

# Educational Cartoon Series on Index Based Livestock Insurance



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# Educational Cartoon Series on Index Based Livestock Insurance



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My legs are no longer as strong as before .... Huh! These two young men seem engaged in an interesting conversation..

I lost all my livestock, Molu. This drought is the worst I have ever experienced in my 38 years. I thought I could survive as my father did but how wrong I was! I'm now a poor man..... I can't provide for my family!!!

Malmallo, you are not alone. My whole herd of cows and goats was wiped out clean except for one baby goat. Something must be done about this. Question is what?

I heard you earlier on conversing about losses you have incurred due to the prevailing severe drought. Yes its true droughts have exposed us to great risks of losing out livestock!!

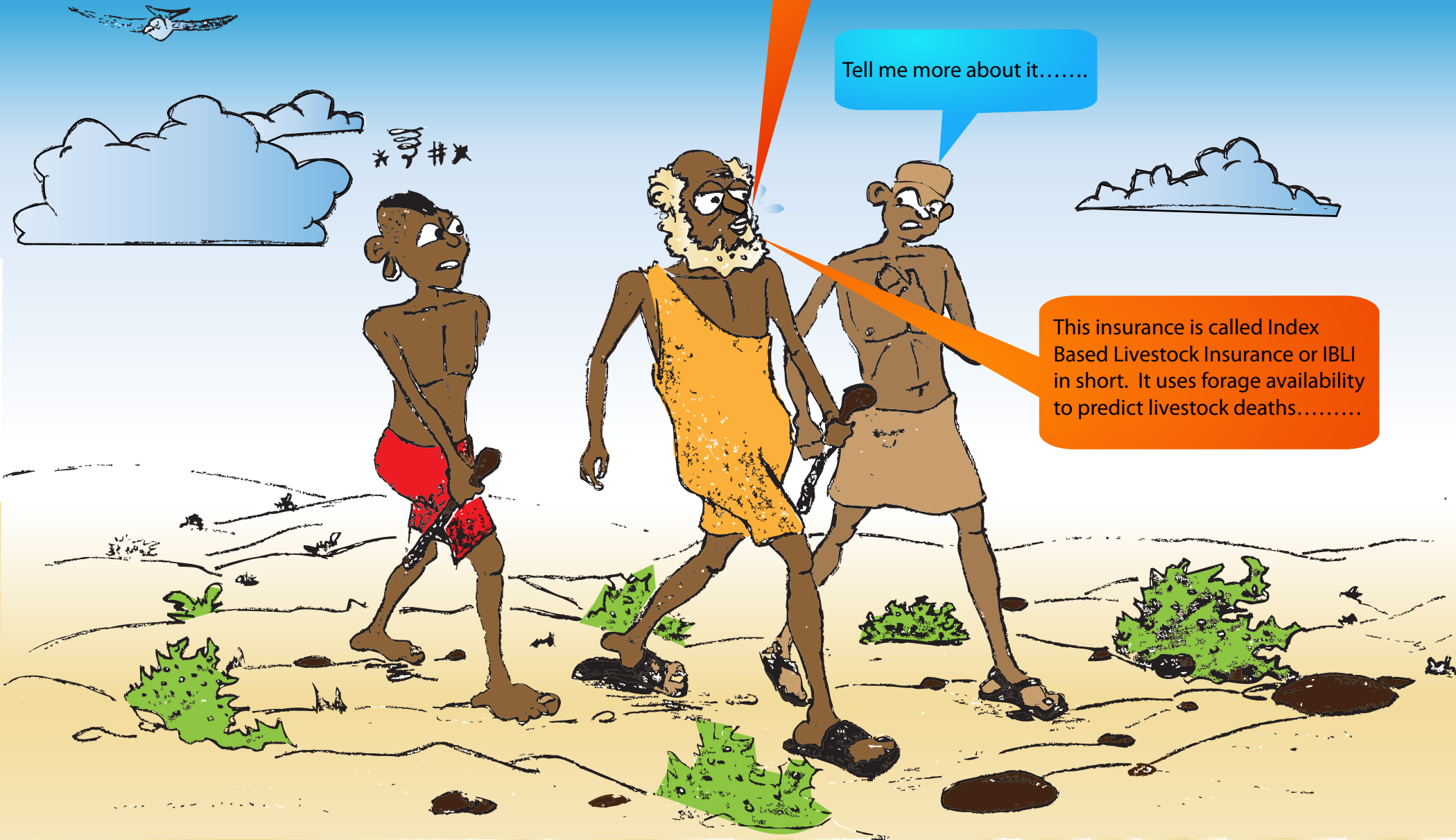
I took some of my livestock to my relatives. My neighbour Katelo migrated with his livestock to Southern Ethiopia but all our livestock died too

It seems that some of our traditional methods of managing this risk are failing, the question now is, what do we do? Livestock is our only source of livelihood!!

These days you can actually insure your livestock against the risk of drought. Infact I insured my livestock after undergoing training about livestock insurance.

Tell me more about it.....

This insurance is called Index Based Livestock Insurance or IBLI in short. It uses forage availability to predict livestock deaths.....



Let us go to my place I want hear more about this IBILI ... IBIS .... ?!

I will gladly accompany you Molu. It is IBLI – Index Based Livestock Insurance. Please request your friend to come along.

Molu, Now you are losing it. You want to hear more of IBIS... ?! It is likely to be just another scam. Blame yourself later!!!

Come one, Malmallo. You sounded so desperate just a while ago. Maybe Mzee has vital information that will change both our ill fortunes. *Kuja twende kwangu tukaskize hii stori ya IBLI bwana!!!!*



Using satellite pictures, the level of forage availability can be monitored, and the forage information for a period of 12 months used to predict livestock deaths .... The satellite pictures show the vegetation cover of a given point and time. That includes here in Elgade!!!!!!

Wah messen buji!!!! Can that IBLI satellite show how many of my livestock died?

Which of the animals we keep does IBLI cover?


No Malmallo.... The satellite pictures provide information on forage availability which is used to construct an indicator of predicted livestock deaths.... The indicator provides an estimate of livestock deaths for a division and not for an individual!!!

It covers cows, camels, goats and sheep against drought related deaths only.






Is IBLI cover for free?



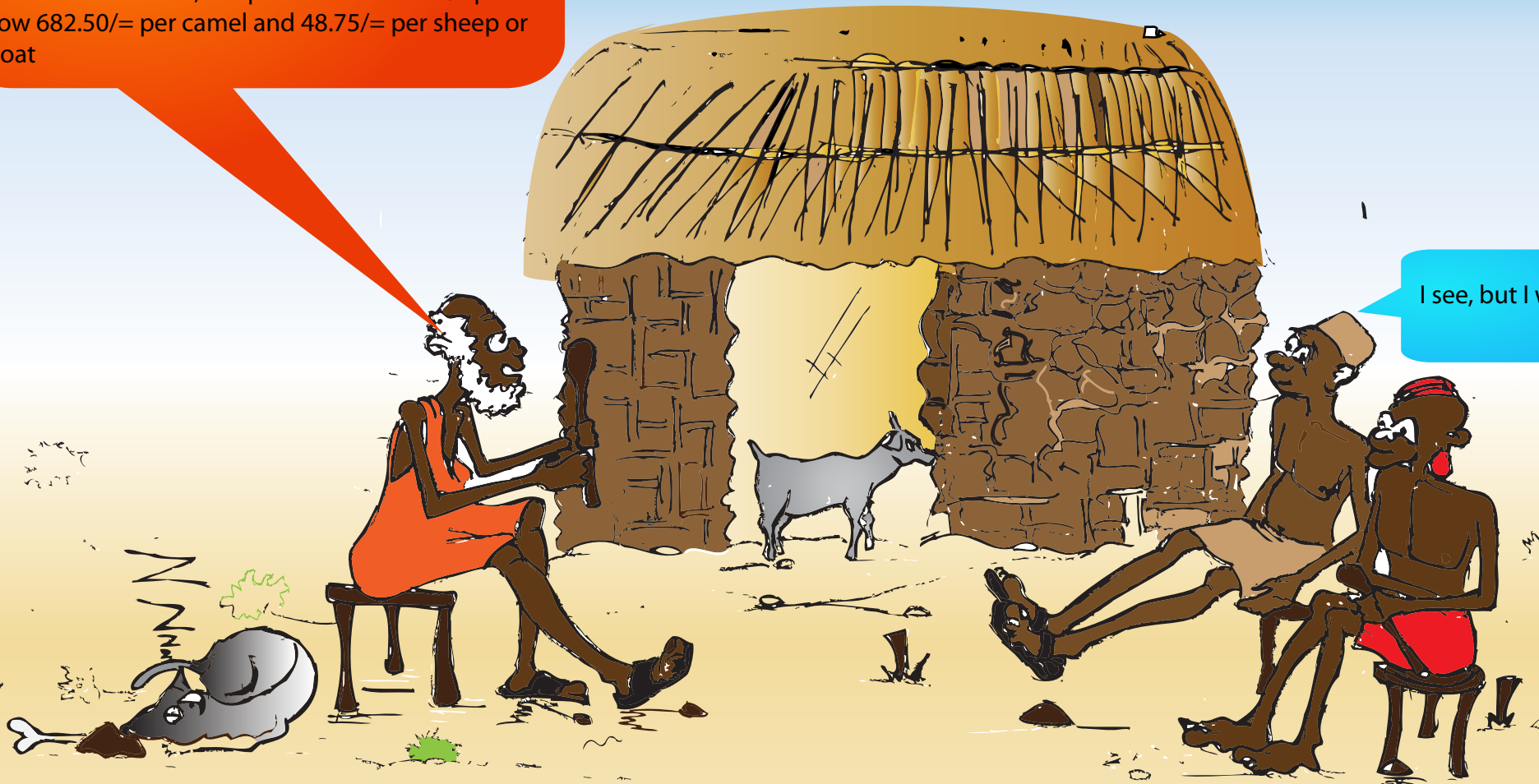
Arda!!!! Molu, are you serious??? In life good things come at a price. Is it not so, Malmallo? The insurance cover is provided at a small fee.

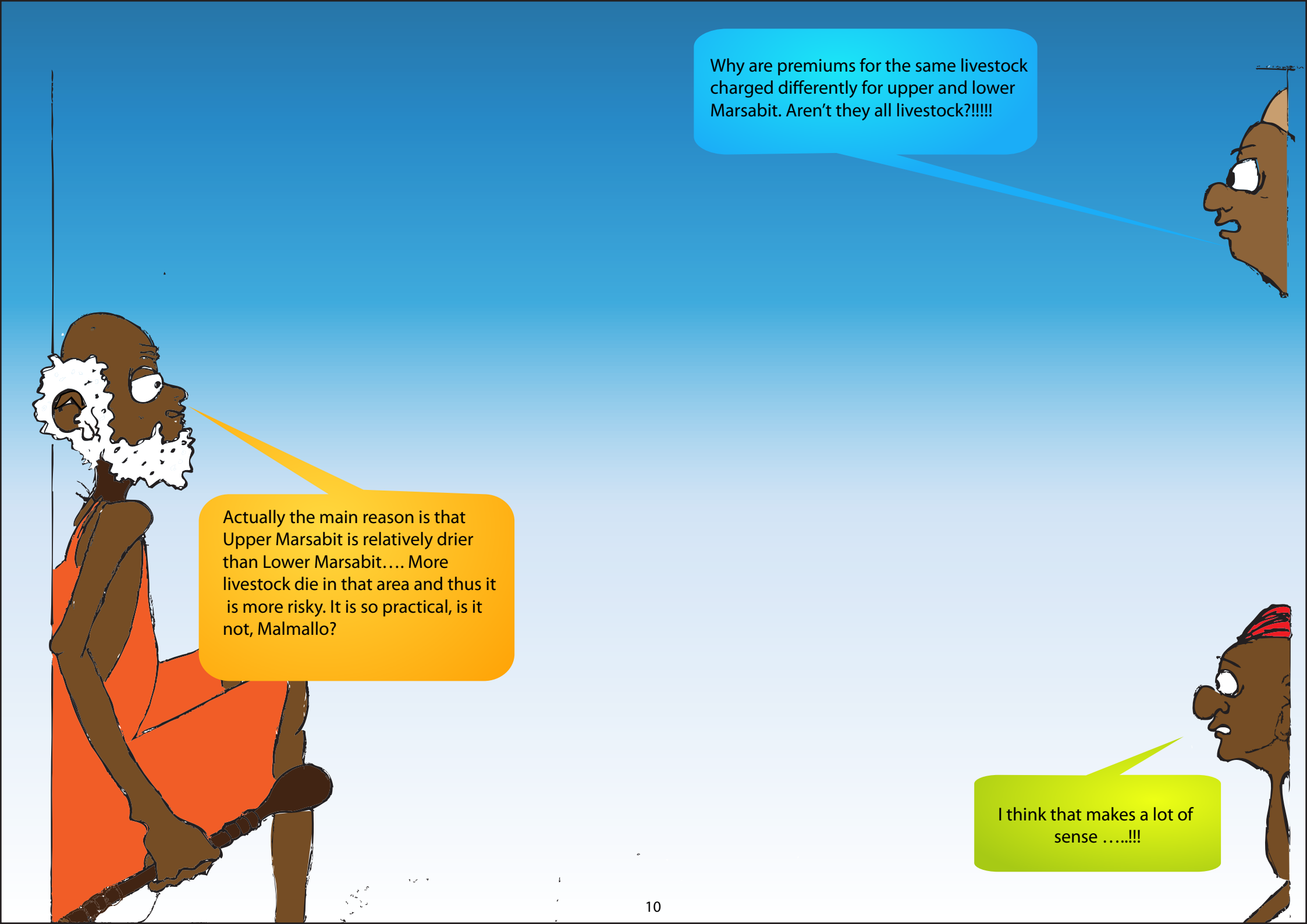


You are right Mzee "*mtaka cha mvunguni sharti ainame*". But, the small fee you are talking about is it uniform for all livestock.....?!

Good question Malmallo! Those who come from Upper Marsabit divisions such as Maikona will pay a little more than those from Lower Marsabit divisions such as Marsabit Central. For Upper Marsabit, the premium is: 825/= per cow, 1,155/= per camel and 82.50/=per sheep or goat  
For Lower Marsabit, the premium is 487.50/=per cow 682.50/= per camel and 48.75/= per sheep or goat

I see, but I wonder .....

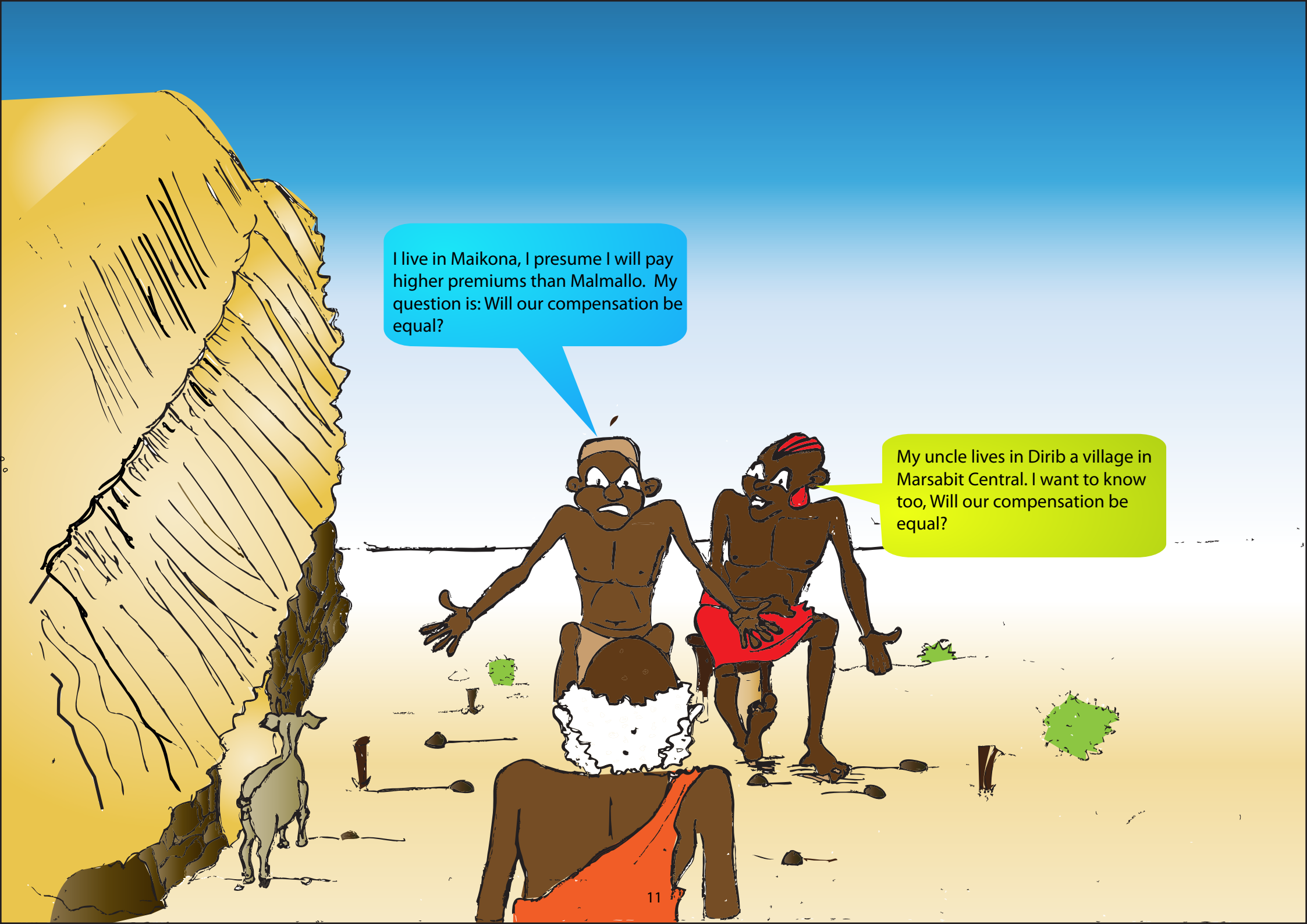




Why are premiums for the same livestock charged differently for upper and lower Marsabit. Aren't they all livestock?!!!!

Actually the main reason is that Upper Marsabit is relatively drier than Lower Marsabit.... More livestock die in that area and thus it is more risky. It is so practical, is it not, Malmallo?

I think that makes a lot of sense .....!!!



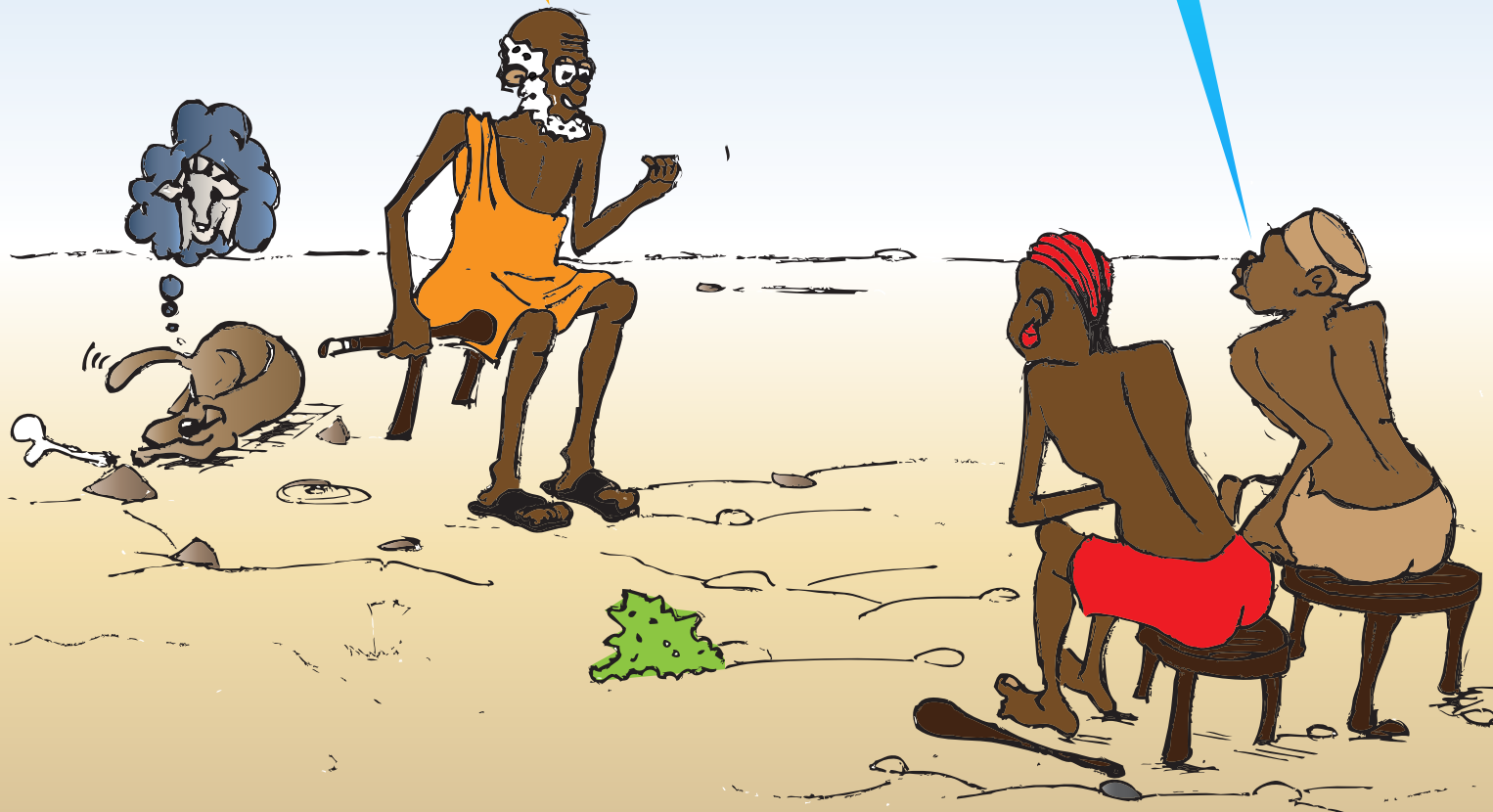
I live in Maikona, I presume I will pay higher premiums than Malmallo. My question is: Will our compensation be equal?

My uncle lives in Dirib a village in Marsabit Central. I want to know too, Will our compensation be equal?

No. Compensation will depend on the number of animals insured and the division you come from..... remember that forage availability is monitored per division and therefore different divisions may therefore receive different compensations

If I pay my premiums, how will I be compensated?

You will be compensated according to the value of animals insured. The average value of livestock across Marsabit has been set at Ksh. 21,000 per camel, Ksh 15,000 per cow and Ksh 1,500 per goat or sheep. You may insure the number of livestock you wish. The compensation will however depend on whether the predicted livestock deaths in your division will exceed the trigger level.



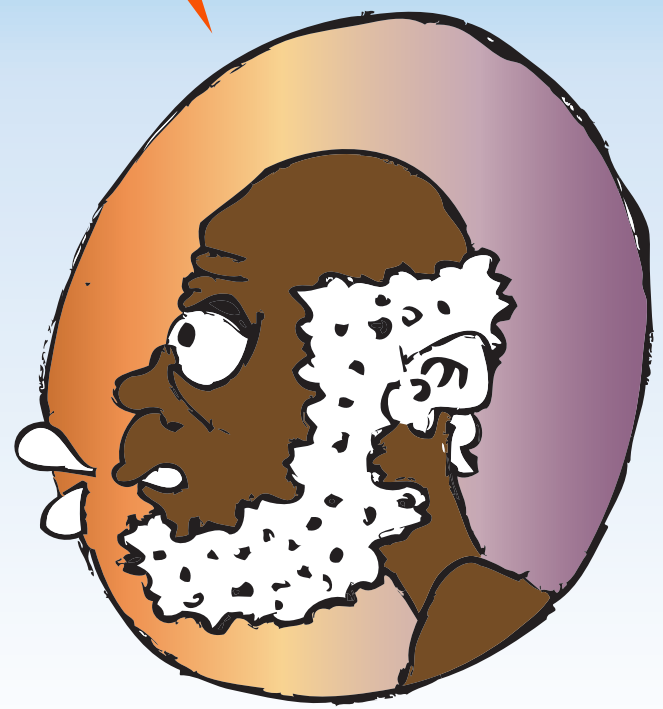


Hii Trigger level nayo ni nini?

If predicted livestock deaths are below the trigger level, will I be compensated? If not, how do I get back my premiums?

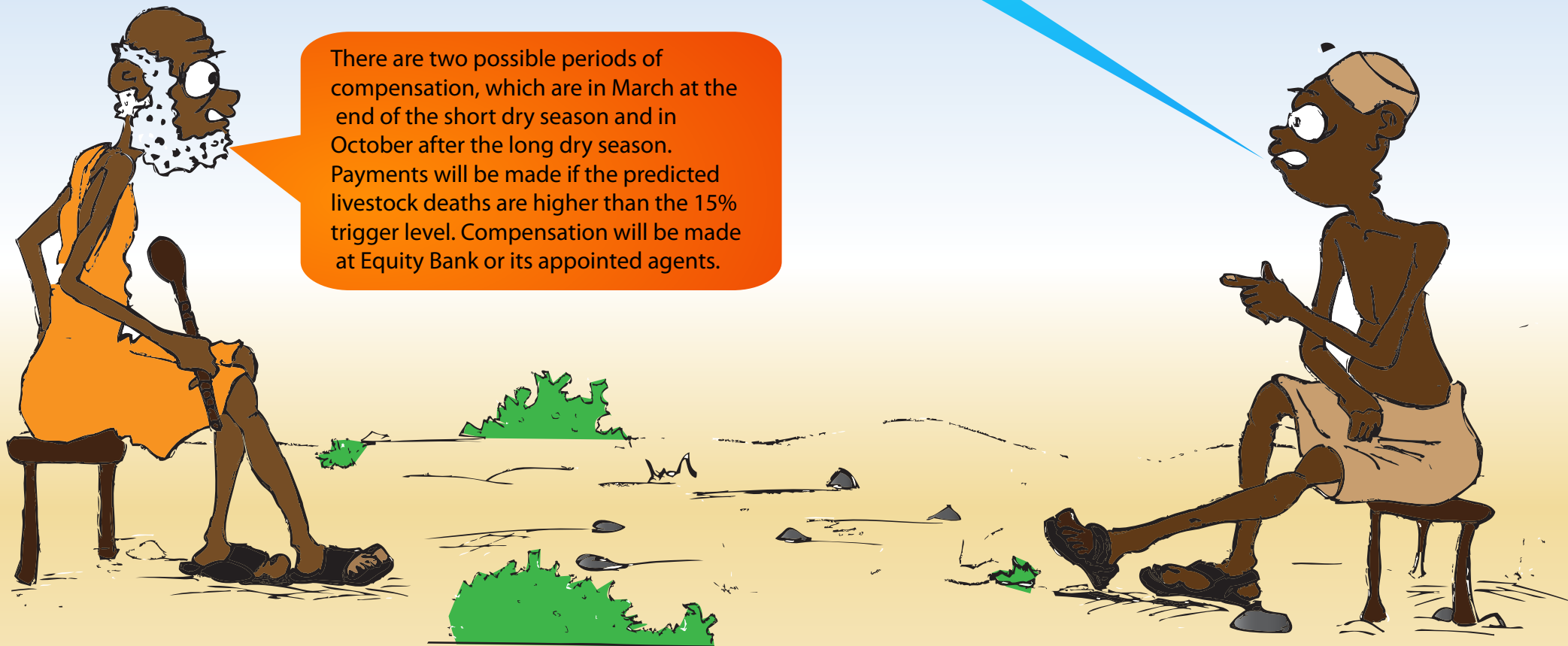
The trigger level is the point above which the insurance company should begin making compensation in case of a drought. The trigger point for IBLI is 15%. It actually means that the insurance company can only make compensation after 15 in every 100 livestock are predicted to have died in your division

No Malmallo. You are only compensated if the trigger level is exceeded. As for the premiums Malmallo, when we employ guards to guard us against rustlers, we don't ask them to refund their wages when the rustlers fail to strike!!!! They will have done their work either way. If the trigger level is reached or not the fact remains that you will still have been covered. Therefore the premiums are similarly non-refundable!!



When and where will I be compensated, if the trigger point is exceeded?

There are two possible periods of compensation, which are in March at the end of the short dry season and in October after the long dry season. Payments will be made if the predicted livestock deaths are higher than the 15% trigger level. Compensation will be made at Equity Bank or its appointed agents.





Can I be compensated in case rustlers steal my livestock or if they are killed by livestock diseases?



And how do I know if compensation will be made?

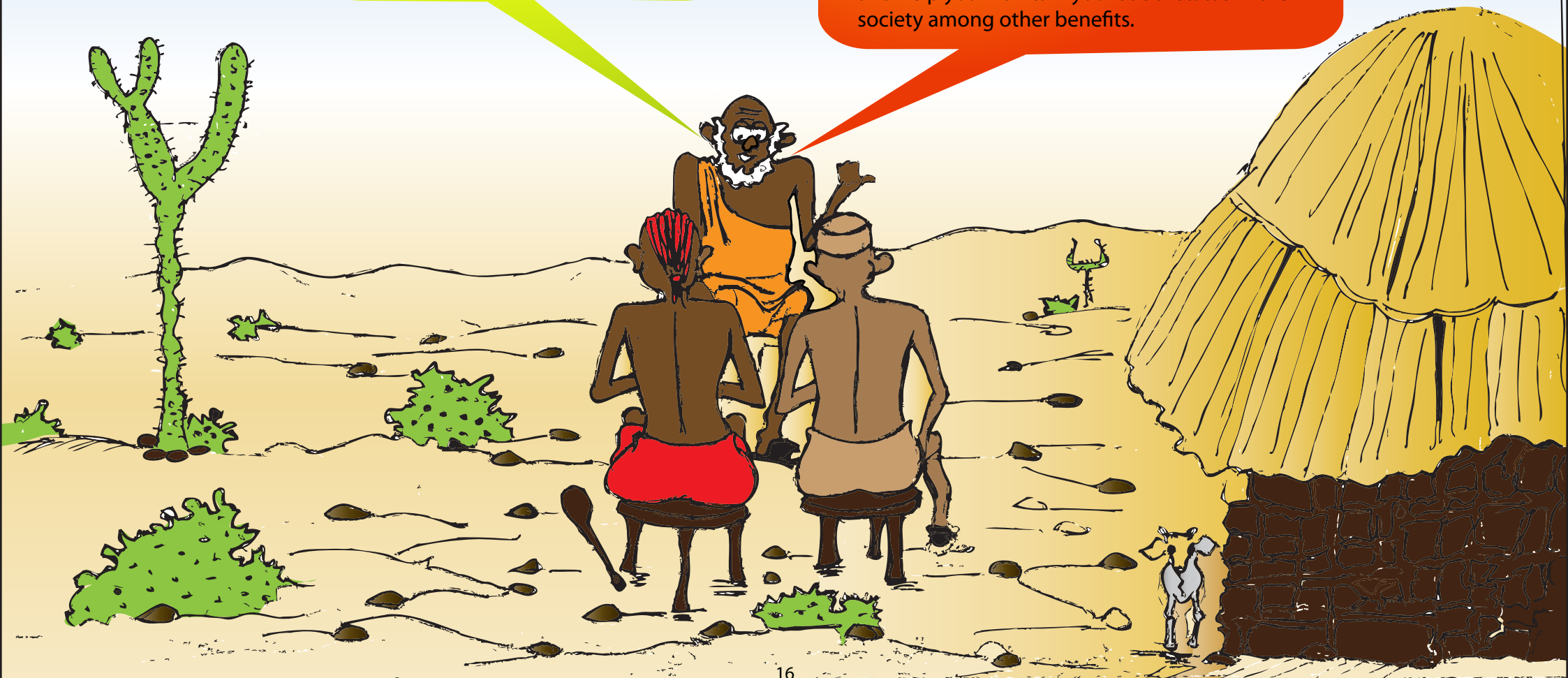


Malmalo, IBLI covers the risk of livestock deaths that result from lack of forage over some time only. If your livestock die of diseases or they are stolen IBLI will not compensate. Molu, you do not need to make an application for compensation, It is announced at the division level through the chiefs and on the radio.



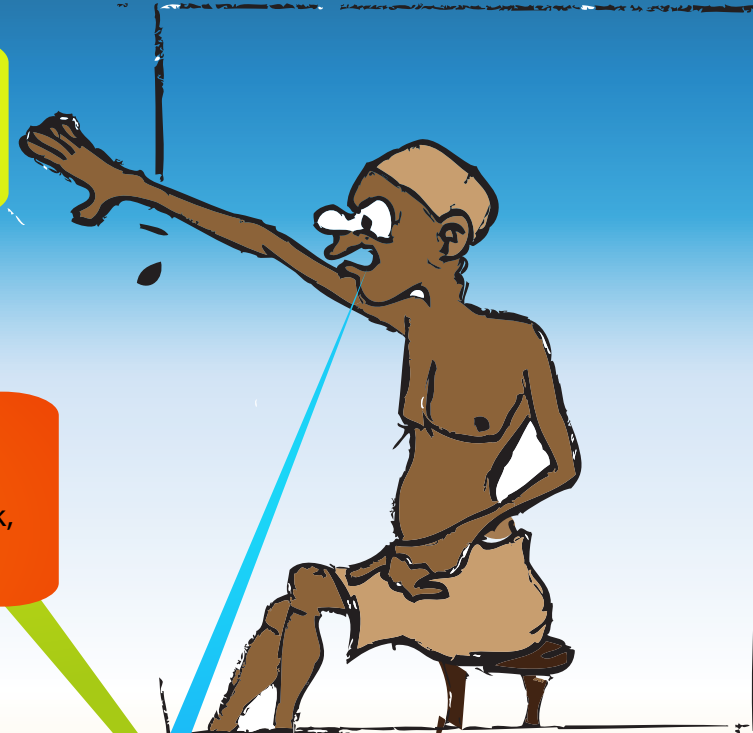
How do I benefit from purchasing IBLI?

A very good and important question, Malmallo first of all IBLI will cushion you against drought related livestock deaths. By compensating you when you lose a lot of your animals, it will also help you restock in case of devastating drought, safeguard against dehumanizing effects of poverty and help you maintain your social status in the society among other benefits.

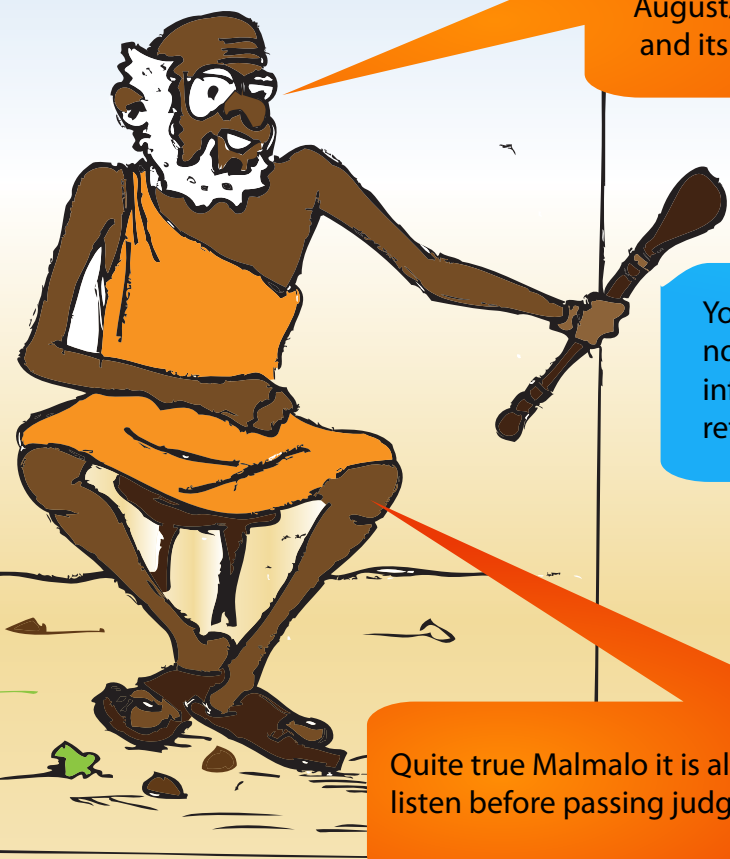




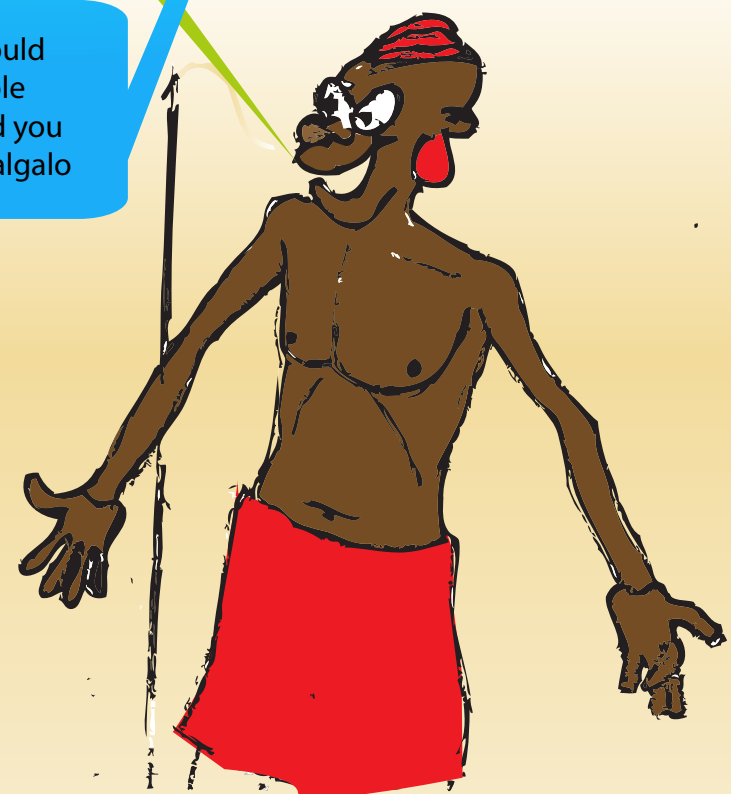
I want to know..... where and when I can buy IBLI?



IBLI is sold every year in the months of January/February and August/September at Equity Bank, and its appointed agents.



You see Malmallo!!!! you would not have gotten this valuable information about IBLI, had you refused to listen to Mzee Galgalo



Quite true Malmalo it is always wise to listen before passing judgment!!!!

It has been a pleasure having you here with us.....

I'm sorry for my bad attitude at the start. I was so misinformed then ....!!



All pleasure has been mine gentlemen.... Malmallo, you are not such a bad person, after all. I ask you to find out more about IBLI from Equity Bank, its appointed agents or any trained, insurance promoter. Goodbye for now ....!!!



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