



## ***Concept Note and Agenda***

### **I. Background**

The world faces a recurring set of hazards, including through climate change, that repeatedly put its people and businesses at high risk of lost assets, health, livelihoods, or even lives. The countries often fail to tap well-proven financial coping mechanisms, such as insurance schemes, that could boost resilience against such hazards. The governments and the most vulnerable thus repeatedly and often alone bear the unpredictable and onerous costs of disaster, contributing to financial instability.

In 2022, global economic losses from disasters due to natural hazards amounted to \$275 billion. At \$125 billion, insured losses covered 45% of the damage. Over the past decade annual global insured catastrophe losses have accounted for an average of more than \$100 billion peaking in 2017 with a payout of more than \$154 billion.<sup>1</sup>

Pooling risks at national and regional level into a diversified portfolio to absorb the shock of disasters or losses, and eventually reduce loan default rates is at the core of insurance business model. This helps firms maintain creditworthiness after disaster events while it makes insurance more affordable for policyholders and returns on investment more sustainable to capital providers. Governments can set up national and regional insurance pools retaining some of the high-frequency and low-severity risks to be financed through public reserves and capital and transfer less frequent and more severe losses to the private (re)insurance and capital markets.

Beyond simply offering protection, insurance can also de-risk investments and mobilize private investors. This is important, because investors often avoid development projects that are too risky, particularly in emerging markets. De-risking can, for instance, promote climate mitigation investments that involve innovative technology and also make the investment characteristics of social infrastructure assets and natural capital more attractive to long-term institutional investors.

The insurance industry has developed tools to determine vulnerabilities by deploying sophisticated climate, geological, and pandemic risk models. These enhance climate and disaster risk informed investment decisions as resulting risk pricing carries crucial market signals. Eventually, more private sector capital will be channeled significantly contributing to investment in climate and disaster risk reduction and preparedness, as well as providing for immediate financing of disaster relief, early recovery and reconstruction making fiscal budget and most vulnerable communities more resilient.

### **II. Objective**

This seminar will bring together insurers, public authorities, and related stakeholders to discuss how to more extensively tap and leverage the very promising technical expertise and financial strengths of the insurance industry.

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<sup>1</sup> Swiss Re Sigma: [Natural catastrophes and inflation in 2022: a perfect storm](#); sigma explorer - catastrophe and insurance market data | Swiss Re Institute



# REGIONAL WORKSHOP ON CLIMATE FINANCE

## Role of Insurance in Financing Climate Risk



15 February 2024 • New Delhi, India

The objectives of this seminar are to i) outline the benefit of national and regional climate and disaster risk pools, ii) raise the awareness of de-risking instruments that promote climate mitigation, social infrastructure, and natural capital investments, and iii) discuss how insurance asset can be catalyzed to co-finance climate actions.

### III. Tentative agenda

Time	Topic / Speakers	Duration
09:00–09:30	<b>Registration</b>	30 minutes
09:30–10:00	<b>Opening session</b>	
	<b>Welcome Address</b> Ms. Mio Oka Country Director, India Representative Office, ADB	5 minutes
	<b>Opening Remarks</b> Dr. V Anantha Nageswaran Chief Economic Adviser, Government of India	5 minutes
	Mr. Ramesh Subramaniam (virtual) Director General and Group Chief, ADB Office of the Director General, Sectors Group, ADB	5 minutes
	Mr. Abhay Bakre Director General, Bureau of Energy Efficiency, Ministry of Power	5 minutes
	<b>Photo Session</b>	
10:00–11:15	<b>Session 1: The role of insurance in building resilience to climate change</b>	
	<b>Keynote Speaker</b> Mr. Rowan Douglas Chair of the Operating Committee of the Insurance Development Forum (IDF)	15 minutes
	<b>Moderated Panel on climate and disaster adaptation financing</b>  <i>The session will discuss the potential and the experience of public private partnership to optimize and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, infrastructure and public institutions that are vulnerable to disasters and their associated economic shocks, as promoted by the Insurance Development Forum (IDF), a public/private partnership led by the insurance industry and</i>	60 minutes



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	<p><i>supported by international organizations, officially launched by leaders of the United Nations, the World Bank and the insurance industry in 2016.</i></p>	
	<p><b>Moderator:</b> Mr. Arup Chatterjee Principal Financial Specialist, Sectors Group Finance, ADB</p> <p><b>Panelists:</b> Mr. Sanjay Kumar Jain Ph.D III of Public Systems Groups Indian Institute of Management, Ahmedabad</p> <p>Mr. Anil Pokhrel (<i>virtual</i>) Chief Executive National Disaster Risk Reduction and Management Authority, Nepal</p> <p>Mr. Sebastian Lesch (<i>recorded message</i>) Head of the Climate Policy Division German Federal Ministry for Economic Cooperation and Development (BMZ)</p> <p>Mr. Rowan Douglas Chair of the Operating Committee of the Insurance Development Forum (IDF)</p> <p>Ms. Christine Engstrom Senior Director, Sectors Group Finance, ADB</p>	
11:15–11:45	<b>Coffee Break</b>	30 minutes
11:45–12:45	<p><b>Session 2: Panel session on de-risking energy efficiency investments</b></p> <p><i>The session will discuss various possibilities of de-risking climate energy efficiency investments. The International Energy Agency (IEA) has shown that investment into energy efficiency measures could deliver more than 40% of the emissions abatement required to reach the Paris Agreement goals in a sustainable development scenario. The discussion will focus on the benefit of credit guarantees, energy efficiency and savings insurance.</i></p> <p><b>Moderator:</b> Mr. Thomas Kessler Principal Finance Specialist, Sectors Group Finance, ADB</p> <p><b>Panelists:</b> Mr. Shri Baldeo Purushartha IAS</p>	60 minutes



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	<p>Joint Secretary (Infrastructure Support &amp; Development Division), Department of Economic Affairs, Ministry of Finance, India</p> <p>Mr. Patrick T. Aquino (<i>virtual</i>) Director, Department of Energy, Philippines (TBC)</p> <p>Ms. Livia Miethke Sustainable Finance Team Lead, Base</p> <p>Mr. Sanjay Dube CEO, International Institute for Energy Conservation</p> <p>Ms. Preksha Tripathi Relationship Manager, Government Business &amp; Public Private Partnerships, Munich Re</p> <p>Mr. David Morgado (<i>virtual</i>) Senior Energy Specialist, ADB</p>	
<b>12:45–14:00</b>	<b>Lunch</b>	<b>75 minutes</b>
<b>14:00-15:30</b>	<p><b>Session 3: National and regional insurance risk pools contributing to loss &amp; damage finance</b></p> <p><b>Presentation on open-source climate and disaster risk modelling as a public-good service</b></p> <p>Mr. Nick Moody Coordinator of the IDF Risk Modelling Steering Group</p> <p><b>Moderated Panel on the benefits of national and regional risk pools</b></p> <p><i>The session will discuss the benefits of national and regional risk pools as part of the climate policy discourse on Loss and Damage that is considering options for averting, minimizing and addressing critical and increasingly systemic climate-related risks in vulnerable countries, in particular, what it takes to set them up and how they can support finance for transformational risk management to reduce risks and adapt to climate change as well as risk finance by providing efficient and sustainable risk transfer solutions to the insurance and capital market to address residual risk thereby increasing financial resilience and social protection in most vulnerable countries.<sup>2</sup></i></p> <p><b>Moderator:</b> Mr. Arup Chatterjee</p>	<p>15 minutes</p> <p>60 minutes</p>

<sup>2</sup> [Finance for Loss and Damage: a comprehensive risk analytical approach](#)



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	<p>Principal Financial Specialist, Sectors Group Finance, ADB</p> <p><b>Panelists:</b> Mr. Krishna Vatsa Member, National Disaster Management Authority, India</p> <p>Ms. Tina Mitchell (<i>virtual</i>) CEO, Toka Tu Ake Earthquake Commission</p> <p>Mr. Musa Alphan Bahar Manager, Turkish Catastrophe Insurance Pool</p> <p>Mr. Hector Santana Suarez (<i>recorded message</i>) Head of the Insurance, Pensions and Social Security Ministry of Finance, Mexico</p> <p>Mr. David Simmons (<i>virtual</i>) Senior Director, Co-head, Disaster Risk Finance and Parametrics, WTW</p> <p>Mr. Hitesh Joshi General Manager, GIC Re</p> <p>Mr. Subrata Mondal Chief Underwriter, IFFCO-Tokio General Insurance</p>	
<b>15:30-16:00</b>	<b>Coffee Break</b>	30 minutes
<b>16:00-17:00</b>	<b>Session 4: Conclusion and Way Forward</b>	60 minutes
	<p><b>Moderator:</b> Mr. Thomas Kessler Principal Finance Specialist, Sectors Group Finance, ADB</p> <p><b>Panelists:</b> Ms. Chandni Raina Economic Adviser, Department of Economic Affairs, Ministry of Finance, India</p> <p>Mr. Jun Kusumoto (<i>virtual</i>) Director for International Insurance Regulation, Japan Financial Supervisory Agency</p> <p>Ms. Dr. Annette Detken (<i>virtual</i>) Senior Advisor Climate Risk Insurance, Head InsuResilience Solutions Fund Management</p> <p>Mr. Ravi Vig Director Global Asia Insurance Partnership (GAIP)</p> <p>Mr. Junkyu Lee</p>	



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	Director, Sectors Group Finance, ADB	
<b>17:30-20:30</b>	<b>Networking &amp; Dinner</b>	