



## Establishing Partnerships to Advance Climate Risk Insurance Approaches I Grenada, Jamaica, Saint Lucia

Insurance solutions can play a significant role in dealing with the consequences of climate change. Mirroring its approach at the international level the Munich Climate Insurance Initiative (MCII) has convened public and private stakeholders to develop the Livelihood Protection Policy (LPP), a parametric index-based micro-insurance product as a response to the vulnerability poverty nexus in the Eastern Caribbean. This product is targeted at those who are the most vulnerable to extreme weather impacts living on the Caribbean islands of Saint Lucia, Jamaica and Grenada. The residents of these islands suffer from the aftermath of storms, hurricanes, and floods, with little support or access to financial assistance. The LPP helps people in the low-income segment of society to access climate risk insurance at a reasonable cost and without any restrictions vis-a-vis a specific sector or occupation. The results of the project are constantly being fed back into international policy-making processes to shape the international dialogue on climate risk insurance.

### Key facts

- LPP has been in the market in Saint Lucia, Grenada and Jamaica for four hurricane seasons, accumulated USD 440,000 in the total sum insured, and paid out USD 132,824.
- It operates with a range of local partners, including primary insurers, social aggregators, risk management agencies, and national Ministries;
- The product is distributed to clients using social aggregators, like credit unions, farmers' cooperatives, and associations;
- Special provisions are made to existing regulatory frameworks to address parametric index insurance in existing insurance acts;
- Training on parametric index insurance and micro-insurance has successfully been provided to local stakeholders.

### More information

Digital assets are available for download at:

<http://unfccc.thirdlight.com/a.tlx?l=9ffm9Ij>

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