



A Broker's Guide to Supplemental Hurricane Insurance at Renewal

HOW TO HELP PROTECT COASTAL CLIENTS WITH FAST, FLEXIBLE PARAMETRIC COVERAGE

If you manage or place commercial property coverage along the Gulf or Atlantic coasts, hurricane risk is already a central pillar of your renewal process. Every season, brokers navigate higher wind and hail deductibles, typical exclusions like flood and storm surge, stricter exclusions that push additional risk back onto the insured, and business income assumptions that often fail to reflect today's operating realities.

What is frequently missing from these discussions is the one tool specifically engineered for storms that pass near your client's business—regardless of whether they cause traditional, insurable physical damage. Supplemental parametric hurricane insurance fills this critical exposure gap.

This white paper serves as a practical, strategic guide for commercial brokers seeking to elevate their hurricane risk conversations at renewal, introduce an annual parametric hurricane solution alongside traditional P&C lines, and help clients actively manage the severe financial disruptions that occur when a Category 1 through 5 storm tracks within 30 to 60 miles of their operations. Within this guide, you will find a step-by-step renewal conversation framework, a clear approach for explaining parametric hurricane coverage to clients, real-world payout scenarios (including an analysis of Hurricane Helene), and proven talk tracks to navigate common client questions and objections smoothly.

The Renewal Gap:

What Traditional Coverage Misses

Traditional property, wind/hail, and flood policies are fundamentally structured around physical indemnity. They are designed to cover physical damage to buildings and contents, specific business income losses directly resulting from covered physical damage, and named perils subject to deductibles, exclusions, and waiting periods.

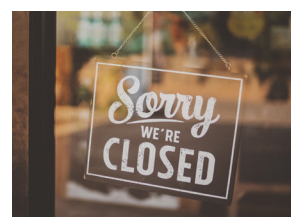
However, during hurricane season, coastal clients face substantial exposures that extend far beyond a direct physical hit. A storm path that passes 30 to 60 miles away can

severely depress revenue for weeks at a time. Mandatory evacuations, restricted road access, and localized utility outages frequently cripple cash flow even when structures remain entirely intact. Furthermore, tourism, hospitality, retail, and service businesses suffer immediate drops in foot traffic as customers avoid coastal regions before and long after named storms pass. Compounding these issues, high hurricane deductibles and restrictive sublimits mean that smaller or scattered losses often fail to trigger standard property claims altogether.

Brokers observe these operational hurdles every season across a wide range of industries:

- Resorts and hotels running at low occupancy for weeks after a storm.
- HOAs or condo associations increase assessments when traditional insurance claims fall short of the actual amount of damage or loss.
- Restaurants and golf clubs dealing with debris, cleanup, and fewer customers, even if they avoided major damage.

These are exactly the gaps supplemental hurricane insurance is designed to address.



What Is Supplemental Hurricane Insurance?

Vortex Supplemental Hurricane Insurance is an annual parametric policy designed to deliver a pre-agreed lump sum payment based strictly on objective storm metrics: the track and intensity of a hurricane relative to an insured location's 30 or 60-mile radius.

Key features:



Annual Term Structure

Policies provide active coverage for a 12-month term, with coverage taking effect 14 days following binding.



Fast Payouts

Payments are calculated and mailed—typically in about 30 days—as soon as independent, third-party weather data confirms the storm's recorded track and intensity.



Objective Data Trigger

A payout is triggered automatically when a qualifying hurricane path enters the chosen geographical radius. The claim process involves no loss adjusters, physical site inspections, or lengthy proof-of-loss documentation.



Fund Flexibility

Insureds maintain complete freedom to deploy payout funds wherever they are needed most, whether to offset traditional deductibles, absorb non-damage business interruption, cover emergency payroll, or address unforeseen operational expenses.

Supplemental hurricane insurance does not replace primary property or wind/hail coverage. Instead, it functions as an independent financial layer that sits alongside traditional policies, converting storm proximity into immediate cash flow to help businesses stabilize operations while standard property claims and long-term recoveries are still unfolding.

How It Works:

Radius, Category, and Payouts

When evaluating parametric coverage during renewals, clients require a clear understanding of triggers, payout values, and delivery timelines rather than abstract theory. The following four-step framework provides a simple, structured way to walk clients through the mechanics.

Step 1: Choose the Coverage Radius

The insured selects one or both coverage radii around each scheduled location based on their specific operational geographic sensitivity:

30-Mile Radius

Covers the recorded path of any qualifying hurricane from Category 1 through Category 5 that enters the 30-mile circle.

60-Mile Radius

Covers the recorded path of major hurricanes only (Category 3 or higher) that enter the 60-mile circle.



All storm paths and category determinations are established using verified third-party data sources, including official tracking from the National Hurricane Center.

Step 2: Set the Policy Limit

The client and broker select a customized policy limit—such as \$50,000, \$100,000, \$200,000, or higher—that aligns with the business’s estimated cash-flow exposure. This limit accounts for potential revenue declines, emergency staffing or overtime, temporary relocation costs, debris cleanup, policy deductibles, and broader operational pressures.

How It Works:

Radius, Category, and Payouts

Step 3: Apply the Payout Matrix

If a hurricane meets the designated radius and category thresholds, the payment amount is calculated by applying a pre-agreed percentage matrix directly to the selected policy limit. As storm intensity and proximity increase, the payout percentage scales accordingly to address greater potential financial impact.

	30-Mile Payout	60-Mile Payout
Cat 1 Hurricane	5%	0%
Cat 2 Hurricane	15%	0%
Cat 3 Hurricane	35%	10%
Cat 4 Hurricane	70%	25%
Cat 5 Hurricane	100%	50%

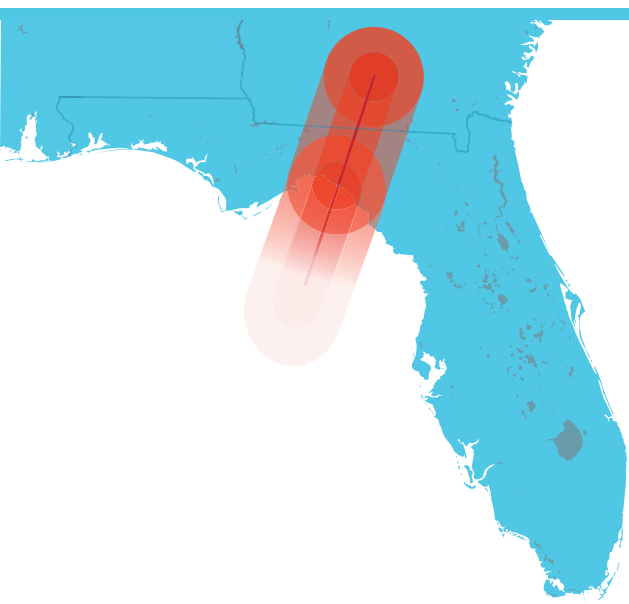
Step 4: Fast, Automatic Claims Process

After a triggering storm passes, the claim is executed systematically:

- 1. Independent third-party data confirms the hurricane's official track and category intensity.**
- 2. Vortex calculates the exact payout amount according to the policy matrix and selected limit.**
- 3. The check is issued and mailed, typically within 30 days.**

Because payout conditions are binary and objective, there are no field adjusters sent to the location, no financial records or inventory audits required, and no proof-of-loss filings. Once bound, the claim process operates automatically upon trigger fulfillment.

Real-World Payout Scenarios



Applying parametric mechanics to real-world storm events helps demystify the coverage for policyholders. The following scenarios demonstrate how different business models utilize supplemental payouts following a major storm event like **Hurricane Helene**.

Example 1: Restaurant in Dublin, GA

Location: Dublin, Georgia

Policy Parameters: 30-mile radius | \$50,000 Policy Limit

Storm Event: Category 1 hurricane tracks within the 30-mile radius.

Payout Calculation: Category 1 within 30 miles triggers a 5% payout ($\$50,000 \times 5\% = \$2,500$)

Operational Application: The restaurant uses the immediate \$2,500 check to offset several days of reduced customer foot traffic, maintain wage payments for hourly staff during reduced operating hours, and cover minor food spoilage costs that fall below their standard property deductible.

Example 2: Condominium Association in Perry, FL

Location: Perry, Florida

Policy Parameters: 30-mile radius | \$200,000 Policy Limit

Storm Event: Category 4 hurricane tracks within the 30-mile radius.

Payout Calculation: Category 4 within 30 miles triggers a 70% payout ($\$200,000 \times 70\% = \$140,000$).

Operational Application: The facility deploys the \$140,000 payout to cover emergency overtime wages, secure backup generator fuel and medical supplies, fund temporary resident transportation, and sustain critical continuity of care while waiting for primary property claims to be processed.

4. Real-World Payout Scenarios

Example 3: Golf Club in Tallahassee, FL

Location: Tallahassee, Florida

Policy Parameters: 60-mile radius | \$100,000 Policy Limit

Storm Event: Category 4 hurricane tracks within the 60-mile radius.

Payout Calculation: Category 4 within 60 miles triggers a 25% payout ($\$100,000 \times 25\% = \$25,000$).

Operational Application: The club allocates the \$25,000 cash injection toward immediate debris removal, cart path repairs not fully covered by property policies, payroll maintenance while tee times are down, and targeted marketing campaigns to bring members back quickly.

How These Examples Support Your Renewal Story

These real-world applications underscore three core value propositions during client renewal conversations:

Objective Triggers:

Claims rest entirely on certified, third-party weather data rather than prolonged, subjective loss negotiations.

Payout Speed:

Capital is disbursed in under 30 days, supplying critical cash flow when business disruption is at its peak.

Total Flexibility:

Funds can be applied toward any financial burden, including non-damage business interruption and immediate operational expenses.

A Step-by-Step Renewal Conversation Framework

To seamlessly integrate parametric coverage into your existing book, use this five-step structure to guide every coastal renewal conversation.

1 Size the Business Impact

Begin by establishing the client's financial exposure before discussing specific insurance products:

"If the path of a Category 3 to 5 hurricane passed within 30 to 60 miles of your facility and forced you to close or operate at limited capacity for several days, what is the realistic impact on your cash flow?"

Help the client quantify potential disruption across all operational areas, including lost revenue (room nights, dining sales, tee times, service fees), overtime and contingency labor, primary policy deductibles, ongoing debt service or rent obligations, and supply chain interruptions. The resulting financial figure forms the basis for establishing an appropriate policy limit.

2 Review Existing Property Coverage Gaps

Analyze the client's current property, wind/hail, flood, and business interruption structures, highlighting where traditional coverage leaves them exposed:

"Your primary program protects against direct physical damage subject to deductibles and waiting periods. However, it does not protect against the immediate financial strain caused by a severe storm passing nearby when physical damage is minimal or non-existent."

3 Introduce Supplemental Hurricane Insurance

Position parametric coverage as an essential element of a modern risk management strategy:

"For coastal operations in your area, we now incorporate a supplemental hurricane option into our renewal strategy. This is an annual parametric policy that pays a pre-agreed lump sum based on certified storm tracking. If a recorded hurricane path enters your designated radius, you receive cash—typically in less than 30 days—that you can deploy wherever your business needs it most."

Utilize the payout matrix and visual diagrams of 30- and 60-mile radii to reinforce how the mechanism functions.

4 Present a Concrete Quote

Arrive at the renewal meeting with a pre-built Vortex quotation rather than introducing an abstract concept. Leverage Vortex tools to prepare an exhibit detailing proposed policy limits anchored to their cash-flow estimate, radius selections, indicative annual premiums, and sample payout values across Categories 1 through 5.

"Here is your primary property and wind/hail renewal package. Alongside it, we have prepared a supplemental hurricane proposal. For approximately \$X annually, if a storm meets these specific conditions, you receive between \$Y and \$Z directly into your operational accounts to cover payroll, cleanup, or revenue shortfalls."

Address Client Questions and Objections

Preempt common client inquiries with direct, confident talk tracks:

Objection: “Is this intended to replace my existing property policy?”

“No. This policy is designed to work directly alongside your traditional property coverage. While standard property policies require physical damage to trigger indemnity, parametric coverage triggers based on storm proximity and intensity. It acts as an immediate financial buffer that protects cash flow while traditional claims and operations are being sorted out.”

Objection: “What happens if no storm hits our radius this year?”

“If no qualifying storm enters your radius, your core operations remain uninterrupted. Like any risk-transfer tool, this policy converts an unpredictable, potentially devastating cash-flow disruption into a fixed, manageable annual cost, ensuring your balance sheet is protected if a Category 1 to 5 storm tracks nearby.”

Objection: “Are there restrictions on how we can spend the payout?”

“There are no restrictions or peril-specific categories governing how funds must be used. Once disbursed, the capital is entirely yours to allocate toward payroll, supply replenishment, deductible funding, or general business loss. Note that coverage fully activates following a standard 15-day waiting period after binding.”

Why Brokers Are Adding Vortex to Their Renewal Playbook

Leading commercial brokers along the Gulf and Atlantic coasts are embedding Vortex supplemental hurricane coverage into their core practices to secure distinct competitive advantages:

- **Elevated Advisory Positioning:** Moving beyond standard policy renewals allows brokers to structure holistic risk strategies that address both physical assets and broader cash-flow continuity.
- **Enhanced Client Retention:** Demonstrating a proactive approach to real-world operational threats differentiates a brokerage from competitors who offer only standard market quotes.
- **Streamlined Claims Experience:** Providing clients with rapid parametric payouts creates immediate goodwill and financial relief while complex, long-term property claims move through traditional adjustment channels.
- **Alignment with Stakeholder Expectations:** Delivering simple, transparent hurricane risk transfer satisfies modern risk-management standards set by corporate boards, lenders, and investors.

Putting It Into Practice:

A Simple Broker Checklist

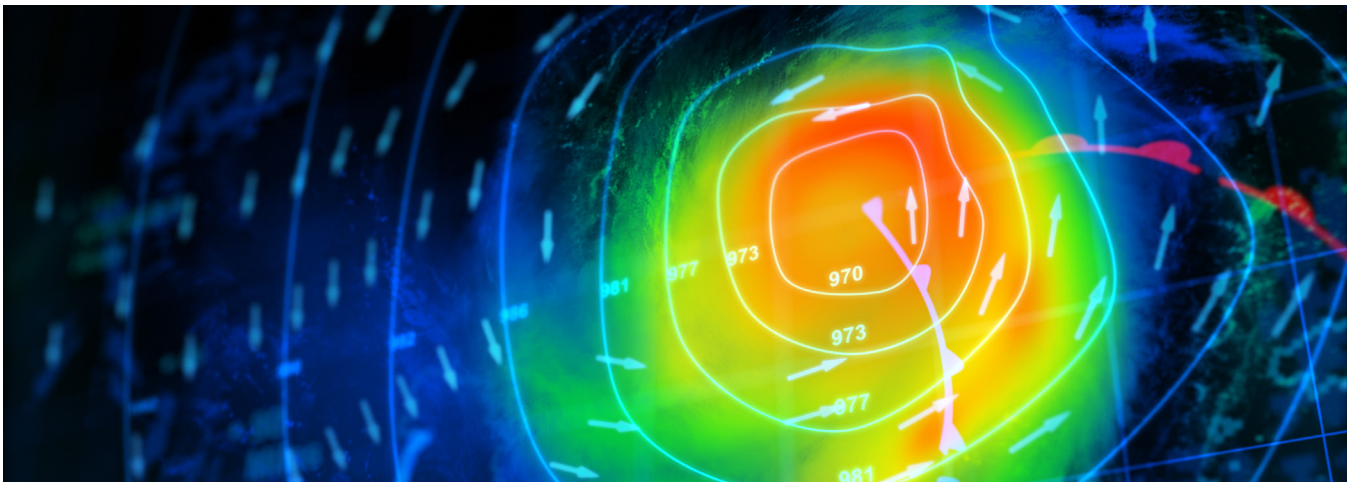
Integrate supplemental hurricane coverage into your agency's standard coastal renewal workflow using the following operational steps:

- 1. Filter Accounts:** Identify all hurricane-exposed accounts within your book operating along the Gulf and Atlantic coasts.
- 2. Prioritize Vulnerable Sectors:** Focus initial efforts on sectors sensitive to foot traffic, road access, or occupancy declines, such as HOAs, condo associations, property management firms, hospitality, healthcare, retail, golf courses, attractions, multi-site services, and auto dealerships.
- 3. Quantify Exposure:** Work with insureds during pre-renewal discovery to estimate potential cash-flow losses from a Category 1–5 storm tracking within 30 to 60 miles.
- 4. Model Coverage:** Partner with Vortex to design custom combinations of policy limits, radii, and premium structures.
- 5. Build Exhibits:** Prepare a single-page parametric proposal exhibit to attach directly to primary property and business income schedules.
- 6. Execute Talk Tracks:** Apply the conversation framework in renewal meetings with key decision-makers.
- 7. Document the Record:** Fully document the parametric proposal and client decision within agency files for risk-management thoroughness.

How Vortex Supports You

Vortex works closely with commercial brokers to streamline the delivery of parametric hurricane coverage. Through intuitive pricing tools, rapid quote turnarounds for both single-location risks and large multi-location portfolios, and client-ready visual exhibits, Vortex equips brokers with everything required to deliver sophisticated risk solutions efficiently.

Whether you need to review specific accounts, model tailored payout scenarios, or build a comprehensive coastal renewal strategy across your entire book of business, Vortex provides the dedicated parametric expertise necessary to protect your clients' financial resilience.



About Vortex Supplemental Hurricane Insurance

Vortex designs parametric hurricane solutions for businesses operating along the Gulf and Atlantic coasts. Policies protect against financial losses stemming from flood, storm surge, wind, and business interruption through fast, data-driven payouts determined by storm tracking and intensity rather than traditional loss adjustment. Policies take effect 14 days after binding and remain active for a 12-month term.



To model a customized snow structure or request a broker consultation, visit **vortexinsurance.com** or call **866-997-2469**.