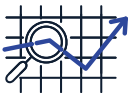


Adverse Weather Index

A financial product to protect agricultural companies against economic losses caused by weather variations



Innovative

Minimize financial uncertainty caused by weather variations.



Flexible

Tailor your program to match your unique risk exposures.



Transparent

Utilize trusted third-party data so results can be validated independently.



Effective

Achieve your desired financial outcome regardless of the adverse weather event.

What is it?

The Adverse Weather Index is an over-the-counter financial product.

Where is it available?

Globally.

Who can benefit from the Adverse Weather Index product?

- Agricultural retailers
- Corporate farms
- Cotton gins
- Ethanol plants
- Feedlots
- Grain elevators and cooperatives
- Mills
- Packers
- Processors
- Seed manufacturers and distributors
- Logistics companies
- Warehouses
- Any other business affected by variations in precipitation

What are some example index types?

- Cumulative Precipitation (Insufficient)
- Cumulative Precipitation (Excessive)
- High (Low) Aggregate Periodic Precipitation
- Count of Days (Hours) with Precipitation Above (Below) Threshold
- Count of Days (Hours) with Temperature Above (Below) Threshold
- Cumulative Excessive Temperature

How does it work?

Counterparties can choose the locations, limits and strikes for their contract. When the Adverse Weather Index falls outside the agreed range, a payment is made. Let's look at some examples.

Example – Cumulative Precipitation (Insufficient)

Index Type	Cumulative Insufficient Precipitation
Index Description	Cumulative Precipitation at Location from Start Date to End Date.*
Data Provider	Total Precipitation: PRISM Climate Group: 0.042 x 0.042
Location	Scott City, KS – USA (Latitude: 38.4903, Longitude: –100.9302)
Limit (USD)	1,000,000
Start Date	June 1
End Date	August 31
Daily Precipitation Cap (in.)	2.50
Avg Index (in.)	8.63
Low Index (in.)	4.38
Strike %	90%
Strike	7.77
Exhaust	4.38
Tick (USD)	294,985.25

* Daily Precipitation equals the lesser of a) Daily Precipitation, or b) the Daily Precipitation Cap.

Final Index (in.)	Payment (USD)
7.77	0
7.39	112,094
7.01	224,189
6.63	336,283
6.25	448,378
5.87	560,472
5.49	672,566
5.11	784,661
4.73	896,755
4.38	1,000,000

Example – Cumulative Precipitation (Excessive)

Index Type	Cumulative Excessive Precipitation
Index Description	Cumulative Precipitation at Location from Start Date to End Date
Data Provider	Total Precipitation: PRISM Climate Group: 0.042 x 0.042
Location	Findlay, OH – USA (Latitude: 41.0009, Longitude: –83.7075)
Limit (USD)	1,000,000
Start Date	April 15
End Date	May 31
Avg Index (in.)	5.94
Hi Index (in.)	11.72
Strike %	120%
Strike	7.13
Exhaust	11.72
Tick (USD)	217,864.92

Final Index (in.)	Payment (USD)
7.13	0
7.64	111,111
8.15	222,222
8.66	333,333
9.17	444,444
9.68	555,556
10.19	666,667
10.70	777,778
11.21	888,889
11.72	1,000,000

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