



PRESS RELEASE

MICROINSURANCE CATASTROPHE RISK ORGANISATION (MiCRO) CREATED TO HELP PROTECT HAITI'S MICRO ENTREPRENEURS

International Consortium Unveils Scalable, Innovative Model for Micro-insurance to Combat the Financial Impact of Natural Disasters

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Haiti, March 30, 2011 - The formation of Microinsurance Catastrophe Risk Organisation (MiCRO), an innovative donor-capitalized insurance facility developed by a syndicate of strategic stakeholders, will empower Haiti's micro-entrepreneurs to protect themselves against the economic aftermath of severe natural catastrophes. The facility's scalable model for microinsurance is the first of its kind in Haiti and is aimed at the country's 'informal sector' – the organized poor who have taken steps to increase their economic standing and stability through the creation of small businesses.

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.

Policies issued by MiCRO will provide microfinance clients with financial protection against destruction caused by specific natural catastrophes using an innovative settlement process. Through the use of parametric triggers, MiCRO's policy process increases transparency to buyers and enhances rapid claim settlement after a disaster strikes.

This viable, long term insurance platform will enable Haiti's informal sector to recover more quickly after natural catastrophes, with potential expansion to protect Haitians from other kinds of risks in the future. The distribution and structuring of MiCRO's tools offer Haiti's informal sector the opportunity to create a foundation for long-term economic stability and development.

As world leaders in the development of catastrophic risk solutions, Swiss Re, CaribRM and Guy Carpenter view the development of this product as an opportunity to demonstrate the viability of a scalable model for microinsurance that has potential to be applicable throughout the developing world.

"Microinsurance is vital in countries where there is high exposure to catastrophes and limited economic means to recover quickly after an event has occurred" explains Nikhil Da Victoria Lobo, Vice President, Swiss Re. "Our ultimate goal is to build bottom-up and top-down solutions to help nations foster long-term economic development and stability."

"The development of innovative parametric insurance tools has provided opportunities to help protect the world's most vulnerable from the vagaries of the current and future climate, as well as geophysical risks such as earthquakes," says Simon Young, CEO of CaribRM. "The MiCRO project in Haiti helps the social and economic development of individuals and the nation and launches a program that has global application."

"When private risk financing mechanisms fail or are insufficient, the public sector and low-income individuals are often left to foot the bill. Recent occurrences in Haiti underscore the importance of developing proactive and innovative public-private risk financing solutions like MiCRO to address catastrophic exposures." said Alex Bernhardt, Head of GC Micro.

MiCRO is seeking to work with microfinance institutions in Haiti to provide their clients with access to this catastrophe insurance product. The country's largest microfinance institution, Fonkoze, has already started making catastrophe coverage available to its 50,000 clients. Fonkoze is one of the best-known MFIs worldwide for its innovative approaches to reaching the most economically disadvantaged and helping them take the first steps out of poverty.

"There are far too many Haitians who work hard to save and build their assets, only to find them destroyed overnight by a hurricane, flood or earthquake," says Anne Hastings, CEO of Fonkoze Financial Services. "Microinsurance to manage these inevitable events is a prerequisite for escaping poverty and building a sustainable future."

"With catastrophe insurance for microfinance entrepreneurs, we are offering Haitians a financial service that they previously didn't previously have access to," says Phil Oldham, Mercy Corps Regional Program Director. "It's an important step in bringing unbanked Haitians further into the formal sector and builds on Mercy Corps' work to introduce new financial services through mobile banking and small and medium business development, to better protect the economic stability of Haiti's poor."

MiCRO's incorporation was completed on March 17, 2011, with Mercy Corps and Fonkoze as the founding investors. The UK Department for International Development (DFID) supported the development of MiCRO and is a core donor. Discussions are well advanced with a number of additional donors and investors including the Swiss Agency for Development and Cooperation (SDC), the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) and the International Finance Corporation of the World Bank.

The public unveiling of the project occurs in Port-au-Prince, Haiti on March 30, 2011. The event is sponsored by the IDB-MIF and Haiti Integrated Finance for Value Chains and Enterprises (HIFIVE), a USAID project.

About Swiss Re

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 20 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "A+" by Standard & Poor's, "A1" by Moody's and "A" by A.M. Best.

About CaribRM

CaribRM, a member of the CGM Gallagher Group, provides bespoke risk management solutions to public- and private-sector clients throughout the Caribbean Basin and beyond. It specializes in developing index-based solutions for natural catastrophe risk, working with both clients and re/insurance markets to find cost-efficient solutions to deliver protection from the negative impacts of natural disasters. CaribRM's website is www.caribrm.com.

About Fonkoze

Fonkoze is Haiti's largest microfinance institution (MFI), with 44 branches serving over 50,000 borrowers and more than 230,000 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.

About Guy Carpenter

Guy Carpenter & Company, LLC is the world's leading risk and reinsurance specialist and a part of the Marsh & McLennan Companies. With over 50 offices worldwide, Guy Carpenter creates and executes innovative reinsurance and alternative risk management solutions for clients across the globe. The firm's full breadth of services includes line of business expertise in, among other things: Agriculture; Life, Accident and Health; Political Risk and Trade Credit; Property; Catastrophe and Micro insurance. In addition, GC Analytics utilizes industry-leading quantitative skills and modeling tools that optimize the reinsurance decision-making process and help make the firm's clients more successful. Guy Carpenter's website address is www.guycarp.com and its intellectual capital website is www.gccapitalideas.com.

About Mercy Corps

Mercy Corps helps people turn the crises they confront into the opportunities they deserve. Driven by local needs, our programs provide communities in the world's toughest places with the tools and support they need to transform their own lives. Our worldwide team in 36 countries is improving the lives of 19 million people. For more information, see mercycorps.org.

About the Department for International Development

The Department for International Development (DFID) is the part of the UK government that manages Britain's aid to poor countries and works to get rid of extreme poverty. We are working to reach the Millennium Development Goals (MDGs), the international targets agreed by the United Nations (UN) to halve world poverty by 2015. We work with governments of developing countries as well as charities, businesses and international bodies, including the World Bank, UN agencies and the European Commission. In 2008/09 we provided UK £5.5 billion of aid to poorer countries. By 2013, the equivalent of 0.7% of the UK's gross national income will be dedicated to development assistance .

After the January 2010 Haiti earthquake , the UK government gave £20 million in emergency support which included a 64 person emergency search and rescue team and funding to directly help more than 380,000 people get access to food, clean water and medical care. Support to MiCRO and Fonkoze comes from DFID's additional £2m committment to reduce Haiti's vulnerability to future natural disasters. If you would like to know more visit the DFID web-site: www.dfid.gov.uk.

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