

DESCARTES PRODUCT SHEET

PARAMETRIC SOLUTION BUSHFIRE-IN-A-CIRCLE



RISK COVERED	INDEX	LIMIT	AVAILABILITY	INSURED PERIOD(S)	COVERAGE TYPE
Bushfire	Satellite-based burnt area	Up to A\$100 million per contract	Australia	Customised to client needs	Single or multi-location



BUSHFIRE COVER PRODUCT

Our parametric bushfire cover uses a combination of satellite imagery and long-term climate and weather data to create tailored coverage solutions for clients at risk.

The growing trend of bushfire ignition, intensity, and spread raises the concern of increased restrictions with traditional insurance coverage and the ability to find adequate capacity to remain resilient. Our parametric solution offers a flexible, transparent approach, allowing clients to be certain of what they will receive amid a bushfire incident.



Aerial view of a bushfire in Australia



WHAT HAPPENS IN THE EVENT OF A BUSHFIRE?

Following a bushfire event, we deploy satellite imagery to identify the hectares burned in and around the coverage area to determine if the policy has been triggered.

Designed as a binary cover, if a bushfire event triggers coverage, the insured would be entitled to a notional payout of up to 100% of the location limit.



COVERED INDUSTRIES



Hospitality



Real Estate



Renewable Energy



Asset Management



QUOTE REQUIREMENTS

- Location
- Loss History
- Sum Insured



PAYOUT STRUCTURE

In this example, a client chose to cover a 100-metre circle around the area surrounding their property assets.

Bushfire Event	Compensation (in % of the limit of insured location)	
	< 100 metres	> 100 metres
Burnt area detected	Up to 100%	-



EXAMPLE OF CALCULATION

If a bushfire breached the 100-metre circular perimeter, coverage would be triggered. For a A\$10M location limit, the client would be entitled to a full payout.

Payout: A\$10M



1 What constitutes a bushfire?

A bushfire is defined as an unmanaged and uncontrolled fire that has its ignition or starting point outside the coverage area and has not been caused by either intentional and/or wilful misconduct, as defined in the policy terms.

2 How is the coverage area defined?

The coverage area is determined by taking the insured location(s) and adding a buffer of a predefined shape, typically 100 metres, around the insured location(s). The exact geometry of the buffer area would be determined by underwriting during the quoting process, in collaboration with the broker and client.

3 What is the resolution of the data?

Depending on the satellite imagery data source, the resolution can be upscaled to 10x10 metres. The use of extremely high-resolution data lets us capture very localised fires, enabling us to correctly identify burnt hectares with high precision.

4 What data providers are used?

We use publicly available satellite imagery data sources such as Sentinel 2 published by the European Space Agency. The data provider would be pre-determined and outlined in the policy.

5 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, & extra expenses. There does not have to be direct physical damage to trigger coverage, but a proof of loss statement is needed.

6 How does the claims process work?

Client's side:

- 1) The client and broker files a first loss notice of event.
- 2) The client and broker informs the insurer of the loss resulting from the bushfire.

Insurer's side:

- 1) The certification agent retrieves satellite data from the data provider.
- 2) The calculation agent informs the insurer of the burnt area map and payment.

After receiving the event report and declaration of loss, the client will receive a payout.

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

descartesunderwriting.com