

COAST FOR FISHERIES

FREQUENTLY ASKED QUESTIONS

A guide to how COAST works, how payouts are triggered, and what governments and fisherfolk need to know.



May 2026

THE CARIBBEAN AND CENTRAL AMERICA PARAMETRIC INSURANCE FACILITY AND DEVELOPMENT INSURER

MEMBERS

35

ANNUAL
COVERAGE
PURCHASED

US\$
1.44B
2025/26

PAYOUTS

82

BENEFICIARIES

>5M

PARAMETRIC INSURANCE PRODUCTS



Earthquake



Tropical
Cyclone



Excess
Rainfall



Fluvial Flood
(Runoff)



COAST
(Fisheries)



Electric
Utilities



Water
Utilities



Livelihood
Protection
Policy

A PREVIEW OF NEW PRODUCTS IN DEVELOPMENT



Drought



Agriculture



Tourism



Government
Infrastructure



Housing

TOTAL PAYOUTS
US\$ **483M**

PROVIDING
QUICK LIQUIDITY
FOLLOWING NATURAL HAZARD EVENTS SINCE 2007
to the Caribbean and Central America



CCRIF SPC is the Caribbean and Central America Parametric Insurance Facility and Development Insurer. It is the world's first multi-country, multi-peril risk pool based on parametric insurance and the leading provider of parametric insurance for Caribbean and Central American governments, as well as electric utility companies and water utilities. CCRIF offers parametric insurance for tropical cyclones, excess rainfall, runoff, earthquakes, and the fisheries and electric and water utilities sectors – insurance products not readily available in traditional insurance markets

CCRIF's success and value to its members

QUICK LIQUIDITY

Provides quick liquidity within 14 days of a natural hazard event when a policy is triggered.

PROTECTION GAP

Helps to close the protection gap by providing insurance solutions for economic exposure.

MODELS

Offers parametric insurance product underpinned by models customized for the regions we serve.

RISK POOLING

Benefits from the best prices for reinsurance, making coverage more affordable to members.

INNOVATION

Uses its base models to develop products for economic sectors and vulnerable persons.

LOSS AND DAMAGE

Helps countries manage growing risks and losses from climate change.

Programme Overview



1. What is COAST?

COAST (Caribbean Oceans and Aquaculture Sustainability Facility) is the world's first parametric insurance product designed specifically for the fisheries sector. It is a sovereign parametric insurance mechanism that provides rapid financial protection to governments for fisherfolk and coastal communities when they are affected by extreme weather events.

COAST was launched in 2019 with financial support from the U.S. State Department, with CCRIF SPC and the World Bank providing technical leadership and model development. It provides quick payouts to governments for:



Adverse Weather for Livelihood Protection – high waves or heavy rainfall that prevent fishing activity



Tropical Cyclones – wind and storm surge that damage fishing vessels, gear, and infrastructure

Governments then use these funds to support fisherfolk and cooperatives, and repairs to fisheries infrastructure.

2. Which countries currently have COAST policies?

Six Caribbean countries currently hold COAST policies:



Anguilla



Barbados



Grenada



Saint Lucia



Saint Vincent and the Grenadines



Turks and Caicos Islands

Grenada and Saint Lucia have held COAST policies since the launch of the product in 2019. COAST is available to all CCRIF Caribbean member governments.

3. Who buys the COAST policy?

The Government buys the COAST policy - not individual fishers. COAST is a sovereign insurance product, meaning:

- ✔ The Ministry of Finance is the policyholder and premium payer
- ✔ Payouts are made by CCRIF directly to the Government
- ✔ The Government determines how to allocate funds based on impact, severity of damage, and national recovery priorities

Payouts are not individual entitlements; they represent sovereign liquidity to support the recovery of the fisheries sector.

4. What institutions are involved in implementing COAST?

COAST implementation involves several national agencies working together:



- **Ministry of Finance** - lead agency for policy purchase, premium payment, and receipt of payouts; oversees financial reporting and audit
- **Division of Fisheries** - maintains the fisheries beneficiary database, verifies fisherfolk and vessel registration, conducts post-event damage assessments, and identifies priority needs for payout allocation
- **Disaster Management Agency** - provides hazard impact data, damage assessments, and geographic impact mapping; supports Tier 3 infrastructure recovery
- **Accountant General / Treasury** - executes financial transfers to beneficiaries and vendors, maintains financial records for audit
- **Cooperatives and fisherfolk organizations** - disseminate information, validate beneficiary lists, and help identify community-level recovery needs

Data governance is coordinated through a COAST Data Working Group, which brings together the Fisheries Division, Maritime Authority, Social Protection Agency, and cooperatives to oversee database updates, ensure data quality, and approve final beneficiary lists.



How COAST Works



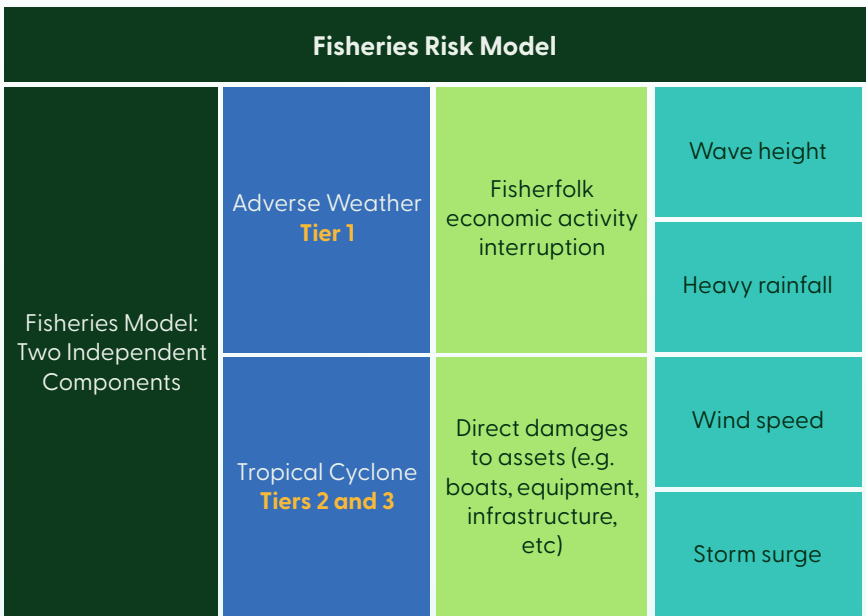
5. How is a COAST payout triggered?

COAST payouts are triggered by data, not by damage assessments. CCRIF uses:

- ✓ NOAA and National Hurricane Center storm data
- ✓ Rainfall and wave height datasets
- ✓ The COAST model, which adapts CCRIF's Tropical Cyclone (TC) and Excess Rainfall (XSR) models to reflect the characteristics of the fisheries sector

A payout is triggered when modelled losses exceed the policy's attachment point. An external Verification Agent independently runs the model to confirm the payout amount before funds are released.

6. How is the COAST model structured?



The COAST model has two independent components that assess different types of risk:



Adverse Weather (AW) for Livelihood Protection Component - akin to business interruption cover, provides livelihood protection for fisherfolk. It estimates economic losses when fishers cannot go to sea due to high waves or heavy rainfall. Losses are aggregated annually.



Tropical Cyclone (TC) Component - calculates direct damages from tropical cyclone-induced strong winds and storm surge to fishing vessels, gear, and fisheries infrastructure. Losses are calculated on an event-by-event basis using CCRIF's SPHERA (System for Probabilistic Hazard Evaluation and Risk Assessment) model.

Because the two components are independent, a country can receive a payout under the AW component, the TC component, or both in the same policy year.

Understanding the Adverse Weather Component

The Adverse Weather (AW) for Livelihood Protection component is trying to answer one question: ***how many fishing days were lost this year because the sea was too rough or the rain too heavy?***

It does this by looking at two weather conditions, separately:



Rough seas – caused either by storms nearby, or by swells travelling from hundreds of kilometres away



Heavy rainfall – excess rainfall events that keep fishers ashore

What counts as an “Adverse Weather Event”

A day is counted as an adverse weather day if either the wave height or the rainfall crosses a given threshold. The event “ends” when both are back below the threshold. So, it’s an “or” to start, an “and” to stop. This is

a deliberately protective design: even if only one hazard is bad, fishers still can't safely go out. The thresholds themselves are different for small boats and medium boats, because a wave height that is manageable for a medium boat may be dangerous for a small one.

How losses are calculated

Simple multiplication:

- ➔ lost fishing days × number of fisherfolk at that landing site × daily value of a fishing day = loss for that landing site.
- ➔ The country's total loss after a rainfall event is the sum of all landing sites, totalled up to that point in the year.

The 3-day rule

This is the important bit that shapes the whole component. Events shorter than 3 days don't count at all toward the annual total.

The reason is that the policy isn't trying to compensate every time the weather is bad for an afternoon - that's normal fishing life. It's designed to catch the years when bad weather drags on long enough to genuinely disrupt livelihoods. A 2-day blow is a bad week; a 5-day blow is a lost pay cheque.

Why this matters for fisherfolk and governments

- ➔ The policy pays out based on cumulative bad weather across the year, not any single event. A country could have several multi-day adverse weather events and receive one aggregated Tier 1 payout at year-end.
- ➔ Short, sharp disruptions (a single storm day, a squall) are not covered by the AW for Livelihood Protection component – those are absorbed by fisherfolk as normal business risk.
- ➔ Tropical cyclones are handled separately under the TC component (Tiers 2 and 3) so a hurricane wouldn't be captured here, it would trigger a different payout.
- ➔ The loss figure is a modelled estimate, not an actual measured loss. It represents what the model calculates fisherfolk likely lost based on weather data and the number of fishers at each site – which is exactly why keeping the beneficiary list accurate matters so much. If the model thinks there are 50 fishers at a landing site but there are actually 120, the modelled loss will be significantly understated. 9

Understanding the Tropical Cyclone Component:

The Tropical Cyclone (TC) Component includes the assessment of direct damages due to a tropical cyclone event (winds and storm surge) to fishing vessels, fishing equipment and infrastructure, which is related to tropical cyclone-induced strong winds and storm surges. This is based on:



High winds – 1-minute sustained wind speed at a height of 10m



Storm surge

The assets that form the basis of the policy comprise infrastructure, vessels and fishing equipment, each described by location, economic value (replacement cost or estimated income), and physical attributes (materials, dimensions, engine type) that determine their vulnerability to a catastrophe event. This is described in the table below:

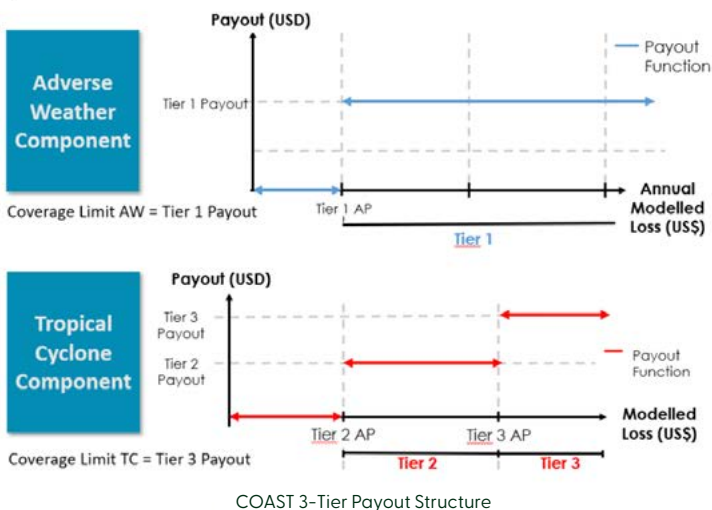
Asset Type	Description	Replacement Cost	Source of information
Infrastructure	<p>Ports (large, medium, small)</p> <p>Landing sites (with infrastructure and land infrastructure only)</p> <p>Both include sheds, warehouses, docks, harbours, gas stations, marketplaces, and offices among others</p>	SPHERA replacement costs corrected by GDP as a percentage of the total fishing activity	<p>Aerial surveys and photogrammetry</p> <p>Previous work on the SPHERA model</p> <p>Reports from local institutions</p>
Vessels and fishing equipment	Boats (small, medium)	Boat	<p>Local information</p> <p>Government information</p> <p>FAO country reports</p> <p>CRFM</p>
Fisherfolk	Fisherfolk (full and part time)	Historical value of daily catch to estimate daily business interruption GDP estimates	<p>Government information shared with the World Bank</p> <p>FAO country reports</p> <p>CRFM</p>

Modelled losses are calculated using the same methodology as CCRIF's standard Tropical Cyclone model (SPHERA). For each asset type, a vulnerability curve relates the hazard intensity (wind speed or storm surge) to a damage ratio. Country losses are obtained by summing losses across all asset types.

Unlike the Adverse Weather for Livelihood Protection component, the TC component is event-based: each qualifying tropical cyclone is evaluated on its own, and losses are not aggregated across the year. The TC component drives two payout tiers - Tier 2 (Community Recovery) for moderate modelled losses falling between the Tier 2 and Tier 3 Attachment Points, and Tier 3 (Infrastructure Recovery) for severe modelled losses exceeding the Tier 3 Attachment Point. The TC and AW for Livelihood Protection components operate independently, so a country can receive payouts under both in the same policy year.

7. What is the three-tier payout structure?

COAST payouts are organized into three tiers, each triggered by a different combination of model component and severity of modelled loss, and each with a defined purpose under the Operations Manual:



Tier 1

Adverse Weather for Livelihood Protection.

Triggered when annual modelled losses under the Adverse Weather Component exceed the Tier 1 attachment point. Funds are distributed as direct cash transfers to fisherfolk. Referencing figure, “COAST 3-Tier Payout Structure”, the blue arrow shows what happens at different loss levels:

- **At or Below Tier 1 AP (Attachment Point):** no payout. The short blue arrow at the bottom-left shows this flat zone, sitting at zero on the payout axis.
- **Above Tier 1 AP:** the policy pays out. The long blue arrow extends horizontally at a fixed height – the Tier 1 Payout amount.
- The horizontal axis is **annual modelled loss** – note that word “annual.” This is the cumulative loss across the whole policy year, built up from all the multi-day adverse weather events that meet the 3-day rule.
- The critical thing the diagram is illustrating: **the Tier 1 payout is a lump sum.** Once the Tier 1 Attachment Point is crossed, the payout amount is the same whether the modelled loss is just above the trigger or far above it. It doesn’t scale up with worse weather.
- The label “Coverage Limit AW = Tier 1 Payout” at the bottom left is saying exactly this – the maximum the AW component will ever pay is that one Tier 1 lump sum.

Tier 2

Tropical Cyclone Community Recovery.

Triggered when a TC event’s modelled loss falls between the Tier 2 and Tier 3 Attachment Points (a moderate TC loss). Funds support shared community assets and collective recovery needs.

Tier 3

Tropical Cyclone Infrastructure Recovery.

Triggered when a TC event's modelled loss exceeds the Tier 3 Attachment Point (a severe TC loss). Funds support the repair or replacement of fisheries infrastructure, including boats.

Because Tier 1 is driven by a different model component from Tiers 2 and 3, the payouts are estimated independently. A country can receive a Tier 1 payout for adverse weather and a Tier 2 or Tier 3 payout for a tropical cyclone in the same policy year.

For the Tropical Cyclone Component (Tiers 2 and 3), again referencing figure, "COAST 3-Tier Payout Structure", the horizontal axis here is just modelled loss – no "annual." That's deliberate. The TC component is event-based, so this diagram applies per tropical cyclone, not per year.

- **At or below Tier 2 AP:** no payout. Short red arrow at zero.
- **Between Tier 2 AP and Tier 3 AP:** a Tier 2 Payout. Middle red arrow, at a moderate height on the payout axis.
- **Above Tier 3 AP:** a Tier 3 Payout, which is larger. Upper-right red arrow, at a greater height on the payout axis.

So, for a tropical cyclone, as modelled losses grow severe enough to cross each threshold, the payout steps up. Grenada's Beryl payout sat in the Tier 3 zone, to the right of the Tier 3 AP on this axis.

Coverage Limit TC = Tier 3 Payout is making the same point as the AW coverage limit – the most the TC component will ever pay for a single storm is the Tier 3 payout amount. However, more than one tropical cyclone can trigger the policy if the payouts total less than the Tier 3 amount.

Three things that matter for anyone understanding how COAST pays out:

The payouts are stepped, not sliding. There's no gradual scaling where a slightly worse storm gives you a slightly bigger cheque. If the threshold is crossed, the Government receives a fixed amount. Cross the next threshold, the Government gets a larger fixed amount.

The two components are mirror images of each other, but with different logics. AW gives you one annual lump sum if bad weather has accumulated enough over the year. TC gives you a per-storm step-up, because each cyclone event is evaluated on its own.

The Attachment Points are what governments actually choose when buying the policy. Moving the Tier 1 AP left makes the policy trigger more easily (and the premium goes up). Moving it right means fewer payouts (and lower premium). The Tier 2 and Tier 3 APs work the same way for the TC side. This is what the parameter discussion in the policy cycle is really about.

8. What triggers a Tier 1 (Adverse Weather for Livelihood Protection) payout?

A Tier 1 payout is triggered when:

- ➔ High waves and/or heavy rainfall exceed the model thresholds
- ➔ The adverse conditions persist for 3 or more consecutive days (shorter events do not contribute to annual losses)
- ➔ The total annual modelled loss across all landing sites exceeds the AW for Livelihood Protection Attachment Point

When triggered, the country receives a lump-sum payout at the end of the policy year, which is distributed as direct cash transfers to fisherfolk. Country losses are obtained by summing the individual event losses and

then these are aggregated on a yearly basis since the model aims to identify years with very bad weather and long interruptions of fishing activities. Therefore, events of fewer than 3 days are not considered in the total account of annual losses.

Typical uses for Tier 1 funds include household support, food security, income stabilization, and replacement of small gear items.

9. What triggers Tier 2 and Tier 3 (Tropical Cyclone) payouts?

A TC payout is triggered when:

- A tropical cyclone passes near the country
- NOAA/NHC data shows damaging wind speeds and storm surge
- The COAST model calculates modelled losses to boats, gear, and infrastructure
- Those losses exceed the Tier 2 or Tier 3 Attachment Point

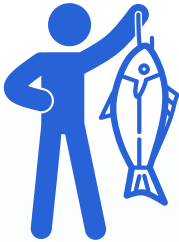
Tier 2 – Community Recovery is triggered at moderate loss levels. Eligible uses include ice machines, refrigeration units, cold storage, community gear (nets, safety equipment), repair of cooperative facilities, and fuel storage improvements.

Tier 3 – Infrastructure Recovery is triggered at severe loss levels. Eligible uses include landing site repairs, docks, jetties and piers, processing plants, sheds and storage buildings, fuel depots, ice plants, market facilities, and boats damaged by wind or storm surge.

Decision making on Tier 2 and Tier 3 uses is led by the Fisheries Division for Tier 2, in consultation with cooperatives and jointly with the Disaster Management Agency for Tier 3. TC payouts may be used flexibly, based on impact but must be used within the fisheries sector and the fisheries value chain.

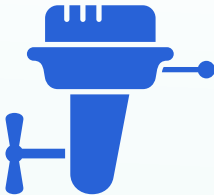
10. What is the fisheries database and why is it important?

The fisheries database is the foundation of the COAST model. It determines who receives Tier 1 cash transfers, which assets are included in the TC model, the accuracy of modelled losses, and the fairness and speed of payout distribution. It includes three categories of data:



1 **Fisherfolk**

- Full name and national ID
- Gender
- Role in the value chain (fisher, captain, crew, vendor, processor, boat boy, scaler, diver)
- Landing site and cooperative membership
- Bank or mobile wallet details
- Social protection linkages (where applicable)



2 **Vessels and Gear**

- Vessel registration number and name
- Vessel type, size, and material
- Engine details and horsepower
- Gear type(s)
- Owner details and replacement value



3 **Fisheries Infrastructure**

- Landing sites
- Docks and jetties
- Ice plants and cold storage
- Processing facilities
- Fuel depots

The beneficiary list must be updated annually and validated before the start of each policy year. Full specifications for the beneficiary list are provided in Annex A of the Operations Manual.

11. How is the beneficiary list verified?

Before the start of each policy year, beneficiary lists must be validated through multiple verification steps:

- ✓ Cooperative validation of membership and roles
- ✓ Landing site verification of active status
- ✓ Cross-matching with Maritime Authority vessel and ownership records
- ✓ Cross-matching with social protection registries to identify vulnerable groups

Verification is deliberately inclusive. Cooperatives, landing site officers, and community leaders work together to ensure women vendors and processors, youth, boat boys, scalers, and other informal workers are captured on the list.

12. What are the key CCRIF policy parameters?

At the start of each policy year, the Government selects four parameters for each component (AW for Livelihood Protection and TC) that determine when a payout occurs, how large it is, and what the country pays in premium:

Attachment Point (AP) - the trigger threshold. If modelled loss is below the AP, no payout is made. If modelled loss is above the AP, a payout is triggered.

Exhaustion Point - the maximum loss level covered by the policy. At this point, the full coverage limit is paid.

Ceding Percentage - the share of losses the policy covers between the Attachment Point and the Exhaustion Point.

Coverage Limit - the maximum payout available under the policy.

Policy Cycle and Payout Proces



13. What does the annual COAST policy cycle look like?

The COAST policy year runs in alignment with CCRIF's Policy Year (June 1 – May 31):

- ➔ **Pre-budget** - CCRIF provides recommended budget guidance before national budget preparation.
- ➔ **March - April** - CCRIF holds its annual renewal roadshow; Governments review risk profiles, discuss policy options, and decide on parameters and coverage.
- ➔ **Before 1 June** - Government signs the policy contract, pays the premium, and completes pre-season sensitization sessions with fisherfolk. Premium payment by 1 June is required to activate coverage.
- ➔ **June to November (Atlantic Hurricane Season)** - CCRIF continuously monitors tropical cyclones and adverse weather conditions against the COAST model thresholds.
- ➔ **December to May** - CCRIF continuously monitors adverse weather conditions against the COAST model thresholds.
- ➔ **Post-event (if triggered)** - CCRIF prepares event reports, notifies the Ministry of Finance, and makes the payout within 14 days. Government then distributes funds within 7 days of receipt.

14. How quickly are COAST payouts made?

CCRIF pays the Government within 14 days of the event. This is possible because:

- ➔ No on-the-ground damage assessments are required
- ➔ The model uses official hazard data (wind, rainfall, waves, storm surge)
- ➔ The payout amount is calculated automatically against pre-agreed policy parameters
- ➔ An external Verification Agent independently confirms the amount before release

15. How quickly must the Government distribute the payout?

Governments are required to distribute funds within 7 days of receiving the CCRIF payout. This ensures fisherfolk receive support quickly, infrastructure repairs begin promptly, and food security is protected.

Before distributing Tier 2 or Tier 3 funds, governments are expected to conduct consultations with cooperatives, document community priorities, and record the rationale for allocation decisions.

16. How does the Government decide how to use the payout?

Because COAST is a sovereign product, the Government decides how to allocate funds. The decision is guided by the country's COAST Operations Manual and is based on:

- ✓ Geographic distribution of the event's impact
- ✓ Severity and nature of damage (livelihood interruption vs. asset damage)
- ✓ Vulnerability of affected groups
- ✓ National recovery priorities
- ✓ Findings from a Rapid Needs Assessment where applicable

COAST does not mandate equal distribution; it mandates responsible, impact-based allocation within the fisheries sector.

17. How is transparency and accountability ensured?

Within 3 months of receiving a payout, the Ministry of Finance must prepare a report with:

- ➔ Number of beneficiaries paid (with gender and age breakdowns)
- ➔ Amounts disbursed
- ➔ Timeliness of distribution
- ➔ Supporting financial records

Governments must also complete CCRIF's Use of Payouts report template, which captures activities funded, percentage allocation, beneficiary numbers, timing of fund use, and the decision-making process. All reports must include gender-disaggregated data covering:

- ➔ Number of men paid
- ➔ Number of women paid
- ➔ Number of youth paid
- ➔ Number of vulnerable groups included

Documentation must also cover how women, youth, and vulnerable groups were included in beneficiary lists and consultations, along with community consultation minutes, attendance lists, and infrastructure damage assessments where applicable.



18. What makes COAST different from traditional insurance?

COAST is a parametric product, not an indemnity product. This means:

- ➔ No claims process
- ➔ No on-site damage assessments
- ➔ No loss adjusters
- ➔ No lengthy delays

Payouts are based on hazard intensity, modelled losses, and pre-agreed policy parameters. This makes COAST faster, more transparent, more predictable, and more affordable than traditional insurance for the fisheries sector.



19. Why is COAST important for the fisheries sector?



COAST:

Protects fisherfolk from income shocks after extreme weather



Supports rapid recovery of fisheries operations after storms



Strengthens food security in coastal communities



Reduces the unpredictable burden on government budgets



Encourages climate-smart and sustainable fisheries practices



Supports women and other vulnerable groups across the fisheries value chain



Helps build a stronger blue economy in the region

Case Study: Grenada and Hurricane Beryl (July 2024)



'Inspiration taken from Beryl in Barbados Fishing boats thrown by Hurricane Beryl © (AP Photo/Ricardo Mazalan)'

20. How many COAST payouts have been made to date?

Since the launch of the COAST product in 2019, one COAST payout has been made. The Government of Grenada received a payout of US\$1.066 million following Hurricane Beryl in July 2024.

21. What triggered Grenada's COAST payout?

Hurricane Beryl made landfall on Grenada's island of Carriacou as a Category 4 storm on 1 July 2024, producing severe tropical cyclone impacts - high winds and storm surge - that caused significant damage to fishing vessels, engines, gear, landing sites, and fisheries infrastructure. The COAST Tropical Cyclone model calculated modelled losses above Grenada's Tier 3 Attachment Point, triggering a Tier 3 payout (TC Infrastructure Recovery).

23. How was the payout used?

The Government of Grenada used the Tier 3 payout to rehabilitate the fishing fleet and restore livelihoods, enabling fishers to resume operations in the shortest possible time. Activities included:

- ✓ Repairs to damaged vessels
- ✓ Replacement of engines and gear
- ✓ Direct transfers to the bank accounts of registered vessel owners and fisherfolk

More than 600 fisherfolk benefited. Because the payout supported vessel repairs, the benefits reached both vessel owners and the crew members who work on those boats. To spread support broadly, fishers agreed to receive 50% of their assessed damage value, meaning individual amounts varied.

24. Why is this payout important for COAST?

The Grenada payout demonstrated that:

- The COAST model works as intended
- Payouts are rapid, reaching the Government within 14 days
- Funds can reach fisherfolk quickly through direct bank transfers
- Governments can use COAST TC payouts flexibly, based on impact and national priorities
- COAST can meaningfully support recovery of the fisheries sector

Key lessons learned from the Beryl distribution, now embedded in the 2026 Operations Manual, include:

- Accurate beneficiary lists are essential for rapid and equitable distribution
- Updated vessel registries ensure correct modelling and allocation
- Clear payout protocols reduce delays and confusion
- Inclusion of women and processors strengthens equity and reflects the true value chain
- Rapid, trusted communication with fisherfolk reduces misinformation.



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