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*Association of the Insurance and Reinsurance Companies of Turkey*  
*Association des Sociétés d'Assurances et de Réassurances de Turquie*



**INTERNATIONAL SEMINAR ON AWARENESS AND EDUCATION  
RELATIVE TO RISKS AND INSURANCE ISSUES**

**Swissôtel, Istanbul  
13 April 2007**

**Targeting vulnerable groups with low access to education and financial services  
distribution: Possible role of micro-insurance**

*Mr. Marc Socquet, ILO Subregional Office*

(PowerPoint presentation)



**INTERNATIONAL SEMINAR  
ON AWARENESS AND  
EDUCATION RELATIVE TO  
RISKS AND INSURANCE  
ISSUES**

**13 April 2007, Istanbul, Turkey**

**INDIA: TARGETING  
VULNERABLE GROUPS:  
POSSIBLE ROLE OF MICRO-INSURANCE**

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





# 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...





# 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 INSURANCE: ESTIMATED PRESENT COVERAGE

<b>FORMAL AND INFORMAL SYSTEMS</b>	<b>No. BENEF</b>
EMPLOYEES' STATE INSURANCE SYSTEM (ESIS)	32,500,000
CENTRAL GOVERNMENT HEALTH SCHEME (CGHS)	4,300,000
DEFENCE/POLICE EMPLOYEES	6,600,000
RAILWAYS EMPLOYEES HEALTH SCHEME	5,500,000
CESS-BASED CENTRAL WELFARE FUNDS	4,000,000
STATE-LEVEL WELFARE FUNDS	3,000,000
EMPLOYER-SPONSORED INSURANCE SCHEMES	20,000,000
INDIVIDUAL COMMERCIAL INSURANCE	6,000,000
MEDICLAIM	18,000,000
UNIVERSAL HEALTH INSURANCE SCHEME	1,100,000
<b>HEALTH MICRO-INSURANCE SCHEMES</b>	<b>7,000,000</b>
<b>TOTAL</b>	<b>106,100,000</b>
<b>% OF POPULATION</b>	<b>9.7%</b>





# **HEALTH INSURANCE EXTENSION: HOW TO ANSWER THE CHALLENGE?**

● **A UNIQUE CHALLENGE: NO ROADMAP AVAILABLE... HENCE THE NEED FOR A DIVERSITY OF INNOVATIVE MECHANISMS...**

● **GIVEN THE MAGNITUDE OF THE EXCLUSION PHENOMENON, MANY MORE ACTORS HAVE A ROLE TO PLAY... HENCE, THE NEED FOR MORE ADVOCACY AND FOR A MULTI-PARTNERSHIP APPROACH...**

● **THERE IS NO ADVOCACY WITHOUT EVIDENCE... HENCE, THE NEED TO DEVELOP MORE KNOWLEDGE AMONGST ALL ACTORS...**

● **ACCESSING, WITHOUT FINANCIAL BARRIERS, QUALITY HEALTH CARE SERVICES IS THE PRESSING NEED OF THE DAY... HENCE, THE NEED TO FOCUS ON HEALTH PROTECTION INCLUDING MATERNITY PROTECTION...**

● **THE BEST WAY FORWARD: LET A 'HUNDRED' FLOWERS BLOOM... AND LEARN FROM BEST PRACTICES BEFORE SCALING UP...**



# 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**

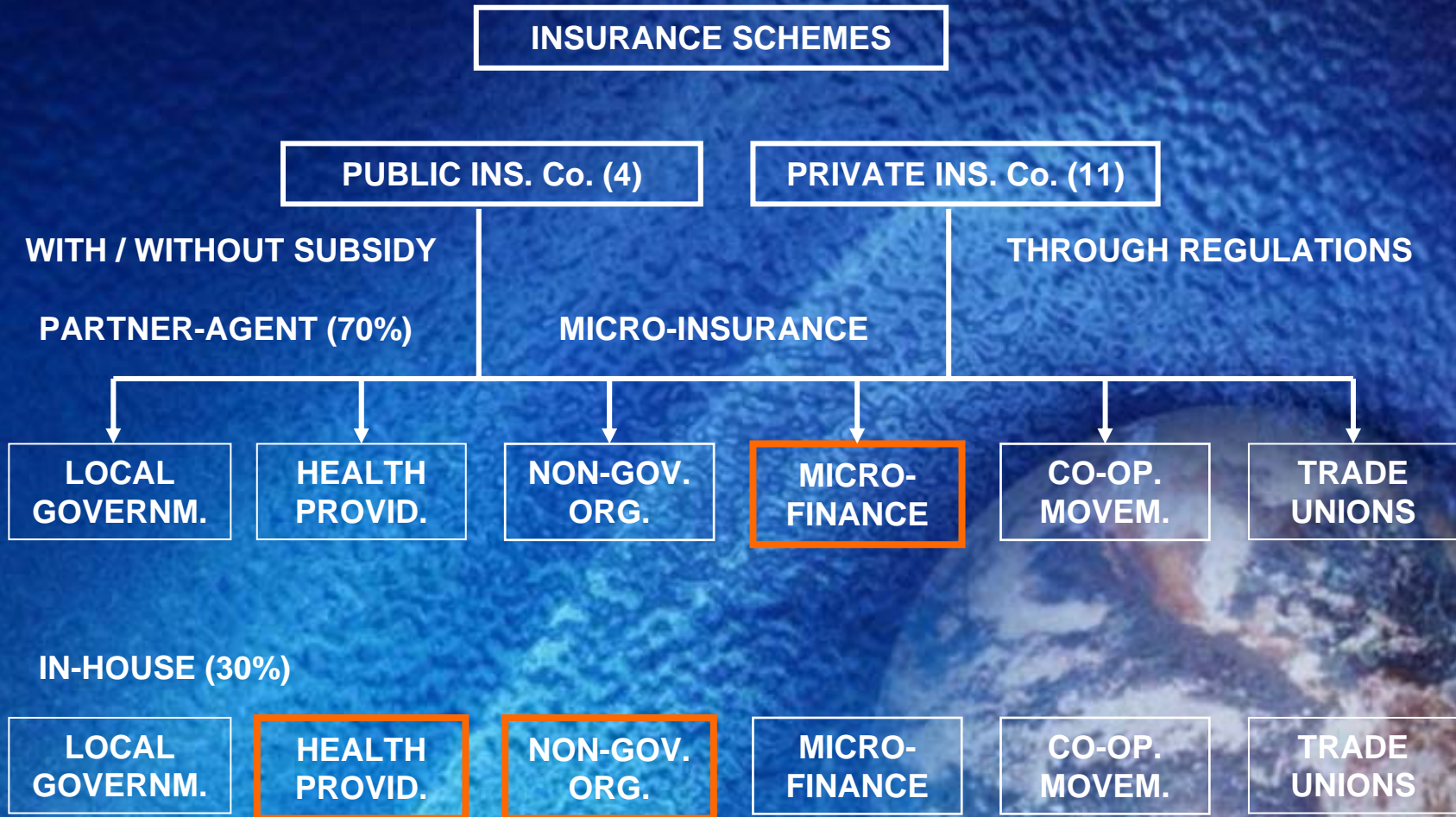


**SPECIAL FUNDS: ALLOCATED BY STATE GOVERNMENTS TO PAY FOR SURGICAL PROCEDURES NEEDED BY BPL POPULATION (EXAMPLE: JHARKHAND – US\$ 2.2 MILLION/YEAR)**





# CENTRAL GOVERNMENT: HEALTH INSURANCE EXTENSION STRATEGIES







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

<b>SCHEMES</b>	<b>NO OF BENEFIC.</b>	<b>TYPE OF SCHEME</b>	<b>TYPE OF COVERAGE</b>	<b>TYPE OF BENEFIT</b>	<b>TYPE OF SUBSIDY</b>
YESHASVINI	1,830,000	IN-HOUSE	TER.	CASHL.	DIRECT
DHARAMST.	396,000	P.AGENT	SEC.	CASHL.	-
SEWA	194,000	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	30,000	IN HOUSE	SEC.	REIMB.	INDIRECT
KARUNA	12,000	P.AGENT	PR/SEC.	REIMB	IND/DIRECT
ASHWINI	12,000	P.AGENT	PR/SEC	CASHL.	IND/DIRECT

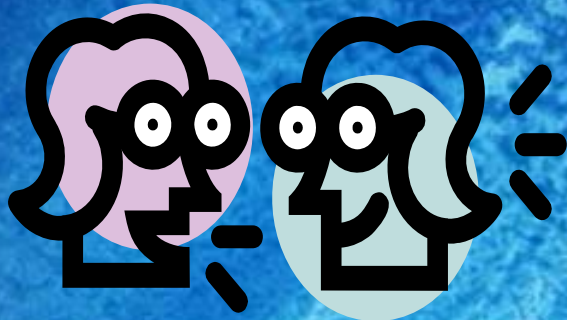




# HEALTH MICRO-INSURANCE: THE EDUCATION CHALLENGE...

STILL AN ALIEN CONCEPT  
FOR MANY... NO SPOT  
TRANSACTION (BUYING  
PROTECTION?)... LESS  
ATTRACTIVE THAN  
CREDIT...

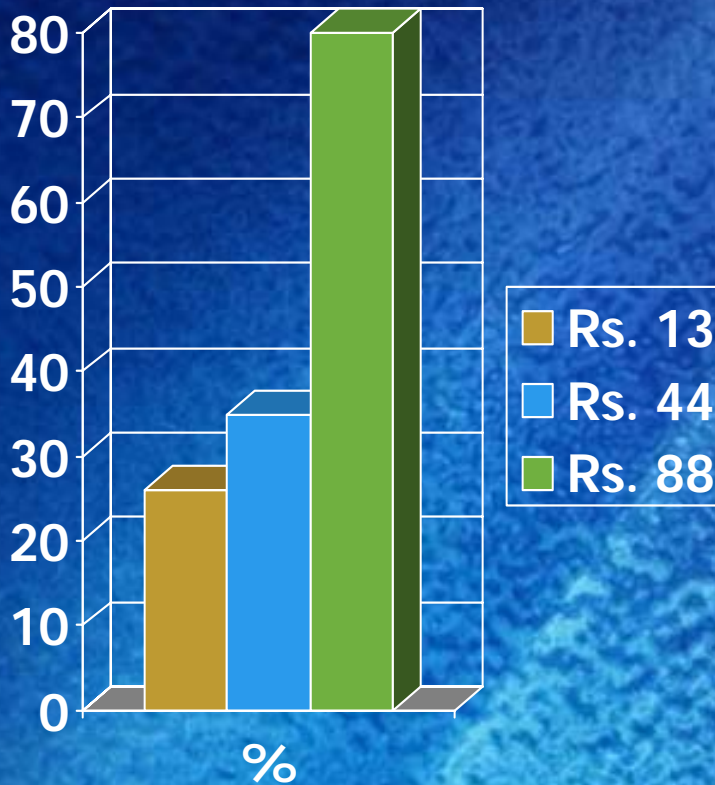
LOST IN TRANSLATION?



- ALL SURVEYS SHOW A VERY LOW INSURANCE AWARENESS/ UNDERSTANDING ACROSS ALL EXCLUDED GROUPS (ILO, GTZ, WHO, CARE...)
- NEED TO DEVELOP A BROAD EDUCATION EFFORT CUSTOMISED TO THE VARIOUS CONTEXTS AND TARGET GROUPS
- INSURANCE COMPANIES NOT IN A POSITION TO DO IT...
- LOCAL SUPPORT AGENCIES CAN DO IT... BUT COST CANNOT BE BORNE BY THEM...



# HEALTH MICRO-INSURANCE: THE FINANCING CHALLENGE...



☹️ **PLANNING COMMISSION  
DEFINITION: VALUE OF A  
SPECIFIED NUTRITION  
REQUIREMENT**

- 26%
- 278 MILLION

☹️ **UNDP DEFINITION: LESS  
THAN 1 US/DAY/PERSON**

- 35%
- 374 MILLION

☹️ **UNDP ANALYSIS: LESS  
THAN 2 US/DAY/PERSON**

- 80%
- 855 MILLION

...AT THE END OF THE DAY... NOT MUCH LEFT TO PAY FOR INSURANCE...



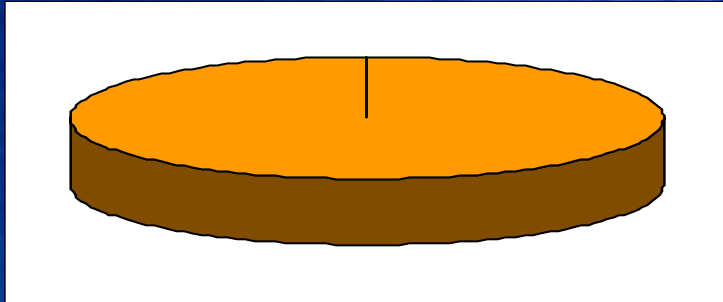


# HEALTH MICRO-INSURANCE: THE EQUITY CHALLENGE...

FORMAL ECONOMY WORKER

INCOME: Rs. 2,000/MONTH

ESIS CONTRIBUTIONS: RS 1.700



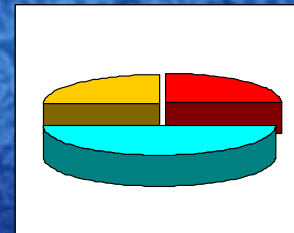
CONTRIBUTIONS FROM WORKERS,  
EMPLOYERS AND GOVERNEMENT  
COMPULSORY SCHEME, OWNERSHIP  
OF HEALTH FACILITIES

LARGE CONTRIBUTION  
RESOURCES

INFORMAL ECONOMY WORKER

INCOME: Rs. 2,000/MONTH

MI CONTRIBUTIONS: Rs. 365?



WORKERS LEFT ALONE TO PAY  
FOR THEIR OWN PROTECTION?  
LESS: PROMOTION/ADMIN  
COSTS AND COST OF  
ADVERSE SELECTION  
AND OVER-PRESCRIPTION

LIMITED CONTRIBUTION  
RESOURCES



# HEALTH MICRO-INSURANCE: OTHER MAJOR CHALLENGES...



**BENEFIT PACKAGE: SATISFACTION  
(NOT) GUARANTEED?**



**HEALTH IS WEALTH... SAYS WHO?**



**LOOKING FOR THE ELUSIVE  
DATA...WHERE IS THE EVIDENCE?**



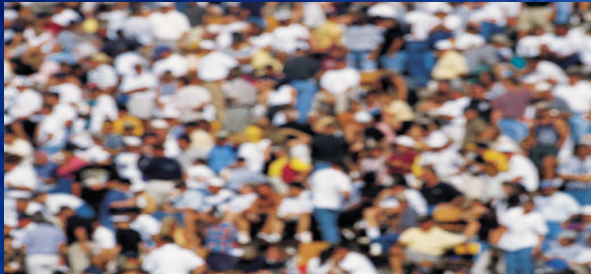
**IS MIS (MICRO-INSURANCE SCHEME) =  
MIS? (MANAGEMENT INFORMATION  
SYSTEM)**



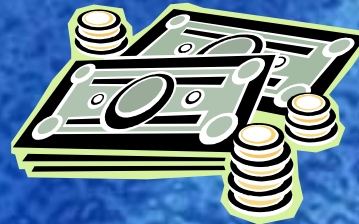
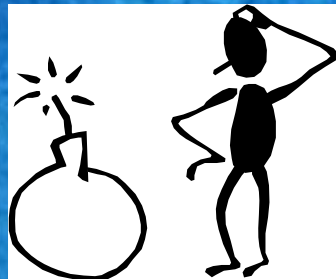
# HEALTH MICRO-INSURANCE: A LONG AND BUMPY ROAD TOWARDS SUSTAINABILITY...



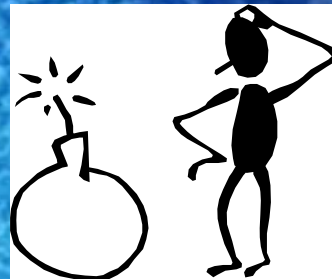
FROM PRODUCT DESIGN TO BENEFIT DELIVERY...



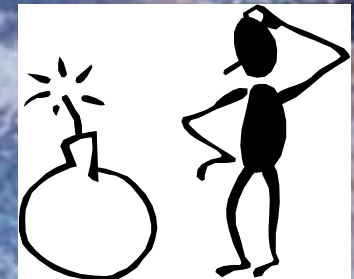
NO SAFETY IN NUMBERS...LIMITED UNDERSTANDING, VOLUNTARY ENROLMENT, ADVERSE SELECTION & MORAL HAZARD



WEAK CONTRIBUTORY CAPACITY, HENCE, LIMITED BENEFITS, DISSATISFACTION & DROPOUT



OVER-PRESCRIPTION & OVER-TARIFFICATION





# **YESHASVINI CO-OPERATIVE FARMERS HEALTH SCHEME (KARNATAKA)**

● PRIVATE TRUST (HEALTH PROVIDERS / GOVERNMENT)

● MARKETED 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)

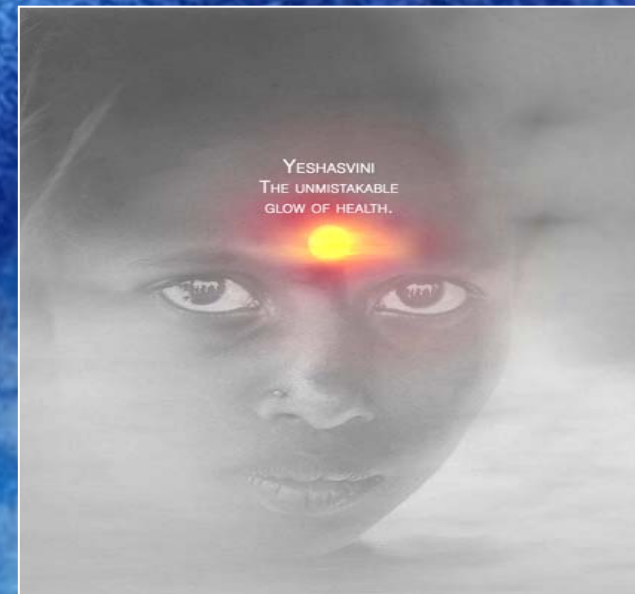
● HOSPITAL NETWORK (295)

● CASHLESS SERVICES

● GOVERNMENT DIRECT CONTRIB.

● COVERAGE (2006): 1,854,000

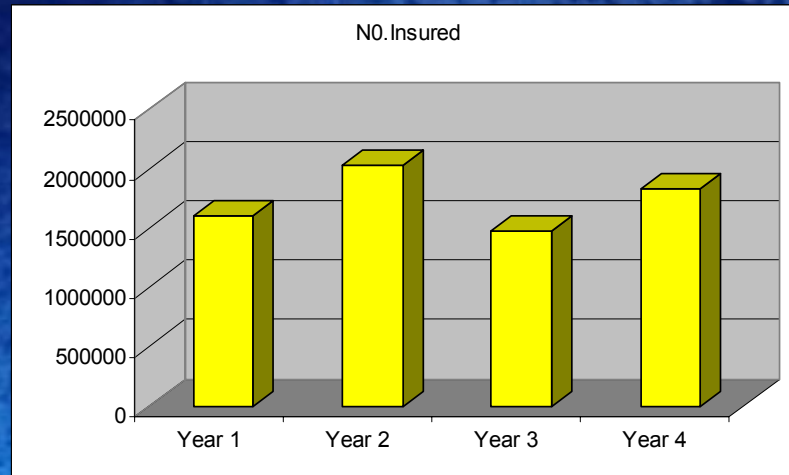
● SECOND LARGEST IN THE WORLD



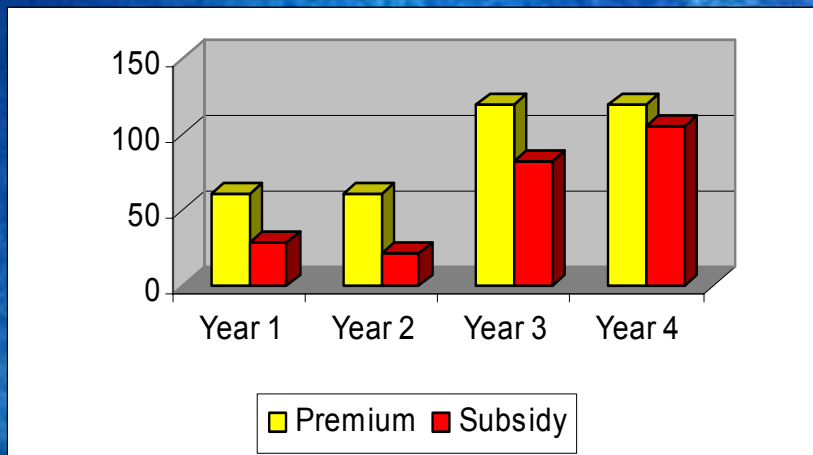


# YESHASVINI: EVOLUTION OF PERFORMANCE INDICATORS

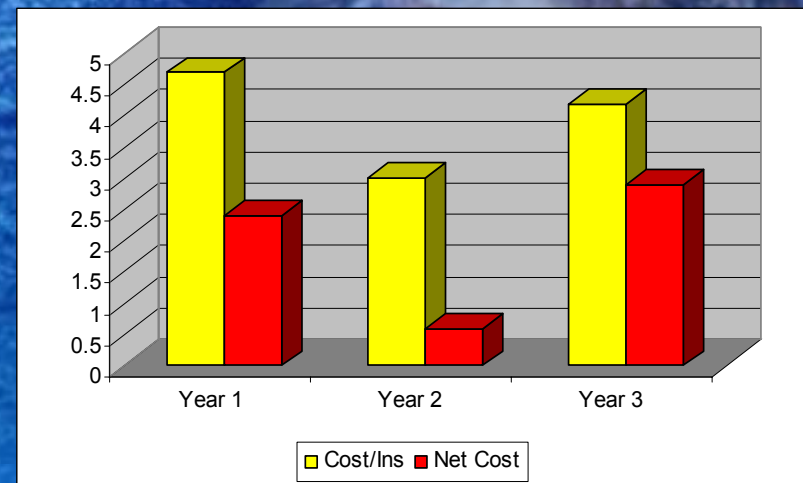
## NUMBER OF INSURED



## 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



MDIndia

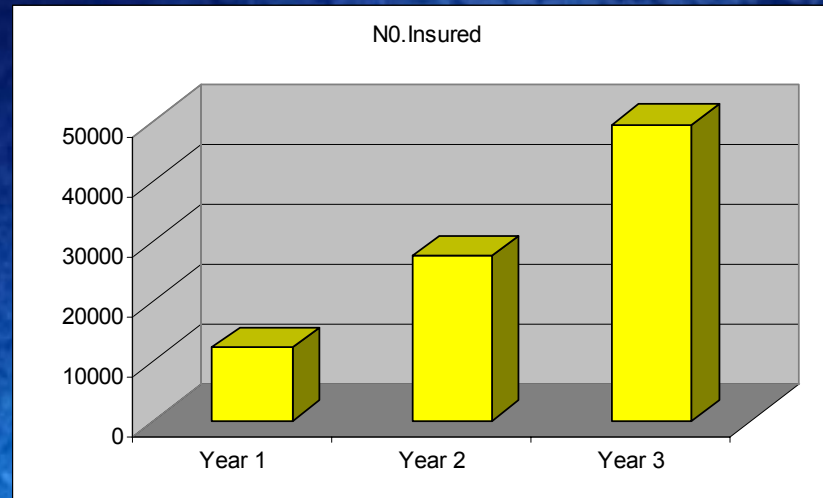
Healthcare Services (P) Ltd.



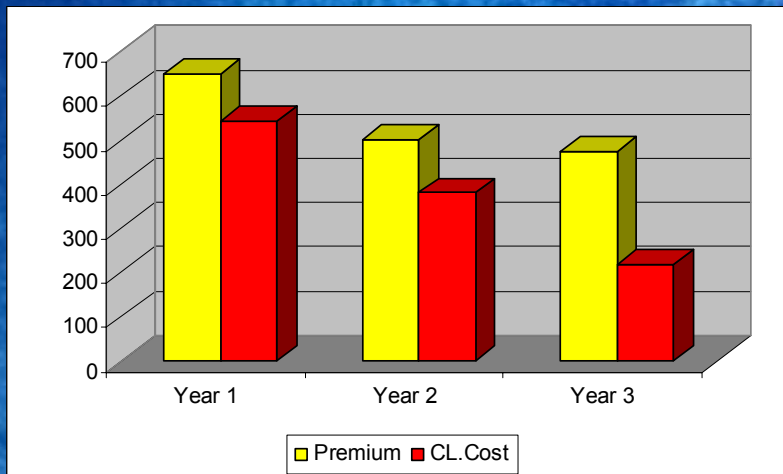


# INDORE: EVOLUTION OF PERFORMANCE INDICATORS

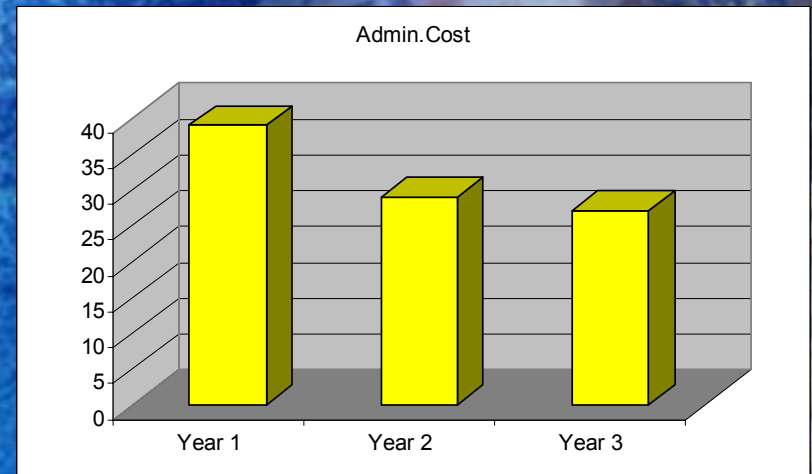
## NUMBER OF INSURED



## 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





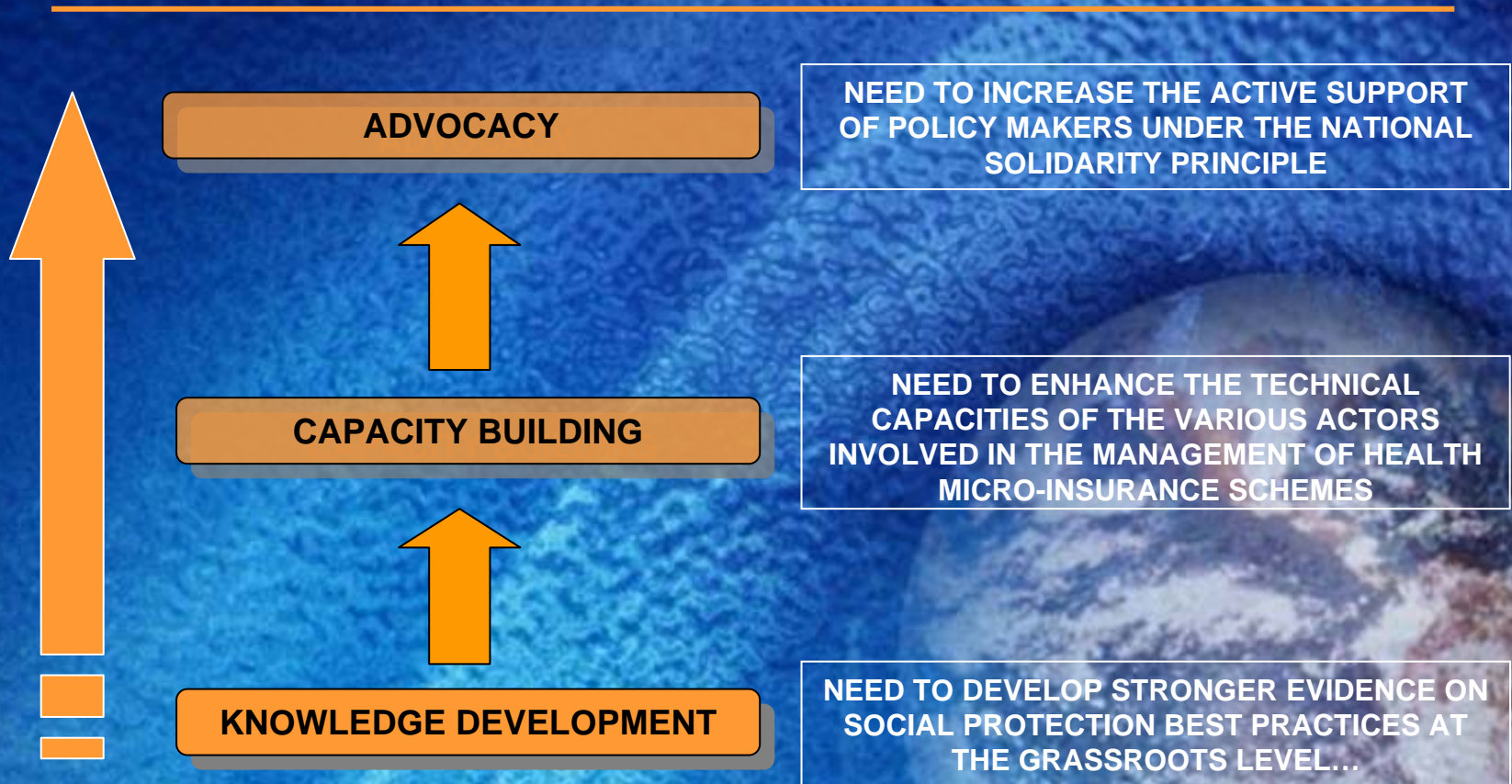
# **HEALTH MICRO-INSURANCE: THE WAY FORWARD...**

- **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**



# ILO STRATEGY: FROM KNOWLEDGE DEVELOPMENT TO ADVOCACY...

## ...THROUGH A MULTI-PARTNERSHIP APPROACH





# KNOWLEDGE DEVELOPMENT PROCESS

Medical Care

Sickness Benefit

Unemployment Benefit

Old-age Benefit

Employment Injury Benefit

Family Benefit

Maternity Benefit

Invalidity Benefit

Survivors Benefit

## KNOWLEDGE CREATION

Thematic issues or wide geographical coverage

Studies

Analysis of a specific in-country experience

Case Studies

Broad overview or narrowing down on a specific aspect

Technical Papers

Contribution To overall capacity building effort

Tools

## PROTECTION PRIORITIES





# KNOWLEDGE DEVELOPMENT PROCESS

## KNOWLEDGE DISSEMINATION



**Publications**

Documents published at headquarters level – Worldwide dissemination (ILO Website)



**Working Papers**

Documents published at country level - Worldwide dissemination (STEP website)



**Discussion Papers**

Documents shared in-country with a group of specialists and evolving over time

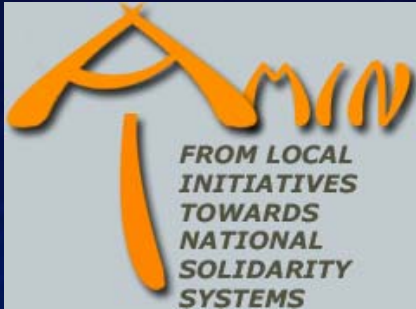


**Information Papers**

Documents shared in-country with all interested organizations







# THE ASIAN MICRO-INSURANCE NETWORK (AMIN)

**350 SCHEMES...  
SO FAR...**

## OBJECTIVES:

- SET UP AN EFFICIENT MECHANISM ALLOWING FOR THE REGULAR SHARING OF INFORMATION AND EXPERIENCE AMONG MICRO-INSURANCE PRACTITIONERS
- DEVELOP THE DOCUMENTATION PROCESS ON MICRO-INSURANCE INITIATIVES, INNOVATIONS AND ACHIEVEMENTS
- BUILD UP TECHNICAL CAPACITIES OF MICRO-INSURANCE ACTORS
- STRENGTHEN COLLABORATION AND PARTNERSHIP AMONG MICRO-INSURANCE SCHEMES
- HIGHLIGHT AND CLARIFY ISSUES, CHALLENGES AND OPPORTUNITIES RELATED TO THE CONTRIBUTION OF MICRO-INSURANCE TO SOCIAL PROTECTION EXTENSION

