

AbsoluteClimo Announces Successful 2022 U.S. Hurricane and Japan Typhoon Season Tail Risk Forecasts

Florida's Exceptionally High Hurricane Landfall Tail Risk Forecast Verifies As Correct
Japan's Zero Super Typhoon Landfalls and Low Tail Risk Forecast Verifies As Correct

AbsoluteClimo's Skillful Climate Forecasts Empower Reinsurers to Reinstall Trust

HONOLULU (28 November 2022) - AbsoluteClimo today announces the success of our 2022 verified landfalling U.S. hurricane and Japan typhoon season forecasts including correct predictions of exceptionally high Florida tail risk of catastrophic hurricanes and modest Japan mainland tail risk with no super typhoon landfalls predicted.

For 2022 our home grown long lead global climate model and machine learning dynamic duo, GOTCHA and ClimoCats, expected two U.S. mainland hurricane first landfalls including one catastrophic (Category 3 or greater) landfall: a perfect forecast ex post. Hurricane Ian first landfalled Florida on 28 September 2022 at Category 4 strength, and Nicole landfalled near Vero Beach, Florida on 10 November 2022 as a Category 1 rare November hurricane landfall. Our skillful modeling correctly predicted **exceptionally high** tail risk of Florida hurricane landfalls including high tail risk of catastrophic Florida landfalls: a perfect tail risk forecast. Our models correctly predicted **below normal** tail risk for the mid-Atlantic / [Northeast](#) and remainder of the Gulf unlike pre-season [clickbait](#) by academics comparing 2022 to 2005 with multiple Gulf "monster storms" from the loop current and cries of La Niña.

"I would bestow upon AbsoluteClimo the Insurance Oscar 2022 for scientifically advanced accurate long lead climate physics risk prediction, based on decades of forecasting practitioner experience," said renowned reinsurance industry sage Werner Bugl, Executive Committee Member at Ultimate Risk Solutions. URS is a partner of AbsoluteClimo's.

Our novel global climate modeling forecast skill (accuracy) is backstopped by a world-first unrivaled performance-based business model inaugurated in 2016 and used commercially.

"At IQUW ILS we looked for a provider of atmospheric perils analysis who would be aligned with us. AbsoluteClimo and AKR Zell were willing to define a success as the exact count of landfalling hurricanes for certain corridors. The 2021 season was spot on, triggering a large portion of their annual fee. Skillful prediction of landfalling events is what the industry needs to reinstall trust in its ability to provide sustainable cover where needed," said Sandro Kriesch of Kriesch Advisors.

Japan: Zero Super Typhoon Landfalls and Low Tail Risk Forecast Verifies as Correct

For 2022, AbsoluteClimo expected zero Japan mainland landfalling super typhoons (Category 4 or greater) with below normal tail risk: a correct prediction ex post. There were no Japan mainland super typhoons this year despite the pins and needles caused by super typhoon Nanmadol which diminished in strength prior to landfall due to wind shear. Relying on hindered traditional weather prediction models, the Japan Meteorological Agency (JMA) issued a rare "special warning" (for the Kagoshima Prefecture) used "when forecasts call for conditions seen only once in a few decades" and "had never been issued outside of Okinawa Prefecture". The JMA overconfidently expected Nanmadol to be potentially more impactful than recent large Japan typhoons Hagibis and Jebi, the latter caught traditional catastrophe models and reinsurers by surprise. Nanmadol did not landfall Japan mainland as a super typhoon nor was it a "historic" typhoon "among the strongest to ever impact Japan."

Florida Hurricane, Japan Typhoon Insured Losses Tail Risk Forecasts Directionally Correct

At long lead times ClimoCats forecast above normal 2022 tail risk of insured market losses (excluding flooding) from Florida landfalling hurricanes with an **explosion** of predicted losses in the tail ranging from in excess of \$58 Bn up to \$99.7 Bn USD. Preliminary results strongly support AbsoluteClimo's tail risk losses forecast was directionally correct: S&P Global Ratings indicated damage caused by hurricane Ian in Florida could reach \$40 Bn USD, and others indicating another \$1 Bn to \$2 Bn losses from hurricane Nicole. ClimoCats also independently forecast below normal tail risk of insured market losses of 2022 Japan mainland landfalling typhoons: preliminary results from PERILS for the sole 2022 Japan mainland typhoon Nanmadol (per the Joint Typhoon Warning Center, Pearl Harbor, Hawai'i) indicates this is also a directionally correct below normal tail risk forecast by AbsoluteClimo.

"Atmospheric science and climate science are two different disciplines. AbsoluteClimo skillfully forecasts future climate changes of over 57 interrelated elements and over 136 billion computations including predictive oceanography and wind shear worldwide. Moreover, they specifically predict landfalls for corridors (as opposed to predicting the total number of storms only). Finally there is a predictive model that's skillful enough to be used in the business of risk transfer and to potentially generate alpha for the reinsurers and ILS funds availing themselves of it," said Andreas Karl Robert Zell, Managing Director at reinsurance actuarial consulting firm AKR Zell Pte. Ltd., and AbsoluteClimo strategic partner. *"In the absence of a predictive model with sufficient skill, capital has been protected and returns generated over the reinsurance cycle by managing it through shrinking/growing the portfolio during a soft/hard market. The new opportunity to generate alpha, and probably the first real one since the*

invention of stochastic cat models, is now coming from AbsoluteClimo's groundbreaking forward predictions married with actuarial science," added Zell.

Pensions have been recently holding climate change panels at dedicated investment [conferences](#). Predictable climate futures and investment decisions are best addressed with confidence using commercially viable trusted climate prediction and financial machine learning tools which have demonstrated verifiable forecast skill on climate time-space scales consistently for years ... [year](#) after [year](#) after [year](#) after [year](#) ... offered exclusively by AbsoluteClimo.

About AbsoluteClimo

AbsoluteClimo's (absoluteclimo.com) mission is bettering life on Earth (☉) by helping people impacted by climate variability and change. AbsoluteClimo LLC, founded in 2016 in Honolulu, is a Hawai'i headquartered world leading climate forecasting and risk management company created and operated by pioneering reputable climatologists, meteorologists and seasoned entrepreneurs with accomplished scientific and business industry track record including NASDAQ/NMS listing and successful M&A. We serve business verticals in energy, agriculture, water resources, tourism, human health, financial services including re/insurance, insurance-linked securities, pensions, superannuations, private equity and the new ESG responsible investments markets.

Media contact: Arnold Ku arnold.ku@absoluteclimo.com