

UNDERSTANDING MEMBER DROPOUT IN VIMO SEWA



VIMO SEWA

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EXECUTIVE SUMMARY

1. Vimo SEWA is the insurance division at the Self Employed Women's Association, Ahmedabad. Vimo SEWA offers its members an integrated insurance scheme which covers loss of life, hospitalization and loss of assets. In the last two years, viz. 2004 and 2005, less than half the scheme members renewed their membership in the scheme. Vimo SEWA is interested in continued membership and protection of its members. In early 2005, Vimo SEWA carried out a study aimed at understanding the reasons for low renewal among its membership. This report presents the findings of this study.
2. The study used both quantitative and qualitative methodology. The quantitative part of the study was carried out in Ahmedabad city, and involved a survey of 110 randomly sampled members who renewed their membership in 2005, and 110 who had dropped out of the scheme in 2005. Qualitative interviews were carried out with dropouts in both Ahmedabad city and in rural areas.
3. The findings indicate that the most important factor for members not renewing their membership is not being approached by a Vimo SEWA *aagewan* (grassroots worker) for buying insurance.
4. The lack of money to buy insurance does not appear to be a major or only factor affecting the member's renewal decision. 22 % of the dropouts mentioned this as the reason for not renewing their insurance. However, two-thirds of the people who gave this as a reason also gave a second reason for not renewing their

membership. This suggests that lack of money is only a partial reason for non-renewal.

5. More than lack of money per se, it is not having cash available at the time of the *aagewan*'s visit that prevents a member from renewing her membership. It is important that the *aagewan* collects the premium from the member when she has the money with her.
6. Members often have more than a single reason for not renewing their membership. 28% of the dropouts gave more than one reason for non-renewal.
7. Members are more likely to renew their membership if they understand the scheme and what it offers. When members were asked about what changes they would like to see in the scheme, a common response was that if they understood the scheme better, they would be interested in buying the insurance.
8. 25% of the dropouts suggested changes in the product. The two most common product changes suggested were inclusion of out-patient care in the health insurance coverage and decrease in premium amount.
9. To further understand how the group of dropouts differed from the group of members who renewed their membership – we compared the two groups on 14 parameters.
10. The two groups differed significantly on seven of these 14 parameters. Renewed members were more aware of SEWA union, and had better linkages with the SEWA *aagewans* and the Vimo

aagewans. This group had a better understanding of Vimo. Further, a larger proportion of renewed members reported that others in their neighbourhood had purchased insurance. Finally, renewed members had filed more claims than dropouts, and reported a higher incidence of hospitalization among family members.

11. There was some difference between the renewed member group and the dropout group on three other counts, though these differences were not statistically significant. All these three counts reflect the financial standing of the households. The renewed members had a higher socio-economic status compared to the dropouts. We were less successful in locating dropouts compared to members. It is possible that poorer members are more mobile and have less secure housing than the somewhat better off members who renew their membership. Finally, when we looked at the current loans taken by the respondents, the most common reason for taking loan among renewed members was 'for business'. Among loanees in the dropout group, the most common reason was 'for consumption'.

12. There was no difference between the group of renewed members and dropouts on four counts. It was found that having the spouse or family insured did not affect the decision to renew membership in the scheme. In both groups, about 20% of the households had some insurance other than Vimo SEWA. Also, in both groups the length of membership in Vimo SEWA was similar. There was no indication that members who stay on in the programme for two years are more likely to renew their membership than those who have been members only for one year. It was also seen that

individual level characteristics like age, education and occupation do not influence renewal.

13. The study suggests several strategies that can be adopted by Vimo SEWA to increase the renewal rate among its members. The most significant factor underlying low renewal rates appears to be the degree of contact between members and Vimo aagewans, who are the face of the insurance programme to members. Vimo SEWA should *establish a system whereby each member is visited in her home at least twice in a year after enrolling in vimo.*
14. Members have difficulty in understanding the scheme, and wanted to understand the scheme better before they continued their commitment to it. *In the follow-up visit to the member's home, the aagewan once again should explain the insurance scheme and its rules so that the member begins to grasp the details of the scheme.*
15. While it is easier for less poor members to buy insurance than the poorer members, money alone is rarely the constraint. Vimo SEWA should *ensure that aagewans maintain contact with the poorest members and take the extra effort it needs to build their trust in the programme.*
16. There were some suggestions from members about desired product changes. *Vimo SEWA could explore the possibility of integrating member suggestions, keeping in mind issues of financial viability.*

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INTRODUCTION

The Self Employed Women's Association (SEWA) is a trade union of informal women workers, started in Ahmedabad in 1972. Headquartered in Ahmedabad (Gujarat, India), and inclusive of members from 11 of the state's 25 districts, it is an organization of poor, self-employed women workers, who earn a living through their own labour or small businesses, and do not obtain regular salaried employment with welfare benefits like workers in the organized sector. The organization has two main goals: to organize women workers to achieve full employment, i.e. work security, income security, food security and social security; and to make women individually and collectively self-reliant, economically independent and capable of making their own decisions.(Self-Employed Women's Association 1999)

SEWA's Insurance Programme

In 1992, SEWA started an integrated insurance scheme for its members. Women are the principal members, and can buy insurance for husbands and children. The integrated insurance programme covers life, hospitalization and asset loss insurance. In January 2005, Vimo SEWA offered members two scheme options. (Appendix 1 shows the premium and coverage for the schemes: Table 1-i) Vimo SEWA has a membership of 135,000 members in five states of the country. 85% of the membership is in Gujarat state. Two-thirds of the membership is in rural areas, with one-third in Ahmedabad city. 69% of the members are women, 31% men.

Vimo SEWA is run by a team of full-time staff and local women leaders called *aagewans*. The *aagewan* is a grassroots level worker who is the critical link between members and scheme administrators. There are 35 *aagewans* in Ahmedabad city. Each *aagewan* is assigned a geographical area where she sells and services insurance. Each *aagewan* is responsible for about 650 households. The *aagewans* are supervised by an urban coordinator who meets with the *aagewans* on a weekly basis. *Aagewans* are selected from within the areas that they service.

Vimo SEWA has two enrollment options for members. Members may either join by paying a fixed deposit (FD) or by paying an annual premium. The FD amount has been calculated to ensure that the annual interest income equals the annual insurance premium. Members who use the FD option have their annual interest income on the FD transferred towards the annual insurance premium each year. The membership of FD members is therefore automatically renewed each year. Of the total membership in 2005, over 90,000 members (74%) are annual pay members.

Members who pay the annual premium ('annual-pay members') have to renew their insurance membership each year. *Aagewans* (grassroots workers) from Vimo approach annual-pay members during the annual enrollment campaign held for three months at the end of each year to renew their membership for the following year.

Vimo SEWA is interested in ensuring 100% renewal of its annual-pay members so that they get continuous protection under the insurance scheme. Vimo also recognizes that if it is able to increase its retention

rate, it will be able to increase its outreach dramatically. This increased outreach will carry the benefits of the insurance coverage to a larger number of poor women and their families and also contribute to Vimo SEWA's financial viability. Having a higher re-enrolment rate is more efficient because the scheme is less exposed to adverse selection if people join every year, and not just in those years when they foresee needing a hospitalization, for example. Also, those who have been enrolled in the scheme continuously, for a number of years, require less education/coaching in joining and then using the scheme.

While the renewal rate among annual pay members at Vimo SEWA has improved over the last three years, it can still be improved further. It has increased from 22% in 2003 to 30% in 2004 and 41% for 2005. (Garand 2005)

To understand the possible reasons for low renewal of members, Vimo SEWA carried out a study on the subject in early 2005. This paper reports the findings of the study. In the next section we discuss the methodology used, followed by the findings of the study. In the last section we discuss the findings and possible strategies which can be adopted by Vimo SEWA to increase renewal rates among its members.

METHODOLOGY

The study design is based on two assumptions. One, we recognized that there may be multiple reasons for members dropping out of the scheme. Two, we felt that members may not always be able to clearly articulate their reasons for not renewing their membership. Simply asking individuals their reasons for not renewing their membership may give us only partial answers.

We therefore decided to interview two groups of persons – one group that had renewed their membership in Vimo SEWA after being in the programme for one year, and a second group that had not renewed their membership. We felt that by comparing these two groups on a number of parameters, we would get a better understanding of the issue of non-renewal. The survey tool used for both sets of respondents was almost identical, and assessed a number of parameters which we felt may influence a person's decision to renew her membership.

In 2004, Vimo SEWA offered three schemes to its members. Of the total annual-pay membership of 18,192 in all three schemes for that year, 92% of the members were in scheme 1. Schemes 2 and 3 were more expensive than Scheme 1 and offered a higher coverage. The persons who bought the more expensive schemes were likely to represent a different population segment, and may have had different incentives to rejoin or dropout of the scheme. The quantitative study is limited to members in Ahmedabad city. The total number of households with persons enrolled in Scheme 1 in Ahmedabad city in 2004 was 17,168.

Sampling: We took the 2004 membership year as our base year. In 2005, 6,450 2004 annual-pay members renewed their membership and 10,718 dropped out of the scheme. We randomly sampled 110 women members who were members in 2004 but dropped out in 2005 and 110 who were members in 2004 and renewed their membership for 2005. We then carried out a survey of these 220 randomly selected members in March 2005.

The survey instrument: Survey instruments were developed for the purposes of this study. The survey instrument used for members and dropouts was identical except for two questions. All respondents were asked questions on ten broad topics. These were:

1. Number of family members insured in Vimo SEWA in 2004
2. Member's familiarity with SEWA and involvement in SEWA's activity
3. Member's familiarity with a SEWA *aagewan*
4. Member's familiarity with a Vimo SEWA *aagewan*
5. Member's understanding of the losses covered under Vimo
6. Member's experience with Vimo SEWA in 2004
7. Hospitalization experience of the member's family in 2004
8. Membership in other insurance programmes
9. Current loans taken by member/member's family
10. A series of questions to assess the respondent's socio-economic status. This part of the questionnaire draws on a tool developed for another research study at Vimo SEWA. (refer to Social Science and Medicine paper).

In addition **members** were asked to state their reason(s) for buying insurance for policy year 2005.

Member who had dropped out were asked to tell us their reason for not buying insurance in 2005. They were also asked about their willingness to buy insurance for the next year and changes they would like to see in the scheme which would make them want to purchase insurance.

The survey was carried out in April and May 2005, soon after the annual enrollment campaign was over. The survey instrument was pilot tested and some revisions were made to it before carrying out the survey.

Data were double-entered into a Microsoft Access database. Statistical analyses were done using Stata software. In comparing the insured with the drop-outs, we used the chi-squared test for proportions and the two-sample t-test for means.

In addition to the survey carried out in Ahmedabad city, we carried out qualitative research to get at a deeper understanding of the phenomenon. Since our survey was carried out in Ahmedabad city, we did just one focus group discussion (FGD) with a group of six women who had dropped out of the scheme in 2005. The FGD was carried out in February 2005 in the home of one of the dropouts.

To get information regarding our rural membership and their reasons for dropping out, we did fourteen in-depth interviews with dropouts in three villages in two districts. The sampling for these interviewees was a mix of purposive and random sampling. We first purposively selected two districts that are some distance away from Ahmedabad but not very far. In each of these two districts, we made a list of

villages and number of dropouts in each village. We dropped villages which had less than ten dropouts. From the remaining villages, we randomly selected two villages from each district. From each randomly selected village, we randomly selected six dropouts for interviews. A total of 24 interviewees were selected. Of these we successfully completed 14 interviews. Of the 10 dropouts who could not be interviewed, four members turned out to be currently enrolled, two were not at home when we visited and another two had moved to other locations. We were unable to find one member and one member was actually a child whose mother was not aware that she had been enrolled. In this last case the mother guessed that her husband may have bought from the *aagewan*. The interviews were done in the respondent's home. These interviews were carried out in February and March 2005. All the interviews and the FGD were videotaped and transcribed. The qualitative data analysis was analysed using Nvivo.

RESULTS

In this section we report the findings of the study. Of the 220 randomly selected dropouts and renewed members, we were successfully able to interview 81 (74%) and 90 (82%) persons respectively. In the case of both dropouts and members, we were unable to locate between 11% and 12% of the members. In addition, about 15% of the dropouts had either moved and could not be located, or were unavailable even after three visits to their homes.

Table 1: Percent successfully interviewed in survey

	Sample	Met	Not avail	Not found	Member ill-old	Moved and lost	Death	Total
Dropouts	110	81	9	12		8		
%		73.64	8.18	10.91		7.27		100.00
Members	110	90	3	14	1	1	1	
%		81.82	2.73	12.73	0.91	0.91	0.91	100.00

We first present the findings from survey under the section on 'reported reasons for dropping out of the scheme'. This is followed by a discussion of the changes that the dropout said they would like to see in the insurance programme. The survey findings on these two sections are supplemented with what the dropouts said to us in the interviews and focus group discussions.

We then go on to present the survey results comparing dropouts and members on the parameters listed in the methodology section.

Section I: Reported reasons for dropping out of Vimo SEWA and changes desired

A. Reported reasons for dropping out

All the dropouts were asked why they did not renew their membership in the scheme. First we asked the respondents if they had been approached by an *aagewan* to buy insurance. Only 26% of the dropouts said that they had been approached to buy insurance for that year. The corresponding figure for members who had renewed was 82%.

We then asked the respondents who had dropped out to tell us why they chose not to renew insurance in 2005. 57% again said that the main reason they had not renewed their membership was that they no one had approached them to buy insurance, and so they had not bought it. Clearly this was a smaller proportion than the 74% who said that no one had approached them to buy insurance. However, it underscores the point that the single largest reason for members not renewing their membership was that no one had come to them to purchase insurance.

It is sometimes felt that lack of money deters poor families from buying insurance. Our study indicates that the reality is more complex. 16% of the dropouts mentioned this as the only or main reason for not renewing their insurance. However, 13 of the 19 people who gave this as reason mentioned a second reason as well. This suggests that the financial cost of the insurance premium is perhaps only a partial reason for not buying insurance.

Table 2: Reported reasons for not renewing insurance

Reason for dropping out	Only reason	Persons who gave two reasons		Only and primary reason
		Primary reason	Secondary reason	as a % of total (81)
No one came/did not meet aagewan	39	7	3	56.79
No money at the time	6	7	6	16.05
Have not used vimo in previous years	2	2	2	4.94
Dissatisfied with Vimo rules/moneyback	1	4	3	6.17
Don't understand scheme	2		4	2.47
Dissatisfied:previous claim rejected	1	1	1	2.47
Dissatisfied with SEWA	1	1	1	2.47
Unable to submit claim	2			2.47
Other family member bought vimo last time	1	0	0	1.23
Other	3	1	3	4.94
TOTAL	58	23	23	100

The following response of one of the interviewees from Dabhasi village illustrates how members give lack of money as an 'easy' explanation for not renewing vimo, when in fact the underlying reason may be some other dissatisfaction. The following two interview sections illustrate the point well.

In the following case, the member had filed a claim for hospitalization for a normal delivery, which is not covered under the insurance. The member mistakenly believed that this was covered, and was therefore disappointed that the claim had not been accepted.

Interviewer: Why did you not take insurance in the second year?

Respondent: We did not have money. So how would we take insurance? If this money would have been passed, then we could have taken insurance immediately.

Laxmiben, Village Dabhasi

The following case is of a member in Choila village in Bayad.

Interviewer: *Would you be interested in taking insurance for the coming year? This time you said there was a marriage in your house, but how about for next year?*

Respondent: *I would have to ask my husband this time. If I ask him, then I would know. Otherwise he would say that I took insurance without asking him. So at least I have to ask at home.*

Interviewer: *Yes. Of course you need to ask him. But if he agrees, then would you take insurance?*

Respondent: *Yes. If he says yes, then we would take insurance.*

Interviewer: *Would you be able to arrange for money then?*

Respondent: *We can manage that from anywhere. We were going to take insurance the third time also, but what everyone said was that you have already lost money twice when you took insurance, and this time also you will not get your money back.*

Bhartiben, Choila village, Bayad taluka

Also, the timing of the aagewan's visit to the member for collecting the premium is critical. The real issue is not whether the member has the money, but whether the member has money at the time that she is approached by the aagewan to buy insurance. This point was reinforced by our rural interview respondents.

Interviewer: You said you did not have money the first time when the ben came. The second time when you had money and you had gone to give the money to the ben...

Respondent (interrupts): She said that the date for taking vimo was over.

Interviewer: She had not told you before that what the last date was for taking vimo?

Respondent: She had told me the date. But I could not meet her on that date so I met her the next day. But then she told me that she had just returned from the office after depositing everyone's vimo premium. So I did not pay for vimo this year.

Kamalaben, Sarsa village

The decision to purchase an intangible product like insurance is a complex one for households with limited resources; multiple factors affect the decision. Twenty-three of the dropout respondents (28%) gave more than one reason for not renewing the insurance. Respondents cited various combinations of reasons, further suggesting that it is a multiplicity of factors that influence the decision to buy something like insurance (Table 2). If we remove the respondents who reported “not meeting the aagewan” as the only reason for not renewing (48%), we are left with 42 respondents. Of these more than half (55%) gave two reasons for not renewing their insurance.

One respondent in the FGD told us

Respondent3: Because of problems at home, I did not take vimo this year. Also it was festival time, so we did not take vimo this year. We also had a wedding in our house and my husband does not earn money so we could not pay for the vimo this year. There was no other reason. Now we will take vimo from this year. If god allows us to take vimo, then we will definitely take vimo this year.

B. Changes dropouts would like to see in insurance programme

We asked the dropouts if they would be interested in buying insurance for the next year. 16 of the 81 (20%) said they would not be interested, and another 8% said that they did not know. The remaining 72% all said that they were willing to buy insurance for the following year. The 58 respondents who said that they would like to buy insurance in the coming year were asked if they would like any changes made to the insurance scheme. The question elicited a variety of responses, which are shown in Table 3 below.

The most common factor mentioned was that if the *aagewans* visited them and kept regular contact with them, they would certainly renew their membership. The response accounted for 42%. This corroborates the findings in the previous section, where the member cited lack of contact with *aagewan* as the reason for not renewing their membership.

Table 3: Changes in Vimo SEWA desired by dropouts

Category	Desired change	Only change	Persons who gave two changes		Only & primary change by category
			Primary change	Secondary change	as % of total (52)
Service	If aagewan comes we will buy	13	1		42.31
	Aagewan should visit after enrollment	2	3	1	
	We should get good service	3		2	
Understanding	Explain vimo to us properly	4	1	2	9.62
	Give us premium back if unused	6		1	11.54
Product	Decrease in premium	5			25.00
	Include out-patient care in coverage	6			
	Reimburse for pregnancy	1			
	Give us a loan if we take vimo		1		
Claim	Increase reimbursement for health insurance	2			7.69
	Increase reimbursement for asset insurance	1			
	Dissatisfied with claim	1			
Other	Not interested in vimo	1			3.85
	If aagewan comes and we have money	1			
	TOTAL	46	6	6	100

Ten percent of the members said that if they understood the scheme better, they would have renewed their membership.

As one of the participants in the FGD said,

“They had explained to us that in case of any loss you would be reimbursed. But how do we know what loss we will incur. Now this

year when we did not take vimo then they said that if you fall sick then you would be reimbursed for hospitalization also. But we did not know that before. If we know from the beginning then we would have got the vimo.”

For another 11% of this group, poor understanding of the concept of insurance was also the issue. This is evident from their expectation that their paid up premium be returned to them if they did not file a claim.

About 25% expressed changes related to the insurance product. The two major product changes mentioned by the respondents were reduction in premium and inclusion of out-patient care in the coverage. Each of these was accounted for 10% of the total responses to desired changes.

The last major category of desired changes related to dissatisfaction of members with claim reimbursement. About 8% of the respondents who mentioned desired changes wanted higher reimbursement amounts for their claims.

Section II. Comparing dropouts and renewed members

In this section we present the survey findings comparing dropouts and renewed members on 13 parameters that were examined in the study. Of these, the dropout group appears significantly different from the member group on eight counts. These are discussed first. On three features the member group is marginally different than the group of dropouts, and on another two parameters there is no difference between the two groups.

Significant differences between renewed members and dropouts

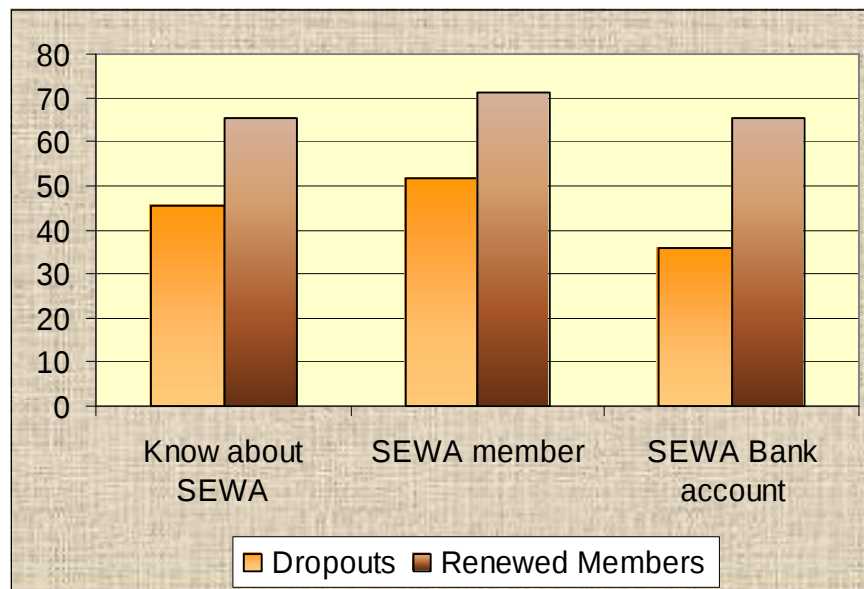
1. **Familiarity with SEWA and involvement in SEWA's activities:** One of our hypotheses was that members who had a better understanding of SEWA union and were better linked with SEWA's activities were more likely to renew their membership.

The survey results support our hypothesis. It was seen that members who were more engaged with SEWA were more likely to renew their membership in the insurance programme. Two-thirds of the renewed members were aware of SEWA union, were paid members of the union, and had a bank account with SEWA Bank. Among dropouts, less than 50% had such linkages with SEWA union.

However, linkages with SEWA's cooperatives or with its balwadis were very limited, among both SEWA's members and dropouts. (Only 6% of the members and dropouts had their children going

to SEWA's childcare centers. 4% of the dropouts but none of the renewed members were members of SEWA's cooperatives.)

Figure 1: Familiarity with SEWA



2. Familiarity with SEWA aagewan: The *aagewan* or grassroots worker is the key link between SEWA and its members. Insurance is sold and serviced by *aagewans* from the insurance programme and from other activities of SEWA. We felt that members who had stronger linkages with SEWA's *aagewans* would be more likely to renew their membership.

On most questions in this section, there was not much difference between members and dropouts. More than three-fourths of both groups knew of a SEWA *aagewan* and knew which SEWA activity she was engaged in.

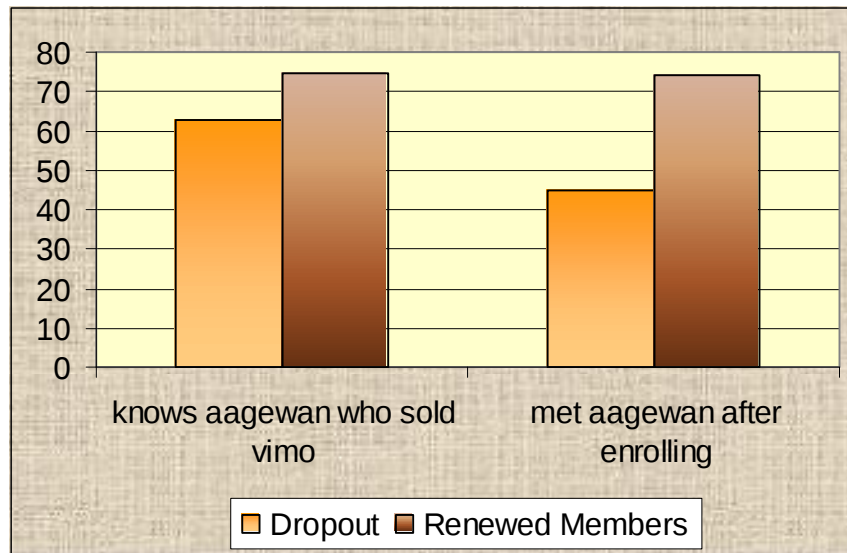
The one difference between the two groups was that members who had renewed their membership had met the SEWA aagewan much more frequently in the course of the past year than members who dropped out. More than three fourths of the renewed members had met the SEWA aagewan more than twice in 2004 compared to less than half the members who had dropped out.

3. Familiarity with Vimo SEWA aagewan: Probing deeper about the linkages with the aagewans, the next set of questions explored the linkage of the respondent with the insurance aagewan.

Two important differences emerged between members and dropouts. A higher percentage of renewed members knew the aagewan who had sold vimo to them, and more than three fourths had met the aagewan at least once after she had bought the insurance. In contrast, 55% of the members who dropped out had not met the aagewan from whom they had bought insurance even once after purchase of the insurance.

Further, more than half the dropouts had not met the insurance aagewan after purchasing the insurance – the corresponding figure for members was 26%. The members who renewed their membership were better linked with the aagewans compared to the dropouts.

Figure 2: Familiarity with Vimo SEWA aagewan



4. Understanding of the insurance scheme: From previous studies (Sinha, Ranson et al. In Press, 2006) and from our ongoing work, we are aware that it takes a while for members to properly understand the coverage offered under the insurance scheme and the scheme's rules. Poor understanding of the scheme may prevent a member from buying or renewing her insurance cover.

We would expect that members who understand the scheme better are more likely to renew their membership in Vimo. This was borne out by the survey, where members were asked four questions about the coverage of the insurance programme. Members were asked whether hospitalization, loss due to theft, damage due to flood, riot or earthquakes and pregnancy was covered. Renewed members had a relatively better understanding about the losses covered by the programme compared to those who dropped out.

Table 4: Knowledge about the Vimo SEWA coverage among dropouts and members

Correct answers	Dropouts		Renewed members		P value	Significant
	N	%	N	%		
All 4 answers correct	4	4.94	6	6.67	0.004	Yes
3 answers correct	12	14.81	20	22.22		
2 answers correct	25	30.86	45	50		
1 answers correct	28	34.57	14	15.56		
0 - No correct answer	12	14.81	5	5.56		
Total	81	100	90	100		

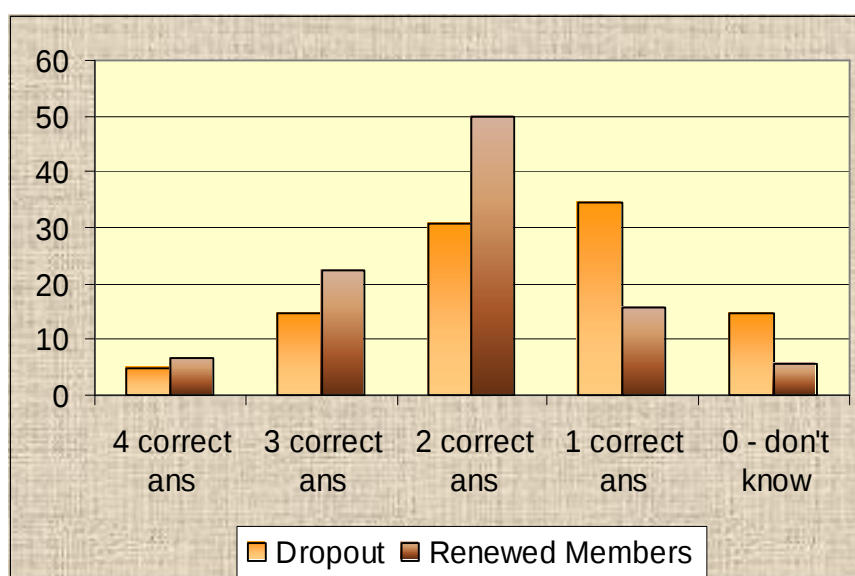
The comments of a dropout in Borsad taluka illustrate the importance of understanding the insurance scheme.

Interviewer: But do you not like the insurance scheme?

Respondent: I don't understand much, so I decided to stop taking vimo.

Madhuben, Dabhasi village

Figure 3: Knowledge about Vimo SEWA coverage



5. Purchase of SEWA insurance by others in the neighbourhood:

We asked both dropouts and renewed members whether others in their neighbourhood had purchased insurance. A much higher percentage of renewed members compared to dropouts answered in the affirmative.

Table 5: Purchase of SEWA insurance in neighbourhood

Variables	Result	Dropouts			Member			P Value	Sig
		N	%	Frequency	N	%	Frequency		
Proportion who said neighbours took									
	No one did	81	27.16	22	89	16.85	15	0.002	Yes
	Some did	81	25.93	21	89	53.93	48		
	Don't know	81	46.91	38	89	29.21	26		

As one member in the FGD said,

R3: *No. The people in this chaali (lane) did not take vimo this year so even I did not take vimo.*

FGD participant, Bapunagar, Ahmedabad city

Another respondent from Choila village also indicated how her decision not to renew in the insurance programme was influenced by her neighbours.

Interviewer: *If you have to take vimo next year, would you take vimo?*

Respondent: *But it happens that we don't get the money of the vimo back, so what is the use of taking vimo then?*

Interviewer: *Who says that?*

Respondent: *Two to three people have told me that.*

Bhartiben, Choila village, Bayad taluka

Because the insurance scheme is somewhat difficult to understand for new members, the role of the neighbours in the member's decision becomes especially important.

Respondent: *See ben, I understand nothing. Only if a few bens (sisters) of the village get together, then we can take insurance. Only then can I take one step forward.*

Sangeetaben, Choila village, Bayad

6. **Member's previous experience with Vimo SEWA:** We may expect that members who have had a positive experience with the scheme are more likely to renew their membership than those who have not benefited from their membership. We therefore asked respondents if they had submitted a claim to Vimo SEWA, and if they had what their experience had been.

Only one of the 81 dropouts interviewed had filed a claim in 2004 – against 13% among the renewed members. This one person from among the dropouts did not renew her membership because according to her no aagewan came to renew her insurance.

7. **Hospitalization experience of the member and her family in the last year:** We explored the instances of hospitalizations for families of members and dropouts, to assess whether a greater incidence of hospitalization in the family led to a higher propensity to renew membership in the programme.

Among the dropouts, there were 17 cases of hospitalizations from 14 households (17.28%). Of the 17 hospitalizations, eight cases were for insured persons. Yet no one had filed a claim.

Among the renewed members, there were 26 hospitalizations from 23 households (25.5%). Of the 26 hospitalizations, 12 were for insured persons, but only 6 claims were filed. Of these four were reimbursed and two were rejected. There had been a higher proportion of hospitalizations in the families of renewed members than among the families of members that dropped out of the programme.

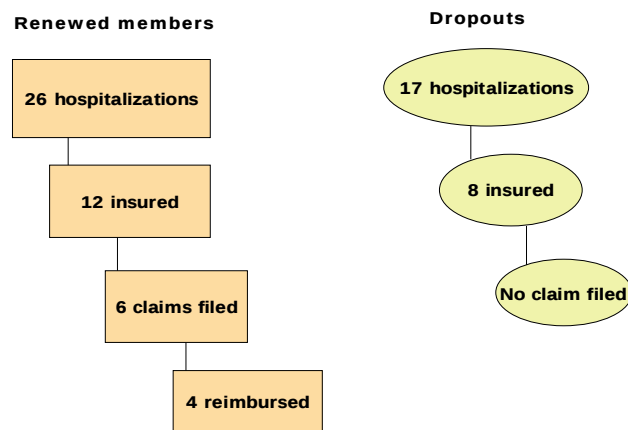
Table 6: Hospitalization summary of Dropouts

	Admit1		Admit2		Admit3	
	No.	%	No.	%	No.	%
Total hospitalized	14	100	2	100	1	100
Insured	8	57.14	-	-	-	-
Non-insured	6	42.86	2	100	1	100
Claim submission	0		0		0	

Table 7: Hospitalization summary of Members

	Admit1		Admit2	
	No.	%	No.	%
Total hospitalized	23	100	3	100
Insured	12	52.17	-	-
Non-insured	10	43.48	2	66.67
Status not known	1	4.35	1	33.33
Claim submitted	6	100	-	-
Reimbursed	4	66.67	-	-
Rejected	2	33.33	-	-

Figure 4: Number of renewed members and dropouts submitting health claims



Two points are noteworthy. First, the group of renewed members had a higher number of hospitalizations compared to the dropouts. While this difference was not statistically significant, it shows a comparative trend in the two groups. This may explain the higher renewal rate among this group. However, even among renewed members, claims were submitted for only half the insured members. We were unable to explore reasons for non-submission of claims by insured members in this study.¹

¹ From previous studies we know that some members do not submit claims if they have no documents or incomplete documents, or if the claim is not admissible, e.g. in the case of pre-existing diseases.

Slight (but not statistically significant) differences between the renewed members group and the dropout group

We wanted to assess whether the socio-economic status (SES) of members affects their decision to renew their membership in the insurance programme. For this, we included a set of questions in the survey to assess the SES of the respondents. We also asked members to tell us their annual income and their current financial liabilities. The two groups exhibited some differences in terms of their SES, but these were not found to be statistically significant. The findings on this set of variables are reported in this section.

- 1. Socio-economic status:** The methodology used to arrive at the socio-economic status is described in detail in Appendix II. The variables used to arrive at the SES fall into four categories. These include:

A. Human resources

- a) Occupation of adult household members**
- b) Level of education of adult household members**

B. Dwelling

- a) Number of rooms**
- b) Type of cooking fuel used**
- c) Observed structural condition of dwelling**

C. Food security

- a) Stock of cooking oil**

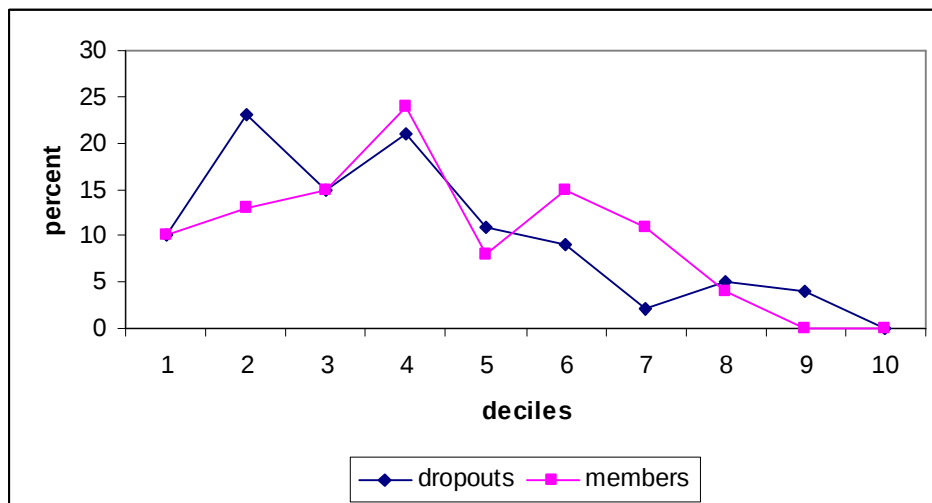
D. Asset ownership

- a) No. of refrigerators**
- b) No. of wristwatches**
- c) No. of televisions**

- d) No. of video-cassette recorders (VCRs) or video CD players (VCDs)
- e) No. of motorcycles or scooters

It was seen that on average, dropouts were slightly poorer than members who renewed their membership. 48% of the dropouts fall in the lowest three deciles compared to 38% of the members who renewed their members. The mean socio-economic status of renewed members (-0.4512192) is somewhat higher than that of dropouts (-0.5710439). However, the difference in the socio-economic status between the two groups was not statistically significant.

Figure 5: Percent of renewed members and dropouts by decile



2. Current loans taken by member/member's family: Another area explored in the study was the financial liability of the two groups, and the reason for taking a loan. We asked respondents if they currently had a loan, and if so, the reason for taking the loan and the loan amount.

A slightly higher percentage of members (35.5%) currently had a loan as compared to dropouts (25%).

Table 8: Reasons for taking loans among renewed members and dropouts

Purpose	Dropouts		Renewed Members	
	N	%	N	%
Consumption	5	25	3	9
Business	2	10	13	41
House repair	6	30	8	25
Sickness	1	5	2	6
Other	6	30	6	19
TOTAL	20	100	32	100

Of the persons who had taken loans in the two groups, a significantly higher number of renewed members had taken loans for business purposes as compared to those who had dropped out. Consumption loans were higher among the dropouts. We would expect that enterprise-related loans would be higher among better off members, and consumption loans more among poorer members. The findings in this section support the findings about the socio-economic status of renewed members versus dropouts – the dropouts as a group are somewhat poorer than the members who renewed their membership.

3. **Mobility of respondents**: As mentioned in the methodology section, we were unable to meet 15% of the dropouts in our sample. These persons had either moved to another location,

were not available at their homes despite three visits made to them, or had gone away for long periods. The comparable percentage for members was 4%.

This indicates that an important reason for non-renewal is that members are not home at the time the *aagewan* visits them during the enrollment campaign. For one, we know that poor self-employed women and their families are fairly mobile. We have observed this through our work with this population over the last several years. Poor members rarely own their homes, and live with insecure tenancy rights or even on illegally occupied land. They are sometimes forced to move to other locations, and rarely leave behind any information about their new addresses. The *aagewan* is thus unable to locate them.

Further, the poorest families are out on work for long hours, or may migrate for work. The *aagewans* are therefore unable to reach these members.

No differences between the renewed members group and dropout group

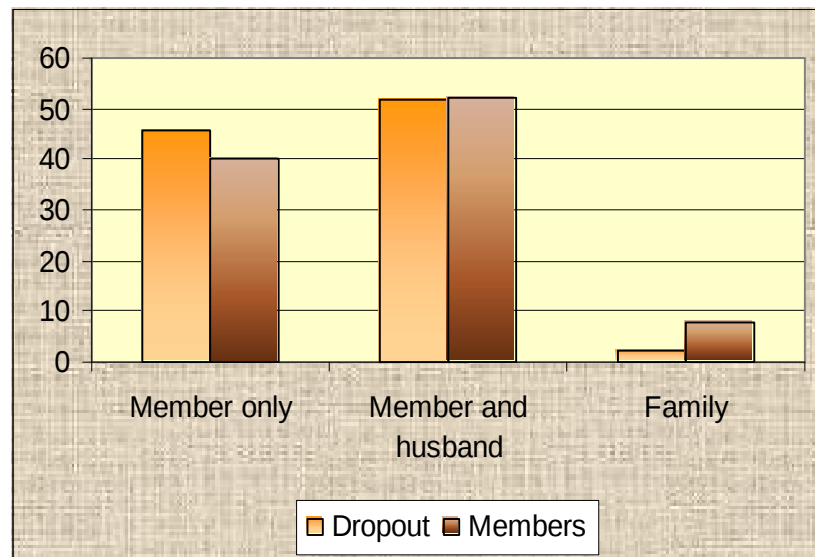
There was no difference between the renewed member group and the dropout group on the four parameters discussed below.

1. Number of family members insured in Vimo SEWA:

It was seen that there was no difference between the two groups with regard to number of family members insured in Vimo SEWA

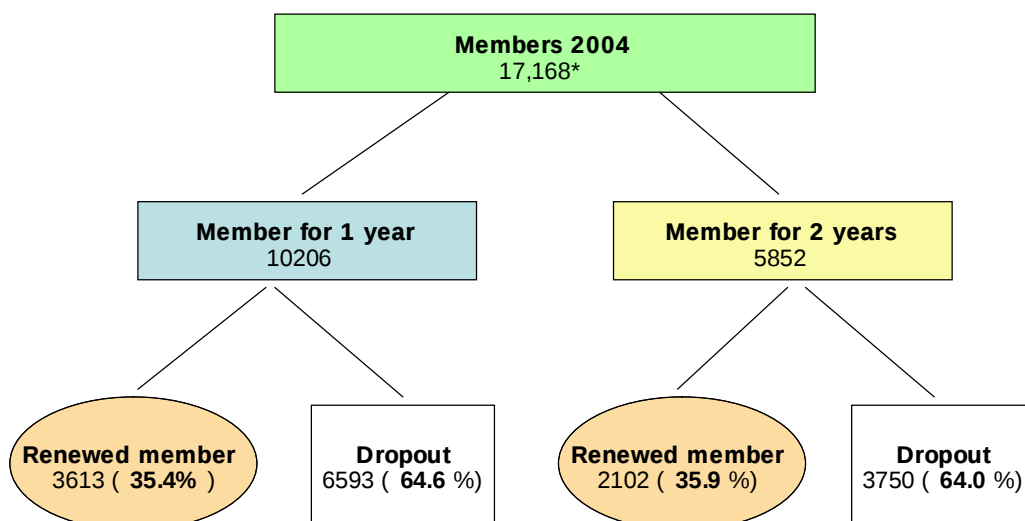
in 2004. 52.22% of renewed members had spouses insured in Vimo SEWA and 7.78% had the entire family enrolled. Spouse and family membership in 2004 among those who dropped out in 2005 was slightly lower - 51.85% had their spouse insured and 2.47% had the entire family insured. This suggests that the number of persons insured in Vimo SEWA does not affect the likelihood of renewing membership in the scheme.

Figure 6: Members insured in 2004



2. Length of membership in Vimo SEWA: In 2004, there were a total of 17,168 members in Scheme 1 in Ahmedabad city. Of these 10,718 dropped out of the scheme and 6450 renewed their membership. This gives us a renewal rate of 38% for Scheme 1 members in Ahmedabad city. We further examined the data to see if members who had stayed in the scheme for more than one year were more likely to renew than those who were members for only a year.

Figure 7: Percent of renewed members and dropouts



* Note: 1110 members had interrupted membership

As can be seen in the figure, in the case of both types of members – those who had been member for one year and those who had been members for two consecutive years – the renewal rate is about the same, i.e. 35%. The length of stay in the insurance programme does not affect the chances of renewing membership.

3. **Membership in other insurance programmes:** Some of Vimo SEWA's members are also enrolled in other insurance programmes. We wanted to examine whether there was any correlation between being enrolled in other insurance programmes and renewing membership in Vimo SEWA.

In both groups, i.e. renewed members and dropouts, about 20% of the respondents reported having a family member insured in some other insurance programme as well. There is thus no correlation between members having other insurance and their likelihood to stay enrolled in Vimo.

4. Individual level characteristics

We compared the member and dropouts on three individual level characteristics, viz. age, education and occupation. No significant differences were found between the two groups. The average age of renewed members and dropouts was 37.32 and 36.79 years respectively. The occupational profile of both groups was similar, with the majority being casual labourers. (Appendix III, Table 3-xvii) In terms of educational levels, in both groups, the majority had completed less than secondary level of education.

STRENGTHS AND LIMITATIONS OF STUDY

In the section where dropouts reported their reasons for not renewing their membership, we first asked respondents if someone had visited them for renewing their membership. Two questions later we asked them their reason for not renewing their membership. It is possible that the first question may have led some respondents to give aagewan not coming as the reason for non-renewal.

DISCUSSION AND FUTURE STRATEGIES

This study aimed to understand why members did not renew their membership in Vimo SEWA. Recognizing that (i) there may be more than one reason, and (ii) that members may not always articulate their reasons for not renewing their membership, we decided to survey a group of dropouts and a group of members who had renewed their membership, and compare the two groups on a number of parameters. We also compared the socio-economic status of the two groups. Finally, we asked dropouts their reasons for not renewing their membership, and the changes they would like to see in the insurance programme.

The most significant factor underlying low renewal rates appears to be the degree of contact between members and Vimo aagewans, who are the face of the insurance programme to members. Members seem to desire regular contact with the aagewans. It was also seen that members who renewed their membership had much stronger linkages with the aagewans compared to the dropouts. Greater contact is bound to lead to greater trust in the programme, which is a key factor in purchasing insurance.

Future strategy: Establish a system whereby each member is visited in her home at least twice after enrolling in vimo. (Follow-up visit)

The second most important issue that seemed to emerge was that members had some difficulty in understanding the scheme, and wanted to understand the scheme better before they continued their commitment to it. This was seen both in the reasons members gave

for non-renewal, and in the finding that members who renewed their membership demonstrated a far better understanding of the scheme than the members who dropped out.

Future strategy: *In the follow-up visit to the member's home, the aagewan once again explains the insurance scheme and its rules so that the member begins to grasp the details of the scheme.*

While it is easier for less poor members to buy insurance than the poorer members, money alone is rarely the constraint. We saw that there was no significant difference in the socio-economic status of renewed members versus dropouts. Further, while 18% of the responses to reason for non-renewal were 'lack of money', in two-thirds of these cases, lack of money was not the only reason – it was mentioned along with some other reason. In only six cases was it the only reason mentioned by the respondent.

Future strategy: *Ensuring that aagewans maintain contact with the poorest members and take the extra effort it needs to build their trust in the programme.*

Most members find the product fairly appropriate; a few members suggested some changes. Of the 52 total suggestions on desired changes, 25% related to the product. Of these, five persons suggested a decrease in premium and six wanted inclusion of out-patient care. Clearly poor members have many unmet needs which deserve attention. However, the changes desired in the product have serious cost implications for the scheme. Further, providing out-patient health care services in an open-provider insurance system is extremely

challenging to administer and would drive up costs significantly. The desired changes in the product need to be balanced with the need to make the programme financially viable.

Future strategy: Given the non-feasibility of instituting the changes desired by the survey respondents, Vimo SEWA could focus on providing better understanding about the scheme and better services to maintain member satisfaction and ensure retention.

CONCLUSION

Vimo SEWA clearly wants to increase the renewal rate among its membership. Continuous membership is beneficial to the members because it provides them with unbroken protection. A high renewal rate also contributes to the financial viability and efficiency of the programme. Members who have been in the programme for a length of time develop a sound understanding of the programme. They are therefore able to utilize the programme effectively and efficiently. This frees up the programme's resources and personnel for enrolling and educating new members. Expansion of membership contributes to the stability of the programme and in turn benefits the membership. It is thus in the interest of the members and the programme that a high renewal rate be achieved.

At the same time, it may be unreasonable to expect that all members will renew their membership each year. Renewal is a challenge in all voluntary insurance programmes sold to individuals. For one, poor families in the informal sector are a mobile group, and perhaps 10-12% of members will move in the course of the year. While the programme can improve its system of tracking members, some members are likely to fall through the cracks. Further, a small percentage of members may choose not to renew for a variety of reasons unrelated to the programme.

Vimo SEWA has already instituted some initiatives for increasing the renewal among its members. Starting April, Vimo SEWA started a "Renewal Campaign" in Ahmedabad city, and plans to expand this campaign to the rural districts in 2006. The findings of this study will

be incorporated in the Renewal Campaign strategy and used to strengthen it for greater effectiveness.

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APPENDIX I: INSURANCE SCHEME 2005

Table 1-i: Premium and Scheme Coverage

Schemes (effective from January 2005)				
Scheme - 1				
	Member	Spouse	Children	Total
Annual Premium	100	70	100	270
Fix Deposit	2,100	1,500	-	3,600
Natural Death	5,000	5,000	-	-
Mediclaime	2,000	2,000	2,000	-
Asset Loss	10,000	-	-	-
Accidental Death	40,000	25,000	-	-
Accidental Death (Spouse)	15,000	-	-	-
Scheme - 2				
	Member	Spouse	Children	Total
Annual Premium	225	175	100	500
Fix Deposit	5,000	4,000	-	9,000
Natural Death	20,000	20,000	-	-
Mediclaime	6,000	6,000	2,000	-
Asset & Loss	20,000	-	-	-
Accidental Death	65,000	50,000	-	-
Accidental Death (Spouse)	15,000	-	-	-

ADDITIONAL BENEFITS FOR FIXED DEPOSIT MEMBERS:

(1) MATERNITY BENEFIT: 300 /- (2) DENTURE: 600 /- (3) HEARING AID: 1000 /-

A discount of Rs. 20 is given to a member who takes the family package (member, spouse and child insurance)

APPENDIX II: METHODOLOGY USED FOR ASSIGNING SOCIO-ECONOMIC STATUS

To assess the socio-economic status of members, we carried out a two-part survey in 2003. In 2003, Vimo SEWA was actively working in 11, largely rural, districts and in Ahmedabad City. We first conducted a sample survey of the general population of these eleven districts and Ahmedabad city, to arrive at the socio-economic profile of the general population in these areas. The questionnaire used in this survey (Survey I), was the same for rural and urban areas. It is based largely on a standardized survey tool developed by the Consultative Group to Assist the Poorest (CGAP) and the International Food Policy Research Institute (IFPRI) to measure the poverty of microfinance clients. (Henry, Sharma et al. 2000) The instrument has modules on:

- Demographic characteristics of household and members,
- Quality of housing,
- Household assets,
- Human capital,
- Food security and vulnerability,
- Household expenditures on clothing and footwear, and
- Hospitalization.

Sample size estimation for Survey I was based on the premise that a socio-economic score would be developed for each surveyed household, and that the key statistic to be identified was the cut-off value of this score identifying the poorest 30% of the population. With a sample size of 800, the true value of this cut-off point can be assumed, with 95% confidence, to fall between the observed values of the 27th and 33rd percentile of the sample (Mood and Graybill 1963).

This was determined to be adequate precision for the purposes of the study and 800 rural and 800 urban households were sampled.²

For the survey of the general population (Survey I), sampling in both rural areas and Ahmedabad City was by two-stage, random sampling. At the first stage in rural areas, towns/villages were randomly selected, with the sampling probability proportionate to the size (PPS) of the town/village. For villages with more than one Enumeration Block (EB) (blocks of roughly equal population that are demarcated for conducting the national census) a single EB was randomly selected. At the first stage in urban areas, a list was made of all of the EBs in Ahmedabad City (a total of 10,385). Fifty EBs were randomly selected using systematic random sampling

In both rural and urban areas, 16 individual households per EB were selected by “random-walk” sampling. On the EB maps, each block of houses was numbered and a ‘start point’ was randomly selected. After the start point, every 2nd household was included in the sample, following structures in the same order in which they were numbered on the EB map.

A second survey (Survey II) was then carried out of a sample of Vimo SEWA members in 2003. At the study’s inception, it was decided that Ahmedabad City and the rural areas served by Vimo SEWA differ so significantly—for example, in terms of types of housing and amenities, density of hospitals, and the nature of services provided by Vimo

² A household was defined as a group of people regularly eating from the same kitchen; members had either to have (1) been present in the household 4 of the last 7 nights or (2) lived in the household 6 of the last 12 months and intended to return within 2 months, to spend at least half of their time living in the house.

SEWA—that throughout the study, they would be dealt with separately.

Shorter questionnaires were used for Survey II, one for urban and one for rural households. These “rapid assessment” questionnaires included only a subset of the questions asked in Survey I—the questions necessary to provide data for the indicators that most strongly distinguish relative levels of socio-economic status based on statistical analysis (see Table 2-i).

Survey II carried out with Vimo SEWA members was restricted to 16 rural talukas (sub-districts) and 4 urban zones³. The 16 rural talukas were those with the highest number of adult, women Vimo SEWA members. Each of the four urban zones selected for Survey II comprised of two wards of Ahmedabad city. Thus a total of eight wards were selected. These eight wards had the highest number of Vimo SEWA members, each with more than a 1,000 adult women members. Approximately 64% of the rural 2003 Vimo SEWA members lived in these 16 selected talukas and 42% of urban members lived in the four selected urban zones.

The sampling universe for Survey II was the 35,349 adult women members in the 16 rural talukas and the 10,844 members in the four urban zones. Both rural and urban surveys were sufficiently large to estimate the proportion of members drawn from the poorest 30% of the general population to within 3 percentage points either side of the true value. The rural survey was larger for reasons related to the subsequent trial.

Table 2-i: Indicators assessed in Surveys II and III

Domain	Rural	Urban
Human resources	• Level of literacy of adult household members • Level of education of adult household members	• Occupation of adult household members • Level of education of adult household members
Dwelling	• Number of rooms • Type of exterior walls • Type of electrical connection • Type of cooking fuel used	• Number of rooms • Type of cooking fuel used • Observed structural condition of dwelling
Food security	• Size of stock of cooking oil • Size of stock of millet or millet flour • Size of stock of wheat or wheat flour	• Size of stock of cooking oil
Assets	• Refrigerators • Fans • Mattresses • Wristwatches	• Refrigerators • Wristwatches • Televisions • Video-cassette recorders (VCRs) or video CD players (VCDs) • Motorcycles or scooters

³ Districts are divided into sub-district areas called talukas, each centered around a major town (taluka place) and with a population of 50,000 -250,000.

All survey data were double-entered into customized EpiInfo databases. Principal Components Analysis (PCA) using Stata 7.0 (Stata Corporation, College Station, TX) was applied to the socio-economic data to obtain an index as a proxy for household socio-economic status.

PCA involves breaking down assets (e.g. radio, wrist watch) or household service access (e.g. water, electricity) into categorical or interval variables. The variables are then processed in order to obtain weights and principal components. The results obtained from the first principal component (explaining the most variability) are usually used to develop an index based on the formula:

$$A_j = f_1 \times (a_{j1}-a_1) / (S_1) + \dots + f_N \times (a_{jN}-a_N) / (S_N) \quad (\text{Filmer and Pritchett 1998})$$

where f_1 is the scoring factor or weights for the first asset (or service), x is the variable (asset or service), a_j is the value for the assets (or service), and a_1 and s_1 are the mean and standard deviation of assets (or service) respectively. Based on this equation, socio-economic statuses of households were assigned to the residents of those households, and the resulting population was divided into deciles that then represent proxies for socio-economic status. The deciles developed are thus expressed in terms of deciles of individuals of the total population at risk for all measures. The 1st through 10th deciles were assigned in the continuum of poorest and least poor.

Accompanying each of these frequency distributions is a value of pro-poor inclusiveness, namely the percentage of members or claimants

that fall below the 30th percentile of SES. The latest poverty statistics for India suggest that 34.7% of the total population lives below \$1 per day (World Bank 2004). While comparable state-level figures are not available, we have assumed that roughly 30% of Gujarat's population falls below this international poverty line, given that Gujarat tends to perform slightly better than all-India based on other measures of poverty. Confidence intervals for this estimate of pro-poor inclusiveness are presented to show the statistical significance of the measured inequality.

APPENDIX III: SUMMARY OF ANALYSIS

Table 3-i: General information about Vimo SEWA membership

Variables	Result	Dropouts [N=81]		Member [N=90]		P Value	Significant
		%	Frequency	%	Frequency		
Insurance in 2005							
	No	93.83	76	1.11	1		
	Yes	6.17	5	97.78	88		
	Don't know	-	-	1.11	1		
Insurance in 2004							
	No	2.47	2	3.33	3	0.738	No
	Yes	97.53	79	96.67	87		
	Don't know	-	-	-	-		
Insurance bought from whom							
	Aagewan	88.89	72	87.78	79	0.047	Yes
	Vimo office	4.94	4	0	0		
	SEWA Bank loan	6.17	5	12.22	11		

Table 3-ii: Association with SEWA

Variables	Result	Dropouts [N=81]		Members [N=90]		P Value	Significant
		%	Frequency	%	Frequency		
Know about SEWA							
	No	54.32	44	34.44	31	0.009	Yes
	Yes	45.68	37	65.56	59		
SEWA member							
	No	48.15	39	28.89	26	0.01	Yes
	Yes	51.85	42	71.11	64		
SEWA Bank account							
	No	64.2	52	32.22	29	0	Yes
	Yes	35.8	29	65.56	59		
	Don't know	-	-	2.22	2		
SEWA loan							
	No	87.65	71	74.44	67	0.076	No
	Yes	12.35	10	24.44	22		
	Don't know	-	-	1.11	1		
Child goes to Balwadi run by SEWA							
	No	93.83	76	94.44	85	0.864	No
	Yes	6.17	5	5.56	5		
Cooperative member							
	No	96.3	78	100	90	0.065	No
	Yes	3.7	3	-	-		

Table 3-iii: Association with SEWA (contd.)

Variables	Result	Dropouts			Members			P Value	Significant
		N	%	Freq.	N	%	Freq.		
How often do you save									
	Save regularly	29	48.28	14	58	41.38	24	0.541	No
	Save irregularly	29	51.72	15	58	58.62	34		
Knows bank balance									
	Don't know	29	20.69	6	59	6.78	4	0.053	Borderline
	Know	29	79.31	23	59	93.22	55		
Mean bank balance		23	2315		55	3040			
Which balwadi/aanganwadi									
	Don't know name	5	-	-	5	-	-		
	Know name of area	5	100	5	5	100	5		
Which cooperative									
	Rag pickers	3	-	-	-	-	-		
	Nashta	3	-	-	-	-	-		
	Saundarya	3	-	-	-	-	-		
	Vendors	3	-	-	-	-	-		
	Others	3	100	3	-	-	-		
Got work through cooperative									
	No	3	100	3	-	-	-		
	Yes	3	-	-	-	-	-		

Table 3-iv: Linkage with SEWA aagewan

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Freq.	N	%	Freq.		
Know SEWA aagewan									
	No	81	17.28	14	90	8.89	8	0.102	No
	Yes	81	82.72	67	90	91.11	82		
Does this ben work in SEWA									
	No	67	-	-	82	1.22	1	0.36	No
	Yes	67	100	67	82	98.78	81		
	Don't know	67	-	-	82	-	-		
Know aagewan's activity									
	Savings	67	23.88	16	82	24.39	20	0.133	No
	Vimo	67	35.82	24	82	43.9	36		
	Union	67	4.48	3	82	7.32	6		
	Health	67	4.48	3	82	1.22	1		
	Childcare	67	5.97	4	82	12.2	10		
	Housing	67	-	-	82	-	-		
	Other	67	-	-	82	-	-		
	Don't know	67	25.37	17	82	10.98	9		
How do you know aagewan									
	She is relative/friend	67	29.85	20	82	37.8	31	0.195	No
	Through Vimo/SEWA	67	67.16	45	82	62.2	51		
	Other	67	2.99	2	82	-	-		
How often did you meet aagewan after Diwali/Id									
	Not even once	67	25.37	17	82	4.88	4	0	Yes
	Once or twice	67	28.36	19	82	19.51	16		
	More than twice	67	46.27	31	82	75.61	62		
Where do you meet aagewan									
	At respondent's home	50	68	34	78	82.05	64	0.226	No
	At aagewan's home	50	12	6	78	7.69	6		
	In neighbourhood	50	2	1	78	3.85	3		
	In SEWA office/bank	50	2	1	78	1.28	1		
	Other	50	16	8	78	5.13	4		

Table 3-v: Linkage with insurance and vimo aagewan

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Freq.	N	%	Freq.		
Knows aagewan from whom vimo bought									
	Does not know	81	35.8	29	90	15.56	14	0.001	Yes
	Know aagewan who sold vimo	81	62.96	51	90	74.44	67		
	Someone else bought	81	1.23	1	90	10	9		
How often did you meet aagewan after buying vimo									
	Never after purchase	80	55	44	89	25.84	23	0	Yes
	Once or twice	80	18.75	15	89	16.85	15		
	More than two times	80	26.25	21	89	57.3	51		
Who paid for vimo									
	Herself	81	91.36	74	90	92.22	83	0.37	No
	Husband	81	0	0	90	2.22	2		
	Other male	81	1.23	1	90	-	-		
	Other female	81	7.41	6	90	5.56	5		
How much amount paid									
	Don't know	81	33.33	27	90	28.89	26	0.53	No
	Know	81	66.67	54	90	71.11	64		
Mean amount paid for vimo		54	118.61		64	205.31			
Member since									
	1 year	81	76.54	62	90	5.56	5	0	Yes
	2 years	81	17.28	14	90	64.44	58		
	3 years and more	81	4.94	4	90	24.44	22		
	Lapse renew	81	-	-	90	1.1	1		
	Don't know	81	1.23	1	90	4.44	4		

Table 3-vi: Knowledge about vimo coverage

Variables*	Response	Dropouts [N=81]		Member [N=90]		P Value	Significant
		%	Frequency	%	Frequency		
Theft coverage							
	Correct	16.05	13	24.44	22	0.302	No
	Incorrect	13.58	11	8.89	8		
	Don't know	70.37	57	66.67	60		
Hospitalization coverage							
	Correct	76.54	62	90	81	0.044	Yes
	Incorrect	2.47	2	2.22	2		
	Don't know	20.99	17	7.78	7		
Flood coverage							
	Correct	45.68	37	73.33	66	0.001	Yes
	Incorrect	11.11	9	5.56	5		
	Don't know	43.21	35	21.11	19		
Childbirth coverage							
	Correct	22.22	18	21.11	19	0.12	No
	Incorrect	19.75	16	33.33	30		
	Don't know	58.02	47	45.56	41		
Knowledge of vimo combined							
4 - All 4 answers correct		4.94	4	6.67	6	0.004	Yes
3 - 3 answers correct		14.81	12	22.22	20		
2 - 2 answers correct		30.86	25	50	45		
1 - 1 answer correct		34.57	28	15.56	14		
0 - All don't know / blank		14.81	12	5.56	5		

* Note: Only hospitalization and flood coverage are offered to members. Childbirth coverage is not available for annual pay members, and loss due to theft is not covered.

Table 3-vii: Claim experience at Vimo SEWA

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Freq.	N	%	Freq.		
Filed claim in 2004									
	No	81	97.53	79	90	84.44	76	0.01	Yes
	Yes	81	1.23	1	90	13.33	12		
	Don't know	81	1.23	1	90	2.22	2		
Which month claim submitted									
	Jan – Mar	1	-	-	12	-	-	0.74	No
	Apr – Jun	1	-	-	12	16.67	2		
	Jul – Sep	1	-	-	12	16.67	2		
	Oct – Dec	1	-	-	12	25	3		
	Don't know	1	100	1	12	41.67	5		
Claim reason									
	Hospitalization	1	-	-	12	66.67	8	0.296	No
	Accidental death	1	-	-	12	-	-		
	Natural death	1	-	-	12	8.33	1		
	Asset loss	1	100	1	12	25	3		
	Don't know	1	-	-	12	-	-		
Claim documents given to									
	Vimo SEWA aagewan	1	100	1	12	66.67	8	0.79	No
	Other SEWA aagewan	1	-	-	12	25	3		
	Don't know	1	-	-	12	8.33	1		
Claim status									
	Passed	1	100	1	12	66.67	8	0.786	No
	Rejected	1	-	-	12	25	3		
	Don't know	1	-	-	12	8.33	1		
Know reason for claim rejection									
	Yes	-	-	-	3	100	1		
	Don't know	-	-	-	3	-	-		

Table 3-viii: Hospitalization in family since Holi (March) 2004

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Freq.	N	%	Freq.		
Hospitalization in family									
	No	81	82.72	67	90	74.44	67	0.19	No
	Yes	81	17.28	14	90	25.56	23		
Relationship with person admitted									
1st hospitalization	Self	14	35.71	5	23	21.74	5	0.681	No
	Husband	14	21.43	3	23	34.78	8		
	Child	14	28.57	4	23	34.78	8		
	Other relative	14	14.29	2	23	8.7	2		
2nd hospitalization	Self	2	-	-	3	-	-	0.709	No
	Husband	2	-	-	3	-	-		
	Child	2	50	1	3	33.33	1		
	Other relative	2	50	1	3	66.67	2		
3rd hospitalization	Self	1	-	-	-	-	-		
	Husband	1	-	-	-	-	-		
	Child	1	-	-	-	-	-		
	Other relative	1	100	1	-	-	-		
Average days in hospital									
	1st hospitalization	14	5.2		23	7.3			
	2nd hospitalization	2	18		3	12			
	3rd hospitalization	1	5		-	-			
Mode of transportation for going to the hospital									
1st hospitalization	Bus	14	-	-	23	-	-	0.068	No
	Shared rickshaw	14	21.43	3	23	-	-		
	Private rickshaw	14	64.29	9	23	82.61	19		
	Other	14	14.29	2	23	17.39	4		
2nd hospitalization	Bus	2	-	-	3	-	-	0.171	No
	Shared rickshaw	2	50	1	3	-	-		
	Private rickshaw	2	50	1	3	100	3		
	Other	2	-	-	3	-	-		
3rd hospitalization	Bus	1	-	-	-	-	-		
	Shared rickshaw	1	100	1	-	-	-		
	Private rickshaw	1	-	-	-	-	-		
	Other	1	-	-	-	-	-		

Variables	Result	Dropouts				Member			P Value	Significant
		N	%	Freq.		N	%	Freq.		
Average transportation cost										
	1st hospitalization	11	26.54			21	82.19			
	2nd hospitalization	2	25			3	38.33			
	3rd hospitalization	1	20			-	-			
Total expenditure on hospitalization										
1st hospitalization	Knows	14	100	14		23	78.26	18	0.061	No
	Don't know	14	-	-		23	21.74	5		
2nd hospitalization	Knows	2	100	2		2	100	2		
	Don't know	2	-	-		2	-	-		
3rd hospitalization	Knows	1	100	1		-	-	-		
	Don't know	1	-	-		-	-	-		
Average total cost on hospitalization										
	1st hospitalization	14	4250			18	5677.7			
	2nd hospitalization	2	12850			2	20000			
	3rd hospitalization	1	1000			-	-			
Indirect expenditure on hospitalization										
1st hospitalization	Knows	14	100	14		23	86.96	20	0.159	No
	Don't know	14	-	-		23	13.04	3		
2nd hospitalization	Knows	2	50	1		2	100	2	0.248	No
	Don't know	2	50	1		2	-	-		
3rd hospitalization	Knows	1	100	1		-	-	-		
	Don't know	-	-	-		-	-	-		
Average total indirect cost										
	1st hospitalization	14	484.28			20	775.95			
	2nd hospitalization	1	200			2	1090			
	3rd hospitalization	1	200			-	-			
Source of funds for hospitalization										
	Own savings	17	29.41	5		26	15.38	4		
	Borrowed money with interest	17	41.18	7		26	53.85	14		
	Borrowed money without interest	17	29.41	5		26	23.08	6		
	Sale of assets	17	-	-		26	7.69	2		
	Consumption reduced	17	-	-		26	-	-		

Variables	Result	Dropouts				Member			P Value	Significant
		N	%	Freq		N	%	Freq		
Total spending on hospitalization										
1st hospitalization	Knows	13	84.62	11		23	82.61	19	0.877	No
	Don't know	13	15.38	2		23	17.39	4		
2nd hospitalization	Knows	2	100	2		2	100	2		
	Don't know	2	-	-		2	-	-		
3rd hospitalization	Knows	1	100	1		-	-	-		
	Don't know	1	-	-		-	-	-		
Average total spending										
	1st hospitalization	12	4516.7			19	7640			
	2nd hospitalization	2	13000			2	20000			
	3rd hospitalization	1	500			-	-			

Table 3-ix: Reasons for not buying

Variables	Result	Dropouts [N=81]	
		%	Frequency
Reported reasons for dropout			
	No one came	45.68	37
	No money at that time	7.41	6
	Not used vimo in previous year	2.47	2
	Dissatisfied because previous claim rejected	1.23	1
	Unhappy with conditions of Vimo SEWA	1.23	1
	Don't understand scheme	1.23	1
	Other bought last time	1.23	1
	Other	11.11	9
	Multiple response	28.41	23

Table 3-x: Willingness to buy insurance in 2006

Variables	Result	Dropouts		
		N	%	Frequency
Willing to buy for 2006				
	No	81	19.75	16
	Yes	81	71.6	58
	Don't know	81	8.64	7

Table 3-xi: Reasons for buying

Variables	Result	Member [N=87]	
		%	Frequency
Reported reasons for buying			
	Hospitalization protection	12.64	11
	Protection against unexpected loss	42.53	37
	Aagewan asked to buy	8.05	7
	Other	11.49	10
	Multiple response	25.29	22

Table 3-xii: Information about membership of other insurance

Variables	Result	Dropouts [N=81]		Member [N=90]		P Value	Significant
		%	Frequency	%	Frequency		
Any other insurance							
	No	80.25	65	78.89	71	0.634	No
	Yes	19.75	16	20	18		
	Don't know	-	-	1.11	1		

Table 3-xiii: Type of other insurance

Type of insurance	Dropout			Member			
	Self	Husband	Family	Self	Self & Husband	Husband	Family
Life	3	5	5	1	2	8	4
Health	-	-	-	-	-	-	2
Accident	-	1	-	-	-	-	-
Other	1	-	1	1	-	-	-
Total	4	6	6	2	2	8	6
	16			18			

Table 3-xiv: Annual household income

Variables	Result	Dropouts [N=81]		Member [N=90]		P Value	Significant
		%	Frequency	%	Frequency		
Annual income							
	Below 12,000	4.94	4	4.44	4	0.867	No
	12,000 - 24,000	32.1	26	31.11	28		
	24,001 - 48,000	30.86	25	36.67	33		
	Above 48,000	32.1	26	27.78	25		

Table 3-xv: Details of current loan/liabilities

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Frequency	N	%	Frequency		
Current loan									
	No	80	73.75	59	90	63.33	57	0.329	No
	Yes	80	25	20	90	35.56	32		
	Don't know	80	1.25	1	90	1.11	1		
Know loan year									
	Know	20	90	18	32	100	32	0.068	No
	Don't know	20	10	2	32	-	-		
Loan year									
	2001	18	5.56	1	32	-	-	0.29	No
	2002	18	5.56	1	32	9.38	3		
	2003	18	16.67	3	32	3.13	1		
	2004	18	55.56	10	32	68.75	22		
	2005	18	16.67	3	32	18.75	6		
Loan reason									
	Consumption	20	25	5	32	9.38	3	0.18	No
	Business	20	10	2	32	40.63	13		
	Sickness	20	5	1	32	6.25	2		
	Education	20	-	-	32	3.13	1		
	House repair	20	30	6	32	25	8		
	Jewelry	20	-	-	32	-	-		
	Vehicle	20	5	1	32	-	-		
	Livestock	20	-	-	32	-	-		
	Other	20	25	5	32	15.63	5		
Source of loan									
	SEWA Bank	20	55	11	32	75	24	0.137	No
	Moneylender	20	20	4	32	3.13	1		
	Relative/friend	20	-	-	32	12.5	4		
	Cooperative	20	5	1	32	3.13	1		
	Other bank	20	5	1	32	3.13	1		
	Other	20	10	2	32	3.13	1		
	Don't know	20	5	1	32	-	-		
Know loan amount									
	Know	20	95	19	32	93.75	30	0.851	No
	Don't know	20	5	1	32	6.25	2		
Average loan amount		19	49879		31	19871			

Variables	Result	Dropouts			Member			P Value	Significant
		N	%	Frequency	N	%	Frequency		
Duration of loan									
	Know	20	35	7	32	50	16	0.289	No
	Don't know	20	65	13	32	50	16		
Duration of loan (months)									
	6 months	7	14.29	1	16	-	-	0.324	No
	7 months	7	-	-	16	6.25	1		
	9 months	7	14.29	1	16	-	-		
	10 months	7	14.29	1	16	6.25	1		
	12 months	7	-	-	16	12.5	2		
	15 months	7	-	-	16	6.25	1		
	18 months	7	-	-	16	12.5	2		
	20 months	7	14.29	1	16	6.25	1		
	24 months	7	-	-	16	18.75	3		
	25 months	7	-	-	16	6.25	1		
	36 months	7	-	-	16	6.25	1		
	99 months	7	14.29	1	16	18.75	3		
	120 months	7	14.29	1	16	-	-		
	180 months	7	14.29	1	16	-	-		
Know rate of interest									
	Know	20	30	6	32	28.13	9	0.885	No
	Don't know	20	70	14	32	71.88	23		
Know installment amount									
	Know	19	68.42	13	32	90.63	29	0.044	Yes
	Don't know	19	31.58	6	32	9.38	3		
Paid back loan fully									
	No	20	90	18	32	93.75	30	0.622	No
	Yes	20	-	-	32	-	-		
	Don't know	20	10	2	32	6.25	2		
Remaining amount to be paid									
	Know	20	80	16	32	81.25	26	0.911	No
	Don't know	20	20	4	32	18.75	6		

Table 3-xvi: Individual details

Variables	Result	Dropouts [N=81]			Member [N=90]		P Value	Significant
		%	Frequency		%	Frequency		
Level of schooling								
	Less than secondary	87.65	71		88.89	80	0.759	No
	Completed secondary	8.64	7		6.67	6		
	Attended college / university	3.7	3		4.44	4		
Main occupation								
	Other	66.67	54		62.22	56	0.545	No
	Unskilled daily wages	33.33	27		37.78	34		
Member age (mean)		36.79			37.32			

Table 3-xvii: Occupation details

Occupation	Dropouts [N=81]		Members [N=90]	
	Frequency	%	Frequency	%
AGARBATTI WORKER	4	3.64	-	-
BEAUTY PARLOUR	1	0.91	-	-
BEEDI WORKER	1	0.91	-	-
BISCUIT VENDOR	-	-	1	0.91
CLEANER	2	1.82	3	2.73
CLOTH VENDOR	1	0.91	-	-
CONSTRUCTION WORKER	1	0.91	4	3.64
COTTON LABOURER	-	-	1	0.91
CUTLERY VENDOR	-	-	1	0.91
EMBROIDERY WORKER	-	-	2	1.82
FACTORY WORKER	1	0.91	1	0.91
FARM LABOURER	-	-	2	1.82
FISH VENDOR	-	-	1	0.91
FLOWER VENDOR	-	-	2	1.82
FRUIT VENDOR	1	0.91	3	2.73
GARMENT SHOP	1	0.91	-	-
HOUSEWIFE	11	10.00	13	11.82
LABOURER	21	19.09	19	17.27
LAUNDRY WORKER	1	0.91	-	-
MILK VENDOR	1	0.91	-	-
OLD CLOTH VENDOR	-	-	1	0.91
OTHER HOME BASED	3	2.73	4	3.64
PAPER PICKER	1	0.91	-	-
PAPER WORKER	1	0.91	2	1.82
PLUMBER	-	-	1	0.91
PROVISION STORE	1	0.91	-	-
SERVICE	4	3.64	1	0.91
STATUE MAKER	1	0.91	-	-
SWEEPER	-	-	1	0.91
TAILOR	16	14.55	14	12.73
TUTION	-	-	2	1.82
VEGETABLE VENDOR	7	6.36	9	8.18
VENDOR	-	-	2	1.82