



News

Series of Severe Convective Storms in the US, May 2018

In mid-May, larger parts of the US were affected by series of severe convective storms including tornados, severe thunderstorms, strong winds, hail and flash flooding. A weather pattern dubbed “ring of fire” by meteorologists meant that a static low pressure system interacted with unstable, subtropical air from the Southeast bringing numerous supercell storms over several days to states from Texas to Massachusetts. Due to the lack of strong upper level winds, most of the damage was caused by hail and strong winds rather than tornados.

Numerous states reported widespread minor damages to property especially roof damages including from hailstones the size of baseballs. Strong winds and downed trees led to power outages and travel disruptions. Five people have been killed.

Insured losses are currently estimated at up to \$2.5 billion by KCC, a catastrophe modeler. As many as 12 states may see insured losses in excess of \$100 million each. Note that loss estimates carry significant uncertainty at this stage as it takes considerable time to assess claims across such a large area.

Damages from severe convective storms (including tornados) can be covered in cat bonds and ILS private transactions, e.g. as part of “wind” risk or under “all natural perils”. Based on the initial assessment of the portfolio manager and the exposure in CSA ILS / CSA ILS Fixed, the portfolio manager does not expect an impact on a standalone basis from this event. However, the losses from this event are expected to contribute to aggregate risk structures under which cumulative losses from possibly multiple events throughout the risk period determine whether the trigger is reached.

We will monitor the event and will keep you updated of any significant developments

Contact

Credit Suisse Anlagestiftungen
Tel. +41 44 333 48 48
E-Mail csa.info@credit-suisse.com
Internet www.credit-suisse.com/anlagestiftung

The information provided herein constitutes marketing material. It is not investment advice or otherwise based on a consideration of the personal circumstances of the addressee nor is it the result of objective or independent research. The information provided herein is not legally binding and it does not constitute an offer or invitation to enter into any type of financial transaction.

The information provided herein was produced by Credit Suisse Group AG and/or its affiliates (hereafter "CS") with the greatest of care and to the best of its knowledge and belief.

The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable.

CS provides no guarantee with regard to the content and completeness of the information and does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein is for the exclusive use of the recipient.

Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U. S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended).

It may not be reproduced, neither in part nor in full, without the written permission of CS.

Credit Suisse Investment Foundation, Zurich, is the issuer and manager of CSA products. Credit Suisse (Switzerland) Ltd., Zurich, is the custodian bank. The articles of incorporation, regulations and investment guidelines, as well as the most up-to-date annual report and fact sheets, may be obtained free of charge from the Credit Suisse Investment Foundation. Only pension funds domiciled in Switzerland that are not subject to tax are permitted as direct investors.

The issuer and manager of CSA 2 products is the Credit Suisse Investment Foundation, Pillar 2, Zurich. The custodian bank is Credit Suisse (Switzerland) Ltd., Zurich. The articles of incorporation, the regulations and the investment guidelines as well as the latest annual reports and fact sheets can be obtained free of charge from the Credit Suisse Investment Foundation, Pillar 2. This foundation is open only to a restricted group of tax-exempt pension funds domiciled in Switzerland (article 3 of the articles of incorporation).

Copyright © 2018 Credit Suisse Group AG and/or its affiliates. All rights reserved.