

29.09.2022

Event Report



CSA Insurance Linked Strategies CSA Insurance Linked Strategies Fixed

Hurricane Ian – Update on events during September 2022

Dear Investor,

On Wednesday 28 September around 15:00 local time (19:00 UTC), Hurricane Ian has made landfall on the west coast of Florida near Cape Coral/Fort Myers as a powerful Category 4 hurricane with sustained wind speeds of 240 km/h (150 mph), causing catastrophic wind and rainfall in a widespread area around its initial track inland.

Hurricane Ian originated from a weather disturbance in the Atlantic and moved westwards into the Caribbean Sea closely passing the Leeward Antilles. While rapidly intensifying to hurricane strength moving northwest, it made landfall in western Cuba as a Category 3 hurricane. Although losing some strength as it crossed Cuba, it strengthened again as it tracked northwards over the eastern Gulf of Mexico, reaching a high intensity category 4 strength storm, which largely sustained while making landfall on the west coast of Florida.

The high intensity of the storm, with sustained wind speeds nearing a category 5 strength storm upon landfall and the widespread hurricane strength winds measuring 125 km in diameter reaching from Naples to Sarasota, will likely have catastrophic effects along the coast from storm surge, wind force and severe rainfall on large parts of central Florida. Damage assessment is currently based on initial estimates based on the storm characteristics and simulated models but is expected to be significant as the storm has tracked closely to the densely populated area of Lee County (Cape Coral/Fort Myers) with a population of over 760,000. Overall, at least two million people in Florida lost electricity during the storm. As the storm is still moving inland as a category 1 hurricane, further damage can be expected along its track. At the time of writing, the storm is heading toward Florida's northeast Atlantic coast and will likely make a second landfall on the South Carolina coast on Friday afternoon local time.

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As the event is still ongoing, it is too early to make definitive estimates of the damage and ultimate industry losses. However, based on initial analyses, our current industry loss estimate ranges from USD 25 billion to USD 35 billion. As the event is still ongoing and it is very early to assess and model the event, estimates on insurance losses are subject to substantial uncertainty and could change as new information becomes available.

We are continuing to monitor this event and are in contact with our counterparties and market experts to assess a potential impact on our transactions and we will therefore provide a portfolio specific impact assessment from this event next week as we are yet to expect more information to become available.

Update on events during September 2022

As a follow up on the event report on Typhoon Nanmadol, issued on 19 September, we would like to update you that we currently do not expect an impact on the portfolio from this event on a standalone basis.

In addition, recent information on the development of Hurricane Fiona, which made landfall in Puerto Rico and subsequently in Nova Scotia, Canada, we do not expect an impact on the portfolio from this event on a standalone basis.

Finally, Typhoon Noru struck the northern Philippines on 25 September as a high intensity typhoon. The ILS market has some exposure to this market through an IBRD sponsored cat bond. As the portfolio is not exposed to this cat bond, we do not expect any impact from this event.

Please contact us if you have any questions.

Kind regards,
Credit Suisse Insurance Linked Strategies Ltd

Sources: Credit Suisse, National Hurricane Center, Reuters

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