

Enabling the poor and vulnerable to adapt to climate change

Investment Case

Driven by climate change, the frequency and impact of extreme weather events continue to increase.

The low-income population in developing countries is highly exposed to climate risks due to their dependency on agriculture. Insurance can help to increase the resilience of poor and vulnerable households as well as micro, small and medium enterprises (MSME) to extreme weather events and natural disasters.

As low-income households and MSMEs are protected against property loss, incentives to invest are increased and income can grow. Protection against climatic events and a growing income reduce the need for migration.

Technical progress (e.g. parametric insurance) and growing demand of local distribution channels for new financial products can make climate insurance accessible and affordable.

Business Partners

The world's leading reinsurers are supporting the InsuResilience Investment Fund as business partners. The business partners provide non-exclusive support to the Fund with product design, underwriting capacity and industry contacts to successfully develop, expand and scale up the climate insurance offerings of investees.

The InsuResilience Investment Fund forms part of the G7 InsuResilience Initiative which aims to increase climate insurance coverage of the poor and vulnerable by 400 million people between 2015 and 2020. Created by KfW on behalf of the German Ministry for Economic Cooperation and Development (BMZ), the InsuResilience Investment Fund commenced its commercial activities in January 2015, under the German G7 presidency.



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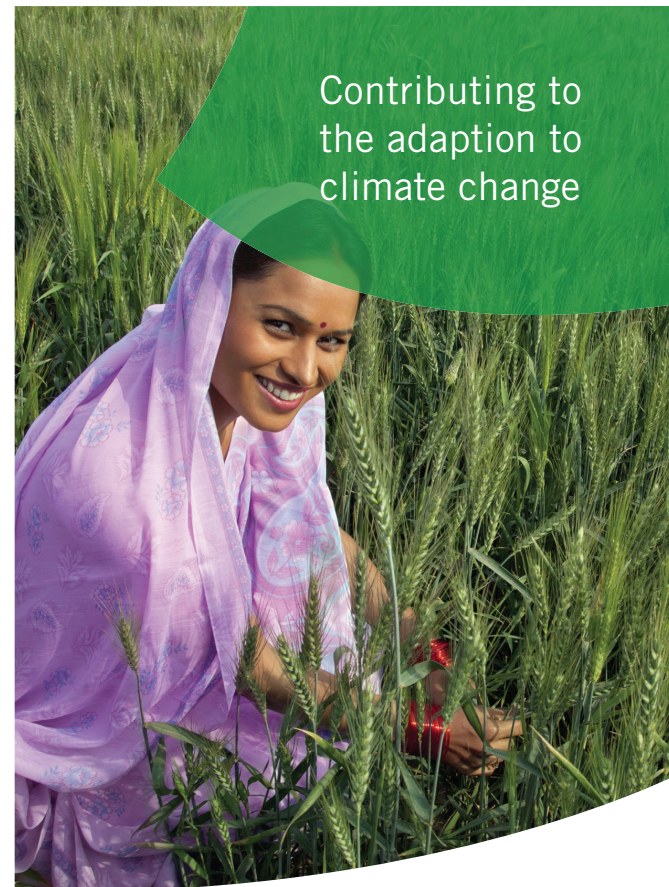
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www.insuresilienceinvestment.fund



Federal Ministry
for Economic Cooperation
and Development

KfW

InsuResilience Investment Fund (IIF)

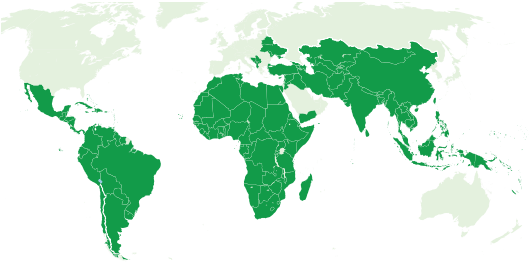
The Fund aims to increase protection of the poor and vulnerable from extreme weather events and natural disasters by promoting the development and distribution of climate insurance products.

To this end, the Fund combines Private Debt and Private Equity investments in two separately investible Sub-Funds, pursuing both financial and social return.

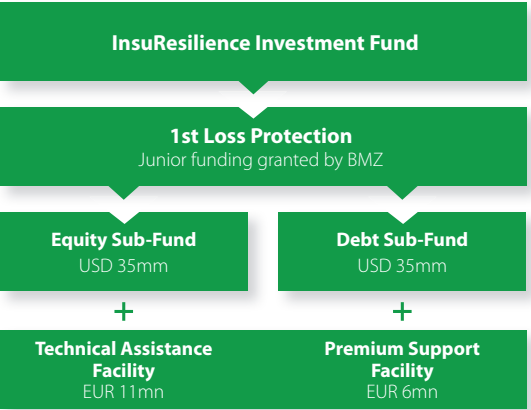
For both Sub-Funds, investees are required to have the focus of their operations in countries and territories eligible to receive official development assistance as defined by the OECD.

Target Markets

Countries eligible to receive official development assistance (ODA) as defined by the OECD.



ODA Countries



Private Equity Sub-Fund

The Private Equity Fund provides common and preferred equity capital to insurers and brokers offering or looking to develop climate insurance products.

The Fund assists these endeavours through technical expertise, funding and leverage of BlueOrchard's network for distribution. The Fund takes minority stakes with significant influence, has board representation and invests alongside like-minded investors.

Exit occurs through trade sale, secondary transactions or by agreement with shareholders.

Private Debt Sub-Fund

The Private Debt Sub-Fund provides senior secured, senior unsecured and subordinated debt to aggregators (local microfinance institutions, cooperatives, input providers, telecom operators) and insurers who are currently distributing or looking to distribute climate insurance products.

Borrowers need to be active in agricultural regions and have sound governance, a stable financial position and low credit risk. IIF charges market interest rates on senior and subordinated debt.



Technical Assistance and Premium Support Facilities

Investees of the Private Debt and Private Equity Sub-Funds are eligible to receive support from a dedicated Technical Assistance (TA) facility amounting to EUR 11mm, fully funded by the BMZ. The TA facility finances the development and distribution of climate insurance products.

In addition, the BMZ has established a Premium Support Facility amounting to EUR 6mm to support viable innovative climate insurance products of the Funds' investees throughout their launch phase. Both facilities are managed by CelsiusPro, a Swiss-based pioneer in weather risk management.

Fund Manager

Fund Manager is BlueOrchard Finance Ltd, a leading, Swiss-based impact investment manager and long-term partner of Development Finance Institutions and institutional investors globally.

CelsiusPro 
Professional Weather Protection

 **BlueOrchard**
Impact Investment Managers