What Is Climate Risk Insurance?

Climate Risk Insurance helps people, crops, livestock, pastoralists and businesses manage and recover from financial losses caused by climate-related events such as droughts, floods, extreme heat and unpredictable rainfall. It provides financial protection to help policyholders recover from covered losses.

Climate Risks in Somaliland

Somaliland faces climate risks that can affect livelihoods, food production, livestock, property and economic activity. These include drought and reduced water and pasture; irregular rainfall and lower crop yields; floods that damage homes, livestock and infrastructure; extreme heat; and land degradation.

Why Does Climate Insurance Matter?

Climate insurance helps protect families and communities from financial shocks, can reduce poverty and debt after climate events, supports food security and more stable incomes, and strengthens community resilience.

Who Can Benefit?

- Pastoralists: protection against covered climate-related risks affecting livestock and livelihoods.
- Farmers: support in recovering from crop losses.
- Businesses: help managing climate-related financial disruption.
- Communities and government: protection for eligible public assets, infrastructure and services.



CLIMATE RISK INSURANCE

SOMALILAND INSURANCE SUMMIT AND EXPO 2026

Protecting people, livelihoods and a more resilient Somaliland



How Does It Work?

- One approach is Weather Index Insurance:
- A defined weather indicator, such as rainfall or temperature, is measured.
- The measured index is compared with the threshold agreed in the insurance policy.
- If the index reaches the agreed trigger, a payment is made according to the policy terms.
- The payment can help the policyholder recover and continue their activities.

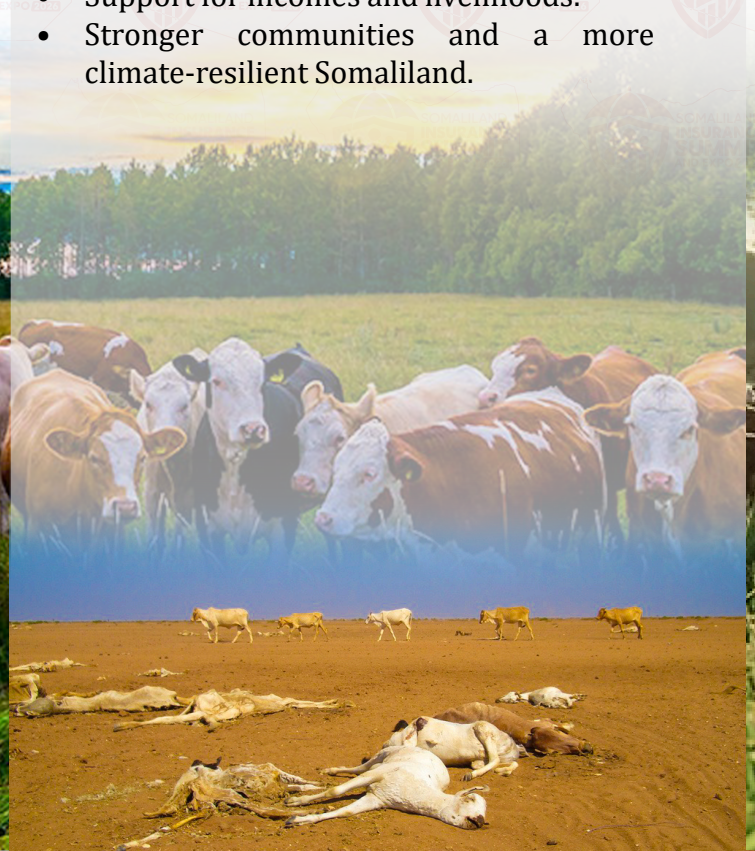


What Can Be Covered?

- Livestock insurance: losses associated with covered climate conditions.
- Crop insurance: crop losses caused by drought, floods or insufficient rainfall, where covered by the policy.
- Infrastructure insurance: Damage to infrastructure and community assets.
- Property insurance: covered damage to homes and small businesses.

Key Benefits

- Financial protection for individuals and communities.
- Faster recovery after covered climate events.
- Support for incomes and livelihoods.
- Stronger communities and a more climate-resilient Somaliland.



KEY MESSAGE

Prepare Today For A More Resilient Tomorrow

Understand what is covered, the policy terms, payment triggers and the claims process before purchasing insurance.



