

# Newsletter 2021



Vol.5

Mar. Edition

---

# CICL CONNECTIONS

---

*The official newsletter of Corp-EFF Insurance Company Ltd*



# How is COVID 19 impacting the Caribbean Economies, and how can Credit Unions respond.

Many analysts believe that the small island states that make up the Caribbean, are vulnerable to external shocks because their economies are trade-dependent. The island's weaknesses have been exposed as a result of the transformation from a commodity-based economy to a trade-dependent economy, together with the island's predisposition to natural disasters, like major hurricanes.

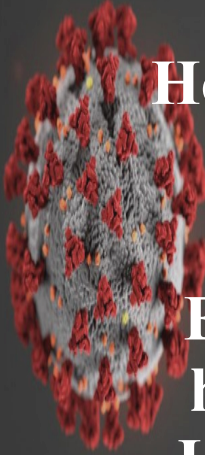
These vulnerabilities were exacerbated by the COVID 19 pandemic, which reduced the generating forces in the services sector, resulting in a cascade of negative effects on the islands' economies.

According to an article published online on September 7th, 2020 by the Caribbean Association of Banks Inc., *"The outlook for the Caribbean in 2020, "before the pandemic, based on projections from the Caribbean Development Bank (CDB), an average growth rate of 4.2 percent was projected. These projections have been revised downwards with the World Bank forecasting a contraction of 1.8 percent for the region and a steeper decline of 3.1 percent in economic growth if Guyana's economic performance is excluded from the analysis. .*

*What remains particularly concerning in this scenario, is that a health crisis presents the type of economic shock that necessitates the dual efforts of firstly managing the spread of the virus and saving human lives while simultaneously ensuring that economic activity is not crippled. This continues to be a herculean task for even the most developed nations and a near-impossible feat for developing countries."*

These forecasts raise several concerns, but the following are the most pressing ones that financial institutions, such as Credit Unions, must address:

- ◆ What is the extent of your risk exposure?
- ◆ In light of the new realities of the pandemic, how are you managing risk?
- ◆ What financial opportunities have this pandemic posed to you?
- ◆ What steps are you taking, or have you taken, to capitalize on these opportunities?



# How is COVID 19 impacting the Caribbean Economies, and how can Credit Unions respond.



- ♦ Is your business model adapting to the changing world, or have you already done so?
- ♦ With your grassroots programs, how are you surviving the COVID 19 storm?
- ♦ Are you keeping up with your members' evolving needs?
- ♦ Who are you working with to help you manage these new pandemic realities and increase membership trust in the institution?
- ♦ Do you have enough protection, and more importantly, do you have the right kind of Insurance coverage?

By evaluating risk in this changing climate, the World Bank predicts that the financial institutions that adjust rapidly and implement initiatives and programs that support customers and shareholders will thrive in the pandemic period.

What does this all imply for the future of financial institutions such as Credit Unions?

Institutions must now audit all facets of their operations to improve efficiencies, including enforcement of policies, and provide more value to their members. This value may include effective planning, risk identification, and the creation and implementation of member-centric strategies that meet immediate and evolving membership needs.

We must all remember that a resilient financial system of the future, demands the engagement of all stakeholders to withstand external shocks, caused by this and future pandemics.

Corp-EFF Insurance works shoulder-to-shoulder with Credit Unions in identifying, managing and mitigating risks associated with Loans, life Savings, and Bereavement.

Credit Union Institutions situated in the OECS who do not yet have a relationship with Corp-EFF Insurance, are welcome to contact [corpeffmanager@cwdom.dm](mailto:corpeffmanager@cwdom.dm) to express their interest in partnering.

***“We Take Away the Risk, You are Insured”***

#### References

<https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>

<https://cab-inc.com/covid-19-pandemic-the-economic-impact-on-caribbean-economies/>

<https://www.caribank.org/publications-and-resources/resource-library/fact-sheets/2019-caribbean-economic-review-and-2020-outlook-fact-sheet>