



STRICT EMBARGO: NOT FOR USE BEFORE 0.01HRS THURSDAY 1 JULY 1999. SCIENCE, ENVIRONMENT, INSURANCE AND CITY EDITORS.

UK SCIENTISTS PREDICT ABOVE AVERAGE US HURRICANE STRIKES IN 1999.

Forecasts by UK scientists predict above average hurricane strikes on the US mainland this summer/autumn. The forecast, the second for the 1999 Hurricane Season, provides an early warning to the insurance and reinsurance industry which is eager to assess potential losses. Hurricane damage accounts for almost two thirds of insured losses world-wide from natural catastrophes. In the US alone hurricanes cause an average of £3.5 billion damage per year.

The forecast is part of a two-year collaborative research project funded by TSUNAMI, a consortium from the UK insurance industry and Government. Researchers at University College London (UCL) have worked closely with meteorologists at The Met. Office to develop a long-range seasonal prediction system that will be expanded to cover Typhoons in the north-west and south-west Pacific regions.

The scientists predict that two hurricanes will strike the US mainland this year which is slightly greater than the long term average. However, the number of intense hurricanes is expected to be similar to average. With moderate La Niña (the opposite phase of El Niño) conditions expected to persist through the season, the forecasters predict above-average risk of strikes for the US Gulf Coast & Caribbean Greater Antilles. At the same time colder than usual sea surface temperatures are anticipated in the mid-Atlantic with a normal hurricane risk for the US East Coast and Caribbean Lesser Antilles.

Dr Mark Saunders of UCL said "We are very pleased with the progress on this project. The first long-range forecast issued last December is practically identical to this one which was revealed to the TSUNAMI consortium on the 1st June. We are now confident that this is the best forecast around."

Alyson Bedford of The Met. Office said "Hurricane Andrew cost the insurance industry \$18bn and was responsible for the collapse of at least 10 insurance companies. The forecast offers insurers a new scientific opinion and the opportunity to take mitigating measures to ensure that this does not happen again. This can only benefit policyholders"

Lance Garrard of the TSUNAMI initiative said "The principal aim of TSUNAMI is to

bridge the gap between UK science and the insurance industry. Improved forecasts potentially offer huge financial benefits and will help the UK insurance industry to become more competitive."

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NOTES TO EDITORS

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Full details and background information are available on the following websites: Forecast: http://www.nerc-bas.ac.uk/public/tsunami/projects_public/tcfp/june-01.pdf TSUNAMI Home Page: http://www.nerc-bas.ac.uk/public/tsunami/

Background information

The TSUNAMI project on Seasonal Prediction of Tropical Cyclones aims to establish a new methodology for the long-range seasonal prediction of:

1) Hurricanes in the USA

2) Typhoons in Japan, South Korea, Taiwan and the Philippines

3) Cyclones in Australia

Improve current lead-time and accuracy over that currently available using advanced statistical methods to analyse current climate information and data from dynamical and statistical models.

The TSUNAMI Initiative

The TSUNAMI initiative was set up in response to the Foresight programme, an initiative by the UK Government to stimulate an improved dialogue between the science community and industry. TSUNAMI was established in September 19997 by Dr Dougal Goodman, Deputy Director of the British Antarctic Survey a component part of the Natural Environment Research Council (NERC) TSUNAMI aims to improve the competitiveness of the insurance industry by using the UK science effort to improve the assessment of risk. This three year programme is jointly funded by the Government through the DTI's Sector Challenge and a consortium from the UK insurance industry: 2 UK Composite Companies:CGU, Royal & SunAlliance

3 Lloyd's Managing Agencies:DP Mann, Catlin, Wren

2 Lloyd's Reinsurance Brokers: Guy Carpenter, Benfield Greig.