Global Asia
Insurance Partnership

About The Protection Gap

Understanding and motivating change, improving and sustaining resilience and well-being in Asia

4 April 2023

POLICY PAPER

Acknowledgement

This paper, authored by GAIP external expert, Craig Thorburn, has benefited from discussion with GAIP members during the drafting phase. Useful comments were appreciated particularly from Advisory Council members who provided incisive input on earlier drafts.

Contents

Foreword

Asia's protection gaps are significant. Against a backdrop of continued transformative economic growth, low insurance penetration rates in many jursidictions and an increasingly volatile risk environment, these protection gaps are only growing.

The mission of the Global-Asia Insurance Partnership (GAIP) is to shape a more resilient future for Asia. Inherent in this mission is reducing protection gaps. It is fitting, therefore, that the first paper published by GAIP would focus on the protection gap and that this paper would be a call to action.

In preparing this paper, we recognized the extensive work done by the insurance sector to identify and articulate the wide range of protection gaps globally and within the region. While not a completely comprehensive picture, these efforts are invaluable in putting into stark relief the magntitude and scale of Asia's protection gaps.

The aim of this paper is two-fold – first, we take as understood the estimates and focus instead on bridging the range of perspectives and views needed to drive a multistakeholder approach. It is clear that such a multistakeholder approach is needed if we are to tackle the complex issues and drive solutions. One suggestion in the paper is the development of comprehensive protection gap strategies, which could provide a helpful tool for jursidictions to ensure comprehensive, coherent, and sustained action.

Second, this paper will help guide GAIP as we take further steps to realize our mission. As a platform which brings together the insurance industry, supervisors and academia, we can play a unique role in supporting efforts to reduce protection gaps. The call to action in our final section identifies a number of areas where GAIP could apply its focus in the coming years.

In closing, a big thank you to the team who contributed to this paper, particularly our external expert, Craig Thorburn, and GAIP Senior Director, Min Cheng, as well as the helpful contributions of GAIP's many partners.

Sincerely,

Conor Donaldson, CEO, GAIP

Executive Summary

“Protection gaps” get attention.

The magnitude and significance of protection gap estimates draw interest from the public, media, policymakers and the insurance sector.

Protection gaps are real and growing.

Whether it be natural catastrophes, cyber, business interruption, retirement savings, mortality or health cover, substantial protection gaps exist and are growing. Our changing physical risk environment, technology, demographic adjustments and structural changes to economies are all transforming and increasing risk.

Different stakeholders have a different understanding of gaps and different motivations.

Estimates need to connect to stakeholders’ interests if they are to support action. It is clear, however, that different stakeholders have different motivations. Without a well-understood connection between a protection gap estimate and a policy objective, progress can be limited. Understanding the diverse views and motivations of stakeholders can support consensus building and meaningful change.

The lack of consistent and quality estimates can impede action.

There is variation from country to country and in methodology, risks considered, and granularity. Further, in some jurisdictions, various issues relating to the protection gap estimates exist. For example, estimates having an incomplete coverage of perils and risks, or incomplete data. As a result, evidence-based action is not possible.

Multistakeholder engagement is needed to drive holistic solutions.

Three key categories of solutions, (1) risk reduction via prevention, mitigation and adaption; (2) increasing insurance penetration; and (3) a range of risk financing approaches, can reduce protection gaps. These solutions can be compared[1] and the outcome is likely to be a holistic approach encompassing all three categories with the commitment of a range of stakeholders within government together, together with the private sector where public-private partnerships are involved.

More can be done and needs to be done.

Although made, progress is limited. With (i) a better understanding of protection gaps and the different stakeholder motivations, (ii) improved availability and sufficiency of protection gap estimates, and (iii) multistakeholder engagement to drive holistic solutions, the protection gaps can be reduced.

[1] Options should include ex-post solutions although they tend to be more disruptive, more costly, and less effective but comparisons with all alternatives help to support the case for change.

Introduction

Introduction

The term “protection gap” is well known and has been the subject of extensive discussion both within and outside the insurance sector. Numerous reports and papers from various organisations have covered this topic, many with a focus on quantifying the gaps.

However, perspectives and perceptions of protection gaps differ between individuals, organisations, and sectors. A life insurer’s perspective of protection gap will likely be about the mortality or health insurable protection gap, whilst a policymaker’s perspective typically relates to total protection gap arising from natural disasters. In other words, while we use the same term, understanding can be quite different.

Further, even with the substantial focus on this topic across the insurance public and private sectors historically, protection gaps are increasing, driven by our changing physical risk environment, technology, demographic adjustments, and structural changes to economies.

Motivated by a desire to help accelerate efforts towards solutions that can help narrow protection gaps, GAIP has developed this foundational paper with the objective of contributing to multistakeholder discussions.

This paper seeks to:

- explore the concept of protection gaps and the motivations of various stakeholders, especially those of policymakers;
- discuss and highlight the current challenges regarding estimations of protection gaps; and,
- highlight possible solutions and identify a framework for action.

It is worth noting at this point that the aim of the paper is not to contribute to the technical discussions on the various estimation approaches, nor the existing actual estimates of protection gaps. This paper instead aims to highlight the importance of establishing an estimated value for a protection gap where they currently do not exist and to advocate for greater consistency in the estimates to help reduce uncertainties for policymakers and other decision-makers.

This paper is a first step in a series of publications that will discuss potential solutions in more detail. To advance those discussions, it is important to document this review of existing practices and perceptions so as to establish a starting point for the future discussions.

Different stakeholders have different understanding of gaps and different motivations

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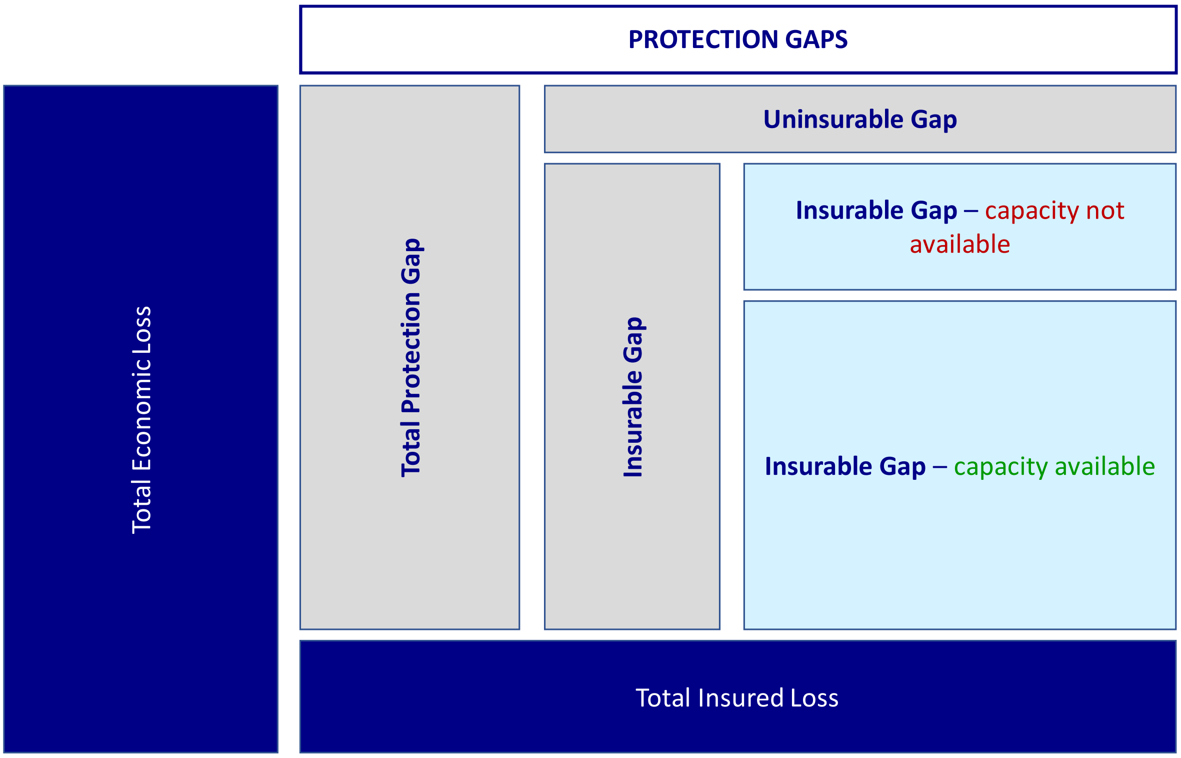
The notion of the protection gap usually considers:

- **Insured losses**: The total losses that are covered by insurance, and can be seen to be paid out in legitimate insurance claims;
- **Insurable losses**: in addition to insured losses, amounts that could have been insured but are not. They are technically insurable, being economically viable from both perspectives of insurers and potential policyholders, and meeting fundamental conditions for a risk to be insured[2]; and,
- **Economic losses**: The total of all losses, whether they are insurable or not.

Figure 1: Conceptual Building Blocks for the Protection Gap



Some discussions focus on the **total protection gap** between economic losses and insured losses. Others focus on the **insurance protection gap** being the amount of *insurable* losses that are not insured. This distinction is between unmet potential for insurance cover as against an unmet need for a broader set of solutions. The paper also notes the importance of distinguishing between **uninsurable risks** that do not meet technical insurance fundamentals, and insurable risks separately between those that have **available capacity**, and those where capacity is unavailable, pointing to different

[2] Technical conditions include the need for the risk to be able to be legally defined in a contract of insurance, the event must be fortuitous, the frequency and magnitude of the expected loss has to be assessable, the premium must be affordable, accumulations of exposure must be able to be managed by insurers to avoid excessive exposure to loss, and the insurance must not be against the public and societal interests.

solutions. Some protection gap studies deem risks to be uninsurable if the magnitude of the uninsured risk seems large compared to the existing insurance market. Some other studies describe the insurable protection gap as being the uninsured amount that is "economically insurable"; a concept that recognizes that insurability goes beyond affordability and availability to concepts of value for customers and insurers.

Some estimates express gaps as losses and others quote the cost of effective annual premiums. Different stakeholders will have different emphasis on each metric.

Protection gaps might be determined for a subgroup of the total risk. This may involve particular products, risks or perils. The most common sub groupings are (in observed order):

- **Natural hazards and catastrophic events**: Estimates may consider a range of hazards or be specific. Usual perils included are (i) windstorm, cyclone, hurricane; (ii) seismic risks; and (iii) floods[3].
- **Mortality**: comparing the level of cover that might be needed based on a benchmark approach compared to that which is in force, sometimes including levels of debt and asset accumulation.
- **Cyber**: Several efforts have been made to assess the protection gap for cyber-risk.
- **Health**: Discussion of health underinsurance has become more prominent following the recent pandemic experience. Estimation approaches are developing.
- **Retirement savings** calculations have developed separately and are not generally well connected into other protection gap discussions[4]. Mortality gap calculations tend to make a simplifying assumption or explicitly exclude long term savings from their scope. Pensions policymakers have, however, developed an extensive body of work that would provide valuable inputs into protection gap dialogue[5].

Different stakeholder groups have different motivations. Protection gap estimates are often of such a magnitude that they come as a surprise and a shock to most observers. But it is not only the size of the estimate, but the potential for it to directly impact individuals, communities, enterprises and whole societies, as the concept of protection gaps and the estimates, brings attention to vulnerability. It raises a concern that "doing nothing is not a good option".

Insurers are concerned about the potential uninsured market, and within this sector, different insurers are concerned with different insurable protection gaps. For example, non-life insurers will be motivated by the natural catastrophe protection gaps whilst the health insurers will be driven by the health protection gap.

The general public, through media coverage, also finds interest in the question of whether or not their own insurance coverage might be less than what is either "normal" or, more reasonably, "optimal".

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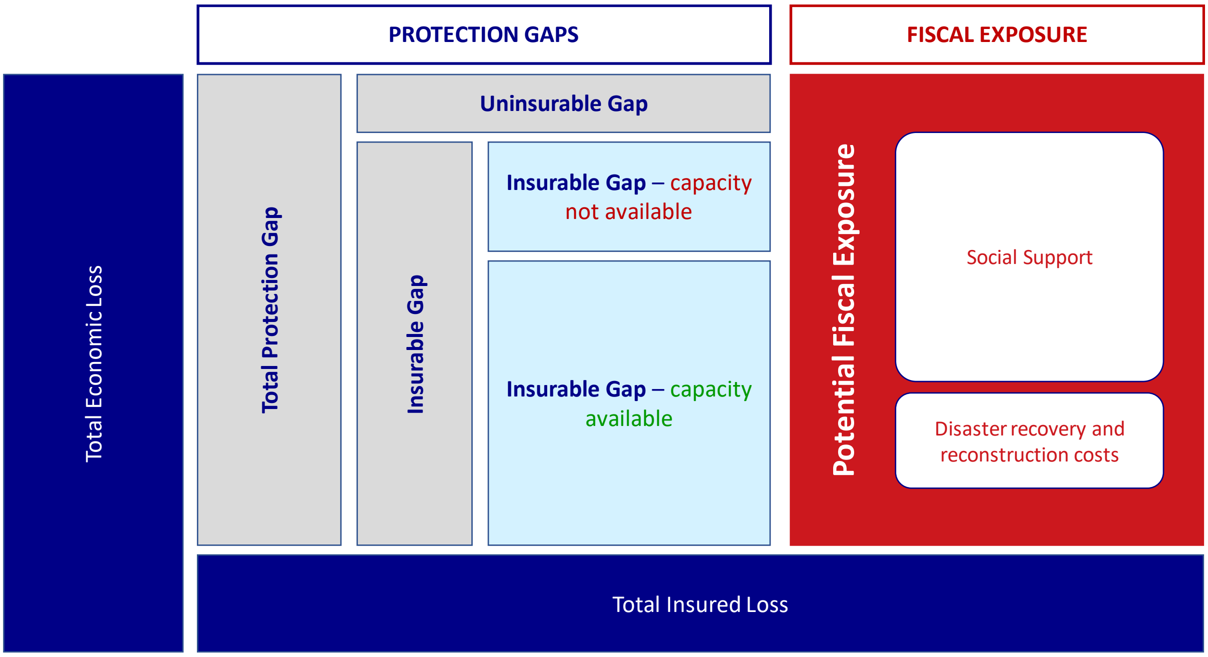
[3] By observation, not all perils are in this usual list. Others that are significant in some markets would be wildfires or hailstorms, for example.
[4] The GFIA devoted attention to retirement gaps in March of 2023.
[5] For example, OECD has published extensively on this including the retirement savings adequacy project, and the Social Protection Committee of the European Union publishes a "Pension adequacy Report". Thse reports have extensive underlying discussion on assumptions and methods ranging from how to define an adequate retirement income target to how to balance state social security, taxation regimes applying to older people, and private provision in different forms.

But what translates the protection gap for governments and policymakers from "a problem somebody should do something about" into "my concern"? Figure 1 below sets out the concern at the national level.

Figure 1: Conceptual Building Blocks for the Protection Gap and Responses



The protection gap might be **expressed as a national metric for the economy or focus on the sovereign balance sheet as a "potential fiscal exposure"**. These two concepts are closely related. Fiscal exposure reflects the expectation that governments are called upon to support the shortfall, which can result in painful fiscal choices. The support may be partial rather than total depending on society's expectations, politics, and economic realities for example.

Fiscal exposure is often estimated for natural catastrophes. It includes the costs of disaster response, direct support to victims, and reconstruction. The exposure beyond public asset reconstruction is a contribution to (all or part of) the broader protection gap, so a reduced private sector gap will reduce demand for social support and fiscal exposure. Sovereign risk transfer will reduce the fiscal exposure in both elements.

Risks such as retirement savings, health, morbidity, disability and mortality may have protection gap estimates calculated *after* allowing for government social support programs. This approach means that the gap result is not of the same nature as natural catastrophe calculations. In our diagram, these programs are part of the "social support".

As a group, **policymakers' interest can be multifaceted**. Responsibilities for particular priorities in government, and mandates for action, fall to different ministries and agencies[6]. To work through the challenge of difuse responsibilities and mandates, governments require extensive interagency coordination. Such coordination is less well

[6] Here we consider policymakers broadly defined across government. Where a particular role is normally given to the insurance supervisory authority, then we reference that explicitly. Insurance supervisors may have a lead or supportive role in many of these policy motivations.

developed in some jurisdictions, which creates significant challenges and can impede progress in achieving any, let alone all, of these mandates.

1. **Insurance Sector Development**: A significant gap can highlight the need for efforts to increase insurance penetration.

2. **Fiscal Stability**: Adverse events can create fiscal costs as governments respond, support recovery and reconstruction. Political and societal expectations also have an impact on the types of events that would lead to fiscal responses. Natural disasters have dominated discussions historically, but the increased attention to climate change, and the Covid-19 pandemic, has raised the profile of other potential systemic risks. Reducing protection gaps can support financial stability.

3. **Resilience**: More broadly than fiscal issues, governments are concerned about both their own and the national resilience. At the level of regional and national governments, resilience can be financial, social and political. Reduced protection gaps also imply a larger insurance sector and, especially for savings related business, more productivity and resilience at many levels of society as a result.

Political interest after the event:

Many governments felt the need to investigate options for business interruption insurance after the early experience during the Covid-19 pandemic.

Public concern about uninsured events motivated action when businesses were clearly "interrupted". However, few initiatives have led to radically different cover. It is estimated that the amount of cover required would far exceed sector capacity even if appropriate insurable risks could be defined (Geneva Association).

Social protection motivations and social expectations would seem unchanged, so fiscal exposures and lack of resilience, in the small business sector in particular, remains unaddressed.

4. **Financial Inclusion**: Financial inclusion directs attention to the most vulnerable, least resilient, groups in the population. Improved inclusion, involving innovation along the value chain and at micro, meso and macro levels, can support individuals to rebuild their lives more quickly. Increasing access to insurance can reduce protection gaps.

5. **Minimising GDP Impact**: Adverse events create disruptions with negative GDP outcomes. The sooner that services can be restored, and reconstruction can commence, the shallower and shorter the disruption. Reducing protection gaps can help minimize disruption and the negative affect of adverse events on economic growth.

6. **Sustainable Development Goals (SDGs)[7]**: A motivation at the level of Nations, Multilateral and Bilateral Donor agencies, NGOs and many private sector actors. Events, and their aftermath, risk the disruption of health, education, nutrition, clean water and sanitation, affordable and effective energy access, economic growth, and infrastructure services.

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[7] The IAIS has identified 11 of the SDGs where insurance plays an important or supportive role. No Poverty (SDG 1), Zero Hunger (SDG 2), Good Health and Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Industry Innovation and Infrastructure (SDG 9), Reduced Inequalities (SDG 10), Sustainable Cities and Communities (SDG 11), Climate Change (SDG 13) and Partnerships for Goals (SDG 17). (see IAIS 2021)

Available estimates may not be sufficient to drive action

Available estimates may not be sufficient to drive action

Estimates of protection gaps have, largely, been prepared by industry, with reinsurers playing a leading role. Several industry associations have sponsored work to produce estimates and, in some cases, updated these estimates. Some examples of these are the annual Swiss Re Sigma reports and the mortality and critical illness protection gap studies commissioned by the Life Insurance Association of Singapore (LIA).

This approach has led to an **uneven coverage of estimates**. Estimates vary in risk categories covered, geographic coverage, and methodology.

Estimates vary in risk categories covered. Being largely prepared by industry, the risk categories covered in various estimates are informed by the motivations of the organisation producing or sponsoring the production of the estimates. For example, the LIA study that examines mortality and critical illness protection gaps, whilst the annual Swiss Re Sigma reports are one of the most comprehensive set of estimates and covers gaps for mortality, health and natural catastrophe, and by region[8].

Estimates vary in geographical coverage. Some estimates focus on a single country whereas others are regional and global. Even when regional or global estimates are produced, they tend to cover a subset of countries and then add more approximate methods for other countries particularly when data is difficult to obtain. For example, the annual Swiss Re estimates use 31 countries and do not currently cover some large insurance markets, such as Indonesia or Argentina, due to data constraints[9].

Taken as a whole, current methodological approaches are problematic. Different approaches, different drivers, different metrics for presentation, different conclusions.

Estimates vary in methodology. Natural catastrophe estimates may have a detailed reliance on modelling of perils and potential losses and historical experience event data. Public estimates of events can be used to supplement or broaden country estimates to regional and global aggregates. Several data sets of historic events are available, and include loss estimates and insurance coverage however, the data is incomplete even if an event is recorded[10]. Historic event data is, however, promising as it provides an opportunity to generate and maintain estimates on a consistent basis for a wide range of countries and perils, and to combine results as desired.

Mortality estimates tend to be more consistent in methodology and approach. They tend to exclude retirement savings gaps. Estimating retirement savings gaps is attempted by organisations such as the OECD and the World Economic Forum, and other organisations

[8] Country by country details are evaluated on a subset of 31 advanced and emerging countries according to the methodology. In total, the 31 countries for the economic resilience measures represent around 75% of global GDP. 35 countries are included in the natural catastrophe measures.
[9] Swiss Re 2019.
[10] We did attempt to develop some results for the region and on a country-by-country basis for natural catastrophic events using the EM-DAT data. This appears promising given the country coverage and the event coverage, providing initial promise of the opportunity to get regional and national “all cause” and “specific peril” natural catastrophe estimates on a comparable risk tolerance level. Good coverage of events and countries is available but insurance and monetary loss data is much more problematic.

especially concerned with the operation of social security and pension schemes and associated policy. Estimates are complex reflecting individual country social protection and taxation arrangements, the treatment of other retirement-supporting assets such as properties or non-pension savings and investment, and social perceptions of adequate replacement incomes and living standards. The considerable work in pension policy circles could be drawn upon, but retirement savings adequacy and mortality and morbidity risks are not often considered at the same time. Integration could be beneficial.

Multistakeholder engagement is needed to drive holistic solutions

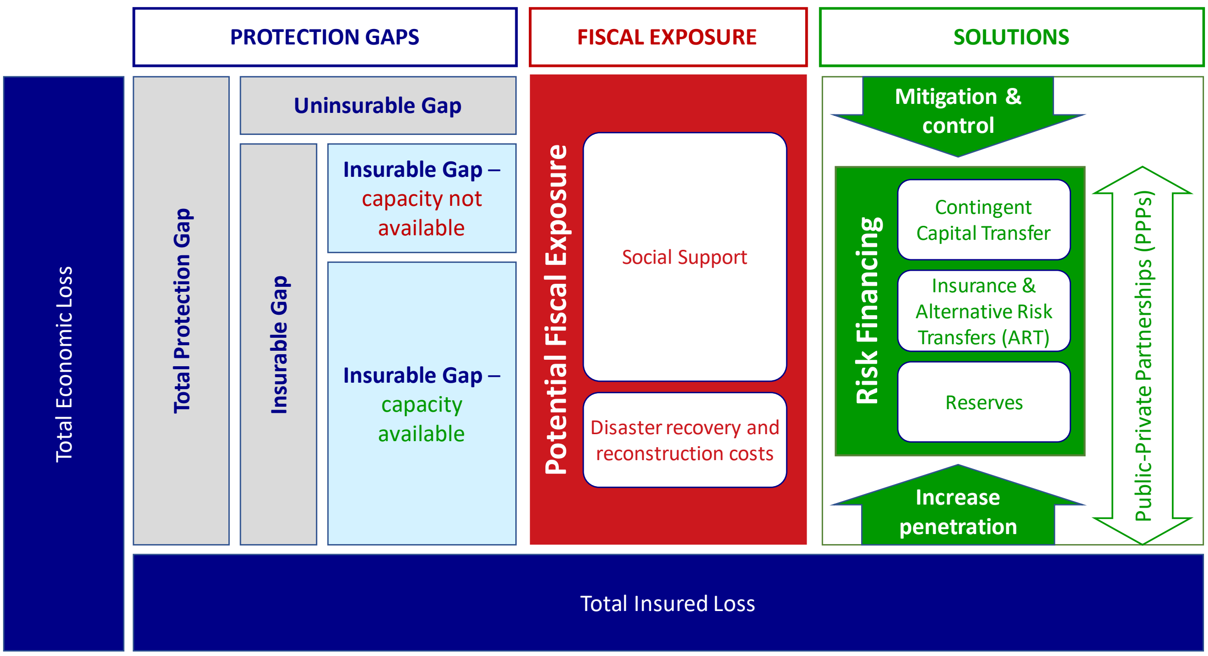
Multistakeholer engagement is needed to drive holistic solutions

The visibility given to protection gaps comes from published estimates. There is a need to identify the relevant protection gap, link it to a motivation for change, and then identify and implement the right solution(s). However, progress has been limited, and this paper has highlighted two issues so far on why this may be the case – specifically, that the linkage between the gap and a policy motivation is critical but varies in practice, and that estimating the gap is more complete in some jurisdictions than others.

A third issue impeding progress is inherent to the multistakeholder nature of the protection gap challenge. Given the magnitude and complexity of protection gaps, a single solution cannot be sufficient. As a result, selecting a single initiative will miss the opportunity to motivate action across the spectrum of protection gaps. Moreover, in environments where vulnerability and risk are multifaceted, emphasis on a particular gap could create misperceptions about what is covered and what is not. Such an outcome could be detrimental to efforts to increase insurance awareness and trust.

Figure 3 below sets out the three categories of solutions – a holistic approach, coordinating across the three categories of solutions, can be more efficient as some solutions in one category can carry some of the burden and facilitate progress for the other categories.

Figure 3: Conceptual Building Blocks for the Protection Gap, Responses and Solutions



Mitigation reduces the protection gap by reducing the risk (potential economic losses). It can be particularly powerful at reducing uninsurable risks. This can also make insurance more accessible by making the remaining risk more insurable. This is particularly important in our current rapidly changing risk landscape due to challenges such as pandemics, climate change and cyber exposures. Mitigation will also reduce the potential fiscal exposure by reducing the level of social support needed and the potential cost of protecting infrastructure.

Increasing insurance penetration also reduces the protection gap. Initiatives to increase penetration can be many and varied. To better fill gaps, both demand and supply side initiatives may be needed. On the supply side, some of the most promising innovations for increasing insurance penetration, particularly amongst the most economically vulnerable, are product and technology driven.

The residual exposure is the remaining fiscal challenge. This can be addressed by governments through various **risk financing** options of reserves, contingent capital, and insurance type arrangements in terms of ex-ante solutions. Ex-post solutions tend to be more disruptive, more costly, and less effective.

Public private partnerships (PPPs) can be an effective solution to both risk financing and increasing penetration. *Although this will be further explored in the next paper*, it is notable that several examples of PPPs exist that may be instructive. Some are focused on risk transfer, some are focused on advancing inclusion, and in some cases, both elements are part of the partnership. Risk transfer issues are particularly relevant when risks that are difficult to insure.

A review of PPPs covering their scope, development, successes, and challenges and identify good practice options for the region is planned.

The most visible and tangible actions so far have involved sovereign risk transfer for natural catastrophe risks. This action has crystallized the route for change (i) from the gap to (ii) the fiscal exposure to (iii) the risk financing / PPP solution. The creation of several high-profile PPPs to support sovereign risk transfer has supplemented pre-existing programs that were developed as part of disaster resilience. Frequency and granularity in the estimation process likely adds to the credibility of the work in this area. Additionally, multinational development institutions have been at the forefront of efforts to develop contingent capital instruments supplementing and supporting PPP and related risk transfer tools. Some PPPs have also directly contributed to increased access to cover at the retail level, increasing private sector insurance penetration.

For other perils, the process is at an earlier stage. Internationally, groups are developing papers on issues, for discussion and to propose good practices. UN agencies, multilateral development banks, individual country aid agencies, industry associations at national and multinational levels, and larger multinational insurance organisations are all engaged, including hosting events to build awareness, consensus, and discuss opportunities for action. There is considerable agreement that multistakeholder efforts are needed to address the protection gap.

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More can be done and needs to be done

More can be done and needs to be done

Turning from challenges to solutions, a set of areas for attention to advance efforts are proposed. These cover each of the problems set out above and are summarized in Table 1 below.

In many cases, public-private partnerships are an important part of the solution. These partnerships can play a range of roles from risk transfer to service delivery. Risk pools, capacity sourcing and generation, acting as a point of interaction with global reinsurers, enhancing local distribution, diversification of risk, service delivery, and supporting the effective and responsible delivery of subsidies are all possible roles.

Table 1: Potential policy actions for change

	Problem	Direction	Objective	Concrete short-term proposals
Undersatnding and motivation	Estimates are communicated but not always connected to action. Policy motives strengthen the case for change.	• Continue consensus building. • Highlight policy motivations to energize public sector action. • Point estimates can be useful.	Continuing efforts in stakeholder education, dissemination, increasing engagement.	• Continue to educate, disseminate, and facilitate discussion with senior policymakers. Events at this level with a regional focus would be beneficial. • Enhanced event data also provides an opportunity for broader publicity to maintain momentum.
Available estimates	Estimates are not available in some cases and incomplete or inconsistent in others.	• Estimates are needed where they do not exist. • Modelling coverage can be expanded. • Good practices could be more widely shared. • Data is important.	Improving estimate coverage and consistency.	• A central source for currently available estimates and model availability by jurisdiction and peril, including integrating retirement. • Sharing information on methods and approaches for all risks including retirement, to draw out options for greater consensus over time, documenting and publishing good practices. Identify the metrics used and the benefits of each when communicating. • Existing data sources supplemented to facilitate access to more complete and desirable data.
Multistakeholder commitment and holistic solutions	Once motivated, options need to be assessed, decisions made, and defended.	• Education, tools and templates. • Sharing experiences. • A single focus on one solution is unlikely to be optimal.	Building confidence in developing solutions.	• Regional stakeholders and technical experts will benefit from documented case studies and best practices regarding solutions. Tools for decision making can be developed and made widely available. • Dialogue events at regional level to share experiences and facilitate multistakeholder discussions and commitments.

Understanding and motivation: Where estimates exist, the next step is to ensure that stakeholders can take the information and relate it to issues that they are concerned about. This creates the motivation for action.

Although it is useful to generate knowledge at the technical level, it is critical to continue to educate, disseminate, and facilitate discussion with senior policymakers. Events at this level with a regional focus would be beneficial.

Enhanced event data also provides an opportunity for broader publicity to

In the area of natural catastrophe perils this is more advanced but recent experience has highlighted other risks that have the potential for significant fiscal cost. For example, the recent pandemic resulted in substantial healthcare-related costs as well as broader impacts due to extensive fiscal stimulus. However, actions taken so far are important but only represent a start. This suggests that there is a continuing need to build consensus and educate a broad range of policymakers, enhance communication through appropriate metrics that are relevant to stakeholder action, and highlight fiscal exposure and GDP related motivations.

Monitoring and communicating individual event data in real time also serves a useful purpose both for continued awareness building and education especially of the broader public stakeholders[11]. The event data would ideally be translated into usable "protection gap oriented" metrics.

Stakeholder response relies on communication, education, and the potential to discuss solutions. The communication and education phases are ongoing and take place in many forms. Many of the subjects can be addressed at regional levels, however, individualized jurisdictional considerations also need to be reflected.

Available Estimates: One obvious opportunity is to fill out the available estimates where they do not currently exist. A blank page is not a call to action. Estimates can help to motivate change.

In addition, modelling coverage and methodologies can be expanded and made more widely available, retirement security can be better integrated, good practices in methods and approaches could be more widely shared, and efforts to improve data are all important.

To identify and encourage completing the set of estimates, it would be useful to have:

- *A central source for currently available estimates and model availability by jurisdiction and peril, including integrating retirement.*
- *Sharing information on methods and approaches for all risks including retirement, to draw out options for greater consensus over time, documenting and publishing good practices. Identify the metrics used and the benefits of each when communicating.*
- *Existing data sources supplemented to facilitate access to more complete and desirable data.*

Multistakeholder commitment and holistic solutions: Motivated to act, policymakers are faced with an extensive menu of interventions. These include, mitigation, regulatory change, education, more inclusive insurance markets, fostering product and delivery innovation, and other sector development initiatives, local and

[11] By "point estimates" we mean data points on events setting out total cost before fiscal contributions, insured payouts, fiscal costs, and (where possible) GDP impacts. Point estimates can be communicated for natural catastrophe events. They can also be communicated based on annual data for other perils such as cyber risk.

regional risk pooling, backstop programs for insurability, smart subsidies, contingent capital, sovereign risk transfer, and reserves. The development of comprehensive protection gap strategies could help ensure complementary actions, clarity of responsibilities, promote holistic approaches.

Data and methods to perform cost benefit analysis of these approaches is difficult to find centralized for policymakers and can focus only on one solution. This suggests that there is a need for Education, tools and templates, and continued sharing of experiences.

Insurance supervisors are likely to be an important contributor to this holistic multistakeholder approach. To lead it, they are likely to need an explicit mandate given the responsibilities of other parts of government.

Regional stakeholders and technical experts will benefit from documented case studies and best practices regarding solutions. Tools for decision making can be developed and made widely available.

Dialogue events at regional level to share experiences and facilitate multistakeholder discussions and commitments, will also be beneficial.

Understanding PPP opportunities: A number of PPPs have been established that focus on natural disaster coverage for sovereign exposures and cover regional country groups. Options where PPPs can be relevant need to be considered including learning the successes and challenges from those that have been implemented elsewhere. These will be explored in the next paper, scheduled for publication at the end of May 2023.

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