2021 in Review
About the Insurance Development Forum
About the Insurance Development Forum

The Insurance Development Forum (IDF) is an industry-led Public-Private Partnership bringing together insurance industry leaders, government officials and international organisations. The IDF was first announced at the UN Conference of the Parties (COP21) Paris Climate Summit in 2015, and officially launched by leaders of the United Nations, World Bank and insurance industry in 2016.

The IDF is aligned with the G20+ InsuResilience Vision 2025 goal of using insurance as a means of protecting 500 million poor and vulnerable people in emerging countries affected by climate change by 2025.

The core goals of the IDF are to leverage the technologies, expertise and financial mechanisms native to the insurance industry to enable the world’s most disaster-vulnerable governments, economies and populations to enhance risk understanding and build resilience. The IDF is committed to ensuring that the insurance industry plays its part in the transition to a more resilient and fair world, and 2020 has demonstrated the need for public-private cooperation on disaster risk financing clearer than ever before.

Since its establishment, the membership and mandate of the IDF and its partners has grown tremendously. The 17 insurance industry CEOs/Chairpersons, six heads of public sector agencies and initiatives, seven association leaders and leadership of the Operating Committee represent the truly cross-sector nature of the institution. In addition, the 100+ partners (organisations, companies and individuals) who dedicate their time and effort to work alongside the IDF to achieve financial resilience for vulnerable people make the partnership what it is: a unique platform for meaningful change.

Through its broad membership across industry, government and international institutions, the IDF enables:

› synchronisation of insurance-related resilience and adaptation building efforts
› the development of shared priorities and coordinated goals across sectors
› the mobilisation of substantial resources
› the promotion of strategic and operational relationships
› the safeguarding of the integrity and effectiveness of joint efforts and collective resources
› the development and launch of tangible solutions to close the protection gap

The IDF is proud to be part of this movement towards a safer, more resilient, more sustainable, more dignified world for populations everywhere, and we are pleased to publish this 2021 report detailing the ways in which we are striving towards this goal.

“Every country, city, financial institution and company needs to adopt plans for transitioning to net zero emissions by 2050. That means taking decisive action now.”

António Guterres, Secretary General of the United Nations, in his closing address at the IDF Summit 2021
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Message from the Chairman
Message from the Chairman

Denis Duverne
Chairman, AXA
IDF Steering Committee Chair

Dear Reader,

Alongside my co-chairs Achim Steiner and Hiroshi Matano and Deputy Chair Michel Liès, I would like to thank all our members, partners, and supporters for driving IDF’s impressive achievements in 2021, in what has been a landmark year for the IDF.

2021 has been an important year for climate action in general, culminating with COP26. Glasgow highlighted an escalating urgency and an accelerating demand for risk mitigation, but also adaptation, which was put under the spotlight with a much stronger focus than in the past. In the lead up, the IDF demonstrated the important role that insurers must and can play in addressing the adaptation and resilience challenge. The IDF’s focus was on the financial protection gap, the importance of risk and resilience analytics and much-needed access to insurance-based risk modelling capabilities to help spur action.

At the IDF summit in June, both Kristalina Georgieva from the IMF and David Malpass from the World Bank announced that climate risk would start to feature prominently in their country risk assessments, and they would expect to gain from the input of the IDF.

While the outcomes of COP26 were mixed, the level of engagement from the private sector was unprecedented. The IDF announced three hallmark initiatives, including a partnership with the V20 group, the world’s 55 most climate vulnerable countries, for which the IDF will provide risk and resilience analytics. This initiative paved the way for the establishment of the IDF’s GMRA. I would like to thank the German government for its leadership of the InsuResilience Global Partnership which contributed to this initiative, and also thank the members of our Steering Committee who have funded the initial steps of this project.

Projects initiated under our Tripartite agreement with the UNDP and Germany have continued to progress with the approval of our project for Mexico to insure small holder corn farmers and flood insurance programme in Ghana. And projects are being developed in Nigeria, Uzbekistan and Bangladesh. These programmes will help to protect millions of vulnerable people from natural disasters. The Inclusive Insurance working group is mirroring this approach with a target of 20 priority countries. The Law and Regulatory working group has been supporting the Tripartite programme and resolving legal issues around infrastructure investment.

Secondly, COP26 also saw the establishment of the GRII which will provide an open-source and globally consistent model to assess resilience across sectors worldwide. I am proud that the IDF is a partner in this key initiative that will help steer investment towards crucial areas of adaptation and resilience. Finally, the IDF announced its support for a new humanitarian financing facility via the Start Ready programme, with the IDF providing insurance expertise to the anticipatory finance mechanisms to be built in eight countries, so that more people can be protected when a climate-related crisis occurs.

Looking ahead to 2022, there are a number of transformational initiatives to be further developed, including on anticipatory action and disaster risk reduction, the Net Zero Insurance Alliance, and the Crisis Lookout campaign to boost pre-arranged humanitarian financing. More broadly, while countries have made some progress to increase their resiliency to climate change, the crisis is becoming more urgent and has been exacerbated by Covid-19. We don’t need another crisis to prompt action. Now more than ever there is a greater need for advocacy on the importance of risk management and insurance in underpinning development efforts.

As I retire in April 2022, it will be my last year as Chairman of this remarkable public private institution. It has been an honor and privilege for me to have been part of the growth of the IDF and to contribute to its critical mandate to enhance the resilience of climate-vulnerable populations. I am sure that with your support it will remain a key institution for bringing about systemic change to combat the climate crisis and help deeper global resilience.

Denis Duverne
IDF Steering Committee Chair
Key figures

The IDF has Global reach:

- **90** industry experts active on country projects
- **50** UNDP officials working across country projects
- **17** Governments in direct discussion on programmes

The IDF attracts strong audiences:

- **>1,450** attendees tuned in to the IDF’s two flagship events, where they heard from 84 speakers during 25 sessions
- **29** Partner events where the IDF featured with a speaker representative
- **>90** countries tuned in to two IDF flagship events
The IDF influences the Media:

14 Media interviews and press releases in 2021

2 Video interviews with the IDF and media outlets

14 Thought Leadership blogs

50+ individual media articles referencing the IDF including in The Financial Times, Reuters, S&P Global Markets and Business Reporter
IDF has Policy and Operational Impact

Risk & Resilience Analytics

IDF & V20 Group of Ministers of Finance for 55 climate-vulnerable countries (V20) formalise partnership on Risk & Resilience Analytics

A commitment to build risk analytics capability where it is needed the most.

BMZ commits €11 million to support the IDF & V20 programme and launch of the GMRA, leveraging private sector commitments.

IDF and Partners launch GRII as a Global Public good.

The objective is to provide reference data on climate and natural hazard risks to inform and mobilise investment needed to meet the Paris goals on climate-resilient development.

IDF Industry members commit funding and technical expertise for initial launch phase of the GRII.

IDF supports START READY and more efficient Humanitarian Financing

IDF partners with START Network on a new humanitarian financing facility to help communities get ahead of escalating climate risks through pre-arranged disaster risk financing.

Disaster Risk Financing

InsuResilience Principles for SMART Premium & Capital Support

IDF actively supported the development of the principles which offer conceptual guidance for providing, channelling and using premium and capital support by donors, implementers, clients and other recipients.

At COP26:

- BMZ announces Commitment of €18 million to support climate risk insurance in Africa and additional €30 million post COP26.
- USAID announces commitment of $21.8 million to disaster risk financing in Africa.

Country Programme at Scale

IDF, UNDP & BMZ Tripartite programmes expands:

- Peru programme covering 50,000 public schools progresses and government expanding to cover other critical public assets
- Colombia Project launched to develop flood and earthquake coverage for the city of Medellin
- ISF approved two additional IDF projects:
  - Mexico & Ghana

IDF and G7 Advocacy for action on disaster risk finance.

IDF collaborates with the Crisis Lookout Campaign. The G7 communique commits hundreds of millions of new financing for early action, disaster risk, and insurance, including £120 million in new funding from the UK and €125 million in new funding from Germany to enable quicker responses for vulnerable people when extreme weather and climate-linked disasters hit.

Thought Leadership

- 14 thought leadership blogs
- Joint authoring and/or contributions to seven publications
- Three proprietary publications
- Three roundtable events
- Two flagship events
Insurance provides an important flow of capital to support communities and infrastructure to prepare and recover when disaster strikes. Without insurance, losses fall largely on individual citizens, governments and aid organisations. Insurance is a critical resilience mechanism for individuals, companies and public authorities that support the success of the sustainable development goals.

Hon. Amina J. Mohammed, Deputy Secretary-General, Executive Office of the Secretary-General (EOSG)

Effective risk management to protect the prosperity of our people means to protect and future-proof our economies. We need to protect our asset base and logistics infrastructure to make sure we can secure our supply chains and price stability. For that, we need creative and decisive collaboration across domestic and international institutions for better access to existing data and models as well as more and regional and sectoral detail.

H.E. Fatima Yasmin, Secretary, Economic Relations Division, Ministry of Finance, People’s Republic of Bangladesh, V20 Presidency

Mitigating climate change and its impacts is made easier if we trust that we are all pulling together in the same direction in a spirit of partnership around the world. The federal government will continue to expand its commitment in the multilateral domain by investing an additional €120 million bilaterally.

H.E MS Angela Merkel, Former Chancellor of the Federal Republic of Germany

What matters are disclosure standards, data, and stress testing for risks. Research shows that – when coordinated – a green infrastructure push across economies can create millions of new green jobs – in excess of jobs we may lose to the transition. As we build forward, it is about integrating our work, sharing best practice, and expanding policy coverage.

Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF)

As an industry, we have consistently recognised that climate change is the biggest challenge of our time. A fundamental pillar of addressing it will be greater access to climate risk information, tools and standards, as well as benchmark metrics that will shed light on the climate risks of today and on future impacts.

Denis Duverne, AXA Group and Insurance Development Forum Chairman

I am delighted to support the launch of the GRII, which is a clear public good. Using consistent reference metrics and spatial information the GRII will support and link worldwide groups working on climate resilience, including the humanitarian sector, infrastructure investment, disaster risk insurance, financial regulation and disclosure.

Eric Andersen, President Aon Corporation, Member and Risk Modelling Champion IDF Steering Committee
Introduction
Introduction

Dear Reader,

Two topics dominated the headlines this year – the global pandemic and climate change – and although the impacts of these events reverberated throughout all corners of the world, it is those most vulnerable countries which have suffered the most. Without the resources or finances to protect themselves, they are unable to recover or build resilience, and with the future impacts of climate change yet to be felt, it is imperative that the situation is addressed as soon as possible.

This focus has been the drive behind the IDF since its beginnings, and through the tireless work of its working groups, members, project teams and partners, we are beginning to see some progress.

2021 has been a pivotal year for the IDF in this respect and our presence at key climate-related events has been unlike any other. From the G7 Summit to COP26, 2021 has seen us shape projects, drive funding, and instill a sense of responsibility and understanding of the key role the insurance sector plays. The importance of the IDF and our mission has never resonated more strongly.

As this report shows, our standing and influence in the sector is evolving at a rapid pace, something which this year’s IDF Summit reinstated. Hosted in June, the Summit was a prime example of the remarkable leadership and expertise that has been mobilised under the IDF name. Over two days, we held 21 sessions, with 64 speakers who all shed light on the issues related to climate risk. These high-level discussions raised awareness and presented solutions to attendees in 90 countries.

This solutions-led approach later helped build our status as a trusted partner at COP26, where, with resilience on the agenda, we were at the heart of the conversation. We raised our voice about the financial protection gap, risk and resilience analytics, and the need for insurance-based risk modeling capabilities for all – and we were heard.

Firstly was our announcement about the establishment of the GRMA – a ground-breaking project built from our partnership with the V20 which, through public sector and industry funding and the application of insurance technology and expertise, will allow countries to develop greater local ownership of risk analysis – an essential foundation for mainstreaming climate and disaster risk finance.

The positive outcomes of COP26 were further boosted by the announcement of the joint establishment of the GRII, a multi-partner initiative under the patronage of IDF SteerCo members Mark Carney, Mami Mizutori and Eric Andersen. The scheme aims to provide a globally consistent set of risk metrics that can serve as a key reference index for understanding resilience across all sectors and geographies – something which has been a long-held ambition of the IDF – and, following its successful demonstration at COP26, we are pleased to share that detailed modeling work is underway.
But our work doesn't stop there. During COP26, we also demonstrated our commitment and growing partnership with Start Network and its new humanitarian financing facility, Start Ready, which aims to help communities get ahead of escalating climate risks through pre-arranged disaster risk financing.

With risk finance high on the agenda as part of our wider goals, the formal launch of the UNDP Insurance and Risk Finance Facility was another highlight in this year’s calendar, along with our pioneering Disaster Risk Financing (DRF) programmes, as well as projects initiated by the Tripartite Agreement. These Tripartite Agreement ventures are all about implementing support efforts on the ground, and are currently underway in Peru and Colombia. Similar programmes for Bangladesh, Ghana, Mexico, Nigeria and Uzbekistan are being developed for submission to the ISF for funding.

From shaping sessions during the InsuResilience Annual Global Forum, to spurring the creation of the UN-convened Net Zero Insurance Alliance, the IDF has played an instrumental role in encouraging the insurance sector to go greener in all aspects of its work. Many of these concerns were highlighted in the Intergovernmental Panel on Climate Change (IPCC) ‘code red for humanity’ report, to which the IDF and its Working Groups are stepping up in response. This enormous challenge will be all about working in line with the Sustainable Development Goals 2030, the Paris Agreement and InsuResilience Vision 2025.

2022
For the IDF, 2022 will be all about implementation. Our ambitions to create a greener, more resilient future might be bold, but we know that by working together we can deliver collective action.

Through collaboration with our partners, we will continue to drive forward our mission to increase pre-arranged disaster finance in the humanitarian system and our desire to build better protection systems across the world. To this end we will support the leadership effort of our partners, including BMZ and the German G7 Presidency, the InsuResilience global partnership, and the Crisis lookout campaign amongst others. We will also continue to develop investment-related programmes, to connect with stakeholders, as well as stepping up our response to the ever-growing demand for resilience in an increasingly risky world.

With growing collaboration now being witnessed throughout the insurance industry and with the public sector, together we can amplify the impact of our work and help address many of the climate change issues that are shaping our world.

With thanks,

Ekhosuehi Iyahen
IDF Secretary General

and

Rowan Douglas
IDF Operating Committee Chair

“We know that insurance is needed at multiple levels. Exactly how to get it to the right people, how to design it and convince people that it is doing what they want and should be assured by it, are questions to be answered to have an effective insurance system….The stakes are big for us to work together on this.”

Professor Abhijit Banerjee, 2019 Nobel Laureate for Economics
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Membership
2020 IDF Steering Committee Membership

Chair: Denis Duverne, Chairman AXA Group
Co-Chair: Achim Steiner, Administrator, UN Development Programme
Co-Chair: Hiroshi Matano, Executive VP and CEO of World Bank's Multilateral Investment Guarantee Agency
Deputy Chair: Michel Liès, Chairman Zurich
IDF Secretary General: Ekhosuehi Iyahen, IDF*

Albert Benchimol, President and CEO, Axis
Alexander Moczarski, Chairman, International, Marsh & McLennan
Bart de Smet, Chairman, Ageas
Brian Duperreault, Chairman, AIG
Christian Mumenthaler, CEO, Swiss Re
Denis Kessler, Chairman & CEO, SCOR
Eric Andersen, President, Aon Corporation
He Chunlei, Vice President and Chairman, China Reinsurance Group
Ian Brimecome, Chairman, International, Tokio Marine Holdings
Jean-Jacques Henchoz, CEO, Hannover Re
John Haley, CEO, Willis Towers Watson
John Neal, CEO, Lloyd's of London
Ken Mungan, Chairman, Milliman
Rob Wesseling, President & CEO, Cooperators Group
Torsten Jeworrek, CEO Reinsurance, Munich Re
Jürgen Zattler, Director-General for International development policy; 2030 Agenda; climate at the German Federal Ministry for Economic Cooperation and Development (BMZ)
Mami Mizutori, Special Representative of the United Nations Secretary-General (SRSG) for Disaster Risk Reduction (UNDRR)

Ingrid Hoven, Member of the Management Board GIZ
Mark Carney, UN Special Envoy for Climate Action and Finance, UK Prime Minister's COP26 Finance Advisor
Martin Griffiths, Under-Secretary-General for Humanitarian Affairs & Emergency Relief Coordinator, UN OCHA
Chris Wei, Chairman, IIS *
Hilde Vernaillen, Chair, International Cooperative and Mutual Insurance Federation (ICMIF)
Jad Ariss, Managing Director, Geneva Association*
John Huff, CEO, Association of Bermuda Insurers and Reinsurers (ABIR)*
Josh Landau, President, IIS*
Michaela Koller, CEO, Global Federation of Insurance Associations (GFIA)*
Shaun Tarbuck, CEO, ICMIF*
Rowan Douglas, Head of Climate & Resilience Hub, Willis Towers Watson*
Ivo Menzinger, Managing Director, Public Sector Business, Swiss Re*
Jan Kellett, Head, Financial Sector Hub and Team Leader, Insurance and Risk Finance, UN Development Programme*
Olivier Mahul, Practice Manager, Crisis & Disaster Risk Finance Unit | Finance, Competitiveness and Innovations Global Practice, World Bank*

*IDF Steering Committee Non-Voting Member (Ex-Officio)
2021 IDF Operating Committee Membership

**Chair:** Rowan Douglas, Head of Climate & Resilience Hub, Willis Towers Watson

**Co-Chair:** Ivo Menzinger, Managing Director, Public Sector Business, Swiss Re

**Co-Chair:** Jan Kellett, Head, Financial Sector Hub and Team Leader, Insurance and Risk Finance, UN Development Programme

**Co-Chair:** Olivier Mahul, Practice Manager, Crisis & Disaster Risk Finance Unit | Finance, Competitiveness and Innovations Global Practice, World Bank

**IDF Secretary General:** Ekhosuehi Iyahen, IDF

Andre Belelieu, Head of Insurance & Asset Management, World Economic Forum (WEF)

Andy Jobst, Global Head Macroeconomic and Capital Market Research Allianz SE

Annette Detken, Head of InsuResilience Solutions Fund (ISF)

Astrid Zwick, Head of InsuResilience Global Partnership Secretariat

Bill Marcoux, Partner, WCM Advisory

Bridget Gainer, Vice President, Global Affairs, Aon

Butch Bacani, Programme Leader, UN Environment Programme Principles for Sustainable Insurance (UNEP PSI)

Claudia Thyme, Director, Strategic Market Development, AXA XL

Claus Stickler, Managing Director, Allianz Investment Management

Daniel Clarke, Director, Centre for Disaster Protection

Francis Bouchard, Managing Director, Climate Marsh McLennan

Garance Wattez Richard, Head of AXA Emerging Customers

Hannah Grant, Head of Access to Insurance Initiative (A2ii) Secretariat

Ian Branagan, Chief Risk Officer, Renaissance Re

Jenty Kirsch-Wood, Head of Global Risk Management and Reporting, UNDRR

John Huff, CEO, Association of Bermuda Insurers and Reinsurers (ABIR)

Katharine Pulvermacher, Executive Director, Microinsurance Network (MIN)

Kathy Baughman McLeod, Director, Adrienne Arsht Rockefeller Foundation Resilience Centre

Kathryn Stahlberg, Senior Advisor, USAID

Leigh Wolffrom, Policy Analyst, OECD

Lesley Ndlovu, CEO, African Risk Capacity Limited (ARC Ltd)

Martin Kipping, Head of Climate Policy Division, BMZ

Maryam Golnaraghi, Director, Climate Change and Emerging Environmental Topics, Geneva Association

Masaaki Nagamura, General Manager International Initiatives, Tokio Marine Holdings

Mathieu Dubreuil, Senior Insurance Advisor, World Food Programme

Michaela Koller, CEO, GFIA

Josh Landau, President, IIS

Nicola Jenns, UK FCDO (Foreign, Commonwealth & Development Office)

Sabbir Patel, Senior Vice President, ICMIF

Shaun Tarbuck, CEO, ICMIF

Simone Ruiz-Vergote, Executive Director, ESG Policy & Engagement at MSCI Inc.

Thomas Kessler, Principal Disaster Risk Insurance & Finance Specialist, Asian Development Bank (ADB)
2021 IDF Partner Organisations

**Private sector**
African Risk Capacity
Insurance Company Limited
Ageas
AIG
AIR Worldwide
Allianz
AON
Asia Affinity Solutions
Aviva
AXA, AXA Climate, and AXA XL
AXCO
AXIS Capital
Blackstone Impact Investment
Blackstone Insurance Solutions
Blue Marble
Celcius Pro
Cerulean Consulting
China Reinsurance Group
Chubb
Clyde & Co
Convex
The Co-Operators Group
CoreLogic
DLA Piper
DWS
Fairfax
FCM
Guy Carpenter
Hamilton Re
Hannover Re
Howden
ICMIF
ImageCat
JBA Consulting
JBA Risk Management
KatRisk
KPMG
Lloyds DRF
Lloyd's of London
Liberty Mutual
Marsh & McLennan Co.
Milliman
MS Amlin
Munich Re
Oasis LMF
Prudential
PwC
Renaissance Re
RMS
SCOR
Simplitium
Swiss Re
Talbot
TetraTech
Tokio Marine Holdings
WCM Advisory
Willis Towers Watson
Xceedance
Zurich

**International Institutions**
A2ii
Asian Development Bank (ADB)
Africa Finance Corporation (AFC)
Convergence Blended Finance
Global Commission on Adaptation (GCA)
International Monetary Fund (IMF)
InsuResilience Global Partnership
ISF
International Finance Corporation (IFC)
Microinsurance Network (MIN)
OECD
UN DRR
UN OCHA
UNDP
United Nations Environment Programme (UNEP)
United States Agency for International Development (USAID)
World Food Programme (WFP)
World Bank (Disaster Risk Financing & Insurance) Programme
World Bank Multilateral Investment Guarantee Agency (MIGA)

**Government institutions**
Bank of England
Bermuda Monetary Authority (BMA)
BMZ
Centre for Disaster Protection
UK Department for International Development (DFID)
GIZ
Global Challenges Research Fund (GCRF)
Insurance Europe
German Development Bank (KfW)

**Civil Society/NGO/Think Tank/Foundations**
Adrienne Arsht - Rockefeller Foundation Resilience Center
The Centre for Financial Regulation & Inclusion (CENFRIi)
ClimateWise
Global Earthquake Model (GEM)
Munich Climate Insurance Initiative (MCII)
Start Network
WEF

**Academic institutions**
The Institutes
Insurance Institute of India
London School of Economics & Political Science
Oxford University

**Observers**
International Association of Insurance Supervisors
Representing the IDF: 2021 in Events
Representing the IDF: 2021 in Events

- **IDF and International Association of Insurance Supervisors (IAIS) joint session: The use of Technology in Closing Insurance Protection Gaps** - 20th January 2021
- **Climate Adaption Summit 2021** - 26th January 2021
- **Africa 3:0** - 9th - 11th February 2021
- **Milliman Climate Resilience Forum: Complex doesn’t mean unsolvable** - 2nd March 2021
- **2021 MIGA Gender Leadership Award Ceremony** - 8th March 2021
- **The Economist’s Climate Risk Summit: North America** - 18th March 2021
- **The Business of Resilience Conference** - 23rd March 2021
- **OECD: Addressing the protection gap for pandemic risk** - 23rd - 24th March 2021
- **Atlantic Council, Raising Ambitions: Adaptation and mitigation go hand in hand** - 21st April 2021
IDF The Insurance Development Forum in 2021

IDF launches its Tripartite Project for the City of Medellin, Colombia - 20th May 2021

COP26 Private Finance Hub & IDF Leadership Roundtable: Strengthening Global Physical Climate Risk Management Capabilities - 26th May 2021

World Trade Organization (WTO) webinar on International Cooperation for Economic Resilience - 29th April 2021

The National Association of Insurance Commissioners (NAIC) Summer Meeting - 16th August 2021

InsuResilience Global Partnership 4th High-level Consultative Group (HLCG) Meeting - 1st June 2021

European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) Project Syndicate event - 20th September 2021

Washington State Insurance Commissioner Climate Summit 2021 - 6th October 2021

InsuResilience Global Partnership Annual Forum - 28 - 29th October

Actuarial Society of South Africa (ASSA)'s 2021 Virtual Convention 19th - 22nd October
IDF Summit 2021 - 7th - 8th June 2021

The IDF Summit 2021 was the first event that the IDF hosted as an independent institution and resonated with individuals from the insurance industry and public sector. It was also important to host the event in 2021, in the lead up to COP26 and the G7 summits, as the IDF wanted to be able to facilitate high-level discussions to shed light on the issues related to climate-risk. The key audience takeaways were to raise awareness and provide solutions for the role that insurers can play in collaboration with the public sector to help mediate such risks.

The theme of the event was ‘Building Resilience in a Riskier World: Actions towards a climate-resilient future’.

The summit brought together leading figures addressing climate and other disaster related risks from the public and private sectors. Speakers included:

- H.E. António Guterres, United Nations Secretary General
- Denis Duverne, Chairman, AXA and IDF
- Kristalina Georgieva, Managing Director, IMF
- David Malpass, President, World Bank Group
- Mark Carney, UK Special Envoy for Climate Action and Finance and UK Prime Minister’s COP26 Finance Advisor

IDF Summit 2021 in figures:

- 2 days
- 21 sessions
- 64 speakers
- Reached attendees in 90 countries
- 1,030 total registrations
- 58% were non IDF members

Attendee Feedback...

” It is among the best ever in terms of the quality of participants as well as in the organisation and administration “

” I enjoyed the well-structured format, and the granularity “

” Very important and informative event “

” Very impressive and insightful “

” Great forum and laudable initiatives. I am impressed “

” It was really informative and enjoyable “

” Positively surprised about the line-up the IDF generated “
COP26 - 31st October - 12th November 2021
Financing a resilient net zero future - 27th October 2021
Organised by the COP26 High-Level Champions for Climate Action, United Nations Framework Convention on Climate Change (UNFCCC) and the Marrakech Partnership and moderated by Kampeta Pitchette Sayinzoga CEO, Development Bank of Rwanda.

The discussion focused on key initiatives aimed at bridging the gap between private and public finance in order to ratchet up investments in resilience and adaptation solutions in countries most vulnerable to climate change impacts. Denis Duverne, Chair, AXA Group and IDF joined the event alongside Emma Howard Boyd, Chair of the UK Environment Agency and co-Chair of the Coalition for Climate Resilient Investment (CCRI); Jay Koh, Managing Director and Co-Founder at The Lightsmith Group; and Christina Chan, Senior Adaptation Advisor, US Department of State.

Risk matters: making resilience add up to a net zero transition - 2nd November 2021
This session brought together some of the leading figures in finance, risk transfer, academia and analytics to examine questions surrounding reorient capital, pricing climate risk, physical and transition risks, and systemic resilience. Using a series of case studies the panel explored impactful examples of new methods and financial tools for risk quantification and examples of successful implementation and experiences at the point of delivery across the three pillars of coastal, rural and urban resilience.

Ekhousehi Iyahen, Secretary General, IDF was joined by Moderator, Diana Fox Carney, Willis Towers Watson; Elsie Addo Awadzi, Deputy Governor, Bank of Ghana; Dr. Nicola Ranger, Deputy Director, UK Centre for Greening Finance and Investment, University of Oxford; Andy MacFarlane, Head of Climate, AXA; and Rowan Douglas, Climate & Resilience Hub, WTW.

Risks and rewards: how do we scale up pre-agreed financing for climate crises?
This event highlighted where aid-supported disaster risk finance is having an impact on climate vulnerable communities and the crucial role that public-private partnerships can play in backing these schemes with insurance and reinsurance cover at scale.

The panel consisted of: The Honourable Pearnel Charles Jr. MP, Minister of Housing, Urban Renewal, Environment and Climate Change. Government of Jamaica Panelist; Christina Bennet, CEO, Start Network; Ekhousehi Iyahen, IDF Secretary General; and Sophie Evans, Head of Country Programmes, Centre for Disaster Protection (Chair).

Green Horizon Summit: 2nd - 5th November, 11 November 2021
The Green Horizon Summit was a five-day hybrid event co-hosted by the City of London Corporation and Green Finance Institute with a focus on (i) accelerating the flow of capital into climate- and nature-friendly investments, (ii) translating commitments into action, and (iii) helping financial institutions ‘green’ their business models. IDF was featured in three sessions during the course of the event and represented by Ekhousehi Iyahen, Rowan Douglas and Claudia Thyme.

GFIA Event: The global insurance industry: A key partner in creating more sustainable and resilient societies - 4th November 2021
During the GFIA Event, attendees heard from a range of top-level speakers and panelists on what the world’s insurers are already doing to promote sustainability and resilience and to discuss what policymakers can do to help them achieve more.

Ekhousehi Iyahen, Secretary General, IDF, joined the panel discussion at the event, alongside Florence Lustman, President, French Insurance Federation (FFA), Victoria Saporta, Chair, executive committee, IAIS; Dave Snyder, Vice-President of International, American Property Casualty Insurance Association (APCIA); and Daniel Stander, Special Advisor to the UN.

Collaborative efforts to invest in resilience and close the financial protection gap: V20 sustainable insurance facility becomes operational - 9th November 2021
At the start of November, the V20 launched its Sustainable Insurance Facility (SIF). The high level meeting was jointly convened at the sidelines of COP26 by the V20, the UN Environment Programme’s Principles for Sustainable Insurance (PSI), the Munich Climate Insurance Initiative (MCII) and the G20+ and V20-led InsuResilience Global Partnership.

The SIF is a Project Pipeline Development Facility which will assist the members of the V20 in scoping the financial protection needs of Ministry of Micro, Small & Medium Enterprises (MSMEs) in the context of climate change, and in facilitating concept and proposal development for submission to risk financing vehicles. As such, the SIF aims to mobilize international financial and technical assistance, with the objective of stimulating climate-smart insurance offerings by domestic and regional insurers to protect MSMEs and the people that rely on them. The overall goals include building local and regional insurance markets to improve risk sharing and absorb financial shocks, developing resilient business models, and freeing up public and private resources for investment in resilience and growth.
IDF Event at COP26
The IDF, the InsuResilience Global Partnership, V20, the BMZ, UNDRR and the UNDP conveyed a joint event at COP26 on the theme “Building Resilience in a Riskier World: Actions towards a climate resilient future.”

The event highlighted the importance of strengthening risk financing systems as a necessary component of resilience building and adaptation efforts. It also showcased the work that members are driving through effective public-private collaboration with the objective of inspiring further creative and fruitful collaboration to achieve the change necessary to address the impacts of climate change.

The event marked the announcement of IDF commitments at COP26:

- Partnership with the V20 on a public private partnership on Risk & Resilience analytics and which paves the way for the establishment of the GRMA;
- Joint establishment of the GRII, as a multipartner initiative under the patronage of IDF SteerCo members, Mark Carney, Mami Mizutori and Eric Andersen; and
- IDF’s support to the humanitarian sector, and a growing partnership with the Start Network.

It was a blend of keynote statements, roundtable discussions and announcements from member organisations.

The line-up of panellists tackled topics including risk modelling as a public good, addressing the risk financing needs of countries, and scaling up effective public-private partnerships. You can find out more about the event at inevent.uk

IDF @ COP26 event 2021 in figures:

- 1 day
- 4 sessions
- 20 speakers
- Reached attendees in 57 countries
- 420 total registrations
- 120 unique online attendees
- 57 in-person attendees
2021 for the Working Groups

Sovereign and Humanitarian Solutions (SHS) Working Group

Leadership/membership:

Ivo Menzinger
Managing Director, Head Europe, Middle East & Africa, Public Sector Solutions, Swiss Re
Private Sector WG Co-Chair

Claudia Thyme
Director, Strategic Market Development, AXA XL
Private Sector WG Deputy Chair

Working group member organisations


We were particularly delighted to formally welcome Celsius Pro, Howden, Lloyd’s DRF and US Agency for International Development (USAID) as new members in 2021.

Background and mandate:

The overarching objective of the SHS Working Group is to reduce the protection gap in vulnerable and climate-exposed geographies through the implementation of new risk financing instruments. The SHS Working Group focuses on supporting (sub-) sovereign and humanitarian actors in developing such financing tools, and aligning goals and efforts with public sector partners, such as the CDP, the ISF and the Global Risk Financing Facility (GRiF).

Strategic priorities:

The Working Group’s main measure of success is the delivery of new risk financing instruments. Workplans and strategy are informed by the following priority areas, as mentioned in the SHS Working Group’s Terms of Reference: i. Transaction development, ii. Innovation and product development, iii. Capacity building, and iv. Information flow and coordination across members.
The Tripartite Agreement between the IDF, UNDP and BMZ signed in September 2019 remains at the heart of the IDF’s strategy and priorities. The IDF’s SHS working group leads on the execution of the Agreement’s goal: to bring technical assistance and risk financing tools to 20 climate-vulnerable countries by 2025, in line with the InsuResilience Global Partnership Vision 2025 and delivering on the industry’s commitment to offer up to US $5 billion of risk capacity.

More than 90 experts from 11 reinsurers and more than 50 UNDP representatives, including from 16 UNDP Country Offices, continued to engage in Tripartite work in 2021. Considerable progress was made at individual country project level, as well as at programme level, to continuously improve and simplify processes and collaboration. The commitment to work together across UNDP, industry, the Project Coordination Unit, ISF/FS, KfW and BMZ has been remarkable.

At the end of 2021, two country projects (Peru, Colombia/Medellin) were in implementation mode, and two additional projects (Mexico, Ghana) had been approved by ISF for grant funding. Three Tripartite Country Teams (Algeria, Bangladesh, Nigeria) had submitted Concept Notes and are waiting for feedback from ISF. The Uzbekistan team is waiting for the outcome of a feasibility study. UNDP has accelerated its country diagnostics work as a basis for establishing additional Country Teams and developing new Concept Notes.

BMZ announced in July 2021 to make an additional €45 million in funding to ISF available. Part of the funding can be used to finance premiums during the initial stages of a new insurance scheme, following the criteria of smart premium financing as developed by the InsuResilience Global Partnership.

The Tripartite programme of work aims to increase insurance protection in climate-exposed countries in line with the InsuResilience Vision 2025 goals. Its goal is to provide technical assistance and risk solutions to 20 climate-vulnerable countries by 2025.

<table>
<thead>
<tr>
<th>BMZ</th>
<th>Financing with a commitment of €20 million</th>
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<tr>
<td></td>
<td>Strategic partner to steer work</td>
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<td>Technical support</td>
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<tr>
<th>IDF</th>
<th>Dedicated industry-led team of IDF representatives for each country project</th>
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<td>Risk modelling platform and risk insights</td>
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<td>Risk transfer solutions</td>
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<td>Co investment with BMZ</td>
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<td>US $5 billion in offered risk capacity</td>
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<th>UNDP</th>
<th>Country-level convening and project management</th>
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<td>Diagnostic reviews of risk financing in countries</td>
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<td></td>
<td>Legislating regulatory technical assistance</td>
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<td>Integration of risk analytics into country development and financial frameworks</td>
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### Countries with projects in execution phase

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<tr>
<th>Country</th>
<th>Co-Leads</th>
<th>Project Members</th>
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<tr>
<td>Peru</td>
<td>AXA XL &amp; Munich Re</td>
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<tr>
<td>Colombia</td>
<td>Hannover Re &amp; Willis Towers Watson</td>
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<td>Ghana</td>
<td>Allianz &amp; Swiss Re</td>
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<tr>
<td>Mexico</td>
<td>AXA Climate &amp; Guy Carpenter</td>
<td>Munich Re &amp; Swiss Re</td>
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### Countries with projects in feasibility study stage

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<tr>
<th>Country</th>
<th>Co-Leads</th>
<th>Project Members</th>
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<tr>
<td>Uzbekistan</td>
<td>Swiss Re &amp; Axis</td>
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### Countries with submitted Concept Notes

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<thead>
<tr>
<th>Country</th>
<th>Co-Leads</th>
<th>Project Members</th>
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<tr>
<td>Bangladesh</td>
<td>Swiss Re &amp; Ren Re</td>
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<tr>
<td>Nigeria</td>
<td>AXA Climate &amp; Swiss Re</td>
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<tr>
<td>Algeria</td>
<td>Guy Carpenter &amp; AXA Climate</td>
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### Countries with project teams engaging with Government

<table>
<thead>
<tr>
<th>Country</th>
<th>Co-Leads</th>
<th>Project Members</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>Hannover Re &amp; SCOR</td>
<td>Guy Carpenter</td>
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<td>Colombia 2</td>
<td>Guy Carpenter &amp; Swiss Re</td>
<td>AXA &amp; Munich</td>
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<tr>
<td>Jordan</td>
<td>Guy Carpenter &amp; Hannover Re</td>
<td>SCOR</td>
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<td>Thailand</td>
<td>AXA Climate &amp; Munich Re</td>
<td>Swiss Re</td>
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<tr>
<td>Vietnam</td>
<td>Willis Towers Watson &amp; AXA Climate</td>
<td>Guy Carpenter</td>
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### Countries currently on hold

<table>
<thead>
<tr>
<th>Country</th>
<th>Co-Leads</th>
<th>Project Members</th>
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<tbody>
<tr>
<td>Pakistan</td>
<td>Allianz &amp; Swiss Re</td>
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<tr>
<td>Philippines</td>
<td>Willis Towers Watson &amp; AXA Climate</td>
<td>Munich Re &amp; Swiss Re</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Munich Re &amp; Renaissance Re</td>
<td>Swiss Re</td>
</tr>
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### Outlook 2022

Implementing the Tripartite Agreement will continue to be the focus of the SHS WG. Additional country teams will have to advance to the project implementation stage with the support of ISF funding. New members will hopefully be able to establish new project teams to expand the project pipeline, in particular in the context of the IDF collaboration with V20 countries, and the activities of the Risk Modeling WG. At the same time, the SHS WG will explore how to establish synergies with the activities of IDF’s Disaster Risk Reduction programme. As soon as the IDF Secretariat is fully staffed, the WG will also re-engage in the G7 crisis financing dialogue to help effect a systemic shift to pre-arranged financing.
Inclusive Insurance

Inclusive Insurance Working Group (IIWG)

Leadership/membership:

Astrid Zwick  
Head of Secretariat, InsuResilience Global Partnership  
Working Group Co-Chair

Garance Wattez-Richard  
Head of Emerging Customers  
AXA Group  
Working Group Co-Chair

Katharine Pulvermacher  
Executive Director, Microinsurance Network (MiN)  
Working Group Co-Chair

Pedro Pinheiro  
Project Manager Microinsurance Network  
Working Group Coordinator

Member organizations of the IIWG:

A2ii, AIG, Allianz, AM Best, APA Insurance, Asia Affinity Solutions, AXA Emerging Customers, Blue Marble MicroInsurance, Cenfri, GIZ, ICMIF, International Finance Corporation (IFC), InsuResilience Global Partnership, InsuResilience Solutions Fund (ISF), MicroInsurance Centre at Milliman, MiN, Munich Re Foundation, UNDP, World Bank, World Food Programme (WFP)

Working Group Mandate

The IIWG has the mandate to drive and enhance coordination and collaboration on inclusive insurance projects and maximize their impact and efficiency, both in terms of technical assistance and funding of resilience building programmes, which are operating in local communities vulnerable to climate change and other disasters. It also provides a source of expertise to public/private parties and, as required, assistance to other IDF Working Groups.

Through this Working Group, the insurance sector aims to deliver tangible progress on the SDGs, on both climate change and financial inclusion, contribute to the InsuResilience Global Partnership’s Vision 2025 and the V20-G20 150 million beneficiary target, while also enabling financially sustainable business models for the long term.
Workstreams and focus areas
The strategic plan of the IIWG has been structured in three work streams and their corresponding focus areas, as illustrated below:

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Focus Areas</th>
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<tbody>
<tr>
<td>Research, monitoring &amp; evidence</td>
<td>Country diagnosis and market assessment of the inclusive insurance environment in chosen countries.</td>
</tr>
<tr>
<td></td>
<td>Evidence building and monitoring framework with targets focused on both impact and new customers reached in the vulnerable communities, including benchmarking of lives covered and social performance indicators.</td>
</tr>
<tr>
<td>Enabling environment</td>
<td>Creating an enabling environment that can promote and advocate for legislative change in chosen countries and where necessary a supportive regulatory framework based on the IAIS's best practice guidelines.</td>
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<tr>
<td></td>
<td>Convening and advocacy to ensure inclusive insurance is enabled and promoted by governments in countries as a long-term sustainable business solution as part of an effort to deepen resilience.</td>
</tr>
<tr>
<td>Implementation of solutions &amp; marketplace</td>
<td>Implementation of scalable inclusive insurance projects to contribute to the 150 million people target set by the InsuResilience Global Partnership.</td>
</tr>
<tr>
<td></td>
<td>Building a market place for inclusive insurance practitioners (incl. brokers, insurers and distribution channels) and donors to provide funding for the most impactful projects.</td>
</tr>
</tbody>
</table>

Figure 1. IIWG Workstreams and focus areas.

Donors Roundtable
In February 2021, the Microinsurance Network (MiN) convened a Donor Roundtable on Inclusive Insurance on behalf of the IIWG – an event that attracted almost 40 participants from 26 different institutions. The convening's objective was to present the IIWG strategy and obtain feedback from the participants, highlighting the value of partnership and coordinated in-country work. Following up on the Roundtable, the IIWG has continued to engage with donors ahead of entering the full implementation stage, noting that funding for in-country programmes will be needed to reach the intended scale, complemented by contributions from the private sector.

Strategic Partnership with the MiN
In 2021, the strategic partnership between the IIWG and the MiN entered a new phase, designed to leverage each platform's strengths, avoid duplication of effort, and support the achievement of common objectives. The IDF and UNDP's Insurance and Risk Finance Facility provided the support for a full-time programme coordinator, housed at the MiN, to drive the programme and initiate the in-country work from 2022.
21 focus countries
An important development of the IIWG in 2021 has been the definition of 21 focus countries where the strategy will be implemented. The list of countries has been defined through a rigorous process that took into consideration political will and stability; legal and regulatory environment; and development of the insurance market, among other criteria. It ensures diversity in terms of regions and members’ presence and aims to pool resources (financial and non-financial) in order to meet targets that the IIWG members could not meet individually.

The selected focus countries are the following:

1. Bangladesh  
2. Bolivia  
3. Brazil  
4. Burkina Faso  
5. Colombia  
6. Cote d’Ivoire  
7. Egypt  
8. Fiji  
9. Ghana  
10. Haiti  
11. Indonesia  
12. Kenya  
13. Marshall Islands  
14. Mexico  
15. Myanmar  
16. Nepal  
17. Pakistan  
18. Peru  
19. Philippines  
20. Senegal  
21. Vietnam

Figure 2. Estimated relative size of population living on $2-20 per day, purchasing power parity, in the 21 focus countries of the IIWG.

Priority Countries for the initial four-year period
From the 21 focus countries, four priority countries have been selected and six more will be defined, reaching 10 countries for intervention in the initial four-year period. The first four priority countries are Indonesia, Kenya, Mexico, and the Philippines.
Focus sessions on the priority countries
In 2021, the IIWG held three focus sessions on Mexico, Kenya and the Philippines. In these sessions, member institutions with presence in those countries and key local stakeholders exchanged knowledge and experience on the realities of each market, as a precursor to the more in-depth workshops that will take place in 2022, starting with Indonesia.

| Focus sessions | 2021       | 2022       |
|               | 1stQ | 2ndQ | 3rdQ | 4thQ |
| Mexico        |      |      |      |      |
| Kenya         |      |      |      |      |
| Philippines   |      |      |      |      |
| Indonesia     |      |      |      |      |

Outlook and next steps
In 2022, strategy workshops with key national and international stakeholders will be organized in the first wave of four countries. The objective of these workshops is to produce a blueprint for actions to be taken to scale up existing initiatives and – where applicable – complement these with additional support, in order to achieve measurable outcomes by 2025.

The second wave of the next four countries will be identified during the year and a similar approach to defining country action plans will begin once implementation of the initial set of country blueprints is underway.
Risk Modelling

Risk Modelling Steering Group (RMSG)

Leadership/membership:

- **Ian Branagan**
  Chief Risk Officer,
  Renaissance Re
  Working Group Co-Chair

- **Jenty Kirsch-Wood**
  Head of Section, Global Risk Management and Reporting,
  UNDRR
  Working Group Co-Chair

- **Nick Moody**
  Cerulean Consulting
  Working Group Coordinator

Working group member organisations

AIG, Allianz Re, Aon (and Aon Impact Forecasting), Aviva, AXA XL, AXA Climate, Axis Capital, Bank of England, CDP, Centre for Greening Finance and Investment, China Re, Convex, CoreLogic, Danish Red Cross, Fathom, FCDO, FSD Africa, GEM Foundation, Geneva Association, GFDRR, Guy Carpenter, Hannover Re, ImageCat, InsuResilience Global Partnership Secretariat, JBA Group, KatRisk, Lloyd’s of London, MCII, MS Amlin, Munich Re, Nasdaq, Oasis LMF, Renaissance Re, RMS, SCOR, START Network, Swiss Re, Talbot, Tata Consultancy Services, UNDP, UN DRR, UN OCHA, Willis Towers Watson, WMO CREWS, Xceedance and Zurich.

Background and mandate:

RMSG is dedicated to improving global understanding and quantification of natural hazards and disaster risk through the use, development and sharing of the re/insurance sector’s risk analytics capability. Risk-literate users in vulnerable countries should be able to access all relevant models and datasets, use them on their preferred platform, develop them further and have trust in the results.

Enhanced risk understanding at the local level will lead to a much higher standard of decision making in resilient investment, residual risk transfer and anticipatory action, and will deliver the confidence required to grow markets. It will also make for a more informed and equal conversation with international finance institutions.

The group asserts that open-source risk modelling platforms and open data standards are the key to this essential spread of risk insight. Benefits will accrue to vulnerable countries and the agencies working with them and deliver efficiencies for risk modelling in all sectors worldwide.
4. Strategic priorities:

**Theme 1: Improvement of Risk Modelling Infrastructure:**
- Optimisation and widespread adoption of open-source risk modelling platforms
- Open data standards
- Interoperability of risk models and data

**Theme 2: Delivery of Content and Capability**
- Building sovereign capacity in finance-aware risk analytics
- Filling the model and data gaps

Progress in 2021:

**Strategic developments:**

We are delighted to report concrete progress in RMSG’s objective of improving the availability of risk insight in the most climate-vulnerable regions. Two major developments have confirmed that the working group’s GRMA proposal will now become a reality. These are:

- The agreement signed at COP26 between the IDF and the V20 Group of Ministers of Finance for ‘public-private partnership in risk and resilience analytics’. The V20 group represents 55 of the most climate-vulnerable countries, and describes commitments on both sides to development of the GRMA programme to grow locally-owned risk insight, as described below. In addition the agreement called for donor governments to join the effort.
- The decision of the German government to provide the GRMA with financial support.

At COP26, RMSG was also proud to play a central role in two further significant developments:
- The announcement of the GRII, in which the IDF is a founding partner.
- The announcement of the IDF’s technical support to the ‘Start Ready’ humanitarian finance facility, developed and launched by the Start Network.

These programmes are described further below.

Programmes:

**RMSG Theme 1 (Improvement of risk modelling infrastructure):**

In **Theme 1** (open risk modelling infrastructure), results have included:

- Completion of Phase 1 of the IDF’s support to Oasis development, bringing improvements to Oasis in performance, coding and usability.
- Delivery of data transformation tools to enable interoperability between AIR Worldwide and Oasis-based exposure data formats, and work on interoperability with World Bank formats.
- Significant expansion of the Open Exposure Data (OED) standard for modelling of impacts beyond property loss, including human impacts.

We will now initiate Phase 2 of Oasis development, with a particular emphasis on public sector and humanitarian use cases. Following research with public sector, humanitarian and Oasis practitioners, a detailed proposal was published in October. Key work packages include:

1. Development of an entry-level modelling tool which should significantly accelerate the adoption of insurance analytics approaches across sectors.
2. Technical research into new vulnerability and fragility functions for use on Oasis.
3. Further development of data transformation tools for interoperability.
4. Continuation of work on the Open Exposure Data standard for cross-sector use.
5. Improvements to the IDF CatRiskTools catalogue on OasisHub, to further promote awareness of models/data and their use cases.

These workstreams will continue to be funded by contributions from those IDF member companies which signed the Memoranda of Understanding in late 2020, to support the IDF’s risk modelling strategy.
RMSG Theme 2 (Delivery of content and capability):

Global Risk Modelling Alliance (GRMA)

The primary vehicle for delivering content and capability to countries is the proposed GRMA. As a global public good, the GRMA will address barriers to access in risk analytics, and build capability through working side by side with local specialists on co-defined sub/sovereign risk programmes. The intended outcomes are:

› A clear view of sub/sovereign risk priorities from a co-developed strategic risk assessment.

› Detailed analysis of the highest priority disaster risk projects to enable operational finance solutions.

› Improved local capability in analysis for risk management and climate risk finance, including access to open risk modelling tools and the knowledge gained through practical experience.

These outcomes will be delivered using the three main components shown in Figure 1:

Open risk modelling platform:

› Free to use
› designed for risk finance
› Open-source, open data standards
› A community of model providers

Models & data for public good:

› Filling strategic model/data gaps
› Translating existing research
› Emphasis on local data

Technical assistance service:

› Public and private sector expertise
› Advice on model development
› Co-defined risk projects
› Commissioning & quality assurance

Figure 1: The three components of the Global Risk Modelling Alliance

Key references explaining the context and logic of the GRMA include:
IDF report: Development Impact of Risk Analytics (November 2020)
IDF video: How Risk Understanding Can Change The World (July 2021)

Following confirmation of V20 and German government support, planning is now under way for administration, governance and operational shape of the programme, as well as country eligibility and selection criteria. Launch of the GRMA service is anticipated in 2022 during Germany's presidency of the G7.
GRII

RMSG is delighted to be assisting the task force developing the GRII. The IDF was one of the four founding organisations (along with the Coalition for Climate Resilient Investment, the Coalition for Disaster Resilient Infrastructure and the Centre for Greening Finance and Investment). As mentioned in the introduction to this 2021 report, the GRII was announced at COP26, under the patronage of Mark Carney, Mami Mizutori and Eric Andersen. The announcement included a demonstration of the potential of the modelling behind the index, which is also available for viewing at the GRII website.

The GRII will provide reference data on climate and natural hazard risks to inform and protect populations and economies, and will form a basis for mobilising the trillions of investment needed to meet the Paris goals on climate-resilient development. Critically, it will provide a forward view of resilience under a choice of climate warming scenarios.

Output of the Index is shown in Figure 2 below. The GRII will be accessible to all using shared standards and consistent metrics at local to global scales. Consistent with RMSG’s strategy, the IDF will ensure that the output is available on the Oasis open risk modelling platform.

Further partners who joined the founding quartet in 2021 include UNDRR and GEM, and at the time of writing further contributing organisations include Oasis, Nasdaq, the Spatial Finance Initiative, Fathom and the University of Oxford.

Figure 2: Outputs of the Global Resilience Index

The GRII task force aims to launch an operational service by the time of COP27 at the end of 2022. This will involve an intensive year of model development and also a significant advocacy campaign, particularly with key international finance organisations.

“It is imperative that it is clear which financial flows and investments are Paris aligned. Without this, we will not achieve the net zero transition needed for 1.5 degrees. Discipline and transparency over alignment will also play a critical role for climate resilient development. GRII can play an important role by creating a shared understanding of mounting physical climate risks. In turn, this will help close the insurance protection gap and direct investment and aid to where they are needed the most.”

Mark Carney, UN Special Envoy for Climate Action and Finance, and UK Prime Minister’s COP26 Finance Advisor
Further progress in 2021

Other RMSG projects in 2021 have included:

1. **Start Network**: RMSG members RenaissanceRe and Aon have provided technical support to the development of the innovative 'Start Ready' humanitarian programme. Start Ready applies a layered risk financing approach to allocate donor funds for perils with a relatively predictable frequency (for example tropical cyclone, flood or drought). The mechanism requires a central capital model for reconciliation of country-level NGO requests against likely risks and available donor funds; RMSG’s technical support included testing and improvement of the methodology, and selection and adoption of Aon’s Remetrica capital modelling software for this purpose.

2. **Country projects**: RMSG has provided guidance on ‘IDF Standards and Best Practices’ to consortia working on Tripartite Agreement projects. It also continues to support certain country risk modelling projects, notably the Indonesia Tsunami ‘FITTER’ project. In this innovative project (convened by RMSG in 2019, and funded by Lloyd’s and the Lighthill Risk Network), UCL and other academic partners are applying catastrophe risk modelling methodologies to understand the impacts of tsunami events on family livelihoods and the economy in coastal regions.

Outlook for 2022:

As usual, RMSG will release an annual update to its strategy document; this will highlight the following priorities for the year:

1. Technical development of the Oasis risk modelling ecosystem for public sector and humanitarian use cases.

2. Development and launch of the GRMA. Alongside development of governance and operational detail, we will work with the V20 Secretariat and prospective country partners, as well as further prospective donor governments.

3. Support and advocacy of the GRII. This is a flagship programme for the IDF, but RMSG will also continue to work on alignment with other partner initiatives including the UN Global Risk Assessment Framework (GRAF), World Bank and other MLDB programmes, the UNDP Insurance and Risk Finance Facility (IRFF) and country programmes of the CDP.

4. Increased practical support to the humanitarian system, building on work already in progress with Start Network.
Law, Regulation and Resilience Policy

Law, Regulation and Resilience Policies (LRRP) Working Group

Leadership/membership:

Bill Marcoux
Partner,
WCM Advisory
WG Chair

Background and mandate

The LLRP is dedicated to developing insurance laws, regulations and public policy frameworks that enable and enhance sustainable development and economic and social resilience to natural catastrophes and other insurable loss events. It also provides a source of expertise for global regulators and other public/private parties, and provides technical assistance to other IDF Working Groups.

Strategic priorities:

I. Infrastructure Investments
II. Collaboration with the Geneva Association on regulatory impact paper
III. Monitoring relevant ESG developments
IV. Engagement with IAIS

Working group member organisations

A2ii (Access to Insurance Initiative), ABIR (Association of Bermuda Insurers and Reinsurers), AIG, Allianz, AXA, Axco Info, BMZ, Chubb, Clyde & Co, DLA Piper, FCM, Hannover Re, ICMIF, III, KPMG, Liberty Mutual, Marsh, OECD, Prudential, PwC, Reinsurance Association of America, Renaissance Re, Tokio Marine Kiln, UN DRR (UN Office for Disaster Risk Reduction), Zurich

2021 year in review.

Notwithstanding Covid constraints, the (LRRP) Working Group was active on a number of initiatives in 2021. These included:

1. Engaging with the IAIS in a roundtable discussion on technology issues, that centered on the IDF paper on How Technology can help Close the Micro Insurance Protection Gap.
3. Infrastructure investments: The LRRP Working Group leads the IDF’s Infrastructure Task Force. During the past year our work was focused on engaging with the IAIS, particularly their Infrastructure Task Force to help them identify regulatory barriers to investing in infrastructure assets and in the development of their proposal for possible differentiated capital treatment for certain types of infrastructure investments.
We also worked on identifying two countries that we could engage with to make progress regarding specific country rules. UNDP has been actively involved in helping to identify the first two countries (which will be identified soon) and we will have the support of their in-country development teams to assist with our engagements in these two countries.
4. Collaboration with the Geneva Association on paper addressing how laws and regulations can enable or curtail the development of insurance markets. We assisted the Geneva Association in developing themes for the paper and with background research, including arranging and conducting interviews of industry executives and engagement with regulators. We also prepared two case studies for the paper.
5. Assisting in the preparation for the IDF Summit in June 2021, including organizing a panel discussion on regulation and the protection gap, with high level regulatory and industry individuals.
6. Assisting the IDF in preparations for COP26
2022 Plans:

It is clear that 2022 will be an extremely active year, with COP26 having propelled many IDF projects and initiatives. We also expect that there will be a return to some in-person meetings, which will provide opportunities for more extensive and effective engagements.

The LRRP Working Group goals for 2022 include continued work on infrastructure investments, with a key focus being on bi-lateral engagements with our two priority countries and responding to requests from the IAIS. We also expect to see the finalization and distribution of the joint paper with the Geneva Association and expect that this will lead to some engagements / discussion events surrounding it.

2022 will also bring a continued proliferation of Environmental, Social, and Governance (ESG) legal and regulatory mandates. We will monitor and help the IDF react to these important initiatives.

Finally, government policies, not just laws and regulations, have always been a part of our brief. With an important new focus on disaster risk mitigation, ex-ante financing etc., we expect to be increasingly involved in work in this area – including supporting where we can, the IDF’s DRM initiatives.
2022 Looking Ahead to a Year of Action
2022 Looking Ahead to a Year of Action

After a milestone year for the IDF as an international organisation influencing the public and private sectors to optimise and extend the use of insurance and its related risk management capabilities, the IDF and its members are looking forward to a year of further global action in 2022.

Preliminary key events and announcements currently planned for the coming 12 months include:

<table>
<thead>
<tr>
<th>Events</th>
<th>Date</th>
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<tbody>
<tr>
<td>12th Official SteerCo Meeting</td>
<td>19th April 2022</td>
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<tr>
<td>Location: Washington, D.C. (Margins of World Bank/IMF meetings)</td>
<td>Time: 9:00 - 12:00 EST</td>
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<tr>
<td>IDF Summit</td>
<td>13th-14th June 2022</td>
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<tr>
<td>Location: Swiss Re Centre for Global Dialogue, Rüschlikon, Switzerland</td>
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<tr>
<td>13th Official SteerCo Meeting</td>
<td>September 2022</td>
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<tr>
<td>Location: New York City (Margins of UN General Assembly)</td>
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<tr>
<td>IDF and Partners at COP27</td>
<td>8th-20th November 2022</td>
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<tr>
<td>Location: Sharm El-Sheikh, Egypt</td>
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**Announcements**

- Further development of the GRII and GRMA
- Further announcements on the role of insurance in the Sustainable Development Goals
- Further country project announcements under the Tripartite Agreement, initially including a project in Mexico

Thank you to all our members and partner organisations for your continued support!
Meeting of Political Champions
Group for Disaster Resilience (PCG) convenes on the margins of UN General Assembly. Rowan Douglas (Willis Towers Watson) proposes a dedicated public-private initiative with the insurance sector, and is appointed to lead PCG task force consultation with the industry and international institutions.

Following detailed consultation, creation of the IDF is approved by the PCG Chairs (Rt Hon Justine Greening, Secretary of State, Department of International Development, UK Government; and Helen Clarke, Administrator, United Nations Development Programme (UNDP)) and mandated as a final outcome of the PCG in April 2014.

Dialogue and engagement with UN processes to understand how the insurance sector could support the sustainable development goals (SDGs) and to shape the IDF to maximise implementation.

IDF features in June 2015 UN Insurance Summit at UN Headquarters in New York, attended by UN Secretary General Ban Ki-moon as part of the International Insurance Society (IIS) Global Insurance Forum.

IDF is formally launched at the Paris COP21 Climate Summit by Mike McGavick, CEO of XL Catlin.

IDF holds its first Steering Committee meeting with Stephen Catlin appointed Chair, and Helen Clarke (UNDP) and Joaquim Levy (World Bank) as co-chairs.

IDF formalises partnership with the (IIS) under the leadership of Mike Morrissey, President & CEO.

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1 Formerly UNISDR
2 Formerly Global Head of Insurance Transactions & Regulatory Practise, DLA Piper
IDF formalises governance structure consisting of a high-level Steering Committee of industry chief executives & public sector institution leaders.

IDF's implementation programme is directed by the IDF Operating Committee of the IIS. Chair, Rowan Douglas, Willis Towers Watson; Deputy Chair, Ivo Menzinger, Swiss Re; Co-Chairs: Jan Kellett, UNDP and Olivier Mahul, World Bank

Five specialised Working Groups established:

— Sovereign & Humanitarian Solutions: Chair, Ivo Menzinger (Swiss Re); Deputy Chair, Michael Roth (Munich Re)
— Risk Modelling Steering Group: Co-Chairs, Ian Branagan (Renaissance Re) and Marc Gordon (United Nations Office for Disaster Risk Reduction)
— Law, Regulation and Resilience Policies: Chair, Bill Marcoux (WCM LLC)
— Investments: Co-Chairs, David Lomas (Black Rock) and Jan Kellett (UNDp)
— Inclusive Insurance (formerly Microinsurance): Co-Chairs: Shaun Tarbuck (International Cooperative and Mutual Insurance Federation), Joan Lamm Tennant (Blue Marble) and Jan Kellett (UNDp)

Denis Duverne (Chairman AXA Group) appointed IDF Chair with Co-Chairs Joaquim Levy, World Bank Group CFO and Achim Steiner, UNDP Administrator.

IDF Secretariat established in London, hosted by the IIS and The Institutes with support and office space provided by Clyde & Co.

Ekhosuehi Iyahen appointed Secretary General to coordinate and centralise the IDF's strategy, engagement and activities.

IDF becomes fully operational, representing the industry at events across the world and deepening dialogue and action on issues related to closing the protection gap and the role of insurance in addressing climate risks.

Keiko Honda, Executive VP and CEO of the World Bank's MIGA appointed as Co-Chair.

IDF Steering Committee reaches 25 member institutions, formally welcoming new public sector member BMZ (German Federal Ministry for Economic Cooperation and Development) and new private sector members Zurich, Ageas & China Re. Operating Committee also expanded and the following achieved:

— Membership & Governance document approved
— Principles of Government Engagement agreed
— IDF Chair appointed as private sector representative on the InsuResilience High Level Consultative Group
— Working Group leadership expanded, including Daniel Clarke (Centre for Disaster Protection) as Co-Chair of the Sovereign & Humanitarian Solutions Working Group; Andy Jobst (IMF) and Claus Stickler (Allianz AM) as Co-Chairs of the Investments Working Group; and Astrid Zwick (InsuResilience Secretariat), Garance Wattez-Richard (AXA) and Sabbir Patel (ICMIF) as members of the Inclusive Insurance Working Group executive leadership team.

IDF attends the UN Secretary General’s Climate Action Summit in New York and launches landmark Tripartite Agreement with UNDP and BMZ to engage with and assist 20 countries with Disaster Risk Management/Finance by 2025 in line with the InsuResilience Vision 2025.

— IDF private sector industry members commit to implementing a public-private partnership to enable high quality risk insight to more developing countries and offer up to USD $5billion of risk capacity for climate risk insurance for selected countries by 2025.

IDF publishes two proprietary papers: the ‘IDF Guide to Insuring Public Assets’ report, led and written by the IDF Sovereign & Humanitarian Solutions Working Group, and ‘The Role of Technology in Closing the Protection Gap’ report, led by the IDF’s Law, Regulation and Resilience Policies working group.
During the first year of the COVID-19 pandemic, systemic widespread risk was demonstrated and understood more clearly than ever before. Amidst the backdrop of unprecedented challenges, the IDF used 2020 to build on the commitments and announcements of 2019 to launch full programmes of work.

Hiroshi Matano, Executive VP and CEO of the World Bank’s MIGA appointed as Co-Chair.

IDF welcomes two new companies to the Steering Committee; China Re Group (represented by He Chunlei, Vice Chairman & President) and Milliman (represented by Ken Mungan, Chairman). The IDF was also pleased to see Ingrid Hoven appointed the new Director of Germany’s German Corporation for International Cooperation GmbH, and to welcome Jürgen Zattler (Director-General for International Development Policy, 2030 Agenda and Climate, BMZ) to the Steering Committee in her place.

IDF maintains its focus on climate and disaster risk, but formally assesses pandemic risk through the lenses of each Working Group focus.

IDF secures funding from private sector members for risk modelling infrastructure work.

IDF established as an independent legal entity and formally incorporates the Insurance Development Forum Limited as a Company Limited by Guarantee, with Board of Directors appointed and Swiss Re and AXA appointed as Members and international law firm Clyde & Co appointed as Company legal secretary.

IDF Tripartite agreement with BMZ and UNDP progresses, with country selection and engagement completed and an IDF Programme Coordination Unit (PCU) established in Frankfurt. Two Project Managers hired as PCU staff members to support the execution of the Tripartite projects.

— BMZ commits €20 million to the project, with €10 Million applied through UNDP and €10 Million to the InsuResilience Solutions Fund (ISF).

IDF receives grant funding from the ISF for its landmark public-private project in Peru to develop a new sovereign-level insurance program protecting public schools against natural catastrophes. The project is a joint effort between the IDF, Peru’s Ministry of Education, Ministry of Finance, and local insurance association Asociación Peruana de Empresas de Seguros (APESEG).

IDF completes the first phase of work under new partnership with United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) on anticipatory action and forecast-based financing.

IDF launches a sub-committee dedicated to Disaster Risk Reduction activities.

IDF continues to publish highly successful proprietary materials, with two flagship reports on i) The Development Impact of Risk Analytics; and ii) The Power of Technology to Close the Microinsurance Protection Gap, receiving significant support.
Michel Liès, Chairman Zurich appointed as Deputy Chair IDF Steering Committee
New Steering Committee members announced:
— Jean-Jacques Henchoz, CEO Hannover Re
— Ingrid Hoven, Member of the Management Board, GIZ
— Josh Landau, President, IIS

New Operating Committee memberships announced:
— Jenty Kirsch-Wood, Head of the Global Risk Analysis and Reporting Section, UNDRR
— Leigh Wolfrom, Policy Analyst, Organisation for Economic Co-operation and Development (OECD) joins Operating Committee
— Lesley Ndlovu, Chief Executive Officer, African Risk Capacity Limited (ARC Ltd)
— Mathieu Dubreuil, Senior Insurance Advisor, World Food Programme
— Josh Landau, President, IIS
— Nicola Jenns, UK Foreign, Commonwealth & Development Office (FCDO)
— Kathryn Stahlberg Senior Risk Advisor, USAID

IDF launched series of highly successful proprietary publications:
— (January) White Paper: Towards Stewardship of a Resilient Climate Transition;
— (July) IDF Insuring Resilience report on Critical Legal, Regulatory and Policy Architecture; and
— (October) Improving Access to Risk Insight Through Interoperability

IDF announced the launch of the Tripartite Project for the city of Medellín, Colombia, with project members Hannover Re and Willis Towers Watson, to develop a parametric flood, earthquake and indemnity landslide protection.

IDF Summit: Building resilience in a riskier world: Taking action towards a climate-resilient future: 7th - 8th June.
— Secretary General of the United Nations, António Guterres, closes IDF Summit 2021
— Summit showcased work by IDF working groups, members and partners

IDF hosts roundtable with Denis Duverne and Mark Carney on margins of UN General Assembly.

IDF announced call to action for sectors to share insights, data and tools through blog: How understanding risk can change the world

IDF released video to highlight role of the Global Risk Modelling Alliance (GRMA)

IDF at COP26: 31st October - 12th November 2021
IDF jointly hosts event with BMZ, UNDP, InsuResilience and UNDRR at COP26 and announce:
— a formal partnership with the Vulnerable 20 (V20) Group of Ministers of Finance and the announcement of the Global Risk Modelling Alliance (GRMA),
— announcement of the Global Resilience Index (GRII), and
— risk modelling support for Start Network’s new humanitarian financing facility Start Ready.

IDF contributed to a number of publications and multimedia assets launched during COP26. As follows:
— Managing Climate Risks, Facing up to Losses and Damages
— Risk Sharing in the Climate Emergency: Financial regulation for a resilient, net zero, just transition
— Climate Action and development: BMZ commitment to climate policy

IDF announced at COP26 that it will join the Ocean Risk and Resilience Action Alliance (ORRAA) to help drive USD$500 million of investment into nature-based solutions and surface at least 50 novel finance products by 2030

IDF supported two critical discussions during the 2021 InsuResilience Global Partnership Annual Forum, which was convened on the cusp of COP26. These were:
— Leaders Dialogue: Scaling up sovereign use of Climate and Disaster Risk Finance and Insurance (CDRFI) – Opportunities and Challenges
— A conversation between Professor Abhijit Banerjee, 2019 Nobel Laureate for Economics and Ekhosuehi Iyahen, Secretary General, IDF

IDF jointly hosted a Leadership Roundtable with the United Nations Economic Commission for Africa (UNECA), with opening remarks delivered by Hon. Amina J. Mohammed, Deputy Secretary-General of the United Nations

IDF members collaborated to provide funding for the Anticipatory Action and Disaster Risk Reduction initiative – a project led by MapAction and Start Network.

ISF approved two new Tripartite projects in Mexico & Ghana

BMZ commits €11m to the Global Risk Modelling Alliance, leveraging the IDF’s partnership with the V20 group of countries and private sector members’ commitments