PCRIC Disaster Insurance Pay Out Process
Learn how PCRIC insurance policies are triggered and paid out to participating countries

1. Disaster event occurs

A tropical cyclone, earthquake or tsunami induced by earthquake affects one of the PCRIC participating countries.

2. PCRIC alerts its calculation agent (Air Worldwide) to conduct a model calculation

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3. Calculation of Event Footprint and Estimated Damage

Using risk modelling software, the calculation agent estimates the geographic footprint of the disaster event, as well as the modelled losses from impacts on buildings, public infrastructure, and crops in the affected area.

4. Calculation agent downloads event parameters from reporting agency

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5. Based on the calculation report and the terms of the insurance policy purchased by the government, PCRIC confirms whether an insurance payout is triggered. The amount is then transferred to the recipient government within 10 days of the disaster.

Tropical Cyclone Ian, Tonga. Payout of US$1.27 million received by Tonga within 14 days of the Cyclone.

Tropical Cyclone Pam, Vanuatu. Payout of US$1.9 million received by Vanuatu within 11 days of the Cyclone.

Tropical Cyclone Gita, Tonga. Payout of US$3.5 million received by Tonga within 7 days of the Cyclone.

Tropical Cyclone Harold, Tonga. Payout of US$4.5 million received by Tonga within 10 days of the Cyclone.

6. PCRIC instructs its Calculation Agent to begin the calculation by sending a calculation Notice within 5 days of receipt of the Notice of Applicable Event

Immediately after the disaster, the government sends a ‘Notice of Applicable Event’ to PCRIC (this must happen within 3 days).

Joint Typhoon Warning Center (JTWC) - Tropical Cyclones
United States Geological Survey (USGS) - Earthquakes / Tsunamis

Day 2
PCRIC alerts its calculation agent (Air Worldwide) to conduct a model calculation

Day 3
PCRIC initiates discussions with government

Day 15
Insurance payout

Day 1
Disaster event occurs

Day 3
PCRIC instructs its Calculation Agent to begin the calculation by sending a Calculation Notice within 5 days of receipt of the Notice of Applicable Event

Day 1
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Day 2
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Day 3
PCRIC initiates discussions with government

Day 15
Insurance payout

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