

# FirstTrack

## Product Background

**Jeff Grimmer**

**First Insurance Co of Hawaii**  
Vice President & Treasurer

**James Doona**

**Munich Reinsurance America, Inc.**  
Managing Director - Capital Partners

- ▶ FICOH founded in 1911, largest commercial insurer in Hawaii
- ▶ Tokio Marine founded in 1879, largest/leading insurer in Japan
- ▶ Munich Re founded in 1880, largest reinsurer in the world

## FICOH goals for this product:

- ▶ Community resiliency – FICOH is very tied in with the local community; resiliency and recovery are strongly in our interest
- ▶ “Creating the future” of insurance thru innovation and new technology in products, delivery/distribution, payments, etc.
  - Increase policyholder benefits with controlled expenses
- ▶ Distribute local Hawaii risk efficiently to global markets

# The Goal for Parametric Insurance

- ▶ To supplement traditional insurance:
  - to infuse liquidity quickly into the community, by covering immediate post-disaster expenses
- ▶ To address the protection gap and enhance community resilience
  - uninsured and underinsured
- ▶ Parametric solutions have been developed for earthquake, wind, fire, and flood risks

## ► Uninsured Losses

- Less than half (41%) of catastrophic economic losses from Harvey, Irma, and Maria were insured\*
- Hurricane cat deductibles are large; a 2% deductible on a typical \$350K insured limit home is \$7,000 per homeowner, or approximately half the cost of a roof replacement
- Coverage Gaps or Existing Limitations
  - Debris Removal, Water Damage, Mold, Preparedness and other expenses

[\*2017 events, per Swiss Re “Sigma 1/2018”]

FirstTrack is a low-cost insurance option designed to assist with hurricane preparation and immediate post-hurricane expenses.

FirstTrack is a policy for homeowners and renters alike, covering the sudden expenses we all face...



Lost Wages



Debris Removal



Emergency Supplies



Minor Repairs



Groceries

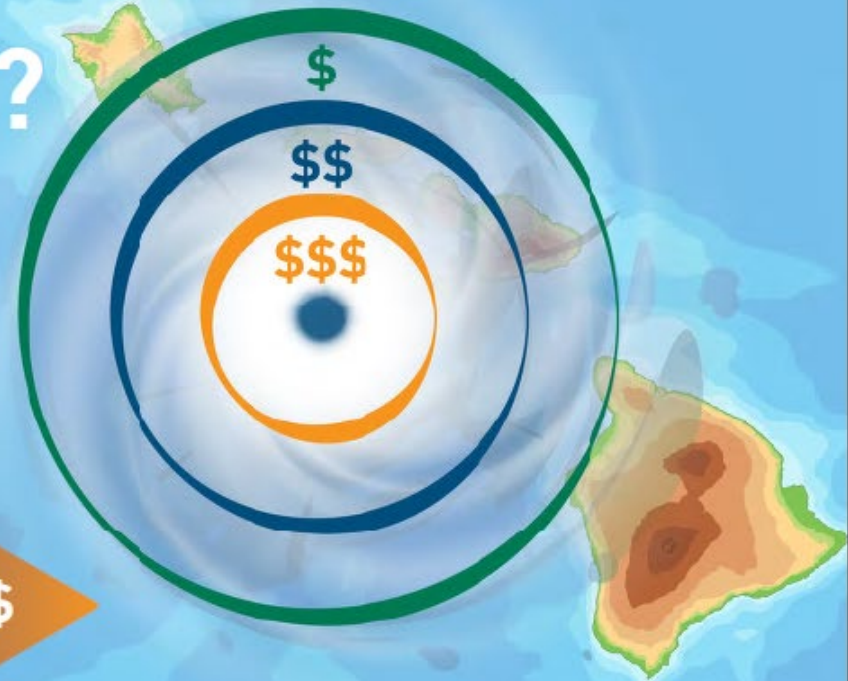
FirstTrack fills the insurance gap by offering coverage for expenses that fall below most standard hurricane policy deductibles.



## How does it work?

**1. PROXIMITY:** Payouts are determined by where your property falls within the storm track radius claim zone

**2. CATEGORY:** Payouts are also determined by the wind speed level as defined by the National Hurricane Center



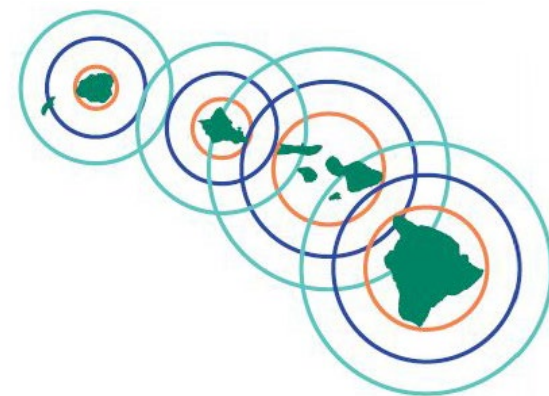
If a hurricane enters a designated claim zone radius, you'll receive a notification with details on next steps regarding your policy.

# Limit of liability defined in each policy is tied to proximity and wind speed

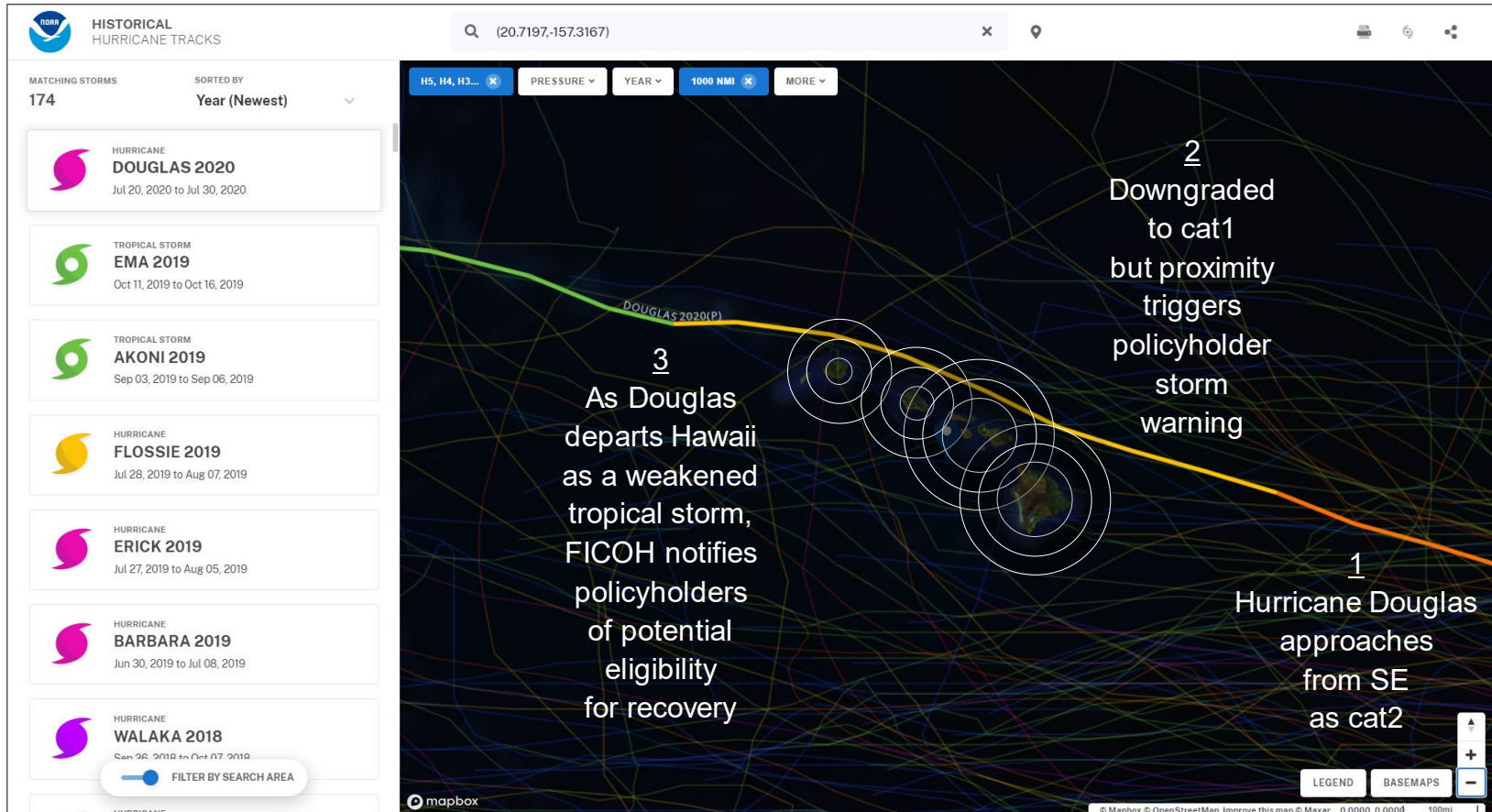
Table III.3 Limit of Liability

	"Interpolated track point" has entered the "Coverage Region" at...	Zone 1	Zone 2	Zone 3
Each "Covered Loss" - Limit of Liability if "Wind Speed" is...	At least 157 mph	100%	60%	10%
	At least 130 mph, but less than 157 mph	90%	50%	10%
	At least 111 mph, but less than 130 mph	80%	40%	10%
	At least 96 mph, but less than 111 mph	70%	30%	10%
	At least 74 mph, but less than 96 mph	60%	20%	10%
	At least 39 mph, but less than 74 mph	50%	10%	0%

Each policyholder is eligible for a recovery of storm-related damage and other related expenses



# Hurricane Douglas (2020)



Schematic: FirstTrack imposed on an NHC map of Hurricane Douglas (July, 2020)



- ▶ Proactive communication
  - Warning of impending storm activity
  - Near real-time updates
  - Information about claims process for affected policyholders
- ▶ Attestation for quick payment
- ▶ Proof of loss process follows



Mahalo,  
Jeff

P 808.527.7325  
E [jeffrey.grimmer@ficoh.com](mailto:jeffrey.grimmer@ficoh.com)

