

the crisis. If it does not happen, the investor gets paid the interest and premium after the bond matures. Therefore payment to the investor is subordinated to payment to the insurer (43,44).

These CAT bonds have been mentioned as a potential solution for responding to financing gaps for refugee

crises. The only available pandemic risk securitization instrument is the Pandemic Emergency Financing Facility which is set up by the World Bank. COVID-19 CAT bonds could provide an additional measure for COVID-19 treatment and prevention among migrant and refugee populations. In line with the Global Refugee Finance

Figure 1 COVID-19 catastrophe (CAT) bonds financing scheme for refugees and migrants

