

Asia Workshop on Loss and Damage, Aug 27 – 29, 2012

Breakout Discussion 2

Risk Transfer at Local & National
Level

1. Experiences shared

- **Profound experience available about climate insurances** in a number of countries (e.g. Philippines, Thailand)
- **Commercial insurance is not a panacea**, though micro insurance is already used; it needs profound understanding of risks, may not reach everybody, needs to be combined with risk reduction (adaptation measures); advantage: consolidated experiences available, financial sustainability, leads to a more risk conscious behaviour and increased resilience
- **Public safety net approach could address the ones which cannot be addressed by private insurance alone**
- **Risk analysis, institutional and regulatory framework for insurance solution also beneficial for establishing public social safety net schemes**

2. Priorities for further work

- **Standardised approach for data compilation** for more profound risk assessment
- **Development of regulatory frameworks** on national level
- Setting incentives, **aligning risk transfer approaches with climate resilient objectives**
- Key challenge to find the **right partnership between public and private sector.**

3. Potential responses

- A **combination of approaches, safety net oriented approaches** to be explored, **insurance** needs to be financially sustainable (some pre-conditions: regulatory, understanding of risks)
- **Disaster reduction and resilience building** activities to be **linked to insurance**
- A **national fund approach** may be explored where markets are not yet entirely in place (prerequisite: **rules and procedures** for disbursement to be **transparent and technically sound**)