



## Descartes trials first-ever parametric “Cyber Shutdown Cover” in France

**Paris, 1 February, 2024:** Descartes Insurance, the risk-carrying insurer formed in 2022 by climate-risk MGA Descartes Underwriting, has launched the first parametric cyber insurance for corporate clients in France. “Cyber Shutdown Cover” is the first insurance of its kind offered anywhere in the world. It is triggered when a third-party cyber specialist confirms that a cyber encryption incident has occurred at the insured organization as part of a ransomware attack.

Unlike other cyber policies, when triggered, Cyber Shutdown Cover pays a fixed daily limit for each day that the cyber event prevents normal business operations. Claims are paid within three weeks, since loss assessment and adjustment are not necessary, due to the policy’s parametric structure. The innovative protection also enhances the value of cybersecurity investments made post-attack, because mitigation measures are reflected directly in the design and price of subsequent coverage.

Cyber Shutdown Cover is designed for small and medium-sized businesses, particularly in manufacturing and retail. Descartes assesses insured companies’ vulnerability by deploying its parametric modeling expertise to the realm of cybersecurity. With the customer and their broker, based on circumstances, budget, and need, Descartes then defines in advance the amount of the daily business interruption claim payment. That ensures policies provide coverage matched precisely to the costs of a business shutdown due to a ransomware attack.

“Our parametric models help customers calculate how much a day of business interruption will cost them,” says Louis Bollaert, Chief Commercial and Marketing Officer at Descartes. “That predetermined daily claim, in combination with a very simple contract, lets us intervene immediately after an attack to drastically reduce its impact on the victimized customers, and help get them back up and running as fast as possible.”

“We’re targeting 5% of the French cyber insurance market within the next 18 months,” Bollaert says. “In the interim, we intend to introduce the product in other EU countries, as we see demand from our existing climate base.”

Léopold Larios, Cyber Director at Descartes, says: “With the anticipated implementation in October of the NIS2 Directive, which aims to strengthen the cyber maturity of European companies, Descartes’ Cyber Shutdown Cover provides businesses with an innovative solution tailored to their key assets. It’s also relevant for companies that have suffered cyber attacks in the past 18 months.

“A study by French Risk Management Association AMRAE found that 9 out of 10 SMEs in France had no cyber cover,” Larios continues. “With ransomware attacks generating an average business shutdown lasting 21 days – that’s three full weeks out of action – and estimated daily operating losses of €800,000 for French firms, companies of all sorts need this protection now.”

Tanguy Touffut, Descartes co-founder and CEO, says: “Data and algorithms are at the heart of our business model. This is a momentous milestone for our company, as it marks the beginning of our entry into new verticals linked to emerging risks. The parametric model is uniquely primed to effectively protect companies against climate change. We are now applying our know-how from there to another major threat facing businesses: cyber risk.”

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