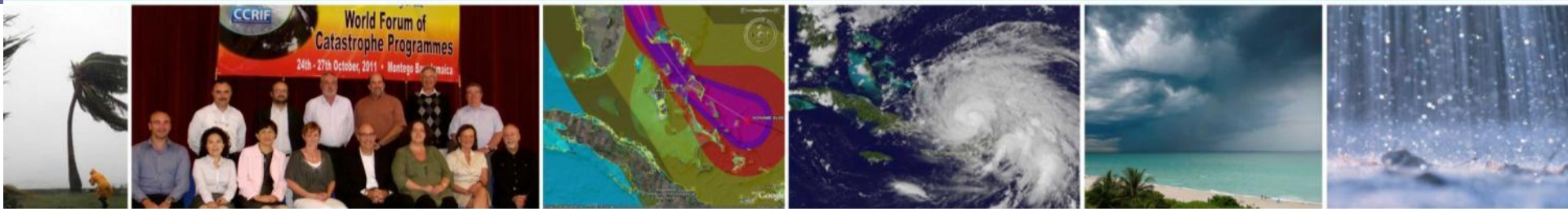


CCRIF

The Caribbean Catastrophe Risk Insurance Facility



Catastrophe Risk Financing in the Caribbean

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Caribbean Catastrophe Risk Insurance Facility (CCRIF)

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2. Hazard Profile of the Region



3. The most significant natural hazard risk in the Caribbean is hurricane risk, particularly because of the possibly large span of territories which can be impacted by any single event



Hurricanes have an inordinate impact on the economies of Caribbean countries

4. Hurricane Ivan caused billions of dollars of losses across the Caribbean in 2004



9 Caribbean countries were severely impacted by Hurricane Ivan. Regional losses totalled over US\$ 6 billion for the event. Photo shows the impact of Ivan on Portland Cottage in Jamaica



- Hurricane Katrina, which devastated the US states of Louisiana and Mississippi in 2005 caused damages that represented only 1-2% of the US national GDP for that year.
- While Katrina contributed to a short-term in reduction in GDP growth at the national level, within six months national GDP growth had increased.

6. No Caribbean country is free of earthquake risk



The earthquake that occurred in Haiti in January 2010, resulted in hundreds of thousands of deaths, destroyed the country's infrastructure and set back economic development



7. CCRIF is the world's first – and to date, only – multi-country risk pool providing parametric insurance and was designed to limit the financial impact of catastrophic hurricanes and earthquakes by quickly providing short-term liquidity when a policy is triggered

16 Caribbean governments are members of CCRIF

- Anguilla
- Antigua & Barbuda
- Bahamas
- Barbados
- Belize
- Bermuda
- Cayman Islands
- Dominica
- Grenada
- Haiti
- Jamaica
- St. Kitts & Nevis
- Saint Lucia
- St. Vincent & the Grenadines
- Trinidad & Tobago
- Turks & Caicos Islands

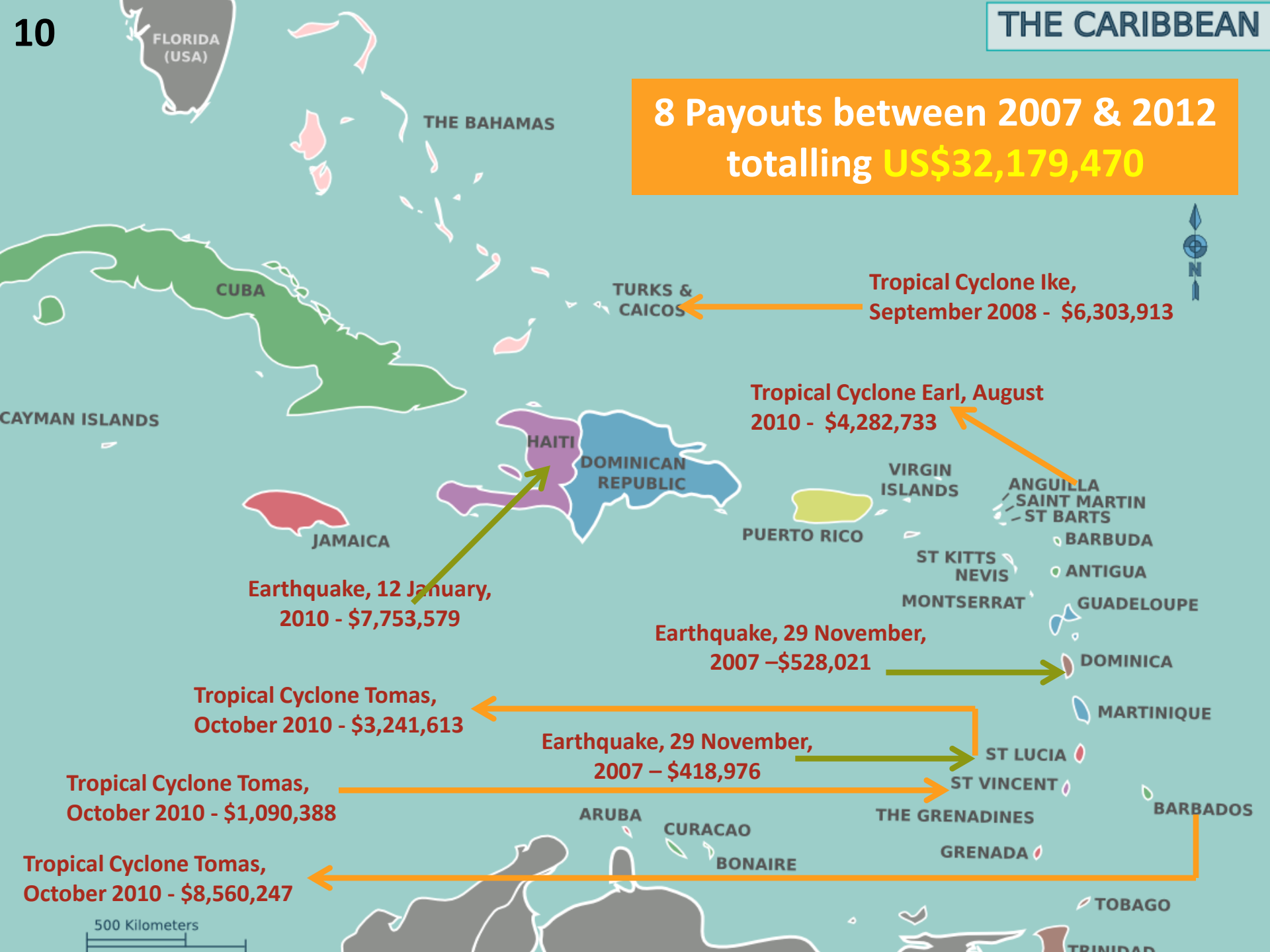


9. Uniqueness of CCRIF Policies

- Under CCRIF insurance policies, policies are triggered and payouts calculated using a risk and loss model (the multi-risk peril estimation system – MPRES) specific to the Caribbean based on characteristics and impact of a hazard (wind and storm surge in the case of tropical cyclones and ground shaking for earthquakes).
- Payouts can be made quickly, without having to wait for a post-event on-site loss assessment.
- CCRIF makes its payouts within 14 days of an event, enabling governments of affected countries to implement immediate recovery activities and keep the wheels of government running.



8 Payouts between 2007 & 2012
totalling **US\$32,179,470**



11. Financing CCRIF Policy Premiums



The World Bank conservatively estimates that insurance obtained through CCRIF is about half the cost of coverage a member country could obtain on its own. For CCRIF policies, each country pays a premium directly related to the amount of risk it transfers to CCRIF

12. Financing Insurance Coverage

For most countries, coverage amount purchased from CCRIF is constrained purely by the amount of premium available

Increase in coverage constrained by:

- Limited public finances due to downturn in performance of economies
- Increase in fiscal deficit
- Escalating debt

CCRIF has sought to address this by:

- Decreasing premium cost by 10% in first three years
- Offering premium rebates
- Access to premium finance from participation fee

Result is a retention of original 16 members but countries continue to find it increasingly difficult to finance premiums

13. New CCRIF Products



- **An Excess Rainfall product in partnership with Swiss Re**
- **Provision of hazard risk insurance at the individual level - this project aims at protecting the livelihood of low-income people against extreme weather events (specifically, excess rainfall and high winds)**

14. CCRIF's Role in Disaster Management

Scholarship Programme

- Students across the region to benefit
- 5 scholarships for BSc and MSc programmes

Regional Capacity Building

- Partnerships with regional institutions
- Project funding for capacity building in natural hazards and climate change

Support for Adaptation Initiatives

- Capacity building of NGO's and other charitable organisations in hazard risk reduction and climate change

CCRIF also is supporting capacity building initiatives, education, research and development, knowledge sharing and providing tools – such as the hurricane Real-Time Forecasting System (RTFS) – for greater proactive disaster preparedness and management



15. The TA programme also includes the provision of scholarships to Caribbean students to study at UWI and outside the region in areas related to disaster risk management. Since 2010, CCRIF has provided 19 scholarships valued at over US\$200,000



16. CCRIF also is bringing together the finance, disaster management and meteorology communities to share information and plan for long-term comprehensive disaster management that is aligned to countries' economic growth policies

17. CCRIF's Key Message



Catastrophe risk insurance should be considered indispensable to countries in the Caribbean as they pursue economic development, climate-resilient growth, poverty reduction and sustainable prosperity.

18. Thank You

Contact us at pr@ccrif.org
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