



Climate Risk Adaptation & Insurance in the Caribbean

GK Insurance
Jordon Tait

Presentation Contents

- 1 Driving Factors behind Change Adaptation**
What is motivating GK Insurance to engage in climate insurance products for the under-served population?
- 2 Practical Solutions**
Including critical outcomes of demand study conducted by Munich Climate Insurance Initiative (MCII) and other research
- 3 Future**
Activities in the second phase of the product, to ensure that the product continuously serves the needs of the target group

Our History



Some information about us

GraceKennedy Limited is a publicly listed company on the Jamaica and Trinidad & Tobago Stock Exchanges. The company was founded on February 14, 1922, and is the parent company of a Group of subsidiaries operating mainly in the food and financial services industries.

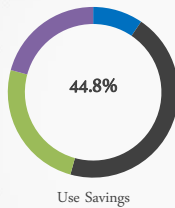
Food Trading Segment: Operating primarily in Jamaica, the Caribbean, Central America, North America, Europe and Africa, this segment comprises the business of food manufacturing through our own factories as well as through external suppliers. Our brands include Grace and Grace-owned brands marketed locally and internationally. Also, we manufacture and market third party brands internationally.

Financial Services Segments: This comprises our commercial banking, general insurance, insurance brokerage, investment banking, remittance, cambio and payment services businesses. Our financial services companies presently operate within the English-speaking Caribbean.

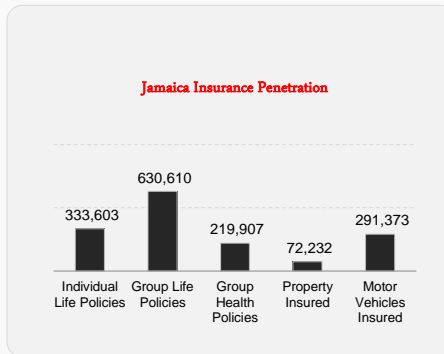
GK Insurance

www.gkgeneral.com

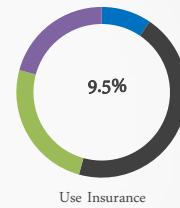
Market Need



Main Coping Mechanisms for Health Emergencies, Property Damage and Job Loss



Population - 2.8M
Labour force - 1.3M



Main Coping Mechanisms for Health Emergencies, Property Damage and Job Loss

GK Insurance

www.gkgeneral.com

Products for the "Underserved" Population



Personal Accident policy that pays one utility bill for two months after an accident



Personal Accident policy that reimburses the cost of expenses related to specialist or regular consultation, X-ray, CT Scan or hospitalization after an accident



Protect your mobile phone against accidental damage or theft

GK Insurance

www.gkgeneral.com

MCII Demand Study

Key Results

1. Since 1980, the cost of damage in the four countries studied was US\$5 billion. Of concern is that those in tourism and agriculture are disproportionately affected, as are the poor. Annual costs from climate change could be US\$6 billion by 2050.
1. The demand for weather-related insurance in the Caribbean can be categorised as "moderate" with an average of 23% having a **high or very high** demand for the product. Overall, 56.6% have a **moderate to very high** demand for the product. However, this **moderate to very high** demand varies across the region ranging from a low of 51.5% in Jamaica to a high of 61.2% in St. Lucia.
3. Regarding pricing of the policy, respondents expected to pay 5.7% of the likely payout as a premium.
3. Other components of the proposed policy included an exact payout level, no need for visits from an agent as with indemnity products, and the use of mobile phone technology for weather warnings and alerts on payout collection.

GK Insurance

www.gkgeneral.com

MCII Demand Study



Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

MCII | Munich Climate Insurance Initiative



GK Insurance

www.gkgeneral.com

Livelihood Protection Policy



Product Description

Weather Insurance protecting individuals against weather events (excess rainfall and high wind speeds). It is a WEATHER related payout based on a weather index, i.e. rainfall in mm and high wind speed in mph. It is not based on damage or loss.

How does it work?

Information is received from weather monitoring systems (NASA satellites) that will confirm if the trigger level was met:

- Tropical rainfall satellite measuring tool
- CCRIF (Caribbean Catastrophe Risk Insurance Fund) using data provided by the National Hurricane Center

Who should purchase policy?

Persons who are significantly affected by the result of harsh weather events, namely:

- farmers
- market vendors
- self employed persons
- informal traders

Current Distribution channels

- Banks and Credit Unions

GK Insurance

www.gkgeneral.com

Product Assessment

Key Results

1. Product value realised only by the Agriculture sector
1. Demand driven by current realities
2. Lack of trust between Financial Institutions and individuals
3. Creating an integrated approach to climate change risk management
4. We need an event!!!!

Future – Next Steps



