

# COLOMBIA

## ENHANCING MEDELLÍN'S URBAN RESILIENCE THROUGH INSURANCE



Approximately 56.8 % of economic losses in Colombia are derived from floods, followed by 11.3 % from earthquakes, and 8.3% from landslides. There are currently no adequate insurance products in the Colombian market for these perils, signalling the need for product development to respond to the additional catastrophic layer needs. The Project Partners have formed a consortium to promote resilience in local communities susceptible to natural catastrophes via the implementation of custom-designed natural disaster risk insurance products for the city of Medellín, Colombia. The proposed products are innovative for the Colombian market in terms of climate-risk coverage provided to a subnational entity for the protection of urban areas by enhancing its capacity to provide emergency relief in the aftermath of a natural disaster event. The city government of Medellín will be the policyholder via its Fund for Disaster Risk and Emergencies Management (DREM).



### PRODUCT CHARACTERISTICS

Target group

Urban population of Medellín

Target region

City of Medellín

Insured asset

Emergency response services, basic infrastructure

Insured peril/ hazard


Flood, landslides and earthquake

Insurance type

Macro-scheme  
Development of sub-sovereign parametric insurance programme

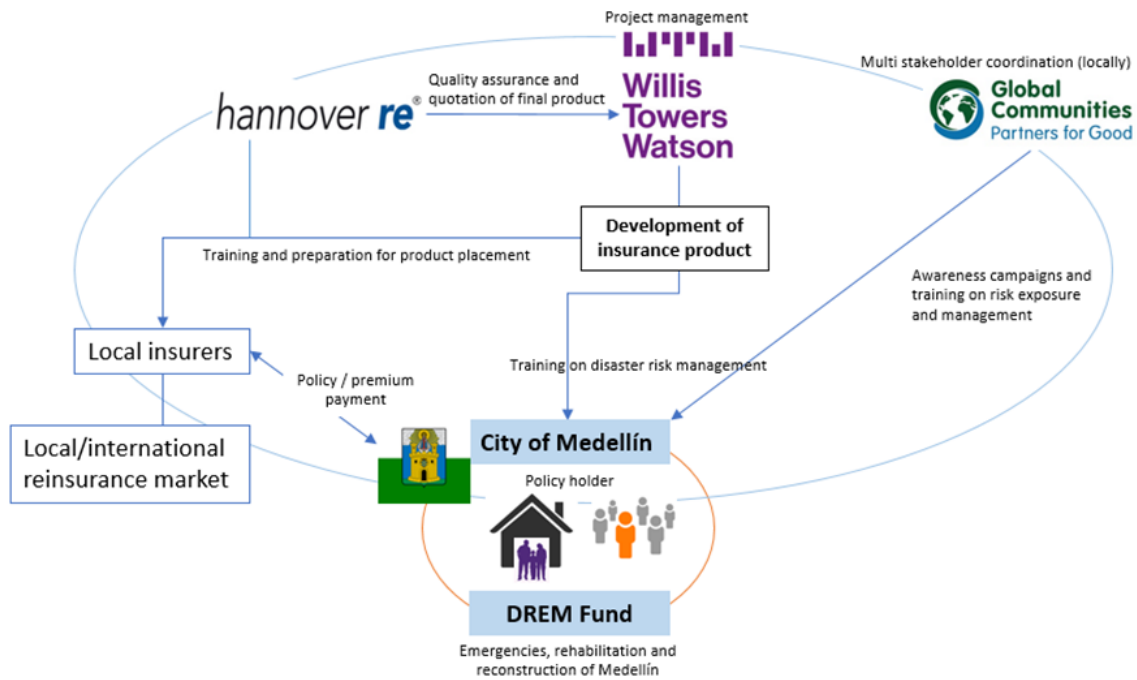
**Own contribution**

54 % (of total ISF project costs)




 <p><b>PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED</b></p>	<ul style="list-style-type: none"> <li>• Analysis of risks and assets to be covered</li> <li>• Development of a comprehensible data analysis and risk modelling</li> <li>• Agreement on a sound strategy to finance insurance premiums</li> <li>• Product design</li> <li>• Preparatory work for product placement</li> <li>• Awareness raising and capacity building activities</li> </ul>
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**PROJECT SET-UP**



 <p><b>PROJECT PARTNERS</b></p> <p>Demand Side</p> <p>Supply Side</p>	<ul style="list-style-type: none"> <li>• Global Communities, Colombia / Non-for-profit corporation</li> <li>• Willies North America Incorporated, USA / Broker</li> <li>• Hannover Rück SE, Germany / Reinsurance company</li> </ul>
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 <p><b>EXPECTED IMPACTS</b></p>	<ul style="list-style-type: none"> <li>Increased resilience of affected communities in post-disaster scenarios through livelihood services (food and cash disbursements) and emergency response efforts (infrastructure repair)</li> </ul>
 <p><b>EXPECTED BENEFICIARIES<sup>1</sup></b></p>	<p>2,745,462 by 2025 (22 % are poor and vulnerable)</p>
 <p><b>IMPLEMENTATION PERIOD</b></p>	<p>05/05/2021 – 05/05/2023</p>

<sup>1</sup> Based on submission documents requiring use of IGP M&E Methodology.