

Closing the Protection Gap, Climate Risk Insurance and Social Protection for Women Webinar summary

The third webinar of the Gender and Climate Finance Collective (GCFC) held under the regional Strategy to Scale series examined how climate risk insurance and social protection can work together to strengthen women's resilience in practice. Co-convened by UNDP, UNEP and UN Women under the GCFC platform, the session moved the discussion from abstract commitments to concrete design choices, with a focus on what makes protection solutions accessible, trusted, scalable and financially viable for vulnerable women in climate-exposed contexts.

Athena Denise Galao of UN Women opened by noting that while gender commitments in climate policy are widespread, gender-responsive financial systems remain limited. She framed the webinar around three practical questions. First, how climate risk insurance and social protection can work together in practice. Second, how they can complement rather than replace one another. Third, how pilots can move to scale while functioning as part of a broader protection system rather than as isolated interventions.

The panel brought together Dr. Sahil Hebbar of SEWA in India, Dr. Michael Walz of Swiss Re, Tran Thanh Thao of Bao Viet Insurance in Viet Nam, and Akata Taito of the Pacific Insurance and Climate Adaptation Programme (PICAP). The discussion moved across community implementation, reinsurance and public-sector risk transfer, national insurance market development, and regional ecosystem building. The session was moderated by Diana Almoró of UNDP's Insurance and Risk Finance Facility.

Community-grounded design and trust in practice

Dr. Sahil Hebbar described how SEWA's parametric climate insurance work emerged from the severe 2022 heat wave in India, when informal women workers faced a stark trade-off between continuing to work in dangerous heat or staying home and losing income needed for daily survival. The product is a parametric climate insurance scheme that provides predefined payouts when the set temperature threshold is exceeded, offering partial income replacement during extreme events. SEWA piloted the product in 2023 for 21,000 members, scaled it to 50,000 women in 2024, and further to 225,000 members across 35 districts in 2025. The programme now covers multiple perils including heat, cyclone and excessive rainfall, and combines insurance with climate adaptation support and temporary cash assistance at lower trigger thresholds to protect women even when insurance does not pay out. Payouts in 2024 ranged from about USD 10 to USD 20 and were used for groceries, medicines, school costs and debt repayment during peak heat periods.

SEWA emphasized that trust is built through design and delivery, not product availability alone. Product parameters, payouts and premiums are adjusted iteratively based on women's feedback. A cadre of grassroots women leaders goes door to door to explain how the product works and to create confidence in it. Sahil also stressed that climate literacy remains a major barrier. Many informal workers are unfamiliar not only with climate insurance, but with the idea of insurance itself. In years when there is no payout, demand can weaken sharply unless members see value through other forms of support. For this reason, SEWA increasingly sees climate insurance as one component of a broader and more integrated climate welfare model rather than a stand-alone intervention.

Insurance as complement, not substitute

From the reinsurance perspective, Dr. Michael Walz stressed that climate risk insurance should not be positioned as a replacement for social protection. Insurance is best suited to infrequent but severe shocks, while more routine and lower-severity losses are better addressed through savings, assistance or other self-funded layers. He emphasized that affordability support remains necessary in many contexts, particularly for agriculture and other climate-exposed sectors, and that premium subsidies, blended finance and donor support are often needed in the early years. Risk layering, trust, clear roles across insurers, reinsurers, regulators and donors, and transparent data all matter for scale. In parametric products in particular, data sources must be accepted by all parties and payouts must be pre-arranged rather than mobilized after disasters occur.

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Michael also pointed to a broader actuarial issue raised in the discussion. Some resilience or mitigation measures may eventually reduce premiums, but this depends on the peril. For many products, especially at an early stage, diversification across geographies and portfolios is more important than trying to reflect each risk reduction measure directly in price. The larger and more diversified the pool, the greater the potential to stabilize premiums over time. He cited public risk pools at sovereign or national scale as examples of where such logic works more clearly than in individual micro-level programmes.

Commercial insurance and distribution through trusted intermediaries

Tran Thanh Thao described the challenge of low commercial insurance penetration in Viet Nam, despite high coverage through compulsory basic health insurance. She explained that the central question for Bao Viet is not whether products exist, but how commercial insurance can reach women in remote areas in ways that are affordable and trusted. Bao Viet's response has been to work with the Viet Nam Women's Union, a nationwide social-political organization with deep grassroots presence. Building on a successful earlier provincial pilot, Bao Viet signed a cooperation agreement with the Women's Union in late 2025 to support national scale-up. The initial focus is on simple and affordable microinsurance products, particularly personal accident and small health products that supplement the compulsory public system. The ambition is to raise individual commercial insurance penetration from below 2.5 percent toward 10 percent over time.

Thao emphasized three points repeatedly during the webinar. First, the right distribution channel is decisive because it determines whether insurers can actually understand women's needs. Second, products must be simple and tailored. Third, financial literacy and insurance awareness need continuous investment. She also stressed that scaling beyond pilots in Viet Nam depends not only on partnership but on regulatory support. Microinsurance models that rely on mass community channels need changes in rules and tax treatment if they are to scale nationally. Even with a strong product and a trusted partner, implementation still has to be adapted to very different provincial realities, including differences in digital and internet literacy.

Regional ecosystem building in the Pacific

Akata described PICAP's regional approach across eight Pacific countries, where climate and disaster insurance is developed as part of a wider ecosystem rather than as a stand-alone product. She explained that many insurers in small Pacific markets are reluctant to expand into climate and disaster risk products because portfolios are perceived as too risky and markets too small. PICAP therefore works by co-designing solutions with local institutions, while linking them to reinsurers, risk modelers and regulators where local capacity gaps exist. Since launching its first parametric product in Fiji in 2021, PICAP has reached more than 60,000 people across the region, with triggers recorded in Fiji, Vanuatu, Solomon Islands and Papua New Guinea. Solutions differ by country and peril, including rainfall and earthquake.

A central lesson from PICAP is that scaling does not require abandoning local trust. Direct onboarding by insurers is often too costly. PICAP instead works through farmer groups, fishers' associations and women's groups that already have strong relationships with members. These groups are supported with grants to build awareness, onboard policyholders and explain premium payment processes. Taito also highlighted a major practical challenge that premiums in the Pacific are generally required upfront, which is difficult for households with irregular incomes. In response, PICAP and UNCDF have worked with the Fiji Development Bank to pre-finance premiums for women borrowers and spread repayment across the loan period. This has already led to a rapid increase in uptake, with around 700 women taking parametric insurance through the scheme within a few months. She presented this not only as a scale mechanism, but as a way to move gradually away from heavy reliance on premium subsidies.

Q&A on affordability, scale and long-term sustainability

The Q&A reinforced that scale remains the hardest problem. Participants raised questions on grassroots access, moral hazard, premium subsidies, public funding, and the role of governments. Panelists agreed that there is no single model for who should pay premiums. At sovereign or state level, governments may be the natural premium payer where they are managing pooled disaster risks. At micro level, however, community members generally need

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to contribute directly if products are to become sustainable. SEWA noted that its current premium model combines member contribution with grant support, but aims over time to increase the share paid by members. It also emphasized that no community-based climate insurance scheme is yet fully financially sustainable on its own.

Another important point concerned the relationship between insurance and broader social protection. Sahil suggested that one route to scale in India is to embed climate insurance into existing social protection or livelihood schemes, such as loan programmes for street vendors, so that premium payment becomes part of an existing financial relationship rather than a stand-alone decision. The discussion suggested that climate risk insurance is unlikely to scale for vulnerable women without some combination of subsidy, phased co-payment, public support, or blended finance during the early years.

Key takeaways

Across the session, several priorities emerged:

- **Insurance should complement, not replace, social protection.** Panelists consistently framed climate risk insurance as a tool for severe and infrequent shocks, with other instruments needed for routine losses and everyday vulnerability.
- **Trust and distribution matter as much as product design.** Grassroots women leaders, women's unions, farmer and fisher associations, and other trusted intermediaries play a central role in uptake, communication and retention.
- **Affordability remains the main scale barrier.** Premium support, blended finance and premium pre-financing are still necessary in most pilots, and no panelist presented a fully self-sustaining community-based model at scale.
- **Regulators can enable innovation.** Examples from Fiji and Viet Nam showed that regulatory sandboxes, approval pathways and legal reforms are central to moving beyond pilots.
- **System design matters more than isolated pilots.** The strongest interventions combined risk transfer, distribution channels, literacy-building, data systems and public-private coordination rather than treating insurance as a stand-alone fix.

The webinar closed with a shared recognition that closing the protection gap for women is a long-term systems challenge. The GCFC expected the session to serve as another step in moving from high-level commitments to practical financing solutions that work for women under climate stress, with future dialogue expected to continue linking pilots, policy reform and blended finance approaches across the region.

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