

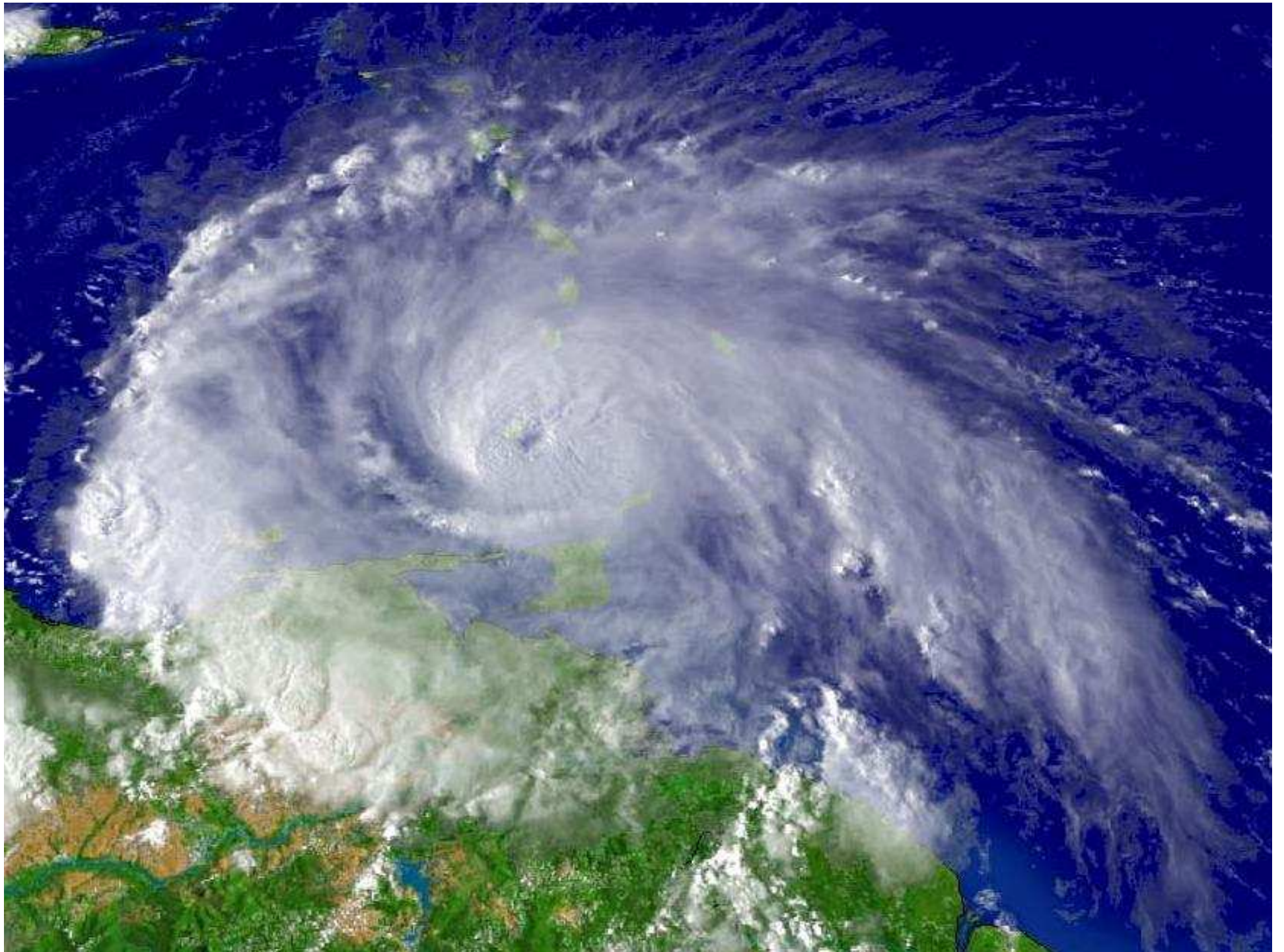


Caribbean Catastrophe Risk Insurance Facility

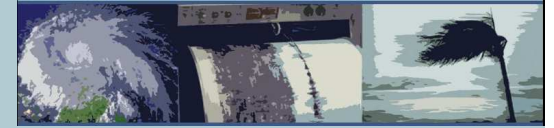
Global Platform for Disaster Risk Reduction

Geneva June 5-7, 2007

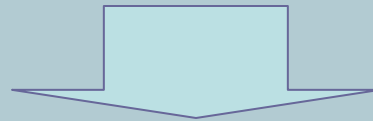
CCRIF



Limited Economic Resilience of Caribbean States

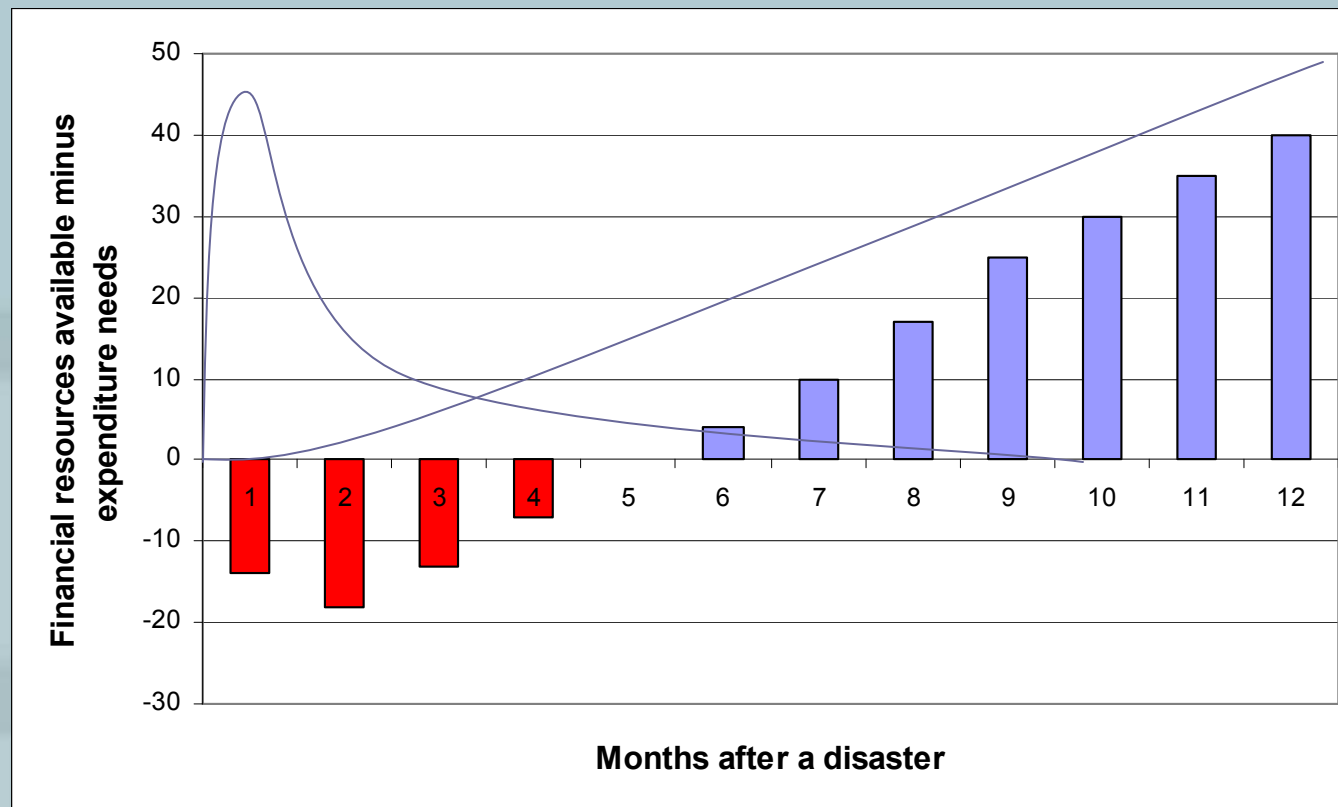


High exposure to adverse natural events



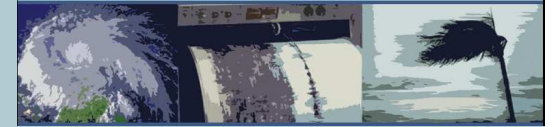
- Limited capacity to spread risk
 - geographically due to their small size
 - over time due to high debt levels
- High dependence on donor support post disasters
- Limited access to insurance/reinsurance

Liquidity gaps often emerge in the early days after a disaster



Need for an instrument to provide liquidity early on until other sources of funds can be accessed

The Caribbean Catastrophe Risk Insurance Facility



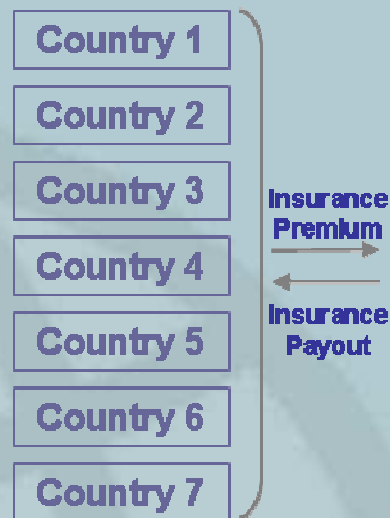
An insurance facility that will allow Caribbean Governments to purchase insurance coverage:

- with very quick disbursement in the aftermath of an earthquake or hurricane;
- at the lowest possible cost (close to half the price they would have to pay if they were to purchase the same coverage individually).

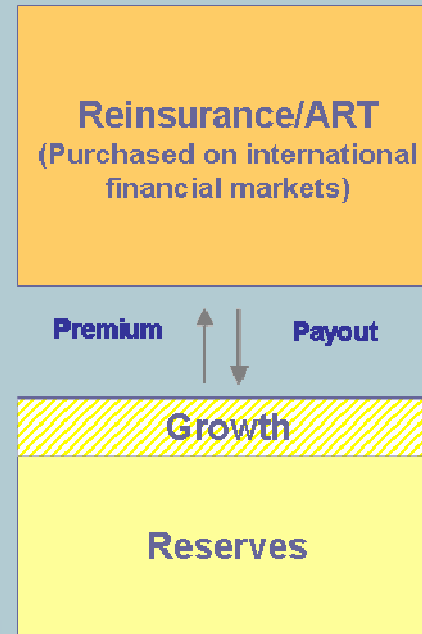
CCRIF Operations



A **Captive Manager** performs “back-office” functions of the Facility



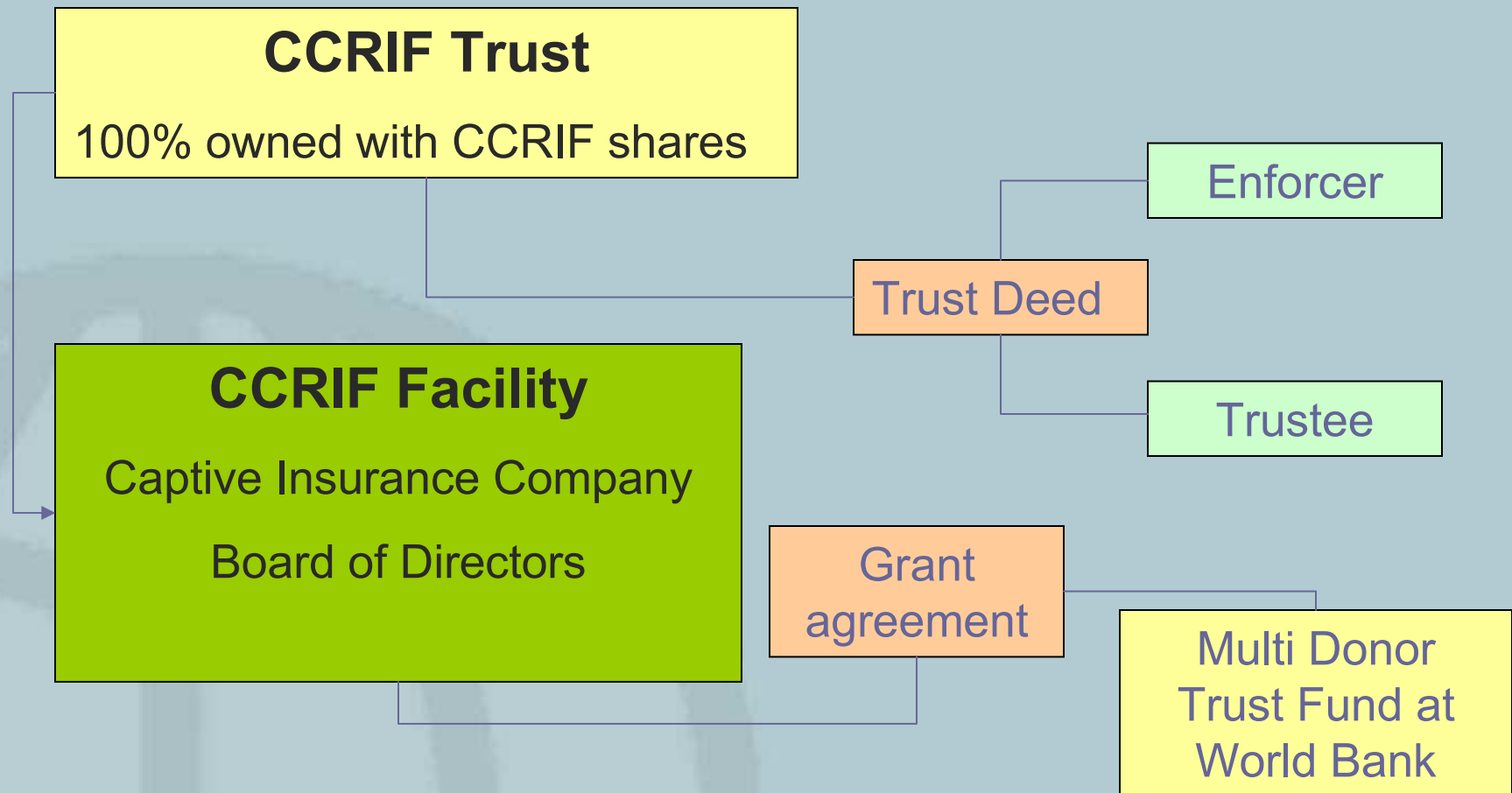
The **Facility Supervisor** performs “front-office” functions including risk management and financial modeling, policy sales and collections, claims assessments and settlement



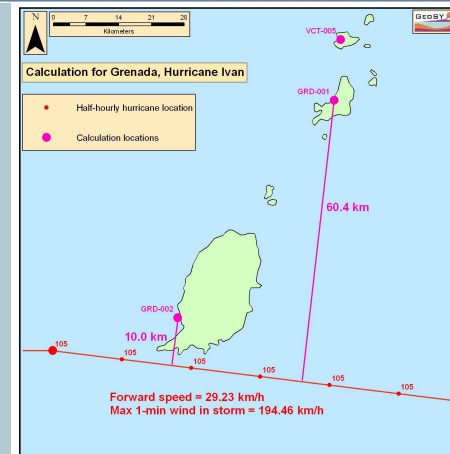
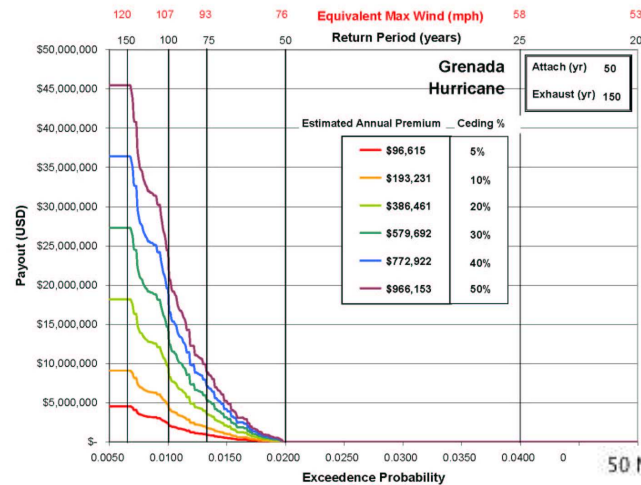
Reinsurance/ART is placed on international markets through a **Placement Broker**

Reserves managed by **World Bank** (MDTF) and **Asset Manager** (for CCRIF assets)

CCRIF Governance



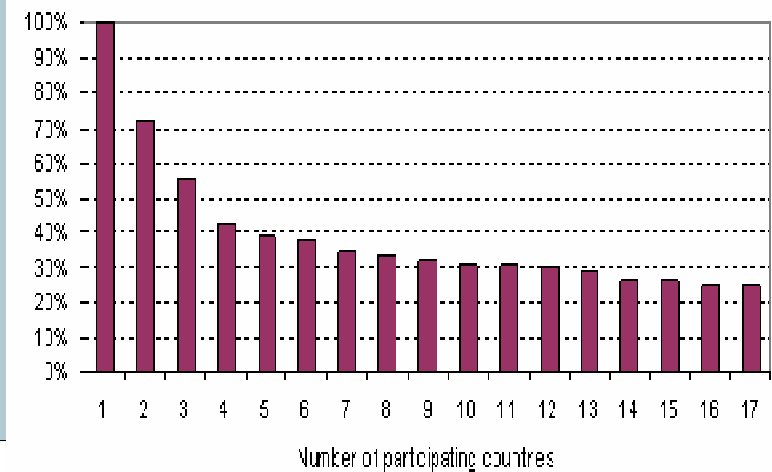
Parametric Insurance



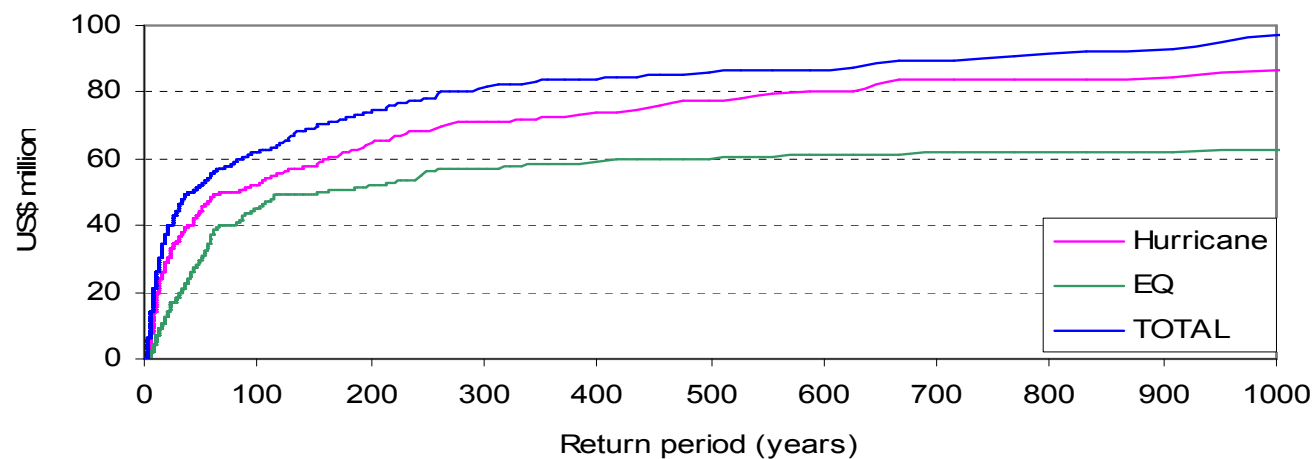
CCRIF Portfolio



- As of June 1, 2007
 - 15 participating countries
 - Donors' contribution: US\$47 million
 - Premium volume: US\$17 million
 - Total sum insured: US\$444 million
 - Premium rates between 3.5% to 5.1%



CCRIF Portfolio - LEC



Risk Financing Capacity



Return period

1000 years

Reinsurance

Cat swap

US\$120 MM

25 years

Reinsurance

US\$50 MM

10 years

Reinsurance

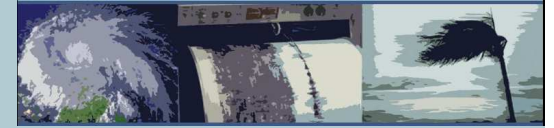
US\$25 MM

5 years

Retention

US\$10 MM

A Regional Initiative



- Membership open to CARICOM Members and Associate Members;
- Designed using mostly local expertise;
- Registered in the Region;
- Managed by local firms;
- Controlled by a Board made of representatives of the participating countries and donors.