NEW INSURANCE PROTECTION FOR YOUR LIVELIHOOD

Saint Lucians can now benefit from a new innovative microinsurance product called the “Livelihood Protection Policy (LPP).” The product has been developed under the aegis of the “Climate Risk Adaptation and Insurance in the Caribbean” project. Coverage is available locally through EC Global Insurance Company Limited and is accessed through a number of local credit unions, co-operatives and other financial institutions. It is intended to provide protection for the livelihoods of vulnerable persons in the lower income brackets who are usually affected by heavy rainfall and high wind speeds. In the event of perilous weather, the LLP will provide funds for recovery very quickly – to enable persons to carry on with their livelihoods.

The LPP is a parametric index insurance which is quite different from traditional property or catastrophe insurance. Claims are paid out under this policy based upon the occurrence of an extreme weather event such as a hurricane or tropical storm which triggers a payment. Once predetermined parameters have been met in terms of the wind speed and the amount of rainfall, a claims pay-out is triggered without the need for actual loss assessment.

Mr. Leathon Khan, CEO of EC Global believes that the LPP product can make a significant difference in how people manage weather-related risks: “Microinsurance is an extremely important social and financial service that could fundamentally improve and sustain the livelihoods of thousands of Saint Lucians, who for many years have been excluded or unable to access traditional insurance protection. It is a new and innovative economic opportunity to help enhance and sustain our development as a nation. We are particularly pleased to have our local credit unions, co-operatives and financial institutions on board for this initiative. The unique concept on which the Livelihood Protection Policy is designed will help the most vulnerable in recovering their livelihoods after an extreme weather event. It will provide a quick and tangible relief in the time of need.”

The project is being implemented on behalf of the German Federal Ministry Environment, Nature Conservation and Nuclear Safety International Climate Initiative by the Munich Climate Insurance Initiative and its consortium partners with the Caribbean Catastrophe Risk Insurance Facility, MicroEnsure with reinsurance capacity provided by Munich Re.
By participating in the Climate Risk Adaptation and Insurance in the Caribbean project, the Government of Saint Lucia has signaled its commitment to finding solutions for its citizens to deal with extreme weather events and the accompanying disruption to their lives and livelihoods. The project provides a unique opportunity to devise concrete risk transfer tools for the entire Caribbean region.

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