# Recommendations to the Convention: How to feature insurance in a decision on Loss & Damage at COP-18

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## Recap: The Role of Insurance in the Context of Loss & Damage

- Foster adaptation in a meaningful mix of approaches to manage risks
- 2. Assess loss and damage potential
- 3. Incentivise loss reduction and resilience building
- 4. Reduce financial repercussions of volatility & create more space for certainty in decision making
- 5. Provide timely finance to cover loss and damage

# Possible roles of the Convention in facilitating insurance to address loss and damage



Objective	Function
<b>Provide loss and damage potential</b> <b>assessments</b> that support decision-making and facilitate management of weather- related risks.	Guide and enable assessments of loss and damage potential for extreme weather events.
Incentivize loss reduction and embed risk transfer into wider resilience building efforts.	<b>Ensure policy coherence and appropriate use of risk transfer tools</b> in a wider context of climate risk management.
<b>Provide timely finance to cover loss and damage</b> in order to <b>reduce the financial repercussions of volatility</b> related to extreme weather events.	<b>Operationalize climate risk insurance</b> including finance mechanisms and other means for implementation.

## The Role of the Convention in Addressing Loss & Damage

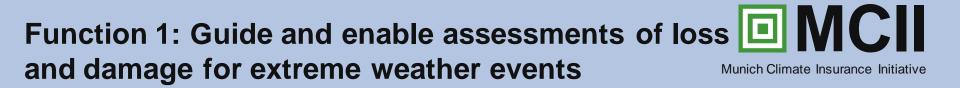


### Climate Risk Insurance Facility

Set-up: Coordinated internationally but operationalised regionally

#### Objectives:

- 1. Provide loss & damage assessments to support decision making and facilitate weather risk management;
- 2. Incentivise loss reduction: Embed risk transfer into wider resilience building efforts.
- 3. Provide timely finance to cover loss & damage to reduce repercussions of volatility related to weather extremes;



- Provide guidance on assessment methods and data collection standards
- Support development of standardized hazard maps
- Coordinate data repositories and encourage coherence across information frameworks
- Systematic capacity building and technical assistance

Function 2: Ensure policy coherence appropriate use of risk transfer tools in wider context



- Provide guidance on purposeful, planned approaches to loss and damage
- Provide guidance on technical measures and design elements of risk transfer to incentivize loss reduction and resilience building activities
- Foster better understanding of the value added and scalability of a package of tools
- Facilitate regional and international dialogue to advance policy coherence and regulations on insurance-related measures

# Function 3: Operationalize climate risk insurance including means of implementation



- Set up an international or regional network of risk management and transfer platforms
- Support an evaluation of different roles of finance to support approaches under the Convention
- Channel commitment of the donor community in providing expertise, capacity building and financial support to innovative mechanisms for addressing financial aspects of L&D
- Plan and implement packages of tools to reduce risk and enhance resilience in regional cooperation





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