InsuResilience
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PROJECT BRIEF

HONDURAS

Honduras is one of the poorest and most unequal countries in Latin America and the Caribbean. A large number of low-income families work in the manufacturing industry, which plays a crucial role in the country's economy. However, the sector is highly vulnerable to climate-related disasters. The Project Partners will develop a new parametric insurance solution designed to provide rapid financial relief to vulnerable manufacturing workers affected by hurricanes and flooding. By ensuring timely payouts during business disruptions, this innovative solution will help workers sustain themselves and their families during recovery periods. Through collaboration between the private manufacturing industry, government, financial institutions, and disaster risk specialists from the insurance industry, the project seeks to establish a reliable safety net for one of the country's most vulnerable labour forces while promoting long-term climate resilience.

PRODUCT CHARACTERISTICS

Target group
Focus set on vulnerable workers of the manufacturing industry (in particular textile)

Target region
Sula Valley Region

Insured asset
Income losses of workers and business interruption costs due to property damage of manufacturers

Insured peril / hazard
Tropical storm/hurricane

Insurance type
Meso-level approach
Development of new index-based insurance product potentially to be combined with a business interruption/property insurance

Own contribution
50.0% of total ISF project costs

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Hazard and risk assessment of the Sula Valley
- New product development
- Marketing and awareness campaign
- Creating strategy for product sales and marketing
- Piloting the product
- Training and capacity building
- Stakeholder coordination and capacity building and training

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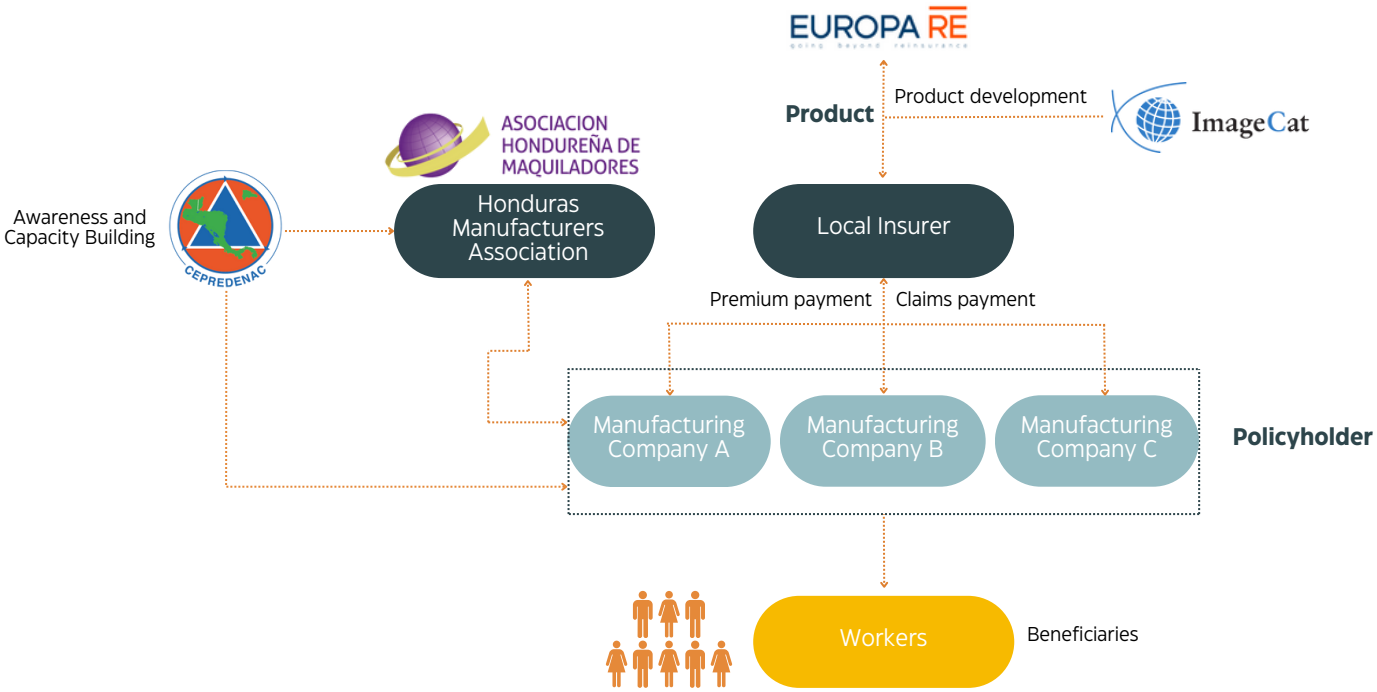
PROJECT SET UP



EXPECTED IMPACTS

Enhance the resilience of the poor and vulnerable population employed in the manufacturing industry in the Sula Valley by using insurance to provide compensation payment in case the company they work for had to halt operations due to damages from tropical storms and/or hurricanes.

PROJECT PARTNERS

DEMAND

- Permanent Contingency Commission of Honduras (COPECO) / National organisation / HN

SUPPLY

- Europa RE / Reinsurance company / CH
- ImageCat Inc / C-Corporation / USA

EXPECTED BENEFICIARIES [1]

164,921 by year 5
90% vulnerable

IMPLEMENTATION PERIOD

APR 2025 — APR 2027

GRANT AMOUNT

EUR 664,405

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