

## New partnership formed to protect vulnerable marine ecosystems

By [Isobel Rafferty](#) | 27 April 2023

**'This approach revolutionises the way we care for and protect nature,' says chief executive**

Howden, Axa Climate and Blue Finance have partnered with the aim of developing the resilience of vulnerable marine ecosystems.

In a statement released today (27 April 2023), Axa Climate highlighted that restoration and safeguarding efforts in marine protected areas (MPA) could be set back years in the event of a cyclone.

To address this challenge, Axa Climate has designed insurance coverage for two MPAs in Belize and the Phillipines.

In Belize, the cover will apply to the Marine Reserve of the Turneffe Atoll, which represents 132,000 hectares of coral reefs – home to biodiversity, manatees, sharks, groupers and crocodiles.

In the Philippines, cover will apply to the network of North Oriental Mindoro – which encompasses 5,200 hectares of coral reefs, biodiversity and employs over 12,000 fishers.

The first year's premiums will be financed by Howden.

"Cyclones pose a particularly devastating threat to both humans and nature and can radically disrupt marine ecosystems", Axa climate chief executive Antoine Denoix said.

"At Axa Climate, we are committed to finding solutions to enhance the resilience and regeneration of natural ecosystems through pioneering parametric insurance mechanisms.

"Today, we provide financial compensation within a few days to support the restoration and protection of marine ecosystems in the aftermath of natural disasters.



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“This approach revolutionises the way we care for and protect nature, while also supporting local stakeholders and is our vision of impact insurance.”

## 'Fantastic example'

The Axa Group entity designed the cover by conducting a risk analysis based on the loss history of the two MPAs and satellite data from suppliers.

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Cover will be based on a parametric insurance model, which will operate using meteorological information provided by government agencies.

Axa Climate said the model will trigger compensation within a few days of a cyclone passing within a 50km radius.

Once compensation is triggered, social enterprise Blue Finance will work to regenerate weakened marine ecosystems, such as cleaning up debris and taking care of damaged corals.

The organisation will also repair MPA equipment such as guard posts and reimburse operating losses, covering ecotourism and artisanal aquaculture.

Nicolas Pascal, chief executive at Blue Finance, said: “Bringing together the financial world and the conservation world requires innovative and collaborative thinking.

”You need to ensure high quality project design, reduce risk during execution and at the same time maintain a sustainable conservation strategy that remains rooted in science and communities.

“Working with experienced partners such as Axa Climate allowed us to find this balance.”

Blue Finance is also in the process of developing a blended finance facility, supported by the Global Fund for Coral Reefs.

David Howden, chief executive at Howden Group, added: “We are proud to partner with Blue finance and Axa Climate on this project as part of our broader focus on supporting vulnerable communities, such as those in the Philippines and Belize, as they tackle the disproportionate consequences of climate change.

“This is another fantastic example of the way in which parametric insurance can be used to deliver innovative cover in areas with low insurance penetration.

”My hope is that other corporate partners are encouraged to support projects such as this as we work towards a more sustainable future.”