

Europa Re's Regional (Re) Insurance Scheme in line with OECD/G20 Methodological Framework for Disaster Risk Assessment and Risk Financing

9 January 2013 - At the G20 meeting held in Mexico City, in November 2012, World Leaders, Finance Ministers, Central Bank Governors and OECD representatives recognised the importance of the Voluntary Framework for Disaster Risk Assessment and Risk Financing. The study was developed by the OECD with strong support from the World Bank and the United Nations, aiming to provide strategic input for increasing countries' financial resilience to natural disasters and decreasing the aggravating socio-economic impacts following such hazardous events.

The outlined methodological approach emphasises new aspects in the international discussion about Disaster Risk Management (DRM) relating to the central role of financial policymakers and disaster risk assessment instruments in generating sustainable DRM frameworks. The main objective is to disseminate an international guideline that provides for an analytical approach of the complementarity and interconnectedness between disaster risk assessment, risk financing and risk reduction, as key elements for effective DRM strategies. The proposed guideline recognises differences between countries by taking a flexible economy-wide perspective relying on countries' voluntary actions to utilise the framework in implementing context specific DRM strategies - enabling sound disaster risk reduction decision making and strengthening financial management of disaster risks.

The OECD/G20 study makes a specific reference to Europa Re (Re) Insurance Scheme (p. 84), describing its purpose and 'modus operandi' as the Regional Catastrophe and Weather Risk Reinsurance Facility for Southeast Europe. Europa Re's regional (re) insurance programme promotes disaster risk financing and risk transfer mechanisms, through provision of catastrophe and weather risk insurance market infrastructures, facilitating institutional arrangements among Governments, Ministries of Finance, Insurance Regulators, Local Insurance Industries and Financial Organisations. Partnerships among such institutions at national and international level contribute to enhance the current risk assessment approach and the creation of disaster risk evidence databases, containing crucial information on hazards, exposures, vulnerabilities and losses. With such structure in place, Governments and Ministries of Finance in Europa Re member countries are able to share complex disaster risk information, conduct regular reviews and monitor the development of innovative risk financing and risk transfer markets backed by appropriate policy conditions and regulatory frameworks.



Europa Re combines several risk assessment and risk financing features outlined in the OECD/G20 methodological framework. Its (re) insurance programme is enhanced by innovative insurance market technologies, including comprehensive disaster risk assessment, and broad stakeholder oriented implementation approach. In line with Europa Re's vision and mission, the Facility is looking forward to implement and promote the OECD/G20 methodological framework in its member countries.

To view the OECD/G20 Methodological Framework document [click here](#).

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