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Belmont Risk Solutions launches new Caribbean catastrophe protection product.

Belmont Risk Solutions Limited (Belmont), the British Virgin Islands based specialty (re)insurance broker and risk consultancy firm, has announced the launch of a new product, the Caribbean Government Insurance Bond (CGIB) that will offer Caribbean governments an alternative to the World Bank's Caribbean Catastrophe Risk Insurance Facility (CCRIF).

Belmont's managing director, Simon Owen, confirmed that they had been working closely with a major investment bank to offer a highly-liquid and transparent catastrophe bond, designed to offer protection to both governments and private stakeholders in the event of a significant natural disaster. They further advised that they had received considerable interest from number of Caribbean governments, some of whom were CCRIF participants.

Commenting on this latest development he said:

"The concept of our product is very different to the CCRIF. Given the damage that member countries of the CCRIF sustained last year as a result of a major earthquake and hurricanes Dean and Felix, a number of eyebrows were raised at the low level of payments received. With that in mind, we felt that the diversity of the region alone creates a significant basis for providing an alternative to address the bespoke needs of countries in the Caribbean."

"Our product is designed to offer a similar level of liquidity, but does not contain the complex layers of parametric triggers associated with the CCRIF. It has been specifically structured to include simple, easily identifiable triggers that will allow for significant payments within three business days of the requirements being met. Whilst the level of damage inflicted by natural disasters can be devastating, the detrimental effect of a resulting economic downturn can be even greater in the long-term. The CGIB creates the ability for both public sectors and private stakeholders to access the protection, meaning the related payments will help repair the country's infrastructure and provide local businesses with valuable cash-flow to ensure the economy is not disasterously affected. It can also provide aggregate-exposed local insurers with access to liquid capacity that is not available in the traditional reinsurance market."

Owen also advised that Belmont was also in the process of finalising other non-traditional products that will offer protection to industries and companies with significant catastrophe exposures in the region.

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About Belmont

Belmont Risk Solutions Limited offers a full range of traditional and non-traditional insurance-related services and solutions, including captive reinsurance, risk consulting and product design. We are a member of the HLA Global international broking network and hold licenses in the British Virgin Islands and Anguilla. Our sister company, Belmont Insurance Management Limited, is one of the leading captive managers in the Caribbean region.

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