

Insurance Development Forum (IDF): Unprecedented collaboration for the greater good

By Mr Michael J Morrissey, President & CEO, International Insurance Society



The global insurance industry is bursting with pride and sense of purpose, as the Insurance Development Forum (IDF) is officially launched.

This new multi-stakeholder institution is a collaboration led by the insurance industry, the United Nations and the World Bank, and supported by numerous international institutions, governments, NGOs and a broad representation of civil society. The IDF was formally launched 22 April in Washington, DC, on the margins of the Spring World Bank/IMF meeting.

The importance of and support for the IDF was made clear by the announcement of its leadership team. The Chairman is Stephen Catlin, Executive Deputy Chairman of XL Catlin and Chairman Elect of the International Insurance Society. The Vice Chairs are Helen Clark, Head of the UN Development Program and former Prime Minister of New Zealand, and Joaquin Levy, Chief Financial Officer of the

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World Bank and former Finance Minister of Brazil.

The IDF's mission is to incorporate insurance industry risk management expertise into governmental disaster risk reduction and resilience frameworks, and to build a more sustainable global insurance market in a world facing increasing natural disaster and climate risk.

Optimal coordination of insurance related activities

While natural disasters in developed countries are often largely insured, more than 90% of the economic costs of such disasters are uninsured. This is known as the Protection Gap. The IDF aims to better utilise risk measurement tools to help governments apply that knowledge to better deploy their resources to protect families and their property.

The IDF will thus act as a forum to enable the optimal coordination of insurance related activities: the development of shared priorities among members, the mobilisation of collective resources, the development of operational relationships within and between governments, industry and international organisations, and the avoidance of fragmentation of efforts and resources. These collective actions can help close the Protection Gap.

Four priority work streams

During its inaugural meeting, the IDF established four priority work streams.

The first is Understanding Risk. The IDF will drive a better understanding of hazards and the vulnerability of people and assets to those hazards. By

quantifying the risks and potential impacts, governments and communities can make better decisions on insurance, resilience and policy.

Second: Risk and Insurance Regulation, Legislation and Policy. The IDF will promote supportive and inclusive regulation to increase access to insurance by the most vulnerable populations, and the integration of natural hazard risk disclosure into mainstream financial and accounting systems, and the appropriate adoption of resilience policies around the world.

Third: Risk Sharing, Transfer and Response. The IDF will fully support the delivery of the G7 InsuResilience Climate Risk Insurance Target and fa-

cilitate the availability of climate and natural hazard risk sharing facilities in underserved regions. It will identify and address challenges to broadening insurance coverage in all regions of the world.

Fourth: Risk and Resilience. The IDF will help build the capacity of developing and emerging countries to manage and implement sustainable financing and resilient investing from insurers and other long-term investors. It will support the creation of a Global Adaptation and Resilience Fund to invest in resilience related technologies, facilities and innovations.

This is an ambitious agenda indeed, but the enthusiasm for the IDF's mission has been highly encouraging.

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If this vital public private partnership is an effort that you and your company find worthy, I encourage you to get involved in our early stages. The Executive Secretariat of the IDF is housed at the International Insurance Society, and I hope you will contact us to find out how you can best participate. ■

