



# Hourly Rain Insurance

**A Strategic Solution for Agents and Brokers**



Unlocking the Potential of Parametric Hourly Rain Insurance for Your Clients

# Introduction

As an agent or broker, providing clients with innovative risk management solutions is crucial to their financial stability and business continuity. One of the most effective tools in mitigating weather-related financial losses is parametric hourly rain insurance. This insurance solution offers pre-determined payouts when specific rainfall thresholds are met, eliminating traditional claims processes and ensuring rapid financial relief for insured businesses. This whitepaper explores the fundamentals of parametric hourly rain insurance, its benefits, applications, and real-world effectiveness, as demonstrated in The Coyote Store Case Study.



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# Understanding Parametric Hourly Rain Insurance

Unlike traditional indemnity-based policies, parametric insurance pays out when predefined weather conditions occur, rather than compensating for specific losses. This data-driven approach is particularly advantageous for businesses whose operations depend on favorable weather conditions, such as outdoor events, agriculture, construction, and sports.



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## How It Works



**1. PREDEFINED TRIGGERS:** Clients choose rainfall thresholds (e.g., 0.25 inches of rain during the risk period) based on their risk exposure.



**2. OBJECTIVE MEASUREMENT:** Rainfall data is collected from trusted sources, such as third-party precise radar measurements.



**3. AUTOMATED PAYOUTS:** If the set threshold is met or exceeded, a payout is automatically issued, usually within days, ensuring financial security without the need for complex claims processes.



# Why Agents and Brokers Should Offer Parametric Hourly Rain Insurance

## 1. SPEED AND TRANSPARENCY

- No lengthy claims investigations—clients know the payout criteria upfront.
- Ensures rapid payouts, often within a week.

## 2. TAILORED SOLUTIONS FOR CLIENTS

- Coverage can be customized based on historical weather trends and business needs.
- Ideal for businesses that rely on outdoor conditions to generate revenue.

## 3. COMPETITIVE DIFFERENTIATION

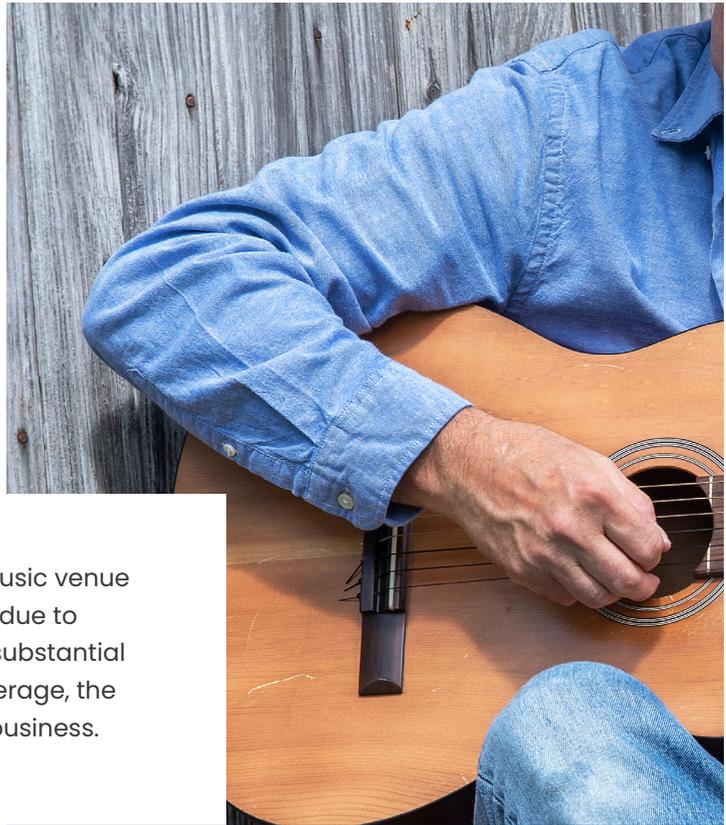
- Offering parametric insurance sets brokers apart from competitors who rely solely on traditional policies.
- Provides a consultative approach that strengthens client relationships.

## 4. FINANCIAL RESILIENCE FOR BUSINESSES

- Helps businesses recover quickly from unexpected weather events.
- Reduces financial strain and ensures operational continuity.

# Case Study: The Coyote Store

## A Real-World Success Story



### BACKGROUND

The Coyote Store, a family-owned outdoor music venue in Gail, Texas, faced significant financial risks due to unpredictable weather. Having experienced substantial losses from past events without weather coverage, the owners sought a solution to safeguard their business.

### SOLUTION:

#### A Customized Parametric Insurance Policy

**Client:** The Coyote Store

**Date of Coverage:** June 30, 2023

**Provider:** Vortex Weather Insurance

**Threshold:** 0.25" (inch) of rainfall between the hours of noon and 11 pm

“It was so comforting to know that Andy [Vortex’s Lead Weather Index Producer] was right there for us. The claims process was incredibly easy, and we got paid within a week. I highly recommend Vortex for any outdoor event.”

— Becky Justice, Owner, The Coyote Store

### OUTCOME:

#### A Seamless Claims Experience

- Despite a **20% chance of rain**, the event received **rainfall that exceeded the threshold**, triggering the policy.
- The insured received a **payout within seven days**, allowing them to cover essential costs, including **staff wages, artist fees, caterers, and production teams**.
- The quick and seamless process provided **peace of mind** to the business owners, demonstrating the effectiveness of parametric hourly rain insurance.

# Industries

## That Benefit from Parametric Hourly Rain Insurance

### 1. OUTDOOR EVENTS

Concerts, festivals, and fairs depend on weather conditions for success. Parametric insurance helps ensure that event organizers are financially protected against weather-related disruptions.

### 2. AGRICULTURE

Farmers face unpredictable rainfall patterns that can impact crop yield and harvest timelines. Parametric coverage helps mitigate financial risks associated with both excessive rainfall and lack of rain.

### 3. CONSTRUCTION

Rain delays can lead to increased labor costs and project setbacks. A parametric policy provides financial relief when weather conditions disrupt planned schedules.

### 4. SPORTS TOURNAMENTS

Golf, tennis, pickleball, youth sports and other outdoor sporting events can experience significant losses if rainfall affects gameplay. Parametric insurance allows organizers to plan with confidence.



# Helping Clients Choose the Right Parametric Insurance Policy

As an agent or broker, guiding clients toward the best policy requires careful consideration of:

## 1. LOCATION-SPECIFIC WEATHER RISKS

- Reviewing historical rainfall data to determine appropriate coverage thresholds.

## 2. EVENT-SPECIFIC NEEDS

- Customizing policies to align with industry-specific vulnerabilities.

## 3. POLICY EXCLUSIONS AND LIMITATIONS

- Ensuring clients understand coverage boundaries to avoid unexpected gaps.

## 4. REPUTABLE PROVIDERS

- Partnering with established parametric insurance providers like Vortex ensures reliability and seamless claim processing.



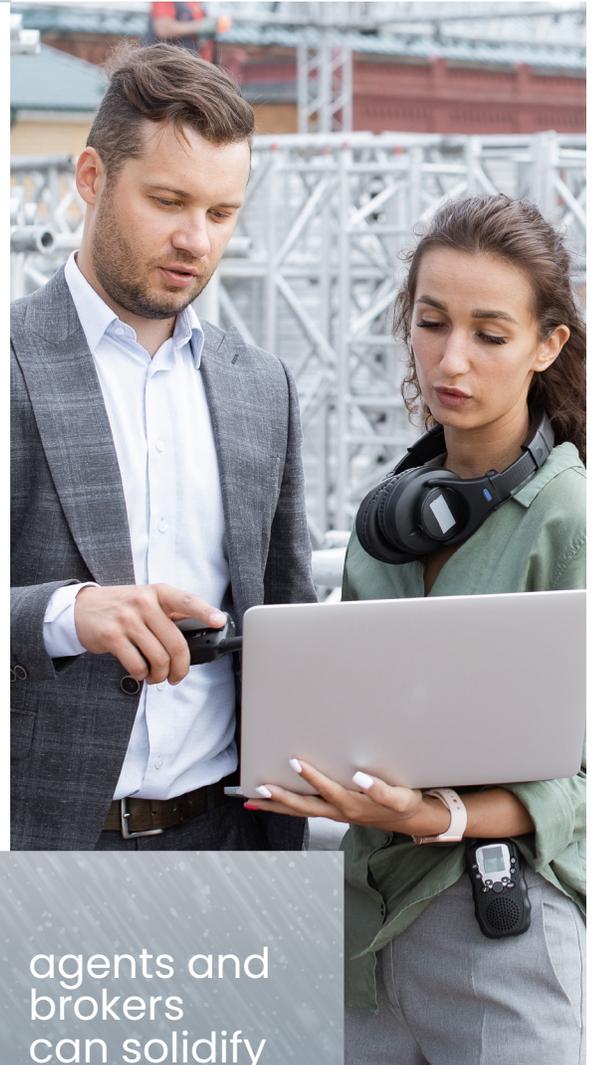


**Conclusion:**

# Why Agents and Brokers Should Advocate for Parametric Hourly Rain Insurance

With unpredictable weather posing significant financial risks, **parametric hourly rain insurance** is a game-changing solution for businesses reliant on outdoor operations. Offering this innovative coverage allows agents and brokers to differentiate themselves, provide superior risk management solutions, and build stronger client relationships.

The **Coyote Store case study** demonstrates how this insurance model delivers rapid, transparent, and effective financial protection, ensuring businesses can weather any storm with confidence. By understanding the nuances of parametric insurance and presenting it as a viable option, agents and brokers can solidify their role as trusted advisors in an evolving insurance landscape.



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