InsuResilience
The G7 Climate Risk Insurance Initiative

Africa-Asia Conclave on Loss and Damage due to Climate Change
25.-26. August, Nairobi
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Climate related loss and damage has quadrupled since 1992. Risks associated with extreme weather events – such as droughts, floods and cyclones - will further increase.

(Munich Re's NatCatService)
Insurance in the Risk Continuum

- Prevention and Risk Avoidance ("Adaptation measures")
- Risk Retention
- Risk Transfer e.g. Insurance
- Additional Measures

NAP & Adaptation Policies

Level of Risk
Climate Risk Insurance can:

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<th>Safeguard local risk management</th>
<th>Facilitate contingency planning</th>
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<td><strong>Incentivize</strong> climate change adaptation and disaster risk reduction</td>
<td>Facilitate risk management policies (which reduce premiums)</td>
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• “We will aim to increase by up to 400 million the number of people in the most vulnerable developing countries who have access to direct or indirect insurance coverage against the negative impacts of climate change related hazards by 2020”

(G7 Elmau Leaders’ Declaration, 8 June 2015).

• Collaboration with partners from public and private sectors as well as civil society to reach this objective.
At COP21, the G7 communicated the “Joint Statement on InsuResilience – The Initiative on Climate Risk Insurance”

- Reaffirmed objective from Elmau Leaders’ Declaration;
- Recognized importance of synergies between climate risk reduction and insurance action;
- Pledged USD 420 million of public funds for a rapid action package;
- Declared intention to mobilize additional funding from private sources.

The rapid action package will enable insuring at least 180 million people against climate risks.
**Boosting indirect insurance**

- Short term focus on expanding *existing indirect insurance schemes* e.g.:
  - African Risk Capacity (ARC)
  - Pacific Catastrophe Risk Assessment & Financing Initiative (PCRAFI)
  - Caribbean and Central American Catastrophe Risk Insurance Facility (CCRIF)

- Indirect schemes insure *intermediaries* like municipalities or national governments, which coordinate pay-outs to the affected population.

- Additional funding will be used for expanding *insurance products* (i.e. additional hazards like tropical storms) and *increasing number of countries covered*. 

**Developing and promoting direct insurance**
Developing and promoting direct insurance

- In the medium and long term, InsuResilience will put stronger focus on direct insurance schemes.

- Individual insurance policy holders such as farmer households and small businesses receive direct pay-outs.

- Close cooperation with private sector is a key success factor for sustainable direct insurance schemes.
  - Provides risk capital, knowledge & data, and technologies (e.g. remote sensing).

- InsuResilience strives to reduce market barriers for private sector engagement.
Milestones in 2016

- Establishing a Secretariat.
- Implementing the rapid action measures.
- Setting up the consultation and support structure of InsuResilience.
- Conducting a “pro-poor study” on how to reach the target group most effectively.
- Developing a M&E framework.
Thank you very much for your attention!

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