



43 VICTORIA STREET  
HAMILTON 12  
BERMUDA

PHONE: (441) 295-5278  
FAX: (441) 292-7471  
EMAIL: [enquiries@bma.bm](mailto:enquiries@bma.bm)

## PRESS RELEASE

**For Release: Thursday, 1 May 2025**

### **Bermuda (Re)insurers Expect to Pay a Significant Portion of the California Wildfire Losses**

HAMILTON, BERMUDA – Bermuda (re)insurers estimate that they will incur gross claim losses of almost US\$10 billion in payments to policyholders and cedants in the United States (US) to cover the damaging effects of the January 2025 wildfires in Southern California, the costliest wildfire disaster in US history. Intensified by hurricane-force winds and drought conditions, the wildfires burned vast acres of land and caused catastrophic damage to property and loss of human life. The fatalities and property damage from two of the largest fires, the Eaton Fire in Altadena and the Palisades Fire in Pacific Palisades, rank them as the most expensive in US history.<sup>1</sup> This loss estimate is based on commercial insurers' market claims data collected by the Bermuda Monetary Authority (Authority or BMA) in March 2025.<sup>2</sup>

Based on publicly available estimates from catastrophe risk modellers and insurance industry analysts, the economic losses from the California wildfires are estimated at US\$250 billion to US\$275 billion, with industry-insured losses estimated to be at least US\$30 billion.<sup>3</sup> Consequently, Bermuda (re)insurers may incur up to 30% of the insured losses. The industry loss estimate includes property damage, evacuation, business interruption and additional living expenses across residential, commercial and industrial lines. It also considers reconstruction costs after the wildfires, including cleanup, permit fees, code improvements, and potential law and ordinance expenses.

Craig Swan, Chief Executive Officer of the BMA, said, "The survey results demonstrate Bermuda's crucial role in supplying risk capacity to the US and other regions prone to catastrophes. The ability of US insurers to cede risk to Bermuda enables diversification of risk globally and helps stabilise insurance costs for customers residing in catastrophe danger zones. Nevertheless, the significant disparity between the economic and insured losses remains

<sup>1</sup> (i) [Insured losses due to California wildfires to exceed \\$30 billion -- report | Insurance Business America](#); (ii) [New Report Finds Total Damage, Economic Losses From The L.A. Wildfires approximately \\$275 Billion – California Globe](#)

<sup>2</sup> The data does not include exposure to California Wildfire losses covered by the majority of insurers in Bermuda's Insurance-Linked Securities (ILS) sector. Including losses covered by this sector in the data would result in even larger estimates of incurred gross losses and claims paid.

<sup>3</sup> (i) [New Report Finds Total Damage, Economic Losses From The L.A. Wildfires approximately \\$275 Billion – California Globe](#); (ii) [Moody's RMS Event Response estimates insured losses to date for the January 2025 Los Angeles Firestorm will likely range between US\\$20 billion and US\\$30 billion](#)

a societal concern, underscoring the need for stronger public-private partnerships and increased collaboration among regulators, insurers and other stakeholders to address the protection gap.

Bermuda has a proven track record of standing by US policyholders when catastrophes occur, with the island's (re)insurers paying significant portions of insured losses for the costliest weather events in recent history. For example, Bermuda (re)insurers estimate that they incurred industry insured losses from the following hurricanes up to:

- 30% (US\$31 billion) of Hurricanes Harvey, Irma and Maria in the 2017 record-setting hurricane season
- 30% (US\$6 billion) of Hurricane Ida and 20% (US\$3 billion) of the Texas Winter Storm Uri in 2021
- 25% (US\$13 billion) of Hurricane Ian in 2022
- 20% (US\$2 billion) of Hurricane Helene and 15% (US\$4 billion) of Hurricane Milton in 2024

Gerald Gakundi, Deputy Managing Director, Supervision (Insurance), added, "The difficult task of rebuilding after destruction at the scale of the California Wildfires continues despite numerous obstacles. During such challenging times, which have devastated lives and destroyed communities, the ability of Bermuda (re)insurers to respond quickly in settling claims supports the essential rebuilding efforts."

This information comes from the BMA's US Data Claims Survey completed in March 2025. The loss information includes direct insurance and reinsurance, with 119 (re)insurance companies responding to the survey. "The Authority is grateful to the companies who participated in the survey," Mr. Gakundi said.

**Media Contact: Marianne Suschak-Matvey, Director, Communications and Public Relations; Direct line: (441) 278-0642; Cellular: (441)704-4117; E-mail: [msmatvey@bma.bm](mailto:msmatvey@bma.bm)**

**-END-**