

# PARAMETRIC WIND INSURANCE

*When the wind hits, your payment follows.*

Parametric wind insurance pays out a predetermined amount when wind speeds at or near a covered location reach a pre-agreed trigger threshold, as measured by independent weather stations. Unlike traditional windstorm coverage, there is no claims adjuster, no repair estimates, and no waiting — if the wind hits the trigger speed, the policyholder receives payment within days.

This coverage is ideal for businesses and property owners in hurricane-prone areas who need immediate cash flow after a major storm to cover deductibles, fund emergency repairs, or bridge the gap while traditional claims are processed. Because payouts are based on objective weather data rather than damage assessments, there is little room for coverage disputes.

## Why Parametric Wind Coverage?

- ✓ Payment in days, not weeks or months
- ✓ No claims adjusters or damage inspections required
- ✓ Objective, third-party weather data eliminates coverage disputes
- ✓ Bridges the gap while traditional property claims are processed
- ✓ Customizable trigger thresholds and payout amounts

## HOW IT WORKS

### STEP 1 Set Your Trigger

Select a wind speed threshold (e.g., sustained winds of 74 mph) and a predetermined payout amount based on your exposure.

### STEP 2 A Storm Hits

Independent weather stations record actual wind speeds at your location. No need to report a claim or document damage.

### STEP 3 Automatic Payout

If recorded wind speed meets or exceeds your threshold, your payout is issued automatically — typically within days.

## TRADITIONAL VS. PARAMETRIC

	Traditional	Parametric
<b>Payout Trigger</b>	Assessed physical damage	Measured wind speed
<b>Claims Process</b>	Adjuster, estimates, docs	Automatic — no filing
<b>Time to Payment</b>	Weeks to months	Days
<b>Disputes</b>	Common	Virtually none
<b>Best Used As</b>	Primary property coverage	Complement to traditional

## WHO IS IT FOR?

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Parametric wind insurance is designed for any business or property owner in a hurricane or high-wind zone who needs financial certainty after a major weather event. It is especially valuable for:

- **Commercial Property Owners** — Hotels, resorts, shopping centers, and office buildings in coastal areas that need fast capital to begin recovery after a windstorm.
- **Construction Contractors** — Builders with active job sites vulnerable to wind damage who need rapid funding to get projects back on track.
- **Municipalities & Public Entities** — Local governments and school districts that must mobilize emergency resources immediately after a storm.
- **Waste & Sanitation Companies** — Fleet operators and facility owners whose vehicles, equipment, and structures are exposed to wind damage and need to resume operations quickly.
- **Homeowners & Condo Associations** — Residential property owners looking to cover deductibles or fund immediate repairs while their traditional claim is processed.

## KEY CONSIDERATIONS

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Parametric wind insurance is a powerful complement to your traditional property policy, but it works differently than conventional coverage. Understanding these key points will help you structure the right program:

- **Complement, Not Replacement** — Parametric coverage works alongside your existing property policy. It fills the cash flow gap during the critical days after a storm while your traditional claim is processed.
- **Trigger Threshold Selection** — The wind speed trigger is the most important decision. If winds fall just below the threshold, no payout is made even if damage occurs. Your broker can help analyze historical weather data to select the right trigger.
- **Payout Structure** — Payouts are predetermined and not tied to actual damage amounts. Structuring the right payout relative to your deductibles and expected recovery costs is essential.
- **Objective Data** — All trigger determinations use independent, third-party weather station data. There is no subjective assessment, meaning virtually no disputes over whether a payout is owed.
- **Flexible Use of Funds** — Unlike traditional insurance, parametric payouts can be used however you see fit — deductibles, payroll, temporary facilities, debris removal, or any other immediate need.

### Common Uses for Parametric Payouts

- Cover property insurance deductibles
- Fund emergency repairs and debris removal
- Bridge payroll during business interruption
- Secure temporary facilities or equipment



## FREQUENTLY ASKED QUESTIONS

### **What wind speeds typically trigger a payout?**

Triggers are fully customizable. Common thresholds range from Category 1 hurricane speeds (74 mph sustained) to lower thresholds for wind-sensitive operations. Your broker will help you select the trigger that best matches your risk profile and budget.

### **How is the wind speed measured?**

Wind speeds are recorded by independent, third-party weather monitoring stations operated by organizations such as the National Weather Service. The data is objective and publicly verifiable, which is why there are virtually no disputes over payouts.

### **Can I receive a payout even if my property isn't damaged?**

Yes. Parametric payouts are based solely on the wind speed recorded, not on whether actual damage occurred. If the trigger threshold is met, the payout is issued regardless of damage. This is one reason parametric coverage is so fast — no inspection or proof of loss is required.

### **What if I suffer damage but the wind speed doesn't reach my trigger?**

If the recorded wind speed falls below your trigger threshold, no parametric payout is made. This is known as "basis risk" and is the primary reason parametric coverage should complement — not replace — your traditional property policy. Your traditional policy would still cover qualifying losses.

### **Does this replace my existing property insurance?**

No. Parametric wind insurance is designed to work alongside your existing property policy. Think of it as a financial first-responder — it delivers immediate cash to cover deductibles, emergency repairs, and operational costs while your traditional claim is being processed.

Contact Sirix Group LLC today to discuss parametric wind coverage tailored to your exposure.

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