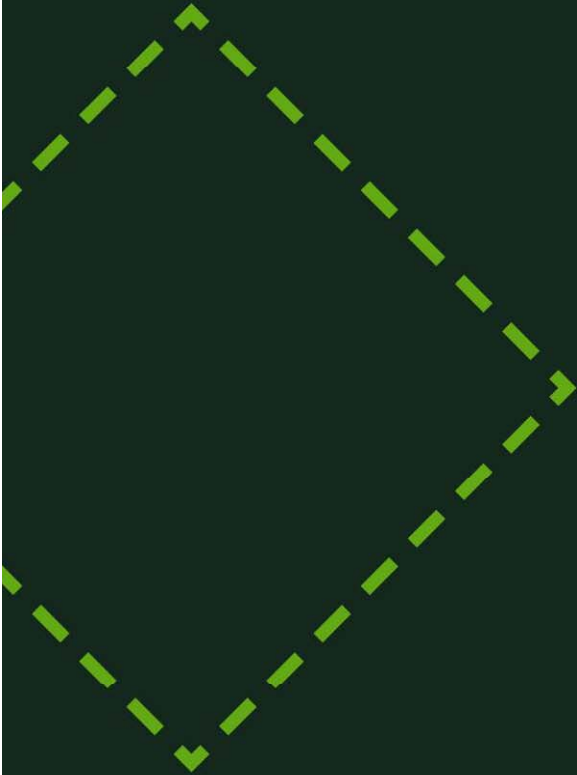


Parallel Session 16

How insure the poor's
property

Case Studies

Thomas R. Oster
Monica R.
Foundation
From Knowledge
to Action



Parallel Session 16

Case Studies on how to insure the poor's property

- Pravin Kalpage:
Experience from “Jet Home Insurance”
Head of Hollard Direct, South Africa
- Karat Gopinath
A case for livestock insurance
Head Rural and Cooperatives, IFFCO TOKIO General Insurance Co. Ltd., India
- Tyler Tappendorf
MiCRO and Fonkoze: First-Year Experiences with Catastrophe Insurance for Haitian Microentrepreneurs
Project Manager, Fonkoze





The Geneva Association



UNEP Finance Initiative
Innovative financing for sustainability

Global insurance industry statement on **Adapting to climate change in developing countries**

Four leading insurance climate change initiatives, whose combined membership includes more than a hundred of the world's leading insurers across Africa, Asia, Europe, North and South America, and Oceania, have combined their members' expertise to present this Statement. ClimateWise, The Geneva Association, the Munich Climate Insurance Initiative (MCII) and leading insurance companies within the United Nations Environment Programme Finance Initiative (UNEP FI) are collaborating to highlight the huge potential benefits of using government action to enable the knowledge and expertise from the insurance industry to play its fullest role in risk management in developing countries, particularly those most vulnerable to the impacts of climate change. This government action includes implementing national risk management processes and using limited government investment to measure and reduce those risks.

Climate change science underscores the imperative for societies to urgently mitigate greenhouse gas emissions. The insurance industry is facilitating investments to harness new technologies and help move towards a low carbon economy. However, it is clear that a massive scheme of adaptation measures will also be needed, especially in the most vulnerable countries – countries that have contributed least to climate change but will suffer worst from its effects. Insurance solutions have the potential to provide tangible results for the most vulnerable countries and soften the blow of climate-related disasters.

Governments must recognise that they and all stakeholders, including the insurance industry, have a common interest in enhancing welfare and sustainable growth in the developing world. They should therefore take into account the need for, and opportunity of, stronger global collaboration to respond to this challenge and take steps to reduce climate-related risk in the developing world, particularly for the most vulnerable communities.

Insurance is one of a broad scope of risk management approaches that can facilitate adaptation to climate change and shore up sustainable development.

In particular, the insurance industry can support adaptation efforts through:

- **Expertise in risk management**, particularly in areas such as risk and vulnerability assessment, putting a price tag on risk, and the design of risk reduction and risk transfer activities
- **Prioritising adaptation measures** by enhancing adaptive capacity and advising on the cost-effectiveness of resilience measures
- **Incentivising loss reduction** by informing economic actors about the risks they face, advising them on risk mitigation options and providing them with existing insurance options for loss reduction
- **Developing new insurance products** which cover risks affected by climate and weather events, such as human health, crop yields and animal diseases
- **Raising awareness among the many stakeholders of the insurance industry** – including governments and regulators, clients and business partners, business and industry, civil society and academia – about the impacts of climate change, the adaptation needs of those most at risk, and the role that the insurance industry can play in advancing adaptation, as described in this Statement.



MCII CLIMATE RISK INSURANCE IN THE CARIBBEAN

Supported by:



based on a decision of the Parliament
of the Federal Republic of Germany

Parallel Session 16

Case Studies on how to insure the poor's property

Pravin Kalpage

Experience from “Jet Home Insurance”

Head of Hollard Direct, South Africa

Climate Risk Insurance and Adaptation in the Caribbean: Target Countries



Source: caribbean-on-line.com

MCII Caribbean MicroInsurance Approach

Two Parametric Trigger Products

Livelihood Shock Absorber

- Insured risk: wind, rain
- Beneficiaries: Individuals
- Liquidity for individuals in the aftermath of an extreme weather event to protect livelihood

Portfolio Hedge

- Insured risk: wind, rain
- Beneficiaries: Banks/other loan provider with exposure to disaster related loan default
- Leverage lending to vulnerable people (e.g. In the agricultural sector)

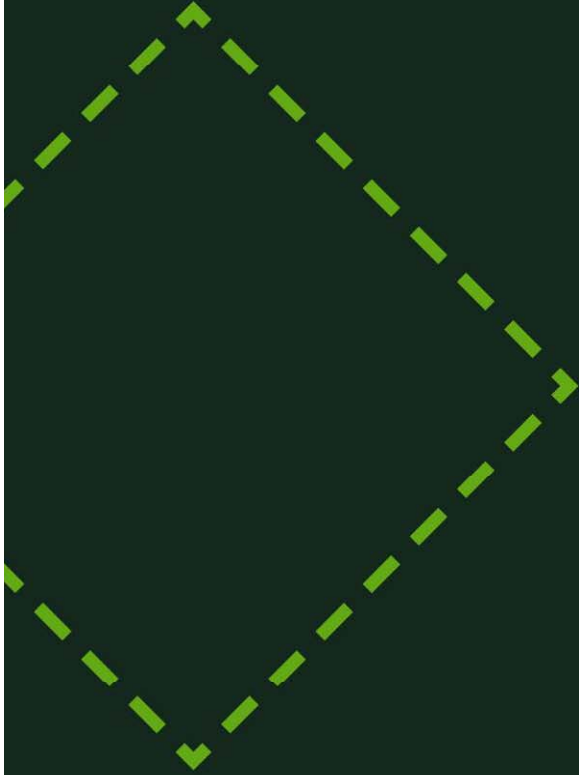
Regulators and Professional Insurers are Key In this room today

- Provide financially stable weather-index based insurance solutions for low-income people
- Cover for medium-level weather events (return period 20-40 years)
- Combine approaches with DRR to catalyse sustainable adaptation
- Prove value of regional entities in achieving these goals
- Exchange experience & lessons learned with policy makers

Regulators and Professional Insurers are Key In this room today

- **Mr. John Leon**
Insurance Regulator, St. Lucia
- **Mr. Angus Smith**
Insurance Regulator Grenada
- **Mr. Leathon Khan**
CEO, EC Global, St. Lucia
- **Mr. Byron Leslie**
Manager, Jamaica International Insurance Corporation

Thank you



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