Parametrix-Downtime-Insurance FAQ

Who should buy Parametrix policies?

Any company that depends on third-party IT services for business activities whose availability is crucial to their customers (such as SaaS companies).

Companies that have SLA commitments which are dependent on the uptime of third-party IT services.

Companies that will incur direct revenue losses due to downtime events such as eCommerce, entertainmentand payments companies.

Which coverages should customers buy?

Most of our customers decide to purchase insurance for their mission-critical cloud-based services (compute, storage, ecommerce, payments, etc.)

Don't third-party providers compensate their customers following downtime events?

Providers allow for an acceptable amount of downtime and may issue credits for the lack of service they promised to provide and also, but they don't compensate their customers for financial losses.

If downtime occurs, what happens?

When an insured downtime event occurs, both the brokers and their customers are notified by Parametrix Insurance. After verifying that the insured incurred a loss based on their sworn proof of loss, indemnification will occur within 15 days.

How do customers calculate the coverage amount their business needs?

During the online onboarding process, our system provides an estimation of loss per hour based on the information provided by the customer, but the customers are responsible to determine the exact coverage they need based on their best estimation.

Why do companies need an IT downtime policy?

- To transfer their business downtime risk
- To protect their revenue stream
- To facilitate fast recovery and business continuity
- To cover SLA liabilities by having the capital to compensate customers and reduce churn

How is the premium calculated?

The premium amount for cloud outages is determined based on several parameters:

1. Cloud provider
2. Type of services
3. Redundancy between regions
4. Coverage amount per hour
5. Waiting period
6. Duration limit

What types of events Parametrix cover?

Almost all causes of downtime are included in our policy, from human errors to cyber events to hardware malfunctions. Downtime is downtime. Exclusions include degradation of service, planned maintenance, government and regulatory action, or war.

If customers use several regions and the downtime is just in one, do they get paid?

If customers have redundancy between regions so they can still work, they will not be compensated.

Does the customer need to prove any loss?

The customer does not need to prove any loss (due to the parametric nature of our product), but must sign a sworn proof of loss in order to be indemnified. The policy will indemnify only customers that experienced a Financial Loss.

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