

MICRO-INSURANCE BRIEFS



Tamil Nadu: Self Help Promotion For Health and Rural Development Insurance Programme

Scheme Design

Registered under the Societies Registration Act, 1975, Self Help Promotion for Health and Rural Development based in Trichy operates in five districts of Tamil Nadu. SHEPHERD assists women belonging to the most disadvantaged groups of the population. Using the self-help approach, it specializes in building people's institutions, owned and managed by women and dealing with savings, credit, micro-insurance and micro-enterprise.

SHEPHERD believes in the need to provide a package of social protection services addressing the multiple livelihood risks faced by poor women. While developing this package, SHEPHERD actively promotes various community initiatives relying on active solidarity which is the core principle of social protection. The social protection services provided to these women already address the following needs: health care, life, accidental death, assets.

SHEPHERD's health insurance initiatives began in 1999 when six members died due to ill health or child birth complications. This spurred the need to develop appropriate health protection mechanisms. In close consultation with its members, SHEPHERD first helped in the creation of emergency health funds and consulted several insurance companies in order to explore the possibility of designing an additional tailor-made health insurance product. It finally offered two separate health insurance products to its members – with United India Insurance Company and mutual initiatives.

Eligibility Conditions

The surabhi (SHG) member's age of 18 to 60 are eligible to join in the scheme. Open to all women organized among self-help groups.

Exclusions

Pre-existing diseases, medicine cost after discharge and HIV/AIDS cases. But pre existing diseases will be covered after six months of enrolment.

We ascertain willingness to join in micro insurance.

Plan Benefits

NATURE	SUM INSURED (RS.)		
	SCHEME I	SCHEME II	MUTUALS
LIFE	10,000	10,000	10,000
HEALTH	10,000	20,000	10,000
ACCIDENTAL DEATH	25000	25000	10,000

General Overview

Starting date:	1999
Ownership profile:	NGO
Target group:	Poor women (BPL)
Outreach:	Tamil Nadu – 5 districts
Intervention area:	Rural
Risks covered:	Multiple risk: Health
Premium Insured/Y:	Rs 180
Co-contribution:	-
Total premium:	Rs 180
No of insured:	43,015 (life) 24,500 (health)

Operational Mechanisms

Type of scheme:	Partner-agent
Insurance company:	Public (UIIC)
Insurance plan year:	Fixed (Apr. to March)
Insured unit:	Individual
Type of enrolment:	Voluntary
One-time enrolm.fee:	None
Premium payment:	Upfront
Easy payment mech:	Soft loans and grants from SHGs
Waiting period:	One month
Indirect subsidy:	No

Scope of Health benefits

Tertiary health care:	No
Hospitalization:	
Deliveries:	No
Access to medicines:	No
Primary health care:	No

Level of Health benefits

Hospitalization:	Up to Rs 10,000
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Service Delivery

Prior H. check-up:	No
Tie-ups with HP:	Private HP
Type of agreement:	Formal agreements
No of Assoc. HP:	4
Access to HC serv.:	Free access
Co-payment:	No
HC service payment:	Reimbursement
TPA intervention:	No
Addit. financial ben.:	Through local emergency health funds

ASSET	10,000	10,000	10,000
LIFE FOR SPOUSE	10,000	10,000	10,000
PREMIUM (RS.)	260	365	260

The scheme covers all hospitalization expenses incurred by the insured up to a total of Rs 10,000 per year. In view of the limitations of the policy, SHEPHERD organized with the concerned communities a separate mechanism, the health emergency funds that provide the following additional services:

- Transportation cost
- Minor Surgeries
- First two deliveries
- Medicine cost after discharge from the hospital

Plan Insurance Key Features

- We enrol only surabhi women and family, to avoid moral hazards and wrong claims
- Surabhi will play more role in enrolment and claim management
- The premium collection and claim settlement through surabhi bank account for transparency and accountability
- Two separate health insurance plans, one developed with a public insurance company the other a mutual initiative.

Main Achievements

- Demonstrated that micro insurance is a safety to poor
- Able to assist hard core poor women
- Proved that poor are insurable.
- Doing micro insurance since year 2000, i.e., nine years experiences.
- Minimized operating cost

Remaining Challenges

- Lack of knowledge among poor about micro insurance.
- Insurance companies are not coming forward to meet our sensitization cost (awareness & education).
- Staff also lacks technical competencies

Development Plans

- Initiate cashless treatment
- Community mutual to running federation
- Introduce helpline services for claim enquiries (Toll free)

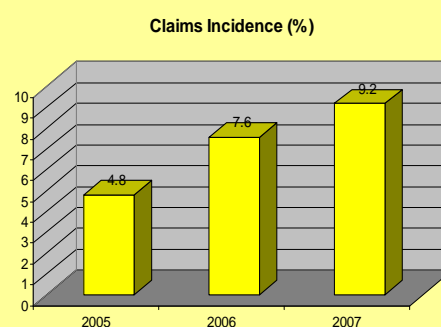
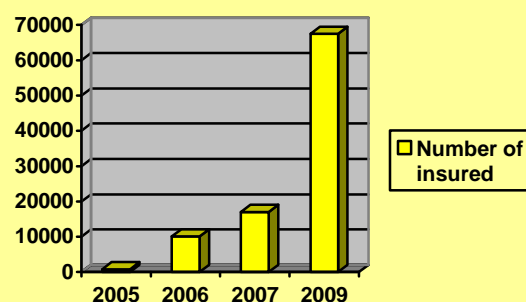
Addit. non-fin. ben.: Education and sensibilization programmes

Activity Indicators

2009 Claim ratio: 2.59%

2009 Claim rejection: 0.04%

2009 Time for claim settlement: 0-60 days



Development Plan (Tamil Nadu)

100,000

18,500