



Red Cross launches groundbreaking risk transfer mechanism with advice from Ogier

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Ogier's Banking and Finance team in Guernsey has advised The International Federation of Red Cross and Red Crescent Societies (IFRC) on the launch of its new risk transfer mechanism which will transform the organisation's approach to disaster response.

The new tool, which uses a Guernsey protected cell company and other Guernsey vehicles in its structure, has been launched in collaboration with global professional services firm Aon, Lloyd's Disaster Risk Facility and the Centre for Disaster Protection and it will ensure that quick support is available when a disaster occurs.

The mechanism provides a backstop for the IFRC's Disaster Response Emergency Fund, which is the quickest, most efficient, and most transparent mechanism for donors to channel global short-term emergency funding directly for local community-based action. Ogier provided wide-ranging and bespoke advice to IFRC in connection with the establishment of the Guernsey structure and the various contractual relationships put in place to facilitate the creation of this novel risk transfer mechanism.

The team in Guernsey was led by partner Christopher Jones, with managing associate Matthew Macfarlane.

Christopher said: "This is the first time an indemnity-based reinsurance model has been developed within a humanitarian disaster risk finance context. We're delighted to have advised our client alongside Reed Smith on this pioneering, innovative and ambitious project which will provide extra funding for life-saving emergency assistance."

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