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# A NEW FRONTIER FOR DISASTER INSURANCE

ASSOCIATE PROFESSOR REBECCA BEDNAREK'S RESEARCH PROJECT  
EXPLORES THE PARADOXES OF REIMAGINING DISASTER INSURANCE

## How do Societies Prepare for Disasters?

The climate emergency raises critical questions: How do we prepare for and respond to a world with more frequent and severe natural disasters like hurricanes, floods, and earthquakes?

01

## Innovative Risk-Pooling Models

Our research highlights a key financial mechanism called multi-sovereign risk pools. In these arrangements, several developing countries within a region jointly purchase insurance from global financial markets to secure financial resources in the event of a disaster.

02

## Data-Driven Insights

We find the following makes risk pools effective:

- Speed of payouts using parametric triggers
- Pooling risk, but with the flexibility to meet specific needs of individual countries
- Navigating multiple tensions via constant adjustments
- Moments of (potential) unraveling of the mechanism being a source of significant innovations in it

03

## Redefining Disaster Management

In a world reshaped by the climate emergency, the need for scalable, innovative, and equitable approaches to disaster management has never been greater. The success of multi-country risk pools in delivering rapid payouts to the governments of lower-income countries shows that coordinated action is possible.

04

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