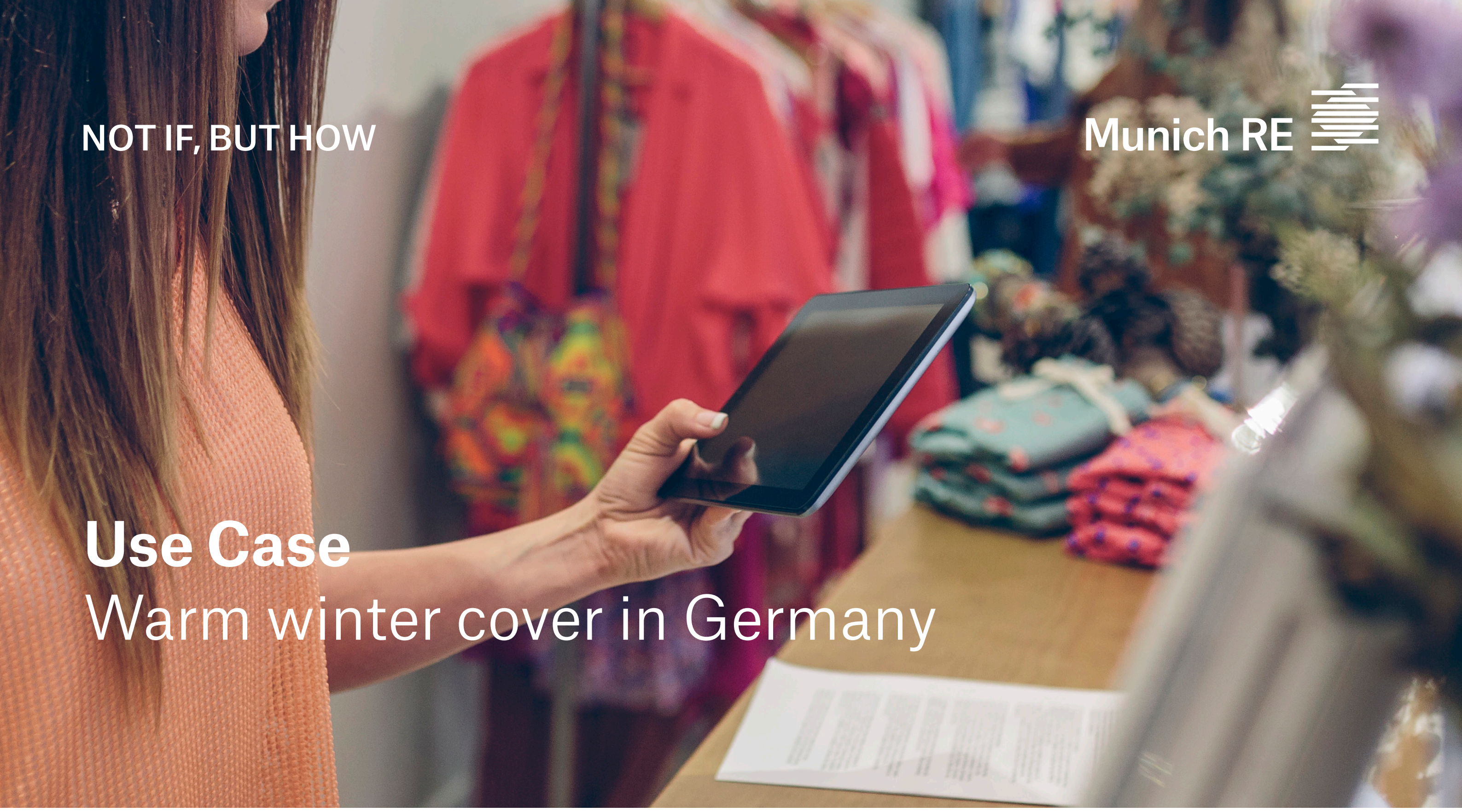


NOT IF, BUT HOW

Munich RE

Use Case
Warm winter cover in Germany

Your challenge

Revenue decline driven by lower sales volumes following an unexpectedly warm winter. Profitability further impacted by increased inventory holding costs and operational inefficiencies resulting from excess stock.

Client & Goal

Client
Retail Company in Germany

Goal
Protection against low income due to warm conditions during winter leading to low demand of warm winter clothes

Insured Risk
High temperature / Warm Winter

Structure and Payment

Index
Average temperature of average daily temperatures during risk period

Limit
USD 2,000,000

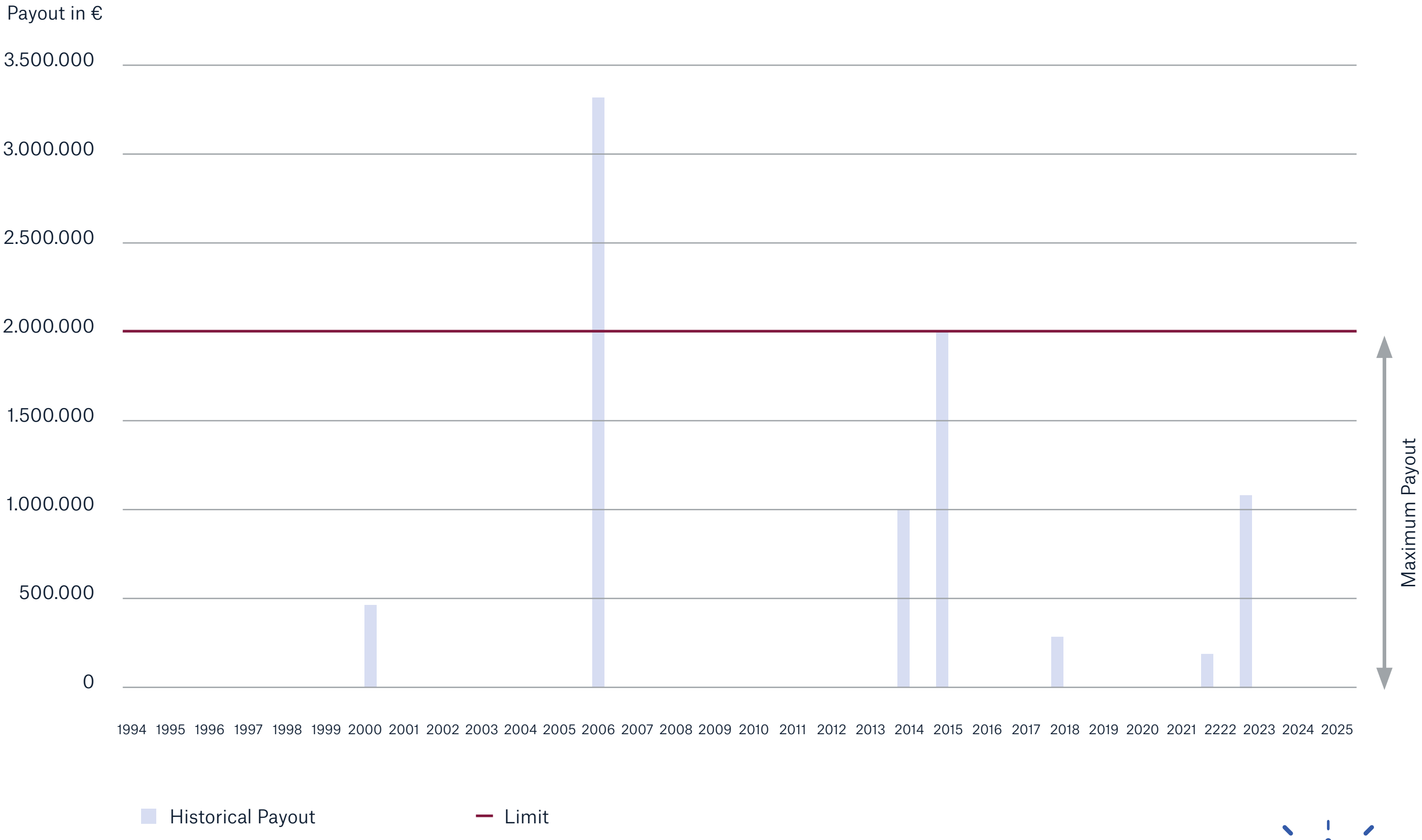
Insurance period
3 months (Oct – Dec)

Strike
7.00 degree C of average temperature

Payout
USD 295,013.60 / 0.1 degree C

Warm Conditions
Average temperature above 7.00 degree C

Historical and Payout



The client’s benefits

- Access instant liquidity after a winter with warm conditions
- Free up capital held in contingency buffers
- Smoothen weather related volatility on their balance sheet

Glossary

Strike
The threshold up to which the insured retains responsibility for losses, effectively representing the deductible.

Limit (Maximum Payout)
The maximum amount that can be paid out within a single year.

Contact

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