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Chaucer and Yokahu launch affordable microinsurance product to tackle underinsurance in the Caribbean

- **Product offers pay-outs within hours following major hurricanes**
- **Aims to reduce insurance gap for those who live in the Caribbean**

Chaucer, the leading global specialty (re)insurance group, along with parametric insurtech start-up, Yokahu, are launching a new microinsurance product, which will provide cover following hurricane events in the Caribbean.

This new parametric product will tackle the problem of underinsurance in the region, where the insurance gap is estimated to be \$50bn. Up to 60% of property in the Caribbean is not built to a standard that is considered traditionally insurable. This is compounded by high premiums making insurance unaffordable to many of those living in the region.

Parametric insurance products offer pre-specified pay-outs when a trigger event occurs. They are commonly used in developing economies, where underinsurance due to affordability and infrastructure challenges can cause significant problems. As loss adjustment is not required, pay-outs are usually faster than with traditional insurance products.

In the event of a hurricane, Yokahu monitors wind speed at customers location and the atmospheric pressure at the centre of a hurricane, this speeds up the rate at which payment can be issued. If these reach pre-agreed limits, payment will be issued to the policyholder within a maximum of 10 days following the hurricane, although often within 24 hours. Central pressure is a more accurate and reliable measurement than maximum wind speed and more closely correlates with the economic impact of an event.

Chaucer explains that the product has been developed with accessibility in mind. Policies can be purchased online at <https://yokahu.co/> and the website features a questionnaire that makes it easier for the insured to identify whether the policy is right for them and how much it will pay out should a trigger event occur.

Ed Lines, Active Underwriter of Syndicate 1084 at Chaucer says: “The Caribbean is one of the most underinsured regions in the world and climate change is only making the problem worse. The reality is that traditional insurance products are simply not an option for many in the region.”

“This product will help to close the insurance gap, giving people greater peace of mind.”

Tim McCosh, CEO and founder of Yokahu says: “We’re delighted to be working with Chaucer to help protect at-risk island communities and help address the protection gap.”

The average cost of hurricane insurance is inaccessible to most people, with traditional hurricane insurance products requiring people to pay premiums against the value of their homes.

Our parametric approach means that a claims payout is determined by the severity of the event at hand – and therefore can be triggered automatically. We have arranged these funds to be transferred to the claimant’s mobile phone, so they have easy access to funds when it matters most.

I’d like to thank the team at Chaucer for their support in bringing this offering to market and I am looking forward to continuing to work with them towards improving the resilience of some of the areas of the world most affected by Climate Change.”

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About Chaucer

Chaucer are a leading specialty (re)insurance group working with brokers, coverholders and clients to protect and support business activities around the world. Our services are accessed both through Lloyd’s of London and the company markets.

We are defined by an enterprising, bespoke approach to (re)insurance, enabled by the individual character, experience and imagination of our expert teams.

Chaucer is a member of the China Re Group and backed by their financial and operational resources. China Re is one of the world’s largest reinsurance companies whose outstanding and comprehensive strength is rated A (excellent) by AM Best and A (strong) by S&P Global Rating.

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