



'CCRIF NEWS'

The CCRIF Model — An Essential Component of a Climate Change Adaptation Strategy

The changing climate is a global driver of increasing disaster risk and threatens to undermine the critical development gains made by the most vulnerable countries, including small island developing states such as those in the Caribbean. Through a combination of increasing hazard risks and decreasing resilience, the threat of climate change is indisputable. Over the past decade, great weather disasters have caused some 800,000 fatalities and a trillion dollars in economic loss worldwide, with the developing world bearing the brunt of these impacts.



Addressing these growing losses must be a critical component of any climate change adaptation framework within a global

climate deal, and it is within this framework that the Caribbean Catastrophe Risk Insurance Facility (CCRIF) model can make a critical contribution. The CCRIF model, as an innovative risk transfer option, can be included in disaster risk management strategies for countries vulnerable to hurricanes, earthquakes and other natural catastrophe events, and can be a critical component of a country's climate change adaptation framework.

Parties to the United Nations Framework Convention on Climate Change, in their Bali Action Plan, explicitly identified both risk reduction strategies and risk transfer mechanisms, including insurance, as elements which must be included in a Copenhagen agreement. In the case of rare extreme events, such as a once-in-50 year flood or drought, which are expected to become more frequent in many regions due to climate change, standard climate adaptation strategies are typically not cost-effective. It is in these instances that risk transfer tools can play a significant role in buffering extreme impacts and preventing the abrupt reversal of fortune of individuals, communities and nations which so often follows natural disasters.

Lead Story continues on page 4

About CCRIF

CCRIF is a risk pooling facility, owned, operated and registered in the Caribbean for Caribbean governments. It is designed to limit the financial impact of catastrophic hurricanes and earthquakes to Caribbean governments by quickly providing short term liquidity when a policy is triggered. It is the world's first regional fund utilising parametric insurance, giving Caribbean governments the unique opportunity to purchase earthquake and hurricane catastrophe coverage with lowest-possible pricing.

Inside this issue:

PD Session at CDM Conference	2
Upcoming Events	2
CCRIF TA Programme	3
New Publication	3

4th Caribbean Conference on Comprehensive Disaster Management

Rose Hall Resort and Spa, Montego Bay, Jamaica, December 7 - 11, 2009

"Strengthening CDM through Youth & Community Empowerment"

CCRIF Professional Development Session at the Annual CDM Conference

On Monday 7 December 2009, CCRIF will host a professional development session as part of the Caribbean Conference on comprehensive Disaster Management "Strengthening CDM through Youth and Community Empowerment". The conference is being hosted by the Caribbean Emergency and Disaster Management Agency (CDEMA), and takes place between 7 - 11 December in Montego Bay, Jamaica.

The CCRIF Professional Development Session, entitled: "Hazard Risk Reduction Initiatives in the Context of a Changing Climate: Prospects for Promoting Sustainable Prosperity in the Caribbean" will focus on three key areas:

- ⇒ New product development - rainfall and electrical transmission & distribution
- ⇒ CCRIF and parametric insurance mechanisms as an element of climate change adaptation strategies
- ⇒ Introduction to the concept of Country Risk Officers

The session targets senior officials of government in ministries/agencies/departments covering finance, planning, economic development, meteorology, and disaster management. It will be led by Dr. Simon Young, CEO of Caribbean Risk Managers, a specialised risk management consultancy which is the Facility Supervisor of CCRIF. Dr. Young will be supported by Esther Baur and Nikhil da Victoria Lobo of Swiss Re.

Approximately 50 participants from across the region are expected to attend the session, 25 of whom were fully sponsored by CCRIF to attend the entire conference. CCRIF also is a major sponsor of the conference as part of its partnership with CDEMA - whereby both organisations pool resources and leverage mutual capacities to enhance the regional capacity for comprehensive disaster and risk management.

Professional Development Session

Hazard Risk Reduction Initiatives in the Context of a Changing Climate:

Prospects for Promoting Sustainable Prosperity in the Caribbean

Monday 7th December 2009, 8:30am to 12 noon

CCRIF Calendar of Events

Some events in which CCRIF participated during the period September to November 2009 are:

- World Forum of Catastrophe Programs, 28 - 30 September, Taipei, Taiwan
- Seminar on Response Mechanisms to Natural Disasters: Experiences in Mexico, Central America and the Caribbean, 15 & 16 October, Panama City, Panama
- CIMH Board of Governors meeting, 5 - 6 November, Tortola, BVI
- PANOS Sectoral Workshop on Climate Change and Insurance, 17 November, Kingston, Jamaica
- CARILEC Board Meeting, 30 November 2009

Some Upcoming Events:

- Caribbean Media Exchange Conference (CMEx), 4 - 7 December 2009, St. Lucia
- 4th Caribbean Conference on Comprehensive Disaster Management, 7 - 11 December, 2009, Montego Bay, Jamaica
- Symposium on Agricultural Risk Management, 7 - 9 December 2009, Georgetown, Guyana
- CCRIF Board Meeting, 14 - 15 December 2009
- Launch of Excess Rainfall Product and Workshop (Provisional) - 28 January, 2010, Barbados

CCRIF to Launch Technical Assistance Programme

CCRIF will launch a technical assistance programme early in 2010. The overall aim of the programme will be to help Caribbean countries to: deepen their understanding of natural hazards and the potential impacts of climate change on the region; develop adaptation strategies; and build regional climate change resilience through improved risk management. This technical assistance programme will consist of three main components as follows:

Scholarship/Prof. Dev. Programme	Regional Knowledge Building	Support for Local DRR Initiatives
<ul style="list-style-type: none"> Students across the region to benefit Scholarships for BSc and MSc programmes Continued professional development 	<ul style="list-style-type: none"> Partnerships with regional institutions Funding for regional technical projects in natural hazards/risk science 	<ul style="list-style-type: none"> Support for NDCs, NGOs and other community-based organisations in local hazard risk management and climate change initiatives

Based on a recent announcement by CCRIF Chairman, Milo Pearson, students studying risk management and natural hazards-related subjects will soon benefit from scholarships to be offered. Pearson said that this initiative will give help to member states to build their capacity to better deal with the physical and socio-economic impacts of natural catastrophes,

focussing on enhancing regional capacity through funding of around five students in selected bachelors and masters programmes.

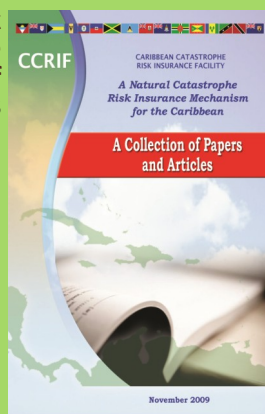
Another component of the programme is the establishment and training of Country Risk Officers who would be responsible for managing their country's risk profile and enabling the adoption of a holistic approach to risk management before catastrophic events occur thereby reducing the country's risk burden and its vulnerability. Pearson stated that "CCRIF, in collaboration with key regional and international partners, aims to support the development of the necessary skill set to enable the position of Country Risk Officer to be filled and operational in each member state."

CCRIF also will support the development of a better understanding of the national and regional economic consequences of climate change and potential tools to adapt to those consequences to minimise their impact on sustainable development. The launch of the technical assistance programme by CCRIF will be timely as countries build their national strategies for adaptation to climate change.

Hot off the Press! CCRIF Publishes Booklet

CCRIF: A Natural Catastrophe Risk Insurance Mechanism for the Caribbean - A Collection of Technical Papers and Articles was published in November 2009.

The booklet presents four papers which provide an analysis of CCRIF to date and its benefits. The publication of this booklet is timely, in light of the upcoming United Nations Climate Change Conference in Copenhagen in December 2009. For a copy, please contact us.



CCRIF to Host World Forum of Catastrophe Programs

CCRIF will be chairing and hosting the 2011 World Forum of Catastrophe Programs.

The World Forum of Catastrophe Programs brings together most of the world's catastrophe funds to freely discuss and exchange their experiences and to provide information and ideas related to the coverage and compensation of natural disasters. CCRIF is a member of this Forum, along with thirteen other members.



THE CCRIF Model and Climate Change Adaptation Strategy

⇒ *Continued from Page 1*

Through the pooling of capital into a collective reserve and spreading of risks geographically, CCRIF provides extremely cost-efficient coverage options for its participants against extreme natural events. CCRIF issues parametric insurance policies, which use modelled hazard parameters as a basis for loss estimation and payment. Parametric policies enable very rapid payouts, providing governments with liquidity to help with immediate post disaster recovery as well as medium term rebuilding efforts. Parametric policies also differ from traditional insurance in that they do not create a 'moral hazard', whereby risk reduction activities may be disincentivised by the presence of insurance coverage. Parametric solutions with risk-based pricing work hand in hand with other risk management tools, fully rewarding risk reduction actions.

Within wider discussions on adaptation to climate change, CCRIF is highlighted as the only working model of a multi-national and parametric-based catastrophe risk pool and is considered a viable template for expansion and/or replication globally. CCRIF has demonstrated an ability to work closely with existing regional and national institutions in highlighting the critical role of risk management and transfer and integrating these disciplines into a broader comprehensive disaster management framework



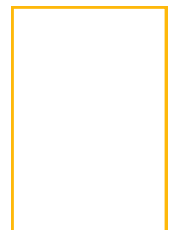
being implemented by the Caribbean Disaster and Emergency Management Agency under the Hyogo Framework for Action. CCRIF is therefore acting as a catalyst for development and implementation of index-based insurance programmes at the individual and community level, where it can provide technical support, capacity building and, where necessary, risk transfer capacity. The CCRIF model, which combines public sector needs and donor/participant capitalisation with efficient access to private reinsurance and capital markets, all within a not-for-profit structure being operated for and by the Caribbean region, is a strong indication that through collective partnerships, multi-national risk-sharing schemes can operate successfully.



Sixteen governments are currently members of CCRIF:

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

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