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They've walked in the best places. And at the best, I've had the most experience and the most suited crowd, people here to give us to answer our questions. So without further ado, I want to welcome my favorite boss, Malvin Chirim, a chief handwriting officer at AAG.

I also want to introduce my ex -colleague who left us, but, you know, we still love each other because we're in the resilience risk pool, David Maslow of Crepe. And then I want to introduce the only lady in the panel.

Hey, hey, how women doing things? A special round up for the lady in the panel. Let's do it. Come on. You can do it. Here, an executive director at CDRIF. And I have a lost panelist. Loto is somewhere.

I believe he's somewhere. He is the best panelist ever. You guys are going to have so much fun with Loto. So today we don't want to preach to the choir, but we really want to tell you the story of the resilience risk pools.

We really are a resilient branch from the stories we'll tell you. We have gone through the most. And without further ado, I want to owe it some ado. You know, what's the wrong with some ado? I really want to welcome David to take us through our journey in the last ten years.

Thank you, Lorraine. Good morning, everyone. Afternoon? Morning? Afternoon. Good afternoon. Good afternoon, everyone. So, yeah, I'm David Maslow. Thanks to Lorraine. Indeed, I've been involved with the risk pool now for over ten years.

I spent nine of these years at the African Risk capacity, and I recently joined the Caribbean Catastrophic Risk Insurance Facility. So, I'm delighted to be here today and work you to a couple of slides just to set up the scene in terms of who are the risk pools, where are we, how do we come together.

But I think, as an opening statement to this conversation today, where are we going from here? What is our future and what are the challenges and opportunities we face? Okay, great. So, to start with, we have to start in the bottom left corner of this slide here, and the story of Hurricane Ivan in the Caribbean in 2004.

And if you were at the plenary yesterday, you would have heard from the colleague from Grenada, from the Ministry of Finance of Grenada, Mrs. Britton, that really explained that Hurricane Ivan in 2004 was a terrible event in the Caribbean region.

Hurricane actually caused over 200% of the GDP of the country of Grenada. Also significantly impacted some of the countries, Cayman Island and others in the region. And that was about 20 years ago. Following that event, the countries of the Caribbean region got together and decided to reach out to the World Bank to find out some solutions to build the financial resiliency of the governments in the region and be able to respond faster and access liquidity in such an event.

As a result, a few years later, in 2007, the first risk pool was created. The Caribbean Catastrophic Risk Insurance Facility, or CRIF, was created in 2007 at the initiative of the CARICON in partnership with the World Bank.

Later on, a few years later, the company, as increased, offers more services, coverage for tropical cyclone, earthquake, excess rainfall, and has now also extended its activity to coastal field members in Central America since 2015, essentially re -raining as well as CRIF SPC in the region.

So I believe that CRIF was really the beginning, not only the beginning of the risk pool, but also the beginning of parametric insurance. And from that point on, parametric insurance became the instrument that helped organizations, regional organizations, to build resiliency and to build home -ground solutions to financing the risk.

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Following the initiative of CRIF a few years later, at the initiative of the African Union and the World Food Program, the African Risk Capacity was created in 2012 and later the insurance company in 2014 to help African member states to also access some insurance coverage.

And to date, the organization provides coverage against drought on the continent, but also tropical cyclone and floods to governments. Later on still, again at the initiative of the regional Pacific countries and following a pilot of the World Bank, the Pacific Catastrophic Risk Insurance Company was created in 2016, again at the initiative of the Ministers of Finance.

So very importantly, these organizations are created at the initiative of the highest authorities in our region and generally the Minister of Finance. Again, this organization provides coverage against tropical cyclone and earthquake in the Pacific currently.

And finally, the newest of the risk pools is called Seed Reef in Southeast Asia and was also created in partnership with the World Bank in 2019, covers against floods, covers pillars such as floods and other pillars based on the demand of the countries.

Together, we have become the resilient risk pool. We have come together to exchange our experiences, our challenges, but also opportunities and try to commonly address the challenges for increased coverage and reducing the protection gap in the world.

In terms of characteristic, we share some essential characteristic. First of all, we are public -private partnerships organizations. So really, as I said, created an initiative of governments, but also really working with the private sector, applying private sector instruments, techniques to help governments better manage the fiscal gaps.

We have, both on the one hand, a developmental mandate to help protect the vulnerable populations. But at the end, we also have a private business mandate to bring sustainability to the business that we run and to make sure that in 20 years, in 30 years, we still exist and we're still able to cover the most vulnerable populations against climate risk.

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We all are using parametric insurance now, and I believe that commonly we probably have the largest portfolio of parametric insurance in the world. We, as you can see on the right -hand side, cover 40 countries in the world.

Over $1 .5 billion of risk is transferred to the insurance market every year. That's about 50 million people covered globally. And so far, since 2007, we paid together over $500 million of payouts to countries.

And thanks to the benefits of parametric insurance, we have been able to pay very quickly. So within days, sometimes one week, two weeks after the end of a disaster, whether it is a tropical cyclone or a significant drought, I think Laurent just mentioned currently, we have a large payout expected in Southern Africa following a record drought in the region.

And finally, not only we offer concessional insurance, which is, I think, very important, our insurance is concessional, it is the cheapest that countries can access, and we always make sure that we work with our partners, with our insurance markets, with our modelers to provide the cheapest products.

But also, we don't do this in isolation, we build a capacity within the countries, we train experts in risk modeling, we train the governments in disaster risk financing, and we make sure that the products that we actually promote are fully understood and owned by the stakeholders.

So maybe just to conclude and to open the discussions, I think now it's also time after almost 10, 20 years of insurance to ask ourselves, what is the future role of our organizations? What are the common challenges and opportunities that we face?

And what is, how do we define this next generation of development insurers, right? What does it mean to be an insurer for the development? What does it mean to work for the development insurance as well in the country so that together with the public and the private sector, we can close the protection gap in our countries?

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So from the insurance side, maybe to start with, gross diversification is critical and there are plenty of avenues to do that, and I'm sure my colleagues here will discuss some of the latest innovation.

And on the development side, we really have to make sure that we build centers of excellence in the regions that we give access to models, we give access to data, we give access to risk understanding and assessment, and that we provide ways to improve the response and make sure that countries have access to liquidity.

So on this, thank you, and I think Lauren, we can get started.

Thank you so much, David, for that quick look back at the last 10 years of the last decade and for others like Khrif, more than a decade of work. And so maybe just to give a teaser, because really we just want to expose yourself, expose the people here in the room to what the resilience free schools are all about, I would just want to ask the panelists to really, really just briefly talk about some of the groundbreaking things we've done.

We're really trying to be impressive. We don't want to just preach to the choir, we want to preach to everyone. And I'm going to start with Melvin and then Lotu and then Lady and then David.

Thanks, Lorraine. I'm going to try and make this interesting, but I don't think I can match your star. Yeah, so I think the first thing to say is that given the history that David mentioned, right, when we started, I think it was, it was quite a novel thing.

So I actually believe that when you look at the space now, it's a much more populated space, if I can call it that, right? There are a lot more players, you know, within the markets, across the insurance chain, across the disaster risk management chain, across the disaster risk financing chain.

So the risk pools being able to adapt to that change in, you know, within the environment is actually, for me, is actually quite crucial, because without that, that agility, then I think that the value proposition of the risk pools would actually be be diminished, right?

So I actually thought for me, that's really important. And then in terms of products, I think Lorraine actually spoke about some of the work we're trying to do in terms of just offering different types of products for different types of buyers.

So I'll just give some context. Within the continent, there's very few tools that exist that are capable of offering disaster risk financing. So what countries then have is they have the art policy as the main source of financing.

And of course, most of you in the room will know that that does not get bound to be efficient, because for insurance to work, it has to be purchased by other tools, you know, that address the various needs of the frequency severity spectrum.

So being able to provide tools that address the you know, those needs is actually something that we've had to do. So I'll give you an example. We now have a product with the World Food Programme, where we provide we essentially manage their below attachments, according to the fund.

So for a number of countries, if drugs occur that that don't trigger the main payouts, then at least we can through their products, then we can at least be able to release some funding. Because, you know, as we all know, it's not feasible to have payouts that are being done, that are being triggered for all types of drugs.

And then also just, you know, on the other level, where drugs are so catastrophic that maybe they exhaust the typical insurance layer, we've also developed another product that also addresses that. So we've had to be agile to address the specific needs, because no country is the same.

So, you know, the needs of the, you know, the country is very and we also happen to serve not just countries, but also replica partners, you know, which are the humanitarian players such as World Food Programme, Star Network, UNHCR, you know, just to name a few.

So essentially trying to be agile to provide services that suits the interior of our clients is also an important facet of our work. So I'll stop here for now. And then I'm sure, you know, we can have another chance to come back.

Yeah, maybe Lothuken. Yes, please

Excuse me, I'm a buster also, so I used to be in a budget and have my conversation. I was asked the government to do a presentation, but I'm here for our conversation, so bear with me. I'll give you a very brief background, and I'll give you some sort of what we have done so far in terms of differentiating ourselves from what happened in the other school.

We all know climate change has come to stay, and it's a big issue, big problem, and it requires big solutions. One of the solutions is a core policy, one of the solutions is money, one of the solutions is political commitment.

So back in 2007, our leaders had some sort of a very good and excellent foresight back in the days, 2007, and that's the time that we are realizing after canvassing the areas they identified as a gap in the market.

No one is providing such a paramedic instrument or paramedic financing to the region, and because of the establishment of CRIF, they learned from that and they raised the World Bank back in 2007, and that's the beginning of the conceptual conversation with the World Bank, to see if we can more like duplicate or lubricating what the CRIF is doing in that space and be able to adopt it in the Pacific,

and it took a long time, from 2007 until 2016, that's when Pacific catastrophe research was established. Thomas Stalin took Ireland, but we are currently working remotely in silver, really trying to connect ourselves and make our footing more strong.

So my talking points when I go to the countries I used to start, even meeting with the World Bank and other partners and stakeholders, I used to start with three A's back in the days. It's all the three A's back then, it was availability, accessibility, and affordability.

Now I have to change the talking point and focus on three R's. The first R is redirect your risk, the second one, can you press press? The first R is redirect your risk, second one is more like rapid response, and the last one is all about resource resilience.

So that's my talking point. My focus on the redirecting risk, we are a risk pool, recognized as a risk pool in the region. There's something new in the region, and that's the hard part just to go out and market and communicate to your political masters and also the technical officers.

No one ever heard in the Pacific about this paramedic thing. We heard about reinsurance, and insurance in the Pacific is not in their blood, because the perception back then, insurance is more like a cost, it's not really an investment.

So no one opt to take the reinsurance. And no one understands what is problematic, what is it risk pool? Because insurance is more like, oh, okay, you're insuring your car, you offer a policy to my car, you sell my house, my health.

That was the perception, and that's the understanding on the ground. Risk pool, going out and trying to explain the demarcation between traditional insurance and risk pool paramedic insurance, it's a hard job in itself.

and given the person standing here right now, I'm not from the industry. And if you ask me technical questions, I bring Nico here. He's the technical guy. He's the guy providing me with the knowledge, resilient, to answer your questions.

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So if you have any political questions, ask it to me. Then I'll respond to that. So, and that's the mess that we went out of the countries, trying to tell them, you know, we are taking your risk, we are taking it to the market.

We are bullying your risk in terms of disaster. There is no way, don't think about the World Bank, that's the only solution, or ADB, only solution that will mitigate your climate change issues in terms of medication and in terms of adaptation.

No, they are only one of the other. Even in Big Creek itself, we are not the only solutions, but we are one of the solution. It can give you some breath of fresh air physically in terms of financing.

We can enhance your physical protections. We can enhance your understanding. So what we are offering now to the countries, we are not just offering policy for cyclone, earthquake, excess rainfall, which is flooding and drought, we also try to offer some sort of education and capacity building.

Because in the regions, we are facing with a huge gap, knowledge gap, in understanding the market, understanding the risk pool itself, as I said. So we are thinking of, okay, we issue the policy, we are not just taking their money out from the countries, but we are also providing educational bread form.

We are connecting with the University of the South Pacific to see if they can offer such a program to elevate or capitalize our students so that they understand what we are offering. Because one of the key issue was conveyed to us by the ministers and the leadership, a lack of technical understanding of our service.

And for us to make that understanding and understanding of risk pool or pragmatic, well -impeded on the ground, you need to offer educational program, which is different from education. Education, we are waiting for the crop of shield.

We have submitted a proposal so that they can find our scholarship, our scholarship and also intensive and some learning exchanges program. Because that's an effort of trying to make the risk pool and paramedic really understandable and better on the ground.

If you can't pick it back together, issuing policy with education in the Pacific, I don't think it's gonna work. Maybe it's in the other region also. So that's what we are trying to do to make sure that they understand the reductions of their risk.

We're thinking it is redirected to the market. I've heard about the reinsurance hardening. When I heard it last year, then I said, what they mean by hardening? Are they talking about pricing? Are they talking about living some way to, you know?

Then I said, Then they went up, my team went up to the market and they got the price. We initially indicated to one country in the Pacific State that this is the price for a hypothetical example, a dollar.

The market came back, no, it's going to be three dollars. What do you mean? I can't go back to the country and tell them, yeah, you have to pay three dollars now. Because the market had happened, I can't explain the hardening to the people, to the leadership, to the politicians.

You see, this is the things that we have to be, we have to have that conversation and understand what you meant by it. So I said to the team, no, because we have some capitalization, we have to take the risk as of now while we are trying to educate them to understand the market, understand the industry, understand the service.

Because if I go back to the political mass and say, market is hardening, he's going to ask me, I don't know, I don't know how to explain it. Rapid response. Rapid response is one of the key comparative advantage of us, of paramedic.

We advocated to the country to say, post this other, your money will be deposited in your account within 10 days. That's happened already. We paid it to Tonga and it's the deposit that we made, the Tonga designated account was within 10 days.

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So that's the beauty of it. We give it to them and it's completely up to them. No accountability in terms of giving us accountability reporting. It's all about, I call it, utilization report. Can you solve us?

Can you tell us how much did you, how did you spend the money, how much did you plan to do? Not to spend it in your cousin, not to spend it in your wife. Make sure you spend it on those who were affected by the cycle or the disaster.

Resource resilience. Yes. The money that we are going, the money you bring for us for your premium, you're not just paying us as a cost. You think about it as an investment because you're resilientizing your system.

You're trying to resilientize your financial protection to make sure if it's rain, you can be able to buy an umbrella for your children to go to school. So perfectly, that's the whole work that we are doing now.

We just, a few weeks ago, last month, we issued the first policy, very innovative one in the whole world. That's the first one in the whole world. I have to announce it here. And that's the policy that we offered to Baba, New Guinea, to cover their capable fiber optic network to a SOE, state -owned enterprise.

And that's the first one that we offer. As you can see, we are slowly diversifying. We are not only expanding in terms of membership and also policy holders. We are also diversifying the existing product that we have to go out now to SOEs.

And the first one we also issued to a non -government organization, NGO in Fiji, to protect their reef. So that's the very first one. And we received some great interest from what we offered to Baba, New Guinea.

You can imagine from 2007, when the company was established in 2016, it was only less than a million of people covered. You know, it was six countries back in the day. But these six countries are very small.

We're not like Africa, they're big. We are small, but big in heart. And then in from 2003, just before the end of the year, we cover more than a million. You know now, more than 12 million policy covered, more than 12 million.

That's including Baba, New Guinea. Baba, New Guinea itself has a population of more than 12 million. As you can see, we fought Baba, New Guinea. We are very small. But that's how we've been in progress since the beginning of the concept of conversation that we'll bank to where we are now.

And going forward, I think we are going to expand in terms of diversifying our resource, but thanks to the crop issue, they provided us with money to subsidize. Because subsidy is very important with this.

When you're talking about, if you ask the questions of subsidization, in 10 years ago, 50 years ago, there was a no -go from the donor partners. The G7, two years ago, they made a vow, okay, we'll make premium as more like a long -term solution going forward.

Now, it's become part of your day for the kitchen conversation within the donor community, which is good, which is good. Because for us in the Pacific, we use premium not only to expand business, but to also build ownership.

But I disagree, and I also emphasize this with the ministers, the leadership level in the Pacific, I disagree with 100% subsidization. It's always good to have a cost sharing arrangement. For the fact is, we want to build ownership.

And ownership can be built by you putting the scheme in the game. At the same time, build education and capacity building. Education is completely different. You're educating people who have no idea about this industry.

And capacity building, you are capitalizing on people who have some ideas. For that, I'll stop now, otherwise I'll go more than the time.

There shall be no more preachings, I promise. That was the last preaching. But another final round of applause for Lutu. Really summarized what we are truly trying to do, that the risk schools are providing premium finance.

The risk schools are providing accessible capital. The risk schools are also providing capacity building. And what have we learned, children? The three R's, which stand for? Say it with me, rapid response.

Who forgot the other one? And the third one? Clap for yourselves. You guys are the best. Three R's. And so now we'll move on to seed reef, where we're going to hear about the innovative solutions. No preaching.

Keep it strictly to two minutes. Only preacher in the room.

So thank you for staying with us until the very last minute before lunch. And with great passion. And for CIDRIF, we understand with each other that passion and patience are the most important quality that any response people should have, especially for ASEAN countries.

So actually, I represent CIDRIF, which is Southeast Asia Disaster Risk Facility Insurance Company, which established in 2019 under the CIDRIF initiative. And actually, among the four risk pool who represent here, we are the youngest.

And David gave us only two lives in the business, SCOMA business. But compared to what we have provided until now to the ASEAN region, actually, the potential for CIDRIF is huge, given the very diversified and large operating environment of the ASEAN countries, which a very large population of 577 million populations, and with very large economies, which would be nearly $3 .6 trillion US dollars.

And the region is very prone to different kinds of natural catastrophes, like drought, earthquake, flood typhoon, volcano, heat wave, et cetera. And we have the countries in the region who represent in the top risk of the countries.

And even though in the region, we have a lot of public programs for Netcat, and also a lot of publicly sponsored companies who provide insurance, but still the protection gap is still large, with nearly 85% of the economy loss over the last 10 years due to natural catastrophes are uninsured.

So which means that even though we are still very youngest, risk pool among the four brothers and sisters here, the potential is there. And we have a lot of opportunity to expand within the region. And at the moment, we're providing parametric insurance to sovereign clients.

And we invest a lot in risk modeling and risk assessment tool. And very recently, in last August, we made a payout to our client, who is Laopedia, $1 .5 million US dollar, within only one business day.

So that's very the effort that the company tried to make to serve our sovereign client. And at the moment, we are currently under discussion with different member countries to provide also public asset financial protection, as well as expanding to agriculture insurance and cap bonds.

So we hope that in the next UR meeting, we can fill up the list of the product offering. And I really feel the energy from Lo Tu, Big Greg, and how he turned around the company over the last four years.

And we share a lot of experience during the UR week. Thank you very much.

And finally, perhaps to hear from the CRIF perspective.

Thank you. So about 10 years ago, QUIF has opted to design models and risk models for the Caribbean region that later on expanded to Central American region. These models are for earthquake, for tropical cyclone, and for excess rainfall.

And once we had these extremely advanced resource intensive models unique for these regions, we started developing some products. So the first one and the flagship product that we have is a sovereign product.

It's what we offer to countries. And currently we have 19 Caribbean countries that are insured for one or more of these periods. And we have four countries in Central America. But then at some point in time, I think it comes to the realization of the glass ceiling above your head.

If you are dealing with a sovereign entity, if you have to go through budgetary processes, and if you are living under the constraints of the budget for that country, you're also living under the affordability that this stakeholder and this counterparty has for the policy.

And if you have to factor in inflation, if you have to factor in increase in risk because of climate change and some of the observed increase in frequency and severity of the events, if you have to factor in the cost of reinsurance, the cost of risk modeling and underwriting, you're coming very close to the maximum point of capacity offered to these governments.

And unfortunately, that is still not enough to actually cover all of the risk that these countries are facing. So we had to start looking at ways to expand our coverage and looking at all the stakeholders that could come in and seed some of that risk.

At the same time, we're also looking at the stakeholders within the countries who may have appetite for the risk, maybe the insurance market. And we're starting to connect these two, the demand and the offer for risk.

So the first thing that Cliff has done in that regard is to expand coverage offer to national or state -owned utilities. So electrical utilities were the first one to benefit from insurance. And last year, we had three electrical utilities that benefited from insurance.

This year, we opened it up as well to water utilities. So essentially, we're using the models that we have, and we're creating new products tailored to different applications for electrical utilities, for water utilities, and so forth.

We don't want to stop there. We want to build products that are going to really help further, not only state -owned agencies, but also governments through the social protection programs that is going to help us solve value chains within the different sectors and industries of our country.

So the islands, particularly in the Caribbean, will be focusing on tourism, on fisheries, for example, in industry. We are looking at the value chain. We are coming up with products that are helping not only governments, but also cooperatives, banks, and so forth, all of the different links of the value chain to de -risk the investment and help not only protect the value chain, but also generate some growth,

some economic growth. So in that way, we also started offering products to the fishery sector. We also started offering a product for the livelihood, a product we call a livelihood protection product, which is helping, again, the most vulnerable in our countries to access micro -insurance to aggregators in the countries.

So this is really the panel of products. We also continue to develop models, so we are launching this year a run -off model, which is particularly focused on river flooding in the larger countries, and we are also finalizing a drought product that will help us as well, not only to ensure against drought, it could be drought associated for water utilities or lack of capacity in dams and so forth, but also drought for the agricultural sector so that we can promote and distribute a multi -parial agricultural insurance program and product by next year.

So it is really about diversifying the stakeholders. It is about diversifying our product range and making sure that we have. We won't necessarily be able to do it all on our own. We won't necessarily be able to go to each of these levels on our own, so we will have to build partnerships.

If you were here in a session before, you would have seen the slides from the colleagues showing the cooperatives. I think in the Philippines, the logos of the cooperatives, the screen was full of logos.

It takes a village to set up such a type of program, and if you are starting to look at it, from a reasonable point of view, it becomes really difficult to set this up in 25, 30, 55 countries in Africa.

So we need to work through partners, we need to work through aggregators, and we need to together find out how is it that the risk pool can help the market and the stakeholders best to reduce the protection gap.

Thank you so much for that perspective. And I just want to say that, ladies and gentlemen, you've had a teaser of what the risk pools are doing. Tomorrow afternoon will be at the foyer, all four of us, and you can have low two again for another preaching.

It will be from 2 p .m. to 5 p .m. And we'll be there to answer all the questions we have. And just because in the interest of time, I don't see if we'll have enough time to answer questions, just to let you know that we will be having another session tomorrow at 2 p .m.

So please come forward then with all your preaching questions. And we will have just time for one or two questions, but just to close and just to summarize, right, we've had about the new innovative products we're doing.

We've had about how we're looking at it in terms of the three hours. You've had about the public partnerships. You've had about expulsion of coverage and really trying to combat this climate crisis. But at the back of it, there's still a lot of financial, uncertainty, some questions about financial sustainability, questions about the increasing growing of climate risk and all the associated economic losses that come with that.

So I just wanna ask Malvin to give a perspective on behalf of all the resilience with pools. What is the future for the resilience with pools and how is the partnership of CREAF, Seed Reef, Park Creek and AHRQ going to move forward as the resilience with pools to combat this challenge?

Thanks, Lorraine. I'll start off with the last question, and then I'll go to the first one. So, I think we've all heard about the different experiences and the different trajectories that the roost pools are taking individually.

But obviously, the reason we came together was to realize that a lot of the issues that we face are common, even though we're in different regions, because, you know, trust me, it may look like all very calm, you know, on the surface, above the surface.

But as you know, with this one, there's some furious pedaling that goes, you know, beneath that you can't see. So, it makes absolute sense for us to actually come together. You know, as David also mentioned, right, we need a lot of partners to make this work.

So, there's a lot of cross -collaboration that we are doing. We, you know, some of the models that Cliff are building, we are also hoping to be able to use them, because then essentially what we want to do is to create that platform that we can use as individual roost pools, but also, you know, as a collective.

So, I think it's really important for us to be able to speak as one voice, you know, when we look at the partners and, you know, the infrastructure. And as I said earlier, this space, in terms of resilience, in terms of natural disasters, is now much more populated and dare I say, contested, right?

So, you know, there's a real value that we bring, which I think is underplayed in certain situations. And then since we're talking about, I think, Lotu, he came up with the three A's. I couldn't really find something three A's in the three R's.

I couldn't do that, but I came up with the DSS, really. I think the key thing for the roost pools is so D is really around diversification. I think we all heard from, you know, from everyone on this panel that we need to diversify because relying on the national budgets and the national infrastructure for pool participation is clearly not enough.

So, real diversification is of, you know, significant importance. And then the second one linked to that is also scale. You know, it's quite clear that, you know, as a roost pool, the whole concept of risk pooling is really based on diversification and scale.

So, if you don't have those two, so scale basically for us, it means that we have countries buying significant sort of coverage in terms of premium and, you know, and exposure. And also, you know, being, you know, of different perils because, and also the other thing just to mention, right, we can't really be celebrating 60 million of payouts in southern Africa.

When you look at the collective cost, you know, of response for those droughts, we're probably looking at amounts in excess of 600 million dollars, you know, for those affected countries. Yet, we are celebrating 60 billion.

Yes, it's something, it's better than nothing, but really we need to look at how we can really scale up, you know, this. And then, I think the last important point is really, you know, around sustainability.

You know, we all know that the world in a few years, and actually, if you look at 2023, it was a record -breaking year for the wrong reasons. The warmest year on record, the most, I think, you know, a lot of fires in California.

And then, you sort of overlay the fact that there's a dislocation in that market in California, Miami. If we're not careful, you know, we'll be in a similar situation where our own addressable market or our own reason for being actually is sort of, is essentially decimated because of the frequency and severity.

So, we have to really look at, you know, the infrastructure, in particular, the capital. You know, how are we going to be able to respond to the increased frequency and severity, you know, these disasters.

It's quite clear. It's not even a matter of numbers or probability because, actually, I think we can all say we can see. So, when you look at our projections, how we're modeling them, and, you know, the actual outcome in the last few years, it's very clear that, you know, the climate change signal is very strong.

So, I think those, for me, yeah, it's really important just to emphasize those three points. Thank you.

Thank you so much and I think just to summarize that all the risk pools are in the different phases of the financing and all what are in the offering of solutions and really at this point with the disasters increasing we can start to look at the whole solution as prearranged financing because you're trying to look at the different ways in which you can mitigate these disasters in the future and hopefully when you come see us tomorrow afternoon we'll tell you more about the prearranged financing.

So for now we're happy to take one or two questions before we can close. Okay, that's the microbe.

Hi, thank you very much. My name is Daniela. I work at Arup based in San Francisco, but I'm from Colombia, so I'm familiar with CRIF. So my question is, I'm open to anyone. When you use your models, of course, to set up the instrument, because I know there's maybe competing offsets, if exposure is increasing, climate change is increasing, making losses potentially higher, but because you're also providing a positive building,

and I think this is framed in a more disaster risk reduction program for countries, or anyone that's taking the instrument, if the countries are doing, or taking actions or measures to reduce the risk, are you considering that when you update your models, or are you, I don't know, adjusting the premiums, adjusting then how you finance that, do you have a mechanism to kind of consider those changes that may happen over time in the countries, from both sides of taking risk reduction action, which is also the idea of the whole framework, but also I know risk, exposure is increasing. How do you deal with that in the models, and in the overall instruments?

Thank you. That's a very good question, and that's a question that comes back quite often, because it is a very challenging point to deal with. From the onset, I would say we do update the model regularly, and when we do update the model, we look at the exposure, we have frequent updates in terms of the exposure that our model is using to calculate the losses.

But despite the fact that there's a lot more work to do in creating the link between vulnerability or risk reduction and reduction of premium, I'd like to think of it as, in the first place, the coverage that countries take is generally not sufficient to cover the world risk.

So even if you were reducing the risk, you would still have a lot of margin of reduction before you actually have a material impact on the premium of the countries. So if you keep things as it is, if a country covers 10% of the current risk, even if you reduce the risk by 10%, the narrative may change in terms of how much the premium can actually cover, or how much the protection gap has actually reduced,

but overall, you will not necessarily see a material change on your volume of premium. But there is a lot of work to do nonetheless in terms of understanding the vulnerability, of understanding the complementarity between the various products that are offered.

And I'm thinking, for example, if a micro insurance product like we have seen earlier are in place, that means that some part of the population has developed some resilience, and that should be reflected into your surveying premium.

So there's a lot of work that we are doing in that direction, trying to understand better, trying to map out better. But at this point in time, for most of the policies that I've seen, whether it's a cliff or even an ark, there is still so much room to go, and the risk, as you said, is increasing year to year, that I think we do not yet have a fully material.

Yeah, it makes sense.

And just maybe just to really buttress the point that there's not enough funding that's actually flowing into adaptation. So, you know, when we talk about mitigation and, you know, I think we all made the point about this sort of fight between mitigation and adaptation, but actually, especially if you look at the, you know, the funds that are flowing, it's a trickle compared to a flood, you know,

sorry for the pun, but there should be a flood of funds that should be flowing into that. And there's almost nothing. So for that conversation, you know, hopefully in the next 10 years, we can never, you know, that would have changed.

Yeah, hopefully.

Thank you.

And why do you switch on your microphone? Just as well, I just want to make a good point. We can also help understanding where are the pinpoints of adaptation to reduce the duration more because we also have the risk profile.

and what we are doing and we are not updating or we are not providing the service that we are supposed to do. And then I'm sure there will be a performance for us too. But that's the reason why we hire experts.

So tell me what to do, and tell me what to do. I'm beginning to make sure that the provider service tell me what to do. talk to the ministers and because we are a political institution, we are going to take a list of institutions.

So we are selling a political protest and we are trying to expect the process in terms of supplying our protest so that we can understand our own people and the laws. Yes or no? We are relying on the minister of finance and the political masses.

If they say no, we are dead. So that's what we are doing.

Yes. Thank you. Thank you for contributing.

Thank you.

Can I add one point? I think the name of the risk pool by itself means together, right? So for risk pools only working together, sharing only not within the risk pool, but with the country and also with the private sector, professional and academia.

And by the end of the day, we should provide better solution, better coverage, but less, more efficient cost and less saving for our sovereign clients. I think that's the ultimate objective that we strive to get.

We cannot, you know, leave all the burden of financial to the government, actually, especially the government in the developing country. So I think that's the issue that together we need to tackle. I think maybe you leave it for tomorrow afternoon to discuss in more details of that.

Thank you. So maybe one last question to be answered by one panelist, who I will choose.

Okay, thank you very much. My name is Tad Suter from Mitzi -Smitoa Insurance. I know we're running out of time. So one simple question to whoever wants to up with them. What is your biggest pain point you're facing in making your pool to the next stage moving forward?

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And I wish I can hear from all of them, but I know we're running out of time, so please choose one pool, please.

Okay, since I'm the moderator, I choose myself. So I can't trust them, we're out of time. So there are three major hurdles that we face. The first one is capital, to allow us to write more business, that will allow us to scale.

The second one is premium affordability. A majority of our clients are governments. Governments face budgetary hurdles, and that means affordability is very, very crucial to them. So premium financing has changed the game, as Lotu was saying, and that is a key enabler of providing coverage.

And the third one is technical assistance. And what it is, is that we want our country to be able to understand why it's buying insurance, at what level it's buying insurance, and what other mechanisms it's applying to support this insurance mechanism.

So in summary, and in brief, capital, premium, technical assistance, those are our major pain points. And if you could assist in any way, we'd be very happy to partner with you. We are partnering together, we are opening to partner ourselves with all of you, with each other, and we're looking forward to seeing you tomorrow afternoon for another interactive session.

Thank you so much for being here. I have been your moderator, Lorraine Joy, and please follow me on LinkedIn. Thank you. Oh, guys, stay for a fortune.

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