



PACIFIC  
CATASTROPHE  
RISK INSURANCE  
COMPANY

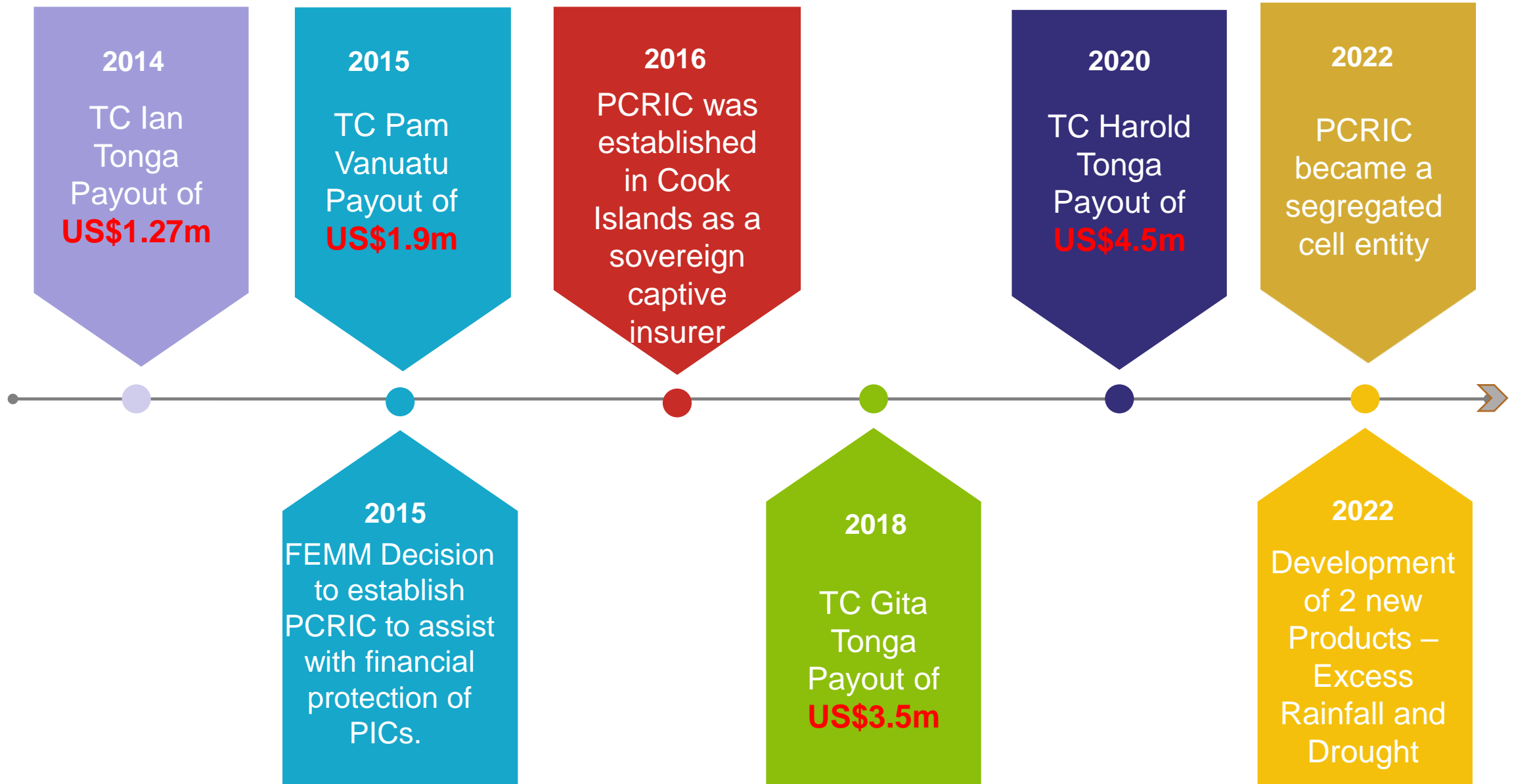


Pacific  
Catastrophe  
Risk Insurance  
Foundation

# Pacific Catastrophe Risk Insurance Company

11<sup>th</sup> April 2024

# PCRIC: Key Facts

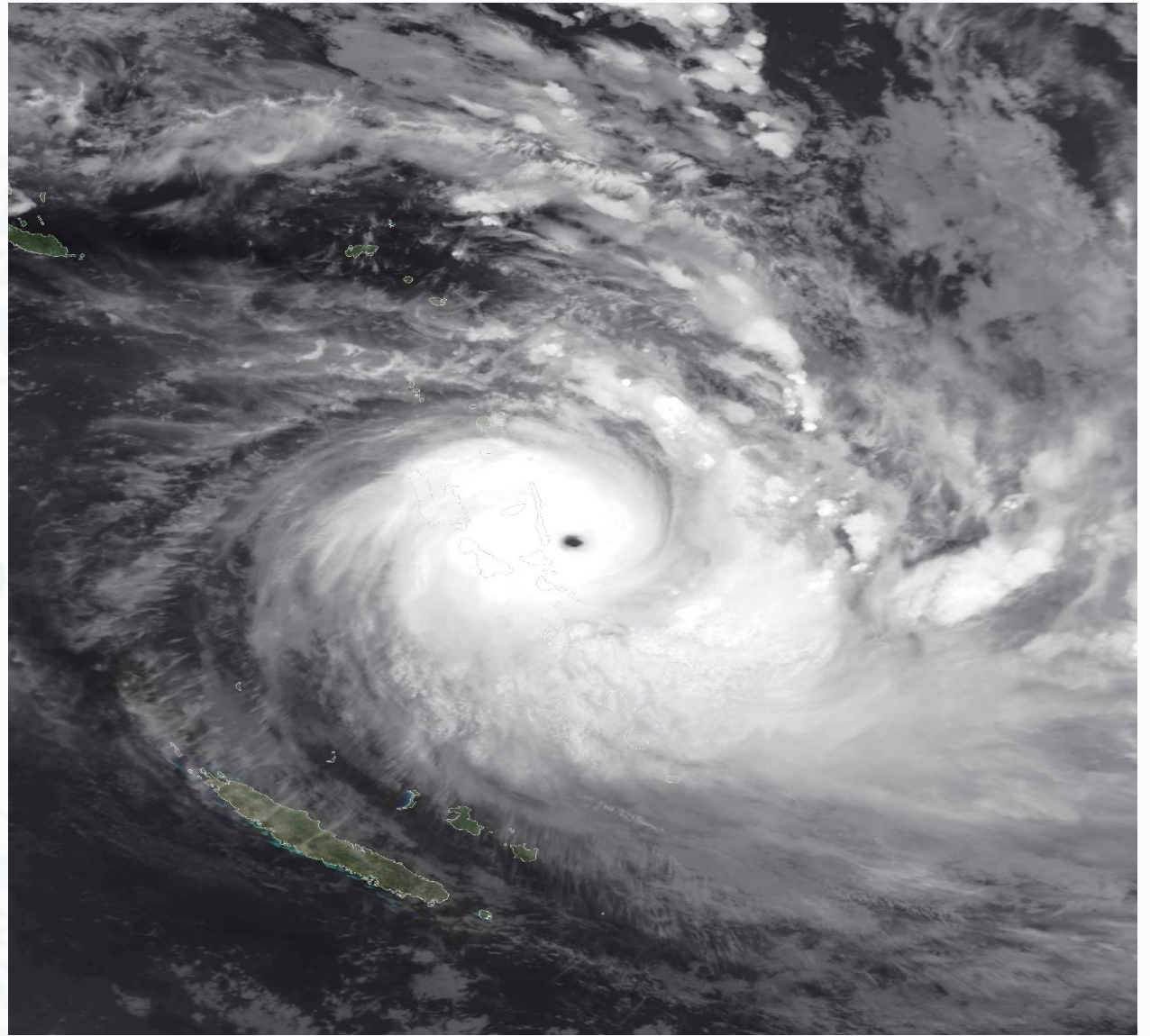


# Scope of Work

- Initial scope required PCRIC to offer **sovereign parametric insurance covers** as per 2016 Act;
  - Only targeted at Governments'.
- Revised Act in 2021 to extend scope to also include non-sovereign insurance products;
- Current membership includes 8 PICs and 4 donors;
  - Cook Islands, Fiji, Niue, PNG, RMI, Samoa, Tonga, Vanuatu
  - Germany, Japan, UK, USA

# Current products

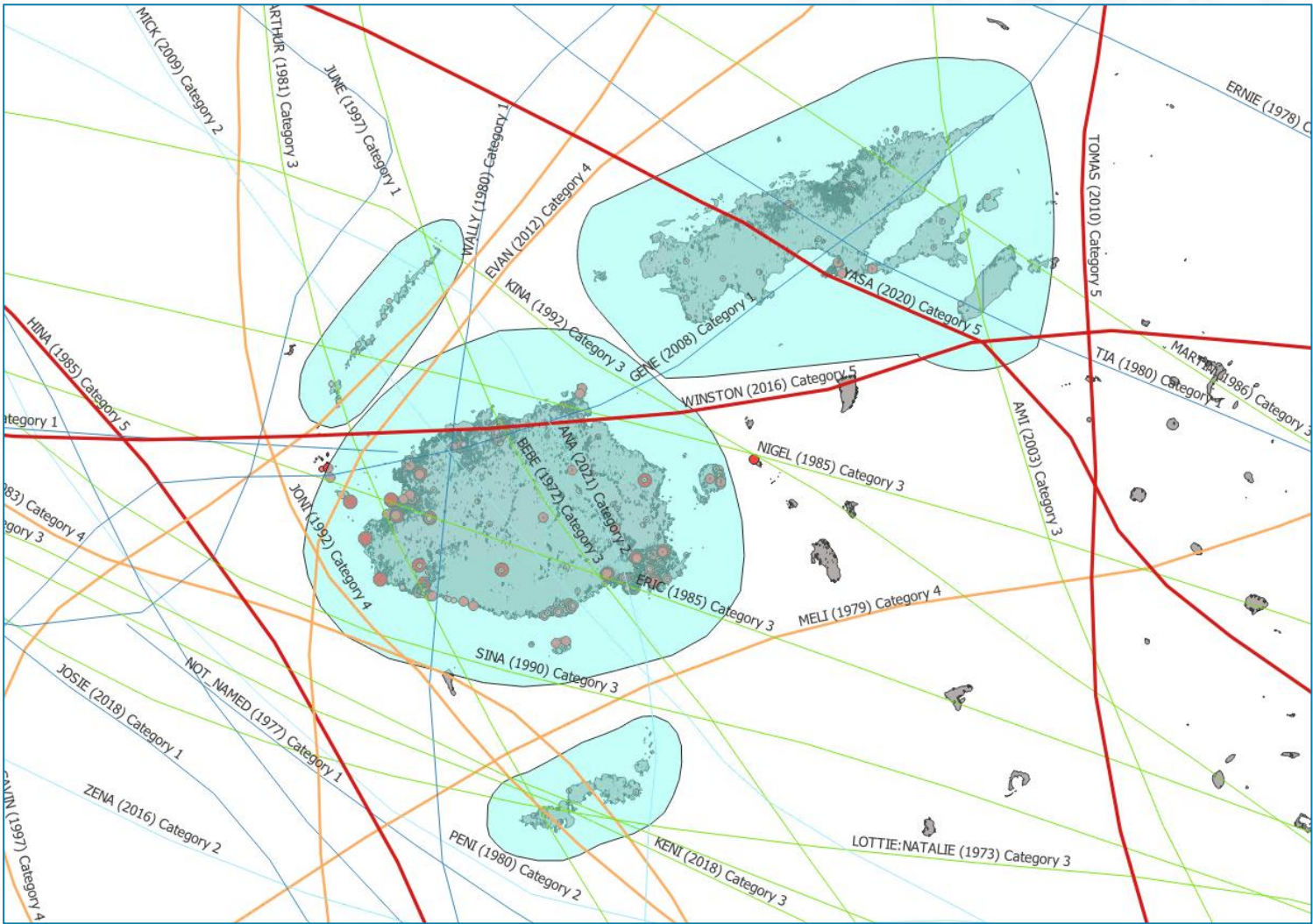
## Tropical Cyclone





# Gov of Fiji tropical cyclone policy

The policy issued to Gov. of Fiji on 1 November 2023 is an example of a **cat-in-a-circle** policy.



A payout is made if the eye of a named cyclone enters the insured area and is category 3 or greater:

	Payout (% of coverage limit)
Cat 3	10%
Cat 4	40%
Cat 5	100%

Coverage limit = US\$9m



**Current products:**

Earthquake/  
Tsunami





# Current Products

Excess Rainfall  
product

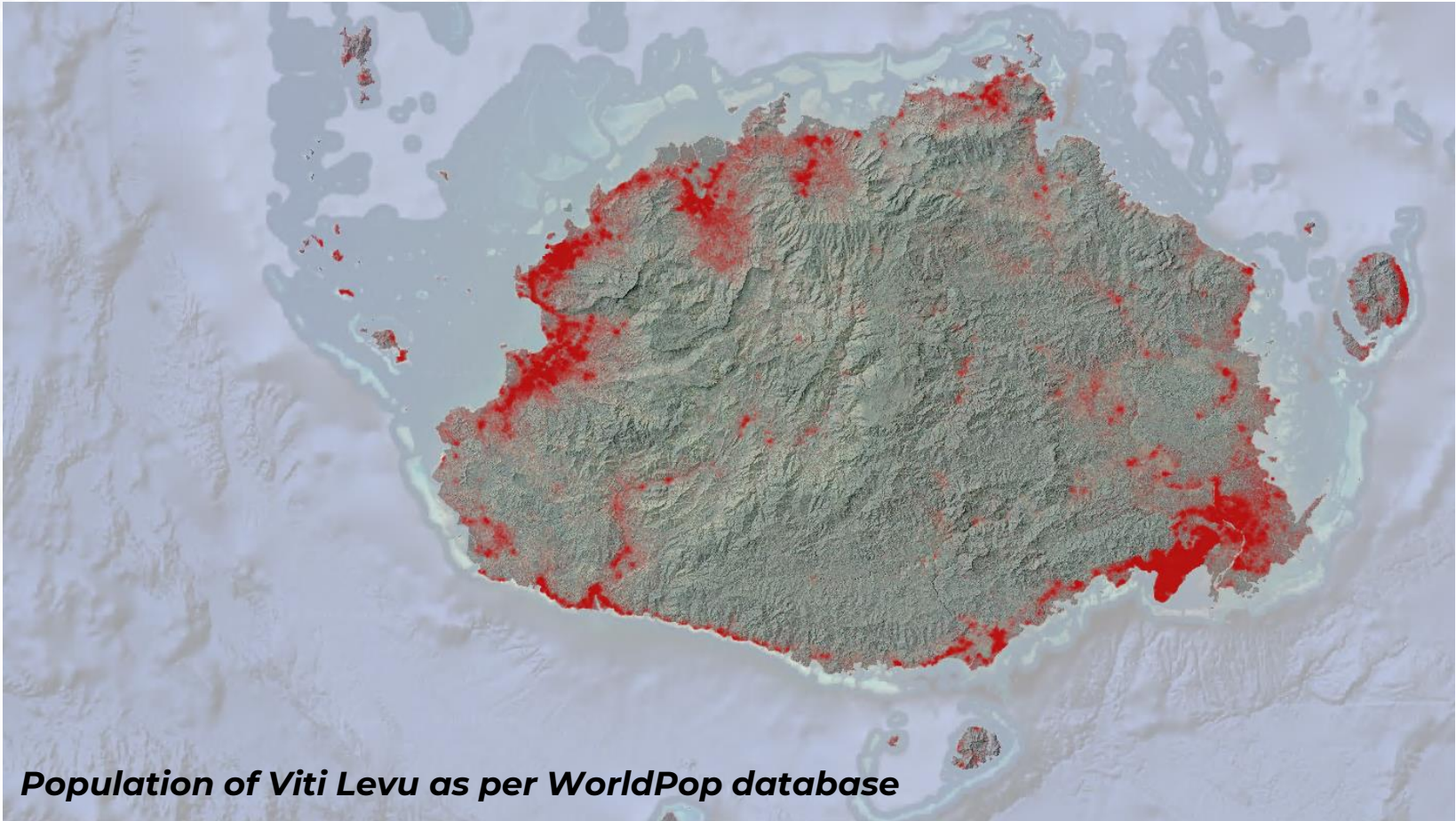


# Gov of Fiji excess rainfall policy

The policy issued to Gov. of Fiji on 1 November 2023 is an example of a **people-impacted** policy. A payout is made based on the **number of people impacted by flooding of 35cm or more**.

Number of people impacted	Payout (% of coverage limit)
0 – 4,999	0%
5,000 – 9,999	10%
10,000 – 14,999	60%
> 15,000	100%

Coverage limit = US\$3.2m





# Opportunities

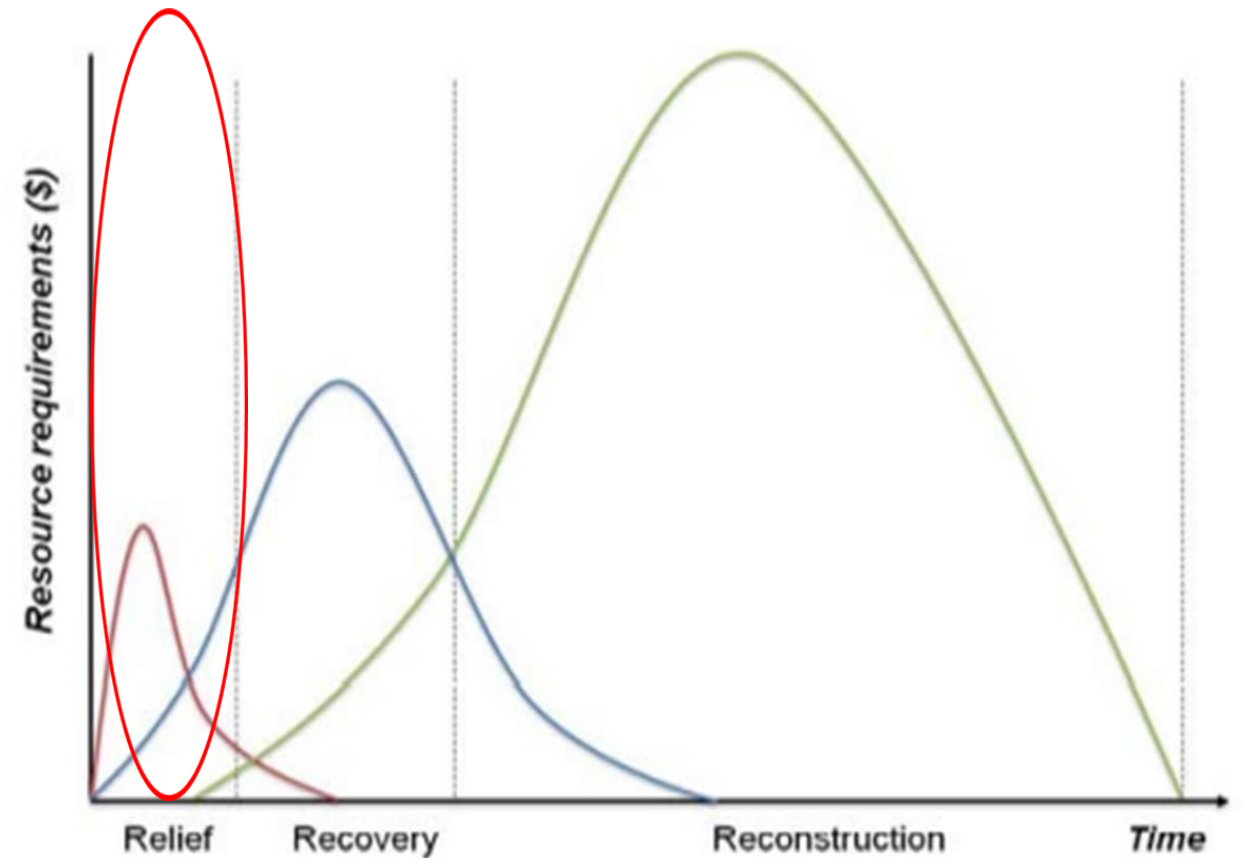
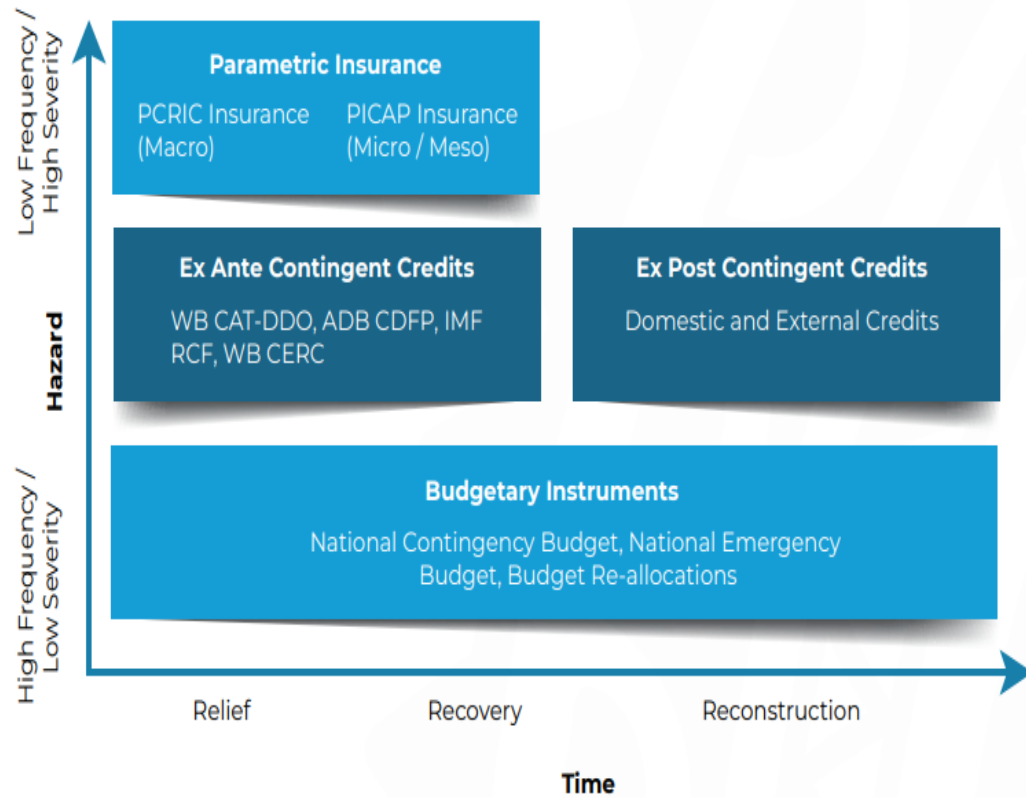
Drought



# Summary of Products per Country

Country	Product
Cook Islands	Tropical Cyclone
Fiji	Tropical Cyclone
	Excess Rainfall
Niue	Tropical Cyclone
RMI	
Samoa	Tropical Cyclone
	Earthquake/Tsunami
Tonga	Tropical Cyclone
	Earthquake/Tsunami
PNG	Earthquake/Tsunami
Vanuatu	

# PCRIC from a Risk Layering Perspective



Source: World Bank 2010



# Benefits of PCRIC insurance

- Quick payout (within 10 days);
- Utilisation of payouts – at Government's discretion;
  - PCRIC only requires an acquittal report from countries on details of how insurance proceeds had been spent - for reporting to key donors.
- PCRIC insurance is a non-debt instrument;
- Premium subsidy is available for PCRIC member countries;

# Opportunities

- Improve coordination with PICs through:
  - creating awareness and building capacity on technical understanding of the PCRIC insurance products;
  - Better understanding of PIC needs and develop products that are more relevant to local context.
- Continuously gather DRF capacity building and technical assistance requirements;
  - support the PICs DRF capacity building requirements
- Work with SOEs:
  - PCRIC is able to provide tailored parametric insurance policies to specific sectors or SOEs

# Opportunities

- Offer DRF Internship programs through USP;
- Offer scholarship (s) to pursue DRF/DRM/DRR studies for member countries;
- Continue to work with global partners **to ensure availability of premium finance for PICs**
- Continue work on hazards such as **drought** to offer more comprehensive protection to PICs
- **Regular refinement of existing policies** to ensure they remain appropriate and cost effective for member countries.



# Thank You

<https://pcric.org/>