



# WEATHER PARAMETRIC INSURANCE PRODUCTS



Nutrien Ag Solutions is an authorised representative of  
**MARSH ADVANTAGE  
INSURANCE**

**Nutrien**  
Insurance





Marsh Advantage in conjunction with Nutrien Ag Solutions® are offering a solution for Australian farmers to manage their production risk against the risk of lost income caused by weather events but covered differently to traditional crop insurance covers.

## DESCRIPTION

An insurance product that offers coverage to compensate the insured for lost revenues and/or recoup costs due to damaged caused by adverse weather conditions (precipitation, cool temperatures, wind, soil moisture, hail etc).

The premium is proportionate to probability of the pre-defined weather condition eventuating, according to a pre-defined weather data source; regardless of what your past farm yields have been.

## Benefits Of A Parametric Weather Product

-  Quick, desktop claim settlement: upon eligibility of claim, claim payment made within 30 days;
-  Highly flexible and tailored structure in terms of risk period, location, sum insured, extent of weather event to insure (e.g. decile 1 drought event);
-  Insurance format with at least A rated counterparty, acceptable by most financiers and lenders;
-  Unlike peril-based covers there are no constraints placed on the farmers' management practices such as planting date, crop type planted, or starting soil moisture.

## METRICS AVAILABLE:

### 1. Deficit rainfall

Nominate number of rain mm's, below which claim will be triggered for each mm missed

### 2. Low temperature

Nominate daily minimum temperature at the weather station for which frost is registered

### 3. Excess rainfall

Nominate number of rain mm's above which claim will be triggered for each mm exceeded

### 4. High temperature

Nominate daily maximum temperature at the weather station

### 5. Others please specify: hail, soil moisture



## INFORMATION REQUIRED

If you would like a quote please complete the below information and return to your local Nutrien Insurance broker:

<b>Business Name:</b>	
<b>Contact Name:</b>	<b>Phone Number:</b>
<b>Email:</b>	
<b>Farm Name:</b>	
<b>Farm Address:</b>	
<b>GPS Co-Ordinates</b> (to 2 decimal places):	
<b>Farm Size (Ha):</b>	
<b>Nominated Sum Insured</b> (e.g. \$1,000,000):	
<b>Nominated product:</b>	
<b>Risk period</b> (Date range for cover, minimum of 1 month): Allow 2-4 months before start date	
<b>Nominated weather threshold, nominated rainfall or nominated decile</b> (1-4)	
<b>Data Source</b> (please tick) <input type="checkbox"/> BOM Station (if selected please list) <input type="checkbox"/> CHIRPS* Data (rainfall products only)	

\*CHIRPS (Climate Hazards Group InfraRed Precipitation sponsored by NASA NOAA project), produces daily remote satellite-based rainfall reading at ~5km x 5km resolution. This can be used in a location absent any quality BOM data. Any remote satellite-based readings is expected to have less than perfect correlation to ground station data.

### pre-filled example (for rainfall)

<b>Business Name:</b> Joe Farmer	
<b>Contact Name:</b> Joe	<b>Phone Number:</b> 0400 000 000
<b>Email:</b> joe.farmer@outlook.com	
<b>Farm Name:</b> Joe's Farm	
<b>Farm Address:</b> 123 Lane, Town/Suburb	
<b>GPS Co-Ordinates</b> (to 2 decimal places):	-15.89, 657.01
<b>Farm Size (Ha):</b>	100
<b>Nominated Sum Insured</b> (e.g. \$1,000,000):	\$1,000,000
<b>Nominated product:</b>	Deficit rain
<b>Risk period</b> (Date range for cover, minimum of 1 month): 1 August to 30 September 2020 Allow 2-4 months before start date	
<b>Nominated weather threshold, nominated rainfall or nominated decile</b> (1-4) Please provide options of 50mm or decile 1 event.	
<b>Data Source</b> (please tick) <input checked="" type="checkbox"/> BOM Station (if selected please list) <input type="checkbox"/> CHIRPS* Data (rainfall products only) Yes, please use BOM station #xxxxx and (NAME)	

## Frequently Asked Questions:

### WHAT IS WEATHER INSURANCE?

Weather insurance allows clients to take out insurance to protect their revenues or profits based on a pre-agreed threshold of weather activity.

### HOW DOES THIS DIFFER FROM PERILS-BASED INSURANCES?

(MULTI-PERIL OR SINGLE-PERIL CROP COVER)

Unlike traditional crop insurance products, the trigger for claims payment is an adverse weather event, resulting in damage to your items or crop. These adverse weather events could be tailored accordingly to address the following risks:

**Deficit rain** —————▶ **drought**

**Low temperature** —————▶ **frost**

**Excess rainfall** —————▶ **flood**

**High temperature** —————▶ **extreme heat**

### WHAT ELSE CAN I INSURE?

With these products you can insure your financial loss as a result of a whole range of different events, additional to rain and/or temperature you can include hail, wind speed, soil moisture, all of which can have a huge effect on a grower but need to be independently measured.





### **IS THIS JUST FOR CEREAL CROPS?**

No, this type of cover could be for any type of crop, broad acre, horticulture, viticulture. It could also include temperature for things like loss of milk production or heat in intensive farming (feedlots cattle sheep or poultry).

### **CAN I USE MY OWN WEATHER STATION?**

It is not possible at this stage with most insurers as most are only accepting BOM data and satellite data e.g. CHIRPS. There is inherently a basis risk by using these alternative sources compared to your own. It is critical for you to study any potential differences between your own site versus the BOM data. We strongly believe over a period of month or season, the correlation is often very strong but the two data sources may be consistently different.

### **WHEN SHOULD I START CONSIDERING HAVING COVER IN PLACE?**

We strongly recommend considering cover 2-4 months prior to requested risk period. As most risk-takers rely on a blend of in-house proprietary weather modelling and BOM outlooks which are typically released 3 months in advance. Thus this is for your benefit and avoid any disappointments to have adequate lead-up time to start of risk period and keep the insured event fortuitous (not predictable).

### **HOW WILL CLAIM BE PAID?**

The claim will be a digital payout upon verification of data, i.e. as and when the BOM data is updated, they are matched to the policy, losses are confirmed and any eligible claims will be processed and paid.





# Nutrien Insurance

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For more information about how you can benefit from our services, please contact your insurance specialist or visit your local branch.

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