



December 2012 – February 2013

# Quarterly Report





## CCRIF Quarterly Report 1 December 2012 – 28 February 2013

### Board of Directors

Milo Pearson, Chairman  
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 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.*

### The CCRIF Team

Isaac Anthony, Chief Executive Officer  
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

*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  |
| CICA     | Captive Insurance Companies Association  |
| COSEFIN  | Permanent Forum of Finance Ministers of Finance for Central America, Panama and the Dominican Republic |
| DFA      | Dynamic Financial Analysis   |
| DMS      | Document Management System   |
| ECA      | Economics of Climate Adaptation  |
| EQ       | Earthquake   |
| FADA     | Fondation Amour De Dieu  |
| IICA     | Inter-American Institute for Cooperation on Agriculture  |
| IMF      | International Monetary Fund  |
| 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   |
| ODPEM    | Office of Disaster Preparedness and Emergency Management (Jamaica)                                     |
| OECS     | Organisation of Eastern Caribbean States   |
| RTFS     | Real-Time Forecasting System   |
| TA       | Technical Assistance   |
| TC       | Tropical Cyclone   |
| TRMM     | Tropical Rainfall Measuring Mission  |
| UK       | United Kingdom   |
| UN-ECLAC | United Nations Economic Commission for Latin America and the Caribbean                                 |
| UN OCHA  | United Nations Office for the Coordination of Humanitarian Affairs ()                                  |
| US       | United States  |
| UWI      | University of the West Indies  |
| XSR      | Excess Rainfall  |

# INTRODUCTION

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This report, for the period 1 December 2012 – 28 February 2013, is the report for the third quarter of the 2012/2013 fiscal and policy year for CCRIF. It is designed to provide an update on progress during this quarter 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 quarter 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 Quarter** – a presentation of the Facility’s focus for the final quarter of this fiscal year – March to May 2013. This section also lists some activities and events that are anticipated to occur during the final quarter.

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 QUARTER

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Mr Isaac Anthony was appointed as CCRIF’s first full-time Chief Executive Officer, effective 1 January 2013. Prior to his appointment, Mr Anthony served for five years as the CARICOM-nominated member of the Facility’s Board of Directors, representing participating countries and was the Permanent Secretary for Planning and National Development in the Government of Saint Lucia.



During the quarter there were no tropical cyclones or earthquakes which affected any CCRIF member country. However, CCRIF engaged in discussions with the governments of Jamaica, Haiti and the Bahamas regarding possible support for recovery activities following Hurricane Sandy which affected these countries in October 2012. Sandy caused damage but did not trigger coverage from any of the CCRIF Tropical Cyclone policies of these three countries.

CCRIF continued discussions regarding provision of excess rainfall coverage with key stakeholders, including the ministries of finance in Jamaica, Trinidad & Tobago, Guyana and Haiti as well as international development partners.

CCRIF received international recognition from two organisations this quarter: the AM Best Company (a credit rating organisation which serves the insurance industry) and the Captive Insurance Companies Association (CICA).

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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 *Best's Review January 2013 Innovative Showcase*, CCRIF was recognised for **“good innovative/non-traditional approach to reinsurance for emerging/economically challenged countries.”**



The Innovation Showcase – a forum for “forward-thinking initiatives that are providing insurance organizations with measurable success” – highlighted ten innovative insurance solutions.

Comments from the reviewers are shown below.

### Expert Reviews

**“**The CCRIF's ability to turn-around payments in less than a month for eight separate cat claims since its inception in 2007 makes it a truly valuable and unique solution.**”**

Reviewer

**Dianne Batistoni**

Partner, Financial Services-Insurance Group  
EisnerAmper

**“**Although the idea of a reinsurance product that is parametric rather than claims-based is not new, the key innovation in this case consists of putting in place an extensive network of facilities and institutions needed to make such a product a reality in an area that annually faces significant risk of cat losses and consequent government cash flow squeeze.**”**

Reviewer

**William Panning**

Founder and principal of ERMetric

The Captive Insurance Companies Association selected CCRIF to receive the CICA 2013 Outstanding Captive Award. This award recognises a successful captive insurance company that has **“shown creativity, prevailed in difficult times, and gained a positive reputation among rating agencies, regulators and colleagues in the industry.”** The award will be presented at the 2013 CICA International Conference which takes place in the next quarter.

During this quarter, collaboration with regional partner institutions continued to revise and implement work plans within the memoranda of understanding with these entities. CCRIF is committed to working with these organisations to increase capacity for comprehensive disaster management in the Caribbean.

# 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 quarter on activities to support Strategic Objective 1 is described below.

## Tropical Cyclone and Earthquake Policy Review

During this quarter, there were no tropical cyclones or earthquakes affecting any CCRIF member countries.

## Contributions to Post-Hurricane Sandy Recovery

During this quarter, CCRIF continued discussions with the governments of Jamaica, Haiti and the Bahamas regarding possible financial assistance for recovery activities following Hurricane Sandy which affected these three countries in October 2012. This assistance is being granted at the discretion of the CCRIF Board.

Although Sandy caused damage in these countries it did not trigger coverage from any of their CCRIF policies. In Jamaica and the Bahamas, the policies were not triggered because the modelled losses were below the attachment point (deductible) of their Tropical Cyclone (TC) policies. In the case of Haiti, the damage was caused by rainfall, which is not covered under CCRIF TC policies.



Based on discussions with Jamaica's Ministry of Finance and Planning and the Office of Disaster Preparedness and Emergency Management (ODPEM) and other stakeholders, an agreement was reached for CCRIF to provide US\$100,000 to support the rehabilitation of two residential childcare facilities – Muirton and Summerfield – damaged during the passage of Sandy.

The CCRIF Board agreed to provide US\$85,000 for two projects proposed by the Government of the Bahamas to strengthen coastal defences damaged by Sandy: dune extensions at Sandypoint Beach Entrance and other locations, and repairs to Long Wharf Sidewalk.

Following a review of appropriate post-Sandy disaster risk reduction projects compiled by the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), discussions were initiated with the Fondation Amour De Dieu (FADA), a humanitarian NGO in Haiti, and a proposal was received for a contribution of US\$115,000 towards a project focusing on soil conservation of flooded arable lands around the Bainet River.

## Excess Rainfall Product

The first pass of creating excess rainfall (XSR) models for all clients was completed in this quarter. Swiss Re will complete checks and assist in modifications where necessary. CCRIF has requested clients to indicate interest in XSR cover. Those interested will be sent an updated XSR risk profile (using final v7 TRMM data) and asked to confirm that they are comfortable with the profile as a basis for coverage. Thereafter, structuring of individual coverage (CCRIF-client) and portfolio reinsurance (Swiss Re-CCRIF) will take place.

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

## Policy Renewals

Preparations continued towards finalising details related to the 2013/2014 Tropical Cyclone (TC) and Earthquake (EQ) policies as described below:

- The reinsurer reviewed the updated MPRES model base and risk profiles underpinning the TC and EQ policies. It is anticipated that the 2013/2014 policies will incorporate the updates.
- The CCRIF Board examined the option to lower the minimum attachment point for Tropical Cyclones from a fifteen-year to a ten-year return period, which would provide countries with more flexibility in coverage options.
- CCRIF is examining the provision of a premium discount for 2013/2014 policies if 2012/13 remains claims-free.

## Stakeholder Outreach re CCRIF and Policy Renewals

In January 2013, CCRIF conducted a series of meetings in Jamaica with key stakeholders to introduce the new CEO, Mr Isaac Anthony, and to discuss issues related to renewals of countries' existing policies, the excess rainfall product, and donor support. Discussions also addressed post-Hurricane Sandy recovery assistance and the CCRIF-UWI Scholarship Programme.



Mr Anthony and members of the CCRIF Team (Dr Simon Young, CEO, CaribRM, CCRIF Facility Supervisor and Ms Elizabeth Emanuel, Managing Director, Sustainability Managers, CCRIF Corporate Communications Manager) met with representatives of the Ministry of Finance and Planning, International Monetary Fund (IMF), University of the West Indies (UWI), and Office of Disaster Preparedness and Emergency Management (ODPEM).

*CCRIF CEO, Mr Isaac Anthony (2<sup>nd</sup> right), paid a courtesy visit on UWI Registrar, Mr Clement Iton (1<sup>st</sup> left) in January and had the opportunity of meeting two of CCRIF's scholarship recipients for 2012/13, Herona Thompson (3<sup>rd</sup> left) from Jamaica and Carina Rouse (1<sup>st</sup> right) from Anguilla, both reading for Geography degrees at the Mona Campus. Also in the photo is Dr Angella Stephens (2<sup>nd</sup> left) from the UWI undergraduate scholarship department*

## Research on Agriculture Product

CCRIF submitted a pre-feasibility study on an agriculture coverage option to Jamaica's Ministry of Agriculture in January. Mr Isaac Anthony and Dr Simon Young met with the Deputy Permanent Secretary and Dr Young met with the World Bank team to further discuss the proposed product. All parties have indicated interest in pursuing the portfolio coverage and are anticipating a target date of 2014 for making the product available.

## 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 quarter on activities to support Strategic Objective 2 is described below.

### Partnerships

CCRIF continued to work with partner institutions with regard to finalising and implementing the work plans within their MoUs. Progress made during this quarter is described in the table below.

| Partner Institution   | Progress this Quarter  |
|---|--|
| University of the West Indies (UWI)   | <ul style="list-style-type: none"> <li>A draft MoU between CCRIF and UWI was prepared with the overall purpose of outlining the framework for the administration and management of the CCRIF-UWI Scholarship Programme.</li> </ul>   |
| Caribbean Disaster Emergency Management Agency (CDEMA)                            | <ul style="list-style-type: none"> <li>It was decided to finalise the work plan after CDEMA's new CEO assumes office in April 2013</li> </ul>  |
| Organisation of Eastern Caribbean States (OECS)                                   | <ul style="list-style-type: none"> <li>Revisions were made to the work plan activities and timelines</li> </ul>  |
| Caribbean Community Climate Change Centre (CCCCC)                                 | <ul style="list-style-type: none"> <li>Development of the work plan continued, including the incorporation of the Economics of Climate Adaptation (ECA) work being done in Trinidad</li> </ul>   |
| United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC) | <ul style="list-style-type: none"> <li>MoU document was prepared for CCRIF signature from Head office to enable UN-ECLAC to accept funds</li> <li>A consultant was identified to undertake Deliverable 1: the conduct of an assessment of the post disaster recovery and development process in the Caribbean over the past six years</li> </ul> |

## 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. For the 2012/2013 academic year, scholarships were provided to the students listed below.



| Name                 | Degree Programme  | Nationality        |
|----------------------|---|--------------------|
| Tameka Claudius      | MSc Disaster Management, Mona   | Jamaica            |
| Anna Hope Tucker     | MSc Disaster Management, Mona   | Jamaica            |
| Rushelle Bennett     | MSc Disaster Management, Mona   | Jamaica            |
| Carina Venetia Rouse | BSc Humanities and Education,<br>Geography Mona (2 <sup>nd</sup> year)                      | St Kitts and Nevis |
| Herona Thompson      | BSc Science and Technology,<br>Geography, Mona (2 <sup>nd</sup> year)                       | Jamaica            |
| Julian Wilson        | BSc Civil Engineering, St Augustine (3 <sup>rd</sup><br>Year) – continuation of scholarship | Barbados           |
| Kenton Gamble        | BSc Civil Engineering, St Augustine (3 <sup>rd</sup><br>Year) – continuation of scholarship | Barbados           |

Since the launch of the programme in 2010, the Facility has provided a total of fourteen scholarships to students at the Mona (Jamaica) and St Augustine (Trinidad & Tobago) campuses of the University. The total value of awards disbursed to date is US\$154,250.

### Extra-regional Scholarship Programme

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

During this quarter, preparations were made for advertising and processing applications for the 2013/2014 academic year. The guidelines were revised and the announcement prepared. The application process will take place in the next quarter.

### 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 (MCI) on behalf of the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU), in partnership with CCRIF, MicroEnsure and Munich Re.

The project team – consisting of CCRIF, MicroEnsure, Munich Re and MCII – participated in meetings with key stakeholders, providing updates on the project. Meetings were held with the following organisations/persons:

- Development Bank of Jamaica and Saint Lucia Development Bank – to discuss the Loan Portfolio Cover (LPC)
- Insurance Regulator of Saint Lucia, Mr Calixte Leon – to discuss the possibility of providing the Livelihood Protection Policy (LPP) to all OECS states
- EC Global Insurance – to discuss suggested changes to the interactive website which will be used to monitor tropical cyclones

Also, the project was discussed at the Annual Caribbean Conference on Comprehensive Disaster Management held December 2012 (see section on Conferences and Meetings below).

**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, 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.

The policy wording of the LPP was revised to incorporate a technical annex and the revised policy wording submitted to the regulators of Jamaica and Saint Lucia for approval.

The launch of the LPP in Saint Lucia and Jamaica will take place in the next quarter, under the direction of insurers EC Global in Saint Lucia and the Jamaican International Insurance Company (JIIC) in Jamaica. The Communications group made preparations for publicity for the launch.

## Strategic Objective 3

### To sustain corporate and financial integrity

Strategic Objective 3 focuses on institutional and financial sustainability. CCRIF 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 in order 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 quarter on activities to support this Strategic Objective is described below.

### Appointment of Chief Executive Officer

Mr Isaac Anthony was appointed as CCRIF's first full-time Chief Executive Officer (CEO), effective 1 January 2013. The appointment was the culmination of an extensive search and review process that took place between June and September 2012.

### Board Meeting

Meetings of the CCRIF Board of Directors and Service Providers were held on 3 & 4 December 2012.

### Operations Manual

The Operations Manual was updated and appendices on the CCRIF online document management system (DMS) included.

### Actuarial Review

A review of the Dynamic Financial Analysis (DFA) model was conducted by an independent actuary based on a recommendation of the 2010/2011 mid-term review of CCRIF by the World Bank. During this quarter, scenario testing of capital requirements with the DFA model was conducted. Incorporation of the excess rainfall product into the current DFA model is expected by the end of March 2013.

## 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 quarter on activities to support this Strategic Objective is described below.

### Conferences and Events

During this quarter, CCRIF sponsored and participated in the annual Caribbean Conference on Comprehensive Disaster Management. Members of the CCRIF Board and Team participated in other 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.



CCRIF provided US\$25,000 to support the [7<sup>th</sup> Annual Caribbean Conference on Comprehensive Disaster Management](#) (CDM) hosted by the Caribbean Disaster and Emergency Management Agency (CDEMA), held 3 – 7 December 2012 in Montego Bay, Jamaica. The theme of the conference was “CDM: Building Disaster Resilience – A Shared Responsibility”.

CCRIF’s support enabled it to host a session which was entitled “Risk Financing and Insurance for Disaster Resilience”. Papers and topics presented at this session were:

- “Is CCRIF a Viable Option for the Caribbean Region Today? Stakeholder Views and Observations from the World Bank Implementation Completion Report” – Mr Todd Crawford, Consultant and formerly of the World Bank
- DRM and Risk Transfer in the Tourism and Agricultural Sectors – “Financing and Insurance Solutions in the Private Domain vs. Sovereign Risk Transfer Solutions” – Mr Matthew Pragnell, CGM Gallagher Group
- “The Use of Microinsurance in the Reducing Vulnerability of Low-income Populations: the Launch of the Climate Risk Adaptation and Insurance in the Caribbean Project” – Ms Sobiah Becker, Munich Climate Insurance Initiative (MCII)



*Mr Todd Crawford (right) responds to a question about CCRIF, while Mr Matthew Pragnell (left) looks on*

Also, CCRIF had an informational booth at the conference at which it distributed many of its publications.

### Relevance to CCRIF

CCRIF has been a sponsor of the CDM Conference since 2008 and has contributed over this time in excess of US\$200,000 to the staging of the conference. This support is part of the Facility’s commitment to CDEMA under the MoU between the two entities.



*The CCRIF booth*

## Fourth Annual LAC Agricultural Risk Management Forum

Dr Simon Young participated in the [Fourth Annual LAC Agricultural Risk Management Forum](#) hosted by the Inter-American Institute for Cooperation on Agriculture (IICA) held 14 February 2013 in Washington DC. The objective of the forum was to facilitate the development of adequate agricultural insurance schemes and products in Latin America and the Caribbean within a broader risk management framework. Dr Young's presentation "Innovation in Insurance for the Agricultural Sector in the Caribbean: Progress Report" described work being done in the area of agriculture insurance.



### Relevance to CCRIF

Dr Young spoke about two projects in which CCRIF is involved: the Climate Risk Adaptation and Insurance in the Caribbean project and the work done for Jamaica's Ministry of Agriculture.

## Hazard Mitigation and Disaster Management Course

Dr Simon Young made a presentation about CCRIF to approximately 25 Masters-level students enrolled in the Hazard Mitigation and Disaster Management course in the Faculty of Built Environment, University of Technology, Jamaica on 18 February 2013. The presentation provided information about CCRIF and its products and services as well as the underlying cat modelling process and platform and the role of CCRIF in disaster resilience building.



### Relevance to CCRIF

Participation in this course provided an opportunity to incorporate information about CCRIF into the disaster management curriculum at a university where formal linkages have not been established.

## Advanced Training on Spatial Data Management

Mr Grahame Niles from CaribRM participated in the [Advanced Training on Spatial Data Management](#) held 18-23 February 2013 hosted by the University of the West Indies (UWI), the Global Facility for Disaster Reduction and Recovery and the World Bank's Latin America and Caribbean Region Disaster Risk Management and Urban Development Unit, at the UWI St Augustine campus in Trinidad. The one-week training was designed to provide critical training for individuals responsible for implementing, developing and managing the geospatial data visualisation and data sharing platform known as GeoNode.



### Relevance to CCRIF

CCRIF is implementing the GeoNode platform to be used as a tool for the distribution, visualisation and analysis of a wide range of risk profile data relevant to the various CCRIF member territories. This training event will help to ensure the ongoing success of the GeoNode project by transferring critical knowledge on developments in the platform and also via transfer of skills on performing advanced customisations and additional operations to the base platform.

## Permanent Forum of Finance Ministers of Finance for Central America, Panama and the Dominican Republic (COSEFIN)

Dr Simon Young participated in Permanent Forum of Finance Ministers of Finance for Central America, Panama and the Dominican Republic (COSEFIN) held on 20 February 2013 in Guatemala. Dr Young addressed the ministers as part of a US Treasury-coordinated presentation team that included the World Bank, Mexico and Inter-American Development Bank.



### Relevance to CCRIF

The Ministers discussed and analysed the possibility of structuring a regional natural disaster insurance mechanism and recognised CCRIF's role in providing a positive example in this discussion. COSEFIN stated its intent to continue investigating various options.

## Communication and Publications

### CCRIF Publications

During this quarter, the following CCRIF publications were produced:

- CCRIF quarterly newsletter, *CCRIF News* January 2013
- CCRIF Semiannual Report June – November 2012

The two publications were sent to over 600 CCRIF stakeholders by email and the CCRIF newsletter was posted on the Reliefweb website. Also CCRIF distributed over 500 copies of its various publications to stakeholders at the Caribbean CDM conference. 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.

- *Disaster Risk Reduction. Country Profile for Saint Lucia* – published by the Government of Saint Lucia, includes CCRIF as one of the country's budgetary resources for the development of disaster risk reduction activities
- *Disaster Risk Financing and Insurance in Sub-Saharan Africa. Review and Options for Consideration* - World Bank
- *National progress report on the implementation of the Hyogo Framework for Action (2011-2013)* - Department of Emergency Management, Barbados
- *Adapting to Climate Change: Assessing the World Bank Group Experience Phase III* - IEG, World Bank

### Press Coverage and Media Communications

During this quarter:

- CCRIF issued one press release – *CCRIF Selects First Full-Time Chief Executive Officer* (15 January 2013)

- The Communications Manager worked with MCII on press releases re the launch of the Livelihood Protection Policy (LPP) in Saint Lucia and Jamaica, planned for March 2013

During the quarter, CCRIF was mentioned in various press articles 29 times – the same number as the previous quarter and a 26% increase from this quarter the previous year (23 articles).

The focus of the press coverage was on:

- Appointment of new CEO (25 articles)
  - 17 Caribbean newspapers or news portals
  - 5 business/insurance publications
  - 3 foreign/international news sites
- CCRIF as a model

### New Disaster Insurance Chief Lauded by Media Body

Bevan Springer, president of CMEx, said Mr Anthony’s appointment was “a welcome signal of the region’s determination to do right by the people and organizations which underwrite the dynamic and resilient Caribbean economies.”

“We were already ahead of similar regions but Anthony’s appointment should generate a strong boost of confidence among stakeholders in the Caribbean,” added Springer.

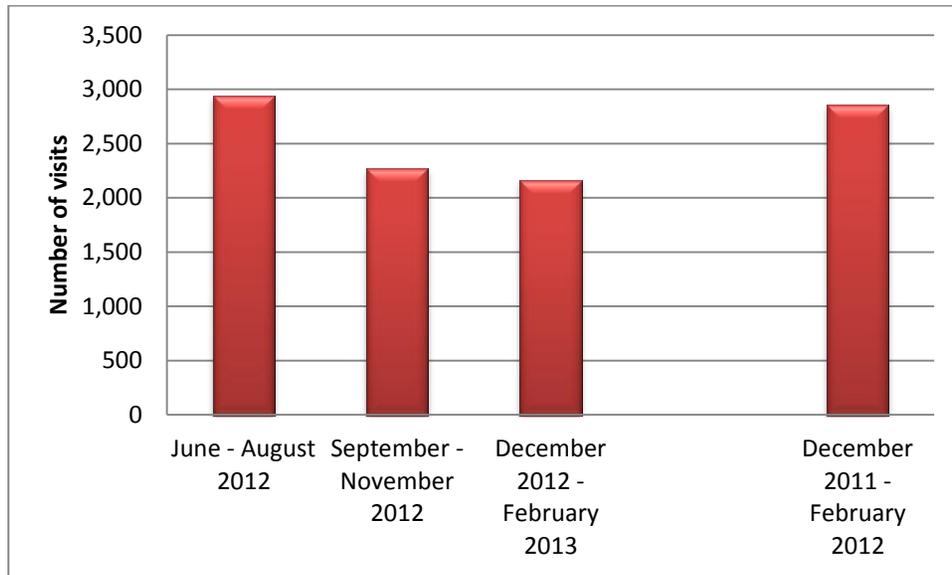
Slow and inefficient payment of claims in the wake of disasters can prolong the devastation for islands, but CCRIF has been determined to ensure industry and communities got back on their feet again quickly by ensuring people and companies could receive sufficient resources to rebuild in a timely fashion.

*- Caribbean Media Exchange (CMEx), 28 January 2013*

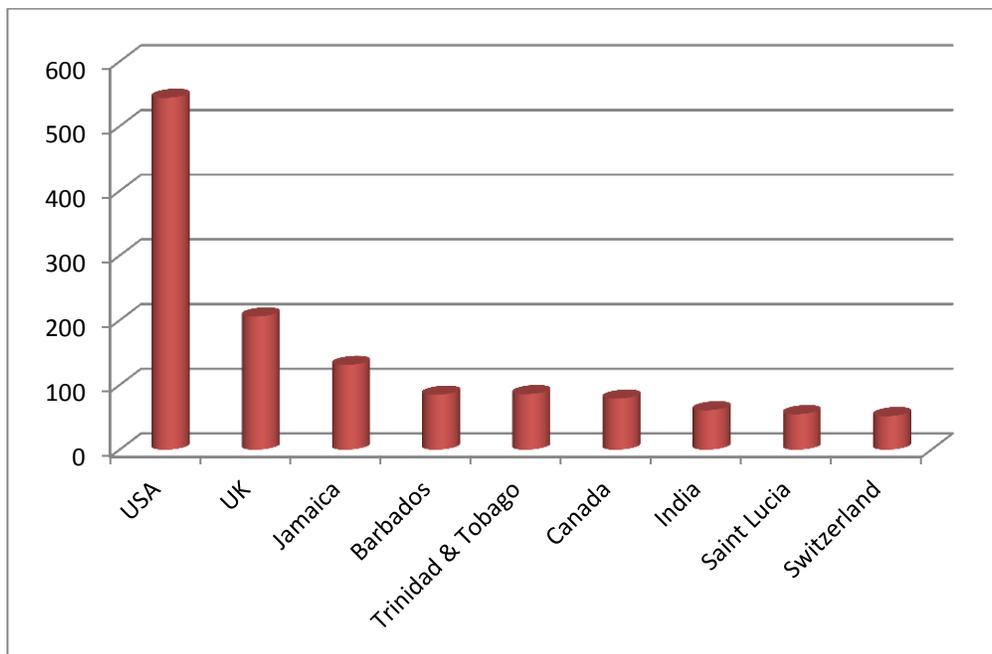
Details about all articles that appeared in the press during the quarter are provided in Appendix 1.

### Website

During this quarter, there were 2,164 visits to the CCRIF website from users in 132 countries (compared with 123 countries last quarter – an increase of 7%). This represented a decrease in total visits of 5% compared with the previous quarter (with 2,269 visits). Like the previous quarter, the country with the most visitors was the United States – with 544 visits. Figure 1 shows the website access for the quarter compared with the previous three quarters and the corresponding quarter last year. Figure 2 shows the visits during the quarter from the countries which accessed the site the most times.



*Figure 1: Visits to CCRIF website – comparison by quarter*



*Figure 2: Visits to CCRIF website of countries which accessed the website most often during the period December 2012 - February 2013*

# OUTLOOK for NEXT QUARTER

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During the final quarter of this fiscal year – 1 March to 31 May 2013 – the focus will be on 2013/14 Tropical Cyclone and Earthquake policy renewals and obtaining commitments for excess rainfall coverage.

CCRIF will invite applications for scholarships for the 2013/1014 academic year offered under the Extra-Regional Scholarship Programme. Persons in CARICOM countries and CCRIF member countries are eligible for these scholarships. Also, the application process for UWI students to apply for the 2013/2014 CCRIF-UWI scholarships will take place within the UWI system.

Under the Climate Risk Adaptation and Insurance in the Caribbean programme, the livelihood protection policy (LPP) will be launched in Saint Lucia and Jamaica. The LPP is underwritten by EC Global in Saint Lucia and the Jamaican International Insurance Company in Jamaica. The LPP is intended to cover losses to people's livelihoods caused by heavy rainfall and high wind speeds.

CCRIF will accept its award for being the CICA 2013 Outstanding Captive Award recipient at the 2013 Captive Insurance Companies Association (CICA) International Conference. The conference takes place 10-12 March 2013 in Palm Springs, California.



# APPENDIX 1 – PRESS COVERAGE

Articles in which CCRIF was mentioned during the period December 2012 – February 2013 are presented below, arranged by topic covered.

| Article Title   | Source                                   | Date      |
|---|--|-----------|
| <b>CCRIF as a Model</b>   |  |           |
| <a href="#">Poor to seek U.N. climate change compensation scheme in 2013</a>                        | Reuters                                  | 9-Dec-12  |
| <a href="#">Stuck in the Middle</a>   | Risk & Insurance                         | 18-Dec-12 |
| <a href="#">Best's Review Identifies 10 Successful Insurance Innovations</a>                        | Wall Street Journal                      | 2-Jan-13  |
| <a href="#">CICA Honors 2013 Recipients of Prestigious Industry Awards</a>                          | Virtual Strategy Magazine                | 25-Feb-13 |
| <b>New CEO</b>  |  |           |
| <a href="#">CCRIF appoints chief exec</a>   | Global Reinsurance                       | 16-Jan-13 |
| <a href="#">CCRIF Selects First Full-Time Chief Executive Officer</a>                               | Caribseek News                           | 16-Jan-13 |
| <a href="#">Isaac Anthony to become CCRIF CEO</a>   | St Lucia Star                            | 16-Jan-13 |
| <a href="#">CCRIF Selects Anthony as First Full-Time CEO</a>  | Insurance Journal                        | 16-Jan-13 |
| <a href="#">CCRIF names first full-time chief executive</a>   | Insurance Day                            | 16-Jan-13 |
| <a href="#">CCRIF selects first full-time Chief Executive Officer</a>                               | Barbados Advocate                        | 16-Jan-13 |
| <a href="#">CCRIF Selects First Full-Time Chief Executive Officer</a>                               | St Lucia Voice                           | 17-Jan-13 |
| <a href="#">Caribbean Catastrophe Risk Facility Selects First Full-Time Chief Executive Officer</a> | Caribbean Press Releases                 | 17-Jan-13 |
| <a href="#">Caribbean Catastrophe Risk Insurance Facility appoints first full-time CEO</a>          | Artemis blog                             | 17-Jan-13 |
| <a href="#">CCRIF Selects Anthony as First Full-Time CEO</a>  | WorldCountries.Info                      | 17-Jan-13 |
| <a href="#">CCRIF appoints CEO</a>  | Jamaica Observer                         | 18-Jan-13 |
| <a href="#">Caribbean cat risk pool appoints first full-time CEO</a>                                | Business Insurance                       | 18-Jan-13 |
| <a href="#">CCRIF Appoints CEO</a>  | World News.com                           | 18-Jan-13 |
| <a href="#">Anthony is CCRIF's First CEO</a>  | Barbados Business Authority (The Nation) | 21-Jan-13 |
| <a href="#">Isaac Anthony new top man at CCRIF</a>  | St Lucia Mirror                          | 22-Jan-13 |
| <a href="#">CCRIF gets first full-time CEO</a>  | Jamaica Gleaner                          | 23-Jan-13 |
| <a href="#">CCRIF gets first full-time CEO</a>  | Caribbean Business Connections           | 23-Jan-13 |
| <a href="#">CCRIF gets first full-time CEO</a>  | JAMPRO                                   | 23-Jan-13 |
| <a href="#">CCRIF appoints first full-time CEO</a>  | The Vincentian                           | 24-Jan-13 |
| <a href="#">New Disaster Insurance Chief Lauded by Media Body</a>                                   | CMEEx – Caribbean Media Exchange         | 23-Jan-13 |

| Article Title   | Source                               | Date      |
|---|--------------------------------------|-----------|
| <a href="#">New Disaster Insurance Chief Lauded by Media Body</a>               | ZIZ Radio St Kitts                   | 25-Jan-13 |
| <a href="#">New Disaster Insurance Chief Lauded by Media Body</a>               | Caribbean News Now                   | 26-Jan-13 |
| <a href="#">New Disaster Insurance Chief for Caribbean lauded by media body</a> | South Florida Caribbean News         | 26-Jan-13 |
| <a href="#">New Disaster Insurance Chief Lauded By Media Body</a>               | Caribseek News                       | 28-Jan-13 |
| <a href="#">Anthony appointed CEO of catastrophe risk group</a>                 | Bermuda Sun                          | 30-Jan-13 |
| <a href="#">Isaac Anthony is new Disaster Insurance chief</a>                   | Caribbean Business Report – Calabash | 3-Feb-13  |

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