



PROJECT BRIEF



FIJI

Fijians are particularly vulnerable to climate risks, as exemplified by Tropical Cyclone Winston in 2016, which brought wind speeds up to 325 km/h, caused USD 600 million in damages, and affected more than 60% of the population. Households with lower-to-moderate income (LMI) in Fiji employ various coping strategies to deal with these disasters, including reducing food consumption, withdrawing children from school due to unaffordable school lunches or bus fares, borrowing money, or taking funds out of their retirement savings. The project partners have successfully piloted two index-based insurance solutions: a standalone high windspeed cover and a combined cyclonic storm cover for high wind speed and heavy rainfall. Building on the successful pilots, the aim is now to introduce new products and test multiple variants, including bundled insurance covers for wind, rain, and fire for micro, small, and medium-sized enterprises (MSMEs) as well as standalone rainfall products.

PRODUCT CHARACTERISTICS



Target group
Smallholder farmers, MSMEs and low-income households



Target region
Nationwide



Insured asset
Financial losses (i.e. loss of income, agricultural production costs), emergency relief costs



Insured peril / hazard
Cyclone (wind / heavy rainfall –in combination or alone), potentially to be bundled with fire



Insurance type
Micro-level approach
Scale up of already piloted insurance product



Own contribution
51.7% of total ISF project costs

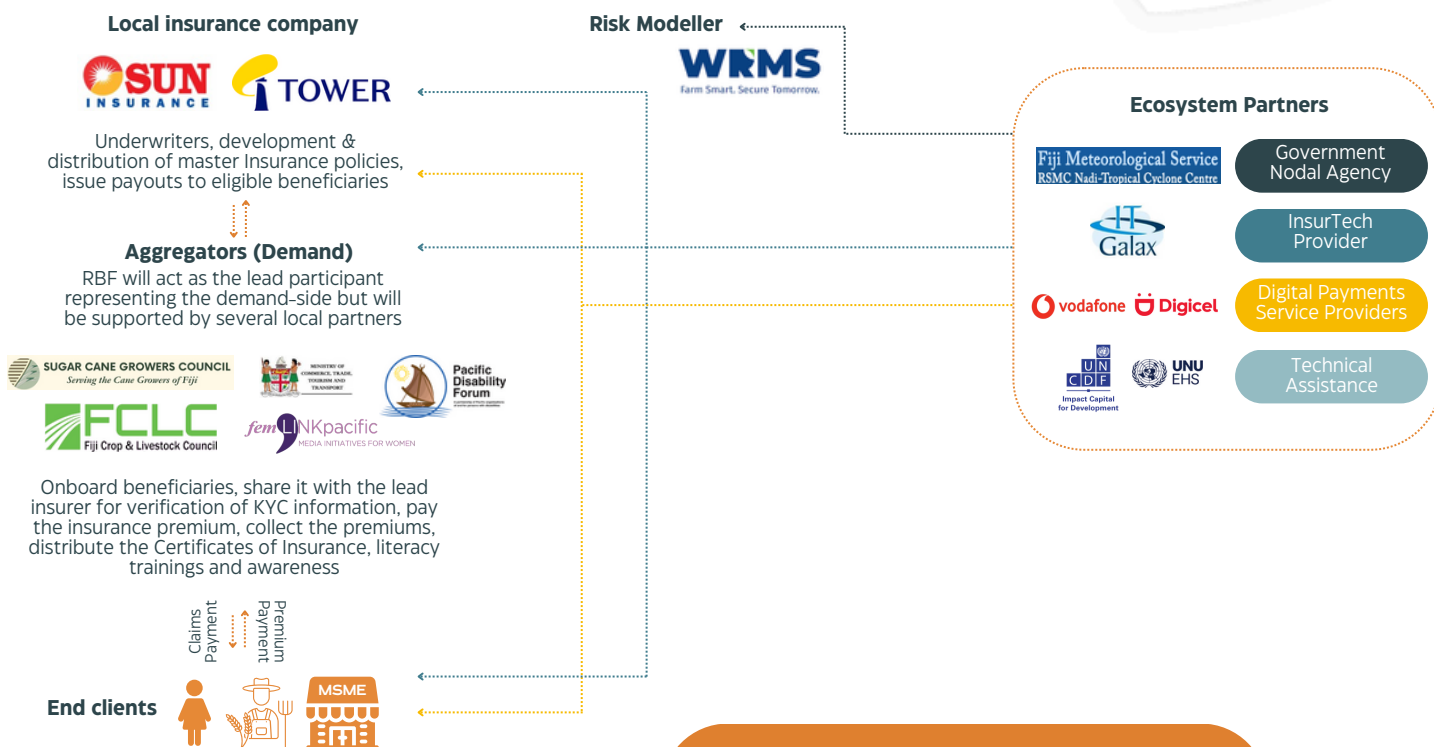


PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Test customer experience, distribution methods and payment schemes
- Designing effective distribution models in cooperation with end-users
- Scaling cyclone parametric product (heavy wind standalone and combined wind and rainfall)
- Scaling of multiple sum insured options.
- Introducing a standalone rainfall product.
- Introducing bundled insurance cover (e.g., wind, rain, and fire) for SMEs and determine the premium amount for this product.
- Educating individuals and farmer associations on the benefits of insurance and the use of CDRFI instruments and tools
- Expansion of digital solutions to administer the product (incl. mobile wallets)



PROJECT SET UP



EXPECTED IMPACTS



- Bundled insurance cover (e.g., wind, rain, and fire) for micro, small and medium-sized enterprises (MSMEs).
- A standalone rainfall product.
- Leveraging the partner insurances distribution channels.
- Digital onboarding and policy administration services through the iOnboard CRM platform.
- Specifically reaching out to women within the target group to ensure a gender-balanced implementation.
- Awareness and knowledge building of individuals and cooperatives about climate risk insurance through engagement by aggregators, print and social media channels.

PROJECT PARTNERS

DEMAND

- Reserve Bank of Fiji (RBF) / Central Bank of Fiji / Government institution / FJ

SUPPLY

- SUN Insurance / Insurance company / FJ
- Tower Insurance / Insurance company / FJ

EXPECTED BENEFICIARIES ¹

25,000 by 2025
 50% poor and vulnerable

IMPLEMENTATION PERIOD



GRANT AMOUNT

EUR 950,563