

## **Protecting pastoralist against climate risks through Index Based Livestock Insurance**

**Partner:** Takaful Insurance of Africa (TIA)

**Type of organization:** Private Business – Insurance Company

**Country of Operation: Kenya** - Takaful is operational in the entire ASAL region of Kenya. IBLT plus is rolled out in 5 in Samburu, Isiolo, Turkana, Marsabit and Garissa County. Other counties include Tana River, Moyale, Wajir, and Mandera.

**Climate Adaptation Sector Thematic Area:** Food Systems

**Adaptation best practice:** Mitigation of livestock loss through provision of needed reserves for farmers via provision of index based insurance

### **Activities**

Takaful Insurance of Africa (TIA), through the partnership with the International Livestock Research Institute (ILRI), developed the first insurance policy that combines a financial risk mitigation instrument with innovative use of satellite imagery to compensate pastoralists before drought-induced losses occur, providing pastoralists with the needed reserves to cover supplemental feed to mitigate livestock losses.

Takaful Insurance enhances adaptive capacity of pastoralist since pastoralists receive indemnity payments when forage falls below a set threshold, to help them keep their livestock alive during droughts, they would be in a position to buy feeds, water and other requirements shortly before droughts. Takaful is also currently rolling out an “IBLT Plus” product, which is a combination of personal accident cover and a savings component.

This product is specifically targeted for women since livestock owners are predominantly male. Women deliberately save to ensure they purchase “family units” insurance covers for not only livestock but also takes care of their needs as breadwinners in case of accident.

### **Why the Insurance Product**

TIA efforts aimed towards risk reduction by offering financial support before droughts sets in to better equip pastoralists, reducing the potential loss of livestock. It also safeguarded the primary livelihoods, allowing pastoralist to maintain their way of life thus preserving their cultural and economic ties to livestock rearing. With insurance in place, pastoralist can engage in more proactive and sustainable land and water management practice thus enhancing their resilience for the longer term and reduce their reliance on emergency aid as well as enabling them to bounce back more effectively from droughts. In the latest research carried out by CGIAR in collaboration with UC Davis, there is 50% increase on the number contracts sold as well as the amount spent on insurance.

### **Good practices and lessons learned**

Previously 60% of population who took up IBLT covers were men while women were 40

%. However, TIA deliberately targeted IBLT plus cover for women and attained 30% turnout. Takaful aims to create a more robust and inclusive livestock insurance system that effectively supports pastoralists in northern Kenya, particularly in the ASAL regions prone to drought by focusing on increasing relative benefit of insurance and enhancing gender inclusion.

**Further information**

For further information please visit Takaful Africa - <https://takafulafrica.co.ke/>