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Parametric Insurance Offers Hope Amid Systemic Challenges

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Alan Levin, a partner in Troutman Pepper Locke's Insurance + Reinsurance Industry Group, was quoted in the April 24, 2025 *Law360* article, "[Parametric Insurance Offers Hope Amid Systemic Challenges](#)."

Parametric insurance has its origins in catastrophic events — for example, insurers have offered preset payouts for properties in areas that experienced an earthquake above a certain magnitude, Alan Levin of Troutman Pepper Locke LLP, who represents carriers, told *Law360*.

"There's been exponential growth in it the last seven, eight years," he said. "The types of perils, the types of triggers, continue to expand."

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"Because parametrics only cover a specific peril, I think of it as an add-on with an ease-of-use for the consumer," said Levin of Troutman.

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Levin said that as insurers move away from weather-related risks to pursue new forms of coverage, they have to take special care of the language they use for the verifiable index, suggesting that carriers "keep it short and sweet."

"Everyone is getting more creative because that's the nature of our industry," he added. "I think we've just started to scratch the surface of the use of these products."

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