



# 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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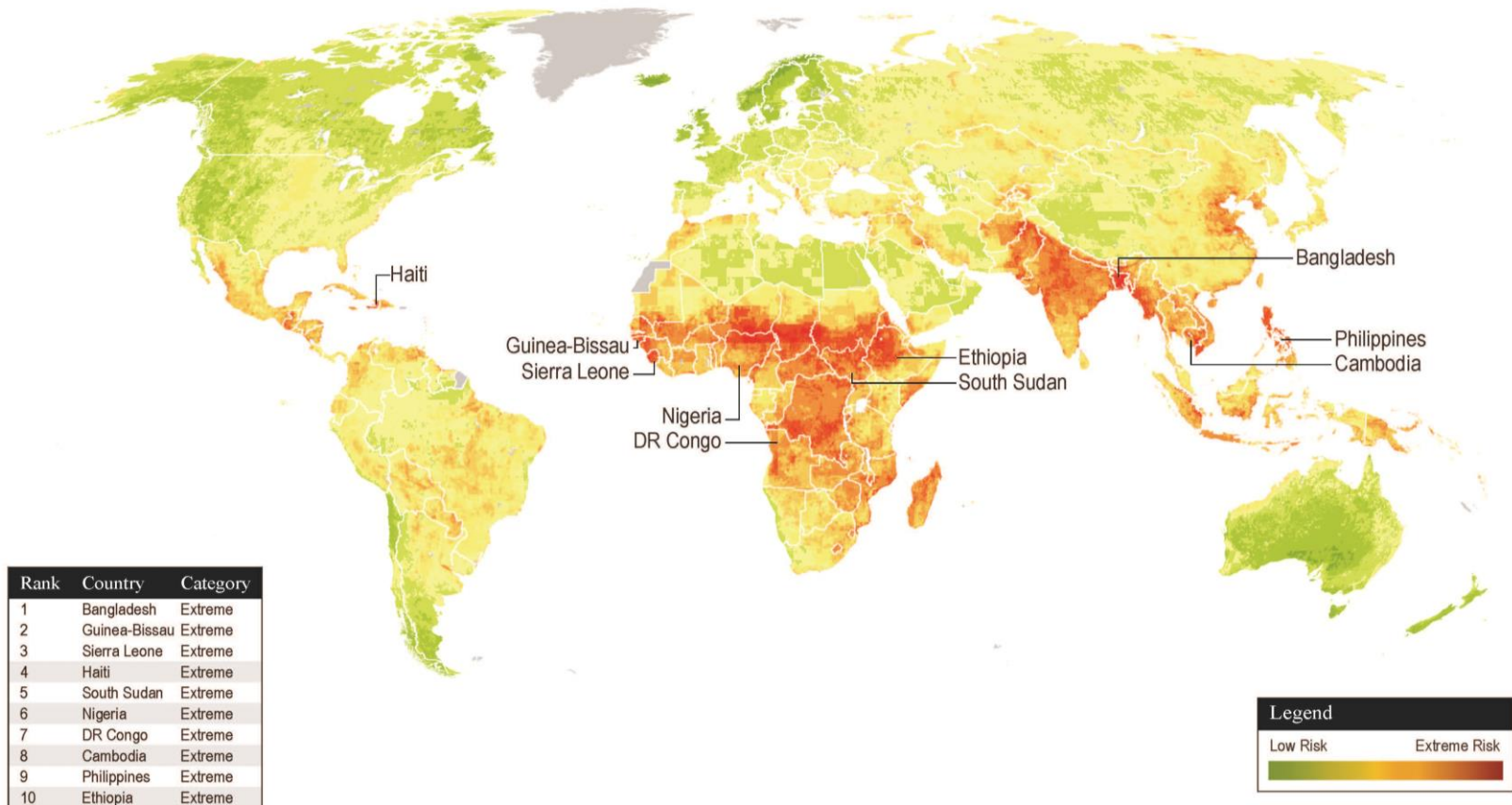
GIZ, Advisor Secretariat InsuResilience

# The Challenge

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

# Benefits for Adaptation

## Climate Risk Insurance can:

**Safeguard** local risk management

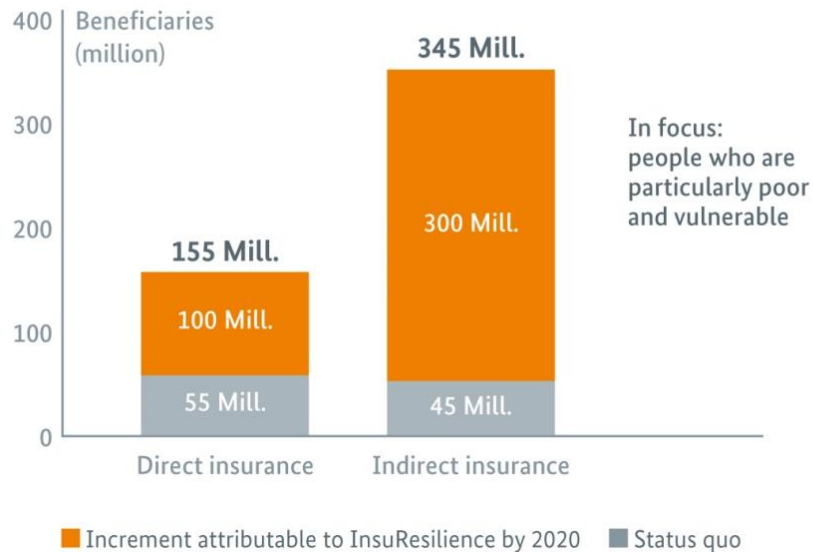
Facilitate **contingency planning**

**Incentivize** climate change **adaptation** and disaster risk reduction

Facilitate **risk management policies** (which reduce premiums)

# InsuResilience - Objective

INCREASE BY UP TO 400 MILLION THE NUMBER OF PEOPLE IN DEVELOPING COUNTRIES WHO HAVE ACCESS TO CLIMATE RISK INSURANCE



Source: BMZ (2015)

- “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.

# InsuResilience - Commitments

## 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.

Joint Statement on  
**InsuResilience**  
The Initiative on Climate Risk Insurance

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To be communicated to the public on December 5, 2015 at the  
InsuResilience Event at UNFCCC COP21, 12:00 to 1:00 p.m., German Pavilion

We welcome, reaffirm, and support the commitment made by the G7 in Elmau (Germany) in June 2015:

*“We will intensify our support particularly for vulnerable countries’ own efforts to manage climate change related disaster risk and to build resilience. 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 impact of climate change related hazards by 2020 and support the development of early warning systems in the most vulnerable countries. To do so we will learn from and build on already existing risk insurance facilities such as the African Risk Capacity, the Caribbean Catastrophe Risk Insurance Facility and other efforts to develop insurance solutions and markets in vulnerable regions, including in small islands developing states, Africa, Asia and Pacific, Latin America and the Caribbean.”*

We also welcome the launch during COP21 of the CREWS initiative, which aims to extend the cover of climate risk and information early warning systems to all SIDS, LDCs and Africa (more than 80 countries and about 1 billion people) by 2020. We recognize the importance of synergies between climate risk prevention and insurance action.

Developed countries jointly committed to a goal of mobilizing 100 billion USD a year by 2020 from a wide variety of sources, in the context of meaningful mitigation actions and transparency on implementation. We intend to provide funding for climate risk insurance with the view to strengthening resilience to climate change in vulnerable countries. In terms of the rapid action package launched today, G7 members demonstrate an intention to provide 420 million USD of public funds through bilateral and multilateral co-operation and are working towards mobilizing additional funding from private sources. We welcome the contributions from other countries interested in supporting people in the most vulnerable developing countries to gain access to climate risk insurance. We intend to ensure synergies between climate risk mitigation and insurance action as well as to build in incentives for preparedness/resilience in the design of insurance solutions.

We estimate that the rapid action package launched today will enable risk insurance coverage of at least 180 million additional people.

This is an important first step in meeting the G7 goal of enabling coverage of 400 million additional people by 2020. This initial support for rapid implementation will enable swift action towards meeting the G7 Leaders’ goal of reaching 400 million people with insurance cover in

# InsuResilience – two components

Boosting  
indirect  
insurance

Developing and  
promoting  
direct insurance

## 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**.

# InsuResilience – two components

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## 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.



# Current Action & Next Steps

## 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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