

# Press Release

## Revolutionizing marine conservation: Blue finance, AXA Climate and Howden partner to protect marine ecosystems

Paris, April 26 2023 - The increasing frequency and intensity of natural disasters is a serious threat to marine ecosystems around the world. To secure the development and resilience of vulnerable marine ecosystems, Blue finance has joined forces with AXA Climate and Howden to leverage cutting-edge insurance models and risk management expertise. This partnership aims to promote a regenerative approach to marine ecosystem protection.

### Protecting vulnerable ecosystems

Blue finance is a social enterprise with the goal of bridging the marine conservation financing gap and promoting financially self-sustainable marine protected areas (MPAs) that positively impact marine biodiversity and local communities. With over 20,000 designated MPAs worldwide, Blue finance is developing a blended finance facility for MPAs with the main support of the Global Fund for Coral Reefs, starting with a collective of 10 MPAs.

However, in marine protected areas (MPAs) such as those Blue finance is focused on in Belize and the Philippines, cyclonic risks can threaten the financial stability and sustainability of these activities and set back restoration and protection efforts by years. To address this challenge, Blue finance has asked AXA Climate to design coverage for the protection of two MPA regions, with the first year's premiums to be financed by Howden as a sign of their support for the mechanism:

- The Marine Reserve of the Turneffe Atoll (Belize), representing 132,000 hectares of coral reefs teeming with rich biodiversity, such as manatees, sharks, groupers, and crocodiles, as well as employing over 1,000 fishers.
- The MPA network of North Oriental Mindoro (Philippines), encompassing 5,200 hectares of vibrant coral reefs supporting a hotspot of biodiversity and providing livelihoods for over 12,000 fishers.

### Parametric insurance, an innovative solution to growing climate risks

AXA Climate has proposed a parametric insurance model that operates based on meteorological information provided by government agencies. The model triggers compensation within a few days of a cyclone passing within a 50-km radius, enabling Blue finance to immediately regenerate weakened marine environments (cleaning up debris, taking care of damaged corals, etc.), repair MPAs equipment (ships, guard posts, etc.), and reimburse operating losses (ecotourism, artisanal aquaculture, etc.).

To design this innovative coverage, AXA Climate conducted a risk analysis based on the loss history of the two MPAs and satellite data from suppliers. For instance, the model would have provided compensation of \$62,500 in 2015 for damages incurred during Cyclone Melor in the Philippines.

“Cyclones pose a particularly devastating threat to both humans and nature and can radically disrupt marine ecosystems.” says **Antoine Denoix, CEO of AXA Climate**. “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. This approach revolutionizes the way we care for and protect nature while also supporting local stakeholders. This is our vision of impact insurance."

"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. ", adds **Nicolas Pascal, CEO, Blue finance.**

**David Howden, Chief Executive Officer, 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."

#### About AXA Climate

AXA Climate is an AXA Group entity committed to addressing climate and environmental adaptation challenges. Its purpose? Reducing our negative impact on the planet is not enough. AXA Climate is driven by the collective challenge to engage in the regeneration of our companies. To that end, AXA Climate offers over 40 hours of digital training content on climate change challenges to major companies, which are eager to support their employees in the evolution of their professions. Additionally, it provides consulting services to a variety of sectors such as agri-food, industrial, financial, and public, to help them adapt to climate change and to promote positive interactions between planet Earth and their activities. AXA Climate also uses the best of satellite imagery, to provide within hours financial support to businesses and vulnerable people when they suffer from climate-related disasters.

For more information, please visit [www.climate.axa](http://www.climate.axa)

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#### About Blue finance

Blue finance is a social enterprise that develops solutions for the effective management and sustainable financing of Marine Protected Areas. We have forged strong partnerships with Governments and more than 30 international conservation partners and financial institutions to cover and address all the needs of MPAs. Blue finance works closely with the Global Fund for Coral Reefs (GFCR), the Ocean Risk and Resilience Action Alliance, the Blue Natural Capital Financing Facility (BNCFF) and the Global Eba Fund-IUCN (International Union for Conservation of Nature) in the Philippines.

For more information, please visit [www.bluefinance.org](http://www.bluefinance.org)

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#### About Howden Group Holdings

Howden Group Holdings is a leading international insurance group with employee ownership at its heart. Founded in 1994, it comprises Howden Broking and underwriting business DUAL.

Howden Group Holdings' businesses operate in 50 countries across Europe, Africa, Asia, the Middle East, Latin America, the USA, Australia and New Zealand, employing 14,500 people and handling \$30bn of premium on behalf of clients.

For more information, please visit [www.howdengroupholdings.com](http://www.howdengroupholdings.com)

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