



Index (parametric) covers utilize payment triggers based not on actual losses, but on defined values of independent weather, commodity-price or crop yield indices. Providing alternative, versatile risk protection, they offer the added bonus of rapid claims settlement.

Our highly-experienced team of agriculture and weather-modeling risk experts has the knowledge and analytical skills to help you develop and implement index covers of all types and on a worldwide basis, from initial concept through to completion.

How do they work?

Payment is triggered when a chosen independent and objective index (e.g. rainfall recorded at a weather station or agricultural commodity price) deviates by a defined amount above or below a defined index value. When that happens, the cover pays out, no loss verification, no delay.

The trigger is chosen to match the level of risk and payment is in line with the potential loss. Multiple triggers are possible, as are dual-index-triggers.

Index covers have specified risk coverage periods and exposure limits, and depending on the jurisdiction, can be offered as an insurance or financial derivative.

When are they suitable?

When traditional products aren't available. E.g., due to a lack of quality historical production data, or for parties exposed to shortfalls in agricultural production and/or quality who can't access agricultural insurance, e.g. seed distributors and biofuel producers.

When traditional products offer limited perils only and/or exclusions. E.g., in some jurisdictions, the insurance market offering is limited to crop hail, however drought and flood risks are becoming important risk drivers affecting livelihoods and investments.

When traditional products have large deductibles. E.g., US precision farmers, whose vulnerable profit margins and working capital are at risk from frequency weather events below the deductible.

PartnerRe index cover solutions

An extensive range of index covers

On a worldwide basis, and supported by substantial risk capacity, we offer our clients index covers, including multi-peril and multi-year covers, for all quantifiable weather perils, production indices such as crop yield, or production indices combined with commodity price.

Expert support from concept to completion

We can support you in all stages of the design, from the initial identification of perils, data gathering and analysis, through prototype design, pilots, rating, underwriting and risk taking, policy review and data management. We can also provide objective views and/or participation in existing covers.

