece



Source: NASA <https://www.nasa.gov/image-feature/goddard/2018/athens-greece-surrounded-by-two-huge-deadly-wildfires>.

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About Twelve Capital

Twelve Capital is an independent investment manager specialising in insurance investments for institutional clients. It is also a leading provider of capital to the insurance and reinsurance industry.

Twelve's investment expertise covers the entire insurance balance sheet, including Insurance Bonds, Insurance Private Debt, Catastrophe Bonds, Private Insurance-Linked Securities and Insurance Equity. It also composes portfolios of its Best Ideas. Its capital solutions are drawing the world of insurance and reinsurance into a closer, more productive relationship with capital markets.

The firm was founded in October 2010 and is majority-owned by its employees. It has offices in Zurich, London and New York.

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