

Allianz Climate Solutions

Climate Resilience and Adaptation: What role does insurance play?

Side event at Nov 2015 CIF TCF/SC
Meetings

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Your four options for involvement in climate risk insurance... and my answers



Focus on improving data



Develop integrated risk management strategies in (new) PPCR countries



Support appropriate product design, market infrastructure and the regulatory framework



Provide financing to appropriately designed insurance schemes



Yes, PPCR should focus on improving data

Because: Huge gaps exist in the global weather map





Yes, PPCR should develop integrated risk management strategies in PPCR countries

But: Insurance is not a medicine for everything

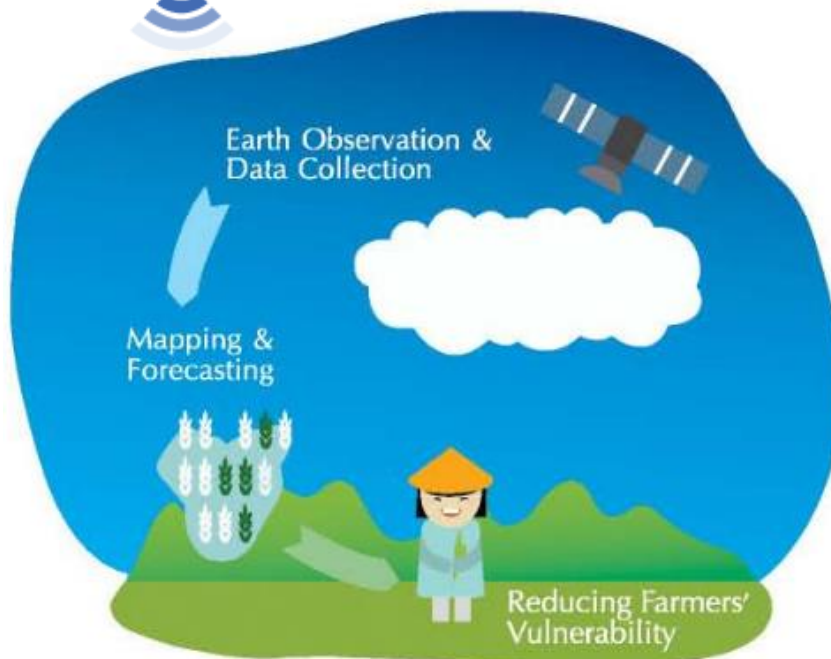
Not all kinds of disasters are insurable: Sea-level rise, a drought coming back every two years...





Yes, PPCR could support appropriate product design, market infrastructure/ regulatory framework

Think of PPPs: They help to develop market infrastructure and products



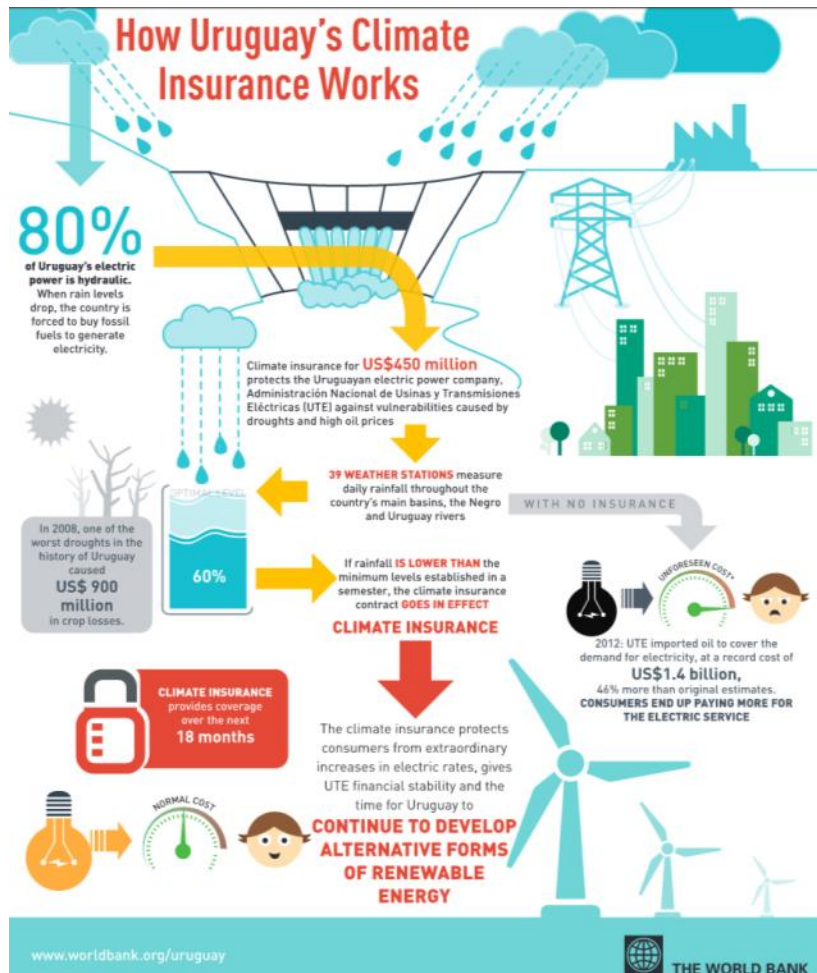
- Public-private partnership since 2012
- 7 Asian countries
- Development of remote-sensing system which serves as an early-warning system
- Basis for development of insurance market for smallholder rice farmers





Yes, provide financing to appropriately designed insurance schemes

But: What is “appropriate”? Monitoring is key.



- Uruguay weather and oil price insurance
- A PPP between World Bank, Swiss Re and Allianz Risk Transfer
- Since 2014 in Uruguay
- First index-based weather insurance for hydroelectric power coupled with oil price
- Decreases the country's financial exposure in times of drought



My answers from an insurer's perspective



Get the data right



Understand the insurance market and follow a sustainable target picture.



Understand the private insurance sector and find ways to cooperate



You are the monitoring experts, keep an eye on the social impact!

Questions? Ideas?

Further information acs.allianz.com



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Example for micro-insurance: Sahel Crop Insurance



The poster features the logos of PlaNet Guarantee and Allianz at the top. The title "SIIMAN PANGA" is prominently displayed in green. Below it, a photograph shows a small green seedling growing out of a crack in dry, brown soil. The French text "Assurer nos récoltes, c'est garantir notre production." is written in blue. At the bottom, contact information for PlaNet Guarantee in Burkina Faso is provided, along with logos for IFC, Grameen Credit Agricole, and AECF.

PlaNet Guarantee
PlaNet Finance Group

Allianz

SIIMAN PANGA

Assurer nos récoltes,
c'est garantir notre production.

Pour tout renseignement, contactez votre agent ou
PLANET GUARANTEE Burkina Villa 1200 logements, Porte N° 66 - BP 10288 Ouaga 06
Tel: 66 14 82 93

IFC International Finance Corporation
GRAMEEN CREDIT AGRICOLE
AECF

- Insurance policy coupled with loan for seed purchase
- Since 2011
- In 2013 over 15,000 farmers in Burkina Faso and Mali took out policies with Allianz Africa
- Index-based, easy payouts
- Basic financial education for farmers
- Caution: Sensation of security, risky behavior?



"When the rains failed I was really surprised when the insurance company came the long way to my village to bring me the news that I receive an insurance payment for my seed loan."

BARTHELEMY KOHOUN
A FARMER FROM POUNDOU,
A VILLAGE OF 4,000 PEOPLE
IN BURKINA FASO