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-appointed Board Member
Dr Warren Smith, Caribbean Development Bank-appointed Board Member
Garry Wilkins, Board Member
Ken Blakeley, Board Member

The CCRIF Team
Caribbean Risk Managers Ltd, Facility Supervisor
Sagicor Insurance Managers Ltd, Insurance Manager
London & Capital Ltd, Asset Manager
Aon Benfield Group, Reinsurance Broker
Sustainability Managers, Communications Manager
The Caribbean governments’ insurance fund for hurricanes and earthquakes

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, a not-for-profit company, is the first multi-risk pool in the world.
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Acronyms

5Cs  Caribbean Community Climate Change Centre
AFD  Agence Française de Développement
CaribRM  Caribbean Risk Managers Ltd.
CARICOM  Caribbean Community
CARILEC  Caribbean Electrical Utility Services Corporation
CCRIF  Caribbean Catastrophe Risk Insurance Facility
CDEMA  Caribbean Disaster and Emergency Management Agency
CDM  Comprehensive Disaster Management
CEO  Chief Executive Officer
CELP  Caribbean Emergency Legislation Project
CIF  Climate Investment Funds
CIMH  Caribbean Institute for Meteorology and Hydrology
COFAP  Council for Finance and Planning
COP15  15th Conference of Parties - Copenhagen United Nations Climate Change Conference
CTO  Caribbean Tourism Organisation
DESA  UN Department of Economic and Social Affairs
DFID  Department for International Development
DRRC  Disaster Risk Reduction Centre
ECA  Economics of Climate Adaptation
ECLAC  See UN-ECLAC
IAC  Insurance Association of the Caribbean
IDB  Inter-American Bank
IICA  Inter-American Institute for Cooperation on Agriculture
KAC  Kinetic Analysis Corporation
MoU  Memorandum of Understanding
MSI  Mauritius Strategy for the Further Implementation of the Barbados Programme of Action
OAS  Organization of American States
TA  Technical Assistance
UNDP  United Nations Development Programme
UN-ECLAC  United Nations Economic Commission for Latin America and the Caribbean
UWI  University of the West Indies
UWI-DRRC  University of the West Indies Disaster Risk Reduction Centre
INTRODUCTION

This report, for the period 1 March 2010 – 31 May 2010, is the final quarterly report in the 2009/2010 fiscal year. It aims to keep stakeholders and the public fully up-to-date with CCRIF’s activities on a more frequent basis than our Annual Report allows. The report is designed as an electronic document and we encourage you to utilise the hyperlinks to access background information on our website and those of our partners.¹

The primary focus during this quarter was the engagement of member countries – and potential new members – in discussions about earthquake and hurricane coverage in time for the new policy year which begins on 1 June. The January earthquake in Haiti highlighted the need for increased levels of catastrophe coverage that would result in larger payouts which would contribute more to ensure the continuity of government services and provide a springboard to more rapid and comprehensive recovery. At the same time, Caribbean countries are faced with reduced fiscal space emanating from the continued legacy of the global economic crisis. Against this background, the CCRIF Board and operations team met with country clients and key stakeholders to ascertain countries’ needs and made the case to international donor partners for the need for assistance in increasing the level of coverage that countries are able to garner from CCRIF.

It should be noted that the major forecasts for the hurricane season have been made public. The NOAA forecast (http://www.cpc.noaa.gov/products/outlooks/hurricane.shtml) estimates an 85% chance of an above-normal season, a 10% chance of a near-normal season and a 5% chance of a below-normal season. This could have serious implications for Caribbean islands and potential losses especially given the economic situation we are all in at this moment. This therefore makes the need for CCRIF even stronger.

It has been almost six months since the January 12 earthquake in Haiti. During this quarter, CCRIF continued to work closely with several international aid agencies operating in Haiti, providing them with relevant and actionable information for management of refugee tent-camps, safekeeping of their occupants, and for general displaced population planning purposes.

During the quarter, progress was made in two components of the CCRIF Technical Assistance Programme: the Scholarship/Professional Development programme and the Regional Strategic Knowledge Building component. In Component 1, arrangements have been made for three scholarships to be provided to masters students at UWI in the 2010-2011 academic year. In Component 2, CCRIF hosted a workshop to present the results of the Economics of Climate Adaptation (ECA) study conducted by a team composed of CaribRM on behalf of CCRIF, the Caribbean Community Climate Change Centre (5Cs) and other regional partners, with analytical support provided by McKinsey & Company and Swiss Re.

¹Hyperlinks are indicated by underlined text. Click on this text to access the referenced online document or website.
MANAGEMENT REVIEW

COFAP 2010

- Board Chairman, Mr Milo Pearson attended the 14th Meeting of the Council for Finance and Planning (COFAP) in Trinidad and Tobago on 27 February and 1 March 2010. He made a presentation to the Council on the activities of the Facility over the past year at the preparatory meeting of officials on 27 February and the Ministerial level meeting held on 1 March. CCRIF was recognised at the meetings as a positive model for disaster risk mitigation in the region. As CARICOM Secretary-General Edwin Carrington noted, CCRIF’s “prompt pay-out to Haiti turned out to be one of the significant sources of financing in this Haiti’s hour of need.”

CCRIF Strategic Plan

- A revised Strategic Plan 2009/10-2011/12 was prepared as an outcome of the Strategic Review Retreat held on 22 February. The document presents a (new) sixth strategic objective concerning governance of the Facility (see below), and describes each objective along with related sub-objectives. The strategic plan includes the one-year action plan for 2010-2011 as well as revised performance measures – indicators, targets and metrics. The revised strategic plan will be tabled for approval at a meeting of the Board to be held on 4 June, 2010.

“[CARICOM’s] wisdom and foresight were evident in the creation of the Caribbean Catastrophe Risk Insurance Facility (CCRIF) whose prompt pay-out to Haiti turned out to be one of the significant sources of financing in this Haiti’s hour of need.”

CARICOM Secretary-General Edwin Carrington, at COFAP 2010
**Facility Supervisor Contract**

- A Request for Expressions of Interest for the Facility Supervisor was issued in April. The Facility Supervisor is contracted for a period of three years and manages the day-to-day operations of CCRIF, including risk management, financial planning, catastrophe modelling, interacting with participant governments, coordination of the reinsurance placement and supervision of public relations and outreach efforts. The Facility Supervisor also is responsible for research and development that will be designed to improve catastrophe risk management in the region, improve existing CCRIF products and develop and implement new catastrophe-related products. Additionally, the Facility Supervisor is responsible for the implementation and monitoring of the CCRIF Technical Assistance Programme. The contract for Caribbean Risk Managers, the current Facility Supervisor, has been extended to July 2010 when the procurement process should be complete.

**CCRIF Sponsorships**

- During the quarter, CCRIF supported three communications/awareness raising initiatives, two of which will take place in the next quarter. These are described below.

  o CCRIF supported the 11th Caribbean Conference on Sustainable Tourism Development hosted by the Caribbean Tourism Organisation (CTO) held 9-12 May in Barbados by purchasing space for a booth in which members of CaribRM displayed various CCRIF publications including the quarterly reports, newsletters and booklets. The conference examined critical issues relating to sustainability and explored creative solutions to many of the challenges facing CTO member countries, including the effects of climate change.

  o CCRIF paid for “bronze-level” sponsorship for the 30th annual conference of the Insurance Association of the Caribbean (IAC) to be held on 13-15 June in Montego Bay, Jamaica. Conference participants will include approximately 500 professionals in the insurance industry, including reinsurers. Dr Simon Young will deliver a keynote address, discussing CCRIF and other parametric and cat insurance and climate change issues. As a sponsor, CCRIF will be acknowledged in the Marketing and Public Relations campaign before, during and after the conference.

  o CCRIF provided financial support for *Ready 2010*, a television series that focuses on preparedness for natural and man-made hazards in the Caribbean.
region. The Facility paid for a 30-second advertisement about CCRIF, and Chairman Milo Pearson participated in a one-hour interview, portions of which will be used in segments of the five-part series to be aired during prime time starting in June 2010 in 17 Caribbean countries. In the interview he discussed all aspects of CCRIF, including the organisation’s objectives, upcoming CCRIF events, the technical assistance programme – with special focus on the Economics of Climate Adaptation (ECA) project, and the payout to Haiti and reconstruction plans after the January earthquake.

Information Dissemination

- CCRIF distributed over 100 copies of the CCRIF quarterly report for the period 1 December 2009 – 28 February 2010 and 250 copies of the March 2010 newsletter, CCRIF News Vol. 1 No. 3 and latest publication, A Guide to Understanding CCRIF. A Collection of Questions and Answers, directly to CCRIF members and other stakeholders, including government ministers and permanent secretaries, officers in donor agencies, and representatives of the insurance, finance, disaster management, meteorology and environment sectors.

- CCRIF distributed information packages at several fora including the Barbados Hotel and Tourism Association (BHTA) Annual Disaster Management Symposium, the 11th Caribbean Conference on Sustainable Tourism Development hosted by the Caribbean Tourism Organisation (CTO) and all other events which CCRIF attended. The information packages included the CCRIF booklet of technical papers, CCRIF: A Natural Catastrophe Risk Insurance Mechanism for the Caribbean. A Collection of Papers and Articles, the CCRIF Q&A booklet, A Guide to Understanding CCRIF. A Collection of Questions and Answers, CCRIF climate change flyer, “The CCRIF Model – An Essential Component of a Climate Change Adaptation Strategy”, quarterly reports and newsletters.

- At the request of the World Bank, CCRIF disseminated the report, "A Review of CCRIF's Operation After Its Second Season" to all CCRIF stakeholders. The report provides an external assessment of the operations of CCRIF during its second policy year, 1 June, 2008 - 31 May, 2009. It was prepared by staff from the World Bank, which is administering the Multi-donor Trust Fund that has been supporting CCRIF’s initial operations, and consultants with actuarial, financial risk management, reinsurance, and disaster risk modelling expertise. The review concludes that CCRIF’s second year of operations was highly successful, as was its first. It outlines some of the challenges facing CCRIF as it consolidates its operations going forward and makes a number of recommendations in that regard. The report was intended primarily for the Facility's Board of Directors, but the World Bank and the CCRIF Board thought it would also be informative and useful to the participating countries, donors, and other stakeholders. For more information about the report, please contact Todd Crawford at tcrawford@worldbank.org.
FACILITY OPERATIONS

Policy Renewals

- CCRIF members’ current hurricane and earthquake policies are up for renewal on 1 June, 2010. To enable members to renew their CCRIF policies, the Facility Supervisor engaged in a number of activities during this quarter. The team met and communicated extensively with clients, providing complete risk profiles, updating the “adequacy analysis” of clients’ current coverage, and presenting quotes for alternative coverage characteristics (attachment and exhaustion points) and premium levels (either in total or a change in distribution between earthquake and hurricane) to help clients determine the best policy options.

- The team met and communicated with donor agencies to lobby on behalf of CCRIF participants for financing of premiums. Some possible long-term low-interest loan options are being offered by CDB. Letters were sent to OAS and the World Bank leaders in the time leading up to the CARICOM Heads of Government meeting held in Dominica on 11-12 March. OAS responded to the letter, indicating that, at the direction of Secretary General H.E. Jose Miguel Insulza, OAS will support CCRIF. He stated that “The OAS, through its Department of Sustainable Development will engage with the CARICOM Heads of Government and with bilateral and multilateral partners to explore ways in which we could help the Caribbean countries.” World Bank President, Robert Zoellick also responded positively, commending CCRIF for the rapid payout to Haiti, its new second generation model and the new excess rainfall product. He reinforced the Bank’s commitment to working with CCRIF to determine new ways in which the two organisations could help Caribbean countries improve their disaster management strategies.

- As part of CaribRM’s awareness-raising efforts in preparation for policy renewals, Dr Simon Young participated in an interview with BBC Caribbean News about the need for Caribbean governments to increase their insurance coverage.

Country Risk Profiles

- The Facility Supervisor completed the first draft of the updated country risk profiles for the sixteen CCRIF member countries and began development of profiles for five other countries who are potential future members. Each risk profile is comprised of three sections: 1 – background information describing the Second Generation Hurricane and Earthquake Hazard and Loss Estimation Model (HLEM) (upon which new CCRIF policies will be based) as well as the risk modelling methodology, facility loss model and asset vulnerability; 2 – the country profile including the hurricane and earthquake hazard, exposure and risk profiles; and 3 – technical notes. The profiles will be finalised early in the next quarter.
**ECA Project**
- CaribRM took a leading role in the CCRIF implementation of the Economics of Climate Adaptation (ECA) Methodology in the Caribbean. *Further details of this project are presented in the Policy Developments and Programme Implementation section below.*

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**TROPICAL CYCLONE AND EARTHQUAKE REVIEW**

There were no reported hurricanes or earthquakes affecting member countries during the quarter.

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**STRATEGIC ALLIANCES**

During this quarter CCRIF continued to implement initiatives with partner organisations in the region such as the Caribbean Institute for Meteorology and Hydrology (CIMH) and the Caribbean Community Centre for Climate Change (5Cs). *These initiatives are described in the Policy Developments and Programme Implementation section below.*

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**POLICY DEVELOPMENTS AND PROGRAMME IMPLEMENTATION**

**Policy Changes for 2010/11**

The following changes were made in the 2010/11 earthquake and hurricane policies:
- The policies are now based on CCRIF’s second generation loss model which better represents the risks faced in the Caribbean (see below for more information).
- The pricing multiple was reduced, by a little over 10%, for the third successive renewal period. These two factors contributed to changes in the attachment and exhaustion points and (general) increase in coverage limits for the 2010/11 policies.

In recognition of the exceptional fiscal challenges which the region continues to face this year, due to the global economic crisis, the CCRIF Board approved the release of up to half of the participation fee paid by each country to help countries cover premium payments.
Second Generation Hazard and Loss Estimation Model
CCRIF will be utilising its Second Generation Hazard and Loss Estimation Modelling (HLEM) platform to underpin policies for the 2010/11 policy year and beyond. This model better represents the actual levels of hurricane and earthquake risks faced in the Caribbean region and will enable CCRIF to offer additional products beyond hurricane and earthquake coverage.

Benefits of the new model include a reduction in the basis risk inherent in the loss indexing approach used in the first generation model. In addition to this, since the second generation model is built on techniques published in the scientific literature, it promotes a better understanding of the loss modelling process. This initiative supports CCRIF’s quest to provide a more open environment to assist Caribbean institutions such as the University of the West Indies (UWI) in developing a regional hazard and risk assessment and mapping capability in support of improved natural hazard risk management in the region.

An added benefit is that the Second Generation HLEM utilises the same hazard modelling base as the Real-Time Impact Forecasting System (RTFS).

Real-Time Impact Forecasting System 2010
CCRIF will provide its members with real-time hurricane hazard and impact information for the 2010 hurricane season through TAOS RTFS (‘The Arbiter of Storms’ Real-Time Impact Forecasting System).

The system enables users to access real-time estimates of the expected hazard levels and impacts on population for all tropical cyclones during the 2010 hurricane season. By providing potential hazard footprint maps and site-specific hazard and impact data through this platform, national preparedness and response mechanisms within CCRIF member states are enhanced. This real-time service will provide value to participants through improving their understanding of hurricane risks and also through providing valuable real-time information to both Emergency Managers and finance/economy officials.

The 2010 RTFS product is substantially similar to the 2009 product, but includes some internal processing improvements which make the product more robust. One significant addition is the introduction of some site-specific features for Haiti, to support the ongoing management of displaced populations. For critical locations, such as aid operation centers, refugee camps, transportation hubs, TAOS RTFS will produce site specific estimates of expected wind speed and coastal flooding heights during the approach of a storm. Information will be made available in various formats optimised for the required applications.
RTFS Training
CIMH conducted two RTFS training sessions on 23 April and 28 May in which 20 Meteorological Officers from Barbados, Dominica, Jamaica, Guyana, Trinidad & Tobago, the Cayman Islands, Anguilla and St. Vincent participated. These workshops supplemented an online workshop conducted especially for the Jamaica Meteorological Services in December 2009. An additional session is planned for June 2010.

CCRIF Implementation of the Economics of Climate Adaptation (ECA) Methodology in the Caribbean
Since the ECA project was launched on 26 February, a team composed of Caribbean Risk Managers on behalf of CCRIF, the Caribbean Community Climate Change Centre and other regional partners, has been intensely involved in data collection and analysis for a number of countries with analytical support provided by McKinsey & Company and Swiss Re.

On 12 and 13 May, CCRIF hosted a workshop to present the results of the study. The workshop provided an introduction to the Economics of Climate Adaptation approach and its application in the Caribbean and focused on sharing the preliminary findings of the study, examining the key insights and results for wind, sea level rise/coastal flooding, inland flooding and salinisation of groundwater.

Fifty-two representatives from Caribbean and international agencies participated in the workshop held at the Savannah Hotel and the Caribbean Development Bank. CCRIF sponsored the participation of representatives from disaster management, finance and planning agencies from CCRIF member countries. Other participants included representatives of 5Cs, ECLAC, UNDP, IDB, DFID, and IICA. Presenters included Mr Milo Pearson (Chairman of CCRIF), Mr Norman Cameron (Division Chief, Project Services Division of the CDB), Mr Marcel Normann, Dr Augusto Minatta and Mr Coenraad Vrolijk from McKinsey & Co., and Dr David Bresch from SwissRe.

Participants at the ECA workshop
(Source: The Barbados Advocate)
The final outputs of this study will include a risk baseline which will provide transparency about current and future expected losses from climate risks under three climate change scenarios; and assessment of adaptation measures – identification of feasible and applicable measures to adapt to the expected risks based on quantitative analysis of total cost and expected benefits of risk mitigation and transfer measures.

The results of the study will assist decision makers throughout the Caribbean region in defining and developing sound adaptation strategies and business cases which can be incorporated into national development plans. The recent climate change conference in Copenhagen reconfirmed the commitment to provide funding and technical assistance for climate adaptation to developing countries. The ECA study will help Caribbean leaders develop programmes that will be strong candidates for adaptation assistance.

**UWI Scholarship Programme**

Letters were exchanged between CCRIF and UWI formalising the CCRIF UWI scholarship programme which will provide scholarships to students at UWI who are pursuing courses of study related to disaster and environmental management. Arrangements are being made for the first three scholarships to be awarded for the 2010/2011 academic year. One will be awarded to a student in the MPhil programme and two will be awarded to students entering their second of three years in the B.Sc. programme for Geography/Geology at the Mona campus, Jamaica and Civil with Environmental Engineering at the St. Augustine campus, Trinidad. UWI has started the process of advertising the scholarships on its campuses.

**Technical Assistance for Re-construction of Haiti Initiative with CIMH and KAC**

CCRIF is working closely with several international aid agencies operating in Haiti, to provide them with relevant and actionable information for management of refugee tent-camps, safekeeping of their occupants, and for general displaced population planning purposes. For critical locations, such as aid operation centers, refugee camps, transportation hubs, TAOS RTFS will produce site-specific estimates of expected wind speed and coastal flooding heights during the approach of a storm. Information will be made available in various formats optimised for the required applications.

In addition to this, through the International Research Institute for Climate and Society at Columbia University, the RTFS will be made available to the humanitarian community and in particular the Red Cross/Red Crescent Climate Centre which is associated with recovery efforts currently underway in Haiti.

**Initiative with International Institutions**

Together with international public and private sector institutions, CCRIF is discussing with the Government of Haiti an initiative to assist with resilient reconstruction by providing a quantitative hazard/risk framework for redevelopment. The Government of Haiti is committed to a geographically-diversified reconstruction approach and already has identified multiple regional hubs and specific sectors, which will be nurtured in and around each regional hub.

This initiative will support the Government of Haiti in formulating policies and plans to ensure these hubs are as resilient as possible against natural hazards (earthquakes and hurricanes) and specifically, would estimate for each hub:
• the expected loss from natural hazards based on a 'Business as Usual' scenario, which assumes a reconstruction according to pre-earthquake building/planning standards
• the costs and benefits of selected adaptation measures that include risk mitigation measures as well as risk transfer measures

This fact base will be a valuable input for area-level planning to minimise risks to locations and respective sectors and at the same time will provide Haiti with an economic framework for managing risks both in the short term and in the longer term (e.g., risk costs built into project budgets from the start).

CONFERENCES AND FORA

CCRIF participated in several initiatives aimed at building capacity and supporting wider disaster risk mitigation activities in the region during the quarter. Also, partner organisations presented the CCRIF model in a number of professional conferences. These are summarised below.

• Members of the CCRIF Board and Team attended the Financial and Private Sector Development Forum 2010 held in Washington DC, on 2-3 March. The theme of the forum was “Getting Back to Business.” Board member Mr Isaac Anthony and Dr Simon Young, CEO of CaribRM, spoke at a session entitled Public-Private Partnerships in Catastrophe Risk Financing: Challenges and Opportunities for Developing Countries. Mr Anthony’s presentation focused on fiscal management of natural disasters in Saint Lucia and the role of CCRIF as a regional risk pooling mechanism; Dr Young’s presentation was on the role of CCRIF in the Caribbean. Participants included World Bank Group staff and clients who gathered to network and discuss the latest challenges in financial sector and private sector development.

• Mr Peter Melhado, President & CEO, ICD Group Limited (Jamaica), delivered a presentation on CCRIF on behalf of CaribRM at the Marketplace on Innovative Financial Solutions for Development, held in Paris on 4-5 March. The event was hosted by the World Bank, Agence Française de Développement (AFD) and the Bill and Melinda Gates Foundation, and sought to garner and highlight fresh ideas on financial solutions for development including innovative financial mechanisms for better mobilising, channelling and using funds. The presentation involved a discussion on CCRIF’s response to the Haiti earthquake and highlighted the potential of parametric insurance to help countries plan for and pre-finance natural disaster impacts as part of a comprehensive disaster risk management strategy. Mr Melhado also participated in a panel discussion on the role of innovative finance for development with Jacques Attali (CEO, Planet Finance), Eckhard Deutscher (President, Development Aid Committee, OECD), Ngozi Okonjo-
Iweala (Managing Director, The World Bank Group), Guillermo Perry² (Fellow, Center for Global Development), Luc Rigouzzo (Director General, PROPARCO), and Jean Michel Severino (Director General, AFD). The panel discussion was aired on France 24, an international news and current affairs television channel.

- CaribRM represented CCRIF at the Caribbean Regional Review Meeting of the Mauritius Strategy for the Further Implementation of the Barbados Programme of Action (MSI) held in Grenada on 16 & 18 March. The event was hosted by the Government of Grenada, and was jointly organised by the UN Economic Commission for Latin America and the Caribbean (ECLAC) and the UN Department of Economic and Social Affairs (DESA) as part of the regional preparatory process for the high-level review to be undertaken by the 65th session of the UN General Assembly, in September 2010. CaribRM’s attendance at this meeting was also used to introduce the CCRIF ECA project and the McKinsey/Swiss Re team to the country representatives and regional institutions present. The country representatives were primarily from the ministries of Foreign Affairs as well as a number of regional agencies. The draft Caribbean report on the MSI, tabled at the meeting, included references to CCRIF that reflected an increasing awareness of the Facility and the role it plays within the broader disaster management framework. This report has been updated based on the input of the participants at the meeting.

- Mr Michael Schwartz, of CCRIF reinsurer Swiss Re, made a presentation at the CIF Partnership Forum 2010: Building Alliances for Climate Resilience held 18 & 19 March in Manila, Philippines, hosted by the Asian Development Bank. Entitled, “How public sector risk transfer solutions can make societies more [climate] resilient,” the presentation highlighted CCRIF as a case study of a public-private partnership in risk management and an example of governments increasingly managing risks in a proactive and integrated way.

- Mr Nikhil da Victoria Lobo, of SwissRe, made a presentation about CCRIF at the Annual Meeting of the Boards of Governors of the Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IIC) held 19 - 23 March in Cancún, Mexico. This official gathering is a forum for discussion among the institution's Governors, most of whom are Ministers of Finance, Presidents of Central Banks, or other high level authorities of the member countries. Representatives of multilateral financial institutions, development agencies, and private banks also attend. It should be noted that, for the fifth consecutive year, the IDB Annual Meeting met the IDB goal of net zero greenhouse gas emissions.

² The book, Beyond Lending. How Multilateral Banks Can Help Developing Countries Manage Volatility, written by Perry, includes a chapter that mentions CCRIF and the role it and similar instruments can/should play in reducing natural catastrophe impacts.
• At the request of the Department of Sustainable Development of the General Secretariat of the Organization of American States (OAS), the CGM Gallagher Group made a presentation on CCRIF, entitled “Insurance as a Risk Reduction Tool and the Role of Parametric and Traditional Insurance” at an OAS workshop held on 25 March in Jamaica. The workshop was part of the Caribbean Emergency Legislation Project (CELP) financed by the Institutional Development Fund of the World Bank to support Caribbean countries in strengthening their budget appropriation, budget execution and institutional framework for emergency operations. The presentation presented parametric insurance as a natural companion to risk reduction within an overall risk management framework.

• SwissRe Americas Chairman Mr Walter Bell delivered a presentation at the World Economic Forum on Latin America held in Cartagena, Colombia on 6-8 April. Part of his presentation focussed on CCRIF’s response to Haiti and how the CCRIF mechanism works.

• Mr Martin Goddard, General Manager of CaribRM, represented CCRIF at the Barbados Hotel and Tourism Association (BHTA) Annual Disaster Management Symposium held on 22 April (Earth Day). The focus of the symposium was on ’Managing Natural Hazards.’ Mr Goddard explored the benefits of the Caribbean Catastrophe Risk Insurance Facility as part of a panel discussion. Other members of the panel were: structural engineer Tony Gibbs, meteorologist Kathy-Ann Caesar from the Caribbean Institute of Meteorology and Hydrology (CIMH) and Jeremy Collymore, Executive Director of the Caribbean Disaster and Emergency Management Agency (CDEMA).

• Ms Ekhosuehi Iyahen of CaribRM represented CCRIF at the regional workshop of the Caribbean Emergency Legislation Project (CELP) held in Saint Lucia on 21 May. The workshop provided an overview of key issues in disaster and emergency legislation and the CELP and provided a forum to discuss challenges in the institutional and legal frameworks of countries in the region. CCRIF was presented as a best practice example of how donor funds can be transformed into a sustainable funding source. Ms Iyahen delivered a presentation that focused on the Facility’s experience to date regarding emergency situations and in particular the experience/response of CCRIF to the earthquake which occurred in Haiti on 12 January 2010. Participants included disaster response personnel from Caribbean countries as well as representatives from regional and international organisations, including the Caribbean Community Climate Change Centre, Caribbean Policy Development Centre and the World Bank.
COMMUNICATION AND PUBLICATIONS

CCRIF regularly disseminates information to approximately 365 stakeholders. The CCRIF mailing list includes primary contact persons within the ministries of finance of existing and potential member countries, reinsurer companies, as well as approximately 275 “general stakeholders.” These stakeholders include regional representatives such as disaster management and meteorological officers, experts in climate change, environmental management professionals, members of donor agencies and international organisations, and interested individuals who request information from the Facility, including an increasing number of students. 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.

Publications

- During this quarter, the following CCRIF publications were produced and disseminated to over 150 stakeholders:
  - CCRIF Quarterly Report for the period 1 December 2009 – 28 February 2010
  - CCRIF Newsletter, CCRIF News Vol. 1 No.3 March 2010
  - Brochure, TAOS Real Time Forecasting System (RTFS) for CCRIF Countries
  - A draft brochure, Economics of Climate Adaptation was also produced. This will be finalised and disseminated in the next quarter.

- The article, “CCRIF Signs MoU with UN-ECLAC” was submitted and published in the March 2010 issue of Earth Conscious magazine, a quarterly magazine published in Trinidad & Tobago that explores issues related to climate change, sustainable tourism, energy, disasters and other environmental issues. The article is provided in Appendix 1.

Press Releases

- The following press releases were issued and disseminated during the quarter:
  - CCRIF – The case for upscaling (15 March 2010)
  - Economics of Climate Adaptation Study for the Caribbean (12 May 2010)

The releases were covered primarily by Caribbean and international newspapers and insurance/finance journals. Appendix 2 lists the press coverage of these releases as well as other news related to CCRIF.

Website

- During this quarter, work on the website continued in order to make it more user-friendly. The new site is designed to improve CCRIF programme delivery and service via the website, while increasing awareness of the Facility’s mission and role. The new website will go “live” in June. The process to

3 CCRIF publications can be found on the CCRIF website: www.ccrif.org
redesign the website included cycles of collecting feedback from the CCRIF Team, testing and revision. Specific new features include:

- more logical navigation through the site
- robust site search capabilities
- easier access to CCRIF publications and reports
- multimedia articles and interviews
- detailed information about CCRIF’s programmes, partnerships and projects
- allowing member countries to log in using a unique username/password in order to access the Real-Time Impact Forecasting System (RTFS). This will enable CCRIF to monitor the usage of the RTFS and to determine where additional support may be needed. The capability for the data to be automatically downloaded from KAC to the CCRIF site was maintained.

- Approximately 2,100 persons from the Caribbean, USA, Canada, the UK, Europe, Japan, China and other countries accessed the CCRIF website, making about 1.5 million “hits” on the website during this quarter. The number of hits from persons in the Caribbean was approximately 380,000 during the quarter (see Figure 1 below), well above the target of 45,000 as set in the CCRIF Strategic Plan 2009-2012. The number of hits was understandably lower than the previous quarter in which there was heightened interest due to the January 12 earthquake in Haiti. However, the number of hits on the site has been generally trending upwards since the first quarter of this year.

![Figure 1. CCRIF Website Hits per Country Group: March 2010 – May 2010](image-url)
NOTABLE MENTIONS

This quarter, coverage of CCRIF in the press focused on the need for greater catastrophe coverage, especially in the aftermath of the January earthquake in Haiti. CCRIF is increasingly being recognised in the government, insurance and disaster management sectors globally as an important mechanism to reduce financial risks due to natural hazards and as a key component of comprehensive disaster management in the Caribbean and is being used as a model for other regions in the world. Also there was coverage of CCRIF’s role in climate adaptation as interest in climate change continues to increase.

Some “notable mentions” of CCRIF during the quarter are listed below.

<table>
<thead>
<tr>
<th>Role of risk transfer set to escalate in ’10</th>
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<td>The growing role of risk transfer in disaster risk reduction and poverty alleviation is continuing to gather pace in 2010 after the number of public/private pilots and feasibility studies escalated during the past 12 months. …. Multi-county risk pools are also increasingly seen as having potential in light of the successful establishment of the Caribbean Catastrophe Risk Insurance Facility in 2007, with the disaster facility having provided a $1m grant towards the feasibility study for a Pacific Catastrophe Risk Insurance Pool to cover a number of island countries at frequent risk of cyclones.</td>
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<th>FEATURE: Early 2010 disasters force govts, multilaterals, industry to review strategies</th>
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<td>The natural disasters that hit Haiti, Chile, Mexico and Brazil in the early part of 2010 have hammered home the dangers faced by Latin American and Caribbean countries, as they claw toward economic recovery after the downturn beginning in late 2008 … Countries continue to work on sovereign risk management solutions, by gaining access to fundamental liquidity instruments such as CCRIF in the Caribbean, or other programs like contingency credit facilities or cat bonds. Additionally, risk prevention in conjunction with these efforts has proven essential.</td>
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<th>Chile and Haiti should act as a wake up call for World Bank</th>
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<td>Last weekend’s massive earthquake in Chile should have acted as a wake up call for the World Bank and the cat bond market. Recent earthquake activity has in my mind highlighted the need for the World Bank to quickly get some protection in place for other catastrophe-prone countries. … The Caribbean Catastrophe Risk Insurance Facility is a worthy facility that deserves to be better-supported by the private sector. A proper cat bond issuance could have paid out a decent amount to get the wheels turning on recovery in Haiti.</td>
</tr>
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</table>

Appendix 2 provides a listing of the press coverage for the quarter. The article titles are linked to the actual sources on the internet so that interested persons can see the entire article.

Publications and Reports

Key publications and reports in which CCRIF was included during this quarter are presented below.

- **Catastrophe Risk Financing in LCR: Recent Solutions and Challenges Ahead** IBRD Results Report published by The World Bank March 2010

- **The Haiti Reconstruction Effort - Promoting Small and Micro Enterprise in Haiti** Testimony before the US House Subcommittee on International Monetary Policy and Trade By Olivier Barrau, Managing Director, Alternative Insurance Company

- **The Potential for Scale and Sustainability in Weather Index Insurance for Agriculture and Rural Livelihoods.** Published by International Fund for Agricultural Development and World Food Programme March 2010


- **The Risk Sharing Implications of Disaster Relief Funds** Paper by Alex Boulatov, Bauer College of Business at University of Houston, and Stephan Dieckmann, Wharton School at University of Pennsylvania, 8 March 2010

APPENDIX 1 – EARTH CONSCIOUS ARTICLE

The following article appeared in the March 2010 issue of Earth Conscious magazine, a quarterly magazine published in Trinidad & Tobago that explores issues related to climate change, sustainable tourism, energy, disasters and other environmental issues.

The signing of the MoU with the UN Economic Commission for Latin America and the Caribbean (ECLAC), as well as CCRIF’s partnerships with other key institutions in the region such as UWI, the Caribbean Disaster and Emergency Management Agency (CDEMA) and the Caribbean Institute of Hydrology and Meteorology (CIHMI), has resulted in CCRIF developing a technical assistance (TA) programme for the region. The signing of the MoU with ECLAC also signaled the start of the roll out of this programme which has three components as follows:

One of the components – regional “strategic” knowledge building – in which the focus is on developing partnerships with regional institutions and providing funding for regional technical projects in natural hazards/risk science is where CCRIF and ECLAC will work together as defined by the MoU. The MoU is built on four pillars:

- The development and enhancement of a knowledge base for key natural hazard risks;
- The conduct of regional studies concerning the economics of climate change and the impact of natural disasters on particular sectors such as tourism;
- The development of decision-making tools by CCRIF and/or ECLAC to assist in mitigating the economic impacts of natural catastrophes; and
- The elaboration of climate change adaptation strategies to facilitate decision making across the region.

The provisions of the MoU will better enable CCRIF and ECLAC to further embrace their mutual goal of enhancing regional capacity for comprehensive disaster management (CDM) and coping with catastrophe risks as a result of natural disasters and more specifically to:

- determine how the original post-event economic impact estimates made by ECLAC compare to CCRIF’s model based loss estimates and to actual economic impacts six to nine months after an event
- determine the level of basis risk (if any) and whether or not short-term liquidity support would have helped to mitigate economic impact on the country
- undertake a further study on the cumulative macro socio-economic impacts of natural disasters on the Caribbean since 2004
- explore future opportunities for collaboration on regional studies concerning the economics of climate change, as well as the impact of natural disasters on particular sectors as appropriate.

At the signing in Trinidad in February, Milo Pearson, Chairman of CCRIF stated that “collaborative initiatives such as this are absolutely necessary as we seek to find forward-looking and sustainable solutions to reduce the risks created by the regional natural hazard landscape.”
APPENDIX 2 – PRESS COVERAGE

Instances in which CCRIF was mentioned during this quarter are presented below.

Caribbean newspapers and websites
- **Barbados Advocate** newspaper:
  - CCRIF premiums expected to decrease (5 March)
  - Disasters need more than prayers (10 March)
  - [Region in need of sound climate change adaptation strategies](#) (14 May)
  - Need for greater insurance coverage ahead of 2010 hurricane season (14 May)
  - CCRIF pressing ahead with Excess Rainfall Coverage … to address flooding and drought (14 May)
  - CCRIF working with UWI to roll out scholarship programme (14 May)

- **T&T Finance Minister is new COFAP chair** Stabroek News (3 March)

- **Disaster cover under review** Nation News online newspaper (Barbados) (19 March)

- Increasing disaster insurance Radiojamaica.com (1 March)

- Earthquake: Is Cayman ready? *The Observer on Sunday* newspaper (Cayman Islands) (16 May)

- **CCRIF management contract up for grabs** The Gleaner newspaper (Jamaica) (28 April) Also linked from Carib Daily website

- **St Kitts PM urges review of disaster plans** Caribbean 360 website (5 March)

- **Disaster cover under review** Nation News (Barbados) (5 March)

- **Economics of Climate Adaptation Study for the Caribbean** AntiguaPressReleases.com (14 May)

- **Economics of Climate Adaptation Study for the Caribbean** National Office of Disaster Services page on AntiguaNice.com website. Also linked from Planeta Azul website (19 May)

Insurance and Finance newspapers, journals and websites
- **Insurance Journal** website:
  - CCRIF Considering Need to Expand Coverages after Haiti Quake (17 March)
  - Barbados Meeting Analyzes Caribbean Climate Adaptation Study (14 May)

- **Insurance Day** newspaper:
  - CCRIF offers excess rain flood cover (1 March)
  - Role of risk transfer set to escalate in ‘10 (26 March)
• Business News Americas website:
  o After quakes, CCRIF makes push with governments, donors in renewal season (16 March)
  o FEATURE: Early 2010 disasters force govts, multilaterals, industry to review strategies. Part 1, Part 2. (28 & 29 April)
  o CCRIF to study economics of climate adaptation for island countries (13 May)

• Caribbean cat pool looks to offer higher payments The Insurance Insider (23 March)

• Recent earthquakes could cause insurance shake-up Keoghs LLP (insurance litigation firm) website (17 March)

• Can Public-Private Insurance Provide Sufficient Disaster Coverage? Response by Michael Diaz Jr on ChinaLat Law website for business and legal issues affecting China, Latin America and the United States

• Caribbean countries reviewing levels of coverage under CCRIF AllBusiness website (17 March)

• Earthquake cover for Haiti did not reflect county’s cat risk MicroRisk magazine Issue 2 Q2 2010

• Post Online
  o Countries assess CCRIF coverage (16 March)
  o CCRIF wants more coverage (17 March)

International newspapers, journals and websites
• Results Profile: Catastrophe Risk Financing in Latin America and the Caribbean From Reactive to Proactive: Innovative financing insures against natural disasters, speeds up disbursals The World Bank Website (March)

• Call to raise disaster insurance coverage BBC.com (2 March)

• Disaster Insurance BBC Caribbean News in Brief (2 March)

• Chile and Haiti should act as a wake up call for World Bank Reuters Blog by Sarah Hills (5 March)

• Bermuda’s Premier In Trinidad For Key CARICOM Finance Meeting South Florida Caribbean News (1 March)

• Economics of Climate Adaptation Study for the Caribbean ReliefWeb website (12 May). Also linked from websites: Humanitarian News, Ethiopian Review