

a2ii
INCLUSIVE
INSURANCE
INNOVATION

LAB
3

Change the paradigm.



Successfully insuring against climate risks

As vast segments of the low-income population and micro and small businesses remain excluded from financial protection against the impact of climate change, the Access to Insurance Initiative (A2ii) organised the third Inclusive Insurance Innovation Lab (iii-lab).

The iii-lab brings together the most influential stakeholders: consumer advocates, supervisors, policymakers, and insurers. The special thing about it is that everyone gains an insight into the perspectives of the others and creates solutions together. The results of what is now the third iii-lab show impressively how well this works.

“ The iii-lab took us from the office where we’re normally based. It broadened our perspective because we went out into the field and actually spoke to people affected by climate change. That was very significant for us. ”

Anthony Edwards, Authority for the Regulation of Financial Institutions, Grenada

From October 2021 to October 2022, teams from Costa Rica, Grenada, Zambia, and Zimbabwe collaborated to devise and implement innovative solutions that fortify societal resilience against climate risks.

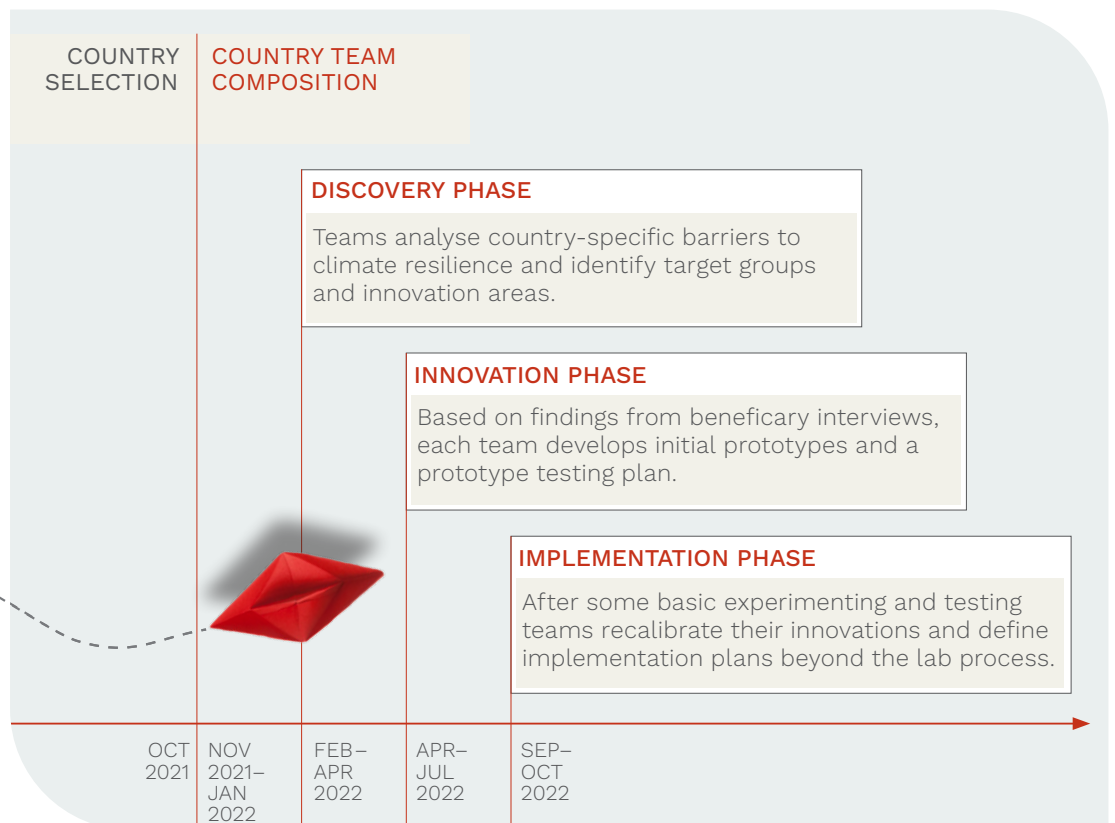
The solutions they came up with in the lab are rather impressive: a new insurance product against climate risks for farmers in Zimbabwe, an insurance ambassadors’ program in Zambia, a parametric hurricane protection product in Grenada and a climate web tool for the tourism sector in Costa Rica.

The Inclusive Insurance Innovation Lab

The iii-lab is a 12-month program based on a social lab methodology which involves gathering a diverse set of people to deeply understand and address insurance challenges within specific national contexts. Innovation methods and tools are used when working collectively to synthesise insights and pilot ground-breaking solutions. The participatory dialogue processes and methods encourage all voices to be heard and to contribute.

For a more detailed explanation of the iii-lab’s objectives and methodology, as well as the iii-lab’s contribution to the SDGs, see the [↪ iii-lab flyer 2024](#) and our [↪ website](#).

The steps: from getting ideas to getting results



The iii-lab process officially came to an end after one year, while the implementation of innovations continued under the responsibility of the country teams.

2 years later – what are the outcomes?



Team Costa Rica¹ conceived “Fu-Turismo”, an open climate web tool to build awareness of climate change in the tourism sector while at the same time promoting risk reduction and coverage solutions. Primary beneficiaries of this innovative tool are micro, small, and medium entrepreneurs from the tourism sector, which are heavily affected by the impacts of natural and climate events.

The tool is a one-stop-shop solution with three key modules designed to help MSMEs from the tourism sector to 1) understand climate related hazards that have the potential to damage their businesses, 2) to assess the specific level of risks based on the geographic location and characteristics of the business, etc.; and 3) to take action to strengthen the resilience of their businesses, staff members and communities against natural events, e.g. through the purchase of an adequate insurance product. After the official end of the program, the team partnered with GIZ Costa Rica to contract a project manager to develop and launch the web tool. In addition, the project is one of the three national projects chosen to be part of the Global Risk Management Alliance (GRMA) support for Costa Rica which aims to give a risk assessment to quantify flood risk and probabilistic risk estimation, current

and future, as basis for developing financial resilience options in the tourism sector.

“For us, the lab was an incredible personal and professional experience; it was of great growth and learning. For the Costa Rica team, it was an experience in which we learned to work with a multi-sectoral approach, all for the same purpose. This work dynamic we learned, and we continue to apply it in other

projects, focusing on problems rather than jumping straight to solutions, and take the necessary time to develop solutions that truly impact the purposes we seek.”



↳ **German Rodriguez**, Superintendencia General de Seguros, Costa Rica (Youtube Video)

¹ Participants included representatives from Superintendencia General de Seguros (SUGESE), Instituto Costarricense de Turismo, Instituto Nacional de Seguros (INS), BN Sociedad Corredora de Seguros, S.A., SAGICOR Seguros, Pan-American Life Insurance, Aseguradora del Istmo, Seguros Lafise, and Popular Seguros Correduría de seguros S.A.



Team Grenada² intended to create a Mutual Risk Pool to assist farmers and fisher-folk severely impacted by the effects of climate change, mainly the increasing number and frequency of hurricanes. However, due to the various challenges encountered by the team, an alternative instrument was explored. As a result, the Supervisory Authority (GARFIN) approved a parametric insurance product offered in other countries in the region. The product provides insurance protection against tropical cyclones ranging from tropical storms to category 5 hurricanes. One of the iii-lab members, the Grenada Co-operative League, is serving as an agent ensuring access to their members. Farmers can purchase coverage through the agent or register directly

with the insurance company. The launch of the product was accompanied by marketing and awareness campaigns through radio and television and as such the wider public is aware. A first payout was triggered when hurricane Beryl hit Grenada in July 2024. This could provide substantial protection to those already subscribed for the policy and led the solution into a ‘tested and proven’ status, generating expectations of faster demand growth in the following months and years. After the successful launch of the first parametric hurricane protection product, two other insurance companies on the island have applied for a license to offer similar coverage.



Team Zambia³: Recognising a significant gap in insurance awareness among farmers, the team identified an opportunity to enhance vulnerable populations’ understanding of insurance and connect them to existing climate risk-based products, such as Weather Index and Agriculture Insurance. Their approach involved engaging community champions and distributing printed materials to raise awareness across all ten provinces of Zambia while mobilising multiple stakeholders to support the initiative. The team successfully developed educational materials and secured external funding for printing.

Following the official conclusion of the lab, the Insurance Supervisory Authority integrated the team’s prototype into two key initiatives launched in 2022/23: an Insurance Ambassadors Program and a cooperation agreement with the IFC to

2 Participants included representatives from Grenada Authority for the Regulation of Financial Institutions (GARFIN), Ministry of Agriculture, Lands and Forestry (MoA), Ministry of Tourism, Civil Aviation, Climate Resilience and the Environment, Ministry of Finance, Economic Dev, Physical Dev and Energy (MoF), Grenada Development Bank (GDB), Grenada Cocoa Association (GCA), Grenada Co-operative League Limited (GCLL), and Grenada Co-operative Nutmeg Association (GCNA).

3 Participants included representatives from Pension and Insurance Authority (PIA), Microinsurance Technical Advisory Group (TAG Zambia), Ministry of Finance, Insurance Brokers Association of Zambia (IBAZ), FSD Zambia, Mulimi (a social enterprise working with farmers), Muzika (a non-profit working with smallholder farmers), Insurance Association of Zambia, and Zambia federation of associations of women in business (ZAFWEB).

seek technical support for scaling consumer awareness efforts under various agricultural insurance programs.

The Insurance Ambassadors Program was designed to equip ambassadors with essential knowledge about insurance, enabling them to educate their communities on policyholder benefits, rights, and responsibilities. A major barrier to market penetration had been the lack of trust in insurance products. Ambassadors discovered that even farmers enrolled in government-subsidised insurance programs were often unaware they had insurance until the campaign reached them through trusted community members in their new roles as Insurance Ambassadors.

As of July 2024, the program has trained over 420 individuals, including agricultural extension officers, civic leaders, market vendors, teachers, and university students, covering four agriculturally dominant provinces. Beyond raising awareness, the campaign is expected to foster greater engagement, encouraging policyholders to provide feedback on existing insurance products.

“This is proving to be an effective model, as most of those trained, such as extension officers and teachers, are trusted members of the community when it comes to knowledge acquisition.”

Doreen Kambanganji, Communications Manager at Pensions and Insurance Authority, Zambia

Looking ahead, the next milestone is to train 1,000 representatives across various regions of Zambia by the end of 2025, further strengthening insurance literacy and trust among smallholder farmers and rural communities.



In **Zimbabwe**⁴, the team developed a parametric insurance product called Farmer’s Basket, designed to enhance resilience and provide financial protection against climate and disaster risks for smallholder farmers in rural areas. The product is bundled with essential agricultural inputs such as pesticides, fertilizers, and irrigation equipment.

In 2024, the team piloted the in the Goromonzi area, reaching over 4,000 smallholder farmers. Feedback from farmer interviews and focus group discussions highlighted concerns over high premium rates and challenges with distribution channels. However, the strong interest from farmers prompted the Insurance Council of Zimbabwe (ICZ) – a consortium of short-term insurers and reinsurers – to step in as the underwriter and offer financial and logistical support for the initiative.

4 Participants included representatives from Insurance and Pensions Commission (IPEC), AFC (formerly Agribank), Insurance Council of Zimbabwe (ICZ), Insurers Brokers Association of Zimbabwe (IBAZ), World Food Programme Zimbabwe (WFP), Zimbabwe Farmers Union (ZFU), Women Farmers Land and Agriculture trust (WFLA), Ministry of Agriculture (MoA), and Ministry of Finance (MoF).

In October 2024, nearly 1,800 smallholder farmers – about 65% of them women – celebrated a significant milestone as they received their first insurance payouts under the Farmer’s Basket. Each farmer received \$65 as compensation for maize production losses suffered during the 2023–2024 agricultural season, which was severely impacted by an El Niño-induced drought. The farmers paid \$15 premiums. The payout provided much-needed relief, demonstrating the critical role of innovative insurance solutions in mitigating climate-related risks, and supporting farmers’ livelihoods.

Riding on the success of the Farmer’s Basket, ICZ collaborated with the Government of Zimbabwe and other partners to expand the programme to other parts of the country’s eight rural provinces. As a result, nearly 17,000 smallholder farmers signed up for the Farmer’s Basket in the 2024/25 farming season.



“The iii-lab improved my leadership skills, it taught me how to listen to others, to the small voices. Most people will design products from a bottom perspective without consultations with the consumers of the product. The lab taught me that if you engage you learn a lot more from the people.”

↪ **Sibongile Siwela**, Insurance and Pensions Commission, Zimbabwe (Youtube Video)

Further information

We invite you to visit our [↪ website](#) to stay tuned about further developments in the third iii-lab.



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