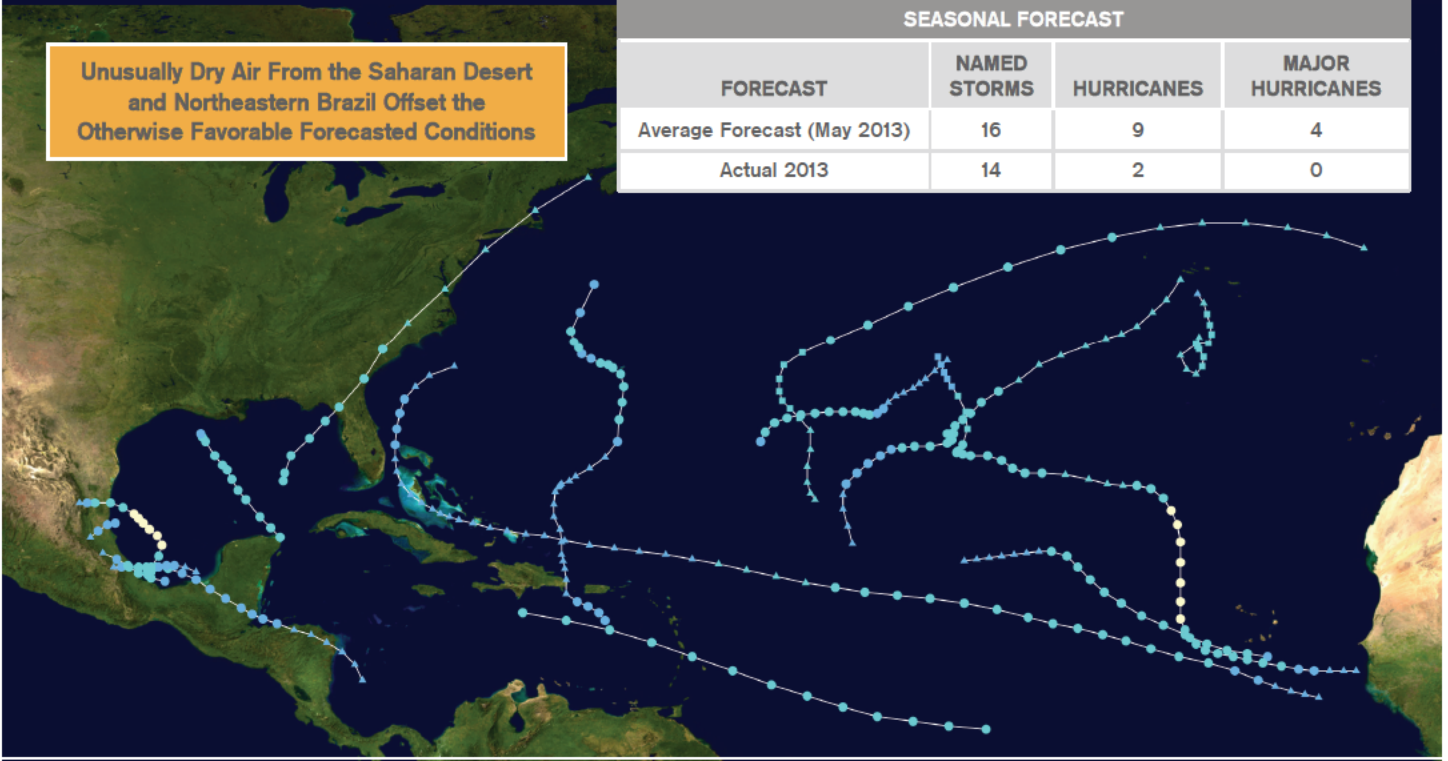




2013 HURRICANE FORECAST ... BUST!

Unusually Dry Air From the Saharan Desert and Northeastern Brazil Offset the Otherwise Favorable Forecasted Conditions

SEASONAL FORECAST			
FORECAST	NAMED STORMS	HURRICANES	MAJOR HURRICANES
Average Forecast (May 2013)	16	9	4
Actual 2013	14	2	0



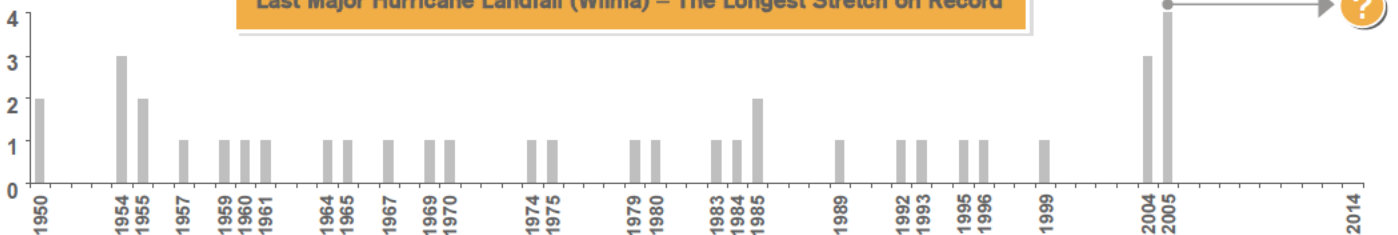
■ What is in Store For This Year? **2014 is Forecasted to Be an Inactive Year**

SEASONAL FORECAST			
FORECAST	NAMED STORMS	HURRICANES	MAJOR HURRICANES
Historical Average (1950-2013)	11	6	3
NOAA	8-13	3-6	1-2
CSU	9	3	1
AccuWeather	10	5	2
WSI	11	5	2
TSR	12	5	2

- **Don't Take This to the Bank:** Hurricane Forecasts are Poor Predictors of Actual US Hurricane Landfalls or Insurance Losses
- **Keep in Mind That Even Quiet Hurricane Seasons May Produce Major Hurricanes That Cause Massive Devastation**

OF MAJOR HURRICANE U.S. LANDFALLS

At June 2014, There Have Been 3,147 Days (Over 8½ Years) Since the Last Major Hurricane Landfall (Wilma) – The Longest Stretch on Record



■ The Table Below Summarizes the Current Status of Several Variables That Have a Significant Impact on Hurricane Formation

VARIABLE		FORECASTED STATUS FOR 2014 HURRICANE SEASON	IMPACT ON HURRICANE FORMATION
1	Sea Surface Temperature (SST)	Near or Below Average	Fewer / Weaker Hurricanes
2	Southern Oscillation (ENSO)	El Niño Expected to Develop	Fewer Hurricanes
3	North Atlantic Oscillation (NAO)	Mixed Signal	Large Impact Not Expected

NOTE: Additionally, the Accumulated Cyclone Energy Index (ACE) is a measurement to quantify the average potential wind and storm surge destruction for the season. 2014 is forecasted to be below normal (in the lower tercile).

SEA SURFACE TEMPERATURE (SST)	SOUTHERN OSCILLATION (ENSO)	NORTH ATLANTIC OSCILLATION (NAO)
<p>WHAT IS IT? Surface Temperature of the Atlantic Ocean in Areas Where Hurricanes are Likely to Form</p> <p>HOW DOES IT IMPACT HURRICANES? Warmer Sea Surface Temperatures Fuel the Intense Convection of a Hurricane</p>	<p>WHAT IS IT? ENSO is the Alternating Cold and Warm Phases of Ocean Temperature in the Eastern and Central Pacific Ocean Off the Coast of South America</p> <p>HOW DOES IT IMPACT HURRICANES? El Niño Conditions (Positive ENSO Values) Produce Wind Patterns That Result in Higher Vertical Wind Shear in the Atlantic Making Hurricane Formation Less Likely; La Niña Conditions (Negative ENSO Values) Produce Wind Patterns That Result in Lower Vertical Wind Shear Allowing Easier Development of Hurricanes</p>	<p>WHAT IS IT? The NAO Measures the Relative Strength and Position of the Low Pressure System Over Iceland and the High Pressure System Over the Azores (Commonly Known as the Bermuda High); It Directly Influences the Direction and Magnitude of Westerly Winds and Thus, Storm Tracks Across the North Atlantic</p> <p>HOW DOES IT IMPACT HURRICANES? During the Positive Phase, the High Pressure System in the Eastern Atlantic is Strong and Acts as a Conveyor Belt Directing Storms on a More Northerly Track, Either Increasing the Threat to the East Coast or Re-Curving the Storm Back Out to Sea Depending on the High Pressure System's Location; During the Negative Phase, Storms Follow a More Southerly Track With Storms Moving Through the Caribbean Into the Gulf of Mexico With a Higher Impact to Latin America</p>

SOURCES:

- NOAA:** The National Oceanic and Atmospheric Administration is a federal agency focused on the condition of the oceans and the atmosphere and includes the National Hurricane Center.
- CSU:** The Tropical Meteorology Project at Colorado State University headed up by William Gray and Phil Klotzbach release seasonal forecasts for tropical cyclones.
- AccuWeather:** AccuWeather provides weather related products on a worldwide basis.
- WSI:** Weather Services International and the Weather Channel Companies provide weather related products on a worldwide basis.
- TSR:** Tropical Storm Risk offers a resource for predicting and forecasting tropical storm activity worldwide.

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