



Confronting the Climate and Health Nexus

Lessons from Self-Employed Women's Association (SEWA)

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This case study is part of CGAP's series on scaling inclusive insurance while preserving consumer value. It addresses the core barrier to scale—economic viability—and examines practical pathways that help distribution partners and insurers extend coverage to vulnerable populations, especially women. By spotlighting new models and partnerships, the series offers actionable insights for expanding access and strengthening resilience. Each case study highlights a particular aspect of the inclusive insurance industry where disruption is needed and feasible.

Specifically, CGAP has identified four pathways leading to customer centric scalable solutions:



Anticipatory Action and Disaster Risk Reduction

Climate risks threaten insurability; early action and risk reduction can reduce the costs of providing protection to vulnerable populations.



Premium Financing Mechanisms

Affordability is a key barrier to uptake, and premium financing has the potential to drive uptake and enable customers to access necessary protection solutions.



Distribution Networks

Distribution is the biggest challenge to scale; networks are needed to reach customers and maintain trust, ensuring customers understand the value of the products.



(Re)insurance Facilities

New types of facilities could lower costs enabling customers to access protection, with more evidence on when and how it works, keeping in mind the effects on the end consumer.





Each of the case studies in this series addresses one or several of these pathways by highlighting existing programs that are testing new innovations and overcoming challenges to provide customer centric scalable solutions.

THIS CASE STUDY ON SELF-EMPLOYED Women’s Association (SEWA) addresses the distribution and (re)insurance facilities pathways.

The target audiences are distribution networks, specifically grassroots networks, as well as insurers. The case study aims to answer the following questions:

- What design and delivery features are most effective in addressing women’s specific needs and improving usage?
- What is the role of grassroots organizations in fostering uptake and building customer trust?
- How might insurance facilities be structured to lower costs and support product sustainability?

Factsheet

Country		India	
			
Insurance Products	Heat (2023) Heat and Excessive Rainfall (2025)	Heat (2024-2025) Heat and Cyclone (2025-2026)	Heat
Lead Actor	Self-Employed Women’s Association (SEWA) 		
Partners and Roles	Underwriter: ICICI Lombard Reinsurer: Zurich Re Product Design: Atlantic Council’s Climate Resilience Center (formerly the Adrienne Arsht-Rockefeller Foundation Resilience Center), SEWA, and Blue Marble (Heat 2023 product) Funders: SEWA and the Climate Resilience Center (Heat 2023 product) Funders: SEWA members, Atlantic Council, and Blue Marble (Heat and Excessive Rainfall 2025 product)	Underwriter: ICICI Lombard Reinsurer: Swiss Re Product Design: HERA (formerly Climate Resilience for All), SEWA, and Swiss Re Funders: SEWA, SEWA members and HERA	Underwriter: United India Insurance Reinsurer: None Product Design: SEWA and InRisk Labs Funders: SEWA members and donors
Target Beneficiaries	SEWA members working in the informal economy affected by extreme heat and/or cyclones and excessive rainfall		
Years Active	May – June 2023 (Heat) April – June 2025 (Heat and Excessive Rainfall)	April 2024 – March 2025 (Heat) April 2025 – April 2026 (Heat and Cyclones)	April 2025 – April 2026
Pathway Connections	#3 Distribution 		#4 Reinsurance Facilities 

Key Findings

- Customer centric design—grounded in direct insights from women workers—enabled SEWA to tailor product features, address protection gaps, and complement insurance with “wrap-around” services, like water jugs and cement water tanks. SEWA developed an innovative heat insurance product with partners, based on insights into the direct needs and customer risks of its members. Product features were adjusted to account for protection gaps and enrollment challenges, and to provide holistic risk management support beyond insurance payouts alone in the form of wrap-around services.
- Customer trust depends not only on payout speed but also on frequency and perceived value. Small, more frequent payments and complementary support helped sustain engagement—even in periods when the index insurance did not trigger. Delays in claims payouts represent one of the biggest challenges faced by SEWA’s implementation of its heat insurance product. Timely payouts are especially critical given the vulnerabilities SEWA members experience during these climate shocks.
- Grassroots leaders were pivotal in expanding access to insurance. SEWA’s program grew from 20,000 members in its first year to more than 225,000 by year three, enabled by the close proximity of grassroots organizations to their members. Scaling inclusive insurance demands both deep connections to beneficiaries and sufficient organizational scale. Leaders of such organizations are instrumental in building trust and driving uptake.
- Frequent climate shocks require new approaches for financial viability. SEWA’s use of its Climate Welfare Facility (CWF) to absorb the first layer of losses has made the scheme more affordable and provides an important use case in inclusive insurance sustainability. Specifically, the CWF is designed to integrate savings, loans, and insurance, link to anticipatory action and early warning systems, and channel funds toward resilient infrastructure, health campaigns, and other risk reduction measures.

THE OPPORTUNITY

Designing Products to Protect Those Most at Risk from Extreme Heat

The relentless escalation of global temperatures has brought record-breaking heat, with 2023 documented as the hottest year to date globally. By May 2024, global temperatures had climbed for twelve consecutive months, reflecting an unprecedented warming trend that continues to threaten lives and productivity across the globe (NASA 2024; Copernicus 2024).

Individuals are at heightened risk of heat-related conditions like heat exhaustion, heatstroke, miscarriage, and even death. The International Labour Organization describes this phenomenon as an “invisible killer,” underscoring the pressing need to safeguard vulnerable workers worldwide. Over 71 percent of the global workforce is exposed to extreme heat, resulting in 22.85 million injuries and 18,970 deaths annually (Flouris et al. 2024). Among the most affected are outdoor and informal workers.

The problem is particularly pressing in India, where extreme temperatures have led to devastating consequences. Northern India, for example, saw its hottest recorded temperature of 49.9°C in parts of Delhi in May 2024, intensifying the risks faced by workers who endure long hours in the sun with minimal protection. The economic and health toll from heat stress is anticipated to grow in the country, with up to 5.8 percent of daily working hours projected to be lost by 2030 due to extreme heat (CNN 2024).

Despite existing guidelines, heat safety regulations in most countries are outdated and do not address the diverse and harmful conditions faced by workers, especially those in informal settings. Certain sectors, such as waste recycling and garment manufacturing, present unique challenges for women and other vulnerable workers, who face dangerous heat exposure in both outdoor and indoor environments with limited access to adequate cooling or hydration. In addition to

health risks, extreme heat typically costs self-employed women in India 40 to 50 percent of their income on exceptionally hot days due to spoiled goods and reduced working hours.

For informal workers, heat is not merely a health hazard but a compound livelihood shock. Unlike formal employees who can shift working hours or access climate-controlled environments, informal workers experience direct income volatility as temperatures rise. Heat simultaneously reduces working hours, lowers productivity, increases health expenditure, and raises household costs such as electricity and water. This combination of income shocks and expenditure spikes creates a uniquely destabilizing form of climate risk that conventional insurance models have historically failed to address.

“The three aspects of our lives that get affected [the most severely] during any climate shock are livelihoods, health, and access to food and water. Our lower wages translate into less food, and members like us often can’t afford to take the time off work to seek healthcare.”

—Salt-pan worker from Surendranagar¹

THE EVIDENCE

Implementing extreme heat insurance for informal workers in India

The Self-Employed Women’s Association (SEWA) is the largest national trade union center in India for women workers of the informal economy. Founded in 1972, its current membership is 3.8 million poor, women workers across 20 states in India. It brings together women from 125 informal trades, such as salt mining, waste recycling, street vending, agriculture, construction,

and home-based work. With approximately 90 percent of India’s workforce operating in the informal sector, SEWA plays a vital role in India (Statista 2025). For more than fifty years, SEWA has organized women workers in the informal economy, a group which is especially vulnerable to climate change.

These workers face severe risks as a result of high temperatures, often having to work under extremely unsafe conditions. To address this, SEWA, in collaboration with multiple partners, co-designed and launched a pioneering parametric insurance program in India aimed at protecting women working in the informal sector from income losses and illness due to extreme heat. This program uses parametric insurance to provide quick, automated cash assistance when certain temperature thresholds are reached.

This work has been shaped through collaboration with a range of partners bringing technical, financial, and strategic expertise. Among them, HERA (formerly Climate Resilience for All) has played a catalytic role, working closely with SEWA to translate early pilot learnings into more responsive and scalable approaches to climate risk and impact protection for informal women workers. Through this partnership, the program has evolved beyond a standalone insurance experiment toward a broader effort to strengthen financial and livelihood resilience in the face of extreme heat.

The initiative has progressed through three phases of the program, each representing advances in coverage and operational scope.

PHASE 1: MAY 5 - JUNE 30, 2023

The first pilot launched in 2023 targeted 21,000 women across five districts in Gujarat, with funding and expertise provided by the Atlantic Council’s Climate Resilience Center (formerly the Adrienne Arsht-Rockefeller Foundation Resilience Center), a non-governmental organization. Blue Marble, an inclusive insurance enabler, was hired to co-design the insurance product with

¹ Source and translation: SEWA

SEWA. ICICI Lombard acted as a local insurer and Zurich Re as the reinsurer. This pilot employed satellite data from NASA Prediction Of Worldwide Energy Resources (POWER), to monitor temperature levels.

The insurance product was designed to provide claims payouts if extreme heat persisted for three consecutive days. This was defined as the sum of the temperatures recorded through satellite data each day over a three-day period, reaching predetermined thresholds. Those thresholds varied according to the district and the time of year, accounting for regional variations in climate and topography. Due to the insurance policy designed with phases, a member could have been paid multiple times during the coverage period, up to the total sum insured amount of INR 7,600 (USD 81)² per member. The premium per member was USD 12.14, which was funded by a grant from Climate Resilience Center. The calculation determining the trigger varied across the five districts covered under the policy to reflect the geographical differences in temperature among the districts.

However, this pilot highlighted the limitations of using temperature alone as a trigger. Despite severe heat events and climate anomalies, including unseasonal rainfall, the insurance product did not pay out in 2023. The program did include however, the distribution of climate adaptation/protective equipment to protect women workers from heat effects. All 21,000 women were provided with one of four interventions: solar lights, insulated water jugs, tarpaulin sheets, or large umbrellas.

“Insurance for poor marginal members like us is a rare thing. [Up until now], we had only heard of health, life, crop, and accidental insurance. This is the first time that there was a recognition that even climate shocks impact us adversely and the need for an insurance product to secure our incomes.”

—Manjulaben, Ahmedabad³

PHASE 2: APRIL 9, 2024 – MARCH 31, 2025

Building on the insights gained from the first pilot, the second one, which ran from April 2024 to March 2025, expanded to cover 50,000 women across 22 districts in Gujarat, Rajasthan, and Maharashtra. This pilot was co-designed and funded by SEWA and HERA, a women-centered climate adaptation nonprofit dedicated to protecting the health, income, and dignity of women on the frontlines of extreme heat. Swiss Re, in collaboration with CRA and SEWA, led the product design and provided risk capacity to the primary insurer, ICICI Lombard. This product introduced more responsive triggers. Payouts could now be activated after two consecutive days of extreme heat, with district-specific thresholds ranging between 41.6°C and 46.1°C. In addition, the period covered was extended to cover the whole year and not just the hottest season, reflecting the possibility of heat strokes outside of the usual time of year.

In addition, the program included a cash support component, and SEWA began providing small payouts after a single day with temperatures exceeding 40°C. This was separate to the insurance cover and donor funded.

This updated approach led to insurance payouts during the policy year in 17 of the 22 districts, which reached around 92 percent of the 50,000 insured women. In addition, the one-time cash assistance was distributed to all participants in all 22 districts. The payouts provided cash assistance that beneficiaries could use flexibly for immediate household needs, climate resilience investments, or other priorities.

2 USD values are based on the government of India's exchange rate on April 21, 2026 (1 = 93.4404) rounded up.

3 Source and translation: SEWA

“During the salt season, we shift our houses to the desert and away from the city. We often avoid medical treatment during peak heat due to the high medical costs, which we cannot afford. There are instances when we travel long distances to get basic groceries. Considering the high transportation expenses, we often compromise our meals and health. The insurance program helped us purchase the medicines and groceries needed for a week.”

—Salmaben, a salt-pan worker from Patan⁴

PHASE 3: APRIL 15, 2025 - APRIL 14, 2026

The third pilot, which is running from April 2025 to April 2026, covers over 225,000 women and requires two consecutive days of extreme heat to trigger benefits. Additionally, the product offers one-time cash assistance if temperatures cross the threshold of 38°C in their district. Total payout recorded in 2025 is only INR 36,13,607 (USD 38,673)⁵, yielding a total loss ratio of approximately 3 percent.

In parallel, SEWA's experience with repeated heat shocks encouraged it to develop a more layered model beyond standalone insurance, resulting in the CWF.

The changes made in this third pilot year once again demonstrate the customer-centricity of the SEWA model. It provides one-time cash assistance when temperatures cross a certain threshold of 38°C, ensuring members have access to financial assistance during times of need, and it also restructured the program to make it more cost effective for both SEWA and its members.

“Usually, the financial decisions in the house are made by male members. The insurance payout this year enabled several SEWA sisters to [...] independently decide on the expenditure purpose. Some members used the money to pay for their medical expenses, while others used it towards children's education. Some members used it to pay off their debts or to re-invest in their livelihoods. If this money would have not been provided, members would have been forced to borrow money from local money lenders at an interest rate of 36 percent to 48 percent per month.”

—Gitaben Sitapara, a district coordinator from Kutch⁶

The Next Frontier: The Climate Welfare Facility

The vision for the CWF is directly informed by SEWA's deep collaboration with CRA. It is founded on three years of critical lessons and on-the-ground insights collected from implementing the Women's Climate Shock Insurance and Livelihoods Initiative, ensuring the model is both evidence-driven and rooted in members' realities.

SEWA's transition toward the CWF reflects a broader lesson for inclusive insurance: risk layering is essential

for long-term economic viability. Climate shocks affecting low-income households often combine small, frequent losses with occasional catastrophic events. Insuring all layers of risk through commercial insurance alone is prohibitively expensive. By retaining predictable losses within a community-managed fund while transferring catastrophic layers to insurers, the model aligns financial instruments with the underlying risk profile. This layered approach improves

4 Source and translation: SEWA

5 USD values are based on the government of India's exchange rate on April 21, 2026 (1 = 93.4404) rounded up.

6 Source and translation: SEWA

The Next Frontier: The Climate Welfare Facility (continued)

affordability for members while preserving risk transfer capacity for extreme events.

Insurance is especially well-suited to managing unexpected climate risks that result in significant losses. But there are limitations to insurance as a solution. First, high-trigger temperatures and rainfall requirements for payouts often mean that members must endure significant losses before receiving compensation, leaving them vulnerable during smaller, yet still impactful, climate events. Second, the predefined trigger event might not align with the actual losses incurred by individuals, leading to high basis risks with parametric insurance products. Third, the absence of insurance payouts during years where the parametric thresholds are not triggered will lead to communities questioning the product's value, resulting in reduced demand and renewal rates.

Therefore, climate index insurance should be embedded in a broader menu of financial services. In 2025, SEWA created the CWF that provides a comprehensive safety net for members. The CWF has the following components: savings, credit, and index insurance, which can collectively enable the working poor to manage a diversity of risks. Members'

contributions and donor funds are pooled to create a corpus of funds. When climate shocks occur, the members receive a payout from the CWF. Additionally, the CWF supports members via other value-added services, such as climate advances, investments in climate adaptation, robust climate health and mental health campaigns, early warning systems, etc. It is a comprehensive climate resilience program that incorporates innovative risk transfer mechanisms, like climate insurance with risk reduction initiatives, thus proving to be a powerful approach to mitigate financial and health risks and build community resilience. In 2025, SEWA supported 40,000 members through the CWF. This will be further scaled up to 100,000 members in 2026.

In this case, CWF covers all payout costs up to a certain amount per year, with the insurer, United India Insurance, covering losses beyond that threshold. This innovative excess-of-loss layered structure has resulted in cost savings without sacrificing protection. By retaining predictable losses, SEWA reduces structuring and transaction costs on that layer, thereby using funds more efficiently.

Key Enablers

There have been several key enablers critical to the success of the parametric heat product provided to SEWA members.

1. THE ROLE OF GRASSROOTS RESEARCH IN UNDERSTANDING HOW CLIMATE RISKS AFFECT INFORMAL WORKERS

SEWA's decision to offer a heat insurance product was powered by the direct experience of the organization and its members of the impacts of extreme heat. SEWA found that its members' incomes decreased by as much as 30 to 40 percent during times of high heat, as they are forced to work fewer hours and are less productive while working. And for those who

work in agriculture and livestock, the impacts can be even more severe, with cattle producing decreased quantities of milk and whole harvests spoiled. Simultaneously, members face health problems related to the heat, which result in increased out-of-pocket health expenses, putting further strain on members' finances during these times. The consequences of extreme heat lasted months and even years after the event, as members struggled with financial instability and the consequences on their health.

When co-designing its extreme heat insurance, SEWA collected detailed information on the impacts of heat on its members through meetings with its partner organizations and grassroots leaders, and through focus group discussions with members, which were

BOX 1. SEWA's Grassroots Leaders

SEWA uses a bottom-up approach to amplify member voices. Members are organized by trade, with each trade electing one representative per 1,500 members at the district level. These representatives form Trade Committees, which meet monthly to discuss trade-specific problems and solutions.

Every three years, Trade Council members are elected from the Trade Committees. The Trade Council then elects a 25-member Executive Committee, with

representation proportional to membership. Office-bearers are elected from Executive Committee members, and the president is traditionally chosen from the trade with the largest membership.

The Executive Committee serves as a bridge between SEWA's governance and grassroots members—bringing member issues into governance discussions and communicating solutions back to the membership.

facilitated by the grassroots leaders (Box 1). These discussions explored the impacts of heat in depth, including the amount of lost income, the increased expenses faced, the number of hours of work lost, the impact on available fodder for animals, and so on. The discussion looked to understand how these impacts played out in various conditions, including various temperature levels and different numbers of days of extreme heat.

The information collected through this process provided vital input for the design and structure of the product. This was particularly important given the limitations of existing data. Most existing information on the impact of extreme heat comes from studies on military personnel or athletes. However, the impacts of heat can be quite different for vulnerable workers in the informal economy, who do not have the same legal protections, accommodation, nutrition, fitness levels and resources as those studied. Data on the impact of climate shocks on the informal economy is very limited and insufficient for insurance product design. It was therefore vital to carry out direct research into the impacts on the intended beneficiaries/buyers of such a product.

Distribution is often cited as the largest barrier to scaling inclusive insurance. SEWA's network of grassroots leaders addresses this constraint by embedding insurance education, enrollment, and claims support within existing member governance structures. This reduces acquisition costs, improves

product understanding, and strengthens trust—three factors that are critical for uptake among low-income populations.

2. THE IMPACT OF ANTICIPATORY ACTION SUPPORT WHEN INSURANCE DOES NOT TRIGGER

A challenge for heat insurance is that even temperatures that are not necessarily extreme can nonetheless have impacts on those insured. While such instances may not trigger a claims payment, it is important that other types of support are put in place.

During the first pilot, SEWA offered additional support in the form of “wrap-around services,” funded jointly by SEWA members and through donor support. These were items like water jugs, a cement water tank, a solar lamp, and umbrellas or protective sheets which helped members reduce the impact of the heat. For example, water jugs allowed members to stay hydrated during their workday, making it easier for them to continue working and to avoid the time and cost, as well as additional exposure to the sun, involved in leaving their place of work to buy water. Members could choose one item from the range of wrap-around services options. Grassroots distribution networks were key partners in providing this support to members.

These services were well received by members as they were seen as a tangible benefit even when the product did not trigger, and because they proved useful in helping members to minimize expenses and reduce

losses. They also encouraged members to sign up for the insurance again in the second year, with half of those in the first pilot choosing to sign up in the second year even though no claims payments were made.

3. THE POWER OF SMALL, NON-INSURANCE CASH PAYOUTS

Despite its benefits, distributing physical equipment to large numbers of members was a logistical challenge. In the second pilot, SEWA and HERA experimented with an alternative approach. Separate from the insurance, SEWA provided one-time cash assistance of INR 400 (USD 4.70)⁷ to all insured members whenever temperatures went over 40 degrees. This threshold was several degrees lower than the insurance trigger points (which varied between districts) and only needed to be reached once, whereas the insurance payout was triggered after the trigger temperature was reached for two consecutive days. The intervention was funded directly by SEWA. Although the payment was small, at less than half of the typical insurance payout, it helped people to cope with these nonetheless challenging heat levels. It also provided a more frequent payout, helping to build trust in the overall program.

Although some members expressed a preference for the wrap-around services, cash payouts could be delivered more effectively as the program scales to larger numbers of members and across wider geographical areas, especially as they are paid into members' bank accounts.

These interventions proved very important both in providing relief to members and in driving enrollment, given the recurring question grassroots leaders faced by members about the value of the product in non-trigger years.

Challenges

The product has also faced several challenges that come from parametric product design targeting vulnerable populations.

1. CLAIMS DELAYS

Despite important benefits, the program has experienced some delays in claims payments. During the second pilot year, it took about a week for the satellite data to be downloaded, and then the underwriters took around seven working days to process the claims, resulting in a total delay of two to three weeks. There were similar delays in the third pilot year as well.

Even a short delay has the greatest impact on those who do not have savings to tide them over from the extreme heat event until the payments arrive. Given those without savings are likely the most vulnerable members, it is important for SEWA and its partners to reduce the claims payment time to maximize the benefit for all beneficiaries.

Some members did experience longer delays when there were problems with the original documentation provided, for example when documentation was incomplete; account numbers were transposed, or not easily legible. The grassroots leaders worked with members to correct any issues and resubmit documents to the insurer to ensure that claims were received by all eligible members. In addition, to tackle this issue, SEWA tested a mobile application to enroll members during the third pilot year, with the hope of improving data accuracy and reducing delays in claim payments (Box 2).

⁷ USD values are based on the government of India's exchange rate on April 21, 2026 (1 = 93.4404) rounded up.

2. CONFUSION AMONG CLIENTS REGARDING HEAT TRIGGERS

At various points during the two pilots, the product did not trigger despite heat reaching levels which were perceived as heat waves by members, and which registered temperatures above the trigger levels on members' mobile phones. Third-party weather applications may use a range of sources for weather data, and may also estimate user's locations in different ways, meaning that the temperature recorded on a member's phone can differ to that registered by the satellite used by the insurer. During these instances, SEWA received multiple screenshots of temperature levels from members and questions about when payments would be made.

SEWA therefore needed to reiterate information around how temperatures were measured and the fact that the trigger is based on temperatures registered by satellite. These messages were reinforced, and the temperatures registered by the satellite each week were sent to members.

This difficulty, however, represents an inherent challenge of parametric products when a data point can be measured by the insured in alternative ways. Education on how the insurance functions and how claim assessments are conducted are essential. Clear communication helps build trust, enables beneficiaries to understand when and how payouts are triggered, and ensures they can navigate the claims process with confidence.

BOX 2. Testing a Mobile Application to Enroll Members

In March 2025, SEWA began to sign up members for the extreme heat insurance for the new policy year, expanding the product from three to eight states. Given challenges experienced in previous years in manually enrolling members, as well as problems with inaccurate data collection, SEWA decided to test a new approach this year. It designed a mobile application, which allows grassroots leaders to enroll members in the insurance program. The application is linked to SEWA's membership database, meaning that a member's basic information is automatically available and does not need to be collected again during enrollment. Grassroots leaders simply select the relevant member's profile and scan their identification card and bank passbook. The member's identity and bank information are automatically uploaded based on the scanned images.

The initiative did face some initial challenges, for example when the application lost functionality briefly early in the enrollment period. Nonetheless, it has already provided important benefits. The application has resulted in a considerable reduction in the work required for grassroots leaders to enroll members. They now only need to add information manually when it cannot be read from the scanned image. Although they are still testing and refining the application, SEWA estimates that the application has reduced the need for grassroots leaders to enter information manually by about two-thirds. The app has also removed the costs of making photocopies of member documents, and reduced the time and costs of grassroots leaders taking these photocopies to the offices. Finally, SEWA hopes that by improving the accuracy of the data, delays in claims payments will be reduced.

The Next Frontier

SEWA and its partners' experience offer practical signals on what drives or reduces costs—and trust—in extreme heat insurance in India and beyond. Retaining a portion of risk through the CWF while transferring catastrophic layers reduces premiums; small, frequent payouts and embedded risk reduction tools sustain trust and renewals even in non-trigger years. Leveraging a grassroots network lowers distribution and servicing costs. Together, these elements point to principles for economically viable climate insurance in other markets.

While SEWA demonstrates how grassroots organization and deep customer understanding can enable innovation and scalability, several enablers are context specific—its strong market presence, gender-focused structure, and donor support. Despite this, the case yields broadly transferable lessons: build operational efficiency, invest in customer research, and systematically test new models to reduce costs and enhance customer value. These insights shape the recommendations specific to distribution networks and insurers below:

RECOMMENDATIONS FOR DISTRIBUTION NETWORKS:

- Enable affordability with new financial models and innovative insurance facilities: The CWF is an example of a new kind of financing innovation. It helps reduce insurance costs through tax efficiencies and allows SEWA to accumulate internal funds to invest in member resilience, lowering premiums while expanding protective coverage.

RECOMMENDATIONS FOR INSURERS:

- Leverage grassroots network to build trust: As a complicated product that does not always provide direct value to policyholders, insurance faces an uphill battle in engendering trust. SEWA leveraged the deep connections that its grassroots leaders

have with its members to explain the benefits, costs, and limitations of the heat insurance product.

- Explore public-sector partnerships where relevant: Connecting with agencies like the National Disaster Management Authority (NDMA) can enable replication of the facility model at the national level. The NDMA has a mandate to form policies and establish guidelines and best practices to ensure a holistic approach to disaster management, all of which directly relates to climate risk insurance products.

GENERAL RECOMMENDATIONS:

- Invest in customer research to inform customer-centric product design: SEWA's heat insurance—widely recognized as a first-of-its-kind innovation—emerged from deep engagement with its female members. Centering solutions on customer needs is not only socially responsible; it also drives better product design and business outcomes. The innovation and growing replication are also the result of the technical expertise and strategic storytelling of SEWA's partners.
- Build resilience by bundling services: SEWA's experience shows that insurance is more effective when paired with complementary tools—such as small payouts at lower heat thresholds and “wrap-around” services. SEWA plans to bundle heat insurance within a broader climate resilience package that could include savings, micro-pensions, and contingent credit, helping members sustain income and avoid financial depletion during climate shocks. The CWF will be key to these plans as it integrates savings, loans, and insurance, links to anticipatory action and early warning systems, and channels funds toward resilient infrastructure, health campaigns, and other risk reduction measures.

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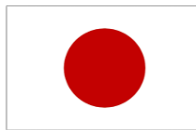
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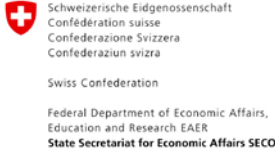
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