



After Four Years of Highly Accurate Forecasts, TSR Predicts Yet Another Active Hurricane Season in 2006

Start-of-season outlook gives 74% likelihood that hurricane activity this year will be in top third of years historically

London, 8 June 2006 - Tropical Storm Risk (TSR), the award-winning consortium of experts on insurance, risk management and seasonal climate forecasting led by the Benfield Hazard Research Centre at University College London, today issued its start-of-season forecast for the 2006 hurricane season and repeated its warning of yet another active season to high probability. The hurricane season runs from 1 June to 30 November.

The start-of-season 2006 forecast follows TSR's accurate forecasts for the extremely active 2005 and active 2004 hurricane seasons as well as on-target forecasts for the 2003 (above-average activity) and 2002 (quiet activity) seasons. In 2005 the TSR probabilistic and deterministic forecasts for Atlantic basin and U.S. landfalling hurricane activity outperformed those from all leading U.S. forecasting groups.

TSR's start-of-season outlook anticipates Atlantic basin and U.S. landfalling hurricane activity being 40% above the long-term (1950-2005) norm in 2006. The prediction includes:

- A 74% probability of an above-normal Atlantic hurricane season, a 22% probability of a near-normal season and only a 4% chance of a below-normal season.
- An expectation of 14 tropical storms for the Atlantic basin as a whole, with 8 of these being hurricanes and 3 intense hurricanes.
- A 70% probability of above-normal U.S. landfalling hurricane activity, a 22% likelihood of a near-normal season and only an 8% chance of a below-normal season.
- 4 tropical storm strikes on the U.S., of which 2 will be hurricanes.

Professor Mark Saunders, the TSR lead scientist and Head of Seasonal Forecasting and Meteorological Hazards at the Benfield Hazard Research Centre, urged ongoing vigilance by governments and citizens: "We are witnessing record levels of Atlantic and U.S. landfalling hurricane activity. The years 2003 to 2005 have seen the highest three-year total number of U.S. hurricane landfalls (11) since 1900 and the highest three-year total number of North Atlantic hurricanes (31) since reliable records began in 1950. Based on current and projected climate signals, 2006 looks likely to be yet another above average year for Atlantic hurricanes."

Saunders added, however, that “Despite this forecast, the chance of 2006 seeing hurricane activity as high as in 2005, which was the most active and destructive season on record, is low. The current forecast is 20% lower than at this time last year. In particular we expect the Gulf of Mexico to witness far fewer intense hurricanes than in 2005.”

Retrospectively the TSR pre-season (May) forecast predicts successfully in 9 out of the last 10 years whether the annual US hurricane damage bill will be above median or below median historically. Furthermore the TSR May forecasts in 2005 and 2004 called for Atlantic hurricane activity being in the top one third of years historically to 85% and 61% likelihood respectively. This compares to values of 70% and 50% issued by NOAA.

The key climate factors behind TSR’s forecast for an above-average hurricane season in 2006 are the forecast July-September 2006 trade wind speed over the Caribbean and tropical North Atlantic, and the forecast August-September 2006 sea-surface temperature in the tropical North Atlantic. The former influences cyclonic vorticity (the spinning up of storms) in the main hurricane track region, while the latter provides heat and moisture to power incipient storms. TSR anticipates both predictors will have a moderate enhancing effect on activity in 2006. However, based on current information, TSR does not believe either factor will be as strongly conducive to hurricane activity as in 2005.

TSR forecasts may be accessed through the website www.tropicalstormrisk.com. The venture’s next forecast update for the 2006 hurricane season will be issued on 5 July 2006.

TSR Storm Email Alerts

In addition to today’s start-of-season outlook, TSR also announced that the consortium will be launching a free email alert service for tropical storms worldwide during June. The alerts will provide warning of the likelihood that a given country and major cities therein will be affected by tropical storm strength and hurricane (Cat 1) strength winds during the next 5 days. The severity of risk will be denoted by the use of Red/Yellow/Green alert categories. Users may also select their preferred windspeed and probability thresholds for an alert to be triggered.

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Notes to Editors:

Hurricanes rank as the U.S.'s most expensive natural disaster and are responsible for eight of the 10 most costly catastrophes to affect the country. The average annual total and insured losses from hurricane strikes on the continental U.S. 1950-2005 are estimated to be U.S. \$ 8.0 and U.S. \$ 4.2 billion respectively at 2005 prices and exposures. The Atlantic hurricane season runs from 1 June to 30 November.

About Tropical Storm Risk (TSR):

Founded in 2000, Tropical Storm Risk (TSR) offers a leading resource for forecasting the risk from tropical storms worldwide. The venture provides innovative forecast products to increase risk awareness and to help decision making within the (re)insurance industry, other business sectors, government and society. The TSR consortium is co-sponsored by Benfield, the world's leading independent reinsurance and risk intermediary, Royal & Sun Alliance, the global insurance group, and Crawford & Company, a global claims management solutions company. The TSR scientific grouping brings together climate physicists, meteorologists and statisticians at University College London and the Met Office.

In 2004 Tropical Storm Risk won the prestigious British Insurance Award for London Market Innovation of the Year. Recent innovations include a breakthrough in the seasonal prediction of hurricane activity reaching the coast of the U.S., the first demonstration of the business relevance of seasonal U.S. hurricane forecasts, and the introduction of forecast windspeed probabilities for tropical cyclones worldwide. TSR provides tropical storm alert feeds to Reuters AlertNet (www.alertnet.org), the humanitarian news portal, and to the United Nations World Food Programme (<http://www.hewsworld.org>).

About Benfield Hazard Research Centre:

Benfield Hazard Research Centre is sponsored by Benfield, the world's leading independent reinsurance and risk intermediary. With over forty researchers and practitioners, the Benfield Hazard Research Centre is Europe's leading multidisciplinary academic hazard research centre and comprises three groups: Geological Hazards, Meteorological Hazards and Seasonal Forecasting, and Disaster Studies and Management. The Centre is based at University College London, which along with Oxford and Cambridge, is one of the UK's top three multi-faculty teaching and research institutions. www.benfieldhrc.org