



HOW DOES PARAMETRIC INSURANCE STRENGTHEN CLIMATE RESILIENCE AND BEYOND?

The climate no longer follows historical patterns—and neither should the (re)insurance industry. What were ‘once-in-a-century’ events may now strike every decade. In 2025, a benign year nonetheless, natural catastrophes generated approximately USD 230 billion in global economic losses, with more than half uninsured. For insurers and reinsurers, the challenge is immediate, structural, and urgent.

Traditional insurance remains essential, but is inherently reactive. Loss assessments, on-site evaluations, and claims negotiations can take months. Yet after a disaster, speed is critical: rapid liquidity helps contain the cost of the claim and allows the insured to bounce back immediately, whereas delays can turn temporary disruption into lasting economic damage.

This is where parametric (re)insurance is reshaping the landscape. By replacing loss assessment with predefined, data-driven triggers, it enables

fast and predictable payouts. Whether based on rainfall deficits, wind speeds, burned areas, or seismic magnitude, once a threshold is met, compensation is released within a few days.

The Kingdom of Morocco offers a compelling example of how this shift is already underway. The country has positioned itself at the forefront of innovative risk transfer, embedding parametric solutions within a broader national resilience strategy across sectors, such as renewable energy projects, tourism infrastructure, and public assets to hedge against hazard volatility. This ecosystem—built on public-private collaboration, advanced data, and scalable distribution—positions Morocco as an example for other markets seeking to close the protection gap.

In agriculture, Morocco has established a multi-peril crop insurance scheme through partnerships between the State and private (re)insurers such as



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