

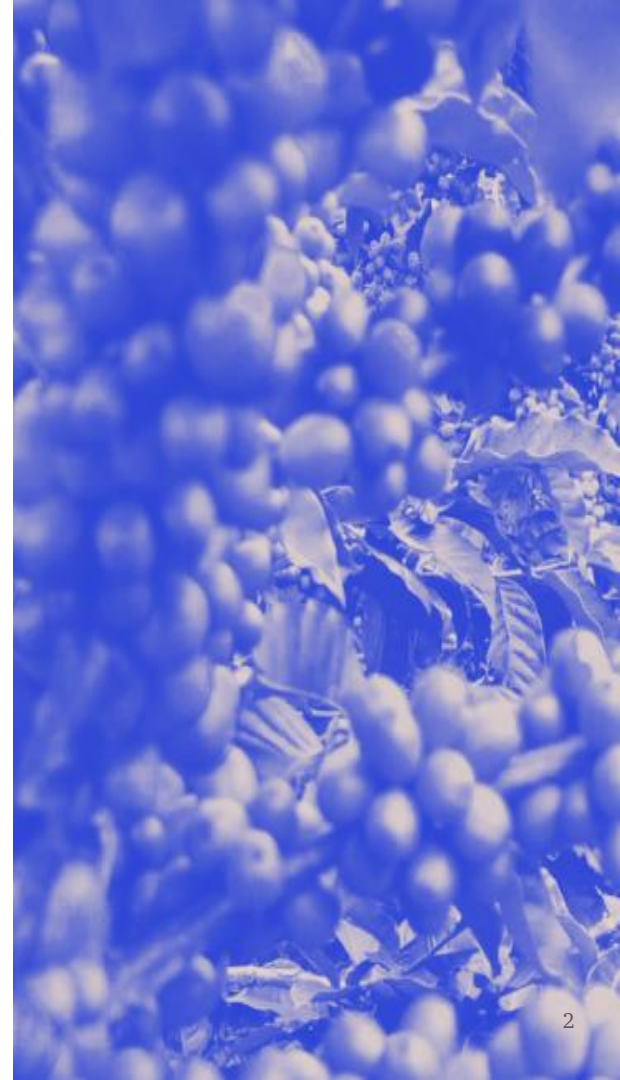
Blue Marble

Challenges in Closing the Insurance Protection Gap

April 2025

Agenda Items

- **Challenges in Bridging the Insurance Protection Gap**
- **Leveraging Technology in Blue Marble Microinsurance**
- **Case Study**





Challenges in Bridging the Insurance Protection Gap

Challenges



Low Financial Literacy & Awareness: Limited understanding of insurance concepts leads to skepticism and low demand for insurance products.



Limited Data Availability & Quality: Scarce, outdated, or low-resolution data hinders accurate risk assessment and pricing of the insurance products.



High Distribution & Operational Costs: Reaching remote and dispersed populations is expensive, impacting affordability and sustainability of the insurance products.

Challenges



Lack of Tailored Products for Local Needs: Standardized products may not address specific local risks, reducing product's relevance and its uptake.



Perception about Insurance: Cultural and Religious norms may discourage reliance on formal insurance thus hampering its growth.



Lack of Affordable Solutions: The cost of the available solutions exceeds the financial capacity of potential clients.

Challenges



Inadequate Reinsurance Solutions: Insufficient reinsurance capacity may limit insurers' ability to underwrite risk efficiently.



Limited Private Sector Involvement & Investment: Insurers and reinsurers may be reluctant to invest in perceived high-risk, low-return markets.



Lack of Collaboration Among Stakeholders: Insufficient coordination between governments, insurers, technology providers, and local communities can limit innovation and broader market penetration.



Leveraging Technology in Blue Marble Microinsurance

We design, implement and scale customized parametric insurance programs



Tailor-made Solutions



Global Capacity



End - to - End Services



Built-in Reinsurance Capacity



Ecosystem Development

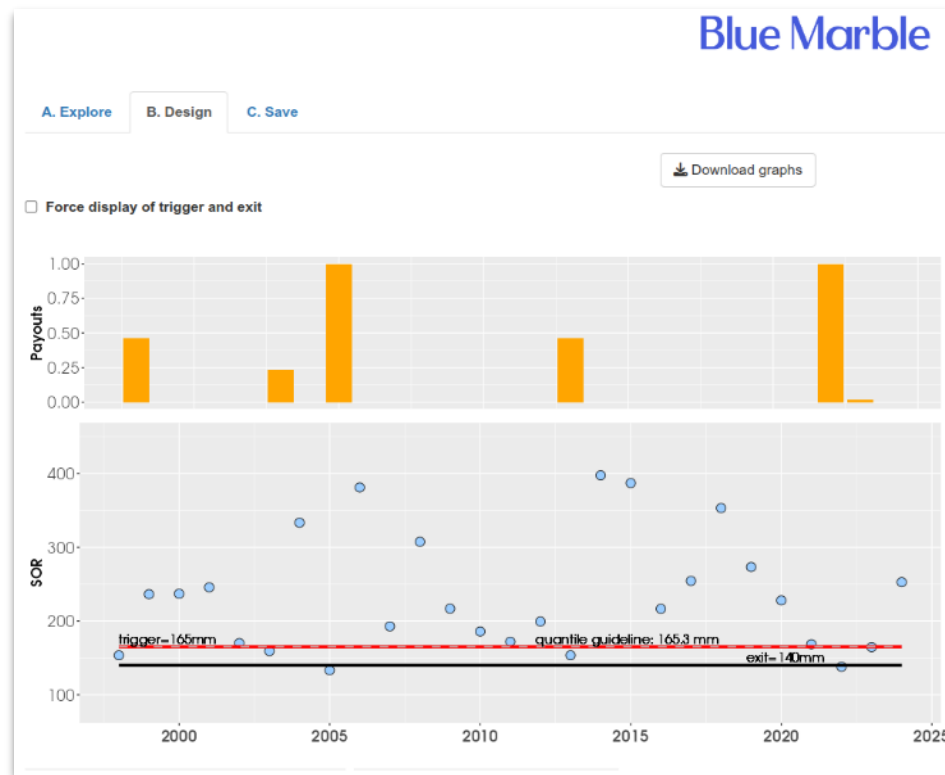
DESIGN & LAUNCH

We design solutions based on customer's identified needs

Interactive design and pricing web platform

Used by Blue Marble actuarial teams to:

- analyze weather patterns
- co-design index prototypes with customers
- price risks over complex climatologies



Developing a parametric insurance product

All Blue Marble products are developed based on open source satellite data

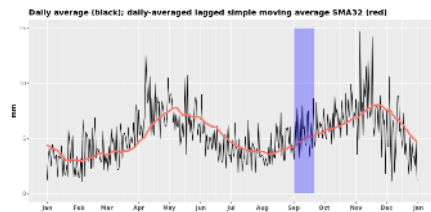
1

The **parameters** of the weather risks can be measured using satellite data

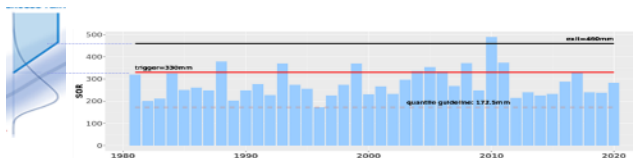


2

An analysis of the historical data determines the **trigger** values

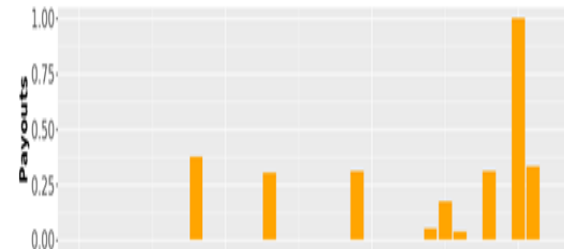


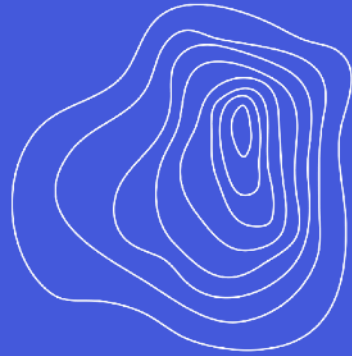
Exit
Trigger



3

Track satellite data and notify immediately of pay-outs leveraging technology





Case Study-Drought Resilience for Pastoralists in Naryn, Kyrgyz Republic

The Challenge: Vulnerable Pastoralists & Drought

- Naryn Region is prone to recurring droughts, impacting pasture availability
- Droughts led to increased fodder prices, Livestock Stress, and economic hardships
- Vulnerable households are most impacted



Protecting Pastoralists from Drought

Blue Marble has worked with the World Food Programme to develop an index insurance for vulnerable livestock farmers in the Kyrgyz Republic

Partners: World Food Programme (WFP), Local Governments

Solution: *Parametric Insurance*

Purpose: To support vulnerable pastoralist households in case of Drought

How it

Works? Payouts are triggered based on pre-defined rainfall thresholds



VIDEO on the impact of this project from WFP

<https://twitter.com/i/status/1781563446791938184>

Product Details

Type of Product:	Meso-level parametric solution
Coverage period:	Growth Phase June 1 to September 30 (Critical period for Pasture growth)
Insured risk:	Cumulative rainfall for 2 phases
Insured:	Local Governments
Payouts	
Utilization:	In-kind support (Provision of Feedstock, etc)
Mechanisms For Payout	
Distribution:	Development of a Response Plan identifying activities that will be supported in case of Payouts

Key Learnings

- **Strong Partnership**
- **Reinsurance Capacity**
- **Product Design**
- **Timely disbursement of payouts**
- **Timely development of a response plan for the utilization of payouts**
- **Predefined processes for payout distribution**