

## **Terms of Reference**

### **Insurance Market and Demand Analysis for Central America within the Context of Disaster Risk Financing**

#### **Main objectives of the Market and Demand Analysis**

CCRIF is preparing a new strategic plan covering the period 2025 – 2030. Given the increased frequency and severity of hazard events and the need for broader disaster risk financing solutions, as well as the current economic climate due to the impacts of the COVID-19 pandemic, CCRIF is commissioning this insurance market and demand analysis for Central America focused on three main objectives:

1. To assess each country's specific needs, challenges and opportunities as related to the appetite and readiness of governments to purchase existing and available Disaster Risk Financing instruments, including parametric insurance products and other potential products from CCRIF, and other development partners or insurance companies.
2. To assess and understand the disaster risk insurance market landscape in all COSEFIN member countries (Nicaragua, Guatemala, Costa Rica, El Salvador, Panama, Honduras and the Dominican Republic). This supply analysis should also look at non-insurance products/instruments for disaster risk financing and management.
3. To come up with key recommendations that will help refine and strengthen CCRIF's scale up plans and competitive advantage in COSEFIN member countries vis-à-vis other competing offerings or risk financing products that countries in the region are, or may consider, purchasing.

#### **Scope of Work**

The following sets out a list of activities that the consulting firm is expected to undertake in fulfillment of this market and demand analysis.

- Review findings of other market demand studies produced by other development partners, multi-lateral organizations, or insurance companies which have assessed market demand for insurance products in the context of financial protection and aligned with governments' debt and fiscal sustainability frameworks as well as governments' efforts in DRM and DRF strategies.
- Review National policies and international commitments on SDG's, climate change, ESG factors and critical infrastructure resilience that could be supported by parametric insurance.

- Conduct interviews with key stakeholders from relevant ministries, civil protection or DRM agencies, and potentially other insurance companies operating in the region to understand their various needs, perspectives on the insurance market in their respective countries, and their views and perceptions of parametric insurance and other risk financing products in the region tied to national objectives and economic development initiatives. As conclusion, key stakeholders and potential champions to be reached, for the involvement of each country in CCRIF programs, shall be identified.
- Market demand analysis should assess each country's specific needs and each government's level of interest or appetite for purchasing insurance products, including parametric insurance for disaster risk financing and management and how countries relate disaster risk financing to the protection of economic development objectives and plans to increase resiliency toward sustainable development gains.
- Assess the disaster risk insurance market landscape in all COSEFIN member countries (Nicaragua, Guatemala, Costa Rica, El Salvador, Panama, Honduras, and the Dominican Republic), with a focus on market conditions, key players, as well as risks and opportunities in the region from a supply point of view; Market analysis should provide information on available Disaster Risk Financing instruments (including relative pricing analysis), the size of the market, the various segments (sovereigns, sub-nationals, homeowners, businesses, vulnerable sectors like agricultures), factors impacting demand, the competition, the economic environment, barriers to entry and regulation.
- The assessment should also investigate the possible role that CCRIF could play in broader disaster risk financing across the region as it relates to working with the private sector to offer parametric insurance products such as microinsurance products or hybrid products or capital markets instruments to help build local capacity and risk finance market programs.
- The assessment should investigate additional insurance products that CCRIF could develop based on the expressed demand by members or which could be introduced to COSEFIN members. (Based on interviews and other information gathered and analyzed).
- A summary with key conclusions and recommendations that are relevant for CCRIF's expansion plans in the region, based on the insurance demand study, economic environment, and market conditions, as well as demand projections for the next seven years.

## **ADDITIONAL REQUIREMENTS – SOVEREIGN FOCUS AND DECISION-READY OUTPUTS**

Sovereign focus within a strategic expansion lens: The primary objective and principal outputs of this assignment shall support sovereign market expansion (insurance) in COSEFIN member countries and the Dominican Republic, while also providing a strategic view of the broader disaster risk financing landscape. The assessment should therefore identify who the key players are, what insurance and non-insurance solutions are offered (including emerging sectors/opportunities) and where CCRIF is positioned. Non-sovereign segments (e.g., subnational, households, SMEs, agriculture) may be analyzed to the extent they inform strategic expansion and positioning, and



should be clearly distinguished from the sovereign findings (e.g., in dedicated sections and/or annexes).

**Mandatory minimum templates for comparability:** To ensure consistent, comparable outputs across countries, the Consultant shall apply standardized templates (to be agreed in the Inception Report) for, at minimum: (i) a Country Sovereign Opportunity Scorecard, (ii) a Country Competitive Comparison (CCRIF vs. Alternatives), and (iii) a Relative Pricing/Value Benchmarking framework (quantitative where feasible, qualitative where data are limited).

**Stakeholder consultation minimums:** The Inception Report shall include a country-by-country stakeholder list and interview plan and shall define minimum consultation targets by stakeholder type (Ministry of Finance, DRM/civil protection, regulator/insurance market, and relevant development partners). The final report shall include a stakeholder/champions map identifying decision-makers, influencers, and potential blockers, with recommended engagement messages and next steps.

**Inception Report as a quality gate.** Intensive field consultations shall proceed only after CCRIF confirms that the Inception Report adequately defines the analytical framework, templates, consultation plan, and how findings will be translated into sovereign expansion recommendations. **Validation workshop outputs.** The validation workshop shall be structured to confirm preliminary findings and to produce: (i) agreement on country prioritization, (ii) a sovereign opportunity pipeline by time horizon (0-12 months / 12-24 months / 24+ months), and (iii) a short record of agreed refinements to be incorporated into the final report.

**Executive, decision-ready package (included within the final report):** The consolidated final report shall include: (i) an Executive Summary (2-4 pages) tailored to Ministers/Council level, (ii) a Ministerial deck (10-15 slides) directly linked to findings, recommendations, and proposed actions, and (iii) standardized country annexes compiling the required templates, stakeholder/champions mapping, and the sovereign opportunity pipeline.

**Use of results:** The final outputs shall be structured so they can be directly used by CCRIF to support COSEFIN agenda discussions, country-level engagement strategies, and follow-up actions derived from the sovereign opportunity pipeline.

**Level of Effort and timeline consistency:** The Level of Effort for this assignment is 30 person-days delivered over an overall period of up to 48 calendar days, aligned to the milestones/timeline table. The ToR and contract documents shall reflect this explicitly to eliminate inconsistencies and avoid scope ambiguity.

**Level of Effort - 30 person-days over a 48 calendar-day period:** The assignment requires 30 person-days of effort delivered within an overall period of up to 48 calendar days, consistent with the milestones/timeline table.

## **ROLES AND RESPONSIBILITIES**



The consulting firm will be responsible for designing and delivering the insurance market and demand analysis for COSEFIN countries, including a summary of key conclusions and recommendations.

**CCRIF SPC**

The Firm will be contracted by CCRIF SPC. CCRIF SPC will have responsibility for the overall management of the firm/consultant, including reviewing the methodology and monitoring the delivery of milestones. CCRIF will be responsible for facilitating introductions to key stakeholders/insurance sector players.

**KEY DELIVERABLES**

1. An inception report including a work plan, detailed methodology, report format and timeline, to be submitted within 7 days from the commencement of the assignment. The inception report shall also include the standardized templates to be used (Country Sovereign Opportunity Scorecard, Competitive Comparison, and Relative Pricing/Value Benchmarking) and a country-by-country stakeholder list and interview plan (including minimum consultation targets by stakeholder type).
2. Facilitation of a validation workshop, to be conducted within 15 days after presentation of the inception report; and the workshop shall confirm preliminary findings and produce agreed country prioritization, a sovereign opportunity pipeline by time horizon (0-12 / 12-24 / 24+ months), and a short record of agreed refinements to be incorporated into the final report.
3. A consolidated and final report including all main findings of the insurance market demand study, as well as key conclusions and recommendations for CCRIF’s strategic expansion plans. The final report shall include standardized country annexes compiling the required templates and stakeholder/champions mapping and shall also include: (i) an Executive Summary (2-4 pages) for Ministers/Council level and (ii) a Ministerial deck (10-15 slides) linked to findings, recommendations, and proposed actions.

**DURATION AND TIMEFRAME**

The duration and timeframe for the assignment will generally align to the key milestones in the table below:

#	Key Tasks	# Days	Location
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1.	Desk review	5	Remotely
2.	Presentation of inception report	2	In person or remotely
3.	Data collection, interviews, and analysis	28	In person or remotely
4.	Preparation of draft consolidated report	5	Remotely
6.	Preparation/Facilitation of validation workshop.	2	In person or remotely
7.	Preparation of final consolidated report	4	Remotely
8.	Preparation of final P/P presentation	2	Remotely
	<b>Total</b>	<b>48</b>	

## **SKILLS, ACADEMIC QUALIFICATIONS, AND EXPERIENCE REQUIRED OF FIRM/CONSULTANT**

The firm is expected to have the following skills and expertise:

- An assigned team with personnel possessing advanced degrees in economics, public administration, development studies, insurance administration, catastrophe risk insurance or related discipline.
- A minimum of ten (10) years' experience in conducting market assessments both demand and supply, working with/within Ministries of Finance in Disaster Risk Financing/Disaster Risk Management; specific experience with the catastrophe risk insurance industry including parametric insurance products is required.
- Experience with disaster risk financing in Central America would be an advantage.
- Excellent speaking, writing and communication skills in both English and Spanish.
- Strong interpersonal skills and the ability to communicate and interact with diverse people, including at the ministerial level.

## **CONFLICT OF INTEREST DISCLOSURE REQUIREMENT**

The firm is expected to disclose any actual or potential conflict of interest.