

## Climate Insurance Anyone?

If your home got flooded because of sea level rising, you might get climate insurance claim in the future as UN climate change body forum for insurance (MCII) brought idea to start providing climate insurance for people in vulnerable developing countries.

This kind of insurance will be categorized as part of adaptation to climate change, and when it brought to the forum of UN climate change conference in Bonn, Germany, countries sparked their ideas.

“Most of people have love and hate experience with insurance. I hate paying my insurance, but it's nice to know I can go to dentist without costing my monthly salary,” Koko Wagner of MCII said.

The love and hate does sparks differently among countries. Small island alliance as one of the most vulnerable ones welcomed it with a proposal to put a multi window mechanism, so the insurance will facilitate both public and private sector; Australia and Canada gave more plain reaction by underscore risk reduction strategies instead; European Union welcome it warmly while G77+China more skeptical by saying the insurance has inefficient funding and implementation mechanism.

The insurance proposal itself basically based on two pillars, so called climate insurance pool and climate insurance assistance. The insurance pool will cover claims of high level risks disaster in vulnerable developing countries which predicted happened once in every 100 years, with come from industrial countries money. MCII estimates 3,2 to 5 billions dollars will be needed as the premium for this global pool which means every time a big climate disaster happened, people in US can be providing you insurance to fix and build your life together again. While the second option as called insurance assistance, will involved private sectors to handled more often disasters with cost around 3 billion a year.

Peter Hoeppe of MCII said involving private sectors means the climate insurance will be placed under UNFCCC umbrella, but the implementation it self can be involving ordinary private insurance company such as Allianz or AIG. This idea it self might be fragile, since the mechanism not yet clear.

As for determinate which disasters are part of climate change phenomenon or not, is no easy job to do. For damn disaster happened in Situ Gintung, near Jakarta, Indonesia this month who cost hundreds lives, will provide chance for private insurance company to get away without paying. Situ Gintung damn broke because of high density rain triggered by climate phenomenon, but at the same time the damn it self was old and lack of maintenance.

“Basically 30% of catastrophe of all lost cost by weather is covered, but for the case like damn disaster in Jakarta we will had to see the disaster history in Indonesia. If it's not include (on the list) then it might not get paid,” Hoeppe said.

The other fragile area of insurance claim also occurred on health problem caused by climate change. Health problem will not occurred suddenly as flood or typhoons do. How to describe

whether or not the disease caused by climate change is a tricky business. Hoeppe promised MCII will try to look further on covering health problems and how to categorized the matters.

This kind of categorizing data it self has brought up by EU, Bangladesh and small islands in the forum, especially Barbados who said data gathering should not be used as excuses to avoid instituting an insurance system.

Other home work also hanging for Hoeppe and friends in MCII was to provide security just in case if private insurance company collapsed, as several did during present financial crisis. Might be a great danger of losing global insurance money while having countries fights on who will responsible to bail them out.

Hoeppe also admit, this insurance can be triggering lack of willingness from developings countries to prepare them selves and adapt for climate change impact yet to come. Any way, they will get paid if the disaster happened.

Responding to so many concerns on the systems, Koko Wagner said MCII is only throwing the general idea of climate insurance now which will continue in detail in next June meeting in Bonn.

“The details will move forward and countries will come with conditions that work for them,” Wagner said.

She said there will be three things to declare more on next climate change meeting in June, which are really getting to technical details, getting feed back from countries on the details they presented and to compromise on their ideas with the countries have.

“Let's see and find whether or not countries will be interest on climate change insurance and if they are, it will be discuss in Copenhagen,” Wagner said.

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