Following Accurate 2004 Outlook, TSR Predicts Another Active Atlantic Hurricane Season in 2005

Extended outlook predicts Atlantic basin and U.S. landfalling hurricane activity will be 155% of average in 2005

London, 16 February 2005 - Tropical Storm Risk (TSR), the award-winning* consortium of experts on insurance, risk management and seasonal climate forecasting led by the Benfield Hazard Research Centre at University College London, today warned of another active Atlantic hurricane season in 2005. The forecast follows TSR's successful long-range outlook for the unusually active 2004 hurricane season and on-target forecasts for the 2003 and 2002 Atlantic hurricane seasons. The Atlantic hurricane season runs from 1 June to 30 November.

TSR's long-range hurricane outlook anticipates Atlantic basin and U.S. landfalling hurricane activity being 155% of average in 2005. The prediction includes:

- A 76% probability of an above-normal Atlantic hurricane season, a 18% probability of a near-normal season and only a 6% chance of a below-normal season
- 14 tropical storms for the Atlantic basin as a whole, with eight of these being hurricanes and four intense hurricanes
- A 67% probability of above-normal U.S. landfalling hurricane activity, a 22% likelihood of a near-normal season and only a 11% chance of a below-normal season
- Four tropical storm strikes on the U.S., of which two will be hurricanes
- Two tropical storm hits, including one hurricane, on the Caribbean Lesser Antilles.

The two main climate factors influencing the TSR hurricane forecast for 2005 are the expected values in August and September for the speed of trade winds which blow westward across the tropical Atlantic and Caribbean Sea and the temperature of the sea waters between west Africa and the Caribbean where many hurricanes develop. The former influences cyclonic vorticity (the spinning up of storms) while the latter provides heat and moisture to power incipient storms. TSR anticipates weaker than normal trades and warmer than normal waters in 2005; conditions which both favour an above-average hurricane season.

Dr Mark Saunders, the TSR lead scientist and Head of Seasonal Forecasting and Meteorological Hazards at the Benfield Hazard Research Centre, urged vigilance on the part of governments and individual citizens alike: "We are witnessing an active period for Atlantic and U.S. landfalling hurricane activity. Following the interval of low hurricane damage between 2000 and 2002 (when just one hurricane made U.S. landfall), 2003 and 2004 have seen the third highest two-year total number of U.S. hurricane landfalls (7) since 1900. Based on current

and projected climate signals it seems this upsurge in activity will continue through 2005." However, Saunders warned that uncertainties at this lead are large and that forecast confidence will increase as the hurricane season approaches.

Hurricanes rank as the U.S.'s most expensive natural disaster and are responsible for eight of the 10 most costly catastrophes to affect the country. The average annual insured loss from hurricane strikes on the continental U.S. 1950-2004 is estimated to be U.S. $3.0 billion at 2004 prices and exposures.

TSR has an impressive forecasting track record. Recent forecast successes include those for the last three Atlantic hurricane, Northwest Pacific typhoon, and Australian-region tropical cyclone seasons. TSR forecasts may be accessed through the website www.tropicalstormrisk.com.

* Tropical Storm Risk was awarded the prestigious London Market Innovation of the Year Award at The British Insurance Awards 2004 for their global Tropical Storm Tracker.

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Notes to Editors:

About Tropical Storm Risk (TSR):

Founded in 2000, Tropical Storm Risk (TSR) offers a leading resource for forecasting the risk from tropical storms worldwide. The venture provides innovative forecast products to benefit risk awareness and decision making in (re)insurance, other business sectors, government and society. The TSR consortium is co-sponsored by Benfield, the leading independent reinsurance intermediary, Royal & Sun Alliance, the global insurance group, and Crawford & Company, a global claims management solutions company. The TSR scientific grouping brings together climate physicists, meteorologists and statisticians at University College London and the Met Office. www.tropicalstormrisk.com

In 2004 Tropical Storm Risk won the prestigious British Insurance Award for London Market Innovation of the Year and demonstrated the business relevance of seasonal hurricane forecasts for the first time. TSR has recently introduced tropical storm alert feeds to Reuters AlertNet (www.alertnet.org), the humanitarian news portal, and to the United Nations World Food Programme.

About Benfield Hazard Research Centre:

Benfield Hazard Research Centre is sponsored by Benfield, the leading independent reinsurance intermediary and risk advisory business. Benfield's customers include many of the world's major insurance and reinsurance companies as well as Government entities and global corporations. Benfield employs over 1,700 people based in over 30 locations worldwide. www.benfieldgroup.com

With over forty researchers and practitioners, the Benfield Hazard Research Centre is Europe's leading multidisciplinary academic hazard research centre and comprises three groups: Geological Hazards, Meteorological Hazards and Seasonal Forecasting, and Disaster Studies and Management. The Centre is based at University College London, which along with Oxford and Cambridge, is one of the UK's top three multi-faculty teaching and research institutions. www.benfieldhrc.org