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Well, hello, everyone. I think there's still a few people trickling in. And since the organizers are very strict with us, we try to get started. Thanks, everyone, for joining this session on the Natural Disaster Fund, impact -driven protection to improve climate resilience.

My name is Kai Tushin, Head of Climate Resilience Solutions at Salesforce Pro. And I'll guide you through the session. And yeah, I would like to express my gratitude to the World Bank for inviting us and all of you for joining us.

And I have a brilliant panel with me, which I'll introduce on the go throughout the session. And we'll get started with a presentation on the Natural Disaster Fund and an example project by our dear partners, Climes in the Philippines.

And that will be followed by a discussion with our panelists. And then you'll also have the chance to throw some of your questions at my dear colleagues on stage. So get your pens out and note down a few questions.

The session will then be closed with closing remarks from the Global Shield Secretariat to kind of embed the Natural Disaster Fund in these wider efforts to strengthen climate resilience. My first two presenters are Mark Röll and Noël Rabori.

Noël is the President and CEO of Climes Life and General Insurance Cooperative. He brings more than 20 years of experience in cooperatives, which is fantastic. And he introduced a very innovative and new product together with NDF technical assistance funding.

And then I have Mark Röll, CEO and founder of Salesforce Pro. He started his career as a derivative trader in Swiss banking. And there he learned about the power of parametric insurance and weather derivatives, which then led to him founding Salesforce Pro in 2008.

And he'll give us a short introduction into the Natural Disaster Fund. Over to you.

Thank you very much, Kai. Thanks for the intro. It's great being here and great with this fantastic panel. So yeah, my name is Mark Lueck. I'm chief executive and founder of Celsius Pro. Before I talk about the Natural Disaster Fund, I say a few words about Celsius Pro.

Celsius Pro, an organization that I founded in 2008, tackles two global problems. The first global problem is the financial impact of climate change on mankind. And the second global problem is the inefficiencies of the existing insurance industry.

At Celsius Pro, we have three lines of business. We provide software solutions and insurance technology to insurance companies and brokers to efficiently offer parametric insurance products. We provide consulting services.

To provide background information and bespoke solutions for clients. And we provide underwriting solutions. Risk pricing and risk transfer. So when we talk about the Natural Disaster Fund, we talk about underwriting solutions.

We acquired by the end of 23, a company called Global Parametrics that was founding and running the Natural Disaster Fund. And with this acquisition, we've taken over the mandate to run the Natural Disaster Fund.

The Natural Disaster Fund is a government -backed reinsurance vehicle. It's backed by FCDO and KFW on behalf of BMZ to mitigate the impact of climate change and natural disasters in the global south.

We have a matching capacity from Hanoveri on this mandate. This mandate is impact - driven, and one of the key KPIs is, of course, how many poor and vulnerable lives we touch. So if you look on these slides, we are active in the global south, truly global.

We provide solutions and risk transfer for earthquakes, tropical cyclones, heat, frost, excess rainfall, drought across the globe. As I mentioned for us, it's really important. This is part of the core mandate to touch the lives of the poor and vulnerable in the global south.

And as we see here on this chart, it took a while upon inception to get started, but now we're in a good trajectory to reach more and more beneficiaries with the support of our clients, clients, and others that basically make sure we have the outreach into all the regions that need these solutions.

So that was a quick overview of the Natural Disaster Fund. Back to you, I guess, and then over.

I think you can continue straight away with Noelle. You can just take off.

I'm Noel, I'm from the Philippines. We developed a parametric insurance way back in 2011 and 13, but I think the time we just parked on the bandwagon of how parametric insurance will do. But in 2016, there was a claim already about the indemnity versus the assumption of the parametric insurance.

Because when we look into the Philippines, we are the number one in terms of intensity and number of typhoons. We average around four in a year. We were lucky last 2023 that there are only 10. But the last two months ago, we also have some drought experiencing around 23 provinces in the Philippines and with an impact for the GDP of around 3%.

So the parametric insurance through the National Disaster Fund help us also how we can cover in a meso level of the parametric insurance. When we develop this product, we incorporate also the we have focus on the farmers.

We have some concerns on the impact of the climate change on food security. So we help the government through our through the partnership of SEAT and global parametrics, which acquired now by the Celsius Pro on how we can incorporate a non - insurance product to the platform and develop the model that can aid and support our farmers, especially the cooperative.

And there are reservations before that when we talk about parametric insurance on a individual coverage, it will not work. But we define it through a meso level through cooperative model, the global model of the Rochdale on how we can support each one of us through mutuality.

And it works for the past three years already. And the program is very simple because the model was developed by the global parametrics through Hanoveri as a reinsurance. And ICMIF is also the international cooperative and mutual insurance federation through Sabir Patel.

It's the one who link to a FinTech that validates or creates some dashboard for the claims. So we're able to pay the claims within 10 working days through digital platform, through digital payment. And it is where also that we're able to have assistance for the scalability for the next two years.

We're able to penetrate all provinces in the Philippines. And our experience is very, what do you call this one? We did not expect something that we worsted because when we started the program, we thought that it is a worst case scenario.

But because the operational cost is too little only in terms of percentage, but on the first year because we selected those who are vulnerable provinces, the high claims just came in. But in the second year, it's now since it's already spread across the Philippines, so we're able to have a very good experience.

And aside from the wind speed and rainfall, we develop also the drought, the less water, because it is a reverse from the extreme rainfall. So. So this is the experience that we have, and we are thankful also for the National Disaster Fund for helping, and we just hope by the experience of global, by the experience of this meso -level, we are labbing also to the government, especially on the Philippine Crap Insurance Corporation,

that it will be open for private companies, the PPE projects, or private -public partnership, and I think Rohan discussed a while ago how insurance also can create some impact, and we will play some videos, because we incorporate also, aside from the, because we are a cooperative mutual, so we incorporate also the ecosystem -based adaptation, where our insurance premium will have some discounts for those who adopt some programs related to ecological adaptation,

and planting mangroves, developing also premiums that will be allocated to that. So it's very holistic, based on the principles of the cooperative, on the values on cooperation among cooperatives, and concern for the community.

So we have a video, two -minute video, if it's okay. KTVU Fox two news.

I think that I can be a good person. I don't know how to be a good person. I think that I can be a good person. But I have a problem with my own family. I have a lot of friends, I have a problem with my own family.

I think that I can be a good person. I don't know how to be a good person.

After the pandemic, we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems, and we had a lot of problems,

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When I was a child of one of the 10 children, I was old, old and old, but I knew that I was good, they were good. If I have been to a place all night, I would do it! And I wouldn't believe, I would always believe it!

And I was always human, I always wanted to be vibrant, and I wanted to be a picked up person. For the last few years, I've had the..... I've had to protect insurance. The insurance company was working hard to get through.

I've had the opportunity to work for them. Therefore, I'm not going to have any problems with it. I'm also having an accident.

Thanks a lot, Mark and Lorraine. So now is finally the time to come to our panel. And we do have Lorraine and Jo with us. She's not only an actuary by training, but also the head of strategy and partnerships at the African Risk Capacity.

Lorraine, let us know a bit about your role and also the challenges that you face in accessing re -insurance capacity in your business.

Thank you so much. Thank you everyone for joining us on this session. So at AHRQ we are the largest provider of parametric insurance in Africa. We are mandated by the Africa Union and we serve their member states in providing them with sovereign parametric products.

We have four perils, drought, tropical cyclone, flood, and we also do an outbreaks and epidemics product. And then we also have a non sovereign side to this business where you're providing other humanitarian organizations at a measure and a micro level and other companies and aggregators with also parametric insurance products.

And this also and we also do this on a sovereign level. So for us parametric insurance and climate insurance is really what we do and and so far in the last 10 years we've been able to pay out around 230 million.

In fact right now in South Africa this is the largest drought that has happened since the last 40 years and we're expecting to pay over 60 to 80 million in claims once the drought season is over. So we are really trying to provide resilience and always the first money to our country post a disaster.

That's what we do at AHRQ and for us reinsurance is really critical in how we do this, in how we've been able to pay out these claims, in how we've been able to provide these products, in how we've been able to validate these products to market and bring them out.

So for us reinsurance is key. We would not have been able to achieve all of this and just to to point out one thing like on our outbreaks and epidemic product which was very innovative and won an award in 2023 we did it with the help with our insurance.

So innovation product development is what reinsurance brings to us. But for us we found that as a developmental insurer, if we can call ourselves that right, it's a new title we're getting, it's very very hard to balance that with reinsurers who are only looking at it from a commercial perspective.

You know everyone else except NDF who we are here with, NDF are also developmental. But we see that we have to give concessional pricing, we have to provide especially for governments who are facing a lot of you know who have a lot of difficulties in coming up with premium and not because of anything it's just that budget considerations, other priorities who now have to start contending with climate disasters which beyond 10 years ago it wasn't really a big thing but now it's worsening,

becoming worse, becoming more frequent and they have to do something about it. So it becomes critical for them a price point in how they're buying insurance affordability accessibility and we as a developmental insurer have to take that into consideration but when we come to our insurance buying our wonderful wonderful panel of reinsurers have profitability targets to meet.

They have KPIs, they have mandates every time there's another disaster you know what we hear the market has hardened like what do you mean the market has hardened who is it isn't it just you and me talking about our insurance rate but like they hadn't when so we find that it's very hard to really increase your price year on year on for our customers but our insurance every year is the market hardened again like really again the disaster wasn't it also wasn't for me you know and it's worsening for the vulnerable people what can we do about it I was like yeah I know nothing so I feel like that's the major that's a major hurdle that you have you have catastrophes that are sort of a social social problem now facing profits and shareholder value if I could say so that's the major hurdle how do we price so that it can make sense how do we still pass on how do we ensure we keep them developmental Monday and also the other one is accessibility it's like every time the market hardens you know what happens it's also hard to place to insurance what do you mean but I'm you you took my risk last year and now you can't did your balance sheet change no it hasn't it's just your willingness to do it so I feel like their insurance really show up you know and it's all ESG and it's time for the photos but really when it comes to the ground and the work the market has hardened and that I find as an actuary who has also been part of the market hardening I'm finding it very very hard to contend with so yeah just for the other ones in their room

Thank you so much, Lorraine. If you look at the insurance value chain, another key institution in that value chain are the brokers, because they pick up the mandate of their clients, and they bring it to the market, regardless of how hard it may be.

And I'm very glad to have Rowan Douglas on stage, who's the CEO of Houden's Climate Risk and Resilience Group. And he also led the creation of what we call the Insurance Development Forum, which is a great community and also a public -private partnership between the insurance industry and the development sector, and a great, great platform that we all attend and that we all work with in our day -to -day business.

So Rowan, I'm really curious to hear from you the broker's perspective and the insurance industry community's perspective on access to risk capacity in the context of climate change.

Thanks so much, Kai, and it's really, are we working? Are we on? I don't need to turn it on, that's okay. Thank you for everything. Not only did you give a great show just now, but you also helped me with my techno problem, so thank you so much.

No, it's great to be here, and I have to say, personally, this panel that's been orchestrated, I was, as Noel and then Lorraine was speaking, it has important echoes, so can you give me one minute? So in 2015, the University of Cambridge published a groundbreaking report.

It was called Insurance and Sustainable Development, and the Role of Insurance in Protecting the Basic Rights of Life, Human Rights of Life, Livelihood, and Shelter. And it was the first document that mapped the role of insurance in protecting the SDGs.

The SDGs were just being minted at that time, 2015, and it also was a co -authorship between an academic, Anna Gonzalez, and the head of the chief economist of the International Association of Insurance Supervisors.

And to use the case studies for testing this, one case study at the, there was only two case studies, ARC, and a mutual microinsurer in the Philippines. And I just, for those who are perhaps new to this community of understanding risk, at this community, it always brings the people who are doing the absolute leading work.

And 10 years ago, who's on the stage, who's actually been driving this forward? ARC and a Filipino microinsurer. And then, two years later, the same research team, that Anna Gonzalez did a two -year program in Tacloban in the Philippines, which was the epicenter, if I can mix metaphors, of Typhoon Haiyan, Yolanda.

And what she did was she looked at 300 households who had been affected by Typhoon Haiyan. 150 of those had mutual microinsurance. It was supported by ICMIF, the program. Half of them had insurance, and half of them did not.

And what it did, it compared the life outcomes, five years after the disaster. And basically, it showed that those who had mutual microinsurance had fared better, critically, and this is a structural issue, but how the insurance had also enabled and maintained access to credit and investment for those communities.

And that particular mutual microinsurer, it was protecting life. It was providing access to special calamity loans, but it didn't have, actually, a specific disaster insurance program, certainly a parametric program, like no one's describing.

So to come here to this panel and see how this has fared is important. I'm gonna fast forward to, I thought, your brilliant sort of frustration as an actuary about why the market is not always, well, it's responsive and not always in the right way.

And this is another key point I want to make. Insurance is a beautiful thing because it means that we are all, through our insurance premiums, contributing to a global pot. But what we have to understand is, and as both Noel and Lorraine's institutions have done, and in these Celsius Pro and Global Paramedrics, insurance doesn't have to be just the insurance sector as we currently define it.

Insurance is society at local and global level deciding to contribute money into a collective pot through taxation, through Premier or other mechanisms, to provide a shared entitlement if things occur.

So what is so exciting about the parametric revolution and the power of parametrics which you saw in 2008? It means that all sorts of people with capital, it can be governments like the ones who funded the insurance disaster fund.

It can be pension funds. It can be NGOs. It can be all sorts of people who would not think twice about providing capital to support investment, would they? All sorts of players are perfectly happy to provide concessional funding to allow people to invest.

we have to recognize that insurance is just capital. It's contingent capital, but it's capital than it says. It's the foundation, the capital stack. It says, if major events happen, you will be protected, you will receive money.

So there are all sorts of sources of that capital that can then be the very foundations of security for investment, for lives, for livelihood. I see Tao here from P. Crick for sovereign protection. So if we redefine insurance for what it is, simply contingent capital, it opens up a whole world who will not be affected by the pin, at the moment we have a pinprick of capital called the insurance and reinsurance market,

which should be a pinprick in an ocean of wider capital that would then, frankly, soften this hard market by creating a much larger reservoir of resources, which will have different ebbs and flows. And what is so exciting about what's happening here, and represented by the fund and others, is the massification of risk capital.

And what we have to do is take this incredible gearbox that we all are now part of, and now apply it much more broadly. For me, personally, one of the key angles to do that is the movement into the loss and damage domain.

And it frustrates me so much that the people who are involved in loss and damage don't necessarily recognize the value that this world can bring, and they just assume it's private insurers doing grim things.

It's not. And yet, and also our community is nervous about engaging with the loss and damage community because they feel that, and if we can bring these worlds together, we will transform the scope and scale of protection.

And it's gonna happen right here, right now, from this panel onwards, because it's this, understanding risk has usually been the crucible of major structural innovations, including all that work that happened with BMZ and the global suit.

If you track it back, it all goes back to 2010, 2012. So let's get ready for the next decade.

Thanks a lot, Rowan. It's always a journey to ask you a question. Thank you so much. Let me come back to the Natural Disaster Fund, which we are convinced about that it can play a crucial role in this ocean of capital that you mentioned, Rowan.

And I briefly wanted to ask you, Rowan and Lorraine, if you have any insights to share of your institution's work with the NDF so far.

So, there are very many positive things to say about AHRQ and NDF, but I will limit it to one because, you know, time. What I really just want to highlight is one of the most innovative things we're trying to do.

As Joanna said, insurance can be a crucible of many, many capital sources. And one of the things that we are trying to do at AHRQ is help support our sovereign states in buying the right level of insurance, because sometimes they want to buy too low because of pricing considerations and they want to buy too little.

So what we've done with the support of the NDF is that we've launched a cut layer on top of our insurance layer, which will now go into market. And that allows us to now be able to play with the attachment points, to play with the price points, to look at risk assessment differently, to be able to support our humanitarian partners and the governments to now go like, oh, okay, perhaps I can buy it at this level and it will protect me more.

Because one of the things that we are facing in Africa, and particularly at AHRQ, where we are providing 98 percent of the parametric insurance and the prearranged financing, is that there's only one product.

And for us to be able to have launched an additional product and to give an additional layer on top of the insurance layer is quite innovative, and we'll be looking forward to announcing it soon to all of you.

So that's one of the things we've done together. So collaboration is key.

Well, for us, there's been a number of examples, but the one that's currently the most exciting for me, again, with Cambridge, we did some research that was published at the COP last December, and we really did some analysis looking at the – and what about this is reframing things, you know, taking it from the small world to the big world.

So we did some analysis of the climate risk affecting small line developing states around the world, states with less than a million people. We all know many of them can lose more than 100 percent of GDP overnight, but I had a hunch from the previous year's COP when we had the L &D breakthrough that, yeah, the percentages are high, but the absolute numbers aren't that high when we look at the insurance and reinsurance market.

And yes, of course, as Dominica had a few years ago, you can have that event, but what's the real likelihood of these events? So the upshot was we did the analysis and, broadly speaking, at a pure premium level for $300 million a year, you could liberate about $25 billion of protection in theory and reduce losses to no more than 10 percent of GDP for these islands, transformational, absolutely transformational.

And we've got the mechanisms to implement that. We've got the PCRIX. We've got the CRIFs. We've got – this is about – we've got the ARCs. We can scale this up. So now we – and to do it in the context of the mosaic of solutions in loss and damage.

So everyone said, oh, yeah, let's get on with it. So we're mobilizing to actually make this happen step by step, not one big solution. It's going to be a mosaics of the tile. But we needed to move rapidly from theory to practice to be able to get confidence amongst donors and others that this is kind of more than theory.

And, you know, who has come up with the goods to give us the information to allow us to move forward? Its global parametrics and the Insurance Development Fund has been by far the most responsive and helpful in creating a real, if you like, expression of that theory into practice of how much it would cost to cover some of these islands at some level.

And with that, we're able to sort of now move forward to the next stage of implementation and work, hopefully, with the risk pools and others. So I have absolutely no doubt. And then through that, others will follow.

But you need someone who's got the vision as well as the mandate and the capital structure to break the mold. And you know what? It may well be that the traditional insurance and reinsurance market does not follow.

But there's lots of others who would love to actually come into this space. And the lovely thing about parametrics is, you know what? Anyone can play. Come into the pool. Isn't that right? Come in. The water's lovely.

That's very nice. We love to be in these waters and we love to be at the forefront of innovation with the NDF. I think that's clearly the bottom line of your responses. And you already mentioned it, Rowan.

Where are we going to stand in a decade? I mean, we know we have seen the numbers on the Natural Disaster Fund. There's only so much paid in capacity that can be underwritten. And there's many more initiatives to tackle the availability of risk finance and access to climate risk insurance all over the world.

But the number of the funding committed is going to be dwarfed by the growing protection gap and by the climate crisis. So, question to all the panelists, if we look 10 years ahead, which change do we need to see?

Where do we need to stand? I think, Mark, you could... One way or the other.

I think more on what we can do, how to do the action. I mean, there's a lot of discussions already on the loss and damage fund, but in the Philippines, after typhoon, there's always a gap there, especially those who are not covered, and difficult to cover because of the standard insurance.

But on the side of parametric insurance, the challenge there is on the premium, the rates is really high because we don't have enough, maybe the enough pool worldwide, but we are on the level of the inclines in the Philippines, we want a partnership with the government, especially there's a lot of funds coming from different countries, but that funds is just like it all outs, so it's not become sustainable.

Why not developed? And we, in fact, we offer our model, the parametric insurance model, as a science data, science -based or the data -based, with a gold standard in era five to develop this one and become maybe, it's not an experience, but looking into the typhoons, and right now the severity, the drought also, I think we have so much thing that we can do by talking, especially experts, and let's have some point agenda on the next five to 10 years.

What are the actions and evaluate if there's no, excellent or finished product already that fits to all, but as long as we are doing on some immediate, because risk is always there, and at the end of the day, after typhoons, as I said, this gap, after high end, there's a massive typhoons coming in in our country, and government should open also on the public partnership, and maybe some premium financing will be good also,

using the Los Anamich fund.

Maybe just to echo this, estimates have been that in 2023, economic losses due to climate change have been just short of $300 billion, and I think in the next 10 to 20 years, this number will be well into the trillions.

So I assume that this is too much for just commercial reinsurance and insurance companies. We need vehicles like the Natural Disaster Fund that pull in governments that don't have the aim to maximize underwriting profits and shareholder value, but rather capital preservation and giving back and distributing the funds.

And therefore I believe it's critical that more governments will follow such initiatives and also insurers and reinsurers put part of their capital in a pot where they say, well, this is not for shareholder optimization, this is for the common good, because climate change and the financial impact of it is too big for the traditional market.

Yeah, I also just want to echo that and say that, you know, in the next 10 years, all companies will be climate companies. There's no one here who will not have been affected in one way or another. So it's also going to be bigger than just the insurance market and the financial market is going to be everyone participating in climate disaster in one way or another.

So it will be a good, it will be prudent for us to think about how we can pull all different sorts of capitals and all different sort of initiatives so that we are not all going to be affected or minimize our effects because we are all going to be going through it.

Trillions of losses, of economic losses, just seems like sliding back into poverty level. So really a call to action for all of us. Like we all need to engage or participate in one way or another.

Yeah, I think, Lorraine, you've typified it. Insurance is the ultimate community product. But as you can say, reinsurance is the ultimate global community product. And actually, once you have... And the only problem is not enough people are able to participate in this global community product.

And then the capital that is held as this risk pool has to be sustainable, and that's how you structurally manage risk in societies and create the drivers and adaptations. So in 10 years' time, we just want many more people to be participants in this incredible cultural and scientific innovation, which is what insurance is.

It's a beautiful thing. It really is. And we've got to remember that. It's been hard won. 25% of global GDP is spent on insurance. We call it welfare and social insurance, but it's how we define what we collectively value and what we protect.

But not enough people are able to participate in it. In 10 years' time to make that happen, there's one thing we mustn't do and one thing we must do. The one thing we mustn't do is... I've been in this game a while.

I got so bored for years of having to argue about the value of resilience and adaptation against mitigation. So for 10 years, I would be going to COPS and people would be saying, you can't talk about adaptation resilience because that's undermining the low - carbon transition.

I said, well, we need both things. We're all managing risk. And it's not a false choice. But now I'll be very open with you. I'm having the same challenge with people where I talk about insurance and loss and damage, and they say, oh, you can't talk about that.

We need to spend it all on adaptation. And I'm saying, we need both. And it's ridiculous if a cat -3 hurricane goes through any country, including Japan, the most resilient, adapted country in the world, you still have massive insurances.

We must avoid these choices. And actually, risk modelling is the way of defining how we mustn't create false blocks because it's completely hopeless. But then what we must do is make sure that this, in the world of increasing formal risk disclosure by financial institutions, public and private, climate as well as nature, once this risk is accounted for and disclosed and becomes a contingent liability...

Everybody hates that. They say, it's like having a medical. We're going to have bad results. People won't invest us in them. We have to go through the pain of making these risks hard contingent liabilities for companies and for countries because as soon as you do that, then everything you do with disaster risk financing and adaptation to reduce those contingent liabilities becomes essentially a hard economic benefit.

So you get the benefits of all that disaster risk financing, not just when the disaster occurs, but all the time through reduced cost of credit, better credit ratings, more access to capital. And we have to go through that revolution otherwise, and frankly, we'll still be fiddling around on the margins.

We have to get this into the mainstream of macroeconomics within countries and to the mainstream of microeconomics within companies. And then it's the invisible hand is working for us, not against us.

We must retrain the invisible hand. Adam Smith didn't do it 200 years ago. Now it's time to update Adam Smith and reconnect man and women to nature through financing the model world. That's what we need to do.

Thanks a lot and it's always good to weave in some kind of macroeconomic theory into the concept of insurance. I really like that as an economist and I think now is the time to turn towards you in the audience and to ask for your questions and also do we have a mic runner already?

Yes, fantastic. So we do have a question here in the front line.

Thanks. I've got a couple of questions, so I'll go very quickly. Actually, before I just said that, actually, the stress of that market was quite real. So, actually, Lorraine left my team because she couldn't bear, you know, to model the reinsurance rates increases.

But anyway, I think just on a more serious note, right, I'll start off with Mark, a question for you. You know, we speak of the impact of the natural disaster fund and how, so the question I have is how, how solid and permanent is the capital?

Because obviously we know that with climate, you know, at some point, you know, so is there some sort of replenishment mechanism that can guarantee that the fund is always going to be there? And then, Rowan, just for you, you and I both know that the scale of change that's happening within the global movement is too slow, right, to actually affect the scale of change that we need.

And overlay that with also the lack of models in terms of the most exposed people. You know, there's a lack of models compared to actually, you know, the global north. So, what else can we do to really light the fire?

Because, you know, like I'm getting, yeah, you know, yeah, we do this with this. But I feel like we are preaching to the choir, right? So, you know, what needs to happen? And then for now, how can we replicate, you know, the model that you've done so well in Philippines across similar countries?

I'll spare Rowan a question, thank you.

So thanks very much for this question. So at the moment, there is no official replenishment from the German and the British governments, but we're obviously in very close contact with them. We encourage other governments to pitch in.

Let's not forget, we have a 50% quota share with Hannoveri. And Hannoveri has already signaled and already demonstrated that in a number of cases, they're willing to go above the 50% quota share that they officially have.

But we're also reaching out to other organizations, other insurance and reinsurance companies to pitch in to make this a bigger movement.

Um, Malvin, we're absolutely on the same page. I mean, how do we scale this up? Um, ultimately, you know what? It's up to us, all right? It's the only people who are gonna be able to make the effect of the change of those in this community, including, you know, us in this room.

And so what we need to do, but you know, the bottom line is that I speak to lots of practitioners in this space. And you know what? We're kind of happy in our own little pool. You know, we're kind of happy because we're making our living.

We feel like we're doing good. We don't want to rock the boat too much, you know. Do we really believe in what we're doing? Payouts for SIDS of $10 or $20 million are great, but they're drops in the ocean.

Do we really, really, really believe in what we're doing? Are we willing to put our careers on the line to go out there and communicate this message in a language that the rest of the world understands, but our colleagues in this room will laugh at?

Do we really have the belief and passion in what we're doing to engage externally and know that our colleagues may well actually laugh at us because we're oversimplifying certain things? We have to decide if we're big boys and girls, or frankly, we're happy in our little pool.

And if we really, really, really believe in the theory of what we're doing, but actually that the challenge is mainstreaming, we've got to have that confidence and to engage audiences which are frankly skeptical and will attack us.

And that's what it's all about because if we don't do it, there's no one else to do it and we'll just be happy, but we'll be okay, but we won't have solved the problem, but we will be great admirers of the problem.

We'll be able to give you 100 reasons why we haven't got the scale we need. Boring, really boring. I'm really bored of spending time with people who are great admirers of the problem. We've got to get over ourselves and get out there.

Thanks a lot. I think there was one more question here in the front. Sorry. Sorry.

duplicated the beauty of claims is we are a cooperative so the principle of cooperation among co -ops that just limits only to the Philippines and however there are two issues there on parties I think reinsurance and the platform to be used but right now our partners with Ibiza in Luxembourg is the one duplicating it with other countries like in Africa also in India and clients also is actively participating just like this activity forum that we're able to inform there that there's another innovative products that I think it will work but in order to work as of now is we need a commitment also from the government for the approval of the product and and the pool is very critical to this

OK, we take one more question. And then I think we have to close.

Alex from Marsh Advisory, question to the panel in general, great panel so far. I'm first of all not an apologist for the insurers slash reinsurers around the heart market but I want to make an observation right.

So for every dollar of premium that's you know that's paid out how much of it actually goes into backing the risk itself and how much of it actually is you know used for example risk modeling cost money right paying risk vendor models cost money local brokers cost money and if you're going to reinsure it reinsurance brokers cost money so my question is how much of that dollar can you know how can this process be more efficient right so just just to put it back to the panel.

Well, maybe I can tackle this with regards to the efficiency, and this is why we provide technology solutions as well. I think specifically with parametric insurance that don't need a physical loss assessment, we can significantly reduce the cost of products.

And it is an issue that, in insurance, we have an extremely long value chain, and everybody chops up a bit, and ultimately we have an expensive product with fairly little risk inside. I think that's predominantly the case in traditional insurance.

It's also happening a bit in parametric, of course, because an ecosystem needs to live. But it's much, to a much lesser extent, the case. Because it's very data -driven, and it doesn't require inspection in the first place on the housing standards, for example, and then an additional layer of loss assessors that add to the overall cost.

But yes, this is a problem, and distribution comes at the cost.

I think there's a tremendous opportunity to tighten and simplify the relationship between the risk and the risk capital. I think the heart of that at the moment, and it's perhaps easier when the premium is being funded by public entities or public entities of the clients, is to force transparency over what is the true technical risk price and what are the necessary other components and loadings, which are perfectly justified in many cases,

and what is the value of the different institutions in the mix. I think that would be such a helpful piece of transparency and confidence building. So a great point.

Thanks a lot. So before we send you out of this room, I am not out of this room because this session is actually followed by the session on the risk pools, which is the perfect follow -up session to this one.

But before we do that, I'm super, super happy to introduce Delia Kaiser, my former colleague from the Global Shield Secretariat, who will equip us with a few closing remarks just for those of you who have not heard about the Global Shield Against Climate Risks.

It's a G7 V20 initiative that was launched at COP 27, and it's one of the key initiatives to drive into scale climate and disaster risk fines and insurance. And of course, the Natural Disaster Fund is very much embedded.

So Delia, over to you for closing words.

Thank you very much, Kai. And thank you to the panel for this really great discussion. We started with the introduction of the Natural Disaster Fund. I think that it was really interesting to see how this can be set up as a government -backed re -insurance facility, and how you're working and supporting pilots and solutions like we heard from CLIMBS.

Now we'll introduce us to CLIMBS, to the cooperative, using parametric insurance. And I think this was really a great example to see how this can be set up, how the risks can be managed, and then the risks from CLIMBS are taken up by the Natural Disaster Fund.

We heard from Lorraine great input on the African Risk Capacity, which is the sovereign risk pool, hearing about 130 millions of payouts that have already happened through AHRQ, but also putting on the spot what are the challenges, what needs to happen to really make this more effective and to scale up and to have it as a solution that will also cover more in the upcoming decades.

We heard a lot about accessibility on pricing. Before then, Rowan came in from Hauden with a broker perspective, but also with a broader perspective. And I really liked how you linked the discussion on insurance to loss and damage, because I think that's really one of the key things that we need to do and that we need to go to.

And also this translation and mainstreaming. I think that's really something that currently is a pain point that we really need to tackle so that we get ready for the next decade. So I think that's something that we can close with and that we make use of this conference on understanding risk to come together to connect well to mainstream and as said, the natural disaster fund and this panel was a perfect example of those connection making connections.

Thank you.

Thank you, Delia, and thank you everyone on the panel for your great contributions. It was a real pleasure to be here with you. And thanks to you in the audience. I'm really happy that we had such great attention and that you all stayed with us.

And I hope you all stay also with the risk pools for the coming session. And I wish you all a great day and enjoy the rest of the conference. Thanks to the World Bank team and thanks to the tech people also in the back for guiding us through.