MINISTRY OF FINANCE AND THE PUBLIC SERVICE

WHAT'S IN IT FOR ME?

THE CAT BOND: JAMAICA'S HURRICANE INSURANCE PLAN

As Jamaica navigates another Atlantic hurricane season, the Government of Jamaica (GOJ) has secured **US$200 million in insurance coverage against hurricanes through a World Bank issued catastrophe (cat) bond.** The bond strengthens Jamaica's financial resilience and contributes to the country's ability to respond in the event of a major tropical cyclone affecting the island.

This means an insurance payout to Jamaica will be triggered if a named storm or hurricane meets specific criteria for location and severity as outlined in the bond terms. This financial protection supports the process of relief, recovery and rebuilding, thereby reducing the fiscal burden on the Government.

In 2025, the cat bond provided a US$150 million in payout to Jamaica following the devastating impact of Hurricane Melissa. This pioneering collaboration between the GOJ, the World Bank and professional services firm, Aon, received the **Fast Company's 2026 World Changing Ideas Awards.** This international award honours businesses and organisations that develop creative solutions to pressing issues of our time.

WHAT YOU SHOULD REMEMBER

- The renewed cat bond provides Jamaica with US$200 million in insurance coverage in relation to the impact of tropical cyclones.
- The cat bond is designed to bolster Jamaica's financial resilience and support a timely response following a tropical cyclone that triggers a payout.
- The cat bond, if triggered, helps to reduce the fiscal burden on the Government and the nation's budget.
- Jamaica's cat bond agreement received the Fast Company's 2026 World Changing Ideas Award.

WHAT'S IN IT FOR ME?

In the event of a devastating natural disaster, the catastrophe bond will help the Government to quickly deploy emergency relief, support affected communities and contribute to restoration of essential services for the benefit of all Jamaicans.

Visit mof.gov.jm