

# Twelve Capital Event Update

## 1 December 2020

### Hurricane season retrospective

The official 2020 Atlantic hurricane season, which runs from June to the end of November, has recently ended.

The 2020 season was a record breaker in many aspects:

- It was the most active season on record by storm count
- It was the season with the earliest third, fifth and all subsequent storms
- It was only the second season to run out of predetermined alphabetical names, requiring a move to the Greek alphabet
- September was the most active September on history with 10 named storms

However, other statistics, most notably insured losses, revealed that the season was relatively close to the long-term average. The ACE (Accumulated Cyclone Energy) Index is a measure of total cumulative wind energy for basin and land-falling tropical cyclone activity. The 70-year period 1950-2019 had an average ACE of 104, with the recent previous 10 years having an average ACE of 122. This year saw an ACE of 179.8, which is above average but significantly less than might be expected given the record number of storms.

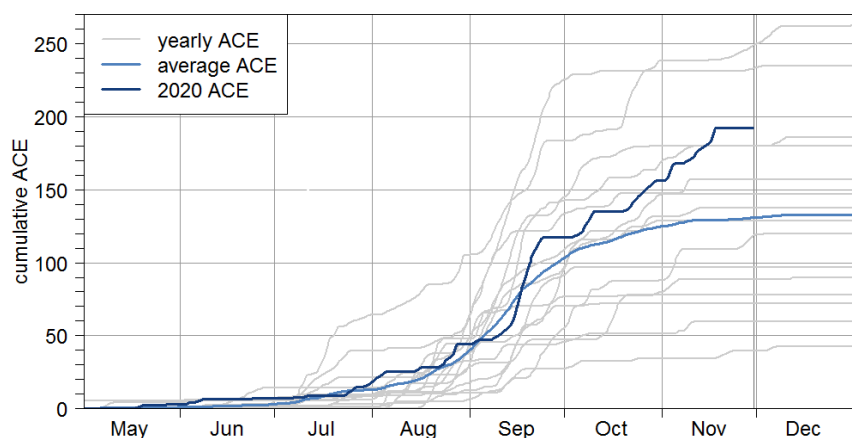


Figure 1: Cumulative ACE for 2020 compared to years 2000-2019. Source: reask.

In total, the season brought 30 named storms, 13 of which were hurricanes, and six major hurricanes (i.e. with a category of 3 or above). Insured losses are currently standing at only USD 17bn (source: PCS), which is significantly below the record breaking numbers seen in 2017; USD 73bn from windstorm losses.

The Twelve Capital and reask North Atlantic hurricane season forecast, released in June, predicted above average activity for 2020, and proved to be directionally correct. Looking at some key indicators in June and August, the forecast for an above average season – especially in the MDR (Main Development Region) – was realised.

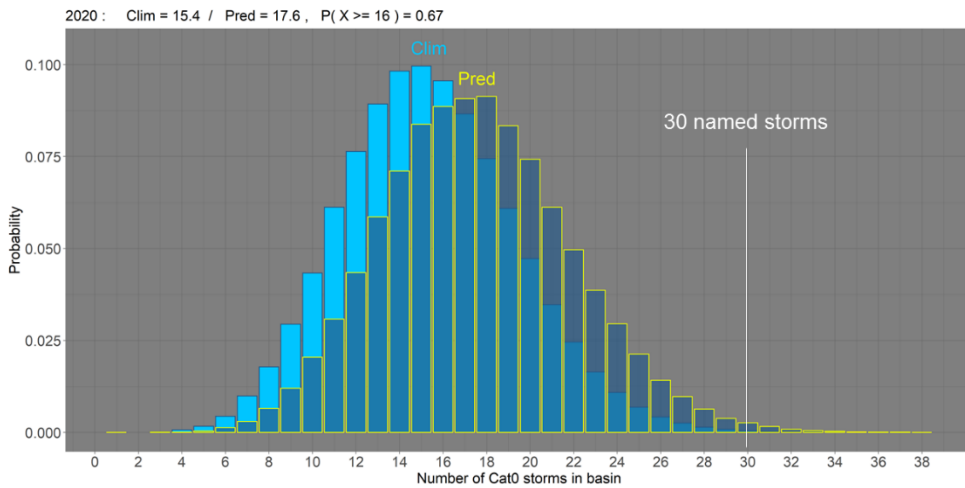


Figure 2: Climatological, from 2000-2019 representing a period of higher activity, (light blue) and forecast (dark blue) probability distributions in basin wide activity. Observed storm activity for 2020 is shown by the vertical white line. Source: reask.

Following the end of the hurricane season, Twelve Capital will conclude its regular event updates and switch to providing ad-hoc updates in respect of major developments. Regular event updates will resume with the start of the 2021 hurricane season in early June next year.

Please contact us with any questions.

With compliments,  
Twelve Capital Team

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