



**NORMANMAX**<sup>SM</sup>

# **Parametric Reinsurance Case Studies**

PROPRIETARY AND CONFIDENTIAL

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# Executive Reinsurance Team



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Meier**  
CEO



**Stuart  
Newcombe**  
Lloyd's Active  
Underwriter



**Mark  
Groenheide**  
CRO



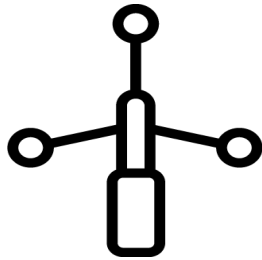
**Daniel B.  
Turgel**  
CUO



**Steve  
Martindale**  
CFO

# Why Parametric Makes Sense

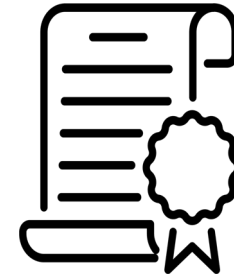
NormanMax has built proprietary Earthquake and Hurricane Parametric Insurance Products which provide broad coverage while addressing traditional reinsurance issues and limitations.



**Accurate,  
Effective**



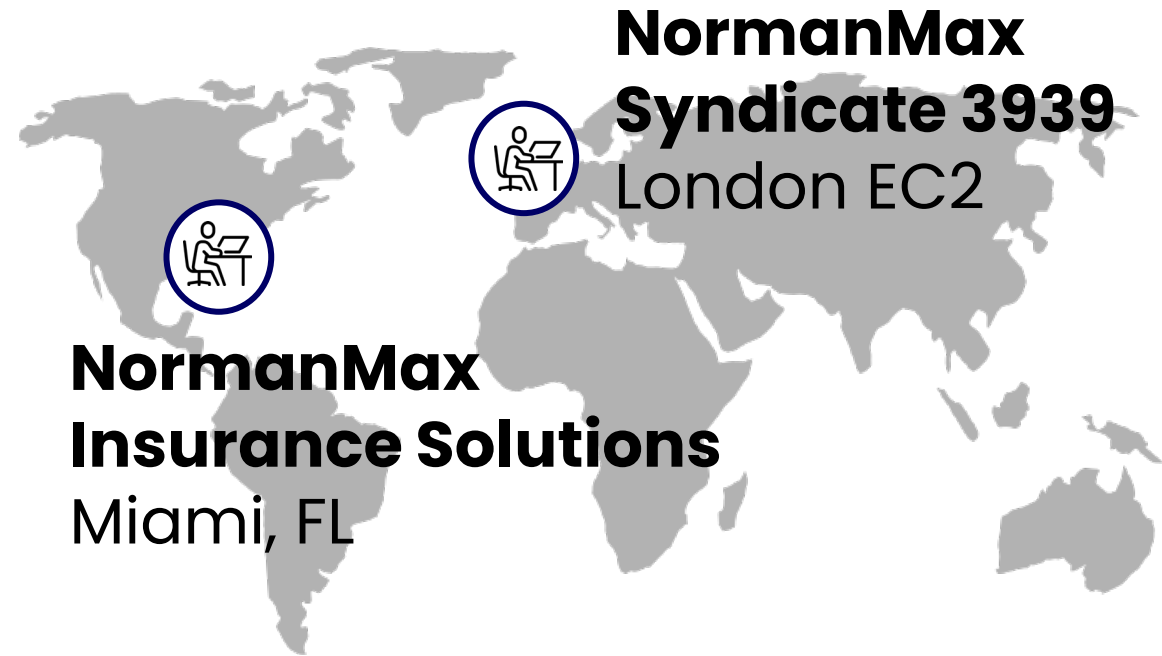
**Quick  
Payouts**



**Reduces  
Coverage Gaps**

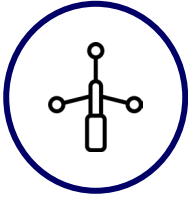
# NormanMax Global Reach

NormanMax Syndicate 3939 has global reach with around 80 insurance licenses as part of Lloyd's of London and capability to write reinsurance business in over 200 territories. The majority of our licenses permit us to provide coverage on a cross-border basis. Policyholders can benefit from compliant coverage in nearly 80 territories and multiple classes of business.\*



\*<https://www.lloyds.com/lloyds-around-the-world>

# Program Details & Implementation



## Coverage Form & Product based on existing Hurricane PM<sup>®</sup>

- Primary Trigger: 60 Second Sustained Wind Speeds at Proxy (*i.e.*, RMS Hwind)
- Optional Secondary Trigger: 60 Second Sustained Wind Speed at Anemometer (subject to availability)
- Optional Third Trigger: Cat-In-A-Circle (*i.e.*, Storm Track)
- Rating Engine setup for any Commercial Risks excluding Cannabis (Probability of Event & Occupancy Agnostic)
- Product can be offered as either Insurance or Reinsurance

# Program Details & Implementation

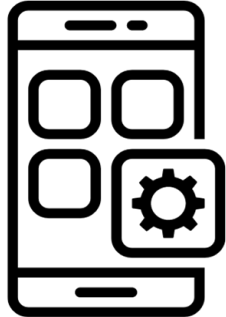


## **Underwriters at NormanMax can provide support for structuring Hurricane PM<sup>®</sup>**

- Underwriters will assist with the setup of Trigger options
- Existing Underwriting staff experienced and versed in providing parametric Insurance and Reinsurance

# How It Works For The Insured

Proven processes to ensure a smooth claims experience for all customers.



## Hurricane begins

National Weather Service declares Named Storm

## Submit your claim

Economic loss, physical damage, or both!

## Parametric Coverage Trigger

NMIS receives 3P event report detailing if structure has been triggered and if event qualifies

## HurricanePM® provides coverage

Pays out highest amount available within the Policy that has been triggered



# Proven Performance & Rapid Claims Settlement

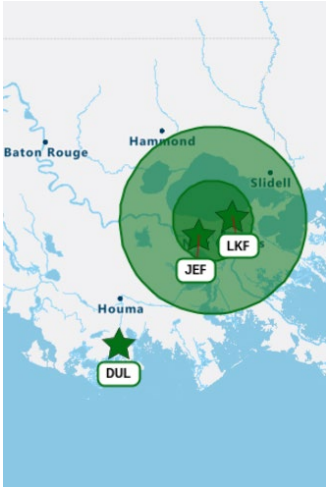
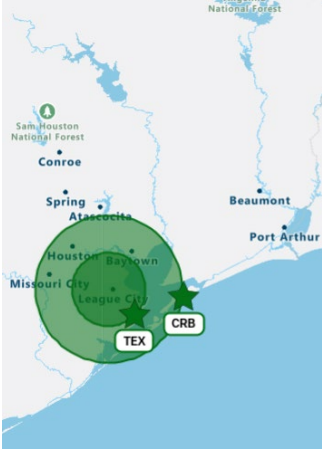
	<b>Event Type</b>	<b>Event Date</b>	<b>Event Report Issued</b>	<b>Proof of Loss Received</b>	<b>Invoice Submitted</b>	<b>Invoice Paid</b>	<b>Amount Paid</b>
<b>Sally</b>	Hurricane	9/16/20	9/22/20	10/12/20	10/23/20	11/1/20	\$ 2M
<b>Zeta</b>	Hurricane	10/28/20	12/15/20	12/9/20	1/5/21	1/10/21	\$ 2M
<b>Ida</b>	Hurricane	8/29/21	9/15/21	10/12/21	10/12/21	11/4/21	\$ 12.5M





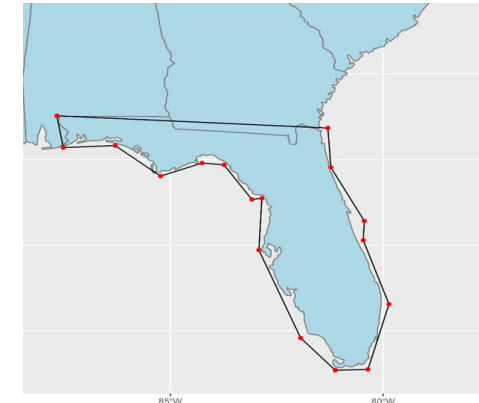
# Case Study 1 - US Admitted Insurer

<p>Problem</p>	<p>Peak exposures in the Houston and New Orleans areas required additional coverage, and it would not be cost effective to buy an additional layer as these exposures were very localized.</p>
<p>Parametric Solution</p>	<p>Four CIAC structures covering the two key exposed locations, New Orleans and Houston, with further protection provided by outlying 5 anemometers to ensure that the basis risk associated with a near-miss is reduced.</p>
<p>Cost</p>	<p><b>18.9% gross + 10% brokerage</b></p>



# Case Study 2 - US Admitted Insurer (FL)

<p>Problem</p>	<p>Cumulative effect of multiple deductibles and reinstatement premiums meant that a third reinsured event would materially impact the balance sheet.</p>
<p>Parametric Solution</p>	<p>Third event parametric protection                  Paying out soon after <b>the third Cat 3+</b> named storm made landfall on Florida                  No specific geographic location that was the primary cause of exposure, and an ILW at a suitable level would have been too expensive and too slow to respond.</p>
<p>Cost</p>	<p><b>9.43% gross + 10% brokerage</b></p>

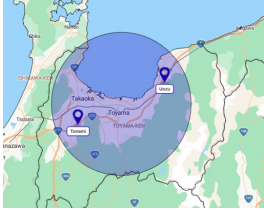
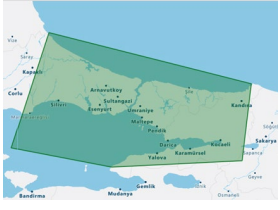


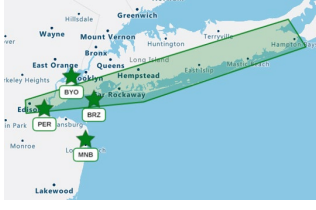


# Case Study 3 - Lloyd's Syndicate

Problem	MGA writing Caribbean property insurance caused concern about the potential losses following a major hurricane
Parametric Solution	Reduce concentration risk CIAC structure on four locations Single aggregate limit 20-mile circles 100% payout <b>Cat 4 &amp; 5 only</b>
Cost	<b>13.5% gross + 10% brokerage</b>



# Other Case Studies

	Japan EQ	Turkey EQ	Mexico EQ	US DE HU	US NY HU
Parametric Solution	<b>Cat-in-a-Circle (20 mi)</b>	<b>Cat-in-a-Shape</b>	<b>Cat-in-a-Circle (50km)</b>	<b>Cat-in-a-Shape</b>	<b>Cat-in-a-Shape</b>
Type	<b>PGA 30-69%</b>	<b>Magnitude 6.5-7</b>	<b>PGA 20-100%</b>	<b>Cat 1-3 74-119mph</b>	<b>Cat 1 65-74mph</b>
Payout	<b>20-100%</b>	<b>50%, 100%</b>	<b>0-100%</b>	<b>5-100%</b>	<b>10-100%</b>
Gross Rate	<b>5.3%</b>	<b>6.75%</b>	<b>6.1%</b>	<b>6.79%</b>	<b>14.73%</b>
Brokerage	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
Deductible	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Location					



# Hurricane PM<sup>®</sup> & PeakZone PM<sup>®</sup> Program Statistics

<b>2024 Policy Maximum Line Size</b>	<b>\$10,000,000</b>
<b>2024 Minimum Policy Premium</b>	<b>\$5,000</b>
<b>Standardized Solutions Quoting</b>	<b>1-2 Hours</b>
<b>Bespoke Opportunities Quoting</b>	<b>24 Hours</b>
<b>Facultative &amp; Treaty</b>	



# Hurricane PM<sup>®</sup> Program Process

## SUBMISSION PROCESS + REQUIRED INFORMATION

1. E-MAIL RISKS TO: [SUBMISSIONS@NORMANMAX.COM](mailto:SUBMISSIONS@NORMANMAX.COM)
2. INCLUDE STATEMENT OF VALUES (SOV), HEAT MAP OR EDM & BUDGET INFORMATION IF AVAILABLE
3. NMIS WILL DELIVER AN INDICATION WITH A SAMPLE STRUCTURE & TERMS
4. CALL WITH CLIENT & NMIS TO GO OVER INDICATION PROPOSAL
5. FINAL TERMS ISSUED BASED ON FEEDBACK & PRESENTED TO CLIENT



# Proprietary Anemometer Technology

NormanMax owns the HurricanePM® platform which utilizes proprietary data from a network of over **100 proprietary hurricane-hardened** anemometer stations (see right) situated near coastal urban concentrations in the U.S. and the Americas and are specifically designed to withstand the conditions associated with a landfalling hurricane. This allows NormanMax to collect precise information about named storms. The anemometer technology provides policyholders real-time updates about wind conditions in their areas through its website and mobile app\*. This gives policyholders **transparency** about their exposure and peace of mind throughout the claims process.





# Proprietary Anemometer Network (USA)

