

Biodiversity Economics

Private insurance policies launched to protect elephants in Kenya and Sri Lanka

Compensating farmers for damage to crops and property could reduce human-wildlife conflict.

Press release, 06 October 2022



Insurance companies in Sri Lanka and Kenya are launching innovative policies for farmers whose crops and property are often trampled by elephants to provide financial rewards that help the farmers and save the animals from retaliatory attacks. This is a pilot devised by Kenya's AB Consultants, the Institute of Policy Studies of Sri Lanka (IPS) and IIED with funding from the UK government's Darwin Initiative.

The schemes aim to sign up a minimum of 1,000 farmers in each country. The private insurance sector hopes to work with the incoming Kenyan government which would pay premiums on behalf of farmers.

In Sri Lanka, private insurance company Sanasa will be offering policies to individual households. Farmers would pay Rs.3253 (around US\$16) per year to cover crop damage, hospitalisation and grain stores. As the country claws its way back from a severe financial crisis, the premiums at less than 2% of a farmer's income are designed to be affordable.

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the extended drought. [Insurance] won't solve our problems 100% but it's going to be a cushioning."

Susila Abesysinghe, a farmer and mother of two grown up children in Dhaladagama village, Kuranegala in central Sri Lanka, said: "When it's mango and jack fruit season elephants keep coming into our villages and destroying everything. It has badly affected our finances... We will be happy if there's an insurance policy created... Our lives, properties and farms need to be covered."

Achieving peaceful coexistence between humans and wildlife is high on the agenda as the COP15 biodiversity talks are due to take place in December. The talks aim to come up with a new global accord that will halt and reverse the loss and destruction of the planet's plants, animals and ecosystems. An early draft of the new framework included the ambition to conserve 30% of the world's land and oceans by 2030.

Paul Steele, IIED's chief economist, said: "Conflict between humans and wild animals is a direct outcome of people's expansion into wildlife habitats, encroaching both on animals' living space and the routes they use to move between different areas.

"Not only does it lead to loss of life for both people and animals, it also takes a heavy financial toll on poor farmers in many parts of the world. This insurance scheme could offer a way to protect wildlife and improve the lives of rural farmers."

An elephant census in Sri Lanka showed there were almost ,m000 animals in the country in 2011. They often compete for space in rural areas with small-scale farmers who find their crops trampled or eaten by the animals as a result. In 2018, 96 people and 319 elephants were killed in incidences of human-elephant conflict recorded by Sri Lanka's Department of Wildlife Conservation. There were 730 cases of property damage recorded.

Although a number of elephants die each year of natural causes, many are shot, electrocuted or killed by explosives as farmers struggle to protect their crops and homes. Fear of attack means people, especially children, often stay at home after dark.

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year, there were over 4,500 incidences of crops or property destroyed by animals with elephants responsible for the most damage and destruction.

While government-run insurance schemes have been tried in both countries, they were slow to make pay outs and didn't always reach all those in need of help. Existing private sector insurers should have the skills and experience to manage policies and verify claims quickly.

IIED is working with an actuarial consulting company and an environmental NGO in Malaysia to also launch the scheme there and there is interest to expand the use of private insurance further to other countries where human-wildlife conflict is growing.

Notes to editors

[AB Consultants](#) is a consulting firm based in Nairobi, Kenya and set up by two women to promote inclusive insurance as a tool for alleviating poverty.

[The Institute of Policy Studies of Sri Lanka \(IPS\)](#) is an independent think tank that aims to contribute to socio-economic development through policy-oriented economic research.

[The Darwin Initiative](#) is a UK government grants scheme that helps to protect biodiversity and the natural environment through locally based projects worldwide.

For more information or to request an interview, contact Sarah Grainger: +44 7503 643332 or sarah.grainger@iied.org

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IIED is working to facilitate private markets to insure small-scale women and men farmers for damage caused by human-wildlife conflict, primarily from elephants, in Kenya and Sri Lanka

Project

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