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PCRIC Updates its Legal Structure into a Segregated Portfolio

Cook Islands, 3 February 2022: The Pacific Catastrophe Risk Insurance Facility Act 2021 (PCRIF Act) has updated PCRIC's legal structure to permit new and unique risk transfer products to be offered to its Pacific Island country members. The Board and CEO extend thanks to the Cook Islands' government for their substantial support throughout the process which resulted in PCRIC's reorganization into a segregated portfolio entity effective 6 December 2021. Special thanks are conveyed for the long-standing efforts of Secretary Garth Henderson, of the Ministry of Finance, and recent past Chairman of the PCRIF Council of Members.

The Pacific Catastrophe Risk Insurance Foundation (PCRIF) is governed by its Council, with representatives of Pacific Island and donor countries. The PCRIF/PCRIC institution is a multi-country cooperation mechanism which provides disaster risk finance programs to Pacific Island members. PCRIC operates as a development insurer, seeking to support and protect Pacific national and regional development objectives and goals.

The updated 2021 PCRIF Act permits PCRIC to offer new and expanded disaster risk finance programs in segregated units of activity, each legally and financially operated as separate units. This allows PCRIC to offer various insurance and other risk financing instruments not previously available to the region, each supported by distinct financing and risk management arrangements.

Instead of establishing a new "company" subsidiary each time PCRIC launches a new insurance or disaster risk finance program, this segregated entity structure provides a more efficient and effective means of accomplishing those same objectives. PCRIC can now protect the overall financial health of the entity while being readily able to explore, develop and accommodate the different risk management and capital bases required when extending its offerings to include new insurance programs to serve Pacific country disaster risk financing objectives.

Steering the segregated portfolio initiative to completion, PCRIC's CEO, Mr. Aholotu Palu said that, *"This initiative provides PCRIC with incredible flexibility to be even more responsive to the Pacific region's disaster risk finance needs in addressing the impacts of climate change and other natural hazards impacting vulnerable islands and populations. We will be reaching out to countries to explore better ways of serving them with expanded and tailored financial instruments."*



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