

Insurance and Human wildlife conflict (HWC)

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<https://www.iied.org/livelihoods-insurance-elephants-life-kenya-sri-lanka>

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**)



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