The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is the first multi-country risk pool in the world, and is also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It is a regional catastrophe fund for Caribbean governments designed to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered. CCRIF was developed through funding from the Japanese Government, and was capitalised through contributions to a multi-donor Trust Fund by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments. Sixteen governments are currently members of the fund: Anguilla, Antigua & Barbuda, Bahamas, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago and Turks & Caicos Islands.

CCRIF website: www.ccrif.org

**Board of Directors**
Milo Pearson, Executive Chairman
Isaac Anthony, CARICOM-nominated board member, representing participating countries
Dr Warren Smith, CDB-nominated board member, representing donors, replaced by Faye Hardy on 30 June, 2011
Ken Blakeley, CARICOM-nominated board member, insurance specialist
Desirée Cherebin, CDB-nominated board member, finance specialist

**The CCRIF Team**
Caribbean Risk Managers Ltd, Facility Supervisor
Sagicor Insurance Managers Ltd, Insurance Manager
London & Capital Ltd, Asset Manager
EFG Bank (Cayman), Asset Manager
Guy Carpenter & Co LLC, Reinsurance Broker
Sustainability Managers, Communications Manager
Vision Statement
CCRIF will be a key partner with the Caribbean region in its disaster risk management strategies to support long-term sustainable development goals.

Mission Statement
Our Mission is to serve Caribbean governments and their communities in reducing the economic impact of natural catastrophes. We provide immediate liquidity through a range of affordable insurance products in a way that is financially responsible and responsive to their needs.

CCRIF Customer Values

The clients of the not-for-profit CCRIF are the member countries of the Caribbean Community. CCRIF promises its clients to:

1. Fill a gap in available insurance offerings for natural catastrophes
2. Ensure a joint reserve mechanism for future benefits
3. Provide member countries confidence in its ability to provide financial support
4. Supply tools and strategies for enhanced disaster risk management
5. Provide the highest degree of service at the best possible price
6. Ensure speedy payouts
7. Meet best standards in transparency and accountability
8. Effectively communicate with members and stakeholders
# Table of Contents

ACRONYMS ......................................................................................................................... ii

INTRODUCTION .................................................................................................................. 1

OVERVIEW of the QUARTER ................................................................................................. 2

PROGRESS TOWARDS ACHIEVEMENT of STRATEGIC OBJECTIVES

- Strategic Objective 1 - Products and Services ................................................................. 3
- Strategic Objective 2 - CCRIF as a Caribbean Entity ...................................................... 7
- Strategic Objective 3 - Disaster Risk Management .......................................................... 13
- Strategic Objective 4 - Membership .................................................................................. 22
- Strategic Objective 5 - Financial Integrity ....................................................................... 23
- Strategic Objective 6 - Governance .................................................................................. 24

OUTLOOK for NEXT QUARTER .............................................................................................. 27

APPENDIX 1: Progress in 2010-2011 towards Achievement of Strategic Objectives ............ 28

APPENDIX 2: Press Coverage ............................................................................................... 32
## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>2G</td>
<td>Second-Generation</td>
</tr>
<tr>
<td>BMU</td>
<td>German Federal Ministry of the Environment and Nuclear Safety</td>
</tr>
<tr>
<td>CaribRM</td>
<td>Caribbean Risk Managers Ltd</td>
</tr>
<tr>
<td>CARICOM</td>
<td>Caribbean Community</td>
</tr>
<tr>
<td>CARILEC</td>
<td>Caribbean Electrical Utility Services Corporation</td>
</tr>
<tr>
<td>CCCCCC</td>
<td>Caribbean Community Climate Change Centre</td>
</tr>
<tr>
<td>CCRIF</td>
<td>Caribbean Catastrophe Risk Insurance Facility</td>
</tr>
<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
</tr>
<tr>
<td>CDEMA</td>
<td>Caribbean Disaster and Emergency Management Agency</td>
</tr>
<tr>
<td>CDM</td>
<td>Comprehensive Disaster Management</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIMH</td>
<td>Caribbean Institute for Meteorology and Hydrology</td>
</tr>
<tr>
<td>COP16</td>
<td>16th Conference of Parties - Cancún United Nations Climate Change Conference</td>
</tr>
<tr>
<td>CSA</td>
<td>Canadian Space Agency</td>
</tr>
<tr>
<td>CSDP</td>
<td>Caribbean Satellite Disaster Pilot</td>
</tr>
<tr>
<td>DFID</td>
<td>United Kingdom Department for International Development</td>
</tr>
<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
</tr>
<tr>
<td>ECA</td>
<td>Economics of Climate Adaptation</td>
</tr>
<tr>
<td>FSRC</td>
<td>Financial Services Regulatory Commission (Antigua and Barbuda)</td>
</tr>
<tr>
<td>HLEM</td>
<td>Hazard Loss Estimation Model</td>
</tr>
<tr>
<td>IDB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>KAC</td>
<td>Kinetic Analysis Corporation</td>
</tr>
<tr>
<td>MCI</td>
<td>Munich Climate Insurance Initiative</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MURES</td>
<td>Multi-Peril Risk Estimation System</td>
</tr>
<tr>
<td>NASA</td>
<td>United States National Aeronautics and Space Administration</td>
</tr>
<tr>
<td>NHC</td>
<td>United States National Hurricane Center</td>
</tr>
<tr>
<td>NOAA</td>
<td>United States National Oceanic and Atmosphere Administration</td>
</tr>
<tr>
<td>OECS</td>
<td>Organisation of Eastern Caribbean States</td>
</tr>
<tr>
<td>RECC</td>
<td>Review of the Economics of Climate Change</td>
</tr>
<tr>
<td>RTFS</td>
<td>Real-Time Forecasting System</td>
</tr>
<tr>
<td>SELA</td>
<td>Latin American Economic System</td>
</tr>
<tr>
<td>SRC</td>
<td>Seismic Research Centre (at the University of the West Indies)</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TRMM</td>
<td>Tropical Rainfall Measuring Mission</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USGS</td>
<td>United States Geological Survey</td>
</tr>
<tr>
<td>UWI</td>
<td>University of the West Indies</td>
</tr>
</tbody>
</table>
INTRODUCTION

This report, for the period 1 March – 31 May 2011, is the last quarterly report in the 2010/2011 fiscal and policy year. It is designed to provide an update on progress during this quarter towards achievement of CCRIF’s Strategic Objectives (see Figure 1) as defined in the Caribbean Catastrophe Risk Insurance Facility Strategic Plan 2009/2010 – 2011/2012. In providing this progress update, this quarterly report also illustrates how the Facility upholds its customer values.

Figure 1. CCRIF Strategic Objectives

The report includes:

**Progress Towards Achievement of Strategic Objectives** – a discussion of CCRIF’s progress during this quarter towards the achievement of each of the six Strategic Objectives as defined in the CCRIF Strategic Plan 2009/2010 – 2011/2012. Appendix 1 presents a comparison of actual progress for this fiscal/policy year with defined targets.

Key topics covered include the following:

- **Strategic Objective 1**: Tropical Cyclone and Earthquake Review – a description of the reportable Hurricane and Earthquake events that affected CCRIF member countries during the quarter (this includes an indication of whether a country’s CCRIF policy was triggered and, if so, identifies the level of payout made)
- **Strategic Objective 2**: Partnerships between CCRIF and Caribbean institutions and communications activities
- **Strategic Objective 3**: The Real-Time Forecasting System (RTFS), Technical Assistance Programme, and participation in conferences pertaining to disaster risk management
- **Strategic Objective 4**: Policy renewals and expanding membership
- **Strategic Objective 5**: Funding opportunities and investment strategies
- **Strategic Objective 6**: Strategic and operational planning and activities of the Board of Directors
Outlook for the Next Quarter – a presentation of the Facility’s focus for the next quarter – June to August 2011 – the first quarter of the 2011/12 policy year, CCRIF’s fifth year of operation. This section also lists some activities and events that are anticipated to take place during the next quarter.

This report is designed as an electronic document and when accessed through the CCRIF website, it allows the reader to utilise the hyperlinks to access documents mentioned in the report as well as other background information.¹

OVERVIEW of the QUARTER

During this quarter, CCRIF focused on the policy renewal process, engagement with current and potential members and international development partners, and on the support of key CCRIF products and services – the Real-Time Forecasting System and Excess Rainfall product – as well as communications and outreach.

Discussions with countries regarding renewal of their policies commenced in March and by 1 June, CCRIF had issued invoices and policies to all 16 member countries. Although most countries opted to retain their Hurricane and/or Earthquake coverage at the same level as the past year, a few countries made some adjustments. This was done mainly by either varying their premium levels and/or attachment/exhaustion points.

As part of the policy renewal process and the strategy to introduce the region to the Excess Rainfall product, members of the CCRIF Board and Team engaged in a series of meetings with governments of both member and non-member countries. These meetings included representatives of the disaster management community as well as CCRIF contacts within the Ministries of Finance in an effort to broaden participation in the decision-making process regarding issues related to CCRIF in particular and disaster risk management in general.

The CCRIF Board and Team also met with regional partner organisations and international development partners to explore future collaborative efforts.

Based on recommendations from the assessment of the use of the Real-Time Forecasting System (RTFS) conducted in February 2011, CCRIF undertook several activities to improve support for the system. Activities included the development of a two-day training course to be offered by the Caribbean Institute for Meteorology (CIMH), Kinetic Analysis Corporation (KAC) and CCRIF in June and July. The CCRIF website is being expanded and enhanced to enable the online delivery of this course. Also, the website is being enhanced to support the archiving and retrieval of past storms thus enabling RTFS users to access previous storm files.

¹Hyperlinks are indicated by underlined text. Click on this text to access the referenced online document or website.
PROGRESS TOWARDS ACHIEVEMENT of STRATEGIC OBJECTIVES

Strategic Objective 1
To offer products and services responsive to members and stakeholders needs

Strategic Objective 1 focuses on ensuring that CCRIF meets the needs of current and potential member countries within the Caribbean. CCRIF continues to offer products and services such as Hurricane and Earthquake policies to its member countries. The Facility is continuously seeking to improve these products and services as well as to develop new initiatives at the request of Caribbean governments.

Since the inception of CCRIF in 2007, the Facility has made eight payouts totalling US$32,179,470 to seven member governments. All payouts were transferred to the respective governments less than a month (and in some cases within a week) after each event. These payouts are shown in the table below.

<table>
<thead>
<tr>
<th>Event</th>
<th>Country Affected</th>
<th>Payouts (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earthquake, 29 November, 2007</td>
<td>Dominica</td>
<td>528,021</td>
</tr>
<tr>
<td>Earthquake, 29 November, 2007</td>
<td>Saint Lucia</td>
<td>418,976</td>
</tr>
<tr>
<td>Tropical Cyclone Ike, 2008</td>
<td>Turks and Caicos Islands</td>
<td>6,303,913</td>
</tr>
<tr>
<td>Earthquake, 12 January, 2010</td>
<td>Haiti</td>
<td>7,753,579</td>
</tr>
<tr>
<td>Tropical Cyclone Earl, August 2010</td>
<td>Anguilla</td>
<td>4,282,733</td>
</tr>
<tr>
<td>Tropical Cyclone Tomas, October 2010</td>
<td>Barbados</td>
<td>8,560,247</td>
</tr>
<tr>
<td>Tropical Cyclone Tomas, October 2010</td>
<td>Saint Lucia</td>
<td>3,241,613</td>
</tr>
<tr>
<td>Tropical Cyclone Tomas, October 2010</td>
<td>St. Vincent &amp; the Grenadines</td>
<td>1,090,388</td>
</tr>
<tr>
<td><strong>Total for the Period 2007 - 2010</strong></td>
<td></td>
<td><strong>US$32,179,470</strong></td>
</tr>
</tbody>
</table>

The focus for 2010-2011 within this Strategic Objective is on:
- Support of existing Hurricane and Earthquake policies
- Development of an Excess Rainfall product
- Development of a strategy for further engagement of donors

Progress made during this quarter on activities to support Strategic Objective 1 is described below.

**Hurricane and Earthquake Policy Review**

During this quarter, there was one hazard event affecting a CCRIF member state that qualified as a reportable event – a M4.7 earthquake that occurred off the coast of Jamaica on 16 May 2011.

The magnitude threshold for CCRIF to run parametric calculations during the 2010-2011 policy year was a source magnitude (USGS moment magnitude estimate) of 4.5. The 4.5 cut-off is a result of the
underpinning model, in which the stochastic event set used to model historical earthquake activity has a minimum magnitude of 4.5. As of 1 June 2011, when members renew their policies, that threshold will be raised to 5.0. Therefore, CCRIF will only report on earthquakes of 5.0 and higher and only those events will be eligible events in the CCRIF policy.

16 May 2011, Jamaica Earthquake
A magnitude 4.7 earthquake struck the south-western parts of Jamaica at 15:07:07 UTC on 16 May 2011. Initial estimates from the US Geological Survey (USGS) located the epicentre of the event at 17.897°N, 77.895°W – 62 km south of Montego Bay in St James parish and 117 km west of the capital, Kingston (see Figure 2). The provisional depth assigned to the event was 31.6 km. Reports indicate that although the ground shook for several seconds, no significant damage, injuries or deaths were recorded. Although the magnitude 4.7 earthquake generated some government losses in the CCRIF model, it did not trigger a payment from CCRIF. The loss generated was significantly below the attachment point on Jamaica’s policy.

CCRIF disseminated a hazard event briefing on this event to member countries and other stakeholders on 23 May. The report is available on the CCRIF website at: www.ccrif.org/publications/event-briefing-jamaica-earthquake-may-2011.

Figure 2. Location of 16 May earthquake.
**Excess Rainfall Product**

CCRIF is developing the Excess Rainfall product in direct response to the interest expressed by many CCRIF participating countries and stakeholder partners in making available catastrophe flood coverage. The regional rainfall model, upon which it was hoped to base the parametric policy, was launched in February 2010. Since that time, efforts have focused on completing the climatology analysis and in early 2011, a rainfall climatology at ~17km² spatial and 3-hour temporal resolution was developed.

Unfortunately, analysis of the model-based climatology with respect to rain data in several areas across the region revealed that additional work on the model and climatology is required before the excess rainfall product can be finalised if based on the model. Given that situation, CCRIF’s Board directed CaribRM, in its role as Facility Supervisor, to investigate options to fast-track an extreme rainfall product based on available data. After broad consultation, CCRIF received two proposals to utilise NASA-processed satellite rainfall data to underpin a parametric policy. At its June 2011 meeting, the Board will give direction to CaribRM to proceed with one or other of these proposals, and it is hoped that a product will be made available later in 2011. Work will continue on the regional rainfall model as CCRIF believes that this will provide the best long-term platform for excess rainfall coverage.

**Second-Generation Loss Estimation Model**

The second-generation (2G) Hazard and Loss Estimation Model (HLEM) was revised by Kinetic Analysis Corporation (KAC) in response to issues that were raised by CCRIF’s reinsurers during the introduction of the model prior to 1 June 2010 renewals. During this quarter, feedback from reinsurers was integrated into the revised model, now known as the “CCRIF Multi-Peril Risk Estimation System” (CCRIF-MPRES). This enabled CCRIF to lock down the model and pricing curves in time for the 1 June renewals.

In April 2011, CaribRM, as Facility Supervisor of CCRIF, produced the report, *Verifying CCRIF’s Tropical Cyclone Hazard and Loss Modelling*, which presented the results of an analysis of the behaviour of the second-generation (2G) model after the 2010 Atlantic Hurricane Season. The goal of the analysis was to determine how the 2G model performed in terms of estimating the parameters of the hazard events and associated losses in order to assist in reducing the basis risk inherent in the loss indexing approach, compared with the first generation EQECAT model.

The analysis addressed the following basic questions:

- How closely are the CCRIF model wind footprints matched to the National Hurricane Center’s (NHC’s) H*WIND and other modelled footprints?
- How does ground meteorological data fit with the CCRIF footprint for wind?
- Do the final losses generated by the model correspond with government and independent estimates?
- How does the breakdown of impact costs affect what can be considered government losses?

The report also presents the results of a review of ground- and satellite-based rainfall data.

The report shows that, in general, the performance of the CCRIF 2G model was acceptable, with close correlations to the NOAA-NHC wind speed data and the TRMM rainfall data. Modelled losses were
compatible with on-the-ground loss estimates where contributions to these losses from aspects not covered by CCRIF policies – such as rainfall and landslides – were excluded.

The analysis also included a review of the application of CCRIF funds in countries where a policy was triggered by an event. In 2010, Tropical Cyclones Earl and Tomas triggered policies in Anguilla, Barbados, Saint Lucia and St Vincent & the Grenadines resulting in a total payout of US$17,174,981. Funds were used for purposes including general post-event clean-up and emergency repairs in all four countries, capitalisation of a special recovery fund in Anguilla, and purchase of upgraded weather monitoring data-capture technology and portable weather systems, also in Anguilla.

Figure 3. St Maarten radar image of Tropical Cyclone Earl.

Figure 4. NOAA satellite image of Tropical Cyclone Tomas.
Strategic Objective 2 focuses on CCRIF facilitating and promoting informed decision making through programmes and activities directed to its members, the media, public policy makers, and the general public towards raising its profile as an outstanding Caribbean Community entity.

The focus for 2010-2011 within this Strategic Objective is on:
- Development and strengthening of partnerships with key entities in the region through the development of MoUs and programmes
- Provision of materials to members to facilitate better understanding of CCRIF
- Timely reporting of CCRIF activities to stakeholders
- Maintenance and expansion of the capabilities of the CCRIF website to meet stakeholder needs

Progress made during this quarter on activities to support Strategic Objective 2 is described below.

**Partnerships**

CCRIF continues to strengthen partnerships and to work with various entities in the region. Progress made with our key Caribbean partners during this quarter is described in the table below. Details of certain partnership initiatives are provided in other sections of this report as noted in the table.

<table>
<thead>
<tr>
<th>Partner</th>
<th>Progress this quarter</th>
<th>Next Steps/ Future Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN-ECLAC</td>
<td>Members of the CCRIF Board and Team met with officers of UN-ECLAC on 5 May to discuss initiatives to be implemented within the MoU between the two organisations that was signed in February 2010. Discussions focused on the Damage and Loss Assessment studies and possible collaboration between the CCRIF Economics of Climate Adaptation (ECA) and the UN-ECLAC Review of the Economics of Climate Change (RECC) project – the current phase of the RECC project is scheduled to come to an end on 30 June.</td>
<td>Further discussions between CCRIF and key ECLAC persons will take place.</td>
</tr>
<tr>
<td>CIMH</td>
<td>CCRIF and KAC to revise the RTFS training programme and to develop a new curriculum to address stakeholder needs to effectively use the RTFS. See section on the Real-Time Forecasting System for more details.</td>
<td>RTFS training will be offered in June and July 2011.</td>
</tr>
<tr>
<td>UWI</td>
<td>UWI hosted a handover ceremony on 26 May for the first six scholarships awarded under the CCRIF/UWI scholarship programme. See section on the Technical Assistance Programme for more details.</td>
<td>Discussion will continue regarding an MoU for collaboration in other areas that support disaster risk reduction and adaptation to climate change, for example, by providing CCRIF’s catastrophe modelling tools to the University.</td>
</tr>
<tr>
<td>CARICOM</td>
<td>Members of the CCRIF Board and Team met with officers on 6 May to discuss the rainfall product and its possible application within the Guyana context; enhancing the agriculture information database; the appointment of an Enforcer for CCRIF; and the proposed MoU between CCRIF and CARICOM. There was the suggestion that the General Counsel for the Secretariat could possibly perform the role of Enforcer for the CCRIF. CARICOM has reviewed the draft MoU and would like to revise it to reflect some of the recent interactions and possible synergies between CCRIF and the Sustainable Development Division of the Secretariat and to include some aspects of the CCRIF Technical Assistance programme.</td>
<td>The CARICOM Secretariat will follow up regarding the Enforcer. The CARICOM Secretariat will revise and circulate the draft MoU.</td>
</tr>
<tr>
<td>CARILEC</td>
<td>Due to the focus on making preparations for policy renewals, there was no progress this quarter on work with the Caribbean Electrical Utility Services Corporation on the development of a product for the Region’s electric utilities.</td>
<td>Discussions with CARILEC will continue on the development of this product which is expected to be a simple “cat-in-a-box” product.</td>
</tr>
<tr>
<td>CCCCC</td>
<td>CCCCC and CCRIF are satisfied with the MoU document that has been prepared.</td>
<td>CCRIF and CCCCC will make arrangements for the signing of the MoU.</td>
</tr>
<tr>
<td>CDEMA</td>
<td>Members of the CCRIF Board and Team met with the Director and senior officers of CDEMA on 4 May to explore further opportunities for collaboration. They discussed CCRIF’s initiative in collaboration with UWI and CIMH for training on aspects of catastrophe management (loss modelling) and forecasting tools (with a special focus on the CCRIF RTFS). CDEMA expressed interest in being involved in this initiative and the possible role they can play in bringing these programmes to the fore within the disaster management community.</td>
<td>CCRIF will revise MoU to reflect collaboration on additional initiatives. CDEMA will submit a proposal to CCRIF re the 2011 CDM Conference.</td>
</tr>
</tbody>
</table>
• The 2011 Caribbean CDM Conference will mark CDEMA’s 20th anniversary; extra CCRIF support is requested for this event.

**OECs**
- An MoU document was drafted along with notes on possible ideas for collaboration with the OECS in the areas of disaster risk reduction and climate change.
- The document will be further developed by the OECS Secretariat and CCRIF.

**Communication and Publications**
CCRIF regularly disseminates information to approximately 500 stakeholders. The CCRIF mailing list includes primary country contacts within the ministries of finance of existing and potential member countries, reinsurance companies, as well as stakeholders from disaster management agencies, meteorological offices, international development partners and general stakeholders who include environmental management professionals. Persons who attend workshops and meetings in which CCRIF participates are regularly added to this list. In addition to these targeted persons, CCRIF communicates with over 500 members of the press and has developed close working relationships with a number of editors and reporters.

**CCRIF Publications**
- During this quarter, the following CCRIF publications were produced and uploaded to the CCRIF website:
  - CCRIF Quarterly Report for the period 1 December 2010 – 28 February 2011
  - *Verifying CCRIF’s Tropical Cyclone Hazard and Loss Modelling: Assessment of 2010 Tropical Cyclone Events*
  - *An Assessment of the Use of the RTFS and Recommendations for the Way Forward*
  - Flyer, *Accessing and Using the CCRIF RTFS 2011*
  - Curriculum, *Understanding and Using the CCRIF Real-Time Forecasting System*
  - Informational Brochure, *The CCRIF Earthquake Hazard Insurance*

- During this quarter, CCRIF distributed over 1,000 copies of its various publications through email and delivery at conferences and meetings.

**External Publications and Reports**
CCRIF regularly contributes articles to publications and journals which address insurance, disaster management, climate change and environmental issues. Also, the CCRIF model is regularly featured in various publications prepared by a range of stakeholders. Some of the key publications and reports in which CCRIF was included during this quarter are presented below.
• On 31 May and 1 June 2011, Bermuda hosted the OECD’s Global Forum on Transparency and Exchange of Information for Tax Purposes. To mark the occasion, the Ministry of Finance published a book, Bermuda - Premier International Finance Centre, containing articles contributed by leading individuals from the private and public sectors in Bermuda and other OECD countries. CCRIF contributed an article written by Dr Simon Young, CEO of CaribRM, CCRIF Facility Supervisor, entitled, “The Caribbean Leads the Way with CCRIF”. The article describes CCRIF’s work and notes the contribution made by Bermuda to capitalisation of the Facility through a donation to the multi-donor Trust Fund. The Government of Bermuda is unique in being a donor as well as a CCRIF member.

• An article based on an interview with Executive Chairman Milo Pearson, entitled, “Climate Risk at Hurricane Force” was published in Risk Professional, the bi-monthly magazine of GARP, the Global Association of Risk Professionals. The article describes the genesis of CCRIF and states that “There are quite a few private-sector entities now looking at the [CCRIF] model for pooling risk.”

• The Global Climate Risk Index 2011, published by GermanWatch, includes a section describing CCRIF as an example of a mechanism to share risks by transferring risks from climate-related extremes. This annual report analyses to what extent countries have been affected by the impacts of weather-related loss events.

Press Coverage and Media Communications

• During the quarter, the following press release was issued and disseminated to stakeholders and press houses regionally and internationally:
  - CCRIF Selects New Reinsurance Broker (9 March 2011)


• This quarter, 19 instances of articles about CCRIF appeared in the press – compared with 37 articles during the previous quarter (where there was much discussion of catastrophe insurance engendered by COP16 in Mexico) and 35 articles during the fourth quarter of last year (when the preliminary ECA Study results were published).

For this year – June 2010 to May 2011 – at least 326 instances of articles about CCRIF appeared in Caribbean and international newspapers, insurance/finance journals (mainly from the USA and the UK) and organisations' websites.

During this quarter, coverage focused on the appointment of Guy Carpenter as the new reinsurance broker and the role that CCRIF has played and can continue to play as a tool within the areas of
disaster risk reduction and climate adaptation that can be used throughout the world. Some excerpts are shown below; details about all articles that appeared in the press this quarter are provided in Appendix 2.

**Fresh calls for partnership to manage disaster risks**
Governments are more likely to … buy cover when there is a strong likelihood of a disaster that is large relative to the economy’s size, as is the case in the Caribbean, where the main unknown is which island will be hit. It is these governments … that would benefit from buying insurance – as has been the case with the Caribbean Catastrophe Risk Insurance Facility, which pools disaster risks regionally, helping countries purchase insurance less expensively.

*Insurance Day (13 May, 2011)*

**An ATM for when disaster strikes?**
Haiti needed money.

International donors had pledged $5 billion after an earthquake killed 230,000, yet six months later, less than 10 percent of that sum had arrived.

But one institution served as the Haitian government’s instant cash machine. The Caribbean Catastrophe Risk Insurance Facility is an insurance pool made up of 16 small nations in the Caribbean basin. It delivered nearly $8 million to the Haitian government within 15 days of the quake.

“The money played a substantial role in keeping the Haitian government running in the weeks and months after the crisis,” said Simon Young, an insurance executive and supervisor of the insurance pool, known as the CCRIF.

*GlobalPost (27 April, 2011)*

**WB to RI: Do more on disaster prevention**
Indonesia should “do more than it is currently doing” to prevent losses in the event of a disaster, the World Bank says, adding that a disaster insurance policy for the country would help reduce the economic costs of a major catastrophe.

Apurva Sanghi, the bank’s senior economist on global facilities for disaster reduction and recovery, said … Indonesia could take the Caribbean region as an example of implementing a disaster insurance scheme. … “That’s a very successful example from the developing part of the world for countries having purchased insurance.”

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is backed by a fund of around US$20 million a year, with claims not based on actual losses or damage following natural disasters but instead on pre-defined indexes based on the intensity, period and location of a disaster.

*Jakarta Post (25 March, 2011)*

**Website**
- The CCRIF website is being modified to accommodate online training in the RTFS. *See the section on the Real-Time Forecasting System for more details about the new RTFS training programme.*
During this quarter, the CCRIF website was accessed 2,132 times (as measured by the number of visits) from users in 101 countries. Sixty percent (60%) of these visits were from users who were visiting the website for the first time. Four hundred and fifty (450) or 21% of the visits were from the Caribbean – with the most of these (314 or 15%) from Jamaica and Barbados. Persons from North America accessed the site the most times with 720 visits (34%).

During this policy year, the CCRIF website was accessed 8,358 times; 2,152 (26%) of these visits were from the Caribbean. Figure 5 shows the access to the CCRIF website for the months July 2010 to May 2011 and Figure 6 shows the website access for each quarter in this year by country group.

Figure 5. Visits to CCRIF Website: July 2010 – May 2011

Figure 6. Visits to CCRIF Website by Country Group for each Quarter: June 2010 – May 2011
Strategic Objective 3 focuses on enhancing the capacity within the Caribbean Region for comprehensive disaster management. CCRIF supports its members in the development and implementation of strategies for disaster risk management, building on existing mechanisms, institutions, tools and capacities. CCRIF is currently pursuing this objective by providing access to and support for the Real-Time Forecasting System; implementing a Technical Assistance (TA) Programme; and developing projects in collaboration with regional institutions and international organisations.

The TA Programme has three components as shown below:

**Scholarship/Prof. Dev. Programme**
- Students across the region to benefit
- Scholarships for BSc and MSc programmes
- Continued professional development

**Regional ‘Strategic’ Knowledge Building**
- Partnerships with regional institutions
- Funding for regional technical projects in natural hazards/risk science

**Support for Local DRM Initiatives**
- Support for NDCs, NGOs and other community-based organisations in local hazard risk management and climate change initiatives

The focus for 2010-2011 within this Strategic Objective is on:

- Evaluation and expansion of usage of the Real-Time Forecasting System (RTFS)
- Improvement of the RTFS tool
- Implementation of activities within components 1 and 2 of the CCRIF Technical Assistance Programme:
  - Provision of scholarships at UWI
  - Support for professional development of Caribbean disaster professionals
  - Implementation of the Economics of Climate Adaptation study for the Caribbean
  - Implementation of other regional technical projects
- Implementation of a technical assistance initiative for Haiti post-earthquake recovery
- Contribution to key regional and international events and publications related to disaster risk management

Progress made during this quarter on activities to support Strategic Objective 3 is described below.

**Real-Time Forecasting System**
During this quarter, CCRIF focused on making preparations for members to use the Real-Time Forecasting System (RTFS) in the upcoming 2011 Atlantic Hurricane Season which begins on 1 June.
Preparations/activities included:

- Development of a 2-day course curriculum to build the capacity of members and key stakeholders to use the RTFS. This course will be conducted via an online platform on the CCRIF website by CIMH, Kinetic Analysis Corporation (KAC) and CCRIF and the first two course offerings will be in June and July 2011. The course is entitled “Understanding and Using the CCRIF Real-Time Forecasting System... Building regional capacity for estimating the expected hazard levels and impacts on population for all tropical cyclones during the hurricane season”

- Preparation of a training manual to facilitate training in the RTFS

- Issuing invitations to key stakeholders (ministry of finance contacts, and disaster and meteorological officers) in CCRIF member countries as well as international development partners to register for access to the RTFS

- Preparation of the CCRIF website to enable the delivery of the online RTFS training programme and to be able to archive storms

- Verification by CIMH of TAOS-RTFS model outputs so as to gauge any biases which could have arisen in the programmes

- Continued discussion with CDEMA regarding full utilisation of the RTFS

Much of this activity was based on an assessment of the overall use, understanding and stakeholder perception of the RTFS conducted in February 2011. The report, An Assessment of the Use of the RTFS and Recommendations for the Way Forward, concluded that, overall, respondents felt that the RTFS was useful and could be part of the overall disaster management framework of their countries.

The assessment included recommendations for:

- increased communication surrounding access and use of the RTFS
- development of a more in-depth, structured training programme and increased communication regarding participation in training opportunities
- working more closely with CIMH and CDEMA to encourage optimal use of the RTFS
- appointing an RTFS Coordinator to provide technical support during the hurricane season
- archiving storms for access to storms after they occur

**Technical Assistance Programme**

During this quarter, progress was made within two components of the CCRIF Technical Assistance Programme: Scholarships and Professional Development, and Regional Strategic Knowledge Building. Activities within these components are described below.
Scholarship/Professional Development

UWI Scholarships
The University of the West Indies marked the inauguration of the UWI-CCRIF Scholarship Programme in a handover ceremony held at the Mona campus on 26 May, 2011. In the first year of the programme, CCRIF provided scholarships worth US$49,000 to six students at the University who are pursuing study in areas related to disaster management. Three undergraduate and three post-graduate students received scholarships.

The ceremony was led by University Registrar, Mr William Iton, who reiterated his support for continued and additional collaboration between UWI and CCRIF. Dr Simon Young, CEO CaribRM, delivered remarks on behalf of CCRIF. Other participants included Professor Alvin Wint, Pro Vice-Chancellor Undergraduate Studies and Professor Ronald Young, Pro Vice-Chancellor Graduate Studies.

Regional Strategic Knowledge Building

Climate Risk Adaptation and Insurance in the Caribbean programme
In March 2011, Dr Simon Young, CEO CaribRM, Facility Supervisor attended a meeting in Bonn to informally launch the project entitled “Regional institutions, adaptation, and insurance: Expanding coverage for medium level weather extremes in vulnerable countries using risk reduction and innovative insurance solutions coverage.” Supported by the German Federal Ministry of the
Environment and Nuclear Safety (BMU), this project is being implemented within the Munich Climate Insurance Initiative (MCII) by a partnership made up of Munich Re, MicroEnsure and CCRIF.

Currently referred to as the Climate Risk Adaptation and Insurance in the Caribbean programme, it seeks to help vulnerable people adapt to extreme weather events. The programme will design and implement products that combine risk reduction and insurance for low income groups such as small farmers and day labourers in the region. The products target medium-level weather extremes (hurricane, drought), which is likely to increase in frequency and intensity with climate change.

During this quarter, a communications team for the project was formed, consisting of the CCRIF Corporate Communications Manager and communications officers from MicroEnsure and Munich Re. The team started discussions on communications strategies and activities, including the development of a brochure that highlights the five goals of the programme, which will be disseminated at the annual meeting of the Insurance Association of the Caribbean to be held in Trinidad & Tobago on 6-7 June, 2011 where the programme will be introduced. The programme will be officially launched in Bonn at a side-event to the UNFCCC mid-year negotiating session in June 2011.

Several introductory workshops will be held in the region over the coming months. Also, CaribRM (on behalf of CCRIF) and MicroEnsure will start data-gathering field work in the Caribbean, starting with Saint Lucia, Guyana and Jamaica.

**Economics of Climate Adaptation (ECA) Initiative**

During this quarter, CCRIF continued to examine funding options for Phase 2 of the ECA project. Discussions took place with IDB and CDB who are interested; definite arrangements remain to be finalised.

**CIMH/CCRIF Haiti Reconstruction Effort**

On 14 March 2011, the Caribbean Institute for Meteorology and Hydrology (CIMH) prepared an interim report entitled, "Forecasting Tools for Haiti" on the reconstruction efforts implemented by CCRIF and CIMH in Haiti. After the January 2010 earthquake in Haiti, CIMH developed publicly available, fully automated rainfall and flood prediction products and, in collaboration with CCRIF, has been assisting the international and regional communities with the use of these products. The interim report provides technical details regarding the operational high resolution rainfall and flood prediction tools.

In the next few months, CIMH will prepare a fully operational flood prediction product for each of three critical watersheds that have been identified by the CCRIF team. The operational

---

**Figure 7. Sample snapshot precipitation predictions for Haiti**
product will be hosted on the CIMH’s website where users will be able to access the 48-hour hydrological forecasts for the three watersheds. This tool will provide users with guidance as it relates to the possible inundation extents and flood risk.

**Other Technical Assistance**
- **UWI SRC Research Proposal**
  The UWI Seismic Research Centre (SRC) submitted to CCRIF a revised proposal for the installation of a strong motion network for presentation to the CCRIF Board.

**Conferences and Events**
During this quarter, members of the CCRIF Board and Team participated in conferences and meetings hosted by various regional and international organisations. CCRIF was invited to these meetings to share information about the Facility and also to participate in discussions related to disaster risk management and climate adaptation in the Caribbean as well as other regions in the world. Also, CCRIF partners or stakeholders made presentations about CCRIF at meetings which they attended.

**CCrif Sponsorship**

The CCRIF Board will host the 6th meeting of the World Forum of Catastrophe Programmes in Montego Bay, Jamaica on 24-27 October 2011. The Forum is an annual gathering of representatives of catastrophe insurance programs throughout the world to share experiences and ideas. CCRIF is one of twelve Forum members and is the only multiple-country programme and the only programme that focuses on developing countries. Approximately twenty-five persons are expected to attend the meeting.

**Participation by CCRIF Board and Team in Conferences**

**Second Session of the Regional Platform for Disaster Risk Reduction in the Americas**

- Ms Ekhosuehi Iyahen, Project Development Manager at CaribRM, represented CCRIF at the Second Session of the Regional Platform for Disaster Risk Reduction in the Americas held 14-17 March in Nayarit, Mexico. The aim of the conference was to serve as a forum for presenting and validating the regional report on the progress of the implementation of the Hyogo Framework for Action in a hemispheric context, and for reaching consensus on the message that will be conveyed from the Americas during the third session of the Global Platform for Disaster Risk Reduction, to be held on 8-13 May 2011 in Geneva, Switzerland. Sections of the draft document – tabled for further review –
made reference to the use of risk transfer and other financial instruments within the context of disaster risk reduction and climate change adaptation.

CCrif participated in a session on public-private partnerships for disaster risk reduction (DRR), coordinated by the Latin American Economic System (SELA). The Canadian government representative made specific reference to CCRIF during her delivery of a statement on behalf of the Government of Canada, indicating that:

> Canada strongly advocates for the integration of risk considerations into long-term sustainable development and poverty reduction strategies. The Canadian International Development Agency will promote and support initiatives to reduce disaster risk within existing multilateral and regional institutions such as ... contributing toward the capitalisation of the Caribbean Catastrophe Risk Insurance Facility, established to reduce financial vulnerability of participating countries to catastrophic natural disasters, by providing access to insurance.

**Workshop on Climate Change Adaptation and Water Resources**

- Ms Ekhosuehi Iyahen of CaribRM, attended a capacity building workshop on Climate Change Adaptation and Water Resources hosted by the Inter-American Development Bank (IDB) in Trinidad and Tobago on 22 - 23 March 2011. She participated in the panel discussion on Adaptation and Finance and specifically presented on the role of insurance, reinsurance and risk transfer. The audience at the workshop consisted of professionals and policy makers whose decisions are influenced by the impact of climate change on water resources and included public (government water utilities etc) and private sector (agriculture producers, water bottling companies etc). Participants expressed a greater need for cost-benefit/economic assessments which make the link between physical and economic/financial/social impact in the context of climate change.

*Ms Ekhosuehi Iyahen, Project Development Manager at CaribRM (3rd from left, second row) and other participants at the workshop on Climate Change Adaptation and Water Resources.*
National Association of Insurance Commissioners Meeting

- Executive Chairman Mr Milo Pearson attended the quarterly meeting of the US National Association of Insurance Commissioners held on 26 March 2011 in Austin, Texas. Participating in the session of the Catastrophe Insurance Working Group, he provided an update on CCRIF, highlighting the payouts made since the Facility's inception in 2007. Mr Pearson also distributed copies of CCRIF materials including the CCRIF booklet, *A Guide to Understanding CCRIF - A Collection of Questions and Answers*.

Regional Lessons Learned Seminar on the UN-ECLAC Damage and Loss Assessment Methodology

- The OECS and ECLAC hosted a Regional Lessons Learned Seminar on the UN-ECLAC Damage and Loss Assessment Methodology on 19-20 April 2011 in Saint Lucia. The aim of the seminar was to address challenges experienced; share lessons learned; and to derive a way forward with respect to the implementation of the methodology amongst the member states.

The workshop was targeted at representatives from disaster agencies and ministries of Finance and Planning in OECS Member States. Mr Nicholas Grainger, Assistant Vice President for Disaster Management at CaribRM, represented CCRIF which is seen to be an important partner in Caribbean disaster management. Participants discussed the methodology, which was developed by UN-ECLAC more than forty years ago and introduced to the Caribbean in the late 1990s. Country representatives shared their experiences and the lessons learned from the use of the tool for recent disasters including Hurricane Tomas which devastated Saint Lucia and St Vincent in October 2010.

Recommendations were made for the improvement in the collection, correlation and availability of baseline data as well as improving the accuracy and the authenticity of the data across the region. The recognition of the need for these improvements at the national level would give CCRIF a more comprehensive and accurate understanding of the risks to which these islands are exposed and to provide better risk transfer services.

Caribbean Satellite Disaster Pilot (CSDP) Partners Review meeting

- The Caribbean Satellite Disaster Pilot (CSDP) Partners Review meeting was hosted by the CDEMA, on 29 April 2011 in collaboration with the US National Aeronautics and Space Administration (NASA) and the Canadian Space Agency (CSA). The project was developed to demonstrate the use of satellite-based information for regional disaster management applications for each phase of the disaster cycle from data collection, to analysis, product generation and service delivery.

Mr Nicholas Grainger of CaribRM represented CCRIF at this meeting, participating in the review of the first phase of the Sample data: synoptic satellite imagery of hurricane and tropical storm systems in the Atlantic Basin, 2010, showing hurricanes Earl and Fiona. (Source: NASA / NOAA, 2010)
project which focused on capacity development and training and also planning for the next phase.

CCRIF presently uses satellite imagery to efficiently track hurricanes and other weather systems in order to accurately provide coverage to the member countries as a result of these events. CSDP will be able to provide access to CCRIF for satellite data from a wide range of optical and radar sensors acquired over the chosen countries, free of charge, for disaster management applications.

**Global Earthquake Model (GEM) – Caribbean Regional Programme Workshop**

- Mr Nicholas Grainger of CaribRM and Dr Jan Vermeiren, CEO of Kinetic Analysis Corporation (KAC), participated in the [Global Earthquake Model (GEM) - Caribbean Regional Programme Workshop](#), hosted by the UWI Seismic Research Centre (SRC) in Port of Spain, Trinidad, on 2-4 May 2011.

The workshop officially launched the GEM Caribbean Regional Programme which seeks to establish uniform and open standards for calculating and communicating earthquake risk in the region. During the workshop, participants identified gaps in existing knowledge in the Caribbean regarding earthquake hazard, identified vulnerability and earthquake risk and prioritised the necessary research in order to make full use of the GEM software and tools in the Caribbean region.

Dr Vermeiren briefed the participants on the role of CCRIF in earthquake risk transfer within the technical session, Status of Risk Activities (in the Caribbean). He gave a brief introduction to CCRIF and the earthquake model for the 2011 season, and mentioned the technical cooperation being offered by CCRIF to SRC. Copies of the new informational brochure, [The CCRIF Earthquake Hazard Insurance](#), were distributed to participants.

**Fourth United Nations Conference on the Least Developed Countries (LCD IV)**

- Board member, Mr Isaac Anthony participated in the [Fourth United Nations Conference on the Least Developed Countries (LCD IV)](#) which took place on 9-13 May 2011 in Istanbul, Turkey. As part of the Global Business Partnership Programme, the World Bank and the Global Facility for Disaster Reduction and Recovery (GFDRR) organised an event entitled “From Disaster Response to Resilience” to share experiences on disaster risk management from disaster onset to building back better, and enhancing developing countries’ long-term development resilience.

Representing the Caribbean, Mr Anthony participated in a panel discussion, and spoke on the topic “Pooling Risk to Protect against Disasters: The Caribbean Catastrophe Risk Insurance Facility.” He highlighted to the group lessons that CCRIF has learned in its first four years and showed how the Facility could be used as a model for other regions around the world.
At the invitation of newly-appointed CDB President Dr Warren Smith, CCRIF was represented by Dr Simon Young, CEO of CaribRM (CCRIF Facility Supervisor), at the 41st meeting of the Board of Governors of the Caribbean Development Bank held in Trinidad & Tobago on 25-26 May 2011.

In his opening statement, Dr Smith stressed that “In the area of climate change, we need to be proactive and to undertake suitable adaptation measures whilst simultaneously escalating the transfer of risks through appropriate insurance cover” and commended CCRIF’s role in working with Caribbean governments and institutions to lead the way in developing and using this multi-country parametric insurance facility.

During the meeting, Dr Young participated in a seminar on climate change as a member of a panel which included representatives of other Caribbean institutions. Dr Young’s presentation focused on loss and damage within the context of climate change and he highlighted CCRIF’s role in risk transfer as part of countries’ climate change adaptation strategies. He noted that national economics of climate adaptation (ECA) assessment can provide a quantitative foundation for formulating business cases for adaptation investment at the country level and suggested that CDB could play a coordinating and intermediating role to assist countries and the region to attract adaptation funding.

This proposed role for CDB in supporting climate change adaptation was supported by the President. At the end of the two-day meeting, Dr Smith indicated that the Bank will increase its initiatives directed at accessing the pool of international financial resources available for mitigation and adaptation to climate change.

**Participation by CCRIF Partners/Stakeholders in Conferences/Meetings**

- Mr Giles Taylor, Manager of Lloyd's International Regulatory Affairs participated in an Insurance Seminar hosted by the Financial Services Regulatory Commission (FSRC) in Antigua and Barbuda on 25-26 May 2011. Mr Taylor shared with the industry the effects of natural disasters on the economies of Caribbean countries and used CCRIF as an example of an innovative tool to address climate adaptation and the changing nature of hazards due to climate change. The Financial Services Regulatory Commission is a statutory body mandated to regulate and supervise insurance and financial institutions registered in Antigua and Barbuda.
Strategic Objective 4 focuses on maximising the benefits to Caribbean countries from CCRIF insurance policies. Increased levels of coverage would result in larger payouts which could further stabilise government services and provide a springboard to more rapid and comprehensive recovery. CCRIF also seeks to effectively enable non-members to become members of the Facility to improve comprehensive disaster management in the region as a whole. CCRIF works with its members to define adequate coverage levels and with key donors to facilitate members attaining these levels of coverage.

The focus for 2010-2011 within this Strategic Objective is on:

- Engaging in dialogue with members regarding policy renewals
- Conducting specific outreach activities to non-members
- Using key opportunities to discuss the soon-to-be-offered Excess Rainfall product

Progress made during this quarter on activities to support Strategic Objective 4 is described below.

**Policy Renewals**

- All sixteen CCRIF members have chosen to renew their existing policies for the 2011-2012 year with Dominica being the first country to renew. Pricing rates were kept approximately the same for the 2011-2012 year. All invoices for requested coverage were issued on or before 1 June. As in previous years, CIDA and CDB are financing Haiti’s policies for the 2011-2012 year. As part of the renewal process, countries were provided with detailed coverage adequacy analysis which enabled decision makers to examine options related to the allocation of coverage between hurricanes and earthquakes. While most countries have kept their coverage at the same level as last year, Cayman reduced their coverage due to budgetary constraints, Barbados increased coverage, and Trinidad & Tobago are considering an increase in coverage.

- During the period 3-6 May 2011, Board members, Mr Milo Pearson and Mrs Desirée Cherebin, and representatives from CaribRM visited with the Governments of Barbados, Trinidad & Tobago (both CCRIF members) and Guyana. These visits served as opportunities to have targeted discussions regarding renewals of their CCRIF policies as well as building general awareness of the Facility and initiatives being pursued. There was particular interest in the Excess Rainfall product and also the BMU/MCII project which is anticipated to address some key risk management issues in the agriculture and fisheries sectors. *(See section on Climate Risk Adaptation and Insurance in the Caribbean programme for more details on the BMU/MCII project.)*

- Further discussions regarding the Excess Rainfall product will be held with select countries in the next quarter in anticipation of the product being available later in 2011. *(See section on Excess Rainfall Product for a more detailed update on the product.)*
Strategic Objective 5

To achieve sustainable financial integrity

Strategic Objective 5 focuses on financial sustainability. CCRIF works to maintain its strong capital base and continuously reviews its investment policy to be able to be flexible in negotiating advantageous rates to its members and retain its claims-paying capacity.

The focus for 2010-2011 within this Strategic Objective is on:

- Development of a strategy for funding from international development partners
- Review of the Facility’s financial strategy
- Revision of the investment strategy
- Integration of new products into the existing framework and assessment of the impact of the Excess Rainfall product
- Review of the reinsurance strategy to consider options for cheaper risk transfer

Progress made during this quarter on activities to support Strategic Objective 5 is described below.

In May, two members of the CCRIF Board (Executive Chairman, Mr Milo Pearson and Mrs Desirée Cherebin) and representatives from CaribRM met with the regional and international donors to raise awareness about CCRIF and to explore areas for further collaboration. Meetings were held with the following donor agencies:

- **Caribbean Development Bank (CDB)**
  This included discussion regarding collaboration on climate change issues and next steps for the implementation of Phase 2 of the Economics of Climate Adaptation (ECA) project.

- **Canadian International Development Agency (CIDA)**
  This served primarily as an awareness raising meeting. Several representatives from CIDA offices across the region as well as the incoming CIDA regional director were present and hence the opportunity was used to brief the group about CCRIF, its activities, and its performance to date.

- **European Union (EU)**
  The EU indicated that they are currently undertaking their programming exercise in Disaster Risk Reduction, and will be allocating funds specifically to disaster risk recovery. They indicated that within the EU there is already a positive perspective on the CCRIF and they are therefore interested in exploring the scope for targeting some of this funding into a different phase of CCRIF development/evolution.

- **United Kingdom Department for International Development (DFID/UKAID)**
  DFID expressed interest in the creation of Country Risk Officers within member countries and the possibilities for linking the role of these officers with the climate change agenda and the CDM mandate.

In the next quarter, there will be further discussion on these potential funding opportunities and collaborative arrangements.
Strategic Objective 6

To create a governance framework built on transparency and accountability principles

Strategic Objective 6 focuses on maintaining the transparent and efficient operations of CCRIF. The Facility is developing an effective management framework for sustained growth that addresses both decision-making and governance with a focus on high-quality internal controls to enhance efficiencies and reduce the risk of business interruption. The concepts of transparency and accountability for sustainable development are integrated at all levels of the Facility’s decision making and into business planning as well as management information and control systems.

The focus for 2010-2011 within this Strategic Objective is on:

- Preparation of an updated Operations Manual
- Development of a protocol for planning, monitoring and evaluation
- Development of a business continuity plan

Progress during this quarter related to CCRIF’s governance and management is described below.

**CCRIF Board of Directors**

- The next meeting of the CCRIF Board of Directors will be held on 21-22 June 2011. Board member Dr Warren Smith announced that he will be resigning from the Board due to his new role as President of the Caribbean Development Bank (CDB). The CDB has nominated Ms Faye Hardy, Manager of the Treasury Unit, to replace Dr Smith on the Board. CCRIF looks forward to working with Dr Smith in his new capacity as CDB President and to welcoming Ms Hardy to the Board.

**CCRIF Strategic and Operational Planning**

- A strategic planning session was held on 23 February 2011 which included:
  - Discussion of CCRIF’s business continuity plan
  - Review of progress made during this policy year to date (June 2010 – February 2011) versus targets in the Strategic Plan 2009 - 2012 which were set in February 2010
  - Discussion of CCRIF’s revised communications plan

- During this quarter, CCRIF’s [Strategic Plan 2009/2010 – 2011/2012](#) was revised to accommodate the amendments made at the strategic planning session in February. The main amendments are described below.
  - An added emphasis on organisational sustainability was reflected by adding “Sustainability” to Strategic Objective 6 – which now reads “To Create an Effective Governance Framework built on Sustainability, Transparency and Accountability Principles” – and adding two activities to the CCRIF Action Plan for 2010-2011: to develop a business continuity plan and a risk management framework.
• The Action Plan 2010-2011 was updated by adding the progress made during the policy year.

• Indicators and targets for 2010/2011 and 2011/2012 were revised.

• The CCRIF Board discussed the continuity of CCRIF’s operations at the strategic planning session in February 2011, based on a list of options for business continuity presented by the Executive Chairman.

During this quarter, the Executive Chairman submitted to the Board, specific recommendations for business continuity of CCRIF through 2015. The recommendations addressed issues related to terms of membership on the Board, diversification of knowledge and duties within CCRIF, and consolidation of decision making in the region. The recommendations will be discussed at the Board Meeting in June 2011.

• CCRIF’s Communications Plan is fully aligned to CCRIF’s Strategic Plan 2009 – 2012 and has three goals as shown below.

Over the period 2009 - 2011, significant emphasis was placed on Goal 1. While it is clear that Goals 2 and 3 were impacted positively by the enhanced understanding of how CCRIF works and the Facility itself, it was agreed by the Board and the CCRIF Team that there must be greater emphasis in the next two years on the other two goals. In this quarter, an addendum to the CCRIF Communications Plan 2009-2011 was prepared, which focuses on additional activities and strategies to accomplish Goals 2 and 3 during 2011 - 2013.

**CCRIF Team**

• The CCRIF Board made the decision to extend the contract for Sustainability Managers, the current Corporate Communications Manager, to 31 May 2013. The Corporate Communications Manager is normally contracted for a period of two years, but under the terms outlined in the CCRIF Procedures Manual, this contract may be extended for up to a total of four years at the discretion of the Board. The Corporate Communications Manager is responsible for general public relations and communication, publications development, events planning, advertising management, strategic planning, and training and facilitation.
World Bank Operational Review of CCRIF

- In April 2011, the World Bank published a report, *Reducing Financial Vulnerability to Natural Disasters in the Caribbean: A Review of CCRIF’s Operation after its Third Season*. This review provides an external assessment of CCRIF during its third year of operations – from 1 June 2009 to 31 May 2010. The review assesses CCRIF’s 2009-2010 operations and its challenges and makes recommendations to take advantage of opportunities going forward. This is the third annual operational review of CCRIF conducted by the World Bank; reports of the first and second years of CCRIF’s operations are also available.

The main findings of the review are:

- CCRIF remains organisationally lean and strengthened key aspects of its operational structure and performance and governance in 2009–2010
- CCRIF’s overall budget increased again in 2009–2010, but is flat for 2010–2011
- CCRIF’s financial strength and risk bearing capacity have continued to strengthen.
- In 2009–2010, CCRIF continued to search for ways to increase its value to its members and consolidate its role as an important contributor to disaster risk reduction in the Caribbean.
- The launch of a technical assistance program and further efforts to strengthen relations with Caribbean institutions were also part of CCRIF’s search for ways to enhance its value added in the region.
- CCRIF continued its research and development program to finalise its second-generation hazard loss estimation model, develop an excess rainfall product, and support the efforts of the Caribbean Electrical Utility Service Corporation (CARILEC) to develop a parametric insurance facility for its members.

On behalf of the World Bank, CCRIF disseminated this report to its members and approximately 500 other stakeholders. Also, the report is available on the World Bank website.
OUTLOOK for NEXT QUARTER

During the first quarter of the next policy year – 1 June to 31 August 2011 – CCRIF will focus on supporting members as the 2011 Atlantic Hurricane Season begins. The US National Oceanic and Atmospheric Administration (NOAA) has announced that it expects more storms than average in 2011. During the 2011 season, which spans 1 June to 30 November, NOAA is forecasting 12-18 tropical storms, 6-10 hurricanes and 3-6 major hurricanes with winds of 111 mph or greater.

CCRIF will facilitate pre-event capacity development and planning by supporting and encouraging use of the Real-Time Forecasting System (RTFS), by issuing access and providing training and user support for the RTFS to members and other stakeholders.

Focused efforts will be directed at addressing the technical and data issues related to the Excess Rainfall product so that this new product may be offered to select CARICOM countries by November 2011. At the same time, implementation of the strategy for the roll-out of the Excess Rainfall product will continue. This strategy is intended to inform countries in the Region – including countries which are not currently CCRIF members – about the Excess Rainfall product and to encourage them to add this to their portfolio of catastrophe insurance as part of their overall disaster risk management programmes.

CCRIF will continue its involvement in discussions regarding adaptation to climate change. In June, Members of the CCRIF Team will participate in several sessions associated with the UN Climate Change Conference being held in Bonn, Germany, as listed below:

- 7 June: UNFCCC Event: Current knowledge, expertise and support to support the work programme on loss and damage under the Cancún Adaptation Framework
- 14 June: Germanwatch workshop on “Climate Insurance: A Pro-Poor Contribution to Climate Change Adaptation”
- 15 June: MCII Membership Assembly

Other events at which members of the CCRIF Board and/or Team will participate include:

- 6 - 7 June: Insurance Association of the Caribbean – Trinidad & Tobago
- 9 - 10 June: International Forum on Caribbean Investment and Development, Washington, DC
- 9 - 10 June: Forum for Agricultural Risk Management in Development (FARMD) Annual Conference 2011 – Zurich, Switzerland
- 13 - 14 June: Institute for the Study of the Americas seminar, Responding to Climate Change in the Caribbean – London, UK

In June, the World Bank will undertake a beneficiary assessment of CCRIF as part of its usual process towards preparation of the World Bank’s Implementation Completion Report. The beneficiary assessment will assess the value of CCRIF’s activities as it is perceived by its principal stakeholders – including disaster and emergency management officials, meteorological officers, and Ministry of Finance officials in CCRIF member countries.
### APPENDIX 1 – Progress in 2010-2011 towards Achievement of Strategic Objectives

#### Strategic Objective 1
To offer products and services responsive to members and stakeholders needs

**Progress against Targets**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td># of new products and enhancements</td>
<td>3 (scholarship programme, knowledge base – ECA Project, excess rainfall product)</td>
<td>Preliminary results of ECA study published 6 UWI scholarships and 2 external scholarships awarded; assistance for professional development provided to 4 persons Excess rainfall product expected to be offered November 2011</td>
</tr>
<tr>
<td>Product penetration rate&lt;sup&gt;2&lt;/sup&gt;</td>
<td>85% (29/34)</td>
<td></td>
</tr>
<tr>
<td>Dissemination of hazard event reports</td>
<td>A hazard event report prepared and disseminated within 24 hours of each hazard that affects a member country</td>
<td>10 hazard event reports were prepared and disseminated to affected countries and other stakeholders within 24 hours of the event 1 hazard event report prepared for non-triggering event and disseminated 10 days after event</td>
</tr>
</tbody>
</table>

#### Strategic Objective 2
To Raise the Profile of CCRIF as a Caribbean Community Entity

**Progress against Targets**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness raising materials (annual reports/quarterly reports, newsletters and other publications)</td>
<td>7 + 4,500&lt;sup&gt;3&lt;/sup&gt; annual report, quarterly reports, newsletters and 4 other publications</td>
<td>&gt;13 + 6,000 Annual Report 2009-2010 4 quarterly reports 4 issues of CCRIF News &gt; 10 other publications:</td>
</tr>
</tbody>
</table>

---

<sup>2</sup> # of countries taking policies/potential # of countries that could take these policies  
<sup>3</sup> 7 represents number of publications; 4,500 represents numbers of copies of these reports that are distributed to stakeholders, clients and other interested parties.
| # of new partnership agreements with regional entities | 2 (CARILEC, CCCCC) | MoU with CCCCC finalised; arrangements for signature to be made. Discussions underway with CARILEC, OECS, UWI, CARICOM; agreements not yet final Amendment made to MoU with CIMH Amendments being made to MoUs with CDEMA and UN-ECLAC |
| # of website visits from region | 3,000 | 8,358 (2,152 from Caribbean) |
| # of press listings | 100 | 326 |

### Strategic Objective 3
**To support disaster risk management**

#### Progress against Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td># of countries using existing disaster risk products (RTFS)</td>
<td>12</td>
<td>RTFS accessed by users in 11 member countries (and international users from 3 countries); extent of use assessed</td>
</tr>
<tr>
<td># of additional risk management products</td>
<td>3 (TA Programme Implementation – ECA Project, Scholarships; Haiti Reconstruction)</td>
<td>Preliminary results of ECA study published 6 UWI scholarships and 2 external scholarships awarded; assistance for professional development provided to 4 stakeholders from CCRIF member countries Technical assistance provided for Haiti reconstruction through the provision of high resolution rainfall and flood forecasting products</td>
</tr>
</tbody>
</table>

---

4 The metric was changed from # hits to # visits in February 2011
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td># of presentations/exhibits at workshops, conferences related to disaster management</td>
<td>6</td>
<td>&gt; 30</td>
</tr>
<tr>
<td># of publications, articles in newsletters and journals related to disaster management</td>
<td>4</td>
<td>9: In publications including Earth Conscious, Risk Professional, EcoAmerica, Ready 2010 (radio programme), SIDS-SIDS Success Stories, Bermuda - Premier International Finance Centre</td>
</tr>
<tr>
<td># of participants at CCRIF professional development session at annual Caribbean CDM Conference</td>
<td>65</td>
<td>49 – A session on the Early Warning System was held at the same time during the conference which was aimed at the same target audience.</td>
</tr>
</tbody>
</table>

**Strategic Objective 4**

**To expand coverage and membership**

**Progress against Targets**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td># of members</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Total exposure</td>
<td>US$618M</td>
<td>Target met</td>
</tr>
<tr>
<td>Diversification ratio</td>
<td>21.1%</td>
<td>Target met</td>
</tr>
</tbody>
</table>

**Strategic Objective 5**

**To achieve sustainable financial integrity**

**Progress against Targets**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probability of default</td>
<td>0.001</td>
<td>Target met</td>
</tr>
<tr>
<td>Claims paying ability to total exposure</td>
<td>$100M</td>
<td>Target met</td>
</tr>
<tr>
<td>Return on gross employed capital less donor contribution</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Financial strength of reinsurers</td>
<td>Composite AA-</td>
<td>Target met</td>
</tr>
</tbody>
</table>

---

5 CCRIF will try to prevent the occurrence of such conflicts in future conferences.
6 Total aggregate base exposure of portfolio
7 1,000-year loss on total portfolio/aggregate risk
8 Net income (less donor contributions/gross assets employed)
Strategic Objective 6
To Create a Governance Framework Built on Transparency and Accountability Principles

Progress against Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target for 2010-2011</th>
<th>Progress 2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Manual updated</td>
<td>By end of year</td>
<td>Completed</td>
</tr>
<tr>
<td>Protocol for planning, monitoring and evaluation developed and approved</td>
<td>First draft prepared by mid-year</td>
<td>Work on this will take place in the next policy year</td>
</tr>
<tr>
<td>by board</td>
<td>Approved by Board end of FY</td>
<td></td>
</tr>
<tr>
<td>Business continuity plan developed and approved by Board</td>
<td>Plan approved by Board by end of FY</td>
<td>Options for CCRIF business continuity discussed by Board in February 2011 Recommendations for business continuity provided to Board, to be discussed in June 2011</td>
</tr>
</tbody>
</table>
# APPENDIX 2 – PRESS COVERAGE

Articles in which CCRIF was mentioned during this quarter are presented below arranged by topic covered.

<table>
<thead>
<tr>
<th>Article Title</th>
<th>Source</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appointment of New Reinsurance Broker</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guy Carpenter takes over as reinsurance broker for the CCRIF</td>
<td>Artemis blog</td>
<td>10-Mar-11</td>
</tr>
<tr>
<td>Guy Carpenter appointed CCRIF placing broker</td>
<td>Insurance Daily</td>
<td>13-Mar-11</td>
</tr>
<tr>
<td>Guy Carpenter takes on CCRIF placing broker role</td>
<td>i-law.com</td>
<td>14-Mar-11</td>
</tr>
<tr>
<td>Guy Carpenter takes Caribbean risk pool from Aon Benfield</td>
<td>Insurance Insider</td>
<td>14-Mar-11</td>
</tr>
<tr>
<td>CCRIF selects new reinsurance broker</td>
<td>Jamaica Observer</td>
<td>14-Mar-11</td>
</tr>
<tr>
<td>CCRIF Selects New Reinsurance Broker</td>
<td>Business Journal</td>
<td>18-Apr-11</td>
</tr>
<tr>
<td><strong>CCRIF as a Model</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance and disasters in the developing world</td>
<td>Institute of Hazard, Risk and Resilience Blog</td>
<td>7-Mar-11</td>
</tr>
<tr>
<td>World Bank urges Indonesia to embrace CCRIF style cat cover</td>
<td>i-law.com</td>
<td>28-Mar-11</td>
</tr>
<tr>
<td>WB to RI: Do more on disaster prevention</td>
<td>Jakarta Post</td>
<td>14-Apr-11</td>
</tr>
<tr>
<td>An ATM for when disaster strikes?</td>
<td>Global Post</td>
<td>29-Apr-11</td>
</tr>
<tr>
<td>Countries finding new ways to pay for disaster relief</td>
<td>Reuters</td>
<td>6-May-11</td>
</tr>
<tr>
<td>Fresh calls for partnership to manage disaster risks</td>
<td>Insurance Day</td>
<td>13-May-11</td>
</tr>
<tr>
<td>Dealing with Disaster</td>
<td>Intelligent Insurer</td>
<td>May-11</td>
</tr>
<tr>
<td><strong>Climate Change</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change just one worry in struggling Haiti</td>
<td>AlertNet</td>
<td>1-Mar-11</td>
</tr>
<tr>
<td><strong>Other Topics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU provides St. Lucia and St. Vincent and the Grenadines with further aid related to hurricane Tomas damage</td>
<td>SKN Vibes</td>
<td>11-Mar-11</td>
</tr>
<tr>
<td>View from the Top: The role of reinsurance in disaster risk management</td>
<td>Post Online</td>
<td>8-Apr-11</td>
</tr>
<tr>
<td>CCRIF pays out over $32m since launch, expects 2011 renewals to be flat</td>
<td>Artemis blog</td>
<td>20-Apr-11</td>
</tr>
<tr>
<td>Briefing Kit for Saint Lucia + Storm Surge</td>
<td>ReliefWeb</td>
<td>13-May-11</td>
</tr>
</tbody>
</table>