

## **13th Microinsurance Conference**

### ***Inclusive Insurance for the Mass Market***

07 – 09 November 2017 in Lima, Peru

## **Parallel Session: Strengthening resilience through insurance solutions**

### **Opening remarks**

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#### 1. Welcome

- I welcome you to this early session on “Strengthening resilience through insurance solutions”. I want to thank the Microinsurance Network, the Munich Re Foundation and APESEG for organizing this conference.
- I would like to give you a quick overview over the challenges poor and vulnerable people face in their risk management.
- What role does insurance play in increasing the resilience of those poor and vulnerable?
- Moreover, I would like to take the opportunity to talk about the German contribution in the field of agricultural and climate risk insurance before I talk about the focus of our session today.

#### 2. Challenges

- Climate change is a reality! Its impacts are felt all over the world: the frequency and intensity of droughts, storms, floods and other extreme weather events are increasing.
- Poor and vulnerable countries and their poor and vulnerable inhabitants are particularly affected. Yet, they are the ones who

often have no access to financial services including insurance leaving them even more vulnerable and in danger to be trapped in poverty.

### 3. Increasing resilience through insurance

- The wider risk management strategy includes preventive as well as adaptive measures.
- While mitigation measures reduce the magnitude of climate change in the future, classical adaptation reduces the negative effects of climate change felt today.
- Residual risks can be dealt with insurance as part of a wider adaptation strategy effectively.

### 4. German contribution

- The German Ministry for Economic Cooperation and Development (BMZ) has been engaged financial system development including insurance for a long time.
- We promote a holistic approach addressing all levels of financial services focusing on improving regulation by supporting the Access to Insurance Initiative, targeting associations, re-insurers and insurers to generate an enabling environment for sustainable inclusive insurance solutions. And finally, on the micro level, address the consumer to help them understand the products to make informed decisions.
- Building on that experience, in 2015, the G7 under German Presidency launched the InsuResilience Initiative on climate risk insurance.
- The initiative aims on insuring 400 million additional poor and vulnerable people against climate risks until 2020.
- Out of the 400 million, 300 million people shall be reached through indirect insurance meaning that the policyholder is the government

- (i.e. ARC). 100 million shall be reached through direct insurance schemes where the individual/household/SME is the policyholder.
- At the G20 Summit in Hamburg the “Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions” was announced and will be launched next week at the COP 23 in Bonn.
  - The membership of the partnership is open to all stakeholders. It now includes not only the G7, but is also supported by the G20 and V20. Civil Society and private sector actors as well as academia are encouraged to take an active role in designing risk management solutions against climate risks.
  - Next week there will also be the first InsuResilience Partnership Forum where all stakeholders come together to discuss innovative solutions and spur concerted action to expand climate and disaster risk finance and insurance solutions.

## 5. Agenda

- In this session, we would like to focus on how direct and indirect insurance schemes can be linked to strengthen the resilience of vulnerable people. We will learn about the experience from three different regions: Latin America (Paraguay), Sub-Saharan Africa (Ghana) and the Caribbean.
- Our three speakers – that I will introduce to you shortly – will give presentations. I would then give you the opportunity to raise clarification questions. After all three presentations, we will open the discussion to the audience.