

10.03.2022

## Event Report



### CSA Insurance Linked Strategies

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#### Australia east coast floods – February/March 2022

Dear Investor,

A dynamic weather pattern, involving near-stationary low-pressure systems, had been bringing an atmospheric river of moisture to parts of eastern Australia, since 23 February. Heavy rainfall caused widespread flooding and destruction, with several thousand homes flooded and multiple casualties reported.

Record levels of rainfall were recorded across the greater Brisbane area in Queensland, breaking the previous three-day record from 1974. Up to 15'000 houses are expected to have been impacted in Brisbane alone.

After striking South-East Queensland, the pattern continued to move south over North and Central New South Wales. The city of Lismore, located in a flood-prone area in New South Wales, was severely struck, with its flood levee breached and Wilsons River reached a record level of 14.4 meters.

On 2 March, the State Emergency Service of New South Wales issued several flood evacuation orders for suburbs across Sydney's west, south-west, and north-west. Sydney's main reservoir, the Warragamba dam west of Sydney, which holds 80% of Sydney's drinking water, was overflowing, threatening 130'000 homes in the Hawkesbury and Nepean area. The dam started to spill on Wednesday night and flows peaked on Thursday, 3 March. Sydney has received nearly 900mm of rain so far in 2022, which is approx. 80% of its average annual rainfall.

Damage assessment is still at an early stage and reliable estimates on ultimate (re-)insurance industry losses are not yet possible. As of 9 March 2022, the Insurance Council of Australia has registered more than 100'000 claims, resulting in an estimated cost of approximately AUD 1.6 billion.

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Overall, we expect that the weather events in Australia since late February could affect some reinsurance layers and retrocession contracts. As outstanding Cat Bonds generally do not cover losses from flood damage, we do not expect an impact on the Cat Bond market.

Based on the assessment of exposures, we do not expect this event to have an impact on the portfolio on a standalone basis.

We will continue to assess the event's potential impact on our portfolios and will keep you updated on significant developments. 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, Insurance Council of Australia, the Guardian, ABC News, Reuters



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