



# MESOAMERICAN BARRIER REEF MESOAMERICAN REEF INSURANCE PROGRAMME



The MAR (Mesoamerican barrier reef) serves as a critical natural infrastructure asset along the Caribbean coasts. It mitigates impacts such as storm surges, beach erosion, and wave-induced damage. With growing effects of the climate change, the risk of a hurricane leading to coral degradation and mortality has grown significantly. Evaluation of damages, debris clean-up, salvaging and reattaching of dislodged corals following a damaging event has been shown to have positive impacts on coral survival and recovery, and therefore reef health. Since the value of natural assets as public infrastructure in need of restoration is (often) not recognised within existing disaster response mechanisms, a new insurance product to cover reef response costs via a parametric wind speed cover is being developed.



## PRODUCT CHARACTERISTICS

Target group

Coastal communities depending on ecosystem services (e.g. coastal protection, fishery, etc.)

Target region

Caribbean coasts of Mexico, Belize, Guatemala and Honduras

Insured asset

Coral reefs and respective reef rehabilitation response costs

Insured peril/ hazard


Tropical storms, hurricane

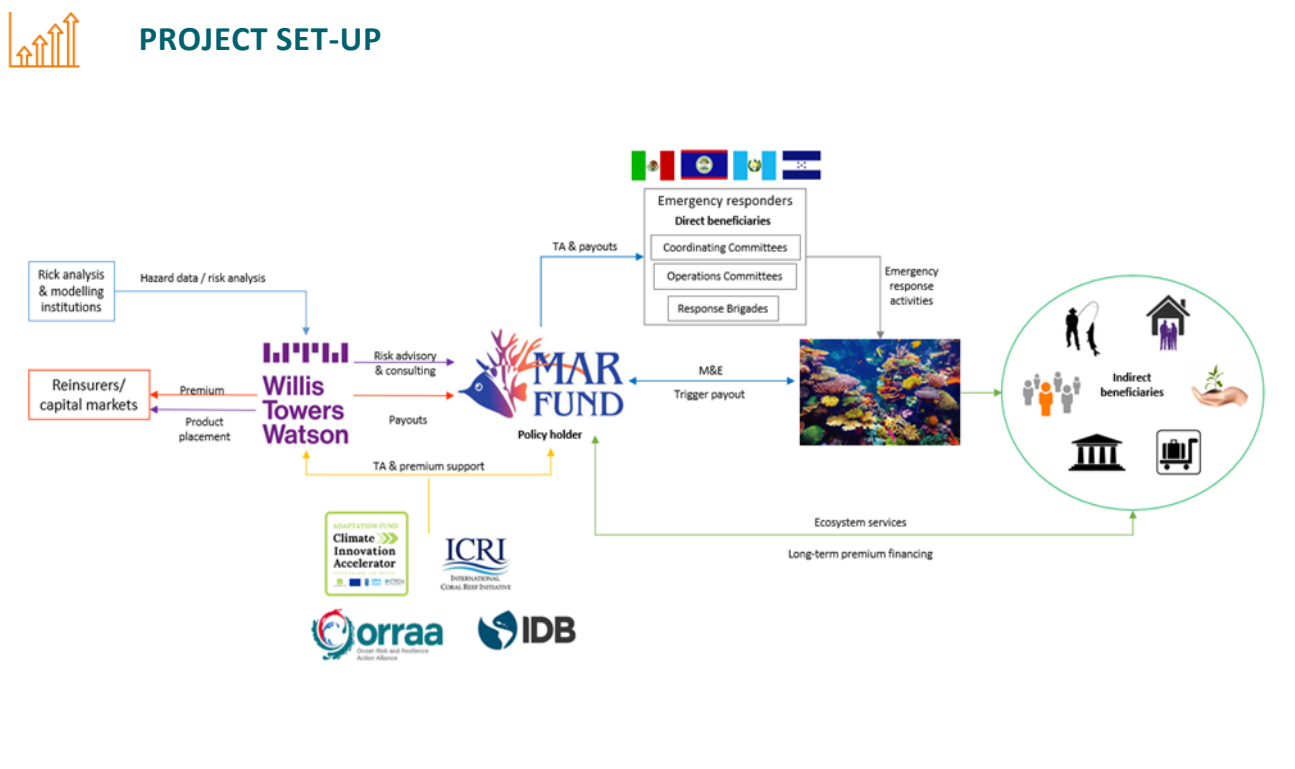
Insurance type


Meso-scheme  
Development of a new parametric wind speed insurance solution


Own contribution



51 % (of total ISF project costs)

 <p><b>PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED</b></p>	<ul style="list-style-type: none"> <li>• Product design (hurricane risk analysis, risk modelling, actuarial analysis, technical pricing)</li> <li>• Developing policy terms and conditions</li> <li>• Awareness campaigns</li> <li>• Institutional arrangements for distributing the payout</li> <li>• Identify mechanisms for long-term funding of premiums by reef ‘owners’ and beneficiaries.</li> </ul>
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 <p><b>PROJECT PARTNERS</b></p> <p>Demand Side</p> <p>Supply Side</p>	<ul style="list-style-type: none"> <li>• The Mesoamerican Reef Fund (MAR Fund), Guatemala / Non-for-profit corporation</li> <li>• Willis Towers Watson (WTW) North America Incorporated, USA / Broker</li> </ul>
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 <p><b>EXPECTED IMPACTS</b></p>	<ul style="list-style-type: none"> <li>• Increased climate resilience of the MAR, its owners, and beneficiaries who depend on it for ecosystem services (protection, food security, and livelihoods), including MAR country governments, local communities, and enterprises</li> </ul>
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	<ul style="list-style-type: none"> <li>• Provision of a predictable and timely source of funding for hurricane-affected communities and emergency responders to plan and execute rapid response activities</li> <li>• Improved understanding of the risks to the MAR and novel risk management and financing tools to address it</li> </ul>
 <p><b>EXPECTED BENEFICIARIES<sup>1</sup></b></p>	<p>1,978,539 by 2025 (88 % poor and vulnerable)</p>
 <p><b>IMPLEMENTATION PERIOD</b></p>	<p>26/05/2021 – 26/06/2023</p>

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