Pacific Catastrophe Risk Insurance Company

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**PCRIC: Key facts**

- PCRIC is established as a captive insurance company in the Cook Islands, with the purpose of providing disaster risk finance and climate insurance products to Pacific Island Countries (PICs).

- PCRIC provides parametric insurance policies which are not designed to cover ALL losses faced by the government following a disaster. But aim to:
  1. Provide PICs with a rapid cash payout following a major natural disaster, and
  2. Act as a form of direct budget support to the government to finance the immediate relief needs post disaster.

- Develop insurance products to support critical SOEs facing losses from the risk of disasters.

- The current mandate is to cover exposure for the sovereigns based in PICs. There is growing request by donor partners for PCRIC to offer insurance cover for the construction of resilient infrastructure. Undertaken by contractors.

- PCRIC is increasingly been recognized as a resilience hub of the PICs and it aims to widen and deepen its footprint in the Pacific Region.
How an insurance contract works: \textit{indemnity} insurance

- **Policyholder (PNG Data Co.)**
- **Insurer (PCRIC)**
- **Reinsurers (Reinsurer 1, Reinsurer 2, Reinsurer 3)**

1. **Insurance premium** (usually annual)
2. **Reinsurance premium** (usually annual)
3. **Claim event occurs**
4. **Loss adjuster determines loss**
5. **Insurance payout made**
6. **Reinsurance payout made**
How an insurance contract works: **parametric insurance**

**Policyholder (PNG Data Co.)**

- **Insurance premium** (usually annual)

**Insurer (PCRIC)**

- **Reinsurance premium** (usually annual)

**Reinsurers**
- Reinsurer 1
- Reinsurer 2
- Reinsurer 3

**Claim event occurs**
- Loss adjuster determines loss

**Calculation agent validates**

**Insurance payout made**

**Reinsurance payout made**

**Benefits:**
- Quick payout based on predefined triggers.
- Transparent and objective claims process.
- Customizable coverage tailored to specific risks.
- Has a convening power to mobilize additional resources to the region.