Insurance and Human wildlife conflict (HWC)

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Human wildlife conflict

• **Growing problem** as human population and development intrudes on animals habitat

• In Kenya, about **35 people are killed by elephants** each year and authorities **shoot 50 - 120 problem elephants** every year

• In Sri Lanka, each year **80 people are killed by elephants** and over **230 elephants killed by farmers**

• **Few solutions** to prevent problem

• Best approach may be to provide **insurance** to reduce farmers hostility towards wildlife
Insurance versus Compensation

- **Compensation** is usually a government managed scheme funded through budget

- **Insurance** is private managed scheme funded through premiums paid by customers or other sponsors
Insurance: 4 main challenges

• Cost effective insurance administration

• Timely and fair insurance payments

• Incentives for damage prevention, and

• Financial sustainability of premium payments
Cost effective administration

- Importance of **technology**:
  - GIS and remote sensing to assess claims
  - SMS and mobiles to process applications and claims
- Need to price premiums accurately with **actuaries** using **historical data** (cooperation with **ecologists**)

![Image of two individuals in a lush, green environment]

**DOCUMENT TITLE**
Timely and fair insurance payments

- Quick verification involving local people
- Coverage for relevant risks (life, injury, property, crops/livestock)
- Technology (GIS, remote sensing, mobiles) to speed up claims
Incentives for damage prevention

- Avoid “risky” behaviour
- One off payments for damage prevention
- Lower premiums for damage prevention
Financial sustainability of premium payments.

- Some **contribution** from customers, but not too much
- **Micro-insurance**
- **Bundling** of premiums
- **Co-financing:**
  - Tourism
  - Insurance Corporate Social Responsibility
Conclusions

• There may be way to **overcome** 4 challenges with insurance for HWC
• So far most insurance schemes for HWC have been by **NGOs and environment groups**
• IIED with funding from Darwin Initiative of UK Government is piloting **commercial insurance**
• Pilot in **Kenya** designed by AB Consultants (Barbara Chabbaga)
• Pilot in **Sri Lanka** with IPS (Athula Senaratne) and Spark (Milanthi Sarukkali)
• Then plan to **upscale** with more insurers and UNDP and WWF and others who are interested