



**CelsiusPro**

**Willis Towers Watson** 

# **Cyclone Rapid Recovery Protection**

*A Parametric Solution Tailored Directly  
to your **Sugarcane Operation***

Designed by Willis Towers Watson in partnership with the University of Southern Queensland, the Queensland Farmers' Federation and CelsiusPro under The Queensland Government's Drought and Climate Adaptation Program.

# Cyclone Damage and the Cost it can Cause to your Sugarcane Operation

It is a well-known fact that Cyclones in Australia and around the world cause **devastating damage to businesses and industries**, and if you're reading this you know full well how much a cyclone can cost your business.



Cyclone Debbie 2017



Cyclone Yasi 2011

Cyclones can cause extensive damage to your cane through severe flooding and wind. This damage affects yield in the following years of the cane's life span through gaps in your fields and low-quality cane from bull shoots. Not to mention they flatten sheds, ruin machinery and drop debris in your fields, slowing your harvesting. Hence a cyclone can amount to large costs to your bottom line over multiple years after the event.

With the long-term average number of Australian tropical cyclones per season reaching eleven (with four typically making landfall), **this undoubtedly will eventually have a significant impact on your sugarcane operation.**

Cyclone Debbie in 2017 caused the Queensland sugarcane industry an estimated **\$150 million worth of damage.**

In 2011, Cyclone Yasi, a category 5, caused initial **estimates of \$500 million worth of damages** to the Queensland sugar industry. Cyclones such as these don't just flood and damage crops but also destroy the infrastructure vital to the functioning of the industry.

As many studies and data suggest with the onset of global warming, it is likely that the frequency and intensity of cyclones are changing. Simply put, businesses need to ready themselves for these events occurring.



**Stronger Winds**



**Heavier Rain**



**Severe Floods**

# Our Cyclone Rapid Recovery Protection

Using CelsiusPro's state-of-the-art Environmental Monitoring System (EMS) we can track and measure the intensities of all Tropical Cyclones (Hurricanes and Typhoons) globally using data straight from the official gatekeepers. **This allows us to accurately and cost-effectively design Cyclone covers for businesses at risk of Cyclone damages.**

The Cyclone Rapid Recovery Protection is designed to collaborate with you every step of the way. Each parameter can be changed to suit your precise location, risk period, and intensity category, to come up with an affordable premium and an effective cover for your business.

## The Product

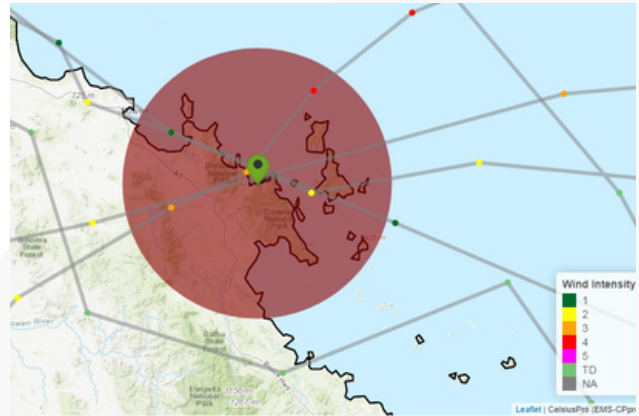
The parametric Cyclone Protection provides loss payments to policy holders after a devastating storm to help secure livelihoods or keep businesses running.

The loss payment is defined by the maximum Cyclone category of the Cyclones path intersecting the Insured Location. The Insured Location is one or multiple circles with a radius in kilometers around the Insured Address.

In the trigger event, based on the data for the Bureau of Meteorology Australia (BOM), the loss payment is wired to policyholder's bank accounts within days.

## Why use our Cyclone Protection?

- Get Paid Automatically within Days of the Cyclone
- No Damage Assessments or Claiming Processes
- Reliable Data Sourced Straight from The BOM
- Backed by reputable Reinsures



CelsiusPro's EMS Cyclone tracking

## Event Coverage Table

The Event Coverage Table describes the payout amount per Cyclone Category intersecting with the Insured Location. There may be multiple payouts during the Policy Period, however the maximum payout is capped at the Sum Insured.

If the path of a Cyclone intersects the Insured Location, loss payments are due based on the Event Coverage Table.

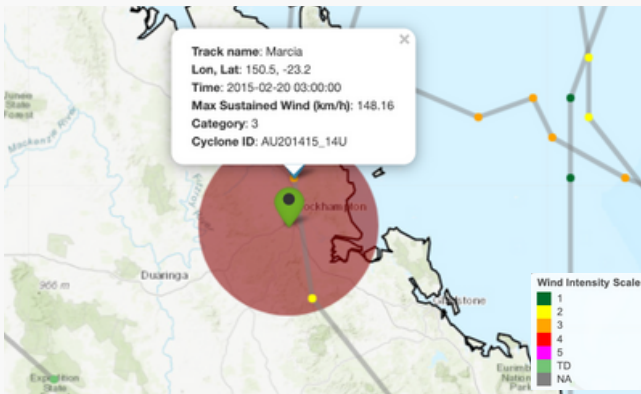
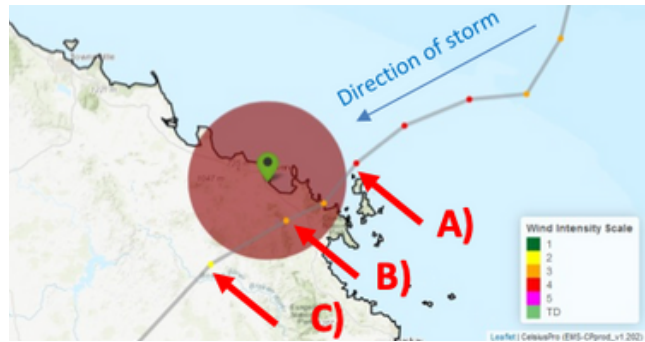
Cyclone Category	Payout in % of sum insured
CAT 1	0%
CAT 2	0%
CAT 3	20%
CAT 4	40%
CAT 5	100%

# So, how does it work?

The Bureau of Meteorology (BOM) provides 6 hourly measurement points of each Cyclone track. The 6 hourly information includes: windspeed, storm category, geolocation and time. The relevant Cyclone category for the insurance is the highest value of a measurement point:

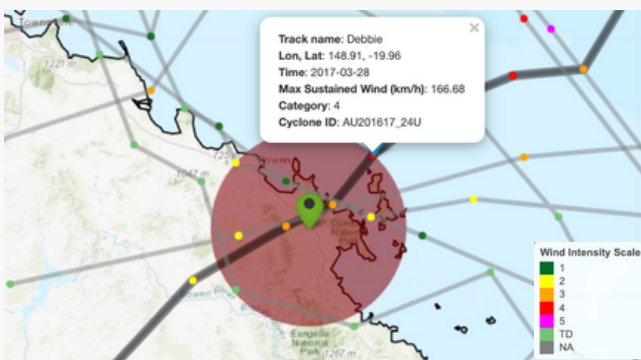
- A) before the Insured Location
- B) within the Insured Location
- C) after the Insured Location

In the trigger event, based on the data from the Bureau of Meteorology Australia (BOM), the loss payment is wired to policyholder's bank accounts within days.



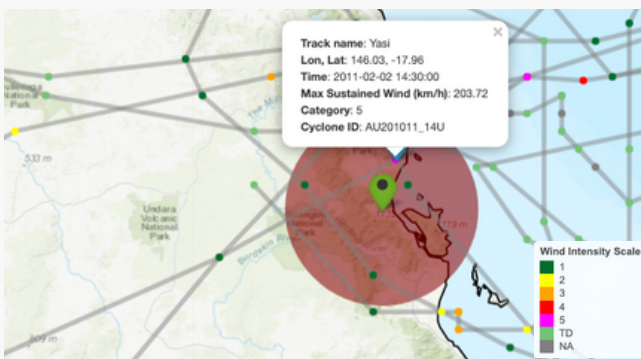
## Payout Scenario One

A cane grower south of Rockhampton QLD purchased Cyclone Protection for the storm season 2014-15 with a Policy Limit of \$1,000,000. The Insured Location is a circle within a 60 km radius of the middle of the property as the Center Point. Cyclone Marcia intersected the Insured Location as a Category 3 storm. **The grower received a 20% payout of \$200,000.**



## Payout Scenario Two

A grower in Foxdale near the Whitsundays, purchased Cyclone Protection for the storm season 2016-17 season with a Policy Limit of \$600,000. The Insured Location is a circle with a 60 km radius around the center of their cane. Cyclone Debbie intersected the Insured Location as a Category 4 storm. **The Grower received a 40% payout of \$240,000**



## Payout Scenario Three

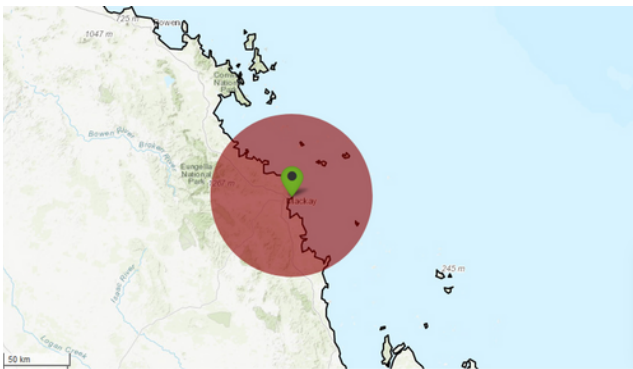
A grower North of Ingham purchased Cyclone Protection for the storm season 2010-11 for a limit of \$450,000. The Insured Location is a circle with a 60 km radius around the center of their cane. Cyclone Yasi intersected the Insured Location as a Category 5 storm. **The grower received a 100% payout of \$450,000.**

# Types of Covers

There are three types of covers you can select to use, single, double and triple covers. Each circle is calculated separately, and the **total payout is the sum of all payouts per circle, limited to 100%**. Example: Triple Cover - a storm intersects with the 90- and 60km circle but not the 30km circle, then the 90km and the 60km circle payouts are summed up, limited to 100% overall payout

## Single Cover

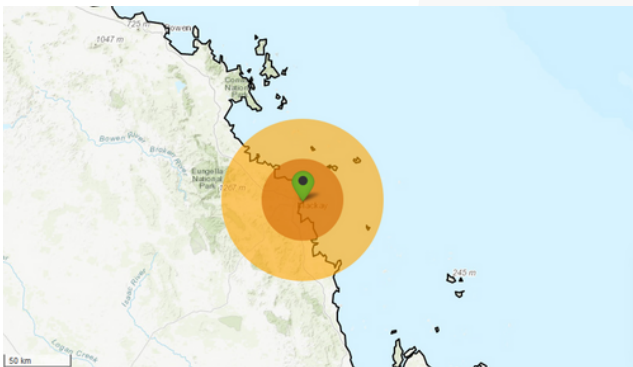
Here only one 60km Radius is selected, hence if a category 3 cyclone intersects this radius you would receive 20% of the total sum insured.



Cyclone Category	30km radius Payouts in % of sum insured	60km radius Payouts in % of sum insured	90km radius Payouts in % of sum insured
CAT 1	-	0%	-
CAT 2	-	0%	-
CAT 3	-	20%	-
CAT 4	-	40%	-
CAT 5	-	100%	-

## Double Cover

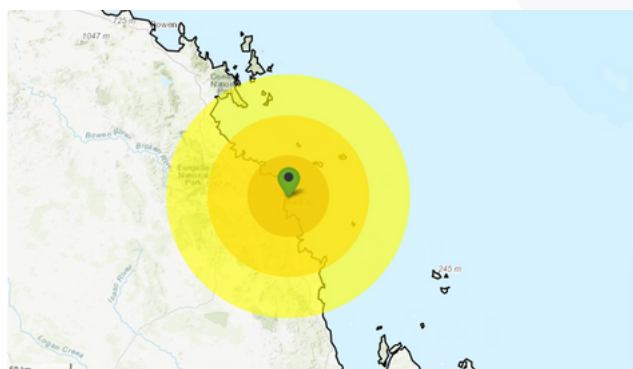
Here a 30km and 60km radius is selected. If a Cat 3 Cyclone intersects the 30km radius it is evident that more damage will occur hence the payouts are increased to 40% compared to the 60km radius



Cyclone Category	30km radius Payouts in % of sum insured	60km radius Payouts in % of sum insured	90km radius Payouts in % of sum insured
CAT 1	0%	0%	-
CAT 2	10%	0%	-
CAT 3	20%	20%	-
CAT 4	30%	40%	-
CAT 5	100%	100%	-

## Triple Cover

Here, three radiuses are selected, the 30km, 60km, and 90km.



Cyclone Category	30km radius Payouts in % of sum insured	60km radius Payouts in % of sum insured	90km radius Payouts in % of sum insured
CAT 1	0%	0%	0%
CAT 2	10%	0%	0%
CAT 3	20%	20%	10%
CAT 4	30%	40%	20%
CAT 5	100%	100%	30%



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## Next Steps

So, where to now? If you like what you've read or have any further questions please get in contact with us via email or phone:

**Email: [info@celsiuspro.com.au](mailto:info@celsiuspro.com.au)  
Phone: 02 9994 8009**

From here we can confirm or refine your cover and process respective payments.

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