

How to make insurance work for the most vulnerable: Seven guiding principles

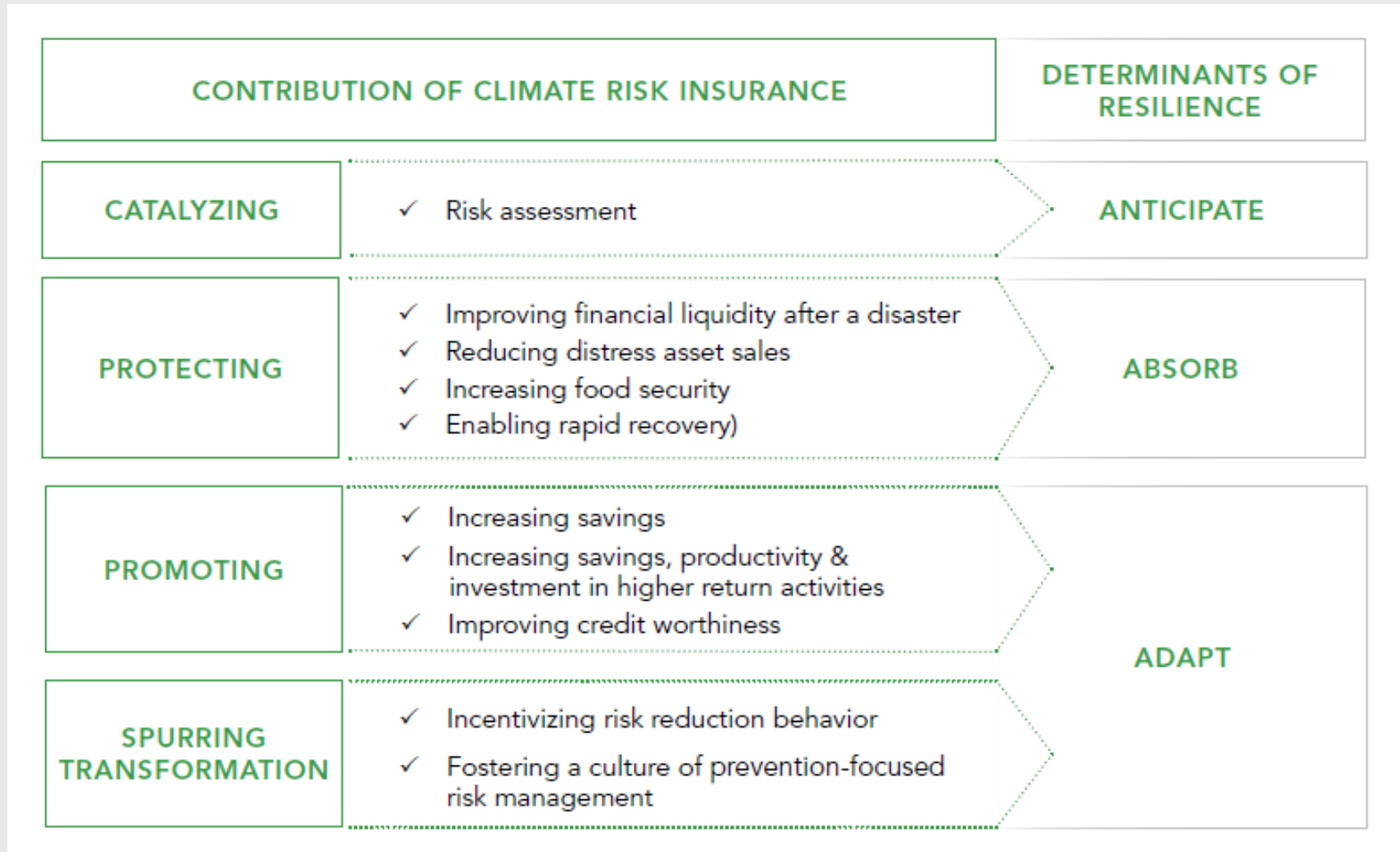
Laura Schäfer, Research Associate

UNU-EHS
Munich Climate Insurance Initiative



- Can climate risk insurance contribute to building the resilience of the most vulnerable?
- How can climate risk insurance effectively reach the poor and vulnerable, what are success factors and challenges?

2. The potential of climate risk insurance



The role of insurance in comprehensive risk management

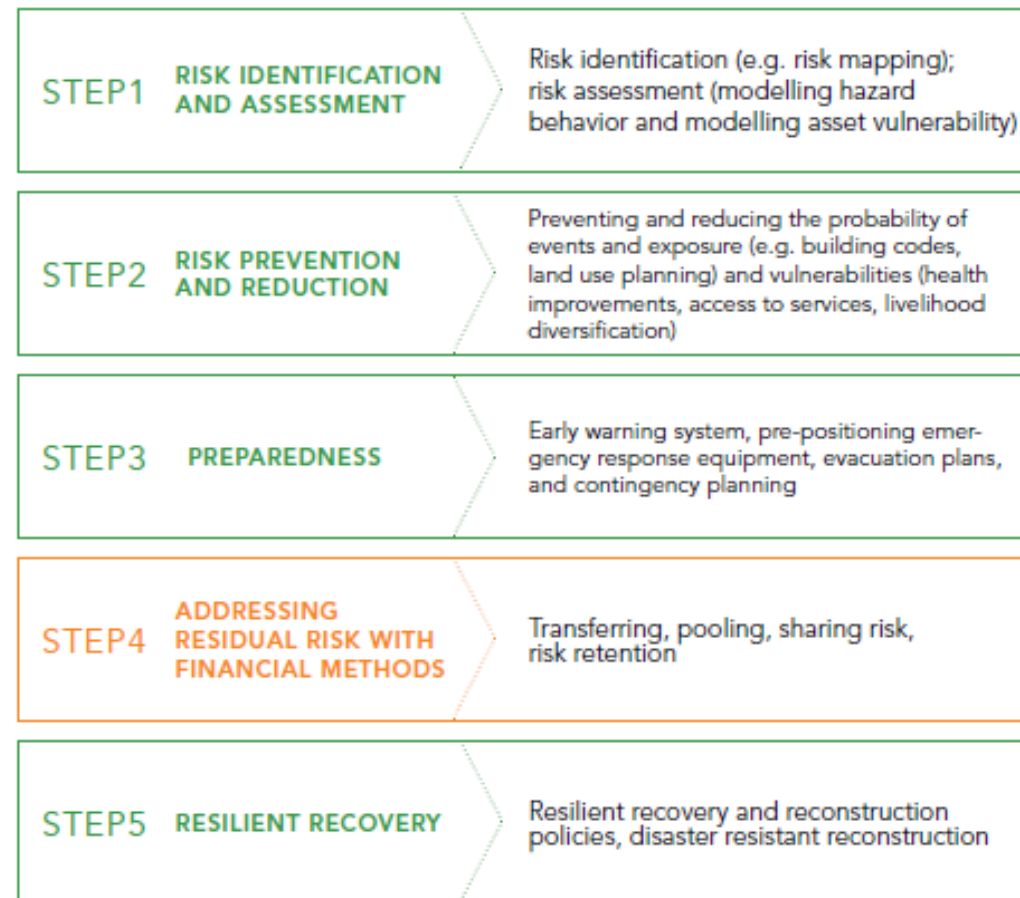
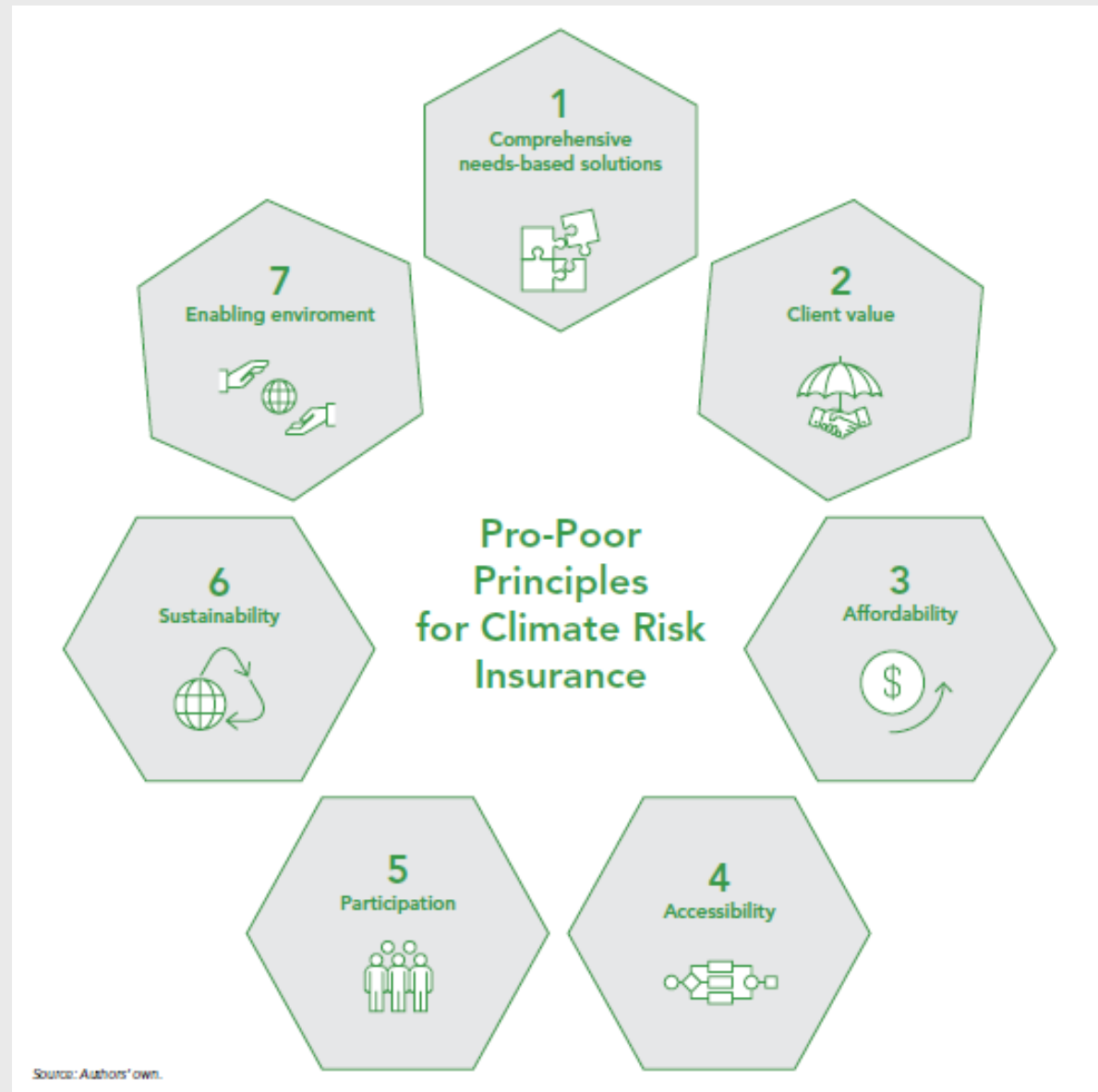
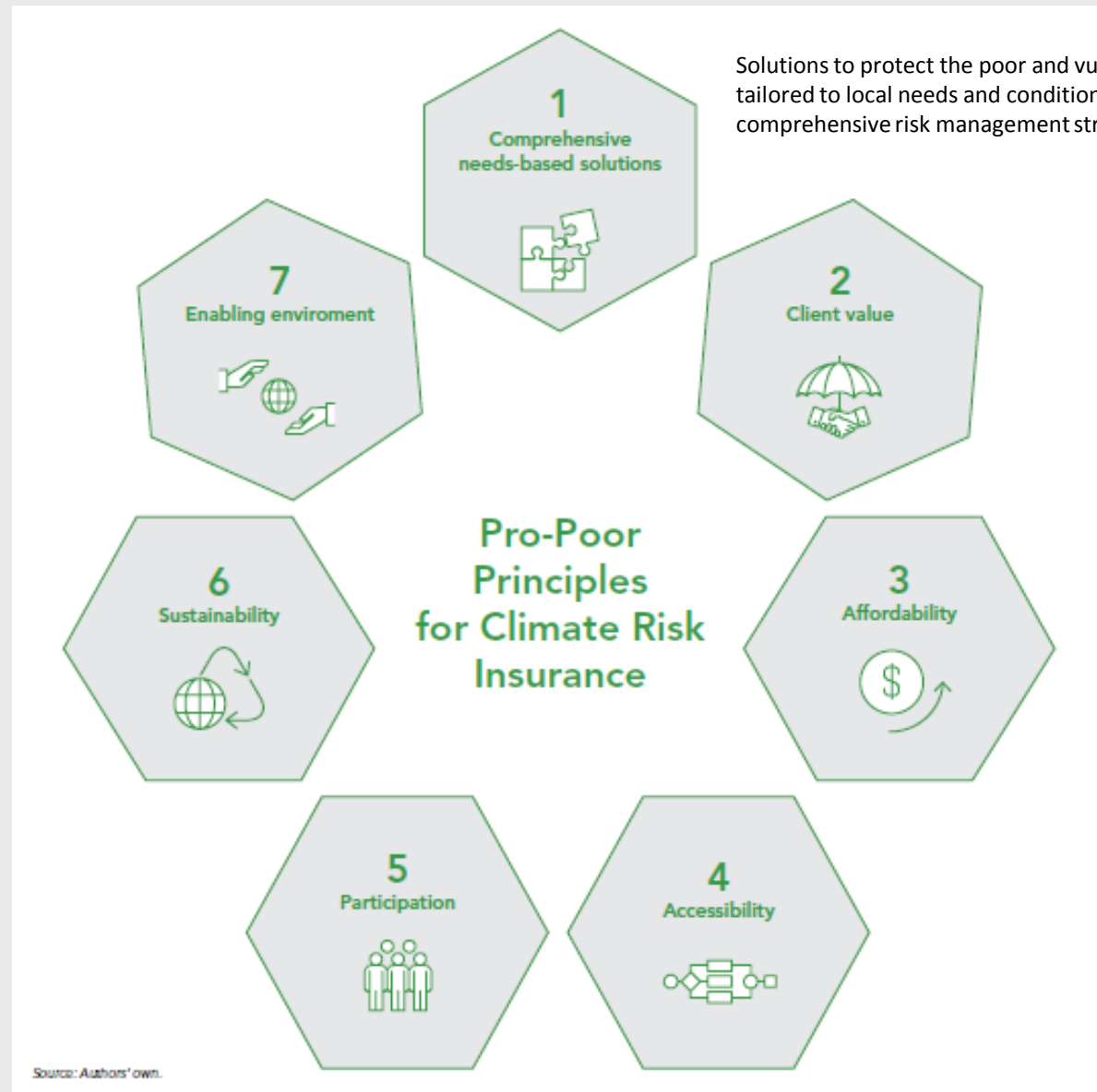


Figure 2: Insurance in the process of comprehensive climate risk management
Source: Modified from World Bank (2015).

3. MCII's Pro-Poor Principles for Climate Risk Insurance

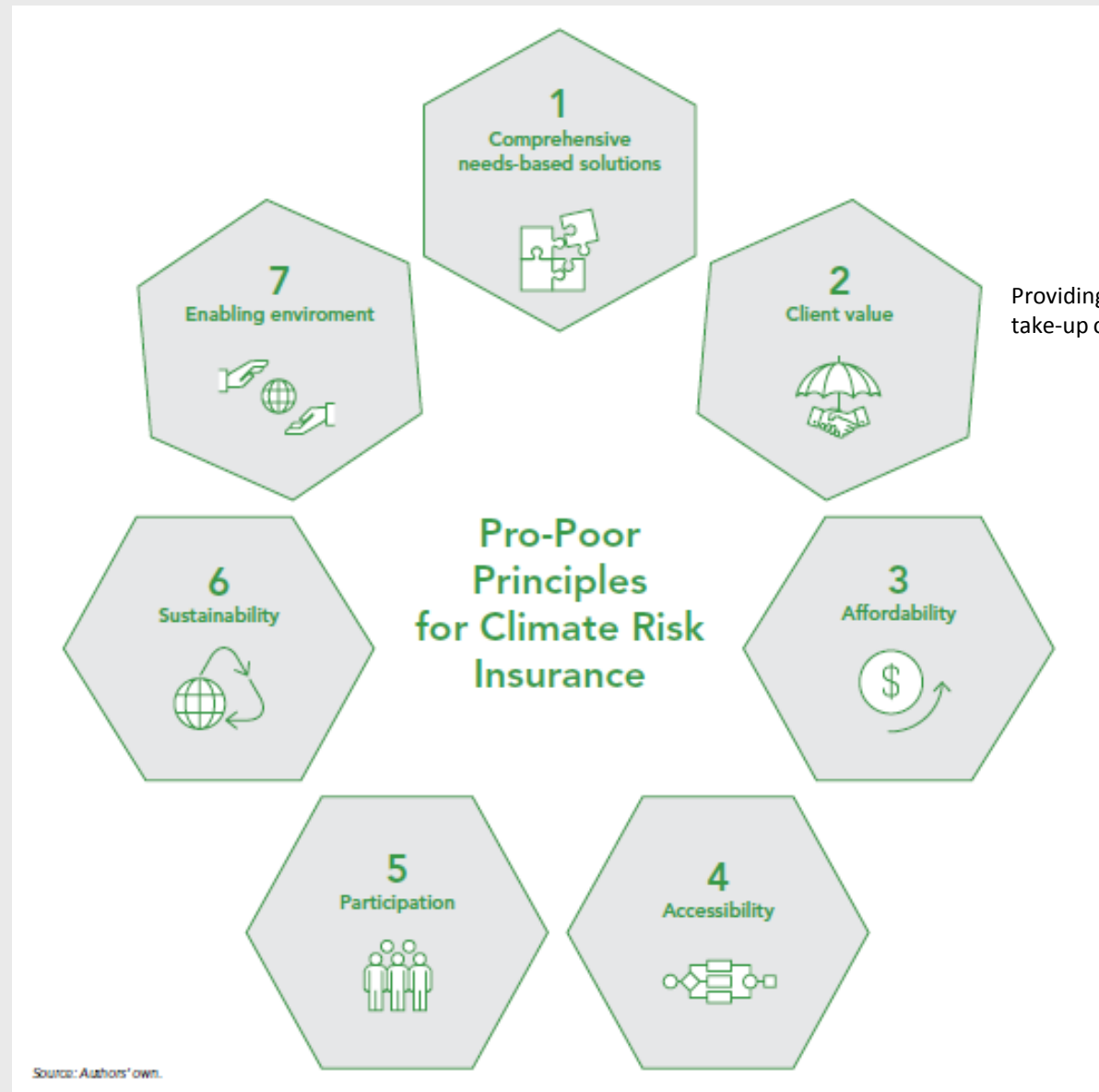


3. MCII's Pro-Poor Principles for Climate Risk Insurance



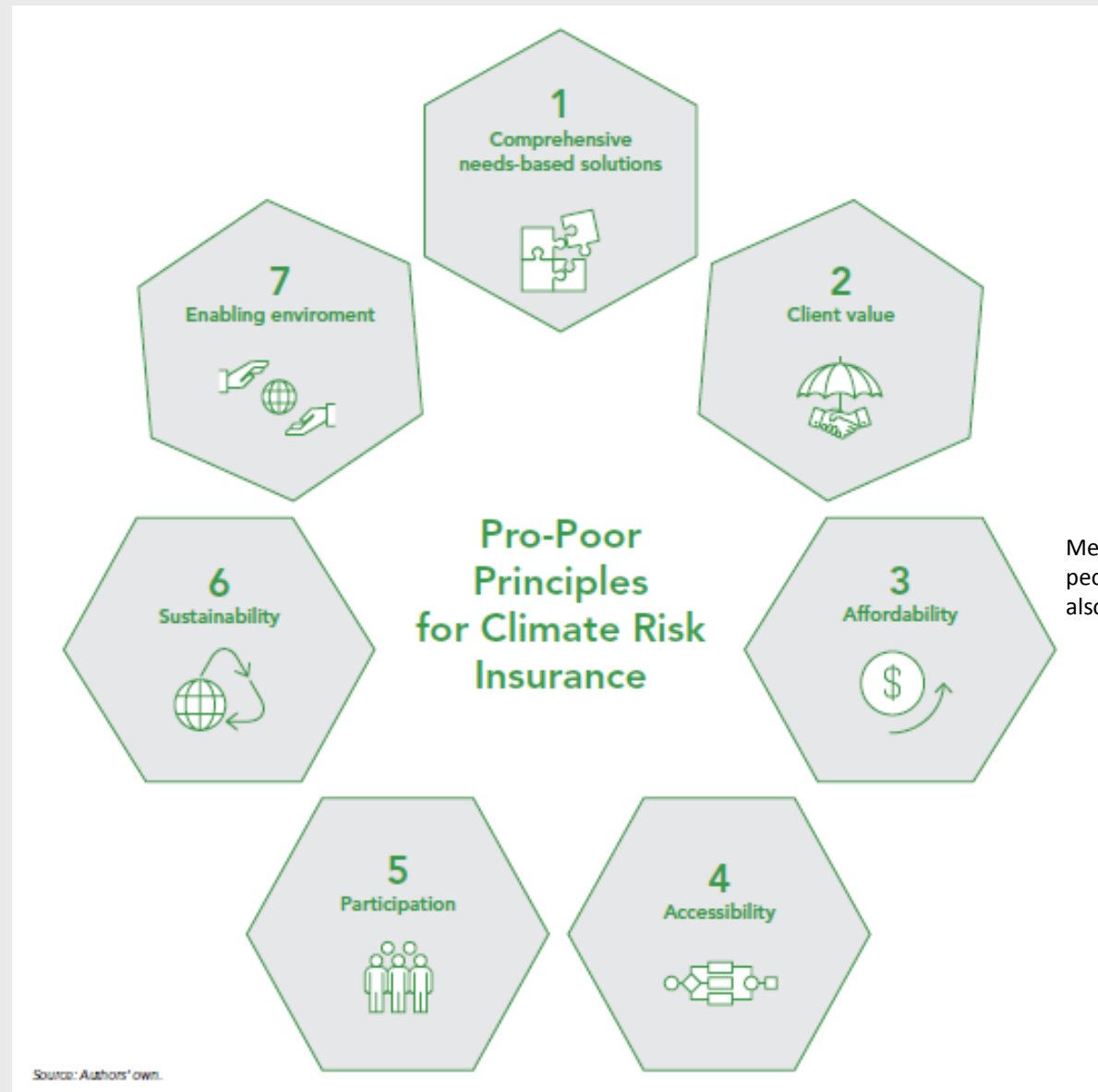
Solutions to protect the poor and vulnerable from extreme weather events must be tailored to local needs and conditions. It is imperative to embed insurance in comprehensive risk management strategies that improve resilience.

3. MCII's Pro-Poor Principles for Climate Risk Insurance



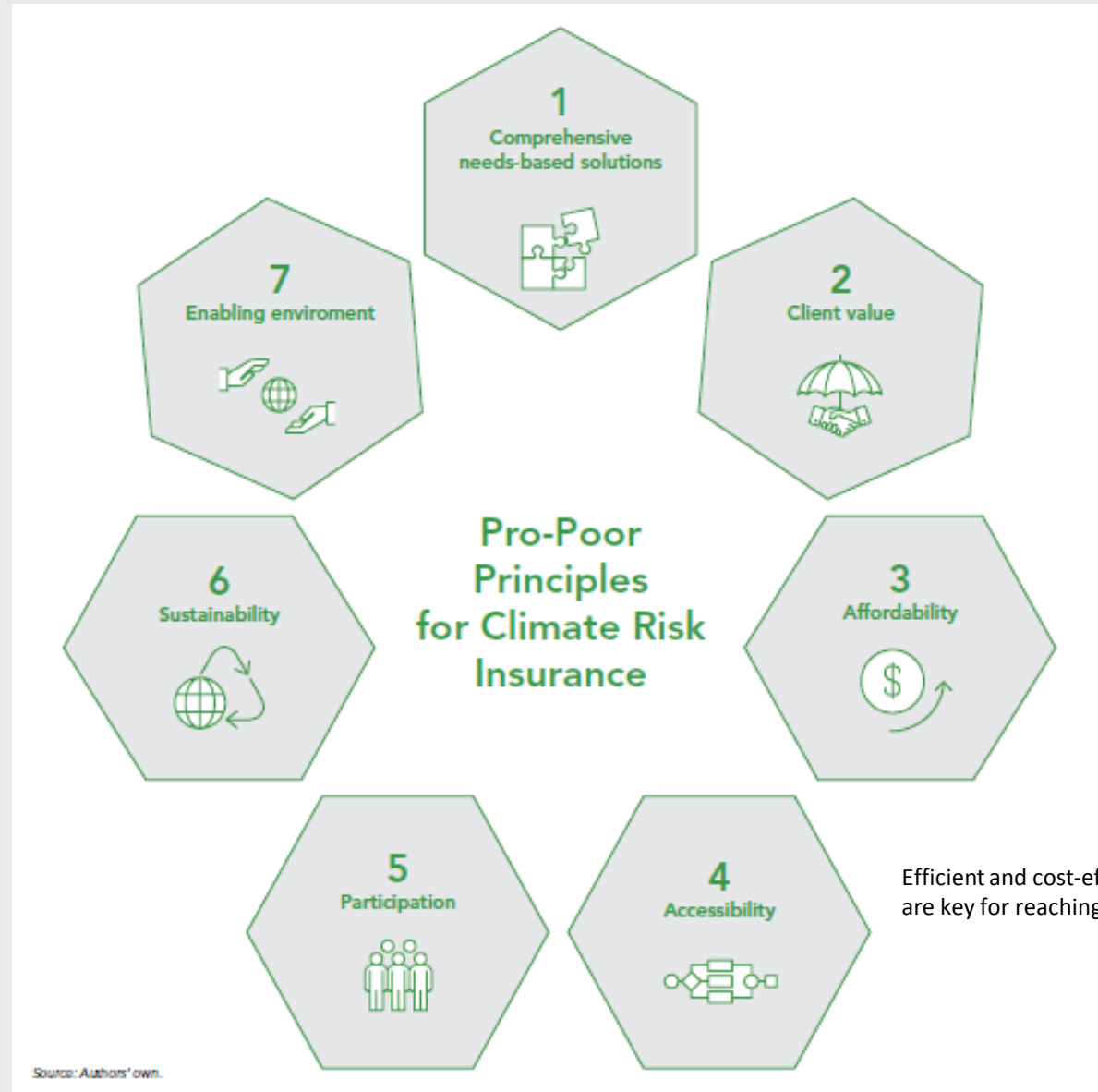
Providing reliable coverage that is valuable to the insured is crucial for the take-up of insurance products.

3. MCII's Pro-Poor Principles for Climate Risk Insurance



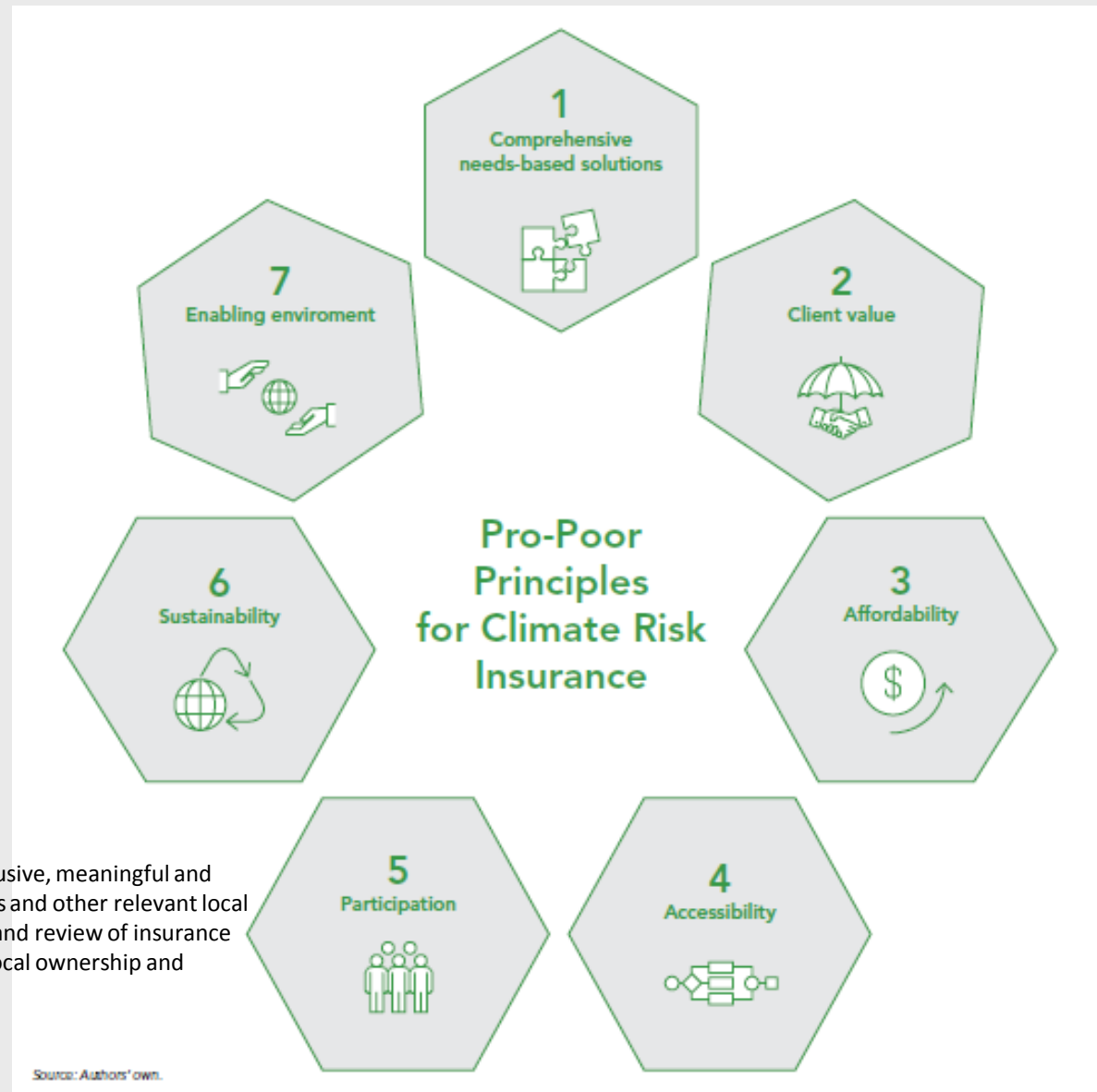
Measures to increase the affordability for poor and vulnerable people are paramount to the success of an insurance scheme and also important to satisfy equity concerns..

3. MCII's Pro-Poor Principles for Climate Risk Insurance



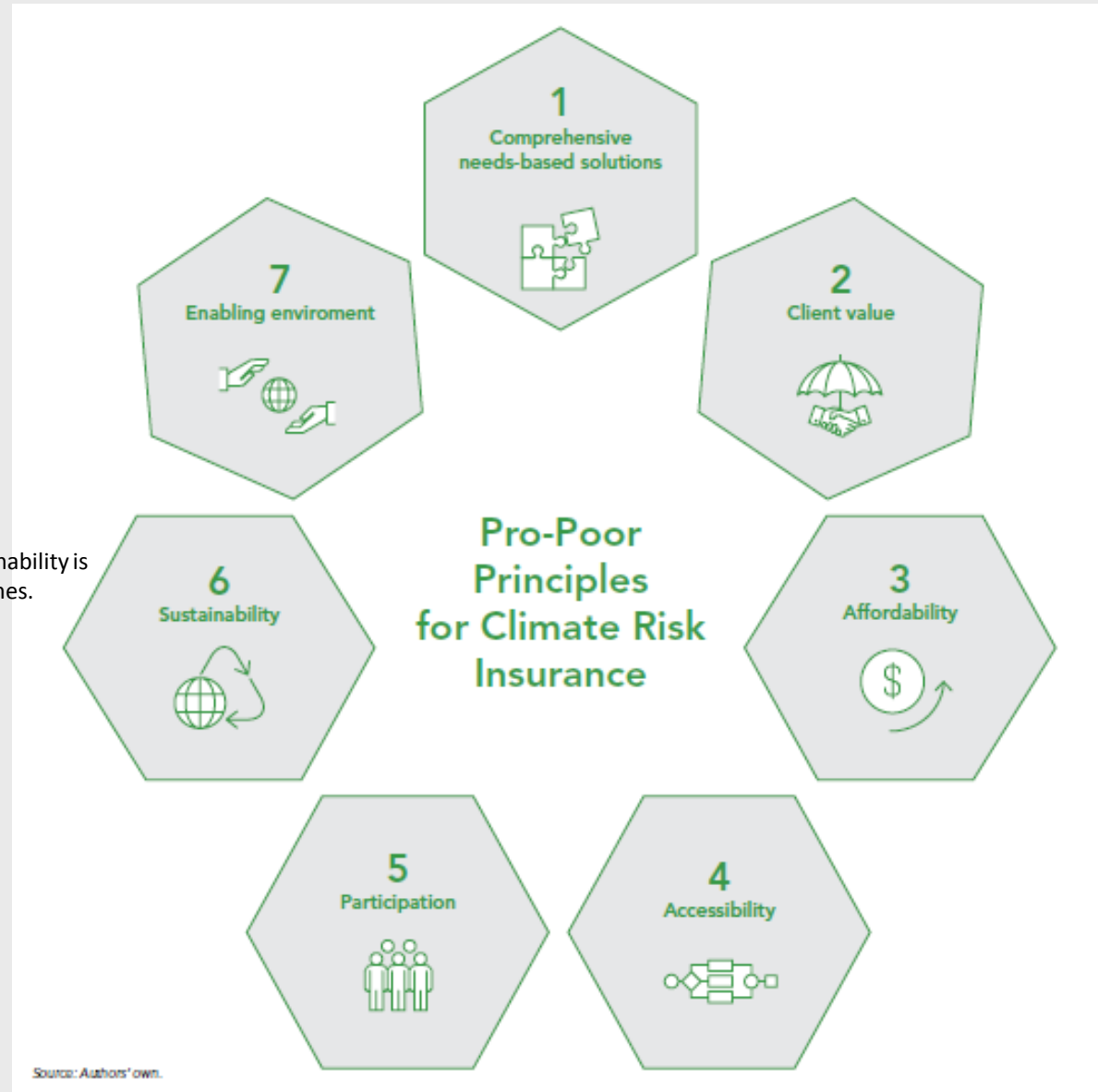
Efficient and cost-effective delivery channels that are aligned with the local context are key for reaching scale.

3. MCII's Pro-Poor Principles for Climate Risk Insurance



Successful insurance schemes are based on the inclusive, meaningful and accountable involvement of (potential) beneficiaries and other relevant local level stakeholders – in the design, implementation and review of insurance products – creating trust and providing a basis for local ownership and political buy-in.

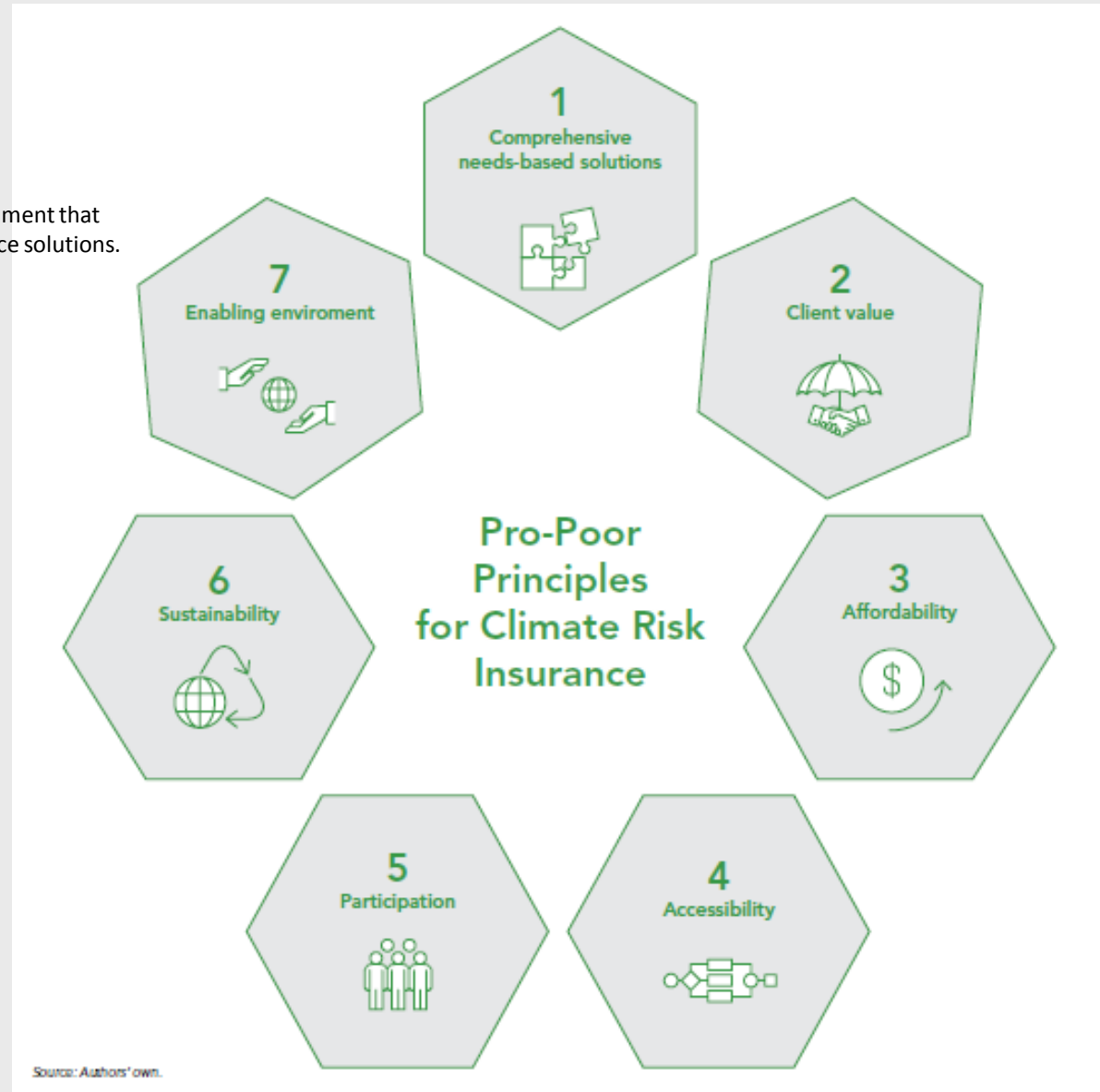
3. MCII's Pro-Poor Principles for Climate Risk Insurance



Safeguarding economic, social and ecological sustainability is crucial for the long-term success of insurance schemes.

3. MCII's Pro-Poor Principles for Climate Risk Insurance

It is vital to actively build an enabling environment that accommodates and fosters pro-poor insurance solutions.



Thank you for your attention!

Questions?

Laura Schäfer

Research Associate at UNU-EHS

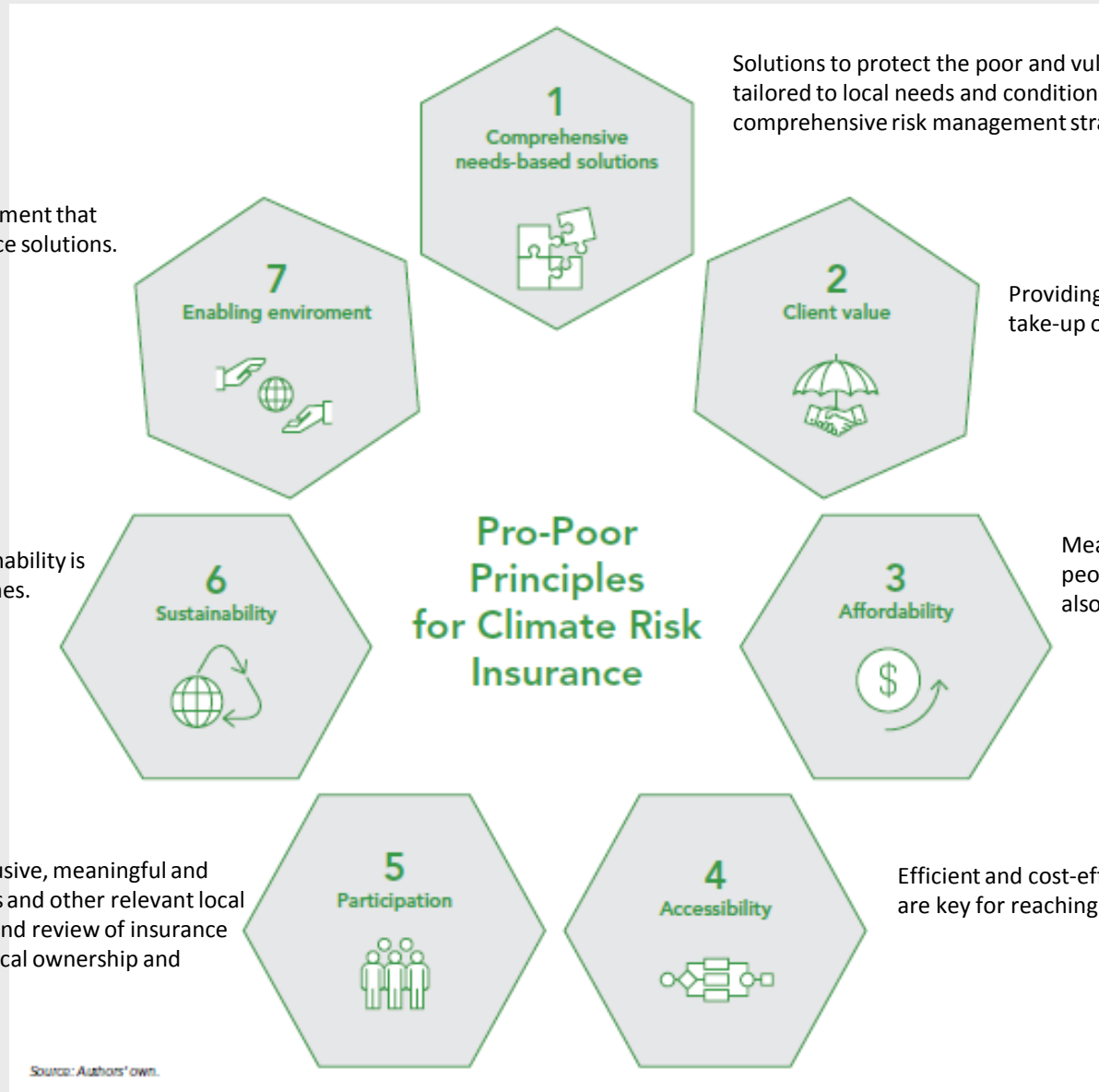
schaefer@unu.ehs.edu

4. MCII's Pro-Poor Principles for Climate Risk Insurance

It is vital to actively build an enabling environment that accommodates and fosters pro-poor insurance solutions.

Safeguarding economic, social and ecological sustainability is crucial for the long-term success of insurance schemes.

Successful insurance schemes are based on the inclusive, meaningful and accountable involvement of (potential) beneficiaries and other relevant local level stakeholders – in the design, implementation and review of insurance products – creating trust and providing a basis for local ownership and political buy-in.



Solutions to protect the poor and vulnerable from extreme weather events must be tailored to local needs and conditions. It is imperative to embed insurance in comprehensive risk management strategies that improve resilience.

Providing reliable coverage that is valuable to the insured is crucial for the take-up of insurance products.

Measures to increase the affordability for poor and vulnerable people are paramount to the success of an insurance scheme and also important to satisfy equity concerns..

Efficient and cost-effective delivery channels that are aligned with the local context are key for reaching scale.

Source: Authors' own.