



East Caribbean Financial Holding Company Limited
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EC Global Protects the Livelihood of Policyholders

Persons in the North and South of the island have been given a head-start in restoring their livelihoods following the Christmas Eve trough.

EC Global Insurance Company Limited this week began its first payout under the Livelihood Protection Policy (LPP). The first actual payment was made on Tuesday January 7th 2014 at the Dennery Community Credit Cooperative Society Ltd. The occasion was historic as it is the first ever weather-based parametric index insurance pay-out in St. Lucia. Policyholders in the south received 100% pay-out, while policyholders in the north received 40% pay-out, based on the levels of rainfall.

Another policyholder, Mr. Walter Edwin received his payout at EC Global's head office on Thursday January 9. In accepting his cheque, he said: "I had full confidence in the product and EC Global Insurance. I think it is very important to have some form of insurance as a honey producer, given the current climatic conditions we face. During the trough we experienced a high level of rainfall. I received the SMS notification of the trigger and the payment was received in the time promised. I am extremely happy that there is a payout and it is assisting. I will continue to encourage persons to purchase the policy."

A parametric index insurance 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 based on predetermined parameters in terms of wind speed and the amount of rainfall. There is no need for an actual assessment.

CEO of EC Global, Leathon Khan believes the devastating flooding experienced during the passage of the Christmas Eve trough is a grim reminder to all that climate change is real and it's happening right here, right now. According to Khan, if this is only the front-end of it, then we should anticipate that future events may have an even more devastating impact. Khan called on authorities and individuals to take decisive action to safeguard and protect livelihoods, societal and person assets.

He said: "The Livelihood Protection Policy (LPP) was conceptualized and designed specifically for those persons who are most vulnerable to the kind of adverse weather we have just experienced. A number of individuals who

recognized the importance of the LPP are now benefiting from the speedy payment of claims. They are today very happy with the decision they made to help protect their livelihoods.”

The Livelihood Protection Policy Project was implemented on behalf of the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety International Climate Initiative by the Munich Climate Insurance Initiative with consortium partners Caribbean Catastrophe Risk Insurance Facility & MicroEnsure, with reinsurance provided by Munich Re.

Coverage is available through **EC Global Insurance Company Limited** and a number of local credit unions, co-operatives and other financial institutions.

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