# Hurricane Beryl Sparks Concerns in Insurance Sector as Record-breaking Storm Causes Significant Damage



**Hurricane Beryl Results in Significant Damage and Impacts Insurance Sector**

Hurricane Beryl, a record-breaking storm, has caused substantial damage in Saint Vincent and the Grenadines and is expected to hit Jamaica on Wednesday. Beryl, the earliest Atlantic hurricane to reach category five status this year, has raised concerns in the insurance sector about significant potential losses.

Meteorologists at AccuWeather have forecasted severe weather conditions for Jamaica, including flooding, coastal inundation, and wind damage, following the extensive destruction reported in Grenada and St Vincent and the Grenadines. These regions have experienced significant damages, with reports of casualties.

Market reactions have been immediate, with shares of insurers and reinsurers affected by the storm's unprecedented intensity and early occurrence. Stephen Catlin, Executive Chair at Convex, noted the likelihood of a challenging hurricane season.

The U.S. National Oceanic and Atmospheric Administration had earlier predicted an 85% chance of an above-average hurricane season, attributing this forecast to factors such as warming oceans. Reflecting on this, Steve Bowen from Gallagher Re described the early storm as a "remarkable, concerning, and ominous start."

The insurance industry is particularly focused on public-backed risk pools and catastrophe bonds in the Caribbean, which share risks with investors. The World Bank's $150 million catastrophe bond for Jamaica could potentially be triggered, leading to losses for investors.

The trajectory of Hurricane Beryl remains uncertain, with projections suggesting it might move towards Mexico, the Gulf, or the US. The storm has been downgraded to category four but continues to pose significant risks. Robert Muir-Wood of Moody’s has indicated this season could potentially break more records in terms of hurricane intensity.