

**PRESS RELEASE**



**Fonkoze**

**Torrential Rains in Haiti Trigger Catastrophe Protection Payouts**

*Fonkoze initiates claims process for clients affected by heavy rain, flooding and mudslides*

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**Haiti – June 15, 2011** – Heavy rains pummeled Haiti and its Caribbean neighbors last week, causing mudslides, flooding, and destruction of property. 28 people lost their lives, mostly in the West Department. Homes and schools were filled with mud, and flooding washed away business inventory and personal property. Fonkoze announced today that its innovative catastrophe recovery product, *Kore W*, will be helping clients and their families recover.

In January 2011, all loan clients began purchasing this coverage at the time of their loan disbursement. Each purchase included detailed training on the types of occurrences which would trigger a payout, including losses from rain, wind and earthquakes.

The significant number of Fonkoze clients who have lost their homes or their businesses as a result of this disaster will receive a cash payout of 5,000 Haitian Gourdes (about \$125) to meet emergency needs like food, water, and temporary shelter. These clients will also receive a reimbursement of the balance of their existing loan, and a new loan when they are ready to restart their business.

“Following a disaster, families desperately need access to money to buy food, water, and shelter,” explains Fonkoze project manager Rob Fuller. “We are gratified that *Kore W* will help cover some of these costs as affected communities begin the difficult work of recovering from flooding, mudslides, and days of heavy rains.”

Invest 97L was a slow moving tropical disturbance which dumped rain on Haiti, Jamaica and Cuba for more than a week. National civil protection authorities reported at least 28 deaths, including 22 in the Port-au-Prince area from flooding and mudslides, but the heaviest rains occurred in the south-west region of the country where Fonkoze has seven branch offices.

Specially trained Fonkoze staff began visiting clients to assess their situation late last week. They have already initiated the process of evaluating whether each member is eligible for a payout, a process that will complete on a rolling-basis over the next couple of weeks.

Since a series of devastating hurricanes struck Haiti in the fall of 2008, Fonkoze has worked hard to develop natural disaster coverage at a price which is affordable to even the poorest microfinance clients. Following the earthquake in 2010, Fonkoze pilot tested this response before developing the procedures for a formal catastrophe recovery product. Fonkoze, in turn, manages its own risk as the founding client of the Microinsurance Catastrophe Risk Organisation (MiCRO), an innovative risk transfer vehicle launched in March 2011.

MiCRO's founding partners include Swiss Re, a leading and highly diversified global reinsurer committed to working with governments and related entities to further strategic, long-term country risk management; Caribbean Risk Managers Limited (CaribRM), the risk analytics arm of CGM Gallagher Group, the Caribbean's largest risk intermediary; GC Micro Risk SolutionsSM (GC Micro), a division of the world's leading risk and reinsurance specialist Guy Carpenter & Company, LLC; Mercy Corps , a global relief and development agency; and Fonkoze, Haiti's leading microfinance institution. The UK Department for International Development (DFID) and the Swiss Agency for Development and Cooperation (SDC) are core donors.

### **About Fonkoze**

Fonkoze is Haiti's largest microfinance institution (MFI), with 44 branches serving almost 55,000 borrowers and 250,000 savers in every region of Haiti. Fonkoze is one of the best known MFIs worldwide for its innovative approaches to reaching the poorest and helping them take the first steps out of poverty. Fonkoze's website address is [www.fonkoze.org](http://www.fonkoze.org).

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