# Weather Insurance (Event) Rate and Rule Manual

### GENERAL RULES

1. **Application Of This Rating Manual**

This Rating Manual contains the rules, rates and rating procedures for the event weather insurance program.

### Program Eligibility

This program is designed for individuals to protect from loss due to an occurrence of the selected weather peril while hosting or attending an outdoor event. The selected weather peril might be insufficient or excessive rainfall, snowfall, snow cover, cloud cover, or temperature conditions.

1. **Premium Computation**
   1. The inputs to determine the final Premium are:
      1. Location of event
      2. Coverage Period (event start date and end date of event)
      3. Insured Peril
      4. Per Occurrence Coverage Amount and Limit
   2. Review the historical weather data applicable to the Insured Peril from the National Weather Service, for the most recent 30 year period available at time of underwriting. This dataset currently includes the years 1980 – 2009. The full Coverage Period then includes the date of event +/- 15 days.
      1. Utilizing our proprietary underwriting program, we will select the closest station to the location of event, which has complete data for the period of record.
      2. The underwriting program will then provide us with the number of occurrences of the insured peril providing us with our underwriting data.
   3. The underwriter will then review the number of occurrences of the peril during the Coverage Period +/- 15 days. This will result in 930 historical “Modeled Loss” values (31 Modeled Loss values per year x 30 years).
   4. The Base Rate is the number of occurrences divided by the 930 range dates.
   5. The final Premium is calculated by multiplying the Cost Factor (which shall be 3.00x) by the Base Rate. The final premium is subject to a minimum rate of 1% of the Limit.
   6. Rating Example: Location: Miami, FL

Coverage Period: July 4, 2011

Insured Peril: Rainfall at or above 0.50” during the Insured Hours of 5:00 PM – 9:00 PM Per Occurrence Coverage Amount and Limit: $10,000

Number of Occurrences: 32 Base Rate: 32/930 = 3.44% Rate: 3.44% X 3.00 = 10.32%

## Data from Miami International for the period of June 19 – July 19, 1980 to 2009 (dates with a zero value of rainfall are not shown)

|  |  |
| --- | --- |
| **date** | **value** |
| 18-Jul-09 | 0.33 |
| 03-Jul-09 | 0.02 |
| 30-Jun-09 | 0.40 |
| 29-Jun-09 | 0.01 |
| 23-Jun-09 | 0.05 |
| 19-Jun-09 | 0.14 |
| 16-Jul-08 | 0.03 |
| 12-Jul-08 | 0.11 |
| 05-Jul-08 | 0.01 |
| 04-Jul-08 | 0.26 |
| 01-Jul-08 | 0.01 |
| 23-Jun-08 | 0.62 |
| 21-Jun-08 | 0.69 |
| 06-Jul-07 | 0.01 |
| 04-Jul-07 | 0.02 |
| 03-Jul-07 | 0.62 |
| 28-Jun-07 | 0.01 |
| 24-Jun-07 | 0.09 |
| 17-Jul-06 | 0.38 |
| 11-Jul-06 | 0.62 |
| 10-Jul-06 | 0.28 |
| 08-Jul-06 | 0.02 |
| 05-Jul-06 | 0.10 |
| 02-Jul-06 | 0.08 |
| 28-Jun-06 | 0.03 |
| 27-Jun-06 | 0.04 |
| 24-Jun-06 | 0.83 |
| 18-Jul-05 | 0.06 |
| 15-Jul-05 | 0.10 |
| 08-Jul-05 | 0.29 |
| 02-Jul-05 | 0.06 |
| 01-Jul-05 | 0.26 |
| 30-Jun-05 | 0.78 |
| 28-Jun-05 | 0.04 |
| 27-Jun-05 | 0.41 |
| 23-Jun-05 | 0.16 |
| 22-Jun-05 | 0.02 |
| 20-Jun-05 | 0.05 |
| 19-Jun-05 | 0.11 |
| 13-Jul-04 | 0.01 |
| 29-Jun-04 | 0.08 |
| 21-Jun-04 | 0.32 |
| 19-Jun-04 | 0.44 |
| 15-Jul-03 | 0.05 |

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| --- | --- |
| **date** | **value** |
| 19-Jun-03 | 0.94 |
| 12-Jul-02 | 0.35 |
| 09-Jul-02 | 0.16 |
| 08-Jul-02 | 0.33 |
| 07-Jul-02 | 0.31 |
| 04-Jul-02 | 0.32 |
| 22-Jun-02 | 0.05 |
| 21-Jun-02 | 0.12 |
| 20-Jun-02 | 0.03 |
| 14-Jul-01 | 0.63 |
| 09-Jul-01 | 0.01 |
| 25-Jun-01 | 0.02 |
| 24-Jun-01 | 0.53 |
| 22-Jun-01 | 0.03 |
| 19-Jul-00 | 0.04 |
| 14-Jul-00 | 0.05 |
| 13-Jul-00 | 0.13 |
| 12-Jul-00 | 0.01 |
| 01-Jul-00 | 0.76 |
| 29-Jun-00 | 0.02 |
| 26-Jun-00 | 0.12 |
| 25-Jun-00 | 0.22 |
| 24-Jun-00 | 0.11 |
| 13-Jul-99 | 0.14 |
| 11-Jul-99 | 0.01 |
| 05-Jul-99 | 0.02 |
| 02-Jul-99 | 0.95 |
| 01-Jul-99 | 0.02 |
| 29-Jun-99 | 0.29 |
| 23-Jun-99 | 0.02 |
| 19-Jun-99 | 0.01 |
| 14-Jul-98 | 0.05 |
| 13-Jul-98 | 0.17 |
| 10-Jul-98 | 0.22 |
| 09-Jul-98 | 0.26 |
| 08-Jul-98 | 0.02 |
| 04-Jul-98 | 0.02 |
| 25-Jun-98 | 0.68 |
| 22-Jun-98 | 0.27 |
| 14-Jul-97 | 0.03 |
| 12-Jul-97 | 0.12 |
| 10-Jul-97 | 0.05 |
| 06-Jul-97 | 0.13 |
| 04-Jul-97 | 0.13 |

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| **date** | **value** |
| 23-Jun-96 | 0.50 |
| 22-Jun-96 | 0.03 |
| 21-Jun-96 | 0.03 |
| 20-Jun-96 | 0.21 |
| 19-Jun-96 | 0.36 |
| 30-Jun-95 | 0.02 |
| 23-Jun-95 | 0.25 |
| 21-Jun-95 | 1.55 |
| 20-Jun-95 | 0.45 |
| 05-Jul-94 | 0.01 |
| 03-Jul-94 | 0.01 |
| 02-Jul-94 | 0.34 |
| 30-Jun-94 | 0.04 |
| 26-Jun-94 | 0.05 |
| 22-Jun-94 | 0.07 |
| 21-Jun-94 | 0.04 |
| 13-Jul-93 | 0.30 |
| 06-Jul-92 | 0.06 |
| 05-Jul-92 | 0.01 |
| 04-Jul-92 | 0.01 |
| 29-Jun-92 | 0.59 |
| 28-Jun-92 | 0.37 |
| 26-Jun-92 | 0.35 |
| 25-Jun-92 | 0.04 |
| 24-Jun-92 | 0.03 |
| 23-Jun-92 | 0.67 |
| 22-Jun-92 | 0.03 |
| 12-Jul-91 | 0.36 |
| 11-Jul-91 | 0.34 |
| 02-Jul-91 | 0.08 |
| 01-Jul-91 | 0.07 |
| 30-Jun-91 | 0.06 |
| 23-Jun-91 | 0.07 |
| 14-Jul-90 | 0.15 |
| 11-Jul-90 | 0.14 |
| 02-Jul-90 | 0.02 |
| 25-Jun-90 | 2.09 |
| 23-Jun-90 | 0.37 |
| 19-Jul-89 | 0.01 |
| 18-Jul-89 | 0.05 |
| 14-Jul-89 | 0.03 |
| 13-Jul-89 | 0.04 |
| 07-Jul-89 | 0.02 |
| 06-Jul-89 | 0.09 |

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| **date** | **value** |
| 25-Jun-89 | 0.04 |
| 17-Jul-88 | 0.04 |
| 14-Jul-88 | 0.95 |
| 08-Jul-88 | 0.10 |
| 06-Jul-88 | 0.02 |
| 04-Jul-88 | 0.25 |
| 02-Jul-88 | 0.01 |
| 27-Jun-88 | 1.17 |
| 19-Jun-88 | 0.11 |
| 19-Jul-87 | 0.10 |
| 14-Jul-87 | 0.01 |
| 13-Jul-87 | 0.22 |
| 27-Jun-87 | 0.14 |
| 26-Jun-87 | 0.34 |
| 07-Jul-86 | 0.34 |
| 06-Jul-86 | 0.35 |
| 05-Jul-86 | 0.02 |
| 04-Jul-86 | 0.69 |
| 02-Jul-86 | 0.06 |
| 25-Jun-86 | 0.04 |
| 19-Jun-86 | 1.12 |
| 18-Jul-85 | 0.91 |
| 17-Jul-85 | 0.02 |
| 12-Jul-85 | 0.12 |
| 03-Jul-85 | 0.08 |
| 01-Jul-85 | 0.18 |
| 30-Jun-85 | 0.16 |
| 03-Jul-84 | 0.06 |
| 28-Jun-84 | 0.07 |
| 26-Jun-84 | 0.31 |
| 25-Jun-84 | 0.62 |
| 24-Jun-84 | 0.09 |
| 22-Jun-84 | 0.53 |
| 10-Jul-83 | 0.02 |
| 08-Jul-83 | 0.01 |
| 01-Jul-83 | 0.26 |
| 20-Jun-83 | 0.09 |
| 16-Jul-82 | 0.04 |
| 09-Jul-82 | 0.08 |
| 23-Jun-82 | 1.70 |
| 28-Jun-81 | 0.08 |
| 19-Jul-80 | 0.57 |
| 17-Jul-80 | 1.04 |
| 14-Jul-80 | 0.98 |

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| 06-Jul-03 | 0.35 |
| 26-Jun-03 | 0.69 |
| 22-Jun-03 | 0.36 |
| 21-Jun-03 | 1.13 |

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| 14-Jul-96 | 0.06 |
| 02-Jul-96 | 0.23 |
| 01-Jul-96 | 0.02 |
| 26-Jun-96 | 0.09 |

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| 04-Jul-89 | 0.03 |
| 30-Jun-89 | 0.12 |
| 27-Jun-89 | 0.70 |
| 26-Jun-89 | 0.02 |

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| 13-Jul-80 | 0.15 |
| 25-Jun-80 | 0.60 |
| 19-Jun-80 | 0.06 |

### Weather Data Considerations

A weather data source will not be utilized unless the National Weather Service provides historical weather data values for the Coverage Period +/- 15 days for every year of the 1980 – 2009 time period.

Therefore, in that case, no premium shall be calculated.

### Factors Or Multipliers

The Cost Factor for this program is 3.00x.

### Rounding Procedure

* 1. Round rates, factors and multipliers after the final calculation to two decimal places. Five tenths or more of an inch shall be considered one inch for example, .125 = .13.
  2. Round the premium for each coverage for which a separate premium is calculated to the nearest whole cent.

### Policy Cancellations

Once in effect the policies cannot be cancelled by the company.