

SHAKE = AND PAY[®]

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A high-angle, close-up photograph of a dark asphalt road that has been severely damaged by an earthquake. The surface is cracked and broken into large, jagged pieces. A prominent yellow lane marking runs diagonally across the center of the frame, also showing signs of cracking and displacement. The overall scene conveys a sense of significant structural failure and destruction.

FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

NO PROPERTY DAMAGE REQUIRED

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WHY IT'S A GAME CHANGER:

Zero Deductible: **NONE, NIL, NADA**

Rapid Claims Process: Measured in days

An extremely broad coverage policy that can be used for almost **ANY ECONOMIC LOSS** including but not limited to:

- Business Interruption (BI) / Contingent BI
 - Property damage
 - Any deductibles for traditionally insured exposures
 - Loss of revenues or profits with or without property damage
 - Extra and Extraordinary expenses
 - Loss of value or loss of market
 - Earthquake sprinkler leakage
 - Fire following
 - Hardscapes and landscapes
 - Loss of tax base or revenues (public entity)
 - Engineering and safety certification costs
 - Equity protection
-
- Annual Aggregate Limit
 - Term: Annual (multi-year available in limited circumstances)
 - Underwritten by various insurance companies securely rated by A.M. Best

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TRADITIONAL INSURANCE VS. SHAKE AND PAY[®]




	TRADITIONAL INSURANCE	SHAKE AND PAY [®]
Deductibles	5-25% of Total Insured Value	NONE, NIL, NADA
Claims Process	... Up to Years to Settle	Rapid and Transparent; Measured in Days

COVERAGES

AS DEFINED IN POLICY TERMS

 = **VARIOUS LIMITATIONS APPLY**

 = **FULL COVERAGE**
Up to the Purchased Policy Limit
(Annual Aggregate)

Full Property Damage		
Earthquake Sprinkler Leakage		
Hardscapes and Landscapes		
Direct/Indirect Financial Losses		
Business Interruption (BI) / Contingent BI		
Loss of Revenue or Profit		
Engineering and Safety Certification Costs		
Extra and Extraordinary Expenses		
Equity Protection		

**SHAKE AND PAY[®]
COVERS ALL THIS
AND MORE!**

SHAKE AND PAY[®]

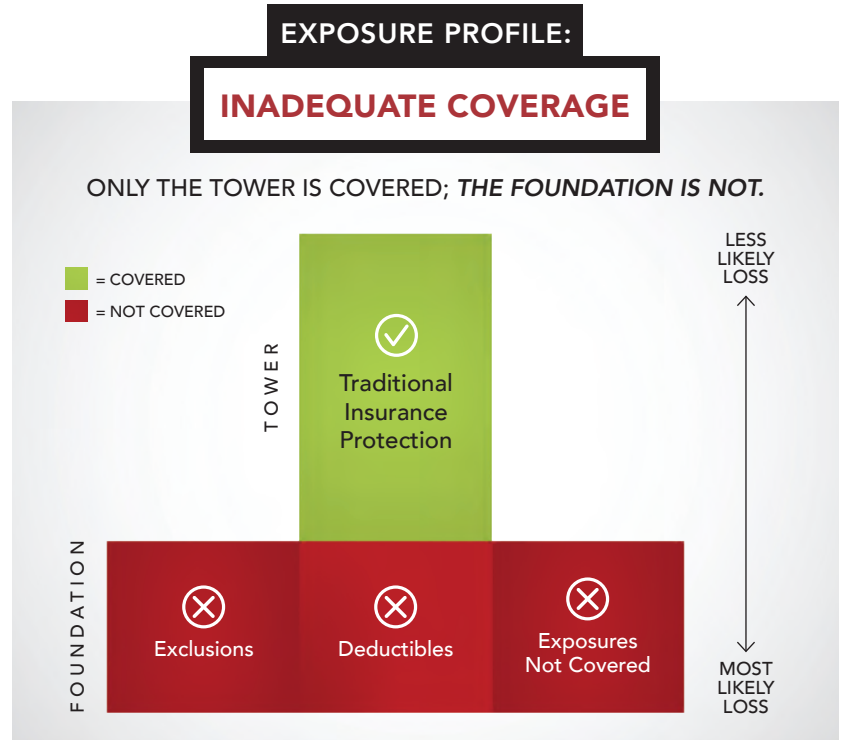
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WHY THE TRADITIONAL INSURANCE MODEL IS FULL OF CRACKS

TRADITIONAL INSURANCE DRAWBACKS:

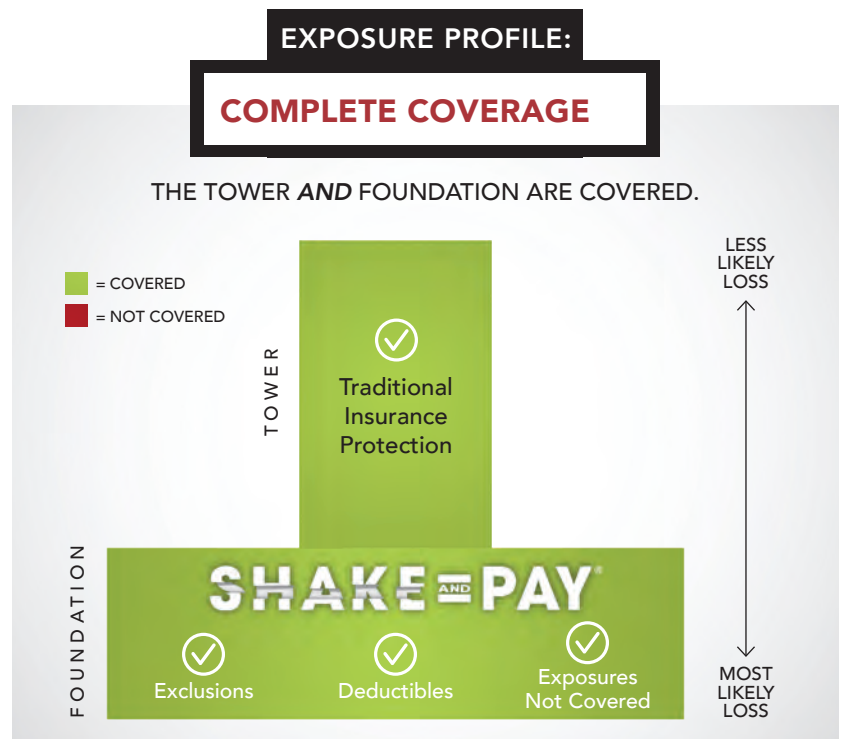
- Coverage attaches “outside of the money”
- Deductibles
- Exclusions
- Potential for a contentious claims process including accountants and attorneys



SHAKE AND PAY[®] PROVIDES THE MOST COMPLETE COVERAGE

SHAKE AND PAY[®] KEY BENEFITS:

- Coverage attaches “in the money”
- No deductible
- Limited Exclusions
- Coverage for **ANY** economic loss
- Rapid and streamlined claims process providing for near immediate liquidity



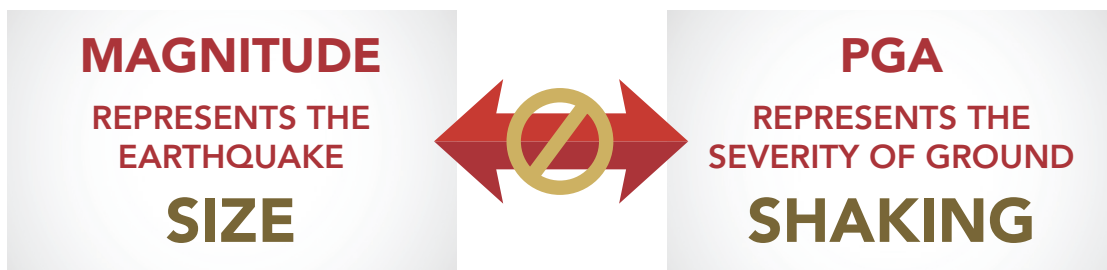
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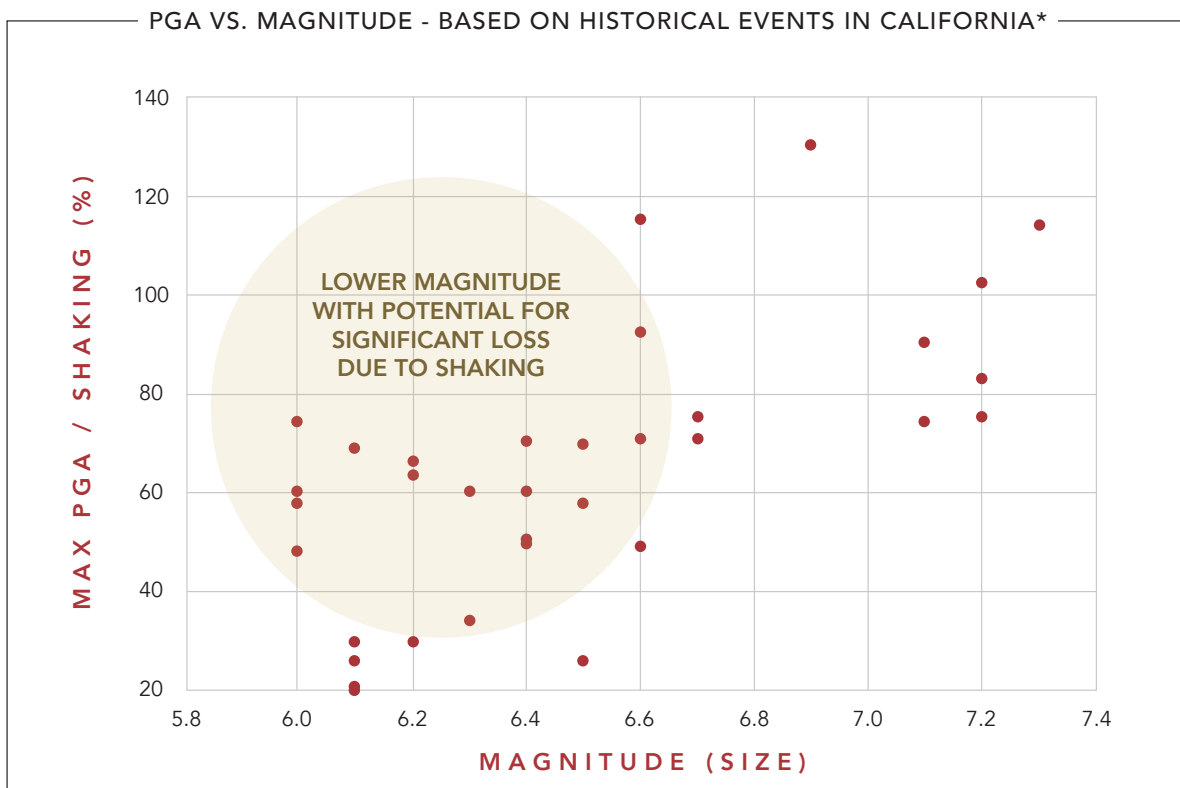
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WHAT IS PEAK GROUND ACCELERATION (PGA) AND WHY IS IT PREFERRED?

Peak Ground Acceleration (PGA) is an intensity measurement used to represent the shaking felt on the ground during an earthquake (refer to FAQ #2 for official definition).



It is important to understand that events with a lower magnitude (size) or events several hundred miles away can still cause significant loss (shaking) to an area.



*PGA and Magnitude data as provided through the USGS ShakeMap MetaData. <https://earthquake.usgs.gov/data/shakemap/>

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HOW IT WORKS

SHAKE

STEP 1

Magnitude 6.0 Earthquake occurs anywhere in the region and affects covered territory (Covered Event) – event start date and event end date (12:00 am PST on the 31st day after event start date) are established.

STEP 2

USGS publishes a ShakeMap:
<https://earthquake.usgs.gov/data/shakemap/>

Created by an act of Congress in 1879, the U.S. Geological Survey (USGS) monitors, assesses, and conducts targeted research to provide independent scientific reporting about natural hazards. USGS is relied upon for its natural science expertise and its vast earth and biological data holdings. The USGS is the sole science agency for the Department of the Interior.



STEP 3

RMS (calculation agent) creates an event report that certifies the maximum Peak Ground Acceleration (PGA) by covered territory as released by the USGS ShakeMap.

STEP 4

Based on the RMS event report, the loss payment amount available for claims payments is the % of Limit related to the Maximum PGA.

STEP 5

The insured will prepare a proof of loss attesting to economic loss from the covered event and submit via the claims reporting process using the designated claims phone number or email provided in the policy.

STEP 6

The claims processor will verify the loss payment amount available based on the event report and the proof of loss attestation and will submit for claims payment to insured up to the maximum loss payment amount.

PAY

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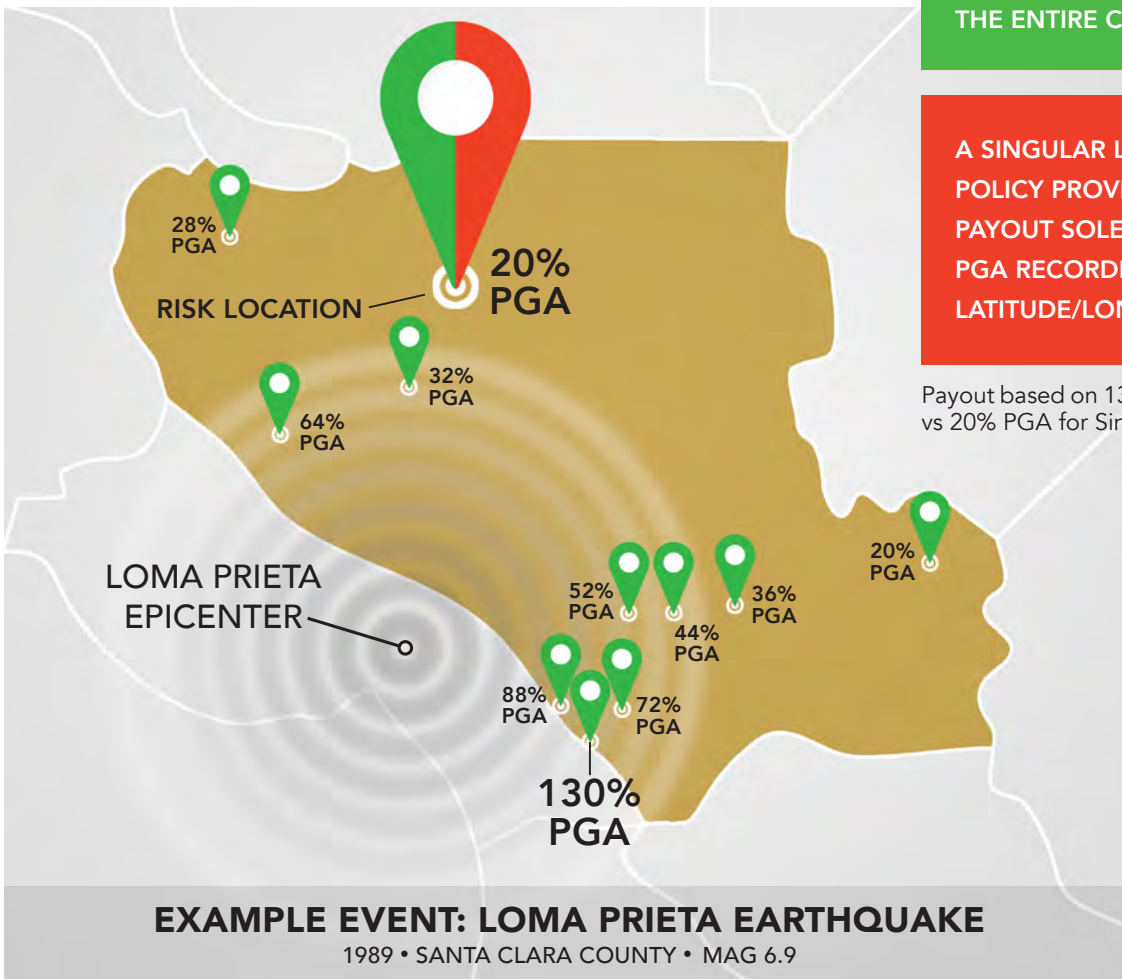
THE BELOW DEMONSTRATES HOW HAVING A SINGULAR LOCATION STRUCTURE (RED) REDUCES THE LIKELIHOOD OF TRIGGERING A PAYOUT AS COMPARED TO MULTIPLE MEASUREMENTS IN A COUNTY/REGION-BASED STRUCTURE (GREEN).

SHAKE AND PAY[®] PGA MEASUREMENTS THROUGHOUT THE COUNTY

COORDINATE-BASED PGA MEASUREMENT AT SINGULAR LOCATION

SHAKE AND PAY[®] POLICY PROVIDES A COVERAGE PAYOUT BASED ON THE HIGHEST PGA RECORDED IN THE ENTIRE COUNTY/REGION

A SINGULAR LOCATION LEVEL POLICY PROVIDES COVERAGE PAYOUT SOLELY BASED ON THE PGA RECORDED AT THAT LATITUDE/LONGITUDE



Payout based on 130% PGA Shake and Pay policy vs 20% PGA for Singular location policy.

Above is a sampling of PGAs and does not reflect all captured measurements.

SHAKEMAP IS NOT AN ACTUAL MEASUREMENT AT YOUR LOCATION

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FAQ'S

DOES THE EPICENTER OF THE EARTHQUAKE NEED TO OCCUR IN MY COUNTY TO TRIGGER MY POLICY?

NO!!! A Magnitude 6.0 or greater earthquake can happen anywhere in your state or extended region. After the earthquake occurs, the policy loss payout amount is determined based on the Maximum Peak Ground Acceleration (PGA) as measured by the USGS ShakeMap in your county.

WHAT IS PEAK GROUND ACCELERATION (PGA)?

Peak ground acceleration (PGA) is an intensity measurement of actual ground shaking that occurs during an earthquake. PGA can be measured many miles from the epicenter of the earthquake and can be a better predictor of economic loss as experienced by the insured since it is being measured locally in your county.

WHY IS PGA THE DETERMINANT OF THE MAXIMUM PAYOUT INSTEAD OF THE MAGNITUDE OF THE EARTHQUAKE AT THE EPICENTER?

The epicenter of the earthquake can be several hundred miles from your location; even in a neighboring state. As a policyholder, the PGA intensity as measured in your county and the level of damages you experience are what is most important. As an example, if you live near a fault line and a high magnitude earthquake occurs 300 miles from your location, the ground shaking that you experience could still be severe in your county.

AVAILABLE LIMITS AND TERRITORIES

- Automated quoting and binding for limits between \$50,000 and \$5,000,000 within a single coverage region.
- Higher limits or for risks that include more than a single coverage region, underwriting referrals are available.

IS THE LIMIT OF INSURANCE CONNECTED TO THE TOTAL VALUE OF MY EXPOSURE?

NO!!! Unlike traditional insurance that attaches in excess of likely losses and is underwritten based upon the total exposure, Shake and Pay limits are determined based upon projected needs and budget.

WHO IS PROVIDING THE INSURANCE?

Various insurance companies securely rated by A.M. Best.

DO I HAVE TO HAVE TRADITIONAL INSURANCE TO PURCHASE SHAKE AND PAY?

This is not a requirement for purchase of the product.

WHAT IS SHAKEMAP?

ShakeMap is a product of the USGS Earthquake Hazards Program that provides near-real-time maps of ground motion and shaking intensity following significant earthquakes, which can be found here: <https://earthquake.usgs.gov/data/shakemap>.

WHO IS RMS?

Risk Management Solutions (RMS) is a leading catastrophe risk modeling company founded in 1989 to *"create a more resilient and sustainable global society through a better understanding of catastrophic events."*

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DISCLAIMER

IMPORTANT NOTICE

New Paradigm Underwriters, LLC is a Florida based Managing General Agency (license #W149833) and acts as a program manager for insurance companies that may not be licensed in all states. In certain states, Parametric Insurance is offered on a non-admitted basis through licensed surplus line brokers.

The delivery of the information contained herein is not intended as a solicitation for the purchase of insurance in any jurisdiction where such solicitation would be unlawful.

The description of coverage contained herein is for preliminary informational purposes only. The exact coverage provided is subject to and governed by the terms and conditions of each policy issued.

California License #0N07286

DBA: Insurance Solutions by New Paradigm



NEW PARADIGM
UNDERWRITERS

We cover what others exclude.

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