

IIASA-DPRI Conference VI
Integrated Disaster Risk Management

Micro - Insurance

its potential role within

Business , Social Responsibility and Disaster Risk Reduction

“Disaster Risk Reduction means action to prevent an extreme event or reduce its impacts on a locality and its people and assets, to respond in the case of an event, and to assist recovery following an event”

Ben Wisner

This brief is to open your minds to reasons why and how micro-insurance might assist recovery and provide a degree of financial sustainability for Schools and Community buildings and maybe introduce an incentive to achieve acceptable design principles and construction codes of practice .

I shall use the ‘Global Schools Project’ as a catalyst

The very purpose of the ‘Global Schools Project’ is to review and encourage all aspects of the necessary project disciplines including; vulnerability profiling; community liaison and ownership; construction phasing; continuity; financial sustainability; contingency planning, training and above all disaster reduction education.

Sustainability definition:

“Sustainability is the creation of the opportunity for communities to continue to co-ordinate and develop their own established initiatives and projects by Agencies promoting ownership through awareness and skills training, education and culture enhancement.”

‘Global Schools Project’

From Knowledge to Action

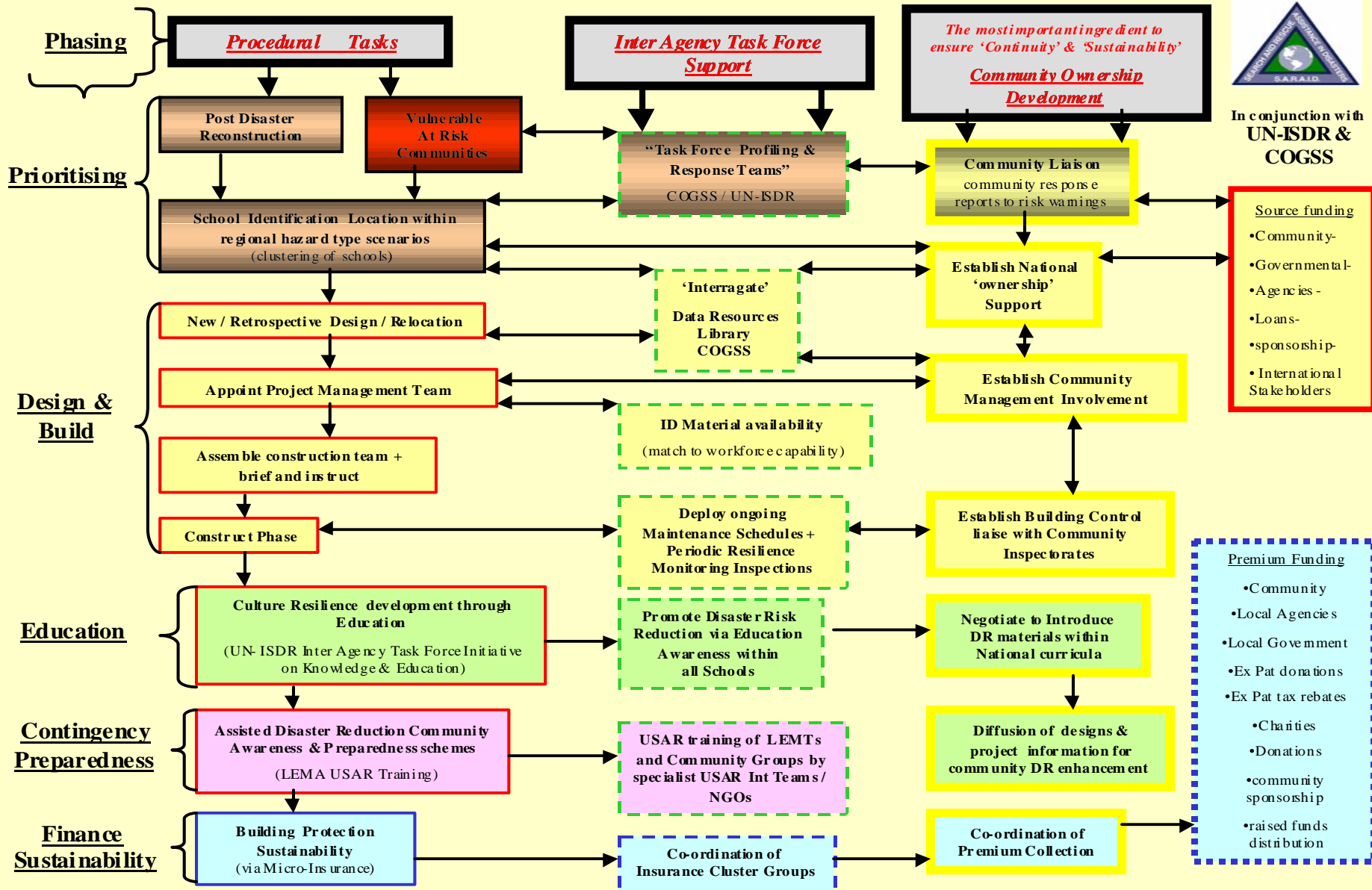
‘Awareness is the Key’

The Concept of Micro-Insurance for Schools and Community Buildings

If, as suggested by some, that micro – insurance can be introduced for all and financed by, ex-pats, charities, tax rebates and other government schemes, then what is needed is the long term culture development through a catalyst, by the suggested use of “Education, Education, Education.”

The Global Schools Project Action Plan

“To increase survivability of Children within Hazard Risk Communities”



It is at a community level that we should start, with the Schools and the Community Centres. The Children are the future and yet still remain the most vulnerable within substandard Schools and Community buildings.

The experience of collapsed sub standard constructed schools killing hundreds of children is devastating.....



A gentle reminder!







11/10/2005 07:58



11/10/2005 08:30





Those children were the very future of that community

So.... if we concentrate on rebuilding the schools post disaster or retrospectively strengthen pre-disaster to a standard that can be more resilient to the potential multiple hazards, then we invests in a sustainable future

I think we have a consensus of opinion

The concept of micro-insurance is not new....

In fact it is already used successfully in Africa and Asia through micro-finance but for the purposes of insuring individuals livelihoods, their produce and the tools that they use.

However it has not been the norm to consider insuring individual buildings within vulnerable regions.

And the obvious reason is that there are often multiple hazards within those regions which threaten non resilient structures.

So it might be considered that we can use micro-insurance as both the carrot and the stick.....!

The Stick might be developed by creating legal requirements for all schools and community buildings to be constructed to insurable standards. (both private and public, as it is essential to ensure the safety of all children where ever they are)

This would require standards to be set and monitored with the assistance of the insurance companies.

The business input

(maybe we can encourage the Re-Insurance industry to continue to invest in further research and development of the concept)

Liaison and negotiation will be required with building inspectors and administration departments to ensure acceptable international construction and design principles are engaged to protect from the potential hazards.

These considerations are not new, however to many they are insurmountable. But this challenge has many advantages if achieved.....the carrot!



Lets remind ourselves of some

- 1. The children stand a better chance of survival. A high priority in all Communities.*
- 2. The Community will have a naturally more resilient refuge for many inhabitants post disaster.*
- 3. The resilient construction style of the new or reinforced School buildings will serve as an example of design principles for the surrounding community to embrace.*
- 4. Children will take home that information of what they see at their schools; design principles and construction methods that are then available to be 'viewed' by the parents, whom are often the builders of their own homes.*

5. *The approach will provide a more resilient building that is 'insurable', so if damaged it will be financed independently and replaced or repaired during the recovery phase, allowing a degree of independence from Government and International Agency reliance.*

6. *Communities and Governments will often concentrate on ensuring that the schools within infrastructure development are prioritised over their community residences. Schools act as a community focal point of self-help.*

7. By introducing the concept of micro-insurance for School buildings, by example, the developing community is more likely to embrace 'micro-Insurance' and its conditions as a future option..

- This can be funded by a variety of means. Whereas the Insurance premium of the Schools and Health Centres may be forthcoming from the community its-self*
- or by charitable organisations 'adopting' communities;*
- or by ex-pats being offered tax rebates by their host countries if they fund sponsorship of community insurance premiums;*
- or simply by individuals sponsorship and direct donations from NGO Agencies.*

8. *By the very fact that this initiative starts with the Schools and Community buildings, then we are investing in tomorrows community leaders who can influence and develop the change in a Disaster Reduction culture of self help;*
- *Investing also in tomorrows traders and business people who might fund the ongoing micro-insurance initiatives;*
 - *and investing in the builders and construction teams of tomorrow who will shape and change the way that their buildings are designed and built to withstand the potential hazards of the region, importantly creating refuge locations ensuring increased survivability of inhabitants*

This is a 10 – 15 yr project to protect the future

10. So... the Communities are....

- ***encouraged to focus on self help by examples introduced and supported by International Specialists, providing expertise and sustainable finance for repairs through micro-insurance DR schemes.***
- ***the burden is lessened upon financially depleted Governments and Aid Agencies***
- ***and another sustainable proactive Disaster Reduction strategy is consequently developed .***

Garry de la Pomerai

COGSS and SARAID

Thank you

and I encourage all students who have an interest
in potential Insurance schemes to continue their
research.