PARAMETRIC RISK TRANSFER
Catastrophic Drop-Down, Balance Sheet, and Budget Stabilization

From This...

...To This
Complete Risk Transfer for Public Entities
Covers Percentage GAP in FEMA Reimbursements and FEMA Exclusions

Important Coverage for losses excluded or unreimbursed by FEMA (including but not limited to):

- Landscaping and debris removal on both Public and **Private property**
- Erosion and Restoration of Roads, Parks, Beach, Lake, or River
- Includes reduced sales and property tax revenue up to 2 years after the storm
- Damage & Loss that falls within traditional insurance deductibles.
- Infrastructure including Roadways, Utilities, Sewers, Seawalls, Docks, Marinas, Piers, & Wharves
- All expenses including overtime for storm preparation and clean up
- Salt Water or Storm Surge or Flood damage to grass, landscaping, trees and shrubs
Hurricane Irma USVI
Examples of Damages

Cat 1

Cat 2

Cat 3
A known budget item removes stress and frustration caused by the random, unknown and unpredictable losses incurred during Hurricane force winds.

Maximum Sustained Winds Recorded in Harvey, Irma, and Maria

1 min /85.5 mph
Maximum One Minute Sustained Wind Speeds Recorded in Florida for Hurricane Irma: 85.5 mph (STL Anemometer, WeatherFlow Hurrnet)

5 min / 105.6 mph
Maximum Five Minute Sustained Wind Speeds Recorded in the USVI for Hurricane Irma 105.6 mph (BUK Anemometer, WeatherFlow ProNet)

1 min / 102 mph
Maximum One Minute Sustained Wind Speeds Recorded in Puerto Rico for Hurricane Irma 102 mph (CUL Anemometer, WeatherFlow ProNet)

2 min / 105.4 mph
Maximum Two Minute Sustained Wind Speeds Recorded in Texas for Hurricane Harvey 105.4 mph (TCOON Anemometer, TAMU)

1 min / 124.4 mph
Maximum One Minute Sustained Wind Speeds Recorded in Puerto Rico for Hurricane Maria 124.4 mph (CUL Anemometer, WeatherFlow ProNet)
How it Works

* Some of the anemometers in the network are located in urban areas and are required to be higher than the standard 10 meters (34 feet), therefore, these anemometers are located on cell towers.
The **HIGHER** of either the **Wind Speed Exceedance** as measured by an **anemometer** at or near the insured location

**OR**

**National Hurricane Center** intensity forecasts and storm track through the **pre-defined circle**

Anemometers will record the actual winds as experienced at or near the property.

**NO BLACK BOX.** Further, anemometer readings can be monitored in Near Real Time during the storm subject to coms.
Example: During Hurricane Irma in Florida, stronger winds were recorded in Port St. Lucie on the Central East Coast of Florida than in Naples where Irma technically was close to a landfall.
**Example:** During Hurricane Irma in Naples the NHC was estimating winds at two categories higher than were actually recorded.
How it Works

**Parametric Coverage Trigger:** Coverage is triggered based upon the recorded wind speed at a hurricane-hardened anemometer, owned and operated by *Weatherflow Inc.*, during a National Weather Service named storm. Once coverage is triggered, any economic loss is eligible for coverage, up to the limit purchased.

- **Primary Trigger** - The 60-Second Sustained Wind reports at the wind monitoring stations are collected and analyzed by an independent Calculation Provider – **Risk Management Solutions, Inc. (RMS)**

- **Back-up Trigger** - If it is determined that a malfunction occurred or that the Maximum Sustained Wind reading is unavailable or unreliable from the specified calculation location, then the Maximum Sustained Wind will be determined by the Calculation Provider (RMS) using a **computer-modeled windfield** called Paradex, which is an independent product produced by the Calculation Provider and extensively utilized by the (re)insurance industry.

- **Losses are not covered unless the pre-specified wind speed trigger is met or exceeded.**
Protection Opportunity

• Parametric (Wind Speed) coverage replaces the dollar based deductible with a WIND SPEED deductible. It is a rapid payment risk transfer solution for all exposures to economic loss caused by hurricanes excluded or non reimbursed by FEMA or Traditional Insurance.

• Parametric coverage can pay the 25% FEMA does not cover. It also covers the FEMA excluded claims.

• The claim form is 2 pages. Payment is rapid and can be measured in days of the storm.

• Hurricane PM it is securely underwritten Insurance Carriers Rated A+ by A.M. Best.

Hurricane PM can pay before your Emergency Fund is used.

Hurricane PM protects your balance sheet after a catastrophic Hurricane event.
STRUCTURE:
65 – 105 MPH Escalating or CAT-IN-A-BOX/CIRCLE

WINDSPEED QUALIFYING EVENT:
Coverage is Triggered if the 60-Second Sustained Wind Speed meets or exceeds the MPH Thresholds, at any anemometer.

CAT-IN-A-BOX/CIRCLE QUALIFYING EVENT:
Coverage is Triggered if an Event Track Point falls on or within the boundaries of the shape, or intersects the shape, as reported by the National Hurricane Center’s Public Advisory Reports.

QUALIFYING EVENT MAXIMUM PAYOUT:
The highest Payout of either the Wind Trigger or the Cat-In-A-Box/Circle Triggers. The Cumulative Payouts are not additive within the same Named Storm, however, the payouts can be added over multiple Named Storms, not to exceed the Limit during the Contract Period.

Rates are INDICATIVE, non-binding, and subject to change.
NEW PARADIGM
UNDERWRITERS

We cover what others exclude.