

Case Study: IBISA – India

Targeted Distribution Increases Women’s Use of Index Insurance

Why This Case Matters

In India, IBISA partnered with women-led farmer producer organizations (FPOs) ensuring that women (who play a central role in Indian agriculture) benefit from index insurance. This approach not only strengthened gender inclusion, but also demonstrated how trusted local institutions can drive equitable access and adoption.

India Insights*

> Agriculture Scope

- 44% employed in agriculture
- 61% female
- 60% land area is agricultural

> Vulnerability

- 33% rural poverty

> Financial Services

- 22% unbanked
- 10% use mobile money

> Climate risks

- Increase in extreme heat waves, floods, and irregular monsoon patterns;
- Increase of agricultural pests and diseases

India Context: Agricultural, Climate and Financial Inclusion

Rural India is largely agricultural, with over half the land under crop production. As agriculture is primarily female-driven, rising climate risks leave women vulnerable without safety nets and financial services to protect their livelihoods.

India’s national agricultural insurance scheme is the largest in the world; introduced in 2016, it provides area yield- and weather-index based coverage that reaches millions of farmers.[1] However, the programs have had numerous challenges with complex enrolment, limited coverage and delays in payouts..

About IBISA

IBISA is an insure-tech operating across eight+ countries in Africa and Asia, insuring over 700,000 people through partnerships. IBISA designs and operates parametric insurance products covering:

- **Drought** – for smallholder farmers and pastoralists in dryland areas
- **Excess rainfall** – for agriculture, MSMEs, and others
- **Typhoon / tropical cyclone** – in Southeast Asia (e.g., the Philippines)
- **Heat stress** – for dairy farmers (India, Senegal) and women’s self-help groups
- **Solar irradiation & windspeed** – for renewable energy projects
- **Flood (in development)** – using Earth Observation data to cover urban and rural flood risks

All products are tailored to local realities and designed for easy access, transparency, and fast payouts - even for first-time users.

*Sources: [World Bank Data](#) (ILO modeled data, 2023, FAO data 2022); [Poverty & Equity Brief: India](#), 2025 (poverty data, 2022-23); World Bank [Global Findex Database](#); Yale University, [Climate Impacts in India](#).

[1] Pradhan Mantri Fasal Bima Yojana (PMFBY) and the Restructured Weather Based Crop Insurance Scheme (RWBCIS). [India Ministry of Agriculture & Farmers Welfare](#).



IBISA in India and SCBF's Role

In 2022, SCBF [supported](#) IBISA and Collectives for Integrated Livelihood Initiatives (CInI) to design and launch parametric insurance for vegetable and paddy farmers in Gujarat, Odisha, and Jharkhand. CInI works through farmer producer organizations (FPOs) reaching more than 1 million small and marginal farmers through its [Lakhpati Kisan](#) program, which seeks to increase farmers' quality of life through increased income. With the support of SCBF, IBISA was able to:

1. **Tailor** the design of index insurance for multiple crops and with feedback from farmers leading to improvements after each season.
2. **Create** awareness through financial literacy trainings with CInI field staff and FPO leaders.
3. **Develop** an insurance policy tracking dashboard enabling FPOs and farmers to view climate data for their location and be informed when payouts are triggered.

Achievements & Innovations

IBISA achieved strong outreach to excluded populations covering 78,000 farmers (~100% women) against drought, unseasonal rains, and disease-favourable conditions.

- **Targeted, meso-level delivery increases access for rural and low-income women.** IBISA and CiNi successfully reached farmers through FPOs, owned and operated by women. The majority were new to insurance (95%) and living on less than \$3.65/day.[2] Even though only 13% received payouts, most reported higher incomes, greater savings, and reduced stress.[3] The partnership with CiNi and the delivery of the index insurance through the [Lakhpati Kisan](#) program enabled farmers to optimize the benefits of having a safety net.
- **Index insurance results in non-tangible outcomes that should be further explored.** Through phone surveys, 66% of farmers felt less stressed, and 76% felt better prepared for future shocks, highlighting both financial and psychological benefits.[4]
- **Listening to farmer feedback results in innovation that satisfies customers.** IBISA created a “disease-favourable days” index, linking rainfall and temperature thresholds to crop disease risks - an innovation shaped directly by farmer feedback.
- **Technology can support transparency and trust building with farmers.** Dashboards provided to FPOs allowed them to model thresholds, premiums, and payouts. This built trust and equipped FPO leaders to explain products clearly to members.
- **Seasonal co-design and improvement of index insurance enhance value and trust.** After each season, IBISA refined the coverage through consultations with farmers and FPOs, improving alignment with local realities and responding to farmers priority risks.
- **Gender norms and preferences may affect outcomes evaluations.** IBISA and CiNi estimate that nearly 100% of the farmers participating in the FPOs were women. When SCBF commissioned an outcome study conducted by telephone interviews, women

[2, 3, 4] [IBISA India Impact Performance Report](#). 60 Decibels commissioned by SCBF. December 2024.



When SCBF commissioned an outcome study conducted by telephone interviews, women were reluctant to answer questions about their financial experience to a stranger over the telephone. Intentional gender-aware design is important for products and delivery, but also for outcomes evaluations to ensure that both women and men's voices and experiences can be captured.

Challenges

Despite promising results, several challenges persist.

- **Engaging women farmers remains difficult.** Many were reluctant to participate in phone-based surveys, even in local languages, making it harder to fully capture their perspectives. At the farmer level, insurance concepts remained complex, with many clients struggling to distinguish IBISA's benefits from those of their FPO or CInI's broader development program.
- **Despite careful design, basis risk creates frustration.** For example, wind damage - frequently cited as a major concern - was not covered, leaving some farmers dissatisfied when losses went uncompensated. In another instance, two FPOs decided not to renew their policy because local weather station data accessible to farmers led to expectations of a payout whereas the index data did not trigger a payout. Asymmetry of information is a critical problem that affects client trust and renewal. IBISA's loss ratio declined over a two-year period, potentially indicating that the index is not capturing losses sufficiently. As the product evolves, the loss ratio along with client feedback are key measures of product viability.
- **Regulatory barriers added another layer of complexity.** IBISA's initial plan to bundle digital loans with insurance was blocked under Indian consumer protection rules, which prohibit tying credit to specific insurance products. This slowed potential scale with a digital financial service provider and forced reliance on meso-level arrangements with FPOs instead.



Pic Courtesy: IBISA in India

Future Outlook

Looking ahead, IBISA is strengthening its model through farmer federations, FPOs, and financial institutions. Embedding coverage into broader services—such as credit, input supply, or dairy value chains—will make products more relevant and sustainable. Priority hazards include flood and heatwave, with extreme heat products already available for dairy farmers.

On the innovation side, IBISA is investing in forecast-based modelling to better capture extreme climate risks and experimenting with smart contracts to automate payouts and increase transparency. Modular product design is also a key focus, allowing IBISA to create plug-and-play insurance offerings that can be tailored to different markets while maintaining efficiency.

Key Takeaway

IBISA's Experience : Strategies for Design and Scale

Parametric insurance can generate scale and impact even when payouts are limited. For farmers, the value lies not only in compensation but also in reduced stress, improved confidence, and a sense of preparedness. To sustain growth, however, regulatory constraints, product complexity, and trust gaps must be addressed.

- **For donors:** Support development of innovative tools to build farmer trust and incentivise index insurance program design for women, with a special focus on outcomes.
- **For practitioners:** Co-develop products with farmer organizations, use digital tools to make the index and triggers more understandable and transparent, and innovate around indices that respond to farmers' experience of climate risks. Engage women led organizations with intentional and gender-focused design, delivery and outcomes evaluation.

Other project related documents:

- [Project Factsheet](#)
- [Project Final Report](#)
- [Project Outcome Study](#)
