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UNDERSTANDING RISK  
GLOBAL FORUM 2024

TRADITION • INNOVATION • RESILIENCE

## Better Coordination and Information Exchange about Risk Data and Analytics Work

Speakers:

Dr. Nicolas Pondard



# PCRIC: Key facts

PCRIC is established as a captive insurance company in the Cook Islands, with the purpose of providing disaster risk finance and climate insurance products to Pacific Island Countries (PICs).

PCRIC provides parametric insurance policies which are not designed to cover ALL losses faced by the government following a disaster, but aims to:

- Provide PICs with a relatively rapid cash payout following a major natural disaster
- Act as a form of direct budget support to the government to finance the immediate relief needs post disaster
- Develop insurance products to support critical SOEs facing losses from the risk of disasters



# How does PCRIC use risk analytics?

1

Better pricing  
and structuring  
of risk financing  
solutions

2

Analysis and  
Reduction of  
Basis Risk

3

Better budget  
allocation

4

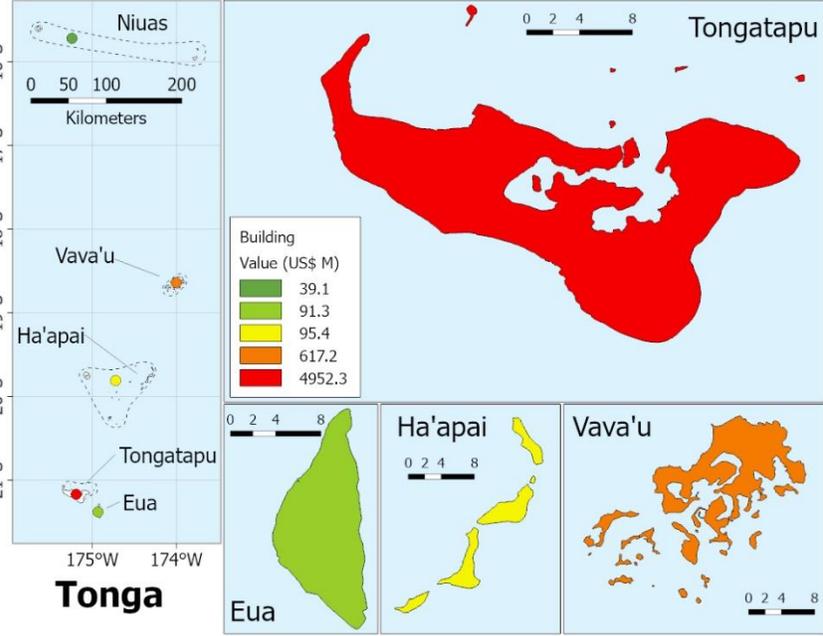
Better placement  
options for  
financial  
protection

5

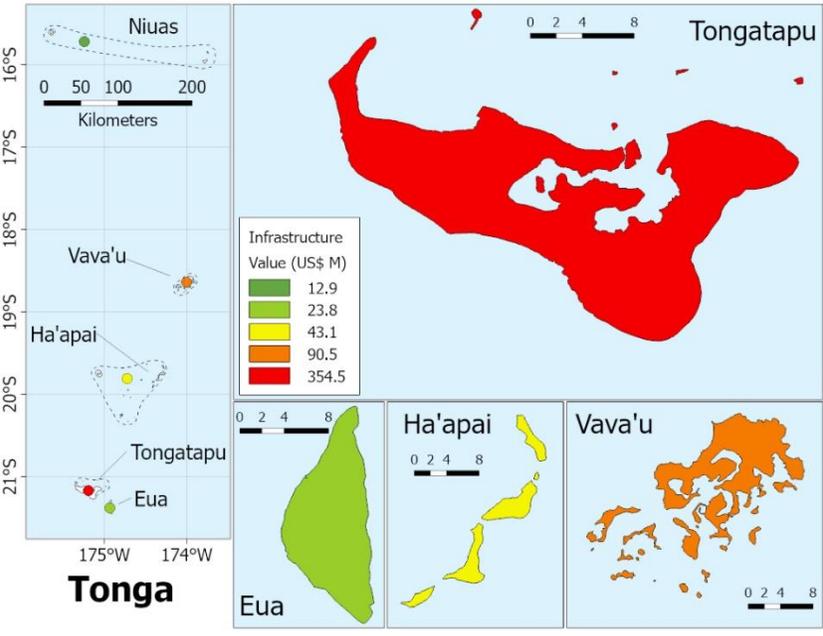
Better culture of risk  
management

- Identification of risk  
drivers
- Reduction of  
uncertainties

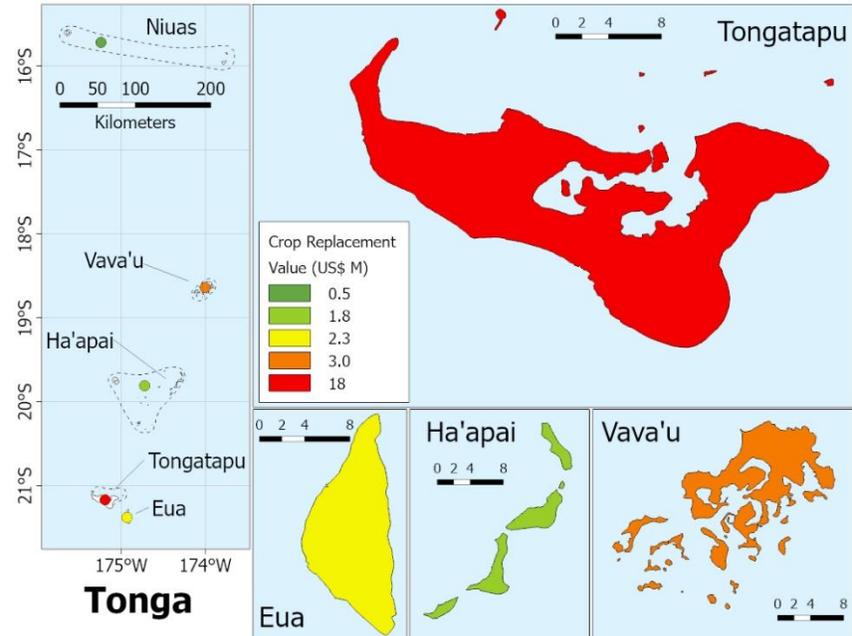
# Replacement cost for Buildings, Infrastructure and Crops aggregated by division



**Buildings**



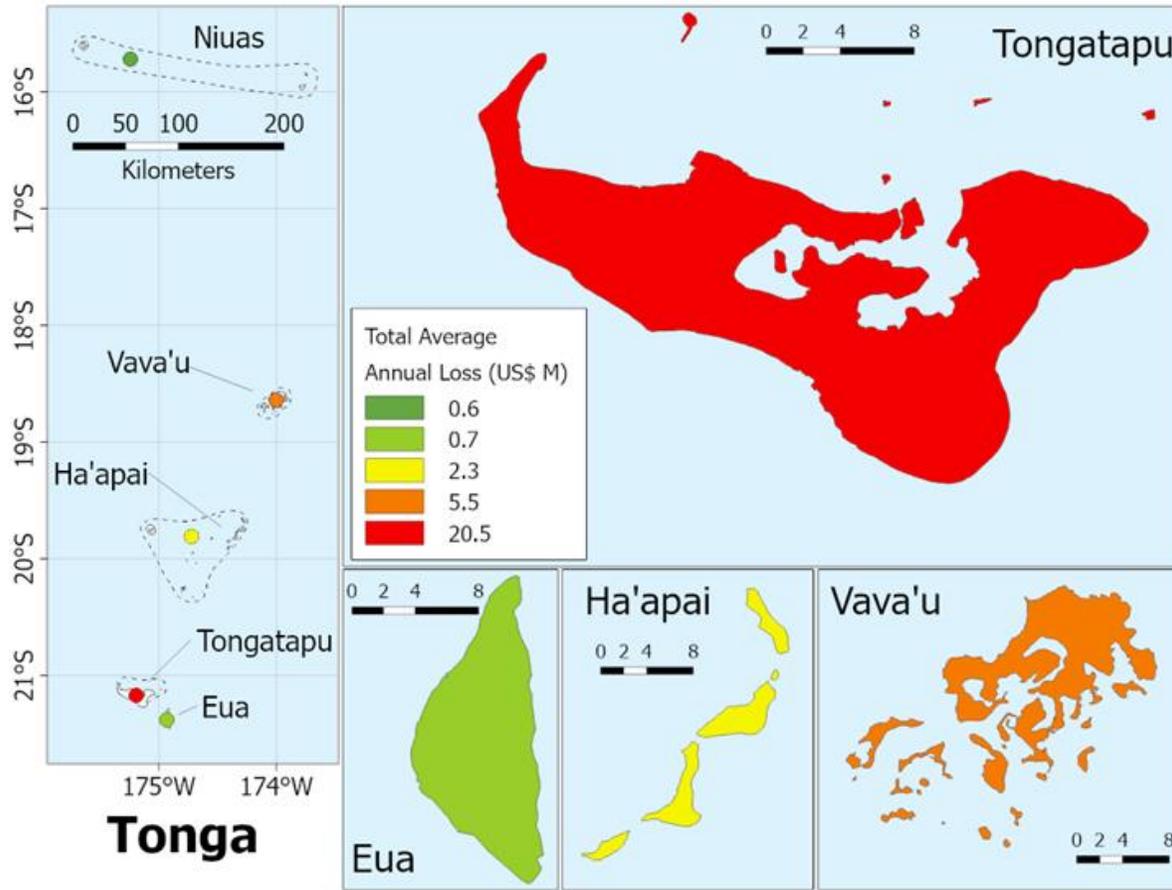
**Infrastructure**



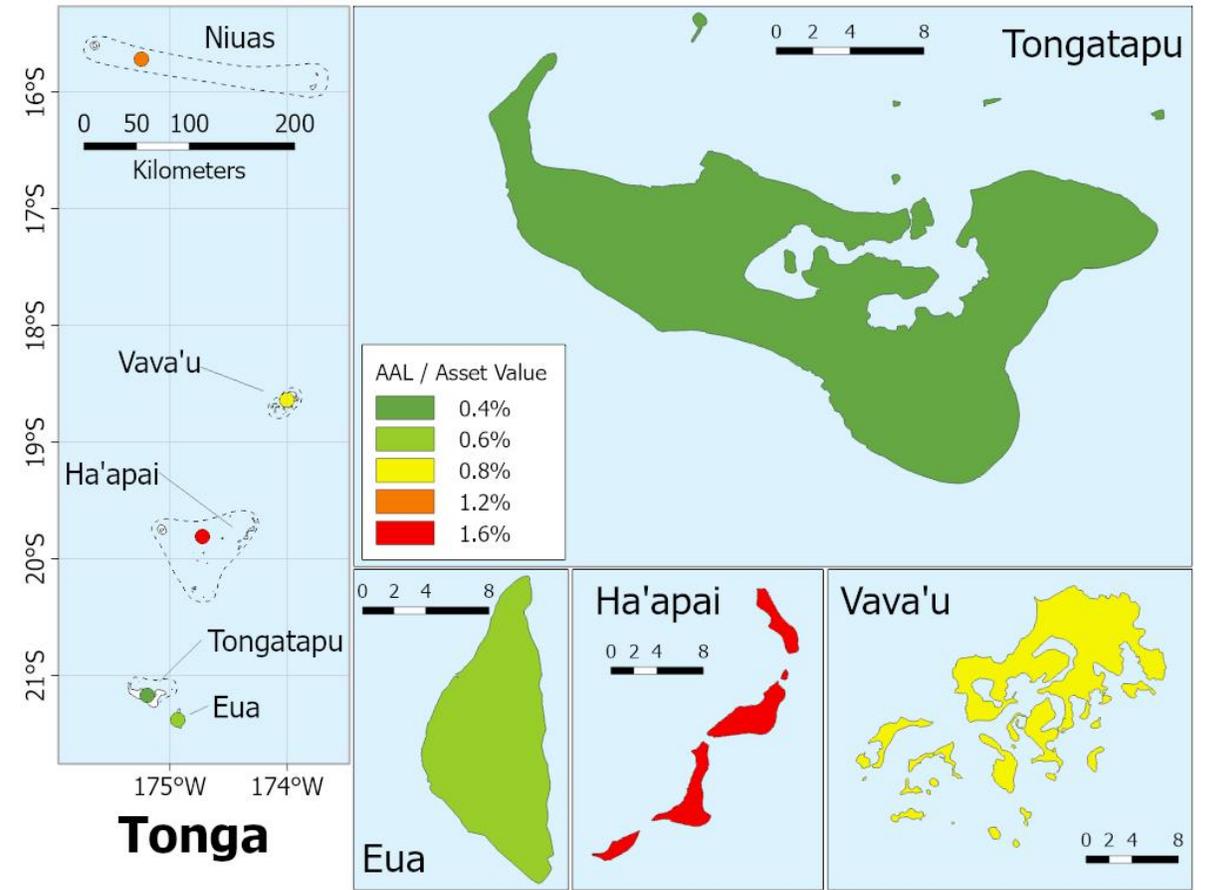
**Crops**

<https://pcric-data-viewer.sites.riskscape.nz/>

# Total Average Annual Losses for perils and assets combined (Buildings, Infrastructure and Crops)



**\$ Loss**

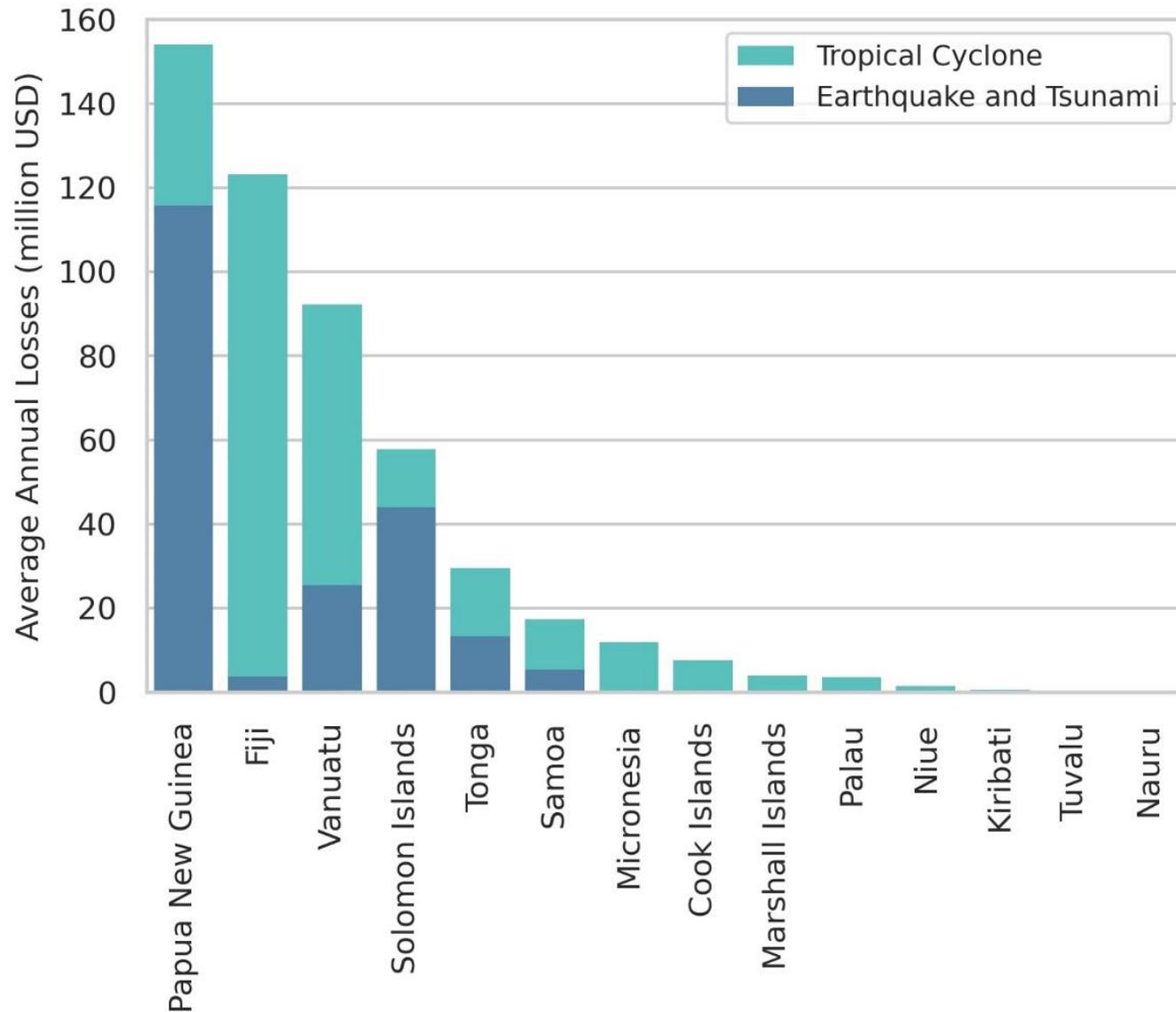


**Loss Ratio (%)**

# Variable Regional Resolution of Exposure Data

Country Code	Region 1	Region 2	Region 3	Region 4
CK	Group	<b>Island</b>	Electoral Boundary	Enumeration Area
FJ	Province	<b>Tikina</b>	Enumeration Area	-
FM	State	<b>Municipality</b>	Electoral District	-
KI	Group	<b>Island</b>	Village	Village
MH	<b>Atoll</b>	Islet	-	-
NR	<b>District</b>	-	-	-
NU	<b>Village</b>	-	-	-
PG	Province	<b>District</b>	-	-
PW	<b>State</b>	Hamlet	-	-
SB	Province	<b>Ward</b>	Enumeration Area	-
TO	Division	<b>District</b>	Village	Census Block
TV	<b>Island</b>	Village	-	-
VU	<b>Province</b>	Island	Area Council	Enumeration Area
WS	Island	Region	<b>District</b>	Village

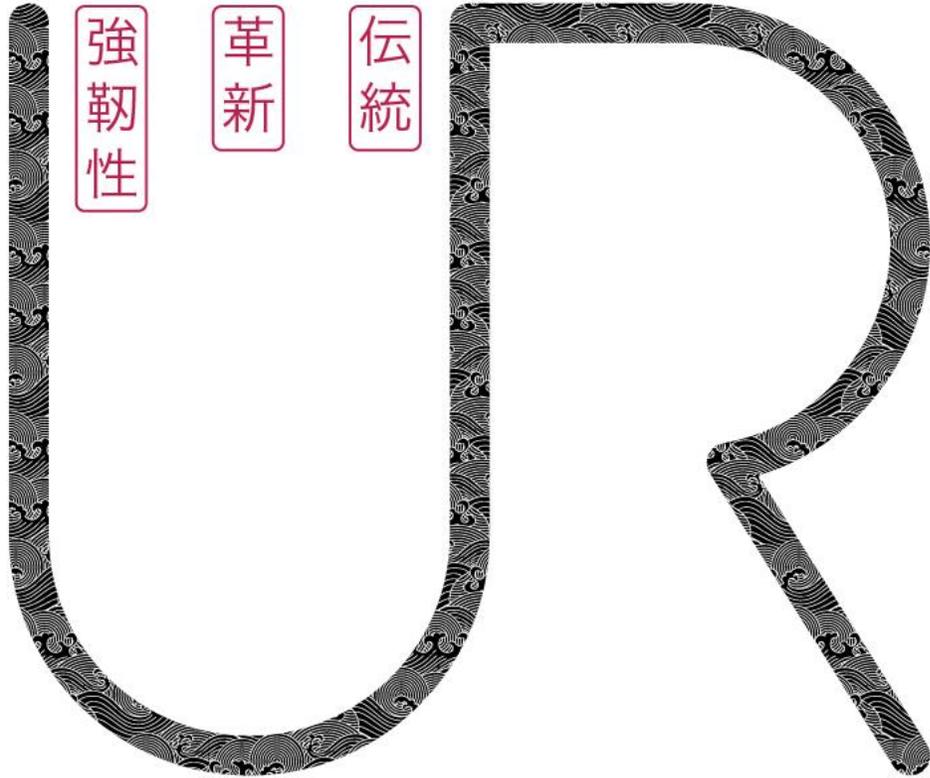
# Regional Benchmarking across all 14 Pacific Island Countries: Need to compare apples with apples!



Regional inconsistency and incompleteness of exposure data, which may impact appropriate budget allocation, investment prioritization, and loss correlation across all country policies (solvency issue)

# Conclusion: Need for a consistent regional approach to data and analytics

- Useful applications of risk analytics such as:
  - Disaster risk financing and insurance solutions and ex ante budget planning
  - Urban and development planning
  - Community-based disaster risk management and climate change adaptation
  - Baseline for post-disaster damage assessments
  
- Limitations:
  - Regional inconsistency and incompleteness of exposure data, which may impact appropriate budget allocation, investment prioritization, and loss correlation across all country policies (solvency issue)



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Thank you !

Logos: