

MICRO-INSURANCE BRIEFS



Orissa: PREM's Health Micro-Insurance Scheme

Scheme Design

Plan International, a child sponsorship organisation works in India in partnership with Local NGO's . As part of its child-centred integrated development work, for many years it reimbursed the costs of treatment of sponsored children and their families. As it was phasing out it decided to support Health insurance initiatives with its partners as a strategy of sustaining the health care provision in the area.

After 2 years of experimenting with 4 public sector insurance companies for health insurance of families of children sponsored by Plan International (India), a lessons learned workshop of Plan NGO partners (including PREM) was held to share experiences. People did not benefit from these insurance schemes. It was then, that Plan partners decided to test out community based and governed models of demand side financing. Most are still operational after 3-4 years and have a membership ranging from 25,000 to above 100,000.

People's Rural Education Movement (PREM), one of their major partners started as a people's movement among tribal population in the southern part of Orissa. It aimed primarily to assist women SHGs to address key development issues such as health, education and income generation, through a network of community-based SHG federations. Health is a PREM's key concern and they initiated special programmes addressing malaria prevention and control, early childhood care & stimulation, safe motherhood, HIV/AIDS prevention and control, promotion of village medicine depot, supply of emergency medicines and assistance to members in need of health care services both at the local and district level through a social protection component.

In August 2008, PREM has started a Micro Insurance Policy in collaboration with LIC, India in Gajapati, Ganjam and Puri district of Orissa, which provides security within the reach of the poor. A total of 2000 beneficiaries have insured in this micro policy. The involvement of community members is gradually increased.

Eligibility Conditions

All families living within the project areas are eligible to enrol in the scheme. Persons aged between 18 to 60 years

Exclusions

No exclusions, coverage limited with an upper cap.

General Overview

Starting date:	2002
Ownership profile:	NGO-CBO
Target group:	Tribal & Dalit group
Outreach:	Orissa – 2 districts
Intervention area:	Rural
Risks covered:	Single risk: health
Premium Insured/Y:	Rs 30
Co-contribution:	-
Total premium:	Rs 30
No of insured:	150,000

Operational Mechanisms

Type of scheme:	In-house
Insurance company:	No
Insurance plan year:	Fixed (Jan-Dec)
Insured unit:	Family
Type of enrolment:	Mandatory
One-time enrolm.fee:	None
Premium payment:	Upfront

Easy payment mech:	-
Waiting period:	No
Indirect subsidy:	Yes

Scope of Health benefits

Tertiary health care:	No
Hospitalization:	

Deliveries:	
Access to medicines:	
Primary health care:	



Level of Health benefits

Hospitalization:	Up to Rs 5000
Access to medicines:	50% medicine cost

Service Delivery

Prior H. check-up:	No
Tie-ups with HP:	Public HP
Type of agreement:	Informal agreement
No of Assoc. HP:	22
Access to HC serv.:	Through referral
Co-payment:	No
HC service payment:	Reimbursement
TPA intervention:	No
Addit. financial ben.:	-
Addit. non-fin. ben.:	-

Plan Benefits

Facility	Services	Coverage
Village Medicine Depot (VMD)	Diagnosis, treatment, medicines, safe delivery	50% Discount
PHC,CHC, Area Hospital (Govt.)		Upto Rs 5000
Govt Medical college hospital & Private where no Govt facility		Upto Rs 5000

■ Sum insured:

Minimum Rs. 5000

Maximum Rs. 30,000

Basically an endowment assurance plan taking care of risk and saving elements.

Micro modes of premium payments in micro denominations.

Plan has no contribution for this scheme, Only insurance benefits.

The premium chosen by the proposer shall be subject to the minimum & maximum death benefit sum insured under the policy.

Terms available:

Min 5 years

Max 15 years

■ Death benefit sum insured:

Total premium payable during the entire term of the policy along with vested bonuses. The death benefit sum assured is independent of age.

■ Maturity benefit sum insured:

Is a function of age at entry and it varies for different terms.

It increases with the term of the policy.

It is paid along with bonus.

■ Accident Benefit

■ Disability Benefit

Premium

Minimum membership charge/premium prescribed

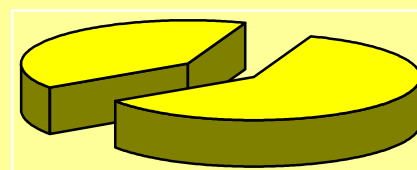
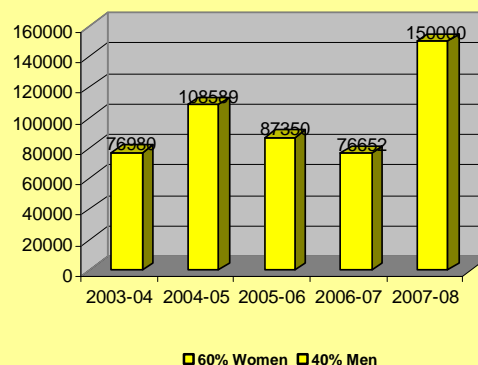
Weekly	Rs.25/-
Fortnightly	Rs. 50/-
Monthly	Rs. 100
Quarterly/Half yearly/Yearly	Rs. 250/-

Plan Insurance Key Features

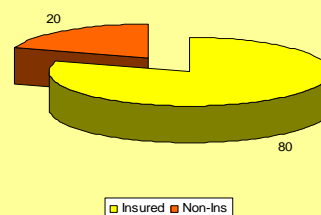
- A Community based family enrolment scheme
- Three tier level of treatment with a referral system in place
- Village Medical Depots brings treatment and medicines to the doorstep ensuring member satisfaction
- Use of a Rational Drug list for cashless service
- Pre-existing solidarity groups make a big difference to the success of the scheme.
- The Credit and Savings Groups or Self Help Groups (SHGs) was nurtured and results in strong in management of finances, the health micro-insurance scheme is easy to introduce and has the least risk.

Activity Indicators

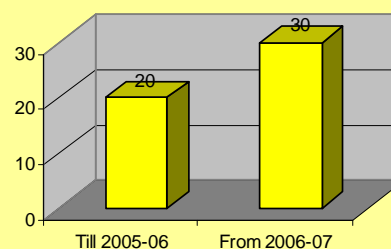
Number of Insured



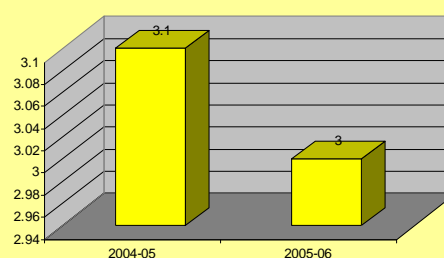
Penetration Rate (%)



Premium Evolution (IN Rupees)



Claims Incidence



Main Achievements

- The demand created by members on such a scale, put pressure on the public hospitals to become more functional and improve the quality of services.
- The poor paying a contribution for their health care was that they demanded quality of care. It also reduced the amount of corruption and bribing in the medical college and district hospital.
- Members demanded that prescriptions be made from the rational list provided by the scheme and this forced rational drug prescribing practices, because only these listed drugs could be availed from the pharmacy on a cashless basis

Remaining Challenges

- Low paying capacity of the target groups ensures that the premium is kept low resulting in Limited benefit (coverage of Rs 3600 only) for its members
- Finding a co contributor (Government) to the insurance premium

Development Plans

- Plan to expand to cover population of 1 million over a period of 3 Years.
- Strategise to find co-contributors to the premium in order to increase benefit levels

Development Plan (all India)

