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Tropical Storm Risk warns of active 2010 hurricane season

Tropical Storm Risk (TSR), which provides real-time mapping and prediction of tropical cyclone windfields worldwide and is co-sponsored by Aon Benfield, today releases its pre-season outlook report* to coincide with the start of the 2010 Atlantic hurricane season. The report anticipates Atlantic basin and U.S. landfalling hurricane activity being 55% above the long-term (1950-2009) norm.

TSR, part of Aon Benfield Research's new academic and industry collaboration, maintains its April and December forecasts for an active hurricane season. The pre-season outlook includes:

- A 77% probability of an above-normal Atlantic hurricane season; an 18% probability of a near-normal season, and only a 5% chance of a below-normal season.
- 16 tropical storms including eight hurricanes and four intense hurricanes. This compares to longterm norms of 10, six and three respectively.

For U.S. landfalling activity, TSR forecasts:

- A 74% probability of above-normal U.S. landfalling hurricane activity; a 19% likelihood of a near-normal season, and only a 7% chance of a below-normal season.
- Five tropical storm strikes on the U.S., including two hurricanes. This compares to long-term norms of three and 1.5 respectively.

Three main climate factors will determine the level of hurricane activity in the Atlantic basin. Occurring in August and September, these are the speed of trade winds over the tropical North Atlantic, sea temperatures in the tropical North Atlantic, and the sign and strength of El Niño Southern Oscillation. U.S. landfalling hurricane activity is influenced by the level of hurricane activity occurring at sea, the pre-season North Atlantic Oscillation, and by July tropospheric wind patterns over the North Atlantic and U.S.

Professor Mark Saunders at Tropical Storm Risk, said: "Every main climate indicator points to the 2010 hurricane season being active. If La Niña develops during the second half of 2010 the above-norm hurricane levels will be even higher."

John Moore, Head of International Analytics at Aon Benfield, added: "Although uncertainty remains within hurricane forecasts, the insurance industry is increasingly informed by this data source when considering how best to manage its exposure to this risk."

According to Steve Drews, associate director and lead meteorologist at Impact Forecasting, the catastrophe model development center of excellence within Aon Benfield, "TSR's pre-season outlooks correctly anticipated the active 2004, 2005 and 2008 hurricane seasons and the quiet 2009 season.



2004's hurricanes barraged Florida, 2005's hurricanes Katrina, Rita and Wilma slammed the Louisiana, Mississippi, Alabama and Florida coastlines, and 2008's hurricane lke affected the major Texas coastal cities of Galveston and Houston."

TSR's next hurricane forecast will be issued on 4 June. Professor Mark Saunders will also be updating the forecast for the 2010 hurricane season and revealing new technology to help (re)insurers manage tropical storm-related risks at Aon Benfield Research's event: *The science behind hurricanes, earthquakes and other natural perils* in London on 15 June. Please register here if you would like to attend.

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* TSR Pre-Season Hurricane Forecast Report

Please click <u>here</u> to view a copy of the report issued today entitled "TSR Pre-Season Forecast for 2010 Atlantic Hurricane Activity".

About TSR

Tropical Storm Risk (TSR) offers world-leading products for mapping and predicting the windfields of active tropical cyclones worldwide in real-time. Led by Professor Mark Saunders, TSR is affiliated to University College London (UCL) and co-sponsored by Aon Benfield, RSA and Crawford & Company. TSR's products help re/insurers elucidate the potential upcoming and immediate post-event impact of these damaging storms on their portfolios. TSR also offers seasonal outlooks to benefit risk awareness and decision making.

About Aon Benfield Research

The Aon Benfield Research team is responsible for monitoring and analyzing reinsurers and the reinsurance industry and providing insights that help our clients to make informed decisions for their businesses. Aon Benfield Research also brings together our academic relationships under one banner to deliver a wealth of relevant academic research material. We combine world class academic research with Aon Benfield's industry-leading catastrophe modeling, actuarial analysis and broking expertise to create a more risk aware world.

For further information please contact:

David Bogg Alexandra Lewis

Aon Benfield Aon Benfield

t: +44 (0)20 7522 4016 t: +44 (0)20 7882 0541

e:david.bogg@aonbenfield.com e:alexandra.lewis@aonbenfield.com