



Aon: New weather and climate insights report finds New Zealand sees possible transition from La Niña to El Niño in winter 2023

AUCKLAND, 15 June 2023 - [Aon plc](#) (NYSE: AON), a leading global professional services firm, today released its 2023 Weather, Climate and Catastrophe Report: Asia Pacific Insights, which identifies natural disaster and climate trends in the region, with an outlook for weather trends in New Zealand for 2023.

2023 has already seen record-breaking insured losses from weather perils in New Zealand, with far more significant losses compared to 2022.

After an extended period of pervasive La Niña and high catastrophe (CAT) losses, there is now there is an 80 per cent chance - more than twice the normal likelihood - that El Niño will begin to form by August in New Zealand.

If El Niño arrives as expected in winter, Aon predicts there may be more southerly winds, causing colder temperatures across the country, and an increased likelihood of high fire-danger weather days. El Niño is also associated with lower-than-average rainfall and therefore brings with it concerns about water availability and drought.

2023 is already the second-highest insured loss year on record in New Zealand behind 2011, when the Canterbury earthquakes occurred. The Auckland “Anniversary Day” storm and ex-tropical cyclone Gabrielle so far in 2023 are expected to generate total insured losses of more than NZD 2 billion each, with both events far surpassing the previous highest weather-related insured loss event on record, which was the 2019 Timaru hailstorm at [approximately] NZD 171 million.

Like in Australia, 2022 was also an above-average loss year for New Zealand, driven by an accumulation of flood and storm events from persistent La Niña conditions, with flood and storm losses comprising 79 per cent of 2022 industry reported losses of [approximately] NZD 263.77 million.

“While weather-related perils have the potential to generate significant insurance losses, which 2023 has already shown, earthquakes hold clear dominance as New Zealand’s most expensive peril, both in terms of observed loss and future loss potential. For example, the Canterbury Earthquake Sequence delivered a total insured loss of approximately NZD 38 billion. The total insured loss from this event is by far the largest for the industry in the southern hemisphere, eclipsing the record-breaking Australian southeast Queensland and New South Wales floods from March 2022 that are currently sitting at approximately AUD 6 billion,” said James Knight, analyst at Aon New Zealand.



The report also shows that 2022 was the fifth-highest insured loss year on record in New Zealand at [approximately] NZD 335.59 million, with the largest loss contribution coming from the North Island floods in March, generating [approximately] NZD 119.64 million from more than 10,000 total claims.

“What we have seen in the APAC region over 2022 is a substantial protection gap - the difference between total economic losses and what’s covered by insurance - of 86 per cent, which has meant many disaster losses were uninsured. As New Zealand continues to experience extreme weather conditions, it is clear that closing the protection gap demands an ‘all-hands-on-deck approach’, linking insurance with governments, public policy and other sources of risk-taking capital,” concluded Knight.

Read the 2023 Weather, Climate and Catastrophe Report: Asia Pacific Insights [here](#).

About Aon

[Aon plc](#) (NYSE: AON) exists to shape decisions for the better – to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

Follow Aon on [LinkedIn](#), [Twitter](#), [Facebook](#) and [Instagram](#). Stay up-to-date by visiting the [Aon Newsroom](#) and sign up for News Alerts [here](#).

Media Contact

Emma Casey

emma.casey@aon.com

+61 401 494 436