DESCARTES
PRODUCT SHEET

PARAMETRIC HURRICANE SOLUTION
CAT-IN-A-CIRCLE

RISK COVERED	INDEX	LIMIT	AVAILABILITY	INSURED PERIOD(S)	COVERAGE TYPE
Hurricane	Distance to the hurricane track & wind speed	Up to $75+ million per contract	Global	Customized to client needs	Single or multi-location

CAT-IN-A-CIRCLE

Descartes' parametric hurricane solution leverages the latest scientific research to assess hurricane exposures and design bespoke covers for our clients.

The Cat-in-a-Circle index is based on the proximity and intensity of a hurricane using concentric circles of varying distance at an insured's location.

WHAT HAPPENS IN THE EVENT OF A HURRICANE?

To compute the parametric payout following a hurricane event, we consider the distance of the hurricane's track to the insured location(s) and the maximum sustained wind speed. Our payout structure will consist of a single or multiple circles of a predefined distance centered at the insured location(s) along with a predefined payout for each intensity threshold.

The image on the right shows a hurricane passing through the 20-mile radius circle centered at an insured location with a wind speed above 157 miles per hour (Category 5 Hurricane).

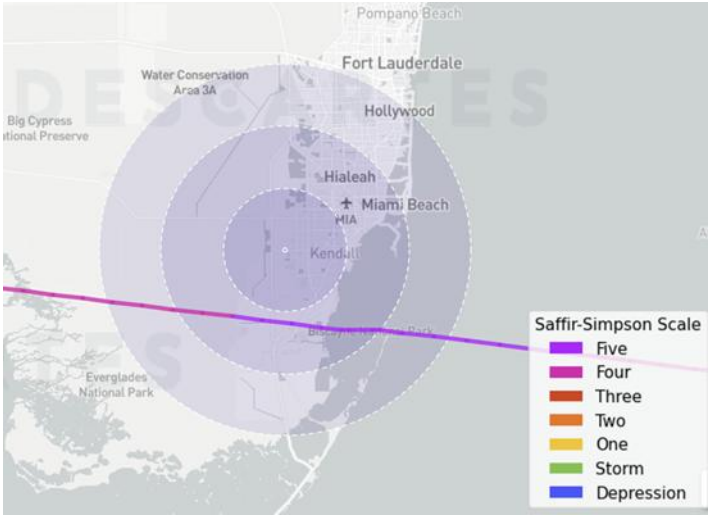
Assuming an annual aggregate limit of $15 million, we would calculate the notional payout for this event using the payout structure on the right.

COVERED INDUSTRIES

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

QUOTE REQUIREMENTS

- Location, address, or GPS coordinates
- Loss history
- Policy limit



Hurricane Track
With three circles near Miami, FL.

PAYOUT STRUCTURE

In a scenario of a hurricane passing by 20-mile radius circle centered at an insured location; the client would have received a compensation of 40%.

Saffir Simpson Category	Wind Speed (mph)	Compensation (% of the sum insured)		
		≤10mi	>10mi & ≤20mi	>20mi & ≤30mi
3	≥111 – 130	15%	10%	5%
4	≥130 & <157	40%	15%	10%
5	≥157	100%	40%	15%

EXAMPLE OF CALCULATION

Payout Calculation

40% x $15M = $6,000,000

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FAQs

PARAMETRIC HURRICANE SOLUTION CAT-IN-A-CIRCLE

1 Who is the data provider?

The data provider for the Atlantic, Central North Pacific and Eastern North Pacific regions (United States, Mexico, Caribbean) is the National Hurricane Center (NHC), a division of the National Oceanic and Atmospheric Administration (NOAA). The NHC is responsible for tracking and forecasting all tropical weather disturbances, providing high temporal resolution reports of a storm's location and wind speed. For other regions of the world, we rely on agencies capable of providing similar data such as the Joint Typhoon Warning Center (JTWC) or Japan Meteorological Agency (JMA).

2 How is the hurricane's track determined?

The hurricane track and storm characteristics are reported by the National Hurricane Center every 6 hours. We extrapolate the data provided using linear interpolation between each reporting position to create a continuous storm track allowing us to determine if the hurricane has passed through one of the predefined circles around the insured location(s), as outlined in the policy.

3 Why is the index based on sustained wind speed?

The maximum sustained wind speed reported by the National Hurricane Center is one indicator of the intensity of an event and the extent of possible damage. One-minute sustained wind speed represents the highest average wind speed over a one-minute period anywhere within the hurricane, 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.

4 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.

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 certification agent, ensuring the most accurate level of information to assess if the intensity of the event has triggered the policy and at which corresponding 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.

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

descartesunderwriting.com/contact

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