



MICRO INSURANCE MARKET OVERVIEW

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ILO SUBREGIONAL OFFICE, NEW DELHI
STEP (Strategies and Tools against social Exclusion and Poverty) Asia Coordination





SOCIAL PROTECTION PRIORITY NEEDS OF THE POOR

1 ☺ HEALTH CARE:

- A STRONG DEMAND FOR COMPREHENSIVE COVERAGE (WHOLE CARE VS RARE CARE)
- QUALITY IS A MAJOR CONCERN

2 ☺ MATERNITY PROTECTION

- NEED FOR A BROADER RCH PERSPECTIVE

3 ☺ OLD AGE PENSION

- A NEW BUT FAST INCREASING DEMAND

4 ☺ LIFE

- A STRONG DEMAND FOR MATURITY BENEFITS (CASH BACK SERVICES)

5 ☺ ACCIDENTS



HEALTH MICRO-INSURANCE: THE SITUATION IN ASIA

	NO OF SCHEMES	NO OF BENEFIC.
BANGLADESH	11	800,000
CAMBODIA	1	1,000
INDIA	90	8,500,000
LAOS	5	33,000
NEPAL	15	44,000
PAKISTAN	2	107,000
PHILIPPINES	57	615,000
SRI LANKA	3	80,000
TOTAL	184	10,180,000





INDIA: MEASURING THE MAGNITUDE OF THE CHALLENGE...

- POPULATION: 1.1 BILLION
- 370 MILLION WORKERS OPERATING IN THE INFORMAL ECONOMY
- 92% OF THE LABOUR FORCE LEFT WITHOUT ANY SOCIAL PROTECTION BENEFIT
- HEALTH PROTECTION: STILL A DREAM FOR ONE BILLION PEOPLE...
- ... THE BIGGEST EXTENSION CHALLENGE IN THE WORLD...





MAIN HEALTH INSURANCE EXTENSION MECHANISMS



ESIS COVERAGE: GRADUAL EXTENSION TO INFORMAL ECONOMY WORKERS



WELFARE FUNDS: FUNDS CREATED THROUGH CESS / CONTRIBUTION CATERING FOR A SPECIAL CATEGORY OF WORKERS – TRIPARTITE MANAGEMENT – BROAD RANGE OF BENEFITS: EDUCATION GRANTS, OLD-AGE PENSION, MEDICAL CARE, LIFE... (EXAMPLE: KERALA - 24 WELFARE FUNDS)



MICRO-INSURANCE PRODUCTS: PROVIDED BY INSURANCE COMPANIES (BOTH PUBLIC AND PRIVATE) AND TARGETING THE DISADVANTAGED GROUPS (RURAL & SOCIAL SECTORS)



IN-HOUSE MICRO-INSURANCE SCHEMES: DEVELOPED BY A WIDE DIVERSITY OF ACTORS

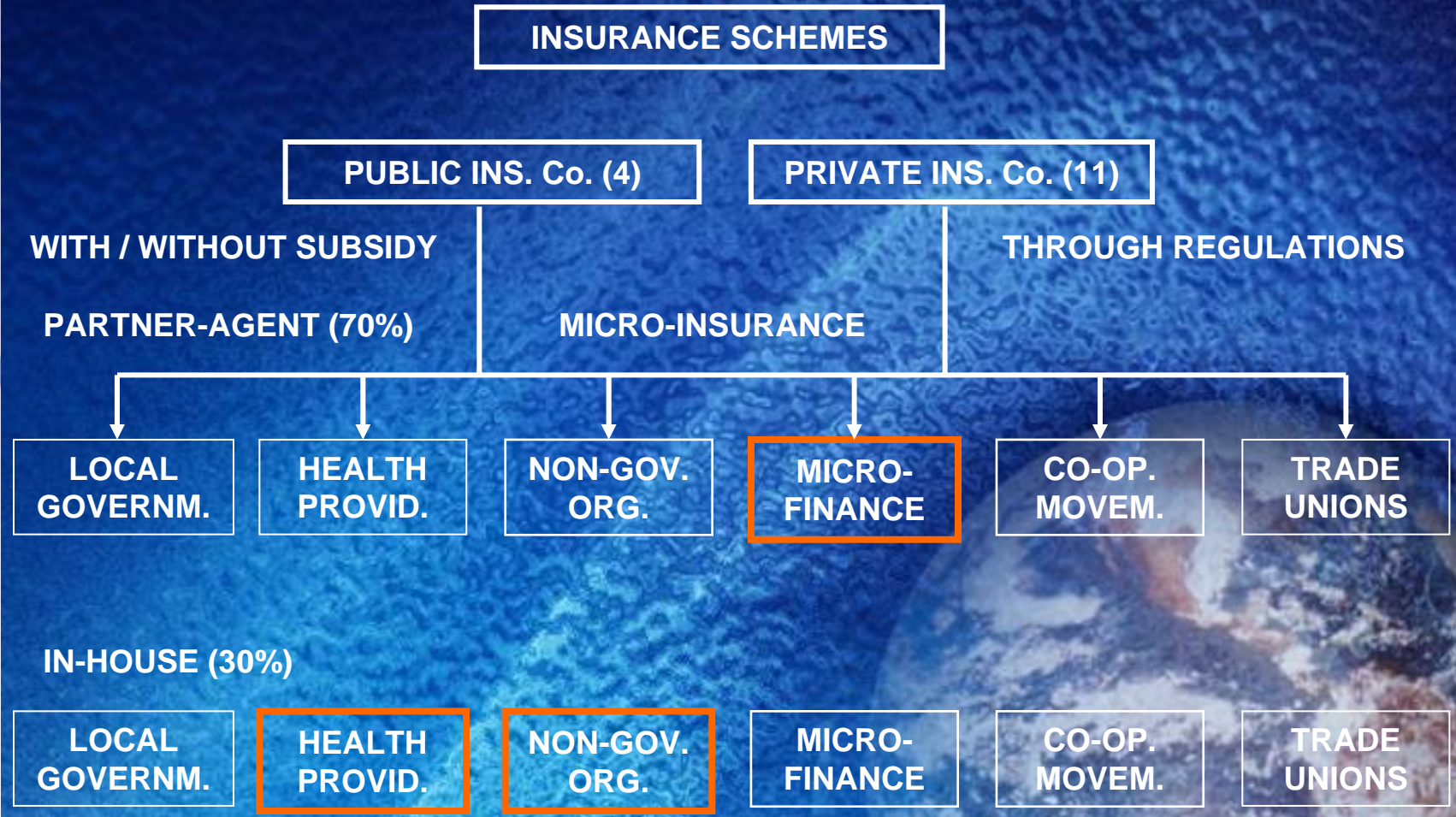


SPECIAL FUNDS: ALLOCATED BY STATE GOVERNMENTS TO PAY FOR SURGICAL PROCEDURES NEEDED BY BPL POPULATION (EXAMPLE: JHARKHAND – US\$ 2.2 MILLION/YEAR)





CENTRAL GOVERNMENT: HEALTH INSURANCE EXTENSION STRATEGIES





HEALTH MICRO-INSURANCE: A WIDE DIVERSITY OF APPROACHES...

SCHEMES	NO OF BENEFIC.	TYPE OF SCHEME	TYPE OF COVERAGE	TYPE OF BENEFIT	TYPE OF SUBSIDY
YESHASVINI	2,022,000	IN-HOUSE	TER.	CASHL.	DIRECT
DHARAMST.	721,000	P.AGENT	SEC.	CASHL.	-
SEWA	184,000	P.AGENT	SEC.	REIMB.	INDIRECT
VHS	124,000	P.AGENT	PR/SEC	CASHL.	INDIRECT
PREM	108,000	IN-HOUSE	SEC.	CASHL/REIM	INDIRECT
RAHA	84,000	IN-HOUSE	PR/SEC.	CASHL.	IND/DIRECT
NAANDI	60,000	IN-HOUSE	PR+SEC+TER	CASHLESS	IND/DIRECT
AROGYA	56,000	P.AGENT	SEC.	CASHL.	INDIRECT
INDORE	49,000	P.AGENT	SEC.	CASHL.	DIRECT
H.FIELDS	30,000	P.AGENT	SEC.	CASHL/REIM	INDIRECT
UPLIFT	26,000	IN HOUSE	SEC.	REIMB.	INDIRECT
KARUNA	50,000	P.AGENT	PR/SEC.	REIMB	INDIRECT
ASHWINI	15,000	P.AGENT	PR/SEC	CASHL.	IND/DIRECT





YESHASVINI CO-OPERATIVE FARMERS HEALTH SCHEME (KARNATAKA)

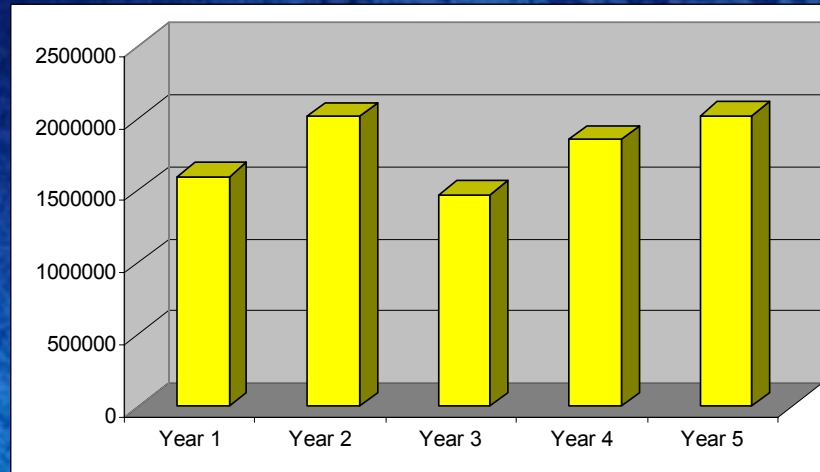
- PRIVATE TRUST (HEALTH PROVIDERS / GOVERNMENT)
- MARKETING THROUGH THE COOPERATIVE MOVEMENT
- COVERS ONLY SURGICAL PROCEDURES (1,600 PROCEDURES) UP TO Rs. 100,000 PER YEAR
- PREMIUM: Rs. 120 /PERS /YEAR (Rs. 60 FOR CHILDREN UNDER 18)
- IN-HOUSE MODEL (NO INS. CO)
- TPA (FAMILY HEALTH PLAN)
- HOSPITAL NETWORK (295)
- CASHLESS SERVICES
- GOVERNMENT DIRECT CONTRIB.
- COVERAGE (2007): 2,022,000
- SECOND LARGEST IN THE WORLD



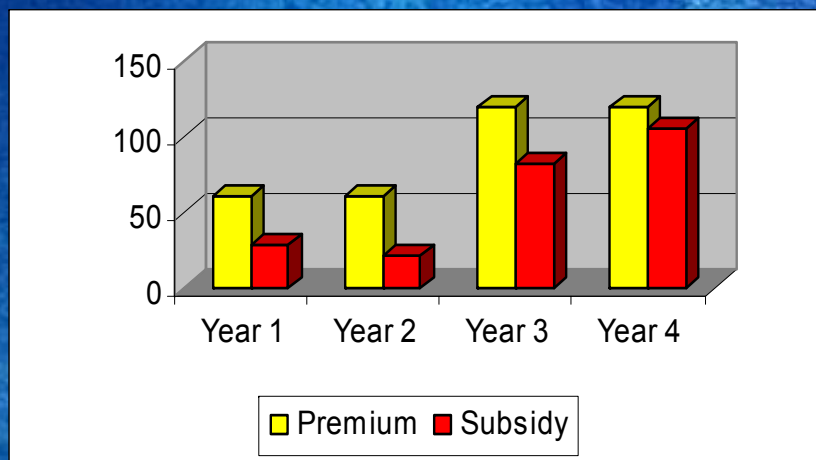


YESHASVINI: EVOLUTION OF PERFORMANCE INDICATORS

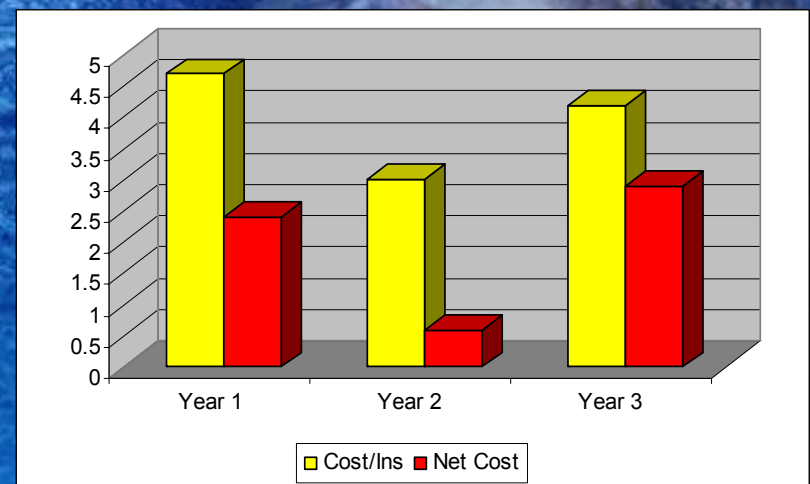
NUMBER OF INSURED



PREMIUM VERSUS SUBSIDY PER INSURED



ADMINISTRATIVE COST PER INSURED





INDORE MUNICIPAL CORPORATION HEALTH INSURANCE SCHEME (MADHYA PRADESH)

PUBLIC DEPARTMENT (IMC)

TARGETS SENIOR CITIZENS (60 TO 80 YEARS OLD)

COVERS HOSPITALIZATION COSTS UP TO Rs. 20,000

PREMIUM: Rs. 475 /PER PERSON /PER YEAR (FULLY PAID BY MUNICIPAL CORPORATION)

PUBLIC INSURANCE COMPANY

TPA (MD INDIA)

HOSPITAL NETWORK (14 PRIVATE HOSPITALS)

CASHLESS SERVICES

COVERAGE (2006): 49,419

ALREADY REPLICATED IN GWALIOR

**MD
inDIA**

MDIndia

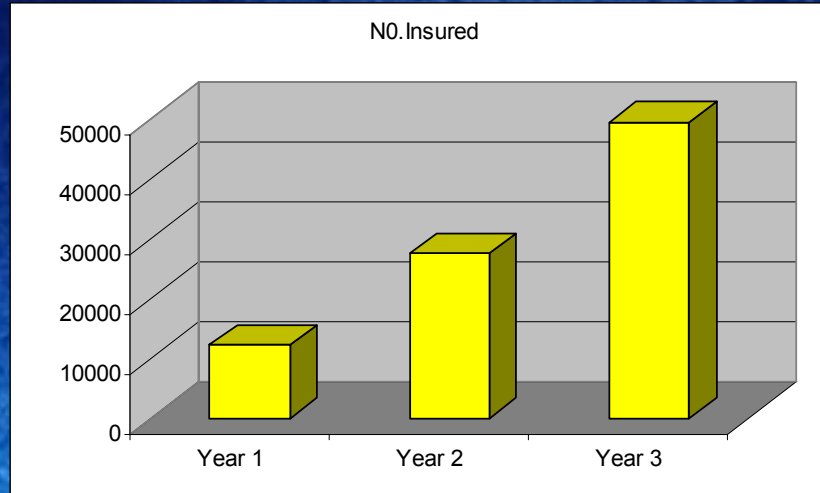
Healthcare Services (P) Ltd.



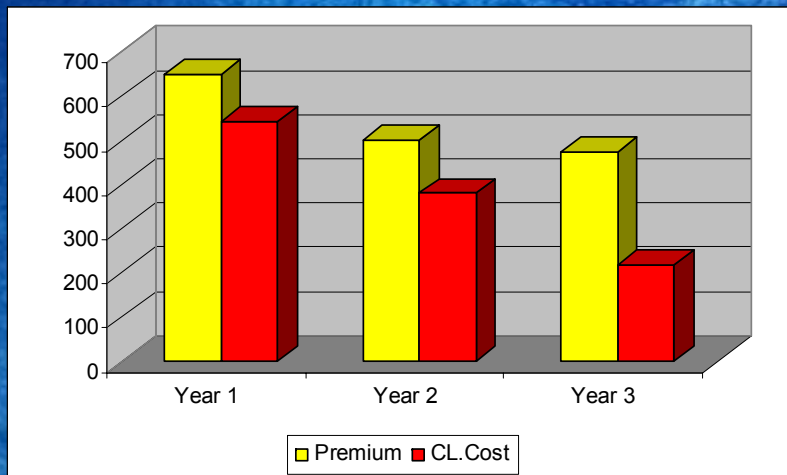


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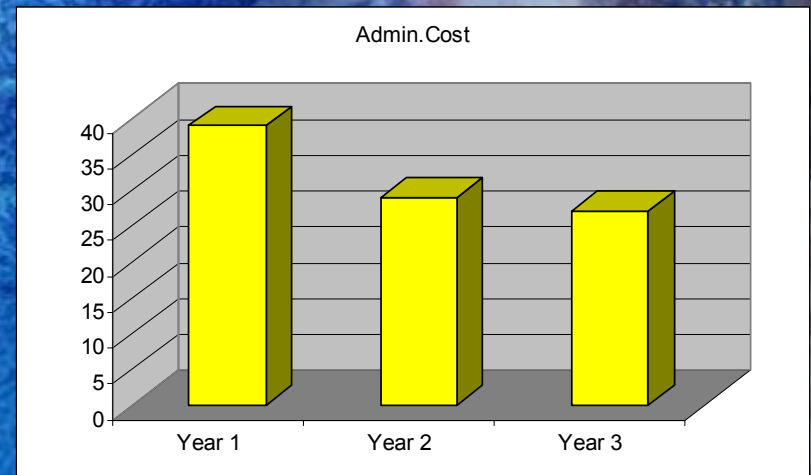
NUMBER OF INSURED



PREMIUM VERSUS CLAIMS COST



ADMINISTRATIVE COST PER INSURED





NAANDI FOUNDATION SCHOOL HEALTH PROGRAMME (ANDHRA PRADESH)

- **NGO / PRIVATE TRUST**
- **TARGETS YOUNG CHILDREN (6 to 14 YEARS-OLD)
ENLISTED IN PUBLIC SCHOOLS (HYDERABAD CITY)**
- **COMPREHENSIVE COVERAGE (WHOLE CARE) – WITH NO
LIMITATION**
- **PREMIUM: Rs. 120 PER CHILD PER YEAR (FULLY PAID BY
CORPORATE SECTOR/ EMPLOYEES)**
- **SERVICES PROVIDED BY NODAL HEALTH CLINICS + BASE
HOSPITAL + REFERRALS**
- **CASHLESS SERVICES**
- **STRONG EDUCATION COMPONENT**
- **COVERAGE (2006): 60,000**
- **ALREADY REPLICATED IN UDAIPUR**

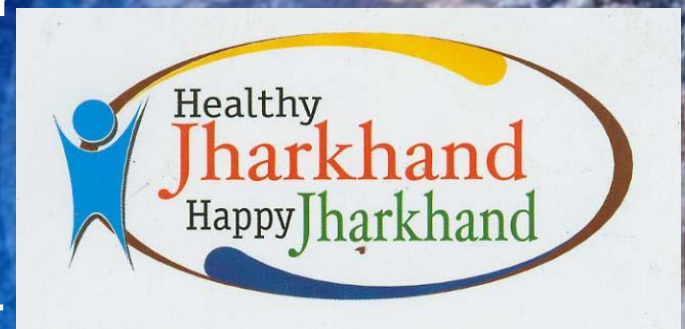




HEALTH INSURANCE IN JHARKHAND: TAKING UP THE CHALLENGE...

TARGET: 15 MILLION
(WHOLE BPL
POPULATION)

- FIRST SCHEME PLANNED TO BECOME UNIVERSAL
- FIRST SCHEME TO RELY ON PRIVATE-PUBLIC PARTNERSHIP
- FIRST SCHEME TO BE ALL-INCLUSIVE (COVERS ALSO PEOPLE LIVING WITH HIV AND GROUPS AT RISK)
- FIRST SCHEME TO HAVE A CONTRIBUTION FROM EMPLOYERS (LONG-TERM FINANCIAL COMMITMENT)
- FIRST SCHEME TO BE MANDATORY
- COMPREHENSIVE HEALTH CARE
- CASHLESS SERVICES
- NO INSURANCE COMPANY
- STRONG EDUCATION COMPONENT





HEALTH MICRO-INSURANCE: THE WAY FORWARD...

- **EMPHASIZE INSURANCE SOLIDARITY CORE PRINCIPLE**
- **RELY ON STRONGER INSURANCE AWARENESS AND EDUCATION**
- **ACHIEVE THE FINANCIAL TRINITY: SAVINGS, CREDIT, INSURANCE**
- **ENSURE PARTICIPATION AND RESPONSIBILITY THROUGH A CONTRIBUTORY SYSTEM**
- **ORGANIZE LONG-TERM CO-CONTRIBUTION AGREEMENTS**
- **WORK TOWARDS AUTOMATIC/COMPULSORY ENROLMENT MECHANISMS**
- **DEVELOP EFFICIENT PARTNERSHIPS WITH HEALTH PROVIDERS' NETWORKS**

