

# Natural Catastrophes Insurance Cover

## Individual System Summary Updates

As of [September 20 2019]

<b>1</b>	<b>The name of the Cover</b>	CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility)
<b>2</b>	<b>Cover Purchase / Distribution Channels</b>	Parametric policies providing coverage for Caribbean and Central American governments – for tropical cyclones, earthquakes, excess rainfall and fisheries
<b>3</b>	<b>Coverage</b> (incl. perils, sum insured & premium etc.)	<p>Covers:</p> <p>Tropical cyclones (losses due to wind and storm surge)</p> <p>Earthquakes (losses due to ground shaking)</p> <p>Excess rainfall (losses due to rainfall)</p> <p>Maximum coverage: US\$100 million</p> <p>Fisheries (business interruption due to adverse weather + losses due to wind and storm surge)</p>
<b>4</b>	<b>Claim Criteria / Loss Trigger</b>	Policies are triggered if modelled losses are greater than policy attachment point
<b>5</b>	<b>Current Risk Assuming and Transferring structure</b> (see following diagram)	<p>CCRIF SPC issued 26 annual policies for the EQ/TC SP to 14 CARICOM countries for the 2017/2018 policy/financial year, plus 17 policies for the XSR SP to 13 CARICOM countries, and 3 policies (EQ, TC and XSR) for the Central America SP to one COSEFIN country. The year's premium income for tropical cyclone and earthquake coverage in the Caribbean totalled US\$21.4 million. CCRIF's aggregate exposure for policies written for the EQ/TC perils in the Caribbean was US\$651 million, with the tropical cyclone to earthquake aggregate split being close to 57:43. Annual premium from the XSR policies in the Caribbean totalled almost US\$6.9 million, covering an aggregate exposure of more than US\$103 million in member countries. For the Central American region, the premium income was US\$2.3 million, with US\$1.0 million for tropical cyclone coverage, US\$0.5 million for earthquake and \$0.8 million for excess rainfall. The coverage limit in the region was US\$35.3 million, with the split among tropical cyclone, earthquake, and excess rainfall being 52:28:20.</p> <p>CCRIF SPC for Caribbean EQ/TC SP retained US\$25 million and purchased an additional US\$145 million of reinsurance capacity above the retention to support the claims-paying capacity of the Facility (see figure below). Reinsurance was purchased from the international reinsurance markets. The top of the reinsurance structure, at US\$170 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-666.6 chance of occurring. Additionally, a sublayer of US\$20 million in excess of US\$5 million with an aggregated US\$20 million deductible was purchased at a 50 per cent placement for a three-year period. All programmes were placed at 100 per cent. – See Diagram 1</p> <p>CCRIF SPC for Caribbean XSR SP retained US\$7.7 million and purchased an additional US\$36.5 million of reinsurance capacity to support the claims paying capacity of the Facility (see figure at right). The top of the reinsurance structure, at US\$44.2 million, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-5,000 chance of occurring. Diagram 2</p>

		CCRIF SPC for Central America SP retained US\$1.5 million for TC/EQ and US\$1.45 million for XSR. CCRIF SPC purchased US\$18.5 million of reinsurance capacity for TC/EQ and US\$5.6 million for XSR to support the claims-paying capacity of the Facility (see figure below). The top of the reinsurance structure, at US\$20 million for TC/EQ and at US\$7.05 million for XSR, provided claims-paying capacity for aggregate annual losses with an approximately 1-in-1,000 chance of occurring for TC/EQ and 1-in-39.7 chance of occurring for XSR. Diagram 3
<b>6</b>	<b>Recent Loss events</b>	Events 2017 – 2019 See table below
<b>7</b>	<b>Latest take-up rate</b> (Penetration rate)	CCRIF currently has 21 member countries
<b>8</b>	<b>Current Accumulate reserves</b> (fund)	CCRIF SPC's total capital at risk for 2017/18 comprised the retention of US\$35.65 million (US\$25 million for Caribbean TC/EQ, US\$7.7 million for Caribbean XSR, US\$1.5 million for Central America TC/EQ and US\$1.45 million for Central America XSR) within the risk transfer programme and a further ~US\$42 million above the reinsurance programme up to the 1-in-1,000-year loss of ~US\$205 million. The claims-paying capacity of CCRIF for the 2017/2018 policy year was thus significantly greater than the modelled aggregate annual loss with a 1-in-1,111 chance of occurring, thus comfortably falling within CCRIF's guidelines for financial security and it was substantially better than any of its peers in either the public or private sectors.
<b>9</b>	<b>Website/ annual report Linkage</b>	<a href="http://www.ccrif.org">www.ccrif.org</a> Most recent annual report (2017-18) English: <a href="https://www.ccrif.org/publications/ccrif-spc-annual-report-2017-2018">https://www.ccrif.org/publications/ccrif-spc-annual-report-2017-2018</a> Spanish: <a href="https://www.ccrif.org/es/publications/ccrif-spc-informe-anual-2017-2018">https://www.ccrif.org/es/publications/ccrif-spc-informe-anual-2017-2018</a>
<b>10</b>	<b>Others</b>	

### Payouts 2017-2019

<b>Event</b>	<b>Country</b>	<b>Policy</b>	<b>Payout (US\$)</b>
Tropical Cyclone Irma, September 2017	St. Kitts and Nevis	Tropical Cyclone	2,294,603
	Anguilla	Tropical Cyclone	6,529,100
	Anguilla	Excess Rainfall	158,823
	Antigua & Barbuda	Tropical Cyclone	6,794,875
	Turks & Caicos Islands	Tropical Cyclone	13,631,865
	Turks & Caicos Islands	Excess Rainfall	1,232,769
	Bahamas	Excess Rainfall	163,598
Tropical Cyclone Maria, September 2017	Dominica	Tropical Cyclone	19,294,800
	Dominica	Excess Rainfall	1,054,022
	Saint Lucia	Excess Rainfall	671,013
	Turks & Caicos Islands	Tropical Cyclone	419,372
	Barbados	Excess Rainfall	1,917,506
	St. Vincent & the Grenadines	Excess Rainfall	247,257
Rainfall event, October 18-20 2017	Trinidad & Tobago	Excess Rainfall	7,007,886
Tropical Cyclone Kirk, October 2018	Barbados	Excess Rainfall	5,813,299
Rainfall event, October 18-20 2018	Trinidad & Tobago	Excess Rainfall	2,534,550
Tropical Cyclone Dorian, September 2019	Bahamas	Tropical Cyclone	11,527,151
<b>TOTAL 2017-2019</b>			<b>81,292,489</b>

# Current Risk Assuming and Transferring structure (diagrams)

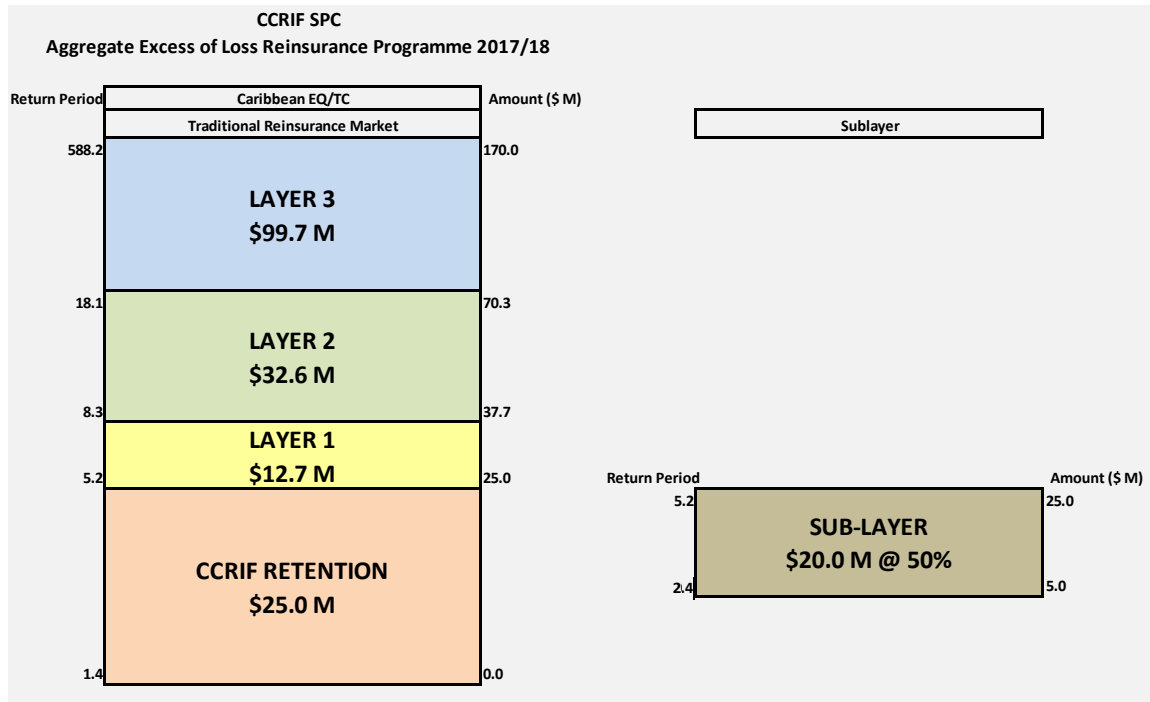


Diagram 1

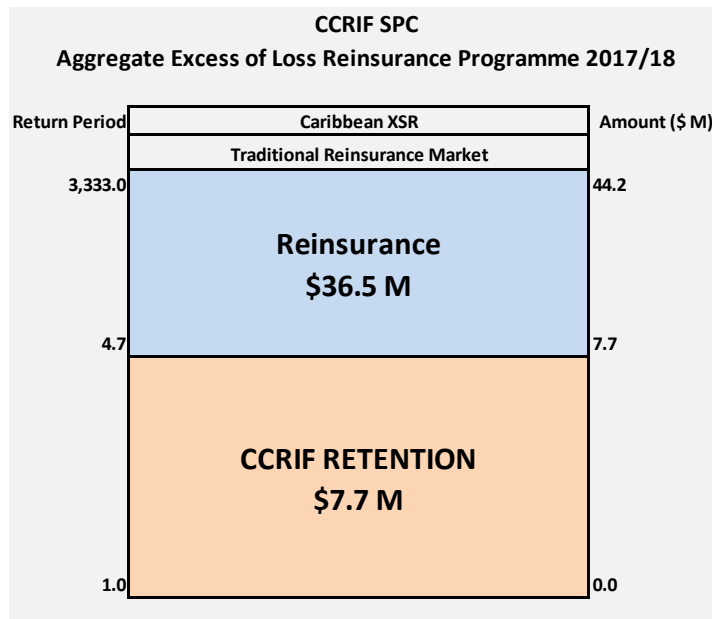


Diagram 2

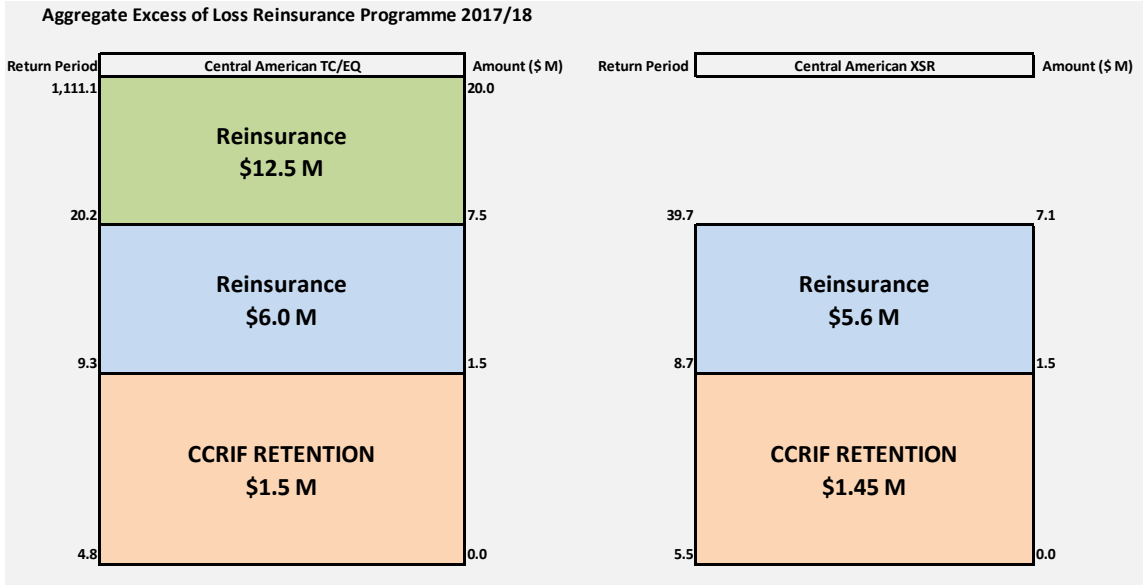


Diagram 3