



1 CONTEXT & RISK LANDSCAPE

US municipalities and port & airport authorities represent a large part of US public assets, with **20,000** municipal governments and more than 500 authorities managing **critical infrastructure exposed to both property damage and operational interruption**.

Climate events, notably **floods, hurricanes, earthquakes, wildfires, severe convective storms and heat or cold stresses** can lead to injuries, displacement of populations and interruption of city services. In 2021 Winter Storm Uri caused a systemic failure of municipal infrastructure in Texas, with over 4.5 million customers losing power and nearly half of Texans experiencing water service disruptions. In Austin alone, the water system lost 325 million gallons in just a few days due to burst pipes. Ports and airports are for their part exposed to severe business interruption losses, and must face capital-intensive repairs after events.

Public entities, which highly rely on federal aids for disaster recovery, are also facing a **rising need for quicker access to liquidity**, as FEMA reimbursements can face long delays, taking several months or even years before being delivered.

To bridge these gaps, parametric insurance **provides rapid, predefined liquidity** immediately after a qualifying event to reduce insureds' financial stress and allow to face first-response emergencies.



2 FINANCIAL PAIN POINTS

- **Delayed recovery timeline:** Traditional insurance claims for major catastrophes can take months or even years to settle, creating severe cash flow pressure for municipalities which are operating on fixed budgets with no meaningful liquidity.
- **Uncovered first-response costs:** Standard policies often include restrictive sub-limits for debris removal, and typically do not cover first-responder temporary staffing or overtime pay, nor fund emergency services such as aid tents or food pantries.
- **High retention:** Municipalities often retain important part of the risks, notable due to many aggregated losses below deductibles.
- **Shared limits in risk pools:** Public entities can be insured by a risk pool, where multiple participants draw from the same coverage limit. In the event of a large-scale catastrophe affecting many members, each insured may receive only a portion of the available funds for recovery, as the total limit must be distributed among all affected participants.

10

Countries

With offices around the world

20+

Perils covered

With best-in-class (re)insurers, written on A+ paper

150+

Scientific experts

Risks modelers, data scientists and software engineers

\$80M+

Capacity per policy

Up to \$140M for Earthquake/Hurricane for North America and Caribbean

3 THE VALUE OF PARAMETRIC INSURANCE

- **Rapid liquidity:** Payouts are confirmed in days and paid in weeks, providing critical liquidity during the post-event recovery period.
- **Flexible capital:** Payouts are not tied to specific loss assessments and can be used to offset revenue losses or support operational recovery.
- **No claims adjustments:** Coverage is triggered by predefined parameters, eliminating lengthy loss adjustments processes.
- **Complements traditional insurance in risk pools:** Parametric coverage is triggered independently of shared limits, absorbing deductibles for smaller events and protecting against limit exhaustion in major catastrophes, ensuring full recovery rather than prorated payouts.

We provide parametric solutions for the following risks:



Hurricane



Flood



Earthquake



Wildfire



SCS



Climate Stress
(Heat/Cold)



4 PARAMETRIC SOLUTIONS IN ACTION

NDBI Protection for an Airport

Solution: Coverage triggered by Category 3+ events independent of on-site damage.

Benefit: Covers revenue losses caused by flight cancellations or airport shutdown, excluded from traditional insurance policies.

Flood-at-location for a City

Solution: On-site sensors installed by third-party experts to precisely assess and measure flood risk in real-time.

Benefit: Rapid access to liquidity to fund emergency repairs and face first-response costs such as temporary staffing and emergency services.

Additional Capacity for a Pool

Solution: An earthquake cover designed with intensity-based thresholds, calibrated to trigger on major earthquakes.

Benefit: Avoids claim proration in the event of a large-scale earthquake affecting several pool participants and reduces the potential need to reinstate the policy limit.

PARAMETRIC COVERAGE IN 3 STEPS



The cover is based on custom-made parameters & pre-agreed indemnity



The evolution of these parameters is monitored using verified third-party data from reputable providers



When a triggering event occurs, the client notifies the insurer of their loss & swiftly receives compensation

INTERESTED IN KNOWING MORE?
Please reach out to our commercial team!

CONTACT US



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