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Despite the importance of insurance, many households and businesses at risk from disasters around the world are uninsured.



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to provide [REDACTED] insurance coverage in [REDACTED]
and [REDACTED] approaches for [REDACTED] the [REDACTED]

its members of the insurance industry and others

[REDACTED]

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Provides affordable and available

There are several factors that CICI could potentially lower

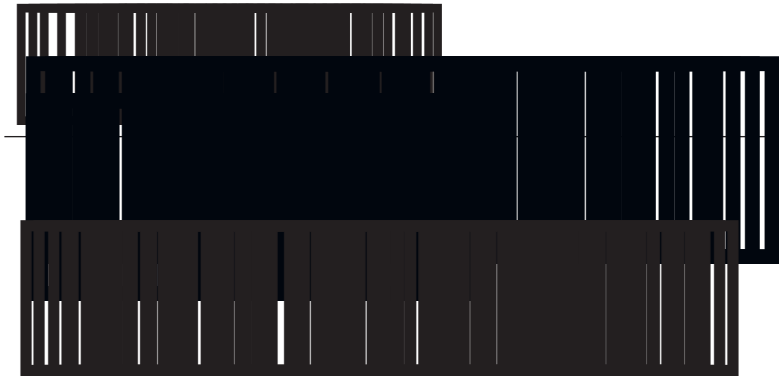
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have significant impacts on risk

action.





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debt to finance recovery and

budget use

Exhibit 3:

CBCI

Disaster Aid Finance:
Community buys parametric cover using general revenue and maintains discretion on how to spend payouts when they occur

Elements of both can be combined to help communities link risk reduction with holistic disaster risk financing support

CBCI: Community buys insurance cover, adding an explicit premium fee to tax rolls and predefining how payouts will be made to community members

Source: Marsh & McLennan





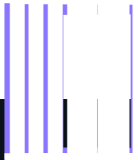


Exhibit 4:

The community helps to establish a beneficial arrangement with an insurer for community members. Community members contract directly with the insurer.

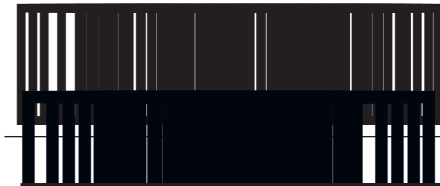
Member education; data provision;





San Francisco food insurance is provided in the



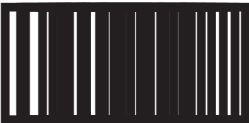


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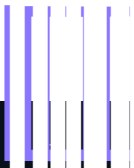
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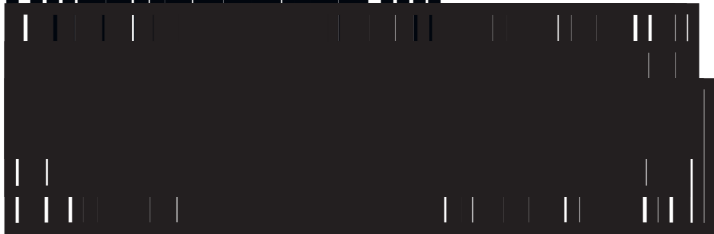
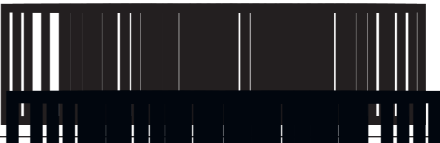
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A five-part framework for





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... is for different types of funding

a base level of coverage, or more? Does it want to offer

Exhibit 5:

Define the need	Determine authority to act	Engage stakeholders	Analyze risk	Transfer risk
<p>Determine which groups could benefit</p> <p>Consider the needs and motivations for CBCI</p> <p>Identify residents' needs and key risk exposures</p>	<p>Consider what entities have an interest in helping close the gap through CBCI</p> <p>Identify who has regulatory authority to implement a CBCI program</p> <p>Consider what policy reforms or institutional changes are necessary to enable various groups to make use of CBCI</p>	<p>Engage community early in the process to inform all subsequent choices</p> <p>Communicate and educate community about the risk and mitigation options</p>	<p>Capture data and modeling to design appropriate risk transfer structures and risk reduction mechanisms</p> <p>Understand the risk</p> <p>Set risk-based and means-based premiums associated with desired program structure</p>	<p>Consider capital providers: reinsurers, insurers, NFIP, residual market mechanisms, captives</p> <p>Determine premium payment options including funding options for the purchase considering assessments and affordability</p> <p>Map options for disbursing claims payment</p>



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CBCI requires the support of many

In New York City, this process is known as the City

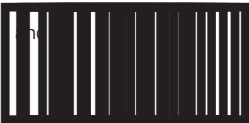
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and federal agency priorities align. For food-related



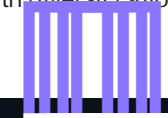
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Data and modeling are needed to quantify the risks at a fine degree of spatial resolution.

as earthquake and food, could also potentially help with diversification. Finally, if the "comm



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(re)insurance brokers,





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obtain benefit from supporting community
and affecting large-scale disaster risk

There is significant risk transfer capacity available to communities if the solution is structured to appeal to a broad diversified pool of capital providers

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