

# Pacific Catastrophe Risk Insurance Company – PCRIC

Bermuda House, Tutakimoa Road

Avarua, Rarotonga, Cook Islands

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For immediate release

## PRESS RELEASE

### Newly Appointed CEO to Join the Pacific Catastrophe Risk Insurance Company – PCRIC

**COOK ISLANDS, 1<sup>st</sup> September, 2020** – Directors for the Pacific Catastrophe Risk Insurance Company (PCRIC) announced the appointment of Aholotu Palu as CEO for the company. PCRIC is the regional risk pool and provider of sovereign insurance for Pacific Island Countries currently offering cover against earthquakes, tropical cyclones, and tsunamis.

Sarah Jane Wild, PCRIC interim chairman said *“We are excited to have Mr Palu join the team, his proven leadership credentials and passion for the Pacific stood out throughout the recruitment process and he will be well placed to make a significant impact on this important regional initiative.”*

Mr. Palu brings 25 years regional and national experience in economic management, finance and development sectors across the Government of Tonga, World Bank and most recently with the Pacific Islands Forum Secretariat and GIZ providing strategic advice in the area of the nexus between Public Finance Management and Climate Change Finance for Pacific islands. Mr Palu shares a strong commitment to PCRIC’s mandate to provide accessible and affordable climate and disaster related financial insurance solutions for Pacific Island Countries.

*I am looking forward to the many challenges in leading PCRIC, and I am optimistic and encouraged knowing that the mandate I have to deliver is to ensure the Pacific island countries will be provided with sustainable cost-efficient climate and disaster risk insurance. I am delighted and excited by this prospect”*

Mr Palu has said. Mr Palu started with PCRIC on 1<sup>st</sup> September

PCRIC is a regional catastrophe insurance platform that has played a key role in providing financing to Pacific Island Governments after Cyclone Gita and Cyclone Harold since its inception and has provided funding for disaster response of over US\$ 8 million via its insurance products in the past three years

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## History of PCRIC

Established in June 2016, PCRIC is a result of region-wide efforts to address climate and disaster risks across 14 Pacific Island Countries (PICs). Catastrophe risk insurance for PICs began as a pilot in 2013 to 2015 through the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), which laid the foundation for a regional catastrophe risk pool to offer governments affordable parametric insurance. PCRIC is a captive insurance company owned by the Pacific Catastrophe Risk Insurance Foundation (PCRIF), which is directed by participating Pacific Island Countries. Initial capital funds were provided by the PCRAFI Program Multi-Donor Trust Fund (MDTF) with contributions from Germany, Japan, the United States, the United Kingdom and most recently Canada as part of InsuResilience - the G7 initiative on climate risk insurance.

## Key Facts about PCRIC Pacific Catastrophe Risk Insurance Company

- A regional entity owned by PICs to meet the demand for catastrophe insurance for governments to manage fiscal impacts of climate and geophysical hazard events; Member Countries form the Council of Members of the Pacific Catastrophe Risk Insurance Foundation (PCRIF).
- Current Pacific Members to the PCRIF are Cook Islands, Fiji, Republic of Marshall Islands, Samoa, Tonga and Vanuatu
- Sovereign parametric insurance policies are offered for both tropical cyclone and earthquake/tsunami events based on a pre-selected trigger by the policyholder, or government, and designed to provide rapid-response emergency funds in case of a triggered event.
- PCRIC has made two payments to recipient nations since inception; In February 2018, PCRIC made a US\$3.5m payment to Tonga relating to Cyclone Gita and in April 2020, it made a US\$4.5m payment to Tonga relating to Cyclone Harold.
- International reinsurance markets have validated the Company's portfolio, with reinsurance protection for Season 6 being provided by four reinsurers: *AXA Climate (AXA XL)*, *Descartes Underwriting (Generali Security)*, *Liberty Mutual Reinsurance* and *Mitsui Sumitomo Insurance*.
- PCRIC creates a regional platform that PICs can leverage to explore additional products, such as the development underway on a range of enhanced products including Drought, Excess Rainfall, a hybrid "livelihoods" type cover for helping PIC Governments protect low income communities and discussions for an enhanced product for smaller events are ongoing with the Asian Development Bank (ADB) and the World Bank (WB).
- Represents the Pacific region and participates in the global dialogues on climate and disaster risk insurance with other similar regional facilities such as the African Risk Capacity (ARC) and the Caribbean Catastrophe Risk Insurance Facility (CCRIF).
- Has received significant support from international donors who have so far contributed US\$25 million in capital alone, which supports the existing insurance products.
- Expertise is leveraged from key regional organizations, including the Pacific Community (SPC) and the Pacific Islands Forum Secretariat (PIFS). In particular SPC is supporting the PCRAFI project in regional efforts to update the regional hazard and exposure database (PacRIS);