



InsuResilience
Solutions Fund

InsuResilience Solutions Fund (ISF)

Transforming concepts into products

On behalf of

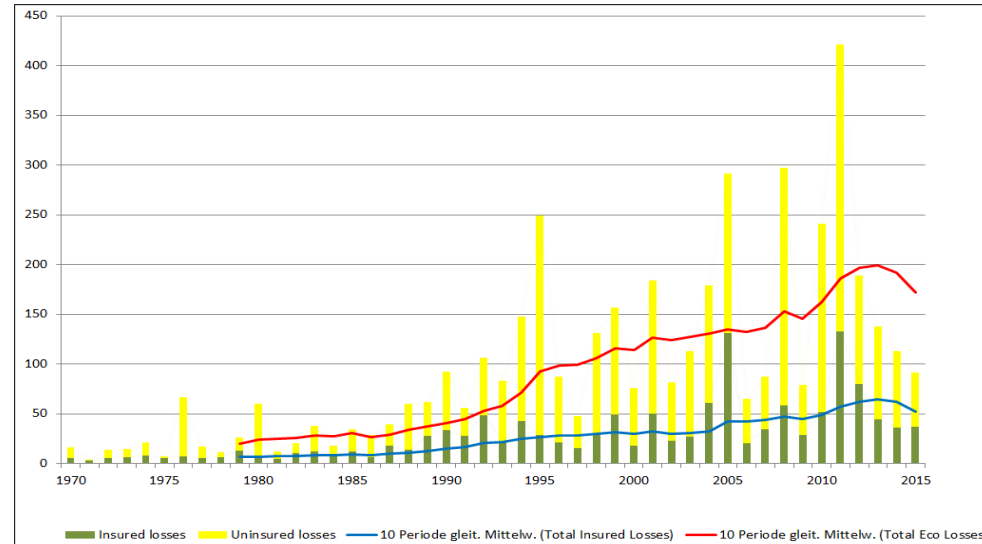
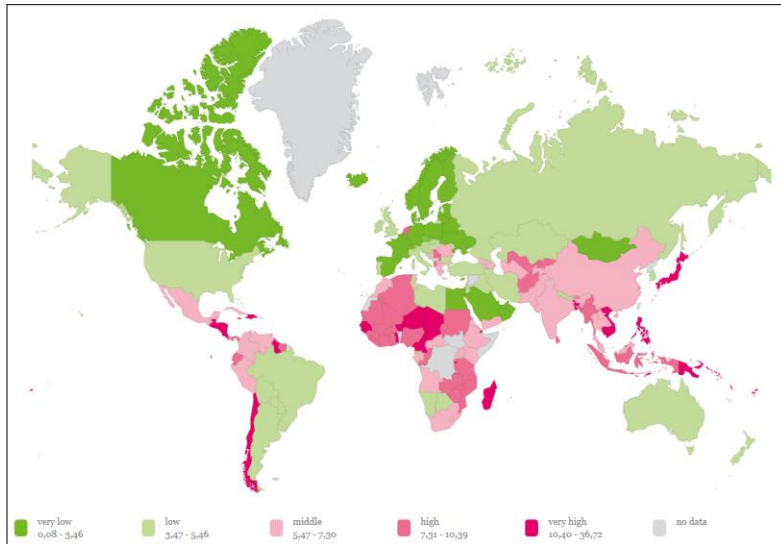


Federal Ministry
for Economic Cooperation
and Development

KFW



The need for climate risk insurance solutions



Increasing risks of natural disasters

Increasing intensity and frequency of extreme weather events (e.g. droughts, floods, storm, etc.) due to climate change

... and widening insurance cover gap.

Increasing insurance cover gap for natural disasters averaging > 100 bn USD p.a.

Sources:

World Risk Report (2016), World Risk Index 2016, Germany. (<http://weltrisikobericht.de/english/>)

Swiss Re Economic Research & Consulting and Cat Perils (2016). (http://media.swissre.com/documents/fig4_sigma1_2016.pdf.xlsx)



The ISF - At a glance

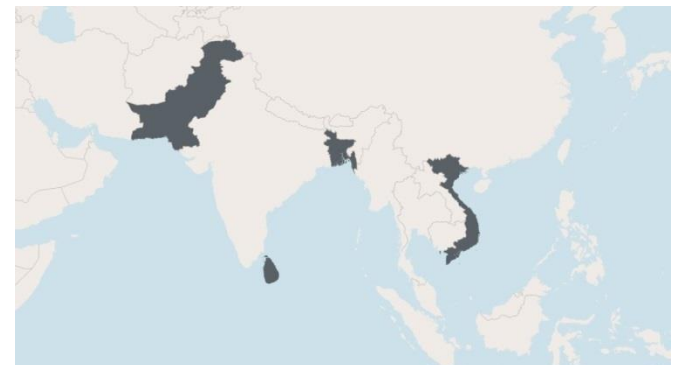
Objective

Improve the resilience against extreme weather events of those living on less than 15 USD PPP a day by supporting the development of innovative and sustainable climate risk insurance products in developing and emerging countries.

The unique approach

It catalyses the formation of partnerships between **public entities** (e.g. national or regional government bodies), **NGOs, humanitarian organisations and private companies in the insurance sector** to ensure the demand and sustainability of the products and to leverage private sector expertise as well as risk taking capacities.

Donor	Federal Ministry for Economic Cooperation and Development (BMZ)
Terms of funding	Up to EUR 2.5m per product (own contribution required)
Region	Global





Closing the Insurance Gap: KfW's contribution

On behalf of



	InsuResilience Solutions Fund	InsuResilience Investment Fund (ex CIF)	African Risk Capacity
Development Goal	Development of innovative insurance at scale for closing the protection gap	Reduction of vulnerability of low-income households and MSMEs to extreme weather events through insurance	Rapid pay-outs in humanitarian crises for protection of lives and livelihoods
Application Area of Instruments along the Value Chain	Product development facility	Investment facility capitalizes companies which offer/ develop meso- and micro-level insurance products	Offers macro-level Insurance
Regional focus	Poor and vulnerable people in developing countries worldwide		Africa
Clients/Investees	Companies, NGOs, governments	Insurers, brokers, aggregators	Governments
Product offer	Grants	Equity, debt	Insurance & derivatives
Additional Support/Value-add	Public and private sector collaboration, solutions design	Private capacity building, information and technical assistance	Public capacity building through contingency plans, product development
	Supporting set-up cost, management advice	Premium subsidies	Regional risk pool
Private sector involvement	Supporting innovative insurance companies	Leverage by private investments	Risk transfer to reinsurance market



The InsuResilience Solutions Fund (ISF)



The ISF supports the **development of innovative and sustainable climate risk insurance products** in developing and emerging countries to **improve the resilience** against **extreme weather events** of those living on **less than 15 USD PPP** a day.



It provides **partial grant funding of up to EUR 2.5m per product** and **advice**

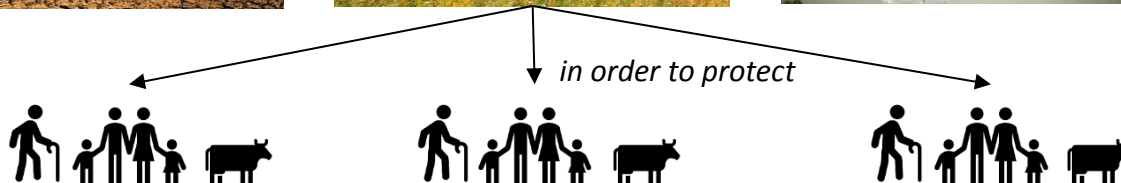
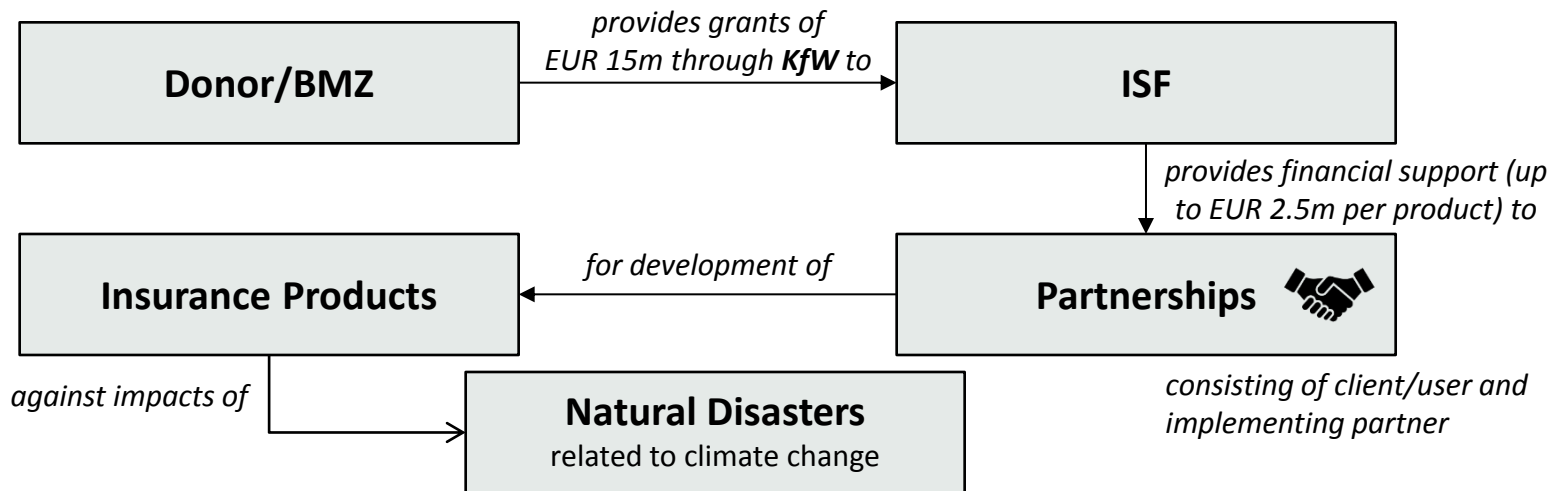
- to **transform new climate risk insurance concepts into products** which are ready for market placement and
- to **bring successfully piloted climate risk insurance products to scale.**



It catalyses the **formation of partnerships** to ensure the demand and **sustainability** of the products and to **leverage private sector expertise** as well as **risk taking capacities.**



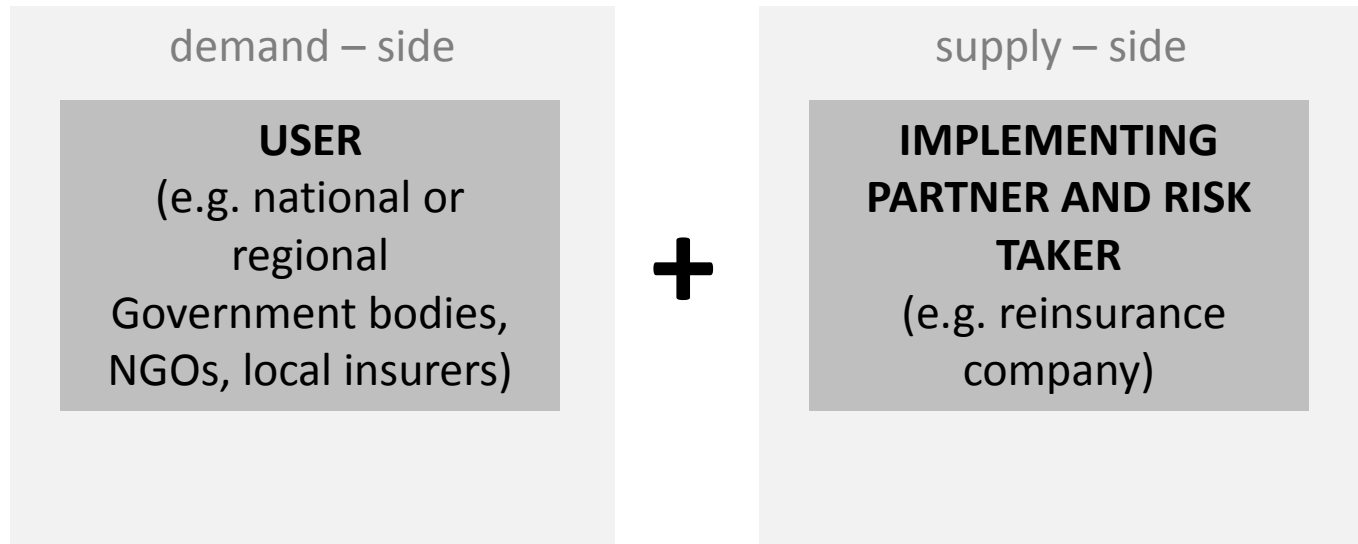
The ISF – How does it work?





The ISF – Partnerships

The ISF will only provide financing to partnerships which consist of at least:



Further parties, e.g. other product implementing partners such as risk modelling agencies, insurers, brokers, can additionally be involved.



The ISF – Core eligibility criteria

- ✓ Perils: floods, storm, excess rain, drought, heat waves, cold spells
- ✓ Focus on poor and vulnerable households (< USD 15 PPP per day)
 - directly (through micro-level solutions) or
 - indirectly (through meso- or macro-level solutions).
- ✓ Product's market placement and launch within 36 months after funding approval.
- ✓ Risk-taking partner, generally willing to underwrite the risk covered by the developed product, is part of partnership.
- ✓ A business plan for the development phase (cost, time and working plan).
- ✓ Partnership provides own contribution of 50%.



The ISF – Examples for costs eligible for funding

- ✓ Development of new risk / hazard models
- ✓ Technical product design incl. actuarial risk characteristics
- ✓ Data collection and equipment
- ✓ Policy terms and pricing
- ✓ Legal costs, e.g. for the identification of a suitable implementation structure
- ✓ Sales and distribution channel development
- ✓ New technologies for product improvement and scale-up



The ISF – Application Process

1

Partnership Agreement

User + Implementing Partner = Product Partnership
agree on cooperation for development of climate risk insurance product.

2

Initial Application

Partners submit an Initial Application with general information about the request for funding attaching the Partnership Agreement.

3

Full Application

Initial Applications passing the first screening are invited to submit a Full Application

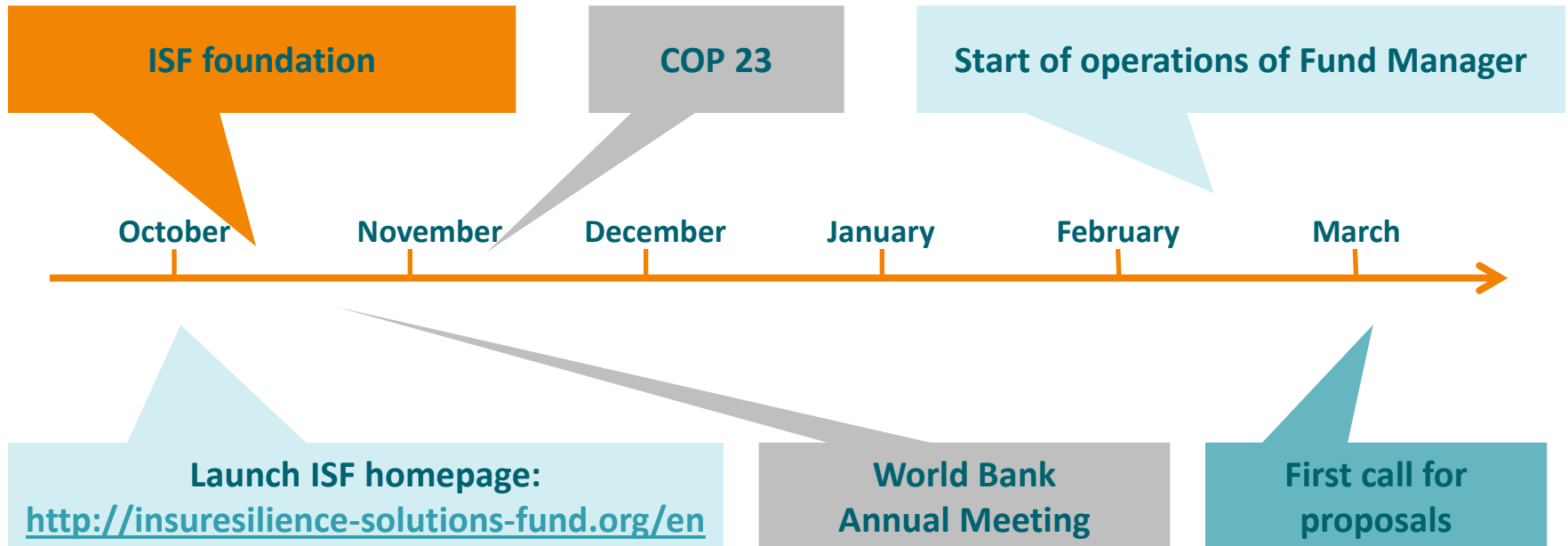
4

Decision

ISF decides whether the product is eligible for funding.



The ISF – Getting on track





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The ISF – Go online

<http://insuresilience-solutions-fund.org/en>





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The ISF – Contact us

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