

Parametric Risk Solution

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What is Parametric Product

Parametric insurance is a type of insurance that is designed to protect against specific risks associated with an index or a predefined set of parameters rather than an individual policyholder's experience of losses. It provides coverage against the deviation(s) of a particular index or combination of indices from the predefined threshold or trigger value(s) indicating the likely losses incurred by the policyholder. The main building blocks of index insurance are:

1

Data

The threshold/trigger value and the losses are determined using independent and verifiable data from recognised sources

Example

- Rainfall data related to flooding
- High temperature related to heat-wave
- Solar Irradiation data related to solar energy

2

Trigger

Based on the nature of the underlying, a trigger is set. Actual index during risk period crossing the trigger results in loss.

Example

- 1-day Rainfall over 25mm
- 3-day average maximum temperature over 45°C
- Peak Sunshine Hours less than 3 hrs

3

Term sheet

Extent of loss is ascertained based on deviation from the trigger. Generally, higher the deviation, higher the loss

Example

- > 25mm: ₹500; > 40mm: ₹1,000; >50mm : ₹2,000
- >45°C: ₹250; >46°C: ₹500; >47°C: ₹1,000
- PSH<3; ₹1,000 per day

Various Data Sources for Parametric Product

Integration with all the major data sources, both private and public data sources. Data from these sources are stored in a decentralized system accessible to all parties, ensuring transparency and access.



100 years of historical data leveraged to develop proprietary models, allowing for instant retrieval and modeling.



Climate Hazards Center
UC SANTA BARBARA



USGS
science for a changing world



Customized Product



Risk Solution for Different Industry

MFI+NBFC+ Banks+
Co-operatives
+Financial Institutions+
Lending Industry

Mining Industry

Retail and MSME
Industry

Infrastructure and
Logistics companies

Warehousing
Companies

FMCG Companies

Infrastructure and
Logistics companies

Agri –Input Companies

Wind and solar
Companies

Dairy Companies

Contract farming

Renewable Energy



Renewable Energy

Provides financial protection to solar and wind power producers against revenue loss due to persistently low solar irradiation or low wind speeds, based on independently monitored weather data. Enables uninterrupted operations, supports debt servicing, and enhances project bankability.

1. Solar Farm Operators
2. Wind Power Producers
3. Hybrid RE Project Developers
4. Renewable Energy Investors
5. Green Energy-focused NBFCs & Lenders

Banking Sector



Rural Loan Protect

Protects the rural loan book of financial institutions such as MFIs, NBFCs, Banks, RRBs, DCCBs, PACs increased delinquency due to climate adversities

1. Commercial Banks
2. Non-Banking Financial Companies
3. Micro Finance Institutions
4. Regional Rural Banks
5. State & District Cooperative Banks
6. Primary Agricultural Credit Societies

Construction and Infra



Construction and Infra

Provides financial protection to infrastructure developers, contractors, and asset owners against economic losses caused by adverse climate conditions—such as extreme rainfall, heatwaves, floods, or cyclones—that delay construction timelines, damage under-construction works, or disrupt operations.

1. Construction Companies
2. Government Bodies and Municipalities
3. Infrastructure Operators and Owners
4. Public-Private Partnership (PPP) Projects
5. Real Estate Developers

Agri -Sector



Crop - Agri & Horticulture

Protects against loss of productivity due to adverse weather events such as rainfall, temperature, high wind speeds, flood, drought, and cyclones

1. Individual Farmers
2. Farmer Groups e.g. FPOs, FPCs, SHGs
3. Agri Companies
4. Agritech Companies
5. Banks and Microfinance Companies
6. Cooperative Banks & Societies

Large Corporates and Government



NATCAT Insurance

Provides financial protection against large-scale losses caused by natural catastrophes such as floods, earthquakes and cyclones. Offers immediate liquidity for recovery and continuity of operations after disasters.

1. Municipal Corporations
2. State Governments
3. Large Factories & Industrial Clusters
4. Thermal & Renewable Power Plants
5. Urban Infrastructure SPVs / Smart Cities
6. Ports, Rail Terminals, Airports

Ports and Logistics



Ports and Logistics

Protects ports, logistics and delivery companies, against heavy rainfall, floods, and cyclones causing delay in shipments and NDBI leading to revenue loss

1. Ports
2. Logistics and Courier Services
3. Retailers and E-commerce Platforms
4. Importers & Exporters

Thank You