



Central America & Caribbean Catastrophe Risk Insurance Project (P149670)

LATIN AMERICA AND CARIBBEAN | Latin America | Social, Urban, Rural and Resilience Global Practice Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 1 | ARCHIVED on 09-Oct-2015 | ISR20785 |

Implementing Agencies: CCRIF SPC

Key Dates

Key Project Dates

Board Approval date:30-Jun-2015

Effectiveness Date:--

Planned Mid Term Review Date:01-Aug-2017

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2019

Revised Closing Date:30-Jun-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve affordability of high quality sovereign catastrophe risk transfer associated with earthquakes and climate-related events for CCRIF Participating Countries.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1: Finance Parametric Earthquake Risk Insurance for COSEFIN Participating Countries:(Cost \$7.00 M)

Component 2: Finance Parametric Climate Risk Insurance for COSEFIN Participating Countries:(Cost \$12.50 M)

Component 3: Finance Parametric Climate Risk Insurance for CARICOM Participating Countries:(Cost \$4.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● Substantial



Implementation Status and Key Decisions

This is an initial ISR for the Central America and Caribbean Catastrophe Risk Insurance Project. The Project was approved by the World Bank's Regional Vice President for Latin America and Caribbean Region on June 30, 2015. The Grant Agreement with CCRIF Segregated Portfolio Company (CCRIF SPC) was signed on July 16, 2015.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	--	● Moderate



Macroeconomic	--	--	● Moderate
Sector Strategies and Policies	--	--	● Low
Technical Design of Project or Program	--	--	● Moderate
Institutional Capacity for Implementation and Sustainability	--	--	● Substantial
Fiduciary	--	--	● Moderate
Environment and Social	--	--	● Low
Stakeholders	--	--	● Substantial
Other	--	--	● Moderate
Overall	--	--	● Substantial

Results

Project Development Objective Indicators

- CCRIF premiums are lower than the simulated price for a comparable coverage that any member country could purchase individually in the market (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	--	Y	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

By modeled estimates at time of Project preparation, CCRIF premiums for COSEFIN countries remain lower than the simulated price for a comparable coverage purchased individually in the market. Information for this indicator will be updated periodically based on CCRIF reports.

- Any CCRIF member country with catastrophe risk coverage has received payment within a month of the occurrence of an event which triggers an eligible loss (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	100.00	100.00
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Since approval of the Project in June 2015, one event occurred that triggered the insurance policy of a CCRIF member country: Within a month, CCRIF SPC had made payment to the Government of Dominica in the maximum payable amount under its excess rainfall policy (US\$ 2.4 million) following the rains that occurred during Tropical Storm Erika on August 27, 2015 (per CCRIF SPC's press release dated September 10, 2015).



Overall Comments

Intermediate Results Indicators

- Earthquake risk policies for COSEFIN member countries provide increasing insurance coverage and/or a lower attachment point (insurance deductible) for a given premium amount (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline values for the first year of coverage:

Nicaragua (for the 2015-2016 policy period): For a US\$ 500,000 premium for earthquake coverage, the attachment point (insurance deductible) is \$20,958,698. The exhaustion point is \$286,748,494 and the coverage limit is \$9,926,983.

- Pricing of the earthquake risk policies purchased by COSEFIN member countries has actuarial consistency with CCRIF's survivability and long-term sustainability (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline: No track record.



► Fulfillment of technical preconditions to offer excess rainfall products that are credible to the reinsurance market (per COSEFIN country) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	3.00
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline: No countries with technical design work completed.

► Climate risk related policies for COSEFIN member countries provide increasing insurance coverage and/or a lower attachment point (insurance deductible) for a given premium amount (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline values for the first year of coverage:

Nicaragua (for the 2015-2016 policy period): For a US\$ 500,000 premium for tropical cyclone coverage, the attachment point (insurance deductible) is \$607,577. The exhaustion point is \$83,667,096 and the coverage limit is \$8,091,944.

► Pricing of the climate risk related policies purchased by COSEFIN member countries has actuarial consistency with CCRIF's survivability and long-term sustainability (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline: No track record.



- Fulfillment of technical preconditions for improved models for CARICOM countries with excess rainfall coverage and/or development of new models to offer climate risk products to these countries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	4.00
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline: 8 CARICOM countries with country -risk excess rainfall models calibrated and with coverage for the 2014-2015 season.

- Climate risk related policies for CARICOM member countries provide increasing insurance coverage and/or a lower attachment point (insurance deductible) for a given premium amount (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline information on climate risk related policies for CARICOM countries to be provided as part of reporting from CCRIF SPC to the WB after effectiveness.

- Pricing of the climate risk related policies purchased by CARICOM member countries has actuarial consistency with CCRIF's survivability and long-term sustainability (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	Y
Date	30-Jun-2015	--	01-Oct-2015	30-Jun-2019

Comments

Baseline information on climate risk related policies for CARICOM countries to be provided as part of reporting from CCRIF SPC to the WB after effectiveness.

Overall Comments

Data on Financial Performance



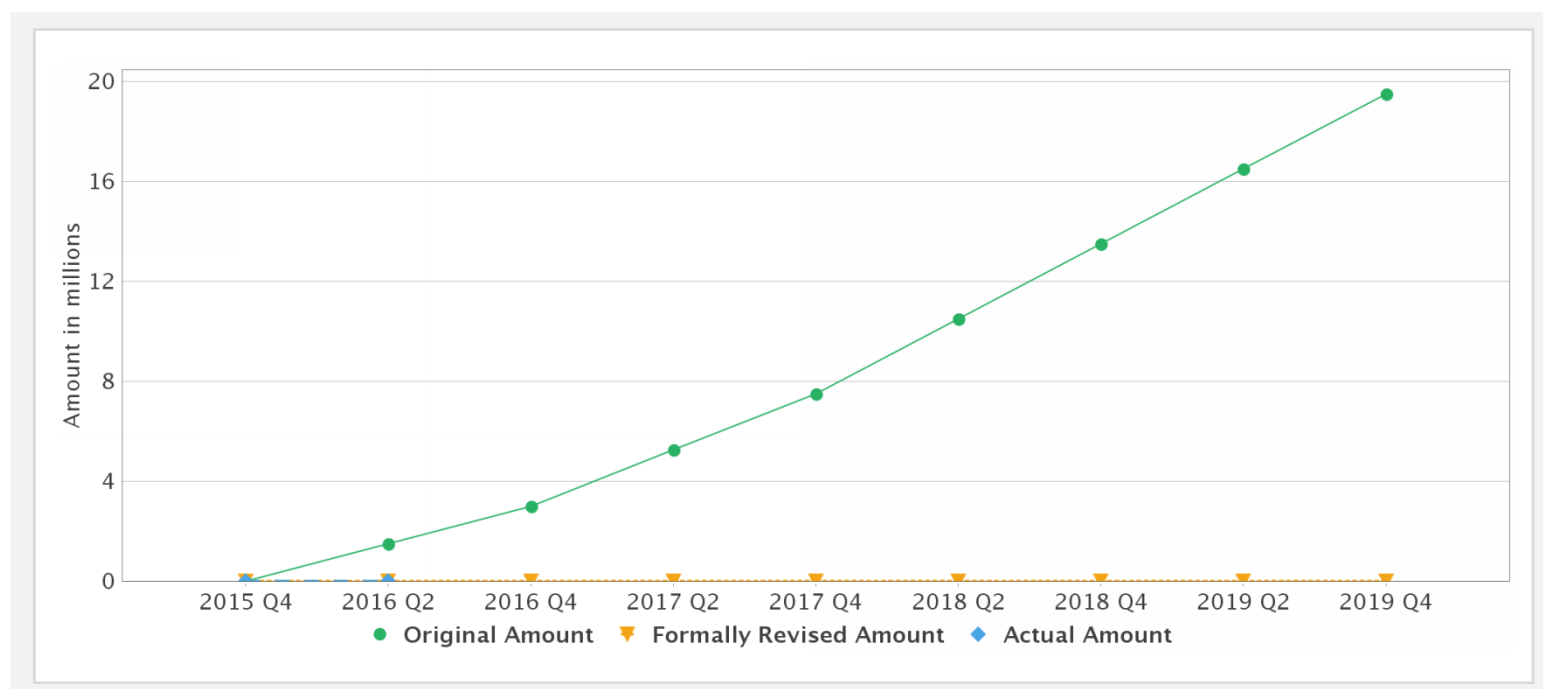
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P149670	TF-A0564	Not Effective	USD	19.50	19.50	0.00	0.00	19.50	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149670	TF-A0564	Not Effective	30-Jun-2015	--	--	30-Jun-2019	30-Jun-2019

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.

