Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund Grant Agreement

(Central America and Caribbean Catastrophe Risk Insurance Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund)

and

CCRIF SPC
AGREEMENT dated as of the Signature Date (as defined in the Appendix to the Grant Agreement), entered into between INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/ INTERNATIONAL DEVELOPMENT
ASSOCIATION ("World Bank"), acting as administrator of the Central America and
Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund; and CCRIF SPC
("Recipient").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to nineteen million five hundred thousand United States Dollars ($19,500,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) The World Bank has determined, after the Effective Date referred to in Section 5.03 of this Agreement, that prior to such date but after the Signature Date, an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

(b) The Cayman Islands’ Laws and Regulations have been amended, suspended, terminated, supplemented, replaced, abrogated, repealed or waived, so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under the Project.

(c) The CCRIF Trust Deed, the CA Trust Deed, the CIMA License and/or the CIMA Approvals have been amended, suspended, terminated, supplemented, replaced, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under the Project.
The CA Trust Trustee has failed to comply with any of its obligations under the Subscription Agreement and/or the Operating Agreement, so as to affect materially and adversely, in the opinion of the World Bank, the ability of the Recipient to perform any of its obligations under the Project.

**Article V**  
**Effectiveness; Termination**

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary corporate actions.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank showing that this Agreement has been duly authorized or ratified by all necessary corporate action, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective on the date of said event, the World Bank may postpone the dispatch of the notice referred to in this Section until the adverse condition(s) arising from such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the Signature Date, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Recipient’s Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Corporate Secretary.
6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Sagicor Insurance Managers Limited, acting as Corporate Secretary of CCRIF SPC
Harbour Place
103 South Church Street
P.O. Box 1087
Grand Cayman KY1-1102
Cayman Islands

Telephone: 1-345-949-8211
Facsimile: 1-345-949-6297

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 1-202-477-6391
Facsimile: Washington, D.C. 64145 (MCI)
AGREED on behalf of the Bank at Washington, DC, United States of America, on July 10, 2015 and on behalf of the Recipient at Castries, St. Lucia, on July 16, 2015.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/ INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as administrator of the Central America and Caribbean Catastrophe Risk Insurance Program Multi-Donor Trust Fund

By

Authorized Representative

Name: Jorge Familiar
Title: Regional Vice President, LCRVP

CCRIF SPC

By

Authorized Representative

Name: Isaac Anthony
Title: Chief Executive Officer
SCHEDULE 1

Project Description

The objective of the Project is to improve affordability of high quality sovereign catastrophe risk transfer associated with earthquakes, and climate-related events for CCRIF Participating Countries.

The Project consists of the following parts:

Part 1: Finance Parametric Earthquake Risk Insurance for COSEFIN Participating Countries

(a) Payment of Reinsurance Premia and/or Swap Premia to cover part of the earthquake risk of COSEFIN Participating Countries insured by the Recipient.

(b) Payment of Insurance Payouts to COSEFIN Participating Countries in the event an earthquake occurs, and such occurrence constitutes an Insured Event.

Part 2: Finance Parametric Climate Risk Insurance for COSEFIN Participating Countries

(a) Payment of Reinsurance Premia and/or Swap Premia to cover part of the risk related to climate-related events of COSEFIN Participating Countries insured by the Recipient.

(b) Payment of Insurance Payouts to COSEFIN Participating Countries in the event a tropical cyclone or excess rainfall or other climate-related events occur, and the occurrence of such climate event constitutes an Insured Event.

(c) Providing technical assistance, including Training, for the development of an excess rainfall insurance product to be provided to COSEFIN Participating Countries.

Part 3: Finance Parametric Climate Risk Insurance for CARICOM Participating Countries

(a) Payment of Reinsurance Premia and/or Swap Premia to cover part of the risk related to climate-related events of CARICOM Participating Countries insured by the Recipient.
(b) Payment of Insurance Payouts to CARICOM Participating Countries in the event excess rainfall or other climate-related events occur, and such occurrence constitutes an Insured Event.

(c) Providing technical assistance, including Training, for the development of an excess rainfall insurance product to be provided to CARICOM Participating Countries.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall:

   (a) not change its corporate structure or ownership, as it relates to the implementation of the Project, in the opinion of the World Bank, without prior written consent of the World Bank, including amending or restating its memorandum and articles of association, if such change, amendment or restatement has or is reasonably likely to have a material adverse effect on the ability of the Recipient to carry out the Project, in the opinion of the World Bank;

   (b) promptly notify the World Bank in the event that the legal instruments establishing the Recipient, granting the CIMA License and/or any of the CIMA Approvals issued to the Recipient have been amended, suspended, terminated, supplemented, replace, abrogated, repealed or waived; and

   (c) By June 30, 2017, or such other date as the World Bank shall agree upon, the Recipient shall start carrying out jointly with COSEFIN and the World Bank: (i) a review of the implementation of activities under the Project; and (ii) a review of the Recipient's governance structure. Following such review, which shall be completed by December 31, 2017, the Recipient shall act promptly and diligently to take any action agreed as part of the review referred to in (i) above between the Recipient and COSEFIN, discussed with and verified by the World Bank.

B. Subscription Agreement and Operating Agreement

1. For purposes of carrying out Parts 1 and 2 of the Project, the Recipient shall maintain throughout Project implementation an agreement with the CA Trust Trustee (the Subscription Agreement) whereby the CA SP shares will be issued to the CA Trust Trustee, under terms and conditions acceptable to the World Bank.

2. For purposes of carrying out Parts 1 and 2 of the Project, the Recipient shall maintain throughout Project implementation, an agreement with the CA Trust Trustee (the Operating Agreement) under terms and conditions acceptable to the World Bank, including inter alia, the financial and operational management obligations of the Recipient and the CA Trust Trustee within the CA SP.
3. The Recipient shall exercise its rights and carry out its obligations under the Subscription Agreement and the Operating Agreement in such a manner as to protect the interests of the Recipient, the World Bank, and the CCRIF Participating Countries and to accomplish the purposes of the Grant. Except as the World Bank may otherwise agree, the Recipient shall not amend, terminate, waive or fail to enforce any provision of the Subscription Agreement or the Operating Agreement. In case of any conflict between the terms of either the Subscription Agreement or the Operating Agreement, and those of this Agreement, the terms of this Agreement shall prevail.

C. Risk Transfer Contract

1. The Recipient shall, prior to the carrying out of activities under Parts 1(a), 2(a) and 3(a) of the Project with respect to a particular RTP:

   (a) select said RTP in accordance with Section III of this Schedule; and

   (b) enter into an agreement (a Risk Transfer Contract) with said RTP under terms and conditions acceptable to the World Bank, including inter alia: the obligation of each of the parties to: (i) declare that they, their officers, or their employees have not engaged in any Prohibited Practice; (ii) refrain from engaging in any Prohibited Practice; (iii) report to the other party any allegations of any Prohibited Practice; (iv) cooperate with the other party in any investigation into allegations of any Prohibited Practice including allowing the other party to inspect its books and records; (v) take all reasonable measures to prevent any Prohibited Practice by its officers or employees, all in connection with each Risk Transfer Contract; and (vi) by notice to the other party, terminate the Risk Transfer Contract if the other party fails to comply with its obligations under said Risk Transfer Contract.

2. The Recipient shall exercise its rights and carry out its obligations under the Risk Transfer Contracts in such a manner as to protect the interests of the Recipient, the World Bank, and the CCRIF Participating Countries so as to accomplish the purposes of the Grant. Except as the World Bank may otherwise agree, the Recipient shall not amend, terminate, waive or fail to enforce any provision of the Risk Transfer Contract. In case of any conflict between the terms of the Risk Transfer Contract and those of this Agreement, the terms of this Agreement shall prevail.

D. Operations Manual

1. The Recipient shall adopt and carry out the Project in accordance with the provisions of a manual (the Operations Manual), which shall include, inter alia: (a) a detailed description of Project activities and institutional arrangements for the
Project; (b) the Project administrative, accounting, auditing, reporting, financial
(including cash flow aspects in relation thereto), procurement and disbursement
procedures; (c) the forms of Parametric Insurance Contracts including the policies
and procedures that govern the Insurance Payouts; and (d) the terms and conditions
to be included in the Risk Transfer Contracts.

2. Except as the Recipient and the World Bank may otherwise agree in writing, the
Recipient shall not abrogate, amend, suspend, waive or otherwise fail to enforce
the Operations Manual or any provision thereof.

3. In case of any conflict between the terms of the Operations Manual, and this
Agreement, the provisions of this Agreement shall prevail.

E. Anti-Corruption

1. The Recipient shall ensure that the Project is carried out in accordance with the
provisions of the Anti-Corruption Guidelines.

2. By exercising its rights under the Risk Transfer Contracts, the Recipient shall:
(a) inform the World Bank of any allegation of a Prohibited Practice reported by
any RTP; (b) enable the World Bank to inspect books and records of any RTP
related to the Project, all upon the World Bank’s request to the Recipient; (c) at the
World Bank’s request, have said books audited by or on behalf of the World Bank,
under terms of reference agreed with the World Bank; (d) suspend or terminate
any RTP’s right to process World Bank financed proceeds derived from the Grant
if the World Bank has declared said RTP ineligible under paragraph 11 of the Anti-
Corruption Guidelines; and (e) terminate any Risk Transfer Contract and obtain
restitution from the relevant RTP of any amount of the Grant with respect to which
fraud and corruption have occurred.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare
Project Reports in accordance with the provisions of Section 2.06 of the Standard
Conditions and on the basis of indicators acceptable to the World Bank. Each
Project Report shall cover the period of one semester of the Recipient’s fiscal year,
and shall be furnished to the World Bank not later than sixty (60) days after the
end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the
provisions of Section 2.06 of the Standard Conditions. The Completion Report
shall be furnished to the World Bank not later than six months after the Closing
Date.
B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than sixty (60) days after the end of each calendar quarter of the Recipient, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than one hundred eighty (180) days after the end of such period.

Section III. Procurement

A. General

1. The Recipient shall ensure that all non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant are procured in compliance with the standard of economy and efficiency set forth in the World Bank's Articles of Agreement.

2. Procurement and Consultant Guidelines. Without limitation to paragraph 1 above, all non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Section I of the Procurement Guidelines, excluding paragraph 1.16(e), in the case of non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services;

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan"); and

   (c) the provisions of the Operations Manual.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Non-consulting Services**

1. The following methods may be used for procurement of non-consulting services for those contracts specified in the Procurement Plan: namely, standard industry practices which have been found acceptable to the World Bank and further detailed in the Operations Manual.

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Reinsurance Premia, Swap Premia and Insurance Payouts under Parts 1, 2(a) and 2(b) of the Project</td>
<td>18,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultant’s Services and Training under Parts 2(c) of the Project</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>19,500,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed $3,900,000 equivalent may be made for payments made prior to the Signature Date but on or after January 1, 2015, for Eligible Expenditures under the Project.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2019.

C. Other Undertakings

1. For purposes of carrying out Parts 1(b), 2(b) and 3(b) of the Project, and before the Recipient provides an Insurance Payout to a CCRIF Participating Country, hereby deemed an Eligible Expenditure: (a) the Recipient shall enter into a Parametric Insurance Contract with said CCRIF Participating Country, under terms and conditions acceptable to the World Bank and set forth in the Operations Manual; and (b) an Insured Event must occur.
APPENDIX

Section I. Definitions


2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. “CA SP” means the Central American Segregated Portfolio.

4. “CA STAR Trust” means a special Trust created by the CA Trust Deed, under the Special Trusts - Alternative Regime section of the British Overseas Territory of the Cayman Islands’ Trusts Law (2011 Revision) dated November 21, 2011, as amended to the Signature Date.

5. “CA Trust Deed” means the CA STAR Trust Deed dated April 16, 2015, which documents the creation of the CA STAR Trust to hold the shares of the Central American Segregated Portfolio.

6. “CA Trust Trustee” means Mourant Ozannes Corporate Services (Cayman) Limited, or any other entity, acceptable to the Bank, acting as Trustee for the CA STAR Trust.

7. “CARICOM” means the Caribbean Community established by the Treaty of Chaguaramas, which came into effect on August 1, 1973, as further amended to the Signature Date.

8. “CARICOM Participating Country” means any of the CARICOM member or associate member countries with an active Participation Agreement signed with CCRIF SPC. Collectively these are referred to as “CARICOM Participating Countries”.


10. “CCRIF Participating Country” means any of the CARICOM Participating Countries or the COSEFIN Participating Countries, all collectively referred to as CCRIF Participating Countries.
11. "CCRIF SPC" means the exempted segregated portfolio company limited by shares established pursuant to the Memorandum and Articles of Association amended and restated by special resolution dated May 27, 2014 and registered in the Cayman Islands, formerly known as the Caribbean Catastrophe Risk Insurance Facility.

12. "CCRIF STAR Trust" a special Trust declared by the CCRIF Trust Deed, under the Special Trusts - Alternative Regime section of the British Overseas Territory of the Cayman Islands' Trusts Law (2011 Revision) dated November 21, 2011, as amended to the Signature Date.

13. "CCRIF Trust Deed" means the CCRIF STAR Trust Deed dated May 16, 2007, which documents the creation of the CCRIF STAR Trust to hold the shares of the Recipient.

14. "CIMA" means the Cayman Islands Monetary Authority.

15. "CIMA Approval" means the approval granted by CIMA to the business plan of each Segregated Portfolio, collectively referred to as “CIMA Approvals”.

16. "CIMA License" means the license granted by CIMA to authorize the Recipient, to issue insurance policies.


18. "COSEFIN" means Consejo de Ministros de Hacienda o Finanzas de Centroamérica, Panamá y República Dominicana, the Central America, Panama and the Dominican Republic Council of Ministers of Finance.

19. "COSEFIN Participating Country" means any of the member countries of COSEFIN with an active Participation Agreement signed with the Recipient. Collectively these are referred to as “COSEFIN Participating Countries.

20. “Insurance Payouts” means any payment made by CCRIF to a CCRIF Participating Country, pursuant to the Parametric Insurance Contract and calculated on the basis of modelled disaster losses of the CCRIF Participating Country, provided however that any insurance payouts whose payments are covered by any reinsurance purchased by the Recipient would be excluded. The model takes into account the geographic distribution of tangible and intangible assets within the CCRIF Participating Country and the type of assets. It then calculates the economic damage that the observed hazard is expected to have generated on the CCRIF Participating Country portfolio of assets. Each Insurance
Payout is hereby deemed an Eligible Expenditure, and collectively referred to as "Insurance Payouts".


22. "Operating Agreement" means the agreement set forth in Section I.B.2 of Schedule 2 to this Agreement.

23. "Operations Manual" means the manual developed for the implementation of Part 1 and Part 2 of the Project and the manual developed for the implementation of Part 3 of the Project, both dated June 15, 2015, satisfactory to the World Bank, referred to collectively in Section I.D.1 of Schedule 2 to this Agreement, as such manuals may be amended from time to time with the World Bank's prior approval.

24. "Parametric Insurance Contract" means the agreement entered into between the Recipient and the CCRIF Participating Country, for parametric insurance coverage of Insured Events.

25. "Participation Agreement" means the agreement entered into between either a CARICOM or COSEFIN member country, and the Recipient, for purposes of said CARICOM or COSEFIN member country access to the risk transfer services provided by the Recipient.


27. "Prohibited Practice" means any corrupt practice, fraudulent practice, collusive practice, coercive practice or obstructive practice, all as defined in the Operations Manual consistent with the Anti-Corruption Guidelines.

28. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 15, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

29. "Reinsurance Premium" means any payment made by the Recipient to any reinsurer or such other entity, to finance the cost of Risk Transfer Contracts, in particular reinsurance contracts or such other risk coverage, which Reinsurance Premium is hereby deemed an Eligible Expenditure as a non-consulting service for purposes of Section 3.06 of the Standard Conditions and collectively referred to as "Reinsurance Premia".
30. "Risk Transfer Contract" means the agreement set forth in Section I.C.1 of Schedule 2 to this agreement, collectively referred to as "Risk Transfer Contracts".

31. "RTP" means any risk transfer provider, including any reinsurer or other entity that provides risk transfer services.

32. "Segregated Portfolio" or "SP" means a stand-alone insurance entity within a Segregated Portfolio Company, which cannot call on capital from the Segregated Portfolio Company or another of the Segregated Portfolio Company's Segregated Portfolios.

33. "Segregated Portfolio Company" means a company containing separate Segregated Portfolios, pursuant to the British Overseas Territory of the Cayman Islands' laws.

34. "Signature Date" means the latest of the two dates on which the Bank and the Recipient signed the Grant Agreement, and such definition applies to all references to the "date of the Grant Agreement" in the Standard Conditions.


36. "Subscription Agreement" means the agreement dated April 16, 2015, as set forth in Section I.B.1 of Schedule 2 to this Agreement.

37. "Swap Premium" means the expenditures incurred by the Recipient to finance the cost of Risk Transfer Contracts for risk coverage, which Swap Premium is hereby deemed an Eligible Expenditure as a non-consulting service for purposes of Section 3.06 of the Standard Conditions, and collectively referred to as "Swap Premia".

38. "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants' services).

39. "World Bank's Articles of Agreement" means IBRD/IDA Articles of Agreement.
Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The provisions of Section 2.07 (a) of the Standard Conditions are hereby modified to read as follows: “a financial management system is maintained and financial statements (“Financial Statements”) are prepared in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Recipient, including the operations, resources and expenditures related to the Project;”.

2. The provisions of Section 3.06 (a) of the Standard Conditions are hereby modified to read as follows: “the payment is for the reasonable cost of Insurance Payouts, as defined in the Grant Agreement, or services required for the Project, to be financed out of the proceeds of the Grant and procured, all in accordance with the provisions of the Grant Agreement;”.

3. The provisions of Section 4.02 (d) of the Standard Conditions are hereby modified to read as follows: “IBRD or IDA has suspended in whole or in part the right of the Recipient to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient to perform any of its obligations under such agreement or any other agreement with IBRD and IDA.”

4. The provisions of Section 4.02 (h) of the Standard Conditions is deleted in its entirety.

5. The reference to “Member Country” in the Standard Conditions and in this Agreement means the British Overseas Territory of the Cayman Islands.