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Tropical Storm Risk Launches Breakthrough Hurricane Tracking Product

Tropical Storm Risk (TSR) Business, which provides real-time mapping and prediction of tropical cyclone windfields worldwide and is co-sponsored by Aon Benfield, has launched a breakthrough product to help (re)insurers estimate their potential wind losses for active hurricanes and tropical cyclones worldwide.

The new real-time product - the Ensemble Forecast Wind & Gust Swathe - comprises an ensemble set of 100 different forecast wind/gust swathes each with the same probability of occurrence. Re/insurers with access to a wind loss model will be able to calculate the impact on their portfolios of each outcome and thus the likelihood that portfolio wind loss will exceed different thresholds. The breakthrough technology enables probabilistic real-time hurricane wind loss forecasts for a portfolio based on real events. Product updates occur every six hours (or 12 hours for southern hemisphere tropical cyclones).

Professor Mark Saunders at Tropical Storm Risk said: "Considerable research underpins this new real-time forecast technology. The development recognises that wind-impact and wind-loss forecasts must be defined in terms of probability. Our approach, which models the forecast uncertainty of real events, provides an alternative perspective to the simulated event output of catastrophe models. With seasonal forecasts pointing to an active or very active 2010 hurricane season the release of this new product may be timely."

TSR Business's suite of real-time windfield products also includes:

- Surface Wind & Gust History – enables immediate post-event assessment of a storm's impact on a portfolio;
- Forecast Wind & Gust Swathe – enables (re)insurers to anticipate and manage their portfolios at risk as cyclones target land by mapping the most likely forecast wind swathe up to five days in advance;
- Forecast Surface Wind Probabilities – maps the likelihood of being struck by hurricane strength winds up to five days in advance.

John Moore, Head of Aon Benfield Analytics International, added: "The launch of this breakthrough product illustrates how academia and the insurance industry can work hand in hand to deliver new products that boost risk understanding."

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About TSR Business

Tropical Storm Risk (TSR) Business provides unrivalled accuracy in real-time mapping and prediction of tropical cyclone windfields worldwide. Led by Professor Mark Saunders, TSR is based at University College London (UCL) and co-sponsored by Aon Benfield, RSA and Crawford & Company. TSR's products help re/insurers to elucidate in real-time the potential upcoming and immediate post-event impact of these damaging storms on their portfolios. TSR also offers seasonal outlooks to benefit risk awareness and decision making.

About Aon Benfield Research

The Aon Benfield Research, part of the world's leading reinsurance intermediary and capital advisor, is responsible for monitoring and analyzing reinsurers and the reinsurance industry and providing insights that help our clients to make informed decisions for their businesses. Aon Benfield Research also brings together our academic relationships under one banner to deliver a wealth of relevant academic research material. We combine world class academic research with Aon Benfield's industry-leading catastrophe modeling, actuarial analysis and broking expertise to create a more risk aware world.

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