



FOR IMMEDIATE RELEASE

PCRIC CEO on Tonga Mission

Cook Islands, 29 April 2022: Representatives of the Pacific Catastrophe Risk Insurance Company (PCRIC), of which Tonga is a sovereign foundation member and policy holder, have begun a high-level mission to the nation meeting with the Ministry of Finance and other government officials. The mission will take place from the 2nd - 10th May.

Along with re-establishing connections and relationships hindered by the COVID 19 pandemic, a key aspect of the mission is to present the opportunity for open dialogue addressing any remaining concerns regarding the impact and aftermath of the Hunga Tonga-Hunga Ha'apai event, which experts described as a once-in-a-thousand-year event.

The PCRIC team, comprising of the CEO Mr. Aholotu Palu and Board Director Mr. Siosuia Utoikamanu, will provide an in-depth explanation on the underlying reason as to why Tonga's current insurance policy trigger was not activated.

PCRIC will also discuss proposed measures in the pipeline to assist insurance policy holder countries with any future earthquake induced volcanic eruption event, and the new and upcoming rainfall product.

Remarking on the mission, Mr. Palu said that *"PCRIC has kept this resilient island nation close to our hearts ever since we learnt of this event. If it were not for the border closures due to the pandemic, we would have visited the leadership much sooner and offered whatever assistance they would have required of us."*

"In the immediate aftermath of the devastating tsunami, which was induced by an unexpected volcanic eruption on January 15th, there was a general expectation among many government officials that a payout against Tonga's existing PCRIC disaster risk insurance policy would be forthcoming. However, following a thorough assessment of the circumstances surrounding the event and the mutually agreed policy coverage, both parties acknowledged that any payout would not have been in accordance with the policy terms agreed."

He continued saying that *"Of course, in the face of so much devastation, this outcome was challenging for all concerned. Consequently, we are here to acknowledge existing policy coverage gaps, and to work with government counterparts in exploring possible solutions for consideration, as well as to examine any possible support mechanisms that may be of value in the future."*



“Being a Tongan myself, this event has empowered me to continue advocating for our Pacific countries to prepare for disasters especially as climate change picks its pace. PCRIC stands ready to serve our region and will tirelessly continue to do so despite the challenges.”

Additional items for dialogue will include opportunities for Tonga under the new premium financing, the imminent joint implementation support mission with the World Bank and PCRIC/PCRAFI, and the joint mission with PIFS-PREP and UNCDF on disaster risk financing instruments in June.

PCRIC is owned for the benefit of the island nations of the Pacific and is a specialist provider of disaster risk finance services and solutions to the region.

PCRIC delivers a program of support built on leading-edge technical assistance, targeted collaborations, and innovative product options. Its mission is to help nations better prepare, structure and manage finances to foster disaster resilience and ensure rapid access to funds when they are needed most.

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