

WHAT



Hurricane Francine is the sixth named storm and the fourth hurricane of the 2024 Atlantic Hurricane Season. It initiated on 7 September in the Bay of Campeche, off the Mexican coast. As a Category 2 Hurricane, it had maximum sustained winds of 100 mph and a lowest central pressure of 970 mbar.

WHERE



Francine made landfall in Southern Louisiana as a weak Category 2 Hurricane, impacting the sparsely populated Terrebonne Parish, South-West of New Orleans in the evening of 11 September. It was then downgraded to a Tropical Storm as it made its way North through the State of Mississippi.

PATH



A tropical wave in the Central Tropical Atlantic began on 28 August. The storm started organising only after leaving the Yucatan peninsula. As Tropical Storm Francine, it accelerated North-East towards the Gulf Coast of the USA. After landfall it gradually dissipated as it headed North of Louisiana.

Impact

Most of Francine's path was in the Gulf of Mexico, with no interaction with land prior to its landfall in Louisiana. The North-East coast of Mexico as well as parts of Texas received considerable amount of rainfall, with localised flooding.

Given the geography of Louisiana's coastline, characterised by a muddy boundary between the Gulf and the land, there was considerable storm surge as seawater was driven onshore. Additionally, surface water flooding occurred due to 20-40cm of localised rainfall.

Tornado warnings were issued in the Southeastern Louisiana, Alabama and Western Florida. Trees falling due to elevated wind resulted in power outages for over 200,000 people. Strong tropical-storm-force wind affected the more densely populated areas of New Orleans, Lafayette and Baton Rouge.



Hurricane Francine Track (12 September)

Industry Loss Estimate

At the time of writing, initial loss estimates for Hurricane Francine are relatively modest in the single digit USD billion, mostly thanks to its impact in sparsely populated areas and relatively low severity. Nevertheless, we flag that building codes in Louisiana were updated only in 2023, compared to 2002 for Florida, where a higher portion of buildings are built according to stronger modern standards. Enforcing of building codes also remains uneven. State infrastructure, and particularly bridges, are in poorer conditions than the national average.

Impact on the Cat Bond Market

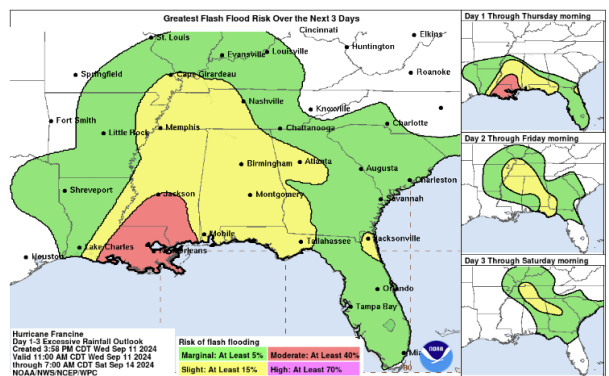
Most insured losses from Hurricane Francine are anticipated to fall within primary insurers' retentions under their reinsurance coverages. We do not expect Francine will result in any loss to per-occurrence Cat Bonds. However, there will be continued aggregate erosion to some bonds, with some getting closer to their attachment point. We are monitoring the Federal Emergency Management Agency sponsored notes with combined outstanding notional of USD 1.3bn providing protection for the National Flood Insurance Program. At the time of writing we do not expect any losses to these notes, however surface water flooding around the New Orleans metropolitan area will be monitored.

Twelve Capital Event Assessment

Twelve Capital has monitored the development of Francine and evaluated the potential impact on portfolios since its formation.

We highlight some key takeaways from the storm development:

- Francine was the first named storm to develop since Ernesto on 12 August. Last time no storms were recorded during such a timeframe was in 1968. In 2024 this was due to a combination of factors inhibiting hurricane formation, including an above average layer of Saharan dust over the Atlantic, and extensive mid-level dry air.
- Francine strengthened rapidly thanks to warm water, low wind shear and elevated air moisture.
- Models accurately predicted the path of the storm since the early development period.



Hurricane Francine Flash Flood Risk (12 September)

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