

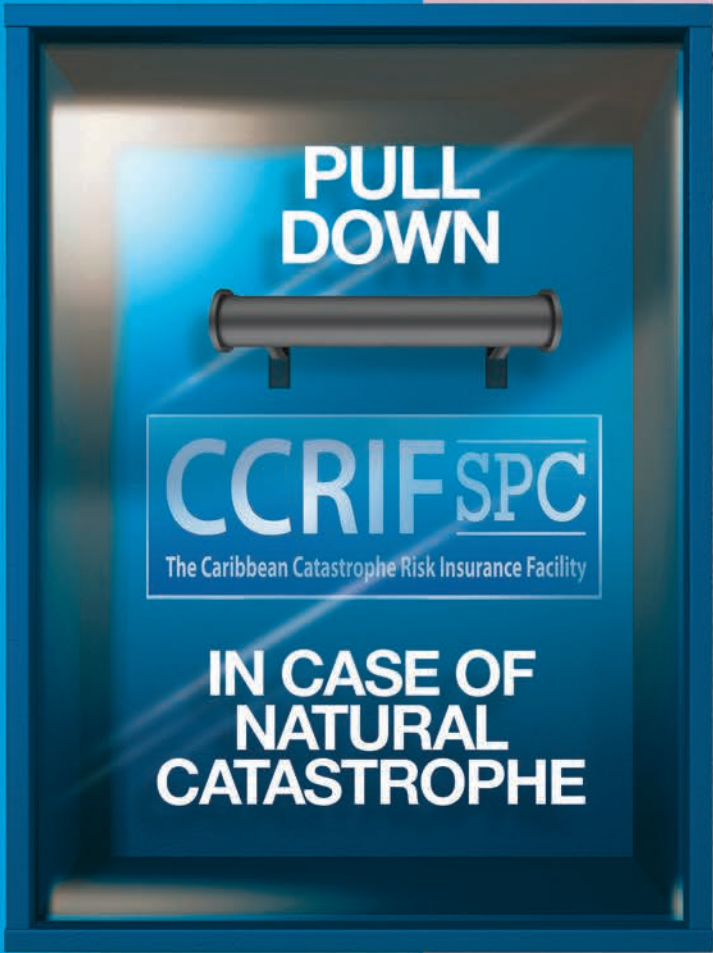
CELEBRATING

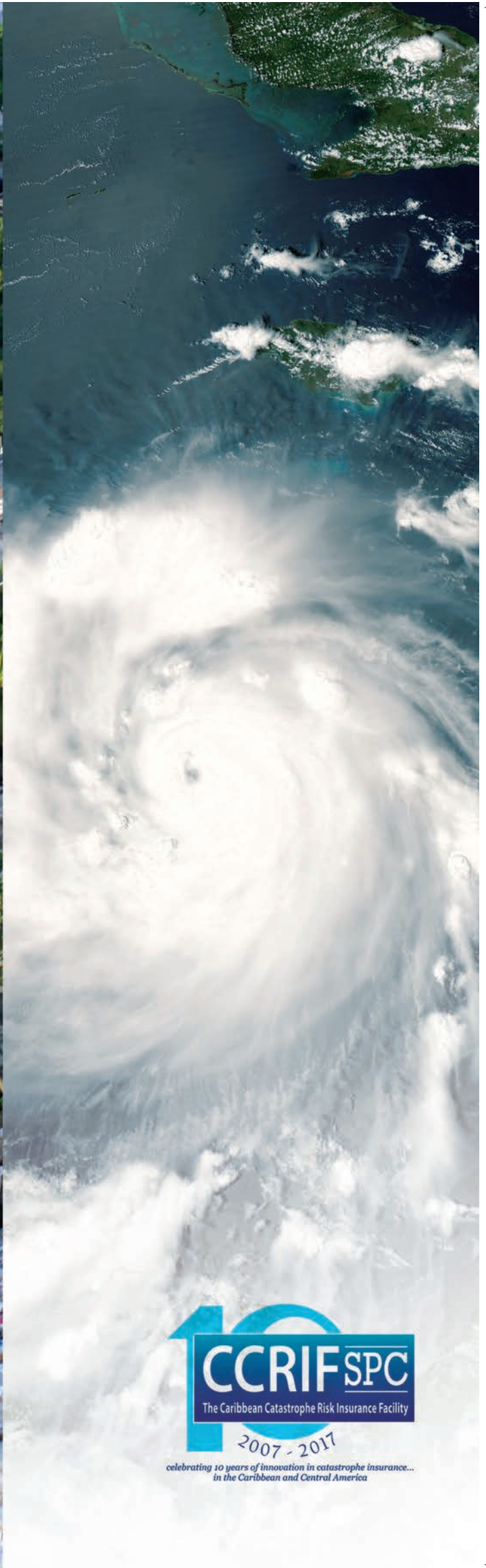
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YEARS

2007 – 2017

**10TH ANNIVERSARY
COMMEMORATIVE
MAGAZINE**







CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility
2007 - 2017
celebrating 10 years of innovation in catastrophe insurance...
in the Caribbean and Central America



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Chairman's Message

CCRIF ... Celebrating ten years of innovation in catastrophe insurance ... in the Caribbean and Central America ... 2007 - 2017

2017 marks a decade since CCRIF was launched – back then in 2007, CCRIF was the first multi-country, not-for-profit risk pool in the world. It was also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. The successful launch and ongoing operations of CCRIF have received worldwide attention since the first policies were issued in 2007.

Over the ten years we have stayed true to our mission and vision and importantly our value propositions. We have witnessed first-hand how payouts have resulted in reduced burdens on state finances and many of the payouts were used almost immediately to assist with post disaster clean-up, assistance to communities, clearing roads and rehabilitating important infrastructure.

I would like to pause here and reflect on this ten-year journey and highlight some of our accomplishments and key milestones that we have achieved:

1. Being able to consistently adhere to our value proposition of paying within 14 days of a policy triggering – to date there have been 22 payouts to 10 member countries totalling US\$69 million
2. Developing and bringing to market a new product for excess rainfall in 2013 to complement our tropical cyclone and earthquake products – this addressed stakeholder demands
3. Keeping premiums low and continuously taking into account the various fiscal challenges faced by members, recognizing that by joining CCRIF, countries are able to purchase catastrophe risk insurance at about 40 to 50 per cent of the cost they would pay if they had to approach the insurance market individually on their own
4. The conversion of the Caribbean Catastrophe Risk Insurance Facility into a segregated portfolio company (SPC), which better facilitates developing and offering new products and expansion into new geographic regions; by establishing segregated portfolios, CCRIF is able to prevent the cross-subsidization of risk from one region to another, ensuring that each region's risk will be based on the particular risk profiles of the countries in that region



5. The launch of a successful technical assistance programme that has resulted in 47 scholarships, 45 internship placements, and 4 small grants to NGOs and CBOs
6. Working with MCII and Munich Re, with support from the German Government, to bring to market in 2013 microinsurance parametric products targeted at vulnerable persons – farmers, day labourers, fishers, and seasonal workers in the agriculture, fisheries, tourism and construction sectors
7. Building many strategic and long-lasting stakeholder relationships – with members, donors, regional and international organizations, DRM officials in member countries and within global organizations, and climate change specialists among others
8. Continued global recognition as a reproducible model especially as it relates to the paradigm shift in the way governments treat hazard risk
9. Promotion by the UNFCCC as a best practice example for climate change adaptation
10. A rating of our performance as Highly Satisfactory in the 2012 World Bank Implementation Completion Report on CCRIF's performance from its inception to 2012. This is the Bank's highest possible rating and was based on CCRIF's demonstrated ability to enable Caribbean governments to transfer a portion of their hurricane and earthquake risk to the facility at the lowest possible price and to provide prompt cash payouts, all within two weeks following a covered event. The report stated that CCRIF out-performed the original estimates of the cost savings that it initially hoped to provide and, moreover, that it achieved financial sustainability more quickly and to a higher level than originally expected.

It is fitting to reflect on these ten years – to assess the operations of the facility, reflect on lessons learned and best practices, identify issues and challenges encountered over the years and chart the facility's strategic direction to 2030.

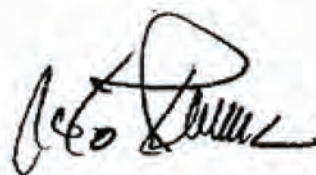
We are therefore pleased to mark CCRIF's ten years in the business of providing catastrophe risk insurance to Caribbean and – more recently – Central American governments. We are especially pleased that we are recognized globally as an innovative model of risk transfer for other regions in the world to emulate.

This magazine's focus on CCRIF's first ten years will help our members, regional organizations, donors and other stakeholders to review and reflect on the service provided by the facility over the years and its contributions to enhancing disaster risk management as well as fiscal and debt sustainability. The magazine also will showcase our work in helping to build capacity across the region in disaster risk management through a range of partnerships and capacity building initiatives.

The magazine guides us on a walk down memory lane and reflects the dedication, strategic thinking, hard work, optimism, good governance and core operational principles that have brought CCRIF to where it is today.

As we celebrate CCRIF's 10th anniversary, I wish to thank the many organizations and stakeholders – our member governments, regional organizations involved in disaster management, international development partners. You have all contributed to our success.

The CCRIF Board, Management and Team look forward to working with you and continually improving and expanding this innovative mechanism as we seek to advance the sustainable prosperity of our members.



Milo Pearson
Chairman, CCRIF SPC



Timothy Antoine

CARICOM-nominated board member,
representing member countries

Timothy Antoine is the recently appointed Governor of the Eastern Caribbean Central Bank. Previously, he was the Permanent Secretary in Grenada's Finance Ministry for 14 years. From 2005 to 2007, Mr. Antoine acted as an Advisor to the Executive Director for Canada, Ireland and the Caribbean at the World Bank, working on behalf of the Caribbean and played a significant role in the establishment of CCRIF in 2007

Faye Hardy

CDB-nominated board member,
representing donors

Faye Hardy has over 20 years of experience in the areas of finance and accounting, and currently serves in the position of Manager, Treasury Unit at the Caribbean Development Bank (CDB). She is a certified investment professional with a Chartered Financial Analyst (CFA) designation, as well as a Fellow of the Association of Chartered Certified Accountants (FCCA). Mrs. Hardy has provided technical assistance and advice to other regional organizations, and regularly lends her expertise in a financial capacity to a variety of volunteer organizations.



RECTORS

Milo Pearson

Chairman

Milo Pearson has over 40 years of insurance experience and has created two landmark organizations that have had an important and lasting impact on the insurance industry in California: the California Earthquake Authority and the Rate Regulation Division of the California Department of Insurance. As a senior partner of Insurance Solutions Group, Mr. Pearson specializes in regulatory and catastrophe-related issues. He is also the Executive Director for the Pacific Association of Domestic Insurance Companies, an industry trade association.

Desirée Cherebin

CDB-nominated board member,
finance specialist

Desirée Cherebin is a Banking Supervision and Financial Services Consultant working with regional and international agencies, including the Caribbean Regional Technical Assistance Centre and the International Monetary Fund to assist countries with strengthening the regulation and supervision of their financial sectors. She was Director of Bank Supervision at the Central Bank of Barbados prior to her retirement from that institution in 1997. She also worked as an Economist with the Ministry of Trade in Barbados and as an Advisor to the Governor of the Central Bank of Barbados.

Ken Blakeley

CARICOM-nominated board member,
insurance specialist

A former President of both the Insurance Company of the West Indies (ICWI) and Eagle Star Insurance Company of Puerto Rico, Ken Blakeley has had a 40-year career in Caribbean insurance. Currently, he is a Technical Advisor and Director at Billy Craig Insurance Brokers in Jamaica. Mr. Blakeley has also served as the Deputy Chairman, Jamaica Association of General Insurance Companies, Chairman of the Board of Studies for the Insurance Institute of Jamaica and as Chairman of the Insurance Institute of Jamaica.





Executive
MA



Isaac Anthony
Chief Executive Officer

Isaac Anthony was appointed CCRIF Chief Executive Officer on 1 January 2013. Prior to this appointment, Mr. Anthony served as Permanent Secretary, Planning and National Development in the Government of Saint Lucia. He also has served his country in key positions such as Accountant General, Registrar of Insurance, Director of Finance and Permanent Secretary, Finance. He served as a CCRIF board member appointed by CARICOM from 2007 to 2012. Mr. Anthony brings many years' experience as a senior finance and planning official with the Government of Saint Lucia coupled with service on the boards of key regional financial institutions such as the Caribbean Development Bank and the Eastern Caribbean Central Bank. Mr. Anthony is a graduate of the University of the West Indies, with a Bachelor of Science degree in Economics and Accounting and an MBA from that institution.

NAGEMENT



Gillian Golah
Chief Operations Officer

Gillian Golah was appointed CCRIF Chief Operating Officer at CCRIF on 1 October 2015. Before she assumed this position, Ms. Golah was the Vice President of Business Development at the Trinidad & Tobago International Financial Centre, where she played a central role in the establishment of the financial services outsourcing industry in Trinidad & Tobago. Previously, she served as Chief Operating Officer of Development Finance Limited after gaining substantial experience in credit operations, private equity, grant management and microfinance at the executive and board levels. Ms. Golah received a Bachelor's degree from the University of the West Indies with First Class Honours and a Master's degree in Actuarial Sciences from Heriot-Watt University Edinburgh. She also holds a Financial Risk Manager (FRM) designation from the Global Association of Risk Professionals.



CCRIF SPC

The Caribbean Catastrophe Risk Insurance Facility





EVALUACIÓN DE RIESGOS NATURALES (ERN) / RISK ENGINEERING AND DESIGN (RED), RISK MANAGEMENT SPECIALIST

The ERN/RED consortium team provides the services of risk management, financial planning, catastrophe modelling and coordination of reinsurance placement for CCRIF. RED, which began in 2008, has expertise in catastrophe risk modelling for earthquakes, tropical cyclones and floods. RED's projects deal with issuance of catastrophe bonds for sovereign countries and designing products for catastrophe risk management of insurance facilities. ERN was founded in 1996 and is the leading catastrophe risk modelling firm in Latin America. ERN has developed models for several perils, including earthquake, tropical cyclone and drought, and for many countries in the world. Paolo Bazzurro is the ERN/RED team leader for CCRIF.



KINETIC ANALYSIS CORPORATION, HAZARD AND RISK ASSESSMENT SPECIALIST

Kinetic Analysis Corporation (KAC) is a leader in multi-model risk assessment and impact forecasting for extreme weather, earthquakes and other catastrophe events. Kinetic Analysis produces accurate, site-specific assessments of the potential impact of natural hazards and resulting loss for events around the globe. Kinetic Analysis conducts hurricane and earthquake hazard and risk assessments and provides rainfall estimates that underlie the catastrophe insurance products offered by CCRIF. Jan Vermeiren and Steven Stichter are KAC's team leaders for CCRIF.



LONDON & CAPITAL LTD., ASSET MANAGER

London & Capital is a specialist asset management company head-quartered in London, UK. With more than 20 years' expertise and experience, the company focuses on capital preservation and wealth management. William Dalziel is London and Capital Limited's team leader for CCRIF.



BUTTERFIELD ASSET MANAGEMENT LTD., ASSET MANAGER

Butterfield Asset Management is a fully integrated group business, operating across 4 jurisdictions – Bermuda, The Cayman Islands, London and Guernsey – and has been an investment manager for primary insurance and captive insurance companies in Bermuda and the Cayman Islands for over 25 years. Butterfield Bank Cayman was incorporated in 1967 as a wholly-owned subsidiary and is regulated by the Cayman Islands Monetary Authority. Andrew Baron is Butterfield's team leader for CCRIF and is Head of Fixed Income for the Group.



WILLIS RE, REINSURANCE BROKER

Willis Re, part of Willis Towers Watson, is one of the world's leading reinsurance advisory and broking businesses, with roots dating to 1828. Through its global network, Willis Re delivers world-class reinsurance expertise and analytics capabilities to a diverse client base, serving the risk management and risk transfer needs of all the world's major re/insurance carriers and many national catastrophe schemes. With its global expertise, local understanding and on-the-ground presence, Willis Re helps clients make better reinsurance decisions and negotiate optimum terms to boost business performance. Willis Re also works in partnership with the Willis Research Network (WRN), the world's largest collaboration between academia and the finance and re/insurance industries. With over 50 world-leading institutions in the network, the WRN is unique to Willis. It provides an essential foundation for catastrophe model and vendor model analysis. Anthony Phillips, Cameron Roe and David Simmons are Willis Re's team leaders for CCRIF.



SAGICOR INSURANCE MANAGERS LTD., INSURANCE MANAGER

Sagicor Insurance Managers Ltd. (SIM) is a member of the Sagicor Financial Group, which is listed on the Barbados, Trinidad & Tobago and London Stock Exchanges. Formed originally as Barbados Mutual in 1840, Sagicor has become the leading indigenous financial services organization in the Caribbean, with a presence in 21 countries across the Caribbean, the United Kingdom, in 41 states of the United States and the District of Columbia. SIM provides insurance management services in the Cayman Islands, and provides regulatory, accounting and corporate secretarial support to CCRIF. Ivan Carter is Sagicor's team leader for CCRIF and is supported by Kimberly Battick as the Account Manager.



SUSTAINABILITY MANAGERS, CORPORATE COMMUNICATIONS MANAGER

Sustainability Managers (SM) is a consultancy company that offers a range of services to public and private sector entities as well as international and regional organizations in the areas of policy development and planning, environmental education, capacity building, environmental management and communications. As Corporate Communications Manager, Sustainability Managers provides CCRIF with the following services: publications development, events planning, public relations and media relations management, strategic planning, training and IT management. SM also manages the implementation of the CCRIF Technical Assistance Programme. Elizabeth Emanuel is Sustainability Managers' team leader for CCRIF and is supported by Gina Sanguinetti Phillips as the Programme Director.

ABOUT US

In 2007, the Caribbean Catastrophe Risk Insurance Facility was formed as the first multi-country risk pool in the world, and was the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets.

It was designed as a regional catastrophe fund for Caribbean governments to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered.

In 2014, the facility was restructured into a segregated portfolio company (SPC) to facilitate offering new products and expanding into geographic areas and is now named CCRIF SPC. The new structure, in which products are offered through a number of segregated portfolios, allows for total segregation of risk.

In 2015, CCRIF expanded to Central America, when CCRIF and COSEFIN (the Council of Ministers of Finance of Central America, Panama & the Dominican Republic) signed a Memorandum of Understanding to provide catastrophe insurance to Central American countries. Also at that time, Nicaragua signed a Participation Agreement, becoming the first CCRIF member from Central America.

CCRIF currently offers earthquake, tropical cyclone and excess rainfall policies to Caribbean and Central American governments. The facility is working on providing products for drought, agriculture and fisheries.

CCRIF helps to mitigate the short-term cash flow problems small developing economies suffer after major natural disasters. CCRIF's parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response and maintain basic government functions after a catastrophic event.

Since the inception of CCRIF in 2007, the facility has made 22 payouts for hurricanes, earthquakes and excess rainfall totalling over US\$69 million to 10 member governments. All payouts were transferred to the respective governments within 14 days (and in some cases within a week) after the event.

CCRIF was developed under the technical leadership of the World Bank and with a grant from the Government of Japan. It was capitalized through contributions to a Multi-Donor Trust Fund (MDTF) by the Government of Canada, the European Union, the World Bank, the governments of the United Kingdom and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments.

The Central America SP is capitalized by contributions to a special MDTF by the World Bank, European Commission and the governments of Canada and the United States.

Our Members in the Caribbean

Anguilla
Antigua & Barbuda
Barbados
Belize
Bermuda
Cayman Islands
Dominica
Grenada
Haiti
Jamaica
St. Kitts & Nevis
Saint Lucia
St. Vincent & the Grenadines
The Bahamas
Trinidad & Tobago
Turks & Caicos Islands

Our Member in Central America

Nicaragua

CCRIF continues to be cited as an internationally recognized example of a risk transfer mechanism that should be seen as a key and indispensable component of countries' strategies for economic development, disaster risk management (DRM) and climate resilience as they seek to achieve higher levels of growth, reduce poverty and become internationally competitive.

OUR

Vision

A Caribbean region and beyond with optimised disaster risk management and climate change adaptation practices supporting long-term sustainable development.

OUR

Mission

Our Mission is to assist member governments and their communities in understanding and reducing the socio-economic and environmental impacts of natural catastrophes.

We do this by being a global exemplar in providing immediate liquidity through a range of affordable insurance products, developing innovative and dynamic tools and services, engaging in effective partnerships and operating in a way that is financially sustainable and responsive to the needs of the members.

VALUE

Proposition

CCRIF promises its clients to:

- Fill a gap in available insurance offerings for natural catastrophes
- Ensure speedy payout when a policy is triggered
- Charge lowest possible premiums consistent with long-term sustainability
- Facilitate capacity building in disaster risk management
- Be transparent and accountable

STRATEGIC

Objectives



UNDERSTANDING PARAMETRIC INSURANCE

Parametric insurance products are insurance contracts that make payments based on the intensity of an event and the amount of loss calculated in a pre-agreed model caused by these events.

Parametric insurance disburses funds based on the occurrence of a pre-defined level of hazard and impact

- Policy triggered on the basis of exceeding a pre-established trigger event loss
- Estimated based on wind speed and storm surge (tropical cyclones), ground shaking (earthquakes) or volume of rainfall (excess rainfall)
- Hazard levels applied to pre-defined government exposure to produce a loss estimate
- Payout amounts increase with the level of modelled loss, up to a pre-defined coverage limit

Parametric insurance vs indemnity insurance

The main advantages of parametric insurance – as provided by CCRIF – are described below along with the difference between parametric and indemnity insurance.

Advantages of CCRIF Parametric Insurance	Parametric Insurance	Indemnity Insurance
LOWER PREMIUMS	Transaction and administrative costs are significantly lower	Costs of assessing claims is added to the premium
FASTER PAYOUTS	Provides payments based on a pre-defined level of hazard and impact	Need for thorough loss adjustment process after a hazard event based on on-the-ground assessment adds lag time – months or even years – to payment
OBJECTIVE AND TRANSPARENT	Allows the policyholder direct access to information on which the payouts will be calculated Calculation of payouts is totally objective, based on a few simple input parameters published widely in the public domain from the globally-mandated bodies responsible for estimating those particular parameters, and a set of formulae which form part of the policy	Opinions on level of loss can vary by loss adjuster. Also, traditional indemnity insurance customarily has various conditions, exclusions and limitations that may introduce uncertainty and delay for an insured making a claim.
UNIFORMLY DEFINED RISK	All risk – which drives policy pricing – is defined using the same specified parameters	There is often some subjectivity in the definition of the risk
REDUCTION IN MORAL HAZARD	The cost of insurance can be immediately related to the probability of an event, and the payout is independent of any mitigation efforts put in place after the policy is issued	Policyholders may engage in riskier actions if they have purchased a policy against an event
SIMPLIFIED CLAIMS	Claims process is reversed: the insurer informs policyholder of payment – governments do not have to provide detailed asset values and other information prior to the insurance programme commencing	Making a claim is a tedious process and can often take several months to complete

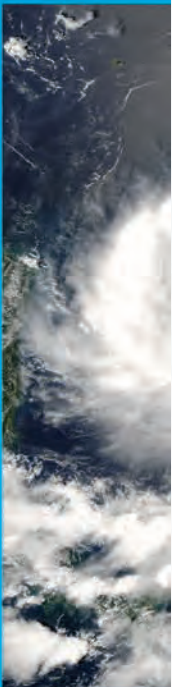
Despite the many benefits to parametric insurance, parametric products are exposed to basis risk, i.e., the possibility that calculated or modelled losses may be higher or lower than actual losses on the ground. Although this is a significant challenge in terms of the development of a parametric instrument, careful design of input parameters (identified in specially prepared country risk profiles) and the loss model as undertaken by CCRIF helps reduce the basis risk.

THE ROLE OF RISK TRANSFER

IN ENHANCING FISCAL SUSTAINABILITY IN THE CARIBBEAN



Isaac Anthony
Chief Executive Officer



In the Caribbean and Central America the frequency of hazards and disasters is increasing, and although mortality resulting from disasters seems to be decreasing, economic costs are rising precipitously. The rising economic impact of hazards and disasters in the Caribbean can be attributed to a growing concentration of assets and population in areas that are highly vulnerable to natural hazards. This impact is likely to continue given expectations of further rapid urbanization, increasing environmental and ecosystem degradation, and an increase in the frequency and intensity of hazards resulting from climate change.

Whilst it is well known that prevention and mitigation efforts are indispensable steps to build resilience, no country can fully insulate itself against losses from adverse natural events. Also, left unchecked, the economic impact of disasters can generate large losses that disrupt long-run economic growth trajectories. To some extent, one can compare natural disasters and financial crises – both are typically exogenous events that represent covariate shocks across a country and households. Negative economic impacts from natural hazards can jeopardize the health of national economies at a level comparable to or greater than those of financial crises. Natural disasters also destroy countries' human and physical capital stocks – something that financial crises do not.

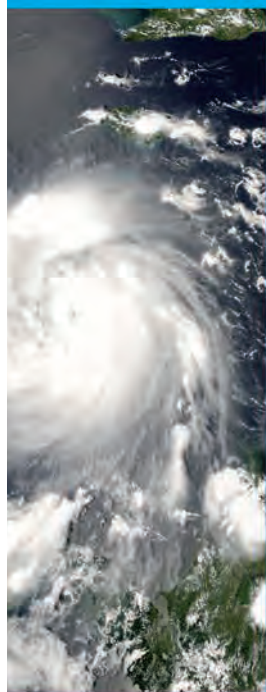
Disaster Risk Management Strategies

Disaster risk management strategies include risk reduction by increasing investment in mitigation and prevention – commonly referred to as disaster preparedness – but also include a series of alternative instruments for loss financing – commonly referred to as risk financing instruments. Examples of risk reduction strategies include among others: ex-ante and ex-post risk financing strategies.

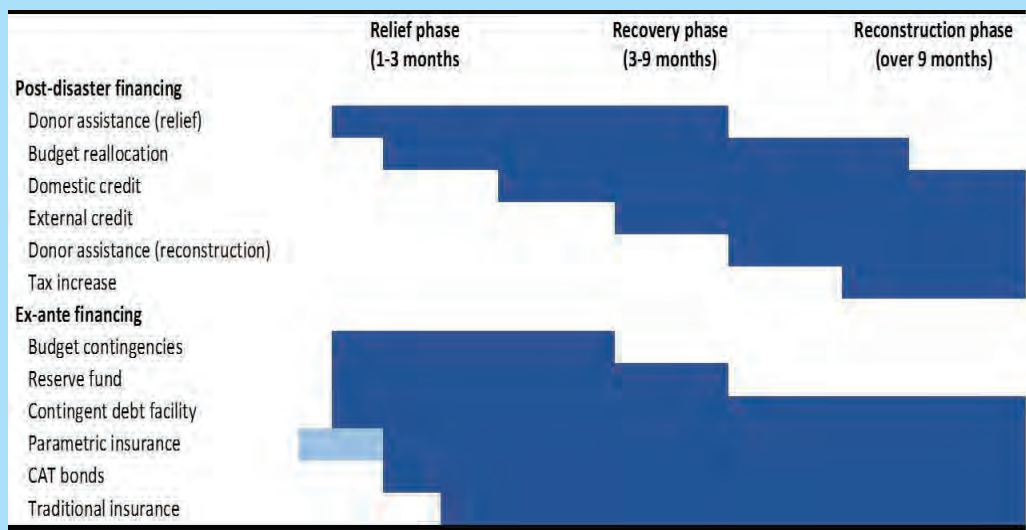
Ex-post instruments are sources that do not require advance planning. These instruments include budget reallocation, domestic credit, external credit, tax increases, and donor assistance.

Employing ex-ante risk financing instruments requires proactive advance planning and involves investing in national catastrophe risk management prior to a natural disaster occurring. Such strategies allow governments to reduce their budget volatility through a combination of self-retention (such as dedicated domestic reserve funds) and risk transfer instruments (such as CCRIF insurance). Ex-ante strategies provide emergency response, rescue and emergency relief services in the aftermath of natural disasters and is an example of a pure public good.

Large economies are oftentimes better able to absorb the economic impact of major disasters, as the resulting damage is equal to a small share of their GDP and the funds required for recovery a small share of the Government's budget. However, the capacity of Caribbean countries individually to absorb the financial impact of any major disaster is limited by a number of factors including high levels of indebtedness, deep-seated pockets of poverty within countries even among those in which economic growth is robust, and relatively low levels of fiscal revenues for establishing financial reserves or for reallocating resources to meet immediate needs when a disaster does happen.



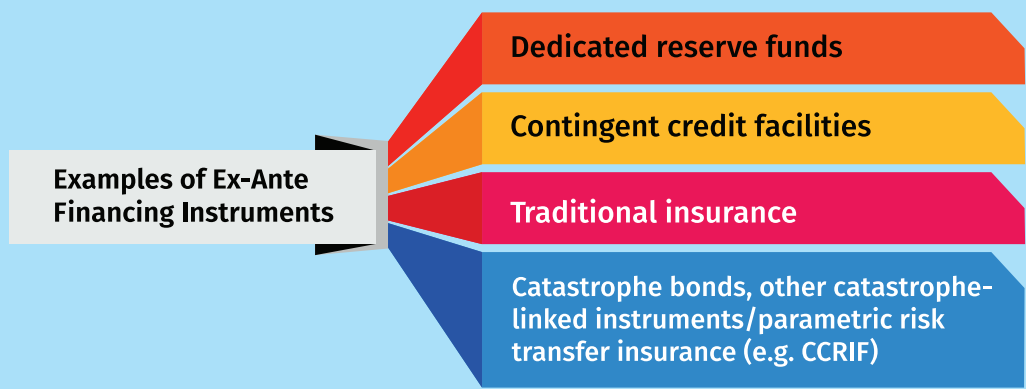
Considering disaster risk in fiscal policy therefore provides an efficient way for countries to financially protect themselves against events that cannot be prevented. Integrated disaster risk financing strategies allow countries to increase their financial response capacity in the aftermath of disasters and reduce their economic and fiscal burden. Governments need to be encouraged to develop, make provision for, and participate in integrated disaster risk financing strategies as part of their overall risk management strategy.



Examples of ex-post and ex-ante disaster financing ¹

Ex-Ante Financing Instruments

Up to about 15 years ago, ex-ante financing of catastrophe losses remained difficult to implement. Today, there are many examples of ex-ante financing instruments.



There are a number of compelling reasons why governments should aggressively pursue ex-ante/pre-disaster financing instruments as a key part of their disaster risk management (DRM) strategy.

¹ Adapted from: *Sovereign Disaster Risk Financing*, GFDRR, World Bank. 2011.

The ratio of losses and damages that governments in developing countries incur due to disasters can be significantly high due to the large portfolio of public infrastructure assets that they manage

Governments can guarantee access to capital for emergency relief and be able to provide assistance to affected households, businesses and communities – to rebuild critical infrastructure, restore homes and provide humanitarian assistance

Delays in financial liquidity after a disaster can trigger secondary economic and social impacts, such as budget imbalances affecting macroeconomic stability and increasing poverty

Developing countries have a higher propensity for post-disaster resource deficits, which results in budget reallocations as well as relying on new loans and donations from the international community

Currently in the Caribbean, the main ex-ante financing option utilized or readily available is CCRIF. CCRIF provides parametric insurance coverage against tropical cyclones, excess rainfall and earthquakes for Caribbean and Central American governments.

Purchasing CCRIF policies is an example of ex-ante planning – planning before a hazard event occurs – and governments know that if a policy is triggered they will receive a payout within 14 days of the event.

CCRIF members consistently indicate that these rapid payouts are an invaluable benefit of membership. Almost immediately after an event, CCRIF is able to inform countries if their policies were triggered and if so, the approximate payout amount. These infusions of cash within two weeks after an event are critical for immediate repair and recovery activities.

Key Developmental Impact

A Closer Look at how Catastrophe Risk Financing Works – The Case of CCRIF SPC

It is clear that immediate access to liquidity is critical for governments post disaster. The international community provides ex-post relief, but such funds are slow to mobilize (often taking 4-12 months). Government borrowings and budget reallocations take time. Smaller countries such as those in the Caribbean and most small island developing states (SIDS) with high debt burdens can no longer afford to self-finance disaster risk.

CCRIF was created as an immediate response to Hurricane Ivan in 2004. Following the passage of Ivan, the Caribbean Community (CARICOM) Heads of Government held an emergency meeting to discuss critical issues surrounding the need for the provision of catastrophe risk insurance for its members. Consequently, CARICOM resolved to take action and approached the World Bank for assistance to design and implement a cost-effective risk transfer programme for member governments. This marked the beginning of what would become the Caribbean Catastrophe Risk Insurance Facility – or CCRIF.



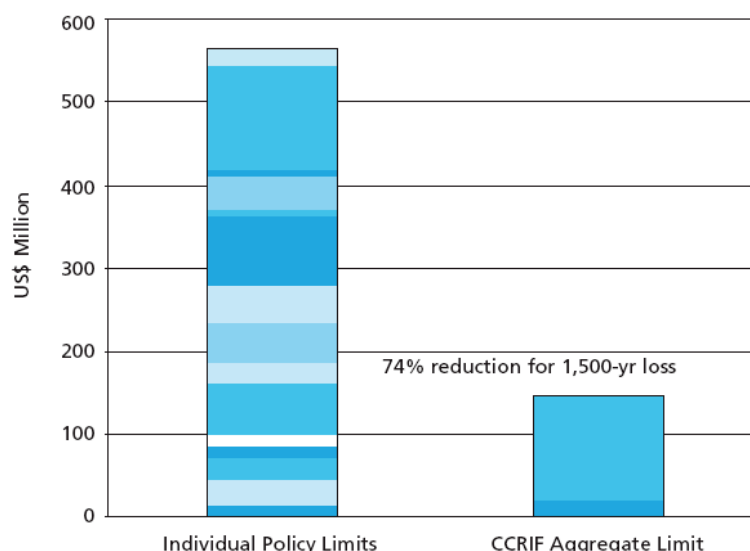
CCRIF is the world's first multi-country risk pool based on parametric insurance and has been providing parametric catastrophe insurance for Caribbean governments since 2007 – offering hurricane, earthquake and – since 2013 – excess rainfall coverage. It quickly provides financial liquidity when a country's policy is triggered – providing payouts within 14 days after an event. It is the parametric nature of CCRIF's policies that enables rapid payouts against losses estimated in a catastrophe risk model (which can provide such estimates almost instantaneously), as well as keeping operational expenses to a minimum and creating a level playing field for the assessment of risk (and thus the calculation of premiums) for all participants.

CCRIF's parametric insurance products are insurance contracts that make payments based on the intensity of an event and the amount of loss calculated in a pre-agreed model caused by these events. Losses are estimated using a model based on wind speed and storm surge (tropical cyclones), ground shaking (earthquakes) or amount of rainfall (excess rainfall). Hazard levels are then applied to pre-defined government exposure to produce a loss estimate. Payout amounts increase with the level of modelled loss, up to a pre-defined coverage limit.

Therefore payouts can be made very quickly after a hazard event. This is different from traditional insurance settlements that require an on-the-ground assessment of individual losses after an event before a payment can be made – a process that can often take months or even years.

Similar to a mutual insurance company, CCRIF is operated on behalf of its participating states, each of which pays an annual premium directly related to the amount of risk

The ability of small states to effect financial risk transfer through affordable catastrophe insurance in traditional international insurance and reinsurance markets is limited by the high transaction costs that result from the limited volume of business they could bring to these markets. The high levels of their government debt constrain their access to credit in international capital markets and their domestic capital markets lack sufficient depth to meet their needs following a catastrophe.



each transfers to CCRIF and purchases coverage up to a limit of approximately US\$100 million for each insured hazard (tropical cyclone, earthquake or excess rainfall event). By pooling these catastrophe risks into a single diversified portfolio, capital needs for paying claims are significantly lowered – in turn leading to a pricing reduction of up to half of what it would cost if countries were to purchase identical coverage individually

compared with buying the coverage from CCRIF.



The facility is currently in the process of developing products for drought and the agriculture and fisheries sectors. We are also beginning to think through the possibilities of providing risk transfer services to utilities – water and wastewater, energy, telecommunications – should these sectors consider risk transfer as part of their own sustainability.

From CCRIF to CCRIF SPC

In 2014, the facility was restructured into a segregated portfolio company (SPC) to facilitate offering new products and expansion into new geographic regions. It is now named CCRIF SPC. By establishing segregated portfolios, CCRIF is

able to prevent the cross-subsidization of risk from one region to another, ensuring that each region's risk will be based on the particular risk profiles of the countries in that region.

This means that for each cell in the segregated portfolio, CCRIF will aggregate disaster risks for that cell/region, achieving the kind of risk diversification and spreading that its members would not be able to attain on their own. By pooling countries' risks into a single diversified portfolio, CCRIF is able to provide insurance at the minimum price possible. CCRIF also brings economies of scale for administration and purchase of reinsurance, and its capital enables CCRIF to retain some risk, thus reducing the reinsurance burden.

In 2015, CCRIF expanded to include countries in Central America through a partnership with COSEFIN². CCRIF and COSEFIN signed a memorandum of understanding in April 2015 to govern the expansion and Nicaragua became the first Central American member of CCRIF when it signed a Participation Agreement also in April of that year.

Currently, CCRIF has 16 Caribbean members and 1 Central American member.

² Council of Ministers of Finance of Central America, Panama and the Dominican Republic

CCRIF Payouts

Since its inception in 2007, CCRIF has made a total of 22 payouts to 10 member governments totalling US\$69 million, all within 14 days of the event. In 2016 CCRIF made nine payouts totalling over US\$31 million on six member countries' tropical cyclone, excess rainfall and/or earthquake policies for four events: Hurricane Earl, the June 9 earthquake that affected Nicaragua and other Central American countries, Hurricane Matthew and Hurricane Otto.

Governments that have received CCRIF payouts have used them in a variety of ways to assist with post-disaster relief. For example, following the passage of Hurricane Matthew in 2016 the Government of Haiti reported that it was able to help 1.4 million persons affected by Matthew with about 50 per cent of the CCRIF payout which totalled US\$23.4 million. Some of the uses of the payout included:

- Provision of food and shelter to at least 1.4 million persons who were adversely affected and displaced by Mathew
- The purchase of medication especially for children
- Unblocking of main roads by the Ministry of Public Works
- Assistance to the agriculture sector
- The purchase of tarpaulins for houses – some 18,000 houses in the South were without roofs
- The replacement of roofs for schools, churches and court houses



About 50 per cent of the payout remains to be used.

Saint Lucia also received a payout following Hurricane Matthew as its excess rainfall policy was triggered. The Government of Saint Lucia used the payout of US\$3.7 million to strengthen and rebuild the agriculture sector that was severely impacted by the rains associated with Matthew.

Other uses of payouts by governments over the years have included repairing critical infrastructure, e.g. roads and bridges; making long-term improvements to infrastructure such as drainage networks; instituting mitigation measures such as installing meteorological data collection equipment; and providing general budget support.

PAYOUTS TO DATE

- A total of 22 payouts made to 10 member governments
- Total payouts 2007 - 2016: US\$69 million
- All payments made within 14 days

Total for the period 2007 - 2016
US\$69,047,988

Total for Tropical Cyclone
US\$45,952,154

Total for Earthquake
US\$9,200,576

Total for Excess Rainfall
US\$13,895,258

DOMINICA

Earthquake, November 29
Policy: Earthquake
US\$528,021

SAINT LUCIA

Earthquake, November 29
Policy: Earthquake
US\$418,976

2007

HAITI

Earthquake, January 12
Policy: Earthquake
US\$7,753,579

ANGUILLA

Tropical Cyclone Earl, August
Policy: Tropical Cyclone
US\$4,282,733

ST. VINCENT & THE GRENADINES

Tropical Cyclone Tomas, October
Policy: Tropical Cyclone
US\$1,090,388

2010

BARBADOS

Tropical Cyclone Tomas, October
Policy: Tropical Cyclone
US\$8,560,247

SAINT LUCIA

Tropical Cyclone Tomas, October
Policy: Tropical Cyclone
US\$3,241,613

2014

BARBADOS

Trough System, November 21
Policy: Excess Rainfall
US\$1,284,882

2016

NICARAGUA

Earthquake, June 9
Policy: Earthquake
US\$500,000

Tropical Cyclone Otto, November
Policy: Tropical Cyclone
US\$1,110,193

BELIZE

Tropical Cyclone Earl, August
Policy: Excess Rainfall
US\$216,073

ST. VINCENT & THE GRENADINES

Tropical Cyclone Matthew, September
Policy: Excess Rainfall
US\$285,349

SAINT LUCIA

Tropical Cyclone Matthew, September
Policy: Excess Rainfall
US\$3,781,788

BARBADOS

Tropical Cyclone Matthew, September
Policies: Tropical Cyclone, Excess Rainfall
US\$1,728,277

HAITI

Tropical Cyclone Matthew, October
Policies: Tropical Cyclone, Excess Rainfall
US\$23,408,834

CCRIF Microinsurance Products

In addition to our sovereign products, CCRIF has been collaborating with the Munich Climate Insurance Initiative (MCII) and other partners to offer microinsurance products to Caribbean people who are severely impacted by extreme weather events. This project, the Climate Risk Adaptation and Insurance in the Caribbean Project, is funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety under the International Climate Initiative. The project developed two products - the Livelihood Protection Policy (LPP) and the Loan Portfolio Cover (LPC). These products have been welcomed in the region and are seen as new and innovative risk transfer mechanisms.

Targeted at individuals, the LPP helps protect the livelihoods of vulnerable low-income individuals such as small farmers, market vendors, seasonal tourism workers and day labourers, by providing swift cash payouts following extreme weather events (high winds and heavy rainfall). It is provided through local insurance companies and financial institutions and is currently available in three countries - Saint Lucia, Jamaica and Grenada. It has already proven its value - in January 2014, the first LPP payouts were made to policyholders in Saint Lucia following an extreme rainfall event that occurred in the Eastern Caribbean in December 2013. Also, following Hurricane Matthew in 2016, small farmers and other individuals in Saint Lucia benefited from quick insurance payouts under their LPP policies. Thirty-one individuals received payouts totalling US\$102,000. Later this year we will work towards making these products available in two additional member countries. We also will be working towards making the LPP more applicable to the fisheries sector and offering the product to fisherfolk, fish vendors, boat boys etc.



This microinsurance product is an important complement to the catastrophe insurance purchased at the national level by governments and is a clear example of proactive planning for disaster risk management - and climate adaptation financing - at the local level.

CCRIF Is a Successful Model

The successful launch and ongoing operations of CCRIF have received worldwide attention since the first policies were issued in 2007. CCRIF and the work we do continue to be cited as an internationally recognized example of a risk transfer mechanism that should be seen as a key and indispensable component of countries' strategies for economic development, disaster risk management and climate resilience as they seek to achieve higher levels of growth, reduce poverty and become internationally competitive.

For example, the United Nations Framework Convention on Climate Change – the UNFCCC – has cited CCRIF as a best practice example in climate change adaptation that can be replicated in other regions of the world.

In 2015, at COP21 – the climate change conference held in Paris in December 2015 – former United States President Barack Obama pledged resources to support CCRIF

to increase climate risk insurance coverage to help respond to severe climate-related impacts in terms of coverage offered and countries involved.

Also in 2015, the G-7 announced action to support efforts by vulnerable developing countries to manage climate change-related disaster risk through insurance, with an aim to increase the number of people with access to direct or indirect climate risk insurance coverage by up to 400 million by 2020 and that this commitment will build upon existing risk insurance facilities such as CCRIF.



CCRIF Acts as a Security Blanket...

In the event of impacts from natural hazards, countries may receive funding for immediate

relief from their CCRIF policies (if those are triggered by the event). They may also engage in borrowing either at the regional level (though agencies such as the Caribbean Development Bank) or international level. This scenario therefore calls for increasing ex-ante financing tools – an imperative to reduce reliance on borrowing or taxation in the aftermath of natural disasters.

CCRIF therefore acts as a vast security blanket for its members, which are vulnerable to the increasing severity and frequency of climate- and weather-related perils. Countries that engage in pre-event planning are less likely to need large quantities of debt relief when disasters strike. Debt relief rarely is provided as grants and usually is in the form of loans, which typically adds to the debt stock of countries.

Conclusion

It is clear that risk transfer mechanisms constitute an important part of disaster risk management and climate resilience strategies. It is important for countries to engage in a range of strategies to reduce their vulnerabilities and to develop dynamic and first-class disaster risk management policies and strategies; risk transfer mechanisms must be seen as one part of the whole DRM policy mix. It must also be recognized that risk transfer mechanisms are not a silver bullet for comprehensive disaster management,

but are tailored to help countries add to their revenues in the short term by providing an infusion of cash to help them fund the initial phase of their disaster response and avoid interruption of their basic business of government.

Financial mechanisms such as CCRIF must therefore not be seen as a panacea but rather a complementary tool in addressing the much broader issue of disaster management within the state.

We look forward to providing our services to support Agenda 2030: Global Goals for Sustainable Development and to promoting South-South cooperation – towards advancing sustainable prosperity of the global South through provision of tools and sharing of knowledge for effective disaster risk management and climate resilience.

At CCRIF we will continue to work strategically to make available our services to other regions of the world. As is stated in our vision statement, we hope to be able to advance “A resilient Caribbean region and beyond with optimised disaster risk management and climate change adaptation practices supporting long-term sustainable development”. We are positioning ourselves to be the world’s global risk insurance facility for hazards faced by small island and coastal states.



We are positioning the Facility to be the world’s global risk insurance facility for hazards faced by small island and coastal states

Adapted from presentations and lectures delivered at:

- *Global Seminar on Disaster Risk Financing: Kuala Lumpur, Malaysia, September 2015*
- *The Beijing Consultative Meeting on South-South Cooperation on Climate Change, November 2015*
- *UNFCCC COP21 - Wider Caribbean Pavilion - Paris, France, December 2015*
- *12th High Level Forum of Caribbean Ministers Responsible for Water (HLF 12), Port-of-Spain, Trinidad, October 2016*
- *Loss and Damage Conference, El Salvador, July 2016*



PARAMETRIC INSURANCE

P R O D U C T S

CCRIF insurance products are parametric. CCRIF currently offers the following to Caribbean and Central American governments.



**EARTHQUAKE
POLICIES**



**TROPICAL
CYCLONE
POLICIES**



**EXCESS
RAINFALL
POLICIES**

CCRIF is working toward developing new products for



FISHERIES



AGRICULTURE



DROUGHT





CCRIF SUPPORTS DISASTER RISK MANAGEMENT EFFORTS IN THE REGION

CCRIF supports disaster risk management (DRM) in the region through a range of initiatives involving regional and national organizations, academia, communities and individuals.

The CCRIF Technical Assistance Programme

CCRIF's Technical Assistance (TA) Programme is the primary vehicle the facility uses to support and enhance capacity for disaster risk management in the Caribbean. Launched in 2010, the TA Programme consists of three components and provides an ongoing mechanism for grant support within the Caribbean region for capacity building initiatives and the development and implementation of projects to improve the effectiveness of disaster risk management.



Acting as a not-for-profit organization, CCRIF makes available resources for the TA Programme from earned investment income as reported in the facility's audited financial statements of the previous policy year.

The TA Programme enables CCRIF to achieve its mission of assisting member governments and their communities in understanding and reducing the socioeconomic and environmental impacts of natural catastrophes, whilst at the same time contributing to the long-term sustainability of the Region.

Component 1 – Scholarship and Professional Development Programme ... building a cadre of professionals in the region to support DRM and climate change adaptation.



Most of CCRIF scholarship recipients conduct research on topics that advance CCRIF's mandate within the Caribbean Region.

Dissertations/Theses by CCRIF Scholarship Recipients 2010 – 2016

The effect of drought on the water balance
and yield of the potato crop in Belize

Barriers to Flood Mitigation among Households in St. Mary, Jamaica

The Climate Justice Dialogue:
Lessons for the Climate Regime from Aid Arrangements

An Assessment of Tropical Cyclone Rainfall Characteristics
within the Eastern Caribbean

Analyzing the responses of the financial services sector to climate
change risks in the Caribbean: A case study of Antigua and Barbuda

An analysis of the role of insurance risk management in the minimization
of catastrophic risks and disaster management

Mangrove Management in Guyana:
A Case of Climate Compatible Development?

"It is an honour to be the recipient of the Caribbean Catastrophe Risk Insurance Facility scholarship. I am pleased to inform you that I have successfully completed my degree with first class honours."

- Carina Rouse, Anguilla

"Evaluating myself before and after the programme, the personal, academic and professional skills I've acquired and built on are tremendous. Personally, my self-confidence has grown and I feel accomplished and well rounded (as person and as a young professional in my field)."

- Annlyn McPhie, Grenada

"I am very appreciative of the CCRIF-UWI scholarship I received in my final year at UWI Mona. The scholarship allowed me to realize that hard work and dedication is indeed the key to greatness."

- Odene Baker, Jamaica

"I find the programme challenging yet very enlightening, and I strongly believe that I will be better able to make a meaningful contribution to Jamaica's development after completing my studies, through the application of techniques to foster social advancement, economic development and environmental preservation in Jamaica."

- Sean Hylton, Jamaica

"The opportunity afforded by the CCRIF Scholarship was a privilege. Upon returning to Guyana, I was appointed to the post of Technical Officer for Climate Change in the Ministry of Natural Resources and the Environment [which] has enabled me to influence national climate policy decisions and to make an unflagging contribution towards environmental protection in Guyana through applying the knowledge and skills acquired from postgraduate studies."

- Mahendra Saywack, Guyana

"I am proud to be selected as Saint Lucia's first recipient of this prestigious award. I am appreciative of this opportunity because [it has allowed me] to pursue my aspirations, network and interact with students of diverse cultures, and undertake research in a specialist area which can be used for the betterment of risk management."

- Germaine Maxwell, Saint Lucia

Regional Internship Programme

CCRIF's flagship professional development programme is its Regional Internship Programme, which was launched in March 2015. It is designed to provide opportunities for students who have specialized in the areas of disaster risk management, environmental management, actuarial science, geography, climate studies and other similar areas to be assigned to national and regional organizations where their educational experience can be enhanced through practical work assignments.

Benefits For Interns: Young Caribbean Professionals and Students

- Promote academic, career and/or personal development
- Provide experiential learning thereby ensuring that interns gain vital skills and experience that they will be able to use throughout their professional career
- Expose interns to the work being undertaken in the region in the areas of disaster risk management, climate change and risk transfer

Benefits For National and Regional Organizations

- Provide temporary employees with special and new/cutting-edge skills and knowledge
- Assist with the organizations' work towards achieving their targets.

CCRIF Regional Internship Programme

Launched in 2015

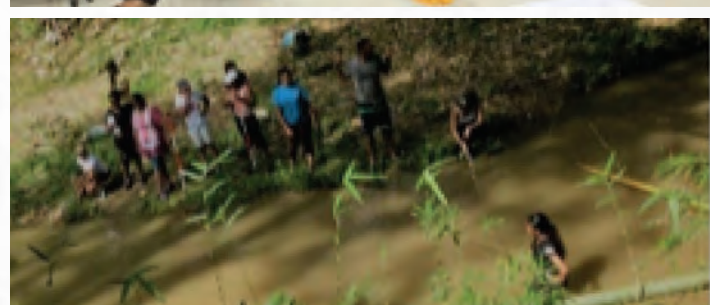
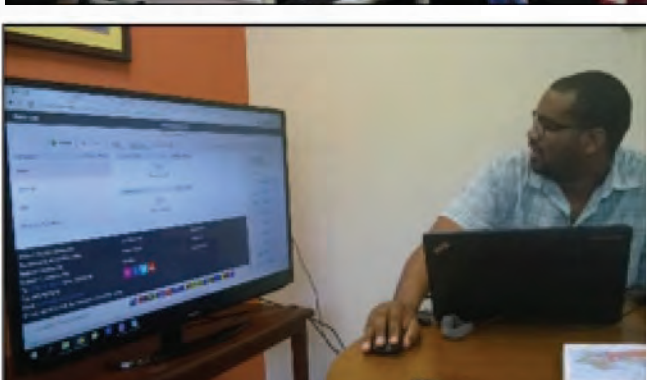
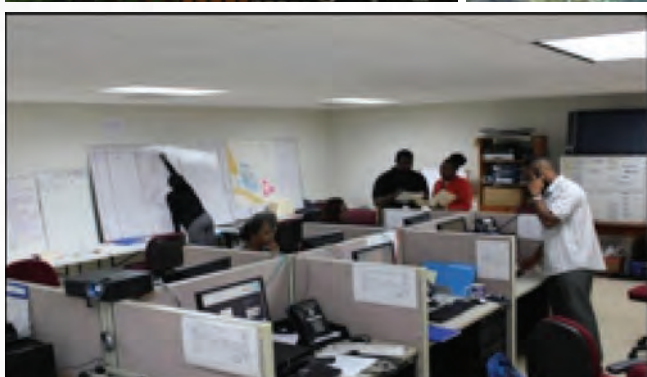
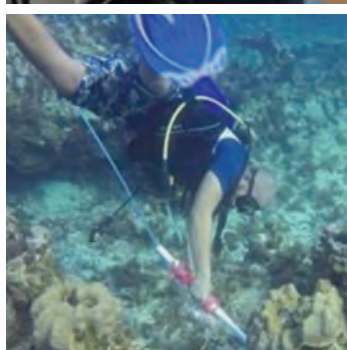
45 interns from 8 countries placed in 18 national and regional organizations in the first 2 years

INTERN HOME COUNTRIES

Antigua & Barbuda • Barbados • Dominica • Grenada • Guyana • Jamaica • St. Kitts & Nevis • Trinidad & Tobago

Total investment of **US\$140,000** in 2 years





REGIONAL INTERNSHIP

PROGRAMME

CALL FOR APPLICATIONS

CCRIF invites applications from citizens of CARICOM and/or CCRIF member countries for the 2017 CCRIF Regional Internship Programme. The Programme provides career-related work experience for Caribbean citizens that enhances their academic training and provides a real world introduction in the areas of disaster risk management, climate change, meteorology, risk transfer and/or risk modelling.

Interns will be placed at regional organizations such as the Caribbean Disaster and Emergency Management Agency (CDEMA), Caribbean Development Bank (CDB), Caribbean Community Climate Change Centre (CCCCC), Caribbean Institute of Meteorology and Hydrology (CIMH) and the University of the West Indies (UWI) among others as well as national disaster management and meteorological offices.

Eligibility

Candidates must be graduates of a recognized university or be expected to complete their first degree by the beginning of the internship period. They must have completed a course of study in any one of the following: disaster risk management, environmental management, meteorology, climate studies, civil engineering, management studies with a focus on risk management, environmental economics, geography/geology, actuarial science.

Submission Guidelines

Applications for internships in 2017 will be accepted between

March 1 & May 1, 2017

Applications must be submitted electronically through the CCRIF Internships online platform on the CCRIF website.



SCHOLARSHIP P R O G R A M M E

CALL FOR APPLICATIONS

CCRIF invites applications from citizens of CARICOM and/or CCRIF member countries for the 2017 CCRIF Scholarship Programme.

Eligibility

Eligible programmes include one-year Masters-level courses in the following areas: (Catastrophe) Risk Management, Property/-Casualty Insurance, Meteorology, other hazard/disaster related disciplines and an MBA with a major in risk management and/or insurance or a related field. Online programmes are eligible. Scholarships are awarded for study at eligible Caribbean universities other than the University of the West Indies (UWI)* or at universities in the United Kingdom, United States or Canada.

** CCRIF provides scholarships for study at UWI through the CCRIF-UWI Scholarship Programme, which is administered by UWI.*

Applicants should be holders of a First Class or Upper Second Class Honours degree (or have a GPA of at least 3.0) and have some related work experience and should have gained admission to a Masters level programme or an MBA programme fitting the eligibility criteria presented above.

Submission Guidelines

Applications for scholarships for the 2017-18 academic year will be accepted between March 1 & May 22, 2017.

Applications must be submitted electronically through the CCRIF Scholarships online platform on the CCRIF website.

For details, visit:
www.ccrif.org/content/scholarship

For additional information,
email: technicalassistance@ccrif.org



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CCRIF-UWI SCHOLARSHIP P R O G R A M M E

CCRIF and the University of the West Indies invite applications from citizens of CARICOM and/or CCRIF member countries for the 2017 CCRIF-UWI Scholarship Programme. This programme provides scholarships to students who are pursuing studies in disaster risk related undergraduate and graduate programmes at the University.

CALL FOR APPLICATIONS

Post-Graduate Scholarships

Scholarships will be awarded to students entering any of the following four postgraduate programmes of study:

- Faculty of Science and Technology, Mona for a Masters degree in Natural Resource Management
- Faculty of Science and Technology, Cave Hill for a Masters degree in Natural Resource and Environmental Management
- Faculty of Engineering, St. Augustine for a Masters degree in Civil and Environmental Engineering
- Faculty of Social Sciences, Cave Hill for a Masters degree in Building and Construction Management

Applicants should be holders of a First Class or Upper Second Class Honours degree or have a GPA of at least 3.0 from a recognized/ approved institution.

Application Deadline: June 5, 2017

To apply for one of these scholarships, visit the scholarship section on your campus website to obtain the application form then submit along with the other relevant documents to the Office of Student Financing

Undergraduate Scholarships

Scholarships will be awarded to students for their second and final year of undergraduate study in any of the following seven programmes:

- Faculty of Humanities and Education, Mona for a major in Geography
- Faculty of Science and Agriculture, St. Augustine for a major in Geography
- Faculty of Science and Technology, Mona for a major in Geography or Geology
- Faculty of Engineering, St. Augustine for a degree in Civil with Environmental Engineering
- Faculty of Science and Technology, Cave Hill for a degree in Earth Sciences
- Faculty of Science and Technology, Cave Hill for a degree in Meteorology
- Faculty of Social Sciences, St. Augustine for a special management studies degree in Insurance and Risk Management

Applicants should have a minimum GPA of 3.0 for their first year. Awardees must maintain a minimum GPA of 3.0 to be eligible for the award in their final year.

Application Deadline: May 31, 2017

For details, visit:

<http://www.ccrif.org/content/programmes/ccrif-uwi-scholarship>
<https://www.mona.uwi.edu/postgrad/scholarship>
<http://www.cavehill.uwi.edu/financial/financial-aid/scholarships-awards-grants.aspx>
<http://sta.uwi.edu/scholarships/viewAll.asp>

For additional information, email: technicalassistance@ccrif.org

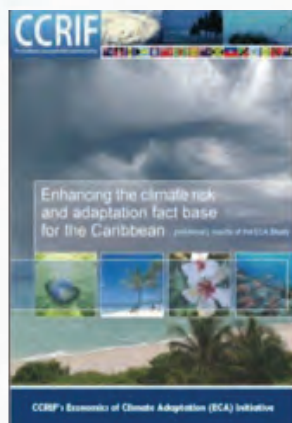
Component 2 – Regional Knowledge Building ... Engaging in Partnerships with Regional Organizations

Since 2009, CCRIF has been working in partnership with regional organizations to help build capacity and knowledge bases for the development of disaster risk management and climate adaptation strategies in the Caribbean. Over the years, CCRIF has signed MOUs with eight organizations.

Caribbean Community Climate Change Centre – CCCCC	Caribbean Disaster Emergency Management Agency – CDEMA
Caribbean Institute for Meteorology and Hydrology – CIMH	Inter-American Development Bank – IDB
Organisation of Eastern Caribbean States – OECS	United Nations Economic Commission for Latin America and the Caribbean – UNECLAC
University of the West Indies – UWI	University of the West Indies Seismic Research Centre – UWI SRC



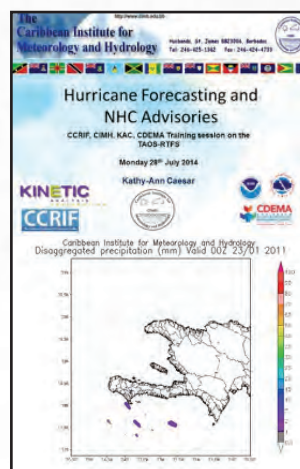
Key activities conducted within these MOUs



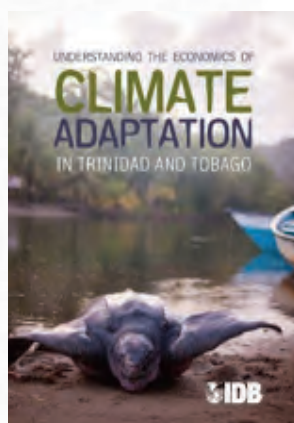
CCCCC - Economics of Climate Adaptation study



Support for the annual and – since 2013 – biennial Caribbean Conference on Comprehensive Disaster Management hosted by CDEMA since 2009



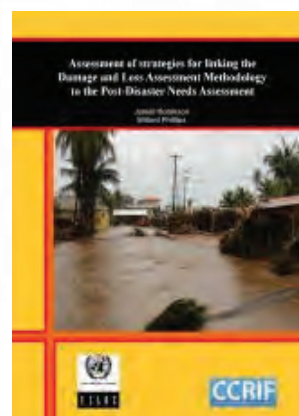
CIMH provides excess rainfall modelling support and storm forecasting capacity building and plays a critical role in CCRIF's annual RTFS training. In 2010 CCRIF and CIMH collaborated to provide assistance to Haiti in its long-term recovery and reconstruction efforts.



IDB - Report, "Understanding the Economics of Climate Adaptation in Trinidad and Tobago" as part of effort to expand on the ECA study in the Latin American and Caribbean regions



OECS - Assessment of 3 vulnerable communities in Saint Lucia and development of strategies and action plans for reducing vulnerability within these communities



UNECLAC - Review of ECLAC damage and loss assessments in the Caribbean and assessment of strategies for linking ECLAC's damage and loss assessment methodology to the post-disaster needs assessment. Delivering training on disaster assessments



UWI - Implementation of the CCRIF-UWI Scholarship Programme since 2010



UWI SRC - Expansion of accelerometric network in the Eastern Caribbean and Jamaica: a total of 15 strong motion sensors were installed – or existing sensors updated – in Grenada, Barbados, Saint Lucia, Dominica, Antigua, St. Kitts, Nevis, St. Vincent and Jamaica

LAUNCH OF CCRIF REGIONAL INTERNSHIP AND SMALL GRANTS PROGRAMMES

March 23, 2015



CCRIF Chairman, Mr. Milo Pearson welcomed participants at the launch of the CCRIF Internship and Small Grants Programmes

"We are all here today... looking to find solutions through partnerships to influence change," stated Mr. Pearson.



Mr. Glyne Alleyne from the Bajan Firefighters Network commending CCRIF on launching the Small Grants Programme that will benefit non-governmental organizations in their efforts to create disaster-resilient communities



Ms. Andria Grosvenor, Alliance and Cooperation Services Manager at CDEMA discusses the Regional Internship Programme with Mr. Isaac Anthony, CCRIF Chief Executive Officer

Component 3 – Local Disaster Risk Reduction Initiatives ... The Small Grants Programme

The CCRIF Small Grants Programme was launched in March 2015. It provides financing for small projects that focus on disaster risk reduction by non-governmental organizations (NGOs), community-based organizations (CBOs), charity organizations and academic institutions in local communities across CCRIF member countries and/or CARICOM member countries.

To date, grants have been awarded to four organizations:

Groupe Encadré du Nord-Ouest (GAENO), Haiti

Reforestation project around the pond Fond Zombi

Fondation Amour de Dieu en Action (FADA), Haiti

Climate change training for farmers in the northern department of Haiti affected by the flooding of 2014

Douglas Castle Production and Market Organization, Jamaica

Project to create a disaster risk management plan for the community

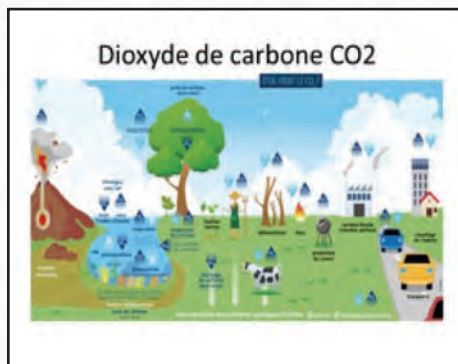
Dept. of Food Production, UWI St. Augustine, Trinidad

Conservation Agriculture for Climate Change Adaptation in the Caribbean

The Small Grants Programme is designed to:

- Enhance capacities at the local community level and raise awareness of disaster risk management and climate change
- Enhance partnerships, cooperation, coordination and collaboration mechanisms in support of disaster risk management (DRM)
- Support best practices in community development
- Ensure replicability of good practices at the local level and contribute to innovation in DRM practices at the local level

Activities conducted by CCRIF small grants recipients



We thank the CCRIF SPC for the trust it places in our institution, for participating through its funding for the improvement of living conditions in Haiti. The launch of training activities for farmers on climate change, which was funded by CCRIF, has been one of FADA's priorities since this year (2016). Thanks to CCRIF SPC we were able to launch the program in six communes in the north and we hope to reach all the other communes of the north and in other department of the country.

Arsène Bouly, President, FADA



SMALL GRANTS P R O G R A M M E

CALL FOR APPLICATIONS

The CCRIF Small Grants Programme invites proposals for funding of small projects by NGOs, CBOs, charity organizations and academic institutions from CCRIF member countries and/or CARICOM member countries.

Projects should be related to **reducing community vulnerability to natural hazards and/or climate change** and can be in areas such as: disaster risk management, engineering, climate change adaptation, training and capacity building, environmental management that will directly impact on reducing community vulnerability.

**Each project should be between
US\$5,000 and US\$25,000.**

Eligibility

All registered NGOs, CBOs, charity or non-profit organizations, and universities operating within local communities across CCRIF member countries in the Caribbean and/or CARICOM member countries are eligible for funding.

Submission Guidelines

Proposals must be submitted electronically through the CCRIF Small Grants online platform on the CCRIF website.



Deadline for Applications

Proposals are accepted throughout the year

Organization registration:
<http://www.ccrif.org/smallgrants/register>

Overview of the programme:
[www.ccrif.org/content/programmes/
small-grants-programme](http://www.ccrif.org/content/programmes/small-grants-programme)

Project proposal information:
[www.ccrif.org/content/programmes/
small-grants-programme-project-proposal](http://www.ccrif.org/content/programmes/small-grants-programme-project-proposal)

For additional information
email: technicalassistance@ccrif.org

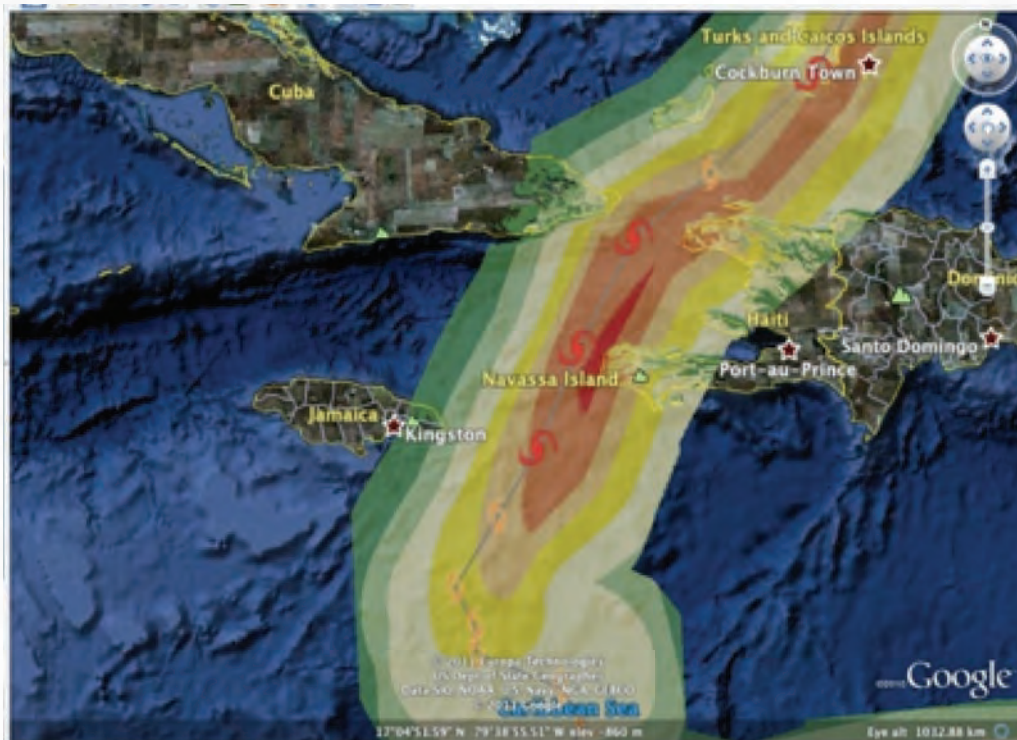
The Real-Time Forecasting System – A Hurricane Forecasting Tool for Members

CCRIF makes its Real-Time Forecasting System (RTFS) available to member countries and other users at the beginning of the Atlantic Hurricane Season each year which starts on 1 June or when a storm becomes active within the designated CCRIF monitoring region.

The RTFS is a storm impact forecast tool which provides users with real-time hurricane hazard and impact information to support intelligent risk management. It is an integrated, 3D high-resolution modelling platform which is able to produce detailed information on the expected hazard levels and their impacts from tropical cyclones for the entire Caribbean region. The RTFS therefore enables members of CCRIF to access real-time

estimates of the expected hazard levels and impacts on population and infrastructure for all tropical cyclones during the hurricane season.

Advanced knowledge of a hurricane's expected site-specific impacts can support effective preparedness and response, evacuation, decision making, planning for re-positioning of equipment and



supplies, activation of mutual assistance arrangement and asset management in anticipation of a tropical storm or hurricane.

While all hurricane weather sites tell the user where the storm is going, and how strong it is likely to be, the CCRIF RTFS tells the user what it is likely to do when it gets there - in terms of: wind speed over land, storm surge and wave heights along the coast, total expected rainfall, number of people affected by wind speed category, expected general damage levels, and expected down-time for ports and airports.

Currently, there are approximately 362 persons registered with accounts for the CCRIF RTFS. Each year since 2011, CCRIF has offered the course *“Understanding and Using the CCRIF Real-Time Forecasting System”* in partnership with the Caribbean Institute for Meteorology and Hydrology (CIMH), Kinetic Analysis Corporation (KAC) and the Caribbean Disaster Emergency Management Agency (CDEMA) via the CCRIF online training platform. A total of 159 persons have participated in the training.

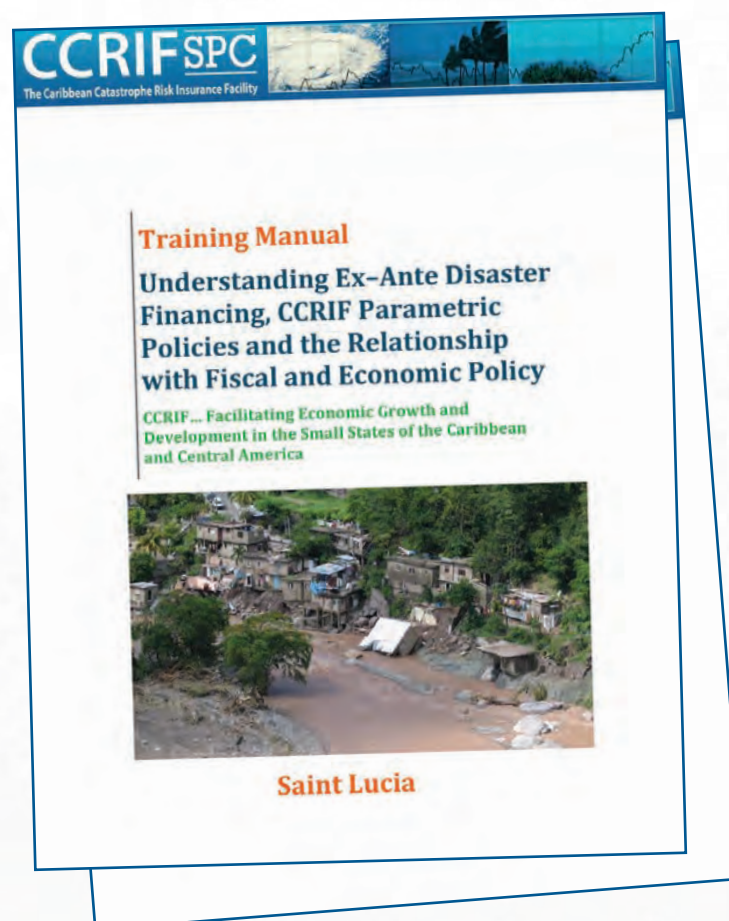
CCRIF Flagship Training Programme ... Facilitating Economic Growth and Development in the Small States of the Caribbean and Central America

In 2016, CCRIF developed the course, *“Understanding Ex-Ante Disaster Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy”* to build capacity of key individuals working in finance/economic, disaster management and meteorology offices in the public sector in Caribbean and Central American governments to better understand the underpinning and construct of CCRIF’s parametric policies and country risk profiles as well as the range of policy instruments used in both ex-ante and ex-post disaster risk financing.

The course explores the range of products CCRIF provides and how parametric insurance works. It seeks to ensure that at the end of the training participants have a better understanding and greater appreciation of how their CCRIF insurance policies work and that modelled losses and any subsequent policy payouts.

The CCRIF Training Programme was launched in December 2016 with the first delivery to the Government of Saint Lucia. CCRIF will be offering this course to all member countries.

Ultimately, the course will be institutionalized within regional universities – thus ensuring its sustainability and continued benefit to CCRIF stakeholders.





JOURNEY THROUGH THE YEARS TO 2017





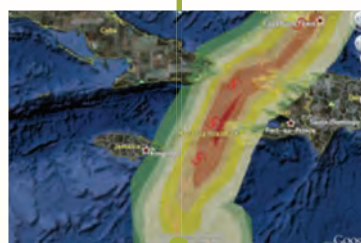
CARICOM Heads of Government approach the World Bank for assistance to design and implement a cost-effective risk transfer programme for member governments

Hurricane Ivan causes billions of dollars of losses across the Caribbean



CCRIF receives the 'Reinsurance Initiative of the Year' Award for the reinsurance initiative that generated the most promising change to a significant area of business – the award was offered by The Review, the leading magazine of the international reinsurance industry

CCRIF makes payout to Turks and Caicos Islands for Hurricane Ike



CCRIF makes the Real-Time Forecasting System (RTFS) available to members for the first time – each year it is available to members at the beginning of the Atlantic Hurricane Season

CCRIF is named 'Transaction of the Year' at the Insurance Day London Market Awards

2007

2004

2008



The Caribbean Catastrophe Risk Insurance Facility is formed as the first multi-country, multi-peril pooled catastrophe risk insurance facility in the world

A Multi-donor Trust Fund (MDTF) is established to support CCRIF's initial operations

CCRIF provides tropical cyclone (hurricane) and earthquake coverage to 16 Caribbean member governments



CCRIF makes first payouts to Dominica and Saint Lucia for November earthquake



CCRIF signs first MOU with the Caribbean Institute for Meteorology and Hydrology (CIMH) – over the years, CCRIF has signed MOUs with the Caribbean Community Climate Change Centre (CCCCC), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Caribbean Disaster Emergency Management Agency (CDEMA), Inter-American Development Bank (IDB), University of the West Indies (UWI), UWI Seismic Research Centre (SRC) and the Commission of the Organisation of Eastern Caribbean States (OECS)



**CCRIF and partners offer course
“Understanding and Using the CCRIF
Real-Time Forecasting System” –
which continues annually**



United Nations
Framework Convention on
Climate Change

The Second-generation Hazard and Loss Estimation Model is revised and renamed the “CCRIF Multi-Peril Risk Estimation System” (CCRIF-MPRES)

2010

2009

2011

CCRIF makes payout to Haiti for the devastating January earthquake

CCRIF launches its Technical Assistance Programme with scholarship programmes – 47 scholarships totalling over US\$70,000 awarded to date: 36 within the CCRIF-UWI Scholarship Programme and 11 within the CCRIF Scholarship Programme for study at overseas universities

CCRIF makes payouts to Barbados, Saint Lucia and St. Vincent and the Grenadines for Hurricane Tomas and to Anguilla for Hurricane Earl

CCRIF and CIMH provide technical assistance to support reconstruction efforts in Haiti through development and use of rainfall and flood prediction products – recognizing the particular vulnerability of Haiti to heavy rainfall, which typically causes flooding and landslides in this highly deforested country

CCRIF releases preliminary results of study on the Economics of Climate Adaptation (ECA) in the Caribbean conducted by CCRIF and partners

CCRIF receives the Captive Insurance Companies Association's (CICA's) Outstanding Captive Award – this annual award recognizes a successful captive insurance company that has shown creative uses for a captive, prevailed in difficult times, and has gained a positive reputation among rating agencies, regulators, and colleagues in the captive industry



CCRIF collaborates with MCII to offer the Livelihood Protection Policy (LPP) – a microinsurance product – to low-income individuals for coverage against extreme weather events in Saint Lucia, Grenada and Jamaica



CCRIF is recognized for “good innovative/non-traditional approach to reinsurance for emerging/economically challenged countries” in Best's Review January 2013 Innovative Showcase – a forum for “forward-thinking initiatives that are providing insurance organizations with measurable success”



CCRIF offers excess rainfall coverage to members



CCRIF and the Caribbean Development Bank (CDB) host the First Donor Meeting to enhance coordination of CCRIF activities with donor and partner activities and country work programmes

2012

2014

2013



CCRIF provides grants for recovery projects to Jamaica, Haiti and The Bahamas, which were affected by Hurricane Sandy – for example, the Government of Jamaica used the funds to make repairs at the Muirton Boys' Home

The World Bank completes the Implementation Completion and Results Report on CCRIF and rates CCRIF's performance as Highly Satisfactory



CCRIF hosts the 6th meeting of the World Forum of Catastrophe Programmes in Montego Bay, Jamaica



LPP policy holders in Saint Lucia – most of whom are small farmers – receive first payouts within two weeks after December 2013 rains



The Caribbean Catastrophe Risk Insurance Facility is restructured as a segregated portfolio company and renamed CCRIF SPC



CCRIF makes first excess rainfall payouts to Anguilla, Barbados and St. Kitts and Nevis for Hurricane Gonzalo and November rains

The World Bank issues its first ever catastrophe (“cat”) bond to address earthquake and tropical cyclone risk in the 16 Caribbean CCRIF member countries

CCRIF conducts a stakeholder assessment to build on the 2011 assessment and obtain stakeholder views on the performance of the facility and to capture their insights within CCRIF's strategic planning process towards meeting the needs of its members



Within the MOU with CCRIF, the Inter-American Development Bank publishes the report, “Understanding the Economics of Climate Adaptation in Trinidad and Tobago”



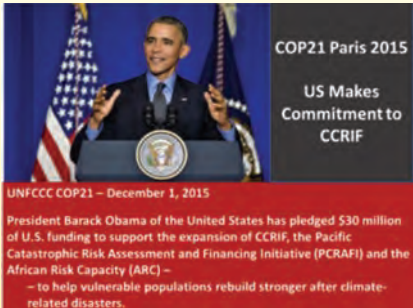


CCRIF launches its Regional Internship Programme and Small Grants Programme



CCRIF signs an MOU with COSEFIN - the Council of Ministers of Finance of Central America, Panama and the Dominican Republic - to enable Central American countries to join the facility

United States President Barack Obama pledges resources to support CCRIF and other insurance facilities to increase climate risk insurance coverage to help respond to severe climate-related impacts



The G-7 announces action to support efforts by vulnerable developing countries to manage climate change-related disaster risk through insurance, by building upon existing risk insurance facilities such as CCRIF



Within the MOU with CCRIF, OECS develops strategies and action plans for increasing resilience in vulnerable communities in Saint Lucia

Within the MOU with CCRIF, UWI Seismic Research Centre completes project to extend and enhance the network of strong motion recording instruments in the Eastern Caribbean and Jamaica – 15 stations are installed or upgraded in Barbados, Jamaica and 6 OECS countries



CCRIF's second-generation excess rainfall model known as XSR 2.0 is developed



CCRIF and CDB host the Second Donor Meeting



CCRIF receives the award for Best Latin America Reinsurance Deal – for CCRIF's cat bond – at Reactions 2015 Latin America Awards hosted by Reactions Information Services, the leading source of information for executives in the global reinsurance market

Nicaragua becomes the first CCRIF member from Central America

CCRIF makes payout to Dominica for Tropical Storm Erika

2015

CCRIF begins development of products for drought, agriculture and fisheries



The European Commission and World Bank sign a €14 million agreement to be executed by the Multi-Donor Trust Fund to facilitate access to catastrophe risk insurance for the governments of Central American countries and the Dominican Republic by becoming members of CCRIF

2016

CCRIF launches its 10th anniversary celebrations



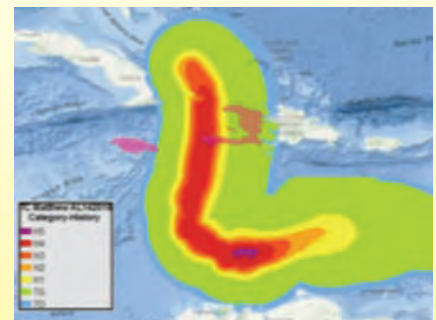
CCRIF provides a grant to the Government of Belize to purchase automatic weather stations that will provide the Meteorological Service with access to real-time rainfall data, which will significantly improve the Government's ability to monitor, record and forecast rainfall and better prepare for hydrometeorological events



2017



CCRIF provides a grant to the Government of Dominica to support rehabilitation of the Douglas Charles Airport damaged during the passage of Tropical Storm Erika in 2015



CCRIF makes first payouts to a Central American member – Nicaragua – for June earthquake and Hurricane Otto

CCRIF makes its largest payout to Haiti for Hurricane Matthew – also makes payouts to Barbados, Saint Lucia and St. Vincent and the Grenadines for Hurricane Matthew and Belize for Hurricane Earl



CCRIF launches its Training Programme for government officials, disaster managers and meteorological officers with first delivery in Saint Lucia – this 2-day course will be offered to each CCRIF member country



TESTIMONIALS and Notable Mentions through the Years

2007 - 2017

Our Stakeholders Say...

CCRIF has definitely increased the importance accorded to risk management by our country's policy makers.

— Antigua and Barbuda



St. Kitts and Nevis has made it through tough fiscal times and has kept paying premiums and the current situation is better now so we will continue to purchase CCRIF policies. We can't be penny wise and pound foolish. Given the history of hurricane damage and reduced international assistance for damage, it is important to keep CCRIF's coverage. St. Kitts and Nevis has seen the enormous financial benefits to be gained from participating in CCRIF.

— St. Kitts and Nevis



CCRIF has brought a level of comfort to those countries affected by rainfall events recently with timely payouts which have allowed them to respond to the needs of those affected and buffer negative socioeconomic impacts thus increasing their resilience.

— Trinidad and Tobago



The Region has benefitted from the scholarships offered to UWI students. These graduates are a driving force for development — the scholarships have led to 25 persons so far who have the ability to impact communities, organizations and lead to capacity development in the region.

— University of the West Indies



CCRIF is an integral partner in disaster risk management in the region as it has placed a series of innovative risk transfer options in the domain of Caribbean Governments.

— Barbados



The support from CCRIF and the Caribbean Development Bank through its immediate response facilities is the most visible support for disaster risk.

— St. Vincent and the Grenadines



CCRIF is always listening to countries in the region and trying to adjust its policies to meet their needs. It is willing to modify its model and is always looking to develop new products. CCRIF is a dynamic agency.

— St. Kitts and Nevis



"We know from bitter experience that even the most carefully crafted fiscal adjustment programme can be quickly derailed by a major climate event. Buying adequate insurance cover offers an efficient way of transferring some of this risk. The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is an excellent vehicle for this purpose." **Dr. Wm. Warren Smith, President, Caribbean Development Bank**, at the 43rd Annual Meeting of the Board of Governors in 2013

"The early response to the aftermath of Matthew as well as the supportive facility put in place to help resource the required recovery and rebuilding effort also underline the critical importance of the regional institutional frameworks established by the Community, CDEMA and the Caribbean Catastrophe Risk Insurance Facility (CCRIF) which has already processed payment to two of the affected countries, Barbados and Haiti." **Amb. Irwin La Rocque, Secretary General Caribbean Community (CARICOM)**

"This cheque will be going directly to strengthening and rebuilding our agriculture sector and to paying for some of the costs that we have." **Hon. Allen Chastanet, Prime Minister, Saint Lucia**, speaking about the CCRIF payout of US\$3.8 million to Saint Lucia following Tropical Storm Matthew

"For small economies, tackling climate and disaster risks effectively requires efforts at the regional level, since effective solutions call for risk pooling. This is critical for Caribbean and Central American countries that are increasingly vulnerable to the effects of climate change. The facility is a good example of a regional public good where member countries will be able to benefit from insurance coverage at a more affordable rate." **Mr. Jorge Familiar, World Bank Vice President for Latin America and the Caribbean**

"For Nicaragua, it is an honor to be the first member of COSEFIN countries to join the CCRIF. This insurance will allow us to strengthen financial resilience to natural disasters and continue our efforts to reduce poverty and respond to climate change challenges as part of our National Human Development Plan." **H. E. Iván Acosta, Minister of Finance, Nicaragua**

"After exploring options for engaging in sovereign disaster risk financing, Central American countries concluded that joining the CCRIF SPC facility was the most efficient and cost-effective insurance mechanism to pool our risk. This will allow us to reduce our countries' fiscal vulnerability to the adverse effects associated with earthquakes, tropical cyclones, excess rainfall and other events." **Mr. Martín Portillo, Executive Secretary, COSEFIN**

"...the full impact of this reduction was however not felt due to the receipt of the insurance payout from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) for the damage caused by Tomas during the month of November 2010." **Hon. Christopher Sinckler, Minister of Finance and Economic Affairs, Barbados** in his Financial Statement and Budgetary Proposals for 2011 delivered to Parliament, which indicated that fiscal revenues for 2010-2011 had decreased

From a CCRIF Stakeholder Assessment, conducted in 2011

"This contribution to the Treasury comes at a good time and will no doubt help us recover from the impacts of these rains. The funds will go into the Consolidated Fund but we will arrange for the Ministry of Public Works to be able to use the resources for necessary repair work." **Mr. Martin Cox, Director of Finance and Economic Affairs, Barbados**, speaking in 2014 on CCRIF's payout of US\$1.28 million under that country's excess rainfall policy

"CARICOM's wisdom and foresight were evident in the creation of the Caribbean Catastrophe Risk Insurance Facility (CCRIF) whose prompt payout to Haiti turned out to be one of the significant sources of financing in this, Haiti's hour of need." **Amb. Edwin Carrington, former CARICOM Secretary-General**, speaking at the 2010 COFAP meeting

"Later this year, world leaders will gather in Warsaw for the United Nations' Climate Change Conference, and the agenda will include regional risk pools. Any effective mechanism for adapting to climate change needs to provide timely and reliable funding linked to weather events. Fundamentally this is an insurance proposition. The ARC and its Caribbean sister institution, the Caribbean Catastrophic Risk Insurance Facility (CCRIF), stand at the forefront of this effort." **Ms. Ngozi Okonjo-Iweala, former Minister of Finance, Nigeria and Chair of the African Risk Capacity (ARC)**

"Anguilla's membership in CCRIF has brought significant benefits to the island, the major one being to make the Government of Anguilla as robust as possible to natural... disasters, with enhanced ability to respond after a major disaster event." **Mr. Bancroft Battick, Acting Permanent Secretary in the Ministry of Infrastructure of Anguilla**

"...we call upon the IMF and World Bank Group to further enhance the Caribbean Catastrophe Risk Insurance Facility (CCRIF), and to facilitate greater access to financing for climate change mitigation and adaptation." **Hon. Audley Shaw, Minister of Finance, Jamaica**, in his address at the 2010 IMF and World Bank Group Annual Meetings

"[CCRIF is] one of the most significant developments to have taken place in recent years in the region. I am really pleased with the speed with which CCRIF has been able to respond to those cases – Haiti, Anguilla and the Eastern Caribbean countries – that were battered by Tomas." **Hon. Bruce Golding, former Prime Minister of Jamaica**, speaking at the fifth Caribbean Conference on Disaster Management in Jamaica in 2010

"[CCRIF] could serve as a model for collective strategies for dealing with natural disasters ... [it] provides participating governments from the Caribbean region with immediate access to cash if hit by a hurricane or earthquake and could save countries significantly. Pooling their risk will save the 16 participating countries approximately 40 per cent in individual premium payments." **Mr. John Nash, former lead economist for Latin America and the Caribbean at the World Bank**

The G-7 announced action to support efforts by vulnerable developing countries to manage climate change-related disaster risk through insurance, with an aim to increase the number of people with access to direct or indirect climate risk insurance coverage by up to 400 million by 2020. This commitment will build upon existing risk insurance facilities such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF). In 2014, the United States contributed \$10 million to support expansion of catastrophe risk insurance coverage through the CCRIF to Central American countries. **G-7 Summit Fact Sheet, June 2015**

Poorer countries are less able to afford the "premiums" that catastrophe-bond issuers pay to investors in return for protection. But countries such as Bangladesh and Nepal could benefit from a regional risk-pooling mechanism like the Caribbean Catastrophe Risk Insurance Facility, a multi-country disaster-relief fund set up in 2007. This is a donor-backed scheme for the rainiest of days, into which Caribbean governments also pay a contribution. The CCRIF includes a lot of countries, which diversifies risk and reduces premiums. It also has clear payment triggers, which means that it dispenses cash immediately after the hurricanes and storms that dog the region. **The Economist, June 2015**

Although disaster insurance is far from a panacea for managing the risks posed by climate change, it can provide a certain amount of resilience for vulnerable people in the short term. There have been some interesting examples of disaster risk insurance facilities that have come on stream since last year's Cancun climate conference. ... there is one that has been operating successfully... and which may offer a model for others to copy: The Caribbean Climate [sic] Risk Insurance Facility (CCRIF). **Acclimatise, March 2013**

"The sum is small, but the proof of concept, powerful. The CCRIF moved faster than the World Bank, faster than the IMF, faster than the U.S. government. If another 0 or so were appended to the CCRIF financing numbers, it could become a superior alternative to ad hoc debt relief and debt creation at dire moments." **Center for Global Development, January 2010**, referring to CCRIF's payout of US\$7.75 million after the January 2010 earthquake, which represented approximately 20 times Haiti's earthquake premium

"The CCRIF's ability to turn around payments in less than a month for eight separate cat claims since its inception in 2007 makes it a truly valuable and unique solution." **Ms. Dianne Batistoni – Partner, Financial Services-Insurance Group Eisner Amper**, when Best's Review January 2013 Innovative Showcase recognized CCRIF as a "good innovative/non-traditional approach to reinsurance for emerging/economically challenged countries"

"You've already created, Mr. President, an initiative and an innovative model for regional cooperation by pooling risks to respond to natural disasters. And therefore I think that the whole region is better equipped in the future to deal with these pending problems." **Former US Vice President Joe Biden**, speaking about CCRIF at a meeting in 2013 with Trinidad and Tobago President Anthony Carmona and Prime Minister Kamla Persad-Bissessar and other Caribbean leaders

"The Caribbean is the only region in the world that has a regional insurance system. The CCRIF is quite unique and actually is looked upon by other countries as a possible lessons learned to see what can be extrapolated." **Ms. Christiana Figueres, former Executive Secretary, UNFCCC** in 2012



Use of Payouts



Since its inception in 2007, CCRIF has made a total of 22 payouts to 10 member governments totalling US\$69 million, all within 14 days of the event.

Examples of how some CCRIF countries have used payouts

Event	Country	Use of Payout
Tropical Cyclone Ike, September 2008	Turks & Caicos Islands	Providing temporary feeding stations for displaced and other affected persons
Earthquake January 12, 2010	Haiti	Immediate reconstruction and stabilization of government processes and provision of civilian security
Tropical Cyclone Earl August 2010	Anguilla	Clearing of debris, repairing general damage, capitalizing a special recovery fund and purchasing upgraded weather monitoring data-capture technology and portable weather systems to improve early warning
Tropical Cyclone Tomas October 2010	Barbados	Recovery efforts under direction of the environmental management agency – emergency repairs of key infrastructure, including a major road along the port
Tropical Cyclone Tomas October 2010	Saint Lucia	Clearing silty rivers, unblocking major roads, stabilizing drinking water plants and repair of a key government building
Tropical Cyclone Tomas October 2010	St. Vincent & the Grenadines	Acquiring building and other materials for persons whose homes or crops had been damaged
Tropical Storm Erika August 2015	Dominica	Immediate repairs and recovery
Tropical Cyclone Earl August 2016	Belize	Immediate clean-up and recovery based on a Damage Assessment and Needs Assessment (DANA) Report
Tropical Cyclone Matthew September 2016	Barbados	Repairing roads and remedial work in low-lying areas
Tropical Cyclone Matthew September 2016	Saint Lucia	For the agriculture sector
Tropical Cyclone Matthew October 2016	Haiti	Provision of food and shelter to at least 1.4 million persons who were adversely affected and displaced by Matthew; purchase of medication especially for children; unblocking main roads; assistance to the agriculture sector; purchase of tarpaulins for houses and replacement of roofs for schools, churches and court houses

PARAMETRIC MICROINSURANCE PRODUCTS

THE LIVELIHOOD PROTECTION POLICY (LPP)

Targeted at individuals, the LPP is designed to help protect the livelihoods of vulnerable low-income individuals such as small farmers, tourism workers, market vendors, fishers and day labourers, by providing quick cash payouts following extreme weather events (high winds and heavy rainfall).



The LPP was launched in Saint Lucia in May 2013, Jamaica in October 2013, and Grenada in January 2014. It is provided through local insurance companies and financial institutions in these three pilot countries.

The LPP is intended to provide some stability to the financial situation of vulnerable, low-income individuals after a disaster through the injection of quick liquidity, thereby allowing them to avoid adopting coping strategies that could lead them deeper into poverty.

It is intended to help people whose livelihoods are affected, without them having to wait for help from sources like the Government. It would enable farmers, for example, to have a source of immediate funding to undertake activities such as replanting, draining fields and reconstructing irrigation systems.

This was demonstrated in Saint Lucia in January 2014, following a trough that affected that island in December 2013, and again in October 2016 after Hurricane Matthew when policy holders in Saint Lucia received payouts within two weeks of the event.

The LPP was developed under the Climate Risk Adaptation and Insurance in the Caribbean Project, over the period 2011 – 2014, and was led by the Munich Climate Insurance Initiative (MCII) and implemented by CCRIF, MicroEnsure and Munich Re in partnership with MCII.

MCII and CCRIF plan to expand access to the LPP in other countries in the Caribbean.



ON CENTRAL AMERICA JOINING CCRIF

In 2014, CCRIF began discussions with COSEFIN – the Council of Ministers of Finance of Central America, Panama and the Dominican Republic – about the possibility of a partnership to reduce the vulnerability of Central American countries to the adverse effects associated with earthquakes and major hydro-meteorological events such as tropical cyclones and excess rainfall.



Both the Caribbean and Central America are vulnerable to these hazards and through this partnership, countries in Central America would enjoy access to the fast-disbursing liquidity for relief and recovery efforts in the aftermath of natural disasters that had been available to Caribbean countries since 2007. This would enhance fiscal resilience and reduce the long-term economic losses from hazard events in the region.

Due to fiscal challenges associated with the impacts of natural hazards, COSEFIN had requested support from the United States Department of Treasury and the World Bank in 2012 to explore alternatives for sovereign risk protection. After assessing various options, CCRIF was identified as the best alternative.

Benefits of the Partnership between CCRIF and COSEFIN

Lower Premiums: Central American countries would save up to 45% of the total premium volume if countries approach the reinsurance market through CCRIF rather than independently.

Cost-Savings Associated with Efficiency Gains: Efficiency gains result from the very nature of parametric insurance, partial sharing of capital as well as sharing of specific administrative and operating costs.

Increased Access: The CCRIF parametric model is a payout mechanism already accepted by international reinsurance markets. Applying this model to Central American states enables greater access to reinsurance markets and help guarantee the most competitive pricing available.

Demonstrated Experience: CCRIF's extensive experience working as a regional insurance entity helps guarantee the quality of service required of new members. The facility is licensed and operating – with institutional arrangements established, service providers in place, and parametric risk transfer instruments already active. New members benefit from the time-efficiency associated with joining a mechanism which is tried and tested.

Increased Regional Cooperation and Collaboration: A CCRIF partnership joining Caribbean and Central American states could strengthen diplomatic and economic engagement throughout the greater Caribbean Basin at a time when countries are seeking new economic opportunities and markets in their own region.

In April 2015, the partnership became a reality when COSEFIN and CCRIF signed a Memorandum of Understanding to enable Central American countries to formally join the facility to access its low cost, high quality sovereign catastrophe risk insurance. Also in April, Nicaragua became the first Central American member, when it signed a Participation Agreement. Other COSEFIN countries have expressed interest in becoming CCRIF members soon.



Signing of COSEFIN - CCRIF MOU

L to R: Mr. Martin Portillo – Executive Director of COSEFIN, Mr. Jorge Familiar – Vice President of the World Bank for Latin America and the Caribbean, H.E. Ivan Acosta – Minister of Finance of the Republic of Nicaragua, Mr. Milo Pearson – CCRIF Chairman and Mr. Isaac Anthony – CCRIF CEO

The partnership is implemented through a segregated-cell approach. Caribbean and Central American states are grouped into legally separated pools of risk (or “segregated portfolios”) allowing for separation of risk management operations for Central American and Caribbean CCRIF countries (e.g. pricing, policy format) but a bundled access to the reinsurance market.

In April 2016, the European Commission and the World Bank signed a €14 million agreement to be executed by the Multi-Donor Trust Fund (MDTF) to facilitate COSEFIN members joining CCRIF. In addition to the EU’s contribution, the governments of Canada and the United States also have pledged funds to the MDTF in support of COSEFIN countries’ participation in CCRIF SPC. Donor contributions play a critical role in enabling countries to benefit from CCRIF insurance coverage at more affordable rates.

“For small economies, tackling climate and disaster risks effectively requires efforts at the regional level, since effective solutions call for risk pooling. This is critical for Caribbean and Central American countries that are increasingly vulnerable to the effects of climate change. The facility is a good example of a regional public good where member countries will be able to benefit from insurance coverage at a more affordable rate.”

Mr. Jorge Familiar – Vice President, Latin America and the Caribbean Region, World Bank



CCRIF GOES BEYOND PROVIDING SOVEREIGN CATASTROPHE RISK INSURANCE...

- Microinsurance
- Technical Assistance
- Internships
- Scholarships
- Capacity Building
- Disaster Management Projects
- MOUs with Regional Organizations

Thank you!

The CCRIF Board and Management wish to thank the many organizations and individuals who have supported the facility throughout its first ten years. Without you, we would not have achieved the many successes that have come our way. We look forward to working with you in the years to come.

We thank ...

Our donors

Caribbean Development Bank
European Union
Government of Bermuda
Government of Canada
Government of France
Government of Germany
Government of Ireland
Government of Japan
Government of the United Kingdom
Government of the United States
The World Bank

Former members of the Board of Directors

Mr. Garry Wilkins
Dr. Wm. Warren Smith
Mr. Isaac Anthony – now our CEO

Our member governments

Anguilla
Antigua and Barbuda
Barbados
Belize
Bermuda
Cayman Islands
Dominica
Grenada
Haiti
Jamaica
Nicaragua
St. Kitts and Nevis
Saint Lucia
St. Vincent and the Grenadines
The Bahamas
Trinidad and Tobago
Turks and Caicos Islands
specifically the Ministries of Finance, disaster management agencies and meteorology offices

Regional and international partner organizations

Caribbean Community – CARICOM
Caribbean Community Climate Change Centre – CCCCC
Caribbean Disaster Emergency Management Agency – CDEMA
Caribbean Institute for Meteorology and Hydrology – CIMH
Caribbean Regional Fisheries Mechanism – CRFM
Inter-American Development Bank – IDB
McKinsey & Company
MicroEnsure
Munich Climate Insurance Initiative – MCII
Munich Re
Organisation of Eastern Caribbean States – OECS
Swiss Re
The World Bank
United Nations Economic Commission for Latin America
and the Caribbean – UNECLAC
University of the West Indies – UWI
and other national, regional and international organizations
that have participated in various initiatives

Our service providers - past and present

Aon Benfield Group
Butterfield Asset Management Ltd.
Caribbean Risk Managers Ltd.
CGR Communications
EFG Bank – Cayman Branch
Evaluación De Riesgos Naturales (ERN) / Risk Engineering and Design (RED)
Guy Carpenter & Company, LLC
Kinetic Analysis Corporation
London & Capital Ltd.
Sagicor Insurance Managers Ltd.
Sustainability Managers
Willis Re

CCRIF regulator

The Cayman Islands Monetary Authority



CCRIF SPC

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