

DESCARTES PRODUCT SHEET

PARAMETRIC HURRICANE SOLUTION WIND-AT-LOCATION



RISK COVERED

Hurricane

INDEX

Sustained wind speed at location

LIMIT

Up to \$70 million per contract

AVAILABILITY

Global

INSURED PERIOD(S)

Customized to client needs

COVERAGE TYPE

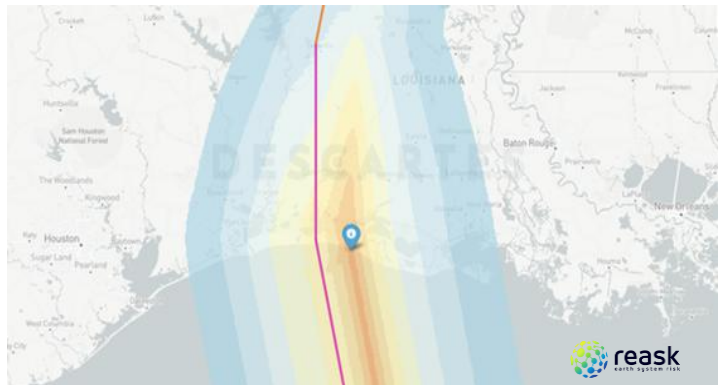
Single or multi-location



WIND-AT-LOCATION

Descartes' parametric hurricane product is a cost-efficient solution that leverages the latest scientific research to assess hurricane exposure and design bespoke covers for clients.

The Wind-at-Location index is based on the maximum sustained wind speed in miles per hour (mph) estimated at the insured location(s), irrespective of the distance to the hurricane track.



Example of a Hurricane Track



WHAT HAPPENS IN THE EVENT OF A HURRICANE?

To compute the parametric payout following a hurricane event, we consider the maximum one-minute sustained wind speed, in miles per hour (mph). We would calculate the notional payout by multiplying the location limit by the payout percentage that corresponds to the wind speed at the insured location(s).

The image to the right shows a hurricane passing just left of an insured location with a wind-at-location speed of 120 mph, corresponding to a payout percentage of 65% per the payout table.



PAYOUT STRUCTURE

Wind (mph)	Payout (% of the limit)
90	5%
95	10%
100	15%
105	25%
110	35%
115	50%
120	65%
125	80%
130	100%

**This structure is flexible depending on engineering design and the project's financial requirements.*



EXAMPLE OF CALCULATION

Assuming an annual aggregate limit of \$15M, the event payout is calculated as follows:

$$65\% \times \$15M = \$9,750,000$$



COVERED INDUSTRIES



Hospitality



Construction



Renewables



Property



& more...



QUOTE REQUIREMENTS

- Location, address, or GPS coordinates
- Loss history
- Policy limit



1 Who is the data provider?

We utilize a private third-party data provider that leverages wind field modeling and data from public agencies to estimate a high-resolution wind footprint.

2 How does the third-party data provider differ from NHC?

Although it may leverage the data published by the National Hurricane Center, the wind footprint provided by the data provider adds an additional layer of modeling, which provides a more granular vision of the actual wind speeds experienced at a specific location.

3 Why is the index based on sustained wind speed?

Our preference for sustained wind speed rather than gust wind speed stems from the data's one-minute liability, as it tends to show better correlation with resulting damage. We use one-minute sustained wind speed, which is determined by averaging observed values over a one-minute period.

4 How is a policy triggered?

A policy is triggered when the one-minute sustained wind speed at the insured location(s), as reported by the data provider, exceeds the predefined threshold in the payout structure, as agreed upon in the policy.

5 How is the payout structure determined?

Our payout structure, which will determine the minimum wind speed needed to trigger coverage, will be co-designed during the quoting process in collaboration with the broker and client.

6 What types of damages are covered?

A parametric policy covers any economic loss sustained from a triggering event including but not limited to property damage, business interruption, and extra expense. We do not require direct physical damages on site to trigger coverage.

7 How does the claims process work?

- 1) The client notifies their broker, Descartes and/or risk carrier of the loss.
- 2) After the event, we collect the final data from the certification agent, ensuring the most accurate level of information to assess if the intensity of the event has triggered the policy and to what payout threshold.
- 3) Using the collected data, we then create an event report stating the maximum monetary amount to be recovered based on the structure outlined in the client's policy.
- 4) After receipt of the event report, the client will issue a Declaration of Loss Statement to Descartes and/or the risk carrier.
- 5) As defined within the policy, after receipt of the Declaration of Loss Statement, the client will receive the payout in agreement with the policy terms, allowing them to accelerate continuity of operations.

INTERESTED IN GETTING A QUOTE? PLEASE REACH OUT TO OUR COMMERCIAL TEAM!

descartesunderwriting.com/contact