

Introducing CWUIC - transforming disaster resilience and response for water utilities in the Caribbean region.

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Abstract

OVERVIEW

This paper/presentation will share the experience of developing and operationalizing the Caribbean Water Utility Insurance Collective (CWUIC). The CWUIC was officially established in September 2023 under the Caribbean Catastrophe Risk Insurance Facility (CCRIF) as a segregated portfolio. It is supported by the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the UK Government (FCDO) and other key stakeholders.

A first of its kind facility in the world, CWUIC SP will help water utilities in the Caribbean with access to a formalized response program and to build resilience to natural hazards through disaster risk finance and management products, training, tools, and support.

The three main components under the CWUIC SP Program are:

- The CWUIC Response Program: To provide support to utilities for swift response and recovery following a natural disaster.
- Parametric Insurance Program: To provide insurance coverage that offers quick liquidity after a hazardous event.
- The CWUIC Resilience Program: To facilitate access to funding from development banks and other financing institutions to fund priority resilience projects of the participating utility.

THE CWUIC RESPONSE PROGRAM

- Improve communications among water utilities.
- Provide guidance on advanced agreements with suppliers.
- Develop procedures to survey damage caused by the event;
- Develop procedures for the mobilization, deployment and coordination of workmen and crew;
- Develop procedures for the movement of materials, tools, and equipment;
- Provide training and development for personnel;
- Coordinate post-disaster assistance amongst utilities to support early recovery.

THE PARAMETRIC INSURANCE PROGRAM

- Provide an insurance product to utilities that offers payments based on the intensity of an event.
- It is less expensive than traditional indemnity insurance as no assessments are required post-disaster;

- Faster settlement of claims and payouts to utilities for recovery operations;
- CWUIC's objective will be to offer utilities the lowest possible premiums.

THE CWUIC RESILIENCE PROGRAM

- Increase resilience of CWUIC SP's member utilities against natural disasters;
- Support utilities in identifying and structuring priority resilience projects;
- Facilitate access to funding from development banks and other financing agencies to implement resilience projects;
- This results in reduced risk for utilities and lower insurance premiums for future policy terms.

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