

COUNTRY PROFILES



INDEX INSURANCE MARKET PROFILE

Kenya

GLOBAL INDEX
INSURANCE FACILITY

FUNDED BY



BACKGROUND

In Kenya, where more than 96 percent of agricultural land is rain-fed and vulnerable to drought and erratic rain, mitigating weather-related risks for smallholder farmers is an important tool for unlocking credit.

DEVELOPMENT IMPACT

Increased investment and earnings: Kilimo Salama insured farmers invested 19% more and earned 16% more than neighboring uninsured counterparts (2012 impact study).

Increased access to finance: Ninety-nine percent of KS's 185,000 insured farmers have loans linked to insurance coverage. In Kenya alone, over 30,000 Kilimo Salama farmers were able to access \$5.5 million in financing because they had insurance. (2012)

Products Available:	Weather station based index, area yield index, and satellite-based index insurance for drought, excess rain, and diseases [livestock insurance being piloted]
Crops Insured:	Maize, beans, wheat, sorghum, coffee, potatoes, livestock [indexes designed for tea, horticulture sunflowers, and soybeans but currently no clients for these products]
Intermediary Brokers	ACRE (Agriculture and Climate Risk Enterprise) – formerly Syngenta Foundation for Sustainable Agriculture
Launch Date	2009
Market Development	2010 2011 2012 2013 67,758 2014 86,923 (August 2014)
Local Insurers	UAP Insurance
International Reinsurers	Swiss Re, Africa Re
Calculation Agent	
Regulatory Environment	
Product Design:	The key to success has been offering a holistic solution to mitigate weather risks, not just insurance. Our profound understanding of agricultural risk enables us to develop customized insurance products using mobile technology, bundled with agricultural advisory services, weather data, local access to quality inputs, and input credit. Our products have allowed credit institutions to enter agricultural lending by mitigating weather-related repayment risk.
Data:	130 solar-powered automated weather stations, satellite rainfall estimates, and government area yield statistics (ACRE)
Cost of Insurance:	5-10% of value of insured inputs or harvest (ACRE)
Value Chain:	maize, beans, wheat, sorghum and coffee: distribution through MFIs, seed multipliers, input suppliers, farmer organizations
Clients (Farmers):	223,000 farmers (2013 - Kenya: 67,758; Rwanda: 144,074; Tanzania: 4,310;) – ACRE Syngenta Foundation for Sustainable Agriculture
Total Insurance Portfolio (sums insured)	\$7.6 million (Syngenta/ACRE)
Payouts:	\$356,707 (2013 – Syngenta Fdn)
Potential Market for Index Insurance:	ACRE hopes to insure one million farmers in East Africa by 2016.