

# Urban Flood Risk Cover for Lagos State in Nigeria

## Tripartite Agreement Project

Lagos State has a high proportion of poor and vulnerable people and suffers from regular widespread flooding exacerbated by climate change. This Tripartite project leverages an innovative parametric insurance solution to protect 1.7 million households (8.5 million people) in Lagos State and to ensure quick pay-outs based on the magnitude of a flood event, as opposed to a traditional indemnity insurance covering incurred losses. The insurance will release funds to the Lagos State Government that will contribute towards emergency disaster relief and rapid (re)construction of critical network infrastructures. The insurance product is expected to be integrated into the existing flood risk management framework, and to significantly enhance Lagos State's flood resilience and contingency planning in the coming years. In addition to playing a coordination, project management and convening role, UNDP, through its Insurance and Risk Finance Facility, will work closely with the Federal Government of Nigeria to make risk management and transfer central to the way in which the country tackles both climate change and development.

### Policyholders

Lagos State, the smallest and most populous state in Nigeria, which has a population of over 15 million people, more than half of whom are vulnerable to flooding

### Insured Interest

Public infrastructure assets and impacted population

### Product

Parametric insurance for flood risk in Lagos State

### Timeline

January 2023 to June 2024

### Project Development Cost

€ 1.6 million

### Expected Impacts

-  Protection for the mostly poor and vulnerable households exposed to flood disaster
-  Developing and enhancing emergency response activities
-  Rebuild sustainable public infrastructure to enhance climate resilience

### Partners

- |   |   |   |
|---|---|---|
| <b>Lead</b>   | <b>Co-Lead</b>  | <b>Member</b>   |
|  Climate     |  Swiss Re            |  African Risk Capacity |
| <b>Member</b>   | <b>Member</b>   | <b>Service Provider</b>   |
|  AXA MANSARD |  JBA Risk Management |  ICEYE                 |

