

CLIMBS Life and General Insurance Cooperative

www.climbs.coop

ILO COOP100 Webinar III

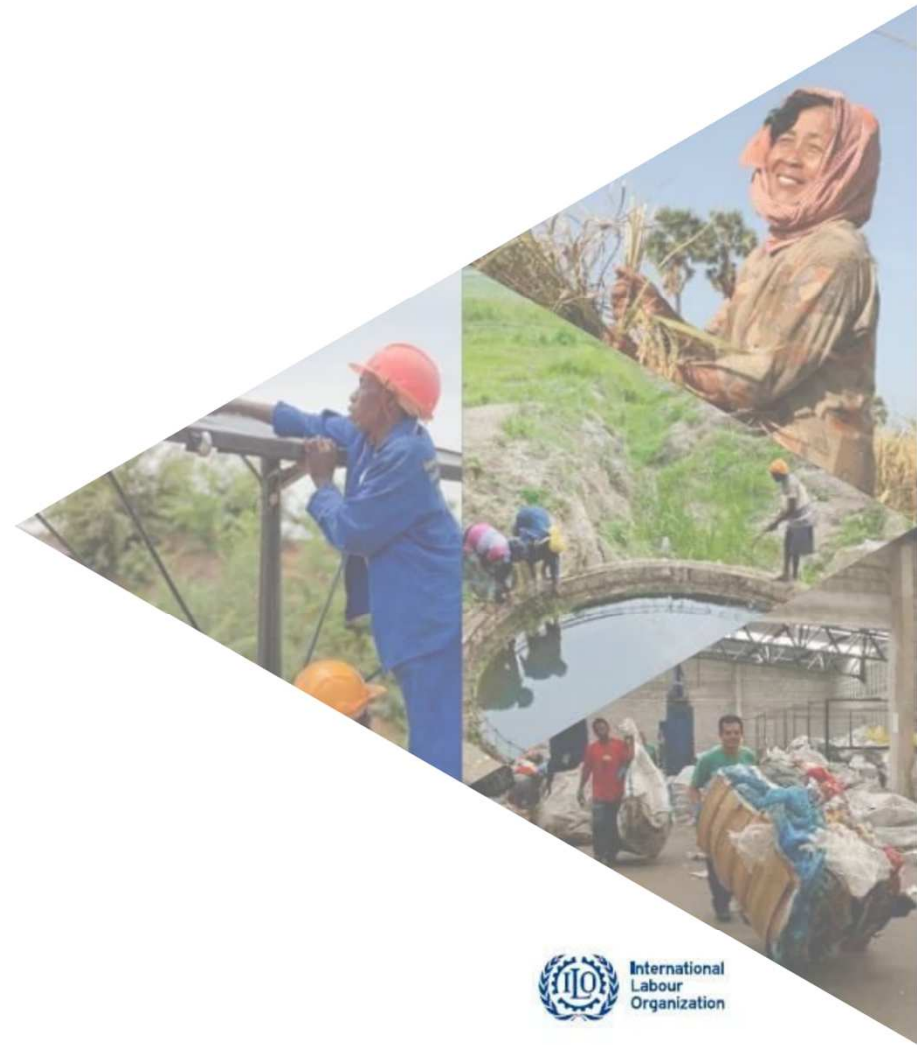
Cooperatives for Climate Action



NOEL D. RABOY

CLIMBS President and CEO

Presenter



CLIMBS Life and General Insurance Cooperative

A life and non-life insurance cooperative, the First Composite Cooperative Insurance and Champion of the MicroInsurance in the Philippines.

The only insurance company born and retained its head office in **Cagayan de Oro City** with a network of more than **4,000 cooperatives** as stakeholders.



Subsidiaries

CLIFSA General Insurance Agency, Inc.
Cosmopolitan CLIMBS Plan, Inc.
CLIMBS Share Capital Equity Investment Corp.
CLIMBS Printing Press and Publishing Corp

CLIMBS Institute of Management (CIM) formerly CIFL
CLIMBS Investment Management and Advisory Corp
CLIMBS Real Estate Development Corporation



*CLIMBS leads the way in protecting Filipinos,
especially the grassroots population in the last 48 years.*



BANKING & FINANCE EDITORS' PICKS

Microinsurance premiums, coverage expand in 2019

June 17, 2020 | 12:01 am

The top five life insurers in terms of premiums produced were CLIMBS Life and General Insurance Cooperative; Pioneer Life, Inc.; United Coconut Planters Life Assurance Corp.; Country Bankers Life Insurance Corp.; and The

Philippine American Life and General Insurance Co. (Philam Life), respectively.

Pioneer Life reported the most number of persons insured, followed by Philam Life, CLIMBS Life and General Insurance Cooperative, United Coconut Planters Life Assurance and Country Bankers Life Insurance.

[Source:](#) Businessworld; IC

Our Track Record:
Active Lives Insured
4,135,615 lives
Ave. Insurance Coverage
\$1,000
Gross Premium: last 4 years
\$134.78M
Paid Claims: last 4 years
\$67.93M



Why is it important to address
CLIMATE ACTION?

13 CLIMATE
ACTION



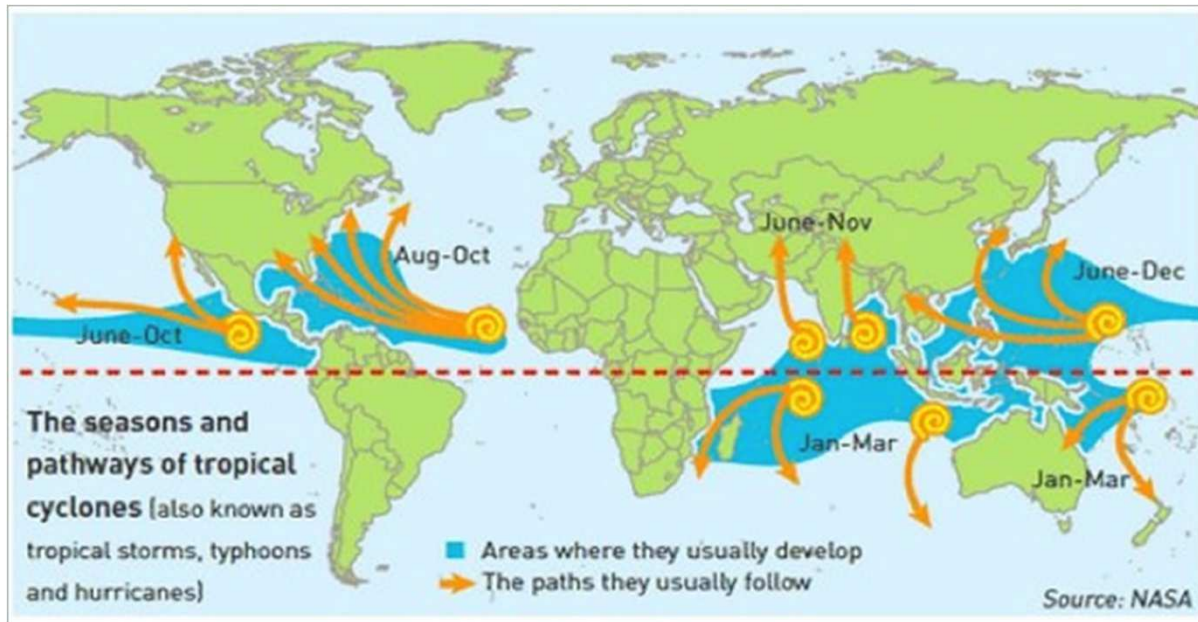
What is CLIMBS' role in helping achieve
this Sustainable Development Goal
(SDG)?



Current Realities

Philippines is located along Asia –Pacific’s typhoon belt and “ring of fire” making its people vulnerable to the onslaught of calamities.

The Philippines is "***the most exposed country in the world to tropical storms***" according to a Time Magazine article in 2013.



Challenges on Climate Action:

- Big Losses especially in the Agri sector and value-chain markets
- Sustainable and Resilient Organizations

About the Philippines

https://en.wikipedia.org/wiki/Typhoons_in_the_Philippines

Major typhoons that hit the Philippines recently:

Deadliest Philippine typhoons

	Storm	Dates of impact	Deaths
1	Haiphong 1881	1881, September 27	20,000
2	Haiyan/Yolanda 2013	2013, November 7–8	6,300
3	Thelma/Uring 1991	1991, November 4–7	5,101
4	Bopha/Pablo 2012	2012, December 2–9	1,901
5	Typhoon Angela 1867	September 22	1,800
6	Winnie 2004	2004, November 27–29	1,593
7	October 1897 typhoon	October 7	1,500
8	Ike/Nitang 1984	1984, September 3–6	1,492
9	Fengshen/Frank 2008	2008, June 20–23	1,410
10	Durian/Reming 2006	2006, November 29-December 1	1,399

Costliest Philippine typhoons

	Storm	Damage	PHP	USD
1.	Haiyan (Yolanda)	2013	₱95.5 billion	\$2.2 billion
2.	Bopha (Pablo)	2012	₱43.2 billion	\$1.06 billion
3.	Rammasun (Glenda)	2014	₱38.6 billion	\$885 million
4.	Mangkut (Ompong)	2018	₱33.9 billion	\$627 million
5.	Parma (Pepeng)	2009	₱27.3 billion	\$581 million
6.	Nesat (Pedring)	2011	₱15.6 billion	\$356 million
7.	Koppu (Lando)	2015	₱14.4 billion	\$313 million
8.	Fengshen (Frank)	2008	₱13.5 billion	\$304 million
9.	Megi (Juan)	2010	₱12 billion	\$278 million
10.	Ketsana (Ondoy)	2009	₱11 billion	\$233 million





About the Philippines

Threats aside from the COVID19

- **Volcanic Eruption**

- **Taal Volcano** progressed into a magmatic eruption on January 13, 2020 located in the CALABARZON region of the capital Manila, Philippines.
- **Mt. Pinatubo** June 1991 that killed 640 lives and affected more than a million of households.

- **Earthquake**

- On 15 December 2019, **an earthquake with magnitude 6.9 occurred in the Province of Davao Del Sur**, southern part of the Philippines. A total of 7 dead and 49 injured in the province.

Source: <https://electroverse.net/high-level-eruption-at-taal-volcano-philippines/>
<https://businessmirror.com.ph/2019/11/10/life-after-mindanaos-earthquakes/>

CLIMBS WEATHER PROTECT

Catastrophe Protection Policy – under Property Credit Insurance Coverage

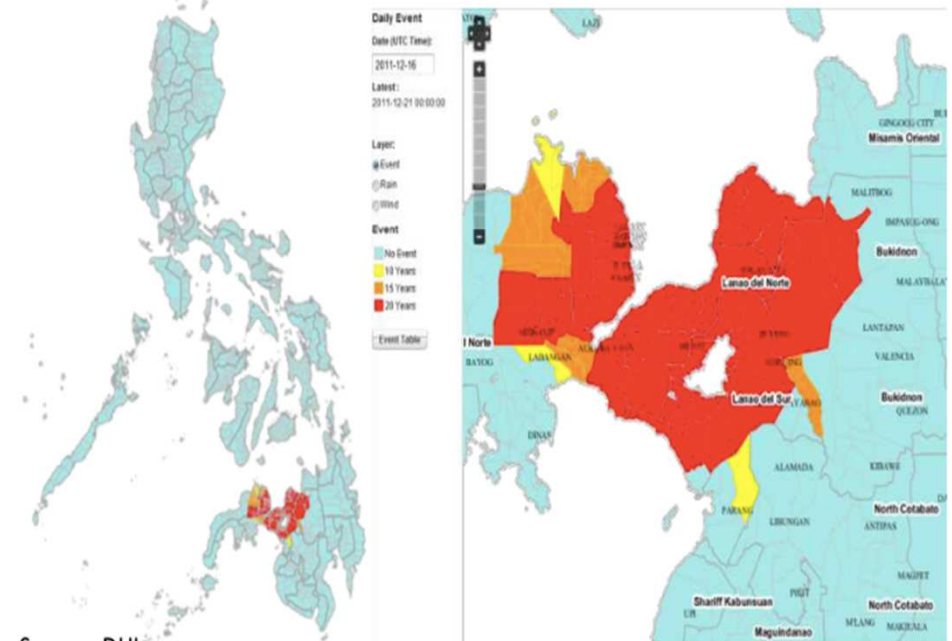
Protecting Cooperative Loans Portfolios Against Extreme Weather

Satellite Base (Weather Index)

Triggers on: Excess Wind speed (Knot) and Excess Rainfall (mm/24hr)

Payout for “affected” Municipality. The annual insurance is 100% of the covered loan portfolio, based on the category of wind speed and rainfall evaluated by an independent consultant (system).

Washi (Sendong) sets excessive rainfall triggers to 118 municipalities



Source: DHI

CLIMBS WEATHER PROTECT

Catastrophe Protection Policy – under Property Credit Insurance Coverage



Trigger category Yellow– 5% of the accrued Ave. loan per municipality



Trigger category Orange – 10% of the accrued Ave. loan per municipality



Trigger category Red – 20% of the accrued Ave. loan per municipality

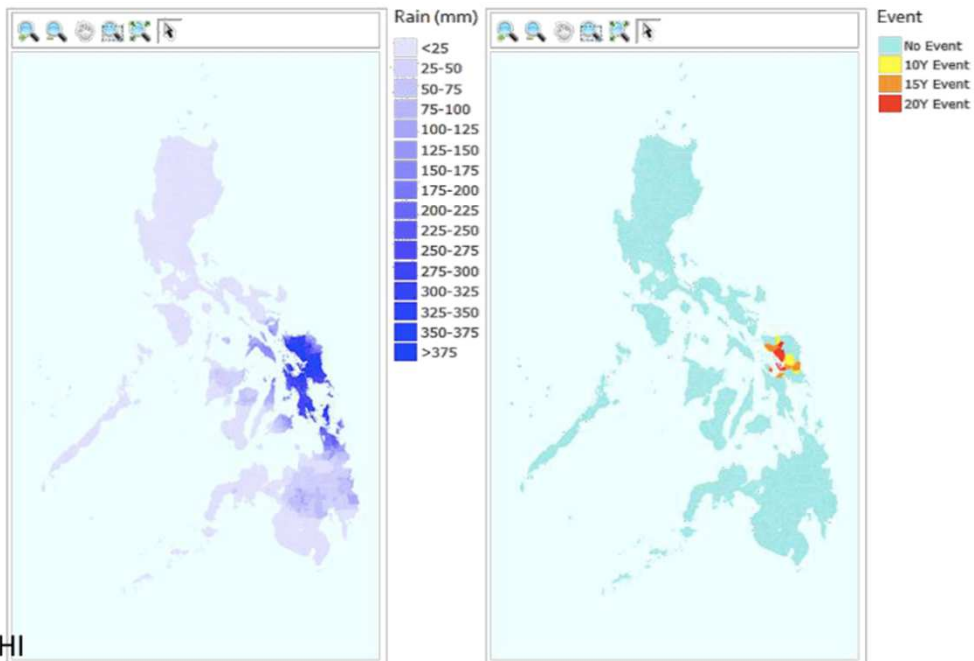
In accordance to the intensity of the event, the triggers are categorized in three levels (yellow, orange and red) representing the following reoccurrence period:

Yellow	:10-15	years
Orange	:15-20	years
Red	: More than 20 years	

If a trigger level has been reached (yellow, orange, or red), the cooperative will receive a first notice of loss within 10 days . Fourteen (14) days after the first notice of loss, CLIMBS will advance 50% of the assumed total payout. The final payout will be made not more than 60 days after the first notice of loss.

January Monsoon

2011-01-01

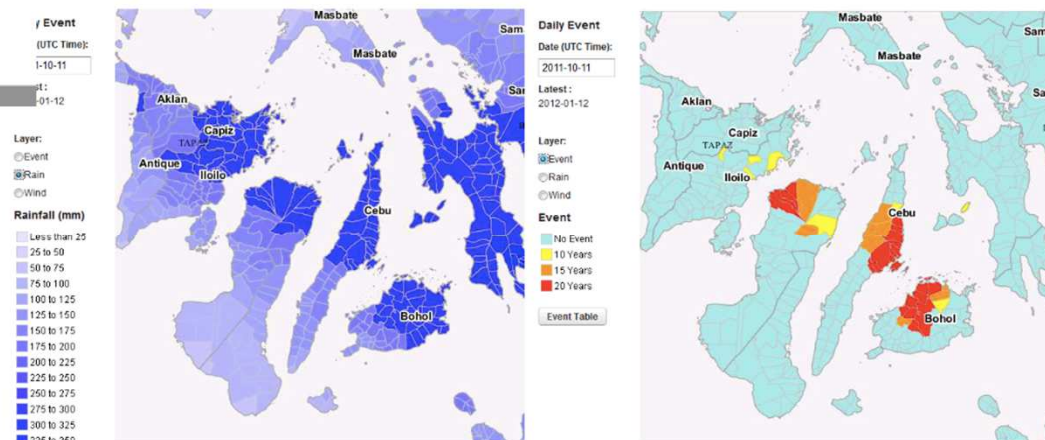


Source: DHI

SCHEDULE OF COVERAGE

COVERAGE	MUNICIPALITY	PREMIUM
1,000,000.00	Cebu City	P35,000.00
500,000.00	Tacloban City	17,500.00
300,000.00	Leyte, Leyte	10,500.00
200,000.00	Cdo	7,000.00
100,000.00	Butuan City	3,500.00
50,000.00	Makati	1,750.00

October: Tropical Storm Banyan (Ramon)



Source: DHI

Claims Payout

Experience:

2011 - 2013:		11 coops
Total Coverage:	\$	1.40M
Total Premiums	\$	48,163.20
Total Claims Paid	\$	26,289.08
Reinsurance Recovery	\$	20,020.84



Challenges & Lessons Learned:

- Determination of loss
- Viable risk transfer mechanism & Reinsurance
- Market Acceptance / Hybrid or Parametric
- Acceptance of the Technology based Trigger
- Strong Interest of Agri Insurance

The Weather Protect Product Experience

Ways Forward

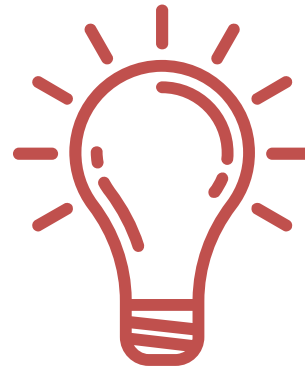
1

Continuous engagement with other groups on Climate Risk Insurance and the like

2

R&D for product development to address climate risk
Current Microinsurance products offered:

Property Disaster Insurance
Property Emergency Tragedy Insurance (PrETI)



3

Lobby support from private and public groups for a shift in focus for a complete value-chain protection.

4

Data sharing from valid sources to be made available publicly.

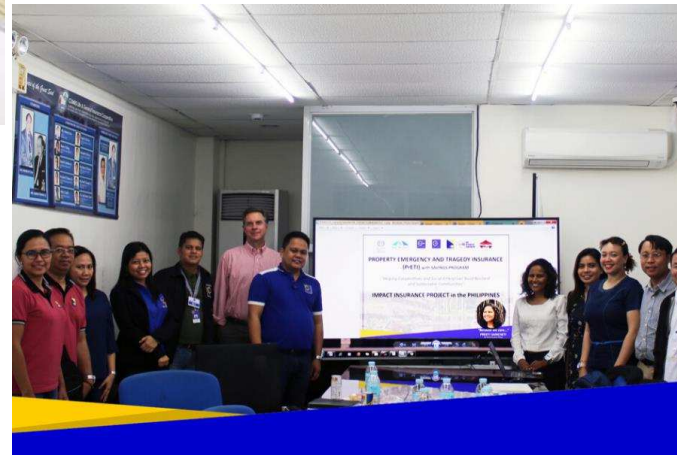
Community Resiliency and Sustainability

Our Social Contract in achieving the UN's SDGs



Forge strategic partnerships with other organizations (ex. **“Impact Insurance Project “** in the Philippines with the ILO’s Social Finance Programme for holistic risk management solutions.)

Strengthen Community Resilience
(ex. Business Continuity Planning ,
and other cooperatives and
community sustainability efforts)



Community Resiliency and Sustainability

Our Social Contract in achieving the UN's SDGs



CLIMBS CARES
(Community Action Response to
Emergency Services)

Promote Community Resilience , provide safe and clean water.

Call to Action for Partners for Resilience in a Water – Well Project in key communities for sustainability.

- Deep –well facility – \$ 5,000 to \$ 20,000
- Water distribution / community : \$ 500



Protection of the environment
CLIMBS Mangrove
tree planting (annual activity)



CLIMBS Life and General Insurance Cooperative



Community Resiliency and Sustainability

Celebrating the International Cooperatives Day (IDC2020) and local Arbor Day
#Coops4ClimateAction

13 CLIMATE ACTION



Protection of the environment July 3, 2020

CLIMBS for Climate Action. Turnover ceremony of seedlings for “Plant a tree while at home” project of the city’s Arbor Day and to celebrate the IDC 2020.



Final Thoughts..



What do we need?

Values - based adaptive Cooperative Leadership in addressing Climate Action

CLIMBS Core Values



We uphold the universal Cooperative values and principles.



We share the core values of Family, Health, Trust, Respect, Communication and Transparency.



We instill dependability and fairness and work for sustainability.



We innovate to be efficient and technology friendly in our ways of insuring.



We enhance strong partnerships to achieve common goals and promote common interest.



We customize products that will effect resiliency among the communities we serve.



We care for the protection of the environment.

A testament to our Cooperative Pledge

"Alone I am weak but with others I am strong."

