

## **Disaster Risk Management Conference in Serbia**

**4 June 2015** – *Europa Reinsurance Facility Ltd.*, the Swiss-based catastrophe reinsurance company, participated in the conference “New Financial Instruments and Disaster Risk Management Mechanisms”, organized by the Serbian Standing Conference of Towns and Municipalities and the Office for Reconstruction and Flood Relief of the Republic of Serbia on 2 June, 2015 in Belgrade.

The event featured discussions on implementing sustainable disaster risk management and mitigation mechanisms in Serbia, following the May 2014 floods and the growing frequency and severity of natural disasters. The representatives of the Serbian Ministry of Finance, the World Bank, the Government Office for Reconstruction and Flood Relief and the Standing Conference of Towns and Municipalities recognized the significance of Europa Re as a unique provider of innovative catastrophe insurance solutions in Southeast Europe and the company’s ground-breaking work. Participants underlined the benefits of catastrophe insurance as an effective financial mechanism for mitigating the impact of natural disasters.



Mr. Marko Blagojević, Director of the Government Office for Reconstruction and Flood Relief, stated that it is crucial to focus on natural disaster risk insurance and to raise public awareness of insurance benefits. He noted that disaster insurance can help citizens to receive indemnity for damages, in addition to any assistance provided by the government. He remarked that the construction costs for the houses built after the recent floods are very high if compared to insurance premiums. Construction costs would be sufficient to insure these facilities for the

next 500 years, as the insurance premium for a newly built house ranges between 30 and 60 EURs, depending on the size of the property. Mr. Blagojević informed that the government is preparing legislation for natural disaster prevention and response. The legislation will help enhance collaboration among various institutions, thus creating a more efficient prevention and response framework.

The General Secretary of the Standing Conference of Towns and Municipalities, Đorđe Staničić, remarked that “only united” cities and municipalities throughout the region can effectively work on prevention of natural disasters. This is recognized by Macedonia and Albania which, together with Serbia, participate in Europa Re, a World Bank programme promoting insurance against natural disasters. Mr. Staničić pointed out that part of the budget funds available to local municipalities following natural disasters could be allocated towards prevention and insurance against natural disasters.

The State Secretary of the Ministry of Finance, Mr. Srđan Kokotović, explained that the goal is to reach a sustainable risk management solution, as financial protection is important for the citizens, the economy, and for public finances. In times of fiscal consolidation it is unrealistic to expect that all disaster induced damages can be covered from the government budget. It is therefore critical for properties to be insured.

The Director of the World Bank Office in Serbia, Mr. Toni Verheijen, noted that extreme weather events are becoming more frequent, affecting every segment of the population, and mechanisms for the protection and mitigation of risks become necessary. Mr. Eugene Gurenko, World Bank Task Team Leader for the Southeast Europe Catastrophe Risk Insurance Facility (SEE CRIF) project, elaborated on the Bank's comprehensive strategy for disaster risk mitigation that combines prevention, early warning systems, and response to disasters through physical and financial instruments, including catastrophe insurance provided through Europa Re.

“We have developed and we are implementing a unique catastrophe risk market model that combines cooperation among the countries in the region, the international community and the local private sector. Europa Re is a company, owned by the countries of the region and operating under the most stringent Swiss standards in the (re) insurance business”, explained Ms. Orsalia Kalantzopoulos, Europa Re Chief Executive Officer elect and member of the Board. “Europa Re follows a bold vision of providing affordable and reliable catastrophe and weather risk insurance products to the public through its accredited insurance partners in the local markets. The Europa Re programme is designed to support effective insurance solutions in order to mitigate the negative impact caused by natural disasters in Southeast Europe and to provide long – term financial security across the region. We are here today to determine the right delivery mechanisms and find common solutions with the Serbian Ministry of Finance, the Government Office for Reconstruction and Flood Relief and the local municipalities with the view of establishing a strategic financial framework at the municipality level so that Serbian citizens, businesses and farmers can benefit from viable insurance protection against natural catastrophes, thus preserving a fiscally sustainable economy.”



Ms. Marijana Lemic-Saramandic, Europa Re Head of Product Development and Country Program Manager for Serbia and FYR of Macedonia presented the disaster risk management solutions and financial instruments developed under Europa Re catastrophe (re) insurance programme.

The Municipality of Sremska Mitrovica became the first region in Serbia to benefit from municipal Area Yield Index Insurance (AYII) policy, which was developed and issued under the Europa Re catastrophe risk market development programme in Serbia. The Europa Re endorsed AYII product protects farmers in the Municipality of Sremska Mitrovica from the loss of crop yields due to extreme weather events, such as drought, frost, windstorm, continuous excess rain damage, high temperatures and catastrophe flood.

Europa Re aims to facilitate the catastrophe risk market development and to offer tangible solutions to member countries. The company will continue to work with the Serbian government, the international community, partner institutions and the private sector towards accomplishing positive results in the Serbian insurance market and to help mitigate post-disaster consequences. Reducing fiscal exposure of governments to natural disasters due to increased level of insurance coverage among businesses, homeowners and farmers remains a crucial objective for all involved parties.

*To view the Conference Agenda, [click here](#).*

*For Local News on the Event visit:*

<http://www.obnova.gov.rs/cirilica/news/article/osiguranje-olaksava-oporavak>

<http://www.blic.rs/Vesti/Drustvo/564486/Blagojevic-Treba-razgovarati-o-uvodjenju-obaveznog-osiguranja-objekata>

**Europa Reinsurance Facility Ltd.**

**Bundesplatz 16  
CH-6300 Zug  
Switzerland**

**T: +(41) 41 728 63 63**

**F: +(41) 41 728 63 69**

**Contact: Andrej Gjokikj, PR Officer**

[info@europa-re.com](mailto:info@europa-re.com)

[www.europa-re.com](http://www.europa-re.com)