PRESS RELEASE

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Meteo Protect Partners with Leading Provider of Insurance Services to Provide Weather Risk Management Solutions for the Renewable Energy Sector in India

Meteo Protect, in partnership with Unison Insurance Broking Services, and Cognivant Alternative Risk Transfer Solutions, presented a series of seminars explaining weather risk management solutions to producers and investors of renewable energy in Mumbai and New Delhi this week. The seminars focussed on overcoming the risks associated with wind variability and the importance of such solutions to the sustained growth of the renewable energy sector in India.

Comprised of a receptive audience from all stakeholder groups in the wind energy market in India, including developers, lenders, insurers and rating agencies, the seminars on “Analysis and Management of Wind Variability Risk” addressed global trends in wind risk management and provided an overview of the modelling process and wind risk management techniques.

The wind energy sector has traditionally been considered a high risk sector; average wind speed variations account for as high as 95% of overall production risks for wind farms, and can impact the financial performance of certain regions by 20%. Moreover, climate change has exacerbated both climate and temperature variability globally, affecting year-on-year revenues of many businesses that are highly dependent on the weather, including the wind energy market. Credit lenders and investors have historically not been able to scientifically ascertain the wind energy potential of a wind farm. Accordingly, they have been conservative in providing risk assessments. As these are applied to project financing and capital markets, forecasted high industry growth has been restrained.

However, due to advances in meteorology, numerical simulation techniques, and data assimilation, wind variability affecting wind farms can now be assessed using weather risk modelling. A scientifically priced risk transfer solution - weather-based index insurance- can then be put in place. Weather-based index insurance for wind farms provides insurance coverage for a wind farm for a guaranteed capacity of wind energy.

According to Gabriel Gross, President and CEO of Meteo Protect, the keynote speaker at the seminars, “Given the significant focus of the current government to attract large domestic and foreign funds to the capital intensive sectors like wind and solar energy, it would be prudent for all stakeholders to not ignore the weather risks, as the share of renewable sector is set to rise in the overall energy mix in India (similar to trends in Europe), and this underscores the importance of better risk management for the sustainability and continued growth of this sector of the economy. We see India as a very important market given the high level of economic growth and its weather sensitive geography.
“Although the scale of existing index-based weather insurance schemes across the developing world are presently limited as a standardized solution for small landholding farmers who are impacted by climate-related risk, players such as Meteo Protect are committed to working with developing nations to help them adapt to climate change and mitigate the financial impact of weather risk by providing weather risk assessments and cost-effective weather hedging solutions customized to precisely meet each client's needs, as well as supporting alternative energy production by providing insurance to wind and solar farm enterprises,” said Mr. Gross. “Along with our partners in India, Cognivant and Unison, we propose to bring the most innovative weather risk management solutions to the businesses in the Indian subcontinent.”

About Meteo Protect

Meteo Protect is an insurance and reinsurance brokerage firm with the largest team in Europe dedicated exclusively to weather risk management. From risk identification to hedge solutions, Meteo Protect controls each step of the value chain using its own weather database and pricing platform. Meteo Protect is a member of the Weather Management Risk Association. Visit www.meteoprotect.com and www.weathereconomics.com

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