

Reef Risk Insurance Mechanism



Strengthening Reef Resilience to Hurricanes in the Caribbean

Caribbean countries are increasingly affected by strong hurricanes. These storms cause major damage to coral reefs, which are essential for coastal protection and local livelihoods. Reefs help reduce wave energy, limit erosion, support fisheries, and attract tourism. When reefs are damaged, coastal communities face greater flood risk and economic losses.

After hurricanes, broken corals can often be saved if action is taken quickly. However, reef response is often delayed because plans are not in place, trained teams are not ready, and funding is not available. When responses are slow, corals die, recovery takes much longer, and the loss of reef structure weakens coastal protection for years.

Protecting reefs region-wide, supporting people locally

This project helps Caribbean countries protect reefs from hurricanes through a coordinated regional approach. It brings together preparedness, local response capacity, and fast emergency financing to support rapid reef recovery.

Reef risk insurance, developed with support from WTW, is a key part of this approach which also includes training, planning, and community involvement. The focus is on making sure people, systems, and funding are in place before storms occur. The reef insurance component helps ensure that funding is available immediately after storms. Together, these elements help reefs recover faster and continue protecting coastlines and livelihoods.

The project facilitates knowledge exchange with the Mesoamerican Reef Region, where the Mesoamerican Reef Fund (MAR Fund) has successfully pioneered reef response and insurance for more than five years, allowing the CBF and its partners to draw on lessons learned from MAR Fund's experience.

What the project offers

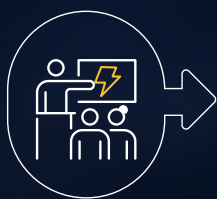
For governments and environmental authorities, the project strengthens links between reef protection, disaster response, and coastal management. It provides access to a regional insurance mechanism and rapid emergency funding, as well as technical support to improve response planning and coordination.

For local reef users such as fishers, dive operators, boat owners, and coastal residents, the project creates paid opportunities to take part in reef protection. Local residents are trained as reef responders and can earn income by helping assess damage, clear debris, and stabilize reefs after storms.

Strengthening reef response capacities

The project begins with preparation. In each participating country, reef response teams are trained and organized before hurricane season. These teams learn how to safely assess reef damage, remove debris, reattach broken corals, and carry out early recovery actions. Clear response plans and coordination mechanisms are agreed in advance so roles and responsibilities are well understood. This readiness makes it possible to act quickly after a storm, when damaged reefs are most likely to recover.

Before hurricane



Training



Organization



Planning

After storm



Coordination



Rapid Response

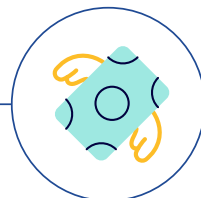
How reef insurance supports reliable reef response

Reef insurance helps ensure that funding is available immediately after a hurricane. Instead of waiting for emergency appeals or lengthy approval processes, money is released quickly, according to pre-agreed procedures.

Insurance coverage is linked to response capacities. Before hurricane season, reef response teams are trained, response plans and coordination mechanisms are established, and funding systems are put in place. The Caribbean Biodiversity Fund purchases a regional insurance policy on behalf of participating countries.

When a hurricane passes near a covered reef, an insurance payout is triggered. Funds are released quickly and transferred through established mechanisms, so local teams begin work right away. Early action allows debris to be cleared and broken corals to be stabilized while recovery is still possible, reducing long-term damage.

The insurance uses a tiered payout structure. Stronger hurricanes and hurricanes that pass closer to covered reefs trigger higher payouts, helping match funding to expected damage and response costs.





Expected impact

Faster response helps reefs recover more quickly after hurricanes. Healthier reefs continue to reduce wave energy, limit erosion, and support fisheries and tourism. This strengthens coastal protection, reduces long-term losses for countries and communities, and supports a thriving blue economy.

The project also supports people. Local fishers, dive operators, and community members can be paid to help with reef response after storms, when incomes are often disrupted. While it does not remove climate risks, it reduces avoidable damage and speeds recovery.



What can be built over time?

This project shows what is possible when reef protection, disaster response, and financing are linked. Over time, the regional insurance mechanism can expand to cover more reef sites and more countries as response capacity grows.

Long-term support can come from a mix of public funding, private sector contributions, tourism revenues, climate finance, and donor support. By connecting reef response with national systems, countries can build a stronger and more reliable way to protect reefs and coastal communities from future storms.

Institutions and partners

The project is led by the **Caribbean Biodiversity Fund (CBF)**, which coordinates the work across countries and holds the regional reef insurance policy. The project works with national conservation trust funds in **Jamaica, Saint Lucia, the Dominican Republic, and St. Vincent and the Grenadines**. These partners help manage funds at the country level and support local reef response teams.

Technical support is provided by **WTW**, an international insurance and risk-management firm, and the **MAR Fund**, which brings regional experience from similar reef insurance and recovery programmes. Funding for the project is provided by a group of international partners, including **German Cooperation through KfW**, the **InsuResilience Solutions Fund**, **ORRAA**, the **Global Environment Facility (implemented through UNEP)**, **AFD** and **FFEM**, and **Global Affairs Canada**.

