

The Terminator Talanoa

Making Insurance Cool

Ok, so let's start by acknowledging that these days using the word 'cool' fundamentally means it isn't cool. But I'm of an earlier generation and I would sound weird if I said things like 'dope', 'nang', 'phat' or 'savage'. But whatever, perhaps the bigger question is how can insurance be cool?

I recently had the pleasure of joining a couple of pretty cool guys at a 'Talanoa'. A Talanoa is a Fijian story telling tradition that has been introduced into the UNFCCC climate dialogue under the current presidency of the Fijian government. A Talanoa is not just about story telling, it is also about listening to the stories of others. It's a recognition that no one has all the answers and something like climate negotiations is a journey we are embarking on (some of us started a long time ago as it happens!) to learn from each other and solve a global problem. The Fijian presidency believes this process of learning can inspire action. As a global community, they are seeking fresh ideas and fresh inspiration to help all countries achieve more ambition in their national climate contributions.

So who were these cool guys and what was their Talanoa story? Well it was none other than former Governor of California (and occasional movie star) Arnold Schwarzenegger and global rapper star Akon.

Both had great Talanoa stories to tell.

Arnie started off making the point that nothing is impossible and not to take 'no' for an answer by saying "So many people say that this challenge is impossible. I learned a long time ago that you never take 'no' for an answer. I believe in what Nelson Mandela said, that everything is impossible until someone does it." He also acknowledged his wife's wisdom who said that you can have the greatest idea in the world but if you don't have the money to develop it, you have nothing.



Solo Mara, Fijian Ambassador to U.S.; Arnold Schwarzenegger; Akon.
Photo: USC Schwarzenegger Institute.

That played directly to the theme of the Talanoa – climate finance. Arnie went on to tell the story of how in 2010, the last year of his governorship, he managed to attract Tesla to California. It seems Tesla was looking in America for a production facility and at the same time Toyota was moving from California to Atlanta, Georgia. The Toyota plant was therefore becoming available and 4,000 jobs were at risk. By securing Tesla, 10,000 clean tech jobs were created and the most successful luxury car

maker is now based in California. It was a great example of how the public sector and private sector can work together on creating a sustainable future and do something great for the planet.

Akon had a different but even more inspiring story to tell. He was born in the US but grew up in Senegal until about 11 years old when he returned to the US with his family. Unfortunately, he fell in with the wrong crowd and ended up stealing cars and ultimately in prison, serving a three-year sentence. During this time his cell mate, who was on death row, pointed out to him that if he put as much effort in to his music, for which he already had a talent and love, as he put in to stealing cars, then he could really go far. Luckily he had the intelligence and common sense to recognise this as the truth and so that is what he did. Through this Akon has become one of the world's most successful rap artists working with the likes of Michael Jackson, Lady Gaga, Eminem, Snoop Dogg and Gwen Stefanie. He has ten songs that have gone platinum; three songs double platinum and four songs triple platinum. Not to mention the five Grammy Award nominations.

Akon's interest in climate comes from wanting to make sure his grandmother, still living in Senegal, had access to clean water and proper lighting. This led him to set up Akon Lighting with the aim of getting solar lighting not just to his grandmother and her village but to 1m people in 1 year. This was clearly an ambitious target but as it turned out he has now expanded this to 21 countries in 3 years, impacting closer to 600m people.

My own Talanoa story was about how I accidentally ended up in insurance (the same way everyone gets in to insurance) and took this knowledge and experience and applied it to something I was passionate about – climate and sustainable development. Whilst there may be more specific paths to take to work on climate it turns out that fortuitously, insurance has a big role to play in addressing the climate challenge. Firstly, the re/insurance industry is a huge pool of capital. And since the scale of capital required to address climate change is so massive, trillions not billions of dollars a year, it is vitally important that this re/insurance capital plays its role.



Senator Fran Pavley and Julian Richardson. Photo: USC Schwarzenegger Institute.

The role re/insurance capital has is one of de-risking investments by providing innovative insurance and risk finance solutions. Re/insurance after all takes risks that other forms of capital (debt and equity) can't or won't take. These risks often acted as barriers to investment. If through insurance we are able to remove these risks and barriers, more investment can be made in to sustainable development investment opportunities. It is only by creatively combining all forms of capital, sometimes blended with public capital, that the climate finance puzzle will be solved.

An important example of the role of insurance can be seen in ensuring climate resilience. 30% of donor government aid budgets are used for disaster response. Many of these disasters are natural catastrophes that could be insured. However, in the developing and emerging economies, where insurance penetration is low, many people and businesses are not insured. It is estimated that a 1% increase in insurance penetration can lead to a 13% reduction in uninsured losses. This in turn leads to a 20% reduction in the burden on tax payer funded recovery.

Beyond the star attractions the Talanoa participants included an interesting array of politicians, policy makers, finance and business people, foundations and academics. Everyone found the Talanoa a great way to communicate what might otherwise be rather dry points, making for a fun, interesting and inspiring event.



Thanks to the University of Southern California Schwarzenegger Institute and the Climate Policy Initiative for organising the event. The official Talanoa report submitted by USC Schwarzenegger Institute can be found [here](#).

Participants at the Talanoa. Photo: USC Schwarzenegger Institute.

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