DESCARTES

PRODUCT SHEET

PARAMETRIC WILDFIRE SOLUTION FOR HOAs & COAs

RISK(S) COVERED	INDEX	LIMIT	AVAILABILITY	INSURED PERIOD(S)	COVERAGE TYPE
Wildfire	Satellite-based burned area within the coverage area	Up to $100 million per contract	United States of America	Short-term, annual, or long-term agreement (L.T.A.)	Single- or multi-location

OUR WILDFIRE SOLUTION

Descartes' parametric wildfire solution combines cutting-edge satellite imagery with long-term climate data to offer **certain, flexible coverage** tailored for Homeowners and Condominium Owner Associations (HOAs & COAs).

As wildfire frequency and intensity escalate, associations are faced with restrictive limits from insurers of last resort, such as California's FAIR Plan. Descartes bridges this gap, providing **reliable protection when traditional options fall short**.

WHAT HAPPENS WHEN A WILDFIRE OCCURS?

Payouts are determined objectively using high-resolution (10x10 meter) satellite imagery from the European Space Agency (ESA). Following an event, the independent calculation agent analyzes this data to verify the burned area relative to the coverage circle.

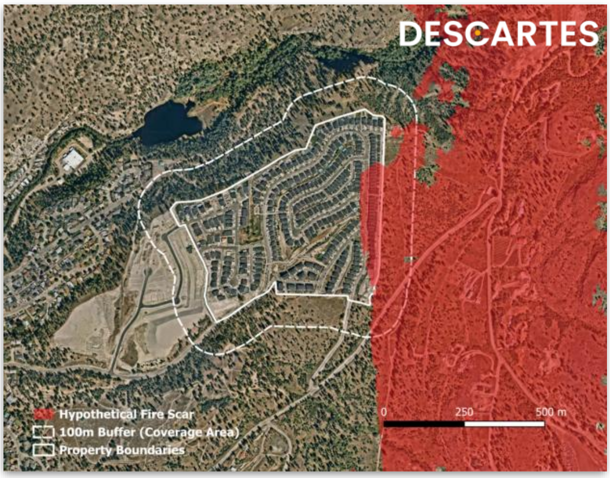
This is a binary structure, so triggering the policy is straightforward: if the wildfire meets the predefined criteria, the insured is automatically entitled to a payout of up to 100% of the policy limit—**no lengthy physical claims adjusting required**.

WHY PARAMETRIC INSURANCE WORKS FOR HOAs & COAs

- ✓ **Buys down deductibles** and **tops up limits**
- ✓ **Fills coverage gaps** like landscaping, shared outdoor areas, and evacuation costs
- ✓ **Covers under-construction communities** with TIVs that scale as the project advances
- ✓ **Provides rapid liquidity** that reduces the need for unplanned homeowner assessments

OUR WILDFIRE SOLUTION IN ACTION

A five-building luxury condominium association in Southern California purchased **$100 million of California FAIR Plan coverage** ($20 million per building). When a wildfire ignited nearby and destroyed parts of their grounds, **gaps in what the FAIR Plan covers became apparent**—all their outdoor community areas and landscaping were excluded.



Satellite Image of an insured Location Affected by a Wildfire

Had they purchased **$10 million of complementary coverage from Descartes**, they would have received a rapid injection of capital, which they could've used **to rebuild infrastructure excluded by the FAIR Plan**.

The wildfire breached the 100-meter perimeter around their grounds, so the client would've been entitled to a payout up to 100% of the limit upon declaring a loss.

$10 million within weeks

QUOTE REQUIREMENTS

- **GPS coordinates**, **shapefile**, or **map of area to be insured** (e.g., HOA grounds)
- **Policy limit**
- **Loss history** from wildfires (if available)

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FAQs
PARAMETRIC WILDFIRE SOLUTION FOR HOAs & COAs

1 What constitutes a wildfire?

A wildfire is defined as an unmanaged and uncontrolled fire whose ignition or starting point is outside the coverage area and has not been caused by either intentional or willful 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 meters, 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?

We use publicly-available high-resolution satellite imagery provided by the European Space Agency's Sentinel-2 satellite. In the event of a claim, an independent third party would scale the resolution of this data up to 10x10 meters. This high-resolution data lets us capture very localized fires.

4 What kinds of damage are covered?

Any type of financial loss associated with a wildfire would be covered, such as rebuilding non-critical infrastructure (e.g., shared outdoor spaces, landscaping), evacuation costs, private firefighters, etc.

6 How does the claims process work?

Client's side:
1) The client and broker file notice of an event.
2) The client and broker inform the insurer of the loss resulting from the wildfire.

Insurer's side:
1) The independent certification agent retrieves satellite data from the data provider.
2) The calculation agent informs the insurer of the burned area map and payment.

After receiving the event report and declaration of loss, the client will receive a payout. The overall claim settlement is defined in the insurance policy and is usually a matter of weeks.

7 How can Descartes' coverage complement that of the California FAIR Plan?

While the California FAIR Plan can provide essential baseline protection, it often leaves major financial exposures for HOAs and COAs. Descartes' parametric wildfire solution can seamlessly complement the FAIR Plan by injecting rapid liquidity after an event occurs. Our flexible payout can be used to buy down steep deductibles, top up restrictive sub-limits, and fill critical coverage gaps—such as landscaping, shared outdoor amenities, and unexpected evacuation costs. Furthermore, for under-construction communities with fluctuating Total Insured Values (TIV), Descartes' coverage dynamically scales to match the evolving risk profile. Ultimately, this immediate capital empowers boards to fund urgent post-fire recovery efforts, helping to reduce unplanned homeowner assessments.

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

descartesunderwriting.com/contact