



**15** YEARS  
SERVING  
OUR MEMBERS  
SUPPORTING  
SUSTAINABLE  
FUTURES



ANNUAL REPORT  
**2021/22**



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**2021/22**

**PUBLISHED BY CCRIF SPC**

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# 15 YEARS

## SERVING OUR MEMBERS

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Providing Access to Quick Liquidity in  
the Caribbean and Central America  
following Natural Disaster Events

Still committed, focused and striving  
for excellence!

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15 years of Providing Access to  
**Quick Liquidity**  
in the Caribbean and Central America  
following Natural Disaster Events

**24**  
MEMBERS

Coverage Purchased

**> \$1 Billion**

TOTAL PAYOUTS

**58** PAYOUTS | **\$260** MILLION

PRODUCTS:



Tropical  
Cyclone



Earthquake



Excess  
Rainfall



Fisheries



Electric  
Utilities



PERSONS BENEFITTING FROM PAYOUTS

**>3.5 Million**

POPULATION OF  
THE CARIBBEAN AND  
CENTRAL AMERICA

**50**  
MILLION



2021 represented 15 years since CCRIF was established in the Caribbean, initially with 16 member governments and at that time providing only tropical cyclone and earthquake parametric insurance policies. Since 2007, there have been several positive changes and progressive movements. Key accomplishments of the Facility have included:

<b>MEMBERSHIP</b>	has increased to 24, including 3 members from Central America and 2 electric utility companies
<b>REACH AND FOOTPRINT</b>	of the Facility has extended beyond the Caribbean to include Central American countries
<b>PRODUCTS</b>	3 additional products are on offer – excess rainfall, COAST (fisheries) and an electric utilities product for overhead transmission and distribution systems, bringing the total number of products to 5
<b>SPC</b>	the Facility became a segregated portfolio company (SPC) in 2014 which allowed it to offer coverage to other regions and sectors and also to introduce new products to cover additional perils
<b>RESOURCING AND FINANCING</b>	a second MDTF was established by the World Bank to support the development of CCRIF SPC's new products for current and potential members and facilitate the entry of Central American countries and additional Caribbean countries. CCRIF also has received financing from other partners such as the Caribbean Development Bank, Government of Ireland and the European Union
<b>COVERAGE</b>	currently providing over US\$1 billion in coverage compared to US\$500 million when the Facility started in 2007

### CCRIF operates as a development insurance company and commits to:

- Support its members following catastrophic natural disasters and in times of crises by providing quick liquidity
- Seek out opportunities to enable its members to enhance their resilience to current and future natural hazards by providing new parametric insurance products
- Engage development partners to secure additional financing and opportunities
- Collaborate with members and national, regional, and international organizations on programmes designed to enhance resilience at the national and community levels
- Negotiate the best prices for reinsurance, to continually make its parametric insurance products more affordable to members and to enable them to purchase levels of coverage consistent with their needs
- Advance comprehensive disaster risk management and ecosystems-based adaptation solutions for the betterment of the peoples of the Caribbean and Central America in keeping with the 2030 Agenda for Sustainable Development and the thrust to 'leave no one behind' in the development space.



In addition to operating as a development insurance company, CCRIF is also a captive insurance company and was so designed because of the nature of insurance products that it provides, covering risks that are priced too high by the traditional markets. CCRIF therefore provides a bespoke insurance solution that enables the Facility to provide unique and tailored insurance/coverage that is not readily available in the commercial market. Another advantage a captive brings is that it can achieve lower premiums by retaining a portion of the risk while maintaining a claims-paying capacity that is better than the industry average.

Parametric insurance products are a key component in a country's disaster risk financing strategy and are designed to pre-finance short-term liquidity helping to close the protection gap, reduce budget volatility and allow countries to respond to their most pressing needs post disaster, including providing support to the most vulnerable.

CCRIF was developed under the technical leadership of the World Bank and with a grant from the Government of Japan. It was capitalized through contributions to a Multi-Donor Trust Fund (MDTF) by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments. In 2014, a second MDTF was established by the World Bank to support the development of CCRIF SPC's new products for current and potential members and facilitate the entry of Central American countries and additional Caribbean countries. The MDTF currently channels funds from various donors, including: Canada, through Global Affairs Canada; the United States, through the Department of the Treasury; the European Union, through the European Commission; and Germany, through the Federal Ministry for Economic Cooperation and Development and KfW. Additional financing has been provided by the Caribbean Development Bank, with resources provided by Mexico; the Government

of Ireland; and the European Union through its Regional Resilience Building Facility managed by the Global Facility for Disaster Reduction and Recovery (GFDRR) and The World Bank.

CCRIF has demonstrated that catastrophe risk insurance can effectively provide a level of financial protection for countries vulnerable to natural disasters.

## Members:

### CCRIF has 24 members -

- Nineteen Caribbean governments: Anguilla, Antigua & Barbuda, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, Montserrat, St. Kitts & Nevis, Saint Lucia, Sint Maarten, St. Vincent & the Grenadines, The Bahamas, Trinidad & Tobago and Turks & Caicos Islands.
- Three Central American governments: Guatemala, Nicaragua, and Panama
- Two electric utility companies: ANGLEC (Anguilla) and LUCELEC (Saint Lucia)

## Products:



CCRIF offers 5 parametric insurance products that are not readily available in traditional insurance markets:

- Tropical Cyclone
- Excess Rainfall
- Earthquake
- COAST (for the fisheries sector)
- Electric Utilities



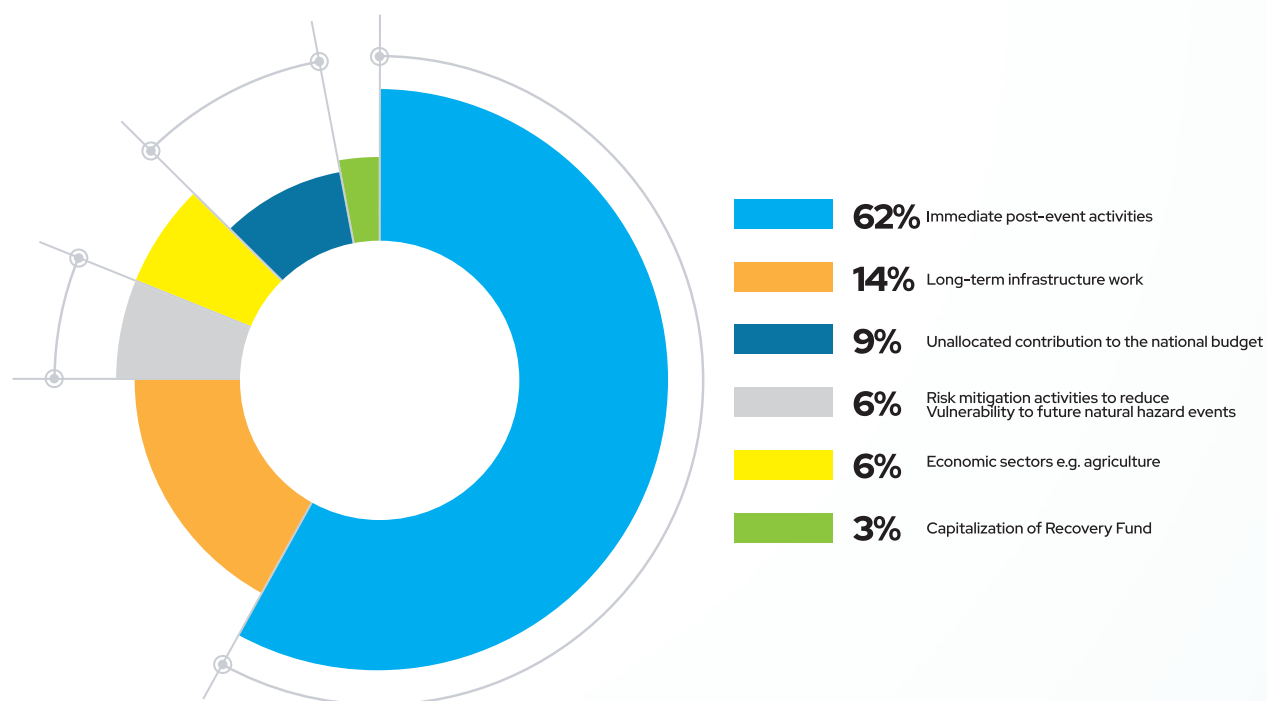
## Payouts:

Since CCRIF's inception in 2007 the Facility has made 58 payouts totalling US\$260 million to 16 member governments.

CCRIF was never set up to cover all losses on the ground but was developed to provide members with a rapid infusion of liquidity within 14 days when a policy is triggered following a catastrophic event, allowing them to be able to address immediate priorities and to support the vulnerable.

CCRIF's assessments based on the monitoring of the use of payouts by members have

revealed that its payouts have benefitted over 3.5 million persons in the Caribbean and Central America. Most of CCRIF payouts – more than 60 per cent – have been used by governments to address immediate needs post disaster – from providing food, water and medicines to clearing roads; but payouts have also been used for repairing critical infrastructure such as schools; supporting a country's tourism sector post disaster, while hotels await payouts from their indemnity insurance; supporting the agriculture sector etc.



# CCRIF SPC Strategic Framework

## Our Vision

A leading global development insurer, providing disaster risk financing products and services to member countries to improve lives and livelihoods, building resilience and advancing sustainable development agendas.

## Our Mission

Our mission is to assist member governments and their communities in understanding and reducing the socioeconomic and environmental impacts of natural catastrophes. We do this by being a global exemplar in providing immediate liquidity through a range of affordable insurance products, developing innovative and dynamic tools and services, engaging in effective partnerships and operating in a way that is financially sustainable and responsive to the needs of the members.

## Our Strategic Objectives

Our seven inter-related and mutually reinforcing strategic priorities drive us daily to do what we do, helping us to deliver our priorities, support our members, measure our performance, and engage in continuous improvement.





## Our Core Values and Stakeholder Proposition

CCRIF is a value-based development insurance company. The Facility's core values underpin its operations and its stakeholder proposition. CCRIF improves the lives and livelihoods of the populations of member countries and secures the development prospects and ambitions of our members by:

- 
- ▶ Providing quick liquidity, within 14 days of a natural disaster once a policy is triggered, enabling governments to quickly support the most vulnerable in their population
  - ▶ Collaborating, partnering and engaging with our members and key stakeholders, building trust, creating value and working together to achieve better development outcomes for the citizens of the Caribbean and Central America
  - ▶ Leading the way in developing and offering diverse parametric insurance products for a range of perils and economic sectors
  - ▶ Charging the lowest possible premiums consistent with our long-term sustainability
  - ▶ Being committed to excellence; focused on innovation, transparency, and accountability and operating with integrity
  - ▶ Facilitating capacity building in disaster risk financing, comprehensive disaster risk management and climate change adaptation
  - ▶ Creating the next cadre of leaders through the provision of scholarships, internships and professional development opportunities to help advance careers
  - ▶ Supporting local communities, national and regional organizations and governments to build forward stronger and enhance their resilience to natural hazards

# Our Key Stakeholders



- First and foremost, our 24 members - 22 governments in the Caribbean and Central America and 2 Caribbean electric utility companies
- Ministers of Finance
- Our donors and development partners
- Meteorological officers and disaster risk managers
- Regional organizations in the Caribbean and Central America with a mandate focused on disaster risk management, climate change adaptation and environmental sustainability
- Our regulators
- Our reinsurers
- Our staff and service providers
- Academia
- Civil society organizations
- The media
- And most importantly, the approximately 50 million people who call the Caribbean and Central America home



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# Chairman's Message



## ***"15 Years of Unwavering Service and Commitment to the Caribbean and Central America... Achieving the 15-year Milestone... Planning for the Next 15"***

I am pleased to present to you – our members, stakeholders, donors and importantly the people of the two regions that we serve – our 15th annual report and audited financial statements. This report covers the policy year 2021/22. My message is a mixture of uncertainty, due to our multi-hazard environment, pride and hope.

Uncertainty because of the many hazards that affect the lives and livelihoods of our member countries - ranging from natural events such as hurricanes and earthquakes – which CCRIF was created to address – to economic and social hazards, all of which can happen simultaneously. And we have certainly seen these occurrences over the past few years. But I have hope as our member countries in the Caribbean and Central America are made up of people who are resilient and strong and who are willing to innovate and chart a course of change for a more sustainable future.

I have pride because in CCRIF's 15 years of operations, we have remained true to our core values and customer propositions, providing our members financial protection in the face of the increasing frequency, intensity, and economic impacts of natural hazard events. We have played and continue to play a catalytic role in financial protection and closing the protection gap in the Caribbean and Central America.

For the past 15 years we have been able to consistently provide quick liquidity to our members within 14 days of a natural disaster when a country's policy is triggered. This helps governments meet their most pressing needs after the disaster, support the most vulnerable in their population and continue government operations. Our member governments have demonstrated year after year that they are leading the way in putting financial protection mechanisms in place to address disaster risk. Indeed, our governments are exploring innovative solutions to complement CCRIF's products, which serves to promote our message that disaster risk financing strategies are critical to a country's long-term sustainable development.

At CCRIF, our members come first, and we continue to focus our efforts on meeting and exceeding their needs and expectations and enhancing their resilience. Therefore, we invest in the future. We are beyond proud that year on year we are able to provide young people throughout the region with scholarships and internships and have made an investment of about US\$2 million over the last 10 years in this area. We are building the next cadre of leaders in areas – such as disaster risk management, disaster risk financing, climate modelling, climate finance, civil engineering, and meteorology, among many others. We continue to provide much needed resources to our civil society organizations to work in local communities and to support vulnerable groups to build resilience and hope.

## Our year

I applaud the work of our Chief Executive Officer, senior management, staff, and service providers. They continue to ensure that the Facility supports our members and are always looking for new and innovative ways in which CCRIF can improve and grow. On behalf of the board, I would like to thank every one of them for their hard work, enthusiasm and perseverance. They are the engine of our success. Through their work, we have been able to realize significant achievements this past year. For the second year, CCRIF members

obtained coverage of more than US\$1 billion and continued the trend of collectively increasing the level of coverage. The Facility's financial performance was relatively good given the economic and investment climate, and the Facility's claims-paying capacity remained sound. We made payouts to three member governments. This report will highlight several other achievements of the year.

## The Road Ahead

Our members play a key role in defining our strategic direction and work agenda. This year we developed CCRIF's new Strategic Plan, that covers the period 2022 – 2025. Like all of our other strategic plans, it benefited from the inputs of our members and key stakeholders. We are pleased that our members, donors, and other strategic partners will see that their ideas and strategic inputs have been reflected. We have viewed their feedback as a 'gift' and have taken steps within the construct of continuous improvement to ensure that any shortcomings that we have had in the past are addressed going forward. Our new strategic plan has been designed to deliver disaster risk financing beyond insurance to secure the sustainable development prospects of our members – as reflected in our new Vision Statement:

*"A leading global development insurer, providing disaster risk financing products and services to member countries to improve lives and livelihoods, building resilience and advancing sustainable development agendas"*

We will implement over 40 exciting initiatives starting in 2022, towards building a legacy of resilience and sustainability in the Caribbean and Central America.

**Timothy Antoine**  
Chairman



# CEO's Year in Review 2021/22



## ***"15 Years of Unwavering Service and Commitment to the Caribbean and Central America... Achieving the 15-year Milestone... Planning for the Next 15"***

2021/22 was another challenging yet rewarding year for CCRIF as we all worked together to transition from the tight restrictions brought on by the COVID-19 pandemic towards what is becoming the *"new-normal"*.

Today, there continues to be an increasing recognition of the interconnectedness of natural hazard risks and other types of risks and the importance of disaster risk financing and financial protection for countries, organizations, and communities. There also is recognition and support for the scaling up of disaster risk financing instruments especially as it relates to loss and damage and the role of these instruments beyond disaster risk mitigation and adaptation. I look forward to CCRIF's expanding role in this space as a development insurance company to ensure that our members are financially protected against natural hazards.

During this policy year, which started on June 1, 2021, CCRIF accomplished several "firsts". The Facility:

- Had the highest level of member coverage
- Made its largest single payout to a member country (US\$40 million) to Haiti following the 7.0 Magnitude earthquake that struck that country on August 14, 2021
- Signed its first MOU with a private sector company (Guardian General Insurance

Ltd.) to scale up access to microinsurance products for vulnerable groups in the Caribbean

- Produced our first strategic plan specifically for Central America and hired staff dedicated specifically to working with our current and prospective Central America members
- Placed our largest cohort of interns (34) at regional and national organizations across the Caribbean using both virtual and onsite modes
- Launched with the Caribbean Centre for Development Administration (CARICAD) the Caribbean's first training programme on integrated risk management for the region's public sector
- Hosted in collaboration with the Caribbean Development Bank the first Caribbean Regional Risk Conference focusing on the multi-hazard risk environment in which Caribbean and Central American countries exist

These milestones added to CCRIF's continued success as members increased for another year their level of parametric insurance coverage to better financially protect their economies and populations and we maintained our financial sustainability; secured donor support for members as well as for our own capitalization; and enhanced engagement with our member governments and partner organizations, among other accomplishments.

During the policy year we made four payouts totalling about US\$45 million to three Caribbean governments. In November, we received a grant from Irish Aid to support the roll-out of COAST.

We also welcomed our new Chief Risk Management Officer, Ms. Yvonne Rivera in January 2022. She has responsibility for providing technical leadership and advice to the management and board as it relates to the areas of risk management, financial planning, catastrophe modeling, and (re)insurance placement.

We are pleased that as CCRIF celebrates its 15th anniversary, we continue to “work well for the Caribbean and Central America” as revealed by the stakeholder assessment conducted during the policy year. These stakeholder assessments, which the Facility conducts every three years, provide a welcome opportunity to systematically gauge our performance through the eyes and voices of our members and key stakeholders to better understand their priorities and expectations of us as a Facility. It also provides us with key inputs for our triennial strategic planning exercise. We are very encouraged by some of the messages that emerged from the stakeholder assessment. We take pride in remaining a responsive organization, continually upgrading our products and services for both current and prospective members within the context of continuously improving and doing better.

We look forward to implementing a range of new initiatives during the next three years, as we implement our new strategic plan over the period 2022-2025. We also look forward to scaling up our engagement with our members and stakeholders, sharing experiences, best practices and lessons learned in disaster risk financing towards advancing their sustainable development prospects.

Within this context of looking forward to the future, I am pleased to present CCRIF's Year in Review for 2021/22 over the next few pages.

**Isaac Anthony**  
Chief Executive Officer

# YEAR IN REVIEW

JUNE 1, 2021 - MAY 31, 2022

## Our Performance, Accomplishments, Initiatives, Events and Activities In a Nutshell...

JUNE  
2021

CCRIF members renewed their parametric insurance coverage for tropical cyclones, excess rainfall, earthquakes, and the fisheries and electric utilities sectors ahead of the 2021 Atlantic Hurricane Season and for the second year in a row members ceded/transferred over US\$1 billion in risk to CCRIF.

Following Tropical Cyclone Elsa, CCRIF made two payouts totalling US\$2.5 million to the Government of Barbados under the country's tropical cyclone and excess rainfall parametric insurance policies. CCRIF also made payments totalling US\$528,512 to three other member governments – Haiti, Saint Lucia, and St. Vincent and the Grenadines – under the Aggregate Deductible Cover (ADC) feature of their tropical cyclone policies.

JULY  
2021

CCRIF SPC  
The Caribbean Catastrophe Risk Insurance Facility

**CONGRATULATIONS TO OUR INTERNS OF 2021!**

CCRIF has placed **137 interns** in 29 national and regional organizations since 2015, with a total investment of about **US\$374,000**.

Host Organizations for 2021: CCRIF SPC • ACS • TTMS • CARICAD • CIMH • Tobago EMA • CCCCC • CDEMA • CMO • Barbados Department of Emergency Management • CARICOM Secretariat • Department of Geography - UWI St. Augustine • Hazard Management Cayman Islands • Department of Geography and Geology - UWI Mona • DRRRC - UWI Mona

CCRIF placed 34 young Caribbean nationals as interns in organizations across the Caribbean. The CCRIF Internship Programme is geared towards building the capacity of new university graduates and young professionals, supporting them to gain valuable work experience in their fields of study.



AUG.  
2021

CCRIF made a payout of approximately US\$40 million to the Government of Haiti following the magnitude 7.2 earthquake that struck the country on August 14th, 2021, significantly impacting the city of Les Cayes. This is CCRIF's single largest payout to a member.



**Haiti's Minister of the Economy and Finance, Michel Patrick Boisvert on the US\$40 million Payout by CCRIF..**

“The payout from CCRIF to the Republic of Haiti following the earthquake on August 14, 2021, will help finance rapid and tangible government activities geared towards supporting the poor and vulnerable affected by the earthquake in the Grand Sud region. Given the proliferation and recurrence of natural disasters, access to parametric insurance policies offered by CCRIF and other risk financing mechanisms makes it possible to better manage the impact of these disasters on public finances and strengthen financial resilience in the medium term. For a country like Haiti, which is exposed to multiple natural disaster risks, it is imperative for us to adopt preventive measures to reduce vulnerability to shocks, while improving disaster preparedness and response.”

SEPT.  
2021

CCRIF SPC made a payout of approximately US\$2.4 million to the Government of Trinidad and Tobago following a rainfall event that occurred during August 18-20, 2021. Caused by an Inter-Tropical Convergence Zone, the heavy rainfall resulted in flooding and landslides across southern and western Trinidad, making several roads impassable.

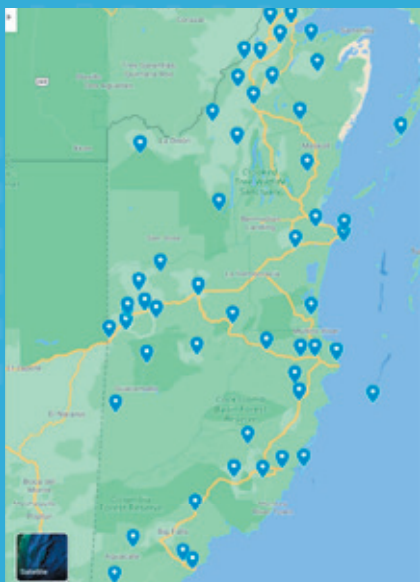
On September 7 and 8, the CCRIF Board and Management, members of the Central America SP Management Committee for CCRIF, CCRIF service providers and members of the World Bank engaged in a strategic retreat which focused on assessing CCRIF's performance and engagement with its Central America members and how to better serve them through products, other technical services, and increased engagement.



*Participants in the Strategic Retreat for Central America focused specifically on Central America members*



## Year in Review – 2021/22



CCRIF provided an additional grant to the Government of Belize of US\$43,140 to further enhance its early warning systems for extreme rainfall events. Since 2017, CCRIF has been supporting Belize to purchase and install automatic weather stations with grants totalling US\$143,000. The first grant of US\$100,000 provided in 2017, facilitated the purchase of 30 new automatic weather stations that were installed throughout the country. With the 30 weather stations provided by CCRIF, Belize currently has 52 working weather stations with high quality rain gauges, making the country one of the Caribbean's best equipped in terms of its national rainfall monitoring network coverage.

Oct.  
2021

*Belize is one of the Caribbean's best equipped countries in terms of its national rainfall monitoring network coverage. According to a recent situational analysis conducted by the Caribbean Institute for Meteorology and Hydrology (CIMH), the country's network provides 70 per cent of what the optimal coverage would be. CIMH recommends that 10 additional rainfall stations be installed given the size of the country and its topography.*

Nov.  
2021

CCRIF received a grant of €1 million (US\$1.16 million) from Irish Aid, to allow five additional Caribbean countries to access fisheries insurance (COAST).



*Ireland's Minister for Foreign Affairs, Hon. Simon Coveney TD (left) and CCRIF CEO, Mr. Isaac Anthony (right) at the ceremony to sign the grant agreement for the Government of Ireland's support for CCRIF's COAST parametric insurance product for fisheries*

Dec.  
2021

CCRIF released a new publication “Hazard, Disasters and Climate Change” for primary level kids ages 8 to 12 years old.

The publication was designed as an interactive booklet for children to better understand natural hazards, disasters and climate change as well as their role in preparing and sharing information with friends, family and their communities.

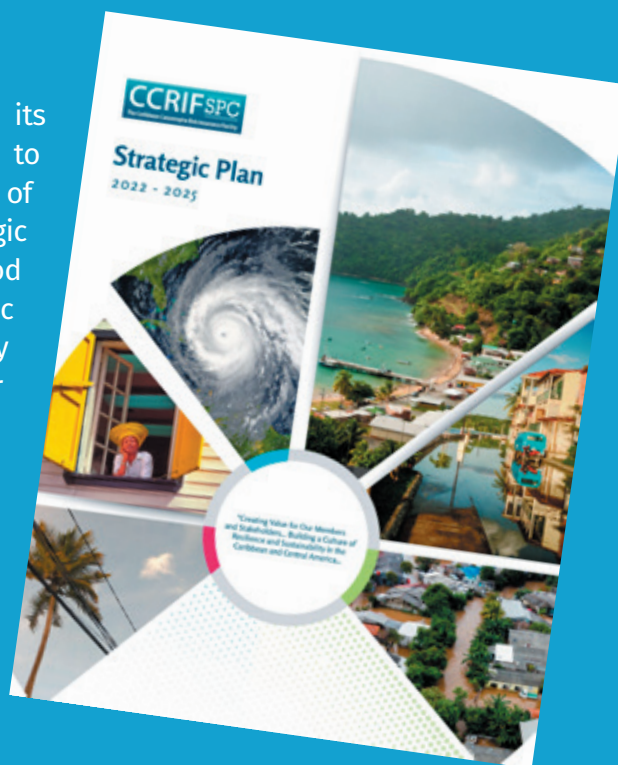


The United Nations World Food Programme (WFP) Caribbean office and the Government of the Commonwealth of Dominica signed an innovative technical assistance agreement to strengthen national capacities to assist the most vulnerable people to cope with, adapt to and manage climate shocks by linking social protection systems to the country’s CCRIF parametric insurance policy for tropical cyclones.

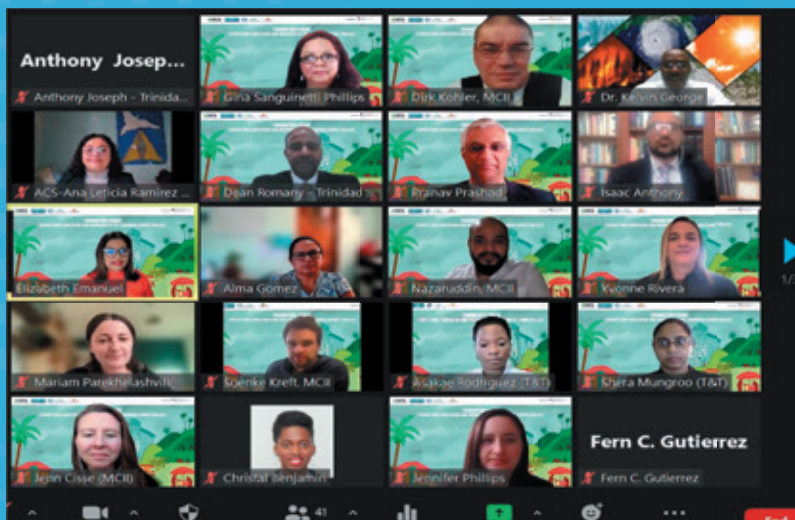
Jan.  
2022

The CCRIF board held its strategic planning retreat to inform the development of the Facility’s new strategic plan covering the period 2022 – 2025. CCRIF’s Strategic

Plan 2022 – 2025 identifies 47 key priorities and initiatives to be implemented over the period. These initiatives will support the achievement of the Facility’s strategic objectives and consequently its mission and propel it towards achieving its vision by 2030.



## Year in Review – 2021/22



A cross-section of participants at the virtual launch.

**Feb.**  
2022

CCRIF and MCII launched the Transition Phase of the CRAIC project and CCRIF and Guardian General Insurance Limited signed an MOU to scale up access to microinsurance and specifically the Livelihood Protection Policy (LPP) in the Caribbean.



**Mar.**  
2022

CCRIF began its policy renewal meetings with its members to discuss the upcoming policy year 2022/23. CCRIF held over 24 meetings and engagements with its members.





Apr.  
2022

The Caribbean Development Bank (CDB) and CCRIF hosted the 2022 Caribbean Regional Risk Conference on April 6 & 7, to provide a forum for policymakers, senior technocrats, and other stakeholders to explore country risk management and risk governance. Under the theme, “Introducing Country Risk Management to Advance Sustainable Development”, the event addressed the myriad of risks facing Caribbean countries, taking the discussion beyond natural hazard risks and climate change, to explore economic, geopolitical, environmental, societal, and technological risks, which continue to impact the region’s development prospects. Speakers and presenters were from regional and international organizations such as the United Nations, The World Bank, WTW, The University of the West Indies, PriceWaterhouseCoopers, and Eastern Caribbean Central Bank among others.

May  
2022

CCRIF worked with its development partners to explore opportunities to support its members to retain and increase coverage, within the context of COVID-19 recovery. The World Bank, in partnership with (i) the European Union (EU) through its Caribbean Regional Resilience Building Facility (CRRB) managed by the Global Facility for Disaster Reduction and Recovery, made available additional grant funding to CCRIF SPC to support eligible Caribbean countries; and (ii) the EU, Germany (through KfW Development Bank and

Federal Ministry of Economic Cooperation and Development (BMZ)) and the United States Treasury, through the Central America and the Caribbean Catastrophe Risk Insurance Program, made available additional grant funding to CCRIF SPC to support Central American members. This funding allowed CCRIF to offer in the 2022/2023 policy year, the option to reduce the cost of their policy premiums or to increase coverage or both by approximately 11 per cent of the previous year’s premium for tropical cyclone policies and 24 per cent of the previous year’s premium for excess rainfall policies for Caribbean members and 15 to 30 per cent of the previous year’s premium for Central American members.





**Timothy Antoine**  
**Chairman**

CARICOM-Nominated Board  
Member, Representing Member  
Countries

**Desirée Cherebin**  
**Vice-Chairperson**

Caribbean Development Bank-  
Nominated Board Member, Finance  
Specialist

**Faye Hardy**

Caribbean Development Bank-  
Nominated Board Member,  
Representing Donors

**Saundra Bailey**

CCRIF SPC Board-Nominated  
Board Member

## Board of Directors & Executive Management Team



**Michael Gayle**  
CARICOM-Nominated Board  
Member, Insurance Specialist

**Isaac Anthony**  
Chief Executive Officer

**Yvonne Rivera**  
Chief Risk Management  
Officer

**Gillian Golah**  
Chief Operations Officer

From left to right

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## Corporate Profile: Board of Directors



### **Timothy Antoine** (Chairman)

#### **CARICOM-Nominated Board Member Representing Member Countries**

Timothy Antoine was appointed CCRIF Chairman in 2018 after serving on the CCRIF Board since 2014. Mr. Antoine is the Governor of the Eastern Caribbean Central Bank. Previously, he was the Permanent Secretary in Grenada's Finance Ministry for 14 years. From 2005 to 2007, Mr. Antoine served as an Advisor to the Executive Director for Canada, Ireland and the Caribbean at the World Bank, working on behalf of the Caribbean and played a significant role in the establishment of CCRIF in 2007. He is the recipient of The Order of Grenada Gold Award for Excellence (2016). He also has been conferred with an Honorary Doctorate in Humane Letters by St. George's University for services to Grenada and St. George's University (2018). Mr. Antoine has contributed to the development of the Eastern Caribbean Currency Union (ECCU) and wider Caribbean by serving on several regional and international boards.

*Appointment Date: July 1, 2018*

**Nationality – Grenada** 

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### **Desirée Cherebin** (Vice-Chairperson)

#### **Caribbean Development Bank-Nominated Board Member, Finance Specialist**

Desirée Cherebin is a Banking Supervision and Financial Services Consultant working with regional and international agencies, including the Caribbean Regional Technical Assistance Centre and the International Monetary Fund to assist countries with strengthening the regulation and supervision of their financial sectors. She was Director of Bank Supervision at the Central Bank of Barbados, prior to her retirement from that institution in 1997. She also worked as an Economist with the Ministry of Trade in Barbados and as an Advisor to the Governor of the Central Bank of Barbados. Mrs. Cherebin was appointed Vice Chairperson of the board on September 13, 2018.

*Appointment Date: September 3, 2010*

**Nationality – Guyana and Barbados**  



## Faye Hardy

### Caribbean Development Bank-Nominated Board Member, Representing Donors

Faye Hardy has over 20 years of experience in the areas of finance and accounting, and currently serves in the position of Deputy Director (Ag.), of the Finance Division in the Finance and Information Technology Solutions Department at the Caribbean Development Bank. She is a certified investment professional with a Chartered Financial Analyst (CFA) designation, as well as a Fellow of the Association of Chartered Certified Accountants (FCCA). She also holds an MBA from Heriot- Watt University in Scotland. She has provided technical assistance and advice to other regional organizations, and regularly lends her expertise in a financial capacity to a variety of volunteer organizations.

*Appointment Date: June 20, 2011*

**Nationality – Barbados**




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## Saundra Bailey

### CCRIF SPC Board-Nominated Board Member

Saundra Bailey is a Group Consultant and the Director of Subsidiary Boards at Gallagher Caribbean Group and has almost 40 years' experience in the insurance industry with primary focus in retail, reinsurance and captives. She is an Associate of the Chartered Insurance Institute of the UK (ACII) and the Institute of Risk Management (AIRM). Mrs. Bailey has an LLB from the University of London and a BSc and LLM from The University of the West Indies. She is a Distinguished Past President of the Kiwanis Club of Eastern St. Andrew, Jamaica, the President of Glenmuir High School Past Students' Association and a director of various public and private sector boards regionally and internationally.

*Appointment Date: July 1, 2018*

**Nationality – Jamaica**




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## Michael Gayle

### CARICOM-Nominated Board Member, Insurance Specialist

Michael Gayle is the Chief Executive Officer of the Cayman Islands National Insurance Company (CINICO). With over 40 years of insurance experience, Mr. Gayle has held top executive positions in insurance companies in Jamaica and the Cayman Islands and has provided consultancy services for insurance companies operating across the Caribbean. He is a Fellow of the Chartered Insurance Institute (FCII) and holds an MBA from Barry University in Florida. Mr. Gayle has served as a director of the Insurance Institute of Jamaica and as President of the Cayman Islands Insurance Association.

*Appointment Date: October 1, 2019*

**Nationality – Jamaica**





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## Corporate Profile:

# Executive Management Team

### Isaac Anthony

#### Chief Executive Officer

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

*Appointment Date: January 1, 2013*

**Nationality – Saint Lucia**



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### Gillian Golah

#### Chief Operations Officer

Gillian Golah was appointed CCRIF Chief Operations Officer in October 2015. Before she assumed this position, Mrs. Golah was the Vice President of Business Development at the Trinidad & Tobago International Financial Centre, where she played a central role in the establishment of the financial services outsourcing industry in Trinidad & Tobago. Previously, she served as Chief Operating Officer of Development Finance Limited after gaining substantial experience in credit operations, private equity, grant management and microfinance at the executive and board levels.

*Appointment Date: October 1, 2015*

**Nationality – Trinidad and Tobago**



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### Yvonne Rivera

#### Chief Risk Management Officer

Ms. Yvonne Rivera was appointed CCRIF Chief Risk Management Officer in January 2022. Prior to joining CCRIF, Ms. Rivera was the Property Director of Chubb de Mexico. Chubb is the world's largest publicly traded property and casualty insurance company. She has extensive experience in reinsurance and underwriting in property and catastrophe risk and holds a Master of Business Administration in Risk Management and Insurance from the Peter J. Torbin School of Business at St. John's University.

*Appointment Date: January 17, 2022*

**Nationality – Puerto Rico**



## Central America SP Management Committee



The Central America SP Management Committee oversees the governance and operation of the Central America segregated portfolio (CA SP). The CA SP was established in 2015, when CCRIF and COSEFIN<sup>1</sup> signed the Memorandum of Understanding to enable COSEFIN Member States to formally join the Facility. Through the CA SP, CCRIF provides earthquake, tropical cyclone and excess rainfall policies for COSEFIN Member States. The Management Committee plays a facilitative role between CCRIF, COSEFIN, COSEFIN Member States and indirectly with the World Bank on behalf of donors that support the CA SP. It makes recommendations to the CCRIF Board on the terms and conditions of insurance policies that are offered to COSEFIN countries, and the contracting of reinsurance, premium levels and investment policies for the CA SP. The Committee is also responsible for monitoring the financial status of the CA SP to facilitate its long-term sustainability.

Mrs. Sandra Bailey is the Chairperson of the Central America SP Management Committee, and she also represents the interests of CARICOM on the CA SP Management Committee.

**Other members of the CA SP Management Committee are:**

- **Mr. Isaac Anthony, CEO, CCRIF SPC**
- **Dr. Suzanne Corona, representing donors**
- **Mr. Eduardo Zumbado, representing COSEFIN**
- **Mr. Walter Stange, representing COSEFIN**

<sup>1</sup> Council of Finance Ministers of Central America, Panama and the Dominican Republic

## The CCRIF Team of Service Providers

### REINSURANCE BROKERS

**Gallagher Re** is the reinsurance broking arm of Arthur J. Gallagher & Co. (NYSE: AJG), a global leader in insurance, risk management and consulting services. Gallagher Re works as broad-based risk advisors, helping its wide-ranging clients manage the full spectrum of risk. Clients include the world's top non-life and life re/insurance companies. Gallagher Re also supports public-private initiatives including national catastrophe schemes in many countries around the world. The company delivers risk assessment, structuring, placement, actuarial technology, capital market solutions, financial and catastrophe modelling, and active capital and liability management. Gallagher Re collaborates with industry leading academia through the Gallagher Research Centre to deliver cutting-edge research and innovation in an increasingly complex risk landscape



**Guy Carpenter & Company, LLC** is a leading global risk and reinsurance specialist. Guy Carpenter delivers a powerful combination of reinsurance broking expertise, capital solutions, strategic advisory services, and industry-leading analytics. They are the world's top specialists in risk transfer, new forms of capital, and actuarial science and analytics, bringing expertise to bear on clients' most complex challenges.



### ASSET MANAGERS

**London & Capital** is a specialist asset management company headquartered in London, UK. With more than 20 years' expertise and experience, the company focuses on capital preservation and wealth management.



**Butterfield Asset Management** is a fully integrated group business, operating across 4 jurisdictions – Bermuda, the Cayman Islands, London and Guernsey – and has been an investment manager for primary insurance and captive insurance companies in Bermuda and the Cayman Islands for over 25 years. Butterfield Bank Cayman was incorporated in 1967 as a wholly owned subsidiary and is regulated by the Cayman Islands Monetary Authority.



## RISK MANAGEMENT SPECIALIST

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



## INSURANCE MANAGER

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

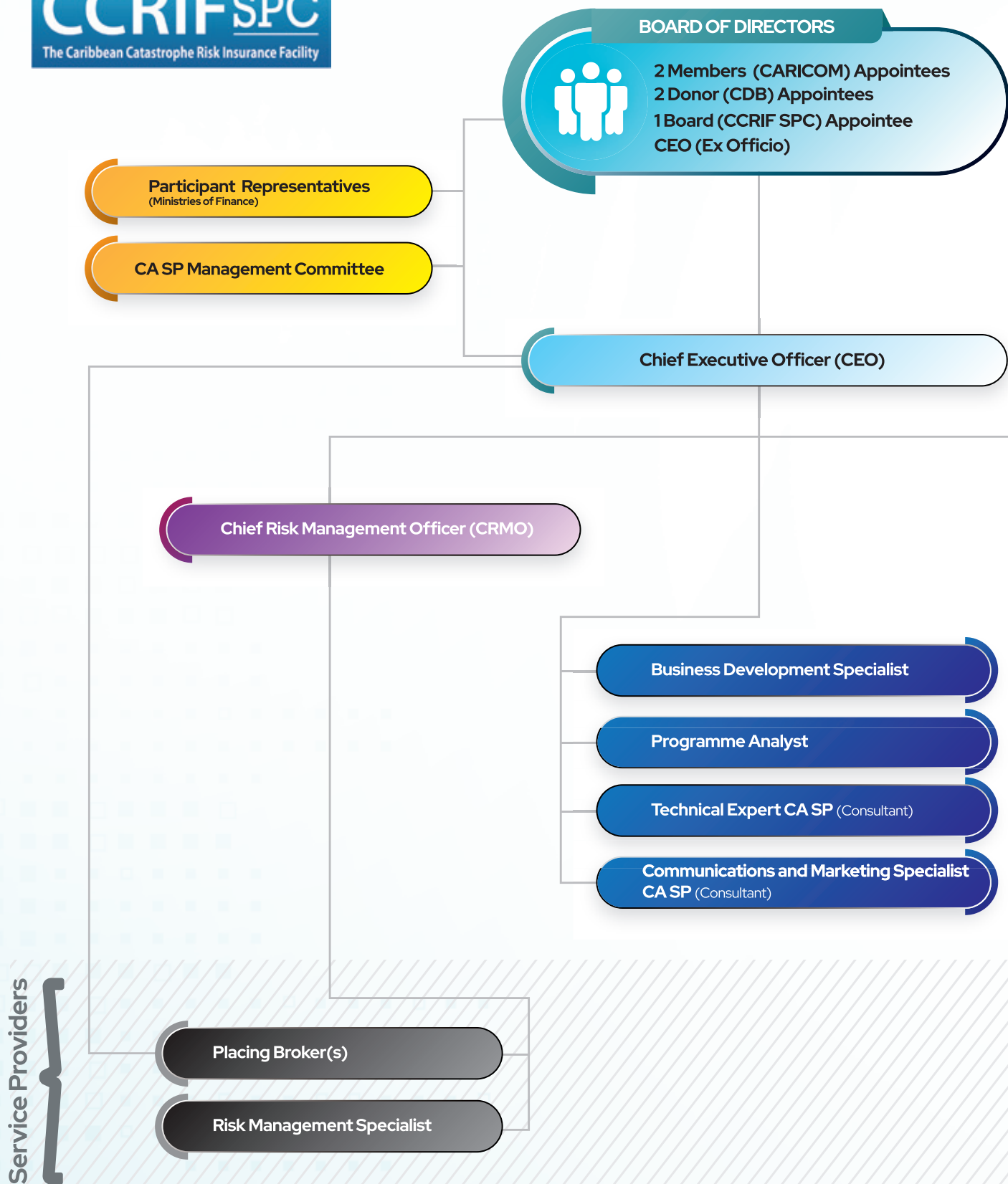


## TECHNICAL ASSISTANCE MANAGER AND CORPORATE COMMUNICATIONS MANAGER

**Sustainability Managers (SM)** is a Caribbean consultancy company that offers a range of services in the areas of policy development, development planning and capacity building in environmental management, disaster risk management, climate change and the blue and green economy to public and private sector clients as well as international and regional organizations. SM manages the CCRIF Technical Assistance programme and leads its development communications, knowledge management, strategic planning, training and capacity building initiatives as well as some aspect of its information and communications technology needs.

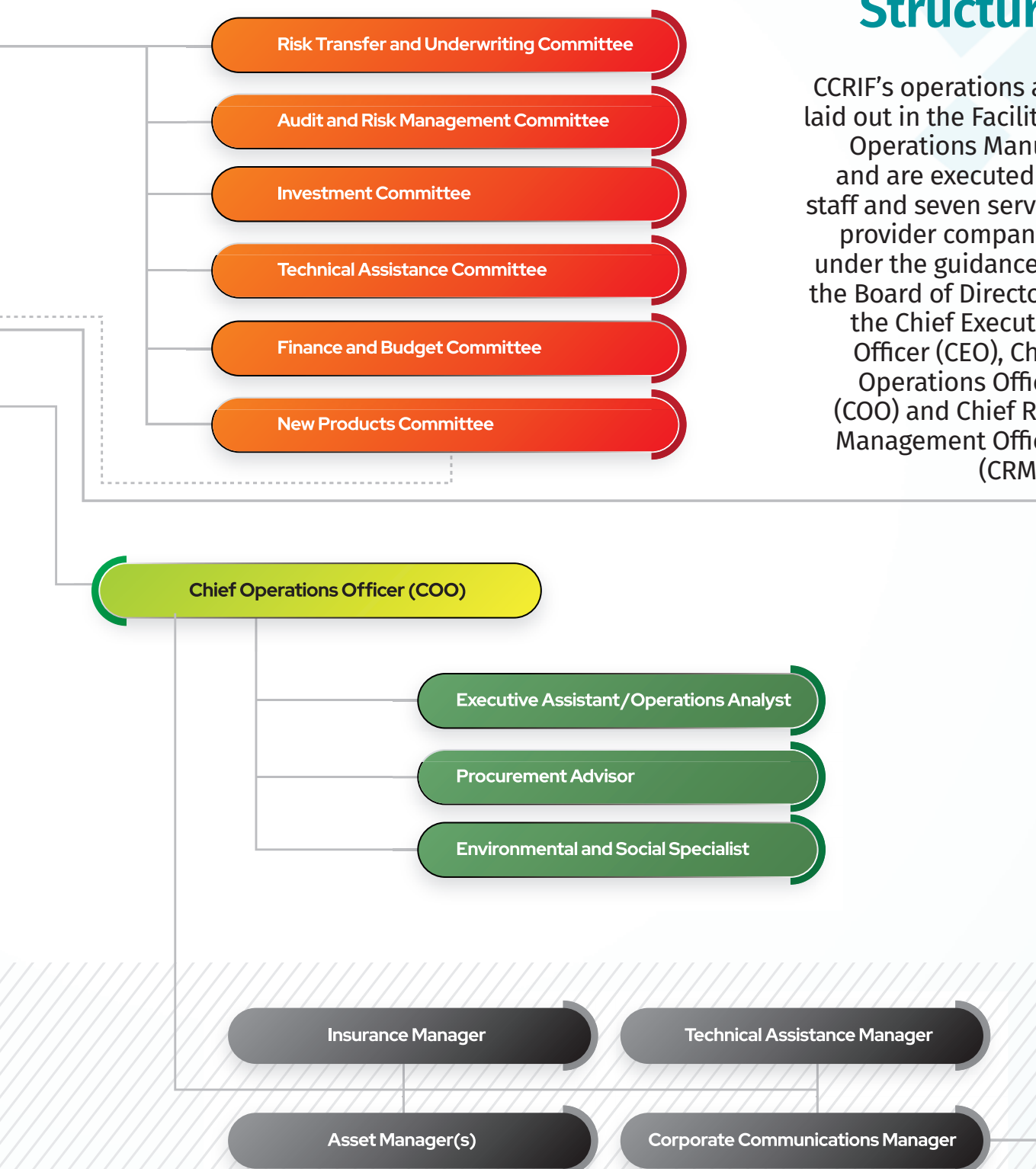






# Organizational Structure

CCRIF's operations are laid out in the Facility's Operations Manual and are executed by staff and seven service provider companies under the guidance of the Board of Directors, the Chief Executive Officer (CEO), Chief Operations Officer (COO) and Chief Risk Management Officer (CRMO).







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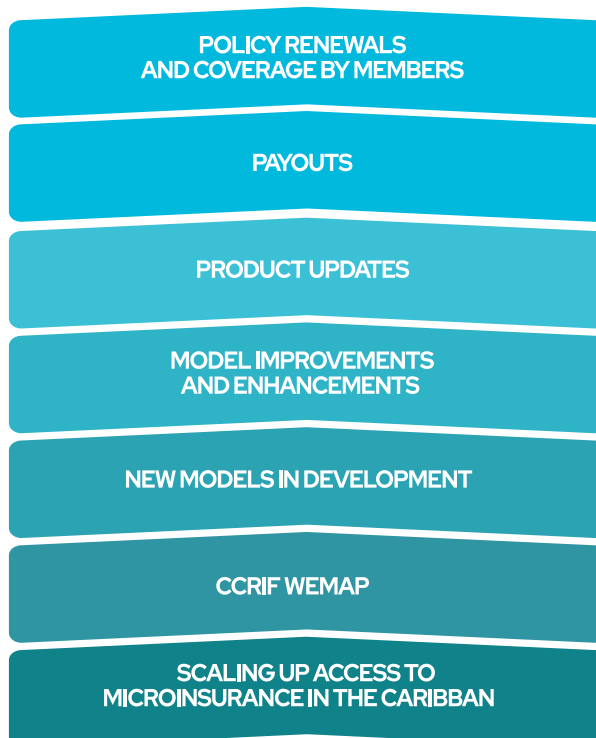
## Innovative and Responsive Parametric Insurance Products



**Under SO1, focus is placed on providing parametric insurance products, services and tools responsive to the needs of members in support of financial protection. Accordingly, SO1 places focus on:**

- Providing parametric insurance products for catastrophe risks at affordable prices and keeping policy pricing as low as possible by exploring options to retain more risk through diversification across cells; securing cheaper reinsurance rates through long-term pricing policies; brokering risk transfer; optimizing the full insurance profile across products to rebalance risk; and bundling products
- Being responsive to the disaster risk financing needs of members and rolling out new models and products associated with the Facility's base products for tropical cyclone and excess rainfall for example
- Supporting member governments in their efforts to increase their coverage level of existing policies and purchasing policies for new perils
- Strengthening the monitoring of the use of payouts by recipient countries and working with members to strengthen their tracking and reporting mechanisms for payouts received after natural disasters
- Assisting members and other key stakeholders to better understand parametric insurance, disaster risk financing and how CCRIF fits into their comprehensive disaster management and fiscal policy frameworks. This involves developing and implementing a range of capacity building initiatives and utilizing a range of developmental communications approaches to support capacity building of members
- Creating the enabling environment to scale up access to microinsurance products to better protect the livelihoods of the most vulnerable
- Making available to members and key stakeholders tools such as the web monitoring tool (WeMAP), which includes the Real-time Forecasting System (RTFS), in an effort to enhance their disaster risk response and management capabilities

In this section, updates will be provided on the following:





## Policy Renewals and Coverage 2021/22

All CCRIF member governments renewed their parametric insurance coverage for all the policies they held the previous policy year 2020/21. The total coverage limit for 2021/22 was US\$1,114.5 million. Policy year 2021/22 represented the second year since the inception of CCRIF that the amount ceded to CCRIF by its members was more than US\$1 billion.

### TOTAL COVERAGE LIMIT for 2021/22

**US\$1,114.5**  
MILLION

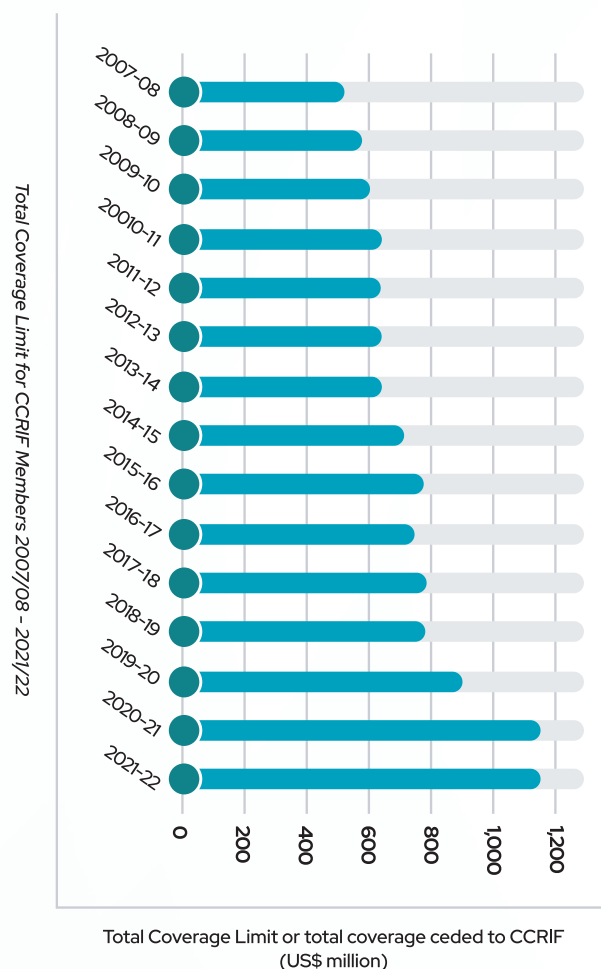
### MEMBERS' COVERAGE

2007/08  
**US\$494.9**  
MILLION

2021/22  
**US\$1,114.5**  
MILLION

For the last 2 years,  
members ceded more than  
US\$1 billion to CCRIF

The coverage limit increased from US\$494.9 million in CCRIF's first year of operation in 2007 to \$1,114.5 million in 2021/22 as shown in the figure below.



For the 2021/22 policy year, CCRIF provided a 5 per cent discount on the premium for tropical cyclone (TC) policies up to the value of the gross premium of the previous year's policy. In addition, the Facility offered an incentive to increase coverage. For TC policies it provided an additional discount of 15 per cent to the increased portion of the premium and for earthquake (EQ) policies it provided a discount of 15 per cent to an increased portion of the premium. Also, as done in previous years, the Aggregate Deductible Cover (ADC) and Reinstatement of Sum Insured Cover (RSIC) were provided to members at no cost.

## Coverage by Member for 2021/22

CCRIF members purchased a total of 63 parametric insurance policies in 2021/22. Table 1 below shows the parametric insurance policies that each member purchased.

Table 1: Coverage by Member 2021/22

Member	TC	EQ	XSR	COAST	Electric Utilities
<b>CARIBBEAN</b>					
Anguilla	●	●	●		
Antigua and Barbuda	●	●	●		
Barbados	●	●	●		
Belize	●		●		
British Virgin Islands	●	●	●		
Cayman Islands	●	●			
Dominica	●	●	●		
Grenada	●	●	●	●	
Haiti	●	●	●		
Jamaica	●	●	●		
Montserrat	●				
St. Kitts and Nevis	●	●	●		
Saint Lucia	●	●	●	●	
Sint Maarten	●	●	●		
St. Vincent and the Grenadines	●	●	●		
The Bahamas <sup>2</sup>	●		●		
Trinidad and Tobago <sup>3</sup>	●	●	●		
Turks and Caicos Islands	●		●		
ANGLEC					●
<b>CENTRAL AMERICA</b>					
Guatemala			●		
Nicaragua	●	●	●		
Panama			●		
<b>TOTAL POLICIES</b>	<b>22</b>	<b>15</b>	<b>23</b>	<b>2</b>	<b>1</b>

<sup>2</sup> The Bahamas purchased 3 TC policies for different areas of the archipelago: Northwest, Central and Southeast and 4 XSR policies: Extreme North, North, Central and Southeast

<sup>3</sup> Trinidad & Tobago purchased 2 TC and XSR policies – one for Trinidad and one for Tobago

## Payouts during 2021/22

During policy year 2021/22, CCRIF made four payouts totalling about US\$45 million to three Caribbean governments as shown in Table 2 below. The payout of US\$40 million made to the Government of Haiti represents CCRIF's largest single payout to date. All payouts were made within 14 days.

and Saint Lucia following TC Elsa. Initially introduced in 2017 as part of CCRIF's 10-year anniversary commemoration, the Aggregated Deductible Cover (ADC) is designed to provide a minimum payment for events that are objectively not sufficient to trigger a CCRIF tropical cyclone or earthquake policy because the modelled loss is below the policy's attachment point (or deductible).

Table 2: Payouts during Policy Year 2021/22

Member Government	Event	CCRIF Policy/Policies Triggered	Payout (US\$)
Barbados	Hurricane Elsa July 2021	Tropical Cyclone Excess Rainfall	US\$2.5 million
Haiti	7.0 Magnitude earthquake August 14, 2021	Earthquake	US\$40 million
Trinidad and Tobago	Excess rainfall event in Trinidad August 18–20, 2021	Trinidad's Excess Rainfall Policy	US\$2.4 million

CCRIF's parametric insurance policies are very different from traditional indemnity insurance policies as CCRIF policies make payments based on the intensity of a natural hazard event (for example, hurricane wind speed, earthquake intensity, or volume of rainfall), the exposure or assets affected by the event, and the amount of loss caused by the event, calculated in a pre-agreed model. Thus, CCRIF does not need to wait for on-the-ground assessments of loss and damage to make payouts – unlike indemnity insurance – enabling the Facility to disburse funds to members within 14 days of an event.

## Aggregated Deductible Cover (ADC) Payments 2021/22

In policy year 2021/22, CCRIF made three payments totalling US\$528,512 under the Aggregated Deductible Cover (ADC) policy feature to Haiti, St. Vincent & the Grenadines,

## Hazard Event Reporting

Throughout the year, CCRIF monitors and reports on tropical cyclone, earthquake and excess rainfall events in the Caribbean Basin that have the potential to affect one or more of its members that have policies that are related to these events. Tropical cyclones are monitored to determine if any members' tropical cyclone or electric utilities policies or the Tropical Cyclone component of their COAST policies are triggered. Also, weather events are monitored to determine if the Adverse Weather component (based on rainfall and wave height) of any members' COAST policies are triggered.

For policy year 2021/22, there were 49 earthquake, tropical cyclone, rainfall and COAST events for which CCRIF prepared event briefing reports, and which were disseminated to member countries and stakeholders. Some

of the rainfall events were associated with tropical cyclones. These event briefing reports describe the impacts and model results from the event for affected countries with corresponding policies. All event briefing reports are publicly available on the CCRIF website.

**Table 3: Hazard Events that Required the Preparation of Event Briefing Reports by CCRIF 2021/22**

Tropical Cyclone	Excess Rainfall	Earthquake	COAST
<b>14 tropical cyclone events</b>	<b>10 rainfall events</b>	<b>23 earthquake events</b>	<b>2 COAST events</b>
<b>7 TRIGGERING EVENTS</b> An event that registers a modelled loss high enough to trigger a CCRIF policy payout or an ADC payment on a TC or EQ policy			
<b>4 tropical cyclone events:</b> Elsa (Barbados) Elsa (Saint Lucia – ADC) Elsa (St. Vincent and the Grenadines – ADC) Elsa (Haiti – ADC)	<b>2 rainfall events:</b> rains during Elsa (Barbados) rainfall in Trinidad Aug 18 – 20	<b>1 earthquake event:</b> 7.2 earthquake (Haiti) August 14	
<b>27 LOSS EVENTS</b> An event that registers a modelled loss in one or more member countries but does not trigger the CCRIF policy in any of those member countries as the losses are below the attachment point and does not meet the ADC criteria for a tropical cyclone or earthquake policy			
<b>10 tropical cyclone events</b> Associated with: Elsa, Fred, Grace, Ida, Mindy	<b>8 rainfall events</b>	<b>7 earthquake events</b>	<b>2 COAST events</b>
<b>15 REPORTABLE EVENTS</b> An event which meets the criteria for reporting (see below) but does not result in a modelled loss in an affected CCRIF member country			
		<b>15 earthquake events</b>	
<b>Tropical Cyclone — used for TC, COAST, and electric utilities policies:</b> A tropical cyclone affecting at least one member country with winds greater than 39 mph (62.7 km/h)			
<b>Earthquake:</b> An earthquake with a magnitude of greater than or equal to 5.0 that generates a peak ground acceleration of at least 0.01 g in one or more grid cells of at least one member country			
<b>Excess Rainfall:</b> A rainfall event that meets the Covered Area Rainfall Event (CARE) criteria (the amount of average rainfall is greater than a specified threshold over a specified accumulation period over at least a specified percentage of the area of a country) in at least one member country and produces a Rainfall Index Loss (RIL) greater than the country's loss threshold Or A rainfall event that meets the CARE criteria and produces an RIL below the loss threshold but a Disaster Alert is issued for that event in the affected country			
<b>COAST:</b> A tropical cyclone or rainfall event that satisfies the criteria for the Tropical Cyclone component or Adverse Weather component for at least member country: Tropical Cyclone component: As described above for the TC policy; Adverse Weather Component: The occurrence of a maximum 24-hour-moving-window daily rainfall over any of the exposed assets above a pre-defined threshold, or of a maximum daily significant wave height close to any of the exposed assets above a pre-defined threshold, for at least three consecutive days			

<sup>4</sup>If, for a given day, the value of rainfall is above a rainfall threshold or the value of sea wave height is above a wave height threshold in a port or landing site, all the revenues of the day are considered lost, i.e., the fisherfolk are unable to perform their usual activities.





## Product Updates – COAST

During this policy year, CCRIF continued the process of rolling out COAST to member countries beyond the pilot countries of Grenada and Saint Lucia, which was made possible by grants from Irish Aid and support from the World Bank as well as resources from CCRIF. Grenada and Saint Lucia continued to receive premium support for the renewal of their COAST policies from the World Bank, which they have been receiving since the policies were introduced in 2019.

In November 2021, Irish Aid provided €1 million (US\$1.16 million) to CCRIF to help roll out COAST in five Caribbean countries. The funding was targeted to support not only activities necessary to implement the COAST policy but also activities that will contribute to the sustainable management of the fisheries

sector in the five countries. At the signing of the grant agreement, Ireland's Minister for Foreign Affairs, Hon. Simon Coveney, TD said:

*This Irish Aid support to CCRIF's climate risk insurance is part of the Government of Ireland's commitment to small island developing states. It helps maintain a sustainable blue economy in the Caribbean through enabling quicker local responses to the effects of climate change and environmental degradation.*

During 2021/22 several activities were undertaken to support roll-out to other

countries, including data collection to support the development of the exposure modules of COAST for countries interested in purchasing COAST and specific fisheries risk profiles for each country.

### CCRIF Model Development and Enhancement

#### Updates to Models for Tropical Cyclone, Earthquake and Excess Rainfall



Earthquake Policies



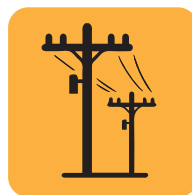
Tropical Cyclone Policies



Excess Rainfall Policies



Fisheries Policies - COAST



Electric Utilities Policy

In keeping with best practices and ensuring that it continuously improves its services to its members, CCRIF reviews its models periodically. Since the 2019/20 policy year, the System for Probabilistic Hazard Evaluation and Risk Assessment (SPHERA) model, has underpinned the CCRIF tropical cyclone and earthquake policies and the XSR 2.5 model has been the basis for the excess rainfall policy. In policy year 2021/22, CCRIF began updating these models and the new models will be available in the 2023/24 policy year (starting from June 2023). For each of these models, the exposure, hazard, and vulnerability components have been analyzed and evaluated to include the most up-to-date data and model improvements. The main updates, which commenced in May 2022, are listed below.

#### The SPHERA TC model will be updated to include:

- Revised wind and storm surge risk assessment based on a new stochastic catalogue which uses state-of-the-art techniques for stochastic tropical cyclone generation
- New bathymetry data with higher resolution
- New data from the most recent tropical cyclones, including Elsa in 2021 and Dorian in 2019 etc., which will allow for a recalibration of the vulnerability functions; the current version of the model was calibrated using data up to 2017
- An additional trigger for extreme localized events

#### The SPHERA EQ model will be reviewed and updated for Jamaica, Haiti, and the Cayman Islands. Work being undertaken includes:

- Review of existing seismic hazard studies in Jamaica and surrounding areas
- Preparing a new earthquake catalogue for Jamaica, Haiti, and the Cayman Islands
- Preparing new event loss tables for Jamaica, Haiti, and the Cayman Islands
- Conducting new risk sensitivity analyses

### Updates to the XSR 2.5 model will include:

- Using two new WRF configurations at high resolution (approx. 3.6 km) to replace those currently used; the WRF is a climatic-meteorological model developed by NOAA and is one of the sources of rainfall data used in the model
- Inclusion of IMERG to replace CMORPH as one of the sources of data for the model; NASA's new IMERG system combines information from the current constellation of satellites to estimate precipitation. This algorithm is particularly valuable over the areas that lack precipitation-measuring instruments on the ground
- Use of data from rainfall events that occurred over the period 2019 to 2021 in the risk analysis
- Review of the loss calculation methodology
- Adjustment of the vulnerability curves
- Implementation of an additional trigger for extreme localized events
- Inclusion of a wet season factor in the loss calculation to reflect when rainfall events occur in quick succession
- Use of the standardized precipitation index (SPI) to detect exceptionally dry periods
- Inclusion of crops in the exposure module (previously these were only in the exposure modules for tropical cyclone and earthquake)



### Incorporating the Use of Ground Data in the XSR Model

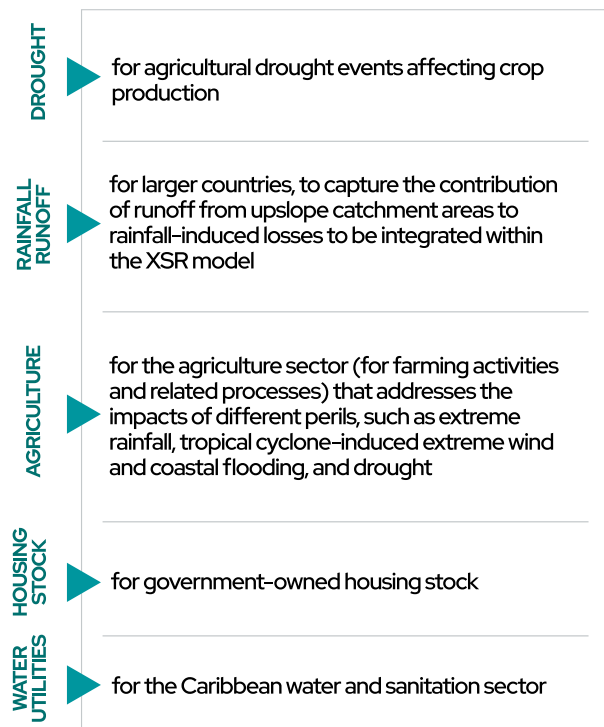
In 2021, CCRIF commenced a study to assess the feasibility of including locally obtained ground rainfall data in the excess rainfall model. CCRIF contracted the consortium of ARIA Technologies and CATIE (Tropical Agricultural Research and Higher Education Center), which worked with regional and national meteorology and hydrology agencies in the Caribbean and Central America to obtain data to determine where there were sufficient historical data and data exchange mechanisms to enable the data to be included in the XSR model. The study is expected to be completed in 2022. The Caribbean Institute for Meteorology and Hydrology (CIMH) was one such agency that provided support for the feasibility study.

### New Models in Development

Current and potential member governments have expressed interest in the development of new models for other perils and economic sectors to complement CCRIF's current offerings. Based on these demands and in the spirit of continuous improvement, CCRIF has been engaged in the development of new



models in partnership with organizations such as the Caribbean Development Bank and the World Bank as well as member governments. Current efforts are focused on the development of new models and products for:



## CCRIF WeMap

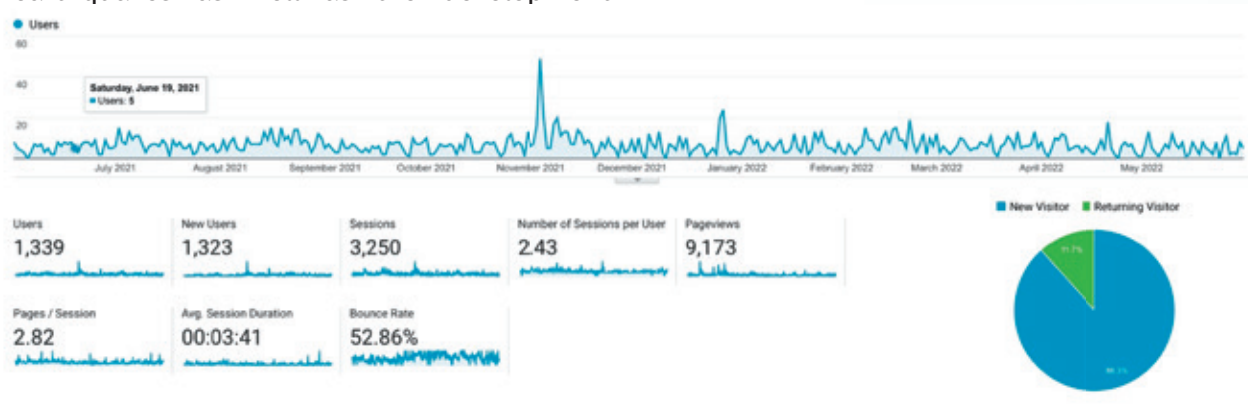
In 2019, CCRIF launched a web-based platform through which its members can monitor earthquakes as well as the development

of potentially damaging heavy rainfall and tropical cyclones, analyze their intensity and assess their impact, as well as check whether an active insurance policy with CCRIF is likely to be triggered. The web address of the platform is: <https://wemap.ccrif.org>.

Called the Web Monitoring Application or WeMap, this application is made up of four components or tools:

1. Excess Rainfall Monitoring Tool for rain events (including but not limited to cyclonic events)
2. Tropical Cyclone Monitoring Tool for wind and storm surge events induced by tropical cyclones
3. Earthquake Monitoring Tool for seismic events
4. Real-Time Forecasting System (RTFS) for tropical cyclones

Over 375 persons have access to WeMap. The main users of WeMap include finance officials, disaster and emergency managers and meteorological officers as well as regional and non-governmental organizations involved in natural hazard risk management such as the Caribbean Institute for Meteorology and Hydrology. Humanitarian organizations can also access WeMap.



Usage of WeMap 2020/21

The information provided by the components of WeMap can be used as triggers for preparedness and alert procedures by these organizations.

The information provided through the tools is useful in informing decision making at such critical times to ensure public safety.



# Scaling Up Access to Microinsurance in the Caribbean



## The Climate Risk Insurance and Adaptation in the Caribbean project



CCRIF's involvement with microinsurance is primarily through the Climate Risk Insurance and Adaptation in the Caribbean (CRAIC) project. The CRAIC project has been promoting microinsurance for climate risk in the Caribbean since 2011. The project was conceptualized

to address climate change adaptation and vulnerability by promoting weather-index-based insurance at the individual level as a disaster risk financing instrument in the Caribbean, specifically for vulnerable groups.

In 2013, CRAIC developed the Livelihood Protection Policy (LPP), the project's signature microinsurance product. The LPP is intended to complement other similar instruments at the sovereign level, particularly the products and services provided to the 22 Caribbean and Central American countries by CCRIF.

The Transition Phase of CRAIC, which is being led by CCRIF, was launched in February 2022. This phase is using the lessons learned from the first 10 years of the project to promote wider access to the LPP within five pilot countries in the Caribbean – Belize, Grenada, Jamaica, Saint Lucia and Trinidad and Tobago. The intent is

to fully roll out the LPP in all CCRIF member countries in the Caribbean. The Transition Phase is expected to create the foundation for this. Implementation partners in the Transition Phase of the project are the Munich Climate Insurance Initiative (MCII), ILO Impact Insurance, and Guardian General Insurance Limited. The project is funded by the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection. Guardian General Insurance Limited will be the main distribution channel for the LPP in the five pilot countries.

In its first two phases, CRAIC significantly enhanced the understanding and appreciation of the importance of microinsurance across the Caribbean and can be credited for promoting policy discussions at the sovereign level around the use of microinsurance as a component of social protection strategies and key to making social protection strategies more shock responsive.



Söenke Kreft, Executive Director of MCII at the Launch of the Transition Phase:

*This moment represents a new era in the relationship between the Munich Climate Insurance Initiative and CCRIF SPC. We at MCII are thrilled that CCRIF SPC is stepping into this new role, scaling up access to microinsurance products through leadership and partnerships with Caribbean insurers, governments and stakeholders.*

### The Livelihood Protection Policy - LPP

The LPP is a parametric microinsurance product, which offers individuals and organizations such as cooperatives and NGOs the ability to protect themselves and their members against financial losses that result from heavy rainfall or strong winds. The LPP is designed to help protect the livelihoods of vulnerable low-income individuals such as small farmers, fisherfolk, seasonal tourism workers, market vendors, street vendors, MSMEs, and day labourers, by providing quick cash payouts following extreme weather events (high winds and heavy rainfall). Organizations and institutions can potentially secure coverage through purchase of blocks of policies. Payments are made when a policy is triggered, and policy holders receive funds within 7 to 14 days.





S02

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## To Enhance Capacity for Disaster Risk Management and Climate Change Adaptation



**Under SO2, focus is placed on building capacity in comprehensive disaster risk management and climate change adaptation and implementing projects and programmes aimed at reducing vulnerabilities and building resilience. Although CCRIF's mandate is to provide catastrophe insurance to its members, the Facility views comprehensive disaster risk management (CDRM) as an integral component of regional development and shares with members their desire to achieve sustainable economic growth, ensure environmental sustainability, promote fiscal responsibility and eliminate poverty. CCRIF accomplishes this objective primarily through the following areas of focus:**

- Implementing its dynamic Technical Assistance Programme covering four components: a scholarship/professional development programme; a regional knowledge building component; support for local disaster risk reduction activities; and disaster risk reduction in schools
- Enhancing capacity for disaster risk management and climate change adaptation in member countries and among communities by providing support to civil society organizations and academic institutions
- Developing and implementing programmes in collaboration with regional and international organizations to strengthen Caribbean governments' disaster response and mitigation capacity
- Supporting regional universities such as The UWI to offer courses in disaster risk financing, including risk transfer, as a means of strengthening the capacity of the region to reduce national budget volatility and achieve objectives related to debt and fiscal sustainability
- Facilitating the exchange of technical, scientific and management information on risk transfer mechanisms, financial protection strategies and the linkages between damage and loss and parametric insurance
- Facilitating and supporting research on emerging issues in disaster risk reduction and the linkages with CCRIF's products and services
- Implementing new tools and projects such as the Integrated Country Risk Management Project



In this section, updates will be provided on the following:



## CCRIF'S INVESTMENT IN TECHNICAL ASSISTANCE 2010 – MAY 2022

Since the launch of the CCRIF Technical Assistance Programme in 2010 and up to May 2022, CCRIF invested US\$5.5 million in its Technical Assistance Programme.

*Table 4: Investment under the Technical Assistance Programme 2010 – May 2022*

TA Programme Component	Number	Investment (US\$)
Postgraduate scholarships in the Caribbean, UK and USA	60	1,103,811
Undergraduate scholarships at The University of the West Indies	97 <sup>5</sup>	572,480
<b>Total Scholarships</b>	<b>157</b>	<b>1,676,291</b>
CCRIF Internship Programme internships at 24 host organizations	137	374,440
CCRIF Small Grants Programme Grants to 16 NGOs and 2 departments at The UWI	25	612,473
Technical Assistance to member governments and partner organizations to build back better and build forward stronger	6	2,657,890
Professional Development Assistance and Conference Support		200,000
<b>TOTAL</b>		<b>5,521,094</b>

<sup>5</sup> This includes tuition assistance totalling US\$142,000 provided to 55 students, who UWI requested assistance due to difficulty paying fees due to COVID-19.

## CCRIF SCHOLARSHIP PROGRAMMES

CCRIF provides scholarships for Caribbean nationals to pursue postgraduate or undergraduate studies in the Caribbean as well as Canada, UK and the USA. The aim is to build a cadre of professionals in the areas of comprehensive disaster risk management, climate change adaptation and other related areas, who would effectively contribute to building the region's resilience. The three scholarship programmes are as follows:

### EXTRA-REGIONAL SCHOLARSHIP PROGRAMME

Each scholarship is valued up to US\$40,000 for postgraduate study in the USA, UK or Canada

### CARIBBEAN SCHOLARSHIP PROGRAMME

Each scholarship is valued up to US\$11,000 for postgraduate study at universities in the Caribbean

### CCRIF-UWI SCHOLARSHIP PROGRAMME

Each scholarship is valued at US\$8,000 for students' 2nd and final years of undergraduate study

For 2021/22 CCRIF provided 10 scholarships totalling US\$147,500: seven scholarships for postgraduate study in the UK and the Caribbean, and three for undergraduate study at The University of the West Indies.

CCRIF also provided The UWI with US\$11,000 to facilitate the enrolment of approximately 25 persons (primarily officials from public sector entities across the Caribbean to enroll in the CCRIF-UWI post-graduate course Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS).

Between 2010 and 2021, CCRIF supported 102 students to complete either postgraduate or undergraduate study, through its scholarship programmes, investing US\$1.5 million.



Recipients of CCRIF postgraduate scholarships in 2021 – including students awarded in 2020 and pursuing the final year of their programmes in 2021



L-R, Ryan Phillip and Michael Smith, 2021 extra-regional scholarship recipients. Ryan, a national of St. Kitts and Nevis was awarded a scholarship to pursue an MSc in Climate Change at University College London. Michael Smith, a national of Jamaica was awarded a scholarship to pursue an MSc in Structural Engineering at the University of Manchester

## CCRIF INTERNSHIP PROGRAMME 2021

The Regional Internship Programme is an important part of the professional development of young Caribbean nationals who are recent graduates, as it is helping to create opportunities for them to gain valuable experience working in national or regional Caribbean organizations in areas related to disaster risk management, meteorology, and climate change adaptation, among others. The programme was suspended in 2020 because of restrictions on travel and in-person gatherings due to the COVID-19 pandemic but in 2021, CCRIF pivoted and

dubbed the programme *“Providing Young Caribbean Nationals with Work Experience they Need from Anywhere”* and offered mainly virtual internships.

In 2021, CCRIF placed 34 young graduates as interns at 16 host organizations across the Caribbean, investing approximately US\$63,000 to ensure that interns were provided with stipends over their 8- 10 weeks of work. Between 2015 and 2021, CCRIF placed 137 young Caribbean nationals as interns in 29 national and regional organizations across the Caribbean, investing US\$374,000.

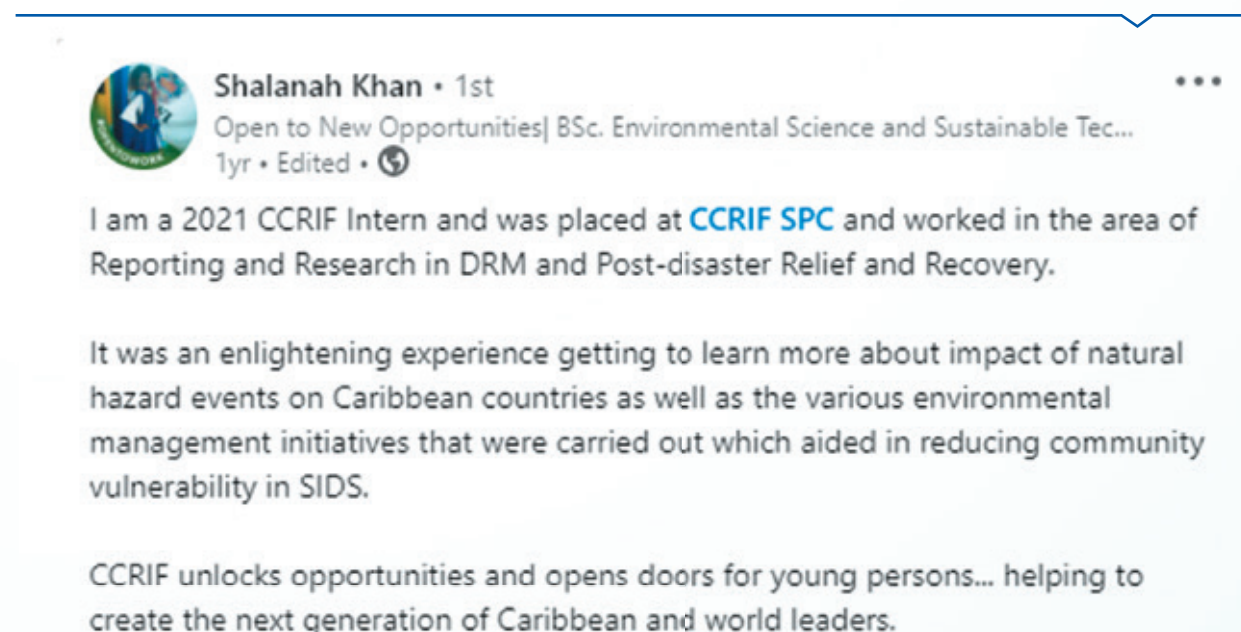
Host Organizations for 2021: CCRIF SPC • ACS • TTMS • CARICAD • CIMH • Tobago EMA • CCCCC • COEMA • CMO • Barbados Department of Emergency Management • CARICOM Secretariat • Department of Geography - UWI St. Augustine • Hazard Management Cayman Islands • Department of Geography and Geology - UWI Mona • DRRIC - UWI Mona



Through an end-of-internship forum held in November 2021, CCRIF interns expressed their views on the internship programme, their overall experience and on CCRIF as an organization. Some of these are presented below:

- “My CCRIF internship experience was transformational, fulfilling, insightful, incomparable, beneficial and life changing”
- “CCRIF provides opportunities to enhance the skills, knowledge, education and overall development of Caribbean youth.”
- “As an organization, CCRIF is necessary, innovative, impactful, beneficial and invaluable.”

Many of the 2021 interns also posted their internship experiences on social media.







Jael Daniel • 2nd

Sustainable Development MSc at University of London

3w • 🌐

Just completed the 2021 CCRIF internship at CARICAD, working in the area of Disaster Risk Management. Found it to be a fulfilling experience both professionally and personally. Would highly recommend young persons to apply for the 2021 CCRIF Internship.

[#ccrifspc](#), [#parametricinsurance](#) [#disasterriskfinancing](#) [#caricad](#)

Several CCRIF interns over the years have received job offers from the organizations that they interned with. In 2021, intern Tremaine Bowman was hired as a GIS Specialist at the Tobago Emergency Management Agency (TEMA) after completing her internship.



Ms. Tremaine Bowman (left) participated in a training workshop on The UWI's SMASH tool in December 2021 along with TEMA Director, Mr. Allan Stewart.

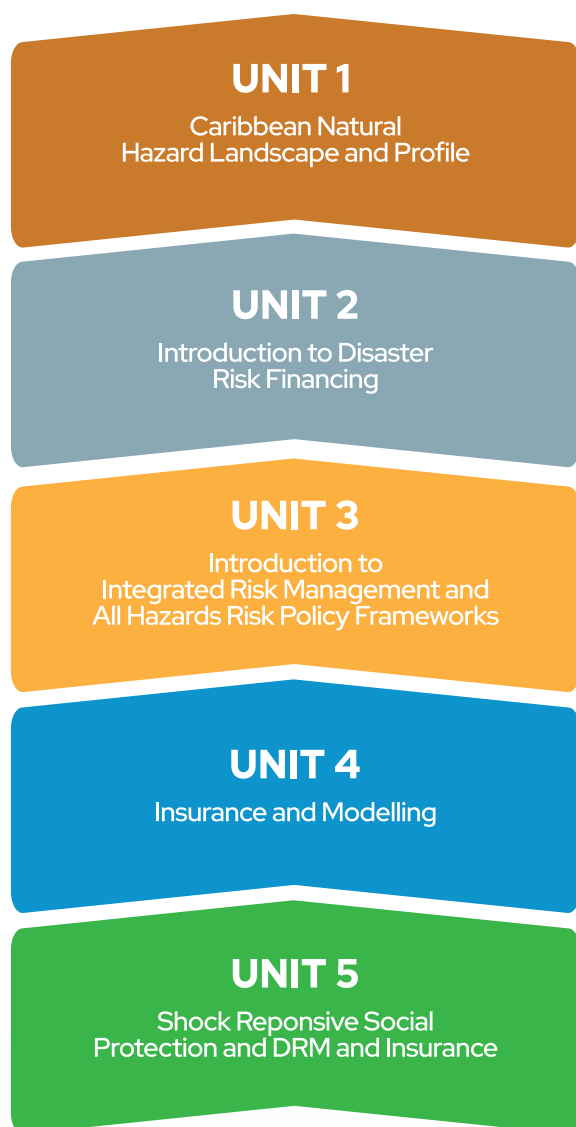
## CCRIF TRAINING PROGRAMME IN DISASTER RISK FINANCING



**Fundamentals of  
Disaster Risk Financing  
for Advancing  
Sustainable  
Development of Small  
Island Developing  
States (SIDS)**



The course, “Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)” has become an integral part of CCRIF’s Training Programme. The second cohort of students participated in the second offering of the course which commenced on November 16, 2022, and ended on April 18, 2022. This 40-hour postgraduate course delivered in collaboration with The UWI is structured around 5 modules as follows:



A total of 45 persons, including government officers from 8 member governments, commenced the course. CCRIF provided scholarships for 32 government officials to participate.

## CCRIF SUMMER COURSE ON DISASTER RISK FINANCING FOR RECENT GRADUATES

Since 2020, CCRIF in collaboration with The UWI has been offering a summer course “Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy”, to university students and recent graduates. The course is delivered through The UWI Open Campus and in 2021 approximately 80 young people participated in the course. All CCRIF interns benefit from this training and once students complete the course, they are awarded with a certificate and 2 continuing education units (similar to credits).



## CCRIF SMALL GRANTS PROGRAMME

The CCRIF Small Grants Programme provides financing for disaster risk reduction, climate change adaptation and nature-based solution projects that benefit local communities and are implemented by non-governmental organizations (NGOs), community-based organizations, charity organizations and academic institutions in CCRIF’s Caribbean member countries and/or CARICOM member countries. The programme provides grants of between US\$5,000 and US\$25,000 per project.

During this policy year, CCRIF awarded three new grants totalling US\$47,120 as shown below.

Organization, Country	Project	About the Project	Grant (US\$)
<b>IsraAid Dominica</b>	Safe and resilient schools for special needs students in the Commonwealth of Dominica	<p>This project focuses on:</p> <ul style="list-style-type: none"> <li>• The development of Standard Emergency Operating Procedures (SEOPs) and the implementation of simulation exercises for special education schools</li> <li>• Implementing a public outreach campaign to raise awareness on special needs and inclusive education, including development of a mini-film and conducting bi-monthly radio sessions</li> </ul>	<b>14,280</b>
<b>Environmental Protection in the Caribbean Foundation (EPIC), Sint Maarten</b>	Project to Restore Boat Sewage Pumpout Service in Simpson Bay Lagoon, Sint Maarten	<p>The objective of this project is to repair the sewage pumpout boat named Slurpy. Slurpy serviced vessels in Sint Maarten, reducing pollution in Simpson Bay Lagoon, one of the largest lagoons in the Caribbean and critical nursery habitat for marine life, from 2014 until September 2017 when it sustained significant damage from Hurricane Irma. Since then, it has been dry docked due in part to the inability to fundraise as a result of factors including COVID-19. The sewage pumpout boat is critical in reducing the amount of untreated wastewater entering the fragile Lagoon ecosystem, including Mullet Pond. This site is a designated Ramsar Wetland of International Importance, which harbours one of the few remaining intact seagrass beds of the Lagoon and the majority of Sint Maarten's mangrove forests. This wetland serves as nursery habitat for reef-based species and therefore impacts marine protected areas and the associated dive tourism industry.</p>	<b>7,840</b>
<b>Carbon Zero Institute of Trinidad and Tobago (CZITT)</b>	Sustainable Agricultural Carbon Sinks Project	<p>The project addresses the impact of climate change on food production and the need to diversify the economy and increase export earnings. The project activities will be focused in Exchange Village, which is a coastal village situated on the west coast of Central Trinidad, where fishing and farming are the primary activities. Some activities that will be undertaken include:</p> <ul style="list-style-type: none"> <li>• Fruit tree planting on idle land in the community</li> <li>• Training workshops in climate change and sustainable agriculture</li> <li>• Creation of a nursery</li> <li>• Construction of a fishpond</li> <li>• Installation of beehive</li> <li>• Estimation of carbon being sequestered</li> </ul>	<b>25,000</b>
<b>TOTAL (US\$)</b>			<b>47,120</b>

Including the new grants, CCRIF administered seven grants during policy 2021/22. During the latter months of 2021, the implementation of some activities continued to be delayed due to restrictions on travel and gatherings imposed

to address the COVID-19 pandemic. However, there was significant progress on project implementation and one project was completed during the policy year.



## COMPLETED PROJECTS 2021/22

### RePLAST-OECS Pilot Plastic Recycling Project Subcomponent: Public Awareness Component - UNITE Caribbean Ltd., Saint Lucia



**Total CCRIF  
Investment on this project**

**US\$24,000**

The RePLAST project was designed to create a sustainable solution to the issue of plastic waste disposal in OECS Member States. The project pilot tested a system for collection and exportation of plastic bottles. Not only would this result in a cleaner environment, it also could create new financial flows from the export of plastic to be recycled.

The CCRIF grant supported the project's Public Awareness / Public Education Programme

through the development and dissemination of

- 4 instructional videos that focus on how to collect and recycle plastic waste
- 6 videos in a "Meet a RePLAST Hero" Series (completed in the previous year), a short documentary of the project
- To view the videos, visit: <https://unite-caribbean.com/public/replastoecs/Media.html>





A 6-week media campaign was initiated from April 15 to May 31, 2022, on radio and television, including the Government of Saint Lucia Television Channel. The media products were also disseminated on the project website and on social media. The media campaign was instrumental in bringing local, regional and international attention to the project. The project continues to garner support, interest, and momentum.

One visible impact on the environment is the reduction of plastic bottles in flood waters after recent periods of heavy rainfall.



*Plastic bottles are being baled for export. Plastic bottles are recycled into everyday items that we use, such as clothing, sneakers, park benches among others.*



## UPDATES ON SOME ONGOING PROJECTS

**Project on Strengthening the Capacity of Small Farmers in the Eastern Caribbean to Respond to the Effects of Natural Disasters - Caribbean Policy Development Centre (CPDC), Barbados**



**Total CCRIF  
Investment on this project**

**US\$24,960**

CCRF and the Inter-American Foundation (IAF) provided support to the Caribbean Policy Development Centre (CPDC) to strengthen the capacity of small farmers in the Eastern Caribbean to respond to the potential effects of natural hazards and also to be prepared for them.

It is well known that small farmers are disproportionately vulnerable to natural hazards and climate change. Changes in temperature, rainfall and the frequency and intensity of extreme weather events directly affect the productivity of their farms, their households' income and well-being, as well as the food security of countries as a whole.



## Main Areas Covered in the Training Manual

- Sustainable Farming Practices
- Understanding Drought
- Guidelines for Irrigation Management
- Extreme Weather Events and Reducing the Impacts of Heavy Rainfall on Small Farms
- Rethinking Draining
- Post-Disaster Recovery and Confronting Climate Change

This project focuses on building the capacity of farmers in three countries – Dominica, Grenada and St. Vincent and the Grenadines. A training manual *Creating Farms that are Resilient to Natural Hazards: Small Farmers Training Manual*, was developed and will be used to train small farmers, disaster risk managers and agriculture extension officers, providing them with information related to managing droughts, rainfall and wind from storms as well as post-disaster recovery and climate proofing of farms and other agricultural enterprises.

Training will be provided to farmers to help improve their resilience to natural hazards, help them reduce their risks and where they are impacted by natural hazards, help them to recover faster and build forward stronger. The training will be conducted by trainers who have experience in climate-smart agriculture practices and who will participate in a virtual train-the-trainer workshop scheduled for July 2022 to familiarize themselves with the manual and discuss the best way to conduct the training with farmers in the target countries. The in-country training is scheduled for the latter part of 2022.



*An Excerpt from the Small Farmers Training Manual*



## Building Community Climate Resilience with Cost-Effective and Soft-Approach Green Engineering Solutions - IAMovement, Trinidad and Tobago



**Total CCRIF  
Investment on this project**

**US\$23,000**

CCRIF provided a grant of US\$23,000 to IAMovement, an NGO in Trinidad and Tobago, to implement the “Vetiver System” in several rural communities in Trinidad, including Paramin, Moruga, Lopinot and Santa Cruz among others to enhance their resilience to climate-related hazards, in particular heavy rainfall. The use of the Vetiver System in the Caribbean is new.

The Vetiver System (VS), when implemented and properly maintained, reduces the impacts of heavy rainfall, which often leads to erosion of hillside farming soils, downstream flooding, and land slippage, causing damage to roads, homes, and other infrastructure.

Vetiver grass is a tropical grass that is known for having an extremely deep and durable root system that allows it to collect nutrients even when placed in locations that would not support other types of plants. It is easy to cultivate and maintain and is used to help slow the process of soil erosion along riverbanks and on steep hillsides.

A key component of the project is training and capacity building – in all aspects of the VS: field preparation, installation of the vetiver plants and maintenance of the vetiver installations. Community members installed vetiver grass at residences, near public buildings and





*Installing vetiver grass to stabilize this hillside and protect against soil erosion and improve the quality of the soil*

along roads throughout the communities. Also, vetiver nurseries were established in each community to ensure an ongoing supply of grass to plant in new areas – these nurseries are maintained by community members. The field-based training was supported by community workshops to build knowledge about the vetiver system and why it works – as well as other climate change adaptation initiatives that may be of interest to community members such as the Livelihood Protection Policy – the microinsurance product for small farmers and other persons whose livelihoods are affected by adverse weather, which was developed under the CRAIC project.





Another aspect of the project is research. IAMovement also worked with the Department of Geography at the St. Augustine campus of The UWI to undertake academic research on Vetiver Grass. This work led to several studies that focus on different benefits of the VS. Two CCRIF interns assigned to the Department of Geography in 2021 worked on a study that focused on the soil and water conservation benefits of the VS. Mr. Akil Crichlow, who received a scholarship from CCRIF to complete his MSc in Biodiversity Conservation and Sustainable Development in the Caribbean at The UWI, completed his thesis research on the use of the VS for sustainable, cost-effective slope stabilization in the heavy clay soils found in certain parts of Trinidad. Two municipal authorities – The Princes Town Regional Corporation, and the Siparia Regional Corporation –along with several councillors expressed interest in the use of the VS in their towns, especially because many parts of South Trinidad are impacted by flooding due to the heavy and expansive clay soils that cause extensive flooding during periods of heavy rainfall, which has cost millions of dollars to make repairs to infrastructure over the past few decades.



*One of CCRIF's scholarship recipients, Akil Crichlow, at work on one of the VS sites in Trinidad where the soil moisture probes were installed. Soil moisture probes purchased by CCRIF were tested and calibrated and all were installed in-situ. In this photo, Akil is monitoring soil moisture and undertaking soil physico-chemical testing at the Tucker, South Oropouche, heavy clay site.*



*A community workshop on VS in Moruga*



**Production of a Storybook on Climate Change and Natural Disasters for Children**  
- Groupe des Adolescents Encadrés du Nord-ouest (GAENO), Haiti



**Total CCRIF  
Investment on this project**

**US\$18,890**

GAENO worked closely with CCRIF to produce a storybook on natural disasters and climate change for children. The stories in the book were selected through a competition that involved university students and other amateur writers producing stories relating to natural hazards and the actions children should take before, during and after a natural disaster. The stories focus on floods, tropical cyclones, earthquakes, and droughts. Three stories from each category are included in the book. The intent is also to have teachers and church leaders use the book to build awareness of natural hazards and disasters among young persons. The publication will be in French and when completed will be printed and distributed.



*Image from the storybook*





One of the authors of the storybook receives her prize and award

## DISASTER RISK REDUCTION IN SCHOOLS





CCRIF's booklet for children 8-12 years old, "Hazards, Disasters and Climate Change", was officially launched at the 2022 Caribbean Regional Risk Conference in April. At the launch, and through a video presentation, several

children read from the publication. The video ended with Cyndi Celeste reading the poem, "Then and Now", which stressed that "our children aren't just the future, they are also today."



Board Member Mrs. Sandra Bailey (photo at left) and Technical Assistance Manager Ms. Elizabeth Emanuel (photo at right) presented copies of the booklet to 2 schools in collaboration with the Kiwanis Club of Eastern Kingston



Approximately 2,000 copies of the booklet were disseminated across the Caribbean region to disaster risk management offices, NGOs, libraries, schools, and ministries of education. Copies were disseminated by a range of avenues, for example:

- Through Dawnbooks, owned by a Saint Lucian author, as a prize at Saint Lucia's first Spelling Bee Competition
- By CCRIF Board member Mrs. Saundra Bailey and Technical Assistance Manager Ms. Elizabeth Emanuel, members of the Kiwanis Club of Eastern St. Andrew in Jamaica, to several urban and rural schools and to children in Grades 4 to 6
- In conjunction with a discussion with Grade 6 students at Hillel Academy Jamaica (in 2020, the then Grade 6 class was part of the pilot for the book)
- In partnership with the "Strengthening the capacity of women coffee farmers in Jamaica through training" project, funded by the Canada Fund for Local Initiatives, to distribute books in the east rural St. Andrew to the children of coffee farmers who were in Grades 5 and 6.
- At the 9th meeting of the OECS Council of Ministers on Environmental Sustainability (COMES) held in St. Vincent and the Grenadines



Students at St. Gabriel's School, Barbados receive the book, Hazards Disasters and Climate Change





S03



# Financial Sustainability

**Under SO3, focus is placed on ensuring that CCRIF puts measures in place to sustain its financial solvency and integrity. This is achieved through:**

- Maintaining a strong capital base
- Continuously reviewing the Facility's investment policy to be able to be flexible in negotiating advantageous reinsurance rates for members and to be able to retain the Facility's claims-paying capacity
- Analyzing impacts of climate change on CCRIF's portfolio and continuing to explore mechanisms for diversifying the investment strategy of the Facility

In this section, updates will be provided on the following:

**POLICIES AND  
POLICY COVERAGE  
ACCORDING TO SP**

**REINSURANCE  
PROGRAMME  
2021/22**

**DONOR SUPPORT  
AND CAPITALIZATION**

CCRIF offers its products through segregated portfolios (SPs), which allows for total segregation of risk but still provides opportunities to share operational functions and costs and to maximize the benefits of diversification. CCRIF's financial stability for 2021/22 is reflected in the collective performance of the following five SPs:

- CCRIF SPC on behalf of Caribbean EQ/TC SP – providing Earthquake and Tropical Cyclone policies for Caribbean governments
- CCRIF SPC on behalf of Caribbean XSR SP – providing Excess Rainfall policies for Caribbean governments
- CCRIF SPC on behalf of Central America SP – providing Earthquake, Tropical Cyclone and Excess Rainfall policies for Central American governments
- CCRIF SPC on behalf of COAST SP – providing COAST fisheries policies for Caribbean governments
- CCRIF SPC on behalf of Caribbean Public Utilities SP – providing electric utilities policies for Caribbean electric utility companies

## POLICIES AND POLICY COVERAGE – 2021/22

### Caribbean EQ/TC SP

For the Caribbean EQ/TC SP, CCRIF SPC issued 35 policies (14 EQ and 21 TC policies) to 18 Caribbean countries<sup>6</sup>. The year's gross premium for tropical cyclone and earthquake coverage in the Caribbean totalled US\$32.6 million. The coverage limit for EQ and TC policies in the Caribbean was US\$928 million: US\$499.3 million for tropical cyclone coverage and US\$428.7 million for earthquake.

### Caribbean XSR SP

For the Caribbean XSR SP, CCRIF SPC issued 20 policies to 16 Caribbean countries<sup>7</sup>. Annual premium from the XSR policies in the Caribbean totalled US\$12.4 million and the total coverage limit was US\$114.1 million.

### Central America SP

For the Central America SP, CCRIF SPC issued 5 policies (1 EQ, 1 TC and 3 XSR) to 3 COSEFIN countries. The gross premium was US\$3.8 million, with US\$0.8 million for tropical cyclone coverage, US\$1.0 million for earthquake and US\$2.0 million for excess rainfall. The coverage limit in the region was US\$62 million: tropical cyclone – approximately US\$16.9 million, earthquake – US\$29.6 million, and excess rainfall – US\$15.5 million.

### Caribbean Caribbean COAST SP

For the Caribbean COAST SP, CCRIF SPC issued 2 policies to 2 Caribbean countries. The premium income from the COAST policies totalled approximately US\$0.2 million and the total coverage limit was

US\$2.4 million: US\$0.4 million for adverse weather coverage and approximately US\$2.0 million for tropical cyclone coverage.

### Caribbean Public Utilities SP

For the Caribbean Public Utilities SP, CCRIF SPC issued 1 policy to an electric utility company in the Caribbean.

### Coverage Limit



The total coverage limit for 2021/22 was US\$1,114,470,872. This is the second year that the amount ceded by CCRIF members is more than US\$1 billion.

## REINSURANCE PROGRAMME 2021/22



<sup>6</sup> The Bahamas has three TC policies, each of which covers a portion of the country. Trinidad & Tobago has two TC policies – one for each island. The figures for the number of TC policies counts each sub-national policy as a separate policy.

<sup>7</sup> The Bahamas has four XSR policies, each of which covers a portion of the country. Trinidad & Tobago has two XSR policies – one for each island. The figures for the number of XSR policies counts each sub-national policy as a separate policy.



As customary, CCRIF held meetings with its reinsurers in March 2021 to prepare for the 2021/22 policy year. These meetings allowed CCRIF to share updates on the Facility, payouts made during the previous policy year, information on model updates, assumptions on renewal of policies by members, a recap of the CCRIF reinsurance structure in force for the 2020/21 policy year, and proposed reinsurance structures for the 2021/22. This engagement with the reinsurers is key to enabling CCRIF to attain the best reinsurance structure which in turn allows the Facility to provide its parametric insurance cover at the lowest possible prices to members.

**CCRIF SPC for Caribbean EQ/TC SP** retained US\$27.5 million and purchased US\$172.5 million of reinsurance capacity above the retention to support the claims-paying capacity of the Facility (Figure 1). Reinsurance was purchased from the international reinsurance markets. The top of the reinsurance structure, at US\$200 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-500 chance of occurring. The main programmes were placed at 100 per cent.

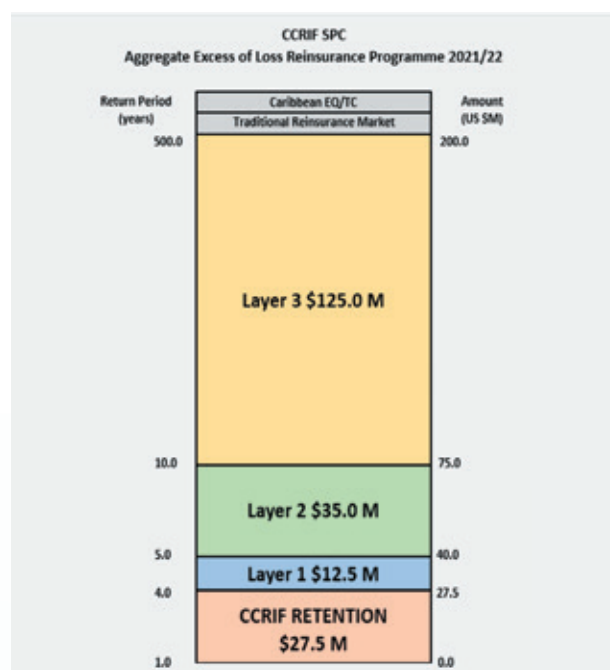


Figure 1: Aggregate Excess of Loss Programme 2021/22 for Caribbean EQ/TC

**CCRIF SPC for Caribbean XSR SP** retained US\$12 million and purchased US\$38 million of reinsurance capacity to support the claims-paying capacity of the Facility (Figure 2). The top of the reinsurance structure, at US\$50 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-1,000 chance of occurring.

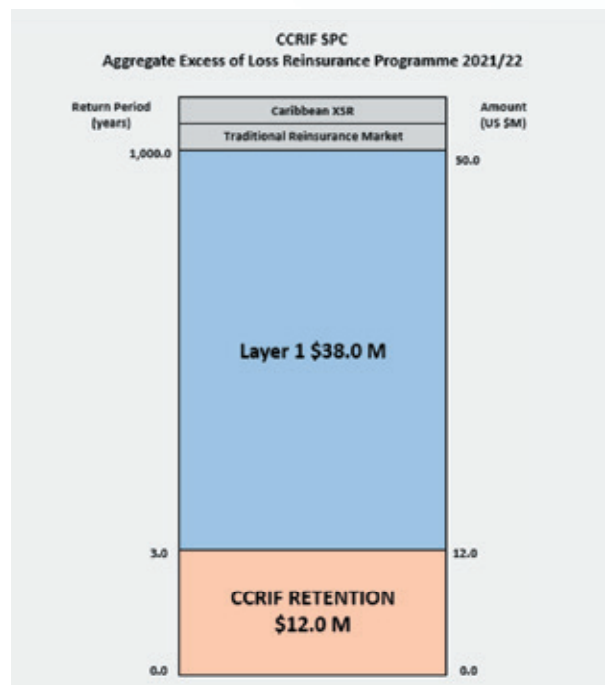


Figure 2: Aggregate Excess of Loss Programme 2021/22 for Caribbean XSR

**CCRIF SPC for Central America SP** retained US\$0.5 million for EQ/TC and US\$2.0 million for XSR. CCRIF SPC for Central America SP purchased US\$30.0 million of reinsurance capacity for EQ/TC and US\$11.0 million for XSR to support the claims-paying capacity of the Facility (Figure 3). The top of the reinsurance structure, at US\$30.5 million for EQ/TC and at US\$13.0 million for XSR, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-900 chance of occurring for EQ/TC and a greater than 1-in-3,000 chance of occurring for XSR.

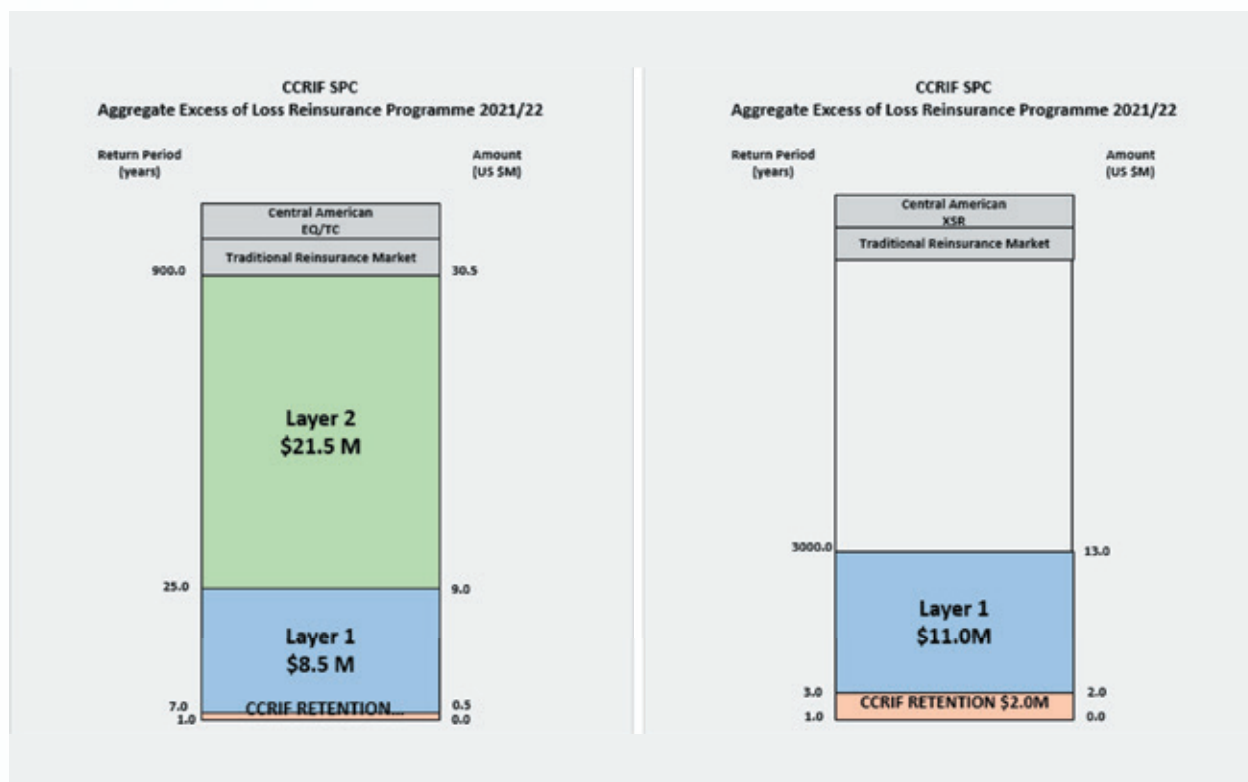


Figure 3. Aggregate Excess of Loss Programme 2021/22 for Central America EQ/TC and XSR

**CCRIF SPC for Caribbean COAST SP** did not purchase any reinsurance.

**CCRIF SPC for Caribbean Public Utilities SP** retained US\$1.0 million and purchased US\$7.0 million of reinsurance capacity to support the claims-paying capacity of the Facility(Figure4).The top of the reinsurance structure, at US\$8.0 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-495 chance of occurring.

CCRIF SPC's total capital at risk for 2021/22 comprised the retention of US\$43.0 million (US\$27.5 million for Caribbean EQ/TC, US\$12.0 million for Caribbean XSR, US\$2.5 million for Central America (US\$0.5 million for Central America EQ/TC and US\$2.0 million for Central America XSR), and US\$1.0 million for Caribbean Public Utilities) within the risk transfer

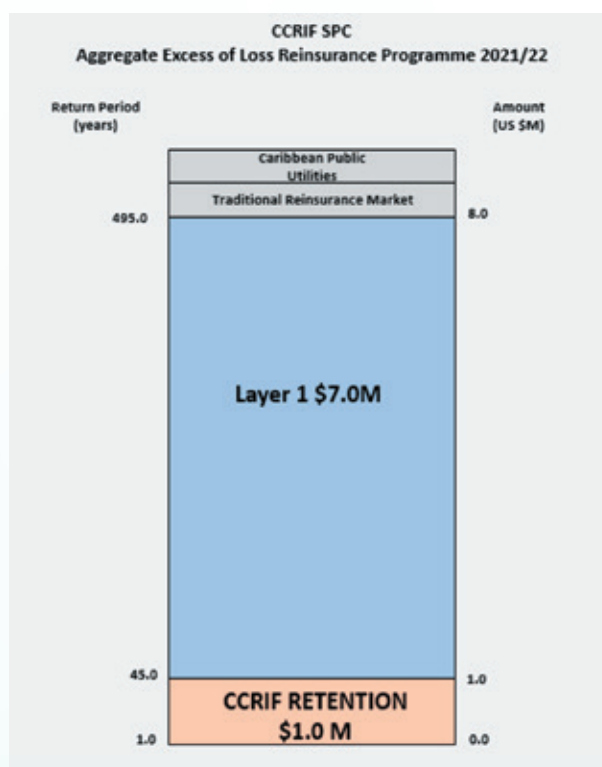


Figure 4 Aggregate Excess of Loss Programme 2021/22 for Caribbean Public Utilities

programme and a further ~US\$98.6 million above the reinsurance programmes in place for the different perils and SPs. Therefore, the claims-paying capacity of CCRIF SPC for the 2021/22 policy year was significantly greater than the modelled aggregate annual loss with greater than a 1-in-10,000 chance of occurring, thus comfortably falling within CCRIF's guidelines for financial security and remaining substantially better than any of its peers in either the public or private sectors.

## DONOR SUPPORT AND CAPITALIZATION

Donor support is critical to assist CCRIF members in extraordinary circumstances – for example, during the COVID-19 pandemic – and to enable CCRIF to scale up its operations by increasing coverage for existing members, increasing membership, and developing new products.

CCRIF continued to work with development partners to explore opportunities to support its members to retain and increase coverage as shown below.

### Assistance provided for 2021/22 policy year

Assistance provided to members for the 2021/22 policy year included three grants that were provided in 2020, which allowed member governments to use the funds in 2020/21 and/or 2021/22.

1. In 2020, the European Union (EU), under its Global COVID-19 Response, had provided a grant of €10 million (US\$11 million) to CCRIF for premium support or increasing coverage for its Caribbean members. This financial assistance to

CCRIF was channelled through the EU Regional Resilience Building Facility managed by the Global Facility for Disaster Reduction and Recovery (GFDRR) and The World Bank. Member countries were able to use the EU-funded discount (amounting to 26 per cent of total gross premium) during the 2020/21 and/or 2021/22 policy years.

2. In 2020, the Canada-CARICOM Climate Adaptation Fund provided funding of US\$12.4 million to nine Caribbean countries. Seven of these countries, which are CCRIF members, were able to use their allocation to cover a portion of their CCRIF policy premium costs for 2020/21 or 2021/22.
3. In 2020, the Multi-Donor Trust Fund (MDTF) of the Central America and Caribbean Catastrophe Risk Insurance Program (CACCRIP) provided US\$10 million to enable CCRIF to provide special benefits to COSEFIN member countries on CCRIF policies for policy years 2020/21 and 2021/22. These benefits included reductions in premium costs or an increase in CCRIF coverage or a combination of both.
4. The World Bank provided premium support to pilot countries Grenada and Saint Lucia for a third year for their 2021/22 COAST policies for the fisheries sector. The World Bank has been providing premium support to these two countries since COAST was introduced in 2019.
5. Irish Aid provided €1 million (US\$1.16 million) to CCRIF to support the roll-out of COAST to five additional Caribbean countries.



6. The International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) provided support to CCRIF for the scaling up and roll-out of the livelihood protection policy across five pilot Caribbean countries as well as resources to build the capacity of Caribbean governments, insurance regulators, civil society organizations and regional organizations in microinsurance and shock responsive social protection.

#### **Assistance secured during this policy year for 2022/23**

1. The World Bank, in partnership with the European Union (EU) through its Caribbean Regional Resilience Building Facility managed by the Global Facility for Disaster Reduction and Recovery, made available a grant of €5.5 million (approximately US\$5.42 million) to CCRIF to support eligible Caribbean countries in policy year 2022/23 to reduce the cost of their policy premiums or to increase coverage or both.
2. The European Union, Germany (through KfW Development Bank and Federal Ministry of Economic Cooperation and Development (BMZ)) and the United States Treasury, through CACCRIP, made available grant funding to CCRIF to support Central American members for the 2022/23 policy year.
3. The World Bank committed to provide premium support for the fourth year to Grenada and Saint Lucia – for their 2022/23 COAST policies for the fisheries sector.



## CCRIF Signs Letter of Intent with IDB to Investigate Insurance for Water Utilities in the Caribbean Region

CWUIC SP



*Isaac Anthony (centre), CCRIF CEO and IDB's Rigoberto Ariel Yépez-García (left), Manager of Infrastructure and Energy Sector, and Carmen Madriz Contreras (right), Operations Principal Advisor for the Country Department for Central America, Haiti, Mexico, and the Dominican Republic, signed a letter of intent to investigate the establishment of the CWUIC SP.*

CCRIF and the Inter-American Development Bank signed a letter of intent in May to conduct a feasibility study to investigate the establishment of the Caribbean Water Utility Insurance Segregated Portfolio (CWUIC SP), which would provide water utilities in the Caribbean with access to parametric insurance coverage and coordinated technical and financial support to better respond to and recover from the impacts of natural disasters.

S04



To Sustain  
Corporate Integrity



**Under SO4, focus is placed on promoting the principles of good governance and corporate integrity to ensure transparency and accountability by:**

- Addressing decision making and governance with a focus on high quality internal controls towards enhancing efficiencies and reducing the risk of business interruption all within a frame of continuous improvement
- Being fully accountable to members, stakeholders and supporting donors
- Operating within a good governance framework as outlined in the Facility's Operations Manual
- Integrating the concepts of transparency and accountability for sustainable development at all levels of the Facility's decision making and into business planning and the management information and control systems
- Measuring performance against the strategic objectives through a well-defined monitoring and evaluation framework in a timely manner to effectively monitor the progress being made on the implementation of initiatives and, where required, ensure that corrective action is taken
- Providing members, donors, stakeholders and the general public with the Facility's annual report and audited financial statements in a timely manner

In this section, updates will be provided on the following:



## CCRIF GOVERNANCE

CCRIF's Board of Directors assumes overall responsibility for CCRIF, including approving and overseeing the implementation of CCRIF's strategic objectives, risk strategy, investment strategy and corporate social responsibility. The Board holds quarterly meetings with the Executive Management team and service providers. This allows for focused examination of progress during the previous quarter and discussion of issues and challenges that need to be addressed.

### Board Committees

The board also works through six committees, allowing for director oversight and governance of key functions of the Facility. These board committees are made up of directors who are chosen for their relevant expertise and experience to strategically guide the work of the committee. The CEO is a member of four of these committees and where needed, independent external members are appointed. The six board committees present reports of their work at each quarterly board meeting.

## New Organizational Structure

As CCRIF pursues its objectives to scale up and play a larger role as a development partner in the Caribbean, it has recognized the need to engage additional staff and consultants to assist in areas such as model development and enhancement, development of new products, and engagement of new members. During this policy year, a new organizational structure was discussed, which includes additional staff members that will support the CEO and Executive Management, who also will continue to rely on external, contracted service providers. New staff to be hired include, for example, specialists in procurement, environmental and social analysis, client insurance, and actuarial analysis.

### Annual Report 2020/21

CCRIF's annual report is the formal channel through which the Facility presents its financial performance and activities undertaken each year, thus providing transparency in CCRIF operations. During



Board Committees	Members
Risk Transfer and Underwriting Committee	Saundra Bailey (Chair), Timothy Antoine, Michael Gayle, Isaac Anthony
Audit and Risk Management Committee	Desirée Cherebin (Chair), Saundra Bailey (Deputy Chair), Todd Crawford (Independent Member)
Investment Committee	Faye Hardy (Chair), Timothy Antoine, Desirée Cherebin, Isaac Anthony
Finance and Budget Committee	Saundra Bailey (Chair), Desirée Cherebin, Michael Gayle, Isaac Anthony
New Products Committee	Faye Hardy (Chair), Desirée Cherebin, Michael Gayle, Isaac Anthony
Technical Assistance Committee	Desirée Cherebin (Chair), Faye Hardy, Isaac Anthony

2021/22, CCRIF disseminated its 2020/21 annual report to members and other stakeholders and made it public by uploading the document to its website and sharing through social media platforms.

### Work of the Central America SP Management Committee

The Central America SP Management Committee oversees the governance and operations of the Central America segregated portfolio (CASP). The CA SP Management Committee held discussions about its vision and strategic direction for the CA SP in their regular meetings that ultimately led to the development of the Strategic Plan for Central America 2022-25.

Also, the Committee was instrumental in hiring two consultants to support CCRIF's engagement with Central America members: a technical expert to support the CCRIF CEO and the wider CCRIF Executive Management Team to deepen the Facility's strategic engagement with members in Central America, including enhancing the understanding of CCRIF's products and the importance of disaster risk financing within the context of public financial management; and a communications and marketing specialist for Central America to lead the design and implementation of a communications strategy to increase awareness and deepen knowledge on disaster risk financing and CCRIF's parametric insurance products in Central America. CCRIF views the appointment of these two consultants as another important step in the scaling up of CCRIF and will allow the Facility to further strengthen its relations in Central America and the Dominican Republic.

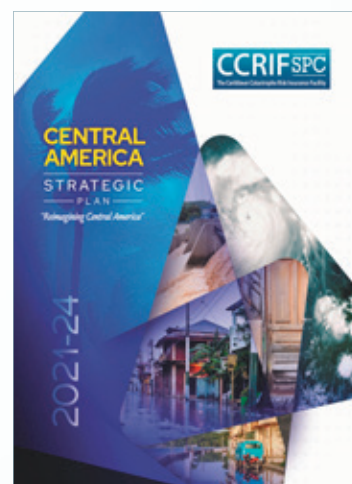
### CCRIF Strategic Plan 2022-2025 and Strategic Plan for Central America 2021-2024

During the policy year CCRIF developed its Strategic Plan for the period 2022-2025 using a combination of research, stakeholder engagement through the conduct of a beneficiary assessment and input from the Board and Executive Management. To develop the Plan, CCRIF prepared a regional analysis of issues and challenges facing the Caribbean and Central America and a SWOT analysis to inform

discussions on proposed actions and priorities. As done with the 2018-2021 strategic plan, CCRIF also used the input from a stakeholder assessment that utilized surveys and focus group discussions to obtain stakeholder feedback on CCRIF's performance, operations, and successes. The assessment also was used to identify the current interests of members, assess the specific needs of each member, and obtain ideas on how to advance the Facility's strategic objectives.



For the first time since COSEFIN countries joined the Facility in 2014, CCRIF prepared a Strategic Plan specifically for Central America, the Central America Strategic Plan, 2021-2024, "Reimagining Central America". The Plan is designed to be a sub-set of the overall CCRIF Strategic Plan for 2022-2025, but places special emphasis on the Central America SP to support the development and sustainability of the CA SP, meet the needs of CA members and ensure that CCRIF engages with those members of COSEFIN that are not yet members of CCRIF. The process to develop the Strategic Plan for Central America built on discussions at regular meetings of the Central America SP Management Committee. The Plan was informed by a stocktaking exercise, an analysis of CCRIF's performance in Central America over the period 2018-2021 as well as a survey to obtain

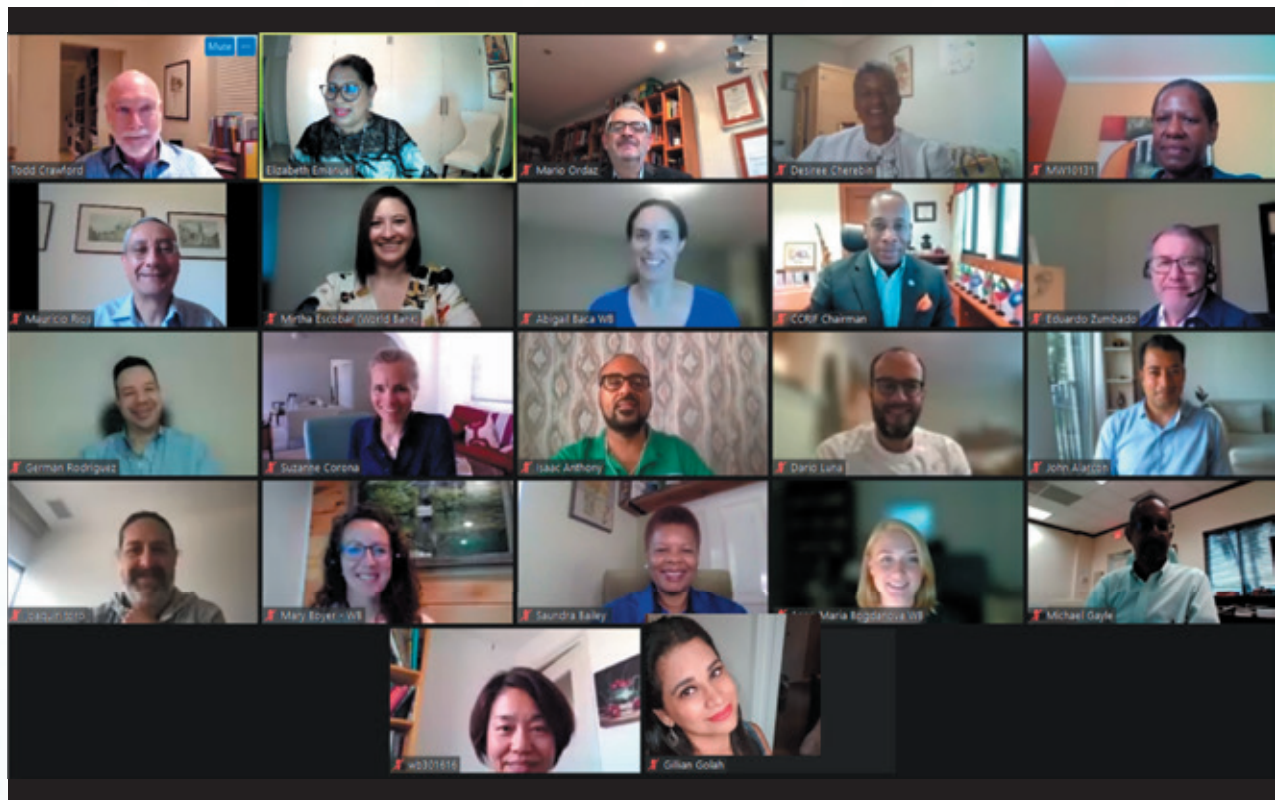




stakeholder feedback and perceptions of CCRIF and its performance in Central America. Information from this Plan was included in the overall CCRIF Strategic Plan 2022-2025.

The development of both strategic plans was informed by strategic planning sessions. For the Strategic Plan for Central America, a planning retreat was held, involving the Central

America SP Management Committee; CCRIF board members, Executive Management and Team; and the World Bank MDTF administrators. Participants examined stakeholders' issues and recommendations, analyzed the performance of CCRIF over the previous planning period 2015-2018, and discussed the necessary and strategic steps needed to scale up engagement in CA.



*The CCRIF Board and Executive Management, members of the Central America SP Management Committee for CCRIF, CCRIF service providers and members of the World Bank CCRIF Project Team met in September 2021 to discuss the Facility's performance in Central America, the needs of its Central America members and how to better serve them through products, other technical services, and increased engagement.*

For the development of the CCRIF Strategic Plan 2022 - 2025, another strategic planning retreat was held, involving the CCRIF Board and Executive Management and facilitated by the CCRIF Corporate Communications Manager, in which participants examined stakeholders' issues and recommendations for CCRIF and

analyzed the performance of CCRIF over the previous planning period 2018 - 2021. At this retreat, the board and executive management engaged in various visioning exercises and identified the main strategic initiatives and priorities that the Facility would undertake over the period 2022-2025.



*Members of the CCRIF Board and Executive Management Team - and the Corporate Communications Manager team as facilitators - at the Strategic Planning Retreat*

Based on the visioning exercise, a new vision statement for CCRIF was developed. The new statement for CCRIF is:

*A leading global development insurer, providing disaster risk financing products and services to member countries to improve lives and livelihoods, building resilience and advancing sustainable development agendas.*

The mission statement, core values and strategic objectives remain the same as for 2018-2021. The CCRIF Strategic Plan 2022-2025 includes 47 key priorities and initiatives to be implemented over the 2022-2025 period. These initiatives will support the achievement of the Facility's strategic objectives and consequently its mission and vision. Some of the key priorities that will be implemented over the period 2022-2025, aligned to the Facility's strategic objectives are shown in the table overleaf.

Table 5: Sample of Priorities included in Strategic Plan 2022-2025

Strategic Objectives	Priorities/Main Initiatives to be implemented 2022-2025
<p><b>S01</b></p> <p><b>Innovative and Responsive Parametric Products:</b></p> <p>To provide products, services and tools responsive to the needs of our members</p>	<ol style="list-style-type: none"> <li>1. Roll out new models and products within the context of sustainable adaptation, climate resilience and damage and loss               <ul style="list-style-type: none"> <li>o Drought</li> <li>o Runoff</li> <li>o Agriculture</li> <li>o Water utilities</li> <li>o Housing</li> <li>o Government assets (in education, health etc.)</li> </ul> </li> <li>2. Create strategy to ensure that new products are tied to resilience building</li> <li>3. Increase the number of countries with access to COAST and the public utilities product</li> <li>4. Enable access to microinsurance products (e.g., through the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC))</li> <li>5. Revise Caribbean and Central America country risk profiles and enhance knowledge and use of risk profiles through training and capacity building</li> </ol>
<p><b>S02</b></p> <p><b>Resilience</b></p> <p>To enhance capacity for disaster risk management and climate change adaptation</p>	<ol style="list-style-type: none"> <li>6. Explore approaches to make the CCRIF training programme widely available, e.g., through tertiary institutions in the Caribbean and Central America</li> <li>7. Link CCRIF training and scholarship programmes to the University of the South Pacific and the United Nations University</li> <li>8. Increase training in Central America on CCRIF models, risk transfer and disaster risk financing in general</li> <li>9. Establish CCRIF as a regional centre of excellence for DRF in Central America, focusing its engagement beyond provision of DRF to working with regional organizations in climate resilience, recovery planning etc.</li> <li>10. Develop south-south technical exchange programme between the Caribbean and Central America, and include e knowledge portal on DRF and DRM</li> </ol>
<p><b>S03</b></p> <p><b>Financial Sustainability</b></p> <p>To sustain solvency and financial integrity</p>	<ol style="list-style-type: none"> <li>11. Develop medium-term solvency/financing strategy within the context of expansion, including assessing the sustainability of segregated portfolios</li> <li>12. Explore new fundraising arrangements – exploring both traditional and non-traditional donors (e.g., private sector, philanthropies etc.)</li> </ol>



Strategic Objectives	Priorities/Main Initiatives to be implemented 2022-2025
<p><b>S04</b></p> <p><b>Corporate Governance:</b></p> <p>To sustain corporate integrity</p>	<ul style="list-style-type: none"> <li>13. Enhance internal capacity of CCRIF and recruit new team members and technical experts/specialists in modelling and DRF to support expansion and the expectations of members and stakeholders as well as to maintain its growth trajectory and historical levels of innovation</li> <li>14. Conduct research and development to support additional new products and business processes</li> </ul>
<p><b>S05</b></p> <p><b>Member Relations and Engagement:</b></p> <p>To strengthen relations with our members and seek to enrich their experiences with CCRIF</p>	<ul style="list-style-type: none"> <li>15. Increase use of technology-enabled solutions to support engagement – blogs, online policy forum, social media etc.</li> <li>16. Engage emerging country champions to support CCRIF in new and emerging areas</li> <li>17. Take on an advocacy role on behalf of the Caribbean region for green financing, debt-for-climate swaps etc.</li> </ul>
<p><b>S06</b></p> <p><b>Scaling Up</b></p> <p>To increase member coverage, expand membership and develop new products</p>	<ul style="list-style-type: none"> <li>18. Complete geographic expansion of CCRIF in the Caribbean and Central America</li> <li>19. Explore building out new products from existing models (innovative products that are not available or where the general insurance industry does not provide products and also products for climate-sensitive sectors such as tourism)</li> <li>20. Explore non-financial instruments and other instruments to support disaster risk financing needs of countries and assess potential demand</li> <li>21. Create products for potential members that have an interest in CCRIF (such as Guyana and Suriname) but for which there are no products available to meet their needs</li> </ul>
<p><b>S07</b></p> <p><b>Strategic Partnerships</b></p> <p>To deepen strategic partnerships as a critical strategy to achieving the mission and vision of the Facility</p>	<ul style="list-style-type: none"> <li>22. Strengthen partnerships amongst organizations in Central America (such as planning and development and DRM organizations)</li> <li>23. Strengthen partnerships with regional, international, donor and risk pooling organizations/facilities</li> <li>24. Foster south-south cooperation between Central America and Caribbean CCRIF members and regional organizations</li> <li>25. Increase partnerships with the private sector (regional and international) to support product development for the private sector to develop and share best practices and exchange data and information</li> </ul>

## CCRIF STAKEHOLDER ASSESSMENT 2021

Every three years CCRIF undertakes a stakeholder assessment to inform its strategic planning process and in keeping with this protocol, conducted an assessment in November – December 2021, which provided input for the Facility's Strategic Plan 2022-2025. CCRIF also used the stakeholder assessment as an external environment scan, to gather and subsequently analyze information about its members, stakeholders, and beneficiaries to characterize their needs and their expectations of the Facility. Also, for the first time, the assessment collected information on the various disaster risk financing tools that member governments are using.

Participants in the assessment included 20 members (16 Caribbean governments, all 3 Central American governments and ANGLEC); 17 partner organizations and 8 international development partners.

Members felt that being a member of CCRIF is beneficial, and overall, the results of the assessment showed that there was a high level of satisfaction with CCRIF and the products and services that it provides to its members. Some findings of the assessment are presented below.



		AVERAGE WEIGHTING
<b>STATEMENT 1</b>	Being a member of CCRIF is beneficial	<b>4.6/5</b>
<b>STATEMENT 2</b>	CCRIF is working well for the Caribbean and Central America	<b>4.3/5</b>
<b>STATEMENT 3</b>	CCRIF has been successful in meeting the disaster risk financing needs of my country (members suggested the need for new products to address perils currently not being covered)	<b>3.6/5</b>
<b>STATEMENT 4</b>	Understanding of CCRIF and the products and services it provides	<b>4.2/5</b>
<b>STATEMENT 5</b>	We are satisfied with our engagement with CCRIF	<b>4.2/5</b>

## REPORTING ON USE OF PAYOUTS

As included in the Participation Agreements signed by countries when they join CCRIF, governments that receive payouts are required to submit reports on the use of the payouts within six months of receipt of the funds. These reports enable CCRIF, as well as its development partners and national and regional stakeholders, to obtain information on how the payouts have benefited the country. The use of payouts as reported by member governments in 2021/22 is shown below.

### Supplementary Letter to the Participation Agreement with Respect to Payouts

CCRIF issued a supplementary letter to member governments in 2021 which provided specific instructions regarding environmental and social requirements applicable to allowed activities that may be conducted using CCRIF

payouts. The objective is to help member countries meet international environmental, social and governance (ESG) standards and to help ensure that unintended harm does not arise from the activities that countries conduct when responding to natural disaster events. Specifically, the requirements state that:

- the country should ensure that any post-disaster activities carried out using an insurance payout shall follow relevant national rules and regulations to address potential environmental and social risks
- the country should not use any insurance payouts received to finance any activities that inter alia would lead to environmental and/or ecosystem degradation, have adverse impacts on people, their livelihoods, and assets, including indigenous peoples, and those disadvantaged or vulnerable.

Country, Event and Payout Value	Use of Payouts
<b>Barbados</b> <b>Tropical Cyclone Elsa, July 2021</b> <hr/> On tropical cyclone policy: <b>US\$1,345,500</b> On excess rainfall policy: <b>US\$1,124,424</b>	Added to Government funds, which were used for: <ul style="list-style-type: none"> <li>• Replacement of roofs at Government owned properties</li> <li>• Removal of debris and cleaning of roads</li> <li>• Housing for displaced families</li> <li>• Funds were allocated to the country's Repairs and Rebuild Programme</li> </ul>
<b>Haiti</b> <b>Earthquake, August 14, 2021</b> <hr/> <b>\$US39,953,272</b>	<ul style="list-style-type: none"> <li>• Education fees for students</li> <li>• Keeping the wheels of government turning</li> </ul>
<b>Trinidad and Tobago</b> <b>Rainfall event August 18-20, 2021</b> <hr/> <b>US\$2,381,464</b>	Added to the Consolidated Fund and used to support 447 families as follows: <ul style="list-style-type: none"> <li>• Acquisition of flood relief items – 85 families</li> <li>• Relief for Residents affected by flood damage to Residents – 98 families</li> <li>• Relief to assist affected persons – 160 families</li> <li>• Acquisition of disaster relief items and readiness kits – 420 families</li> </ul>

<sup>a</sup>ANGLEC is included in this response with respect to its coverage

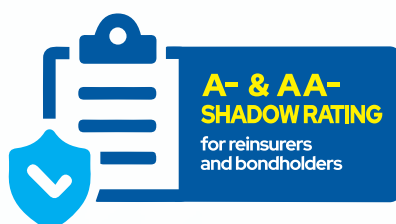
<sup>b</sup>Jamaica, Saint Lucia and Grenada were the original pilot countries under Phase I of the CRAIC project



## MEASURING PERFORMANCE AND REPORTING ON PROGRESS

Each quarter, performance under each of the Facility's strategic objectives is measured by comparing progress against the targets set for each policy year in the annual work plans based on the Strategic Plan. CCRIF monitored its performance in 2021/22 using the indicators established for its 7 strategic objectives in its Strategic Plan 2018-2021 using proposed draft targets for some of the indicators.

### Key accomplishments:





S05



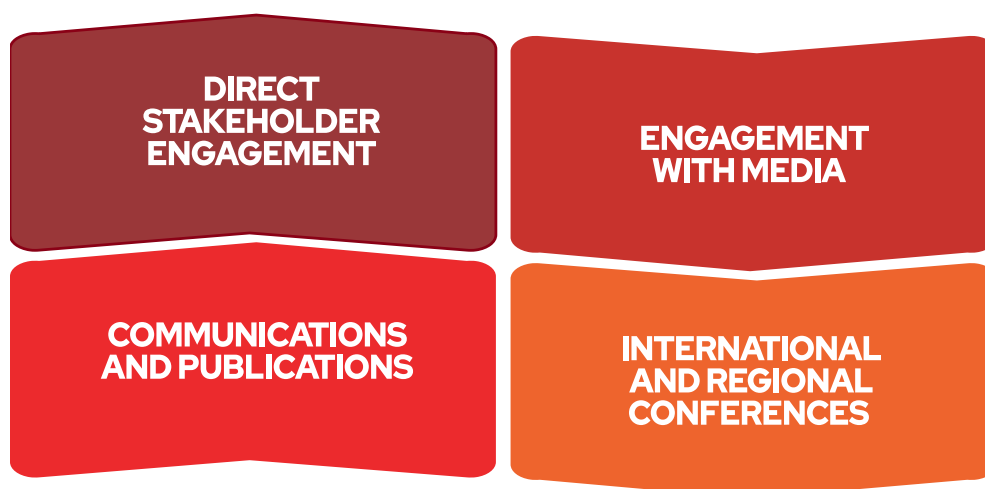
## Member Relations and Engagement



**Under SO5, focus is placed on strengthening relations with members to better understand their needs to enable CCRIF to meet and exceed their expectations and ultimately to enrich their experiences with CCRIF, towards cultivating higher levels of trust, increasing member engagement and member retention, loyalty, and satisfaction. This strategic objective is operationalized through:**

- Strengthening relations with members to better understand their needs to meet and exceed their expectations
- Developing communications products and tools to facilitate online and face-to-face communication, utilizing technology-enabled solutions
- Strengthening the use of online platforms to facilitate policy dialogues with members on new and emerging issues as well as issues that may be of concern to them
- Developing and disseminating a range of informational products centered around subject areas relating to disaster risk, risk transfer solutions and climate change as well as organizing capacity building initiatives (workshops, training programmes etc.) as a means of facilitating and promoting informed decision making by our members
- Engaging in country missions and hosting workshops and conferences, and supporting these in member countries

In this section, updates will be provided on the following:



## DIRECT STAKEHOLDER ENGAGEMENT

CCRIF engages directly with its member governments, key stakeholders and development partners through various channels:



The Facility also engages with partner organizations about special projects and joint initiatives, many of which are implemented within memoranda of understanding. During this policy year, the stakeholder assessment provided another opportunity to engage in discussions with stakeholders.

### Policy Renewal Meetings for the 2022/23 Policy Year



Policy renewal meetings for 2022/23 were held between March and May 2022. The annual policy renewals process provides an opportunity for the CCRIF management and team to engage with the key decision makers in member countries on their CCRIF policies. As is customary, CCRIF met its member governments in the Caribbean and Central America in individual country-specific meetings to discuss the policy options available to each country. CCRIF also shared

new and emerging initiatives in which the Facility is engaged. During these meetings, member governments were provided with the opportunity to share any issues or challenges that they may have or to request support from CCRIF as it relates to current policies and products of the Facility or disaster risk financing in general.

Participants at these meetings included ministers, vice-ministers and permanent secretaries of the ministries of finance as well as technocrats and policy advisors, national

meteorological and disaster management officers, and other government officials.

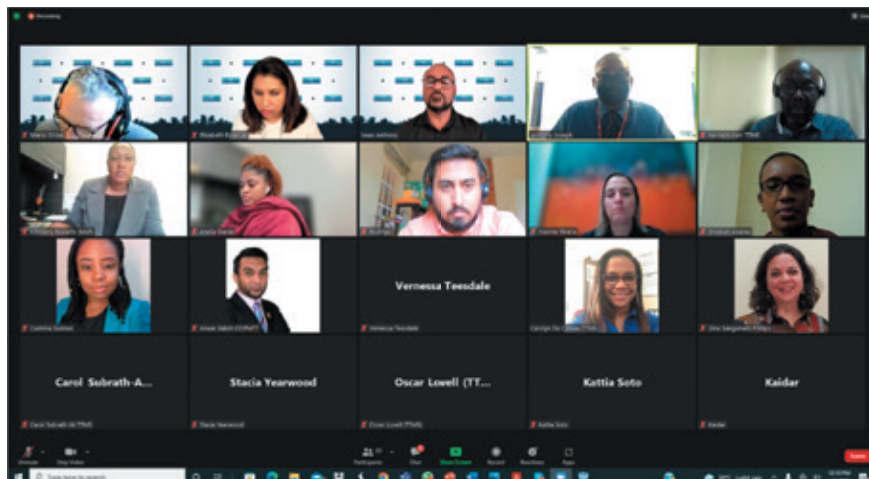
CCRIF also held a policy renewal meeting with the leadership of its sole electric utility member. In addition to meeting with current members, CCRIF also met with prospective members in Central America – El Salvador and Honduras – which continue to demonstrate interest in joining the Facility.

These policy renewal meetings are often supplemented by additional meetings at the request of the member government to further support and help guide the decision-making process by the Ministry of Finance. In policy year 2021/22, CCRIF management met with the Board of Directors of the Panama Savings Fund and the World Bank to share information about CCRIF and the possibilities of increasing Panama's insurance coverage. Also, the CCRIF technical team met with Guatemala's National Institute



of Seismology, Volcanology, Meteorology and Hydrology (INSIVUMEH) to discuss in depth the excess rainfall model and the data supporting the model.

from member countries – Finance Secretaries/ Permanent Secretaries and Ministers/ Viceministers in the Ministry of Finance – and includes from time to time, depending on the topics being addressed, representatives from key regional organizations, and national disaster and meteorological offices, among others. The forum provides a unique space for these officials to engage in open and frank discussion and provides an opportunity to develop solutions to address common challenges in keeping with the spirit of building resilience.

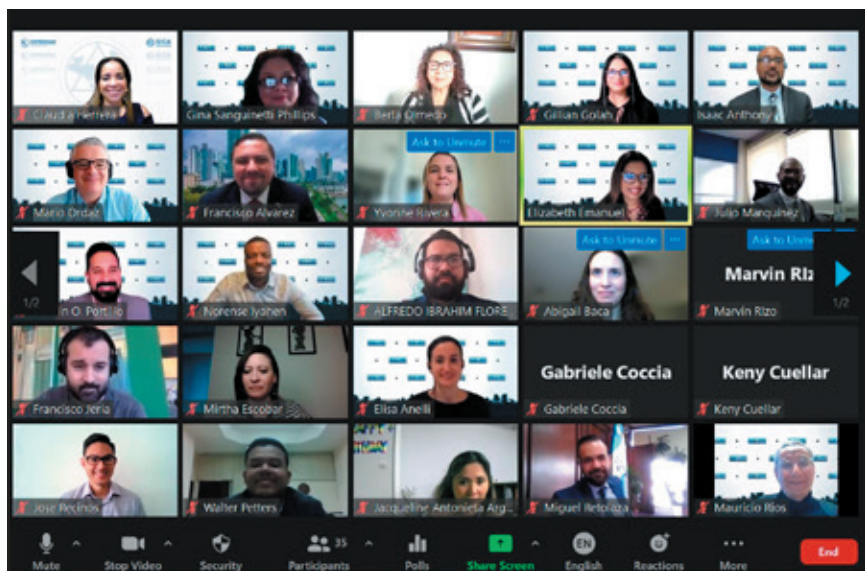


*Policy renewal meeting with the Government of Trinidad and Tobago*

## Online Policy Forums for Members

The CCRIF Online Policy Forum was launched in 2018 to strategically find ways to engage members and stakeholders in defining CCRIF's way forward to 2030 and to better support disaster risk management and financing in the two regions that the Facility serves. The forum brings together CCRIF's key contacts

Central America members. They were held shortly before the policy renewal meetings for 2022/23 commenced, thus providing a platform to discuss the upcoming CCRIF policy renewals for 2022/23, CCRIF model improvements and new product development, and three studies: the CCRIF feasibility study for the incorporation of ground data into its excess rainfall model, the 2021 CCRIF stakeholder assessment and the CCRIF expansion study.



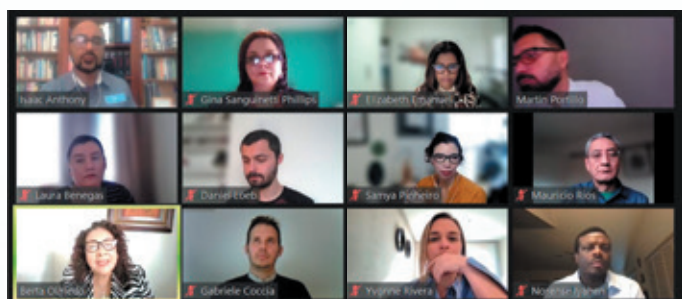
*A Snapshot of the CCRIF Policy Forum for Central America Members and Stakeholders*

## Meetings with the Central America Regional Committee of Hydrological Resources

CCRIF held a meeting with the Central America Regional Committee of Hydrological Resources (CRRH) and participated in a meeting of the CRRH Board of Directors as part of the process to establish an MOU between the two organizations. The aim of the MOU is to build disaster resilience through better access to risk transfer instruments and the



collection and sharing of high-quality climate data. The meetings also included discussion of the feasibility study for the incorporation of ground data into the CCRIF excess rainfall model to determine how the CRRH – and Central American hydrometeorological agencies – could support the study. While these were the first formal meetings between CCRIF and CRRH, CCRIF had previously collaborated with CRRH, the Council of Ministers of Finance of Central America, Panama and the Dominican Republic (COSEFIN), the Coordination Center for the Prevention of Disasters in Central America (CEPRENAC) and the World Bank to host a workshop on disaster risk financing for Central American countries in 2019.



*CCRIF CEO, CRMO, team and consultants and CRRH Executive Secretary and team met to discuss the Feasibility Study for the Incorporation of Ground Data into the CCRIF Excess Rainfall Model.*

## CCRIF Stakeholder Assessment 2021 – a Tool for Stakeholder Engagement

As noted previously, CCRIF conducts a stakeholder assessment every three years to inform its strategic planning process. The assessment is also recognized as an important tool for stakeholder engagement as this process allows for both focus group discussions with individual governments as well as through one-on-one discussions. The assessment also allows the Facility to share best practices with members and importantly to learn from them about initiatives in which they are involved, their emerging concerns about CCRIF and disaster risk financing in general – and to hear their recommendations for the Facility. This in turn helps CCRIF to identify the current and future needs of members.

## Some general recommendations from members:

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Support activities related to shock responsive social protection – and enhance knowledge of the linkages between social protection and inclusive insurance and the Livelihood Protection Policy

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Support enhancement of building standards and codes, infrastructure development, spatial planning

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Seek out additional funding sources – traditional and non-traditional donors

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Increase partnerships with the private sector (regionally and internationally) to support product development for the private sector for best practices and exchange of data and information

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Support south-south cooperation between Central America and Caribbean CCRIF members and partner organizations including regional organizations

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Focus on initiatives that link parametric insurance with resilience building

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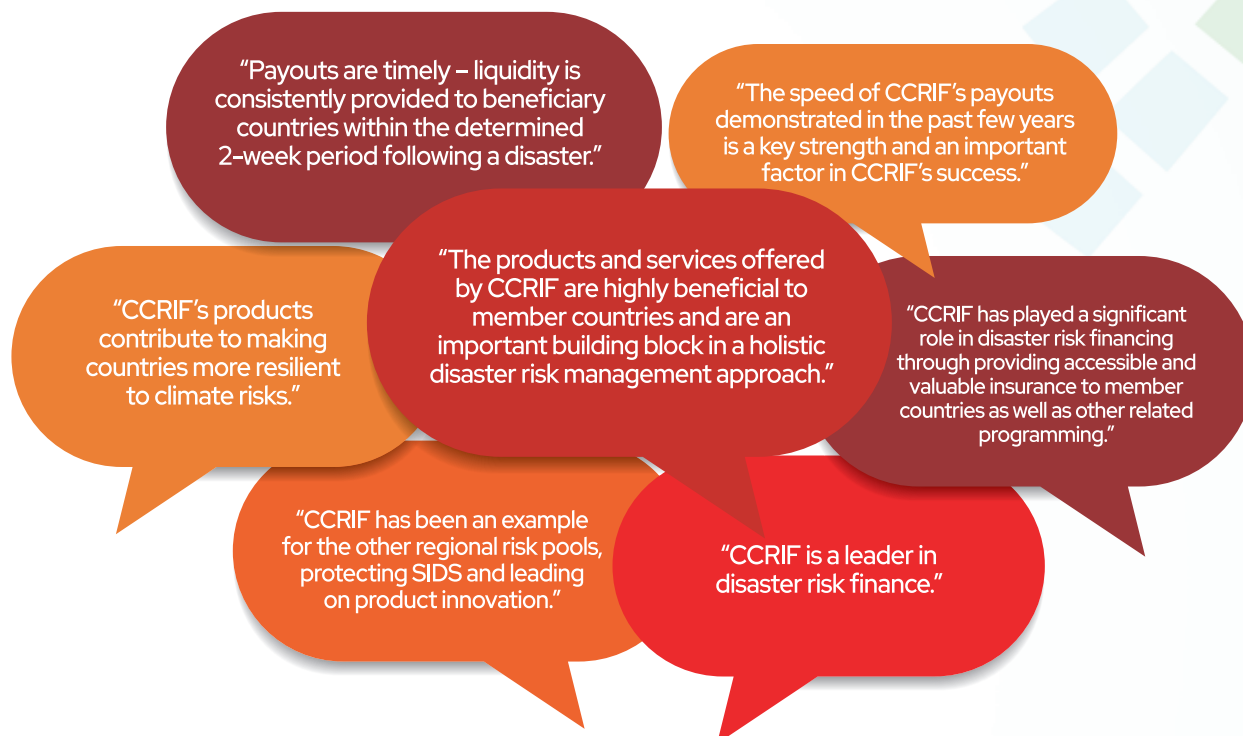


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Increase training and awareness raising opportunities about CCRIF and its models and policies

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## Our Stakeholders Say:



## PUBLICATIONS AND COMMUNICATIONS

CCRIF regularly publishes and disseminates publications in English and Spanish to its members and other stakeholders to keep them up to date on CCRIF developments and to facilitate better understanding of CCRIF and its products and services. These publications also facilitate a deeper understanding of issues related to parametric insurance, disaster risk financing, disaster risk management, social protection, climate change adaptation, and sustainable development. During the 2021/22 policy year, CCRIF produced the following publications in English and Spanish:

- CCRIF Annual Report 2020/21
- 3 issues of its online newsletter CCRIF E-News
- CCRIF Strategic Plan 2022-2025
- Strategic Plan for Central America 2021-2024
- Report of the 2021 Stakeholder Assessment





## ENGAGEMENT WITH THE MEDIA



Additionally, CCRIF produced documents to support specific stakeholder engagement activities – such as country-specific briefings for all our member governments to inform policy renewal discussions and training materials for courses that were offered in collaboration with The UWI.

CCRIF sends publications directly to members and stakeholders via email and they are available on the CCRIF website. CCRIF encourages stakeholder engagement through its website and its social media platforms.

CCRIF issued eight press releases during the year to announce some of its main milestones: for example, the successful annual policy renewals; the payouts to Haiti, Barbados and Trinidad and Tobago; the grant from Irish Aid to support COAST; the placement of its largest cohort of interns to date; the grant to the Government of Belize to strengthen its weather monitoring systems; and the signing of the MOU with Guardian General Insurance Limited to provide access to the Livelihood Protection Policy. These stories were covered by the Caribbean, Central American and international press – including financial and insurance journals.

UNU-EHS and MCII hosted a session at COP 26 to answer the question, “How best to adapt to climate change?”. With panellists from agencies

### ENGAGE WITH US





such as UNDRR, UNCDF, and CCRIF SPC they sought to outline what sustainable adaptation must look like, and how data, innovation, and risk finance can be used to address the needs of those on the frontlines of climate change. The entities then jointly released a press statement titled, “Five Facts on Sustainable Adaptation”.

## REGIONAL AND INTERNATIONAL CONFERENCES AND WORKSHOPS

Members of the CCRIF Board, Executive Management and Team engage with stakeholders through conferences and workshops hosted by international development partners, international and regional organizations and

presentations, organizing and facilitating sessions and providing financial support.

Some of the conferences, workshops and seminars in which CCRIF participated are highlighted below.

### Side Events at COP 26

CCRIF seeks to participate in the annual UNFCCC climate conferences – or COPs (conferences of parties), which bring together stakeholders from across the globe to discuss climate change issues. In 2021, CCRIF participated in two side events sponsored by the European Union at COP 26 held in Glasgow.



its own member governments. These arenas provide opportunities for CCRIF to share its on-going activities and what it has learned in its 15 years of experience in providing disaster risk financing solutions for natural hazard risks. These fora also provide an opportunity to share the expanded “CCRIF Story”, which goes beyond natural hazard risks – addressing the multi-hazard environment in which we live – and considering issues such as shock responsive social protection and how insurance can protect the most vulnerable in our society. At the same time, these conferences allow CCRIF to learn from other institutions and regions of the world, to enrich its own offerings to members. CCRIF’s participation ranges from delivering

**Finance Day panel** – The CCRIF CEO was part of this panel which focused on how regional risk pools like CCRIF are helping countries to deal with the impacts of climate change. Panellists also discussed the role of the private sector and how the amount of funding readily available after a disaster could be increased.

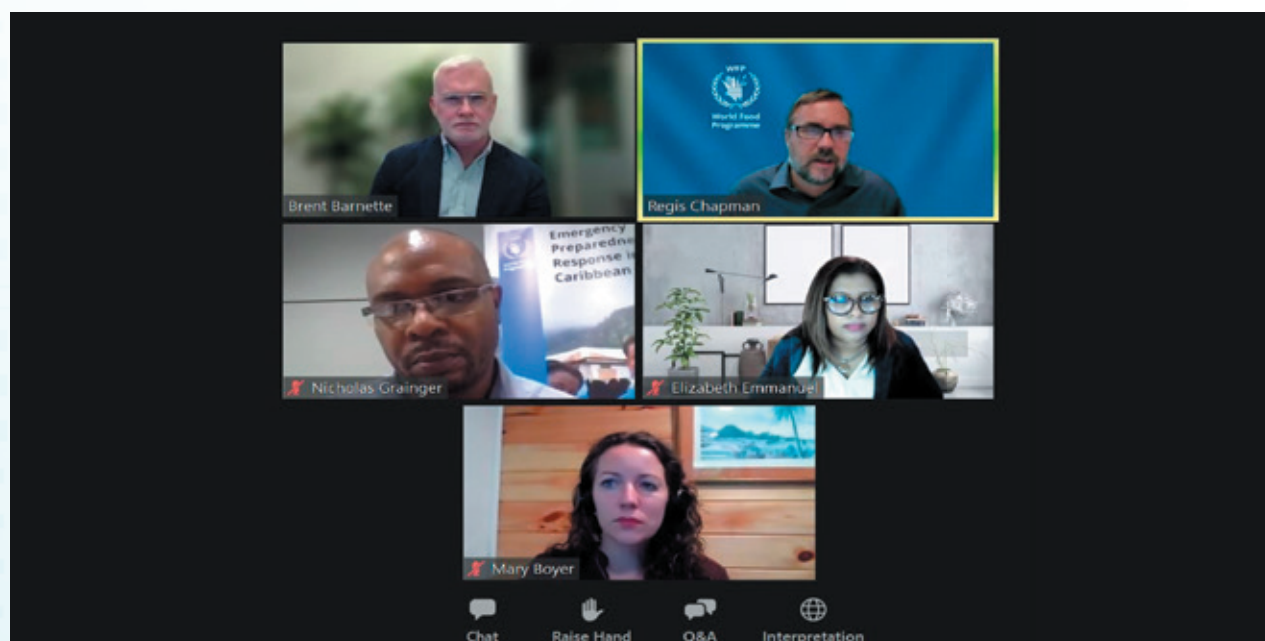
**Panel on disaster risk finance, data, and innovation enabling sustainable adaptation** – Head of the CCRIF Technical Assistance Manager and Corporate Communications teams participated on this panel which created a statement which summarized the critical issues related to the intersection of these areas:



*“For society to adapt sustainably, we need improved data, financial instruments, and innovative solutions that meet the needs of different groups. More data on risks and vulnerabilities will allow us to better plan and create sustainable financing instruments. A collaborative approach that breaks silos and focuses on the needs of the most vulnerable is needed to provide solutions that are scale and time appropriate.”*

### OECS Conference on Social Protection

In October 2021, CCRIF participated in a conference on social protection hosted by the OECS titled, “Building Human and Community Resilience in Ensuring No One is Left Behind”. The conference



was held within the Joint Programme “Enhancing Resilience and Acceleration of the Sustainable Development Goals in the Eastern Caribbean Universal Adaptive Social Protection”, being implemented by The United Nation’s Children Fund, the World Food Programme, the international Labour Organization, the United Nations Development Programme and UN Women. The Head of the CCRIF Technical Assistance Manager and Corporate Communications teams, participated on a panel led by the World Food Programme which examined how disaster risk financing can enable social protection systems to be more responsive to shocks. She pointed out that CCRIF’s COAST product provides a good example of sovereign insurance supporting social protection – where the operation of the policy requires that any payouts received by the Government are disseminated among the ultimate beneficiaries – persons in the fisheries sector.

- Disaster Risk Finance Regional Symposium, hosted by the Pacific Island Forum Secretariat and the Pacific Resilience Partnership Disaster Risk Finance Technical Working Group

### Other Conferences and Workshops

CCRIF also participated in several other conferences and workshops including among others:

- Pre-COP26 focus group discussions: How can DRF support climate adaptation and recovery’, hosted by the UK Foreign, Commonwealth, and Development Office
- 2021 Engineering and Procurement Conference, hosted by the Caribbean Electric Utility Services Corporation
- Regional Recovery Symposium 2021, hosted by the Caribbean Disaster Emergency Management Agency in partnership with Global Affairs Canada, the United Nations Development Programme and the United Kingdom Foreign Commonwealth and Development Office
- Webinar on Climate Risk, hosted by the International Monetary Fund and the Caribbean Regional Technical Assistance Centre
- Government of Haiti Disaster Risk Financing International Conference



**S06**



**INCREASING  
MEMBER COVERAGE**



**DEVELOPING NEW  
PRODUCTS AND SERVICES**



**EXPANDING MEMBERSHIP**



**SECURING FUNDING  
FOR SCALING UP**



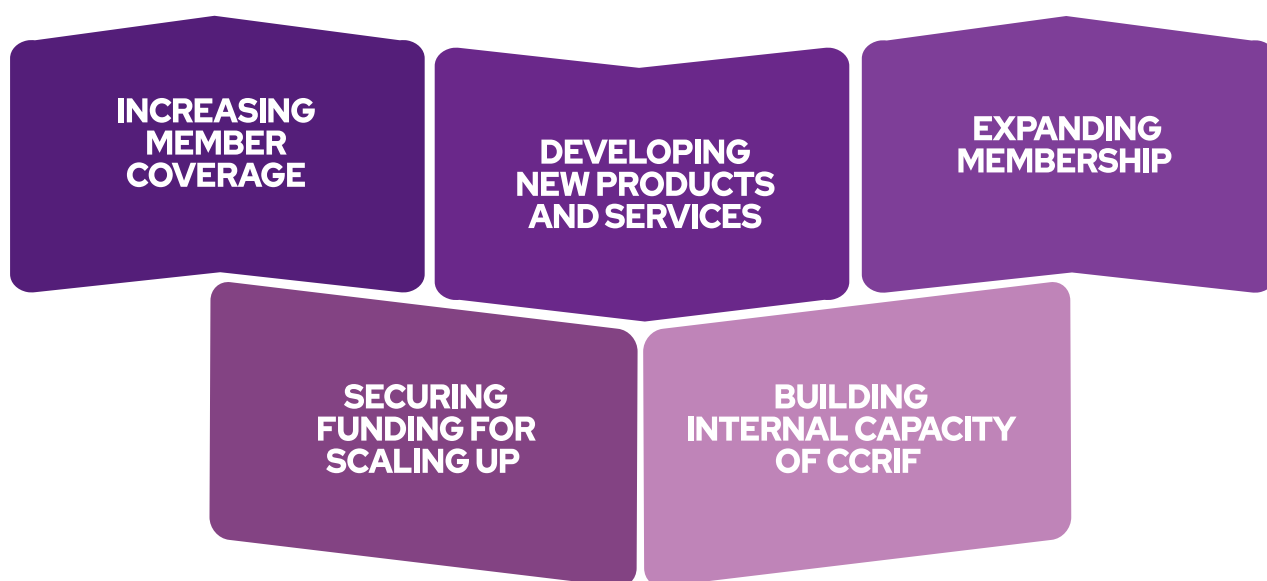
**BUILDING INTERNAL  
CAPACITY OF CCRIF**

**Scaling up**

**Under SO6, the focus is on scaling up the Facility to meet the increasing demand of current and potential members within the context of a changing climate and our multi-hazard environment. Accordingly, SO6 focuses on:**

- Employing and identifying new strategies to increase member coverage, expand membership and develop new products and services
- Securing funding to facilitate the scaling up of CCRIF, exploring options with international development partners as well as non-traditional sources of funding
- Building the internal capacity of CCRIF

In this section, updates will be provided on the following:



## MEMBERS' VIEWS ON SCALING UP FOR CCRIF

The 2021 stakeholder assessment revealed that there was consensus among our members for scaling up CCRIF in terms of

- increasing CCRIF insurance coverage among existing member countries

- bringing more members on board in both the Caribbean and Central America
- offering new insurance products for additional perils such as drought and for economic and social sectors, especially for agriculture and housing stock

Also, members were asked to indicate the areas of scaling up which they felt were most important.

Table 6: Importance of Scaling up Options to Members

Options for Scaling Up	% Members <sup>10</sup> Selecting Option
Offering new insurance products	80
Increasing CCRIF insurance coverage in existing member countries	65
Increasing the number of members in the Caribbean	65
Increasing the number of members in Central America	65
Increasing the capacity of the Facility	35
Providing other services	20
Expanding into new regions	20
Offering non-insurance financial products	25

As shown in the table above, members have indicated that the most important action that CCRIF should undertake is to offer new products. This includes offering products to Central America that are already offered to Caribbean members, such as COAST.

the role of international development partners and donor governments in scaling up the Facility. The highest percentage (50 per cent) of members indicated that donors should provide additional funding to capitalize CCRIF itself – a greater percentage than providing premium support.

The table below presents members' views on

Table 7: Members' Views on the Role of Donors in Scaling Up

Members' Views on the Role of Donors to support Scaling Up	% Members Selecting Option
Provide additional financing and capital to CCRIF (enhancing the capital base of CCRIF given the increasing frequency and intensity of events)	50
Subsidized premiums (including to support increasing coverage) and concessionary financing	40
Technical assistance to support CCRIF to provide capacity building in areas such as climate change adaptation and risk mitigation, support for DRF strategies	25
Scaling up microinsurance and helping local insurance providers understand their roles as well as potential consumers and vendors	5



## FEASIBILITY STUDY FOR THE EXPANSION OF CCRIF

CCRIF engaged a consulting firm to conduct a Feasibility Study for the Expansion of CCRIF within the context of disaster risk financing and other innovative forms of financing.

The study included the following:

- A stakeholder analysis to assess the Disaster Risk Management gaps, needs and challenges among CARICOM and COSEFIN members, focusing on country risk information and identification financial protection strategies
- An assessment of the country and regional programmes of various development partners engaged in the Caribbean and Central America
- A review of innovative financing instruments (e.g., blue bonds, green bonds, blended financing, debt-for-nature swaps, resilience bonds etc.) that could be recommended for use by CCRIF
- Analysis of the possible role that CCRIF could play in working with the private sector to offer new parametric insurance products
- An assessment of additional parametric insurance products that CCRIF can develop
- An assessment of innovative financing facilities such as the Green Climate Fund that may be possible for CCRIF to access
- An assessment of new geographic locations that CCRIF could provide technical services and support to
- An assessment of the regulatory and institutional requirements to support an expanded mandate for CCRIF beyond the provision of parametric insurance
- Review of areas of expertise required by CCRIF for implementation of the Expansion Plan

- A detailed analysis of the rationale and level of donor support needed and approaches to reduce the cost of coverage
- Development of a Business Plan for CCRIF SPC

## SCALING UP ACTIVITIES 2021/22

Many of the activities that CCRIF implemented throughout the policy year to support the other six strategic objectives also support this objective of scaling up. They are summarized here but are more fully described in other sections of this report.

### Increasing Member Coverage

CCRIF and international donors often provide discounts and incentives for countries to increase their level of coverage. The total coverage limit for 2021/22 was US\$1,114 million, compared with US\$1,103 million the previous year – an increase of approximately US\$11 million. Sixteen members increased coverage for at least one of their CCRIF policies in 2021/22 compared with the previous year, in most cases by increasing the ceding percentage.

### Expanding Membership

CCRIF continued to engage with national utility companies and the Caribbean Electric Utility Services Corporation (CARILEC) to encourage utilities to join CCRIF by purchasing the electric utilities product. The Facility finalized the development of the risk models and provided different policy options for St. Lucia Electricity Services Limited (LUCELEC), Nevis Electricity Company Limited (NEVLEC), Jamaica Public Service Company (JPS), and Dominica Electricity Services (DOMLEC) to be able to offer the product to these utilities.

### Developing New Products and Services

Currently, CCRIF is undertaking the development of a range of new models and products in response to interest previously expressed by potential and current members. Findings from the 2021 Stakeholder Assessment reiterated

Table 8: Members' Views on Proposed New Parametric Insurance Products

Proposed New Parametric Insurance Products	% Members Selecting Option
Agriculture sector	75
Tourism sector	60
Drought	55
Housing	45
Public utilities	35
Ecosystems such as coral reefs	35
Volcanic eruptions	35
Tsunami	25
The banking sector (to protect loan portfolios due to natural disaster)	20
Business Interruption	5
Flooding	5
Coastal Erosion	5
Health Pandemics	5

that the top four priority products from current members are for drought and the agriculture, tourism and housing sectors. These matched the current priorities of CCRIF as they are included in the products for which the Facility continued its development efforts during the policy year.

### Securing Additional Capital and Funding

CCRIF continued to explore options with international development partners to support scaling up. During this policy year, CCRIF received a new grant specifically to support the expansion of CCRIF products. Irish Aid provided funding of €1 million (US\$1.16 million) to roll out COAST to additional countries.

This grant was in addition other donor funding which had been secured in previous years from the World Bank, European Union, US Treasury, and Germany (through the KfW Development Bank; Federal Ministry of Economic Cooperation and Development; and the Federal Ministry for

the Environment, Nature Conservation, Nuclear Safety and Consumer Protection).

### Building Internal Capacity of CCRIF

As highlighted earlier, two consultants were engaged to support the engagement of COSEFIN countries and support the work of the Central America SP Management Committee. During the policy year, the CCRIF Board and Executive Management Team discussed the addition of full-time staff members to support Executive Management to enable the Facility to successfully scale up its operations. One important suggestion was the engagement of Procurement Officer, who would lead the process of engaging other staff.



# Scaling up



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**SECURING FUNDING  
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**BUILDING INTERNAL  
CAPACITY OF CCRIF**



S07



To Expand and Deepen  
Strategic Partnerships

**S07 focuses on deepening strategic partnerships as a critical strategy to achieving the mission and vision of the Facility. Accordingly, S07 focuses on:**

- Partnering with development partners and regional organizations in research and development to bring to market new and innovative products and services
- Developing strategic alliances with regional and international organizations through memoranda of understanding (MOUs) and other mechanisms to support capacity building initiatives, education, research and development, and knowledge sharing for more proactive disaster preparedness and management
- Partnering with regional organizations in capacity development for disaster risk management in the Caribbean and in Central America
- Participating in meetings and conferences at the regional and international levels towards sharing best practices and lessons learned in the area of risk transfer, while showcasing the work of the Facility and to facilitate strengthening disaster risk management strategies and climate resilience efforts
- Organizing regular donor and partner engagement activities
- Fostering south-south cooperation

In this section, updates will be provided on the following:

**ESTABLISHMENT  
OF NEW MOU**

**MOUS WITH  
PARTNER  
ORGANIZATIONS**

**CARIBBEAN  
REGIONAL RISK  
CONFERENCE**

During this policy year 2020/21, CCRIF signed one new MOU – with Guardian General Insurance Limited, signed a letter of intent with the Caribbean Development Bank to host the first Caribbean Regional Risk Conference, and

continued engagement under MOUs with 11 organizations. As of May 2022, CCRIF had MOUs that focus on technical assistance or product development with 12 organizations.

CCRIF currently has MOUs with 12 organizations:

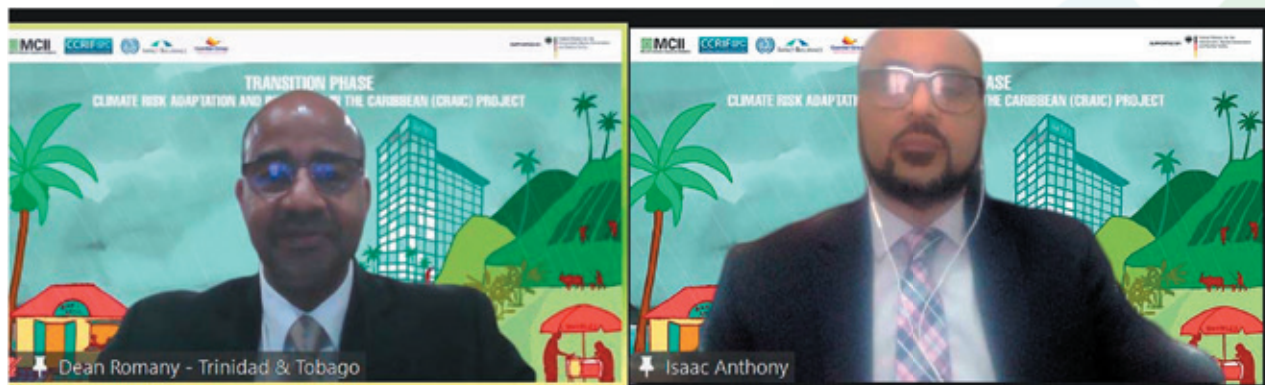
 	Adrienne Arsht-Rockefeller Foundation Resilience Center		Caribbean Regional Fisheries Mechanism
	Association of Caribbean States		Guardian General Insurance Limited
	Caribbean Centre for Development Administration		Organisation of Eastern Caribbean States
	Caribbean Community Climate Change Centre		Economic Commission for Latin America and the Caribbean
	Caribbean Disaster Emergency Management Agency		The University of the West Indies
	Caribbean Institute for Meteorology and Hydrology		United Nations Development Programme (Jamaica)

CCRIF also has a letter of intent with the Caribbean Development Bank (CDB) specifically related to the implementation of the Integrated Country Risk Management in the Caribbean Project which was launched by the CDB and CCRIF in 2017. The project was designed to support the development of a regional risk platform for use by Caribbean governments to enable them to adopt more proactive approaches to country risk management.





## NEW MOU WITH GUARDIAN GENERAL INSURANCE LIMITED



In February 2022, CCRIF and Guardian General Insurance Limited signed a Memorandum of Understanding to offer individuals and organizations such as cooperatives and non-governmental organizations (NGOs), and their members the ability to protect themselves against financial losses that result from extreme weather associated with wind and rain. Guardian General Insurance Limited will prepare and obtain regulatory licenses for the implementation of the Livelihood Protection Policy in the five pilot countries of the CRAIC project and ultimately provide access for customers to obtain these livelihood protection policies

CCRIF's CEO, Isaac Anthony welcomed Guardian General Insurance as a partner, stating:

*"We see this partnership between CCRIF and Guardian General Insurance Limited as a win-win. We are encouraged that Guardian General has included the CRAIC project as part of its overall business strategy. What is key for us at CCRIF, is that Guardian General operates in all of the 5 pilot countries, and we see this as a first step towards scaling up and making this innovative product available to the various target groups. With Guardian General and its networks across the pilot countries, we will have multiple distribution channels for persons to access the LPP."*

By aligning microinsurance to its overall business strategy, Guardian General signalled its intent to invest time and resources in

regulatory approvals and product rollout, and ultimately to have a major stake in the success of the Transition Phase of the CRAIC project.

Guardian General's President, Dean Romany stated,

*"Parametric products can be instrumental in alleviating the immediate negative financial impact on an underserved portion of our population, such as SME owners or self-employed individuals in the aquaculture, agribusiness, food & beverage, construction, hospitality, and transportation sectors."*

### HIGHLIGHTS OF INITIATIVES IMPLEMENTED UNDER CURRENT MOUS

#### Caribbean Centre for Development Administration

The main area of focus under the CCRIF/CARICAD MOU is the development and implementation of a Training Programme on Integrated Country Risk Management, titled *"Introduction to Integrated Country Risk Management and All-Hazards Risk Policy Frameworks"*. This programme, which will be open to policy makers throughout the Caribbean, will include:

- Analysis of risk information and data and how to aggregate this information into a form that policymakers can use to make more informed socioeconomic and development decisions

- Development of integrated country risk profiles to allow policy makers to be better able to prioritize the range of risks that countries are exposed to – economic risks; geopolitical risks including, for example, global governance gaps; environmental and climate risks; societal risks such as pandemics and chronic diseases; and technological risks
- Exploring the notion of risk governance – the institutions, rules processes and mechanisms by which decisions about risks are taken and implemented at the national level
- Development of all-hazards policy frameworks as an essential tool for integrating risk, allowing policy makers to use that information to make more informed decisions in support of sustainable development
- Sharing best practices and real-life examples from countries that have been managing risks using an integrated approach and seeing those results reflected through the advancement of their development goals.

The training programme was launched at the 2022 Caribbean Regional Risk Conference hosted by CCRIF and the Caribbean Development Bank in April 2022 in a ceremony led by Mrs. Desirée Cherebin, Deputy Chairperson and CDB-nominated Board Member of CCRIF SPC and Mrs. Rosemund Warrington, Deputy Executive Director of CARICAD. The programme will be implemented by CCRIF, CARICAD and CDB.

### Economic Commission for Latin America and the Caribbean

Activities in 2021/22 focused on the policy and applications of geospatial technologies and data in support of disaster risk

management (DRM) in the Caribbean. ECLAC completed a study on the application of these technologies in DRM in the Caribbean, including selected case studies. CCRIF and ECLAC then hosted two training workshops, to present the findings of the study and to discuss policy issues related to effective applications of geospatial technologies and data in DRM (workshop 1) and to discuss related technical issues (workshop 2). From ministries and agencies with responsibility for areas such as disaster management, meteorology, physical planning, public works and climate change, as well as regional organizations. ECLAC is preparing a policy paper on the findings of the study and outputs of the workshops, which will be shared with ministers and permanent secretaries.

### Organisation of Eastern Caribbean States

#### Vulnerability Assessments in the Virgin Islands and Dominica

The OECS Commission completed the vulnerability assessments for two communities: Virgin Gorda, Virgin Islands and Colihaut, Dominica. These were completed following consultations with stakeholders in the two communities as well as government representatives. During one of the meetings





in the Virgin Islands, Honourable Vincent O. Wheatley, Minister of Natural Resources, Labour, and Immigration, confirmed the importance of this initiative and its role in disaster risk reduction at the community level, stating that for the Virgin Islands, *“disaster preparedness must be a way of life”*.

The assessments will be used to help community members develop disaster risk reduction projects that can be submitted to CCRIF and other agencies for funding through their various small grant programmes.

### PSAs and Guidebook on Early Warning Systems

Also under the MOU work plan, the OECS Commission completed public service announcement videos on early warning systems - and a guidebook, *“Community-based Early Warning System Guidebook*

for the OECS”. They were disseminated to organizations such as Government Information Systems and national disaster management offices in all OECS member states.

### The University of the West Indies

#### Course *“Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)”*



The second offering of the course, *“Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)”* was delivered. This course was developed from CCRIF’s in-country training programme for members and the Facility sought to engage member governments in this course. CCRIF invited governments to nominate participants from appropriate ministries and agencies, resulting in the participation of persons from eight member governments. A total of 28 persons completed the course, 25 of whom passed the course. CCRIF commenced discussions with The UWI to develop the course in a *“self-paced”* mode – with persons being able to take modules independently – to facilitate working professionals who may not be able to devote the time to undertake the 13-week course as currently offered.



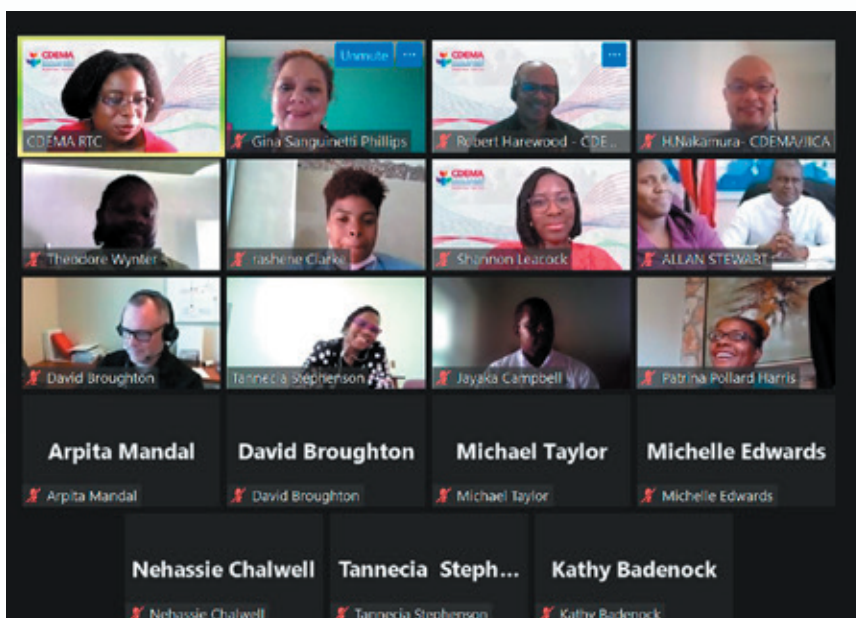


### ***Climate Studies Group Mona (CSGM) Initiative to Upgrade Tools in Support of Climate Change Adaptation and Disaster Risk Reduction***

CCRIF provided support to the Climate Studies Group Mona to upgrade three tools that were designed to support planning to reduce disaster risk and enhance food and water security as follows:

- Simple Model for Advection of Storms and Hurricanes (SMASH): allows users to examine differing scenarios of storm tracks from past storms
- Agricultural Climate Change Evaluation for Production, Transformation and Resilience Building (ACCEPT) Agri portal: allows farmers, extension officers and other agriculture sector stakeholders to see predicted yields and biomass of different crop types under conditions such as extreme events (e.g. droughts and floods)
- Real Time Monitoring System (RealTMS) - Water Quality: allows for pseudo-real-time monitoring of water quality variables such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH, temperature and conductivity

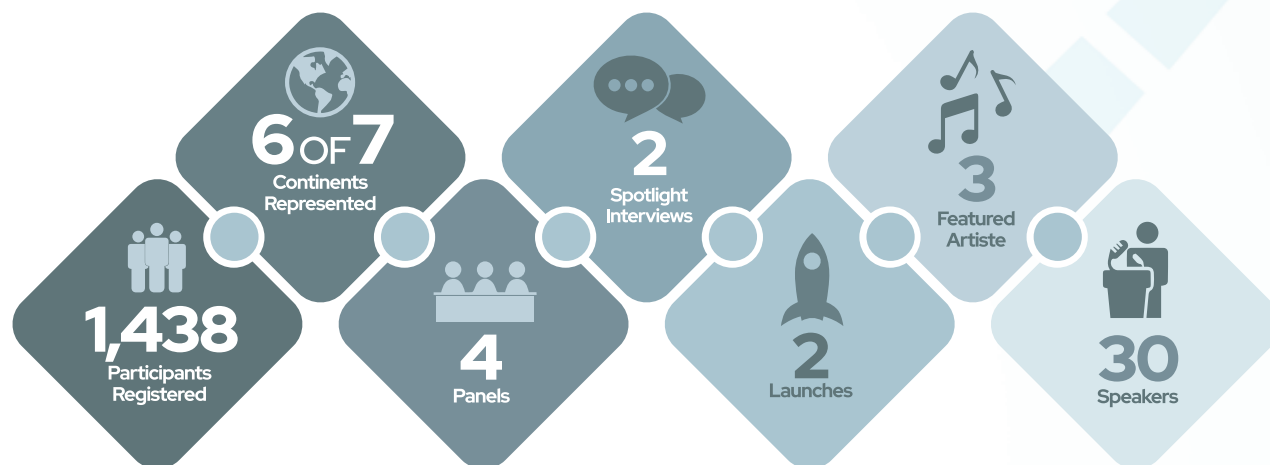
During this policy year, CSGM held training workshops that provided practical hands-on training on the three tools. Over 80 disaster/emergency managers and persons from water resources authorities, meteorological services, environmental agencies, ministries of agriculture, and other related organizations across the Caribbean participated in the workshops – in addition to regional organizations such as CDEMA.



CCRIF participated in the workshops and discussed linkages between CCRIF's work and participants' areas of focus. The SMASH workshop was held as part of the Pilot Programme for Climate Resilience (PPCR) and CCRIF reiterated how the SMASH tool could complement its own web monitoring and forecasting application for tropical cyclones, rainfall and earthquakes – WeMap. At the ACCEPT workshop, CCRIF informed participants about parametric insurance products that can be beneficial to the agriculture and fisheries sector: the COAST product and planned products for agricultural drought and the holistic agriculture product that will address risks to the sector from multiple hazards as well as the microinsurance product, the Livelihood Protection Policy (LPP). Participants were particularly interested in the LPP.



## CARIBBEAN REGIONAL RISK CONFERENCE



The Caribbean Regional Risk Conference was held on April 6 & 7, 2022 and provided a forum for policymakers, senior technocrats, and other stakeholders to explore country risk management and risk governance. Under the theme, “Introducing Country Risk Management to Advance Sustainable Development”, the event addressed the myriad risks facing Caribbean countries, taking the discussion beyond natural hazard risks and climate change, to explore economic, geopolitical, environmental, societal, and technological risks, which continue to impact the region’s development prospects.

The conference highlighted the role of integrated risk management frameworks at the country level in enabling policymakers to better anticipate, identify and manage both climate and non-climate risks. Participants were exposed to cutting-edge tools, processes, and governance structures, necessary for operationalizing country risk management and developing all-hazards policy frameworks.

### A Snapshot of the Conference

- Keynote address by CARICOM Secretary-General, H.E. Dr. Carla Barnett

- Case study on Dominica: Building Resilience and Progress to becoming the World’s First Resilient Small Island State, by Mrs. Gloria Joseph, Permanent Secretary, Ministry of Planning, Economic Development, Climate Resilience, Sustainable Development and Renewable Energy
- 4 panels
- 2 launches
- 2 café corners
- Performance of special conference poem “My Name is Risk” by Barbadian youth poet Cyndi Celeste ([youtube link - https://www.youtube.com/watch?v=2ChxmWbMqQg](https://www.youtube.com/watch?v=2ChxmWbMqQg))
- Development of a policy statement on integrated risk management
- Virtual display “booths” by approximately 12 organizations

A total of 1,438 persons participated in the conference and included representatives from

61 countries, including all 23 Caribbean and Central American CCRIF member countries, other Caribbean and Central American countries and others such as the USA, UK, Mexico, Spain, Australia, Israel, Kenya, and China.

### Policy Statement on Integrated Risk Management

A policy statement on integrated risk management was developed by the final panel, which included:

- H.E. Dr. Didacus Jules, Director General, Organisation of Eastern Caribbean States
- Mrs. Mariame Robinson, President and CEO, First Global Bank
- Mr. Philippe B. Brahin, Head Americas and Managing Director, Public Sector Solutions, Swiss Re
- Dr. David McBean, Executive Director, Mona School of Business & Management, The University of the West Indies

A draft statement was presented, modified based on input from conference participants and finalized by the panel.

The final policy statement from the 2022 Caribbean Regional Risk Conference was:

***“Caribbean stakeholders (public and private, academia, civil society organizations) must embrace comprehensive, strategic, integrated and pre-emptive approaches to risk management, underpinned by data, resources, capacity, innovation, accountability, transparency and knowledge sharing towards eliminating risk silos, building trust and creating value that drives resilience, growth and sustainability for all.”***

### Highlights of the 2022 Caribbean Regional Risk Conference



L-R: Mr. Isaac Anthony, CCRIF CEO; Malcolm Buamah, Chief Risk Officer, Caribbean Development Bank; and Dr. Hyginus “Gene” Leon, President, CDB at the Opening of the Conference





**Caribbean Regional Risk Conference 2022** | Virtual Conference

**Panel Discussions**  
DAY 2: APRIL 7, 2022 | 12:00 – 1:30 PM ET

**Panel 4** BEST PRACTICES IN INTEGRATED RISK MANAGEMENT AT THE NATIONAL AND INSTITUTIONAL LEVELS: CHALLENGES, LESSONS LEARNED AND BEST PRACTICES

**Moderator:**  
**Julian Rogers**  
Managing Director  
Jamaica Observer

**Panelist:**  
**H.E. Dr. Didacus Jules**  
Director General  
Organisation of Eastern Caribbean States

**Panelist:**  
**Mariame McIntosh Robinson**  
President and CEO  
First Global Bank

**Panelist:**  
**Philippe B. Brahini**  
Managing Director and  
Head of Americas, Public  
Sector Solutions  
Swiss Re

**Panelist:**  
**Dr. David McBean**  
Executive Director  
Mona School of Business &  
Management, The University of the  
West Indies

**Call to Action Panel**

Register at : [hopin.com/events/caribbeanregionalriskconference2022](https://hopin.com/events/caribbeanregionalriskconference2022)

Powered by **hopin** Virtual Event Platform

**CCRIF SPC**  
The Caribbean Catastrophe Risk Insurance Facility

Panelists from Panel 4, who developed the policy statement on integrated risk management



**Caribbean Regional Risk Conference 2022** | Virtual Conference

**Keynote Address**  
APRIL 6, 2022 | 10:35 – 11:15 AM EST PM ET

**H.E. Dr. Carla Barnett**  
Secretary-General  
Caribbean Community (CARICOM)

Register at : [hopin.com/events/caribbeanregionalriskconference2022](https://hopin.com/events/caribbeanregionalriskconference2022)

Powered by **hopin** Virtual Event Platform

**CCRIF SPC**  
The Caribbean Catastrophe Risk Insurance Facility

Keynote speaker, H.E. Dr. Carla Barnett, CBE, Secretary-General, Caribbean Community (CARICOM)



Ms. Cyndi Celeste, Barbadian Youth Poet (Ranked Number 21 in the world), performed the poem "My Name is Risk", commissioned for the conference

A close-up photograph of a person's hands reviewing financial documents. The documents feature various charts and graphs, including bar charts, line graphs, and pie charts. The person's right hand is holding a pen, poised to write on one of the documents. The left hand is resting on the documents. The background is a soft, out-of-focus light blue.

# Audited Financial Statements

# **CCRIF SPC**

**Financial Statements**  
**For the year ended May 31, 2022**  
(expressed in U.S. dollars)



# CCRIF SPC

## Financial Statements

For the year ended May 31, 2022

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## Independent auditor's report

To the Board of Directors of CCRIF SPC (the "Company")

### Our opinion

In our opinion, the financial statements on pages 4 – 32 present fairly, in all material respects, the financial position of the General Portfolio of CCRIF SPC and each of Caribbean EQ/TC SP, Caribbean XSR SP, Caribbean Public Utilities SP, Central America SP and COAST SP (each a segregated portfolio of CCRIF SPC) (the portfolios, including the General Portfolio, hereinafter each the "Portfolio") as at May 31, 2022, and the results of each of their operations and each of their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### What we have audited

Each Portfolio's financial statements comprise:

- the balance sheet as at May 31, 2022;
- the statement of operations for the year then ended;
- the statement of shareholder's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company and the Portfolio in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### Other information

Management is responsible for the other information. The other information comprises supplementary financial information presented on pages 33 – 37 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for evaluating whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Portfolio's ability to continue as a going concern within one year after the date that the financial statements are issued, or available to be issued, and disclosing, as applicable, matters related to this evaluation unless the liquidation basis of accounting is being used by the Portfolio.

Those charged with governance are responsible for overseeing the Portfolio's financial reporting process.

---

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Portfolio's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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### **Other matters**

This report, including the opinion, has been prepared for and only for the Company in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

November 25, 2022

# CCRIF SPC


## Balance Sheet

As at May 31, 2022

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
ASSETS	\$	\$	\$	\$	\$	\$
Cash and cash equivalents (Note 4)	2,082,038	3,993,568	4,496,719	845,108	3,774,619	3,815,097
Investments, at fair value (Note 5)	45,681,508	53,778,818	26,380,450	5,379,991	10,870,881	-
Margin collateral for derivative instruments (Note 8)	302,127	1,990,017	1,021,277	242,664	182,352	-
Development costs (Note 15)	2,525,161	-	-	-	-	-
Accrued interest	250,562	329,282	165,883	36,041	72,449	-
Unrealized gains on forward contracts (Note 8)	58,843	304,167	190,963	60,554	57,829	-
Due from Segregated Portfolios (Note 16)	88,422	-	-	-	-	-
Due from EQ/TC SP	-	-	361,182	-	13,500	-
Prepaid expenses	66,928	14,356	4,329	391	3,541	391
Premium Receivable	-	1,304,176	612,858	-	-	-
Total assets	51,055,589	61,714,384	33,233,661	6,564,749	14,975,171	3,815,488
LIABILITIES AND SHAREHOLDER'S EQUITY						
Liabilities						
Accounts payable and accrued expenses	599,672	43,560	21,508	75,902	48,889	1,163,990
Due to Core (Note 16)	-	-	-	88,422	-	-
Due to XSR and CA SP	-	374,682	-	-	-	-
Income from parametric insurance contracts received in advance	-	964,165	361,182	-	-	-
Total liabilities	599,672	1,382,407	382,690	164,324	48,889	1,163,990
Shareholder's equity						
Share capital (Note 9)	1,000	-	-	-	-	-
Non-voting redeemable preference shares (Note 9)	-	1	1	1	1	-
Share premium (Note 9)	119,000	42,499,999	24,999,999	4,999,999	-	-
Retained earnings	50,335,917	17,831,977	7,850,971	1,400,425	14,926,281	2,651,498
Total shareholder's equity	50,455,917	60,331,977	32,850,971	6,400,425	14,926,282	2,651,498
Total shareholder's equity and liabilities	51,055,589	61,714,384	33,233,661	6,564,749	14,975,171	3,815,488

Approved for issuance on behalf of the Board of Directors of CCRIF SPC by:

 Director

 Director

Nov. 22, 2022 Date

Nov 22, 2022 Date

# CCRIF SPC

## Statement of Operations

For the year ended May 31, 2022

(expressed in U.S. dollars)

	Core \$	EQ/TC SP \$	XSR SP \$	CPU SP \$	CA SP \$	Coast SP \$
<b>Operating income</b>						
Income from parametric insurance contracts (Note 2)	-	32,615,455	12,385,605	158,400	3,800,000	209,091
Discounts awarded on parametric insurance contracts (Note 2)	-	(2,941,839)	(964,773)	-	(1,650,000)	(200,000)
Expenses on parametric reinsurance contracts (Note 2)	-	(15,195,719)	(3,459,429)	(112,500)	(2,839,103)	-
Net income on parametric contracts	-	14,477,897	7,961,403	45,900	(689,103)	9,091
Ceding commissions on parametric reinsurance contracts	-	1,519,572	345,943	-	236,768	-
Total operating income	-	15,997,469	8,307,346	45,900	(452,335)	9,091
<b>Operating expenses</b>						
Claims on parametric insurance contracts (Note 10)	-	41,827,284	3,505,888	-	-	-
Claims recovered under parametric reinsurance contracts (Note 10)	-	(14,327,284)	-	-	-	-
Brokerage and risk management specialist fees	657,403	266,264	60,616	2,191	90,928	-
Total operating expenses	657,403	27,766,264	3,566,504	2,191	90,928	-
Net operating income / (loss)	(657,403)	(11,768,795)	4,740,842	43,709	(543,263)	9,091
<b>Other income and expenses</b>						
Net investment income (Note 11)	(2,558,262)	(2,143,947)	(1,389,236)	(236,471)	(588,319)	320
Amortization of development costs (Note 15)	(483,760)	-	-	-	-	-
Technical assistance expenses	(517,837)	-	-	-	-	-
Monies received from donor and grant funds (Note 6)	287,980	8,232,393	3,874,579	-	2,893,399	200,000
Segregated portfolio rental fees (Note 16)	2,545,000	(1,500,000)	(400,000)	(80,000)	(485,000)	(80,000)
Segregated portfolio sub-licence fee (Note 16)	407,333	(101,750)	(90,189)	-	(215,394)	-
Administrative expenses (Note 13)	(1,983,074)	(88,304)	139,761	(2,573)	(141,252)	(2,745)
<b>Net income / (loss) for the year</b>	<b>(2,960,023)</b>	<b>(7,370,403)</b>	<b>6,875,757</b>	<b>(275,335)</b>	<b>920,171</b>	<b>126,666</b>

The accompanying notes on pages 8 - 32 are an integral part of these financial statements.

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# CCRIF SPC

## Statement of Changes in Shareholder's Equity

For the year ended May 31, 2022

(expressed in U.S. dollars)

	Share capital \$	Non-voting redeemable preference shares \$	Share premium \$	Retained earnings \$	Total \$
<b>Core</b>					
Balance at May 31, 2021	1,000	-	119,000	53,295,940	53,415,940
Net loss for the year	-	-	-	(2,960,023)	(2,960,023)
Balance at May 31, 2022	1,000	-	119,000	50,335,917	50,455,917
<b>EQ/TC SP</b>					
Balance at May 31, 2021	-	1	42,499,999	25,202,380	67,702,380
Net loss for the year	-	-	-	(7,370,403)	(7,370,403)
Balance at May 31, 2022	-	1	42,499,999	17,831,977	60,331,977
<b>XSR SP</b>					
Balance at May 31, 2021	-	1	24,999,999	975,214	25,975,214
Net income for the year	-	-	-	6,875,757	6,875,757
Balance at May 31, 2022	-	1	24,999,999	7,850,971	32,850,971
<b>CPU SP</b>					
Balance at May 31, 2021	-	1	4,999,999	1,675,760	6,675,760
Net loss for the year	-	-	-	(275,335)	(275,335)
Balance at May 31, 2022	-	1	4,999,999	1,400,425	6,400,425
<b>CA SP</b>					
Balance at May 31, 2021	-	1	-	14,006,110	14,006,111
Net income for the year	-	-	-	920,171	920,171
Balance at May 31, 2022	-	1	-	14,926,281	14,926,282
<b>Coast SP</b>					
Balance at May 31, 2021	-	-	-	2,524,832	2,524,832
Net income for the year	-	-	-	126,666	126,666
Balance at May 31, 2022	-	-	-	2,651,498	2,651,498

The accompanying notes on pages 8 - 32 are an integral part of these financial statements.

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# CCRIF SPC

## Statement of Cash Flows

For the year ended May 31, 2022

(expressed in U.S. dollars)

	Core \$	EQ/TC SP \$	XSR SP \$	CPU SP \$	CA SP \$	Coast SP \$
<b>Operating activities</b>						
Net income /(loss) for the year	(2,960,023)	(7,370,403)	6,875,757	(275,335)	920,171	126,666
Adjustments to reconcile net income/(loss) to net cash from operating activities:						
Adjustment for items not affecting cash:						
Change in fair value of investments	3,995,237	6,386,807	3,293,075	666,182	867,900	-
Net realized gains on investments	(443,295)	(1,625,354)	(460,842)	(91,495)	(43,884)	-
Change in unrealized gains on derivative investments	(109,774)	(602,718)	(349,273)	(98,796)	(57,829)	-
Amortisation of development cost	483,760	-	-	-	-	-
Trading securities:						
Purchase of securities and options	(15,518,001)	(34,718,768)	(13,002,827)	(2,139,710)	(12,707,336)	-
Proceeds from sale of securities and options	13,860,716	40,042,468	7,837,418	1,662,158	2,708,175	-
Change in derivatives margin collateral balance	(197,989)	(1,179,831)	(657,653)	(162,026)	(139,617)	-
Changes in assets and liabilities:						
Accrued interest	21,538	95,846	13,069	4,691	(66,343)	-
Prepaid expenses	(36,124)	(13,965)	(3,938)	-	(3,150)	-
Accounts payable and accrued expenses	(32,678)	(93,956)	(191,583)	(88,456)	(26,985)	1,163,990
Premium Receivable	-	(1,304,176)	(612,858)	-	-	-
Income from parametric insurance contracts received in advance	-	(1,653,027)	(1,212,039)	-	-	-
Due from Segregated Portfolio	(38,422)	-	-	-	-	-
Due to EQTC, XSR, and CA SP	-	374,682	(361,182)	-	(13,500)	-
Due to Core	-	-	-	38,422	-	-
Net cash provided by/ (used in) operating activities	(975,055)	(1,662,395)	1,167,124	(484,365)	(8,562,398)	1,290,656
<b>Investing activities</b>						
Development costs	(205,000)	-	-	-	-	-
Net cash used in investing activities	(205,000)	-	-	-	-	-
<b>Net change in cash and cash equivalents</b>	(1,180,055)	(1,662,395)	1,167,124	(484,365)	(8,562,398)	1,290,656
<b>Cash and cash equivalents at the beginning of the year</b>	3,262,093	5,655,963	3,329,595	1,329,473	12,337,017	2,524,441
<b>Cash and cash equivalents at the end of the year</b>	2,082,038	3,993,568	4,496,719	845,108	3,774,619	3,815,097
Interest and dividends received	1,237,930	1,339,580	638,178	128,812	70,717	320

The accompanying notes on pages 8 - 32 are an integral part of these financial statements.

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# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 1 Incorporation and principal activity

The Company was incorporated as Caribbean Catastrophe Risk Insurance Facility on February 27, 2007 under the laws of the Cayman Islands and obtained an insurance licence under the provisions of the Cayman Islands Insurance Act on May 23, 2007. On May 27, 2014 the Company re-registered as a Segregated Portfolio Company under the name of CCRIF SPC. The Company's sole shareholder is Maurant Governance Services (Cayman) Limited is trustee (the "Trustee") of the CCRIF Star Trust (the "Trust"). The non-voting redeemable preference shares of each segregated portfolio (Note 9) are also held by the Trust.

The principal activity of the Company, through the establishment of various segregated portfolios (the "Segregated Portfolios"), is to provide catastrophe risk coverage through parametric insurance contracts, specifically relating to tropical cyclones, earthquakes and excess rainfall events ("events"), to certain the Caribbean and Central American countries ("Participating Countries").

As of May 31, 2022, the Company comprises the General Portfolio (the "Core"), which undertakes no underwriting activities and five Segregated Portfolios ("SP" s), namely:

- Caribbean EQ/TC SP ("EQ/TC" or "EQ/TC SP") – provides earthquake and tropical cyclone coverage to Caribbean governments
- Caribbean XSR SP ("XSR" or "XSR SP") – provides excess rainfall coverage to Caribbean governments.
- Caribbean Public Utilities SP ("CPU" or "CPU SP") – provides utility coverage in the Caribbean.
- Central America SP ("CA SP") - provides earthquake, tropical cyclone and excess rainfall coverage to Central American governments.
- COAST SP ("COAST SP") – COAST SP provide fisheries insurance coverage to Caribbean governments against the effects of tropical cyclones.

Collectively the Core and SPs are referred to as "CCRIF SPC".

In accordance with the relevant Cayman Islands laws, the assets and liabilities of the Segregated Portfolios are required to be kept separate and segregated from the assets and liabilities of the Core. Further, the assets and liabilities of each Segregated Portfolio are required to be kept segregated, separate and separately identifiable from the assets and liabilities of any other Segregated Portfolio. In the case of insolvency with respect to the general business activities, creditors will be entitled to recourse only to the extent of the assets of the Core. In the case of insolvency with respect to or attributable to a Segregated Portfolio, creditors will be entitled to have recourse only to the assets attributable to such Segregated Portfolio; such a claim shall not extend to the assets attributable to the Core or any other Segregated Portfolio.

The Core and SPs all use common service providers, share common processes, accounting systems, control environment, management and apply common accounting policies.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 2 Parametric contracts

Each Participating Country determines the level of aggregate coverage and attachment point which are then used to determine their individual premiums. Claims are based on model-derived estimates of government losses generated using a pre-defined and escrowed catastrophe loss model and input data regarding the nature of each physical hazard event, as set out in the “Claims Procedures Manual: (“hereinafter the “Claim Payout”) and not with reference to actual losses incurred by the respective Participating Countries. Accordingly, Claim Payouts are not triggered by actual losses but rather by the occurrence of the specified events within the defined policy parameters. Discounts on parametric contracts are discretionary and are recognized as reductions in premium income charged to Participating Countries. In response to the financial constraints impacting Participating Countries caused by the global pandemic, the Board of Directors also approved a temporary strategy to provide additional premium discounts to be utilized against premiums for all perils cover during the 2020/and/or 2021/22 policy years. As a result, the following discounts were recognized during the year:

EQTC - \$2,941,839

XSR - \$964,773

CA - \$1,650,000

COAST - \$200,000

For the 2021/22 policy period, the combined aggregate coverage limits for all Participating Countries in the Caribbean EQ/TC SP were \$499,287,084 for tropical cyclone events and \$428,692,699 for earthquake events, respectively.

EQ/TC has ceded layers of this exposure to commercial reinsurers. The following is a summary of the coverage in the program for the 2021/22 policy period:

- EQ/TC retains all losses up to \$27.5 million.
- 100% of the next \$172.5 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A or above.
- EQ/TC retains all subsequent losses above \$200 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-500-year loss event.

For the 2021/22 policy period, the combined aggregate coverage limit for all Participating Countries in the Caribbean XSR SP was \$114,133,783.

XSR has ceded layers of this exposure to a commercial reinsurer. The following is a summary of the coverage in the program for the 2021/22 policy period:

- XSR retains all losses up to \$12 million.
- 100% of the next \$38 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A or above.
- XSR retains all subsequent losses above \$50 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-1,000-year loss event.

For the 2021/22 policy period, the combined aggregate coverage limits for all Participating Countries in the CA SP were \$16,849,010 for tropical cyclone events, \$29,640,784 for earthquake events, and \$15,476,111 for excess rainfall events respectively.

CA SP has ceded layers of this exposure to commercial reinsurers. The following is a summary of the coverage in the program for the 2021/22 policy period:

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 2 Parametric contracts (continued)

Earthquake and tropical cyclone coverage:

- CA SP retains all losses up to \$0.5 million.
- 100% of the next \$30 million of losses are reinsured with quality reinsurers with an A.M. Best rating of at least A or above.
- CA SP retains all subsequent losses above \$30.5 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-1,750-year loss event.

Excess rainfall coverage:

- CA SP retains all losses up to \$2.9 million.
- 100% of the next \$12.85 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A or above.
- CA SP retains all subsequent losses above \$15.75 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-900-year loss event.

For the 2021/22 policy period, the combined aggregate coverage limit for all Participating members in the CPU SP was \$8,012,400.

CPU SP Reinsurance:

- CPU SP retains all losses up to \$1 million.
- 100% of the next \$7 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A or above.
- CPU SP retains all subsequent losses above \$8 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-10,000-year loss event.

For the 2021/22 policy period, the combined aggregate coverage limits for all Participating Countries in the COAST SP were \$0.4 million for adverse weather events and \$1.9 million for tropical cyclone events, respectively.

COAST SP retains all losses and none of this exposure is ceded to commercial reinsurers in the program for the 2021/22 policy period.

Losses are determined in accordance with the formulae set out in the contracts and are recorded as an expense on the occurrence of a covered event. At May 31, 2022, there were no unpaid losses.

### 3 Significant accounting policies

These financial statements on pages 4-32 have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and are stated in United States dollars. A summary of the significant accounting and reporting policies used in preparing the accompanying financial statements is as follows:

**Management estimates and assumptions:** The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 3 Significant accounting policies (continued)

**Cash and cash equivalents:** Cash and cash equivalents comprise accounts held by two banks in the Cayman Islands, along with cash and margin call accounts held with the investment custodians and are managed within guidelines established by the Board of Directors. The total cash balance includes cash held in foreign currencies for the Core, EQ/TC SP, XSR SP, CPU SP, and CA SP with costs of \$14,476, \$63,417, \$38,496, \$16,140, \$26,360, and market values of \$14,710, \$64,422, \$39,102, \$15,831, \$25,761, respectively.

**Investments:** Investments consist of investments in equities, exchange-traded funds, retail mutual funds, corporate and government debt securities and short-term investments. Investment securities are traded with the objective of generating profits on short-term differences in market prices; accordingly, investments are classified as trading securities and are measured at fair value.

The fair value of exchange-traded funds and listed equities are based on quoted market prices. The fair value of equity and fixed income securities are determined based on quoted market prices and/or prices determined using generally accepted pricing models as provided by the investment manager and custodian. The fair value of the retail mutual funds is based on the daily net asset values provided by fund administrators.

Unrealized gains and losses on investments are recorded as a change in fair value in the Statement of Operations. Realized gains and losses on investments are determined on the specific identification method and are credited or charged to the Statement of Operations.

Interest and dividend income are recorded on an accrual basis.

**Forward and futures contracts:** Investment managers are permitted to invest, within prescribed limits, in financial exchange traded futures contracts for managing the asset allocation and duration of the fixed income portfolio. Initial margin deposits are made upon entering into futures contracts and can be made either in cash or securities. During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by “marking-to-market” on a daily basis to reflect the market value of the contracts at the end of each day’s trading. Variation margin payments are made or received, depending upon whether unrealized losses or gains are incurred. When the contracts are closed realized gain or loss is recorded as equal to the difference between the proceeds from (or cost of) the closing transaction and the basis of the contracts. Futures contracts are valued based on exchange traded prices.

Investment managers are also permitted to invest in forward foreign exchange contracts to hedge or obtain exposure to foreign currency fluctuations in its securities which are denominated in currencies other than the U.S. dollar. These contracts are also valued daily using the “marking-to-market” method and are recognized in the balance sheet at their fair value, being the unrealized gains or losses on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date. Open forward and futures contracts are valued using Level 1 and Level 2 inputs (as defined in the accounting policy below), respectively.

Realized gains and losses and movement in unrealized gains and losses on both futures and foreign currency forward contracts are recorded as a component of investment income in the Statement of Operations.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 3 Significant accounting policies (continued)

**Over the counter (“OTC”) options:** Investment managers are permitted to purchase and write OTC options to hedge against or obtain exposure to changes in the value of equities. OTC options are generally valued based on estimates provided by broker dealers or derived from proprietary/external pricing models using quoted inputs based on the terms of the contracts. Movement in unrealized gains and losses on OTC options are recorded as a component of investment income in the Statement of Operations. Open OTC options are valued using Level 2 inputs (as defined in the fair value measurements accounting policy below).

**Other Options and Warrants:** Investment managers are permitted to purchase exchange-traded options and warrants to hedge against or obtain exposure to changes in equity price. When an option or warrant is purchased, an amount equal to the premium paid is recorded as an investment and is subsequently adjusted to the current market value of the option or warrant purchased. Premiums paid for the purchase of options or warrants which expire unexercised are treated as realized losses on derivative contracts. If a purchased put option is exercised, the premium is subtracted from the proceeds of the sale of the underlying security, foreign currency, or commodity in determining whether gain or loss has been realized on derivative contracts. If a purchased call option or warrant is exercised, the premium increases the cost basis of the purchased security, foreign currency, or commodity.

Movement in unrealized gains and losses on other options and warrants are recorded as a component of investment income in the Statement of Operations. Open options and warrants are valued using Level 2 inputs (as defined in the fair value measurements accounting policy below).

**Fair value measurements:** US GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under US GAAP are as follows:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that CCRIF SPC has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
Level 3	Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors for debt securities. The fair value of investments in common stocks and exchange-traded funds is based on the last traded price. Net Asset Values (“NAV”) are used to estimate the fair value of investments in non-exchange traded mutual funds. Investments in debt securities are valued based on observable inputs for similar securities and may include broker quotes.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 3 Significant accounting policies (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by management. Management considers observable data to be market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the investment advisors' perceived risk of that instrument. Investments are initially recorded at cost on trade date (being the fair value at the date of acquisition) and are subsequently re-valued to fair value.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, exchange-traded funds and certain short-term, investments. Management does not adjust the quoted price for such instruments. Investments that trade in markets that are considered to be less active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. These include liquid corporate debt securities and non-exchange traded mutual funds. As Level 2 investments include positions that may not be traded in active markets and/or may be subject to transfer restrictions, valuations may be adjusted, generally based on available market information.

None of the investments are classified within Level 3.

**Income from Donor Funds:** In accordance with the agreements described in Note 6, income from Donor Funds is recognized when costs are reimbursable or the conditions for drawdown under the grant agreements were incurred or met and such reimbursements or drawdowns are contractually receivable.

**Unrestricted grant funds:** The Company recognizes income or grants from donors as contributions when it has received or has the right to receive an unconditional transfer of cash or other asset or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer from such party.

**Income and expenses from parametric contracts:** Amount payable/receivable for claims under the parametric policies written and ceded does not correlate directly to the policyholder's incurred insurable loss (see Note 2 for details). Accordingly, these policies are not accounted for as insurance contracts within these financial statements.

Income from parametric contracts is initially recognized as a liability (reinsurance expense ceded: as an asset) and subsequently reported at fair value. All subsequent changes in fair value of the parametric contracts are recognized in earnings as income (reinsurance expenses) attributable to parametric contracts. The fair value of the contracts is determined based on management's best estimate of the discounted payouts (recoveries) resulting from the reasonably probable occurrence, magnitude and location of insured/reinsured events (based on historical trends and statistics) during the unexpired period of the contracts. At May 31, 2022, the fair value of these instruments was \$Nil and accordingly, all income and expenses on such contracts are recognized as income/expense in the Statement of Operations. The net realized gains on the parametric contracts are comprised of the following line items within the Statement of Operation: Income from parametric insurance contracts, Discounts awarded on parametric insurance contracts, Expenses on parametric reinsurance contracts, Claims paid on parametric insurance contracts, and Claims recovered on parametric reinsurance contracts, and are (\$13,022,103) in EQ/TC SP, \$4,455,515 in XSR SP, \$45,900 in CPU SP, (\$689,103) in CA SP and \$9,091 in COAST SP for the year ended May 31, 2022.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 3 Significant accounting policies (continued)

**Participation fee deposits:** Participation fee deposits are paid by Participating Countries to enter the program. Deposits received are recorded as a liability in the financial statements. Participation fee deposits are recognized as income when:

- they are no longer refundable to the Participating Countries (see Note 7); and/or
- they are required to fund losses (see Note 7);
- they are non-refundable.

Refundable deposits that are utilized to fund losses will be reinstated to the extent available from subsequent retained earnings up to the maximum amount of the initial deposits.

**Foreign currency translation:** Foreign currency assets and liabilities are converted to U.S. dollars at the rate of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into U.S. dollars at the rate of exchange prevailing at the date of the transaction. Foreign exchange differences are included in the Statement of Operations in the year to which they relate.

**Uncertain income tax positions:** The authoritative US GAAP guidance on accounting for, and disclosure of, uncertainty in income tax positions requires CCRIF SPC to determine whether an income tax position is more likely than not to be sustained upon examination by the relevant tax authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For income tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements, if any, is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. The application of this authoritative guidance has had no effect on the financial statements.

**Provision for uncollectible receivables:** Management evaluates credit quality by evaluating the exposure to individual counterparties; where warranted management also considers the credit rating of financial position, operating results and or payment history of the counterparty. Management establishes provisions for amounts for which collection is considered doubtful. Adjustments for previous assessments are recognized as income in the year in which they are determined.

**Receivables:** On May 31, 2022, there were receivables determined to be past due, EQTC SP \$1,304,176 and XSR SP \$ 612,858. These amounts represent premiums due from certain policyholders that entered into an agreement for grant funding for premium support with the Canada-CARICOM Climate Adaptation Fund (CCAF). These amounts were not received at year end however, CCRIF has since requested and received the funds. At May 31, 2022, these receivables were classified as fully collectible.

**Development costs:** Development costs are amounts capitalized with respect to the development of loss models used by the Segregated Portfolios. The costs are amortized on a straight-line basis over 10 years for loss models (and 3 years for model upgrades), being management's best estimate of the expected useful life from the date the respective models become operational.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 3 Significant accounting policies (continued)

**Segregated Portfolios:** Each segregated portfolio's assets, liabilities and transactions are kept segregated and separately identifiable and accordingly each segregated portfolio is a separately identifiable financial reporting unit that respectively maintains segregated accounting records.

Each individual Segregated Portfolio is established in connection with the issuance of separate non-voting redeemable preference shares which are attributable to an individual segregated portfolio. The preference shares of each Segregated Portfolio are held by the Trust. Accordingly, as the Core has no ownership or beneficial interests in the net assets of any Segregated Portfolio, the results of the Segregated Portfolios are not consolidated and no transactions between Segregated Portfolios and/or the Core are eliminated.

Separate financial statements are prepared for the Core and each Segregated Portfolio and presented individually in columnar format.

**Segregated Portfolio rental fees:** The Board of Directors may, at its discretion, charge rental fees to the Segregated Portfolios. Such fees represent a discretionary allocation of central costs (including items such as administrative expenses, technical assistance expenses, and amortization of development costs) necessarily incurred by the Core in the operation of the Segregated Portfolios. Rental fee income and expenses are recorded by the Core and Segregated Portfolios, respectively, when declared by the Board of Directors and in the amounts so determined by the Board of Directors.

### 4 Cash and cash equivalents

Cash and cash equivalents comprise accounts held by two banks in the Cayman Islands, along with cash and margin call accounts held with the investment managers and are managed within guidelines established by the Board of Directors.

Included in Cash and cash equivalents are Cash in transit which are funds that were transferred from respective commercial bank accounts on or prior to May 31, 2022 to our investment custodian accounts however said funds were not reflected in the custodian accounts at year end.

### 5 Investments

During the year, London and Capital Asset Management Limited and Butterfield Asset Management Limited were engaged to provide asset management services under the terms of the related investment management agreements. London and Capital Asset Management Limited provided asset management services to the Core, as well as the following SPs, namely EQ/TC SP, XSR SP, CPU SP and CA CP. Butterfield Asset Management Limited provided asset management services only to the Core.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 5 Investments (continued)

The following tables summarize the investments that are measured at fair value at May 31, 2022, refer to Note 8 for additional disclosure over derivatives held at year end:

	Fair Value Measurements Determined Using:			
	Level 1	Level 2	Level 3	
	Inputs	Inputs	Inputs	Total
	\$	\$	\$	\$
<b>Core</b>				
<b>At May 31, 2022:</b>				
<b>Assets</b>				
Exchange traded funds	2,133,263	-	-	2,133,263
Equity investments				
- Communications	568,503	-	-	568,503
- Industrial	744,015	-	-	744,015
- Consumer, Non-cyclical	326,656	-	-	326,656
- Consumer, Cyclical	135,617	-	-	135,617
- Technology	1,162,703	-	-	1,162,703
- Energy	177,072	-	-	177,072
- Utilities	175,423	-	-	175,423
- Basic Materials	183,348	-	-	183,348
- Healthcare	432,893	-	-	432,893
- Cons Discret	389,442	-	-	389,442
- Cons Staple	303,065	-	-	303,065
Corporate debt securities	-	24,593,168	-	24,593,168
Government sponsored debt securities	-	11,960,331	-	11,960,331
Total Assets	6,732,000	36,553,499	-	43,285,499

In accordance with Subtopic 820-10, certain investments totaling \$2,396,009 at May 31, 2022, that are measured using their NAV (or its equivalent) as practical expedient have not been classified in the fair value hierarchy.

### EQ/TC SP

**At May 31, 2022:**

#### **Assets**

Equity investments				
- Communications	1,563,940	-	-	1,563,940
- Industrial	2,041,571	-	-	2,041,571
- Consumer, cyclical	944,836	-	-	944,836
- Consumer, Non-cyclical	2,196,174	-	-	2,196,174
- Technology	1,702,898	-	-	1,702,898
- Utilities	360,495	-	-	360,495
Corporate debt securities	-	35,610,965	-	35,610,965
Government sponsored debt securities	-	9,357,939	-	9,357,939
Total Assets	8,809,914	44,968,904	-	53,778,818

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 5 Investments (continued)

	Fair Value Measurements Determined Using:			
	Level 1	Level 2	Level 3	Total
	Inputs	Inputs	Inputs	
	\$	\$	\$	\$
<b><u>XSR SP</u></b>				
<b>At May 31, 2022:</b>				
<b>Assets</b>				
Equity investments				
- Communications	779,006	-	-	779,006
- Industrial	1,007,765	-	-	1,007,765
- Consumer, cyclical	460,386	-	-	460,386
- Consumer, Non-cyclical	1,073,778	-	-	1,073,778
- Technology	843,002	-	-	843,002
- Utilities	177,884	-	-	177,884
Corporate debt securities	-	19,941,660	-	19,941,660
Government sponsored debt securities	-	2,096,969	-	2,096,969
Total Assets	4,341,821	22,038,629	-	26,380,450

#### **CPU SP**

**At May 31, 2022:**

#### **Assets**

Equity investments				
- Communications	164,686	-	-	164,686
- Industrial	206,853	-	-	206,853
- Consumer, cyclical	95,338	-	-	95,338
- Consumer, Non-cyclical	223,527	-	-	223,527
- Technology	175,755	-	-	175,755
- Utilities	36,880	-	-	36,880
Corporate debt securities	-	4,181,023	-	4,181,023
Government sponsored debt securities	-	295,929	-	295,929
Total Assets	903,039	4,476,952	-	5,379,991

#### **CA SP**

**At May 31, 2022:**

#### **Assets**

Equity investments				
- Communications	314,133	-	-	314,133
- Industrial	409,787	-	-	409,787
- Consumer, cyclical	186,074	-	-	186,074
- Consumer, Non-cyclical	435,284	-	-	435,284
- Technology	343,695	-	-	343,695
- Utilities	73,339	-	-	73,339
Corporate debt securities	-	8,025,892	-	8,025,892
Government sponsored debt securities	-	1,082,677	-	1,082,677
Total Assets	1,762,312	9,108,569	-	10,870,881

There were no transfers between Levels 1, 2, or 3 during the year ended May 31, 2022.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 5 Investments (continued)

The cost of investments for Core, EQ/TC SP, XSR SP, CPU SP and CA SP at May 31, 2022 is \$48,035,762, \$56,866,006, \$28,127,512, \$5,675,196 and \$11,704,515, respectively.

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Percentage of debt securities issued by US counterparties	69%	44%	41%	52%	52%
Percentage of debt securities issued by UK counterparties	12%	17%	19%	13%	9%
Percentage of debt securities issued by counterparties based in other countries	18%	39%	39%	36%	39%
	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Percentage of debt securities graded as A- or higher	49%	49%	36%	41%	38%
Percentage of debt securities graded as BBB- or higher but lower than A-	32%	36%	50%	50%	45%
Percentage of non-investment graded debt securities below BBB- or not rated	19%	15%	14%	9%	17%

The average maturity of fixed income securities as at May 31, 2022 is disclosed in the table below:

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Average maturity	12.56 years	9.06 years	10.2 years	11.24 years	10.89 years

The above maturity disclosures do not include perpetual bonds held by the Core, EQ/TC SP, XSR SP, CPU SP and CA SP at May 31, 2022, which totaled 39.2%, 31.5%, 36.6%, 25.7% and 29.5% of the total fixed income investments respectively.

CCRIF SPC is exposed to foreign exchange risk on debt securities that correspond to the jurisdiction of the issuing counterparties.

### 6 Donor Funds and Unrestricted grant funds

#### Donor Funds

Effective October 14, 2015, an agreement was entered into between the International Bank for Reconstruction and Development/International Development Association (“World Bank”) acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund, and CCRIF SPC (the “Recipient”) as per Grant No. TF0A0564. The grant of US\$19.5 was used to fund the expansion of Parametric Earthquake Risk Insurance and Parametric Climate Risk Insurance for CA SP Participating Countries. Costs reimbursable under the grant agreement TF0A0564 included insurance payouts of CA SP, reinsurance premiums and other operational expenses of CA SP agreed with the World Bank. The Multi-Donor Trust Fund had a closing date of December 31, 2019, which was extended upon negotiations between the World Bank to December 31, 2021.

# CCRIF SPC

## Notes to Financial Statements

### For the year ended May 31, 2022

(expressed in U.S. dollars)

#### 6 Donor Funds and Unrestricted grant funds (continued)

During the year ended May 31, 2022, \$61,740 and \$150,000 totaling \$211,740 donor fund income relating to the World Bank project under Grant No. TF0A0564 was recorded in CA SP to finance reinsurance premium payments, claims payable on parametric insurance, consulting services and training expenses. At May 31, 2022, the grant was fully utilized.

Effective August 14, 2017, an agreement was entered into between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund, and CCRIF SPC (the “Recipient”) as per TF Grant No. TF0A5343. The grant of US\$23.75 million was Additional Financing for activities of CCRIF SPC to improve the affordability of high-quality sovereign catastrophe risk transfer associated with earthquakes and climate-related events for CA SP Participating Countries and for climate-related events in the CARICOM Participating Countries. The Multi-Donor Trust Fund initially had a closing date of December 31, 2019, which was extended to May 31, 2021, upon negotiations between the World Bank and the donors to the Multi-Donor Trust Funds. A further extension was granted to December 31, 2021.

During the year ended May 31, 2022, donor income of \$1,601,784 and \$682,548 relating to the World Bank project under Grant No. TF0A5343 was recorded in CA SP and Caribbean XSR SP respectively to finance reinsurance premium payments, claims payable on parametric insurance, consulting services and training expenses. At May 31, 2022, the grant was fully utilized.

Effective July 2, 2021, an agreement was entered into between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of the Technical Assistance Program for Disaster Risk Financing and Insurance in Caribbean Overseas Countries and Territories Single Donor Trust Fund, and CCRIF SPC (the “Recipient”), as per TF Grant No. TF0B6010, under a Second Central America and Caribbean Catastrophe Risk Insurance Project. The objective of the grant of EUR 261,800 is to improve the affordability of high-quality sovereign catastrophe risk transfer associated with earthquakes and Climate-related Events for CCRIF SPC Participating Countries. The grant has a closing date of December 31, 2022. At May 31, 2022, the grant was not drawn down, however, it is expected that the funding will be fully utilized by the closing date.

Effective July 2, 2021, an agreement was entered into between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund, and CCRIF SPC (the “Recipient”) as per Grant No. TF0B6011 under a Second Central America and Caribbean Catastrophe Risk Insurance Project. The objective of the grant of USD 11,000,000 is to improve the affordability of high-quality sovereign catastrophe risk transfer associated with earthquakes and climate-related events for is to improve the affordability of high-quality sovereign catastrophe risk transfer associated with earthquakes and Climate-related Events for CCRIF SPC Participating Countries. The grant initially had a closing date of December 31, 2021; an extension was granted to December 31, 2022.

During the year ended May 31, 2022, donor income of \$1,079,875 relating to the World Bank project under Grant No. TF0B6011 was recorded in CA SP to finance reinsurance premium payments. CCRIF will apply for an extension to June 30, 2024 at which time, it is expected that the grant will be fully utilized.

Effective July 2, 2021, an agreement was entered into between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), acting as administrator of the Caribbean Regional Resilience Building Facility Single-Donor Trust Fund, and CCRIF SPC, as per TF Grant No. TF0B6121 under a Second Central America and Caribbean Catastrophe Risk Insurance Project.

# CCRIF SPC

## Notes to Financial Statements

### For the year ended May 31, 2022

(expressed in U.S. dollars)

#### 6 Donor Funds and Unrestricted grant funds (continued)

The objective of the grant of USD 11,020,000 and \$404,425 is to improve the affordability of high-quality sovereign catastrophe risk transfer associated with earthquakes and climate-related events for CCRIF SPC Participating Countries. The grant has a closing date of December 31, 2022.

During the year ended May 31, 2022, donor income of \$3,192,002 and \$8,232,393 relating to the World Bank project under Grant No. TF0B6121 was recorded in Caribbean XSR SP and Caribbean EQ/TC SP respectively to finance climate-related reinsurance premiums. It is expected that the grant will be fully utilized by the closing date.

Effective June 15, 2020 CCRIF SPC entered into a grant agreement (No TF0B2931) with the World Bank in the amount of \$2.4 million to provide the initial capitalization of COAST SP in the amount of \$1,800,000 and \$391,781 was allocated to cover premiums.

During the year ended May 31, 2022, donor income of \$200,000 relating to the World Bank project under Grant No. TF0B2931 was recorded in Coast SP. At May 31, 2022, an amount of \$8,219 remained undrawn.

On August 12, 2020 CCRIF entered into a grant agreement with the Caribbean Development Bank for a grant of US\$530,000 for the Development of Parametric Insurance Products for the Agricultural Sector. The grant will be used to assist CCRIF in financing the cost of consultancy services for the development and marketing of two parametric agricultural insurance products. At May 31, 2022 the grant remained undrawn.

On May 2, 2022, CCRIF SPC received \$287,980 donor income from the World Bank towards consultant fees under Grant No. TF0A0564 \$144,903 and Grant No. TF0A5343 \$143,077. The grant agreement is between CCRIF SPC and the World Bank to allocate funding for the Consultants for work done in the Caribbean and Central America (CA).

#### Ireland Grants

On January 14, 2019, CCRIF entered into a grant agreement for US\$1,128,985 with the Minister for Foreign Affairs and Trade of Ireland, represented by the Development Cooperation Directorate of the Department of Foreign Affairs and Trade ("Irish Aid") the purpose of which is to provide grant funding for Building Sustainability of the CCRIF model to 2030. The grant of US\$1,128,985 was fully drawn on December 21, 2018, and funds were to be used for consulting services for CCRIF SPC and for costs related to the expansion of CPU SP by May 31, 2022. As at May 31, 2022, the funds were fully utilized. As at May 31, 2022 the amount drawn has been recorded in Accounts payable and Accruals.

On Oct 26, 2021, CCRIF entered into a grant agreement for US\$1,163,990 with the Minister for Foreign Affairs and Trade of Ireland, represented by the Development Cooperation Directorate of the Department of Foreign Affairs and Trade ("Irish Aid") the purpose of which is to provide grant funding for Building Sustainability of the CCRIF model to 2030. The grant was fully drawn on November 3, 2021 and funds will be used in full for costs related to the expansion of Coast SP by April 20, 2023. As at May 31, 2022 the amount drawn has been recorded in Accounts payable.

#### 7 Participation Fees deposits

Participating fee deposits represent non-recurring amounts required to be paid by each Participating Country to enter a CCRIF SPC program. The deposits are equivalent to a proportion of the annual premiums written in respect of each Participating Country and are fully non-refundable.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 8 Derivative instruments

Derivatives are used for hedging purposes and portfolio management. Derivative instruments transactions include futures, forwards, and options with each instrument's primary risk exposure being interest rate, credit, foreign exchange, equity or commodity risk. The fair value of these derivative instruments is included as a separate line item in the balance sheet with changes in fair value reflected as net change in unrealized gains/(losses) on derivatives as a component of the investment income line item in the Statement of Operations (see Note 11).

The following tables indicate the realized and unrealized gains and losses on derivatives, by contract type, as included in investment income in the Statement of Operations for the year ended May 31, 2022 (see Note 11).

	Gross realized gains \$	Gross realized losses \$	Net realized gains \$	Change in unrealized gains \$
<b><u>Core</u></b>				
Futures/options on fixed income securities	69,282	(36,749)	32,533	-
Foreign exchange futures contracts	166,555	(46,186)	120,369	109,774
Total	235,837	(82,935)	152,902	109,774
<b><u>EQ/TC SP</u></b>				
Futures/options on fixed income securities	541,000	(276,599)	264,402	-
Foreign exchange futures contracts	1,082,301	(268,707)	813,593	602,718
Total	1,623,301	(545,306)	1,077,995	602,718
<b><u>XSR SP</u></b>				
Futures/options on fixed income securities	(133,536)	263,362	129,827	-
Foreign exchange futures contracts	625,703	(144,058)	481,645	349,273
Total	492,167	119,304	611,472	349,273
<b><u>CPU SP</u></b>				
Futures/options on fixed income securities	47,994	(22,889)	25,105	-
Foreign exchange futures contracts	162,144	(34,311)	127,834	98,796
Total	210,138	(57,200)	152,939	98,796
<b><u>CA SP</u></b>				
Futures/options on fixed income securities	(51,018)	102,007	50,989	-
Foreign exchange futures contracts	33,408	-	33,408	57,829
Total	(17,610)	102,007	84,397	57,829

There was no derivative trading activity related to Coast SP during the year.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 8 Derivative instruments (continued)

The exposures on derivative contracts are generally short-term as these contracts are settled or lapse within a short time frame. The positions held in foreign exchange contracts at May 31, 2022, are reflective of the average positions held in currency futures and options contracts during the year. With respect to futures and option contracts, the average number of contracts held at any one point in time during the year ended May 31, 2022 were:

	Core (no. of contracts)	EQ/TC SP (no. of contracts)	XSR SP (no. of contracts)	CPU SP (no. of contracts)	CA SP (no. of contracts)
Currency Futures	16.8	93.6	55.5	15.4	6.5
Fixed Income Futures	0.8	5.3	2.6	0.4	0.4
Fixed Income	1.8	12.9	5.8	1.2	0.7
Options					

The following outstanding foreign exchange contracts were held as at May 31, 2022:

	Maturity date	Notional value \$	Fair values \$
<b><u>Core</u></b>			
United States Dollars future (bought US\$ sold £) At future rate of US\$1.2605	June 13, 2022	787,813	24,938
United States dollars future (bought US\$ sold €) At future rate of US\$1.07	June 13, 2022	1,070,000	33,905
			<u>58,843</u>
<b><u>EQ/TC SP</u></b>			
United States Dollars future (bought US\$ sold £) At future rate of US\$1.2605	June 13, 2022	4,490,531	134,642
United States dollars future (bought US\$ sold €) At future rate of US\$1.07	June 13, 2022	5,350,000	169,525
			<u>304,167</u>
<b><u>XSR SP</u></b>			
United States Dollars future (bought US\$ sold £) At future rate of US\$1.2605	June 13, 2022	2,521,000	72,295
United States dollars future (bought US\$ sold €) At future rate of US\$1.07	June 13, 2022	3,745,000	118,668
			<u>190,963</u>
<b><u>CPU SP</u></b>			
United States Dollars future (bought US\$ sold £) At future rate of US\$1.2605	June 13, 2022	709,031	30,887
United States dollars future (bought US\$ sold €) At future rate of US\$1.07	June 13, 2022	936,250	29,667
			<u>60,554</u>

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 8 Derivative instruments (continued)

CA SP			
United States Dollars future (brought US\$ Sold £) At future rate of US\$1.2605	June 13, 2022	472,688	11,210
United States dollars future (bought US\$ sold €) At future rate of US\$1.07	June 13, 2022	1,471,250	46,619
			<u>57,829</u>

COAST SP did not trade derivatives during the year ended May 31, 2022.

Additional disclosure is required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Balance Sheet and requires an entity to disclose both gross and net information about such investments and transactions in the financial statements.

The following table presents the gross amounts presented in the Balance Sheets:

As of May 31, 2022

Entity	Asset Type	Counterparty	Gross amount of financial assets presented on the Balance Sheet*	Gross amount of financial Liabilities presented on the Balance Sheet	Net amount not offset on the Balance Sheet
			\$	\$	\$
Core	Currency Future	BNP Paribas	58,843	-	58,843
EQ/TC SP	Currency Future	BNP Paribas	304,167	-	304,167
XSR SP	Currency Future	BNP Paribas	190,963	-	190,963
CPU SP	Currency Future	BNP Paribas	60,554	-	60,554
CA SP	Currency Future	BNP Paribas	57,829	-	57,829

\* These exchange traded derivatives meet the criteria of Level 1 investments as defined within Note 3.

All SP's held margin cash collateral with BNP Paribas in excess of the net liabilities noted above.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 9 Share capital and share premium

The authorised share capital of CCRIF SPC is \$50,000 divided into 1,000 voting ordinary shares with a nominal or par value of \$1.00 per share and 49,000 non-voting redeemable preference shares of \$1.00 each. The following amounts are issued and fully paid.

	<b>Core</b>	<b>EQ/TC SP</b>	<b>XSR SP</b>	<b>CPU SP</b>	<b>CA SP</b>	<b>Coast SP</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Share capital	1,000	-	-	-	-	-
Non-voting redeemable preference shares	-	1	1	1	1	-
Share premium	119,000	42,499,999	24,999,999	4,999,999	-	-
	<b>120,000</b>	<b>42,500,000</b>	<b>25,000,000</b>	<b>5,000,000</b>	<b>1</b>	<b>-</b>

The holders of the general common shares are entitled to receive notice of, attend and vote at any general meeting of CCRIF SPC. Holders of non-voting redeemable segregated portfolio shares have no right to receive notice of or attend any general meetings of CCRIF SPC, nor have any right to vote at any such meetings in respect of such shares. Holders of non-voting redeemable segregated portfolio shares have the right to dividends or other distributions, subject to a directors' resolution as to the timing and amount of such dividends, have the right to a return of capital of CCRIF SPC upon winding up of CCRIF SPC, in preference to that of the Ordinary shares, and the shares can be redeemed by CCRIF SPC.

The share premium account represents the excess of the proceeds from issued share capital over the par value of the shares issued. The share premium account was established in accordance with the Cayman Islands Companies Act, which restricts the uses of these reserves.

Pursuant to the CCRIF SPC's Articles of Association, the Directors may declare and authorize payment of dividends out of profits of CCRIF SPC. Payment of any dividends is subject to approval by the Cayman Islands Monetary Authority ("CIMA").

Under the Cayman Islands Insurance Act, the Company is required to maintain a minimum and prescribed net worth of \$100,000.

CIMA has statutory powers that enable it to use its discretion to require CCRIF SPC to conduct its operations in accordance with general or specific conditions which may be imposed by CIMA or may be agreed upon between CIMA and CCRIF SPC. Generally, such matters are set out in the Business Plan which CCRIF SPC files with CIMA and, amongst others, includes reference to the risks assumed and retained by CCRIF SPC, the funding and capitalization levels, and investment policies.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 10 Claims paid

There were five triggering events that resulted in claim payments amounting to \$41,827,284 to Participating Countries in the EQ/TC SP. Total claim payments in the year ending May 31, 2022, were \$41,827,284, of which \$14,327,284 was recovered from reinsurers in respect of these claims.

There were two triggering events that resulted in claim payments amounting to \$3,505,888 to Participating Countries in the XSR SP. Total claim expenses incurred in the year ending May 31, 2022, were \$3,505,888 of which \$Nil was recovered from reinsurers in respect of these claims.

In respect of the 2021/22 policy year, payouts were made in the amount of \$41,298,772 in Caribbean EQ/TC SP plus Aggregate Deductible Cover (ADC) payments of \$528,512. Payouts were made in the amount of \$3,505,888 in Caribbean XSR SP.

During the period to May 31, 2022, CCRIF will be implementing model upgrades to the SPHERA and XSR models in time for the new policy year commencing June 1, 2023.

### 11 Net investment income

	Core \$	EQ/TC SP \$	XSR SP \$	CPU SP \$	CA SP \$	Coast SP \$
Net investment income comprises:						
Interest and dividend income	1,216,391	1,243,733	625,109	124,122	137,060	320
Change in fair value of investments	(3,995,237)	(6,386,807)	(3,293,075)	(666,182)	(867,901)	-
Net realized gain on sale of Investments	443,295	1,625,354	460,842	91,495	43,884	-
Investment management, custody and fund administration fees	(158,538)	(296,846)	(141,589)	(35,420)	(37,997)	-
Currency foreign exchange gains	(326,849)	(10,094)	(1,268)	(2,221)	(5,591)	-
Net realized loss on derivative instruments (Note 8)	152,902	1,077,995	611,472	152,939	84,397	-
Change in unrealized gains on derivative instruments (Note 8)	109,774	602,718	349,273	98,796	57,829	-
	<u>(2,558,262)</u>	<u>(2,143,947)</u>	<u>(1,389,236)</u>	<u>(236,471)</u>	<u>(588,319)</u>	<u>320</u>

### 12 Related party transactions

During the year ended May 31, 2022, the Core incurred the Trustee and Enforcer fees of \$25,620 on behalf of the Trust.

During the year ended May 31, 2022, key management compensation consisted of salaries and expenses amounting to \$635,812 for four employees which are included within administrative expenses.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 13 Administrative expenses

Administration expenses comprise:

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
	\$	\$	\$	\$	\$	\$
Audit and other professional fees	89,521	29,500	14,500	-	-	-
Captive management fees	83,790	55,860	15,750	-	12,600	-
Compliance Officer	31,500	-	-	-	-	-
Consultancy fees	124,460	-	-	-	-	-
Procurement Advisor	44,538	-	-	-	-	-
Board and executive management remuneration	791,087	-	-	-	-	-
Directors' and Officers' insurance	34,691	-	-	-	-	-
Legal fees	22,336	(1,165)	-	527	5,655	1,779
Government fees	15,453	671	671	671	671	671
CA Committee Meeting Expenses	-	-	-	-	15,625	-
Meeting expenses	5,748	-	-	-	-	-
Publicity, conferences & workshops	130,733	-	-	-	-	-
Trust expenses (Note 12)	25,620	-	-	-	25,000	-
Calculation Agency Fees & Licence Fees	25,000	-	(173,250)	-	-	-
Contingency-Conferences and Workshop	177,357	-	-	-	-	-
Cybersecurity Framework	31,500	-	-	-	-	-
Research and development	328,378	-	-	-	-	-
Technical Expert CA SP Staff	-	-	-	-	77,567	-
Sundry expenses and bank charges	21,362	3,438	2,568	1,375	4,134	295
	<b>1,983,074</b>	<b>88,304</b>	<b>(139,761)</b>	<b>2,573</b>	<b>141,252</b>	<b>2,745</b>

### 14 Taxation

No income, capital, or premium taxes are levied in the Cayman Islands and CCRIF SPC has been granted an exemption until May 29, 2027, for any such taxes that might be introduced. CCRIF SPC intends to conduct its affairs so as not to be liable for taxes in any other jurisdiction. Accordingly, no provision for taxation has been made in these financial statements.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 15 Development costs

Core	Second Generation	WeMap	Excess Rainfall	Caribbean Coast Sphera	Carib & CA XSR & Drought	Carib & CA EQ/TC SPHERA	Total
	<u>Loss Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	
<b>Cost:</b>	\$	\$	\$	\$	\$	\$	\$
Balance brought forward at May 31, 2021	559,755	240,000	693,880	148,000	1,210,000	2,010,000	4,861,635
Additions during the year	-	19,560	119,190	-	-	66,250	205,000
Balance carried forward at May 31, 2022	559,755	259,560	813,070	148,000	1,210,000	2,076,250	5,066,635
Accumulated amortisation	Second Generation	WeMap	Excess Rainfall	Caribbean Coast Sphera	Carib & CA XSR & Drought	Carib & CA EQ/TC SPHERA	Total
	<u>Loss Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	<u>Model</u>	
Balance carried forward at May 31, 2021	559,755	36,000	499,809	20,967	540,933	400,250	2,057,714
Amortisation charge for the year	-	25,087	118,193	14,800	121,000	204,681	483,761
Balance carried forward at May 31, 2022	559,755	61,087	618,002	35,767	661,933	604,931	2,541,475
Net book value at May 31, 2022	-	198,473	195,068	112,233	548,067	1,471,320	2,525,161

Development costs above represent fees paid to third parties for the development of computer loss modeling software which is necessary for the underwriting operations of CCRIF SPC. All model development occurs in the Core.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 16 Due to/from Core and/or between Segregated Portfolios

During the year ended May 31, 2022, the following transactions occurred between the Segregated Portfolios:

	Core \$	EQ/TC SP \$	XSR SP \$	CA SP \$	CPU SP \$	Coast SP \$
Due to Core	-	-	-	-	(88,422)	-
Due to XSR/CA SP	-	(374,682)	-	-	-	-
Due from EQTC SP	-	-	361,182	-	-	-
Due from EQTC SP	-	-	-	13,500	-	-
Due from CPU SP	88,422	-	-	-	-	-
Net due (to)/from Core/Segregated Portfolios	88,422	(374,682)	361,182	13,500	(88,422)	-

During the year ended May 31, 2022, the Board of Directors approved segregated portfolio rental fees charged by the Core to the Segregated Portfolios of \$1,500,000 to EQ/TC SP, \$400,000 to XSR SP, \$485,000 to CA SP, \$80,000 to CPU SP and \$80,000 to COAST SP. At May 31, 2022, amounts receivable from / payable to Segregated Portfolios represent cash received by the respective Segregated Portfolio intended for the benefit of another Segregated Portfolio.

The Core funds the purchase of computer loss modelling software and related upgrades (Note 15) which are used by the Segregated Portfolios. Such costs are capitalised by the Core as development costs and are recognised as assets of the Core. The Core, through the segregated portfolio rental fee, charges the relevant Segregated Portfolio for their use of these models in the processing of claims. The cell rental fees also cover certain general expenses paid by the Core on behalf of SPs such as Directors Fees, Staff Costs, some Service Provider Costs and Technical Assistance costs as both the Core and SPs benefit from these services.

For 2021/22 the Board of Directors approved sub-licence fees charged by the Core to the Segregated Portfolios of: \$101,750 to EQ/TC SP, \$90,189 to XSR SP and \$215,394 to CA SP.

### 17 Certain risks and financial instruments

#### a. Geographical concentration of risk

The CCRIF SPC's principal activity comprises parametric catastrophe risk coverage for Participating Countries in the Caribbean and Central America regions.

#### b. Fair Value

The carrying amounts of all financial instruments, except for investments, approximate their fair values due to their short-term maturities and have been determined using Level 2 inputs; aside from cash and cash equivalents which have been determined using Level 1 inputs. Investments and derivative instruments are carried at fair value as described in Notes 3, 5, and 8.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 17 Certain risks and financial instruments (continued)

#### c. Credit risk

Financial assets potentially subject to concentrations of credit risk consist of cash and cash equivalents, investments in debt instruments, accrued interest receivable and due from donor funds. The maximum amount of loss at May 31, 2022 would incur if the counterparties to the transactions do not meet their obligations, which would be the carrying amount of such assets in the balance sheet. Cash and cash equivalents and investments are placed with or held in custody by high credit quality financial institutions.

Similarly, the investment policy requires that the investment managers invest in securities with a high credit quality (see Note 5). EQ/TC SP, XSR SP, CPU SP and CA SP have entered into parametric reinsurance arrangements with unrelated reinsurers. Parametric reinsurance ceded contracts do not relieve the EQ/TC SP, XSR SP, CPU SP or CA SP from their obligations under the parametric insurance contracts they have issued. EQ/TC SP, XSR SP, CPU SP and CA SP remain liable under its parametric insurance contracts for the portion reinsured to the extent that reinsurers do not meet their obligations to the Company assumed under the parametric reinsurance agreements. The credit risk is managed by transacting only with counterparties considered highly reputable and creditworthy and within established investment/derivative guidelines.

Management is satisfied that the concentrations of credit risk will not result in a material loss to the Company.

#### d. Interest rate risk

The fair value of investments in fixed interest securities will be affected by movements in interest rates. An analysis of the investment portfolios is shown in Note 5. The fair value of the futures contracts may also be affected by movements in interest rates.

#### e. Market risk

Market risk exists to the extent that the values of monetary assets fluctuate as a result of changes in market prices. Changes in market prices can arise from factors specific to individual securities, their respective issuers, securities/markets to which they are linked, or factors affecting all securities traded in a particular market. Relevant factors are both volatility and liquidity of specific securities and of the markets in which the investments are held.

The emergence of the COVID-19 pandemic in early 2020 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty; as a result, global financial markets have experienced and may continue to experience significant disruption and volatility. The fair value of the Company's investment portfolio may be significantly impacted to the extent that this volatility continues.

#### f. Liquidity risk

Liquidity risk exists to the extent that investments may not be sold/ redeemed on a timely basis to settle losses. The liquidity risk is mitigated by maintaining a proportion of assets in cash and short-term investments.

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 17 Certain risks and financial instruments (continued)

#### g. Foreign exchange risk

In the normal course of business, the assets and liabilities may be held in currencies other than U.S. dollars. To reduce its risk to foreign exchange fluctuations futures foreign exchange contracts may be entered to. Futures foreign currency contracts result in exposure to currency risks to the extent of any mismatch between foreign exchange futures contracts and the corresponding financial instruments denominated in foreign currencies. Foreign currency futures contracts commit to purchase or sell the designated foreign currency at a fixed rate of exchange on a future date. The fair value of the futures foreign exchange contracts will fluctuate as a result of changes in the corresponding market rate of exchange. See Note 8 for details of futures foreign exchange contracts entered into during the period.

#### h. Futures contracts risk

In the normal course of business financial futures are held and traded and are carried at fair value. These futures contracts represent future commitments to purchase financial instruments on specific terms at specified future dates. The fair value of the futures contracts will fluctuate corresponding to the fair value of the underlying financial instruments (see Note 8). The notional value of the underlying financial instruments represents the maximum risk of loss. The Directors consider this risk to be mitigated because of the short terms of the futures contracts and the underlying financial instruments being investment grade.

#### i. Swaps

The CCRIF SPC may enter into swap contracts to manage interest rate risk and hedge or obtain exposure to credit risk. The CCRIF SPC uses CDSs to provide protection against or obtain exposure to the credit default risks of sovereign or corporate issuers.

CDSs involve greater risks than if the CCRIF SPC had invested in the reference obligation directly. In addition to general market risks, CDSs are subject to liquidity risk and counterparty credit risk. The CCRIF SPC enters into CDSs with counterparties meeting certain criteria for financial strength. Where the CCRIF SPC is buying protection, the CCRIF SPC will recover none of the payments made to purchase that protection should a credit event not occur. During the year ended May 31, 2022 the CCRIF SPC did not sell credit protection. In connection with equity swap contracts, cash or securities may be posted to or received from the swap counterparty in accordance with the terms of the swap contract. The CCRIF SPC earns or pays interest on cash posted or received as collateral.

Off-balance sheet risks associated with all swap contracts involve the possibility that there may not be a liquid market for these agreements, that the counterparty to the contract may default on its obligation to perform and that there may be adverse changes in currency rates, credit status, market prices and interest rates. Notional contract amounts are presented in Note 8 to indicate the extent of the CCRIF SPC's exposure to such instruments. At May 31, 2022, the CCRIF SPC had no open swap contracts (see Note 8).

# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 17 Certain risks and financial instruments (continued)

#### j. Options

Transactions in options carry a high degree of risk. The following section describes the primary types of option contracts that may be held and traded and the corresponding risks.

Purchased call options represent right to purchase a stock at a set price (the "exercise price") on a future specified date (in return for a premium i.e. the price paid for the option) but create no obligation to buy the stock but rather the right to do so until the expiration date.

If the stock price at expiration is above the exercise price by more than the premium paid, the transaction will result in a gain. If the stock price at expiration is lower than the exercise price, the call option will expire worthless and the loss recorded will be the amount of the premium paid (plus any transaction costs). Compared to owning the respective stock, purchased call options leverage upside gains when a stock price increases because for the same amount of money, there is exposure to a much larger number of the securities, however, unlike owning the stock (when the entire cost of the investment is at risk), the maximum loss that can be incurred with a purchased call option is the premium paid plus transaction costs. Purchased put options represent the right to sell a stock at a fixed exercise price on a future specified date but create no obligation to sell the stock but rather the right to do so until the expiration date. If the stock price at expiration is below the exercise price by more than the premium paid, the transaction will result in a gain. If the stock price at expiration is above the exercise price, the purchased put option will expire worthless and the loss recorded will be the amount of the premium paid (plus any transaction costs). Compared to selling short the respective stock, purchased put options leverage upside gains when a stock price decreases because for the same amount of capital invested and pledged as security, there is exposure to a much larger number of the securities, however, unlike selling a stock short (when the downside risk is unlimited for the duration the security is sold short), the maximum loss that can be incurred with a purchased put option is the premium paid plus transaction costs.

Written put options represent an obligation to buy the stock at a fixed exercise price at the buyer's option. Selling (writing) options represents a significantly higher degree of risk. If the stock price at expiration is above the exercise price, the Written put option will result in a gain equal to the amount of the premium received (less any transaction costs). If the stock price at expiration is below the exercise price by more than the amount of the premium, the written put options will result in a loss, with the potential loss being up to the full value of the exercise price of the stock for the entire contract quantity. Compared to owning the respective stock, written put options limit upside gains to the premium received less transaction costs but leverage downside losses when a stock price decreases because for the same amount of capital invested and pledged as security which increases the risk of significantly larger losses.

Written call options represent the obligation to sell the stock at a fixed exercise price at the buyer's option and represent the highest possible degree of risk. If the stock price decreases, the written call options will result in a gain equal to the amount of the premium received (less any transaction costs). If the stock price increases over the exercise price, for the entire contract quantity, by more than the amount of the premium received, the written call options will result in a loss. Since a share price has no limits to how far it can rise, where a written call option is not covered (i.e. the corresponding quantity of the underlying security is not owned). The written call option is exposed to unlimited risk of loss. Compared to selling short the respective stock, written call options create exposure to leveraged downside losses when a stock price increases because for the same amount of capital invested and pledged as security which increases the risk of significantly larger losses.



# CCRIF SPC

## Notes to Financial Statements

For the year ended May 31, 2022

(expressed in U.S. dollars)

### 17 Certain risks and financial instruments (continued)

#### k. Custody risk

There are risks involved in dealing with a custodian who settles trades. Under certain circumstances, the securities and other assets deposited with the custodian may be exposed to credit risk with regard to such parties. In addition, there may be practical, or time problems associated with enforcing the rights to assets in the case of an insolvency of any such party.

### 18 Subsequent events

In respect of the 2022/23 policy year, payouts were made in the amount of \$15,910,363 in the Caribbean and Central America. EQ/TC SP plus Aggregate Deductible Cover (ADC) payments of \$722,427, \$6,263,359 in Caribbean XSR SP, and CA SP of \$8,924,577.

On August 22-28, 2022, CCRIF SPC received outstanding receivables for EQTC SP \$1,304,176 and XSR SP \$612,858.

CCRIF is currently in negotiations with the World Bank for Additional Financing under Second Central America and Caribbean Catastrophe Risk Insurance Project as well as for an extension of the Closing Date for the existing World Bank Grants to June 2024.

# Supplementary financial information

## CCRIF SPC

Balance Sheet

As at May 31, 2021

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>						
Cash and cash equivalents (Note 4)	3,262,093	5,655,963	3,329,595	1,329,473	12,337,017	2,524,441
Investments, at fair value (Note 5)	47,576,165	63,863,972	24,047,272	5,477,127	1,695,737	-
Margin collateral for derivative instruments (Note 8)	104,138	810,186	363,624	80,638	42,735	-
Development costs (Note 15)	2,803,921	-	-	-	-	-
Accrued interest	272,100	425,128	178,952	40,732	6,107	-
Due from Segregated Portfolios (Note 16)	50,000	-	-	-	-	-
Prepaid expenses	30,804	391	391	391	391	391
<b>Total assets</b>	<b>54,099,221</b>	<b>70,755,640</b>	<b>27,919,834</b>	<b>6,928,361</b>	<b>14,081,987</b>	<b>2,524,832</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>						
<b>Liabilities</b>						
Unrealized losses on futures contracts (Note 8)	50,931	298,550	158,310	38,242	-	-
Accounts payable and accrued expenses	632,350	137,518	213,089	164,359	75,876	-
Due to Core (Note 16)	-	-	-	50,000	-	-
Income from parametric insurance contracts received in advance	-	2,617,192	1,573,221	-	-	-
<b>Total liabilities</b>	<b>683,281</b>	<b>3,053,260</b>	<b>1,944,620</b>	<b>252,601</b>	<b>75,876</b>	<b>-</b>
<b>Shareholder's equity</b>						
Share capital (Note 9)	1,000	-	-	-	-	-
Non-voting redeemable preference shares (Note 9)	-	1	1	1	1	-
Share premium (Note 9)	119,000	42,499,999	24,999,999	4,999,999	-	-
Retained earnings	53,295,940	25,202,380	975,214	1,675,760	14,006,110	2,524,832
<b>Total shareholder's equity</b>	<b>53,415,940</b>	<b>67,702,380</b>	<b>25,975,214</b>	<b>6,675,760</b>	<b>14,006,111</b>	<b>2,524,832</b>
<b>Total liabilities and shareholder's equity</b>	<b>54,099,221</b>	<b>70,755,640</b>	<b>27,919,834</b>	<b>6,928,361</b>	<b>14,081,987</b>	<b>2,524,832</b>

# Supplementary financial information

## CCRIF SPC

### Statement of Operations

**For the year ended May 31, 2021**

(expressed in U.S. dollars)

	Core \$	EQ/TC SP \$	XSR SP \$	CPU SP \$	CA SP \$	Coast SP \$
<b>Operating income</b>						
Income from parametric insurance contracts (Note 2)	-	30,155,440	11,881,629	144,000	4,584,931	191,781
Discounts awarded on parametric insurance contracts (Note 2)	-	(7,416,590)	(2,163,660)	-	(1,514,383)	-
Expenses on parametric reinsurance contracts (Note 2)	-	(14,519,267)	(3,301,922)	(70,833)	(5,895,542)	-
Net income on parametric contracts	-	8,219,583	6,416,047	73,167	(2,824,994)	191,781
Ceding commissions on parametric reinsurance contracts	-	1,451,927	330,192	-	470,617	-
Total operating income	-	9,671,510	6,746,239	73,167	(2,354,377)	191,781
<b>Operating expenses</b>						
Claims on parametric insurance contracts (Note 10)	-	1,026,277	7,340,104	-	30,640,707	-
Ex-gratia payments to Participating Countries (Note 10)	-	2,209,000	3,500,000	-	2,670,556	-
Claims recovered under parametric reinsurance contracts (Note 10)	-	-	-	-	(23,684,686)	-
Brokerage and risk management specialist fees	611,767	283,221	85,539	2,000	180,497	-
Total operating expenses	611,767	3,518,498	10,925,643	2,000	9,807,074	-
Net operating income / (loss)	(611,767)	6,153,012	(4,179,404)	71,167	(12,161,451)	191,781
<b>Other income and expenses</b>						
Net investment income (Note 11)	2,970,448	4,058,063	1,795,165	327,175	245,837	222
Amortization of development costs (Note 15)	(475,510)	-	-	-	-	-
Technical assistance expenses	(624,411)	-	-	-	-	-
Monies received from donor and grant funds (Note 6)	-	-	2,854,060	630,438	16,357,369	1,800,000
Munich Climate Initiative (MCII)	98,282	-	-	-	-	-
Segregated portfolio rental fees (Note 16)	2,545,000	(1,500,000)	(400,000)	(80,000)	(485,000)	(80,000)
Segregated portfolio sub-licence fee (Note 16)	407,333	(101,750)	(90,189)	-	(215,396)	-
Administrative expenses (Note 13)	(1,737,960)	(88,800)	(131,159)	(60,250)	(60,950)	(24,172)
<b>Net income / (loss) for the year</b>	<b>2,571,415</b>	<b>8,520,525</b>	<b>(151,527)</b>	<b>888,530</b>	<b>3,680,409</b>	<b>1,887,831</b>

# Supplementary financial information

## CCRIF SPC

### Statement of Changes in Shareholder's Equity

For the Year ended May 31, 2021

(expressed in U.S. dollars)

	Share capital \$	Non-voting redeemable preference shares \$	Share premium \$	Retained earnings \$	Total \$
<b>Core</b>					
Balance at May 31, 2020					
Net income for the year	1,000	-	119,000	50,724,525	50,844,525
	-	-	-	2,571,415	2,571,415
Balance at May 31, 2021	1,000	-	119,000	53,295,940	53,415,940
<b>EQ/TC SP</b>					
Balance at May 31, 2020					
Net income for the year	-	1	42,499,999	16,681,855	59,181,855
	-	-	-	8,520,525	8,520,525
Balance at May 31, 2021	-	1	42,499,999	25,202,380	67,702,380
<b>XSR SP</b>					
Balance at May 31, 2020					
Net loss for the year	-	1	24,999,999	1,126,741	26,126,741
	-	-	-	(151,527)	(151,527)
Balance at May 31, 2021	-	1	24,999,999	975,214	25,975,214
<b>LPC SP</b>					
Balance at May 31, 2020					
Net income for the year	-	1	4,999,999	787,230	5,787,230
	-	-	-	888,530	888,530
Balance at May 31, 2021	-	1	4,999,999	1,675,760	6,675,760
<b>CA SP</b>					
Balance at May 31, 2020					
Net income for the year	-	1	-	10,325,701	10,325,702
	-	-	-	3,680,409	3,680,409
Balance at May 31, 2021	-	1	-	14,006,110	14,006,111
<b>Coast SP</b>					
Balance at May 31, 2020					
Net income for the year	-	-	-	637,001	637,001
	-	-	-	1,887,831	1,887,831
Balance at May 31, 2021	-	-	-	2,524,832	2,524,832



# Supplementary financial information

## CCRIF SPC

### Statements of Cash Flows

For the year ended May 31, 2021

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
	\$	\$	\$	\$	\$	\$
<b>Operating activities</b>						
Net income /(loss) for the year	2,571,415	8,520,525	(151,527)	888,530	3,680,409	1,887,831
Adjustments to reconcile net income/(loss) to net cash from operating activities:						
Adjustment for items not affecting cash:						
Change in fair value of investments	(1,212,838)	(2,955,019)	(1,548,292)	(271,427)	24,166	-
Net realized (gains)/losses on investments	(967,922)	(1,198,137)	(369,814)	(120,802)	(267,360)	-
Change in unrealized (gains)/losses on derivative investments	86,168	585,209	287,583	73,479	28,113	-
Amortisation of development cost	475,510	-	-	-	-	-
Trading securities:						
Purchase of securities and options	(28,373,601)	(49,743,891)	(14,692,969)	(2,852,237)	(4,907,710)	-
Proceeds from sale of securities and options	25,640,589	42,912,489	14,389,501	3,160,171	10,951,244	-
Change in derivatives margin collateral balance	(67,050)	(520,637)	(222,636)	(60,949)	(25,299)	-
Changes in assets and liabilities:						
Accrued interest	46,483	84,569	11,194	9,477	59,286	-
Amounts due from Donor Funds	-	-	-	-	3,100,000	-
Prepaid expenses	(19,792)	(391)	(391)	(391)	(391)	(391)
Claims payable on parametric insurance contracts	-	-	(203,136)	-	(3,628,013)	-
Accounts payable and accrued expenses	(636,318)	93,861	121,234	159,688	54,799	(279)
Income from parametric contracts in arrears	-	9,637	-	-	230,137	200,000
Due from Reinsurers	-	-	524,395	-	528,013	-
Income from parametric contracts received in advance	-	2,617,192	-	-	-	-
Due from Donor	-	-	-	-	-	(1,800,000)
Due from Public Utility Cell	1,508	-	-	-	-	-
Due (from)/to Segregated Portfolio	860,025	12,785	(12,785)	-	(9,346)	-
Due (from)/to Core	-	-	-	50,000	464,823	434,498
Net cash provided by/ (used in) operating activities	(1,595,823)	418,192	(1,867,643)	1,035,539	10,282,871	721,659
<b>Investing activities</b>						
Development costs	(130,000)	-	-	-	-	-
Net cash used in investing activities	(130,000)	-	-	-	-	-
<b>Net change in cash and cash equivalents</b>	(1,725,823)	418,192	(1,867,643)	1,035,539	10,282,871	721,659

<b>Cash and cash equivalents at the beginning of the year</b>	4,987,916	5,237,771	5,197,238	293,934	2,054,146	1,802,782
<b>Cash and cash equivalents at the end of year</b>	3,262,093	5,655,963	3,329,595	1,329,473	12,337,017	2,524,441
Interest and dividends received	<b>1,574,212</b>	<b>1,642,893</b>	<b>638,273</b>	<b>142,321</b>	<b>147,632</b>	<b>222</b>



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