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Los Angeles Wildfires Drive $135B Disaster Losses in 2025

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ZURICH, Switzerland – Global natural disasters caused an estimated $135 billion in economic losses during the first half of 2025, according to data released Wednesday by Swiss Re, one of the world's leading reinsurance companies. The figure marks a rise from $123 billion recorded over the same period in 2024.

Swiss Re identified the wildfires in the Los Angeles region as one of the most significant contributors to these financial losses. The reinsurer reported that insured losses reached $80 billion, a figure that nearly doubles the 10-year average for the same time frame, adjusted to 2025 prices.

While the company did not break down specific losses per country, the U.S. continues to be a central focus due to the increasing frequency and severity of natural catastrophes. The California wildfires are particularly concerning due to their human impact and economic disruption.

Swiss Re's chief group economist, Jérôme Haegeli, said that the rising losses underscore a growing risk exposure, calling for urgent attention to the resilience of infrastructure and insurance coverage. "As we see stronger weather-related disasters, the role of insurance in supporting recovery becomes even more critical," Haegeli noted.

The $135 billion figure includes not only wildfires but also other extreme events, such as floods and storms across Asia, Europe, and North America. However, the California wildfires stood out both for their financial damage and the displacement of thousands of residents.

In the U.S., these wildfires have intensified public discussions about housing insecurity, emergency response, and rebuilding efforts. Human rights advocates have raised concerns over the impact on low-income communities, especially those without access to full insurance coverage or evacuation support. The scale of the disaster has highlighted longstanding vulnerabilities in public safety systems and urban planning.

Swiss Re's report comes at a time when insurance firms are reassessing their exposure to climate-related risks. The company stressed that higher insured losses reflect increased coverage in high-risk areas, not necessarily improved resilience.

Although the report did not directly address governmental responses, it is expected that disaster relief funding and insurance regulations in the U.S. will face renewed scrutiny in the coming months.

As natural disasters continue to rise in both frequency and severity, the financial and humanitarian implications remain a pressing concern. The 2025 midyear losses serve as another reminder of the need for robust disaster planning and equitable support for vulnerable populations affected by such events.