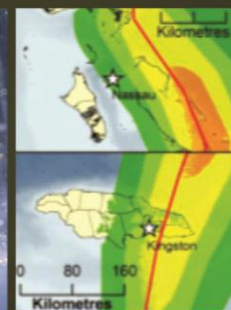




# June - November 2012 Semiannual Report





# CCRIF Semiannual Report 1 June – 30 November 2012

## Board of Directors

Milo Pearson, Executive Chairman  
Isaac Anthony, CARICOM-nominated  
board member, representing  
participating countries  
Faye Hardy, CDB-nominated board  
member, representing donors  
Ken Blakeley, CARICOM-nominated  
board member, insurance specialist  
Desirée Cherebin, CDB-nominated  
board member, finance specialist

## The CCRIF Team

Caribbean Risk Managers Ltd, Facility  
Supervisor  
Sagicor Insurance Managers Ltd,  
Insurance Manager  
London & Capital Ltd, Asset Manager  
EFG Bank (Cayman), Asset Manager  
Guy Carpenter & Co LLC, Reinsurance  
Broker  
Sustainability Managers, Corporate  
Communications Manager

*The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is the first multi-country risk pool in the world, and is also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. It is a regional catastrophe fund for Caribbean governments designed to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered.*

*CCRIF was developed through funding from the Japanese Government, and was capitalised through contributions to a multi-donor Trust Fund by the Government of Canada, the European Union, the World Bank, the governments of the UK and France, the Caribbean Development Bank and the governments of Ireland and Bermuda, as well as through membership fees paid by participating governments.*

*Sixteen governments are currently members of the fund: Anguilla, Antigua & Barbuda, Bahamas, Barbados, Belize, Bermuda, Cayman Islands, Dominica, Grenada, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago and Turks & Caicos Islands.*

**CCRIF website: [www.ccrif.org](http://www.ccrif.org)**

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# CCRIF STRATEGIC FRAMEWORK

## VISION

A Caribbean region with optimised disaster risk management and climate change adaptation practices supporting long-term sustainable development

## MISSION

To assist Caribbean governments and their communities in understanding and reducing the socio-economic and environmental impacts of natural catastrophes. We do this by providing immediate liquidity through a range of affordable insurance products, developing innovative and dynamic tools and services, and operating in a way that is financially sustainable and responsive to the needs of the region

## VALUE PROPOSITION

CCRIF promises its clients to:

Fill a gap in available insurance offerings in natural catastrophes

Give peace of mind and confidence re financial support

Supply tools for enhanced disaster risk management

Charge lowest possible premiums consistent with long-term sustainability as a joint reserve mechanism

Ensure speedy payout when a policy is triggered

Be transparent and accountable

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# Acronyms

BMU	German Federal Ministry of the Environment and Nuclear Safety
CaribRM	Caribbean Risk Managers Ltd.
CARICOM	Caribbean Community
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CCCCC	Caribbean Community Climate Change Centre
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDM	Comprehensive Disaster Management
CEO	Chief Executive Officer
CIDA	Canadian International Development Agency
CIMH	Caribbean Institute for Meteorology and Hydrology
DFA	Dynamic Financial Analysis
ECA	Economics of Climate Adaptation
HLEM	Hazard Loss Estimation Model
ICR	Implementation Completion Report
IDB	Inter-American Development Bank
IDP	International Development Partner
JIIC	Jamaica International Insurance Company
KAC	Kinetic Analysis Corporation
LPC	Loan Portfolio Cover
LPP	Livelihood Protection Policy
MCII	Munich Climate Insurance Initiative
MoU	Memorandum of Understanding
MPRES	Multi-Peril Risk Estimation System
NASA	United States National Aeronautics and Space Administration
NEMA	National Emergency Management Agency (St Kitts and Nevis)
NHC	US National Hurricane Center
NOAA	National Oceanic and Atmospheric Administration
OECS	Organisation of Eastern Caribbean States
PR	Public Relations
RTFS	Real-Time Forecasting System
SECO	Swiss State Secretariat for Economic Affairs
SMSC	Short Message Service Communications
SRC	Seismic Research Centre (University of the West Indies, St Augustine, Trinidad & Tobago)
TA	Technical Assistance
TC	Tropical Cyclone
UK	United Kingdom
UN-ECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNFCCC	United Nations Framework Convention on Climate Change
US	United States
UTC	Coordinated Universal Time
UWI	University of the West Indies
XSR	Excess Rainfall

# INTRODUCTION

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This report, for the period 1 June – 30 November 2012, is the first semiannual report, covering the first six months in the 2012/2013 fiscal and policy year for CCRIF. It is designed to provide an update on progress during this period towards achievement of CCRIF's Strategic Objectives (see Figure 1) as defined in the CCRIF [Strategic Plan 2012/2013 – 2014/2015](#). In providing this progress update, this report also illustrates how the Facility upholds its customer values.



*Figure 1: CCRIF Strategic Objectives*

The report presents:

**Progress during the six-month period towards the achievement of each of CCRIF's four strategic objectives** as defined in the *CCRIF Strategic Plan 2012/2013 – 2014/2015*.

Key topics covered under the strategic objectives include the following:

- **Strategic Objective 1:** Policy renewals and membership; Tropical Cyclone and Earthquake review – a description of the reportable hurricane and earthquake events that affected CCRIF member countries during this six-month period (this includes an indication of whether a country's policy was triggered and the value of any payouts made); the Excess Rainfall product; the Real-Time Forecasting System (RTFS)
- **Strategic Objective 2:** Partnerships between CCRIF and Caribbean institutions and CCRIF's Technical Assistance Programme, including the Climate Risk Adaptation and Insurance in the Caribbean programme



- **Strategic Objective 3:** Strategic and operational planning and activities being undertaken by the Board of Directors; funding opportunities and investment strategies
- **Strategic Objective 4:** Awareness-raising, communications and public relations activities; participation in, and sponsorship of, conferences pertaining to disaster risk management

**Outlook for the Next Period** – a presentation of the Facility’s focus for the remainder of this fiscal year – December 2012 to May 2013. This section also lists some activities and events that are anticipated to occur during the next six-month period.

This report is designed as an electronic document and allows the reader to utilise the hyperlinks to access documents mentioned in the report as well as other background information.<sup>1</sup>

## OVERVIEW of the PERIOD

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This period constituted the six months of the 2012 Atlantic Hurricane Season. The US National Oceanic and Atmospheric Administration (NOAA) had forecast that the 2012 season will have slightly reduced activity compared with the 1981-2010 average. NOAA’s Climate Prediction Center estimated that 2012 will have 9 to 15 named storms, including 4 to 8 hurricanes, 1 to 3 of which will become major hurricanes (with peak winds of 111 mph or higher, ranking Category 3, 4 or 5). This year’s hurricane season began early with the formation of Tropical Storms Alberto and Beryl in May. In the period May to November, a total of nineteen named storms formed.



In the six months, there were four reportable hazard events that affected CCRIF member countries: Tropical Cyclones Ernesto, Isaac, Rafael and Sandy. Although nine CCRIF member countries were affected by these storms, none of the storms triggered any country’s Hurricane policy.

In preparation for the hurricane season, CCRIF provided access to the Real-Time Forecasting System (RTFS) for representatives of the disaster management and meteorology communities and other ministries and agencies within member countries as well as international development partners. In collaboration with the Caribbean Institute of Meteorology and Hydrology (CIMH) and Kinetic Analysis Corporation (KAC), CCRIF again offered online training for interested persons.

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<sup>1</sup>Hyperlinks are indicated by underlined text. Click on this text to access the referenced online document or website.

In this period, CCRIF continued discussions regarding provision of excess rainfall coverage with the ministries of finance in Jamaica, Trinidad & Tobago, Guyana and Haiti.

The project team – consisting of CCRIF, MicroEnsure, Munich Re and MCII – continued to implement Climate Risk Adaptation and Insurance in the Caribbean programme in the three primary countries (Saint Lucia, Grenada and Jamaica). During this period, stakeholders finalised the product design of the Livelihood Protection Policy (LPP) and continued discussions regarding the Loan Portfolio Cover (LPC) design. The LPP has been prioritised for Saint Lucia and Grenada, and the LPC in Jamaica. The project team continued working with regulators and insurers in the three pilot countries to finalise regulatory agreements and contractual arrangements.





# PROGRESS TOWARDS ACHIEVEMENT OF STRATEGIC OBJECTIVES

## Strategic Objective 1

**To provide products, services and tools responsive to the needs of the region**

Strategic Objective 1 focuses on ensuring that CCRIF meets the needs of current and potential member countries within the Caribbean. The Facility is continuously seeking to improve its products and services as well as to develop new initiatives at the request of Caribbean governments. CCRIF continues to offer its Tropical Cyclone and Earthquake policies to its member countries; the Facility works with its members to define adequate coverage levels and with key donors to facilitate members attaining these levels of coverage. CCRIF also seeks to effectively enable non-members to become members of the Facility and is offering the new Excess Rainfall product to certain member and non-member countries in 2012. The Facility continues to support its Real-Time Forecasting System, a valuable service for members.

Since the inception of CCRIF in 2007, the Facility has made eight payouts totalling US\$32,179,470 to seven member governments. All payouts were transferred to the respective governments immediately after the stipulated 14-day waiting period (and in some cases advances were made within a week) after each event. These payouts are shown in the table below.

Event	Country Affected	Payouts (US\$)
Earthquake, 29 November 2007	Dominica	528,021
Earthquake, 29 November 2007	Saint Lucia	418,976
Tropical Cyclone Ike, September 2008	Turks and Caicos Islands	6,303,913
Earthquake, 12 January 2010	Haiti	7,753,579
Tropical Cyclone Earl, August 2010	Anguilla	4,282,733
Tropical Cyclone Tomas, October 2010	Barbados	8,560,247
Tropical Cyclone Tomas, October 2010	Saint Lucia	3,241,613
Tropical Cyclone Tomas, October 2010	St. Vincent & the Grenadines	1,090,388
<b>Total for the Period 2007 - 2011</b>		<b>US\$32,179,470</b>

The focus for 2012-2013 within this Strategic Objective is on:

- Engaging in dialogue with members regarding policy renewals
- Support of existing Tropical Cyclone and Earthquake policies
- Roll-out of the Excess Rainfall product
- Support of the Real-Time Forecasting System

Progress made during this six-month period on activities to support Strategic Objective 1 is described below.

## Tropical Cyclone and Earthquake Policy Review

During this period, there were four hazard events which qualified as reportable events – Tropical Cyclones Ernesto, Isaac, Rafael and Sandy. The CCRIF countries affected by these storms are as follows:

- Ernesto: Belize, Saint Lucia, St Vincent and the Grenadines
- Isaac: Dominica, Haiti, Bahamas
- Rafael: St Kitts and Nevis, Anguilla
- Sandy: Jamaica, Bahamas

None of these storms triggered any member country's Hurricane policy.

CCRIF disseminated hazard event briefings on the four tropical cyclones to member countries and other stakeholders. The reports are available on the CCRIF website at:

<http://www.ccrif.org/publications/event-briefing-tropical-cyclone-ernesto-august-2012>

<http://www.ccrif.org/publications/event-briefing-eastern-caribbean-impacts-tc-isaac>

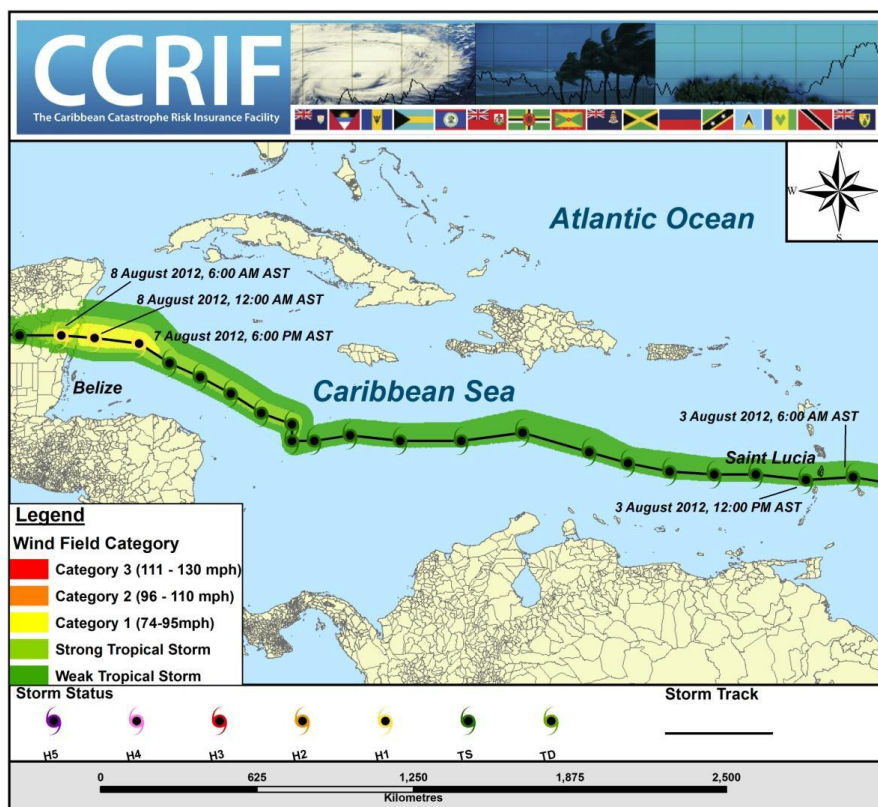
<http://www.ccrif.org/publications/event-briefing-central-caribbean-impacts-tc-isaac>

<http://www.ccrif.org/publications/event-briefing-eastern-caribbean-impacts-tc-rafael>

<http://www.ccrif.org/publications/event-briefing-tropical-cyclone-sandy>

### Tropical Cyclone Ernesto

On 3 August 2012 at 1500 UTC Tropical Storm Ernesto was situated about 90 miles (140 km) west of Saint Lucia packing maximum sustained winds of 50 mph (85 km/h) with stronger gusts. On 7 August, Tropical Storm Ernesto was situated about 250 miles (405 km) east of Belize City and 180 miles (285 km) north east of Isla Roatan, Honduras. Maximum sustained winds were reported at 65 mph (100 km/h) with stronger gusts and tropical storm force winds extended outward up to 125 miles (205 km) from the centre of Ernesto. Figure 2 shows the path of Tropical Cyclone Ernesto from its inception to when it dissipated. Saint Lucia was the only CCRIF country directly affected by Ernesto.



*Figure 2: Map showing the path of Tropical Cyclone Ernesto and the CCRIF model wind footprint. Source: NHC & CCRIF/KAC MPRES*

The CCRIF member countries affected by at least tropical storm force winds from Ernesto (based on the MPRES footprint) were Belize, Saint Lucia and St. Vincent & the Grenadines, with the tropical storm wind footprint just missing Barbados.

There were no reports of significant damage as a result of the storm as it crossed the Lesser Antilles chain. Reported peak sustained winds were only rarely above minimum tropical storm strength and rainfall was lower than had been anticipated due partly to the high forward speed of the system.

As expected for the level of modelled wind speed, the CCRIF loss model generated only a small government loss in the affected islands, which was below each country's trigger level and therefore no payout was due.

### Tropical Cyclone Isaac

At 1500 UTC on 24 August 2012, Tropical Storm Isaac was located approximately 165 miles (265 km) south south-west of Santo Domingo, Dominican Republic and 185 miles (300 km) south south-east of Port-au-Prince, Haiti with maximum sustained winds of 60 mph (95 km/h). By 25 August, Isaac was moving in a northwesterly direction at a speed of approximately 13 mph (20 km/h) with tropical storm force winds extending outward up to 230 miles (370 km) from the centre. Isaac made landfall over the southwestern peninsula of Haiti just before dawn local time. Figure 3 shows the path of Tropical Cyclone Isaac as it moved over Haiti and south of the Bahamas.

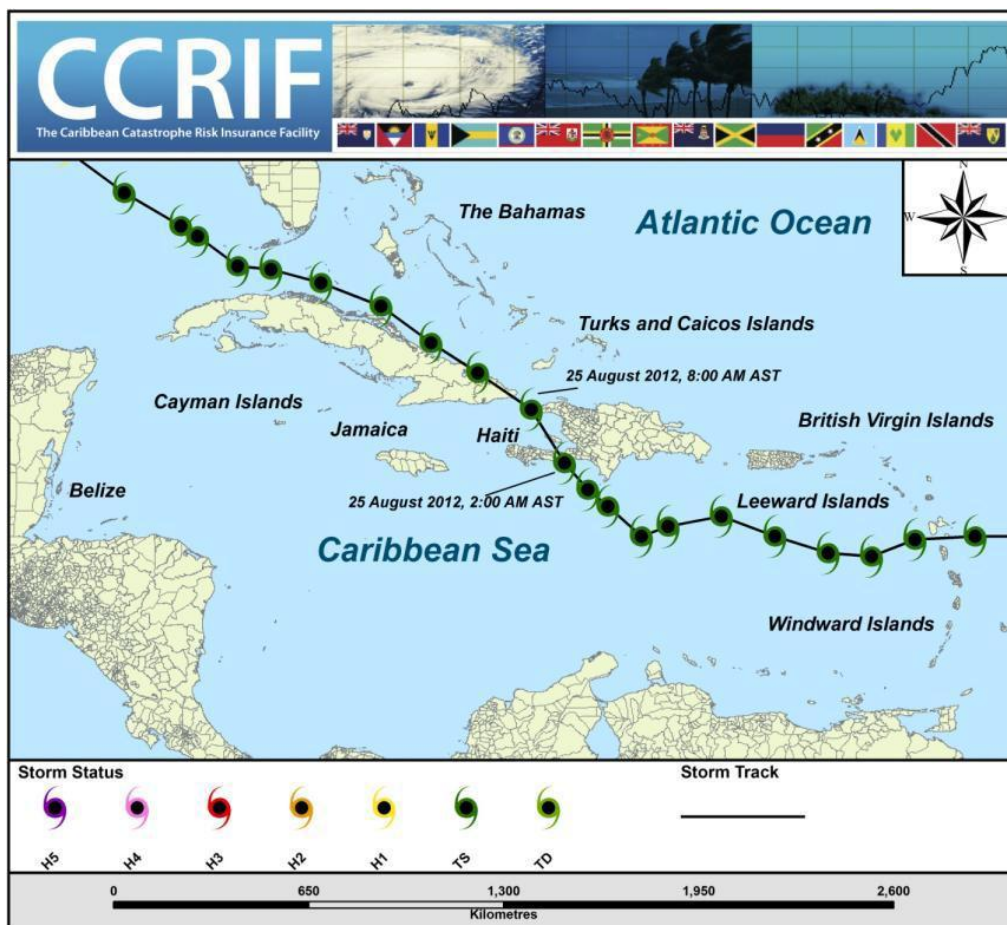


Figure 3: Map showing the path of Tropical Cyclone Isaac. Source: NHC.



The CCRIF member countries affected by at least tropical storm force winds from Isaac (based on the MPRES footprint) were Dominica, Haiti and the Bahamas.

There were no reports of significant damage in Dominica as a result of the storm as it crossed the Lesser Antilles chain. Reported peak sustained winds were only rarely above minimum Tropical Storm strength and rainfall was lower than had been anticipated.

As Isaac went through the Central Caribbean region, the storm pounded Haiti with heavy rains during the early morning of 25 August which resulted in flooding and mudslides. The Government reported that more than 14,000 persons had left their homes and another 13,500 were living in temporary shelters until the night of 25 August. Mega IV Camp, which housed approximately 8,000 people in makeshift shelters, was affected by flooding and fallen trees which damaged hundreds of tents.

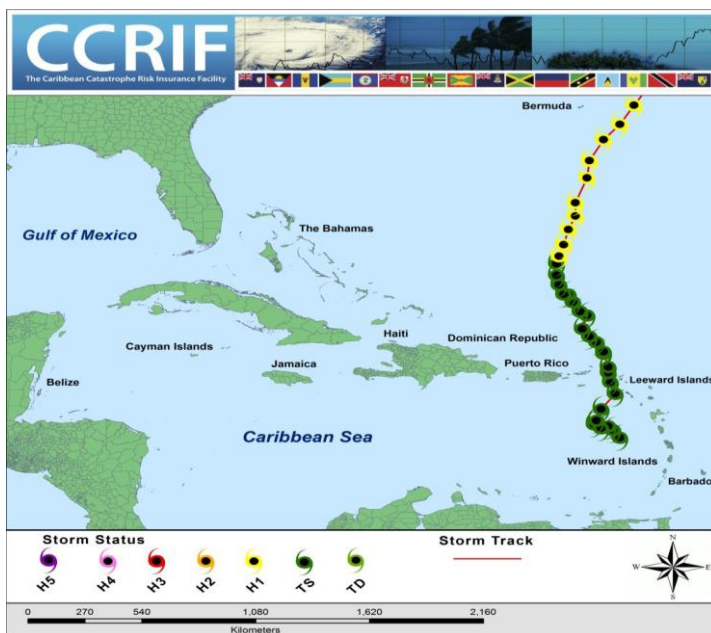
Preliminary reports indicated that there may have been as many as 19 fatalities as a result of this system. The United Nations confirmed that there was damage to the country's banana crop and the national electricity supplier confirmed that at one point most of the electricity grids were down. A dozen houses were destroyed and another 269 were damaged. However, Haiti's spokesman for the United Nation's Office of Coordination of Humanitarian Affairs stated that the damage appears to be less significant than expected.

There were no reports of significant damage as a result of the storm as it crossed the southern Bahamian islands.

Preliminary runs of the CCRIF loss model generated only small government losses in the three affected countries, which in all cases were below each country's trigger level and therefore no payout was due.

### **Tropical Cyclone Rafael**

Tropical Storm Rafael formed on 12 October 2012. As it moved in a northwesterly direction the system passed west of St Kitts and Nevis and by the evening of 13 October 2012 the center of Rafael was between Saint Martin and Saint Croix. Rafael was upgraded to a Category 1 Hurricane with winds of 85 mph (140 km/h) upon clearing the Lesser Antilles chain. By the afternoon of 16 October 2012, the outer bands of Rafael began to affect Bermuda with heavy rains. Hurricane force winds extended outward up to 35 miles (55 km) from the centre and tropical storm force winds extended outward up to 205 miles (335 km).



*Figure 4: Map showing the path of Tropical Cyclone Rafael. Source: NHC*

Based on the MPRES footprint, the CCRIF member countries affected by at least tropical storm force winds in the Eastern Caribbean Region from Rafael were St Kitts and Nevis and Anguilla. The St Kitts Meteorological Office confirmed that St Kitts experienced peak sustained winds of Tropical Storm strength and approximately 12.31 inches of accumulated rainfall while Nevis experienced approximately 7 inches.

There were no reports of significant damage as a result of the storm as it crossed the Lesser Antilles chain.

Preliminary runs of the CCRIF loss model generated only small government losses in the affected countries, which in both cases were below each country's trigger level and therefore no payout was due.

### **Tropical Cyclone Sandy**

Tropical Storm Sandy formed on 22 October 2012 and on 24 October, Sandy developed into a Hurricane while approaching the southeastern coast of Jamaica, with maximum sustained winds of 80 mph (130 km/h). By the evening, having crossed eastern Jamaica, the eye of Hurricane Sandy was located between Jamaica and Cuba, west of the coast of Haiti. From the centre of Sandy, the hurricane and tropical storm force winds extended outward up to 30 miles (45 km) and 140 miles (220 km) respectively.

Sandy was upgraded to a Category 2 Hurricane while moving off the coast of Cuba, approximately 185 miles (300 km) south of the central Bahamas islands. On 25 October, Sandy approached the Bahamas with maximum sustained winds still at 105 mph (165 km/h) and moving in a northerly direction at a speed of 20 mph (32 km/h). The maximum sustained winds decreased to 75 mph (120 km/h) the following day as the system continued to affect the islands before reaching the open Atlantic late on 26 October.

Based on the MPRES footprint, the CCRIF member countries affected by at least tropical storm force winds in the Central Caribbean Region from Sandy were Jamaica and the Bahamas. Sandy produced heavy rains as it passed west of the coast of Haiti but no part of Haiti was within the tropical storm wind footprint of MPRES.

As a result of the passage of Sandy across eastern Jamaica there were reports of damage to crops, roads, bridges and houses in the parishes of St. Mary, St. Thomas and Portland. The Jamaica Public Service Company worked to restore power as 70 percent of its customer base was without electricity. Preliminary estimates from the Ministry of Agriculture indicate that approximately 11,000 farmers were affected and about 1,500 hectares of crops destroyed which could amount to \$1 billion (US\$11 million) in damage. At the time of the report, there was one confirmed fatality in Jamaica as a result of Sandy.

In Haiti, the rain-laden outer bands of Hurricane Sandy triggered extensive flooding which resulted in widespread damage to homes and crops. As of 29 October, reports from Haiti indicated that there were 51 fatalities as a result of this storm and 15 missing.

Preliminary reports indicate that the storm inflicted the most severe damage on Cat Island which took a direct hit, and Exuma where there was also damage to homes, downed trees and utility poles. There were reports of flooding and power outages on Acklins Islands and also flooding on Ragged

Island. Abaco Island also experienced some flooding, collapsed trees and damage to roof shingles of buildings. There were reports of damage to crops on Long Island and structural damage to homes and roofs of several buildings. As of 29 October, there were reportedly two deaths as a result of the passage of Sandy.

The preliminary runs of the CCRIF loss model generated modest government losses in the affected countries (Jamaica and the Bahamas), which in both cases was below each country's trigger level and therefore no payout was due.

Initial assessment of on-the-ground impacts indicates that government losses from wind and storm surge appear to be consistent with the model outputs. However, rain damage, which is not taken into account in the current CCRIF Tropical Cyclone model, caused additional impacts and was the sole driver of damage in Haiti.

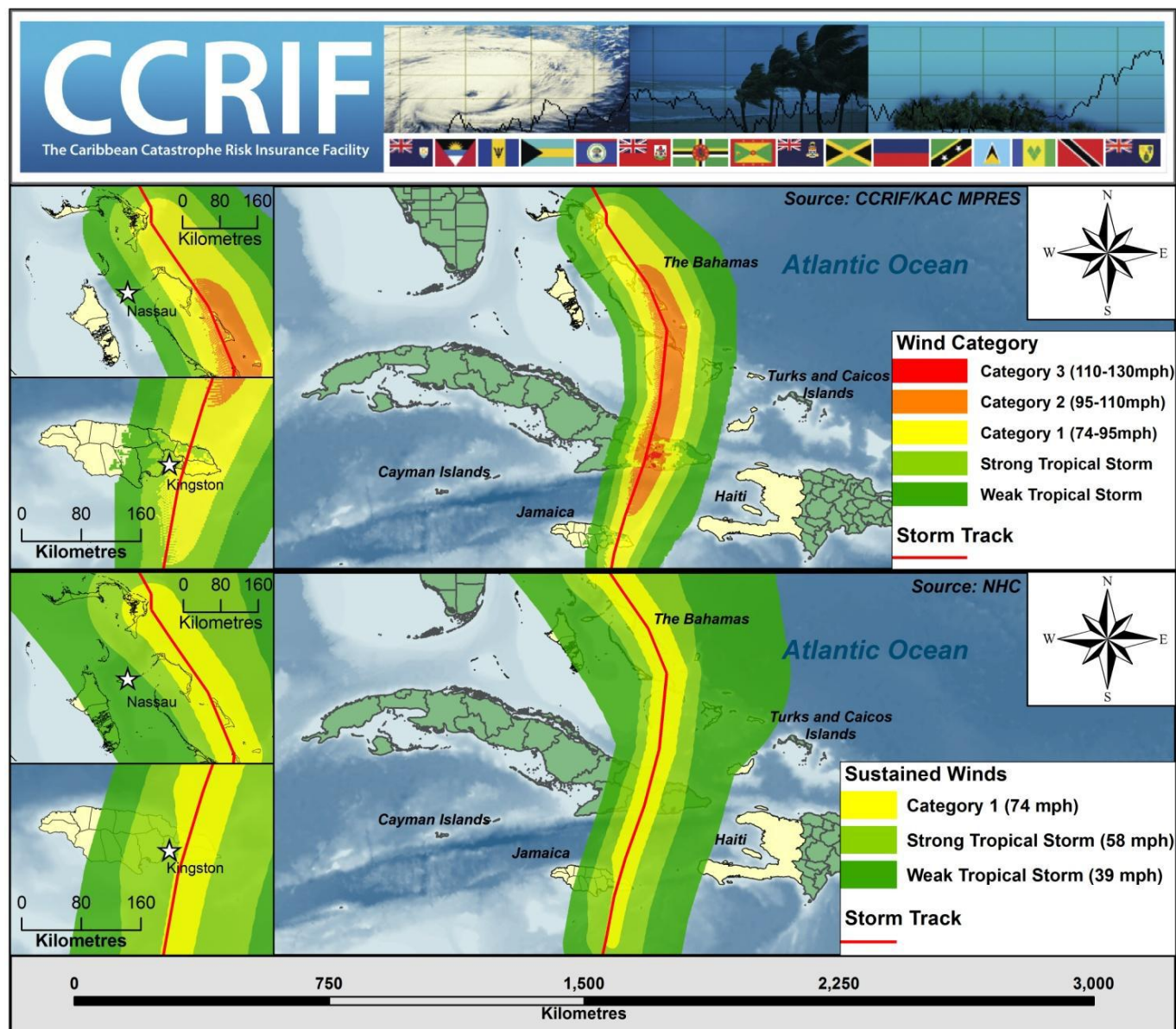


Figure 5: Comparison of NHC and CCRIF model wind footprint. Source: NHC & CCRIF/KAC MPRES



## Excess Rainfall Product

The Memorandum of Understanding between CCRIF and Swiss Re for the offering of the Excess Rainfall product was signed on 2 July 2012. Mr Nikhil de la Victoria Lobo, Senior Vice President Global Partnerships, signed on behalf of Swiss Re and Mr Milo Pearson, CCRIF Executive Chairman signed on behalf of CCRIF. The MoU is undergoing revision to better reflect current developments on the ground.

CCRIF continued discussions regarding excess rainfall coverage with the ministries of finance in Jamaica, Trinidad & Tobago, Guyana and Haiti based on initial excess rainfall (XSR) models created for these countries. The model for Jamaica is complete and signed off by the client. Swiss Re and CaribRM continue to work on the Haiti model. Trinidad & Tobago's model is complete but CCRIF is awaiting feedback and calibration/verification information from the Government of Trinidad and Tobago.

Work began on building XSR models for the remaining CARICOM countries with an initial focus on Guyana. Based on a visit to Guyana in early November by members of the CCRIF Board and Team, the model has been adjusted and is currently with the Ministry of Finance for technical sign-off as a reasonable representation of rainfall risk in Guyana. Once that is received, CCRIF and Swiss Re will be able to structure and price some options for Guyana.

Structuring and pricing of coverage for interested countries (presuming their sign-off on the model) will be completed with a view to coverage incepting on 1 June 2013.

Kinetic Analysis Corporation (KAC) continued their research on the regional excess rainfall model to develop an alternative rainfall hazard dataset and, thereafter, a more sophisticated XSR model.

## Multi-Peril Risk Estimation System

KAC continued to work on the following hazard and loss risk assessment tools:

- Return-period analysis: updates to support large, long-term datasets
- Tropical cyclone: synthetic event set generator
- Earthquake: addition of new attenuation functions to earthquake model
- Exposures: adjustments to better reflect urban-rural GDP differences

The updates are largely complete and will be incorporated into the model for the 2013/14 policy year.

## Real-Time Forecasting System

### Access to the RTFS

During this six-month period, CCRIF created 103 new RTFS accounts, bringing to 281 the total number of persons with access to the RTFS. In 2012, a significant number of new ministries and agencies such as ministries of agriculture, tourism and foreign affairs were provided access at their request. In 2011 and 2010, 179 and 100 users, respectively, had access to the system (see Figure 6).

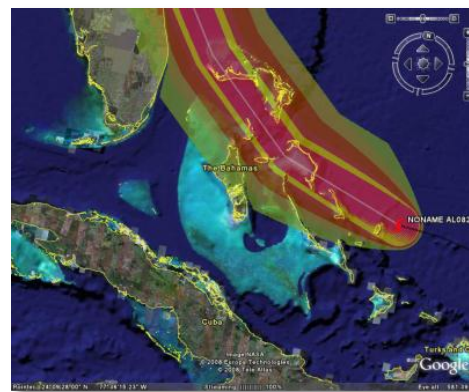


Figure 6: Number of persons with access to RTFS

## RTFS Training

In order to facilitate CCRIF's member countries use of the RTFS, CCRIF once again offered the course "Understanding and Using the CCRIF Real-Time Forecasting System" in partnership with the Caribbean Institute of Meteorology and Hydrology (CIMH) and Kinetic Analysis Corporation (KAC) via the CCRIF training website. The training course was delivered on 11 & 12 July 2012.

The course was designed to enable users to better understand the information and data produced by the RTFS; the role the RTFS can play in decisions affecting expected hazard levels from storms and impacts on populations; and the RTFS in relation to other similar forecasting tools.



Forty-one persons participated in the training and were comprised as follows:

- Disaster Management Officers: 18
- Meteorological Service Officers: 17
- Representatives of other institutions: 6 (Ministry of Agriculture, Food, Fisheries and Water Resource Management; Ministry of Home Affairs; Prime Minister's Office – all from Barbados)

Seventy-eight persons participated in the training in 2011. Of all training participants, nine persons participated in the training course in both 2011 and 2012. Therefore, the total number of training participants in 2011 and 2012 is 110.

**A total of 110 persons have participated in RTFS training sessions in 2011 and 2012.**

Nineteen participants – approximately 46% of persons who took the course – completed the course evaluation. **100% of respondents indicated that they would use the RTFS this year.**

Overall, all respondents rated the course as excellent (26%) or very good (74%). They also indicated that overall the content of the course was very good, interesting, relevant and necessary.

## RTFS Usage

For the period June - November, the page was viewed 231 times via 13 countries (see table at right), with Trinidad & Tobago using the site the most times, followed by Jamaica (46) and Haiti and Barbados (31). Non-CCRIF countries USA, UK and Italy also accessed the site. The table also shows the usage during Tropical Cyclones Ernesto, Isaac and Sandy.

Time period	# visits to RTFS site	# countries	Country with most visits
June – Nov	231	13	Trinidad & Tobago (63)
<b>TC Ernesto</b>	50	5	Trinidad & Tobago (22)
<b>TC Isaac</b>	62	7	Haiti (20)
<b>TC Sandy</b>	24	3	Jamaica (16)

## Strategic Objective 2

### To enhance capacity for disaster risk management and climate change adaptation

Strategic Objective 2 focuses on supporting its members in the development and implementation of strategies for disaster risk management and adaptation to climate change. CCRIF engages in programmes and actions that are designed to develop institutional enabling environments and regional supporting mechanisms for knowledge sharing, scaling up good practices, capacity building and technology transfer.

CCRIF is currently pursuing this objective by providing access to and support for the Real-Time Forecasting System; implementing a Technical Assistance (TA) Programme; and developing projects in collaboration with regional institutions and international organisations. The TA Programme has three components as shown below:



The focus for 2012-2013 within this Strategic Objective is on:

- Development and strengthening of partnerships with key entities in the region through the development of MoUs and collaborative programmes
- Implementation of activities within components 1 and 2 of the CCRIF Technical Assistance Programme:
  - Provision of scholarships at UWI and institutions outside the Caribbean
  - Support for professional development of Caribbean professionals engaged in the field of disaster/catastrophe risk management
  - Implementation of the Climate Risk Adaptation and Insurance in the Caribbean programme
  - Expansion of the Economics of Climate Adaptation initiative in the Caribbean

Progress made during this six-month period on activities to support Strategic Objective 2 is described below.



## Partnerships

CCRIF continues to strengthen partnerships and to work with various entities in the region.

### MoU Workplans

During this period, CCRIF conducted a review of existing MoUs. CCRIF worked with the partner organisations to update the agreements and to develop workplans for their implementation.

#### **CCRIF has MoUs with the following organisations:**

- Caribbean Community Climate Change Centre – CCCCC
- Caribbean Disaster Emergency Management Agency – CDEMA
- Caribbean Institute for Meteorology and Hydrology – CIMH
- Organisation of Eastern Caribbean States – OECS
- United Nations Economic Commission for Latin America and the Caribbean – UN-ECLAC
- University of the West Indies Seismic Research Centre – UWI SRC

Meetings and discussions were held with CCCCC, CDEMA, OECS and UN-ECLAC to develop their work plans. Each work plan includes the main outputs for 2012 – 2013, deliverables, timeline, level of effort and an indicative budget. Plans for 2012-2013 for the OECS Secretariat and UN-ECLAC were completed and submitted to the CCRIF Board for approval.

The main objective of both MoUs with the OECS Secretariat and UN-ECLAC is to assist Caribbean governments to adopt policies on disaster risk reduction and mitigation that minimise the socio-economic, physical and environmental damages caused by natural disasters.

Within the OECS Secretariat work plan, the main activities for 2012-2013 include building capacity of key stakeholders within OECS countries in the use of the CCRIF Real-Time Forecasting System (RTFS); identification and prioritisation of vulnerable communities and subsequent development of community disaster risk reduction action plans; and building capacity in understanding the risks faced by OECS countries and development of country risk officers. Within the UN-ECLAC work plan, the main activities for 2012-2013 include an evaluation of post-disaster assessments which will include an assessment of the region's resilience and risk reduction initiatives; and an assessment of strategies for linking of ECLAC's Damage and Loss Assessment (DaLA) methodology to the Post Disaster Needs Assessment (PDNA) as a means of strengthening both approaches.



### UWI Seismic Research Centre

In October, UWI Seismic Research Centre (SRC) submitted its first progress report on the project to enhance the accelerometric network to evaluate and mitigate seismic risk in the Caribbean. Some

seismic measuring equipment has been purchased and work is on-going to identify the most suitable and secure sites. The status of each site is as follows:

- Saint Lucia – sites have been identified and approved
- Antigua – site of legacy ANG station will be upgraded and used
- Nevis – site identified at the NEMA Office and approved
- Barbados – sites identified, but still to be finalised

## Technical Assistance Programme

Terms of Reference for the Technical Assistance (TA) sub-committee of the Board were approved. This sub-committee will provide strategic guidance, direction and quality assurance to the ongoing development and implementation of the TA Programme.

Progress made within the two targeted components of the CCRIF TA Programme (Scholarships and Professional Development, and Regional Strategic Knowledge Building) is described in this section.

### Scholarship/Professional Development Programme

The CCRIF Scholarship and Professional Development Programme provides scholarships to students to attend UWI as well as institutions outside the Region and also provides assistance for Caribbean professionals to participate in important conferences and meetings that enable them to effectively carry out their responsibilities.

#### CCRIF/UWI Scholarship Programme

Through the CCRIF/UWI Scholarship Programme, CCRIF provides scholarships to undergraduate and post-graduate students who are pursuing study at the University in areas related to disaster management. Since the launch of the programme in 2010, the Facility has provided a total of nine scholarships to students at the Mona (Jamaica) and St Augustine (Trinidad & Tobago) campuses of the University. The total value of awards disbursed to date (up to November 2012) is US\$105,250. Seven students will receive scholarships valued at a total of US\$154,250 in the 2012/13 academic year.



In November 2012, UWI provided a list of five candidates for the two undergraduate scholarships for the 2012/13 academic year. The TA Programme subcommittee made the two selections and submitted their recommendations to the Board for approval. In the next period, UWI will nominate the recipients for the graduate scholarships.

The Corporate Communications Manager prepared a proposal to facilitate a review of the CCRIF-UWI Scholarship programme. The purpose of this review was to determine if the scope of the programme could be expanded to offer scholarships to a wider cross section of students, cover additional areas of study and be offered across all three campuses of the university. Also, the review aimed to make recommendations for administering and managing the programme and for ensuring that nationals of all CCRIF member countries have an equal opportunity to participate.

### **Extra-regional Scholarship Programme**

Through the extra-regional scholarship programme, launched in February 2012, CCRIF provides scholarships for citizens in CARICOM countries wishing to obtain a Masters degree in areas related to disaster risk management at a university in the United Kingdom, United States or Canada.

The first scholarships under this programme were awarded to two students for the 2012/13 year: Ms Annlyn McPhie, to pursue a Masters in Public Administration degree in Environmental Science and Policy at Columbia University, USA and Mr Mahendra Saywack, to complete a Master of Science degree in Climate Change and Development at the University of Sussex, UK. The value of these two scholarships total US\$ 93,623.

### **Support for National Meteorological Service of Belize**

In 2011, CCRIF provided scholarships to Ms Michele Natalie Smith and Ms Shanea Latoya Young of the National Meteorological Service of Belize to study for a Bachelor of Science degree in Meteorology at the University of West Indies, Cave Hill Campus, Barbados. This support to the Government of Belize was part of CCRIF's assistance after the passage of Tropical Cyclone Richard in 2010 and is intended to fill a capacity gap caused by recent retirements of experienced professionals from the Meteorological Service.

In September 2012, Ms Smith and Ms Young provided transcripts of their performance after completion of their first year of study. This was a pre-requisite for the approval of the successive year's funding. CCRIF is providing support for the students' second year.

## **Regional Strategic Knowledge Building**



### **Climate Risk Adaptation and Insurance in the Caribbean programme**

**The Climate Risk Adaptation and Insurance in the Caribbean programme seeks to help vulnerable communities adapt to extreme weather events.**

The Climate Risk Adaptation and Insurance in the Caribbean programme seeks to help vulnerable people adapt to climate change. This development intervention has been designed with the objective of protecting the livelihood of low-income people against extreme weather events (specifically, excess rainfall and high winds). The project has designed and developed parametric weather index based insurance products that combine risk reduction and insurance for low-income groups such as small farmers and day labourers in the region. The products target medium-level weather extremes (hurricanes and rainfall), which are likely to increase in frequency and intensity with climate change.

The Climate Risk Adaptation and Insurance in the Caribbean project is being implemented by the Munich Climate Insurance Initiative (MCII) on behalf of the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU), in partnership with Munich Re, MicroEnsure and CCRIF.



The project team – consisting of CCRIF, MicroEnsure, Munich Re and MCII – continues to implement this project in three of the five focal countries (Saint Lucia, Jamaica and Grenada).

During this period, after intensive stakeholder consultation, the product design of the Livelihood Protection Policy (LPP) was finalised with an estimated premium cost of 8-10% of the payout limit. The Loan Portfolio Cover (LPC) design is still being discussed by stakeholders. The LPP is targeted for roll out in Jamaica and Saint Lucia in the next quarter; a local insurance carrier for Grenada has not yet been finalised. The technical aspects of the LPC are being discussed amongst the Project Consortium and it is expected that the LPC will be finalised by the end of the year.

A market test of the LPP is being planned for Jamaica with selected individuals in two parishes. Details of this market study were submitted to the regulator in Jamaica and official approval was given for the products to be sold within the framework of the market test. This market test is part of the monitoring and evaluation programme for the project.

**The Livelihood Protection Policy (LPP)** is intended to provide low income people with funds within a short period of time that would allow them to rebuild their farm or small enterprise and/or livelihood after an extreme weather event.

**The Loan Portfolio Cover (LPC)** is intended to provide portfolio-level protection against default for lender institutions such as development banks and credit unions which have significant portfolios of individual and small business loans exposed to weather risks.

On 2-6 July 2012, the project team made a visit to Saint Lucia and Grenada with goals to deliver all necessary product details to the prospective partners (credit unions and cooperative banks) and achieve full dedication to the project moving forward. CCRIF also assisted MicroEnsure with organising training sessions which occurred immediately after the July visit. In addition to conducting the planned training sessions, MicroEnsure was asked to present to Boards and management teams of the respective distribution channels with the aim to inform their decisions.

Working with the partners from the local insurance sector, the draft insurance proposal form and marketing outline were presented to EC Global. Also, Munich Re and the Project Team presented the draft business plans for Saint Lucia and Grenada to EC Global and United, respectively, during the month of August for their review.

The three participating insurance companies reviewed the draft contractual agreements received earlier this year. The status at the end of November is as follows:

- Jamaica International Insurance Company (JIIC) – JIIC signed its contractual agreements and began preparing to submit the regulator package for the LPC.
- United Insurance Co Ltd in Grenada (through the Head Office in Barbados) – They are interested in the project but are discussing various options with the Project Team before making a commitment. They are currently formulating a business plan to present to their board to show them the possible profitability of this venture.

- EC Global Insurance in Saint Lucia – The EC Global Board decided to proceed with the initiative. The regulator package for the LPP was submitted on 14-16 August 2012.

On 12 October 2012, the project was promoted at a [workshop entitled Climate Risk Insurance in the Context of Adaptation and Loss & Damage](#), hosted by MCII in Barbados. The workshop, involving Caribbean-based actors from the public and private sectors, international climate negotiators under the UNFCCC and donor organisations, was held to explore insurance solutions to manage climate-related risks and to discuss specific innovations currently under development in the Caribbean. Ms Sobiah Becker of MCII and Ms Stacia Yearwood of CCRIF delivered a presentation on the project, which included an introduction to the Livelihood Protection Policy (LPP) and the Loan Portfolio Cover (LPC). See report, *Climate Risk Insurance in the Context of Adaptation and Loss & Damage*, for additional details about this workshop.

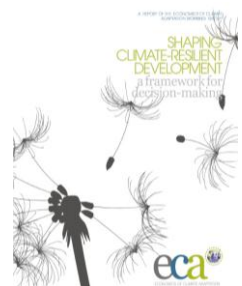
On October 16, MCII and EC Global [introduced the LPP](#) to the local insurance industry at a press conference (see [video](#)).

A formal agreement was signed between CCRIF (on behalf of the project team) and SMS Communications (SMSC) to provide services for mass SMS distribution for early warning purposes and notification when policies are triggered. The first phase of testing commenced with SMSC successfully sending text messages to specified persons in Barbados, Jamaica and Saint Lucia.

During the past six months, the project team commenced working on the details of the operations and training materials to facilitate client education about the products. Also, the Communications Group for the project – consisting of representatives from MCII, CCRIF, MicroEnsure and Munich Re – discussed plans for the project launch in early 2013.

### **Economics of Climate Adaptation Study**

During the past six months, CCRIF began discussions with the Inter-American Development Bank (IDB) about expanding the Economics of Climate Adaptation (ECA) study. IDB wishes to utilise CCRIF's experience and data/modelling technology to assist in completing an ECA study for Trinidad & Tobago and will be built on the ECA study for eight Caribbean countries, conducted by CCRIF and partners in 2010. Thus, the framework methodology and the knowledge generated will be transferred to risk and cost-benefit practitioners in Trinidad & Tobago and also throughout the Caribbean region in order to ensure sustainability and homogeneity of the approach to assessing the cost of climate adaptation.



IDB prepared a draft MoU with CCRIF to develop and embed the ECA methodology in the Caribbean, to collaborate in the development of ECA studies that would provide a decision making tool for country and regional decision-makers across the region and to support IDB's access to CCRIF's risk analysis model for the ECA methodology, which is a core element of the ECA programme. The MoU is being finalised by CCRIF and the IDB.

## Strategic Objective 3

### To sustain corporate and financial integrity

Strategic Objective 3 focuses on institutional and financial sustainability. CCRIF's emphasises the importance of creating a management framework that facilitates sustained growth and addresses both decision making and governance with a focus on high quality internal controls towards enhancing efficiencies and reducing the risk of business interruption. CCRIF works to maintain its strong capital base and continuously reviews its investment policy to be able to be flexible in negotiating advantageous rates to its members and retain its claims-paying capacity.

The focus for 2012-2013 within this Strategic Objective is on:

- Review of the reinsurance strategy to consider options for cheaper risk transfer
- Continuing to explore mechanisms for diversifying the investment strategy of the Facility
- Robust reporting against strategic objectives
- Business continuity and sustainability as reflected in the steps being taken to recruit a full-time CEO and the development of a dynamic document management system

Progress made during this six-month period on activities to support this Strategic Objective is described below.

### Corporate Structure and New CEO

As part of efforts to strengthen the sustainability of CCRIF as it becomes a more mature Caribbean institution, the Facility began the recruitment of a full-time Chief Executive Officer (CEO) who will be responsible for leading the organisation. As CCRIF has evolved and become more involved with our members and other stakeholders from the region, the Board decided that the Facility requires an individual who will be committed to CCRIF on a full-time basis. The CEO will be responsible for managing the operation and performance of CCRIF and will be the "public face" of the organisation. The CEO will report to the Board of Directors. He/she will be responsible for operations and risk transfer as well as directing CCRIF's Technical Assistance and Research & Development programmes. Also, the CEO will monitor and guide the members of the CCRIF Team. The position was advertised in June 2012 and applications were due by 9 July.

The draft Operations Manual was revised to incorporate the role of the CEO in respect to the reporting relationships with the Chairman, the Board, and the service providers. The revised manual will be presented to the Board in December for approval.

Also during this period, the Insurance Manager and Facility Supervisor prepared a concept paper on proposed future corporate structure of CCRIF to enable additional revenue generating opportunities. The Board is reviewing this document.

## Board Meetings

Meetings of the CCRIF Board of Directors and Service Providers were held on 19 & 20 June 2012 in Bermuda and on 13 & 14 September in the Cayman Islands.

## Actuarial Review

A review of the Dynamic Financial Analysis model was conducted by an independent actuary based on a recommendation of the 2010/2011 mid-term review of CCRIF by the World Bank. The DFA review report was presented to the Board at its September meeting. The review was generally positive in terms of the operations of the model and its ability to represent CCRIF's insurance risks.

## External Reporting on CCRIF Performance

### World Bank Implementation Completion and Results Report

In July 2012, the World Bank published its [Implementation Completion and Results Report \(ICR\)](#) on CCRIF's performance. In 2007, the World Bank had established a Multi-Donor Trust Fund (MDTF) to support the operations of CCRIF and as planned, CCRIF drew down on the final funds from the MDTF early in 2012. The ICR acts as the wrap-up report from the World Bank to the MDTF donors.



The ICR documents the results achieved and lessons learned and assesses the Facility's performance, highlighting critical success factors. In terms of achievement of the project development outcomes and CCRIF's performance, the ICR reports a rating of **Highly Satisfactory**, which is the Bank's highest possible rating.

The Bank's rating was based on CCRIF's demonstrated ability to enable Caribbean governments to transfer a portion of their hurricane and earthquake risk to the Facility at the lowest possible price and to provide prompt cash payouts, all within a couple of weeks following a covered event. The report states that CCRIF had outperformed the original estimates of the cost savings that it initially had hoped to provide. Furthermore, it states that the Facility was highly efficient and that its claims paying capacity greatly exceeded expectations.



## Strategic Objective 4

### To deepen understanding and knowledge of catastrophe risk and the solutions CCRIF provides

Strategic Objective 4 focuses on facilitating and promoting informed decision making through programmes and activities directed to its members, key stakeholders, policy makers and the general public towards deepening the understanding of catastrophe risk and solutions.

CCRIF develops a range of informational products centred around subject areas relating to disaster risk, risk-transfer solutions and climate change, and organises capacity building initiatives. CCRIF also develops and delivers communication and messaging programmes to strengthen the Facility's reputation and to support better understanding of its services and its relationship with comprehensive disaster management.

The focus for 2012-2013 within this Strategic Objective is on:

- Provision of materials to members to facilitate better understanding of CCRIF
- Timely reporting of CCRIF activities to stakeholders
- Maintenance and expansion of the capabilities of the CCRIF website to meet stakeholder needs
- Development and implementation of the CCRIF (catastrophe risk) Clearing House
- Contribution to key regional and international events and publications related to disaster risk management

Progress made during this six-month period on activities to support this Strategic Objective is described below.

### Conferences and Events

During this six-month period, members of the CCRIF Board and Team participated in conferences and meetings hosted by various regional and international organisations. CCRIF was invited to these meetings primarily to share information about the Facility and also to participate in discussions related to disaster risk management and climate adaptation in the Caribbean as well as other regions in the world.

#### Regional Workshop on the Harmonised Protocol and Strategy for Integrating Disaster Risk Reduction into OECS National Environmental Management Strategies

Mr Nick Grainger of CaribRM represented CCRIF at the [Regional Workshop](#) on the Harmonised Protocol and Strategy for Integrating Disaster Risk Reduction into OECS National Environmental Management Strategies on 3-4 July 2012 at the National Emergency Management Agency Headquarters in St Kitts. The purpose of the meeting was to review the draft protocol, which would be utilised in Caribbean countries to:

- Conduct assessments aimed at disaster risk management and hazard vulnerability reduction at the national and regional level



- Integrate disaster management/risk reduction approaches into the OECS National Environmental Management Strategies.

### **Relevance to CCRIF**

Activities that would be beneficial to CCRIF and the OECS Member States were discussed at the meeting and some of these ideas were incorporated into the MoU that was recently signed between CCRIF and the OECS Secretariat.

### **UNFCCC Regional Expert Meeting**

Ms Ekhosuehi Iyehen, Vice President, Client Relations at CaribRM, represented CCRIF at the [UNFCCC Regional Expert Meeting](#) on a range of approaches to address loss and damage associated with the adverse effect of climate change, including impacts related to extreme weather events and slow onset events, held 23 – 25 July 2012 in Mexico City. The meeting was convened in accordance with a decision made by countries at the 17<sup>th</sup> Conference of Parties in 2011 for a need to strengthen international cooperation and expertise in order to understand and reduce loss and damage associated with the adverse impacts of climate change.

Ms Iyehen delivered a presentation on CCRIF during the session examining the range of approaches to address loss and damage at the macro level as the Facility is one of a few existing regional risk transfer mechanisms. The presentation shared lessons and experiences of CCRIF.

### **Relevance to CCRIF**

CCRIF is seen as good example of regional cooperation coupled with the use of innovative instruments to address a major issue faced by a group of vulnerable countries, i.e. a lack of access to risk transfer markets, which is an important part of the risk management spectrum. The invitation extended to CCRIF to participate in this important climate change expert meeting is again an example of the continued interest of the international community in the CCRIF mechanism and its activities. Also, the meeting provided an opportunity for additional awareness building of CCRIF within its member governments.

### **2012 Programming Consultation on Comprehensive Disaster Management**

Ms Tara James of CaribRM represented CCRIF at the 2012 Programming Consultation on Comprehensive Disaster Management (CDM) on 14 August 2012 in Barbados. Representatives from a number of regional institutions and donor agencies engaged in discussions on cross-institutional progress in new and ongoing CDM initiatives, identifying areas of potential collaboration.



### **Relevance to CCRIF**

The CDEMA Coordinating Unit presented a work programme for the upcoming year 2012-2013 which could be used as a starting point for discussions on specific projects that CCRIF could support under the current Memorandum of Understanding between CCRIF and CDEMA.

The Coordinating Unit will soon begin the process of developing a post 2012 Comprehensive Disaster Management Strategy, a draft of which will be presented at the 2012 CDM conference being held in Montego Bay, Jamaica on 3 – 7 December. There will be an opportunity for all CDM partners – including CCRIF – to provide input to the strategy prior to the conference.

## Forum on Public Finances, Fiscal Reform and Risk Management in the Context of Climate Change

The United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC) in Mexico and the Council of Ministers of Finance of Central America, Panama and Dominican Republic (COSEFIN) invited CCRIF to participate in a forum on public finances, fiscal reform and risk management in the context of climate change held 16 & 17 August 2012 in San Salvador, El Salvador. The forum was part of the project “The Economics of Climate Change in Central America” being implemented by UN-ECLAC and the Central American Commission of Environment and Development (DANIDA).



### Relevance to CCRIF

CCRIF shared the experiences of the Facility in the Caribbean region and specifically in the context of how governments manage the issue of climate risk management in their planning process. This provided another opportunity to demonstrate the viability of CCRIF as a model for other regions in the world.

## Training Course on Sovereign Risk Management: Fiscal Stability through Risk Financing

Dr Simon Young, CaribRM CEO, participated in a [training course on sovereign risk management](#), offered by the Swiss State Secretariat for Economic Affairs (SECO) and Swiss Reinsurance Company Ltd (Swiss Re), conducted 29 August to 5 September 2012 at the Swiss Re Centre for Global Dialogue in Zurich, Switzerland. The course was aimed at strengthening capacity to cope with the economic consequences of natural disasters, shortfalls in agricultural production and other contingent liabilities.



### Relevance to CCRIF

In a session that focused on macro-risk financing within natural disaster risk financing, Dr Young discussed CCRIF as an example of a multi-country risk pool and a way to assist in “climate-proofing development in the Caribbean”. Again, this showed how CCRIF can be a model for other regions.

## Training Course on Sovereign Risk Management: Fiscal Stability through Risk Financing

Dr Simon Young participated in a live web broadcast of a [Risk Talk programme](#) on public-private partnerships to finance catastrophic risks in India, Vietnam, Mexico and the Caribbean hosted by Swiss Re on 30 August 2012 from Rüschlikon, Switzerland. The Risk Talk series organised by the Swiss Re Centre for Global Dialogue brings together international experts and practitioners to discuss current and future economic, political and societal risks as well as opportunities.



### Relevance to CCRIF

Through their actions to create CCRIF, Caribbean governments are recognised as being leaders in implementing new insurance solutions on both the macro and micro insurance levels in collaboration with the private sector, “as a means to protect public budgets and those of low-income households alike”. Dr Young shared CCRIF insights and experiences in a discussion on how these kinds of public-private partnerships contribute to making societies more resilient.

## Seventh Meeting of the World Forum of Catastrophe Programmes



Mr Milo Pearson, CCRIF Executive Chairman, participated in the [seventh meeting of the World Forum of Catastrophe Programmes](#) held in Spiez, Switzerland on 24-27 September 2012. Hosted by the Intercantonal Reinsurance Association, this meeting provided an opportunity for forum members to exchange experiences and knowledge about the various worldwide systems aimed at dealing with natural disasters. Mr Pearson provided an update on CCRIF, highlighting the Excess Rainfall Product, CCRIF Technical Assistance Programme, Real-Time Forecasting System, and the Climate Risk Adaptation and Insurance in the Caribbean programme being implemented in collaboration with MCII and other partners.

### Relevance to CCRIF

As a multi-country catastrophe insurance pool, CCRIF was presented as a model for other countries and regions. This supported the Forum's goals of establishing contact with initiatives for new national or regional catastrophe programmes.

## Climate Week NY°C

Dr Simon Young participated in [Climate Week NY°C](#) session entitled "Innovating Resilience: Moving from theory to practice on adaptation solutions" held on 24 September 2012 in New York City. The session explored how private sector risk transfer solutions can help vulnerable communities, governments and other organisations manage climate risk.



### Relevance to CCRIF

CCRIF is presented as a viable private sector risk transfer solution. Furthermore, the Facility is recognised as an innovative partner in disaster risk mitigation: "the CCRIF is not only a provider of insurance for these climate events, but an institution that advises the governments on how they can lower their insurance costs by developing broader climate adaptation strategies – from educating the population to building new seawalls and drainage systems.

During this session, CCRIF's expertise was used to assist participants in creating a potential risk transfer project.

## UNFCCC Expert Meeting on Loss and Damage in Small Island States

Dr Simon Young and Ms Ekhosuehi Iyehen of CaribRM participated in the [UNFCCC Expert Meeting](#) on a Range of Approaches to Address Loss and Damage Associated with the Adverse Effects of Climate Change, Including the Impacts Related to Extreme Weather Events and Slow Onset Events in Small Island Developing States held in Barbados on 9-11 October 2012. The meeting examined the full range of approaches and tools that can be used to address the risk of loss and damage at all levels and for a broad range of sectors and ecosystems, considering both extreme weather events and slow onset events.

CCRIF participated in the session examining a range of approaches to address loss and damage at the regional and international levels. CCRIF delivered a presentation examining the lessons learned



by CCRIF since its inception and prepared information sheets on CCRIF as a risk transfer tool for small island states; the CCRIF Economics of Climate Adaptation (ECA) study; and the CCRIF Excess Rainfall product. Also, the Government of Trinidad and Tobago submitted an information sheet highlighting CCRIF as a fiscal instrument used by the Government in addressing some of their exposures to extreme events such as tropical cyclones. The Munich Climate Insurance Initiative (MCII) also made a submission on the Climate Risk Adaptation and Insurance project in which CCRIF is involved.

### Relevance to CCRIF

CCRIF is identified as a best practice for small island states in addressing the impacts of climate change. Therefore, CCRIF's participation at this conference was to share its experiences with delegates from other small islands around the globe in preparation for upcoming negotiations at the international climate change conference in December.

The UNFCCC Executive Secretary, Dr Christiana Figueres, spoke extensively about CCRIF as a best practice. She highlighted this through her courtesy visits to the Prime Minister of Barbados, Minister of Finance, Minister of Environment, UNDP, donors, and local and international press among others.



*Executive Secretary of the UNFCCC, Dr Christiana Figueres (left), greets Minister of the Environment, Dr Denis Lowe, at the meeting. At centre is Permanent Secretary, Mrs Gayle Francis-Vaughan. (A. Miller/BGIS)*

This meeting also served as a useful opportunity for CCRIF to mobilise support amongst regional and international stakeholder groups for the Facility and activities currently being pursued, with special emphasis on the ECA project, excess rainfall product and microinsurance.

### Workshop on Climate Risk Insurance in the Context of Adaptation and Loss & Damage

Representatives from CaribRM participated in a [Workshop on Climate Risk Insurance in the Context of Adaptation and Loss & Damage](#) hosted by MCII in Barbados on 12 October 2012. The objectives of the workshop were to share experience in implementing insurance solutions to manage climate-related risks; explore needs, knowledge gaps and questions by stakeholders; and to discuss potential next steps and further work as regards the role of insurance in the context of loss and damage.



Mr Soenke Kreft of MCII and Ms Ekhosuehi Iyehen of CaribRM delivered a presentation on different types of insurance products appropriate for micro-level, meso-level and macro-level interventions and the functions of insurance in responding to climate change impacts. The presentation also highlighted the following three examples of innovative interventions and lessons learnt from these interventions.

- Microinsurance Catastrophe Risk Organisation (MiCRO) in Haiti
- The Caribbean Catastrophe Risk Insurance Facility (CCRIF)
- The Africa Risk Capacity (ARC)

Ms Sobiah Becker of MCII and Ms Stacia Yearwood of CaribRM delivered a presentation on the Climate Risk Adaptation and Insurance in the Caribbean project, introducing the Livelihood Protection Policy (LPP) and the Loan Portfolio Cover (LPC).

## Relevance to CCRIF

The workshop served to introduce CCRIF and the Climate Risk Adaptation and Insurance in the Caribbean project to stakeholders including insurance regulators and practitioners from the Caribbean region. At the same time, the project team received input from stakeholders on critical factors that would increase the success of the project – including adequate client education and strengthening of regulatory capacity. The report, *Climate Risk Insurance in the Context of Adaptation and Loss & Damage*, prepared in October 2012, provides additional details about the workshop.

## Communication and Publications

### CCRIF Publications

During this six-month period, the following CCRIF publications were produced:

- [CCRIF Annual Report 2011-2012](#)
- [A Guide to Understanding the CCRIF/Swiss Re Excess Rainfall Product](#)
- [Technical Paper Series No. 1: Understanding CCRIF's Hurricane and Earthquake Policies](#)
- Quick User Guide to the CCRIF Document Management System
- User Reference Guide to the DMS
- CCRIF Document Management System Questions and Answers
- Using the Board Meeting Drop Box in the CCRIF DMS
- Report on RTFS Training 2012 (draft)
- Brochure, The Impact of CCRIF in the Caribbean: A Stakeholder Analysis (draft)
- Article, [CCRIF Contributes to Building Regional Capacity in Catastrophe Risk Management](#)



During this six-month period, CCRIF distributed over 3,000 copies of its various publications to stakeholders at meetings and workshops and via email. Also, all publications are available on the CCRIF website.

### External Publications and Reports

CCRIF's activities and the CCRIF model are regularly featured in various publications prepared by a range of stakeholders. Some of the publications and reports in which CCRIF was included during this period are presented below.

- *Improving the Assessment of Disaster Risks to Strengthen Financial Resilience* – a special G20 publication by the Government of Mexico and the World Bank, states that Caribbean countries' experience with CCRIF illustrates the importance of better risk information systems to facilitate access to market-based risk transfer instruments.
- *Adapting to Climate Change: Assessing the World Bank Group Experience Phase III* – Independent Evaluation Group (World Bank, International Finance Corporation, Multilateral Investment Guarantee Agency)
- *Protecting the poor: A Microinsurance Compendium Volume 2* – International Labor Organization and Munich-Re Foundation
- *Risk Dialogue Magazine Emerging Markets* - Swiss Re Centre for Global Dialogue

- *Loss and damage from the adverse effects of climate change - a SIDS view on Africa* – Germanwatch
- The CCRIF event briefings on TC Isaac and TC Sandy were posted on the ReliefWeb website.
- The CCRIF event briefing on TC Ernesto was posted on Belize's National Emergency Management Organisation's website

### **Press Coverage and Media Communications**

During this six-month period, CCRIF issued two press releases as follows:

- *Caribbean Countries Renew CCRIF Catastrophe Insurance Policies for 2012-2013* – 5 June 2012
- *CCRIF Retains Sagcor as its Insurance Manager* – 25 June 2012
- *New Partnership to Improve Mitigation of Risk from Earthquakes in the Caribbean* – joint release with UWI SRC – 9 November 2012
- Draft release announcing new CCRIF CEO
- Draft release re launch of new insurance products in Saint Lucia (working with MCII)

During the period June - November, CCRIF was mentioned in various press articles 82 times – compared with 32 articles during the previous six months (an increase of 156%).

Press coverage focused on Tropical Cyclones Isaac and Sandy; CCRIF as a model – in the Philippines and Africa and by UNFCCC; recruitment of CCRIF CEO and Insurance Manager; the excess rainfall product; renewal of CCRIF policies for 2012-13; the CCRIF extra-regional scholarships; and CCRIF's partnership with UWI Seismic Research Centre (SRC).

### **Regional Risk Insurance Model May Be Adopted Globally**

The Caribbean Catastrophe Risk Insurance Facility may be adopted at a global level if suggestions put forward at the United Nations Framework Convention on Climate Change (UNFCCC) Expert Meeting are accepted.

During the three-day meeting held last week at Hilton Barbados the issue of Loss and Damage Associated with the Adverse Effects of Climate Change took centre stage.

And in delivering the keynote address during the opening ceremony, UNFCCC Executive Secretary Christiana Figueres noted that the Caribbean was the only region in the world with such a regional insurance system.

*"It is quite unique and is looked upon by other countries as a potential lesson learnt to see what can be extrapolated. What is being thought through here in this meeting and needs to go to Doha for further consideration is what insurance mechanisms can be set up at the global level to give the first level of insurance,"* she said.

*- BGIS Media, 10 October 2012*

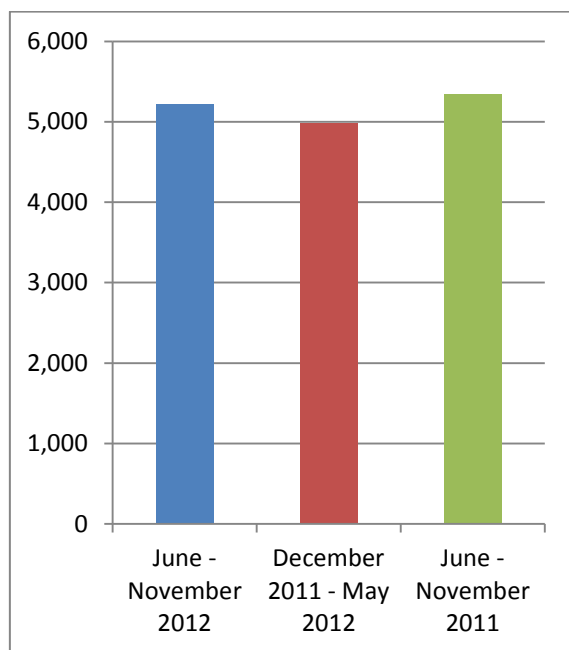
Articles were mainly from Caribbean newspapers and news outlets and websites as well as European and US insurance/finance publications. Details about all articles that appeared in the press during June - November are provided in Appendix 1.

Dr Simon Young, CaribRM CEO participated in three radio and TV programmes in October 2012 to discuss Hurricane Sandy – and to explain why Jamaica did not qualify for a payout. The three programmes were:

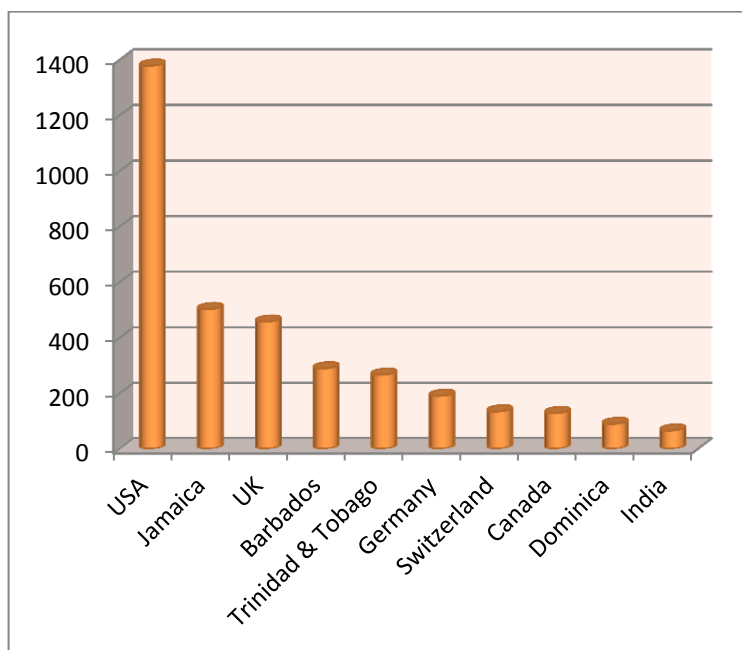
- Jamaica Speaks on Hot 102 FM
- Beyond the Headlines Radio Jamaica (RJR - 94FM)
- Smile Jamaica It's Morning Time on TVJ

## Website

During this six-month period, there were 5,213 visits to the CCRIF website from users in 123 countries. This represented an increase in total visits of 5% compared with the previous six months (with 4,983 visits). The country with the most visitors was the United States with 1,379 visits. Figure 7 shows the website access for the period June – November 2012 compared with the previous two six-month periods. Figure 8 shows the visits during the current six-month period from the countries which accessed the site the most times.



*Figure 7: Visits to CCRIF website – comparison by six-month period*



*Figure 8: Visits to CCRIF website of countries which accessed the website most often during the period: June - November 2012*

## Website enhancements

A new section, “RTFS FAQs” was added to the CCRIF website. This section presents questions pertaining to CCRIF and the Real-Time Forecasting System (RTFS) that were asked by participants in RTFS training sessions which took place in 2011 and 2012. Responses were provided by representatives of CCRIF, the Caribbean Institute of Meteorology and Hydrology (CIMH) and Kinetic Analysis Corporation (KAC) – the three institutions that conducted the training.



# OUTLOOK for NEXT PERIOD

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During the next six-month period – 1 December 2012 to 31 May 2013 – the new Chief Executive Officer will assume duties to oversee the Facility. One of his or her first duties will be to meet with government agencies, including ministries of finance, across the region towards strengthening their relationship with CCRIF and to continue discussions regarding the new excess rainfall product. The CEO also will further explore how the Facility can support capacity development in the region through its technical assistance programme.

In the next six months, preparations will be made for the 2013/14 Tropical Cyclone and Earthquake policy renewals. Relevant issues that will be discussed include:

- Update of the MPRES model base and risk profiles
- Provision of the option to lower the minimum attachment point for TC to 10 year return period
- Change in pricing method
- Reinsurance status and potential for a cat bond

The Climate Risk Adaptation and Insurance in the Caribbean programme will be rolled out in the three participating countries – Saint Lucia, Grenada and Jamaica. The client education programme will be conducted and the two products – the loan portfolio cover and livelihood protection policy – are expected to be offered to interested clients.



# APPENDIX 1 – PRESS COVERAGE

Articles in which CCRIF was mentioned during the period June – November 2012 are presented below, arranged by topic covered.

Article Title	Source	Date
<b>CCRIF as a Model</b>		
<a href="#">CCRIF: a natural catastrophe risk insurance mechanism for the Caribbean - A collection of papers, articles and expert notes, vol 2</a>	Prevention Web	1-Jun-12
<a href="#">DISASTERS: Insuring against dry days in Africa</a>	IRIN News	12-Jun-12
<a href="#">Seduced by disaster insurance? Don't dive in</a>	Climate and Development Knowledge Network	19-Jun-12
<a href="#">PH Proposes Calamity Risk Insurance</a>	Manila Bulletin Publishing	13-Aug-12
<a href="#">Kalista launches parametric catastrophe re/insurance products</a>	Artemis blog	8-Oct-12
<a href="#">Caribbean catastrophe model could go global</a>	Nation News	10-Oct-12
<a href="#">Regional Risk Insurance Model May Be Adopted Globally</a>	BGIS Media	10-Oct-12
<a href="#">Regional Risk Insurance Model May Be Adopted Globally</a>	CaribZar	10-Oct-12
<b>CCRIF Policy Renewals</b>		
<a href="#">Caribbean Countries Renew CCRIF Disaster Risk Policies, Get Rebate for 2011-12</a>	SIDS Net	5-Jun-12
<a href="#">Caribbean Countries Renew CCRIF Catastrophe Insurance Policies for 2012-2013</a>	Caribseek News	5-Jun-12
<a href="#">Caribbean Catastrophe Fund Renews, Offers Rebate and Rainfall Policy</a>	Risk Market News	5-Jun-12
<a href="#">Caribbean members renew CCRIF catastrophe insurance policies</a>	Artemis blog	6-Jun-12
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Member governments renew catastrophe insurance policy with Caribbean risk pool	Post online	6-Jun-12
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<a href="#">CCRIF drops premiums for Caribbean countries by 25%</a>	Caribbean 360	21-Jun-12
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<a href="#">CDB Grant for Haiti Catastrophe Risk Insurance Premium</a>	Caribbean Press Releases.com	25-Jul-12
<a href="#">Cabinet renews multi-million insurance for catastrophes</a>	Trinidad Express	3-Aug-12
<b>Excess Rainfall Product</b>		
<a href="#">Caribbean Catastrophe Risk Insurance Facility (CCRIF) excess rainfall cover launching soon</a>	Artemis blog	8-Jun-12
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<a href="#">Haiti raises death toll from Hurricane Sandy to 54; regional deaths up to 71</a>	Washington Post	30-Oct-12
<a href="#">Hurricane Sandy has been blamed for at least 71 deaths in the</a>	Huffington Post	30-Oct-12

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<a href="#"><u>Haiti storm death toll to 54; up to 71 for region</u></a>	Weather on NBCNews.com	31-Oct-12
<a href="#"><u>A look at Caribbean deaths, damage from Sandy</u></a>	AP The Big News	31-Oct-12
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<b>New Insurance Manager</b>		
<a href="#"><u>CCRIF recruiting new insurance manager</u></a>	Jamaica Gleaner	13-Apr-12
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<b>New CEO</b>		
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<a href="#">CCRIF partners university to better understand seismic risk</a>	Insurance Day	12-Nov-12
<a href="#">CCRIF Partners with Seismic Research Center for Quake, Volcano Risk</a>	Insurance Journal	13-Nov-12
<b>Other Topics</b>		
<a href="#">World Bank renews its participation in the risk transfer program of the Caribbean Catastrophe Risk Insurance Facility (CCRIF) for 2012 by transferring portion of CCRIF's catastrophe risk to the capital markets through cat swap</a>	World Bank	15-Jun-12
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