CCRIF SPC

The Caribbean Catastrophe Risk Insurance Facility

2019-20 ANNUAL REPORT

A Message to Our Members, Stakeholders, Colleagues and Friends

At this time, we know that our members, stakeholders, colleagues, friends and indeed the rest of the world are experiencing the increasing uncertainty associated with COVID-19. The global outbreak and spread of COVID-19 is affecting each and every one of us. Our thoughts remain with our member countries, their communities and people and our prayers and hearts go out to the families directly impacted by the virus. We wish to indicate that our team at CCRIF continues to work, as like you, we know that we cannot lose sight of the many natural hazards – tropical cyclones, excess rainfall and earthquakes that countries in the Caribbean and Central America are exposed to.

With the uncertainties surrounding us this year, we had to both level up and pivot - and we take this opportunity to assure our members that our top priority is to continue to serve you and ensure that we are able to fulfil our value proposition of providing quick liquidity, within 14 days of a natural hazard event and after a policy is triggered so that our member governments could begin the process of recovery immediately and support their populations.

As has been our custom as a virtual company for the past 13 years, we will continue to engage with you online and eventually face-to-face when we are all back to normalcy. We will continue to hold you in our prayers knowing that sunnier days are ahead. Keep safe and continue to practice all the necessary protocols, knowing that amidst the anxiety, there are stronger signs of hope and a spirit of togetherness.

Isaac Anthony
Chief Executive Officer

CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility

2019-20
ANNUAL REPORT

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CCRIF SPC

FORMED 2007

The world's first multi-country risk pool based on parametric insurance

Members

19 CARIBBEAN

3 CENTRAL AMERICAN

1 ELECTRIC UTILITY COMPANY

48 PAYOUTS Totalling

US$194 MILLION

to 14 member governments

PRODUCTS

Parametric Catastrophe Insurance for:

- TROPICAL CYCLONES
- EARTHQUAKES
- EXCESS RAINFALL
- FISHERIES
- ELECTRIC UTILITIES

Who We are

CCRIF SPC, formerly the Caribbean Catastrophe Risk Insurance Facility, is a segregated portfolio company, owned, operated and registered in the Caribbean. It limits the financial impact of catastrophic hurricanes, earthquakes and excess rainfall events to Caribbean and Central American governments by quickly providing short-term liquidity when a parametric insurance policy is triggered. It is the world's first regional fund utilizing parametric insurance, giving member governments the unique opportunity to purchase disaster risk insurance with lowest-possible pricing. CCRIF offers parametric insurance policies to Caribbean and Central American governments for tropical cyclones, earthquakes, excess rainfall and fisheries and also electric utilities parametric policies to electric utility companies in the Caribbean.

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 to 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 currently has 23 members:

19 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

3 Central American governments – Guatemala, Nicaragua, and Panama

1 electric utility – Anguilla Electricity Company Ltd. (ANGLEC)

Contents

Vision

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

Mission

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

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

Core Values

and Stakeholder Proposition

CCRIF promises its members to:

1. Fill a gap in available insurance offerings for natural catastrophes
2. Ensure speedy payout when a policy is triggered
3. Charge lowest possible premiums consistent with long-term sustainability
4. Facilitate capacity building in disaster risk management and ex-ante risk financing
5. Be transparent and accountable
6. Be innovative and provide new products to meet the needs of our members

Strategic Objectives

2018 – 2021

Our mission is underpinned by seven strategic objectives.

SO1 — **INNOVATIVE AND RESPONSIVE PARAMETRIC PRODUCTS**
To provide products, services and tools responsive to the needs of members

SO2 — **RESILIENCE**
To enhance capacity for disaster risk management and climate change adaptation

SO3 — **FINANCIAL SUSTAINABILITY**
To sustain financial solvency and integrity

SO4 — **CORPORATE GOVERNANCE**
To sustain corporate integrity

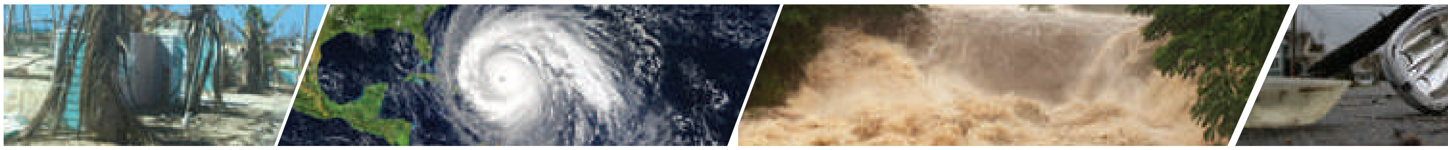
SO5 — **MEMBER RELATIONS AND ENGAGEMENT**
To deepen our relationships with our member governments and to strengthen engagement with members

SO6 — **SCALING UP**
To increase member coverage, expand membership and develop new products and services

SO7 — **STRATEGIC PARTNERSHIPS**
To expand and deepen strategic partnerships

Payout$

June 2007 – November 2020



2007

SAINT LUCIA
Earthquake, 29 November
Policy: EQ
US$418,976

DOMINICA
Earthquake, 29 November
Policy: EQ
US$528,021

2008

TURKS & CAICOS ISLANDS
TC Ike, September
Policy: TC
US$6,303,913

2010

HAITI
Earthquake, 12 January
Policy: EQ
US$7,753,579

ANGUILLA
TC Earl, August
Policy: TC
US$4,282,733

BARBADOS
TC Tomas, October
Policy: TC
US$8,560,247

SAINT LUCIA
TC Tomas, October
Policy: TC
US$3,241,613

ST. VINCENT & THE GRENADINES
TC Tomas, October
Policy: TC
US$1,090,388

2014

ANGUILLA
TC Gonzalo, October
Policy: XSR
US$493,465

Trough System
7-8 November
Policy: XSR
US$559,249

ST. KITTS & NEVIS
Trough System, 7-8 November
Policy: XSR
US$1,055,408

BARBADOS
Trough System, 21 November
Policy: XSR
US$1,284,882

2015

DOMINICA
TC Erika, August
Policy: XSR
US$2,402,153

2016

BELIZE
TC Earl, August
Policy: XSR
US$261,073

BARBADOS
TC Matthew
September/October
Policy: TC
US$975,000

TC Matthew
September/October
Policy: XSR
US$753,277

SAINT LUCIA
TC Matthew
September/October
Policy: XSR
US$3,781,788

HAITI
TC Matthew,
September/October
Policy: TC
US$20,388,067

TC Matthew
September/October
Policy: XSR
US$3,020,767

ST. VINCENT & THE GRENADINES
TC Matthew
September/October
Policy: XSR
US$285,349

NICARAGUA
Earthquake, 9 June
Policy: EQ
US$500,000

TC Otto, November
Policy: TC
US$1,110,193

48

A total of **Payouts**

Made to **14** Member Governments

Total payouts

US$194 Million

June 2007 – November 2020

All payouts made within 14 days

2017

ST. KITTS & NEVIS
TC Irma, September
Policy: TC
US$2,294,603

ANGUILLA
TC Irma, September
Policy: TC
US$6,529,100

TC Irma, September
Policy: XSR
US$158,823

ANTIGUA & BARBUDA
TC Irma, September
Policy: TC
US$6,794,875

DOMINICA
TC Maria, September
Policy: TC
US$19,294,800

TC Maria, September
Policy: XSR
US$1,054,022

SAINT LUCIA
TC Maria, September
Policy: XSR
US$671,013

TURKS & CAICOS ISLANDS
TC Irma, September
Policy: TC
US$13,631,865

TC Irma, September
Policy: XSR
US$1,232,769

TC Maria, September
Policy: TC
US$419,372

THE BAHAMAS
TC Irma, September
Policy: XSR
US$163,598

BARBADOS
TC Maria, September
Policy: XSR
US$1,917,506

ST. VINCENT & THE GRENADINES
TC Maria, September
Policy: XSR
US$247,257

TRINIDAD & TOBAGO
Rainfall Event
18-20 October
Policy: XSR
US$7,007,886

2018

BARBADOS
TC Kirk, October
Policy: XSR
US$5,813,299

TRINIDAD & TOBAGO
Rainfall Event
18-20 October
Policy: XSR
US$2,534,550

2019

THE BAHAMAS
TC Dorian, September
Policy: TC
US$11,527,151

TC Dorian, September
Policy: XSR
US$1,297,002

TRINIDAD & TOBAGO
TC Karen, October
Policy: XSR
US$362,982

2020

BELIZE
TC Amanda/Cristobal
May/June
Policy: XSR
US$203,136

GUATEMALA
TC Amanda/Cristobal
May/June
Policy: XSR
US$3,628,013

TRINIDAD & TOBAGO
Rainfall Event
31 August - 2 September
Policy: XSR
US$176,146

HAITI
TC Laura
August
Policy: XSR
US$7,163,958

NICARAGUA
TC Eta, November
Policy: TC
US$7,793,524

TC Eta, November
Policy: XSR
US$2,956,021

TC Iota, November
Policy: TC
US$19,891,162

Total for Tropical Cyclone (17)
US$134,128,606

Total for Earthquake (4)
US$9,200,576

Total for Excess Rainfall (27)
US$50,485,392

Chairman's Message

"At CCRIF we strive to have a positive impact on our members and importantly to support them in achieving their developmental objectives. This is even more important in 2020, as we confront the challenges posed by the 3Cs – climate change and COVID-19."

On behalf of the board of directors, management and staff of CCRIF SPC, I am pleased to provide you with our Annual Report for policy year 2019/20. This Report covers our operations and presents our audited financial statements for the year ending 31 May 2020.

I seize this opportunity to thank our CEO, management, staff and service providers for their continued passion and commitment, and our members, donors, partners and stakeholders for your continued trust and support for the work of CCRIF SPC.

This year we welcomed to the board of directors, Mr. Michael Gayle, following the retirement of Mr. Kenneth Blakeley from the board in September 2019. I thank Ken for his sterling contributions to CCRIF from its inception in 2007. I welcome Michael, who is an insurance specialist and CARICOM-nominated board member. Michael brings to the board over forty years of insurance experience in the Caribbean including many years as a senior executive. We look forward to working with him.

CCRIF remains the world's most successful multi-country catastrophe risk pool, offering unique parametric insurance coverage for tropical cyclones, earthquakes, excess rainfall, fisheries and electric utilities to 22 countries in the Caribbean and Central America. The Facility continues to be the global exemplar in providing quick liquidity (within 14 days) after a triggered hazard event thereby supporting governments to immediately begin the process of recovery including support to the most vulnerable. The quick payouts also help to reduce budget volatility.

Policy year 2019/20 has been both a fulfilling and unprecedented year for CCRIF. We started the year with the launch of the COAST product in two of our member countries – Grenada and Saint Lucia. COAST is the first product in the world designed to support the fisheries sector. It will facilitate payouts to those directly working in the fisheries sector such as fishers and fish vendors, many of whom are women. This innovative product is designed to reduce vulnerability by supporting the sustainable management of the fisheries sector. We are encouraged by the interest in COAST among our members and look forward to offering this product to additional member governments. The rollout of COAST and the development of a parametric model for electric utilities – expanding our product offerings – represent for us a key component of our scaling up strategy. Additionally, expanding our membership remains a very important element of that strategy. To that end, we were pleased to welcome Guatemala, as our newest member, during this policy year.

The 2019 Atlantic Hurricane Season recorded above-average activity with 18 named storms, of which six became hurricanes. Three of the storms were classified as “major" with the most Category 5 hurricanes in a single season in more than a decade! Hurricane Dorian, one of the major hurricanes, had a significant impact on The Bahamas especially Abaco and Grand Bahama, resulting in significant damage and loss of life. Following the passage of Hurricane Dorian, CCRIF made a payout to The Bahamas of US$12.8 million to the Government, about 50 per cent of which was made within seven days of the event, allowing the Government to begin to address its most pressing needs. The remaining 50 per cent was made within the 14-day window.

Over the past 13 years and even in the context of the current pandemic, CCRIF continues to make significant strides as an organization. Indeed, we are relentless in pursuit of the vision and mission of CCRIF. Our relentless pursuit is anchored by three key tenets:

We are innovative and creative – as a development insurance company, we embody innovation and creativity to stay ahead of the curve and to develop new products that anticipate and meet the needs of our members in their thrust to secure the future of their countries in a sustainable way. We are proud of the products we are able to provide to our members, knowing that when there is a natural disaster, governments are able to provide support to the most vulnerable in their populations and address the most pressing national needs. We continue to appreciate and cherish the trust and opportunities afforded to us by our members, donors, regulators, stakeholders and the wider Caribbean and Central American community to provide them with innovative disaster risk financing solutions.

We view stakeholder engagement and partnerships as key to advancing success – throughout this Annual Report our thrust towards stakeholder engagement underpinned by participatory processes is evident. We engage stakeholders on every level and strive to ensure that stakeholder views, perceptions and inputs are integrated in our work – from model development to programmes and projects that we are developing and implementing. Our intent always is to have a positive impact and meet and exceed the expectations of our stakeholders.

We are purpose-driven and determined to successfully turn challenges into opportunities – we believe that the work of the Facility must be purpose-driven and aligned to our Strategic Plan and strategic objectives, which were defined in close consultation with our stakeholders. We see challenges such as those posed by a changing climate and COVID-19 as prompts pushing us to ensure that we level up and pivot to ensure staying true to our mission, vision and stakeholder values. I am pleased that as an organization we indeed were able to level up and pivot in the face of the COVID-19 pandemic and I am equally pleased that we were able to quickly engage with our donors to receive support that would ensure that even with the current economic crises being faced by our members, they could be assured that they would be able to access coverage for the policy year 2020/21 and beyond. Also, we were able to quickly amend the Facility's own Business Continuity Plan to assess the issues that the organization itself could likely face and put in place strategies to address these, thereby ensuring that the operations of the Facility could continue in earnest.

As we enter policy year 2020/21, we are in the final year of our current strategic planning cycle. Consequently, it is critical that we reflect on lessons learned, best practices and the views and perceptions of our stakeholders. We aim to take these inputs into our new planning cycle even as we seek to make a meaningful contribution in this Decade of Action towards achieving the UN Sustainable Development Goals.

We look forward to your partnership, as together, we advance our common cause of building resilience and shared and sustainable prosperity for the Small Island Developing States and coastal states of the Caribbean and Central America.

Timothy Antoine
Chairman

CEO's Message

and 2019/20 Performance Highlights

"We are determined to build a development insurance company that supports our members' efforts to advance their sustainability agendas. We continue to strive to ensure that CCRIF can serve its members and provide value, meeting and exceeding their expectations over the long term. We do this by continuously improving the quality of the parametric insurance products and services that we provide. We will continue to combine innovation with creative flair and invest in our members towards reducing their vulnerability to natural hazards and creating a cadre of persons equipped to respond to the challenges that these hazards pose, many of which are being exacerbated by climate change. Indeed, as our members – and other countries throughout the world – deal with the social and economic disruptions caused by the COVID-19 pandemic, we will assist our member governments to increase their resilience to natural hazards."

For the 2019/20 policy year, I am pleased to report that all CCRIF members renewed their existing parametric insurance coverage; and 10 members increased their level of coverage for at least one of their policies compared to the 2018/19 policy year. Members purchased a total of 59 policies: 21 tropical cyclone (TC) policies, 15 earthquake (EQ) policies, 21 excess rainfall (XSR) policies and 2 COAST (fisheries) policies – an increase of four policies compared with the previous year. The total coverage limit for Caribbean and Central American members was US$972.9 million – an increase of almost 30 per cent over policy year 2018/19.

As part of its scaling-up strategy, the Facility launched a new product – bringing the total number of parametric insurance products available in 2019/20 to four. On July 1, 2019, CCRIF launched the Caribbean Oceans and Aquaculture Sustainability FaciliTy (COAST) product – the first ever parametric insurance product for the fisheries sector. It provides coverage for fisherfolk and other players in the fisheries industry to enable them to recover quickly after weather-related events. COAST policies were issued to two CCRIF member countries in 2019/20 – Grenada and Saint Lucia – which became the first two countries in the world to have parametric insurance coverage for their fisheries sectors. Initial funding for COAST was provided by the U.S. State Department and the premiums for the first year were paid by the World Bank.

During 2019/20, we welcomed Guatemala to the Facility, bringing the total number of Central American countries in the Facility to three and overall membership of CCRIF to 22.

In the 2019/20 policy year, CCRIF made five payouts totalling US$17.0 million to four member governments: The Bahamas following TC Dorian; Trinidad & Tobago due to a rainfall event in Tobago associated with TC Karen; and Belize and Guatemala due to rains from TCs Amanda and Cristobal. All payouts were made within 14 days and we were able to facilitate an advance payment to the Government of The Bahamas of about 50 per cent of the preliminary estimated payout for tropical cyclone within seven days to allow the Government to begin to address its most pressing needs. Additionally, CCRIF made five payments totalling US$351,406 under the Aggregate Deductible Cover (ADC) feature of the TC policies of five member countries (Barbados, British Virgin Islands, St. Kitts & Nevis, Saint Lucia, and St. Vincent & the Grenadines) – all following TC Dorian. The ADC, introduced in 2017/18, was designed to provide a minimum payment for events that are objectively not sufficient to trigger a CCRIF TC or EQ policy because the modelled loss is less than the policy attachment point.

CCRIF continued to ensure its financial security. CCRIF SPC's total capital at risk for 2019/20 comprised the retention of US$37.3 million within the risk transfer programme and a further ~US$50.8 million above the various reinsurance programmes that protect CCRIF up to return periods of 100 over 1,000 years, depending on the peril. Thus, the claims-paying capacity of CCRIF SPC for the 2019/20 policy year was significantly greater than the modelled aggregate annual loss with a 1-in-1,000 chance of occurring in all cells individually, thus comfortably falling within CCRIF's guidelines for financial security.

This year, CCRIF continued its strategic focus on stakeholder engagement and held in-country missions in five countries. Also, the CCRIF board and management made courtesy calls on key stakeholders from the ministries of finance following our board meetings in Sint Maarten and the Cayman Islands. CCRIF continued its efforts to build the capacity of its member governments to better understand CCRIF and its policies and disaster risk financing in general. This was done primarily through our annual policy renewal meetings and the CCRIF flagship training programme, "Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy". We delivered this training programme to government officials in three Caribbean member countries and to officials of six Central American governments at a workshop held in Mexico City in the latter part of 2019. Also, we convened one Online Policy Forum for permanent secretaries and senior officials in ministries of finance in member countries to discuss primariliy the COAST product as well as new models being develped.

Also in the spirit of stakeholder engagement, we entered into agreements this year with the two main regional organizations in Central America involved in disaster risk management – the Coordination Center for the Prevention of

Disasters in Central America (CEPREDENAC) and the Regional Committee on Hydraulic Resources (CRRH) – to support Central American countries to build disaster resilience through better access to risk transfer instruments and promote disaster risk reduction. The first activity conducted within these partnerships was the delivery of the CCRIF training programme to Central American countries in Mexico City mentioned above in collaboration also with the Executive Secretariat of COSEFIN, and the World Bank. The Facility also signed memoranda of understanding with the Caribbean Centre for Development Administration (CARICAD) and the Adrienne Arsht-Rockefeller Foundation Resilience Center (AARFRC). This brings to 12 the number of organizations with which CCRIF has partnership agreements and we look forward to continuing to work with these organizations to advance the disaster risk management agenda throughout the Caribbean, Central America and beyond.

CCRIF's Technical Assistance Programme continues to be the mechanism by which the Facility supports disaster risk management and climate change adaptation activities in its member countries. Accordingly, this policy year, CCRIF awarded 13 scholarships totalling US$155,000 to 11 students pursuing undergraduate and postgraduate study in areas related to DRM at The University of the West Indies and to two students from Jamaica and Guyana for postgraduate study in the UK. Also, the Facility supported 18 internships at 12 regional and national organizations that have a mandate related to disaster risk management. One new grant was awarded under the CCRIF Small Grants Programme, with two existing projects being completed. These existing projects – both implemented by non-governmental organizations in Haiti – complemented a number of others in that country that CCRIF has supported and which have focused on areas such as reforestation of critical watersheds, training farmers in climate-resilient agriculture and building capacity to construct hurricane-resilient buildings.

At the end of the first half of the 2019/20 policy year in December, we began to take stock of the first six months and to plan ahead for the second half of the policy year, not knowing that we would be confronted with a global pandemic – COVID-19. During my annual work planning retreat held in January 2020, with the management team and service providers, we began initial discussions on the possible impacts of the virus if it reached the Caribbean and how this may affect the work of CCRIF and also our members. Thus, as the pandemic spread into the Caribbean and Central America by the end of February, we were already putting in place strategies to level up and pivot to ensure that our members would be in a position to renew their policies for the next policy year 2020/21 starting on June 1, 2020. Along with my management team, we moved swiftly to engage with members and the donor community to assess needs and avenues for possible premium support for 2020/21 knowing that the pandemic would not only be a health issue but also an economic one.

I am pleased to report in this annual report that at the end of policy year 2019/20 in May 2020 - our international development partners stepped forward to support our members to cover portions of their CCRIF parametric insurance costs for the upcoming policy year 2020/21 and for policy year 2021/22. This support has been provided in the context of shrinking fiscal space, as part of the global response to assist countries that are being significantly impacted by the COVID-19 pandemic. The European Union provided a grant of €10 million (US$11 million) to CCRIF for premium support or increasing coverage for its Caribbean members; the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund supported CCRIF to provide premium support and other benefits of up to US$10 million to COSEFIN member countries; and the Canada-CARICOM Climate Adaptation Fund provided funding of US$12.4 million to seven Caribbean CCRIF members to cover a portion of their parametric insurance premium costs and to two potential members if they joined CCRIF.

As we all come to terms with the "new normal" brought on by the COVID-19 pandemic, policy year 2020/21 will be challenging, but we are committed to work with our member governments and partner organizations to meet the new challenges and to ensure that we play our part in helping our members advance their overall developmental prospects and sustainability agendas.

Isaac Anthony
Chief Executive Officer

Performance Highlights

2019 – 2020

The table of achievements below provides the performance highlights for the policy year and their contribution to the following strategic objectives from our Strategic Plan 2018-2021.

SO1
INNOVATIVE AND RESPONSIVE PARAMETRIC PRODUCTS
To provide products, services and tools responsive to the needs of members

SO2
RESILIENCE
To enhance capacity for disaster risk management and climate change adaptation

SO3
FINANCIAL SUSTAINABILITY
To sustain financial solvency and integrity

SO4
CORPORATE GOVERNANCE
To sustain corporate integrity

SO5
MEMBER RELATIONS AND ENGAGEMENT
To deepen our relationships with our member governments and to strengthen engagement with members

SO6
SCALING UP
To increase member coverage, expand membership and develop new products and services

SO7
STRATEGIC PARTNERSHIPS
To expand and deepen strategic partnerships

Achievements

2019–2020

Achievement	Contribution to Achieving the Specific Strategic Objectives 1	2	3	4	5	6	7
Issued 59 policies for tropical cyclone (TC), earthquake (EQ), excess rainfall (XSR) to 21 Caribbean and Central American member countries for 2019/20	●		●			●	
10 countries increased coverage for 2019/20; total coverage limit of TC, EQ and XSR policies in Caribbean and Central America increased by almost 30% over previous year	●		●			●	
Made 5 payouts totalling US$17,018,284 to 4 member countries within 14 days of event; made 5 payments totalling US$351,406 under the ADC feature of 5 member countries' TC policies	●		●				
Launched new product COAST for the fisheries sector in Saint Lucia and Grenada	●					●	
Completed development of a parametric insurance model for electric utility companies to cover transmission and distribution losses associated with tropical cyclones	●					●	
Continued to support the implementation of the CRAIC project	●				●	●	
Delivered CCRIF Training Programme to 3 Caribbean member countries	●	●			●		
Provided TC, EQ, XSR web monitoring tool, WeMAp to 300 stakeholders	●	●					
Implemented 18 internships in 12 regional and national organizations through CCRIF Regional Internship Programme - investment US$51,000		●			●		●
Awarded 1 new grant under CCRIF Small Grants Programme; 2 projects completed in 2019-20		●			●		
Awarded 13 scholarships totalling US$155,000 for undergraduate and postgraduate study at The UWI and 2 universities in the UK		●			●		
Met sustainability guidelines of being able to survive a 1-in-1,000 year event			●				

	Contribution to Achieving the Specific Strategic Objectives						
	1	2	3	4	5	6	7
CCRIF members to receive premium support for policy years 2020/21 and 2021/22 from the EU, Government of Canada, and WB MDTF as a result of fiscal constraints posed by the COVID-19 pandemic			●			●	
Maintained minimum claims-paying capacity of US$415.4 million			●				
Maintained A- and AA- rating			●				
Maintained a probability of default of 0.07% - better than target of 0.1%			●				
Disseminated 2018-19 Annual Reports in English and Spanish to stakeholders				●	●		
Maintained full compliance with legislative and regulatory requirements			●	●			
Mr. Michael Gayle appointed as new board member				●			
Produced over 20 publications in both English and Spanish		●			●		
Participated in over 30 regional and international conferences and many stakeholder meetings as part of stakeholder engagement		●			●		
Held Online Policy Forum for permanent secretaries and senior officials in ministries of finance in member countries		●			●		
One new country – Guatemala – joined CCRIF						●	
Signed MOUs with 2 new partner organizations – CARICAD and AARFRC		●					●
Entered into new agreements with 2 Central American organizations – CEPREDENAC and CRRH		●					●
Institutionalized UWI course "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)" based on CCRIF Training Programme	●	●					●

CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility

The Year in Review

59 POLICIES ISSUED

Tropical cyclones
Earthquakes
Excess rainfall
Fisheries

4 MORE POLICIES than in 2018/19

30% INCREASE
TOTAL POLICY COVERAGE

5 PAYOUTS
TOTALLING US$ 17.0 MILLION
PAID TO 4 MEMBER COUNTRIES

NEW MEMBER
GUATEMALA

NEW PRODUCT LAUNCHED
COAST
for the fisheries sector

A- & AA- RATING
for reinsurers & bondholders

FIRST 2
countries in the world with parametric insurance for
FISHERIES
SAINT LUCIA
GRENADA

MINIMUM CLAIMS-PAYING CAPACITY
US$ 415.4 MILLION

PREMIUM COVID-19 SUPPORT
FOR POLICY YEARS 2020/21 & 2021/22
FROM
THE EU
GOVERNMENT OF CANADA
WB MDTF

Development of a parametric insurance model for
ELECTRIC UTILITIES

PROBABILITY OF DEFAULT:
0.07%

13 SCHOLARSHIPS AWARDED
totalling US$ 155,000

18 INTERNSHIPS
12 national and regional organizations
Investment US$ 51,000

2019-20

4 BOARD MEETINGS HELD

300 trained in disaster risk financing & parametric insurance

COVID-19 Business Continuity Plan

Michael Gayle appointed as **NEW BOARD MEMBER**

300 CCRIF SPC appearances in the news

Launch of **WeMAp**

5 CCRIF SPC in-country missions

2 NEW MOUs
CARICAD & AARFRC

2 NEW AGREEMENTS
CEPREDENAC & CRRH

OVER 30 conferences & workshops ATTENDED

OVER 20 NEW PUBLICATIONS produced in English & Spanish

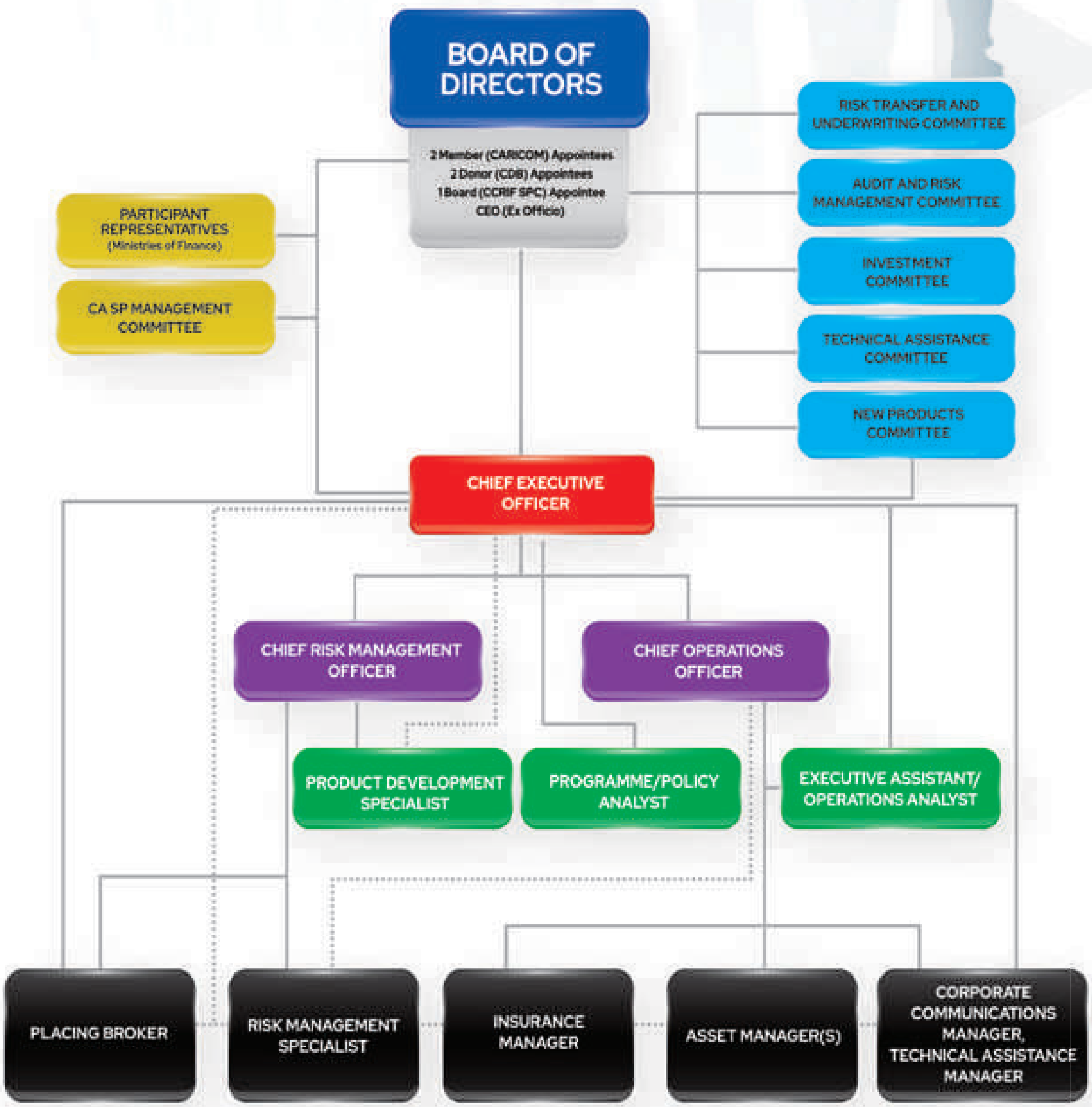
All content and publications in **English & Spanish**

Corporate Profile

CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility

Organizational Structure

CCRIF's operations are laid out in the Facility's Operations Manual and are executed by six 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).



Board of Directors

Our board of directors employs good corporate governance practices in executing its role, which it deems critical to advancing the vision and mission of this innovative organization.

Timothy Antoine
Chairman and
CARICOM-Nominated Board Member
Representing Member Countries

Timothy Antoine was appointed CCRIF Chairman on 1 July 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.

Desirée Cherebin
Vice Chairperson
and 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.

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.), 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.

Saundra Bailey
CCRIF SPC Board-Nominated
Board Member

Saundra Bailey is the Group Chief Operating Officer at Gallagher Caribbean Group and has over 30 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 is a Distinguished Past President of the Kiwanis Club of Eastern St. Andrew, Jamaica, the President of Glenmuir High School Past Students' Association, Jamaica and serves as a director of various private sector boards regionally and internationally.

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.

Executive Management Team

Isaac Anthony
Chief Executive Officer

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

Gillian Golah
Chief Operations Officer

Gillian Golah was appointed CCRIF Chief Operations Officer on 1 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.

Michael Spranger
Chief Risk Management Officer

Michael Spranger was appointed CCRIF Chief Risk Management Officer on 1 July 2018. He has worked with leading reinsurance firms, a leading reinsurance broker, and catastrophe modelling firms in Asia, Latin America, and Europe. Starting his career developing earthquake catastrophe models as a geophysicist, he has gained significant experience in non-catastrophe pricing and reserving. Dr. Spranger has been actively involved in the development of national catastrophe pool solutions in Europe and Asia. He has undertaken multiple on-site damage inspection surveys in the aftermath of devastating earthquakes in Sumatra, China, Chile, Japan and New Zealand.

Team of Service Providers

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

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

BUTTERFIELD ASSET MANAGEMENT LTD., ASSET MANAGER

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

SUSTAINABILITY MANAGERS, COMMUNICATIONS MANAGER, TECHNICAL ASSISTANCE MANAGER

Sustainability Managers (SM) is a consultancy company that offers a range of services to public and private sector entities as well as international and regional organizations in the areas of policy development, development planning and capacity building in the areas of environmental management, disaster risk management, climate change and the blue and green economy. SM manages the CCRIF Technical Assistance programme and is a leader for its development communications, strategic planning, training and information technology solutions. Elizabeth Emanuel is Sustainability Managers' team leader for CCRIF and is supported by Gina Sanguinetti Phillips.

LONDON & CAPITAL LTD., ASSET MANAGER

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

WILLIS RE, REINSURANCE BROKER

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

SAGICOR INSURANCE MANAGERS LTD., INSURANCE MANAGER

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

Advancing Parametric Insurance
in the Caribbean and Central America

Organizational Sustainability
Corporate Governance and Financial Sustainability

Member Relations
and Stakeholder Engagement

Building Resilience
Support to the Disaster Risk Management and Climate Change Adaptation Agenda

Audited Financial Statements

Advancing Parametric Insurance

in the Caribbean and Central America

Policy Renewals and Coverage 2019/20

Payouts during 2019/20

Event Reporting

Model Development

New Products

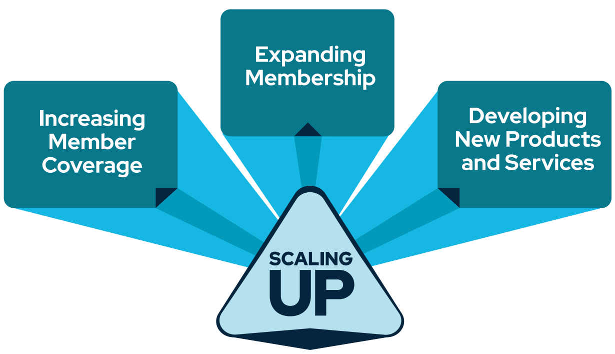
New Members

Scaling Up Access to Microinsurance Products

ADVANCING PARAMETRIC INSURANCE...

A key tool in countries' disaster risk financing strategies towards closing the protection gap.

Since its inception in 2007, CCRIF has demonstrated that catastrophe risk insurance can effectively provide a level of financial protection for countries vulnerable to natural disasters. In the Caribbean and Central America, parametric insurance is viewed as an essential component within governments' fiscal policy frameworks and an important tool of climate change adaptation necessary for advancing the sustainability agenda of countries.



CCRIF provides parametric insurance coverage to two regions – the Caribbean and Central America – through different segregated portfolios or cells. CCRIF aggregates disaster risks within the two regions but keep the risks segregated across regions, achieving the kind of risk diversification and spreading within each zone that members are not able to attain on their own and reducing costs by sharing operational services between both regions. Empirical evidence based on studies undertaken by the World Bank illustrates that insurance obtained through CCRIF could be as low as half the cost of coverage a member country could obtain by approaching the international insurance market on its own.

Within the context of the range of disaster risk financing instruments available, CCRIF and its parametric insurance products are essentially about: providing quick liquidity to a country when a policy is triggered; allowing governments to quickly support the most vulnerable in their population immediately after a disaster – for providing food, shelter, medication, and related expenditures; and reducing budget volatility as payouts can reduce the amounts of money that governments need to borrow following a natural disaster, thereby not resulting in a significant increase in debt stock. This is because parametric insurance is not a form of disaster relief as are credit facilities; rather it offers various products for a range of perils and economic sectors and industries and insurance products that not readily available in traditional insurance markets. CCRIF therefore continues to play a critical role in closing the insurance penetration gap, recognizing that the absence of insurance cover can have negative consequences for the scale and duration of the economic impacts of disasters. The importance of catastrophe risk insurance in the face of a changing climate cannot be overstated and is supported by the UNFCCC, G7 leaders and the Paris Agreement, all of which have established insurance as an acceptable climate adaptative instrument.

Policy Renewals and Coverage 2019/20

Contribution to Strategic Objectives

SO1	Innovative and Responsive Parametric Products
SO3	Financial Sustainability
SO6	Scaling up

All CCRIF member governments with parametric insurance coverage in 2018/19 renewed their coverage for policy year 2019/20, and 10 members increased their level of coverage for at least one of their policies. For the 2019/20 policy year, CCRIF members in the Caribbean and Central America purchased a total of 59 policies: 21 tropical cyclone (TC) policies, 15 earthquake (EQ) policies, 21 excess rainfall (XSR) policies and 2 COAST (fisheries) policies. This was an increase of 4 policies compared with the previous year (55) due to Belize purchasing cover for tropical cyclone that it did not purchase during the 2018/19 policy year; one new member country (Guatemala) obtaining XSR cover; and Grenada and Saint Lucia purchasing the new COAST (fisheries) policy - becoming the first two countries in the world to have parametric insurance coverage for their fisheries sector.

For the 2019/20 policy year, CCRIF provided a 5 per cent discount on the premium for the tropical cyclone policies (the Facility has been providing a range of discounts to members – of between 5 and 10 per cent over the last several years for policies). The Aggregate Deductible Cover (ADC) and Reinstatement of Sum Insured Cover (RSIC) also were provided to members at no cost. These two features of the tropical cyclone and earthquake policies were first offered in 2017.

CCRIF's tropical cyclone and earthquake policies for 2019/20 were based on the new risk model

CCRIF ADC and RSIC

The Aggregate Deductible Cover (ADC) provides a minimum payment for events that are objectively not sufficient to trigger a CCRIF policy because the modelled loss is below the attachment point (or deductible). The Reinstatement of Sum Insured Cover (RSIC) provides access to coverage during a policy year even after the maximum coverage limit is reached. This prevents the situation where the insurance cover is exhausted early in the policy year thus leaving a country exposed until the policy renewal date of June 1 the following year.

Coverage by Country and Policy Year 2018/19 and 2019/20

COUNTRY	TC		EQ		XSR		COAST	
	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20
CARIBBEAN								
Anguilla	●	●	●	●	●	●		
Antigua & Barbuda	●	●	●	●				
Barbados	●	●	●	●	●	●		
Belize		●			●	●		
British Virgin Islands	●	●	●	●	●	●		
Cayman Islands	●	●	●	●				
Dominica	●	●	●	●	●	●		
Grenada	●	●	●	●	●	●		●
Haiti	●	●	●	●	●	●		
Jamaica	●	●	●	●	●	●		
Montserrat	●	●						
St. Kitts & Nevis	●	●	●	●	●	●		
Saint Lucia	●	●	●	●	●	●		●
Sint Maarten	●	●	●	●	●	●		
St. Vincent & the Grenadines	●	●	●	●	●	●		
The Bahamas[1]	●	●			●	●		
Trinidad & Tobago[2]	●	●	●	●	●	●		
Turks & Caicos Islands	●	●			●	●		
CENTRAL AMERICA								
Guatemala						●		
Nicaragua	●	●	●	●	●	●		
Panama					●	●		

[1] For these years, The Bahamas purchased 3 TC and 3 XSR policies for different areas of the archipelago: Northwest, Central and Southeast

[2] Trinidad & Tobago to purchased 2 XSR policies – one for Trinidad and one for Tobago

called SPHERA (System for Probabilistic Hazard Evaluation and Risk Assessment), which replaced the MPRES model, which had been the basis for these policies since 2011. SPHERA is a new state-of-the-art model, based on the latest scientific findings and the most updated hazard datasets. The new model features new up-to-date ground motion, wind and storm surge models; a larger and more detailed stochastic catalogue of events; a more detailed exposure database, including infrastructure and facilities, and new updated vulnerability functions.

Similarly, CCRIF introduced in the 2019/20 policy year the XSR 2.5 model, an upgrade of the XSR 2.1 model, used from 2018 to underpin the excess rainfall policies. The XSR 2.5 model includes new features that reduce basis risk and improve its results such as the inclusion of soil saturation in the loss estimates and incorporation of assimilated observed data into the meteorological model.

Policy Renewals Road Show

Each year, as part of the policy renewals process, CCRIF undertakes its "renewals road show" during the months leading up to the Facility's new policy year which begins on June 1st. The purpose of the road show is to engage with all member governments to discuss pricing and other details of the CCRIF coverage they wish to purchase for the upcoming year and present updates and information related to model changes and enhancements as well as new products being developed. These country meetings enhance understanding of the full range of CCRIF's products and services and how CCRIF's parametric insurance complements other disaster risk financing tools as well as the links between disaster risk financing, social protection and economic policy. Also, they provide an opportunity to interact one-on-one with member governments to discuss any issues they may wish to address. For the 2019/20 policy year the policy renewals road show was held at the end of policy year 2018/19, during the months of March to May 2019.

Consequently, from March to May 2020, the CCRIF team led by the CEO conducted 16 meetings with Caribbean and Central American member governments to discuss coverage for policy year 2020/21. Due to the COVID-19 pandemic, all meetings were conducted online. This was a departure from previous years, when CCRIF had both online and in-country meetings. As is customary, country-specific technical briefs were provided to each member government to inform the renewal meetings.

Payouts during 2019/20

Contribution to Strategic Objectives

SO1	**Innovative and Responsive Parametric Products**
SO3	**Financial Sustainability**

In the 2019/20 policy year, CCRIF made five payouts as follows: two to The Bahamas totalling US$12.8 million on its TC and XSR policies following Hurricane Dorian, which battered the Abaco Islands and Grand Bahama in September 2019; one to Trinidad & Tobago totalling US$362,982 on the XSR policy for Tobago, which was triggered due to rainfall associated with Tropical Storm Karen in October 2019; one payout of US$203,136 to Belize on its XSR policy due to rains from Tropical Storms Amanda and Cristobal in May-June 2020; and one to Guatemala for US$3.6 million under its XSR policy for nine days of rain that also occurred during Amanda and Cristobal.

TOTAL PAYOUTS
for policy year 2019/20
US$17.0 MILLION

All payouts were made within 14 days of the event. In the case of The Bahamas, CCRIF made an advance payment of 50 per cent of the preliminary estimated payout for tropical cyclone within 7 days to allow the Government to begin to address its most pressing needs - with the remaining 50 per cent paid within the 14-day window for all CCRIF payouts.

In response to the payout to the Government of The Bahamas, Deputy Prime Minister K. Peter Turnquest was quoted as saying:

"The Caribbean Catastrophe Risk Insurance Facility is worth it. The hurricane insurance payout.... is more or less in line with what we expected."

Abaco Island in The Bahamas, following Hurricane Dorian in September 2019

Shortly after the passage of Hurricane Dorian in September 2019, CCRIF CEO, Mr. Isaac Anthony (2nd right) along with CCRIF Chief Risk Management Officer, Dr. Michael Spranger (right), visited Abaco and Grand Bahama Islands to obtain a more fulsome understanding of the impact of Hurricane Dorian and the recovery and reconstruction issues and challenges being faced by the two islands, from issues impacting livelihoods to the impact on infrastructure and housing stock among other assets

TESTIMONIAL

On CCRIF's payout to The Bahamas after Hurricane Dorian

"One of the most important lessons we learned [after Hurricane Dorian] was the importance of strengthening our national framework for response, recovery and reconstruction. ... The insurance industry is also a ripe area for lessons learned. Flexible insurance policies that allow for tailored coverage are essential for meeting country-specific needs in the region. The Bahamas had the benefit of a US$12.8M payout from the Caribbean Catastrophe Risk Insurance Facility (CCRIF). I am proud to say the Minnis Administration pioneered the restructuring of this policy, which allowed us to actually receive a benefit in our time of need. The Government successfully renegotiated a better deal to tailor the policy by separating the archipelago into three geographic zones with unique parametric triggers for each region. We recognized that flexible insurance that allows for tailored coverage is essential to our multi-layered approach to disaster risk management and for meeting our country-specific disaster needs."

- Deputy Prime Minister and Minister of Finance K Peter Turnquest of The Bahamas, March 2020

ADC Payments 2019/20

In policy year 2019/20, CCRIF made five payments totalling US$351,406 under the ADC feature of member countries' tropical cyclone policies – all following Hurricane Dorian. The five recipient countries were: Barbados (US$123,500), British Virgin Islands (US$47,500), St. Kitts & Nevis (US$32,168), Saint Lucia (US$130,625), and St. Vincent & the Grenadines (US$17,613).

Hazard Event Reporting

Contribution to Strategic Objectives	
SO1	Innovative and Responsive Parametric Products
SO4	Corporate Governance

CCRIF routinely 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 member countries that have the corresponding policies. For example, the 2019 Atlantic Hurricane Season (June 1 to November 30), was marked by tropical activity that was notably busy from mid-August through October. The season produced 18 named storms, including six hurricanes of which three were "major" (Category 3, 4 or 5) – including Dorian, which affected eight CCRIF member countries. This resulted in CCRIF producing event reports for seven tropical cyclones and rainfall events during the season. Similarly, CCRIF generates a COAST report for countries affected by tropical cyclones or adverse weather (rainfall or waves) that have COAST policies.

CCRIF prepares "Event Briefing" reports for TC, EQ, XSR and COAST that meet the criteria specified in the CCRIF models as shown below. The event briefings describe the impacts and model results from the event for affected countries that have the corresponding policies. These reports are disseminated to CCRIF member countries and stakeholders. Note that one tropical cyclone event could generate separate tropical cyclone, excess rainfall, and COAST reports if the appropriate criteria are met. All event briefing reports are publicly available on the CCRIF website.

Hazard Event and Model Used	Criteria for CCRIF Reporting
Tropical Cyclone System for Probabilistic Hazard Evaluation and Risk Assessment (SPHERA) model	A tropical cyclone affecting at least one member country with winds greater than 39 mph (62.7 km/h)
Earthquake SPHERA model	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
Excess Rainfall XSR 2.5 model	A rainfall event, for example, associated with a tropical wave/cyclone or persistent rain, 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 RainfallIndex 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
COAST Fisheries model	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[3] above a pre-defined threshold, for at least three consecutive days

[3] 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 sites, all the revenues of the day are considered lost, i.e., the fisherfolk are unable to perform their usual activities.

For policy year 2019/20, CCRIF generated 28 event briefing reports based on the impacts of 23 separate hazard events – earthquakes, tropical cyclones, and rainfall events (some of which were associated with tropical cyclones) as well as “COAST events”. A total of 11 of these events were “loss” events and 5 were “triggering” events, resulting in 5 payouts to 4 member countries under their TC and/or XSR policies. As noted above, the triggering events were TC Dorian and the rains that accompanied it as well as the rains associated with tropical cyclones Karen and Amanda/Cristobal. There were no triggering events for earthquake or COAST, although there was one loss event recorded for an earthquake measuring 7.7 on the Richter scale that affected Jamaica and the Cayman Islands in January 2020 and loss events under COAST in Grenada and Saint Lucia associated with TC Karen and TC Dorian, respectively. Typically, one report is generated per hazard event. However, due to the development of certain events as they move across the region, CCRIF may generate more than one report for a given event. For example, CCRIF produced multiple TC event briefings for Dorian and Karen, each of which addressed the impacts on different member countries.

Reportable Event	Loss Event	Triggering Event
An event which meets the criteria for reporting (see above) but does not result in a modelled loss in an affected CCRIF member country	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	An event that registers a modelled loss high enough to trigger a CCRIF payout

The figure below shows the number of events that affected CCRIF member countries and, based on the criteria for event reporting, categorizes these events as either triggering, loss or reportable events.

23 HAZARD EVENTS AFFECTED CCRIF MEMBER COUNTRIES

3 TC events: Dorian, Karen Humberto	10 XSR events: Rains from Dorian Karen, Cristobal; 6 other rainfall events	2 TC events Dorian and Karen affecting COAST members - SLU and Grenada	8 EQ events affecting: Nicaragua, Jamaica, Cayman
1 triggering event: Dorian	4 triggering events: Rains from Dorian Karen, Cristobal*	0 triggering events	0 triggering events
2 loss events	6 loss events	2 loss events	1 loss event
0 reportable events	0 reportable events	0 reportable events	7 reportable events

** The rains from Cristobal refer to 2 different covered area rainfall events (CAREs) that triggered the XSR policies of 2 countries: a CARE from 31 May to 1 June in Belize and a CARE from 31 May to 8 June in Guatemala - each of which is considered a separate triggering event.*

Model Development and Enhancement

Contribution to Strategic Objectives

SO1	Innovative and Responsive Parametric Products
SO6	Scaling up

CCRIF currently has models for earthquakes, tropical cyclones, excess rainfall, fisheries, and electric utilities.

New Models

Electric Utilities During the 2019/20 policy year, CCRIF completed the development of a parametric insurance model for electric utility companies tocover losses associated with tropical cyclones. The product, to be introduced in policy year 2020/21 is based on a tropical cyclone risk model that computes direct losses caused by wind and storm surge to transmission and distribution (T&D) lines and will be offered to electric utility companies – and not sovereigns. The model was developed in collaboration with the Caribbean Electric Utility Service Corporation (CARILEC). During the policy year, CCRIF met with a number of member governments to share information and consult with them on the electric utilities model and to gain feedback.

CCRIF, led by CEO, Mr. Isaac Anthony met with Jamaica's then Minister of Science, Energy and Technology, Hon. Fayval Williams in October 2019 to share with her details of the electric utilities model that is designed to provide coverage for electricity generation and transmission systems

New Models in Development

Drought CCRIF continued work on the development of a drought model to identify agricultural drought events, specifically droughts affecting crop production, occurring in Caribbean and Central American countries, and to assess the resulting losses due to reduced yield.

Runoff CCRIF is developing a rainfall runoff model specifically for larger countries to capture the contribution of runoff from upslope catchment areas to rainfall-induced losses. This model will take account of the hydrological and hydraulic processes to determine the overland water depth accumulated during and/or after a rainfall event and will be integrated within the XSR model.

Agriculture CCRIF is continuing discussions with development partners and member governments about the development of a model for the agriculture sector (for farming activities and related processes) that addresses the impacts of different perils, such as extreme rainfall, tropical cyclone-induced extreme wind and coastal flooding, and drought.

Building the Knowledge Base of Members on the CCRIF Models

CCRIF routinely engages in capacity building exercises as well as workshops with member governments and specifically their technical agencies such as the meteorological services to share information on its models and to gain feedback on models being developed or enhanced. These sessions allow for greater collaboration in model development and also strengthen trust in the CCRIF models. During the policy year, CCRIF engaged in discussions with the meteorological services in Trinidad & Tobago and Jamaica on the XSR model and with the UWI Seismic Research Centre on the SPHERA earthquake model.

CCRIF met with the Meteorological Services, Jamaica to discuss the XSR model

CCRIF management and team met with The UWI Seismic Research Centre in Trinidad and engaged in technical discussions on the SPHERA EQ model

New Product – Launch of COAST

Contribution to Strategic Objectives

SO1	**Innovative and Responsive Parametric Products**
SO6	**Scaling up**

COAST INSURANCE

On July 1 2019, CCRIF issued the Caribbean Oceans and Aquaculture Sustainability FaciliTy (COAST) fisheries parametric insurance policy to two member governments – Grenada and Saint Lucia. The COAST insurance policies provide coverage for fisherfolk and other players in the fisheries industry to enable them to recover quickly after weather-related events. Initial funding for COAST was provided by the US State Department.

The Caribbean is the first region globally to develop and implement parametric climate risk insurance for the fisheries sector. For the first time, vulnerable fishing communities have access to insurance designed specifically for their needs, protecting their livelihoods and playing a key role in closing the protection gap. While it is governments that purchase COAST policies, this parametric insurance product is unique as it incorporates an adverse weather component that serves as livelihood protection (akin to microinsurance) and a tropical cyclone component (akin to sovereign insurance).

C|O|A|S|T

The First-ever Parametric Insurance for Fisheries in the World

The COAST product provides coverage for losses caused by "bad weather" on fisherfolk and for direct damage caused by tropical cyclones (wind and storm surge) to fishing vessels, fishing equipment and fishing infrastructure. In this case, "bad weather" is defined as occurrence of high waves and heavy rainfall during the policy year.

CCRIF developed the COAST product in close collaboration with the World Bank and the US State Department. In the Caribbean, as in many other developing and small island states, the fisheries sector is a major source of livelihoods and contributes significantly to food security. In the Caribbean, this sector employs over 300,000 persons, both directly and indirectly. It is a sector that is highly vulnerable to climate hazards such as storms and hurricanes as well as bad weather events. COAST was designed to address both the vulnerability and livelihood issues that impact the sector and to advance the blue economy.

C|O|A|S|T

PILOT COUNTRIES

2019/20

Grenada
Saint Lucia

COAST has been viewed as highly innovative as on the one hand, it links sovereign level risk insurance with social protection strategies and directly contributes to supporting fisherfolk and others working in the fisheries sector such as boat boys, and market vendors among others, who are highly vulnerable to the impacts of natural disasters. On the other hand, COAST is designed to support the development of strategies to ensure that marine resources – that is, coral reefs, sea grass beds, and fisheries among others – are managed and used in ways that are sustainable.

Fisherman in Saint Lucia

Like CCRIF's other insurance products, COAST insurance also is parametric, whereby payouts are made based on a pre-defined level of wave height, rainfall, wind or storm surge and their impact. Therefore, payouts can be made quickly – within 14 days of the event to honour one of CCRIF's core principles. If a country's policy is triggered, the funds will be provided by CCRIF to the Ministry of Finance, followed by a rapid transfer to the fisherfolk and other affected parties throughout the country's fishing industry. To facilitate timely transfer of funds, the list of beneficiaries is defined at the time of policy inception by the government and is designed to include a range of persons from the fisheries value chain, including fishers, crew members, captains, boat owners, fish vendors and processors.

Through identification of the beneficiaries and predefined procedures for payout transfers, COAST allows for tracking the flow of funds down to the level of the beneficiaries, with a financial management and auditing system in place.

Officials from the Fisheries Division, Ministry of Finance in Saint Lucia, World Bank and CCRIF at a meeting in July 2019, discussing the procedures for COAST payouts and transfer to fisherfolk as part of the overall monitoring and evaluation framework for COAST

COAST consultation with fisherfolk in Grenada

COAST Fisheries Assessments

Prior to the launch of COAST in the two pilot countries, fisheries assessments were prepared by the World Bank, the objectives of which were to:

- Develop a methodology to gather fisheries and disaster risk management information at the country level and incorporate it into the development of the COAST product
- Apply the assessment methodology in both countries
- Better understand interest in COAST insurance in the fisheries sector and readiness of the country to implement it

The governments of Grenada and Saint Lucia, as well as fisherfolk and others employed in the sector, benefitted from a range of capacity building activities organized by CCRIF and the World Bank, designed to enhance their understanding of the COAST product, parametric insurance in general and disaster risk financing.

Government officials in Saint Lucia participating in the CCRIF training programme in July 2019 shortly after the launch of COAST. The training included a module on the COAST product to enable officials to better understand how the product works and the responsibilities of various entities within the Government concerning payouts

COAST directly contributes to the achievement of at least five of the sustainable development goals (SDGs): SDG 1 – ending all forms of poverty everywhere; SDG 5 – gender equality; SDG 10 – reduced inequalities; SDG 14 – life under water; and SDG 13 – climate action.

Rolling Out COAST... Sensitizing Member Governments... Assessing Interest

INNOVATIVE

The intent is to roll out COAST to other CCRIF members in the Caribbean and Central America, and many have already expressed interest. During policy year 2019/20, CCRIF held discussions with member governments and shared information on COAST to assess their interest. The CCRIF team also attended conferences and workshops to share information on this new and innovative product.

CCRIF with the Ministry of Agriculture, Land and Fisheries, Trinidad & Tobago

CCRIF with the Ministry of Agriculture and Fisheries, Jamaica

CCRIF with the Ministry of Agriculture and Marine Resources, The Bahamas

CCRIF also participated alongside the World Bank in the Caribbean Regional Fisheries Mechanism (CRFM) Special Ministerial Council Meeting and Joint OSPESCA Meeting to introduce COAST to the Caribbean and Central America Regions

Some C|O|A|S|T Highlights

First ever climate risk parametric insurance developed for the fisheries sector spearheaded by the Caribbean. The Caribbean is the first region globally to develop and implement a parametric climate risk insurance products for the fisheries sector. For the first time, vulnerable fishing communities will have access to insurance developed specifically for their needs.

First time insurance coverage of "bad weather" events, in addition to covering tropical cyclones. COAST innovates in covering losses attributed to fisherfolk due to "bad weather" events, defined as high waves and occurrence of heavy rainfall throughout the policy year. The "bad weather" model will be considered for the first tier, while the tropical cyclone model for the second and third tiers of the insurance.

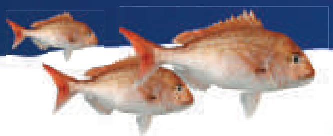
First time tracking of parametric insurance payouts at the scale of individual beneficiaries. Through the predefined procedures for payout transfers, COAST allows for tracking the flow of funds down to the level of the beneficiaries, with a financial management and auditing system in place.

COAST – a catalyst for promoting resilience in the fisheries sector, leading to a stronger blue economy in the region. COAST will reduce the risk that climate change poses to food security in the fisheries sector, and incentivize policy reforms for the uptake of climate smart fisheries practices as well as coastal resilience. This will build a stronger foundation for the blue economy, while supporting the livelihoods of those who depend on this valuable marine natural capital.

COAST encourages inclusiveness and participation of women. COAST is intended to be inclusive and benefits all participants in the fisheries sector, including crew members, captains and/or boat owners, and especially fish vendors and processors who are mostly women. The list of beneficiaries was predefined by the governments as per COAST Operational Manual.

Rapid transfer of payouts to fisherfolk. CCRIF SPC payouts will be channeled through the Ministry of Finance of the participating countries within 14 days of the covered event, followed by a rapid transfer to the fisherfolk.

New partnerships developed to support COAST. CCRIF SPC and the Caribbean Regional Fisheries Mechanism (CRFM) have signed a MOU to support COAST and develop climate-resilient fisheries and aquaculture industries in the region.



Scaling Up Access to Microinsurance Products

Contribution to Strategic Objectives

SO1	Innovative and Responsive Parametric Products
SO5	Member Relations and Engagement
SO6	Scaling up

CCRIF's work in microinsurance is primarily focussed on the Climate Risk Insurance and Adaptation in the Caribbean (CRAIC) project. The main objectives of the CRAIC project are to:

- Support the development of weather-related risk management solutions, including insurance, with the project developing and launching a microinsurance product known as the Livelihood Protection Policy (LPP)
- Assist target countries Belize, Grenada, Jamaica, Saint Lucia, and Trinidad & Tobago to increase social resilience and incentivize sustainable adaptation measures by incorporating climate risk insurance within a broader framework of disaster risk reduction strategies
- Support the development of public-private insurance solutions, so financial support is extended to the most vulnerable groups when they face climate-related disasters
- Demonstrate the value of a regional risk pooling instrument in climate change adaptation and risk management, targeted specifically for low-income and vulnerable persons

The Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project is led by the Munich Climate Insurance Initiative (MCII), in collaboration with partners CCRIF SPC, ILO Impact Insurance, Munich Re and DHI. The project is funded by the International Climate Initiative (ICI) of the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU).

The CRAIC 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, and is intended to complement other similar instruments at the sovereign level, particularly the products and services provided to 19 Caribbean governments by CCRIF SPC.

The Livelihood Protection Policy - LPP

The LPP is a parametric microinsurance product and is the core product of the CRAIC project. The LPP offers individuals and organizations such as cooperatives and NGOs the power to protect themselves and their members against financial losses that result from heavy rainfall and 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, 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.

Government officials in Trinidad & Tobago participating in a capacity building workshop on microinsurance and the LPP led by the CCRIF and the MCII teams

During the policy year 2019/20 the following activities were undertaken:

- Capacity building sessions and learning opportunities were implemented which focused on: understanding weather-related microinsurance; how a country's CCRIF sovereign insurance and microinsurance can complement each other; the LPP – what it is, how it works etc.; the role of stakeholders – Government, NGOs, private sector including local insurance companies and credit unions; and alignment of microinsurance and global level initiatives. These sessions allowed a wide cross section of stakeholders including the private sector in target countries, to enhance their understanding of climate risk insurance.

- The project promoted the linkages between insurance and disaster risk management by showcasing how strategies to manage risk such as insurance could be combined with efforts to reduce the drivers of risk, which is particularly important for building resilience among the poor.

- Technical and communication materials – brochures, videos, testimonials and web pages – were produced and disseminated to build awareness about the project and microinsurance in general. For example, three videos were produced on the project and the benefits of the LPP. Also, the project produced a technical paper on how governments could participate in climate risk insurance and the role governments could play in utilizing microinsurance mechanisms to support poverty reduction and social protection.

- Field missions were undertaken in two of the five pilot countries, towards engaging key stakeholders in the public sector primarily in the ministries of agriculture and finance, the insurance regulators, local authorities, insurance companies, NGOs and community groups.

- A curriculum was developed to support the delivery of training on microinsurance issues via the CCRIF flagship training programme – "Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Linkages with Economic and Social Policy".

- United Nations (UN) Volunteers were engaged to open new channels for increasing awareness and partnerships between the project and key organizations in two of the five countries. UN Volunteers were very active in Saint Lucia and Jamaica, building sensitization in low-income communities and amongst vulnerable groups such as farmers and fishers as well as seasonal tourism workers among others.

- The project provided information to micro, small and medium enterprises (MSMEs) on how the LPP could be used as a means of business continuity following a natural disaster.

Planning for CRAIC Phase III

CCRIF CEO, Mr. Isaac Anthony led one of the strategic planning sessions with the CCRIF and MCII teams that sought to define the way forward on the project

On the strategic side, the CCRIF and MCII teams engaged in various strategic planning sessions to design Phase III of the project which will begin in the upcoming policy year and which will include:

- The official hand over of the management of the CRAIC project in policy year 2020/21 allowing CCRIF to assume the management of the project for two years, after which the project and LPP product are expected to be fully institutionalized and available across all Caribbean countries that are members of CCRIF

- Developing specifically with the technical support of CCRIF a more refined LPP product underpinned by CCRIF's parametric insurance models and data to offer to the market

- Working more closely with the following target groups to enhance understanding of climate risk insurance and disaster risk financing in general:

    - (Micro) Highly exposed, low-income individuals, who, due to their limited access to risk management options, are caught in the poverty cycle trap, given that these groups are not usually able to access traditional insurance products

    - (Meso) Individual loan protection (use of parametric insurance products as collateral for micro loans) and group insurance approaches or insurance for SMEs

    - (Macro) International and national policymakers interested in exploring and implementing climate risk insurance to manage climate-change-related risks

- Supporting local insurers in the five pilot countries to advance the regulatory approval of the LPP and provide them with communication and marketing tools as well as training materials to enable them to better engage with the target groups – groups that most insurers are not very familiar with as most persons in these groups do not normally purchase insurance policies

- Working with the regulators to make provision for microinsurance in their insurance legislation if there is currently no provision for microinsurance in existing legislation

New Members

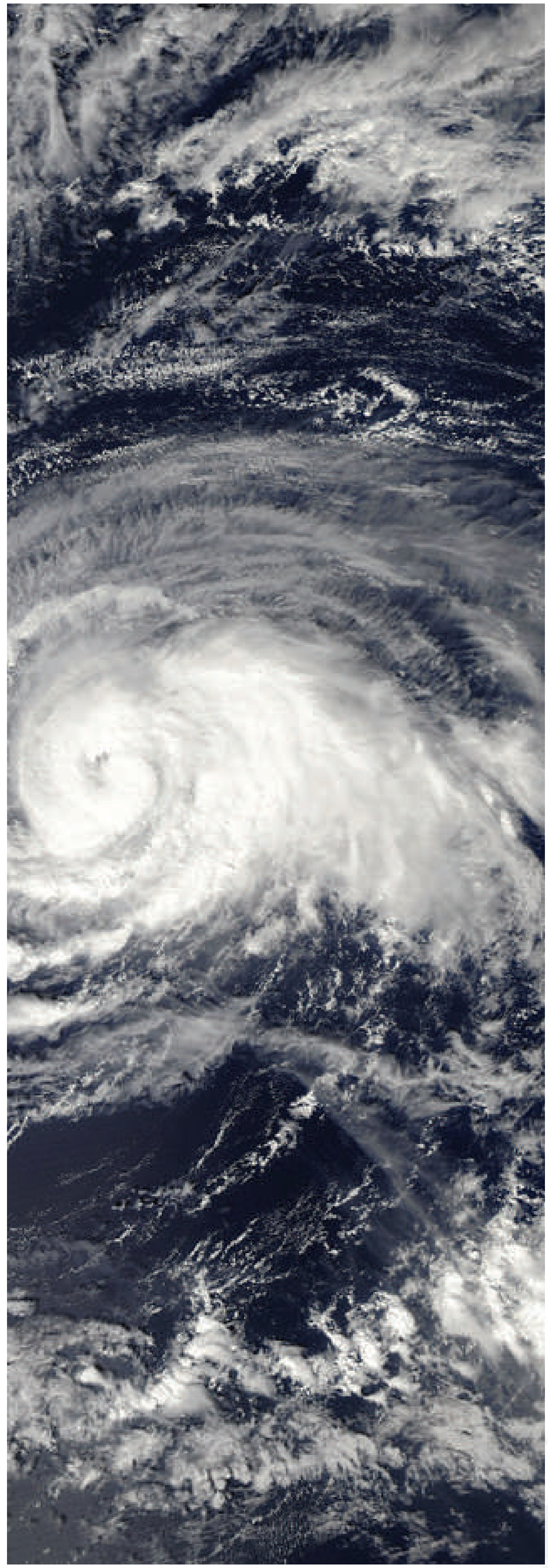
Contribution to Strategic Objectives

SO6	Scaling up

Guatemala became a member of CCRIF in 2019, joining 19 members in the Caribbean and two in Central America. CCRIF was originally established for Caribbean governments, but in 2015, CCRIF signed a Memorandum of Understanding with the Council of Ministers of Finance of Central America, Panama and the Dominican Republic (COSEFIN) to enable Central American countries to join the Facility. Nicaragua was the first Central

American country to join and has been a member of CCRIF since 2015. Panama joined the Facility in the 2018/19 policy year. Also in that policy year, following the devastating impacts of Hurricanes Irma and Maria in 2017, Montserrat, St. Maarten and the British Virgin Islands joined the Facility, increasing Caribbean members from 16 to 19.

Increasing membership is part of CCRIF's strategic focus as articulated in its Strategic Plan 2018 – 2021, in which the Facility has prioritized the scaling up of its operations, which involves three main pillars: increasing coverage of member policies; expanding membership; and developing new products for sectors such as fisheries, agriculture and public utilities, towards meeting the needs of member governments.



Organizational Sustainability

Corporate Governance and Financial Sustainability

Board Governance

Measuring Performance and Reporting on Progress

CCRIF's Financial Sustainability

Donor Support and Capitalization

Reporting on Use of Payouts

CORPORATE GOVERNANCE AND FINANCIAL SUSTAINABILITY...

Pursuing a Robust Framework to Enhance Accountability, Transparency and Trust

During policy year 2019/20, CCRIF continued to pursue a robust corporate governance framework built on transparency, accountability and trust, in pursuit of excellence in meeting and exceeding the expectation of all stakeholders. In so doing, the principles of transparency and accountability for sustainability are fully integrated at all levels of decision making and into business planning as well as management information and control systems. The governance and accountability framework pursued by the Facility has been designed to facilitate growth and scaling up and is geared towards enhancing efficiencies and reducing the risk of business interruption all within a frame of continuous improvement. The Facility's governance framework is outlined in its Operations Manual.

To sustain financial solvency and integrity as well as long-term sustainability, CCRIF works to maintain its strong capital base and continuously reviews its investment policy to retain flexibility in the portfolio and to retain its claims-paying capacity to members. This is particularly important since it is widely accepted that climate change will increase the frequency of intense storms and that claims are likely to increase in future years. CCRIF therefore analyzes the likely impacts of climate change on its portfolio and continues to explore mechanisms for diversifying its investment strategy.

CCRIF's Response to COVID-19

The start of the policy year 2019/20 presented many possibilities and during the first half of the policy year ending December 2019 and up to the end of February 2020, CCRIF continued on its trajectory towards advancing its strategic objectives. However as early as January, the board, management and team began discussions on the possible impacts that the COVID-19 pandemic could have on the work of the Facility and on its members. During the CEO's annual work planning retreat held in January 2020, comprising the management team and the heads of the service provider teams, initial discussions began on the possible impacts of the virus and how this may affect the work of CCRIF and also the development prospects of its members. Thus, as the pandemic spread into the Caribbean and Central America, CCRIF was ready to put in place strategies to level up and pivot to ensure that its members would be in a position to renew their policies and benefit from possible premium discounts. CCRIF management moved swiftly to engage with members and the donor community to assess needs and avenues for possible premium support – bearing in mind that from as early as March the restrictions imposed by governments to reduce the spread of the virus also had the dual effect of significantly reducing the income of countries. Operating largely as a virtual company, CCRIF had all procedures and measures already in place to fully integrate online consultations and meetings. As such, the early action taken by the Facility did not result in disruptions in workflow or in meeting key requirements necessary to issue policies to its members on time.

CCRIF CEO, Mr. Isaac Anthony (centre) along with the management team and service provider leads at the CCRIF annual work planning retreat in January 2020

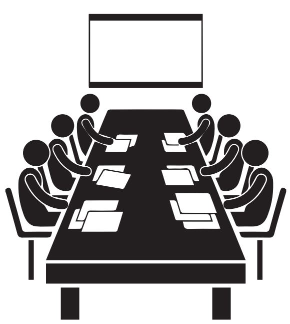
CCRIF also prepared its COVID-19 Business Continuity Plan which included an assessment of risks to the organization posed by COVID-19 and the various strategies to be undertaken to address and reduce potential risks to avoid business interruption.

Board Governance

Contribution to Strategic Objectives

SO4 **Corporate Governance**

In executing its duties, the board of directors continues to be guided by a robust corporate governance framework. The latter is underpinned by sound corporate governance principles which allows the board to be able to execute its strategic functions and provide the appropriate oversight and monitoring of CCRIF's operations within the context of ensuring regulatory compliance and accountability to its multiple stakeholders - including its trustee, regulator, permanent enforcer, donors, member governments, and regional and international organizations. Most importantly, the board places focus on internal accountability to ensure that the vision and mission of the Facility are being pursued in earnest towards achieving results and value for all stakeholders. The board is not only able to identify progress but also advises on strategies and actions to be pursued to facilitate progress and achievement of targets. Within this context, the board also approves various policies that support key operations within the Facility.

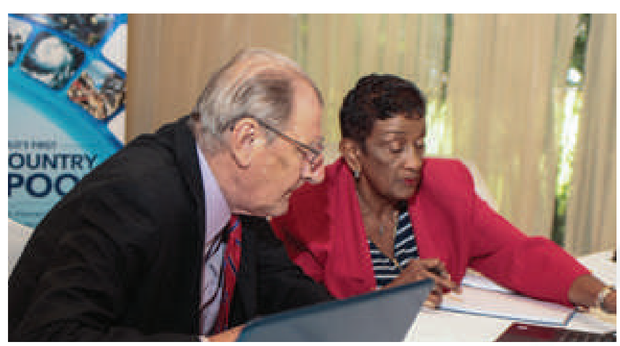


The board therefore assumes overall responsibility for CCRIF, including approving and overseeing the implementation of CCRIF's strategic objectives, risk strategy, corporate governance and corporate values. The board is also responsible for providing oversight of CCRIF's senior management. The board assumes ultimate responsibility for CCRIF's business and its financial soundness; fulfillment of CCRIF's statutory requirements; protecting the legitimate interests of shareholders, depositors, staff and stakeholders; and ensuring that CCRIF is managed in a prudent manner according to its internal policies and procedures and within the applicable laws and regulations of the Cayman Islands. CCRIF is audited annually by an independent external auditor and has an independent internal audit function which is currently outsourced. During the 2019/20 policy year, the board approved the:

- CCRIF Business Continuity Plan
- The COVID-19 Business Continuity Plan
- CCRIF Complaints Policy

New Board Member

Following the retirement of Mr. Kenneth Blakeley from the CCRIF Board in September 2019, Mr. Michael Gayle was appointed to the board as a CARICOM-nominated board member and insurance specialist. Mr. Gayle has over forty years of insurance experience and has held top executive positions in insurance companies in Jamaica and the Cayman Islands. He has provided consultancy services for insurance companies operating across the Caribbean. Mr. Blakeley was a board member from the inception of CCRIF in 2007.



Ken Blakeley and Deputy Board Chairperson Desirée Cherebin at one of the Facility's board meetings prior to his retirement

Board Committees

To enhance its efficiency and effectiveness, the board undertakes its work through committees that report to the full board, 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 some of these committees and where needed, independent external members are appointed. There are six committees of the board that present reports of their work at each quarterly board meeting.

Board Committee
Risk Transfer and Underwriting Committee
MEMBERS
Saundra Bailey (Chair), Timothy Antoine
Michael Gayle, Isaac Anthony

Board Committee
Audit and Risk Management Committee
MEMBERS
Desirée Cherebin (Chair)
Saundra Bailey (Deputy Chair)
Todd Crawford (Independent Member)

Board Committee
Investment Committee
MEMBERS
Faye Hardy (Chair),
Timothy Antoine (Deputy Chair)
Desirée Cherebin

Board Committee
Technical Assistance Committee
MEMBERS
Desirée Cherebin (Chair)
Faye Hardy, Isaac Anthony

Board Committee
Finance and Budget Committee
MEMBERS
Saundra Bailey (Chair), Timothy Antoine
Desirée Cherebin, Michael Gayle
Isaac Anthony

Board Committee
New Products Committee
MEMBERS
Faye Hardy (Chair), Desirée Cherebin
Michael Gayle, Isaac Anthony

The board also completed its annual Anti-Money Laundering Training in December 2019.

CCRIF's Financial Stability

Contribution to Strategic Objectives

SO1	Innovative and Responsive Parametric Products
SO3	Financial Sustainability
SO6	Scaling up

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 2019/20 is reflected in the collective performance of the following four 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

Caribbean EQ/TC SP

For the Caribbean EQ/TC SP, CCRIF SPC issued 34 annual policies[4] (14 EQ and 20 TC policies) to 18 Caribbean countries. The year's premium income[5] for tropical cyclone and earthquake coverage in the Caribbean totalled US$28.3 million. The coverage limit for EQ and TC policies in the Caribbean was US$825.1 million: US$436.2 million for tropical cyclone coverage and US$388.9 million for earthquake.

Caribbean XSR SP

For the Caribbean XSR SP, CCRIF SPC issued 18 policies to 15 Caribbean countries. Annual premium from the XSR policies in the Caribbean totalled US$10.7 million and the total coverage limit was US$96.2 million.

[4] The Bahamas has three tropical cyclone and excess rainfall policies, each of which covers a portion of the country. Trinidad & Tobago has two excess rainfall policies – one for each island. The figures for the number of TC and XSR policies counts each sub-national policy as a separate policy. [5] CCRIF offered a discount of 5 per cent of the gross premium for TC policies. The figures reported here are for net premium.

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 premium income was US$3.0 million, with US$0.8 million for tropical cyclone coverage, US$1.0 million for earthquake and US$1.2 million for excess rainfall. The coverage limit in the region was US$50.0 million: tropical cyclone – US$15.2 million, earthquake – US$23.0 million, and excess rainfall – US$11.8 million.

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 US$0.2 million and the total coverage limit was US$1.6 million.

Total coverage limit for CCRIF SPC

2018/19: **US$754.5 M**

2019/20: **US$972.9 M**

INCREASE **28.9%**

Reinsurance

CCRIF SPC for Caribbean EQ/TC SP retained US$25.0 million and purchased US$167.5 million of reinsurance capacity above the retention to support the claims-paying capacity of the Facility (Figure 1). Reinsurance was purchased from the

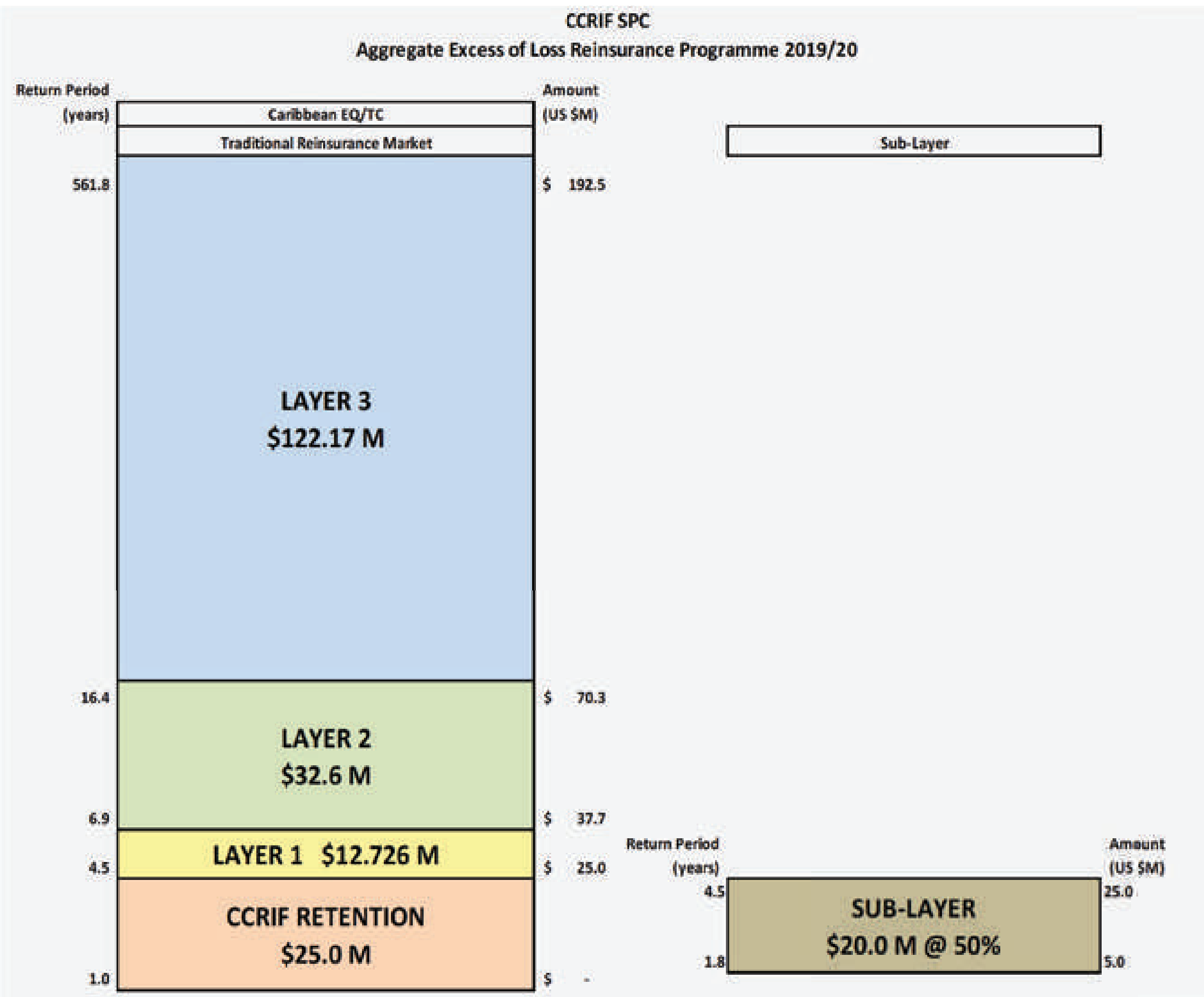


Figure 1. Aggregate Excess of Loss Reinsurance Programme 2019/20 for Caribbean EQ/TC

international reinsurance markets. The top of the reinsurance structure, at US$192.5 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-550 chance of occurring. The main programmes were placed at 100 per cent. There was an additional sublayer of US$20.0 million in excess of US$5.0 million placed at 50 per cent. The sublayer works with an aggregated US$20 million deductible over three years. The structure, which applied for a three-year period, was active for 2019-2020 in its last year of operation, expiring in September 2020.

CCRIF SPC for Caribbean XSR SP retained US$7.7 million and purchased US$36.5 million of reinsurance capacity to support the claims-paying capacity of the Facility (Figure 2). The top of the reinsurance structure, at US$44.2 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-400 chance of occurring.

CCRIF SPC for Central America SP retained US$1.5 million for TC/EQ and US$3.1 million for XSR. CCRIF SPC for Central America SP purchased US$21.0 million of reinsurance capacity for TC/EQ and US$5.4 million for XSR to support the claims-paying capacity of the Facility (Figure 3). The top of the reinsurance structure, at US$22.5 million for TC/EQ and at US$8.5 million for XSR, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-110 chance of occurring for TC/EQ and a higher than 1-in-1,000 chance of occurring for XSR.

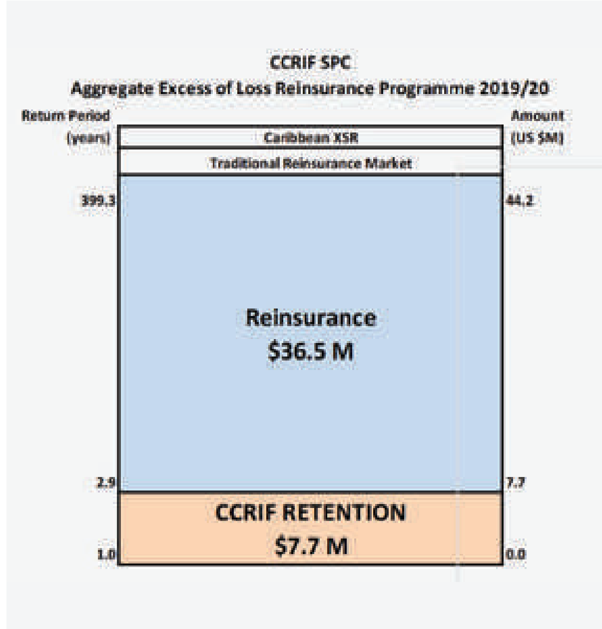


Figure 2. Aggregate Excess of Loss Reinsurance Programme 2019/20 for Caribbean XSR

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

CCRIF SPC's total capital at risk for 2019/20 comprised the retention of US$37.3 million (US$25.0 million for Caribbean TC/EQ, US$7.7 million for Caribbean XSR, US$4.6 million for Central America (US$1.5 million for Central America TC/EQ and US$3.1 million for Central America XSR)) within the risk transfer programme and a further ~US$50.8 million above the

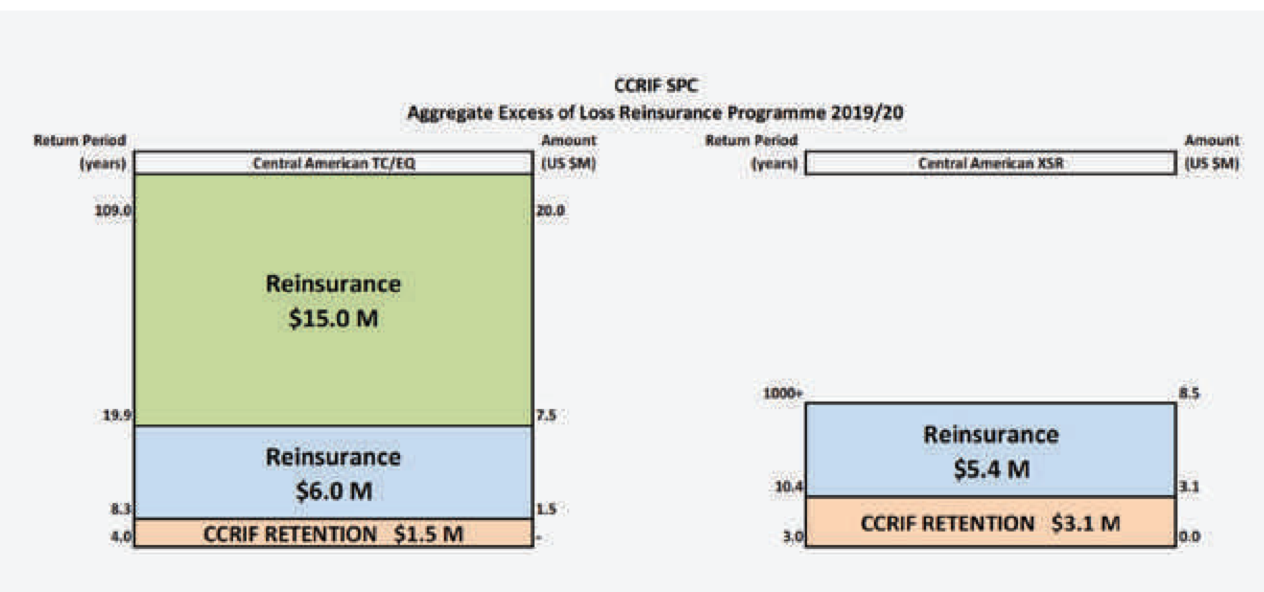


Figure 3. Aggregate Excess of Loss Reinsurance Programme 2019/20 for Central America TC/EQ and Central America XSR

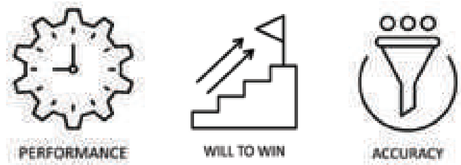
reinsurance programmes in place for the different perils and cells.

Therefore, the claims-paying capacity of CCRIF SPC for the 2019/20 policy year was thus significantly greater than the modelled aggregate annual loss with a 1-in-1,000 chance of occurring, thus comfortably falling within CCRIF's guidelines for financial security and it was substantially better than any of its peers in either the public or private sectors.

Measuring Performance and Reporting on Progress

Contribution to Strategic Objectives

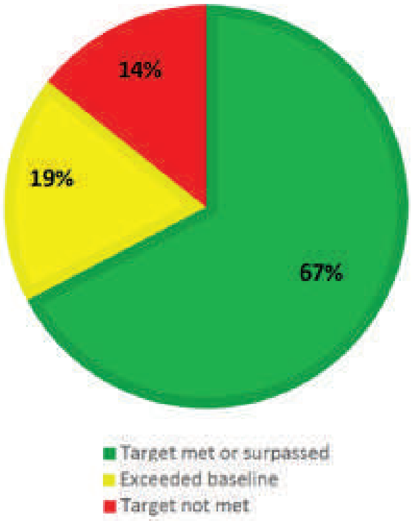
SO4 Corporate Governance



Board directors and CEO in September 2019 at the end of the annual strategic review exercise (Missing from photo is Director Faye Hardy)

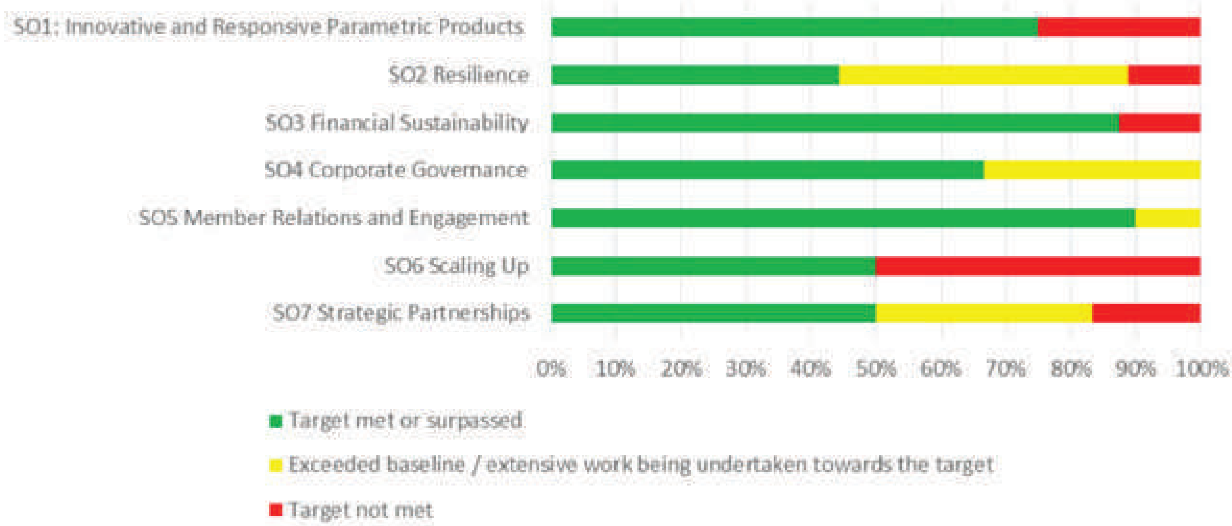
The executive management team routinely measures performance against the strategic objectives that are laid out in the Facility's Strategic Plan 2018 – 2021 and reports on progress to the board quarterly. Each year, the board engages in an annual strategic review and assesses overall progress being made on the stated activities in the work plan. The Directors provide input into the new work plan and give directives for work in new areas based on the regional and global economic environment.

During 2019/20, CCRIF disseminated its 2018/19 annual report to its stakeholders and made it public by uploading the document to its website and other online platforms. Also, performance under each of the Facility's seven strategic objective is measured by comparing progress against the targets set for each fiscal year in the annual work plans based on the Strategic Plan. During 2019/20, CCRIF monitored its performance against 49 targets. Its performance can be summarized as follows:



- 33/49 (67%) – Target met or surpassed
- 9/49 (19%) – Exceeded baseline
- 7/49 (14%) – Target not met

Measuring progress aligned to the seven strategic objectives of the organization provides a sense of where strategic focus or corrective action is needed.



Donor Support and Capitalization

Contribution to Strategic Objectives

SO3	**Financial Sustainability**
SO6	**Scaling up**

Near the end of the policy year – in May 2020, support was provided to CCRIF member governments for their 2020/21 CCRIF policies through three initiatives as part of the global response to assist countries whose social and economic sectors are being significantly disrupted by the COVID-19 pandemic.

The European Union, under its Global COVID-19 Response

- *Provided a grant of €10 million (US$11 million) to CCRIF for premium support or increasing coverage for its Caribbean members for 2020/21 and/or 2021/22*

The Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund

- *Supported CCRIF to provide special benefits to COSEFINmember countries on CCRIF policies for policy year 2020/21 - for premium support and/or increasing coverage.*

The Canada-CARICOM Climate Adaptation Fund

- *Provided funding of US$12.4 million to nine Caribbean countries.*

The European Union (EU), under its Global COVID-19 Response, 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 given the option of utilizing the EU-funded discount (amounting to 26 per cent of total gross premium) during the 2020/21 and/or 2021/22 policy years.

The Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund (MDTF) supported CCRIF with a grant of up to US$10 million to provide special benefits to COSEFIN member countries on CCRIF policies for policy years 2020/21 and 2021/22. These benefits included a 50 per cent reduction in premium costs on countries' policies or a mutually agreed increase in CCRIF coverage at no additional cost or a combination of both. COSEFIN countries that are not CCRIF members also were eligible for these benefits and CCRIF continued dialogue to support these countries in understanding parametric insurance and encouraging them to join the Facility. The MDTF is administered by the World Bank and supports the continued expansion of CCRIF SPC's products, services, and membership in Central America.

The Canada-CARICOM Climate Adaptation Fund provided funding of US$12.4 million to nine

Recent Donor Support to CCRIF and CCRIF members

2017/18	2018/19	2019/20
Government of Mexico through the Caribbean Development Bank (CDB) - US$14 million European Union, through the European Commission Germany, through the Federal Ministry for Economic Cooperation and Development - US$23.75 million	German Federal Ministry of Economic Cooperation and Development (BMZ), through KfW - €15 million (US$16.5 million) Ireland Department of Foreign Affairs and Trade - €1 million (US$ 1.1 million)	European Union, through EU Regional Resilience Building Facility – €10 million ($11 million) Central America and Caribbean Catastrophe Risk Insurance Program MDTF - US$10 million Canada-CARICOM Climate Adaptation Fund - US$12.4 million

Caribbean countries. Seven of these countries – Antigua & Barbuda, Belize, Dominica, Grenada, Jamaica, Saint Lucia, and St. Vincent & the Grenadines – were able to use their allocation to cover a portion of their premium costs for their CCRIF parametric insurance policies for policy year 2020/21 or 2021/22. Two countries – Guyana and Suriname – which are not members of CCRIF – would be able to use their allocations towards their participation fees if they join CCRIF as well as for premium support for policy year 2021/22.

Donor support is critical to enable CCRIF to scale up its operations by increasing coverage for existing members, increasing membership and developing new products.

Reporting on the Use of Payouts

Contribution to Strategic Objectives

SO1	**Innovative and Responsive Parametric Products**
SO4	**Corporate Governance**

While there are no restrictions placed on how governments use payouts following the triggering of policies, CCRIF does require recipient governments to report on how the payouts have been used. While governments have always provided this information to CCRIF, since 2018, this requirement for reporting on the use of payouts has been included in countries' Participation Agreements and requires that governments submit a report using a specified format within six months of a payout. This requirement is in keeping with international trends in transparency and accountability. It enables CCRIF as well as its development partners and national and regional stakeholders to obtain information on how the payouts have benefited the country and the population as a whole, especially the most vulnerable.

Over the years, use of payouts has included providing food, shelter and medicine for affected persons; stabilizing drinking water plants; providing building materials for persons to repair their homes; repairing critical infrastructure such as roads, bridges and schools; payment of government salaries; and support for the agriculture sector; among others. It is important to note that some countries have used portions of their payouts for disaster mitigation – for example by building back better, as was the case in the Turks & Caicos Islands where their CCRIF payout following Irma in 2017 was used to reconstruct schools across the island to be able to withstand future tropical cyclones. Others have, for example, upgraded weather monitoring data-capture technology and portable weather systems to improve early warning.

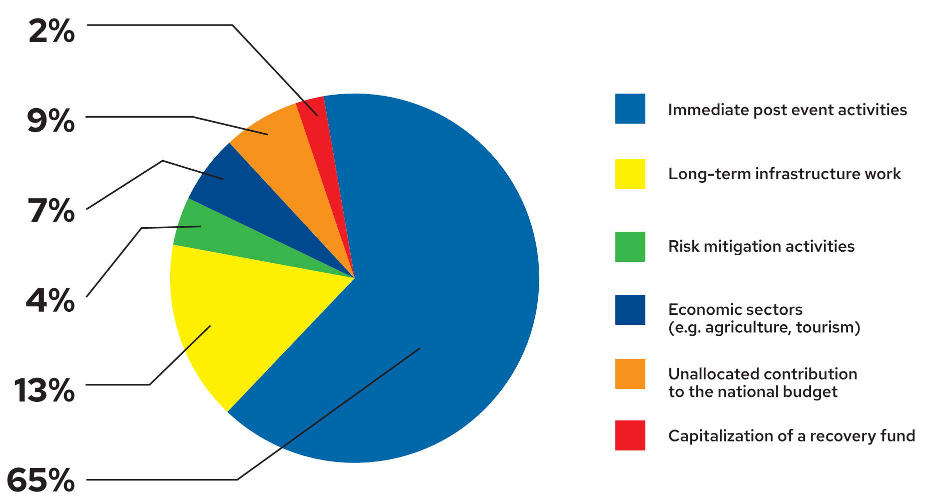
An assessment on the use of payouts conducted in 2019 by CCRIF showed that approximately 2.5 million persons in the Caribbean and Central America had benefitted directly or indirectly from CCRIF payouts.

During the 2019/20 policy year, CCRIF received reports from three member governments on the use of their payouts from previous events as shown below.

Use of Payouts by Member Governments 2018-2019

Country, Event and Payout Value	Use of Payouts 2018 - 2019
Barbados, for Tropical Cyclone Kirk in October 2018 **US$5,813,299**	• Clean-up of affected areas • Repairs of affected roads • Assisting vulnerable persons affected by the cyclone
Trinidad & Tobago, for a rainfall event that affected Trinidad during October 18-20 2018 **US$2,534,550**	• Funds allocated to the contingent liability fund and used for the following: ‣ General clean up - clearing debris, roads, landslides ‣ Provided funds to affected families in the form of building materials and appliances through the social development and family services ‣ Repairs on the Uriah Butler Highway
The Bahamas, for Tropical Cyclone Dorian in September 2019 TC policy: US$11,527,151 XSR policy: US$1,297,002 **Total payout: US$12,824,153**	• Temporary Housing Initiative • Medical Evacuation and Aircraft Mission • Home Repair Programme • Purchase and hiring of vehicles
Trinidad & Tobago, for rains that affected Tobago during Tropical Cyclone Karen in October 2019 **US$ 362,982**	• Grants to affected persons • Work on infrastructure • Support to fisheries, social services, and the Tobago Emergency Management Agency

Use of CCRIF Payouts 2007 - 2019



Member Relations

and Stakeholder Engagement

In-Country Missions and Courtesy Calls

Regional and International Conferences and Workshops

Capacity Building and Training in Disaster Risk Financing and Parametric Insurance

Communications, Publications and Media Relations

Launch of WeMAp

MEMBER RELATIONS AND STAKEHOLDER ENGAGEMENT

Members of the CCRIF team share lens time with performers at the Opening Ceremony of the Understanding Risk Centroamérica, held in Costa Rica in which CCRIF was a sponsor and hosted a panel discussion on disaster risk financing

CCRIF deems strengthening relations with its members and consistently interacting with them as key to fulfilling its vision and mission and enriching members' own experiences with CCRIF... towards cultivating higher levels of trust, loyalty and satisfaction. Strengthening relations with members also is considered critical to enable the Facility to understand members' needs to better meet and exceed their expectations. CCRIF utilizes various media to engage with members and stakeholders including:

- Missions in member countries and courtesy calls on key officials in member countries
- Rolling out the country renewal road show each year from March to May to discuss with members their policy coverage, revisions to models underpinning products, new products being developed or offered, adequacy of coverage and policy pricing for the upcoming policy year
- Regular communication through more traditional means as well as online communication facilitated by the use of technology-enabled solutions – such as our website, social media tools and other online platforms that facilitate policy dialogues, meetings and workshops
- Development and dissemination of a range of informational products (booklets and technical papers) centred around subject areas related to disaster risk financing, risk transfer solutions, parametric insurance, and climate change
- Organizing capacity building initiatives (workshops, training programmes etc.) and participating in regional and international conferences and other similar fora such as networking events
- Creating tools such as WeMAp that support members to better manage natural hazard risks

In-Country Missions and Courtesy Calls

Contribution to Strategic Objectives

SO5 Member Relations and Engagement

During policy year 2019/20 CCRIF's management and team engaged in a total of six in-country missions:

- Grenada for COAST, July 2019
- Saint Lucia for COAST, July 2019
- Trinidad & Tobago for CRAIC II Project, July 2019
- The Bahamas, October 2019
- Jamaica, October 2019
- Trinidad & Tobago, January 2020

In-country missions usually involve the CCRIF management and team meeting with a number of government ministries and agencies, development partners and academia to discuss various aspects of CCRIF's operations. Also, each quarter the CCRIF board and management make courtesy calls on key stakeholders from the ministries of finance in the country in which the board meeting is being held. For 2019/20, two courtesy calls were made (due to COVID-19 pandemic, CCRIF board meetings held from March 2020 onwards were online):

- St. Maarten, June 2019
- Cayman Islands, September 2019

Country missions and courtesy calls provide an opportunity for CCRIF to engage with its member governments and other key stakeholders, to share new and upcoming areas of work of the Facility and to address first-hand any issues that countries may have. It also provides an opportunity to increase understanding of CCRIF and parametric insurance within the context of disaster risk financing. CCRIF also uses these in country visits to learn about programmes and projects in the areas of climate modelling and climate change being implemented by members and their institutions.

The missions held in 2019/20 also allowed the CCRIF team to provide in-depth information on the new CCRIF models (SPHERA and XSR 2.5) which underpin its 2019/20 policies and the new models being developed for public utilities and agriculture and to obtain feedback from stakeholders. The team also used the opportunity to assess the demand for the COAST product by those countries that are not pilots. During 2019/20, there were two specific missions related to COAST in the pilot countries – Grenada and Saint Lucia – and a specific mission to Trinidad & Tobago with the Munich Climate Insurance Initiative on the CRAIC project.

In October 2019, CCRIF CEO, Mr. Isaac Anthony led a mission to The Bahamas and met with Prime Minister, Hon. Herbert Minnis and his team, with discussions focusing on CCRIF's payout of US$12.8 million following Hurricane Dorian, the impacts of the disaster – from a social and economic perspective – as well as the possibility of CCRIF's support for development and reconstruction through the Facility's Technical Assistance Programme. CCRIF was asked by the Prime Minster to assess the viability of developing a product that would provide cover for housing stock – a product that would fill a gap where the private insurance market is not able to.

Also in October, 2019, CCRIF CEO, Mr. Isaac Anthony led a mission to Jamaica where he met with Hon. Desmond McKenzie, Minster of Local Government and Community Development and his team to discuss CCRIF and parametric insurance within the context of disaster risk financing and comprehensive disaster risk management

In February 2020, CCRIF CEO, Mr. Isaac Anthony led a mission to Trinidad & Tobago and engaged in several meetings including with officials of the Ministry of Finance

Board directors, the CEO and members of the management team paid a courtesy call to Hon. Roy McTaggart, Minister of Public Finance and Economic Development of the Cayman Islands and members of his team

Timothy Antoine, CCRIF Chairman and Desirée Cherebin, CCRIF Deputy Chairperson presented Hon. Roy McTaggart, Minister of Public Finance and Economic Development with the CCRIF Strategic Plan 2018 – 2021 and other CCRIF publications as well as CCRIF paraphernalia

Regional and International Conferences and Workshops

Contribution to Strategic Objectives

SO5	**Member Relations and Engagement**
SO7	**Strategic Partnerships**

Members of the CCRIF management and team participated in over 30 conferences and workshops as part of its overall stakeholder engagement strategy. At most of these events, CCRIF either delivered a presentation, organized a panel discussion and/or participated in the conference exhibition, disseminating materials and meeting and greeting stakeholders, responding to questions and collecting data from them for inclusion on the Facility's stakeholder lists to share future information and/or opportunities. Also, CCRIF provided sponsorship for the Understanding Risk 2020, Centroamérica conference, held February 2020 in Costa Rica and the 11th Caribbean Conference on Comprehensive Disaster Management, held December 2019 in Sint Maarten.

Also, in the spirit of south-south cooperation, CCRIF engages with members, donors and organizations in member states, which provide an opportunity for regions to engage in the ongoing risk transfer, DRM and climate talks and to provide recommendations in a range of areas – innovations, knowledge, technology, policy directions, financing and institutional development and strengthening – sharing lessons learned but also benefitting from best practices of other similar risk pooling agencies around the world.

A Snapshot of Regional and International Conferences and Workshops

- Caribbean Development Bank/Saint Lucia Development Bank Regional Development Banking in the Caribbean Conference, Saint Lucia
- Understanding Risk 2020, Centroamérica, Costa Rica
- European Investment Bank Caribbean Roadshow on Climate Finance in the Caribbean, Jamaica
- Insurance Colloquium hosted by the Government of Barbados in partnership with the Inter- American Development Bank, Barbados
- World Forum of Catastrophe Programmes 2019 Conference, Iceland
- Development Bank of Latin America (CAF) in partnership with the Government of Trinidad & Tobago, seminar titled "Envisioning Long-term Sustainability in Trinidad and Tobago: Productivity, Innovation and Resilience", Trinidad
- 15th International Conference on Inclusive Insurance, Bangladesh
- UN Climate Change Conference, Madrid, Spain
- Adrienne Arsht-Rockefeller Foundation Resilience Center Convening to Address Extreme Heat in Cities, Bellagio, Italy
- Regional NDC-SDG Dialogue in the Caribbean: Integrating climate-resilient fisheries and coastal community priorities into post-2020 climate action and leveraging SDG co-benefits for the rural poor and vulnerable, Barbados
- Eastern Caribbean Central Bank – 51st Annual Monetary Conference, St. Kitts & Nevis
- Forecast-based Early Action Stakeholder Workshop, hosted by Agence Française de Développement (AFD) and the OECS, Saint Lucia
- 11th Caribbean Conference on Comprehensive Disaster Management, December 2019, Sint Maarten
- Partners Meeting of Programme Advisory Committee of the USAID Climate Change Adaptation Program, hosted by CCCCC, Saint Lucia
- "Outride" COVID-19 Business Threat Seminar Series hosted by Magate Wildhorse™ Webinar
- "COVID 19- A Wake-up Call for Regional Food Security" webinar hosted by the Faculty of Food and Agriculture at The University of the West Indies, St. Augustine campus, Trinidad
- World Bank/IMF Annual Meetings and "Beyond Parametric Insurance" event held for Caribbean and Central American governments, Washington DC, USA
- Caribbean Water and Wastewater Association (CWWA) 28th Annual Conference 2019, St. Kitts & Nevis
- 9th Special Meeting of the CRFM Ministerial Council and the 2nd Joint CRFM-OSPESCA (Central American Fisheries and Aquaculture Organization), Belize
- ACS DRM Committee meeting, Trinidad & Tobago
- CDEMA and World Food Programme's Shock-Responsive Social Protection in the Caribbean Regional Symposium, Turks & Caicos Islands
- Caribbean WaterNet Training Workshop on Hydro-Climatic Disasters, The Bahamas (online)
- Risk Transfer Forum, Mexico
- Workshop on Strategies and Instruments to Strengthen Fiscal Resilience after Disasters, hosted by the Ministry of Finance, Panama
- 18th Meeting of the Caribbean Fisheries Forum, hosted by CRFM (online)
- Scholarship Webinar hosted by Jamaica's Ministry of Education, Youth and Information (online)
- 21st Annual convening of the SMART Caribbean Conference hosted by The Institute of Caribbean Studies, Washington DC, USA

Isaac Anthony, CCRIF CEO; Seynabou Sakho, World Bank Country Director for Central America; and Dr. Michael Spranger, CCRIF CRMO at Understanding Risk Centroamérica, held in Costa Rica

CCRIF CEO, Isaac Anthony, with the panelists of the CCRIF technical session "Disaster Risk Financing, Parametric Insurance and Sustainable Development", at Understanding Risk Centroamérica, held in Costa Rica

CCRIF management and team with colleagues from the World Bank at Understanding Risk Centroamérica, held in Costa Rica

CCRIF CEO, Isaac Anthony, shares lens time with L-R: Humberto Lopez, Regional Vice President (acting) for Latin America and the Caribbean at the World Bank; Claudia Herrera, Executive Secretary CEPREDENAC; Vinicio Cerezo, Secretary General, SICA and former president of Guatemala; and Martin Portillo, Executive Secretary, COSEFIN at the World Bank Annual Meetings and following the "Beyond Parametric Insurance" Session

CCRIF CEO, Isaac Anthony, shares time with Tahseen Sayed, Country Director for Caribbean Countries at the WB; Cointha Thomas, Permanent Secretary in the Ministry of Finance, Economic Growth, Job Creation and External Affairs, Saint Lucia; Ming Zhang, Practice Manager at the World Bank for Urban Development and Disaster Risk Management in LAC at the World Bank Annual Meetings and following the "Beyond Parametric Insurance" Session

Capacity Building and Training in Disaster Risk Financing and Parametric Insurance

Contribution to Strategic Objectives

SO2	Resilience
SO5	Member Relations and Engagement

Participants from the Government of Jamaica that attended the 3-day course "Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy", with members of the CCRIF training team

CCRIF routinely provides training for its member governments and other stakeholders in areas related to disaster risk financing and parametric insurance in particular. Its flagship course "Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy", is delivered to member governments over a 3-day period to enhance their understanding of the linkages between disaster financing and comprehensive disaster risk management, and introduce the various tools of disaster risk financing and parametric insurance with specific emphasis on the CCRIF parametric insurance models and how they work. The course was revised in 2019 to include information on the new CCRIF SPHERA and XSR models as well as the COAST model and product. The revised course was delivered to the governments of Grenada, Jamaica and Saint Lucia, as well as at a 3-day training workshop for Central American governments. Other organizations and individuals benefitted from a truncated version of the course, including participants who attended the CCRIF 1-day professional development session at the 11th Caribbean Conference on Comprehensive Disaster Management, held December 2019 in Sint Maarten as well as persons that attended a webinar on Understanding Disaster Risk Financing within CARICAD's webinar series among others.

10 Training Sessions

300 Participants

During policy year 2019/20

Participants at the 3-day training workshop, titled "Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy" for Central American countries during November 2019 in Mexico City. The workshop was hosted in collaboration with the Executive Secretariats of the Council of Ministers of Finance of Central America, Panama and the Dominican Republic (SE-COSEFIN); the Coordination Center for the Prevention of Disasters in Central America (SE-CEPREDENAC) and the Regional Committee on Hydraulic Resources (SE-CRRH); and the World Bank. This was CCRIF's first regional workshop for COSEFIN member countries and the Facility welcomed almost 40 representatives with expertise in areas such as finance, economic and development planning, disaster risk management, meteorology, and seismology from the three CCRIF members – Nicaragua, Panama and Guatemala – as well as El Salvador, Costa Rica, Honduras and the Dominican Republic. The workshop was funded by the World Bank through the Central America and Caribbean Catastrophe Risk Insurance Project. Also in the photo are CCRIF CEO, Mr. Isaac Anthony; CEPREDENAC Executive Secretary, Ms. Claudia Herrera; CCRIF Chief Risk Management Officer, Dr. Michael Spranger, and other members of the CCRIF team, officials from the World Bank, SE-COSEFIN, SE-CEPREDENAC and SE-CRRH.

Institutionalization of CCRIF Flagship Course at The UWI

CCRIF's flagship course *"Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy"*, was approved for delivery at The University of the West Indies (UWI) during the policy year and has been slightly adapted and renamed *"Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)"*. The course is a 40-contact-hour course, which focuses in large measure on enhancing the understanding and use of tools used in disaster risk financing and the important role these tools play in advancing debt and fiscal sustainability of countries.

The course also explores the rationale for countries to have in place disaster risk financing policies and strategies and how these can be developed to complement countries' comprehensive disaster risk management policies. It also introduces CCRIF SPC as the Caribbean region's main disaster risk financing facility for parametric insurance and how parametric insurance and the models underpinning it work. Additionally, the course examines the range of ex-ante and ex-post disaster risk financing instruments and how these work alongside each other. The linkages between shock responsive social protection and disaster risk financing within the context of vulnerable populations also are explored. The course will be offered through Open Campus starting in academic year 2020/21.

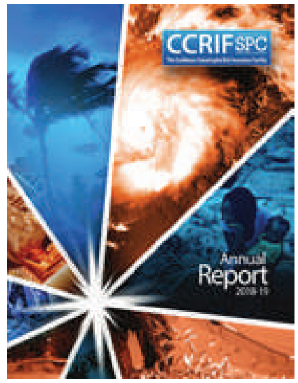
Communications, Publications and Media Relations...

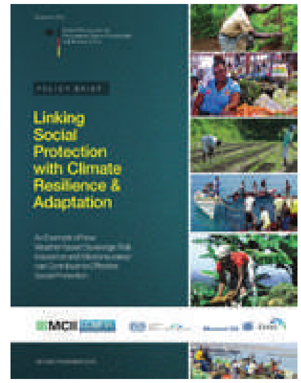
Key Tools of Member Engagement and for Sharing the CCRIF Story

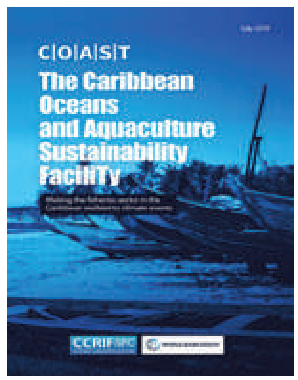
Contribution to Strategic Objectives

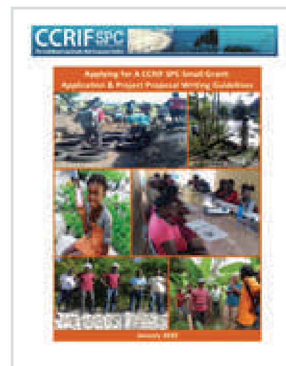
SO2	Resilience
SO5	Member Relations and Engagement

CCRIF regularly publishes and disseminates publications in English and Spanish to its stakeholders to facilitate better understanding of CCRIF and its products and services as well as issues related to parametric insurance, disaster risk financing, disaster risk management, social protection, climate change adaptation, and sustainable development. These publications are sent directly to members and stakeholders, shared at regional and international conferences and meetings, and are always available on the CCRIF website.









During the 2019/20 policy year, CCRIF produced approximately 20 publications in both English and Spanish including:

- 6 issues of its online newsletter, CCRIF E-News
- Annual Report 2018-19
- Booklet on the Caribbean Oceans and Aquaculture Sustainability FaciliTy (COAST)
- Policy Brief: Linking Social Protection with Climate Resilience and Adaptation
- CCRIF Small Grants Programme Toolkit: Applying for a CCRIF SPC Small Grant - Application and Project Proposal Writing Guidelines
- Brief: CCRIF Support to the University of the West Indies 2010-2019

- Two assessments prepared for COAST: An Assessment of St. Lucia's Fisheries Sector and An Assessment of Grenada's Fisheries Sector

- CCRIF Training Manual titled *"Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy"* for 3 member countries: Saint Lucia, Grenada, and Jamaica

- An episode on Caribbean Watch about hurricanes and how CCRIF and other organizations contribute to different aspects of the equation: disaster preparedness = disaster risk mitigation + ecosystem management + disaster risk financing and risk transfer + social protection strategies. This segment of the series showcased CCRIF and parametric insurance and the role that CCRIF is playing in the region towards closing the protection gap. The series aired in October 2019 on CaribVision, the cable channel of the Caribbean Media Corporation and over 22 other cable stations across the Caribbean.

Dr. the Hon. Nigel Clarke, Minister of Finance and the Public Service, Jamaica receives a copy of CCRIF Strategic Plan 2018-2021 and the publication "CCRIF SPC Support for Disaster Risk Management in the Caribbean Region" from Elizabeth Emanuel, CCRIF Technical Assistance Manager and CCRIF Corporate Communications Manager while CCRIF Director, Saundra Bailey looks on

CCRIF also makes extensive use of social media platforms and encourages stakeholder engagement via these platforms.

Engage with us

CCRIF's website is a key medium for sharing information with stakeholders. In early 2020, CCRIF revamped the website to increase user access and interaction.

Media Relations... CCRIF in the News

Over the past year, CCRIF received significant press coverage and positive exposure in the region and internationally (including, increasingly, the mainstream international financial press as well as the London-based insurance press). CCRIF

also issues press releases to the regional and international press. During policy year 2019/20 CCRIF issued 13 press releases.

Several media houses and organizations make mention of CCRIF in their publications and own news releases. Over 300 articles referenced CCRIF over the policy year, on a range of subject matters related to disaster risk financing as well as CCRIF's core work. Some topics that were prevalent included:

- CCRIF payout to The Bahamas after TC Dorian
- CCRIF policy renewals and increased coverage
- Fisheries insurance for the Caribbean
- CCRIF monitoring tool - WeMAp
- CCRIF as a model of parametric insurance that works
- Role of parametric insurance in disaster risk management

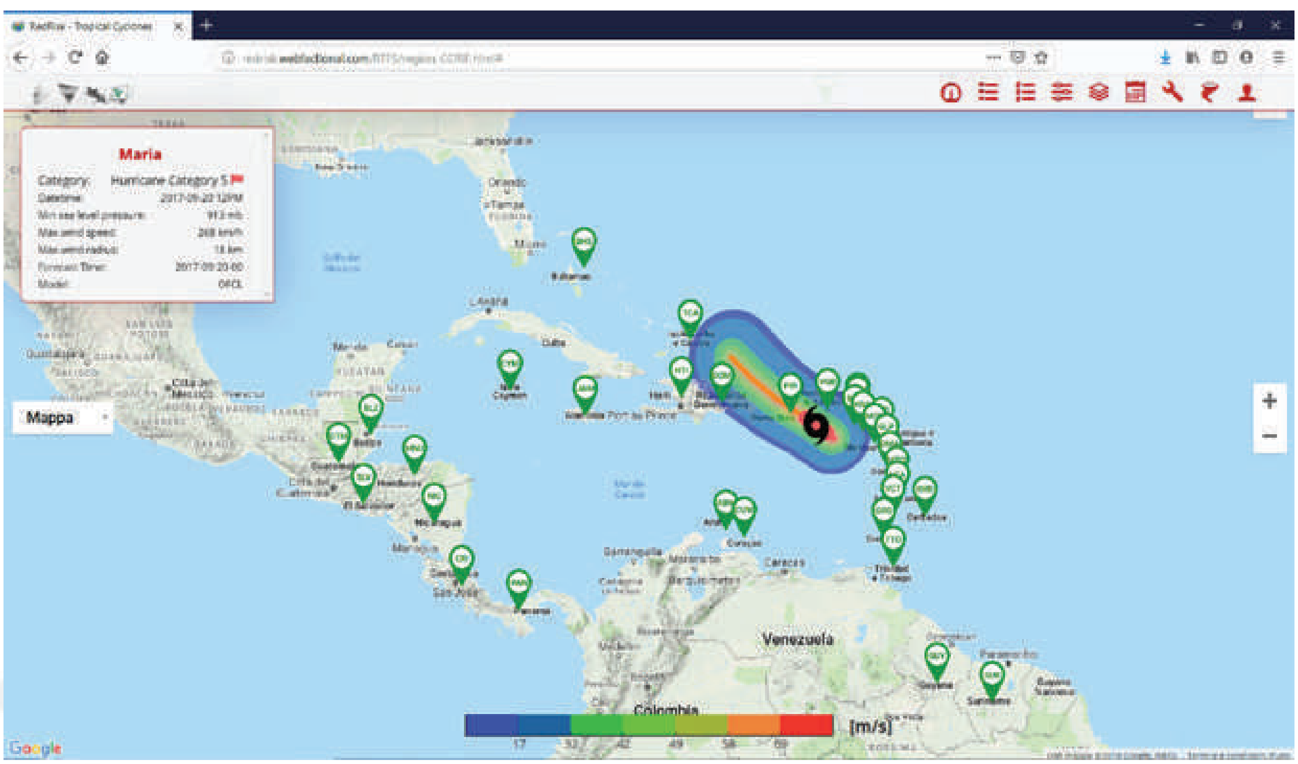
Launch of WeMAp

Contribution to Strategic Objectives

SO2	**Resilience**
SO5	**Member Relations and Engagement**

CCRIF launched its new Web Monitoring Application (WeMAp) tool in July 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 impac, as well as check whether an active insurance policy with CCRIF is likely to be triggered. The tool also incorporates an updated Real-Time Forecasting System (RTFS), previously provided by CCRIF. The tool is available to all member governments and other key stakeholders in the Caribbean and Central America at no cost.

While all hurricane weather sites provide information to the user in terms of where a storm is heading and how strong it is likely to be, the RTFS tells the user what it is likely to do when it gets there - in terms of: wind speed over land and storm surge along the coast, number



of people that are likely to be affected by wind speed category and expected general damage levels. Knowledge of a storm's expected impacts helps with effective preparedness and response, aiding with evacuation decision making, planning for pre-positioning of equipment and supplies, activation of mutual assistance arrangements and asset management.

The RTFS seamlessly integrates advanced numerical modelling (it is based on the SPHERA model that underpins the CCRIF insurance policy for Tropical Cyclone), global data collection, statistical analysis and geographic information system technology to address a wide variety of issues of concern to both government and private sector agencies. This includes the provision of useful information such as real-time impact estimates and site-specific risk and loss assessments using all available historical storm information.

The main users of WeMAp include disaster and emergency managers and meteorological officers. The outputs are of greatest benefit to governmental and non-governmental agencies involved in natural hazard risk management. Emergency managers can use the information as triggers for preparedness and alert procedures. Outputs from WeMAp can be used to produce reports, maps and other guidance documents in support of emergency management. These can in turn be provided to other stakeholders to aid their decision-making processes. There are over 300 registered users of WeMAp. With the introduction of the tool, CCRIF also offered training to member governments to enable them to effectively use it.

At Understanding Risk 2020 Centroamérica held in Costa Rica in February 2020, CCRIF sponsored a mini lab to showcase, demonstrate and build capacity to use WeMAp.

Building Resilience

Support to the Disaster Risk Management and Climate Change Adaptation Agenda

CCRIF Scholarship and Professional Development Programmes

Regional Knowledge Building

Support for Local Disaster Risk Reduction Initiatives

BUILDING RESILIENCE...

Contribution to Strategic Objectives

SO2	Resilience
SO5	Member Relations and Engagement

CCRIF deems as part of its role enhancing capacity for disaster risk management and climate change adaptation among its members and 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. As such, CCRIF supports its members in the development and implementation of strategies for disaster risk management and adaptation to climate change, towards reducing vulnerabilities and building resilience.

To advance resilience building, CCRIF provides support to member countries, regional organizations, non-governmental organizations and academic institutions to develop and implement disaster risk management and climate change adaptation projects and programmes and also implements capacity building initiatives. Since the launch of its Technical Assistance (TA) Programme in 2010, CCRIF has provided almost US$4 million to support disaster risk management efforts in the region. CCRIF support builds on existing mechanisms, tools and capacities and the work already being undertaken by other institutions. To ensure this, the Facility develops and implements programmes in collaboration with other regional organizations through partnerships and the establishment of memoranda of understanding (MOUs) and the execution of work plans to support the achievement of the objectives stated in the MOUs.

Building a cadre of professionals in the areas of disaster risk management and financing is key to the region's sustainability and to this end CCRIF continues to ensure that its scholarship and internship programmes attract dynamic and focused individuals who are keenly interested in nation building.

The TA Programme consists of three components as follows:

COMPONENT 1	COMPONENT 2	COMPONENT 3
Scholarship/Professional Development Programme	Regional Knowledge Building	Support for Local Disaster Risk Reduction Initiatives

Through the TA Programme, CCRIF commits to fostering partnerships with key stakeholders, including local, regional and international organizations as well as regulators, members, donors, risk pooling facilities, and other key stakeholders to advance common goals related to resilience and sustainability.

CCRIF Scholarship and Professional Development Programmes

CCRIF Scholarship Programmes

CCRIF CEO, Isaac Anthony and members of CCRIF management and team meet with UWI Mona undergraduate scholarship winners and officials of The UWI

For policy year 2019/20, CCRIF provided 13 scholarships totalling US$155,000 to Caribbean nationals – comprising 2 scholarships for study in the United Kingdom, 8 undergraduate scholarships to UWI students though the CCRIF-UWI undergraduate scholarship programme, 2 postgraduate scholarships to UWI students though the CCRIF-UWI postgraduate scholarship programme and 1 special scholarship to an OECS staff member for online study at Leicester University in the UK.

Ms. Herona Thompson from Jamaica and Mr. Jefferson Jaikissoon from Guyana were the recipients of the CCRIF extra-regional scholarships valued at US$40,000 each for pursuing Master of Science degrees at the University of Leeds – Ms. Thompson in Engineering Geology and Mr. Jaikissoon in Climate Change and Environmental Policy.

CCRIF Scholarship winner, Herona Thompson (centre), being congratulated by Saundra Bailey, CCRIF board member (1st left) and Dr. the Hon. Nigel Clarke, Minister of Finance and the Public Service Jamaica (3rd left) and other members of the CCRIF team, her parents and Brian Richardson (right), of the Petroleum Corporation of Jamaica

TESTIMONIAL

On the CCRIF Scholarship Programme

"I wish to express my sincerest gratitude to CCRIF SPC for providing me with the opportunity to pursue studies at King's College London. This experience has greatly impacted my career trajectory. The company's emphasis on human resource development is evidence of its unwavering commitment to contribute to the resilience and sustainable development of the Caribbean region. I look forward to using the training I have received to contribute to the transformation of the disaster risk management landscape in the region. In so doing, I believe that CCRIF SPC's investment in me will yield significant returns in the years ahead."

- Cristal Benjamin, CCRIF scholarship recipient from Trinidad and Tobago, who completed an MA degree in Disasters, Adaptation and Development at King's College London in September 2019

CCRIF Regional Internship Programme

Under its Regional Internship Programme for 2019, CCRIF arranged internships for 18 young university graduates from 8 Caribbean countries at 12 national or regional host organizations to enable them to gain experience and assist these organizations to move forward with achieving their mandates. CCRIF provided approximately US$51,000 to the programme in 2019, which was used to pay stipends to interns for their 2-month internship, as well as airfare and accommodation.

CCRIF's Regional Internship Programme provides opportunities for students who have completed at least a bachelor's degree in the area of disaster risk management, environmental management, actuarial science, geography, climate studies or other related areas to be assigned to national and regional organizations where their knowledge and skills can be enhanced through practical work assignments. The programme is welcomed by the host organizations – in many cases, these organizations have been able to complete tasks that may have long been left unfinished with the availability of these bright, young interns.

Host organizations in 2019 included national disaster management and meteorology agencies, as well as regional entities including the Caribbean Disaster Emergency Management Agency (CDEMA), Caribbean Institute for Meteorology and Hydrology (CIMH), Caribbean Regional Fisheries Mechanism (CRFM), Caribbean Meteorological Organization (CMO), and Association of Caribbean States (ACS) among others. The 2019 cohort brought to 103 the total number of internships implemented since the programme was launched in 2015. Over the period 2015 to 2019 CCRIF invested US$320,000 in the programme.

The 2019 cohort worked on a range of areas and undertook assignments such as:

- Impact Assessment of Climate Change on the Sandy Shorelines of the Caribbean
- Barbados CDM Country Work Programme Implementation
- Re-organisation of the static GIS layers on the Caribbean Dewetra Platform
- Model comparisons on rainfall estimates
- **Numerical Weather Prediction Verification Project**
- **Caribbean Risk Information System (CRIS) platform**
- **Review of the Earthquake and Volcanic Hazard Annex to the Regional Coordination Plan**
- **Severe Weather Forecast Demonstration Project**
- **Study on Ocean Acidification**
- **Improving Disaster Preparedness and Risk Management for fisheries**
- **Economic valuation of fisheries and agriculture infrastructure**
- **Assessing cooling degree-days in Trinidad and Tobago and impact on energy**
- **Examining the costs of the October 2018 flood in Trinidad and Tobago**
- **Mangrove Forest Baseline Studies for Conservation and Rehabilitation**
- **An assessment of linkages between climate change and poverty in the fisheries sector**
- **Characteristics of future atmospheric and oceanic conditions over the Atlantic Main Development Region**
- **Examine role that quarries and land use change plays in the transport of water through streams**
- **Volcanic Hazard Assessment of Soufrière Hills Volcano**

TESTIMONIAL

On the CCRIF Regional Internship Programme

"The CCRIF interns increased productivity at the Meteorological Services Division at no extra labour cost and increased the Meteorological Services Division's ability to undertake value-added projects which might not have otherwise been done, given the current staffing situation. It brought innovative perspectives as well as specialized strengths and skill sets that were different from the status quo and made a real contribution that advanced the Division's work programme. The CCRIF internship programme is helping with closing the skills gap among regional graduates by providing them with real-world experience and at the same time developing future employees who are ready to hit the ground running when they start working."

- Kenneth Kerr, Senior Climatologist and supervisor of two CCRIF interns in 2019 at the Trinidad and Tobago Meteorological Services

TESTIMONIAL

On the CCRIF Regional Internship Programme

"Interning at CDEMA opened my eyes to the importance of multiculturalism and public-private sector and civil society partnerships. I had the opportunity to participate in real world experience and put into practice my graduate training in climate change adaptation and disaster risk reduction. I look forward to applying the new skill set that I have gained to my professional career as a climate scientist."

- Jamella Chesney – intern at Caribbean Disaster Emergency Management Agency

TESTIMONIAL

On the CCRIF Regional Internship Programme

"I was pushed to exercise new research skills and work with large datasets. Additionally, it exposed me to the nature of the research process, and called for interpersonal skills and professional communication. In those opportunities I believe I felt significant development which will stay with me throughout my career. The experience of living and working away from home also provided an opportunity for growth. I was exposed to a new culture, and through field work, got to travel around the island."

- Daniel Perriera – intern at Caribbean Regional Fisheries Mechanism

Regional Knowledge Building

CCRIF continues to develop and strengthen partnerships with key organizations to implement programmes that focus on disaster risk management, climate change adaptation, and building capacity and knowledge about these issues. CCRIF signs memoranda with these organizations, which are underpinned by short-term work plans, many of which are funded by CCRIF. During the 2019/20 policy year, CCRIF signed two new MOUs - with the Caribbean Centre for Development Administration (CARICAD) and the Adrienne Arsht-Rockefeller Foundation Resilience Center (AARFRC) and entered into two new agreements with CEPREDENAC and CRRH – with the formal MOUs to be signed in the next policy year. The international and local restrictions on travel due to the COVID-19 pandemic affected the implementation of many work plans underpinning MOUs during the last quarter of the 2019/20 policy year – as well as plans for the 2020/21 policy year.

CCRIF has MOUs with 10 organizations:

Adrienne Arsht-Rockefeller Foundation Resilience Center - AARFRC
Association of Caribbean States - ACS
Caribbean Centre for Development Administration - CARICAD
Caribbean Community Climate Change Centre - CCCCC
Caribbean Disaster Emergency Management Agency - CDEMA
Caribbean Institute for Meteorology and Hydrology - CIMH
Caribbean Regional Fisheries Mechanism - CRFM
Organisation of Eastern Caribbean States - OECS
The University of the West Indies - The UWI
United Nations Economic Commission for Latin America and the Caribbean - UNECLAC

Synopsis of Initiatives Undertaken through MOUs 2019/20

NEW!

Adrienne Arsht-Rockefeller Foundation Resilience Center – AARFRC

In January 2020, CCRIF signed an MOU with the Atlantic Council's Adrienne Arsht-Rockefeller Foundation Resilience Center. The key initiatives that will be pursued under the MOU include among others:

- Enhancing risk literacy of senior influencers in CCRIF member countries
- Building a cooler cities finance facility to address extreme heat in five global cities initially, then scale up to other areas
- Identifying and communicating proven risk reduction interventions
- Developing innovative risk transfer products including new migration and hybrid primary insurance products

In December 2019, CCRIF CEO, Isaac Anthony participated in the AARFRC's Convening to Address Extreme Heat in Cities in Bellagio, Italy, which gave focus to galvanizing a global strategy to execute the "Cooler Cities Action Initiative" to address extreme heat in cities. According to the Center, extreme heat is one of the deadliest global hazards, creating an unprecedented public health emergency and profound economic disruptions and will continue to threaten the lives and health of vulnerable populations and is expected to have cascading impacts in other areas/sectors of society. The convening was designed to bring key stakeholders and partners together as well as technical experts from the nascent Cooler Cities Action Initiative to build out a risk and finance facility to address extreme heat.

Association of Caribbean States – ACS

CCRIF delivered a one-day workshop to the ACS in February 2020. This workshop was specially adapted from the CCRIF course "Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy". Participants of the workshop included technical officers from the three directorates that make up the ACS Secretariat: Disaster Risk Reduction, Environment and the Caribbean Sea; Trade and Sustainable Development; and Cooperation and Resource Mobilization. Two other development partners also participated – the Caribbean Meteorological Organization and UNECLAC.

CCRIF is regularly invited to participate in meetings of the ACS Special Committee for Disaster Risk Reduction. CCRIF's Chief Risk Management Officer, Dr. Michael Spranger participated in the 27th Meeting of the Committee on June 14 2019 in Port-of-Spain, Trinidad. His presentation introduced CCRIF's current and new products for Caribbean and Central American members as well as the models and country risk profiles that underpin these products.

NEW!

Caribbean Centre for Development Administration – CARICAD

In July 2019, CCRIF and the Caribbean Centre for Development Administration signed a memorandum of understanding to promote and facilitate comprehensive risk management within the Caribbean region. Specifically, the MOU will lead to:

- Collaboration on regional studies towards improving the quality of the public service in member countries
- Improved technical capacity of public officers
- Implementation of capacity development initiatives for leaders and officers in the public sector
  Enhanced public sector governance
- Peer-to-peer exchange of knowledge, expertise and best practices related to risk management in public administration

CCRIF delivered a webinar on Understanding Disaster Risk Financing within CARICAD's webinar series on April 28 2020. Approximately 70 persons participated, from the public service throughout the Caribbean.

Caribbean Community Climate Change Centre – CCCCC

Under the CCRIF-funded workplan of the MOU, CCCCC completed the initial revision of the Regional Strategic Framework for Achieving Development Resilient to Climate Change to ensure that it responds appropriately to the Paris Agreement from COP 21 while addressing Caribbean priorities. Given the issues highlighted by the COVID-19 pandemic, the framework is being further revised to address the impacts of other risks such as pandemics.

Caribbean Disaster Emergency Management Agency – CDEMA

A cross section of participants at the CCRIF-CRAIC II Professional Development Session at the Caribbean CDM Conference

CCRIF provided sponsorship of US$24,000 to CDEMA for the 11th Caribbean Conference on Comprehensive Disaster Management (CDM) held between December 2 and 6 2019 in Sint Maarten. The conference was tilted *"The Road to Resilience Checkpoint 2019: Safeguarding our Communities, Livelihoods and Economies"*. CCRIF has sponsored this conference since 2009 under the MOU. CCRIF's participation in 2019 included:

- Hosting – in collaboration with the CRAIC II Project and officials from MCII – a one-day professional development session on disaster risk financing and CCRIF's products and services as well as microinsurance and the linkages between social protection and climate risk insurance – over 55 persons attended this session
- Participating on a panel titled "Strengthening Capacities for Safeguarding our Communities, Livelihoods and Communities" – this panel and presentation showcased CCRIF's contribution to disaster risk management with a strong focus on CCRIF's Technical Assistance Programme and the Small Grants Programme in particular
- Sponsorship of and delivery of remarks at the High-Level Ministerial Session: Safeguarding communities, livelihoods and economies on the road to recovery
- Participating in the conference exhibition and hosting a booth display

Caribbean Institute for Meteorology and Hydrology – CIMH

Work under the MOU and funded work plan during the 2019/20 policy year focused on two areas: analysis of the regional rainfall data work and improvement of the Caribbean Dewetra Platform. CIMH, based on the request of CCRIF, commenced a regional rainfall data network situation and gap analysis, which is examining the rainfall monitoring network for each CCRIF member country to determine the optimal level of coverage. The analysis is taking into account upcoming investments by externally funded-projects and analyzing the requirements for sustainability of the regional network. The findings of this analysis will be used to identify appropriate activities for targeted investments by CCRIF, which will be aimed at strengthening the observation networks used to identify and characterize extreme wind, rainfall, streamflow and drought events.

Caribbean Regional Fisheries Mechanism – CRFM

One of CRFM's key activities under the CCRIF-CRFM MOU is to promote the COAST insurance product and climate-resilient fishing, fish farming and resource management practices throughout CRFM Member States. CRFM invited CCRIF and the World Bank to participate in two meetings during the policy year to raise awareness about COAST:

- 9th Special Meeting of the CRFM Ministerial Council and the 2nd Joint CRFM-OSPESCA (Central American Fisheries and Aquaculture Organization) Meeting held in October 2019

- 18th Meeting of the Caribbean Fisheries Forum, held online in May 2020

The University of the West Indies – The UWI

CCRIF CEO, Isaac Anthony (2nd right) and CCRIF TA Manager Elizabeth Emanuel (2nd left) meet with The UWI Registrar Dr. Maurice Smith (right) and previous UWI Registrar, William Iton (left) at UWI Regional Headquarters where CCRIF met to discuss with UWI the new MOU between the two organizations. CCRIF and The UWI signed their first MOU in 2010.

CCRIF and The UWI signed a new MOU in 2020 which focuses on the areas of disaster risk management, including modelling and disaster risk financing, climate change adaptation and research and capacity building towards creating a cadre of individuals who can effectively support the development priorities of countries in the region. This MOU expands on a previous MOU arrangement between 2010 and 2019 which outlined the framework for the administration and management of the CCRIF-UWI Scholarship Programme.

Under the new MOU, both institutions will engage in activities in areas including, among others:

- The CCRIF Technical Assistance Programme which includes the CCRIF-UWI Scholarship Programme, CCRIF Scholarship Programme, CCRIF Regional Internship Programme and the CCRIF Small Grants Programme

- The institutionalization of CCRIF's flagship training programme titled "Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy"

- Sharing of data and research by both entities to further advance the work in disaster risk management, disaster risk financing and climate change adaptation.

Arrangements were finalized to institutionalize CCRIF's flagship course which was renamed "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)". The course will be delivered online through UWI Open Campus in the 2020/21 academic year and scholarships will be provided to students who enrol in the course.

United Nations Economic Commission for Latin America and the Caribbean – UNECLAC

CCRIF CEO, Mr. Isaac Anthony, presents the 2018/19 CCRIF Annual Report and the 2018 – 2021 Strategic Plan to the Head of UN-ECLAC, Ms. Diane Quarless following a meeting of the CCRIF and ECLAC teams in Port-of-Spain in January 2020.

The CCRIF CEO and team met in February 2020 with the Head of UNECLAC, Ms. Diane Quarless and members of her technical team in the Environment and Disaster Risk Reduction Division, including Officer-in-Charge, Ms. Artie Dubrie. The discussion centered around the memorandum of understanding between the two entities and the work plans underpinning the MOU. Special mention was made of the impact of the training of country officials in the DaLA (Damage and Loss Assessment) methodology, which was supported by CCRIF through the 2018/19 work plan. The Bahamas was one of the countries in which officials were trained in the DaLA methodology in 2018, and as such, officials in that country were able to support ECLAC in undertaking the DALAs following Hurricane Dorian. Both entities also discussed their new and emerging activities and areas of future partnership, including the development of a new work plan.

NEW!

Partnerships

Partnership with Central American Organizations – Coordination Center for the Prevention of Natural Disasters in Central America (CEPREDENAC) and Regional Committee on Hydraulic Resources (CRRH)

Signing the Letter of Intent between CCRIF SPC and CEPREDENAC are, from left, Isaac Anthony, CEO CCRIF SPC; Claudia Herrera, Executive Secretary, CEPREDENAC and Martin Portillo, Executive Secretary, COSEFIN

CCRIF entered into agreements with CEPREDENAC and CRRH to support Central American countries to build disaster resilience through better access to risk transfer instruments as well as to promote disaster risk reduction. At an event titled "CCRIF SPC: Beyond Parametric Insurance" during the Annual Meetings of the World Bank/IMF held in October 2019, the CCRIF CEO welcomed the new partnerships and signed a Letter of Intent with CEPREDENAC.

The first activity conducted within these partnerships was the delivery of the CCRIF training programme to Central American countries in November 2019 in Mexico City in collaboration with the Executive Secretariat of COSEFIN and the World Bank.

Support for Local Disaster Risk Reduction Initiatives

CCRIF Small Grants Programme

Launched in March 2015, the CCRIF Small Grants Programme provides financing for small disaster risk reduction projects in local communities by non-governmental organizations (NGOs), community-based organizations (CBOs), charity organizations and academic institutions across 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 one new grant of US$24,960 to the Caribbean Policy Development Centre (CPDC) for the project, "Strengthening the capacity of small farmers in the Eastern Caribbean to respond to the effects of natural disasters", which targets farmers in Dominica, Grenada and St. Vincent & the Grenadines. CCRIF funding will be used to prepare a training manual and support training workshops for farmers on disaster- and climate-resilient agriculture.

CCRIF administered five additional projects during policy 2019/20, two of which were completed during this period. Some activities could not be implemented as planned after March 2020 by grantees due to national restrictions imposed to curb the spread of COVID-19.

Completed Projects 2019/20

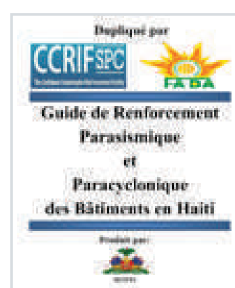
Reforestation project within eight watersheds in the lower North West Department – Groupe Encadré du Nord-Ouest (GAENO), Haiti

This project was an expansion of a similar initiative previously conducted in four other watersheds in the same Department. This area was severely affected during Hurricane Matthew in 2016 and reforestation of these watersheds was undertaken to increase resilience against future storms and rainfall.

Farmers and students planted over 20,000 seedlings within the eight target watersheds. To ensure the sustainability of the results, project leaders created plant nurseries in one community in each watershed, each with an NGO responsible for managing the nursery and a nursery manager. The project included training for farmers as well as teachers who taught their students how to plant the seedlings. The project illustrated to farmers, who were mostly illiterate, the impacts of climate on their livelihoods and the need to maintain tree cover. There are now “CCRIF” nurseries in 12 communities in northwest Haiti, which are well known and able to provide seedlings for further reforestation efforts. This will make it easier for schools and youth organizations to carry out reforestation activities throughout the department. Almost 17,000 persons benefitted from this project. GAENO produced a video to show how the nurseries were created and the benefits - and includes interviews with farmers and persons working in the nurseries.

Training and awareness raising about earthquake- and tropical cyclone-resilient construction – Fondation Amour de Dieu en Action (FADA), Haiti

FADA conducted training for construction workers and students from vocational schools on earthquake- and hurricane-resilient constuction techniques in November 2019. Participants aslo included maintenance personnel from churches in three targeted communities.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CCRIF SPC
FADA
Guide de Renforcement Parasismique et Paracyclonique des Bâtiments en Haïti
Produit par:

A total of 216 persons participated in the training. Some of these participants then conducted awareness raising activities with families on earthquake- and hurricane-resilient constuction, reaching 986 families in the three communities.

Ongoing Projects

Project to increase farmers' capacity to reduce the effects of climate change on farming in Toledo District – Humana People to People Belize (HPPB)

The project is being implemented in eight communities and includes training and providing farming inputs (e.g. seeds, seedlings, and equipment) for farmers as well as awareness raising among community members about climate-resilient farming. The project team conducted training on topics including the following: environmental protection practices; good crop and livestock production practices; quality seed production, storage and preservation; improved soil management; conservation agriculture; promotion of organic manure; farm management and analytical skills; record keeping and savings mobilization; soil testing; and marketing and agro-processing. Over 500 farmers have participated in this training. With agriculture identified in Belize as an essential service, farming and marketing activities using the new techniques have continued, even during the COVID-19 crisis, thus enabling these farmers to sustain and improve their livelihoods.

Conservation Agriculture for Climate Change Adaptation in the Caribbean – Department of Food Production, The University of the West Indies, St. Augustine

This project focuses on capacity development among farmers in climate-resilient agriculture practices and examining the influence of soil texture and water content on the effectiveness of seedling transplanters.

The role of quarries in flooding and water transmission under current and future climate change – Department of Geography, The University of the West Indies St. Augustine

Postgraduate student Nicola Mathura in the Maracas Valley study area, showing the quarry in the background

Nicola Mathura and Gina Sanguinetti Phillips at a water level measurement station in the "quarried stream"

This project examines the impact of hillside quarries on the relationship between rainfall and runoff in feeding streams within watersheds. The project is being conducted in the Acono watershed and the adjacent Don Juan River sub-basin, in which a limestone quarry is located and which drains into the larger Maracas watershed. The project compares the rainfall-runoff response between the naturally forested Acono River watershed and the "quarried" Don Juan watershed.

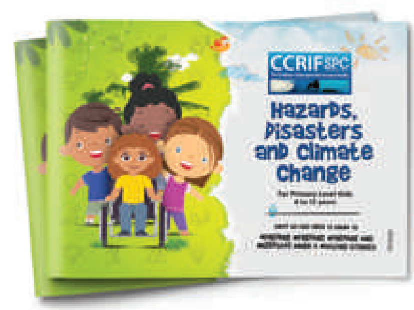
Project implementers gathered data on rainfall volume, stream depth and water quality, and soil water content to determine the impact of the quarry on these parameters. Analysis of the samples was delayed due to COVID-19 restrictions on access to the University and closure of the company conducting the analysis. Community members were involved as "citizen scientists", assisting with recording data for the project and monitoring stream water levels to inform their own activities, which is resulting in an increased commitment to environmental protection. Additional community engagement has been delayed due to the restrictions on community gatherings. In February 2020, CCRIF visited with the project team and was guided on a site visit.

CCRIF Partners with the Caribbean Development Bank's Community Disaster Risk Reduction Fund Project

Elizabeth Emanuel with workshop participants

CCRIF was invited by the Caribbean Development Bank to provide training on CCRIF's Small Grants Programme within its Community Disaster Risk Reduction Fund (CDRRF) project which is supported by the Government of Canada, the EU and national partners in four Caribbean countries (Belize, British Virgin Islands, Jamaica and St. Vincent & the Grenadines). In December 2020, CCRIF's Technical Assistance Manager, Elizabeth Emanuel facilitated a ½-day workshop on the CCRIF Small Grants Programme and proposal writing for community-based organizations from across Jamaica. Each participant was provided with a copy of the CCRIF Small Grants Toolkit: Applying for A CCRIF SPC Small Grant - Application and Project Proposal Writing Guidelines. This is a toolkit designed for NGOs and CBOs to enable them to prepare and submit project proposals to the CCRIF Small Grants Programme.

Disaster Risk Reduction (DRR) in Schools Project



As part of its Technical Assistance Programme, CCRIF has developed a "DRR in Schools" project, designed to provide support for disaster risk reduction activities in schools. The conceptualization of the project was based on demands from member governments to provide some level of support to students to enhance their understanding of disaster risk reduction. The project includes three components as follows:

(1) Formal education support for DRR education (formal education)

(2) School-based initiatives for DRR (non-formal and informal education)

(3) A DRR umbrella communication campaign

CCRIF will collaborate with regional and international partners on the implementation of the project. The Facility produced a fun and interactive booklet "Hazards, Disasters and Climate Change", *"for us kids to better understand natural hazards, disasters and climate change and our roles in preparing, keeping safe and sharing information with our friends, family and community".*

Audited Financial Statements

CCRIF SPC

Financial Statements
For the year ended May 31, 2020
(expressed in U.S. dollars)

CCRIF SPC

Financial Statements

For the year ended May 31, 2020

CONTENTS

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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 3 – 33 present fairly, in all material respects, the financial position of the General Portfolio of CCRIF SPC (the "Company") and each of Caribbean EQ/TC SP, Caribbean XSR SP, Loan Portfolio Cover SP, Central America SP and COAST SP (each a segregated portfolio of CCRIF SPC) (each portfolio, including the General Portfolio, hereinafter the "Portfolio") as at May 31, 2020, 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, 2020;
- the Statement of Operations for the year then ended;
- the Statement of Changes in 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 a summary of significant accounting policies.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises the Supplemental Information presented on pages 34 – 38 (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.

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Independent auditor's report (continued)

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.

Other matter

This report, including the opinion, has been prepared for and only for CCRIF SPC 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.

PricewaterhouseCoopers

October 15, 2020

CCRIF SPC

Balance Sheet

As at May 31, 2020

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP	Coast SP
ASSETS	$	$	$	$	$	$
Cash and cash equivalents (Note 4)	4,987,916	5,237,771	5,197,238	293,934	2,054,146	1,802,782
Investments, at fair value (Note 5)	42,662,392	52,879,414	21,825,697	5,392,831	7,496,076	-
Margin collateral for derivative instruments (Note 8)	37,088	289,549	140,988	19,690	17,436	-
Development costs (Note 15)	3,149,431	-	-	-	-	-
Accrued interest	318,583	509,697	190,146	50,209	65,394	-
Unrealized gains on futures contracts (Note 8)	35,237	286,659	129,273	35,237	28,113	-
Accrued income from Donor Funds (Note 6)	-	-	-	-	3,100,000	-
Due from Core (Note 16)					464,823	434,498
Due from Segregated Portfolios (Note 16)	1,809,346	12,785	-	-	-	-
Due from Public Utilities Cell	1,508	-	-	-	-	-
Premiums receivable	-	9,637	-	-	230,137	200,000
Prepaid expenses	11,013	-	-	-	-	-
Accrued claims recoverable from Reinsurer	-	-	-	-	528,013	-
Total assets	**53,012,514**	**59,225,512**	**27,483,342**	**5,791,901**	**13,984,138**	**2,437,280**
LIABILITIES AND SHAREHOLDER'S EQUITY						
Liabilities						
Claims payable on parametric insurance contracts	-	-	203,136	-	3,628,013	-
Accounts payable and accrued expenses (Note 12)	1,268,668	43,657	91,854	4,671	21,077	279
Due to Core	-	-	-	-	9,346	1,800,000
Due to Segregated Portfolios (Note 16)	899,321	-	12,785	-	-	-
Income from parametric insurance contracts received in advance	-	-	1,048,826	-	-	-
Total liabilities	2,167,989	43,657	1,356,601	4,671	3,658,436	1,800,279
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	50,724,525	16,681,855	1,126,741	787,230	10,325,701	637,001
Total shareholder's equity	50,844,525	59,181,855	26,126,741	5,787,230	10,325,702	637,001

The accompanying notes on pages 9 - 33 are an integral part of these financial statements.

CCRIF SPC

Balance Sheet ...*continued*

As at May 31, 2020

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP	Coast SP
	$	$	$	$	$	$
Total liabilities and shareholder's equity	53,012,514	59,225,512	27,483,342	5,791,901	13,984,138	2,437,280

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

Director — Date: October 15, 2020

Director — Date: October 15, 2020

CCRIF SPC

Statement of Operations

For the year ended May 31, 2020

(expressed in U.S. dollars)

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Operating income						
Income from parametric insurance contracts (Note 2)	-	28,264,800	10,713,031	-	3,030,137	200,000
Discounts awarded on parametric insurance contracts	-	(941,222)	-	-	-	-
Expenses on parametric reinsurance contracts (Note 2)	-	(13,853,347)	(4,275,051)	-	(1,444,982)	-
Net income on parametric contracts	-	13,470,231	6,437,980	-	1,585,155	200,000
Ceding commissions on parametric reinsurance contracts	-	1,385,335	374,665	-	128,997	-
Total operating income	-	14,855,566	6,812,645	-	1,714,152	200,000
Operating expenses						
Claims on parametric insurance contracts (Note 10)	-	11,878,556	1,863,121	-	3,628,013	-
Claims recovered under parametric reinsurance contracts (Note 10)	-	-	-	-	(528,013)	-
Brokerage and risk management specialist fees	586,211	204,197	115,048	-	62,780	-
Total operating expenses	586,211	12,082,753	1,978,169	-	3,162,780	-
Net operating income / (loss)	(586,211)	2,772,813	4,834,476	-	(1,448,628)	200,000
Other income and expenses						
Net investment income (Note 11)	2,269,371	2,404,601	729,035	248,734	108,440	38
Income from Donor Funds (Note 6)	-	-	-	-	4,540,140	-
Amortization of development costs (Note 15)	(472,627)	-	-	-	-	-
Technical assistance expenses	(489,114)	-	-	-	-	-
Income from services (Note 12)	-	-	-	-	-	584,850
Monies received from grant funds (Note 6)	338,696	-	-	-	-	-
Munich Climate Initiative (MCII)	29,212	-	-	-	-	-
Participation Fee Income (Note 7)	-	3,487,499	-	-	500,000	-
Segregated portfolio rental fees	2,465,000	(1,500,000)	(400,000)	-	(485,000)	(80,000)
Segregated portfolio sub-licence fee	415,667	(101,750)	(90,189)	-	(223,728)	-
Administrative expenses (Note 13)	(1,911,940)	(86,332)	(119,012)	(1,586)	(195,688)	(105,269)
Net income / (loss) for the year	**2,058,054**	**6,976,831**	**4,954,310**	**247,148**	**2,795,536**	**599,619**

The accompanying notes on pages 9 - 33 are an integral part of these financial statements.

CCRIF SPC

Statement of Changes in Shareholder's Equity

For the year ended May 31, 2020

(expressed in U.S. dollars)

	Share capital $	Non-voting redeemable preference shares $	Share premium $	Retained earnings $	Total $
Core					
Balance at May 31, 2019	1,000	-	119,000	48,666,471	48,786,471
Net income for the year	-	-	-	2,058,054	2,058,054
Balance at May 31, 2020	**1,000**	**-**	**119,999**	**50,724,525**	**50,844,525**
EQ/TC SP					
Balance at May 31, 2019	-	1	42,499,999	9,705,024	52,205,024
Net income for the year	-	-	-	6,976,831	6,976,831
Balance at May 31, 2020		**1**	**42,499,999**	**16,681,855**	**59,181,855**
XSR SP					
Balance at May 31, 2019	-	1	24,999,999	(3,827,569)	21,172,431
Net loss for the year	-	-	-	4,954,310	4,954,310
Balance at May 31, 2020	**-**	**1**	**24,999,999**	**1,126,741**	**26,126,741**
LPC SP					
Balance at May 31, 2019	-	1	4,999,999	540,082	5,540,082
Net income for the year	-	-	-	247,148	247,148
Balance at May 31, 2020		**1**	**4,999,999**	**787,230**	**5,787,230**
CA SP					
Balance at May 31, 2019	-	1	-	7,530,165	7,530,166
Net income for the year	-	-	-	2,795,536	2,795,536
Balance at May 31, 2020	**-**	**1**	**-**	**10,325,701**	**10,325,702**
Coast SP					
Balance at May 31, 2019	-	-	-	37,382	37,382
Net income for the year	-	-	-	599,619	599,619
Balance at May 31, 2020	**-**	**-**	**-**	**637,001**	**637,001**

The accompanying notes on pages 9 - 33 are an integral part of these financial statements.

CCRIF SPC

Statement of Cash Flows

For the year ended May 31, 2020

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP	Coast SP
	$	$	$	$	$	$
Operating activities						
Net income /(loss) for the year	2,058,054	6,976,831	4,954,310	247,148	2,795,536	599,619
Adjustments to reconcile net income/(loss) to net cash from operating activities:						
Adjustment for items not affecting cash:						
Change in fair value of investments	(276,758)	172,373	157,352	(35,497)	51,396	-
Net realized (gains)/losses on investments	(753,857)	(988,370)	(267,503)	(75,891)	(44,081)	-
Change in unrealized (gains)/losses on derivative investments	66,037	76,376	6,344	5,762	(28,113)	-
Amortisation of development cost	472,627	-	-	-	-	-
Trading securities:						
Purchase of securities and options	(27,612,001)	(30,998,573)	(15,798,367)	(2,396,367)	(5,884,798)	-
Proceeds from sale of securities and options	30,642,250	30,031,160	12,801,865	2,212,937	2,400,852	-
Change in derivatives margin collateral balance	(55,407)	(230,807)	(130,772)	(27,347)	(17,436)	-
Changes in assets and liabilities:						
Accrued interest	4,819	(51,673)	(9,072)	712	(33,421)	-
Amounts due from Donor Funds	-	-	-	-	(1,636,849)	-
Prepaid expenses	322	-	22,500	-	-	-
Claims payable on parametric insurance contracts	-	-	203,136	-	3,628,013	-
Accounts payable and accrued expenses	(602,025)	6,401	71,954	5	17,441	-
Income from parametric contracts in arrears	-	(9,638)	-	-	(230,137)	(200,000)
Due from Reinsurers	-	-	-	-	(528,013)	-
Income from parametric contracts received in advance	-	(4,773,284)	(1,178,350)	-	-	-
Participation fee deposits	-	(3,487,499)	-	-	-	-
Due from Donor	16,473	-	-	-	-	-
Due from Public Utility Cell	(1,508)	-	-	-	-	-
Due (from)/to Segregated Portfolio	(1,875,191)	(12,785)	12,785	-	-	-
Due (from)/to Core	-	965,166	-	-	(455,477)	1,365,502
Net cash provided by/(used in) operating activities	2,083,835	(2,324,322)	846,182	(68,538)	34,913	1,765,121
Investing activities						
Development costs	(268,000)	-	-	-	-	-
Net cash used in investing activities	(268,000)	-	-	-	-	-
Net change in cash and cash equivalents	1,815,835	(2,324,322)	846,182	(68,538)	34,913	1,765,121

The accompanying notes on pages 9 - 33 are an integral part of these financial statements.

CCRIF SPC

Statement of Cash Flows

For the year ended May 31, 2020

(expressed in U.S. dollars)

Cash and cash equivalents at the beginning of the year	3,172,081	7,562,093	4,351,056	362,472	2,019,233	37,661
Cash and cash equivalents at the end of year	4,987,916	5,237,771	5,197,238	293,934	2,054,146	1,802,782
Interest and dividends received	**1,414,255**	**1,561,100**	**604,903**	**146,464**	**114,600**	**38**

(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 Law 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 Mourant Governance Services (Cayman) Limited as 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 Caribbean and Central American countries ("Participating Countries").

As of May 31, 2020, 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.
- Loan Portfolio Cover SP ("LPC" or "LPC SP") – provides loan portfolio coverage to financial institutions in Caribbean countries. LPC had not provided coverage as at May 31, 2020.
- Central America SP ("CA SP") - provides earthquake, tropical cyclone and excess rainfall coverage to Central American governments.
- COAST SP ("COAST SP") – COAST SP will provide fisheries insurance coverage to Caribbean governments against the effects of tropical cyclones. COAST SP had not provided coverage as at May 31, 2020.

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 particular 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.

(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 Manuel: ("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 the occurrence of the specified events within the defined policy parameters.

For the 2019/20 policy period, the combined aggregate coverage limits for all Participating Countries in the EQ/TC were $436.2 million for tropical cyclone events and $388.9 million 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 2019/20 policy period:

- EQ/TC retains all losses up to $25 million. A further sub-layer of reinsurance covering the next $10 million of losses has been obtained from a quality reinsurer with an A.M. Best rating of A+, covering a three year period, such that from the second year of coverage, up to $10 million of losses are reinsured within this sub-layer.
- 100% of the next $167.5 million of losses are reinsured with quality reinsurers with an A.M. Best rating of at least B++.
- EQ/TC retains all subsequent losses above $192.5 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-555 year loss event.

For the 2019/20 policy period, the combined aggregate coverage limits for all Participating Countries in the XSR SP was $96.2 million.

XSR has ceded layers of this exposure to a commercial reinsurer. The following is a summary of the coverage in the program for the 2019/20 policy period:

- XSR retains all losses up to $7.7 million
- 100% of the next $36.5 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A.
- XSR retains all subsequent losses above $44.2 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-400 year loss event.

For the 2019/20 policy period, the combined aggregate coverage limits for all Participating Countries in the CA SP were $15.2 million for tropical cyclone events, $23 million for earthquake events, and $11.8 million 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 2019/20 policy period:

Earthquake and tropical cyclone coverage:

- CA SP retains all losses up to $1.5 million.
- 100% of the next $21 million of losses are reinsured with quality reinsurers with an A.M. Best rating of at least A.
- CA SP retains all subsequent losses above $22.5 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-108 year loss event.

(expressed in U.S. dollars)

2 Parametric contracts (continued)

Excess rainfall coverage:

- CA SP retains all losses up to $3.1 million
- 100% of the next $5.4 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A+.
- CA SP retains all subsequent losses above $8.5 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-1250 year loss event.

For the 2019/20 policy period, the combined aggregate coverage limits for all Participating Countries in the COAST SP were $0.4 million for adverse weather events and $1.2 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 2019/20 policy period.

Losses are determined in accordance with the formulae set out in the contracts and are recorded as an expense on occurrence of a covered event. At May 31, 2020, there were no unpaid losses.

LPC SP coverage has not yet commenced.

3 Significant accounting policies

These financial statements on pages 3-29 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.

Cash and cash equivalents: Cash and cash equivalents comprise of call accounts with banker and investment custodians. The total cash balance includes cash held in foreign currencies for the Core, EQ/TC SP, XSR SP, LPC SP and CA SP with costs of $90,946, $183,390, $140,193, $90,008, $58,111, and market values of $87,766, $181,111, $140,701, $88,456, $58,655, 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.

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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 the accruals 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 equal to the difference between the proceeds from (or cost of) the closing transaction and the basis in 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.

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 have 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).

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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.

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 consider 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 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 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 reimbursable or the conditions for drawdown under the grant agreements were incurred or met and such reimbursements or drawdowns are contractually receivable.

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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: Amounts 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, 2020, 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 insurance contracts, and are $1,591,675 in EQ/TC SP, $4,574,859 in XSR SP, $(1,514,845) in CA SP and $200,000 in COAST SP for the year ended May 31, 2020.

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.

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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. No receivables are due in more than 12 months. At May 31, 2020, no receivables were determined to be past due or impaired and, accordingly, no provision for doubtful collection has been established.

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.

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 which 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 is 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.

Other Income: Other income for services rendered are primarily derived from providing consultancy services (other than underwriting activities). Income related to consultancy services are generally recognized over the period that the corresponding service is rendered to customers.

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.

(expressed in U.S. dollars)

5 Investments

During the year, London and Capital and Butterfield Bank were engaged to provide asset management services under the terms of the related investment management agreements. London and Capital provided asset management services to the Core, as well as the following SPs, namely EQ/TC, XSR and LPC. Butterfield Bank provided asset management services only to the Core. The following tables summarize the investments that are measured at fair value at May 31, 2020, refer to Note 8 for additional disclosure over derivatives held at year end:

	Fair Value Measurements Determined Using:			
	Level 1 Inputs $	Level 2 Inputs $	Level 3 Inputs $	Total $
Core				
At May 31, 2020:				
Assets				
Exchange traded mutual funds	1,309,701			1,309,701
Equity investments				
- Communications	249,146			249,146
- Industrial	197,188			197,188
- Consumer, Non-cyclical	224,334			224,334
- Consumer, Cyclical	44,073			44,073
- Technology	292,847			292,847
- Energy	12,380			12,380
- Healthcare	60,193			60,193
- Financials	26,084			26,084
- Utilities	36,692			36,692
- Consumer Discretionary	109,162			109,162
- Consumer Staple	55,428			55,428
Corporate debt securities		37,230,664		37,230,664
Government sponsored debt securities		2,814,500		2,814,500
Total Assets	2,617,228	40,045,164		42,662,392
EQ/TC SP				
At May 31, 2020:				
Assets				
Equity investments				
- Financial	163,832			163,832
- Communications	968,658			968,658
- Industrial	802,429			802,429
- Consumer, cyclical	263,655			263,655
- Consumer, Non-cyclical	1,332,305			1,332,305
- Technology	472,949			472,949
- Utilities	218,318			218,318
Corporate debt securities		47,616,328		47,616,328
Government sponsored debt securities		1,040,940		1,040,940
Total Assets	4,222,146	48,657,268		52,879,414

(expressed in U.S. dollars)

5 Investments (continued)

	Fair Value Measurements Determined Using: Level 1 Inputs $	Level 2 Inputs $	Level 3 Inputs $	Total $
XSR SP				
At May 31, 2020:				
Assets				
Equity investments				
- Financial	62,223			62,223
- Communications	399,428			399,428
- Industrial	329,148			329,148
- Consumer, cylical	102,963			102,963
- Consumer, Non-cyclical	550,804			550,804
- Technology	205,567			205,567
- Utilities	90,354			90,354
Corporate debt securities		18,923,635		18,923,635
Government sponsored debt securities		1,161,575		1,161,575
Total Assets	1,740,487	20,085,210		21,825,697
LPC SP				
At May 31, 2020:				
Assets				
Equity investments				
- Financial	16,098			16,098
- Communications	101,052			101,052
- Industrial	83,097			83,097
- Consumer, cyclical	21,837			21,837
- Consumer, Non-cyclical	143,676			143,676
- Technology	49,967			49,967
- Utilities	22,933			22,933
Corporate debt securities		4,954,171		4,954,171
Total Assets	438,660	4,954,171		5,392,831
CA SP				
At May 31, 2020:				
Assets				
Equity investments				
- Financial	13,269			13,269
- Communications	85,015			85,015
- Industrial	67,110			67,110
- Consumer, cyclical	17,938			17,938
- Consumer, Non-cyclical	116,317			116,317
- Technology	42,353			42,353
- Utilities	19,263			19,263
Corporate debt securities		6,541,962		6,541,962
Government sponsored debt securities		592,849		592,849
Total Assets	361,265	7,134,811		7,496,076

There were no transfers between Levels 1, 2, or 3 during the year ended May 31, 2020.

(expressed in U.S. dollars)

5 Investments (continued)

The cost of investments for Core, EQ/TC, XSR, LPC and CA at May 31, 2020 is $42,234,248, $52,534,814, $21,827,978, $5,293,282 and $7,437,645, respectively.

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP
Percentage of debt securities issued by US counterparties	63%	51%	50%	60%	51%
Percentage of debt securities issued by UK counterparties	18%	23%	22%	19%	17%
Percentage of debt securities issued by counterparties based in other countries	19%	26%	28%	22%	32%

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP
Percentage of debt securities graded as A- or higher	51%	45%	45%	50%	44%
Percentage of debt securities graded as BBB- or higher but lower than A-	40%	35%	31%	38%	30%
Percentage of non-investment graded debt securities below BBB- or not rated	9%	20%	24%	12%	26%

The average maturity of fixed income securities as at May 31, 2020 is disclosed in the table below:

	Core	EQ/TC SP	XSR SP	LPC SP	CA SP
Average maturity	5.71 years	9.28 years	9.88 years	7.09 years	8.59 years

The above maturity disclosures do not include perpetual bonds held by the Core, EQ/TC SP, XSR SP, LPC SP and CA SP at May 31, 2020, which totalled 3.2%, 19.8%, 21.9%, 14.8% and 24.1% of the total fixed income investments respectively.

The company is exposed to foreign exchange risk on debt securities that corresponds to the jurisdiction of the issuing counterparties.

(expressed in U.S. dollars)

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 on behalf of CA SP (the "Recipient") as per CCRIF TF Grant No. TF0A0564. The grant is for US$19.5 million to CCRIF SPC for a Central America and Caribbean Catastrophe Risk Insurance Project (the "Project"). The Donor Funds finance Parametric Earthquake Risk Insurance and Parametric Climate Risk Insurance for CA SP Participating Countries. The Multi-Donor Trust Fund has a closing date of December 31, 2019, which was extended upon negotiations between the World Bank and the donors to the Multi-Donor Trust Fund to May 31, 2020 (Note 18). At the termination of the grant arrangement, the reimbursements will cease. Any unused funding at the date of termination will no longer be available to CA SP. Costs reimbursable under the grant agreement TF0A0564 include insurance payouts of CA SP, to the extent that such payouts are not covered by any reinsurance purchased by CA SP, reinsurance premiums and other certain operational expenses of CA SP agreed with the World Bank.

During the year ended May 31, 2020, $4,540,140 donor fund income relating to the World Bank project under CCRIF TF Grant No. TF0A0564 was recorded in the statement of operations in CA SP to finance reinsurance premium payments and claims payable on parametric insurance, of which $3,100,000 had been accrued but was undrawn at May 31, 2020 (Note 10). At May 31, 2020, $12,128,420 remained available from the Multi Donor Trust Fund to finance future reimbursable costs of CA SP during the remaining period of the arrangement.

Effective August 14, 2017, an agreement was entered into between the World Bank acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund, and CCRIF SPC on behalf of CA SP, EQ/TC SP and XSR SP as per CCRIF TF Grant No. TF0A5343. The grant is for US$23.75 million as additional financing for activities of CCRIF SPC to improve affordability of high quality sovereign catastrophe risk transfer associated with earthquakes and climate-related events for CCRIF Participating Countries. The Multi-Donor Trust Fund has a closing date of December 31, 2019, which was extended to May 31, 2020 upon negotiations between the World Bank and the donors to the Multi-Donor Trust Fund (Note 18). At the termination of the grant arrangement, the reimbursements will cease. Any unused funding at the date of termination will no longer be available to CA SP, EQ/TC SP and XSR SP. Amounts reimbursable under the grant agreement include; i) Participation fees, non-consulting services and insurance payments up to $21,750,000; and ii) consulting services and training costs up to $2,000,000.

During the year ended May 31, 2020, donor fund income under CCRIF TF Grant No. TF0A5343 relating to CA SP participation fees due by the Government of Guatemala, amounting to $500,000, were received. At May 31, 2020, $12,967,000 remained available from CCRIF TF Grant No. TF0A5343.

Unrestricted grant funds

Pursuant to a grant agreement dated December 15, 2017 between the Caribbean Development Bank (the "CDB") and CCRIF SPC, the CDB contributed $14,000,000 to assist in the provision of financial support to the operations of the Company to provide enhanced insurance coverage against tropical cyclones, earthquakes and excess rainfall. The grant was allocated 70% to EQ/TC SP and 30% to XSR SP. At May 31, 2020 the full amount of the grant had been received.

(expressed in U.S. dollars)

6 Donor Funds and Unrestricted grant funds (continued)

Ireland Grant

On January 14, 2019, the Caribbean Company entered into an agreement with the Minister for Foreign Affairs and Trade of Ireland, represented by the Development Cooperation Directorate of the Department of Foreign Affairs and Trade (Grantor/Irish Aid) the purpose of which is to provide CCRIF SPC with grant funding for Building Sustainability of the CCRIF model to 2030. The Grantor has contributed Eur $1,000,000 on December 21, 2018 to be utilised over a period of 18 months. The grant will be used for:

a. Technical consulting expertise to support marketing and uptake of new products (drought, agricultural drought, public utilities) and business development efforts (Eur $300,000) and

b. Funding as part of pool donor resources towards the development of a Public Utilities Product and Capitalization of a new Segregated Portfolio to house this product (Eur $700,000)

CCRIF's Caribbean member countries are expected to be the main beneficiaries to this project. Accounts payable and accrued expenses of the Core include $1,128,985 related to the advanced receipt of grant funding in respect of this project.

(expressed in U.S. dollars)

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. It is Management's intent that participation fee deposits are available to fund losses in the event that funds from retained earnings and reinsurers are insufficient. If deposits are used to fund losses, it is also Management's intent that any subsequent earnings will be used to reinstate the deposits to their original carrying value; however, for the period from inception to May 31, 2020, no deposit has been used to pay losses. Certain of the participation fees are refundable, without interest, in the event that the CCRIF SPC does not renew the coverage to participating countries. Participation fees are generally not refundable if a Participating Country leaves the program for more than one year in any five year period, and would be recognized as income at that point. Participating Countries, who leave the program resulting in participation fees being voided, may, at the discretion of the Directors, be required to repay participation fees if they want to rejoin the program subsequently. Further, participation fees deposits are partially refundable when a Participating Country's premium is reduced due to a reduction in coverage purchased, to the extent of the revised annual premiums. At May 31, 2020, there are no refundable participation fee deposits held on behalf of a Participating Country.

During the year ended May 31, 2020 the Board of Directors approved a non-refundable Participation Fee deposit with the Government of Guatemala (CA SP). If Guatemala chooses not to purchase an insurance Policy under the Insurance Programme for more than one year in any five year period, then Guatemala must pay a new Participation Fee in such amount as may be required by the Insurer at that time to be re-admitted to the Insurance Programme ("Re-admission") if it wishes to purchase an Insurance Policy. In the event of Re-admission the same provision shall apply in respect of subsequent periods (but shall not take account of any period prior to the date of Re-admission). The non-refundable participation fee of $500,000 was settled by drawing on the CCRIF TF Grant No. TF0A5343 (Note 6).

(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, 2020 (see Note 11).

	Gross realized gains $	Gross realized losses $	Net realized losses $	Change in unrealized gains $
Core				
Futures/options on fixed income securities	134,485	(124,361)	10,124	-
Foreign exchange futures contracts	188,438	(95,688)	92,750	(66,037)
Total	322,923	(220,049)	102,874	(66,037)
EQ/TC SP				
Futures/options on fixed income securities	669,651	(728,460)	(58,809)	-
Foreign exchange futures contracts	861,029	(466,615)	394,414	(76,376)
Total	1,530,680	(1,195,075)	335,605	(76,376)
XSR SP				
Futures/options on fixed income securities	271,597	(305,312)	(33,715)	-
Foreign exchange futures contracts	331,288	(192,114)	139,174	(6,344)
Total	165,907	(60,448)	105,459	(6,344)
LPC SP				
Futures/options on fixed income securities	43,409	(61,668)	(18,259)	-
Foreign exchange futures contracts	95,206	(47,513)	47,693	(5,762)
Total	138,615	(109,181)	29,434	(5,762)
CA SP				
Futures/options on fixed income securities	63,486	(80,610)	(17,124)	-
Foreign exchange futures contracts	4,460	(20,555)	(16,095)	28,113
Total	67,946	(101,165)	(33,219)	28,113

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, 2020, are reflective of the average positions held in currency futures and options contracts during the year. With respect to futures and option contracts, the maximum notional exposure at any one point in time during the year ended May 31, 2020 were (there was no options exposure during the year):

(expressed in U.S. dollars)

8 Derivative instruments (continued)

Core	Currency Futures Exposure: $2,216,602	Fixed Income Futures Exposure: $268,494
EQ/TC SP	Currency Futures Exposure: $9,677,577	Fixed Income Futures Exposure: $1,879,456
XSR SP	Currency Futures Exposure: $3,367,675	Fixed Income Futures Exposure: $423,741
LPC SP	Currency Futures Exposure: $642,947	Fixed Income Futures Exposure: $141,247
CA SP	Currency Futures Exposure: $824,066	Fixed Income Futures Exposure: $141,247

The following outstanding foreign exchange contracts were held as at May 31, 2020:

	Maturity date	Notional value $	Fair values $
Core			
United States Dollars future (bought US$ sold £)	June 15, 2020	(At future rate of US$1.23: £1)	21,268
United States dollars future (bought US$ sold €)	June 15, 2020	(At future rate of US$1.11: €1)	13,969
			35,237
EQ/TC SP			
United States Dollars future (bought US$ sold £)	June 15, 2020	(At future rate of US$1.23: £1)	177,236
United States dollars future (bought US$ sold €)	June 15, 2020	(At future rate of US$1.11: €1)	109,423
			286,659
XSR SP			
United States Dollars future (bought US$ sold £)	June 15, 2020	(At future rate of US$1.23: £1)	82,710
United States dollars future (bought US$ sold €)	June 15, 2020	(At future rate of US$1.11: €1)	46,563
			129,273
LPC SP			
United States Dollars future (bought US$ sold £)	June 15, 2020	(At future rate of US$1.23: £1)	21,268
United States dollars future (bought US$ sold €)	June 15, 2020	(At future rate of US$1.11: €1)	13,969
			35,237
CA SP			
United States Dollars future (bought US$ sold £)	June 15, 2020	(At future rate of US$1.23: £1)	11,816
United States dollars future (bought US$ sold €)	June 15, 2020	(At future rate of US$1.11: €1)	16,297
			28,113

No currency option contracts are open as at May 31, 2020.

(expressed in U.S. dollars)

8 Derivative instruments (continued)

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 on the gross amounts presented in the Balance Sheets:

As of May 31, 2020

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	RBS	35,237	-	35,237
EQ/TC SP	Currency Future	RBS	286,659	-	286,659
XSR SP	Currency Future	RBS	129,273	-	129,273
LPC SP	Currency Future	RBS	35,237	-	35,237
CA SP	Currency Future	RBS	28,113	-	28,113

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

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.

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
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	-	-
	120,000	**42,500,000**	**25,000,000**	**5,000,000**	**1**	-

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.

(expressed in U.S. dollars)

9 Share capital and share premium (continued)

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 Law, 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 Law 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 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.

10 Claims paid

There were seven triggering events which resulted in claim payments to Participating Countries in the EQ/TC SP. Total claim payments in the year ending May 31, 2020 was $11,878,556, of which $Nil was recovered from reinsurers in respect of this claim.

There were two triggering events which resulted in claim payments amounting to $566,119 to Participating Countries in the XSR SP. In addition the XSR SP made a payment to a Participating Country amounting to $1,297,002 in respect of excess rainfall associated with TC Dorian. Total claim expense incurred in the year ending May 31, 2020 was $ 1,863,121, of which $Nil is recoverable from the reinsurer in respect of these claims.

There was one triggering event which resulted in a claim payment to a Participating Countries in the CA SP. Total claim expense incurred in the year ending May 31, 2020 was $ 3,628,013, of which; $528,013 has been accrued recoverable from the reinsurer; and $3,100,000 has been accrued as recoverable from Donor Funds (Note 6).

(expressed in U.S. dollars)

11 Net investment income

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Net investment income comprises:						
Interest and dividend income	1,409,426	1,612,773	613,975	145,752	148,022	38
Change in fair value of investments	276,758	(172,373)	(157,352)	35,497	(51,396)	-
Net realized gain on sale of Investments	753,857	988,370	267,503	75,891	44,081	-
Investment management, custody and fund administration fees	(159,291)	(280,851)	(110,573)	(30,753)	(29,274)	-
Currency foreign exchange gains	(48,216)	(2,547)	16,367	(1,325)	2,113	-
Net realized loss on derivative instruments (Note 8)	102,874	335,605	105,459	29,434	(33,219)	-
Change in unrealized gains on derivative instruments (Note 8)	(66,037)	(76,376)	(6,344)	(5,762)	28,113	-
	2,269,371	2,404,601	729,035	248,734	108,440	38

12 Related party transactions

i) During the year ended May 31, 2020, the Core incurred the Trustee and Enforcer fees of $15,000 on behalf of the Trust. During the year ended May 31, 2020, key management compensation consisted of salaries and expenses amounting to $ 730,463 for four employees which are included within administration expenses.

(ii) CCRIF SPC has entered into a contract (No. 7186304) with the World Bank to provide consultancy services related to The Caribbean Oceans and Aquaculture Sustainability Facility (COAST) – Project Design. Under the terms of the contract, CCRIF SPC will manage the process for the development and marketing of the CCRIF insurance fisheries product and undertake necessary regional partnering to establish the framework for implementation of risk mitigation through improved fisheries management leveraged by the product. This contract terminates on December 31, 2019 and has a total value of US$835,500, of which $250,650 was utilized in 2019 and $584,850 has been recognized in the statement of operations based on work completed during the year.

(expressed in U.S. dollars)

13 Administrative expenses

Administration expenses comprise:

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Audit and other professional fees	171,957	29,167	4,167		7,167	
Captive management fees	79,800	53,200	15,000		12,000	
Compliance Officer	52,500					
Consultancy fees	62,851					31,071
Board and executive management remuneration	941,505					
Directors' and Officers' insurance	26,446					
Legal fees	10,054					1,575
Government fees	16,098	671	671	671	671	1,890
CA Committee Meeting Expenses					4,500	
Meeting expenses	86,103					
Publicity, conferences & workshops	68,348					
Trust expenses (Note 12)	25,000				25,000	
Munich Climate Initiative (MCII)	70,960					
Calculation Agency Fees & Licence Fees	25,000		96,750			
Research and development	234,488					
Expenditure recoverable from grant funds					123,944	70,352
Conferences and workshops	24,065				18,867	
Sundry expenses and bank charges	16,765	3,294	2,424	915	3,539	381
	1,911,940	86,332	119,012	1,586	195,688	105,269

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.

(expressed in U.S. dollars)

15 Development costs

Core	Second Generation Loss Model	Wemap Model	Excess Rainfall Model	Caribbean Coast Sphera Model	Carib & CA XSR & Drought Model	Carib & CA EQ/TC SPHERA Model	Total
Cost:	$	$	$	$	$	$	$
Balance carried forward at May 31, 2019	559,755	-	693,880	-	1,210,000	2,000,000	4,463,635
Additions during the year	-	120,000	-	148,000	-	-	268,000
Balance carried forward at May 31, 2020	559,755	120,000	693,880	148,000	1,210,000	2,000,000	4,731,635

Accumulated amortisation	Second Generation Loss Model	Wemap Modele	Excess Rainfall Model	Caribbean Coast Sphera Model	Carib & CA XSR Model	Carib & CA EQ/TC SPHERA Model	Total
Balance carried forward at May 31, 2019	541,755	-	268,889	-	298,933	-	1,109,577
Amortisation charge for the year	18,000	12,000	115,460	6,167	121,000	200,000	472,627
Balance carried forward at May 31, 2020	559,755	12,000	384,349	6,167	419,933	200,000	1,582,204
Net book value at May 31, 2020	-	108,000	309,531	141,833	790,067	1,800,000	3,149,431

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

(expressed in U.S. dollars)

16 Due to/from Core and Due to/from Segregated Portfolios

During the year ended May 31, 2020, the following transactions occurred between the Segregated Portfolios:

	Core $	EQ/TC SP $	XSR SP $	CA SP $	Coast SP $
Income received by the Core on behalf of COAST SP	(584,850)				584,850
Expenses paid by Core on behalf of COAST SP	150,352				(150,352)
Premiums receivable/(payable)	(464,823)	12,785	(12,785)	464,823	
Loan granted by the Core, to COAST SP	1,800,000				(1,800,000)
Net due (to)/from Core/Segregated Portfolios	900,679	12,785	(12,785)	464,823	(1,365,502)

Effective August 11, 2020, the World Bank agreed to provide the initial capitalization of COAST SP in the amount of $1,800,000 through Grant No. TF0B2931. During the year the Board approved temporary funding to COAST SP in the amount of $1,800,000 to capitalize its account in anticipation of the drawdown of funding from the World Bank which allows up to $2,400,000.

During the year ended May 31, 2020, 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 and $80,000 to COAST SP.

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 2019/20 the Board of Directors approved sub-licence fees by the Core to the Segregated Portfolios of: $101,750 to EQ/TC SP, $90,189 to XSR SP and $223,728 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
With the exception of balances in respect of insurance contracts, which are specifically excluded under U.S. GAAP, 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.

(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, 2020 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, XSR and CA SP have entered into parametric reinsurance arrangements with unrelated reinsurers. Parametric reinsurance ceded contracts do not relieve the EQ/TC, XSR or CA SP from their obligations under the parametric insurance contracts they have issued. EQ/TC, XSR 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.

(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, 2020 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, 2020, the CCRIF SPC had no open swap contracts (see Note 8).

(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.

(expressed in U.S. dollars)

18 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 a 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.

19 Subsequent events

Management has performed a subsequent events review from June 1, 2020 to October 15, 2020, being the date that the financial statements were available to be issued. Management concluded that the following subsequent events require additional disclosure in these financial statements.

We are please to report that despite the Covid-19 pandemic all members renewed coverage and, in some cases, increased coverage for the 2020/21 policy year. CCRIF also expanded its product offering: developing a new product for the electric utilities sector. LPC SP was converted to Caribbean Public Utilities SP (CPU SP") for this purpose. The regulator duly approved the Business Plan and the Change of Name of the Segregated Portfolio from LPC SP to CPU SP. The first policy was issued on September 15, 2020.

Subsequent to year-end, in August 2020, Tropical Cyclones Isaias and Laura resulted in payouts under policies in EQ/TC totalling of $991,277. In September 2020, Tropical Cyclone Nana resulted in a payout under a policy in EQ/TC totalling $35,000. In August and September, payments totalling $7,340,104 were made by the Caribbean XSR SP following excess rainfall. The payments have not negatively affected the long-term viability of the cells.

SUPPLEMENTAL INFORMATION
CCRIF SPC

Balance Sheet

As at May 31, 2019

(expressed in U.S. dollars)

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Assets						
Cash and cash equivalents (Note 4)	3,172,081	7,562,093	4,351,056	362,472	2,019,233	37,661
Investments, at fair value (Note 5)	44,662,035	51,096,002	18,719,041	5,098,012	4,019,445	-
Margin collateral for derivative instruments (Note 8)	(18,319)	58,742	10,216	(7,657)	-	-
Development costs (Note 15)	3,354,058	-	-	-	-	-
Accrued interest	323,402	458,024	181,075	50,921	31,973	-
Unrealized gains on futures contracts (Note 8)	101,274	363,036	135,617	41,000	-	-
Due from Donor Funds (Note 6)	16,473	-	-	-	1,463,151	-
Due from Core (Note 16)	-	965,166	-	-	-	-
Due from Segregated Portfolios (Note 16)	-	-	-	-	-	-
Prepaid expenses	11,334	-	22,501	-	-	-
Total assets	51,622,338	60,503,063	23,419,506	5,544,748	7,533,802	37,661
LIABILITIES AND SHAREHOLDER'S EQUITY						
Liabilities						
Accounts payable and accrued expenses (Note 12)	1,870,701	37,256	19,899	4,666	3,636	279
Due to Segregated Portfolios (Note 16)	965,166	-	-	-	-	-
Income from parametric insurance contracts received in advance	-	4,773,284	2,227,176	-	-	-
Participation fee deposits (Note 7)	-	3,487,499	-	-	-	-
Total liabilities	2,835,867	8,298,039	2,247,075	4,666	3,636	279
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 / (accumulated deficit)	48,666,471	9,705,024	(3,827,569)	540,082	7,530,165	37,382
Total shareholder's equity	48,786,471	52,205,024	21,172,431	5,540,082	7,530,166	37,382
Total liabilities and shareholder's equity	51,622,338	60,503,063	23,419,506	5,544,748	7,533,802	37,661

SUPPLEMENTAL INFORMATION
CCRIF SPC

Statement of Operations

For the year ended May 31, 2019

(expressed in U.S. dollars)

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Operating income						
Income from parametric insurance contracts (Note 2)	-	27,096,695	8,860,628	-	2,800,000	-
Discounts awarded on parametric insurance contracts	-	(1,866,250)	-	-	-	-
Expenses on parametric reinsurance contracts (Note 2)	-	(12,159,844)	(3,041,329)	-	(1,570,643)	-
Net income on parametric contracts	-	13,070,601	5,819,299	-	1,229,357	-
Ceding commissions on parametric reinsurance contracts	-	1,312,265	61,001	-	123,148	-
Total operating income	-	14,382,866	5,880,300	-	1,352,505	-
Operating expenses						
Claims paid on parametric insurance contracts (Note 10)	-	91,438	8,347,850	-	-	-
Claims recovered on parametric insurance contracts (Note 10)	-	-	(647,850)	-	-	-
Brokerage and risk management specialist fees	470,693	258,328	-	-	38,697	-
Total operating expenses	470,693	349,766	7,700,000	-	38,697	-
Net operating income / (loss)	(470,693)	14,033,100	(1,819,700)	-	1,313,808	-
Other income and expenses						
Net investment income (Note 11)	1,954,618	2,112,843	837,936	255,034	168,136	-
Income from Donor Funds (Note 6)	-	-	200,000	-	2,063,151	-
Unrestricted grant funds (Note 6)	-	-	-	-	-	-
Amortization of development costs (Note 15)	(170,389)	-	-	-	-	-
Technical assistance expenses	(585,313)	-	-	-	-	-
Income from services (Note 12)	-	-	-	-	-	250,650
Monies received from grant funds	96,473	-	-	-	-	-
Munich Climate Initiative (MCII)	110,931	-	-	-	-	-
Participation Fee Income (Note 7)	-	10,669,376	275,000	-	-	-
Segregated portfolio rental fees	2,385,000	(1,500,000)	(400,000)	-	(485,000)	-
Segregated portfolio sub-license fee	390,833	(95,000)	(87,189)	-	(208,644)	-
Administrative expenses (Note 13)	(1,668,165)	(209,912)	(133,131)	(1,671)	(75,572)	(213,268)
Net income / (loss) for the year	**2,043,295**	**25,010,407**	**(1,127,084)**	**253,363**	**2,775,879**	**37,382**

SUPPLEMENTAL INFORMATION
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Statement of Changes in Shareholder's Equity
For the year ended May 31, 2019

(expressed in U.S. dollars)

	Share capital $	Non-voting redeemable preference shares $	Share premium $	Retained earnings $	Total $
Core					
Balance at May 31, 2018	1,000	-	119,000	46,623,176	46,743,176
Net income for the year	-	-	-	2,043,295	2,043,295
Balance at May 31, 2019	1,000	-	119,000	48,666,471	48,786,471
EQ/TC SP					
Balance at May 31, 2018	-	1	42,499,999	(15,305,383)	27,194,617
Net loss for the year	-	-	-	25,010,407	25,010,407
Balance at May 31, 2019	-	1	42,499,999	9,705,024	52,205,024
XSR SP					
Balance at May 31, 2018	-	1	24,999,999	(2,700,485)	22,299,515
Net loss for the year	-	-	-	(1,127,084)	(1,127,084)
Balance at May 31, 2019	-	1	24,999,999	(3,827,569)	21,172,431
LPC SP					
Balance at May 31, 2018	-	1	4,999,999	286,719	5,286,719
Net income for the year	-	-	-	253,363	253,363
Balance at May 31, 2019	-	1	4,999,999	540,082	5,540,082
CA SP					
Balance at May 31, 2018	-	1	-	4,754,286	4,754,287
Net income for the year	-	-	-	2,775,879	2,775,879
Balance at May 31, 2019	-	1	-	7,530,165	7,530,166
Coast SP					
Balance at May 31, 2018	-	-	-	-	-
Net income for the year	-	-	-	37,382	37,382
Balance at May 31, 2019	-	-	-	37,382	37,382

SUPPLEMENTAL INFORMATION
CCRIF SPC

Statements of Cash Flows

For the year ended May 31, 2019

(expressed in U.S. dollars)

	Core $	EQ/TC SP $	XSR SP $	LPC SP $	CA SP $	Coast SP $
Operating activities						
Net income/(loss) for the year	2,043,295	25,010,407	(1,127,084)	253,363	2,775,879	37,382
Adjustments to reconcile net income/(loss) to net cash from operating activities:						
Adjustment for items not affecting cash:						
Change in fair value of investments	(183,099)	(628,168)	(232,385)	(66,325)	(109,827)	-
Net realized gains on investments	(389,912)	68,796	39,176	(885)	2,429	-
Change in unrealized gain on derivative instruments	45,540	(1,257)	24,615	23,462	-	-
Amortization of development cost	170,389	-	-	-	-	-
Trading securities:						
Purchase of securities and options	(13,162,694)	(47,991,452)	(18,834,004)	(3,036,763)	(4,783,632)	-
Proceeds from sale of securities and options	12,668,770	21,419,645	10,312,383	2,437,281	871,585	-
Change in derivatives margin collateral balance	(83,588)	(296,095)	(119,668)	(32,947)	-	-
Changes in assets and liabilities:						
Accrued interest	(23,874)	(246,872)	(75,007)	(7,240)	(31,973)	-
Amounts due from Donor Funds	(16,473)	-	-	-	(1,463,151)	-
Prepaid expenses	26,929	110,722	(22,111)	392	18,761	-
Accounts payable and accrued expenses	1,497,050	15,546	(79,287)	617	3,637	279
Income from parametric contracts received in advance	-	1,675,689	1,453,009	-	-	-
Participation fee deposits*	-	(9,454,376)	-	-	-	-
Due (from)/to Segregated Portfolio	(10,264,115)	(648,427)	648,427	-	-	-
Due (from)/to Core	-	35,230	7,182,940	-	3,045,945	-
Net cash provided by/(used in) operating activities	(7,671,782)	(10,930,612)	(828,996)	(429,045)	329,653	37,661
Investing activities						
Development costs	(1,063,880)	-	-	-	-	-
Net cash used in investing activities	(1,063,880)	-	-	-	-	-

SUPPLEMENTAL INFORMATION
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Statements of Cash Flows (continued)

For the year ended May 31, 2019

(expressed in U.S. dollars)						
Net change in cash and cash equivalents	(8,735,662)	(10,930,612)	(828,996)	(429,045)	329,653	37,661
Cash and cash equivalents at the beginning of the year	11,907,743	18,492,705	5,180,052	791,517	1,689,580	-
Cash and cash equivalents at the end of year	3,172,081	7,562,093	4,351,056	362,472	2,019,233	37,661
Interest and dividends received	1,360,435	956,939	445,765	136,713	41,920	-

CCRIF SPC

The Caribbean Catastrophe Risk Insurance Facility

2019-20

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