JIIC Introduces New Insurance Product to Protect Individuals Against Extreme Weather Events

Effective today, Jamaicans have the option to cover losses to their livelihoods caused by heavy rainfall and high winds.

This innovative insurance product, Livelihood Protection Policy (LPP), will enable persons to recover more quickly after a perilous weather event, in addition to tailoring the product to their individual needs. So, if persons feel they are very exposed to damages from wind and rain, they may choose to buy a higher coverage.

Launched under the programme “Climate Risk Adaptation and Insurance in the Caribbean,” the product is now being offered by GraceKennedy through its insurance subsidiary, JIIC in partnership with select local credit unions and the People’s Cooperative Bank and offers parametric insurance coverage against extreme weather. The product is being offered immediately in St. Thomas and Portland and will be available island wide by year-end.

Grace Burnett, Managing Director of JIIC believes that the LPP product can make a significant contribution to the portfolio of risk management strategies employed by Jamaicans to cope with bad weather: “The core advantage for clients is the fact that they do not have to make a claim to the insurer, because the product is parametric – individual payouts are tied to a series of thresholds for wind speed and rainfall in a given weather event. If one of these thresholds is met, the client’s policy is ‘triggered’ and the client will receive an automatic payout to his or her bank account.”

According to Mrs. Burnett, “the policy does not entail any location or occupation exceptions, so anyone who feels at risk from severe weather events can purchase the coverage. If their individual policy should be triggered by an event, clients will be informed through a short text message to their mobile phones. JIIC trusts that the special design of the product will help affected people in recovering their livelihoods more quickly after a damaging weather event by removing the pressure on people’s financial capacities in these times of need. Our responsibility as an insurer is to do our best to offer reliable support to the people of Jamaica through this new product.”

The programme was developed by the Munich Climate Insurance Initiative (MCII) in partnership with the Caribbean Catastrophe Risk Insurance Facility (CCRIF), microinsurance service provider MicroEnsure and international reinsurer Munich Re.

The initiation of this programme is financially supported by the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

By participating in the Climate Risk Adaptation and Insurance in the Caribbean programme, GraceKennedy has signaled its commitment to helping to provide solutions for Jamaicans to deal with extreme weather events and the accompanying
disruption of their lives and livelihoods. The programme provides a unique opportunity to devise concrete risk transfer tools to better manage weather risks for the entire Caribbean region.

About the Partners

**MCII.** The Munich Climate Insurance Initiative (MCII) was initiated by Munich Re in April 2005 in response to the growing realisation that insurance solutions can play a role in adaptation to climate change, as suggested in the Framework Convention, the Kyoto Protocol and the Bali Action Plan. The non-profit organization is hosted by the United Nations University Institute for Environment and Human Security (UNU-EHS). This initiative is formed by insurers, climate change and adaptation experts, NGOs, and policy researchers intent on finding solutions to the risks posed by climate change for vulnerable countries and people - both on the negotiating floor and on-the-ground in developing countries.

**CCRIF.** The Caribbean Catastrophe Risk Insurance Facility (CCRIF) is the first multi-country risk pool in the world, and is also the first insurance instrument to successfully develop parametric policies backed by both traditional and capital markets. Designed as a regional catastrophe fund for Caribbean governments, it aims to limit the financial impact of devastating hurricanes and earthquakes by quickly providing financial liquidity when a policy is triggered and thereby helping to mitigate the short-term cash flow problems small developing economies suffer after major natural disasters.

**MicroEnsure.** MicroEnsure is an insurance intermediary dedicated to serving the poor throughout the developing world. They currently operate in nine countries serving millions of people with a range of affordable and appropriate insurance products (including property, typhoon, weatherIndex crop, and others). In 2005, the Micro Insurance Agency was established, which by 2008 was renamed to become MicroEnsure, as a wholly-owned subsidiary of Opportunity International, one of the world’s largest and fastest growing microfinance organisations, to provide microinsurance for loan clients throughout the developing world.

**Munich Re.** Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. Munich Re is one of the world’s leading reinsurers. Its primary insurance operations are concentrated mainly in the ERGO Insurance Group, one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal protection insurance. In the international healthcare business, Munich Re pools its insurance and reinsurance operations, as well as related services, under the Munich Health brand. Munich Re’s global investments, amounting to €193bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

**For further information, please contact:**

JIIC
Elizabeth Chung
Manager, Customer Experience & Innovation
Tele: (876) 935-0382
Email: Elizabeth.chung@gkco.com