

SDGs Pillar Definitions

Protection gap

The general definition of “protection gap” used here is ‘the difference between total losses and insured losses’ (Geneva Association, 2014). The protection gap can be tailored to the different areas of risk or target group relevant to the respective SDG. For example, in life insurance, the mortality protection gap can be the difference between resources needed and the resources available to maintain living standards after the death of the primary wage earner. In the climate risk context, the protection gap may refer to the gap between insured and total economic losses arising from a natural disaster. In healthcare, the protection gap can be roughly indicated by out-of-pocket expenditure i.e difference between total health expenditure burden less amount covered by insurance.

Product KPIs

“KPIs on the identified products relating to uptake, value, affordability, quality and accessibility” refer to KPIs included in the ‘Inclusive insurance products’ and ‘Access and outreach’ subcategory KPIs in the Insurance Market Development pillar.

Macro, meso and micro-level solutions

The definitions used for macro, meso and micro level solutions are based on the 2019 A2ii report on ‘The role of supervisors in climate risk insurance’:

1. Macro-level solutions: These solutions aim to protect directly the budgets of national or local governments and reduce the burden after a disaster. The government is the policyholder and beneficiary of the insurance policy.
2. Meso-level solutions: These solutions aim to directly protect organisations that provide key services to vulnerable communities, households, farmers. The individuals that use the services provided by these entities indirectly benefit from the insurance coverage. The organisation is both the policyholder and beneficiary.
3. Micro-level solutions: These insurance solutions aim to directly protect the low-income and underserved population against financial losses caused by natural disasters that could be direct or indirect. They are either the policyholder of an individual policy, or the insured and beneficiary of a group policy.