Serving the Caribbean and Central America a little better every day with disaster risk financing tools and services to build forward stronger and enhance resilience, leaving no one behind.

CCRIF SPC

The Caribbean Catastrophe Risk Insurance Facility

2020-2021 ANNUAL REPORT

These are challenging times and the situation the world is facing is truly an unprecedented one, with the coronavirus affecting all of us for a second year. We continue to face these challenges through enhanced solidarity, seeking out solutions to continue to support our members across the Caribbean and Central America. We wish to recognize and thank our members, donors, service providers, and stakeholders for all you have done to weather this *"storm"* and to cope with this situation. Your commitment continues to make a difference. As an organization, we are resilient and dynamic and we are doing all we can with support from our development partners to ensure that you – our members – continue to be financially protected against natural hazards as we seek to weather other *"storms"*, within the context of the multi-hazard environment in which we live.

We encourage everyone to stay safe, follow the protocols, and do all in your individual and collective powers to bring an end to the pandemic, including wearing masks, sanitizing, washing hands frequently, eating healthy, social distancing, and getting vaccinated, as we are convinced that we will overcome this crisis – knowing our future is in our hands. For those who have lost loved ones, friends, and colleagues we extend sympathies and prayers of comfort. Continue to take care of yourselves, loved ones and those among us who need our help at this time.

Like you, we are looking forward to 2022 and our 2022/23 policy year with renewed hope and expectation that we can return to normalcy and support our members in their efforts to *"build back stronger and equal"*.

2020-2021
ANNUAL REPORT

CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility

PUBLISHED BY CCRIF SPC

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CCRIF SPC
FORMED 2007

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

MEMBERS

19	3	1
Caribbean Governments	Central American Governments	Caribbean Electric Utility

54 PAYOUTS TOTALLING **US$245 MILLION** to 16 member governments

PRODUCTS

Parametric Catastrophe Insurance for:

- Tropical Cyclones
- Earthquakes
- Excess Rainfall
- Fisheries
- Electric Utilities

In 2020/21 and 2021/22 CCRIF members transferred risk totalling US$1 billion to CCRIF for financial protection.

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Our Story

The impacts of Hurricane Ivan in 2004 brought into focus the need for quick liquidity following a natural disaster - quick liquidity to meet immediate needs of the population even before considerations of reconstruction and redevelopment take place. CCRIF and the introduction of parametric insurance in the Caribbean were born out of Hurricane Ivan, which really showcased the vulnerability of our region to climate change – evidenced by the increasing impact of hurricanes, tropical storms, drought and flooding. That one hurricane in 2004 resulted in two Caribbean nations – Grenada and the Cayman Islands – each suffering economic losses which totalled close to 200 per cent of their annual GDP, with a further seven countries also severely impacted. Regional losses due to Ivan totalled over US$6 billion. These figures are not dissimilar to the figures we saw coming out in 2017 – following Hurricanes Irma and Maria, which resulted in damage and loss being estimated at approximately US$130 billion, affecting 18 countries, including CARICOM member countries, populations and social and economic infrastructure. These catastrophic events resulted in CARICOM declaring its ambition to become the first climate-resilient zone in the world.

Following Hurricane Ivan, CARICOM Heads of Government approached the World Bank for assistance to design and implement a cost-effective risk financing programme for member governments. This marked the beginning of what would become the Caribbean Catastrophe Risk Insurance Facility (CCRIF), now CCRIF SPC – the world's first multi-country risk pool based on parametric insurance. The selection of a parametric insurance instrument as a basis for CCRIF policies was largely driven by the fact that parametric insurance is generally less expensive than an equivalent traditional indemnity insurance product, as it does not require a loss assessment procedure after a disaster, allowing for claims to be settled quickly and in the case of CCRIF, within 14 days of the event. This is an important feature considering the urgent need for liquidity after a catastrophe.

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

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

Our Vision

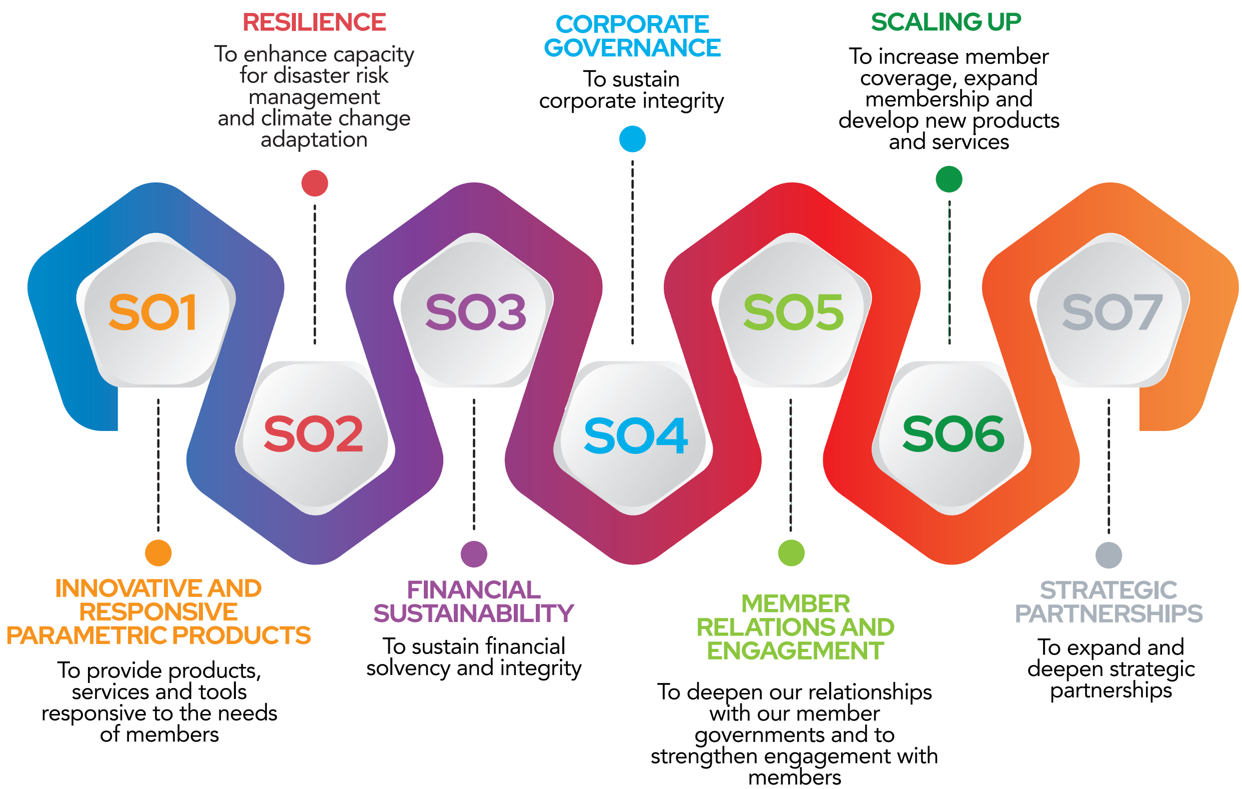
A resilient Caribbean region and beyond with optimized disaster risk management and climate change adaptation practices supporting long-term sustainable development.

Our Mission

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

Our Strategic Objectives

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



CCRIF at a Glance

A Development Insurance Company built for Our Members

Today, CCRIF offers parametric insurance for tropical cyclones, excess rainfall, and earthquakes and for the fisheries and electric utilities sectors – insurance products not readily available in traditional insurance markets. The Facility operates as a development insurance company – as the goods and services it provides are designed to enhance the overall developmental prospects of its members. We ensure that our members have our commitment to support them in times of crises; seek out opportunities to enable them to enhance their resilience to current and future natural hazards; engage donors and collaborate on programmes designed to reduce vulnerability; negotiate the best prices for reinsurance; and advance disaster risk management and ecosystems-based solutions for the betterment of the peoples of the Caribbean and Central America in keeping with the Agenda 2030 for Sustainable Development and the thrust to leave no one behind.

CCRIF is a captive insurance company and was so designed because of the nature of the service we provide and the insurance products that we sell, which attract risks that are priced too high by the traditional markets. We therefore provide a bespoke insurance solution that enables us to provide unique and tailored insurance/coverage that is not readily available in the commercial market. Another advantage that a captive brings is that it can achieve lower premiums by retaining a portion of the risk while maintaining a claims-paying capacity that is better than the industry average.

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

OUR MEMBERS... WHERE WE WORK

CCRIF provides its products and services to the Caribbean and Central America. CCRIF has 23 members – 19 Caribbean governments, 3 Central American governments and 1 Caribbean electric utility company.

CCRIF Members by population

17 MILLION CARIBBEAN

33 MILLION CENTRAL AMERICA

19 Caribbean Governments:

Anguilla
Antigua & Burbuda
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
Turks & Caicos Islands

3 Central American Governments:

Guatemala
Nicaragua
Panama

1 Electric Utility Company:

ANGLEC, Anguilla

OUR PRODUCTS

Parametric Insurance Products for:

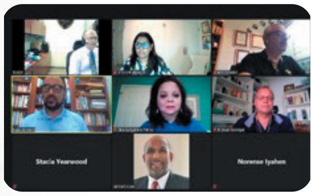
OUR STAKEHOLDERS

- First and foremost our members – 22 governments in the Caribbean and Central America and 1 Caribbean electric utility company
- Ministers of Finance and senior finance officials, meteorological officers and disaster risk managers
- Our donors and development partners
- Regional organizations in the Caribbean and Central America with a mandate that includes disaster risk management, climate change adaptation and environmental sustainability
- Our regulators
- Our reinsurers
- Our service providers
- The media
- Academia
- And importantly - the approximately 50 million people who call the Caribbean and Central America home

Our Core Values and Stakeholder Proposition

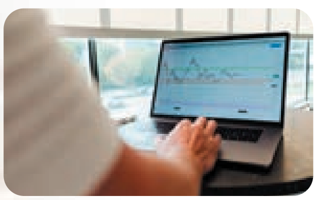
We are a value-based development insurance company. Our core values underpin what we do and our stakeholder proposition. We support our members by:

Providing quick liquidity, within 14 days of a natural disaster, once a policy is triggered – enabling governments to quickly support the most vulnerable in their population



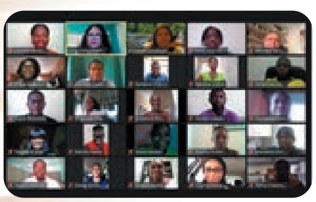
Collaborating and engaging with our members and key stakeholders, building trust, creating value and working together to achieve better development outcomes for the citizens of the Caribbean and Central America

Leading the way, developing and offering diverse parametric insurance products for a range of perils and economic sectors



Charging the lowest possible premiums consistent with our long-term sustainability

Being committed to excellence and focused on innovation, transparency, accountability and acting with integrity



Facilitating capacity building in disaster risk financing and management

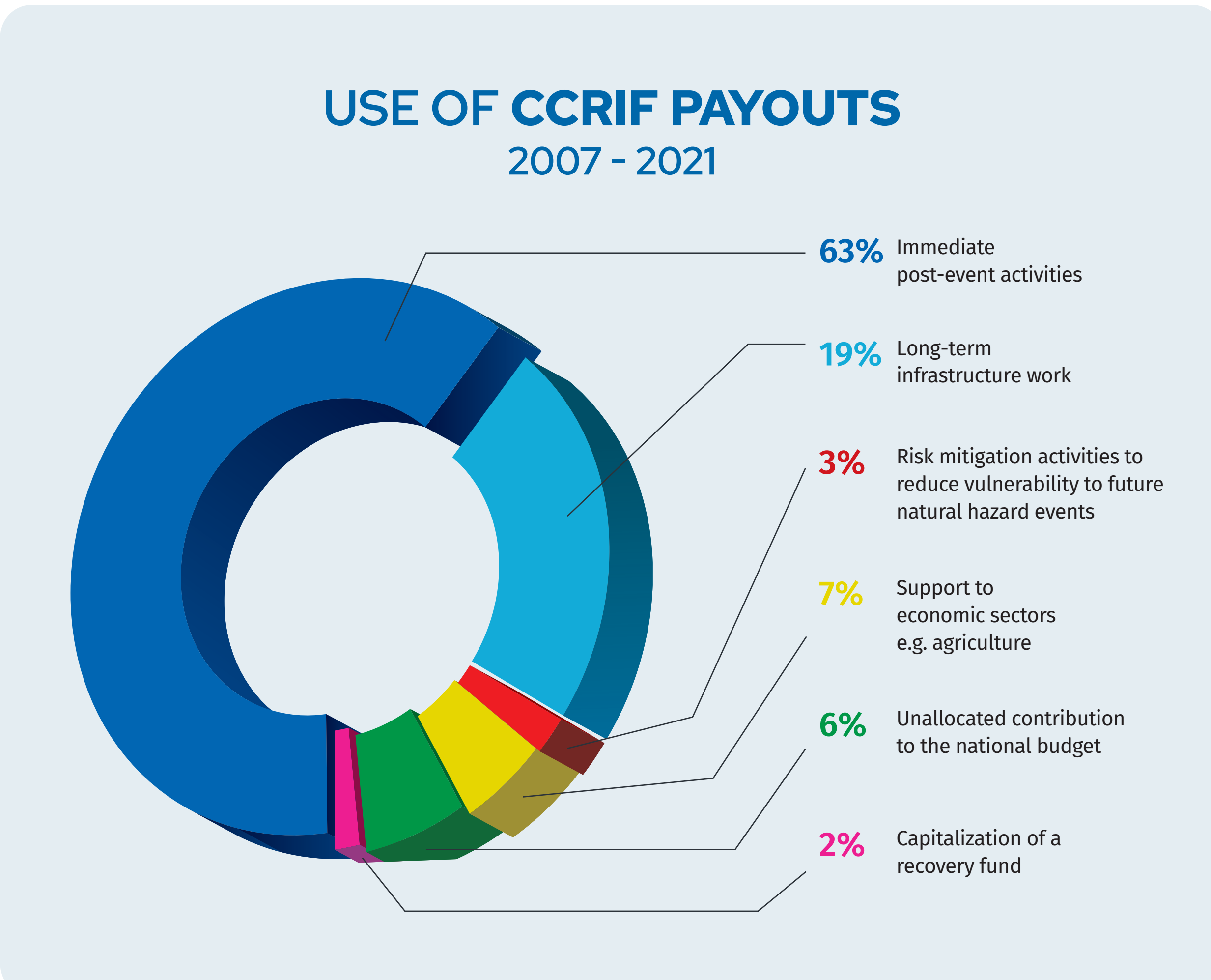
Building the next cadre of leaders through the provision of scholarships, internships and professional development opportunities

Supporting local communities, governments and regional organizations to build forward stronger and enhance their resilience

Payouts 2007-2021

Since the inception of CCRIF in 2007, the Facility has made 54 payouts totalling US$245 million to 16 members. All payouts have been paid within 14 days of the event, with some governments receiving partial payouts within 5 to 7 days of an event to begin recovery efforts and to support the most vulnerable in their populations.

Our assessments have revealed that CCRIF payouts have benefitted over 3.5 million persons in the Caribbean and Central America. Use of payouts over the years 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, hospitals and schools; payment of government salaries; and support for the agriculture, among other uses. Some countries have used portions of their payouts for disaster mitigation – for example, by building forward stronger, as was the case in the Turks and 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 systems.



Our Commitment to the UN Sustainable Development Goals

Our commitment to sustainability is grounded in the 2030 Agenda for Sustainable Development. Our work directly contributes to 9 of the 17 Sustainable Development Goals (SDGs), and 4 of the 5 Ps as presented below:

- **People –** the populations in the two regions that we serve – the Caribbean and Central America – and providing their countries with access to parametric insurance towards reducing budget volatility and ensuring that our members and their citizens have access to quick liquidity following a natural disaster, so that immediate post-disaster needs can be met. Our focus on inclusive insurance and products such as the livelihood protection policy and COAST[1] are key to ensuring that the most vulnerable in our populations have access to climate risk insurance to protect their livelihoods and that of their families. This focus is key to ensuring that as an organization, we advance the achievement of SDGs 1, 8 and 10.

- **Planet –** proffering resources, capacity and solutions for environmental sustainability and rehabilitation of degraded ecosystems. Our insurance is also considered to be a climate change adaptation tool and able to address damage and loss.

- **Prosperity –** of our organization, so that we are financially sustainable and can do what we are designed to do, that is provide quick liquidity to our members once a policy is triggered – and our members, using surpluses that we generate from our sound investment decisions to give back to our members through discounts and via our technical assistance programme. Our technical assistance programme also supports the development and implementation of environmental management, disaster risk reduction and climate change adaptation projects and programmes towards building resilience.

- **Partnerships –** we cannot do it without you, our members, development partners, donors and all other stakeholders.

[1] The Caribbean Oceans and Aquaculture Sustainability FaciliTy

Chairman's Foreword

A Year of Thanks and Gratitude, A Year of Fortitude, A Year of Pivoting not Pausing

"This year showed us that we are adaptive, and well prepared for taking on new challenges associated with emerging risks, all in support of our members."

2020 and 2021 will go down in history as the two years that the COVID-19 pandemic dominated the world. On behalf of the Board let me start by saying that our thoughts go out to all those who have suffered from the effects of the pandemic. Our sympathies are with all our stakeholders, partners, colleagues and staff who have lost loved ones.

These also are years that we give thanks for. We are deeply thankful as our management team, staff and service providers remained safe. We are thankful that they worked tirelessly despite their own challenges to make the 2020/21 policy year a successful one for CCRIF. We pray for a return to normalcy when we can all be back together as in years gone by. In the meantime, we hope you and your families will continue to remain safe and healthy.

"We will play our part in helping our members on their path to a sustainable recovery, and we will help them build forward stronger for resilience."

Today, our member governments continue to grapple with both domestic and external challenges. From as early as the first quarter in January 2020, the Board and Management Team of CCRIF began to strategize and create scenarios on the possible impacts of the pandemic. This allowed us to quickly pivot and agree on our approach to support our member governments. We also began engaging with our development partners to determine how they too would help us to support our member governments. We remained cognizant of the multi-hazard environment in which we exist, and which would be further impacted by the pandemic. We are pleased that we did not for a minute pause and were able to secure funding in excess of US$30 million to support our member governments with their premiums for policy years 2020/21 and 2021/22 or to opt for purchasing increased coverage given the uncertainties that are associated with the changing climate. We are thankful to our donors – the European Union; the Multi-Donor Trust Fund (MDTF) of the Central America and Caribbean Catastrophe Risk Insurance Program, administered by the World Bank; and the Government of Canada, through the Canada-CARICOM Climate Adaptation Fund – for their support.

For policy year 2020/21 our member governments all renewed their parametric insurance coverage for tropical cyclone, excess rainfall, earthquake and fisheries ahead of the 2020 Atlantic Hurricane Season, ceding over US$1 billion in risk to CCRIF and increasing overall coverage by 13 per cent. The renewal of countries' catastrophe risk insurance policies at a time when they were faced with the many socioeconomic impacts posed by the COVID-19 pandemic signals the strategic importance our members are placing on disaster risk financing – knowing that this is a key ingredient to advancing their sustainable development prospects.

Despite the many challenges around us, I am extremely proud of the work of CCRIF over this past year. The launch of the electric utilities product to cover transmission and distribution systems represents a game changer for the Caribbean. We are all aware of the impact of tropical cyclones and specifically wind perils on transmission and distribution systems in the Caribbean. The sight of downed poles and lines is not unfamiliar across the region following the passage of tropical cyclones. Also familiar is the corresponding increase in electricity bills of consumers to cover the cost of damage and repair. Purchasing parametric insurance will reduce the overall cost due to natural disasters to our electric utility companies in the region and consequently to our populations. I take the opportunity to call out ANGLEC, Anguilla's electric utility company for leading the way in the purchase of this product and I hereby openly commend the board of CARILEC for working with CCRIF to make the launch of this product possible and for its continued support in the expansion of this initiative.

As an organization working in a relatively new space, we have always felt that we must play a key role in building the next cadre of leaders in disaster risk financing and management, climate change adaption, meteorology and other similar fields. As part of our response to the global pandemic, we heeded the call of The University of the West Indies, through the UWI Global Giving Initiative. With resources from the CCRIF Technical Assistance Programme, we were able to level up and provide support to students to cover their tuition fees. We helped more than 50 students across all 3 campuses of the University who were in need.

We also were able to level up and provide much needed support to the Government of St. Vincent and the Grenadines following the eruption of the La Soufrière volcano. The grant, valued at approximately US$2.2 million, was possible because CCRIF operates as a development insurance company, whereby our members have our commitment to support them in times of crises. While CCRIF does not currently offer insurance cover for volcanic eruptions we believe that, as the dedicated disaster risk financing facility in the region, we have a moral obligation to respond as best as possible to the needs of our members when they are confronted with such dire circumstances. We know that this support provided the Government with much needed liquidity to undertake relief and recovery efforts following the eruption.

I remain optimistic for a better and brighter future post-2021, and I encourage you to do the same. We will focus on helping our members build forward stronger and recover better from the pandemic. Together we will build resilience, accelerate our own transformation as an organization and position ourselves to meet and exceed the needs and expectations of our members. We will engage in the latter part of 2021 in a new strategic planning process that will culminate in a new strategic plan covering 3 years, up to 2024/25. We know that in this UN Decade of Action we must continue to be innovative, be transformative and play our part in creating a more resilient wider Caribbean region – an area that encompasses our current and future prospective members.

We remain committed to excellence and being the lead parametric insurance company in the Caribbean and Central America. We will continue to focus on adding value to improve the lives of the Caribbean and Central American people.

On behalf of the Board, I thank our dedicated team – management, staff and service providers. I thank our members, development partners, reinsurers, and regulator for all you do. I thank you, our members for your loyalty, confidence and support all of which continue to contribute to our success as a company that is built for you.

Timothy Antoine
Chairman

2020/21

A Year like No Other, Reflections on a Challenging but Productive and Successful Year...

The CCRIF Corporate Communications Manager took some time out to sit with the Facility's CEO, Mr. Isaac Anthony for an interview. As policy year 2020/21 was a year like no other, we chose a different route for his message and his reflections on CCRIF this past year for the annual report.

How did COVID-19 impact CCRIF and how did you respond?

2020/21 was a year like no other in my living memory. The impact of the COVID-19 pandemic on our members was significant on both the economic and social fronts. Our members also experienced one of the most devastating hurricane seasons. The 2020 Atlantic Hurricane Season – the most active in history – resulted in a double blow to many of our member countries, causing much devastation. But from very early, our team brought forward their resilient spirit and we were able to level up and step up to the challenges being faced. We are pleased that we were able to secure financial support of about US$33 million for our members to assist them in the face of the global pandemic and concomitant socioeconomic challenges – reducing their policy premiums and/or increasing coverage. This support from the European Union; the Canadian Government, through the Canada-CARICOM Climate Adaptation Fund; and the Multi-Donor Trust Fund administered by the World Bank was both timely and very welcomed during this uncertain time and we continue to express thanks.

Interview with
Isaac, Our CEO

"2020/21 – A year like no other. My reflections on a challenging but productive and successful year."

How would you assess CCRIF's performance in 2020/21?

In the midst of all that was happening, I would say our performance was strong and we produced some solid outputs and achieved some significant milestones. I will share a few of my top ones here. Provision of parametric insurance products lies at the core of our business and our member governments all renewed their parametric insurance coverage for tropical cyclone, excess rainfall, earthquake and fisheries ceding over US$1 billion in risk to CCRIF and increasing overall coverage by 13 per cent for the 2020/21 policy year. Our members in the Caribbean and Central America purchased a total of 63 policies: 22 tropical cyclone (TC) policies, 15 earthquake (EQ) policies, 23 excess rainfall (XSR) policies, 2 COAST policies and 1 electric utilities policy – an increase of 4 policies compared with 2019/20. During the 2020/21 policy year, we made 7 payouts totalling US$44 million to 5 member governments - Haiti following TC Laura; Jamaica following TCs Zeta and Eta; Panama following TC Eta; and Nicaragua following TC Eta and TC Iota. In fact Nicaragua actually received 3 payouts.

We were also able to bring to market a new product – the electric utilities product. This product aims to limit the financial impact of devastating tropical cyclones by quickly providing financial liquidity to electric utility companies when a policy is triggered. The product is limited to covering direct damage to the transmission and distribution (T&D) components of the electric power system due to impacts of wind. One of the issues faced by most electric utilities in the Caribbean is the inability to purchase traditional indemnity insurance for overhead T&D systems because of the very limited availability and uneconomical pricing. The development of the public utilities product is part of the scaling-up plans of CCRIF, which includes the expansion of the Facility's product offerings, an example of which is to address the needs of the electric utility sector in the Caribbean. Being able to bring this product to market during a global pandemic is indeed a milestone and it could not have been done without the support of the Caribbean Electric Utility Services Corporation (CARILEC) and the Anguilla Electricity Company Limited (ANGLEC), which purchased the product and became CCRIF's first non-sovereign member. This product also signalled something new for us as not only are we moving into new economic sectors, but also we can address the disaster risk financing needs of the private sector for natural disasters; this will allow us to play an even bigger role in closing the protection gap.

Our thrust to strengthen our partnerships regionally and internationally and to be able to share best practices and scholarship in parametric insurance was highlighted by joining the newly formed Extreme Heat Resilience Alliance (EHRA). The EHRA, an initiative of the Atlantic Council's Adrienne Arsht-Rockefeller Foundation Resilience Center, brings together 30 global partners, including global cities' leaders and experts in public health, finance, humanitarian assistance, disaster management, climate science and risk, insurance, and public infrastructure, to address the growing threat of extreme urban heat on vulnerable persons worldwide. We are very excited about being invited to be part of this initiative and to make a positive contribution to building physical and financial resilience to heat, including the possible creation of extreme heat risk transfer insurance solutions.

Are there any trends or changes you see once we return to normalcy?

From its inception, CCRIF has been a virtual company as it was so designed. With the pandemic, what we have seen are organizations and people in general embracing virtual meeting platforms and workshops. We feel that going forward our members and other key stakeholders will be very comfortable using these platforms for meetings, workshops and conferences. Globally there is recognition that these platforms work; they save time and also can allow for resources that would be used for travel etc. to be deployed for other developmental uses. Let me hasten to add that this does not mean that we will go virtual for everything, but we will be able to create additional opportunities that may not have otherwise been feasible. What comes to mind as well is the opportunity we created when we had to cancel our annual internship programme in 2020 due to pandemic-related restrictions. We developed an online course for young university graduates and postgraduate students in disaster risk financing and parametric insurance in collaboration with The University of the West Indies. This 20-hour course carries with it two continuing education credits. We may not have thought of this before, but this course will become a feature going forward every summer to build the capacity of young persons in this area. Some 80 young people attended this course.

What do you see as CCRIF's priorities for the next 3 to 5 years?

I think that we are indeed positioned for the future and are ready for the post-pandemic challenges and emerging opportunities. Notwithstanding, I think that regardless of the journey that we will take, we always will stay true to our longstanding values and customer propositions all of which are underpinned by commitment to excellence, transparency, accountability, trust and continuous improvement – as these are at the heart of who we are and these values guide us each and every day.

Let me share with you a little bit of our growth and development strategies, which of course will also be dependent on our members and stakeholders and their own thoughts on how we should proceed over the next three to five years. My proposed strategy centres around three key initiatives. Firstly, we want to drive social impact through the solutions that we provide. Access to parametric insurance products both at the sovereign and micro levels provide excellent opportunities to reduce budget volatility of countries following natural disasters and allow them to begin immediate recovery efforts and provide support to the most vulnerable. At the micro level, access to inclusive insurance is key to protecting livelihoods of the most vulnerable in our population either through direct access by these persons or as part of social protection strategies. The insurance penetration rate in our member countries is low, as is financial inclusion and this is accompanied by a widening protection gap due to the increase in the number and intensity of natural disasters. To drive greater social impact, we also need to be ready to support the recovery of our members post-COVID, especially given the multi-hazard environment in which our members exist.

Secondly, and this is tied to my first point, we must scale up. For us this means bringing to market new products to cover additional perils and economic sectors and we must find ways to improve access and coverage levels. Some of these products may include rainfall runoff or flooding; drought; public sector assets and infrastructure including housing stock, much of which are either ageing or uninsured or both; and insurance for sectors such as tourism and health. We also need to provide coverage to additional stakeholders including non-sovereigns and in particular to the private sector, where gaps exist. We will be ramping up efforts to roll out our electric utilities product to more companies in the region so that citizens are not negatively impacted by costs of repair to transmission and distribution energy infrastructure following a natural disaster. We know too well how those costs get transferred into customer utility bills. We also know that self-insurance by utility companies, whilst useful, is not economically sustainable. Indeed, CCRIF is conducting a feasibility study of the expansion of the Facility and depending on what comes out of this study we could start moving into new areas such as non-insurance financial instruments to help close the DRF gap even further. Building internal capacity is a top priority for the next three years to facilitate CCRIF's expansion.

Thirdly, we also want to expand and scale up our flagship technical assistance programme, which is now available to our Caribbean members, to make it available to our Central American members. Building the next generation of leaders in disaster risk management and financing is key for us. Enhancing the capacity and engaging in new and innovative projects with regional organizations to build resilience also is a priority. We also hope to be able to play our part in supporting the regeneration of ecosystems though projects and programmes that we develop and implement with civil society organizations in our member countries knowing that healthy ecosystems are key to enhancing resilience and reducing many of the negative impacts associated with natural hazards.

Of course, underpinning much of what we want to do as a Facility will require the support of our stakeholders – our members, development partners, academia, media, and many others, including the citizens in our member countries. We thank you for your support as we continue to strive to serve the Caribbean and Central America a little better every day with disaster risk financing tools and services to build forward stronger and enhance resilience, towards leaving no one behind. We are a great organization built to contribute to the sustainable development of our members and I am excited about our future.

CCRIF's Response to the COVID-19 Pandemic

At the onset of the global pandemic, the CCRIF board and management began to engage in strategic discussions and meetings to find solutions to support members and other stakeholders that were facing increased challenges brought on by the COVID-19 pandemic. These solutions are highlighted here.

US$11 MILLION

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 for increasing coverage for its Caribbean members over the period 2020/21 and 2021/22

US$10 MILLION

Central America members benefitted from a reduction in premium costs or a mutually agreed increase in coverage or a combination of both for 2020/21 and 2021/22; this effort was supported by the Multi-Donor Trust Fund (MDTF), administered by the World Bank

US$12.4 MILLION

Seven countries in the Caribbean benefitted from the Canada-CARICOM Climate Adaptation Fund to cover a portion of their premium costs; and two countries – not yet members – will be able to use their allocations for participation fees and premium support

5% DISCOUNT

CCRIF provided to its Caribbean members a 5% discount on gross premium for tropical cyclone coverage

15% DISCOUNT

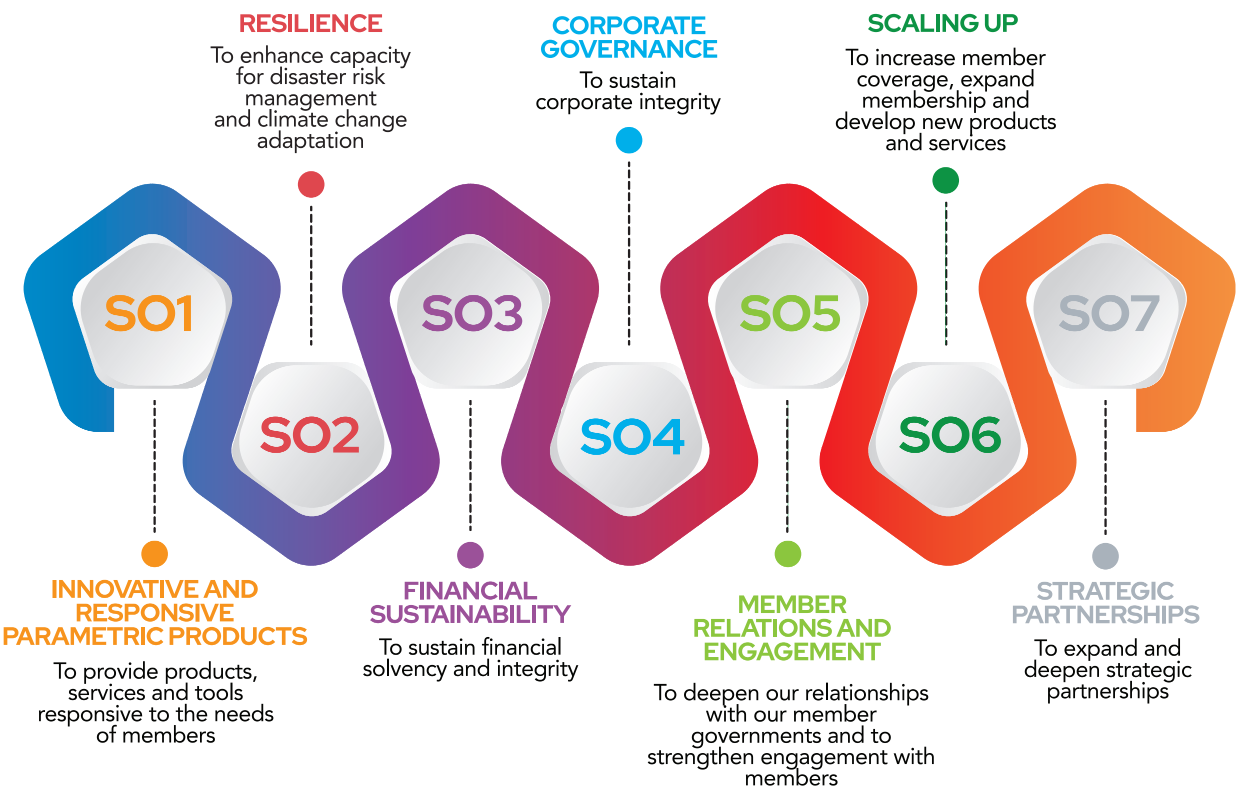
CCRIF provided its Caribbean members with a 15% discount on additional coverage purchased by members for tropical cyclone and/or earthquake coverage for the 2020/21 policy year

US$142,000

CCRIF provided funding to The University of the West Indies to cover the tuition fees of the most needy students, who due to the COVID-19 pandemic, were finding it difficult to pay tuition and who were at risk of either being de-registered or not completing their studies

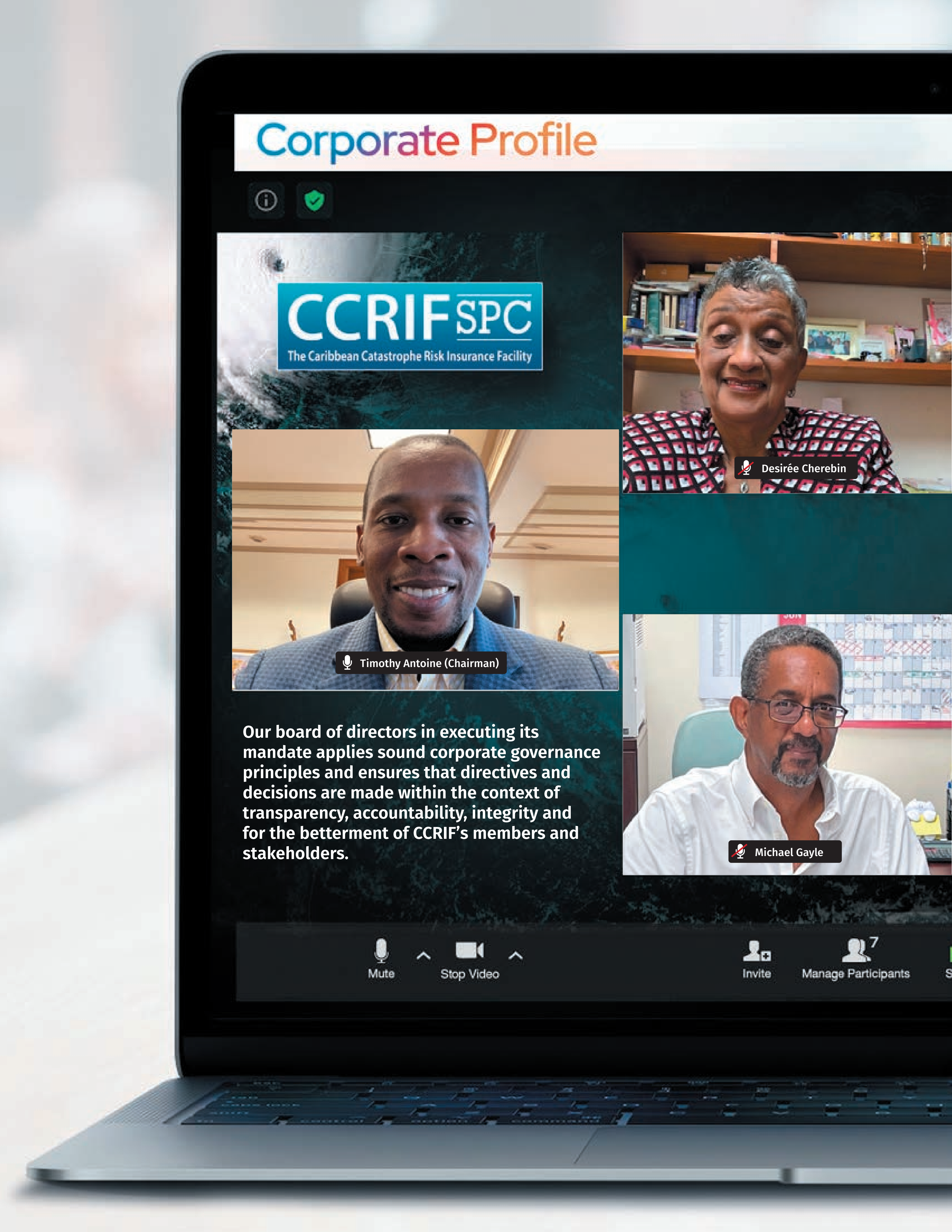
Performance Highlights 2020-2021

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



Achievements 2020-2021	Contribution to Achieving the Strategic Objectives
Issued 63 policies for 2020/21 for tropical cyclone (TC), earthquake (EQ), excess rainfall (XSR), COAST (fisheries), and electric utilities to 22 Caribbean and Central American governments and 1 Caribbean electric utility	1, 3, 6
Total coverage limit of TC, EQ, XSR and COAST policies in Caribbean and Central America increased by 13% over previous year	1, 3, 6
Made 7 payouts totalling US$44,151,367 to 5 member countries within 14 days of event; made 8 payments totalling US$1,026,277 under the ADC feature of 5 member countries' TC policies	1, 3
Launched new electric utilities product; ANGLEC purchased policy	1, 6
Continued to support the implementation of the CRAIC project	1, 5
Delivered elements of CCRIF Training Programme to 5 current and potential member countries in Caribbean and Central America	1, 2, 5

Delivered training on country risk profiles to 5 Caribbean member governments	1, 2, 5
Provided TC, EQ, XSR web monitoring tool, WeMAp to 300 stakeholders	1, 2
Provided US$2.2 million for relief and recovery efforts following the eruption of the La Soufrière Volcano in St. Vincent	2, 5
Provided grant of US$43,140 to the Government of Belize to install additional sensors on the country's 52 weather stations	2, 5
Provided grant of US$17,000 to UWI Seismic Research Centre for volcano monitoring equipment in St. Vincent	2, 5
Awarded 7 new grants totalling US$124,637 under CCRIF Small Grants Programme; 3 projects completed in 2020-21	2, 5
Awarded 12 scholarships totalling US$200,000 for undergraduate and postgraduate study at universities in the Caribbean and the UK	2, 5
Provided US$189,000 in scholarship support to Caribbean nationals through UWI Global Giving Initiative	2, 5, 7
Met sustainability guidelines of being able to survive a 1-in-1,000 year event	3
CCRIF members received premium support for policy years 2020/21 and 2021/22 due to COVID-19 response from the EU, Government of Canada, and MDTF	3, 6
Maintained minimum claims-paying capacity of US$122 - US$297 million	3
Maintained A- and AA- shadow rating	3
Maintained a probability of default of 0.1%	3
Disseminated 2019-20 annual reports in English and Spanish to stakeholders	4, 5
Maintained full compliance with legislative and regulatory requirements	3, 4
Produced over 20 publications in English and Spanish	2, 5
Participated in 20 conferences and stakeholder meetings	2, 5
Provided content and publications in Spanish and English	5
One new member – the Anguilla Electricity Company Ltd. – joined CCRIF	6
Signed MOU with 1 new partner organization – UNDP	2, 7
Delivered course "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)" at The UWI	2, 7
Conducted summer course on disaster risk financing for young university graduates and postgraduate students	2


Corporate Profile
CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility
Desirée Cherebin
Timothy Antoine (Chairman)
Our board of directors in executing its mandate applies sound corporate governance principles and ensures that directives and decisions are made within the context of transparency, accountability, integrity and for the betterment of CCRIF's members and stakeholders.
Michael Gayle
Mute
Stop Video
Invite
7
Manage Participants


Enter Full Screen
Saundra Bailey
Faye Hardy
Board of Directors &
Executive Management Team
Isaac Anthony (CEO)
Gillian Golah (COO)
Chat
Record
End Meeting

Board of Directors

TIMOTHY ANTOINE

CHAIRMAN

CARICOM-Nominated Board Member, Representing Member Countries

Timothy Antoine was appointed CCRIF Chairman in 2018 after serving on the CCRIF Board since 2014. Mr. Antoine is the Governor of the Eastern Caribbean Central Bank.

Previously, he was the Permanent Secretary in Grenada's Finance Ministry for 14 years. From 2005 to 2007, Mr. Antoine served as an Advisor to the Executive Director for Canada, Ireland and the Caribbean at the World Bank, working on behalf of the Caribbean and played a significant role in the establishment of CCRIF in 2007.

He is the recipient of The Order of Grenada Gold Award for Excellence (2016). He also has been conferred with an Honorary Doctorate in Humane Letters by St. George's University for services to Grenada and St. George's University (2018).

Mr. Antoine has contributed to the development of the Eastern Caribbean Currency Union (ECCU) and wider Caribbean by serving on several regional and international boards.

Appointment Date:
July 1, 2018

Nationality – Grenada

DESIRÉE CHEREBIN

VICE CHAIRPERSON

Caribbean Development Bank-Nominated Board Member, Finance Specialist

Desirée Cherebin is a Banking Supervision and Financial Services Consultant working with regional and international agencies, including the Caribbean Regional Technical Assistance Centre and the International Monetary Fund to assist countries with strengthening the regulation and supervision of their financial sectors.

She was Director of Bank Supervision at the Central Bank of Barbados, prior to her retirement from that institution in 1997.

She also worked as an Economist with the Ministry of Trade in Barbados and as an Advisor to the Governor of the Central Bank of Barbados. Mrs. Cherebin was appointed Vice Chairperson of the board on September 13, 2018.

Appointment Date:
September 3, 2010

Nationality –
Guyana and Barbados

FAYE HARDY

Caribbean Development Bank - Nominated Board Member, Representing Donors

Faye Hardy has over 20 years of experience in the areas of finance and accounting, and currently serves in the position of Deputy Director (Ag.), of the Finance Division in the Finance and Information Technology Solutions Department at the Caribbean Development Bank.

She is a certified investment professional with a Chartered Financial Analyst (CFA) designation, as well as a Fellow of the Association of Chartered Certified Accountants (FCCA).

She also holds an MBA from Heriot-Watt University in Scotland. She has provided technical assistance and advice to other regional organizations, and regularly lends her expertise in a financial capacity to a variety of volunteer organizations.

Appointment Date:
June 20, 2011

Nationality – Barbados

SAUNDRA BAILEY

CCRIF SPC Board-Nominated Board Member

Saundra Bailey is a Group Consultant and the Director of Subsidiary Boards at Gallagher Caribbean Group and has almost 40 years' experience in the insurance industry with primary focus in retail, reinsurance and captives.

She is an Associate of the Chartered Insurance Institute of the UK (ACII) and the Institute of Risk Management (AIRM). Mrs. Bailey has an LLB from the University of London and a BSc and LLM from The University of the West Indies. She is a Distinguished Past President of the Kiwanis Club of Eastern St. Andrew, Jamaica, the President of Glenmuir High School Past Students' Association and a director of various public and private sector boards regionally and internationally.

Appointment Date:
July 1, 2018

Nationality – Jamaica

MICHAEL GAYLE

CARICOM-Nominated Board Member, Insurance Specialist

Michael Gayle is the Chief Executive Officer of the Cayman Islands National Insurance Company (CINICO). With over 40 years of insurance experience, Mr. Gayle has held top executive positions in insurance companies in Jamaica and the Cayman Islands and has provided consultancy services for insurance companies operating across the Caribbean.

He is a Fellow of the Chartered Insurance Institute (FCII) and holds an MBA from Barry University in Florida. Mr. Gayle has served as a director of the Insurance Institute of Jamaica and as President of the Cayman Islands Insurance Association.

Appointment Date:
October 1, 2019

Nationality – Jamaica

Executive Management Team

Isaac Anthony

CHIEF EXECUTIVE OFFICER

Isaac Anthony was appointed CCRIF Chief Executive Officer in 2013. Prior to this appointment Isaac served as Permanent Secretary, Planning and National Development in the Government of Saint Lucia. He also has served his country in key positions such as Accountant General, Registrar of Insurance, Director of Finance and Permanent Secretary, Finance. He served as a CCRIF board member appointed by CARICOM from 2007 to 2012.

Mr. Anthony brings many years' 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, the Eastern Caribbean Central Bank, and the Eastern Caribbean Securities Regulatory Commission.

Appointment Date:
January 1, 2013

Nationality – St. Lucia

Gillian Golah

CHIEF OPERATIONS OFFICER

Gillian Golah was appointed CCRIF Chief Operations Officer in 2015. Before she assumed this position, Mrs. Golah was the Vice President of Business Development at the Trinidad & Tobago International Financial Centre, where she played a central role in the establishment of the financial services outsourcing industry in Trinidad & Tobago.

Previously, she served as Chief Operating Officer of Development Finance Limited after gaining substantial experience in credit operations, private equity, grant management and microfinance at the executive and board levels.

Appointment Date:
October 1, 2015

Nationality – Trinidad and Tobago

Central America SP Management Committee

Saundra Bailey
CHAIRPERSON

The Central America SP Management Committee oversees the governance and operation of the Central America segregated portfolio (CA SP). The CA SP was established in 2015, when CCRIF and COSEFIN[2] signed a Memorandum of Understanding to enable COSEFIN Member States to formally join the Facility. Through the CA SP, CCRIF provides earthquake, tropical cyclone and excess rainfall policies for COSEFIN Member States. The Management Committee plays a facilitative role between CCRIF, COSEFIN, COSEFIN Member States and indirectly with the World Bank on behalf of donors that support the CA SP. It makes recommendations to the CCRIF Board on the terms and conditions of insurance policies that are offered to COSEFIN countries, and the contracting of reinsurance, premium levels and investment policies for the CA SP. The Committee also is responsible for monitoring the financial status of the CA SP to facilitate its long-term sustainability.

The members of the Management Committee are:

- Mrs. Saundra Bailey, Chairperson, representing CARICOM; Board Member, CCRIF SPC
- Mr. Isaac Anthony, CEO, CCRIF SPC
- Dr. Suzanne Corona, representing donors
- Mr. Eduardo Zumbado, representing COSEFIN
- Dr. Dario Luna, Technical Advisor (non-voting)

Suzanne Corona
Representing donors

Suzanne Corona has over 25 years of experience in insurance, reinsurance and financial services, with expertise in property risk, catastrophe analytics, risk management and environmental impacts such as climate change. Dr. Corona served as Chief Underwriter for a reinsurance company, as well as Head of Analytics for a major global insurer. She was heavily involved in one of the first catastrophe securitization bonds with a multi-peril global footprint. More recently she served on the Reinsurance Executive Leadership Team which sets the underwriting policy, business strategy and plan for a global fortune 500 institution.

Eduardo Zumbado
Representing COSEFIN

Eduardo Zumbado has more than 30 years of experience in the development of the insurance business as an actuary, manager, advisor and consultant for insurance companies. His work has focused on companies in Central America but also includes companies in South America. He has served large companies across the region and has helped establish emerging enterprises, across the property and life insurance sectors. He lectures in a variety of insurance development forums. He currently serves as vice-president of the ACEA – Asociación Centroamericana de Actuarios.

[2] Council of Ministers of Finance of Central America, Panama and the Dominican Republic

The CCRIF 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 modeals for several perils, including earthquake, tropical cyclone and drought, and for many countries in the world.

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.

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.

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.

SAGICOR INSURANCE MANAGERS LTD., INSURANCE MANAGER

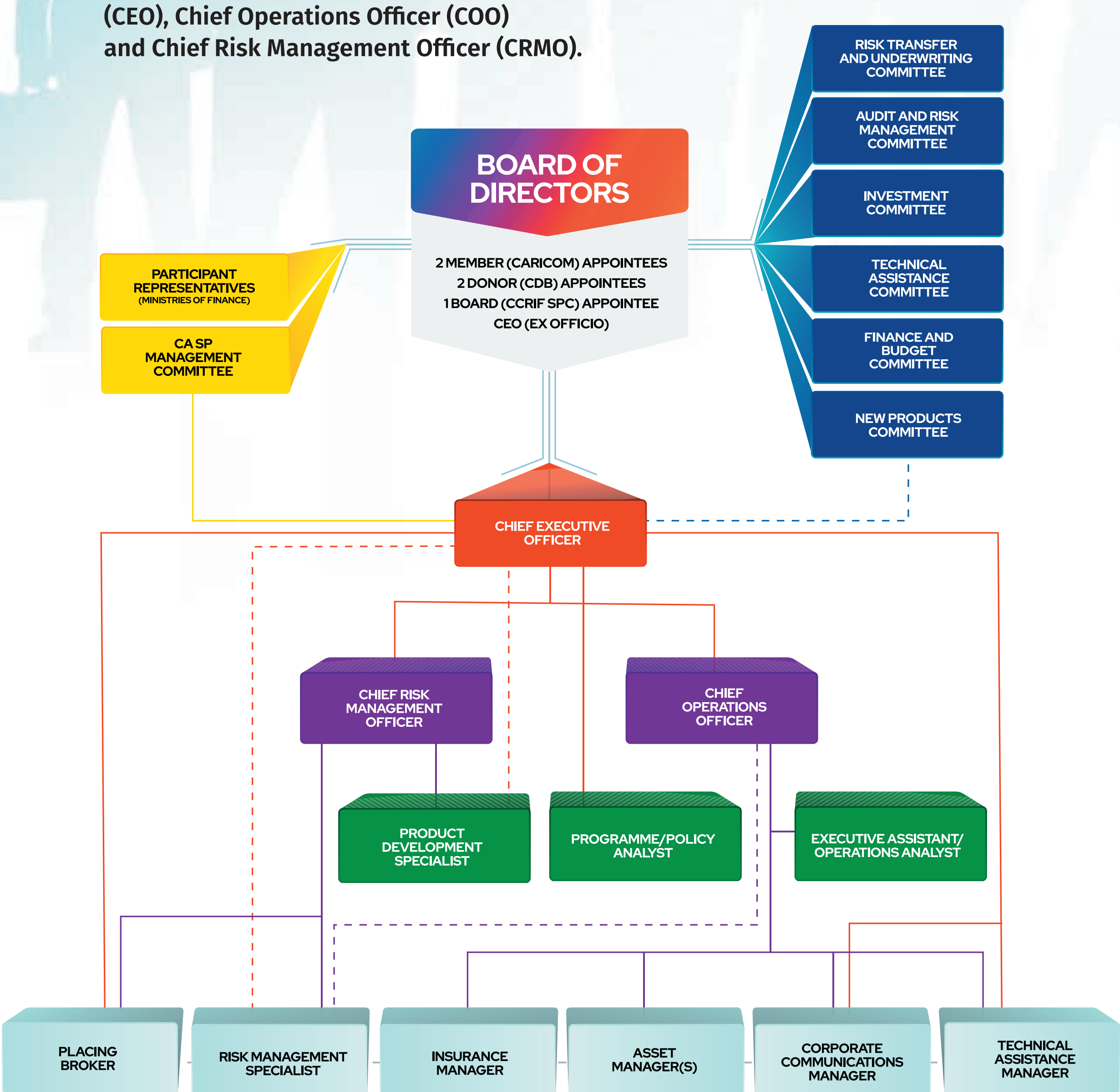
Sagicor Insurance Managers Ltd. (SIM) is a member of the Sagicor Financial Group, which is listed on the Barbados, Trinidad & Tobago and London Stock Exchanges. Formed originally as Barbados Mutual in 1840, Sagicor has become the leading indigenous financial services organization in the Caribbean, with 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.

SUSTAINABILITY MANAGERS, CORPORATE COMMUNICATIONS MANAGER AND 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 CCRIF's development communications, strategic planning, training and capacity building activities and some aspects of its information and communications technology.

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).



June 2020

- CCRIF members renew their policies
- EU, Government of Canada and MDTF make donations for premium support and/or increased member coverage
- CCRIF CEO participates in AARFRC webinar "The Perfect Storm: Global Pandemic, Recession and Hurricanes"
- CCRIF board member, Saundra Bailey participates in CAREC Resilient Power Series 2020
- CCRIF CEO participates in Saint Lucia COVID-19: Roadmap to Recovery series
- CCRIF pilot tests DRR booklet for kids

July 2020

- CCRIF and UWI Open Campus deliver train-the-trainer course for UWI lecturers and adjunct faculty to deliver CCRIF/UWI course on disaster risk financing and parametric insurance
- CCRIF offers 4-week summer course, "Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy"
- CCRIF approves 3 grants totalling US$61,229 to NGOs for DRR projects in 7 countries

August 2020

- CCRIF joins Extreme Heat Resilience Alliance
- CCRIF provides US$189,000 in scholarship support to Caribbean nationals through UWI Global Giving Initiative
- CCRIF awards 2 scholarships totalling US$80,000 for postgraduate study in the UK
- CCRIF awards 6 scholarships totalling US$60,000 for postgraduate study in the Caribbean

December 2020

- Humana People to People Belize completes project for capacity building of farmers to implement best practices in climate change adaptation, environmental management and food security
- CCRIF TA Manager delivers CARICAD webinar: Closing the Protection Gap: Scaling Up Mechanisms to Support the Most Vulnerable After Natural Disasters

January 2021

- CCRIF management conducts annual strategic planning meeting
- CCRIF awards 4 scholarships totalling US$16,000 for undergraduate study at The UWI

February 2021

- CCRIF provides grant of US$32,000 to the UWI Climate Studies Group Mona to upgrade software tools for assessing and addressing the impacts of climate change
- CCRIF and World Bank conduct workshop on CCRIF parametric insurance with Government of Honduras
- CCRIF CEO participates in meeting of the DRF Working Group of the G-7

Our Year 2020–2021

September 2020

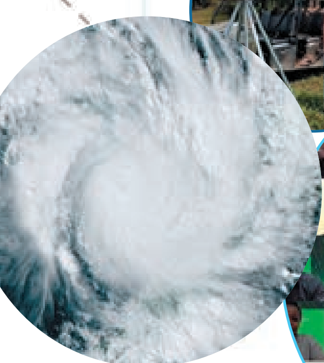
- CCRIF makes payout of US$7.45m to Haiti following Tropical Cyclone Laura
- CCRIF makes payout of US$176,146 for a rainfall event that affected Tobago
- Government of Belize completes installation of 30 automatic weather stations funded by CCRIF grant of US$100,000
- CCRIF launches electric utilities product for T&D lines – ANGLEC first to purchase

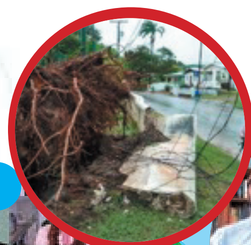
October 2020

- CCRIF supports communities in the Virgin Islands (BVI) with project proposal writing
- CCRIF participates in workshop on Leaving No One Behind in the Caribbean: building resilience through universal social protection, hosted by ECLAC, ILO, UN-Habitat and CCRIF
- CCRIF delivers training on country risk profiles to members

November 2020

- CCRIF makes 3 payouts totalling US$30.6m to Nicaragua following Tropical Cyclones Eta and Iota
- CCRIF makes payout of US$3.5m to Jamaica due to rainfall from Tropical Cyclones Zeta and Eta
- CCRIF and UWI commence delivery of 13-week course in Disaster Risk Financing and Parametric Insurance for Small Island Developing States
- CCRIF launches *"Technical Paper Series #4... A Collection of Papers and Expert Notes on Disaster Risk Financing and Disaster Risk Management"*
- Publication, *"Climate Risk Insurance in the Caribbean: 20 lessons learned from the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project"* launched
- CCRIF participates in ECLAC webinar on financing and planning for DRM in Caribbean SIDS
- CCRIF participates in 16th International Conference on Inclusive Insurance, hosted by Munich Re Foundation and the Microinsurance Network





March 2021

- CCRIF makes payout of US$2.7m to Panama due to rains from Tropical Cyclone Eta
- CCRIF provides grant of US$17,000 to the UWI Seismic Research Centre to purchase new equipment to monitor the La Soufrière Volcano in St. Vincent
- CCRIF and World Bank conduct workshop on CCRIF parametric insurance with Government of Panama
- CCRIF rolls out reinsurance road show
- CCRIF kicks off policy renewals road show for 2021/22 with meeting with the Government of Trinidad and Tobago
- CCRIF approves 4 grants totalling US$63,408 to NGOs to implement DRR projects in 3 countries.
- CCRIF TA Manager participates in Barbados Risk & Insurance Management Conference
- CCRIF invites applications for 2021 scholarships and internships

April 2021

- CCRIF Provides US$2.2m for relief and recovery efforts following the eruption of the La Soufrière Volcano in St. Vincent
- CCRIF has policy renewal meetings with 22 current and prospective members
- CCRIF and World Bank conduct workshop on CCRIF parametric insurance with Governments of El Salvador and Guatemala
- With a CCRIF grant of US$14,229, the Fondation Amour de Dieu en Action (FADA) completes construction of a footbridge over the Maniche River in Haiti's Sud Department

May 2021

- CCRIF has policy renewal meeting with Government of Nicaragua
- CCRIF provides grant of US$43,140 to the Government of Belize to install additional sensors on the country's 52 weather stations
- Under CCRIF-CIMH MOU, CIMH completes situational analysis of the regional monitoring network of automatic weather stations in the Caribbean

Advancing Parametric Insurance

in the Caribbean and Central America

Delivering an Optimum Disaster Risk Financing Solution

CCRIF's parametric insurance is a risk financing instrument that can assist countries in increasing coverage to protect against the devastating effects of natural hazards. While it is well known that disaster prevention and mitigation efforts are indispensable steps to build hazard resilience, no country can fully insulate itself against losses from adverse natural events. It is agreed that even if countries opt to undertake a range of adaptation strategies across sectors, there still will be need to transfer risk.

CCRIF's parametric insurance policies enable payouts to be made quickly after a hazard event as they are based on the intensity of an event and the amount of loss calculated in a pre-agreed model caused by these events. Therefore, payouts can be made very quickly after a hazard event. Member countries in the Caribbean and Central America have appreciated the value of rapid payouts in providing liquidity to help address the most pressing needs after a disaster, allowing the recovery process to begin as quickly as possible. Even as CCRIF member countries' social and economic sectors were significantly disrupted by the COVID-19 pandemic, governments' renewal of their CCRIF policies demonstrated the strategic importance they place on disaster risk financing as key to supporting their national development.

Policy Renewals and Coverage 2020/21

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

All CCRIF member governments with parametric insurance coverage in 2019/20 renewed their coverage for policy year 2020/21, ceding more than US$1 billion in risk to CCRIF for the first time and increasing overall coverage by 13 per cent over the previous year. For the 2020/21 policy year, CCRIF members in the Caribbean

COVERAGE BY MEMBER FOR 2020/21

Member	TC	EQ	XSR	COAST	Utilities
CARIBBEAN					
Anguilla	●	●	●		
Antigua and Barbuda	●	●	●		
Barbados	●	●	●		
Belize	●		●		
British Virgin Islands	●	●	●		
Cayman Islands	●	●			
Dominica	●	●	●		
Grenada	●	●	●	●	
Haiti	●	●	●		
Jamaica	●	●	●		
Montserrat	●				

Member	TC	EQ	XSR	COAST	Utilities
CARIBBEAN					
St. Kitts and Nevis	●	●	●		
Saint Lucia	●	●	●	●	
Sint Maarten	●	●	●		
St. Vincent and the Grenadines	●	●	●		
The Bahamas[3]	3		4		
Trinidad and Tobago[4]	2	●	2		
Turks and Caicos Islands	●		●		
ANGLEC					●
CENTRAL AMERICA					
Guatemala			●		
Nicaragua	●	●	●		
Panama			●		
Total Policies	**22**	**15**	**23**	**2**	**1**

and Central America purchased a total of 63 policies: 22 tropical cyclone (TC) policies, 15 earthquake (EQ) policies, 23 excess rainfall (XSR) policies, 2 COAST (fisheries) policies and 1 electric utilities policy. This was an increase of 4 policies compared with the previous year: Antigua and Barbuda purchased cover for excess rainfall for the first time since 2015/16; Trinidad and Tobago split its TC coverage into 2 policies – one for Trinidad and 1 for Tobago; The Bahamas' XSR coverage was changed from 3 policies to 4, each covering a different geographic area within the archipelago; and new member ANGLEC (the Anguilla Electricity Company Ltd.) purchased the electric utilities policy.

CCRIF has been providing a range of premium discounts to members – between 5 and 10 per cent – over the last several years. For the 2020/21 policy year, CCRIF provided a 5 per cent discount on the premium for tropical cyclone policies up to the value of the gross premium of the 2019/20 policy. In addition, the Facility offered an incentive to increase coverage. For TC policies it provided an additional discount of 15 per cent to the increased portion of the premium and for EQ policies it provided a discount of 15 per cent to the increased portion of the premium. Also, as done in previous years, the Aggregate Deductible Cover (ADC) and Reinstatement of Sum Insured Cover (RSIC) were provided to members at no cost. These two features of the TC and EQ policies were first offered in 2017.

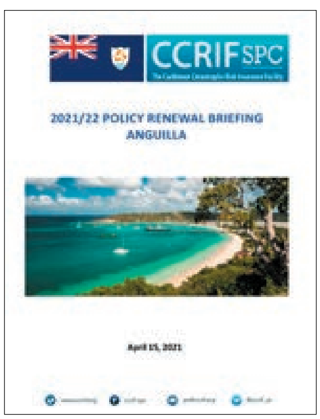
CCRIF's tropical cyclone and earthquake policies for 2020/21 continued to be based on the SPHERA (System for Probabilistic Hazard Evaluation and Risk Assessment) risk model, which was introduced in the 2019/20 policy year. Similarly, CCRIF's excess rainfall policies for 2020/21 were based on the XSR 2.5 model, also introduced in 2019/20.

Policy Renewals Road Show

CCRIF's policy renewals process starts more than six months before the Facility's new policy year which begins on June 1st as it initiates communication with member countries to urge them to include allocations in their annual

[3]The Bahamas purchased 3 TC policies for different areas of the archipelago: Northwest, Central and Southeast and 4 XSR policies: Extreme North, North, Central and Southeast; in 2019/20 XSR coverage was provided through 3 policies: Northwest, Central and Southeast. [4]Trinidad & Tobago purchased 2 TC and XSR policies – one each for Trinidad and one for Tobago

budgets for CCRIF insurance policies for the coming year. During the three months leading up to the renewal date, CCRIF undertakes a series of meetings, referred to as its “renewals road show”. While in past years, these meetings were a combination of in-country meetings and virtual meetings, for the second year in a row, all meetings were held virtually due to the COVID-19 pandemic. 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 provide an opportunity to engage with ministries of finance and other key stakeholders to enhance understanding of the full range of CCRIF’s products and services and how CCRIF’s parametric insurance complements other disaster risk financing tools. Also, they enable CCRIF to interact one-on-one with each member government to discuss any issues it may wish to address. For the 2020/21 policy year the policy renewals road show was held at the end of policy year 2019/20, during the months of March to May 2020.



From March to May 2021 (during the policy year covered by this report), the CCRIF team led by the CEO conducted 24 virtual meetings with current and prospective member governments to discuss coverage for policy year 2021/22. As is customary, country-specific technical briefs and presentations were provided to each member government to inform the policy discussion meetings. The presentations and discussions were expanded to include a more in-depth introduction to CCRIF for four Caribbean governments, due to recent changes in the representatives of the ministries of finance and/or the participation of additional ministers and senior officials for the first time. Indeed, this led to a follow-up workshop on CCRIF’s models being conducted for the Government of Dominica. This process was repeated in Central America, where workshops on CCRIF and selected models and products were conducted in conjunction with policy discussion meetings for the three current members as well as prospective members El Salvador and Honduras.

Some of the facilitators and participants at a CCRIF Technical Workshop for the Government of Panama

Payouts during 2020/21

SO1 Innovative and Responsive Parametric Products

SO3 Financial Sustainability

The record-breaking 2020 Atlantic Hurricane Season was the most active Atlantic hurricane season on record in terms of the number of tropical cyclones – recording 30 named storms, of which 13 were hurricanes, inluding 6 major hurricanes. The most devastating storms, Tropical Cyclones Laura, Zeta, Eta and Iota swept through parts of the Caribbean and Central America, bringing catastrophic winds, storm surge and rainfall. The storms caused landslides and flooding and resulted in loss of life and the displacement of thousands of persons as well as damage to electricity systems and other infrastructure and the agriculture sector. Three discrete but significant rainfall events associated with Zeta and Eta occurred in Jamaica within a two-week period, which was considered to be highly unusual even in an active hurricane season. Eta and Iota made landfall as Category 4 hurricanes along the Nicaraguan coast also within two weeks of each other, which was the first time in recorded history that two Category 4 hurricanes had affected the same location within 14 days.

In the 2020/21 policy year, CCRIF made seven payouts as follows:

- **Haiti:** US$7.2 million on its XSR policy following Hurricane Laura in August 2020
- **Trinidad & Tobago:** US$176,146 on the XSR policy for Tobago, which was triggered due to rainfall associated with a rainfall event during August 31 - September 2 2020
- **Jamaica:** US$3.5 million on its XSR policy due to rains from Tropical Cyclones Zeta and Eta, in October and November 2020, respectively
- **Panama:** US$2.7 million under its XSR policy also for rains during Eta
- **Nicaragua:** three payouts totalling US$30.6 million – two for Hurricane Eta on its TC and XSR policies and one on its TC policy for Hurricane Iota

All payouts were made within 14 days of the event – and in one case, following Hurricane Eta, CCRIF made an advance payment to the Government of Nicaragua within 7 days to allow the Government to begin to address its highest priority needs.

TOTAL PAYOUTS
for policy year 2020/21

US$ 44 MILLION

"Purchasing parametric insurance offered by CCRIF is part of the Haitian Government's approach to improving the financial management of natural disaster risks in order to reduce their effects on public finances."

Mr. Michel Patrick Boisvert
- Haiti's Minister of the Economy and Finance

"We want to extend our recognition for the excellent work by the team of CCRIF SPC, for their effectiveness in their mission to serve the peoples of Central America and the Caribbean in their moments of greatest need, such as when they face a climatic or catastrophic event."

His Excellency Iván Acosta
- Nicaragua's Minister of Finance and Public Credit

ADC Payments 2020/21

In policy year 2020/21, CCRIF made eight payments totalling US$1 million under the ADC feature of member countries' tropical cyclone policies – four following TC Isaias in August 2020, three following TC Laura also in August 2020 and one following TC Nana in September 2020. Five countries received these payments: Haiti (US$581,850), The Bahamas (US$307,002), Antigua & Barbuda (US$70,257), St. Kitts & Nevis (US$32,168), and Belize (US$35,000).

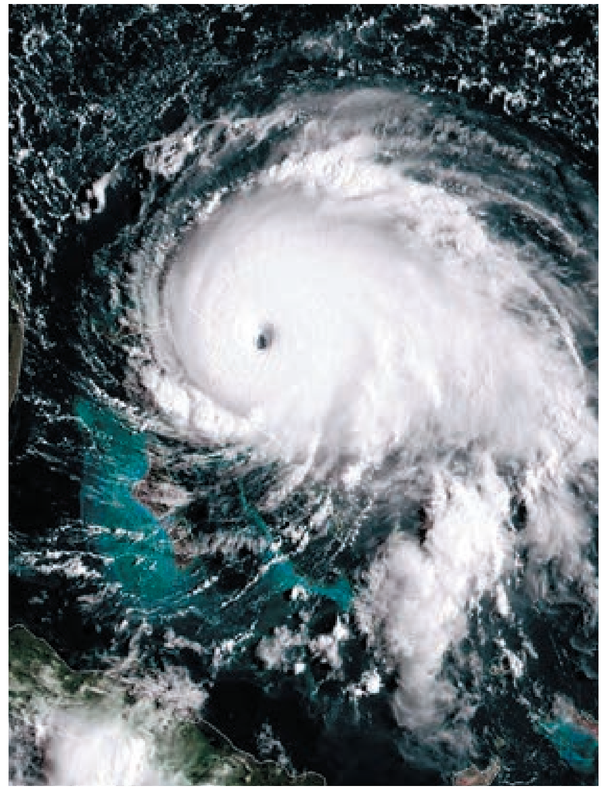
Note: After Tropical Cyclone Laura, the Government of Haiti received a payout under its excess rainfall policy and an ADC payment under its tropical cyclone policy – resulting in a total payment of US$7.45 million.

CCRIF ADC AND RSIC

The Aggregate Deductible Cover (ADC) can provide a minimum payment for events that are objectively not sufficient to trigger a CCRIF policy because the modelled loss is below the policy's attachment point (or deductible).

The Reinstatement of Sum Insured Cover (RSIC) provides access to coverage during a policy year after the maximum coverage limit is reached.

Hazard Event Reporting



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 members that have policies related to these events. Tropical cyclones are monitored to determine if any members' tropical cyclone or electric utilities policies or the Tropical Cyclone component of their COAST policies is triggered. Also, weather events are monitored to determine if the Adverse Weather component (based on rainfall and wave height) of any members' COAST policies is triggered.

CCRIF prepares internal "modelled loss and policy payment" reports for TC, EQ, XSR, and COAST for each affected member country that meet the criteria shown below.

EVENT AND CRITERIA FOR CCRIF REPORTING
Tropical Cyclone
A tropical cyclone affecting at least one member country with winds greater than 39 mph (62.7 km/h) Used for TC, COAST and Electric Utilities policies
Earthquake
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
A rainfall event that meets the Covered Area Rainfall Event (CARE) criteria (the amount of average rainfall is greater than a specified threshold over a specified accumulation period over at least a specified percentage of the area of a country) in at least one member country and produces a Rainfall Index Loss (RIL) greater than the country's loss threshold Or A rainfall event that meets the CARE criteria and produces an RIL below the loss threshold but a Disaster Alert is issued for that event in the affected country
COAST / Fisheries
A tropical cyclone or rainfall event that satisfies the criteria for the Tropical Cyclone component or Adverse Weather component for at least one member country with a COAST policy • 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[5] above a pre-defined threshold, for at least three consecutive days

The modelled loss and policy payment report determines if an event is a "Reportable", "Loss" or "Triggering" event. Note, for example, that a given hazard event can be a triggering event for one country and a loss event for another country. An event briefing report is prepared for dissemination to member countries and stakeholders. The event briefings describe the impacts and model results from the event for affected countries that have the corresponding policies. Event briefing reports are publicly available on the CCRIF website.

For policy year 2020/21, there were 39 earthquakes, tropical cyclones, and rainfall events (some of which were associated with tropical cyclones). These included 9 triggering hazard events, which resulted in payouts to 5 countries under their tropical cyclone and/or excess rainfall policies and payments to 5 countries under the ADC feature of their tropical cyclone policies. There were 3 tropical cyclones and 11 rainfall events that registered only as loss events in all member countries affected by those events. There were no triggering or loss events for earthquake, COAST or electric utilities.

REPORTABLE 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

LOSS EVENT

An event that registers a modelled loss in one or more member country but does not trigger the CCRIF policy in any of those member countries as the losses are below the attachment point

TRIGGERING EVENT

An event that registers a modelled loss high enough to trigger a CCRIF policy payout or an ADC payment on a TC or EQ policy

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

39 Hazard events affected CCRIF member countries in 2020/21		
8 tropical cyclones	15 rainfall events	16 earthquakes
	9 Triggering Events	
5 tropical cyclones: Isaias, Laura, Nana, Eta, Iota	4 rainfall events: rains during Laura, Zeta, Eta and rainfall in Tobago Aug 31 – Sep 2	
	14 Loss Events	
3 tropical cyclones	11 rainfall events	
	16 Reportable Events	
		16 earthquakes

New Product – Launch of the Electric Utilities Product

SO1 Innovative and Responsive Parametric Products

SO6 Scaling Up

In September 2020, CCRIF launched its parametric insurance product for electric utilities, which provides coverage to electric utility companies to limit the financial impact of tropical cyclones. One of the issues faced by most electric utilities in the Caribbean is the inability to purchase traditional indemnity insurance for overhead T&D systems because of the very limited availability and uneconomical pricing. The new product covers direct damage to the transmission and distribution (T&D) components of the electric power system due to impacts of wind and storm surge. The Anguilla Electricity Company Limited (ANGLEC) purchased the product, thus becoming the first non-sovereign member of CCRIF.

> *"ANGLEC was severely impacted by Hurricane Irma in 2017 and almost all of its transmission and distribution network was destroyed, costing the company in excess of XCD 40 million to restore. At the time, the company had XCD 16 million in its reserves (a self-insurance fund) and needless to say, all the reserves were used up. There was an urgent need to find an alternative mechanism because of the active hurricane seasons that we are experiencing."*

Mr. Peter Lamontagne
- CEO of ANGLEC

The electric utilities policy is offered through the newly established Caribbean Public Utilities segregated portfolio (CPU SP) and was developed with financial support from the Government of Ireland. The development was undertaken in close collaboration with the Caribbean Electric Utility Services Corporation (CARILEC), an association of electric utilities, suppliers, manufacturers and other stakeholder operations in the electricity industry in the Caribbean where over 30 of its members are electric utilities.

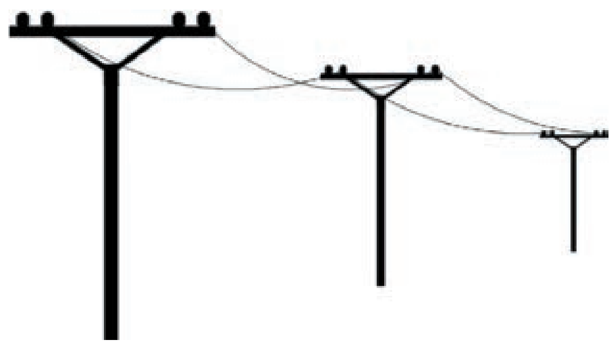
CARILEC
An Association Of Electric Energy Solution Providers

The importance of a parametric insurance product for electric utilities

Developing a parametric insurance solution for the electric utilities sector is particularly important because of the natural catastrophe risks faced by many Caribbean territories. Transmission and distribution systems are particularly exposed to wind damage from storms and hurricanes. Economic losses of utility sectors, particularly transmission and distribution systems, after these events also are high, with citizens oftentimes bearing the brunt of the costs through their electricity bills. The close relationship between wind speed and overhead T&D system damage created the opportunity for the development of a parametric insurance product based on CCRIF's tropical cyclone model.

Which assets are covered?

The exposed assets are limited to overhead transmission and distribution lines, including wires, poles and transformers. Power generation plants and substations are not included in this exposure database and are not covered by the present risk model (typically because they are covered by other risk management products). Given that the present model only accounts for direct damage, the exposure database does not include any assessment of the economic values of the activities that rely on the power network. Specifically, the exposure includes:



- Transmission lines (high voltage transmission lines, poles and towers, and transformers)
- Distribution lines (medium/low voltage distribution wires, poles and transformers)

For an accurate evaluation of the direct losses suffered by a power network after a tropical cyclone, it is first necessary to characterize

> *The role of electricity in the economic and social life of the region is pivotal. This product is not just for the electric utilities sector. It is for the development of the region in terms of the economic and social life of the people, who are dependent on tourism as well as agri-business, light manufacturing, etc., which are all reliant on the steady supply of electricity. The product speaks to a broader agenda: our ability to bounce back quickly after a disaster and generate economic activity through the provision of electricity to the industrial and commercial sector.*

Dr. Cletus Bertin
Executive Director of CARILEC

the T&D line components in terms of their geographical location and damage-related features (for example, the material, age, height and guying conditions of the poles). These features affect significantly the behaviour of the assets and thus the vulnerability of the system. The model computes the line length and the total cost of each line class from the information provided by the utility company (e.g. number of poles in each cell, average span length, unit cost per km). The cost of pole-mounted transformers is computed per pole (or as cost per unit length of line) and added to the cost of the corresponding transmission or distribution line class.

The presence of trees around the poles and wires can significantly impact the behaviour of the T&D lines during a wind storm. Trees may fall on the line and bring down the poles, even if the poles can potentially withstand the wind speed that caused the trees to collapse. To account for this circumstance, a land use mapping analysis is carried out to identify and incorporate the potential impacts of forest/woodland areas. The parts of the exposure database that fall into a forested area are flagged as areas with forest. If this flag is active in a given area, the model increases the vulnerability of the lines to wind storms for that area.

Expansion to other electric utility companies

The Facility – with the active support of CARILEC – is working with other electric utilities in the Caribbean to purchase this new product. CCRIF made a presentation on the product at the 2021 CARILEC Disaster Roundtable to disaster coordinators from all CARILEC member utilities and participated in a range of CARILEC meetings including the CARILEC CEO and Leadership Conference as well as one-on-one meetings with utilities in CCRIF member countries. CCRIF and CARILEC began preparations for a marketing campaign on the utilities product. Also, CCRIF discussed the product in its policy renewal meetings to potentially engage ministries of finance in national discussions with utility companies and other stakeholders.

During this policy year, CCRIF completed the model for Caribbean Utilities Company Ltd. (Cayman Islands) and Fortis TCI (Turks and Caicos Islands) and started model development for Nevis Electricity Company Ltd., Jamaica Public Service Company Ltd., and the Saint Lucia Electricity Services Ltd.

Model Development and Enhancement

Model Enhancement

Excess Rainfall – incorporating ground data

CCRIF's models use external public data sources to provide uniform model input for all member countries, guarantee real-time information to run the models, and eliminate the risk of not being able to collect information from local agencies due to a malfunction caused by the hazard event itself. Currently, the excess rainfall model uses hazard data from a combination of two different configurations of a climatic-meteorological model (the Weather Research and Forecasting – WRF) model developed by the US National Oceanic and Atmospheric Administration – NOAA), which compute the amount of rainfall based on climate conditions, and of a low-orbiter satellite-based precipitation model (CMORPH) developed by the NOAA Climate Prediction Center.

In keeping with CCRIF's commitment to continuous improvement and to support member requests, CCRIF commenced a study to assess the feasibility of including locally obtained ground rainfall data in the excess rainfall model. If the use of ground data is possible, it would potentially allow the model to be updated to provide more accurate and localized input. To conduct the study, researchers are working with regional and national meteorology and hydrology agencies in the Caribbean and Central America to obtain data and explore long-term governance and data access issues.

New Models in Development

CCRIF continues to explore the development of new models for other perils and economic sectors as listed below in partnership with organizations such as the Caribbean Development Bank and the World Bank as well as member governments.

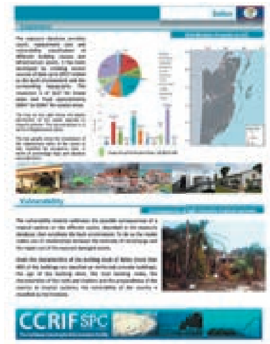
- Drought: for agricultural drought events affecting crop production
- Rainfall Runoff: for larger countries, to capture the contribution of runoff from upslope catchment areas to rainfall-induced losses to be integrated within the XSR model
- Agriculture: for the agriculture sector (for farming activities and related processes) that addresses the impacts of different perils, such as extreme rainfall, tropical cyclone-induced extreme wind and coastal flooding, and drought
- Housing stock: for public housing

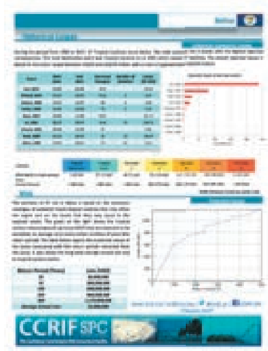
Enhancing Awareness of CCRIF Country Risk Profiles

SO1 Innovative and Responsive Parametric Products

When the SPHERA model for tropical cyclones and earthquakes and the XSR 2.5 model for excess rainfall were finalized for the 2019/20 policy year, CCRIF prepared new risk profiles for these three perils and provided them to each member country. These country risk profiles are the link between CCRIF's models and its parametric insurance policies. They provide an outline of the hazard characteristics and risks for the country as well as the event loss curves that show the losses for the country at different probabilities of occurrence (more precisely referred to as probabilities of exceedance). The profiles provide the basis for CCRIF to discuss coverage options with each country and to underwrite country policies once coverage levels have been agreed. Thus, the country risk profiles provide the basis for the pricing of member countries' policies.

These country risk profiles were provided to member countries in 2019. However, discussions at policy renewal meetings held in 2020 revealed the need for additional discussion with member governments about these risk profile documents. To meet this need, CCRIF invited member governments to participate in workshops for technical officers to allow them to fully understand the construct of the risk profiles, the data and information used and how the information contained in the risk profiles could be useful to the Government for other purposes. The workshops provided a forum to receive and incorporate feedback from local officials and to discuss making the profiles





Objectives of Country Risk Profile Workshops

- To raise awareness about CCRIF SPC and its products
- To increase understanding of the purpose of the CCRIF country risk profiles and how they underpin CCRIF parametric insurance policies
- To explore the construct of the country risk profiles
- To explore the data and information used in the risk profiles and their sources
- To explore how the information contained in the risk profiles could be useful to the Government in areas such as spatial planning and development planning

publicly available (for example, through the CCRIF website) thus making the information accessible to key stakeholders.

In October 2020 and April 2021, CCRIF conducted such workshops with five governments: the British Virgin Islands, Turks and Caicos Islands, Antigua and Barbuda, Grenada, and Belize. Participants included officials from the ministries of finance, planning, environment, as well as the departments responsible for disaster risk management, meteorology and statistics.

New Members

SO6 Scaling Up

The expansion of membership is one of the three pillars of CCRIF's scaling up strategy. As noted above, the Anguilla Electricity Company Ltd. (ANGLEC) became CCRIF's 23rd and first non-sovereign member when it purchased the electric utilities product in September 2020. ANGLEC is a mixed-ownership company and is the sole supplier of electricity on the island of Anguilla. ANGLEC joins CCRIF's 22 sovereign members: 19 Caribbean governments and 3 Central American governments.

19	**Caribbean Member Governments**
3	**Central American Member Governments**
1	**Electric Utility Member**

Scaling Up Access to Microinsurance Products

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

CCRIF's involvement with microinsurance is primarily through the Climate Risk Insurance and Adaptation in the Caribbean (CRAIC) project. The project was designed to address climate change, adaptation, and vulnerability by promoting parametric insurance for individuals as a disaster risk management instrument in the Caribbean. In order to reach this population, CRAIC developed the Livelihood Protection Policy (LPP), the project's signature microinsurance product.

CRAIC Pilot Countries

- **Belize**
- **Grenada**
- **Jamaica**
- **Saint Lucia**
- **Trinidad and Tobago**

The Livelihood Protection Policy – LPP

The LPP is a parametric microinsurance product, which offers individuals and organizations such as cooperatives and NGOs the ability to protect themselves and their members against financial losses that result from heavy rainfall or strong winds. The LPP is designed to help protect the livelihoods of vulnerable low-income individuals such as small farmers, fisherfolk, seasonal tourism workers, market vendors, street vendors, 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.

The project is being implemented in five Caribbean countries: Belize, Grenada, Jamaica, Saint Lucia, and Trinidad and Tobago by the Munich Climate Insurance Initiative (MCII) together with CCRIF SPC, the International Labour Organization's (ILO's) Impact Insurance Facility, DHI, and Munich Re.

In July 2020, CCRIF delivered a presentation on the LPP to representatives of Belize's Office of the Supervisor of Insurance and Ministry of Agriculture. Belize is one of two countries that joined the CRAIC project in Phase II and the presentation followed a previous mission to Belize, conducted to enhance understanding of the product and the regulatory arrangements that need to be in place for it to be offered in that country.

During this policy year, CCRIF continued to make arrangements to commence the Transition Phase of the project, which will entail CCRIF playing a lead role in the management of the project over the next two years with support from MCII and other project partners such as ILO Impact Insurance and DHI. It is expected that after this two-year period, the project and LPP product will be fully institutionalized within CCRIF and made available across all Caribbean countries that are members of CCRIF.

In November 2020, the publication "Climate Risk Insurance in the Caribbean: 20 lessons learned from the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project" was launched at the 16th International Inclusive Insurance Conference. The launch was at the end of the 11th Session of the Conference, which focused on leveraging sovereign insurance to develop strategies for scaling up to reach intended beneficiaries. The publication is a collaborative effort of MCII, CCRIF SPC, and ILO's Impact Insurance Facility.

The document captures 20 key lessons learned over Phases I and II of the CRAIC project. These lessons learned are being used to inform the implementation of Phase III, which will build on the best practices from the previous phases and also will focus on taking corrective action in areas that were not as successful, but for which there is now a more in-depth understanding in this relatively new and innovative area of climate risk insurance.

Lessons Learned from the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project

1. Education on parametric insurance is needed among the target population
2. Basis risk must be understood by government, insurers, distribution channels, and the target population for parametric insurance to be accepted
3. Policyholders must understand the elements and benefits of the actual policy and be provided with guidance when purchasing the product
4. Insurers and implementers must clearly communicate the benefits and limitations of parametric insurance to all stakeholders
5. The parametric models that underpin policies must be continuously improved to enhance product performance
6. New products must be developed for different target groups
7. A segmented approach that involves product variety should be adopted
8. Aligning microinsurance schemes with national social protection policies and strategies must be part of social protection
9. Government can play a vital role in raising awareness of and educating stakeholders about parametric insurance
10. Use of multiple distribution channels should be considered for improving access to the products and receiving payouts
11. It is important for insurers to understand the target population: using customer-centric design to meet needs
12. Selling group policies are important to increase access to insurance and enhance sales
13. Local NGOs and CBOs have an important role to play in lowering the cost of insurance and enhancing awareness
14. Creating competition in the market is important: creating success without picking winners
15. It is important to incorporate the use of technology and digital solutions – to facilitate sales and distribution of products and payouts
16. The importance of communication as a tool to build trust in insurance cannot be overstated
17. Local insurers need to align climate risk microinsurance to their overall business strategy
18. Integration of insurance within Integrated Climate Risk Management is important
19. Sustainability will require integrating microinsurance into country and regional institutions
20. Engagement with governments is necessary: embedding insurance into National Adaptation Plans (NAPs)

Organizational Sustainability

Corporate Governance and Financial Sustainability

Focusing on Good Corporate Governance in Times of Heightened Uncertainty

CCRIF continues to operate under the principles of accountability and transparency as the Facility focuses on scaling up, which requires additional focus and resources even amidst these times of heightened uncertainty caused by the COVID-19 pandemic. CCRIF's governance framework ensures that the Facility fulfills its value proposition to members and is designed to be flexible to account for a changing socioeconomic and natural hazard environment within the context of COVID-19 and climate change. 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 governance framework is outlined in its Operations Manual.

CCRIF's internal governance procedures require that the CCRIF team provides reports to the board and management that measure performance against the strategic objectives so that board members can effectively monitor the progress being made on the implementation of initiatives and where required, ensure that corrective action is taken. CCRIF also provides and makes public its annual report and audited financial statements to stakeholders through its website and other online platforms.

Board Governance

SO4 Corporate Governance

The board of directors continues to be guided by a robust corporate governance framework. This framework 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. Within this context, the board also approves various policies that support key operations within the Facility.

The board assumes overall responsibility for CCRIF, including approving and overseeing the implementation of CCRIF's strategic objectives, risk strategy, investment strategy and corporate social responsibility. 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. 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. In 2020/21 internal audits were conducted for the areas of corporate governance, risk transfer and underwriting, and investment accounting. The reviews were positive and the recommendations are being implemented in the spirit of continuous improvement of operations, compliance and oversight.

CCRIF's focus on scaling up has required it to engage additional staff and a range of consultants to assist in model development and enhancement, development of new products, and expansion of membership. The World Bank conducted a Post-Procurement Review in 2020/21 and provided a positive evaluation of CCRIF's procurement processes. Similarly, a mid-term review of the grants provided for support to members through the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund (MDTF) was positive.

Recent policies and procedures developed for the governance of CCRIF include:

- A comprehensive Business Continuity Plan – approved in December 2020
- COVID-19 Business Continuity Plan – developed in 2019
- An enterprise-wide complaints policy – approved in 2020/21
- Complaints procedure for claims
- Policy and Procedures on Declaration of Conflict – approved in 2020/21

During 2020/21, CCRIF disseminated its 2019/20 annual report to members and other stakeholders and made it public by uploading the document to its website and other online platforms.

Board Committees

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

BOARD COMMITTEES

Risk Transfer and Underwriting Committee

Members:
Saundra Bailey (Chair)
Timothy Antoine
Michael Gayle
Isaac Anthony

Audit and Risk Management Committee

Members:
Desirée Cherebin (Chair)
Saundra Bailey (Deputy Chair)
Todd Crawford (Independent Member)

Investment Committee

Members:
Faye Hardy (Chair)
Timothy Antoine (Deputy Chair)
Desirée Cherebin

Technical Assistance Committee

Members:
Desirée Cherebin (Chair)
Faye Hardy
Isaac Anthony

Finance and Budget Committee

Members:
Saundra Bailey (Chair)
Timothy Antoine
Desirée Cherebin
Michael Gayle
Isaac Anthony

New Products Committee

Members:
Faye Hardy (Chair)
Desirée Cherebin
Michael Gayle
Isaac Anthony

Work of the Central America SP Management Committee

SO4 Corporate Governance

The Central America SP Management Committee and CCRIF CEO provide strategic guidance to a new consultant engaged to deepen CCRIF's strategic engagement with members in Central America. This technical expert assists in enhancing the understanding among COSEFIN Member States of CCRIF's products and the importance of disaster risk financing to advancing these countries' sustainability agendas. The Management Committee and CEO work with the technical expert to implement the CA SP work plan with the primary objective of bringing new COSEFIN countries into CCRIF and helping CCRIF to ensure continued participation of all its members from Central America.

CCRIF's Financial Stability

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 2020/21 is reflected in the collective performance of the following five SPs:

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

Caribbean EQ/TC SP

For the Caribbean EQ/TC SP, CCRIF SPC issued 35 policies (14 EQ and 21 TC policies) to 18 Caribbean countries[6]. The year's gross premium for tropical cyclone and earthquake coverage in the Caribbean totalled US$30.2 million. The coverage limit for EQ and TC policies in the Caribbean was US$915.9 million: US$468.7 million for tropical cyclone coverage and US$447.2 million for earthquake.

Caribbean XSR SP

For the Caribbean XSR SP, CCRIF SPC issued 20 policies to 16 Caribbean countries[7]. Annual premium from the XSR policies in the Caribbean totalled US$11.8 million and the total coverage limit was US$108.5 million.

Central America SP

For the Central America SP, CCRIF SPC issued 5 policies (1 EQ, 1 TC and 3 XSR) to 3 COSEFIN countries. The gross premium was US$4.6 million, with US$1.6 million for tropical cyclone coverage, US$1.0 million for earthquake and US$2.0 million for excess rainfall. The coverage limit in the region was US$71.0 million: tropical cyclone – US$32.4 million, earthquake – US$23.0 million, and excess rainfall – US$15.6 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 approximately US$0.2 million and the total coverage limit was US$2.4 million: US$0.4

[6]The Bahamas has three TC policies, each of which covers a portion of the country. Trinidad & Tobago has two TC policies – one for each island. The figures for the number of TC policies counts each sub-national policy as a separate policy. [7]The Bahamas has four XSR policies, each of which covers a portion of the country. Trinidad & Tobago has two XSR policies – one for each island. The figures for the number of XSR policies counts each sub-national policy as a separate policy.

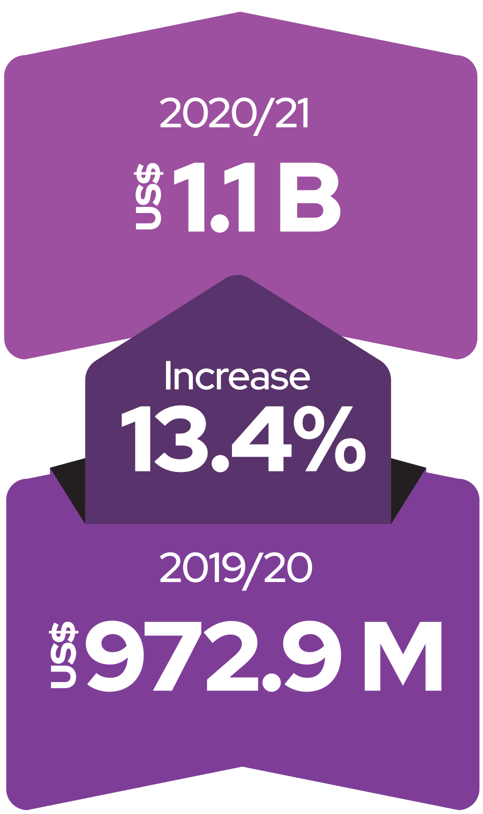
million for adverse weather coverage and US$2.0 million for tropical cyclone coverage.

Caribbean Public Utilities SP

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

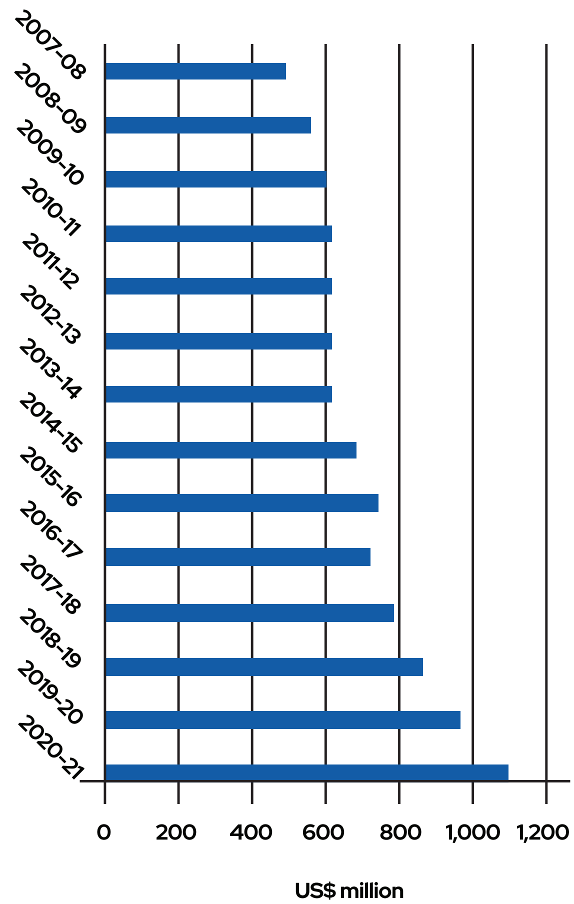
Total Coverage Limit
for 2020/21

Total Coverage Limit
for CCRIF SPC



The coverage limit has increased from US$495 million in 2007/08, CCRIF's first year of operation, to $1,103 million in 2020/21 as shown in the figure below.

Total Coverage Limit for CCRIF Members
2007 – 2020



Reinsurance

Each year, CCRIF has meetings with its reinsurers to ensure that it fulfills one of its customer propositions of proving parametric insurance cover at the lowest prices to its members. As is done each year, the CCRIF reinsurance road show was held in March. These reinsurance meetings provide an opportunity for CCRIF to share updates on the Facility, payouts over the year, information on model improvements, the underlying assumptions on renewal of policies by members, a recap of the CCRIF reinsurance structure in force in the current year, and proposed reinsurance structures for the upcoming policy year. Whilst CCRIF may retain approximately 50 per cent of the risk ceded to it by its members, it does transfer a portion of the risk to the reinsurance market as part of its financial sustainability strategy.

CCRIF SPC for Caribbean EQ/TC SP retained US$25 million and purchased US$175 million of reinsurance capacity above the retention to support the claims-paying capacity of the Facility (Figure 1). Reinsurance was purchased from the international reinsurance markets. The top of the reinsurance structure, at US$200 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-500 chance of occurring. The main programmes were placed at 100 per cent.

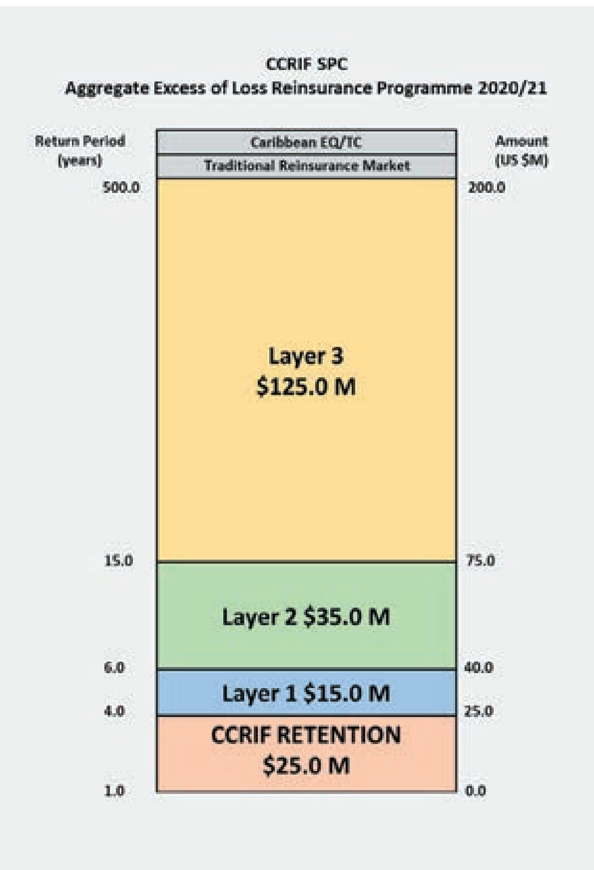


Figure 1. Aggregate Excess of Loss Reinsurance Programme 2020/21 for Caribbean EQ/TC

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

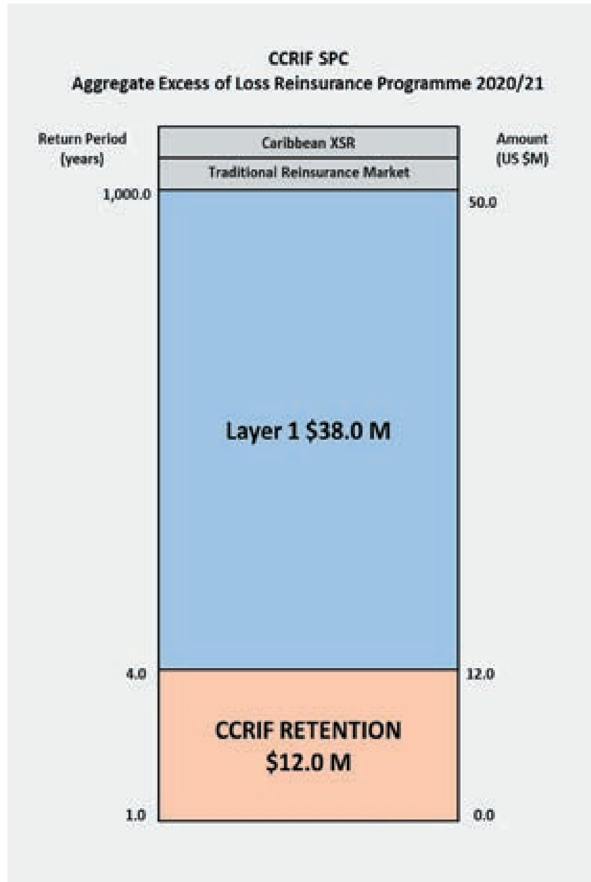


Figure 2. Aggregate Excess of Loss Reinsurance Programme 2020/21 for Caribbean XSR

CCRIF SPC for Central America SP retained US$4.0 million for EQ/TC and US$5.5 million for XSR. CCRIF SPC for Central America SP purchased US$47.0 million of reinsurance capacity for EQ/TC and US$26.5 million for XSR to support the claims-paying capacity of the Facility (Figure 3). The top of the reinsurance structure, at US$51.0 million for EQ/TC and at US$32.0 million for XSR, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-1,750 chance of occurring for EQ/TC and a greater than 1-in-10,000 chance of occurring for XSR.

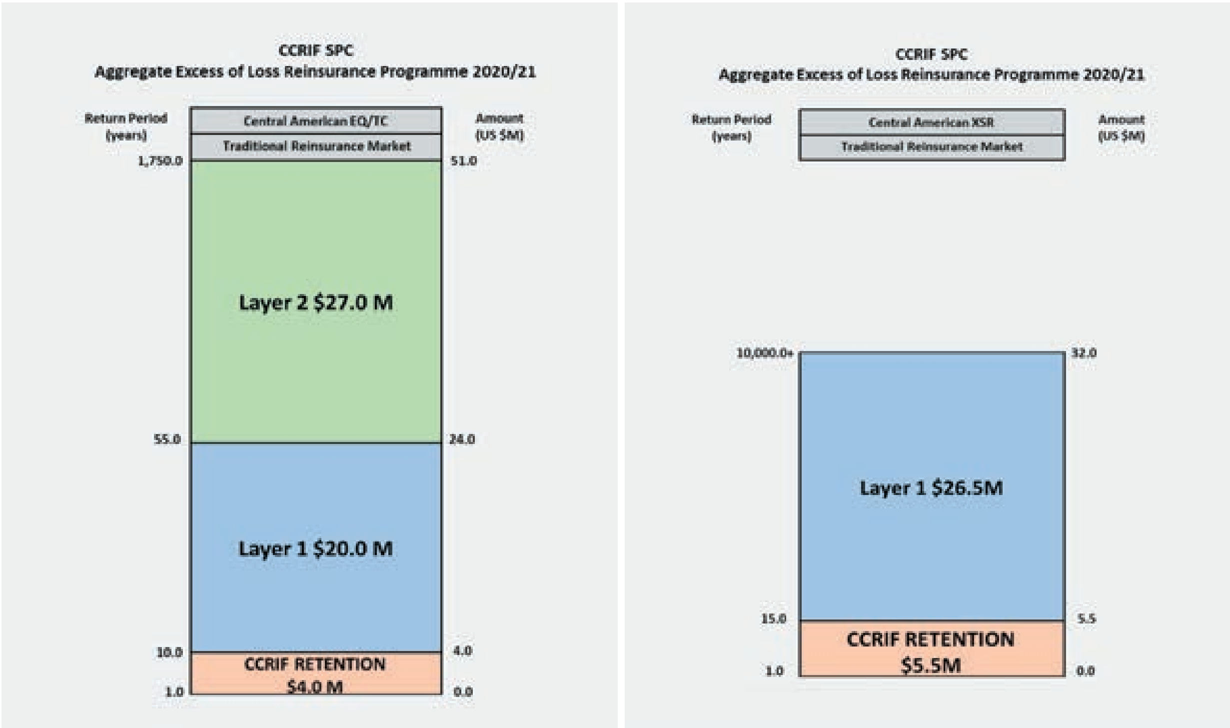


Figure 3. Aggregate Excess of Loss Reinsurance Programme 2020/21 for Central America EQ/TC and Central America XSR

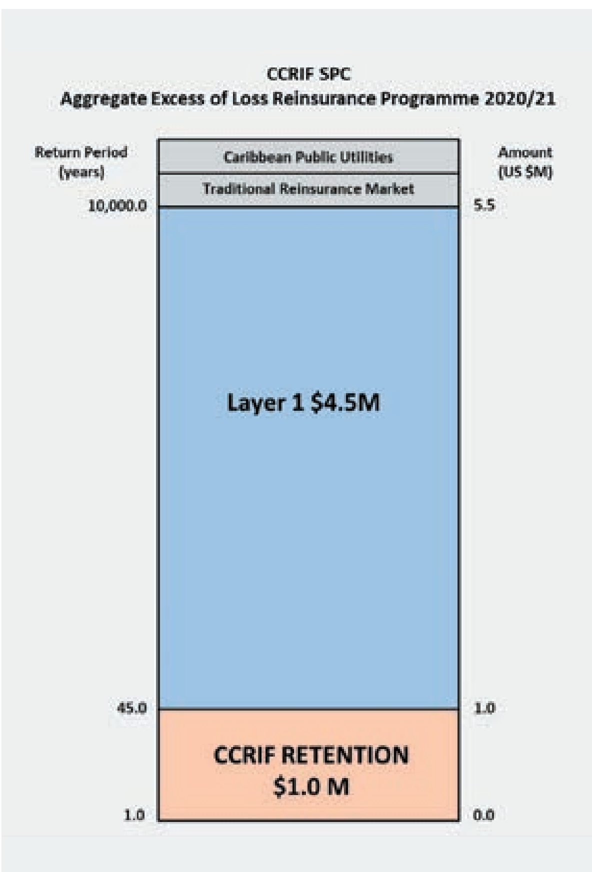


Figure 4. Aggregate Excess of Loss Reinsurance Programme 2020/21 for Caribbean Public Utilities

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

CCRIF SPC for Caribbean Public Utilities SP retained US$1.0 million and purchased US$4.5 million of reinsurance capacity to support the claims-paying capacity of the Facility (Figure 4). The top of the reinsurance structure, at US$5.5 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-10,000 chance of occurring.

CCRIF SPC's total capital at risk for 2020/21 comprised the retention of US$47.5 million (US$25.0 million for Caribbean EQ/TC, US$12.0 million for Caribbean XSR, US$9.5 million for Central America (US$4.0 million for Central America EQ/TC and US$5.5 million for Central America XSR), US$1.0 million for Caribbean Public Utilities) within the risk transfer programme and a further ~US$101.7 million above the reinsurance programmes in place for the different perils and SPs.

Therefore, the claims-paying capacity of CCRIF SPC for the 2020/21 policy year was thus significantly greater than the modelled aggregate annual loss with greater than a 1-in-10,000 chance of occurring, thus comfortably falling within CCRIF's guidelines for financial security and it was substantially better than any of its peers in either the public or private sectors.

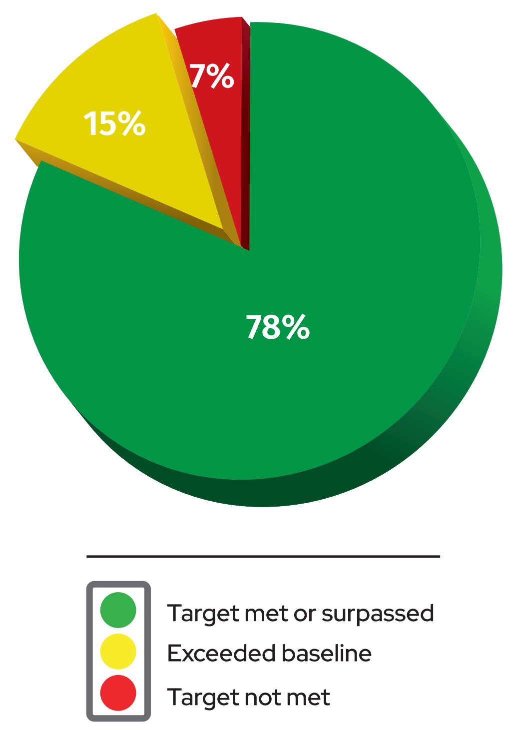
Measuring Performance and Reporting on Progress

SO4 Corporate Governance

The executive management team routinely measures performance against the strategic objectives that are laid out in the Facility's 3-year strategic plan 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 next year's work plan and give directives for work in new areas based on the regional and global economic environment. This year, the socioeconomic environment reflected the challenges faced by Caribbean and Central American countries due to the impacts of the COVID-19 pandemic. Discussions about CCRIF's next work plan took into account members' reduced fiscal space due to two key facts: that GDP growth in 2021 will be insufficient for recovering the economic activity levels prior to the coronavirus pandemic and that persistently high debt levels are expected to increase as governments address the fallout from COVID-19 restrictions. Development of a new strategic plan for 2021-2024 commenced during this policy year.

Performance under each of the Facility's strategic objectives is measured by comparing progress against the targets set for each fiscal/policy year in the annual work plans based on the Strategic Plan. During 2020/21, CCRIF monitored its performance against 46 targets established for its 7 strategic objectives in its Strategic Plan 2018-2021. CCRIF's performance can be summarized as follows:

- 36/46 (78%) – Target met or surpassed
- 7/46 (15%) – Exceeded baseline/ extensive work being undertaken
- 3/46 (7%) – Target not met



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

- **Provided US$10 million to enable CCRIF to provide special benefits to COSEFIN member 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**

Donor Support and Capitalization

SO3	Financial Sustainability
SO6	Scaling Up

Donor support is critical to enable CCRIF to scale up its operations by increasing coverage for existing members, increasing membership and developing new products. As part of the international response to the COVID-19 pandemic, support was provided to CCRIF member governments for their 2020/21 and/or 2021/22 CCRIF policies through three initiatives.

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 Multi-Donor Trust Fund (MDTF) of the Central America and Caribbean Catastrophe Risk Insurance Program provided US$10 million to enable CCRIF to provide special benefits to COSEFIN member countries on CCRIF policies for policy years 2020/21 and 2021/22. These benefits included reductions in premium costs 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. 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 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, will receive these benefits if they join CCRIF.

Reporting on the Use of Payouts

SO1	Innovative and Responsive Parametric Products
SO4	Corporate Governance

CCRIF does not provide guidelines or restrictions on how CCRIF member governments should use payouts if their policies are triggered. Indeed, governments have expressed appreciation that they are able to allocate the funds based on their national priorities post-disaster. However, recipient governments are required to submit reports on their use of the payouts. Countries' participation agreements require that governments submit a report using a specified format within six months of a payout. These reports enable CCRIF, as well as its development partners and national and regional stakeholders, to obtain information on how the payouts have benefited the country and the population as a whole, including the most vulnerable.

The use of payouts as reported by member governments in 2020/21 is shown below.

COUNTRY, EVENT AND PAYOUT VALUE	USE OF PAYOUTS
Belize Tropical Cyclones Amanda/Cristobal May 2020 **US$203,136 on its XSR policy**	Used for disaster and COVID-19 relief - for: • food supplies, food for volunteers/workers; equipment; mattresses • cleaning supplies; hygiene kits; transportation • replenishing national emergency supplies for Hurricane Nana
Guatemala Tropical Cyclones Amanda/Cristobal May 2020 **US$3,628,013 on its XSR policy**	Allocated to the Ministry of Communications, Infrastructure and Housing and used as follows: • Housing Fund (FOPAVI): construction of houses and acquisition of land (for housing construction) • Road Conservation Execution Unit: repairs to highways • General Directorate of Roads: repair of infrastructure, particularly collapsed bridges
Haiti Tropical Cyclone Laura August 2020 **US$7,163,958 on its XSR policy**	• Cash transfers to 54,144 workers unemployed due to the COVID-19 pandemic • Provided to Ministry of Public Works, Transport and Communication (MTPTC) for sanitation and urban rehabilitation • Funds for sanitation, outreach and distribution of sanitary kits as part of the COVID-19 response • Purchase of sanitary material and equipment
Trinidad & Tobago Rainfall event during August 31 - September 2 2020 that affected Tobago **US$176,146 on Tobago's XSR policy**	• Repaired roads in the city of Scarbourough and communities of Patience Hill, Parlatuvier and Belle Garden • Provided assistance to 3 families in Tobago
Jamaica Tropical Cyclones Zeta/Eta, October/November 2020 **US$3,500,000 on its XSR policy**	• Used to cover costs under the "Island-wide Disaster Mitigation" activity – e.g. to reopen roadways impacted by landslides, clean and clear drains, rehabilitate damaged roadways, and support affected farmers • Used on the "Maintenance of Secondary Roads" activity
Panana Tropical Cyclone Eta, November 2020 **US$2,670,556 on its XSR policy**	• Contributed to Operación Patria (Operation Homeland), which focused on rescue of affected people, the transfer of humanitarian aid and the improvement of access roads to communities affected by landslides. • Provided assistance to producers who lost their crops as a result of flooding
Nicaragua Tropical Cyclone Eta, November 2020 **TC policy: US$7,793,524** **XSR policy: US$2,956,021**	• Support to 38,117 families who were placed in shelters and solidarity houses - provided a cleansing kit, food packages, blankets, etc. • Removal of trees and earth from the main roads and highways • Rehabilitation of the national road network • Rehabilitation of the Nuevo Amanecer Hospital • Mobilization of personnel to survey damages and losses
Nicaragua Tropical Cyclone Iota, November 2020 **US$19,891,162 on its TC policy**	

Member Relations and Stakeholder Engagement

Creating Value for our Members and Stakeholders in the Caribbean and Central America

Engaging our Stakeholders in a Global Pandemic

As the world experienced the increasing uncertainty associated with COVID-19 during 2020/21, CCRIF continued to engage its members and stakeholders to assure them that the Facility was ready to provide its usual support. CCRIF is committed to strengthening relations with its members and partner organizations as CCRIF's role in the region continues to expand and deepen. Strengthening relations with members also is considered critical to enable the Facility to understand members' needs and to better meet and exceed their expectations. As a virtual company for the past 13 years, CCRIF was well placed to engage with members and stakeholders as online communication became the "new normal".

CCRIF engages with members and stakeholders in a variety ways, including the following:

- Undertaking the policy renewal road show each year to discuss with members their policy coverage, revisions to models underpinning the products, new products being developed or offered, adequacy of coverage and policy pricing for the upcoming policy year
- Communication through e-mail as well as online communication through avenues 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) on 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 as well as fora organized by member governments
- Communicating with international and regional press to "get the word out" as broadly as possible about CCRIF news

While CCRIF often conducts missions and courtesy calls on key officials in member countries, these face-to-face interactions were not possible in 2020/21.

Capacity Building and Training in Disaster Risk Financing and Parametric Insurance

SO1 Innovative and Responsive Parametric Products

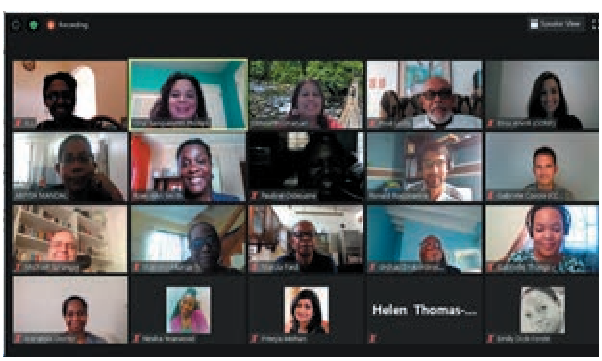
CCRIF created its flagship course "Understanding Disaster Risk Financing, CCRIF Parametric Policies and the Relationship with Fiscal and Economic Policy", in 2016. The course aims to enhance member governments' understanding of the linkages between disaster financing and comprehensive disaster risk management, and to 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 has been updated and adapted and has been delivered to 18 current and prospective member governments as a 2- or 3-day workshop to representatives from ministries and agencies in the areas of disaster management, planning, economic development, meteorology, seismology and climate change, among others. A truncated version of the course has been offered at conferences and webinars conducted by partner organizations.

Implementation of this training programme on a country-by-country basis was paused during 2020/21 in light of concerns related to the COVID-19 pandemic and members governments' focus on their pressing needs to address the economic impacts. CCRIF is exploring the delivery of the training programme online in the coming year. However, during the policy renewals process – as described earlier in this report – mini training sessions or workshops were held with the Governments of Dominica, Panama, Guatemala, El Salvador and Honduras, which focused specifically on CCRIF's products and the models that underpin them.

Institutionalization of CCRIF Flagship Course at The UWI

CCRIF's flagship course was expanded and renamed "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)" and was approved for delivery at The University of the West Indies. The course focuses on enhancing the understanding and use of the tools used in disaster risk financing and the important role these tools play in advancing debt and fiscal sustainability of countries. It comprises five units: The Caribbean's Natural Hazard Landscape and Profile; Introduction to Disaster Risk Financing; Introduction of Integrated Risk Management and All Hazards Risk Policy Frameworks; Parametric Insurance and Modelling; and Shock Responsive Social Protection and DRM and Insurance.

In preparation for the delivery of the course, CCRIF held a five-day train-the-trainer workshop in July 2020 with UWI lecturers who were prospective lecturers for the course.



The course was delivered for the first time during November 2020 – February 2021 through The UWI Open Campus. Approximately 30 persons from ministries of finance, DRM offices and other organizations in 10 countries participated in the course, with 25 receiving scholarships from CCRIF to cover the cost of enrolment. Successful participants received 4 continuing education units or credits. CCRIF will invite member governments to name specific representatives to participate in future offerings of the course to build the capacity of key officers in disaster management, finance, planning, meteorology etc. and CCRIF will offer scholarships to these participants.

Communications, Publications and Media Relations

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 and are always available on the CCRIF website.

During the 2020/21 policy year, CCRIF produced its annual report and 4 issues of its online newsletter CCRIF E-News – as well as the 4th publication in its Technical Paper Series (see below).

NEW PUBLICATION

CCRIF Launches Technical Paper Series #4 at The UWI

CCRIF launches at The UWI its 4th Technical Paper Series, *"A Collection of Papers and Expert Notes on Disaster Risk Fanancing and Disaster Risk Management... Highlighting academic paper preparedby a selection of CCRIF scholarship winners"*

In November 2020, CCRIF launched the publication, *"A Collection of Papers and Expert Notes on Disaster Risk Financing and Disaster Risk Management ... Highlighting academic papers prepared by a selection of CCRIF scholarship winners"* at the University of the West Indies Regional Headquarters and provided copies of the publication to The UWI for placement in libraries across the four campuses.

This collection of papers highlights research conducted by nine recipients of CCRIF scholarships between 2010 and 2017. The academic papers include papers completed as part of course work, extracts from dissertations, as well as complete dissertations – all submitted as part of their degree requirements. The publication also presents a selection of Expert Notes, in the form of speeches presented by members of the CCRIF Management and Team at regional and international fora, focusing on disaster risk financing. This 4th volume builds on Volume 3 of the technical series, *"A Collection of Papers ... Showcasing the Work of CCRIF Scholarship Recipients 2010 – 2012"* published in November 2014, which presents dissertations and papers by four previous CCRIF scholarship recipients.

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

ENGAGE WITH US

Also, CCRIF engages with the press in the Caribbean and Central America as well as the international financial press and the London-based insurance press through periodic press releases. During policy year 2020/21 CCRIF issued 13 press releases, reflecting an active year, which included seven CCRIF payouts, a new insurance product and financial assistance as part of the COVID-19 response and for the volcanic eruption in St. Vincent. Additionally, several media houses and organizations, some of which have been covering CCRIF for years, make mention of CCRIF in their publications and own news releases – as shown in the example below.

CCRIF targets private sector risk with parametric utilities cover

The CCRIF SPC (formerly known as the Caribbean Catastrophe Risk Insurance Facility) is expanding its appetite to include private sector risk, with the launch of a parametric insurance product for the electric utility sector in the Caribbean. Adding risk from the private sector to its already growing pool of largely sovereign catastrophe risk will help the CCRIF to recognise and benefit from more in the way of reinsurance synergies, to the benefit of its client base.

- Artemis, October 2, 2020

Regional and International Conferences and Workshops

SO5 Member Relations and Engagement

SO7 Strategic Partnerships

As CCRIF expands its product offerings and range of formal partnerships with organizations, it has opportunities to share the CCRIF Story with stakeholders in new arenas. During 2020/21, members of the CCRIF board, management and team participated in approximately 20 conferences and workshops as part of its overall stakeholder engagement strategy. This year, many of the conferences focused on finance, hazard risk and policy strategies that countries can implement to reduce and cover those risks in light of the economic fallout of the COVID-19 pandemic. As expected, due to the global pandemic, these events were generally conducted online, which in some cases allowed for participation of a wider range of persons and organizations.

These events provided an opportunity for CCRIF to engage with members; international, regional and national organizations; and donors in ongoing discussions on risk transfer, DRM and climate change. At most of these events, CCRIF delivered a presentation, participated in a panel discussion and/or hosted a "virtual booth" in the conference exhibition. This year, CCRIF was a sponsor for one event, providing US$5,000 for the inaugural Sustainable Development Movement (SDM 2020), hosted by the OECS in September 2020.

Some of the conferences in which CCRIF participated are highlighted below.

CCRIF Board Member, Saundra Bailey participated as a panellist in the CAREC Resilient Power Series 2020, on the topic Insurance Lessons to Support a Resilient Electric Power Industry.

CCRIF TA Manager, Elizabeth Emanuel, participated in the inaugural, virtual Barbados Risk & Insurance Management Conference (BRIM 2021), hosted by the Association for Global Business in Barbados.

CCRIF CEO, Isaac Anthony participated in the COVID-19: Roadmap to Recovery webinar series for Saint Lucia - focusing on disaster risk financing. Other panellists included: Deputy Director for Financial Administration, Matthew Branford (L) and Chief Economist in the Department of Economic Development, Tommy Descartes (R).

CCRIF CEO, Isaac Anthony participated in the webinar "The Perfect Storm: Global Pandemic, Recession and Hurricanes" hosted by the Atlantic Council and the Adrienne Arsht-Rockefeller Foundation Resilience Center Partnership (AARFRC). Other speakers were Hon. Allen Chastanet, Prime Minister of Saint Lucia and Kathy Baughman McLeod, Director and Senior Vice President Adrienne Arsht-Rockefeller Foundation Resilience Centre Atlantic Council. The webinar was moderated by Somini Sengupta, International Climate Reporter with The New York Times.

CCRIF and the Munich Climate Insurance Initiative (MCII) hosted a panel at the session titled "How to reach scale and develop inclusive insurance markets: Leveraging sovereign insurance for building scale" at the 16th International Conference on Inclusive Insurance

Other events in which CCRIF participated included, among others:

- COVID-19: A Wake-up Call for Regional Food Security – hosted by Faculty of Food and Agriculture, The UWI St. Augustine
- Webinar on "Financing and Planning for Disaster Risk Management in the Caribbean Small Island Developing States (SIDS)" – hosted by ECLAC
- Caribbean/Africa Regional Exchange Workshop on Climate and Disaster Risk Financing and Insurance – hosted by the Caribbean Policy Development Centre and MCII
- Webinar on Conservation Agriculture – Exploring the Jab Planter as a Soil Conservation Tool – hosted by Department of Food Production, The UWI St. Augustine
- Virtual Workshop on Leaving No One Behind in the Caribbean: building resilience through universal social protection – hosted by ECLAC, ILO, UN-Habitat and CCRIF
- Disaster Risk Financing Working Group of the G-7
- 8th Meeting of the Council of Ministers for Environmental Sustainability (COMES 8) – hosted by the OECS

Building Resilience

Support to the Disaster Risk Management and Climate Change Adaptation Agenda

Building Connections with Local Communities to Build Forward Stronger

CCRIF is committed to its role as a development insurance company and being a key partner in the sustainable development of the region. With its unique role as the main disaster risk financing facility, CCRIF encourages governments to expand the linkage among disaster risk financing, fiscal policy, national planning and social protection within comprehensive national strategies for social, environmental and economic progress. As such, CCRIF supports its members in the development and implementation of initiatives for disaster risk management and adaptation to climate change, towards reducing vulnerabilities and building resilience.

CCRIF'S TECHNICAL ASSISTANCE TO THE CARIBBEAN 2010-2021

INITIATIVE	#	INVESTMENT (US$)
Extra-regional scholarships	22	756,561
UWI scholarships	77	802,730
Other Caribbean scholarships	2	22,000
Total postgraduate scholarships	62	1,162,811
Undergraduate scholarships	39	418,480
Total Scholarships	**101**	**1,581,291**
CCRIF Internship Programme	**137**	**374,440**
CCRIF Small Grants Programme	**24**	**565,353**
MOUs		**981,959**
Assistance to Governments		**2,637,140**
PD Programmes and Conference Support		**200,000**
TOTAL		**6,340,183**

To help build resilience, CCRIF provides support to member countries, regional organizations, non-governmental and community-based organizations, and academic institutions to develop and implement disaster risk management and climate change adaptation projects and programmes. The Facility also provides academic and professional development opportunities for young people – the region's future leaders. Its scholarship and internship programmes have benefitted over 200 persons, increasing their knowledge and skills in areas that will allow them to contribute to increasing the region's resilience to natural hazards and climate change. Since the launch of its Technical Assistance (TA) Programme in 2010, CCRIF has provided over US$6 million to support disaster risk management efforts in the region.

One year ago, CCRIF expanded its TA Programme to include a focus on children in schools. The new "Disaster Risk Reduction in Schools" initiative recognizes that not only are children affected by hazards, but they also can be powerful agents of change, now and in the future. While the TA Programme thus far has focused on the Caribbean, the programme will be expanded to benefit current and potential Central American member countries and their people in the next 1-2 years.

CCRIF's Technical Assistance Programme now has four components as follows:

CCRIF Scholarship and Professional Development Programmes

CCRIF Scholarship Programmes

SO2 Resilience

The CCRIF Scholarship Programme and CCRIF-UWI Scholarship Programme were revised for 2020 to provide additional opportunities for Caribbean students to pursue studies in their own region. The CCRIF Scholarship Programme now provides scholarships for postgraduate study not only in Canada, the UK and USA but also in select programmes at The University of the West Indies (UWI) and other select Caribbean universities. The CCRIF-UWI Scholarship Programme now provides only undergraduate scholarships. Additionally, CCRIF also provides scholarships to students who are enrolled in the course, "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)", which is based on the CCRIF training programme and being offered through The UWI Open Campus. This course was offered for the first time in November 2020 – February 2021.

The updated scholarship programmes are summarized below.

CCRIF SCHOLARSHIP PROGRAMME 2020
POSTGRADUATE SCHOLARSHIPS

1 Extra-Regional Scholarship

- Value up to US$40,000
- Students must have gained admission at a university in the United Kingdom, United States or Canada, for study in areas related to DRM, Climate Change, Environment, Engineering, Actuarial Science etc.

6 Caribbean Scholarships

- Value up to US$11,000 each
- Students must have gained admission at:
  - The University of the West Indies
  - University of Technology, Jamaica
  - Northern Caribbean University (Jamaica)
  - University of Guyana or
  - University of Suriname

  in areas similar to the extra-regional scholarship

Special Scholarships at The UWI

- Total value up to US$11,000
- For students enrolled in the UWI-CCRIF course "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)"

CCRIF-UWI SCHOLARSHIP PROGRAMME 2020
UNDERGRADUATE SCHOLARSHIPS

4 Scholarships

- Value US$4,000 per year for 2 years (2nd and final year)
- Students must apply at the end of their 1st year
- Students must be registered at one of the UWI campuses and pursuing select degrees related to DRM, civil engineering, geography, environmental management etc.

The new guidelines notwithstanding, for the 2020/21 academic year CCRIF awarded two extra-regional scholarships. The second scholarship was possible, as CCRIF elected to use funds that became available because of the cancellation of the 2020 CCRIF internship programme due to restrictions imposed to address the COVID-19 pandemic. For 2020, CCRIF awarded scholarships totalling US$183,500 to 8 Caribbean nationals for postgraduate study in the UK and the Caribbean (at The UWI and the University of Technology, Jamaica), 4 for undergraduate study at The UWI and approximately 25 to take the course on disaster risk financing at The UWI.

Special Assistance to The UWI for Tuition Support

As part of the Facility's COVID-19 response, the CCRIF Board approved funding in response to a request from the UWI Global Giving Initiative. CCRIF provided US$142,000 to cover the tuition fees of the most needy students at The UWI, who, due to the pandemic, were finding it difficult to pay tuition and who were at risk of either being de-registered or not completing their studies. This was in addition to the US$92,500 in scholarships provided to UWI students for 2020 under the CCRIF scholarship programmes. Therefore, for 2020/21 CCRIF provided scholarships or tuition assistance to The UWI totalling US$232,500.

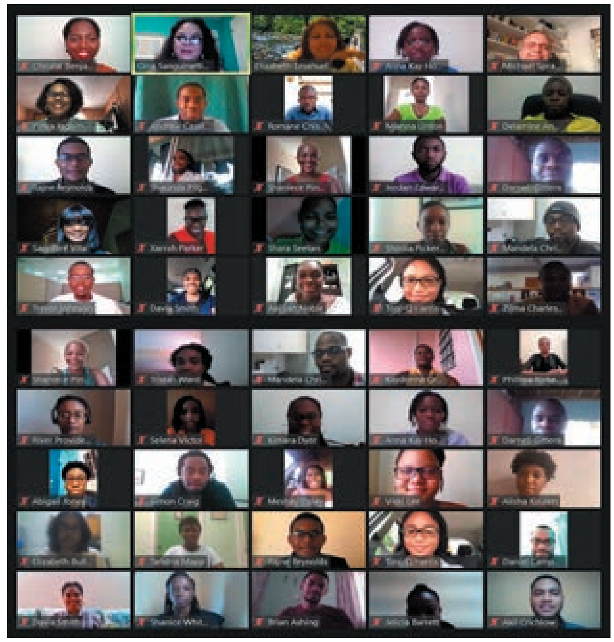
CCRIF Regional Internship Programme

CCRIF's flagship professional development programme is its Regional Internship Programme. It 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 area to be assigned to national and regional organizations, where their knowledge and skills can be enhanced through practical work assignments. Regretfully, CCRIF took the decision to cancel the programme for 2020 as a precaution in light of the COVID-19

On November 27, 2020, CCRIF Director Saundra Bailey (right) and CCRIF TA Manager Elizabeth Emanuel (2nd from right) led a cheque presentation ceremony with UWI Registrar Dr. Maurice Smith (3rd from left) and Mona Principal Prof. Dale Webber (left) who also serves as pro vice chancellor for disaster risk management and resilience for The UWI. Also in the picture are two CCRIF scholarship recipients at The UWI.

pandemic. Many potential host organizations were affected by lockdowns, and there were restrictions on international travel and local movement.

However, to facilitate the professional development of the many young persons who had applied for the internships, CCRIF offered a summer course in disaster risk financing for university graduates. Previous recipients of CCRIF scholarships and internships and persons who applied to the 2020 internship and scholarship programmes were invited to participate. Over 80 persons from throughout the Caribbean participated in this 16-hour course, titled, “Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy”, which was delivered through The UWI Open Campus.



Some of the facilitators and participants in the CCRIF course, “Understanding Disaster Risk Financing, CCRIF Parametric Insurance Policies and the Relationship with Fiscal and Economic Policy”

FEEDBACK FROM SOME PARTICIPANTS

“The course was a great investment for the region. Not only did the course expose participants to knowledge and skills that are useful in CCRIF but it provided an avenue for participants to share the information to relevant local bodies.”

“The approach to teaching and learning was different from what I was used to. It was not rigid and more independent. I was able to foster an independence that was not properly gained before.”

“My knowledge on disaster risk financing has been enhanced as a result of this course and I will definitely use the information garnered in my work as a disaster manager.”

“The course was great. To date it’s one of the best online courses I have attended especially in terms of the discussions. Very interactive and informative.”

Regional Knowledge Building

SO2 Resilience

Since 2008, CCRIF has been engaging in partnerships with key organizations to implement collaborative programmes that focus on disaster risk management and climate change adaptation, and building capacity and knowledge about these issues. CCRIF signs memoranda of understanding (MOUs) with these organizations and then creates short-term work plans to support the achievement of the objectives stated in the MOUs. Many of these work plans are funded by CCRIF and facilitate both CCRIF and the partner organization in accomplishing important goals related to their individual mandates. These agreements provide opportunities to share important work being done with other organizations in the region, fostering increased collaboration across different sectors. While CCRIF's first partners were responsible for disaster management and meteorology/hydrology in the Caribbean, the range has expanded through the years to include not only other focus areas (such as public sector administration and the fisheries sector) but also areas beyond the Caribbean. CCRIF's MOU partners often serve as host organizations for interns within the CCRIF Regional Internship Programme, thus contributing to the professional development of young people in the region.

During the 2020/21 policy year, CCRIF signed one new MOU – with the United Nations Development Programme (UNDP) for the Western Caribbean (covering Jamaica, Belize, Cayman Islands, Turks and Caicos Islands and The Bahamas).

CCRIF NOW HAS MOUS WITH 11 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 Development Programme –UNDP
- United Nations Economic Commission for Latin America and the Caribbean – ECLAC

Synopsis of Initiatives Undertaken through MOUs 2020/21

Adrienne Arsht-Rockefeller Foundation Resilience Center (AARFRC)
– Partner since 2020

CCRIF's work with the Atlantic Council's Adrienne Arsht-Rockefeller Foundation Resilience Center is focused primarily on raising awareness and action to address extreme heat, one of the deadliest global hazards. The Extreme Heat Resilience Alliance (EHRA) was formed in August 2020 and brings together global cities' leaders, experts in public health, finance, humanitarian assistance, disaster management, climate science and risk, insurance, and public infrastructure, to address the growing threat of extreme urban heat on vulnerable persons worldwide. CCRIF became a member of the EHRA's Risk Transfer and Finance Working Group and participated in discussions on possible approaches to financing an extreme heat facility as part of a global strategy to execute the "Cooler Cities Action Initiative" to address extreme heat in cities. Also, CCRIF shared information about the course on disaster risk financing developed by CCRIF that is being offered by The University of the West Indies, to inform efforts to enhance risk literacy in the Caribbean as part of the MOU. Information was also shared on the Economics of Climate Adaptation (ECA) Study led by CCRIF in 2009, since the ECA methodology has been discussed at EHRA meetings as a possible approach to understanding the impacts of extreme heat.

Association of Caribbean States (ACS)
– Partner since 2017

This partnership aims to support the goal of mainstreaming disaster risk management within ACS member states' sustainable development agendas. It has enhanced ACS's understanding of CCRIF and its models, products and services through participation in regular meetings of the ACS Special Committee for Disaster Risk Reduction and a 1-day workshop for ACS representatives held last year.

In August 2020, CCRIF participated in a virtual Geographic Information Systems (GIS) summer camp, hosted by the ACS in collaboration with The University of the West Indies and GeoTech Vision Jamaica. The theme of this camp for 14-18 year-olds, "Making My Community Disaster Resilient: I am Part of the Solution", focused on personal action. The camp was part of a pilot programme to encourage and facilitate youth engagement and collaboration in creating solutions to manage disasters with the help of GIS technology. CCRIF led the "campers" through a discussion on natural hazards in the Caribbean and CCRIF's role in disaster risk financing as well as potential future careers in disaster risk reduction.

Caribbean Centre for Development Administration (CARICAD)
– Partner since 2019

The focus of this MOU is to facilitate comprehensive risk management through enhanced capacity of leaders and officers in the public sector and share knowledge, expertise and best practices related to risk management in public administration. During this year, CCRIF contributed to CARICAD's training programme for public sector officials and its information sharing tools, including the CARICAD newsletter.

In December 2020 CCRIF conducted a webinar during CARICAD's webinar series on the topic, "Closing the Protection Gap: Scaling up Mechanisms to Support the Most Vulnerable after Natural Disasters". Over 100 persons attended.

Following this, CCRIF delivered a session in April 2021 on integrated risk management as part of CARICAD's Transformational Leadership Development Programme. Eighteen permanent

secretaries, heads of agencies and senior government officials are enrolled in this one-year programme. CCRIF's session focussed on:

- Understanding integrated risk management and the hazard landscape of the Caribbean
- The interconnectedness of risk types (with a focus on economic, social, political, environmental, technological risks etc.) and implications for Caribbean organizations
- Preparing risk maps and understanding the concept of all hazards risk frameworks and its applications
- The role of country risk officers
- Risk and development - developing and implementing risk mitigation strategies
- An introduction to CCRIF and disaster risk financing

Caribbean Community Climate Change Centre (CCCCC)
– Partner since 2010

CCCCC completed an 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 and assisting countries to realize the Sustainable Development Goals (SDGs) and better prepare for varying climate regimes, given current climate change projects. This year, taking into account the issues highlighted by the COVID-19 pandemic, CCCCC continued the further revision of the framework to address the impacts of other risks such as pandemics to inform regional and national responses.

Caribbean Disaster Emergency Management Agency (CDEMA)
– Partner since 2009

This partnership pairs the Caribbean's primary disaster management organization and the region's primary disaster risk financing facility. CCRIF has supported the Caribbean Conference on Comprehensive Disaster Management hosted by CDEMA since 2007; the next conference will be in December 2021.

During this year, CCRIF and CDEMA discussed elements of a new work plan. It will focus on strengthening capacity for safer building in the Caribbean informal building sector. Specifically, CCRIF will support the institutionalization and sustainability components of the CDEMA "*Code of Practice for the Construction of Houses: An Instruction Manual for Foremen and Experienced Artisans (COP)*". CCRIF will support the development and application of a Caribbean Vocational Qualification (CVQ) certification for the COP. The updated COP will address the most up-to date building legislation, standards, codes, and practices; and incorporate the latest technological developments and findings on safe building including from recent disaster impacts.

At the end of the policy year, CCRIF participated in a communication campaign called "Disaster Fighters", funded by the EU and Canada, which was launched in May 2021 by CDEMA for the 2021 hurricane season. The initiative was designed to motivate persons to be prepared for the upcoming hurricane season.

Caribbean Institute for Meteorology and Hydrology (CIMH) – Partner since 2008

The primary activity implemented under this work plan during 2020/21 was the completion of a rainfall data network situation and gap analysis, which examined the rainfall monitoring network for each CCRIF member country to determine the optimal level of coverage. The analysis took into account upcoming investments by externally funded-projects analyzes the requirements for sustainability of the regional network.

The report, "*Regional Hydro-meteorological Network Analysis: A Situational Analysis of Regional Hydro-meteorological Networks in CCRIF Member Countries*", showed that there is need for investments in rainfall measuring stations across all 19 CCRIF member countries. CIMH determined the optimal level of coverage for each country, based on its size and topography. Coverage ranges from a low of 10 per cent of optimal coverage to a high of 90 per cent, with the average coverage level at 40 per cent. Only 5 of the 19 countries had rainfall monitoring networks that provided over 70 per cent of the recommended level of coverage.

The findings of this analysis will be used to identify countries in which CCRIF can make investments to strengthen the observation networks used to identify and characterize extreme rainfall events. This investment will not only support these countries to improve their own national disaster risk management and early warning systems but also will provide better rainfall data to support CCRIF's excess rainfall model and parametric insurance product.

Rainfall Monitoring Network Coverage in CCRIF's 19 Caribbean Member Countries

Low: 10 per cent of optimal coverage

High: 90 per cent of optimal coverage

Average: 40 per cent of optimal coverage

5 countries have over 70 per cent of the recommended level of coverage

CCRIF continued to participate in CIMH-led events such as the Caribbean Climate Outlook Forum (CariCOF), held online on November 26 and December 4, 2020. Wet season and dry season CariCOF meetings and workshops are held each year and provide real-time seasonal climate forecasts and interpretation for meteorologists throughout the region. They provide climate services tailored to the Caribbean region to support the goals of climate variability and change adaptation and disaster risk reduction.

Caribbean Regional Fisheries Mechanism (CRFM)
– Partner since 2019

The CCRIF-CRFM MOU supports the implementation of the Caribbean Oceans and Aquaculture Sustainability FaciliTy (COAST) initiative. One of CRFM's key responsibilities under the MOU is to promote CCRIF's COAST insurance product and also to enhance capacity to implement climate-resilient fishing, fish farming and resource management practices throughout CRFM Member States. Also, CRFM will support the fisheries assessments of countries interested in purchasing COAST.

CCRIF participated in the 19th Meeting of the Caribbean Fisheries Forum in April 2020. The agenda included discussions on the status and trends in the fisheries and aquaculture sector; coronavirus impacts and post COVID-19 reorientation of the fisheries sector; the sustainable management and use of fisheries resources; as well as matters related to sargassum, blue economic growth, climate change and fisheries, mainstreaming gender issues in fisheries, and the sustainable development of aquaculture.

Organisation of Eastern Caribbean States (OECS)
– Partner since 2012

The CCRIF-OECS MOU is aimed at reducing vulnerabilities to natural hazards and climate change in OECS Member States. A key initiative in the current work plan is to conduct vulnerability assessments in the communities of Calihaut, Dominica and Virgin Gorda, the Virgin Islands – using the same methodology employed previously in Saint Lucia and St. Vincent and the Grenadines. The intent is to build on the vulnerability assessments and build capacity among the communities to develop fundable projects to implement actions to increase resilience to these natural hazards.

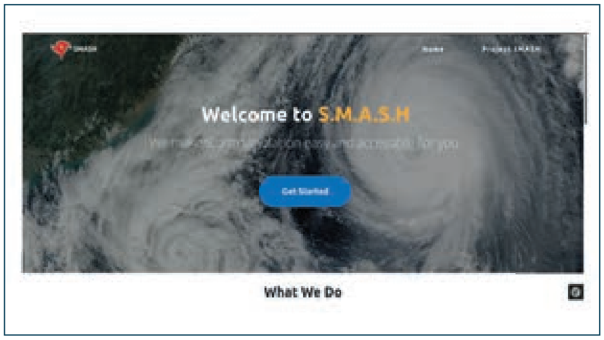
On-the-ground assessments were not possible in 2020-21 due to the COVID-19 pandemic. However, initial online meetings were held with key stakeholders from government agencies and community organizations in both countries to commence discussions on the project and obtain initial information regarding vulnerabilities in the communities.

The University of the West Indies (The UWI)
– Partner since 2010

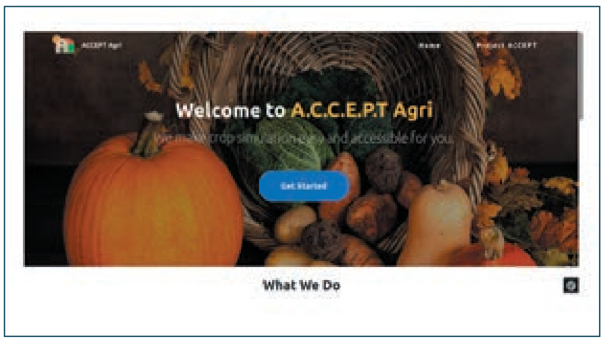
The MOU between CCRIF and The UWI was originally created for the administration of the CCRIF-UWI Scholarship Programme. The scope was expanded in 2019 and now includes the delivery of courses on disaster risk financing and various special projects. CCRIF's flagship course, "Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)", was delivered for the first time during November 2020 – February 2021 through The UWI Open Campus.

Also under the MOU, Climate Studies Group Mona is implementing the Tooling for Climate Change Planning and Response in SIDS initiative. The overall objective is to effectively equip regional stakeholders with the appropriate tools and skills to make informed decisions on actions to manage climate change threats and to reduce hazard risks. This will be accomplished by upgrading three tools that have been designed to support planning to reduce disaster risk and enhance food and water security. The upgrades will improve user interfaces, functionality and user experience for the three tools. In addition to upgrading the tools, the project also will support capacity building and use of the tools by regional stakeholders within government entities and academia, towards enabling these stakeholders to make more informed decisions on suitable response actions to manage climate change threats and to reduce disaster risks.

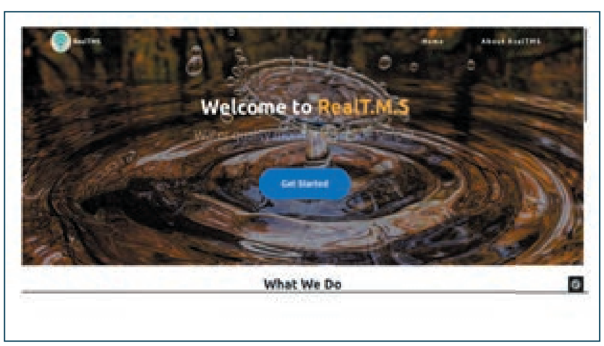
The three tools are:



- Simple Model for Advection of Storms and Hurricanes (SMASH): allows users to examine differing scenarios of storm tracks from past storms



- Agricultural Climate Change Evaluation for Production, Transformation and Resilience Building (ACCEPT) Agri portal: allows farmers, extension officers and other agriculture sector stakeholders to see predicted yields and biomass of different crop types under conditions such as extreme events (e.g. droughts and floods)



- Real Time Monitoring System (RealTMS) - Water Quality: will allow for pseudo-real-time monitoring of water quality variables such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH, temperature and conductivity

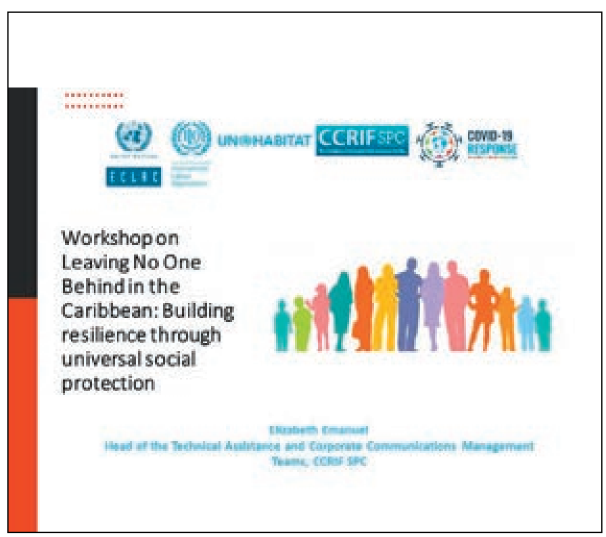
United Nations Economic Commission for Latin America and the Caribbean (ECLAC)
– Partner since 2010

Since 2010, CCRIF and ECLAC have engaged in MOUs aimed at advancing mutual areas of interest in disaster assessment, prevention and mitigation. The current (4th) work plan focuses on the application of geospatial technologies in disaster risk management. CCRIF and ECLAC recognize that geospatial technologies (and data) can provide information to decision makers at all stages of DRM: mitigation, preparedness, response, and recovery. To this end, the work plan includes three activities:

- A study on the application of geospatial technologies in disaster risk management (DRM) in the Caribbean (selected case studies)

- Workshops for policy makers and technical officers on application of geospatial technologies for DRM aimed at providing an opportunity for DRM professionals and policy makers to learn about and discuss the latest advances in geospatial technologies and their potential application to DRM in the Caribbean

- Preparation of a policy brief to be shared with policy makers across the Caribbean



Under the MOU, CCRIF, ECLAC, the International Labour Organization, and the United Nations Human Settlements Programme hosted a workshop, "Leaving No One Behind in the Caribbean: building resilience through universal social protection", in October 2020. The workshop targeted policy-makers and senior social development officers. CCRIF delivered a presentation that included topics such as; financing allocated for strategic approaches to adopt in implementation of new policies, financing schemes targeting the most vulnerable, climate action and pandemics and links to financial inclusion, and building resilience to future economic shocks.

NEW MOU

UNDP for the Western Caribbean (covering Jamaica, Belize, Cayman Islands, TCI and The Bahamas)

CCRIF and UNDP signed an MOU in May 2021 to advance the resilience agenda particularly in the islands of the western Caribbean. The MOU focuses on joint initiatives and projects to advance climate and disaster resilience in the Caribbean; exploring, piloting and conducting joint research activities dedicated to advancing climate and disaster resilience; support to relevant national governments in the conduct of post-disaster needs assessments; and joint capacity development activities to enhance climate and disaster resilience, including support for internships, study tours and other exchanges.

Support for Local Disaster Risk Reduction Initiatives

SO2 Resilience

SO5 Member Relations and Engagement

CCRIF Small Grants Programme

The CCRIF Small Grants Programme provides financing for disaster risk reduction projects that benefit local communities and are implemented by non-governmental organizations (NGOs), community-based organizations, charity organizations and academic institutions in CCRIF's Caribbean member countries and/or CARICOM member countries. The programme provides grants of between US$5,000 and US$25,000 per project. During this policy year, CCRIF awarded seven new grants totalling US$124,637 as shown below.

ORGANIZATION, COUNTRY	PROJECT	GRANT (US$)
IAMovement, Trinidad and Tobago	Building Community Climate Resilience with Cost-Effective and Soft-Approach Green Engineering Solutions	23,000
Unite Caribbean Ltd., Saint Lucia	RePLAST-OECS Pilot Plastic Recycling Project Subcomponent – Public Awareness Component	24,000
Fondation Amour de Dieu en Action (FADA), Haiti	Construction of footbridge over the Maniche River	14,229
British Virgin Islands Red Cross	Activities from Enhanced Vulnerability Capacity Assessment of 2 communities in Tortola - Purcell Estate and East End	17,000
Groupe des Adolescents Encadrés du Nord-ouest (GAENO), Haiti	Production of a story book on climate change and natural disasters for children	18,890
Paget Farm, St. Vincent and the Grenadines	Installation of Drainage Network System to prevent flooding and further land slippage	17,148
Sandy Bay Relief, St. Vincent and the Grenadines	Training of residents in the construction and placement of gabion baskets along the Karo River	10,370
TOTAL		**124,637**

Including the new grants, CCRIF administered 10 grants during policy year 2020/21. Implementation of four of the new projects did not begin before the end of the policy year due to requirements for certain activities to be completed before project implementation could be started. The grant to Sandy Bay was not disbursed, as this community was significantly damaged by the eruption of the La Soufière volcano in April 2021. CCRIF and the OECS Commission (who would manage the project) are liaising with St. Vincent's National Emergency Management Organisation (NEMO) to determine the community's current priority needs. For all ongoing projects, many activities could not be implemented as planned by grantees, due to restrictions on travel and gatherings imposed to address the COVID-19 pandemic. However, three projects were completed during this period.

COMPLETED PROJECTS 2020/21

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

This project was implemented in nine communities in the Toledo district in southern Belize. It has empowered farmers to enhance their livelihoods and make their farms and communal gardens more resilient to the impacts of climate change. HPPB worked with farmers' clubs, which act as cooperatives through which credit, market access for inputs and the sale of surplus production are facilitated. Over 80 training sessions were held with more than 100 farmers on various agriculture-related topics such as conservation agriculture, poultry and pig production, and seed harvesting. Farmers also participated in business-related training geared towards improving farm performance and productivity, as well as training on topics to enhance community wellbeing and food security such as growing and maintaining climate-resilient backyard gardens. Over half (54 per cent) of the farmers were women and the majority of farmers (84 per cent) were Mayans; training was conducted in four languages: English, Spanish, Ketchi Maya and Mopan Maya.

The project also provided the farmers' clubs with seedlings, plants, soil, and other tools to grow crops in greenhouses, open common areas and community backyard gardens to enable farmers to put their new learning into practice. Many farmers were able to supplement their income by producing value-added products and developing partnerships with the larger agro-business sector. All groups of farmers were able to start various income-generating initiatives for themselves, such as sale of livestock, produce and various other items, including ice cream, processed chicken, and processed pepper. This was a key success factor of the project, as the communities in which these farmers live have little to no income-generation or employment opportunities. By engaging the famers in climate-smart agricultural practices, the project has resulted in famers being better prepared for 'shocks' that impact their environment.

When the farmers' clubs were faced with torrential rains at the beginning of 2019, the COVID-19 pandemic in 2020, and Tropical Cyclones Nana and Eta also in 2020, the communities were prepared and knew what to do to ensure their safety and that of their families and the farms.

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

This project focused on examining the effectiveness of seedling transplanters (known as jab planters), which are considered to be tools for conservation agriculture – and on building capacity among farmers to implement climate-resilient agriculture practices. The research sought to examine the effectiveness of the jab planter for different soil types (in terms of level of clay content), field conditions (i.e. with and without tillage) and types of seedlings.

The study revealed that the jab planter had ergonomic benefits for the farmers as well as environmental benefits. The tool eliminates the back-breaking hand tilling in areas inaccessible to tractors. This makes farming less laborious for an aging farming population and can potentially attract a younger generation of farmers. The jab planter has shown to be amenable to increasing the efficiency and productivity of resource-poor, small holder farmers who cultivate crops on predominantly hillslope lands, thereby increasing their resilience. This tool also will facilitate the conservation of natural resources, improve environmental quality and the resilience of the farm to hydro-climatic disasters.

Building a footbridge over the Maniche River – Fondation Amour de Dieu en Action (FADA), Haiti

FADA led the construction of a footbridge over the Maniche River in Haiti's Sud (South) Department, which connects several communes in the town of Maniche. The 8th communal section of Maniche is very vulnerable to rainfall events and oftentimes after heavy periods of rainfall, the river is impassable and the 8,000 community members in that area are often cut off from other parts of the commune and unable to access food or other types of aid following natural disaster events. Prior to the construction of the bridge, residents moved to other parts of the commune by walking through the river. Community members assisted in the construction activities, providing much needed sweat equity. FADA also used the opportunity to undertake sensitization sessions with community members on climate change as well as tips for keeping safe from the COVID-19 virus.

ONGOING PROJECTS

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

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 Trinidad 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.

Data on rainfall volume, stream depth and water quality, and soil water content, collected in the previous year, were analyzed to determine the impact of the quarry on these parameters. Data are still being analyzed to determine what climatic conditions produced the largest stream responses. The isotope and geochemical data are being analyzed to understand the contributions on an annual basis. To properly train the local and wider community on how to collect these data to inform their own activities, the project team created a video on water sampling, which will be placed on the Department of Geography's YouTube channel. This approach was selected as in-person training could not be accomplished due to COVID-19 restrictions.

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

This project will use vetiver grass and the Vetiver System (VS) to stabilize the hillside farming areas near two rural communities, Moruga and Paramin and build the community members' capacity to maintain the systems. The project will reduce the vulnerability of these communities to excess rainfall, soil erosion, flooding etc., which has resulted in damaged roads, homes and other infrastructure and will contribute to more sustainable livelihoods as it relates to agricultural production.

Project activities include installing vetiver plants around the communities and exploring the effects of extreme weather and different soil conditions and the ability of vetiver grass and the vetiver system to help mitigate these impacts. The project also provides training on vetiver grass plant preparation, installation and maintenance and establishing nurseries for ongoing plant propagation. Project leaders will work with The University of the West Indies to document field results and gather data to assist in monitoring and evaluation. During this period, the nursery in Moruga was established, field training took place, and vetiver installations were completed at some residential and public sites. COVID-19 restrictions prevented delivery of any community workshops, which will now be conducted in the next year.

Strengthening the capacity of small farmers in the Eastern Caribbean to respond to the effects of natural disasters - Caribbean Policy Development Centre (CPDC), Barbados

This project aims to build the capacity of small farmers in Dominica, Grenada and St. Vincent & the Grenadines to implement farming practices, thus improving the long-term livelihoods of these farmers who are vulnerable to torrential rains, flooding, sea level rise and droughts. CCRIF funding is being used to prepare a training manual and support training workshops for farmers on disaster- and climate-resilient agriculture. During this period, project leaders commenced the preparation of the draft training manual.

RePLAST-OECS Pilot Plastic Recycling Project Subcomponent: Public Awareness Component – Unite Caribbean Ltd, Saint Lucia

The RePLAST project is designed to create a sustainable solution to the issue of plastic disposal in the OECS Member States. By creating a system that moves from collection to export, plastic bottles can be removed from the environment, while also creating new financial flows from the export of plastic to be recycled. CCRIF support is being provided to support the project's Public Awareness / Public Education

Programme. Specifically, CCRIF is supporting the development and dissemination of select media products: 4 instructional videos that focus on how to collect and recycle plastic waste (completed during this period), 6 videos in a "Meet a RePLAST Hero" Series (completed during this period), 1 video for schools, and a short documentary of the project.

Collaboration with CDB on the Community Disaster Risk Reduction Fund Project

CCRIF continued its collaboration with the Caribbean Development Bank (CDB) on its Community Disaster Risk Reduction Fund 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). The project focuses on improving inclusive disaster risk management through strengthening communities.

In October 2020, CCRIF led sessions on proposal writing in two workshops – for senior public sector officers and executive committee members of community groups – which were hosted by the CDB in collaboration with the British Virgin Islands Department of Disaster Management.

The workshops enhanced the network of public sector officers who are able to assist community groups and their ability to develop local projects and prepare proposals to fund project implementation. Participants were introduced to the CCRIF Small Grants Programme and were guided through the requirements of the programme and provided with information and guidelines for writing successful proposals.

Assistance to Member Governments and Partner Organizations

The CCRIF board has provided targeted technical assistance and support to member governments following the occurrence of certain natural hazard events which significantly affected those countries. Most recently, CCRIF provided assistance to the governments of Belize – following Tropical Cyclone Earl in 2016 – and St. Vincent and the Grenadines – following the eruption of the La Soufrière Volcano in April 2021. Also, CCRIF has provided assistance for initiatives from key national and regional partner organizations. The Seismic Research Centre at The University of the West Indies received a grant in 2021. This assistance is further described below.

Assistance to the Government of Belize – Installation and Upgrades of Automated Weather Stations

In 2017, CCRIF provided a grant of US$100,000 install 30 automatic weather stations throughout Belize to enhance the Government's ability to monitor, record and forecast rainfall within Belize and better prepare the country for hydro-meteorological events. This project was completed in September 2020 and the Government made a subsequent request for CCRIF to consider providing additional support to achieve optimal functionality of the weather stations by funding additional sensors. The country now has 52 working weather stations with high quality rain gauges.

In May 2021, CCRIF provided a second grant of US$43,140 for the purchase and installation of additional weather sensors for all 52 weather stations. This grant will be used to install air temperature sensors, enclosures for these sensors, additional rain gauges as well as protective "bird spikes" for the gauges. The addition of these sensors will contribute to increasing the number of weather and climate

variables being monitored and in turn enable the Belize Meteorological Service to undertake more detailed and reliable analysis of climate trends, to inform national strategies on climate change and disaster risk management.

Assistance to the Government of St. Vincent and the Grenadines – Recovery after Eruption of La Soufrière Volcano

CCRIF provided a grant of US$2,209,000 to the Government of St. Vincent and the Grenadines following the eruption of the La Soufrière Volcano in April 2021.The funds were provided quickly to support the Government's ongoing relief and recovery efforts. Although CCRIF does not currently offer cover for volcanic eruptions, as the dedicated disaster risk financing facility in the region, it was important to respond as best as possible to the needs of one of its member countries as it faced these dire circumstances.

Assistance to the Seismic Research Centre - Volcano monitoring equipment

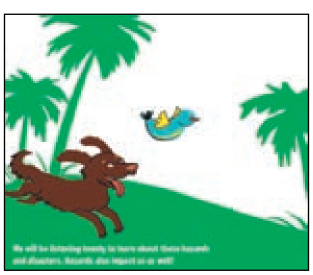
In March 2021, CCRIF also provided a grant of US$17,000 to the Seismic Research Centre (SRC) at The University of the West Indies to purchase new communication and ground deformation equipment, which was added to those already deployed in St. Vincent, increasing the SRC's capacity to understand the volcano's eruptive processes, to better monitor it and be able to provide advanced warning of hazardous activity. As the official source of information for earthquakes and volcanoes in the English-speaking Eastern Caribbean, the SRC has been monitoring this volcano for decades.

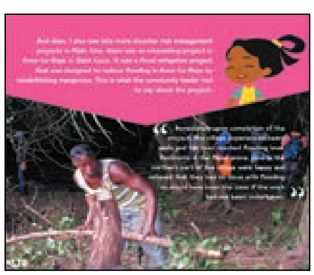
Disaster Risk Reduction in Schools

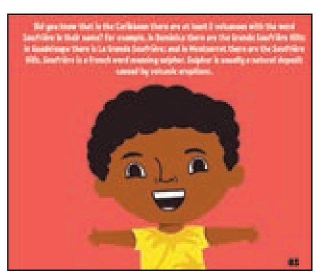
SO2 Resilience

CCRIF's new Disaster Risk Reduction in Schools initiative is designed to provide support for disaster risk reduction activities in schools through the formal education system as well as school-based activities and general communications and public education. The first activity was the development of the booklet *"Hazards, Disasters and Climate Change"* for children 8 – 12 years old.

CCRIF conducted three online pilot workshops with students in Grades 5 and 6 (11 and 12 year old children) in Barbados and Jamaica, respectively, using content from the first draft of the booklet. The workshops increased awareness and generated discussion on natural hazards, disasters and climate change and the students' roles in preparing for hazards, keeping safe and sharing information with friends and family. Approximately 60 students – from Hillel Academy in Jamaica and St. Gabriel's School in Barbados participated and feedback from the discussions was used to revise the booklet. The booklet was finalized in May and will be disseminated throughout the region in partnership with ministries of education, disaster management offices, NGOs who work in schools, etc.







Audited Financial Statements

CCRIF SPC

Financial Statements
For the year ended May 31, 2021
(expressed in U.S. dollars)

CCRIF SPC

Financial Statements

For the year ended May 31, 2021

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Independent auditor's report

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

Our opinion

In our opinion, the financial statements on pages 4 – 35 present fairly, in all material respects, the financial position of the General Portfolio of CCRIF SPC and each of Caribbean EQ/TC SP, Caribbean XSR SP, Caribbean Public Utilities SP, Central America SP and COAST SP (each a segregated portfolio of CCRIF SPC) (the portfolios, including the General Portfolio, hereinafter each the "Portfolio") as at May 31, 2021, 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, 2021;
- 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 significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Other information

Management is responsible for the other information. The other information comprises supplementary financial information presented on pages 36 – 41 (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.

pwc

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Other matter

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

PricewaterhouseCoopers

November 17, 2021

CCRIF SPC

Balance Sheet

As at May 31, 2021

(expressed in U.S. dollars)

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

The accompanying notes on pages 10 - 35 are an integral part of these financial statements.

CCRIF SPC

Balance Sheet ...*continued*

As at May 31, 2021

(expressed in U.S. dollars)

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
	$	$	$	$	$	$
Total liabilities and shareholder's equity	**54,099,221**	**70,755,640**	**27,919,834**	**6,928,361**	**14,081,987**	**2,524,832**

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

Director — November 17, 2021 Date

Director — November 17, 2021 Date

CCRIF SPC

Statement of Operations

For the year ended May 31, 2021

(expressed in U.S. dollars)

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

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

CCRIF SPC

Statement of Cash Flows

For the year ended May 31, 2021

(expressed in U.S. dollars)

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

CCRIF SPC

Statement of Cash Flows (continued)

For the year ended May 31, 2021

(expressed in U.S. dollars)

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

(expressed in U.S. dollars)

1 Incorporation and principal activity

The Company was incorporated as Caribbean Catastrophe Risk Insurance Facility on February 27, 2007 under the laws of the Cayman Islands and obtained an insurance licence under the provisions of the Cayman Islands Insurance Act on May 23, 2007. On May 27, 2014 the Company re-registered as a Segregated Portfolio Company under the name of CCRIF SPC. The Company's sole shareholder is 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, 2021, the Company comprises the General Portfolio (the "Core"), which undertakes no underwriting activities and five Segregated Portfolios ("SP" s), namely:

- Caribbean EQ/TC SP ("EQ/TC" or "EQ/TC SP") – provides earthquake and tropical cyclone coverage to Caribbean governments
- Caribbean XSR SP ("XSR" or "XSR SP") – provides excess rainfall coverage to Caribbean governments.
- Caribbean Public Utilities SP ("CPU" or "CPU SP") – provides utility coverage in the Caribbean. The SP was formerly operating as Loan Portfolio Cover SP ("LPC SP") and during the period was converted to CPU SP as a new product for the electric utilities sector. The regulator duly approved the Business Plan and the Change of Name of the SP.
- Central America SP ("CA SP") - provides earthquake, tropical cyclone and excess rainfall coverage to Central American governments.
- COAST SP ("COAST SP") – COAST SP provide fisheries insurance coverage to Caribbean governments against the effects of tropical cyclones.

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

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

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

(expressed in U.S. dollars)

2 Parametric contracts

Each Participating Country determines the level of aggregate coverage and attachment point which are then used to determine their individual premiums. Claims are based on model-derived estimates of government losses generated using a pre-defined and escrowed catastrophe loss model and input data regarding the nature of each physical hazard event, as set out in the "Claims Procedures Manual: ("hereinafter the "Claim Payout") and not with reference to actual losses incurred by the respective Participating Countries. Accordingly, Claim Payouts are not triggered by actual losses but rather the occurrence of the specified events within the defined policy parameters. Discounts on parametric contracts are discretionary and are recognized as reductions in premium income charged to Participating Countries. In response to the financial constraints impacting Participating Countries caused by the global pandemic, the Board of Directors approved a temporary strategy to provide additional premium discounts to be utilized against premiums for all perils cover during the 2020/21 and / or 2021/22 policy years. As a result, the following discounts related to this strategy, were recognized during the year:

EQTC - $6,249,200
XSR - $2,163,660
CA - $1,514,383

For the 2020/21 policy period, the combined aggregate coverage limits for all Participating Countries in the EQ/TC were $453,634,235 for tropical cyclone events and $408,178,446 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 2020/21 policy period:

- EQ/TC retains all losses up to $25 million.
- 100% of the next $175 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 $200 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-500-year loss event.

For the 2020/21 policy period, the combined aggregate coverage limit for all Participating Countries in the XSR SP was $108,489,104.

XSR has ceded layers of this exposure to a commercial reinsurer. The following is a summary of the coverage in the program for the 2020/21 policy period:

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

For the 2020/21 policy period, the combined aggregate coverage limits for all Participating Countries in the CA SP were $47,563,3043 for tropical cyclone events, $23,039,470 for earthquake events, and 23,337,509 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 2020/21 policy period:

2 Parametric contracts (continued)

Earthquake and tropical cyclone coverage:

- CA SP retains all losses up to $4 million.
- 100% of the next $47 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 $51 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-1,750-year loss event.

Excess rainfall coverage:

- CA SP retains all losses up to $5.5 million.
- 100% of the next $26.5 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A+.
- CA SP retains all subsequent losses above $32 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-10,000-year loss event.

For the 2020/21 policy period, the combined aggregate coverage limit for all Participating Countries in the CPU SP was $5,460,700 for excess rainfall.

CPU SP Reinsurance:

- CPU SP retains all losses up to $1 million.
- 100% of the next $4.5 million of losses are reinsured with quality reinsurers with an A.M. Best rating of A+
- CPU SP retains all subsequent losses above $5.5 million. The modelled probability of a loss reaching this layer has been indicated to be a 1-in-10,000-year loss event.

For the 2020/21 policy period, the combined aggregate coverage limits for all Participating Countries in the COAST SP were $0.4 million for adverse weather events and $1.9 million for tropical cyclone events, respectively.

COAST SP retains all losses and none of this exposure is ceded to commercial reinsurers in the program for the 2020/21 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, 2021, there were no unpaid losses.

3 Significant accounting policies

These financial statements on pages 3-33 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.

3 Significant accounting policies (continued)

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, CPU SP, and CA SP with costs of $131,353, $186,010, $148,760, $55,839, $42,698, and market values of $136,022, $189,868, $153,794, $57,504, $47,099, respectively.

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

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

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

Interest and dividend income are recorded on an accrual basis.

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

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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

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

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.

3 Significant accounting policies (continued)

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.

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

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

3 Significant accounting policies (continued)

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, 2021, the fair value of these instruments was $Nil and accordingly, all income and expenses on such contracts are recognized as income/expense in the Statement of Operations. The net realized gains on the parametric contracts are comprised of the following line items within the Statement of Operation: Income from parametric insurance contracts, Discounts awarded on parametric insurance contracts, Expenses on parametric reinsurance contracts, Claims paid on parametric insurance contracts, and Claims recovered on parametric reinsurance contracts, and are $7,193,306 in EQ/TC SP, ($924,057) in XSR SP, $73,167 in CPU SP, ($9,781,015) in CA SP and $191,781 in COAST SP for the year ended May 31, 2021.

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

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

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

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

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

Provision for uncollectible receivables: Management evaluates credit quality by evaluating the exposure to individual counterparties; where warranted management also considers the credit rating of financial position, operating results and or payment history of the counterparty. Management establishes provisions for amounts for which collection is considered doubtful. Adjustments for previous assessments are recognized as income in the year in which they are determined. No receivables are due in more than 12 months. At May 31, 2021, no receivables were determined to be past due or impaired and, accordingly, no provision for doubtful collection has been established.

(expressed in U.S. dollars)

3 Significant accounting policies (continued)

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.

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 Asset Management Limited and Butterfield Asset Management Limited were engaged to provide asset management services under the terms of the related investment management agreements. , London and Capital Asset Management Limited provided asset management services to the Core, as well as the following SPs, namely EQ/TC SP, XSR SP, CPU SP and CA CP. Butterfield Asset Management Limited provided asset management services only to the Core. The following tables summarize the investments that are measured at fair value at May 31, 2021, 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, 2021:				
Assets				
Exchange traded funds	1,738,487	-	-	1,738,487
Equity investments				
- Communications	920,692	-	-	920,692
- Industrial	564,831	-	-	564,831
- Consumer, Non-cyclical	670,172	-	-	670,172
- Consumer, Cyclical	503,958	-	-	503,958
- Technology	687,938	-	-	687,938
- Energy	110,493	-	-	110,493
- Financials	37,959	-	-	37,959
- Utilities	143,947	-	-	143,947
- Basic Materials	141,042	-	-	141,042
Corporate debt securities	-	32,236,250	-	32,236,250
Government sponsored debt securities	-	7,032,735	-	7,032,735
Total Assets	5,519,519	39,268,985	-	44,788,504

In accordance with Subtopic 820-10, certain investments totaling $2,787,661 at May 31, 2021, that are measured using their NAV (or its equivalent) as practical expedient have not been classified in the fair value hierarchy.

EQ/TC SP				
At May 31, 2021:				
Assets				
Equity investments				
- Financial	310,492	-	-	310,492
- Communications	1,398,128	-	-	1,398,128
- Industrial	1,625,943	-	-	1,625,943
- Consumer, cyclical	1,115,066	-	-	1,115,066
- Consumer, Non-cyclical	2,112,690	-	-	2,112,690
- Technology	1,352,722	-	-	1,352,722
- Utilities	257,689	-	-	257,689
Corporate debt securities	-	48,744,403	-	48,744,403
Government sponsored debt securities	-	6,946,839	-	6,946,839
Total Assets	8,172,730	55,691,242	-	63,863,972

(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, 2021:				
Assets				
Equity investments				
- Financial	117,060	-	-	117,060
- Communications	533,696	-	-	533696
- Industrial	622,564	-	-	622,564
- Consumer, cyclical	421,929	-	-	421,929
- Consumer, Non-cyclical	794,735	-	-	794,735
- Technology	510,790	-	-	510,790
- Utilities	100,390	-	-	100,390
Corporate debt securities	-	20,181,468	-	20,181,468
Government sponsored debt securities	-	764,642	-	764,642
Total Assets	3,101,164	20,946,110	-	24,047,274
CPU SP				
At May 31, 2021:				
Assets				
Equity investments				
- Financial	27,959	-	-	27,959
- Communications	126,350	-	-	126,350
- Industrial	150,185	-	-	150,185
- Consumer, cyclical	100,134	-	-	100,134
- Consumer, Non-cyclical	192,038	-	-	192,038
- Technology	123,036	-	-	123,036
- Utilities	24,135	-	-	24,135
Corporate debt securities	-	4,502,861	-	4,502,861
Government sponsored debt securities	-	230,429	-	230,429
Total Assets	743,837	4,733,290	-	5,477,127
CA SP				
At May 31, 2021:				
Assets				
Equity investments				
- Financial	14,548	-	-	14,548
- Communications	67,242	-	-	67,242
- Industrial	79,810	-	-	79,810
- Consumer, cyclical	52,221	-	-	52,221
- Consumer, Non-cyclical	101,346	-	-	101,346
- Technology	63,345	-	-	63,345
- Utilities	12,678	-	-	12,678
Corporate debt securities	-	903,659	-	903,659
Government sponsored debt securities	-	400,888	-	400,888
Total Assets	391,190	1,304,547	-	1,695,737

There were no transfers between Levels 1, 2, or 3 during the year ended May 31, 2021.

(expressed in U.S. dollars)

5 Investments (continued)

The cost of investments for Core, EQ/TC SP, XSR SP, CPU SP and CA SP at May 31, 2021 is $45,935,183, $60,564,353, $22,501,261, $5,106,150 and $1,661,470, respectively.

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Percentage of debt securities issued by US counterparties	67%	38%	34%	48 %	77%
Percentage of debt securities issued by UK counterparties	16%	21%	24%	13%	-%
Percentage of debt securities issued by counterparties based in other countries	17%	41%	43%	39%	23%

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Percentage of debt securities graded as A- or higher	49%	40%	23%	32%	62%
Percentage of debt securities graded as BBB- or higher but lower than A-	43%	43%	58%	61%	38%
Percentage of non-investment graded debt securities below BBB- or not rated	8%	17%	19%	7%	-%

The average maturity of fixed income securities as at May 31, 2021 is disclosed in the table below:

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP
Average maturity	4.6 years	7.1 years	9.0 years	6.3 years	0.5 years

The above maturity disclosures do not include perpetual bonds held by the Core, EQ/TC SP, XSR SP, CPU SP and CA SP at May 31, 2021, which totalled 21.04%, 34.60%, 39.40%, 30.10% and 7.40% of the total fixed income investments respectively.

CCRIF SPC 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 had 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, 2021. A further extension was granted to December 31, 2021. 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, 2021, $11,344,369 donor fund income relating to the World Bank project under CCRIF TF Grant No. TF0A0564 was recorded in CA SP to finance reinsurance premium payments and claims payable on parametric insurance. At May 31, 2021, $784,052 remained unused.

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 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, 2021 upon negotiations between the World Bank and the donors to the Multi-Donor Trust Fund. A further extension was granted to December 31, 2021. 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 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, 2021, donor fund income under CCRIF TF Grant No. TF0A5343 relating to reinsurance premium payments, participation fee and Claims reimbursement amounting to $8,467,060, were received. At May 31, 2021, $2,000,000 remained unused.

Effective June 15, 2020 CCRIF SPC entered into a grant agreement (No TF0B2931) with the world Bank in the amount of $2.4 million to provide the initial capitalization of COAST SP in the amount of $1,800,000. During the year the Board approved temporary funding to COAST SP in the amount of $1,800,000 to capitalize its account, of which $1.8 million was drawn as capitalization funds and $391,781 was allocated to cover premiums for 2019/20 and 2021. At May 31, 2021 an amount of $208,219 remained undrawn. An amount of $200,000 was subsequently disbursed for premiums on July 14, 2021 leaving an amount of $8,219 available towards premiums settlement in June 2021/22 policy year. The Core was reimbursed $1,800,000 from the World Bank on September 29, 2020.

(expressed in U.S. dollars)

6 Donor Funds and Unrestricted grant funds (continued)

On Aug 12, 2020 CCRIF entered into a grant agreement with the Caribbean Development Bank for a grant of US$530,000 for the Development of Parametric Insurance Products for the Agricultural Sector. The grant will be used to assist CCRIF in financing the cost of consultancy services for the development and marketing of two parametric agricultural insurance products. One product will be sovereign in nature. The other will be modeled on COAST SP and will specifically target small-holder agricultural sector-based entrepreneurs. The proposed products will be based on CCRIF's existing model for excess rainfall, tropical cyclone-induced extreme wind, coastal flooding and drought. The initial focus will be on Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia, St Vincent & the Grenadines, St. Kitts & Nevis, The Bahamas, and Trinidad & Tobago. At May 31, 2021 the grant remained undrawn.

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 utilized over a period of 18 months. The grant was 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. As at May 31, 2021, of the full amount of the grant received, US$969,134 has been utilised and US$159,851 remained unutilised.

(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, 2021, 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, 2021, there are no refundable participation fee deposits held on behalf of a Participating Country.

(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, 2021 (see Note 11).

	Gross realized gains $	Gross realized losses $	Net realized losses $	Change in unrealized gains $
Core				
Futures/options on fixed income securities	33,354	(44,049)	(10,695)	-
Foreign exchange futures contracts	56,349	(133,602)	(77,253)	(86,168)
Total	89,703	(177,651)	(87,948)	(86,168)
EQ/TC SP				
Futures/options on fixed income securities	252,468	(320,131)	(67,663)	-
Foreign exchange futures contracts	394,630	(1,131,425)	(736,795)	(585,209)
Total	647,098	(1,451,556)	(804,458)	(585,209)
XSR SP				
Futures/options on fixed income securities	99,735	(130,145)	(30,410)	-
Foreign exchange futures contracts	182,975	(511,290)	(328,315)	(287,583)
Total	282,710	(641,435)	(358,725)	(287,583)
CPU SP				
Futures/options on fixed income securities	20,736	(27,659)	(6,923)	-
Foreign exchange futures contracts	40,315	(128,810)	(88,495)	(73,479)
Total	61,051	(156,469)	(95,418)	(73,479)
CA SP				
Futures/options on fixed income securities	11,029	(10,755)	274	-
Foreign exchange futures contracts	32,209	(67,858)	(35,649)	(28,113)
Total	43,238	(78,613)	(35,375)	(28,113)

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

(expressed in U.S. dollars)

8 Derivative instruments (continued)

The exposures on derivative contracts are generally short-term as these contracts are settled or lapse within a short time frame. The positions held in foreign exchange contracts at May 31, 2021, are reflective of the average positions held in currency futures and options contracts during the year. With respect to futures and option contracts, the average number of contracts held at any one point in time during the year ended May 31, 2021 were:

	Core (no. of contracts)	EQ/TC SP (no. of contracts)	XSR SP (no. of contracts)	CPU SP (no. of contracts)	CA SP (no. of contracts)
Currency Futures	14.6	110.4	50.7	13.0	4.2
Fixed Income Futures	13.5	97.4	40.9	8.6	4.0
Fixed Income Options	0.6	4.1	1.7	0.4	0.4

The following outstanding foreign exchange contracts were held as at May 31, 2021:

	Maturity date	**Notional value $**	**Fair values $**
Core			
United States Dollars future (bought US$ sold £)	June 14, 2021	352,900 (At future rate of US$1.42: £1)	(7,351)
United States dollars future (bought US$ sold €)	June 14, 2021	1,818,300 (At future rate of US$1.22: €1)	(43,580)
			(50,931)
EQ/TC SP			
United States Dollars future (bought US$ sold £)	June 14, 2021	2,999,650 (At future rate of US$1.42: £1)	(62,492)
United States dollars future (bought US$ sold €)	June 14, 2021	9,849,125 (At future rate of US$1.22: €1)	(236,058)
			(298,550)
XSR SP			
United States Dollars future (bought US$ sold £)	June 14, 2021	1,323,375 (At future rate of US$1.42: £1)	(27,570)
United States dollars future (bought US$ sold €)	June 14, 2021	5,454,900 (At future rate of US$1.22: €1)	(130,740)
			(158,310)
CPU SP			
United States Dollars future (bought US$ sold £)	June 14, 2021	441,125 (At future rate of US$1.42: £1)	(9,190)
United States dollars future (bought US$ sold €)	June 14, 2021	1,212,200 (At future rate of US$1.22: €1)	(29,052)
			(38,242)

(expressed in U.S. dollars)

8 Derivative instruments (continued)

No fixed income futures or options were held as at May 31, 2021. COAST SP did not trade derivatives during the year ended May 31, 2021, and CA SP had no open derivative positions at May 31, 2021.

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, 2021

Entity	**Asset Type**	**Counterparty**	**Gross amount of financial assets presented on the Balance Sheet*** $	**Gross amount of financial Liabilities presented on the Balance Sheet** $	**Net amount not offset on the Balance Sheet** $
Core	Currency Future	BNP Paribas	-	(50,931)	(50,931)
EQ/TC SP	Currency Future	BNP Paribas	-	(298,550)	(298,550)
XSR SP	Currency Future	BNP Paribas	-	(158,310)	(158,310)
CPU SP	Currency Future	BNP Paribas	-	(38,242)	(38,242)

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

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

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** $	**CPU 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.

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 Act, which restricts the uses of these reserves.

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

Under the Cayman Islands Insurance 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 eight triggering events which resulted in claim payments amounting to $1,026,277 to Participating Countries in the EQ/TC SP. In addition, the EQ/TC SP made an ex-gratia payment to a Participating Country amounting to $2,209,000 in respect of support relief and recovery effort associated with la Soufriere Volcano eruption. Total claim payments in the year ending May 31, 2021 was $3,235,275, of which $Nil was recovered from reinsurers in respect of these claims.

There were two triggering events which resulted in claim payments amounting to $7,340,104 to Participating Countries in the XSR SP. In addition, the XSR SP made an ex-gratia payment to a Participating Country amounting to $3,500,000 in respect of excess rainfall associated with Tropical Cyclone Eta. Total claim expense incurred in the year ending May 31, 2021 was $10,840,104 of which $Nil was recovered from reinsurers in respect of these claims.

There were three triggering events which resulted in claim payments amounting to $30,640,707 to a Participating Countries in the CA SP. In addition, the CA SP made an ex-gratia payment to a Participating Country amounting to $2,670,556 in respect of excess rainfall associated with Tropical Cyclone Eta. Total claim expense incurred in the year ending May 31, 2021 was $33,311,263, of which; the above-mentioned $2,670,556 was recovered from Donor Funds and $23,684,686 was recovered from reinsurers in respect of these claims.

(expressed in U.S. dollars)

11 Net investment income

	Core $	EQ/TC SP $	XSR SP $	CPU SP $	CA SP $	Coast SP $
Net investment income comprises:						
Interest and dividend income	1,527,729	1,558,325	627,079	132,843	88,345	222
Change in fair value of investments	1,212,838	2,955,019	1,548,292	271,427	(24,166)	-
Net realized gain on sale of Investments	967,922	1,198,137	369,814	120,802	267,360	-
Investment management, custody and fund administration fees	(159,797)	(323,076)	(132,132)	(35,598)	(30,601)	-
Currency foreign exchange gains	(404,128)	59,326	28,421	6,598	8,387	-
Net realized loss on derivative instruments (Note 8)	(87,948)	(804,458)	(358,725)	(95,418)	(35,375)	-
Change in unrealized gains on derivative instruments (Note 8)	(86,168)	(585,210)	(287,584)	(73,479)	(28,113)	-
	2,970,448	4,058,063	1,795,165	327,175	245,837	222

12 Related party transactions

During the year ended May 31, 2021, the Core incurred the Trustee and Enforcer fees of $75,000 on behalf of the Trust. During the year ended May 31, 2021, key management compensation consisted of salaries and expenses amounting to $703,035 for four employees which are included within administration expenses.

(expressed in U.S. dollars)

13 Administrative expenses

Administration expenses comprise:

	Core	EQ/TC SP	XSR SP	CPU SP	CA SP	Coast SP
	$	**$**	**$**	**$**	**$**	**$**
Audit and other professional fees	138,344	28,750	13,750	6,946	8,250	1,250
Captive management fees	81,795	54,530	15,375	-	12,300	-
Compliance Officer	30,750	-	-	-	-	-
Consultancy fees	98,438	-	-	-	-	-
Board and executive management remuneration	839,728	-	-	-	-	-
Directors' and Officers' insurance	32,734	-	-	-	-	-
Legal fees	29,753	2,000	-	-	3,500	6,836
Government fees	18,660	671	671	671	671	671
CA Committee Meeting Expenses	-	-	-	-	7,878	-
Meeting expenses	1,125	-	-	-	-	-
Publicity, conferences & workshops	102,101	-	-	-	-	-
Trust expenses (Note 12)	75,000	-	-	-	25,059	-
Calculation Agency Fees & Licence Fees	25,000	-	99,000	-	-	-
Research and development	235,862	-	-	-	-	-
Expenditure recoverable from grant funds	-	-	-	-	-	15,000
Sundry expenses and bank charges	28,670	2,849	2,363	52,633	3,292	415
	1,737,960	**88,800**	**131,159**	**60,250**	**60,950**	**24,172**

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 brought forward at May 31, 2020	559,755	120,000	693,880	148,000	1,210,000	2,000,000	4,731,635
Additions during the year	-	120,000	-	-	-	10,000	130,000
Balance carried forward at May 31, 2021	559,755	240,000	693,880	148,000	1,210,000	2,010,000	4,861,635

Accumulated amortisation	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
Balance brought forward at May 31, 2020	559,755	12,000	384,349	6,167	419,933	200,000	1,582,204
Amortisation charge for the year	-	24,000	115,460	14,800	121,000	200,250	475,510
Balance carried forward at May 31, 2021	559,755	36,000	499,809	20,967	540,933	400,250	2,057,714
Net book value at May 31, 2021	-	204,000	194,071	127,033	669,067	1,609,750	2,803,921

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, 2021, the following transactions occurred between the Segregated Portfolios:

	Core **$**	**EQ/TC SP** **$**	**XSR SP** **$**	**CA SP** **$**	**CPU SP** **$**	**Coast SP** **$**
Expenses paid by Core on behalf of CPU SP	50,000	-	-	-	(50,000)	-
Net due (to)/from Core/Segregated Portfolios	50,000	-	-	-	(50,000)	-

During the year ended May 31, 2021, the Board of Directors approved segregated portfolio rental fees charged by the Core to the Segregated Portfolios of $1,500,000 to EQ/TC SP, $400,000 to XSR SP, $485,000 to CA SP, $80,000 to CPU SP and $80,000 to COAST SP.

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 2020/21 the Board of Directors approved sub-licence fees charged by the Core to the Segregated Portfolios of: $101,750 to EQ/TC SP, $90,189 to XSR SP and $215,396 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, 2021 would incur if the counterparties to the transactions do not meet their obligations, which would be the carrying amount of such assets in the balance sheet. Cash and cash equivalents and investments are placed with or held in custody by high credit quality financial institutions.

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

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

d. Interest rate risk

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

e. Market risk

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

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

f. Liquidity risk

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

(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, 2021 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, 2021, 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)

17 Certain risks and financial instruments (continued)

k. Custody risk

There are risks involved in dealing with a custodian who settles trades. Under certain circumstances, the securities and other assets deposited with the custodian may be exposed to 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.

18 Subsequent events

On July 8, 2021, CCRIF SPC entered into three Grant Agreements between the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of the Central America and the Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund.

Grant Number TF B6010 in the amount of EUR261,800 will be used for Overseas Countries and Territories (OCTs) for the provision of technical assistance for the delivery of training activities for the benefit of selected OCTs to better understand CCRIF SPC products and services. "Overseas Countries and Territories" means Anguilla, Aruba, St. Barthelemy, British Virgin Islands, Bonaire, Cayman Islands, Curacao, Montserrat, Saba, Turks and Caicos Islands, St Eustatius, St Maarten.

Grant Number TF B6011 in the amount of US$11 million will be used for CA SP to fund risk related to Geophysical and Climate-related Events through the provision of funding for Participation Fees, reinsurance costs, insurance payouts and technical assistance.

Grant Number TF B6121 in the amount of EUR 10 million will be used for CARICOM Participating Countries and selected Overseas Countries and Territories (OCTs) in Caribbean EQ/TC SP and Caribbean XSR SP to fund risk related to Climate-related Events through the provision of funding for Participation Fees, reinsurance costs, insurance payouts and technical assistance.

In respect of the 2021/22 policy year, payouts were made in the amount of $41,298,771.97 in Caribbean EQ/TC SP plus Aggregate Deductible Cover (ADC) payments of $528,512.03. Payouts were made in the amount of $3,505,888 in Caribbean XSR SP. Both SPs remain in a good solvency position.

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

On October 26, 2021, CCRIF entered into a new grant agreement with Irish Aid for a grant of EUR 1,000,000. The funds will be used for the expansion of COAST SP.

With respect to the EUR 1,000, 000 grant from Irish Aid signed on January 14, 2019, and originally due to expire on June 30, 2020, an extension dated October 26, 2021 was granted by Irish Aid, allowing the $159,851 which was unutilized as of May 31, 2021, and thus classified as a liability in these financial statements, to be used by CCRIF before May 2022.

Supplementary financial information
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

Supplementary financial information
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**

Supplementary financial information
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**

Supplementary financial information
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**

Supplementary financial information
CCRIF SPC

Statements 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	**2,058,054**	**6,976,831**	**4,954,310**	**247,148**	**2,795,536**	**599,619**
Net income /(loss) for the year						
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

Supplementary financial information
CCRIF SPC

Statements of Cash Flows (continued)

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**

2020-2021
ANNUAL REPORT

CCRIF SPC
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