

DESCARTES PRODUCT SHEET

PARAMETRIC FLOOD SOLUTION FLOOD-AT-LOCATION - U.S.



RISK COVERED

Fluvial (river),
Pluvial (rainfall)
and Coastal
(surge) flooding

INDEX

Flood depth
reported by on-
site sensors

LIMIT

Up to \$70 million
per contract

AVAILABILITY

United States of
America

INSURED PERIOD(S)

Customized to
client needs

COVERAGE TYPE

Single or multi-
location



FLOOD-AT-LOCATION PRODUCT

Descartes' parametric flood-at-location product uses on-site sensors installed by third-party experts to precisely assess and measure flood risk in real-time at the client's location, facilitating swift indemnification in case of flooding.

Flood acts unpredictably, influenced by topography, flood source, and local infrastructure, leading to highly variable impacts and frequent underinsurance. Our solution offers fresh capacity through a product that provides accurate and efficient loss evaluation thanks to the deployment of highly accurate on-site sensors.



Inland Flooding (left) and Coastal Flooding (right)
in the U.S.



WHAT HAPPENS IN THE EVENT OF A FLOOD?

The water depth is measured and reported in real time by an on-site sensor. If a measurement reaches the pre-agreed water depth threshold, thus indicating a flood event, a payout amount is computed based on the predefined payout structure.

The client receives the compensation a few days after the event, ensuring rapid access to liquidity.



PAYOUT STRUCTURE

To calculate the compensation in the event of flooding, the payout percentage is multiplied by the predefined location limit. The payout structure is tailored to each client, ensuring a fully adapted and efficient coverage.

On-Site Flood Depth Index	Payout (% of the location limit)
≤ 3.5ft	0%
4.0ft	10%
4.5ft	25%
5.0ft	50%
5.5ft	75%
≥ 6ft	100%



EXAMPLE OF CALCULATION

If the measured flood depth at the location is **5.0ft** and the location limit defined by the client is \$10 million, the client will receive:

$$50\% \times \$10M = \$5M$$



COVERED INDUSTRIES



Large Retail



Manufacturing



Hospitality



Real Estate



& more



QUOTE REQUIREMENTS

- Location
- Flood History
- Past Flood Report or On-Site Flood Survey
- Insurance Budget & Policy Limit

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FAQs

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1 How is the payout structure determined?

We analyze historical flood events by using a combination of different data sources and compare them to the client's past events, loss history, if any, and site information (flood counter-measures, topography, infrastructures, etc.). The payout structure is designed to closely match the flood depth with the client's expected losses. If no loss history is available, we estimate projected losses based on discussions with the broker and client or with expert judgment and proxies from similar cases.

2 What is the index based on?

The index is based on the maximum flood depth above the ground as measured in feet by the installed sensors at the client's location.

3 What types of damages are covered under a flood parametric policy?

A parametric policy covers any economic loss sustained from a flood event, including but not limited to property damage, business interruption, and extra expenses. There does not have to be direct physical damage to trigger a payout.

4 What are the advantages of using on-site sensors?

On-site sensors provide an accurate reading of the flood depth at the insured location. This helps to reduce basis risk by providing a local, reliable mechanism to trigger flood payouts.

5 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 third-party certification agent, who assesses if the intensity of the event has triggered the policy and at what payout level.
- 3) Using the collected data, we then create an event report stating the maximum monetary amount to be recovered based on the payout structure defined in the client's policy.
- 4) After receipt of the event report, the client issues a Declaration of Loss Statement to Descartes and/or the risk carrier.
- 5) After receipt of the Declaration of Loss Statement, the client receives the payout in agreement with the policy terms, allowing them to accelerate continuity of operations.

6 How reliable are the on-site sensors used by Descartes?

No-contact sensors, particularly radar-based sensors, are reliable, robust, and are capable of handling adverse conditions with a wide range of water quality. They rely on high-frequency waves to accurately measure the flood depth, which allows them to remain virtually unaffected by temperature, turbulence, and other obstacles.

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

descartesunderwriting.com/contact

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