

CASE STUDY

CHICAGO RAINFALL

THE SITUATION

Midwest Smoke BBQ is a tent-based pop-up owned by Daniel Jacob in suburban Chicago. For years, Daniel's business has relied heavily on the Fourth of July weekend for a significant portion of its annual revenue. This event is high stakes for many reasons:

- **Big Upfront Risk:** Requires an \$8,000–\$10,000 upfront commitment weeks in advance, including \$3,000+ in food prep, staffing, and non-refundable permit fees
- **Extreme Weather Exposure:** Operating entirely outdoors under tents leaves high-cost inventory vulnerable to rainstorms that destroy foot traffic and create heavy food waste
- **Traditional Insurance Gap:** Standard insurance fails to address the core problem: short or multiple downpours that decimate peak sale hours without an official event cancellation

THE POLICY

Daniel partnered with Vortex to design a ladder-style policy tailored to his operation, with incremental payouts based on increased recorded rainfall. With ladder insurance structures, payouts grow as more recorded rain falls, up to 100% of your insured limit.

- **Parametric Precision:** Once pre-set rainfall thresholds are met, payouts are triggered automatically, without needing proof of loss or cumbersome claims paperwork
- **Ladder-Style Coverage:** The policy was structured across Daniel's peak selling hours with multiple rainfall "rungs," guaranteeing partial payouts for each rung triggered by recorded rainfall amounts up to the insurance limit

THE OUTCOME

During Daniel's first insured July 4th weekend, the amount of recorded rainfall triggered a payout, and he received a check in about ten days—fast enough to help with immediate bills.

Encouraged by the experience, Daniel chose a custom ladder policy for Fourth of July again the following year. When severe storms dumped over 3 inches of rain, flooding the grounds and forcing early site closures, the policy prevented a total financial loss:

- **Complete Cost Recovery:** The policy's ladder payouts fully offset the lost revenue, allowing the business to break even on a potential \$8,000–\$10,000 loss
- **Immediate Cash Flow:** ACH direct deposit delivered funds within four days, allowing Daniel to pay food suppliers and staff on time without taking on debt

For Midwest Smoke BBQ, weather protection is now a permanent, budgeted part of its annual event planning.

If you're approaching a key weekend or season where your revenue depends on good weather, now is the time to explore how parametric weather coverage could protect your investment.



I may not be in business if it wasn't for Vortex. I paid a small premium, but it was well worth it. Instead of losing everything I put into that weekend, I broke even and could keep moving forward.

Daniel Jacob, Owner, Midwest Smoke BBQ



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