

NAGALAND / INDIA SUB-SOVEREIGN NATURAL DISASTER RISK INSURANCE SCHEME



Nagaland - one of the smallest and most agriculture-dependent states in India – faces high levels of disaster and climate change related deaths, injuries, and loss of public and private property due to high humidity, heavy monsoon rains causing floods, and earthquakes. The norms of assistance (guidelines specifying relief payments for specific items) under the existing State Disaster Response Fund (SDRF) are not at all sufficient to compensate for actual damages, while the back-up National Disaster Response Fund (NDRF) managed by the Central Government remains chronically underfunded. Thus, the Nagaland State Disaster Management Authority (NDSMA), together with Tata AIG General Insurance Company Limited, aims to enable a top-up of the SDRF. A basic parametric excess rainfall cover was also piloted in 2020.



PRODUCT CHARACTERISTICS

Target group	Households, individuals
Target region	Nagaland
Insured asset	Property, agricultural production, critical infrastructure, emergency relief measures
Insured peril/ hazard	Excess rainfall, earthquake
Insurance type	Macro-scheme Development of a sub-sovereign insurance programme
Own contribution	50 % (of total ISF project costs)

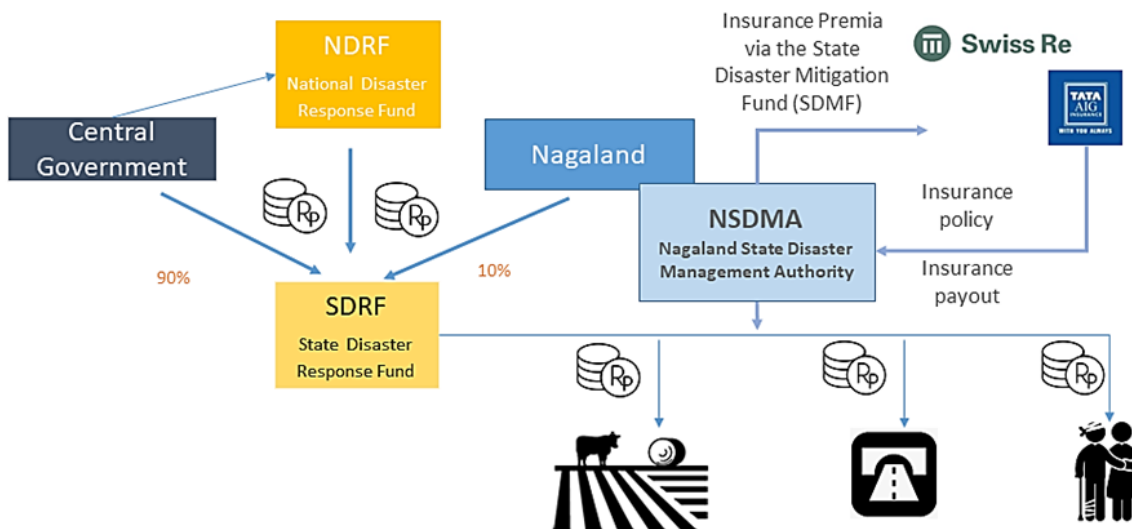


**PRODUCT DEVELOPMENT
ACTIVITIES SUPPORTED**

- Development of new risk models (hazard, vulnerability, and exposure)
- Technical product design incl. actuarial services
- Development and implementation of a de-centralised pay-out system to speed up cash disbursements and establish a transparent fully digital process
- Temporary smart premium subsidies



PROJECT SET-UP






PROJECT PARTNERS

Demand Side

Supply Side

- Nagaland State Disaster Management Authority (NSDMA), India / Sub-sovereign government body
- Tata AIG General Insurance Company Limited, India / Insurance company
- Swiss Reinsurance Company Limited, India / Reinsurance company
- Faber Consulting AG, Switzerland / Consultancy firm

 <p>EXPECTED IMPACTS</p>	<ul style="list-style-type: none"> • Enhance the robustness and reliability of SDRF / NDRF payments to offer emergency relief and compensate damages incurred by the population of Nagaland. • Enhance resilience by mobilising additional funds to pay a more meaningful compensation to disaster-affected victims, with efficient and transparent methods of pay-out in the distribution / compensation process. • Capacity development within the state, which can implement build-back-better principles when rebuilding infrastructure after the occurrence of a disaster.
 <p>EXPECTED BENEFICIARIES¹</p>	<p>2,000,000 by 2025 (70 % poor and vulnerable)</p>
 <p>IMPLEMENTATION PERIOD</p>	<p>17/03/2021 – 14/04/2023</p>

¹ Based on submission documents requiring use of IGP M&E Methodology.