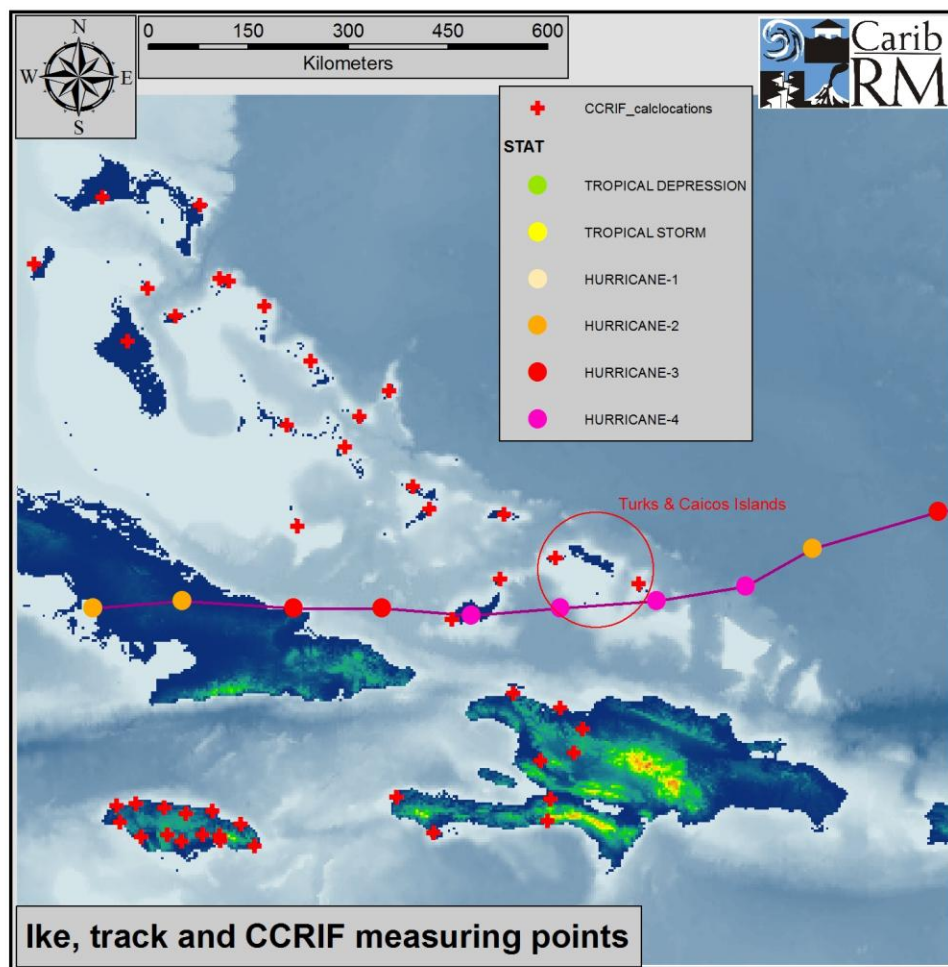


## Hurricane Ike, early September 2008

*EVENT BRIEFING, 9 September 2008*

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Ike became the 9<sup>th</sup> named system of the 2008 hurricane season and the third system in as many weeks to be a reportable event for CCRIF. Ike formed as a Tropical Depression on 1 September in the mid-tropical Atlantic. The storm then headed generally west-northwest then west-southwest, racing through the southern part of the Bahamas chain on 6 and 7 September as a Category 4 Hurricane.



Ike passed immediately south of Grand Turk, the largest of the Turks islands and the seat of government of the Turks & Caicos Islands, a British Overseas Territory. It then passed right over Great Inagua Island, the southernmost populated island of The Bahamas. This track took the storm 125 km or so north of the north coast of Haiti.

After the storm crossed southern Haiti, it very briefly came within 230 km of Cayman Brac and Little Cayman, which technically is within the CCRIF reportable event window. However, calculations are not presented for Cayman Islands as all calculated values were zero.

Calculations for Haiti resulted in an index value of zero, the nearest measuring point having been far from the storm track and on the left hand side of the storm. For the Bahamas, although two measuring points (The Bahamas has a total of 20 measuring points) did register very high winds and damage levels, the weighting of these points is very low (as the population and government exposure is very small relative to the entirety of the country) so that the calculated index value (and thus estimated loss for The Bahamas) is well below the trigger threshold for the policy.

For Turks & Caicos Islands, two measuring points are used, equally weighted, one in Providenciales to the northwest (the main economic hub) and one in Grand Turk to the southeast (the main government hub.) A small loss was calculated in the model for Provo (which was on the edge of the hurricane wind field) while a major loss was calculated for Grand Turk. When aggregated using the weighting, the index value was 51,248, indicating an estimated government loss of US\$51 million. When the deductible and ceding percentage are taken into account, the payout due to Turks & Caicos Islands is a little over US\$6.3 million.

The index value represents a loss to the Government of TCI with a return period of around 46 years (based on the CCRIF loss curves.) Interestingly, the last event of this magnitude to affect TCI was Hurricane Donna in 1960, which tracked just north of the Caicos Islands as a Category 4 storm 48 years ago to the day.

CCRIF has initiated the claims settlement process with TCI (although communications remain very challenging) and will aim to settle the claim in full on or soon after 21 September. The final amount is subject to checking, following agreed-upon procedures, by PwC Cayman as the independent claims verification agent.

A technical annex attached to this report provides a summary of the calculations undertaken by the Facility Supervisor for Ike in Turks & Caicos Islands, The Bahamas and Haiti.