DESCARTES
PRODUCT SHEET

PARAMETRIC TROPICAL CYCLONE CAT-IN-A-CIRCLE

RISK COVERED	INDEX	LIMIT	AVAILABILITY	INSURED PERIOD(S)	COVERAGE TYPE
Tropical cyclone	Distance to the cyclone track & wind speed	Up to $80 million per contract ($140 million for North America & Caribbean)	Global	Customized to client needs	Single or multi-location

CAT-IN-A-CIRCLE PRODUCT

Policies are built based on client-specific tropical cyclone risk exposure and needs, considering the client's target budget to cover both property damage and non-damage business interruption.

Our payout structure, based on a Cat-in-a-Circle model, consists of single or multiple circles of a predefined distance centered at the insured location(s), along with a predefined payout for each intensity threshold.

Once the pre-agreed threshold is reached or exceeded, regardless of the actual material damage, swift payouts are made to help clients bounce back rapidly after landfall occurs from a tropical cyclone event.

WHAT HAPPENS IN THE EVENT OF A TROPICAL CYCLONE?

Descartes' parametric tropical cyclone solution leverages the latest scientific research to assess cyclone exposures and design tailor-made covers for our clients.

Following a cyclone event, the parametric payout is computed by considering the distance of the cyclone's track to the insured location(s) and the maximum sustained wind speed.

For instance, the map shows Cyclone Debbie passing through the inner 25km circle with a 10-minute sustained wind speed above 160km/h.

PAYOUT STRUCTURE

Assuming an annual aggregate limit of $15 million, the notional payout for this event is calculated using this structure.

BOM Category	10min Sustained Wind Speed (km/h)	Compensation (% of the sum insured)	
		Distance to Cyclone	
		≤25km	>25km & ≤50km
<3	<118	0%	0%
3	≥118 & <160	25%	10%
4	≥160 & <200	50%	25%
5	≥200	100%	50%

COVERED SECTORS AND ASSETS

Hospitality · Construction · Renewables · Property · & more...

EXAMPLE OF CALCULATION

A payout equal to 50% of the Aggregate Limit selected would be triggered:

50% x $15M = $7,500,000

QUOTE REQUIREMENTS

- Location, address or GPS coordinates
- Loss History
- Policy Limit

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FAQs
PARAMETRIC TROPICAL CYCLONE CAT-IN-A-CIRCLE

1 Who is the data provider?

In Australia, our cyclone solution leverages data from the Bureau of Meteorology (BOM). BOM is Australia's national weather, climate, and water agency with an extensive database which includes real-time weather updates, historical cyclone tracks, and atmospheric conditions.

For other regions of the world, we rely on agencies capable of providing similar data such as the National Hurricane Center (NHC) and National Oceanic and Atmospheric Administration (NOAA) in the USA, the Joint Typhoon Warning Center (JTWC) or the Japan Meteorological Agency (JMA).

2 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 expenses. There does not have to be direct physical damage to trigger coverage.

3 How is the payout structure determined?

Our payout structure which consists of one or multiple circles of a predefined distance centered at the insured location(s) along with a predefined payout for each intensity threshold will be discussed during the quoting process and co-designed in collaboration with the broker and client.

4 How does the claims process work?

1) The client notifies their broker, Descartes and/or the 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.

5 Why is the index based on sustained wind speed?

The maximum sustained wind speed reported by the data provider is one indicator of the intensity of an event and the extent of possible damage. Ten-minute sustained wind speed represents the highest average wind speed over a ten-minute period anywhere within the cyclone, typically strongest near the center of the storm. Our preference for sustained wind speed rather than gust wind speed stems from the reliability of the data and tends to show better correlation with resulting damage.

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

descartesunderwriting.com/contact