

***Mi Siembra Segura*: Parametric Insurance to protect vulnerable rural communities in Colombia, with UNDP**



- The United Nations Development Programme (UNDP) and Microinsurance Catastrophe Risk Organization (MiCRO), with the support of SBS Seguros Colombia, launch an innovative insurance program to protect vulnerable rural communities against natural disasters exacerbated by climate change.
- As part of the community stores project associated with the UNDP's Rapid Response Facility (RRF2) program, "*Mi Siembra Segura*" (My safe sowing) will protect beneficiary communities against losses caused by covered weather risks and personal accidents.
- Climate risk coverage uses state-of-the-art technology and is activated automatically when the level of rain and/or drought exceeds predetermined parameters.
- The insurance will be accompanied by financial education modules, with the aim of promoting holistic risk management.

Sincelejo, November 25, 2021 - As part of the community stores project of the Rapid Response Facility (RRF2) program, UNDP and SBS SEGUROS COLOMBIA, with the support of MiCRO, launched the product "*Mi Siembra Segura*" (My safe sowing), which will protect the project's community beneficiaries against covered climatic risks, in addition to offering coverage for personal accidents.

The UNDP's RRF2 program aims to support rural organizations made up of a vulnerable population (mostly consisting of Afro-Colombian women, indigenous peoples, and producers) by installing community stores that serve as dynamic hubs for the economic empowerment of women. In this context, access to an insurance policy will help strengthen the resilience of these communities against risks they are exposed to by climatic effects.

The parametric insurance coverage is activated automatically when excess rain or drought reaches predetermined levels. It is a novel product that uses state-of-the-art technology to remotely detect the occurrence of a covered event, thus allowing the payment of claims to be very efficient.

Risk transfer is important, but only part of the solution, which is why beneficiaries will also receive training in proper risk management.

Initially, these tools will be available to the beneficiaries of three community stores located in Barrancas (La Guajira), Colosó, and San Antonio de Palmitos (Sucre), where the organizations in charge of the stores will act as policyholders.

Comments from Carlos Boelsterli - CEO of MiCRO

This UNDP initiative is closely aligned with the vision of MiCRO and our partners in Colombia. We are very honored to be part of this inclusive financial program, and to bring formal financial services to underserved areas, where insurance has traditionally been unavailable. We have achieved this thanks to the fact that we are an innovative company, which conceived an insurance program adapted to the Colombian rurality, a population that continues to have difficulties in accessing financial services.

Thanks to the alliance with the UNDP and SBS, we implemented an insurance program that works through remote observation, using state-of-the-art technology and identifying (with the help of satellite information) the occurrence of events that may affect the productive activity of rural inhabitants. This is done in such a way that when a severe event of excess rain or drought occurs, the insurance is activated automatically and the insurer can make payments as soon as possible.