

30.08.2021

Event Report



CSA Insurance Linked Strategies CSA Insurance Linked Strategies Fixed

Hurricane Ida – August 2021

Dear Investor,

On Sunday 29 August around noon local time (17:00 UTC), Hurricane Ida has made landfall on the Louisiana coast near Port Fourchon, about 90 km (56 miles) south of New Orleans as a category-4 strength storm. The high storm intensity at landfall has so far brought catastrophic storm surge, extreme winds and floods to the coastal areas of Louisiana.

The storm-system Ida originated in the Caribbean Sea and rapidly intensified into the fourth hurricane of the 2021 Atlantic hurricane season on 27 August. While tracking northwest over Cuba into the Gulf of Mexico, the storm continued a rapid intensification to a category-4 strength hurricane on 29 August prior to landfall.

Ida's landfall as a severe hurricane with sustained wind speeds of 240 km/h (150 mph) has been the strongest landfall on record in Louisiana in terms of wind speed. After landfall, Ida maintained most of its strength only weakening slightly while moving at a forward speed of only 16 km/h (10 mph) inland. The storm has moved further north inland west of New Orleans as a category-1 strength hurricane and is further weakening to a tropical storm while expected to follow a northeastern track towards the Atlantic coast.

The high storm intensity is expected to have brought severe damage from extreme wind speeds, storm surge and flooding to both residential and industrial exposures in the area. The largest populated area, the New Orleans metropolitan region, reported building collapses and destroyed roofs with the entire city losing power.

The Louisiana coastline has been repeatedly impacted by storm activity in the past, most notably by hurricane Katrina in 2005, which reached a peak intensity over the Gulf as a category-5 storm and made landfall 70 km (43 miles) east of Port Fourchon as category-3 storm, causing catastrophic flooding to New Orleans. The impact from storm surge and flooding from Ida are expected to be less

severe compared to those from Katrina, as Ida has caused less severe storm surge from lower offshore storm intensity as well as better preparedness to such storm surge due to improvement to the levee and flood protection systems around New Orleans. However, severe rainfall, in particular from the eastern band of the storm, which has drawn significant thunderstorms from the Gulf over land from the Mississippi to the western Florida Panhandle, may exceed levels of precipitation from Katrina in the area.

Further potential damage is expected to the off- and on-shore energy industry in the Gulf coast area. Port Fourchon and the surrounding area contains significant petrochemical industrial operations, which services over 90% of the Gulf of Mexico's deep-water oil production taking account for around 18 percent of the U.S. oil supply.

The damage assessment for this event is still at an early stage and insurance losses will be influenced by the extent of flood damage, which is not covered by the private insurance market. Nevertheless, based on modeled scenarios, we expect that industry losses will range between USD 17.5 and USD 24 billion, which is subject to changes as new information becomes available.

Due to the early stage of damage assessment and as the event is still ongoing, we will provide a portfolio specific impact at a later stage once more information has become available. In the meantime, please do not hesitate to contact us if you have any questions.

Kind regards,

Credit Suisse Insurance Linked Strategies Ltd

Sources: Credit Suisse, U.S. National Hurricane Center



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