InsuResilience
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PROJECT BRIEF
COLOMBIA

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 Medellin

Target region
City of Medellin

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

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Analysis of risks and assets to be covered.
- Development of a comprehensible data analysis and risk modelling.
- Agreement on a sound strategy to finance insurance premiums.
- Product design.
- Preparatory work for product placement.
- Awareness raising and capacity building activities.

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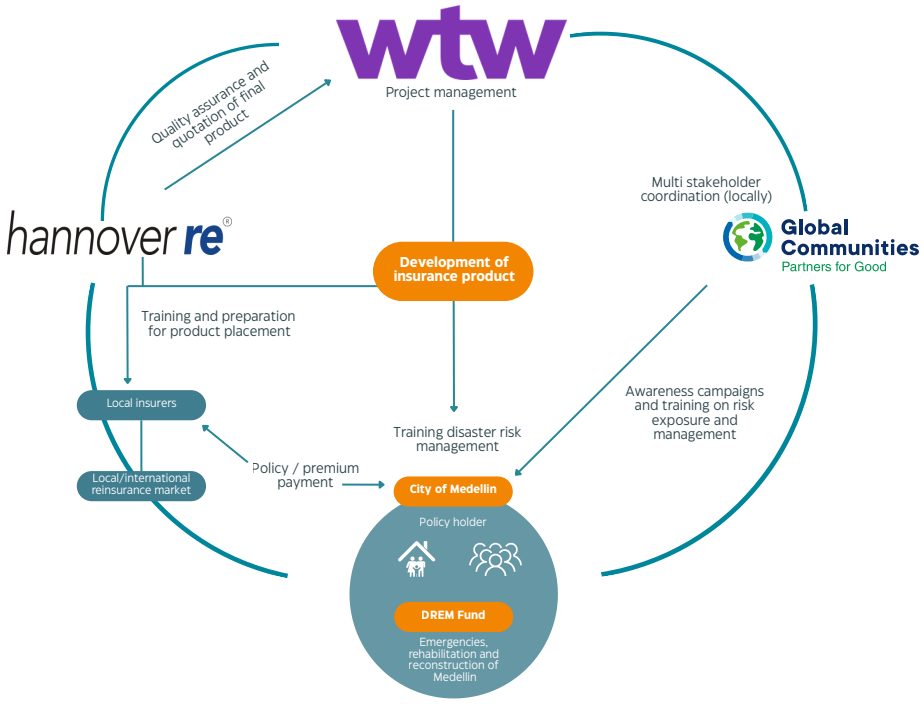
PROJECT SET UP



EXPECTED IMPACTS

- Increased resilience of affected communities in post-disaster scenarios through livelihood services (food and cash disbursements) and emergency response efforts (infrastructure repair).

PROJECT PARTNERS

DEMAND

- Global Communities / Non-For-Profit Corporation / CO

SUPPLY

IDF Members
- Willis North America Incorporated / Broker / US
- Hannover Ruck SE / Reinsurance Company / DE

EXPECTED BENEFICIARIES[1]

2,745,462 by 2025
22% poor and vulnerable

IMPLEMENTATION PERIOD

JUN 2021 — JUN 2023

GRANT AMOUNT

EUR 1,215,776

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