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Feed the Future Innovation Lab for Markets, Risk & Resilience – Family Insurance to Expand Drought Protection to Women in Kenya’s Arid Rangelands



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Pastoralist communities, who rely on livestock for their livelihoods, are particularly vulnerable to extreme drought which is becoming more common due to climate change. Index-based Livestock Insurance (IBLI) has proven vital in these communities but has not appealed to women because in most cases men control the family’s livestock and the insurance payments for losses. Family Insurance is built on the technical foundation of IBLI but provides coverage in “family” units that pay for household needs during droughts that threaten families’ wellbeing.

Country context

In Kenya, the potential for devastating drought is a constant threat, particularly for the nation’s roughly ten million pastoralist households whose livelihoods depend on their mobile herds of livestock. In a severe drought, pastoralist families can lose as much as half of their assets, driving them into extreme hardship. In Kenya’s arid north, where pastoralism is a predominant livelihood, the BOMA Project has been implementing its Rural Entrepreneur Access Project (REAP) that provides the poorest women in pastoralist communities with the funds and training to establish a small business. Many of these businesses are based on livestock keeping or setting up a small shop to sell goods. However, these businesses are at risk when a drought drives their owners into hardship.

Index-based Livestock Insurance (IBLI), first marketed in Kenya in 2009, has proven to be an effective way for pastoralist households to manage their drought risk. IBLI is a low-cost form of insurance that releases payouts when satellite measurements of vegetation predict that a drought will threaten an area’s livestock.

In 2017, a research team led by UC Davis with support from USAID partnered with the BOMA Project in Northern Kenya to test the impacts of pairing IBLI with REAP. The idea was that the insurance would provide the means for new business owners

to hold onto their gains in the event of drought. However, the research team quickly learned that livestock insurance did not appeal to women because in most pastoralist households, men control the family’s livestock as well as the payments that come from insuring it.

Project description

Family Insurance, developed by the Feed the Future Innovation Lab for Markets, Risk & Resilience, is a new type of drought insurance that supports the collective welfare of pastoralist families in Northern Kenya. Family Insurance is built from the same index and technical foundation of the well-established Index-based Livestock Insurance (IBLI) but is sold in “family” units that account for a family’s needs in times of hardship. This support is especially critical when men are forced to range the family’s herds farther away and drought reduces the number of animals that can be sold and money sent home. During these times Family Insurance provides the needed support for women and families.

The research team developed Family Insurance in close collaboration with the International Livestock Research Institute (ILRI) and Takaful Insurance Africa. The payout value for coverage

was calculated based on the amount of money that Kenya's emergency cash transfer program, the Hunger Safety Net Programme (HSNP), provides to families in times of extreme need. Women could buy coverage for the number of family members needing support in a drought emergency.

In 2021, Takaful Insurance Africa launched Family Insurance with payouts to be delivered directly to insured women's M-Pesa accounts on their mobile phones. The team launched a randomized controlled trial (RCT) in 50 study areas where half of the women could purchase Family Insurance and the other half could purchase conventional IBLI.

In 2023, the research team reported results showing that 20% more women bought Family Insurance than conventional IBLI, and the amount they insured was 40% higher. These increases in coverage show significant demand for drought protection when provided in the form of support for the collective family. The team is now measuring the broader impacts of the insurance on people's livelihoods with plans to scale this innovative product.

Challenges and lessons learned

An early challenge was to test the idea of Family Insurance to get a sense of demand before launching a product. Family Insurance was first tested in 2019 using SimPastoralist, a tablet-based game created to simulate ten seasons of buying and selling goats with the additional options to insure them against drought.

Results from the experiment were striking—reformulating insurance to speak specifically about women's roles and responsibilities in taking care of themselves and their children almost doubled the demand for insurance among women relative to the traditional IBLI that framed coverage as a means of maintaining their livestock during drought. Insurance partner Takaful Insurance Africa also found the results striking and translated what was learned from SimPastoralist into a real insurance contract.

"This is an example of how noticing gender dynamics can lead to a quite innovative intervention. As far as I know, nothing has been done along these lines before."

Elizabeth Katz, Global Center
for Gender Equality at Stanford University

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Women in Samburu's pastoralist communities are taking part in a study that tests the impact of a prominent livelihood building program paired with a low-cost form of insurance to protect them against drought.

Hazards covered

Drought

Product/Solution

Microinsurance Households, Shock Responsive Social Protection

Topic / Theme the project addresses

Agriculture, Gender, Monitoring & Evaluation / Impact, Resilient Infrastructure, Risk Finance, Climate & Disaster Risk Management

Objective of the project

The objective of Family Insurance is to provide women who face a high risk of losing their livelihoods to drought a way to independently take care of themselves and their children during times of hardship.

Beneficiaries

In March of 2023, research partner Takaful Insurance Africa expanded the availability of Family Insurance to 430 women's savings groups in Kenya for a large-scale trial of this new product.

Involved organizations/parties in the project

- Feed the Future Innovation Lab for Markets, Risk & Resilience
- UC Davis
- USAID
- International Livestock Research Institute
- Takaful Insurance Africa
- The BOMA Project
- BRAC Institute of Governance & Development

Project duration

2018 – 2022

■ Anticipation □ Relief ■ Recovery □ Reconstruction

Project implemented by: Feed the Future Innovation Lab for Markets, Risk & Resilience; UC Davis; USAID; International Livestock Research Institute; Takaful Insurance Africa; The BOMA Project; BRAC Institute of Governance & Development

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