

# GLOBAL INDEX INSURANCE FACILITY



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## REFLECTIONS ON 2022

**Insurers paid out a record \$ 132B for economic losses from global natural disasters: time to act**

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**INSURERS PAID OUT A RECORD \$ 132B FOR ECONOMIC LOSSES FROM GLOBAL NATURAL DISASTERS: TIME TO ACT**

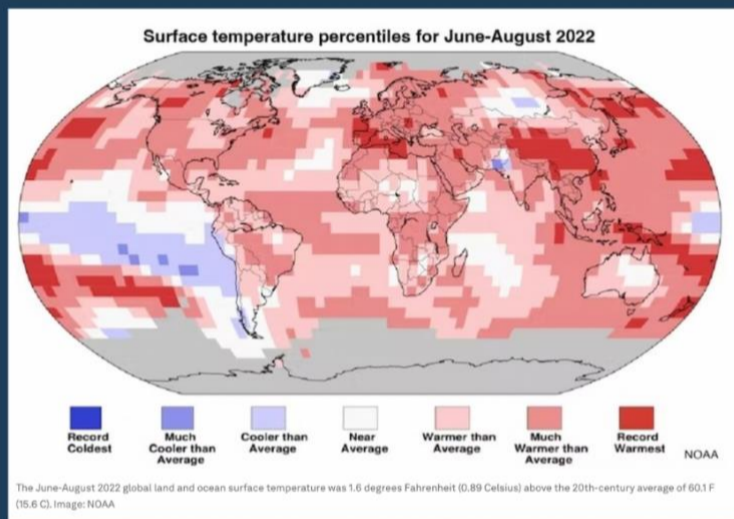


Photo Credit: World Economic Outlook

AON(1) estimates that economic losses from global natural disasters in 2022 reached \$ 313 billion. Of these, insurers covered \$132 billion: ranking 2022 as the fifth costliest year for insurers on record. The range of extreme weather events included floods, droughts, earthquakes, typhoons, and heatwaves. Floods were the deadliest and accounted for 88.4 percent of total deaths globally. The scale, complexity, and interconnectivity of extreme climatic events in 2022 underpins the role of climate change and pre-existing vulnerability of the most affected communities. Reflecting on these disasters within a global protection gap of 58% presents an opportunity for (re)insurers both public and private to collaborate in increasing protection of the most vulnerable while increasing global resilience. The year 2023 is the year to make a difference: it is time to act. Click [here](#) for the full recap.

## GIIF BLOG

**AI-powered soil testing amplifies farmer productivity and climate resilience in Ethiopia**

## KNOWLEDGE SESSION

**Looking East: Lessons for Nigerian Insurers from Kenya's Digital Insurance Ecosystem**



Photo: A study tour and knowledge session: a delegation of Nigerian industry experts on a knowledge exchange mission in Kenya

During December 5 – 8, 2022, a delegation of seven Nigerian industry experts were on a learning and Knowledge exchange mission in Kenya. The study tour was organized as part of the GIIF South-South knowledge exchange effort for incumbent insurers transitioning to digital insurers. The delegates work towards transforming Nigeria's insurance industry through the agile design, promotion and adoption of insurtech to increase the protection cover for millions of Nigerians. This was the second phase of [the Neo Insurer Training Initiative \(NITI\)](#).

The study tour took the delegates to Safaricom, APA Insurance, ACRE Africa, Insurance Regulatory Agency (IRA), and Kenbright Technologies, and culminated with a session for gleaning real-industry experience in digital transitions from experts drawn from across Kenya's insurance landscape. According to Ezekiel Macharia, Managing Director, Kenbright Technologies: "Virtual platforms will dramatically decrease the costs of customer acquisition and increase customer lifetime value in insurance." Click [here](#) to read full recap.

## GIIF BLOG

**Exploring insurtech's competitiveness and cross-industry relevance in South-East Asia and Africa**



Photo Credit: Omishtu-Joy

What if there was a solution to help farmers take the guesswork out of what to plant in their fields and how to optimally nourish it based on the soil nutrient profile? This is precisely what Omishtu-Joy is providing to smallholders in Ethiopia. Omishtu-Joy, which means “Joy of the Farmer” in Afaan Oromo (a native Ethiopian dialect), has developed a soil testing device that uses artificial intelligence (AI)-powered sensors to measure different soil parameters. The device transmits data to the Omishtu-Joy mobile app for analysis which in turn advises farmers on the best crops to cultivate for that soil type. This innovation is heralding a quiet revolution in Ethiopia: one of Africa’s agricultural powerhouses. Click [here](#) to read the full blog.

## GIIF BLOG

### Climate insurance and food security in action in the Philippines, powered by GIIF



Photo Provided by: Karen Yonos and members of her family sprinkle fertilizer in a plot of farmland in Ilocos Norte, Philippines

The Philippines is highly dependent on the agribusiness sector, which employs close to one third of its [workforce](#) and takes up to 40% of the [country’s land](#). The country and the agricultural sector are also highly vulnerable to climate risks; it is ranked among the world’s highest disaster prone countries, and it is ranked the 3rd most disaster prone country in the world, experiencing multiple typhoons a year. These natural events cause significant damage to farms and the assets of small-holder farmers. To address typhoon-related risks faced by both lenders and farmers, in 2014, GIIF started supporting an IFC project with CARD-Pioneer Microinsurance Inc (CPMI), a joint venture between CARD and Pioneer Insurance, in developing, pricing and deployment of the country’s first private-sector led crop insurance product, named Binhi (“seed”). Click [here](#) to read the full blog.

## WORKSHOP

### IFC brought together leading insurers and regulators from across Africa to build farmer resilience

## EXPLORING INSURTECH’S COMPETITIVENESS AND CROSS-INDUSTRY RELEVANCE IN SOUTH-EAST ASIA AND AFRICA



**ALEX THOMSON**  
Co-Founder at Naked Insurance



**ZEESHAN VAZEER**  
IFC Senior Insurance Specialist

Photo Provided by GIIF

IFC recently concluded two regional insurtech mapping studies in Africa and South-East Asia. The studies provided useful insights on industry trends and investable opportunities. Insurtech is reimagining insurance for incumbent (re)insurers and customers. Key trends include data-driven process optimization, industry-agnostic product development and cloud-based platforms. Usage-based personalized products and personalized customer service platforms such as offered by Naked Insurance are industry-agnostic and provide a large value add applicable across various insurance sectors.

Remote claims assessment powered by drone technologies, coupled with data analytics, artificial intelligence, blockchain, or other emerging technologies are also increasing cost efficiencies for insurtechs and (re)insurers. Meanwhile, cloud-based services are opening up the industry for insurtech firms and innovative (re)insurers, increasing marketplace competition, and driving customer value innovation. For this issue of the newsletter, the GIIF team caught up with Zeeshan Vazeer, IFC Senior Insurance Specialist and technical lead of the South-East Asia insurtech mapping study, and Alex Thomson, Co-Founder of Naked Insurance – a fully digital insurance platform. Click [here](#) to read the full blog

## NEWS

### Protecting the world’s most vulnerable from catastrophic climatic disasters



Photo Credit: Global Shield against Climate Risks | BMZ



Photo: IFC Africa

Financial inclusion is critical to development in Africa. Yet, many smallholder farmers and micro, small & medium-sized Enterprises (MSMEs) on the continent have limited access to financial products, including climate-resilient microinsurance and other insurance services. In December 2022, IFC - International Finance Corporation convened representatives from Cameroon, Kenya, Nigeria, Mozambique, Zambia, and Zimbabwe to discuss building the capacity of companies and regulators to design agricultural insurance products and best practices for assessing the insurance value of smallholder farmers for financial institutions. Click [here](#) to read full recap.

The World Bank Group has announced a Global Shield Financing Facility to help developing countries access more financing for recovery from natural disasters and climate shocks. The Global Shield against Climate Risk or Global Shield, in short, is a collaborative partnership between G7 and V20 to fast-track access to pre-arranged finance which is deployed swiftly and reliably before or soon after climatic shocks and disasters strike. The German government through its G7 chairmanship spearheaded the launch of the Global Shield.

Through the Global Shield, governments, communities, businesses, and households will have access to more financial protection instruments thus lowering overall impact of climatic disasters and shocks. The increased funding will make vulnerable economies more resilient, safeguard sustainable development, and protect the lives and livelihoods of the most vulnerable. The Global Shield Financing Facility will channel grants to developing countries through World Bank projects or through projects prepared by other participating partners, including UN agencies and multilateral development banks. It will work closely with key stakeholders, such as civil society organizations, risk pools, private sector and humanitarian partners. Click [here](#) to read full recap.

#### ABOUT GIIF

The Global Index Insurance Facility (GIIF) is a dedicated World Bank Group's program that facilitates access to finance for smallholder farmers, micro-entrepreneurs, and microfinance institutions through the provisions of catastrophic risk transfer solutions and index-based insurance in developing countries. Funded by the European Union, the governments of Germany, Japan, and the Netherlands, GIIF has facilitated approximately 12 million contracts, covering close to 60 million people, primarily in Sub-Saharan Africa, Asia, and Latin America and the Caribbean.

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