MICROINSURANCE IN INDIA

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AGENDA

- Introduction
- Potential Market
- Micro-insurance Model
- Products - 1) Product Guidelines
- 2) Category of Products
- Insurers - 1) List of Insurers in India
- 2) Insurers and their products
- Current Scenario
- Micro-insurance Models
- Challenges
- Strategies Ahead
- Recent Innovations
- Conclusion

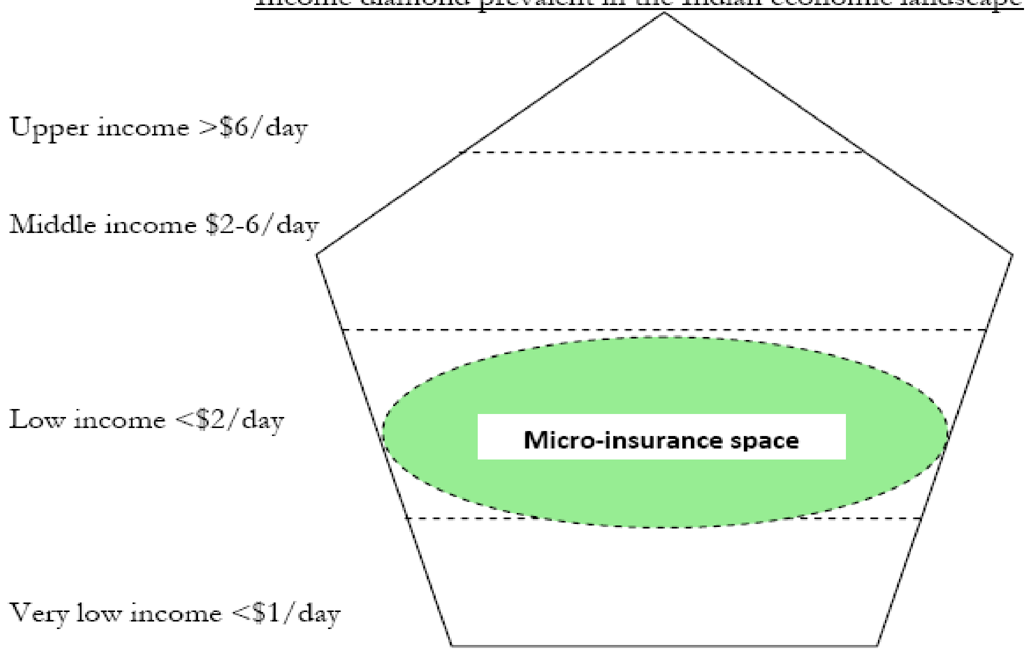
INTRODUCTION

Microfinance insurance is the protection of low-income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of the risks involved.

Enhancing the ability of the poor to deal with various risks is increasingly being considered integral to any **poverty reduction strategy** (Holzmann and Jorgensen 2000, Siegel et al. 2001).

Figure 1.1

Income diamond prevalent in the Indian economic landscape



Source: Adapted from Athreya, V, 2007. Tata AIG Life Insurance Company presentation at the Munich Re Conference on Microinsurance, Mumbai, November 2007.

WHY WE NEED MICROINSURANCE?

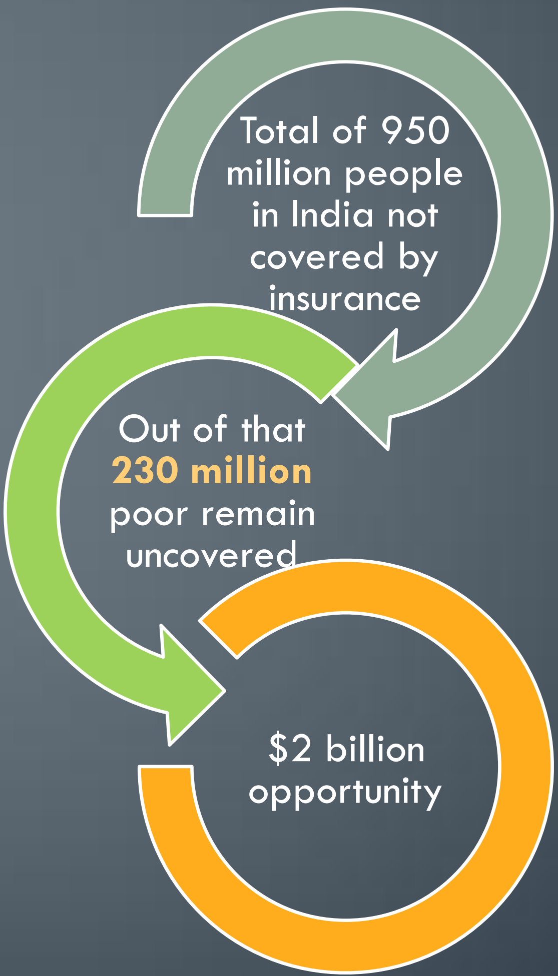
According to the 2006 World Health Organization bulletin , More than **100 million people** in developing countries are plunged into poverty when they or their relatives become ill and they must struggle to pay for health-care services out of their own pockets

A World Bank study (Peters et al. 2002), reports that about **one-fourth of hospitalized Indians** fall below the poverty line as a result of their stay in hospitals. The same study reports that more than 40 percent of hospitalized patients take loans or sell assets to pay for hospitalization.

Poor performance of public sector using supply side financing has led to increasing interest in demand side financing as a possible health financing option to influence the demand for health services as well as to increase the access of the poor to health services.

POTENTIAL MARKET

Although the informal economy, which employs 370 million unorganised sector workers in India, contributes 63% of the country's GDP, workers in this sector have no social protection including protection for health



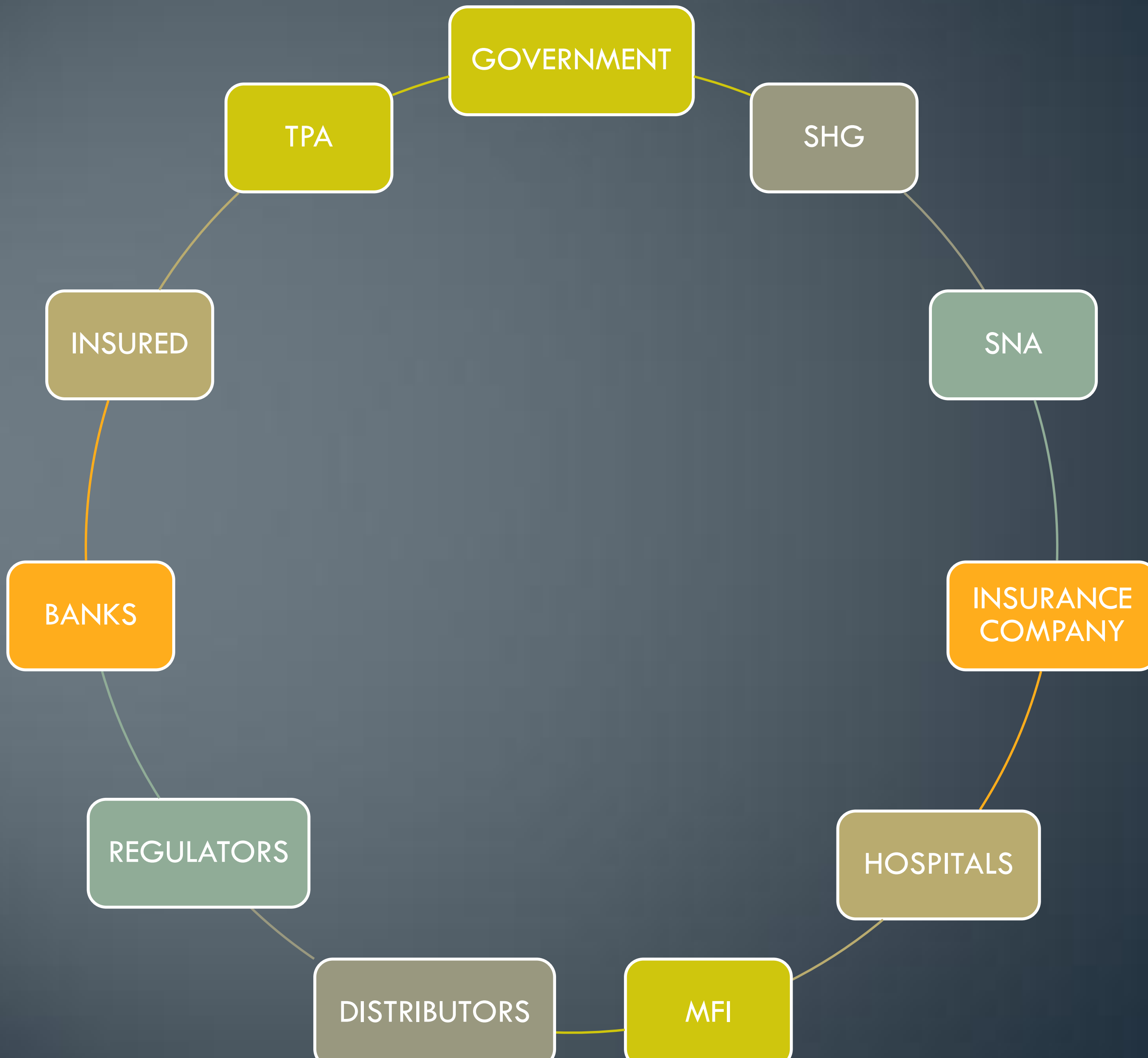
CATEGORIES OF PRODUCTS

- LIFE
- ASSET
- HEALTH
- CROP
- LIVESTOCK

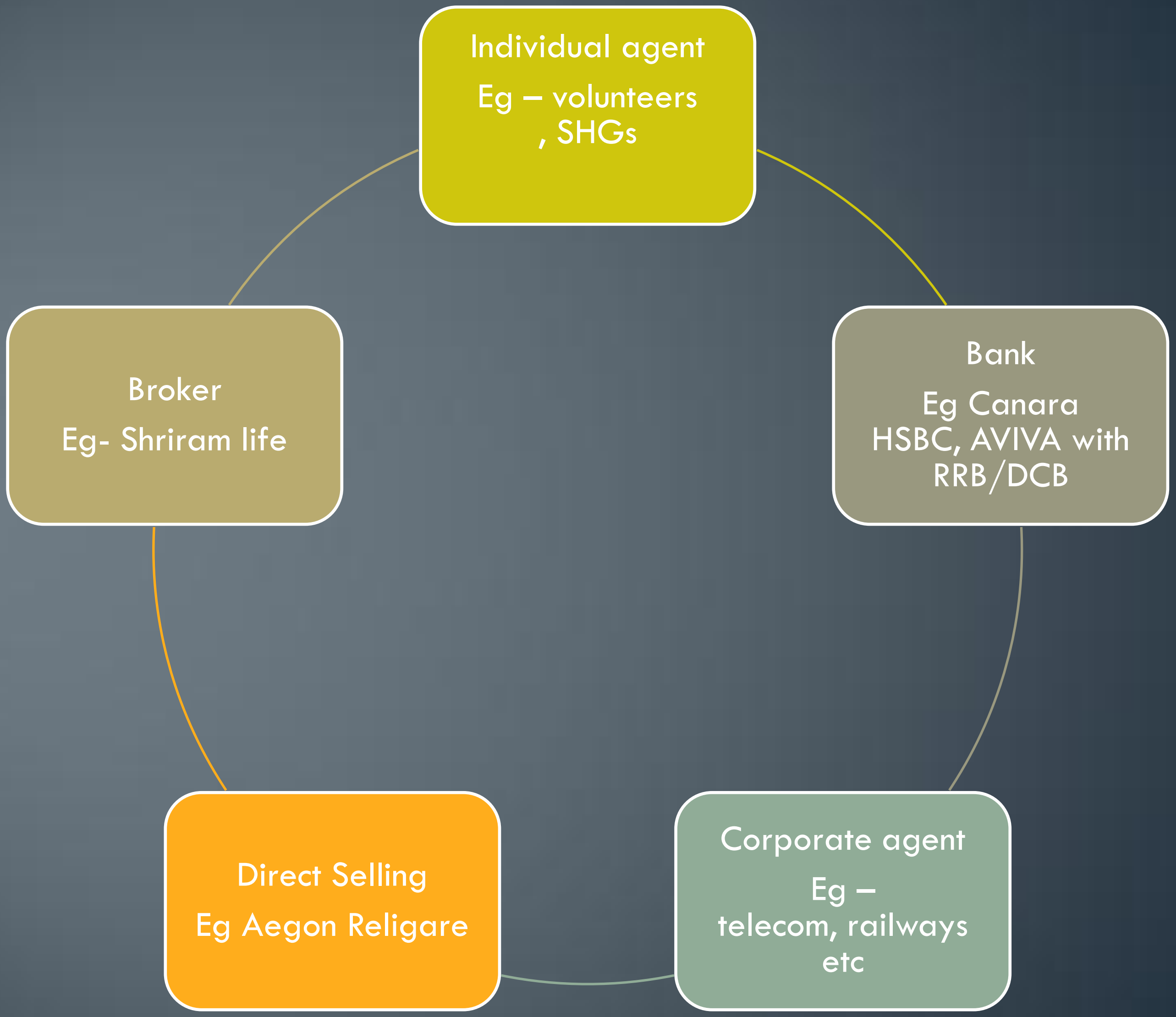
PRODUCT GUIDELINES

LIFE INSURANCE	NON- LIFE INSURANCE
Health Insurance (Individual/family) Amount of cover – INR 5000-30000 Term – 1-7 years Age Bracket- Insurer's discretion	Health Insurance (Individual/family) Amount of cover – INR 5000-30000 Term – 1year Age Bracket- Insurer's discretion
Accident Benefit Rider Amount of cover – INR 10000-50000 Term – 5-15 years Age Bracket- 18-60 years	Personal accident (per life/ earning member of family) Amount of cover – INR 10000-50000 Term – 1year Age Bracket- 5-70 years
Endowment Insurance Amount of cover – INR 5000-30000 Term – 5-15 years Age Bracket- 18-60 years	Dwelling or contents/Livestock /Tools/Assets/Crop Insurance Amount of cover – INR 5000-30000 per asset cover Term – 1year Age Bracket - NA
Term(with or without return of premium) Amount of Cover – INR 5000- 50000 Term – 5-15 years Age Bracket- 18-60 years	

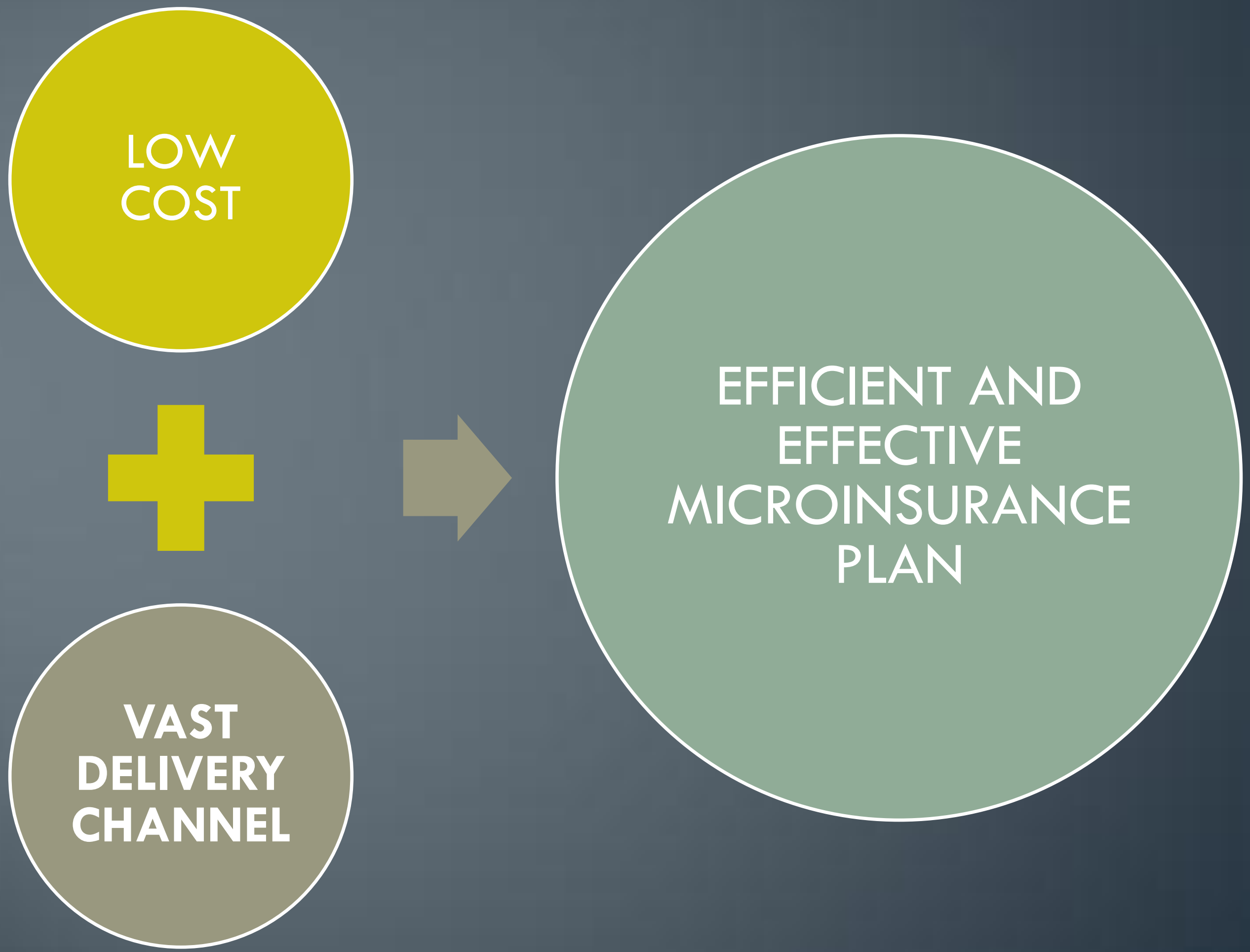
KEY STAKEHOLDERS



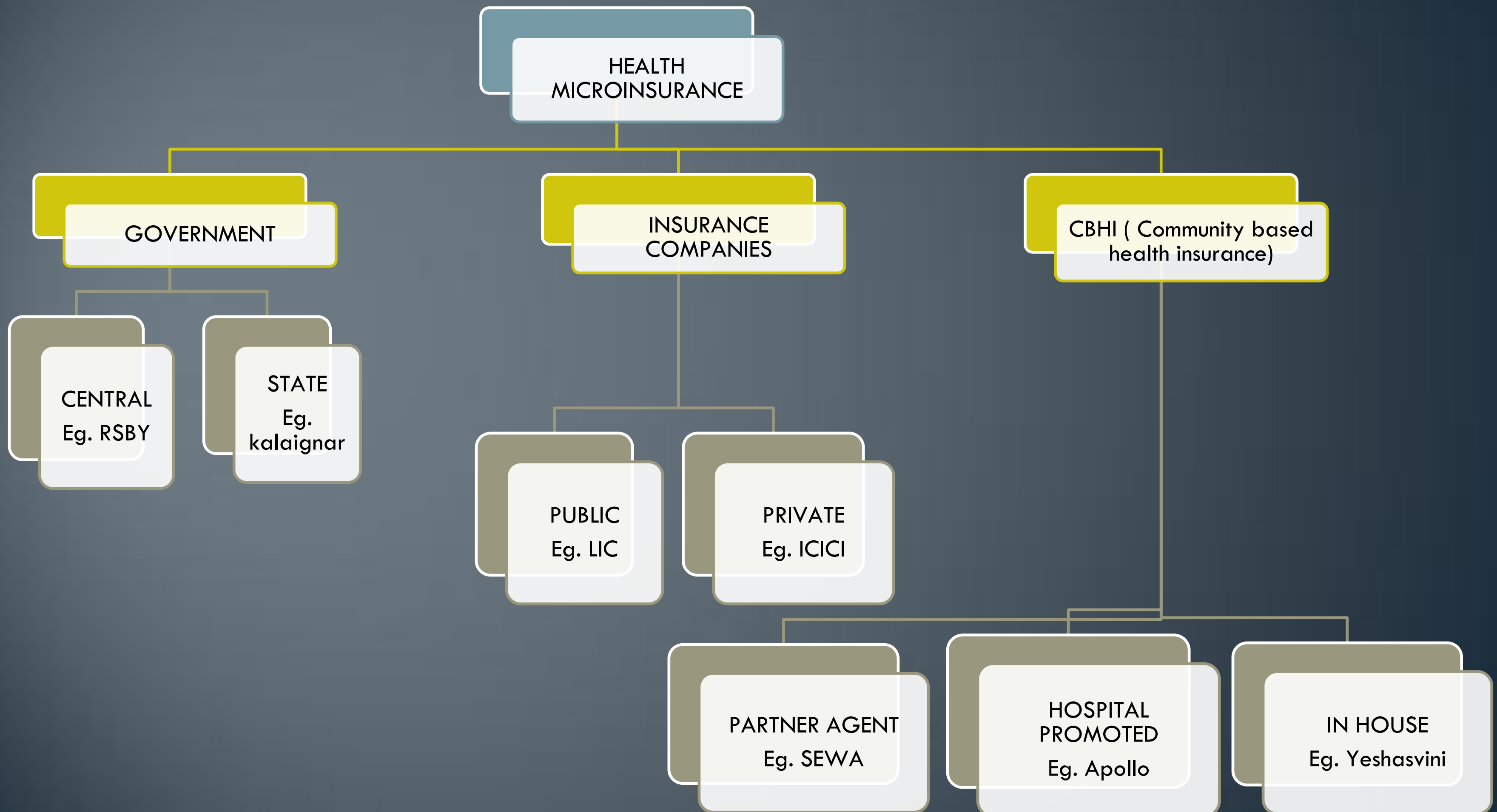
DISTRIBUTORS



MICROINSURANCE MODEL



TYPES OF HEALTH MICROINSURANCE MODEL



PUBLIC AND PRIVATE INSURERS

- 1) Life insurance corporation (LIC)
-
- 2) United India Insurance Company-
-
- 3) The New India assurance Company limited
-
- GIC
- 4) National Insurance Company-
- 5) The oriental insurance company limited

- 1) ICICI Prudential Life Insurance
- 2) Bajaj Allianz Life Insurance
- 3) AVIVA life insurance
- 4) Birla sunlife insurance
- 5) HDFC standard life insurance
- 6) Sahara life insurance
- 7) SBI Life insurance
- 8) Tata-AIG Life insurance
- 9) Shriram insurance
- 10)Kotak life insurance
- 11)IFFCO- Tokio general
- insurance
- 12)ICICI Lombard general
- insurance
- 13)HDFC ergo general insurance
- 14)Cholamandalam general
- insurance
- 15)canara hsbc oriental insurance
- 16)DHFL prameria insurance
- 17)Edelweiss tokio life insurance
- 18)IDBFI life insurance
- 19) PNB metlife insurance

THE NEW INDIA ASSURANCE CO LTD

1. agricultural pump set insurance scheme
2. animal driven cart insurance scheme
3. bhagyashree child welfare scheme
4. camel insurance
5. cattle insurance
6. composite package for tribal
7. comprehensive floriculture insurance
8. dog insurance
9. duck insurance scheme
10. elephant insurance
11. farmer package policy
12. gramin personal accident policy
13. gobar gas insurance scheme
14. honey bee insurance
15. horticulture/plantation insurance
16. horse/pony/mule/donkey insurance
17. hut insurance
18. inland fish insurance scheme
19. janata personal accident insurance
20. lift irrigation insurance
21. pedal cycle insurance
22. pig insurance scheme
23. poultry insurance scheme
24. rabbit insurance
25. raja rajeshwari mahila kalyan yojana
26. silkworm insurance scheme
27. sheep and goat insurance
28. zoo and circus animal insurance scheme

UNITED INDIA INSURANCE COMPANY LTD

1. agricultural pump set policy
2. animal driven cart insurance scheme
3. bhagyashree child welfare scheme
4. bio gas plant insurance
5. cattle and livestock insurance
6. dairy package policy
7. farmer package policy
8. floriculture insurance
9. gramin accident policy
10. honey bee insurance
11. hut insurance
12. jan arogya bima policy
13. janatha personal accident insurance
14. kissan credit card
15. mother teresa women and children policy
16. package policies
17. raja rajeshwari mahila kalyan yojana
18. rural accident policy
19. rural women's package policy
20. sericulture insurance
21. swathya bima policy
22. travel policies
23. tribal/ rural accident policy package
24. uni micro insurance policy
25. universal health insurance scheme

LIFE INSURANCE CORPORATION

1) New jeevan mangal
2) Bhagya lakshmi plan
3) Madhur jeevan

NATIONAL INSURANCE

1) New janta personal accident
2) New gramin suswathya policy
3) New gramin suraksha policy

ORIENTAL INSURANCE

1) Janta personal accident

PRODUCTS BY PRIVATE INSURERS

ICICI PRUDENTIAL LIFE INSURANCE (2)

LIFE (2)	**Anmol bachat**	**Sarv jana suraksha**

BAJAJ ALLIANZ LIFE INSURANCE (1)

LIFE (1)	**Bima Dhan Suraksha Yojana**

AVIVA LIFE INSURANCE (5)

LIFE (5)	**1) Jana Suraksha (indi)**	**2) Credit Suraksha (grp)**	**3) Credit plus (grp)**	**4) Group life protect (grp)**	**5) Nayi Grameen Suraksha (indi)**

BIRLA SUNLIFE INSURANCE (4)

LIFE (4)	**1) Bima kavach yojana**	**2) Bima dhan sanchay**	**3) Bima suraksha super**	**4) Grameen Jeevan raksha plan**

HDFC STANDARD LIFE INSURANCE (1)

LIFE(1)	**1)Sarv grameen bachat yojana**

SAHARA INDIA LIFE INSURANCE (1)

LIFE (1)	**Sahara surakshit pariwar jeevan bima**

SBI LIFE INSURANCE (3)

LIFE (3)	**Grameen shakti**	**Grameen super suraksha**	**Grameen bima**

TATA AIA LIFE INSURANCE (2)

LIFE (2)	**1) Navkalyan yojana**	**Saat saath**

SHRIRAM LIFE INSURANCE (3)

LIFE (3)	**Shri sahay (AP)**	**Shri sahay (SP)**	**Shriram grameena suraksha**

KOTAK LIFE INSURANCE (2)

LIFE (2)	**Kotak sampoorna bima**	**Kotak gramin bima yojana**

IFFCO-TOKIO GENERAL INSURANCE(5)

COMBO (3)	Jan kalyan bima	Janta bima yojana	Kisan suvidha bima
ACCIDENT (1)	Jan suraksha bima		
LIVESTOCK (1)	Pashu dhan bima yojana		

ICICI LOMBARD GENERAL INSURANCE (3)

HEALTH (1)	1) Health insurance	J&K gov employee group mediclaim
WEATHER (1)	1) Weather insurance	

HDFC ERGO GENERAL INSURANCE (5)

AGRICULTURE(1)	Weather insurance	Crop insurance	Kisan sarva suraksha kawach
LIVESTOCK (1)	Cattle insurance		
RAINFALL INDEX INSURANCE (1)	rainfall index insurance		

CHOLAMANDALAM GENERAL INSURANCE

Proucts in each category- health, personal accident, critical illness, asset, micro, combos, weather and cattle insurance

CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMAPANY LTD. (1)

LIFE (1)	**1) Sampoorna kavach plan (grp)**

DHFL PRAMERIA LIFE INSURANCE (1)

LIFE (1)	**1) DHFL Prameria sarv suraksha (grp)**

EDELWEISS TOKIO LIFE INSURANCE (2)

LIFE (2)	**1) Edelweiss Tokio Life- Dhan nivesh bima yojana (indi)**	**2) Dhan nivesh bima yojana**

IDBI FEDERAL LIFE INSURANCE (2)

LIFE (2)	**Group microinsurance plan**	**Sampoorna suraksha**

PNB METLIFE INSURANCE (3)

LIFE (3)	**Metlife bachat yojna**	**Metlife bhavishya plus**	**Metlife grameen ashray**

CBHIs

1) People's solidarity association (PSA)	
2) Cashpor financial and technical services limited(CFTS)	12)raigarh ambikapur health association(RAHA)
3) Grameen development services(GDS)	13) Mayapur trust/ sri mayapur vikas sangha (SMVS)
3) Bharathi integrated rural development society(BIRDS)	14) Apollo hospitals
4) Bridge foundation (TBF)	15) Kasturba hospital
5) Swayamkrushi/youth charitable organisation(YCO)	16)Voluntary Health services (VHS)
6) Sanghamitra	17) Mathadi hospital trust
7) South indian federation of fishermen society	18) Students health home (SHH)
8) kagad kach patra kashtakari panchayat/ waste picker union	19) Tribhuvandas foundation/ Annual diary cooperative
9) cooperative development foundation (CDF)	20) Health programme aga khan health services (AKHS)
10) Indo-dutch project management services(IDPMS)	21) Mallur health cooperative
11) Gandhi smakrka grama seva kendram(GSGSK)	22) Goalpara

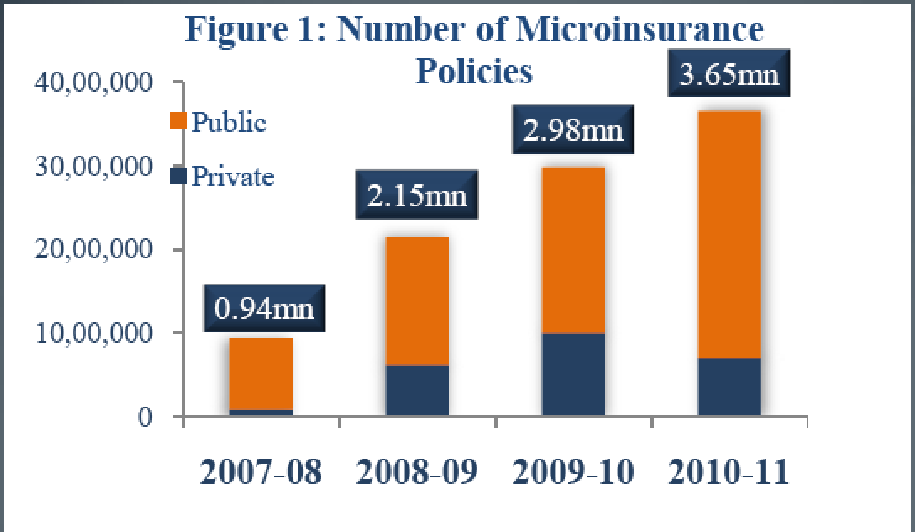
23)Seba cooperative health society	**34) Society for the promotion of Area Resources(SPARC)**
24)Friends of women's world banking	35) Organization for development of people (ODP)
25)Self employed women's association (SEWA)	36) Activists for social alternatives (ASA)
26)Nidan	37) Action for community services society (ACTS)
27)League for education and development (LEAD)	38) Development of humane action foundation (DHAN)
28)Annapurana mahila mandal	39) Self help promotion for health and rural development (SHEPHERD)
29)Association for sarva sewa farms (ASSEFA)	40) Star youth association (STAR)
30)Trivandrum district fischermen's federation (TDFF)	41) Gram vikas
31)Basix	42) Spandana
32)Working women's forum (WWF)	43) Ankuram
33)Bandhan	44) Action for community organization, rehabilitation and development (ACCORD)

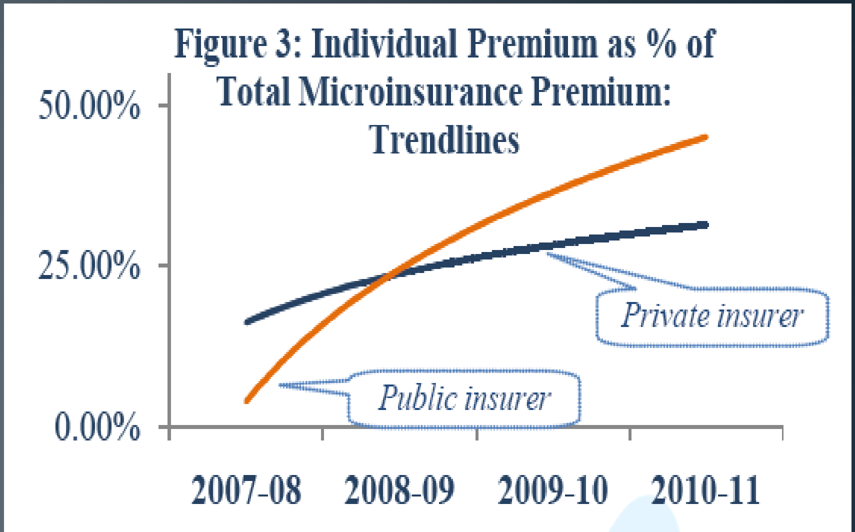
45)People 's rural education movement (PREM)	**55)Indian Association for savings and credit (IASC)**
46)Casp Plan Organization (CPO)	56)ndore financial services for the poor project (IFSP)
47)Yeshasvini	57)Swayam krishi sangam (SKS)
48)Community heath insurance	58)Baif development research foundation (BAIF)
49)Anthyodaya health promotion scheme (AHPS)	59)Sabuj sangha
50)South asia research society	60)Emmanuel hospital association (EHA)
51)Professional assistance for development action (PRADAN)	61)Cashe innovations fund
52)Society for helping awakening rural poor through education (SHARE)	62)Livestock insurance scheme – Central Gov
53)Pradhanmantri jeevan jyoti yojana	63) Atal pension scheme
54)Pradhanmantri suraksha bima yojana ??	64)Pradhanmantri jan dhan yojana
65) Pradhanmantri fasal bima yojana	

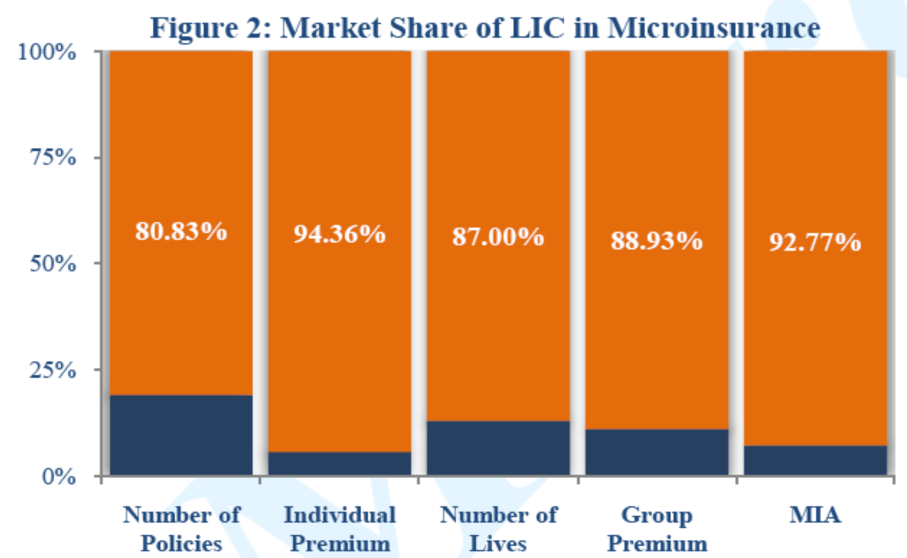
TOTAL PRODUCTS IN MARKET

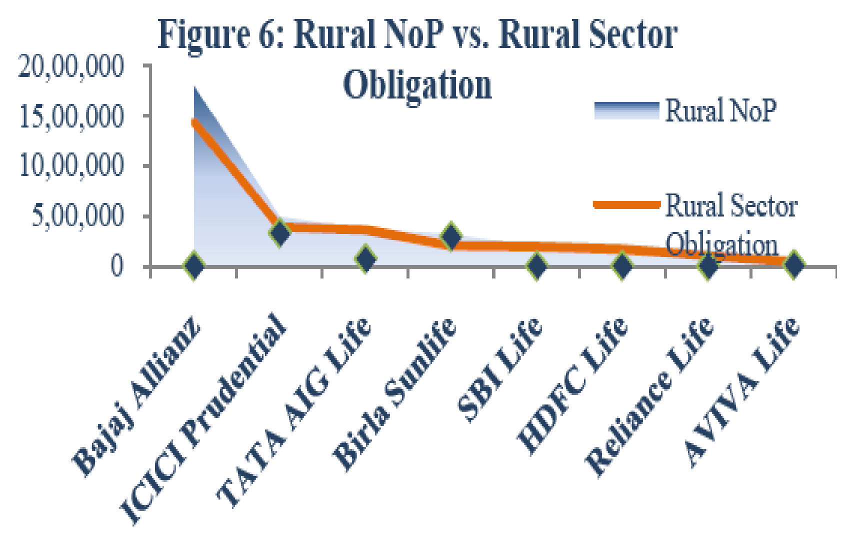
60 products by PUBLIC INSURERS + 67 products by PRIVATE INSURERS + 65 CBHIs = **192** MICRO-INSURANCE PRODUCTS IN INDIA

CURRENT SCENARIO

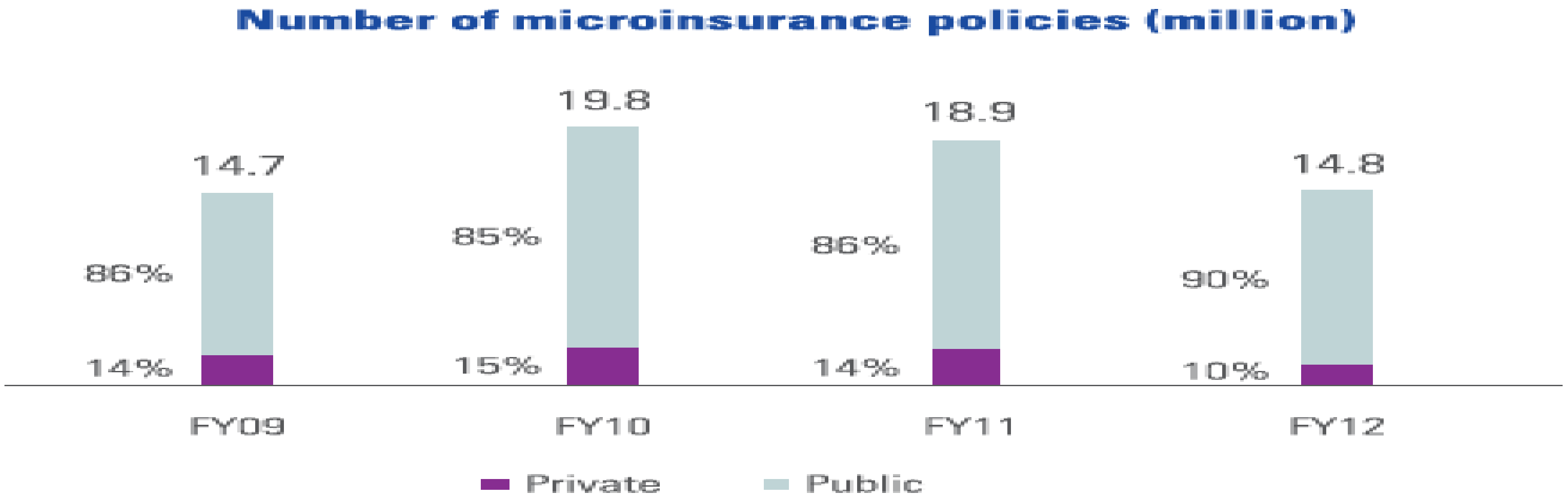


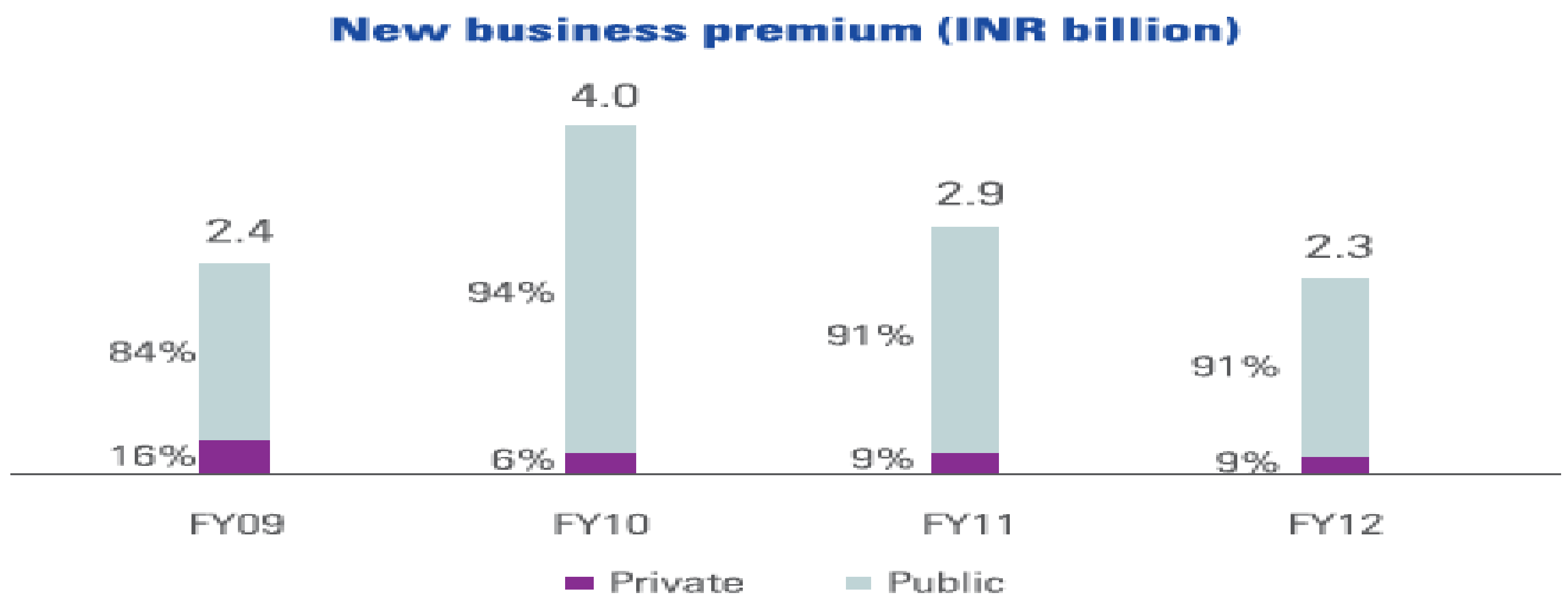






PUBLIC VS PRIVATE INSURERS





(b) Size of the insurance sector in India, 2005-06

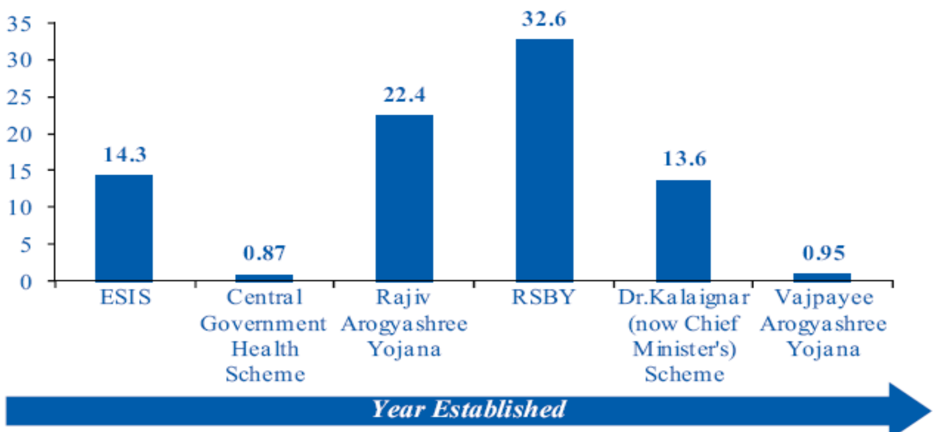
Life insurer	Total	
	Rs crores	Proportion
LIC	90,792	85.8%
ING Vysya	425	0.4%
HDFC Std Life	1,570	1.5%
Birla Sun Life	1,260	1.2%
ICICI Prulife	4,261	4.0%
Kotak Mahindra	622	0.6%
Tata AIG	880	0.8%
SBI Life	1,075	1.0%
Bajaj Allianz	3,134	3.0%
Max New York	788	0.7%
Metlife	206	0.2%
Reliance Life	224	0.2%
Aviva	600	0.6%
Sahara	28	0.0%
Shriram Life	10	0.0%
Private total	**15,084**	**14.2%**
Total	**105,876**	**100.0%**

1 crore = 10 million; Rs1 crore = $0.25 million

General Insurer	Total premium in India	
	Rs crores	Proportion
National	3,524	17.3%
New India	4,792	23.5%
Oriental	3,527	17.3%
United	3,155	15.5%
Sub-total	**14,997**	**73.7%**
Royal Sundaram	459	2.3%
Reliance	162	0.8%
IFFCO – TOKIO	893	4.4%
TATA AIG	573	2.8%
ICICI LOMBARD	1,583	7.8%
Bajaj Allianz	1,272	6.2%
Cholamandalam	220	1.1%
HDFC CHUBB	200	1.0%
Sub-total	**5,362**	**26.3%**
Total	**20,359**	**100.0%**

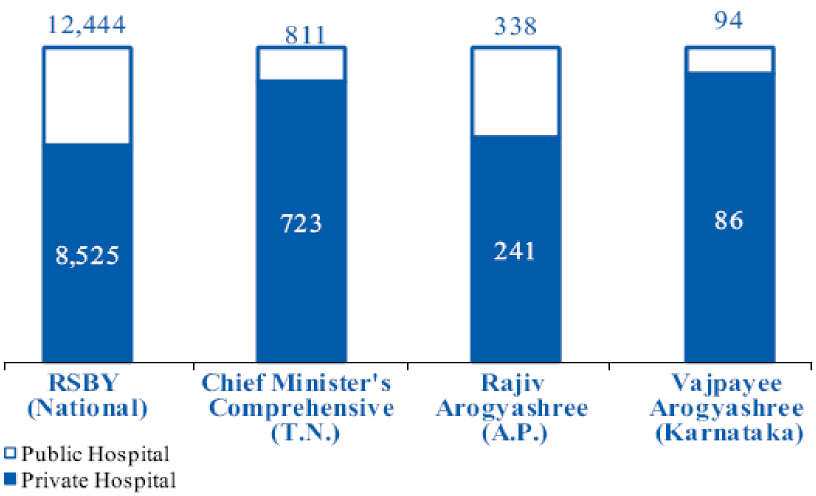
PUBLIC HEALTH INSURANCE SCHEMES

Number of Families Insured by Public Health Insurance Schemes



Source: *Planning Commission, India, 2011; Scheme Website; MicroSave Analysis*

Percentage of Private Hospitals Among Hospital Networks of Major Public Schemes



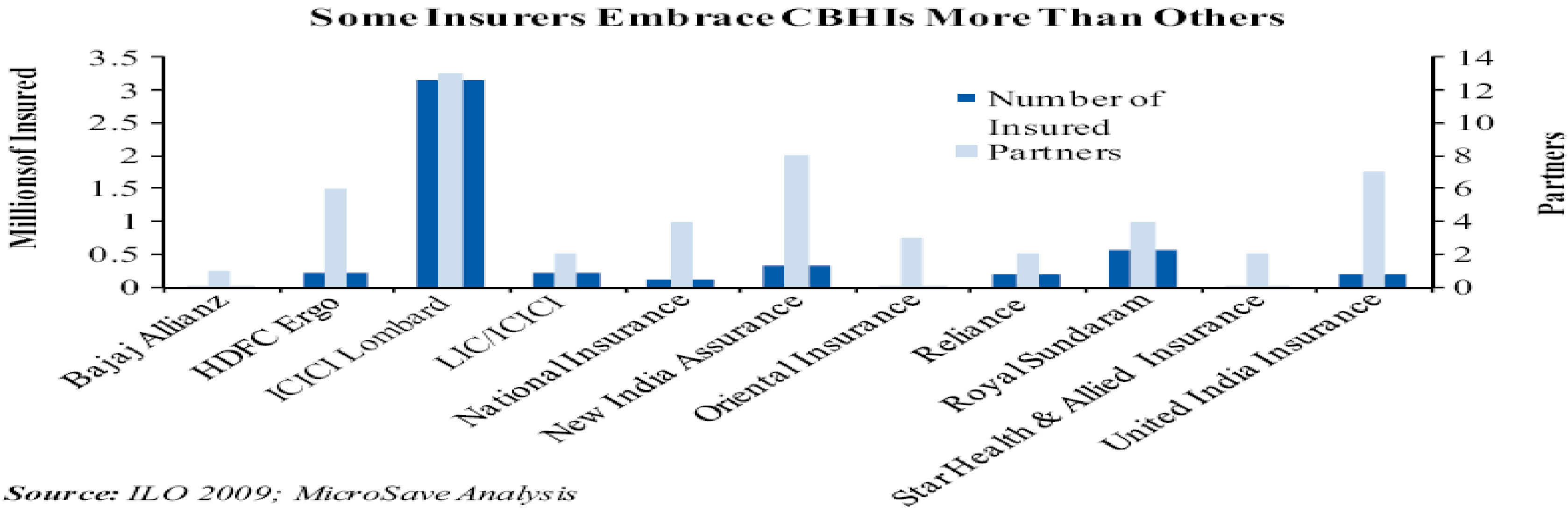
Source: *Scheme Website: Planning Commission, India 2011; MicroSave Analysis*

RSBY districts by insurer

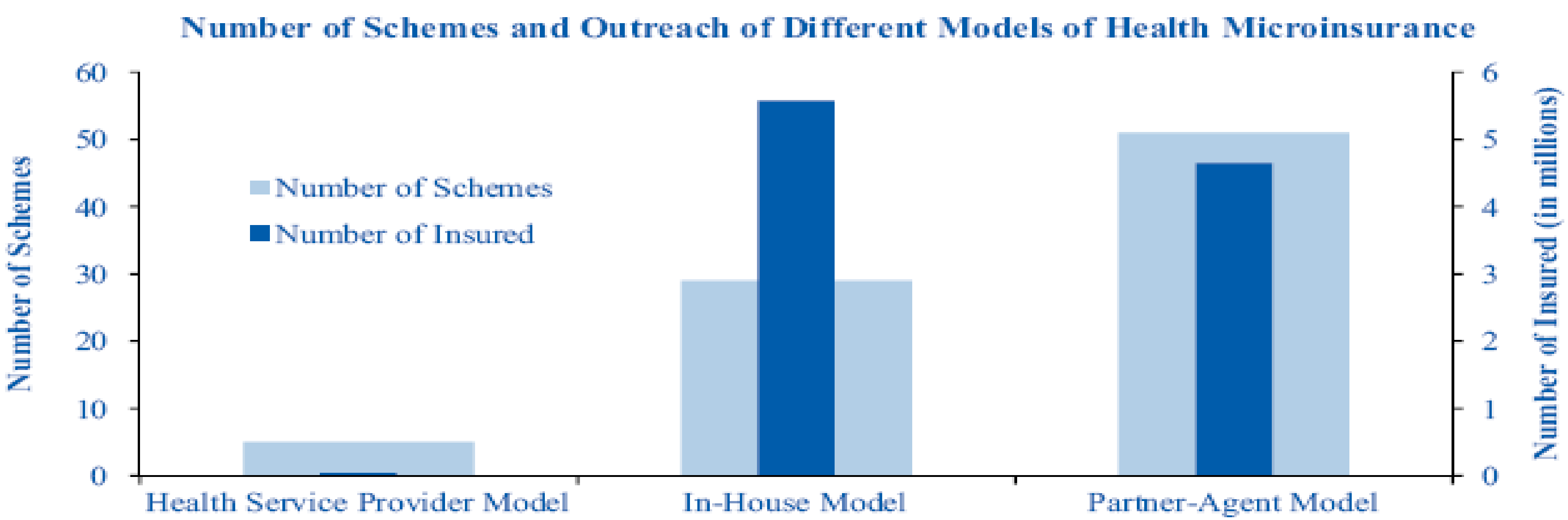
Insurer	*Discricts*
United India Insurance	81
ICICI Lombard	72
Oriental Insurance	43
Royal Sundaram	41
Chola MS	34
IFFCO TOKIO	33
National Insurance	33
New India Assurance	30
Tata AIG	23
Apollo Munich	21
Reliance	20
Star Health	18
HDFC ERGO	4

Source: RSBY Connect, September 2012

CBHI



Source: ILO 2009; MicroSave Analysis



Source: ILO, 2009; MicroSave Analysis

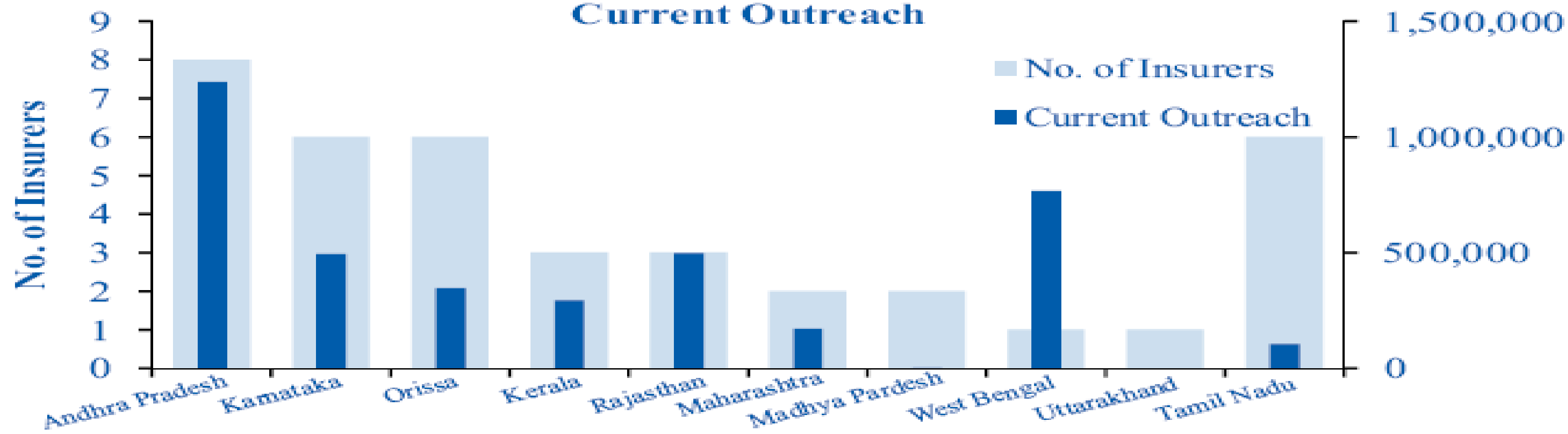
CURRENT SCENARIO - INDIA

- The State of the Microcredit Summit Campaign Report 2011 shows that there are a little more than 93 million microfinance clients in India. This represents close to one-half of the estimated 205 million microfinance clients reached worldwide (Reed, 2011).

- Most schemes (74%) operate in 4 southern states of India: Andhra Pradesh (27%), Tamil Nadu (23%), Karnataka (17%) and Kerala (8%), and the two western states (Maharashtra (12%) and Gujarat (6%)) account for 18% of the schemes.

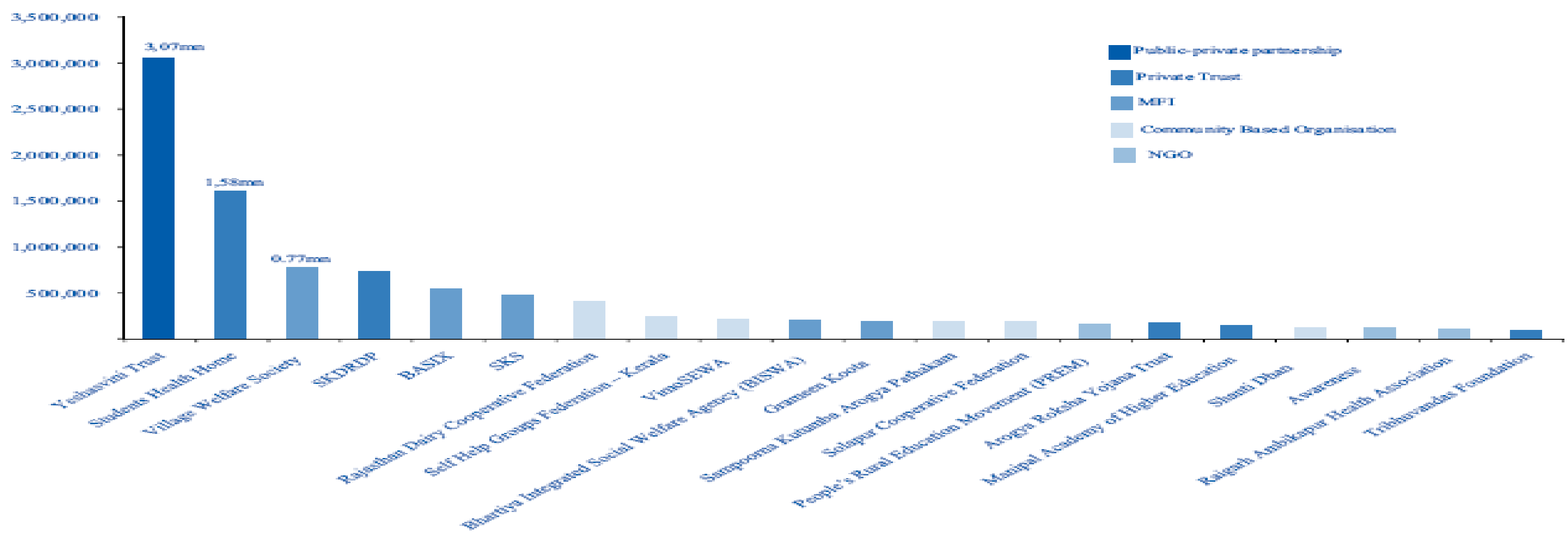
- In the northern and north eastern parts of the country, where poverty is the most pervasive, growth of SHGs has been slow. The Multidimensional Poverty Index estimates that about 54 percent of India's population lives in poverty, with large variations from state to state.2 For example while only 10 percent of the population in Kerala lives in poverty, over 81 percent of Bihar's people are poor.

Geographic Distribution of CBHIs (Post 2005) and Their Current Outreach

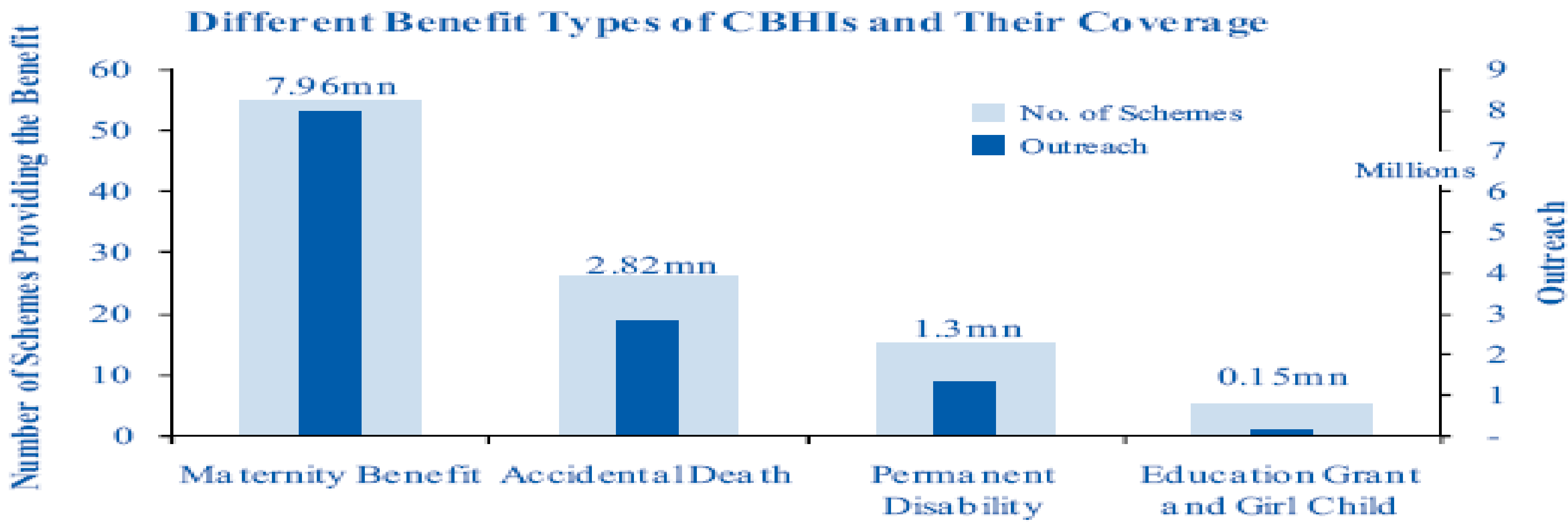


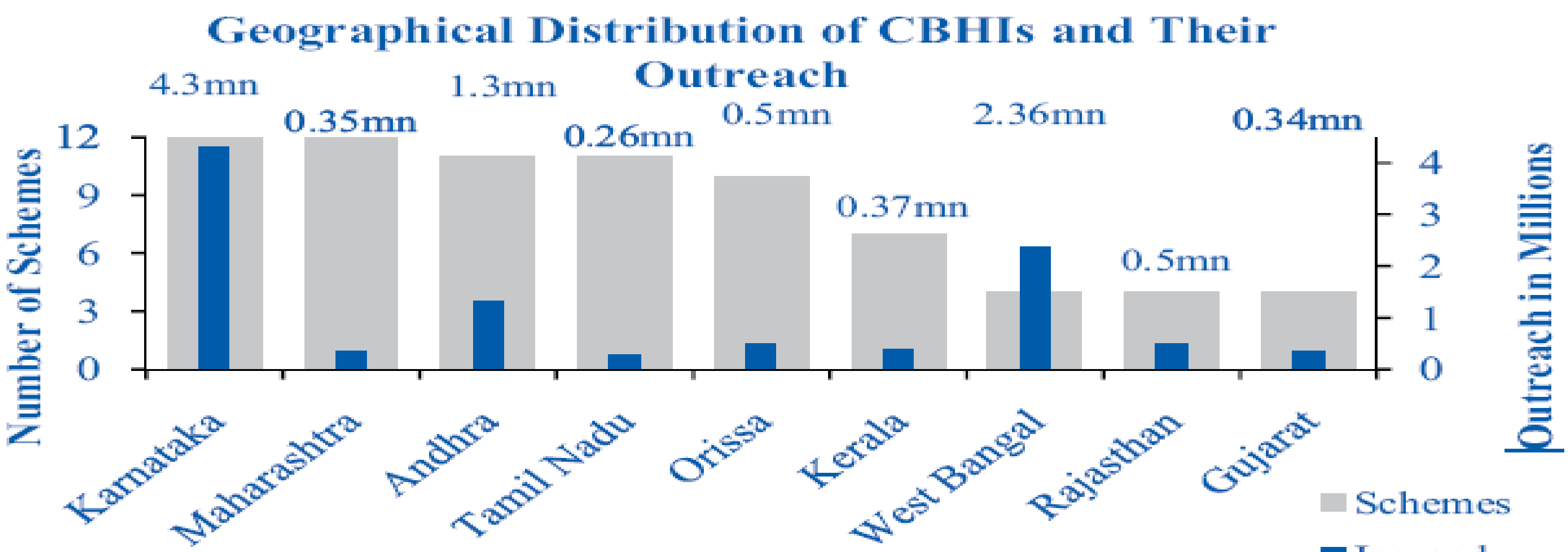
Source: ILO, 2009; MicroSave Analysis

Top 20 Non-Government Health Insurance Schemes in India



Source: ILO, 2009; MicroSave Analysis





Source: ILO, 2009 and MicroSave Analysis

CBHI MODELS

	YESHASVINI TRUST	STUDENT HEALTH HOME	VILLAGE WELFARE SOCIETY
KEY FEATURES	Easy payment mechanism Additional benefits/discounts improvement in terms of access and quality direct subsidy		Addresses all the key issues related to poverty
START YEAR	2002	1952	1982
STATE	KARNATAKA	WEST BENGAL	WEST BENGAL
SCHEME TYPE	IN HOUSE	IN HOUSE	IN HOUSE
AREA OF INTEREST	RURAL	RURAL/URBAN	RURAL
RISK COVERED	HEALTHCARE	HEALTHCARE	ALL
PREMIUM SIZE (Rs)	130	-	-
MAXIMUM COVER (Rs)	2,00,000	-	-

	SKDRDP	BASIX	SKS
KEY FEATURE	Use SHG savings as insurance premium , compensation for loss of wage	Provide soft loans to clients for funding their premium , compensation for loss of wage	Provide soft loans to clients for funding their premium
START YEAR	2002	2001	1998
STATE	KARNATAKA	INDIA	KARNATAKA
SCHEME TYPE	Partner agent	Partner agent	Partner agent
AREA OF INTEREST	RURAL	RURAL	RURAL
RISK COVERED	HEALTHCARE	ALL	LIFE
PREMIUM SIZE (Rs)	190-1225 per person depending on no of family members, 650 for 5 family members	-	-
MAXIMUM COVER (Rs)	2,00,000	-	-
TIE UPs	ICICI lombard for hospitalisation cover only	AVIVA-credit life , ICICI Lombard-weather, Royal Sundaram- enterprise & livestock	Bajaj Allianz and banks

GOVERNMENT SCHEMES MODELS

	RSBY	RAJIV AAROGYASHREE YOJANA
KEY FEATURE	Includes almost all health conditions and pre-existing conditions too , smart cards @ Rs 30	Health for all initiative by state gov, cashless transactions , private and public hospitals
START YEAR	2008	2007
STATE	INDIA	ANDHRA PRADESH
AREA OF INTEREST	RURAL	RURAL
RISK COVERED	HEALTHCARE	HEALTHCARE
PREMIUM SIZE (Rs)	130	210
MAXIMUM COVER (Rs)	30,000	2,00,000

	CHIEF MINISTER'S SCHEME	VAJPAYEE AAROGYASHREE SCHEME	CENTRAL GOV HEALTH SCHEME
KEY FEATURE	State gov scheme along with United India insurance scheme for families below annual income of Rs 72,000	Health for all initiative by state gov, cashless transactions	Medical facilities to central gov employees, pensioners and their dependents, dispensaries are backbone
START YEAR	2002	2007	1954
STATE	TAMIL NADU	KARNATAKA	INDIA
AREA OF INTEREST	RURAL	RURAL	URBAN/RURAL
RISK COVERED	HEALTHCARE	HEALTHCARE	HEALTHCARE
PREMIUM SIZE (Rs)	-	-	-
MAXIMUM COVER (Rs)	1,50,000	2,00,000	5,00,000

PUBLIC AND PRIVATE INSURER MODELS

	JEEVAN MADHUR BY LIC	ICICI PRUDENTIAL LIFE SARV JANA SURAKSHA	BAJAJ ALLIANZ SWAYAM SHAKTI SURAKSHA
KEY FEATURE	Standalone micro-insurance product, year on year growth rate of 48.67%,		Covered 1.7 million lives in 10 months
TYPE	Endowment Plan	term plan	term plan
SCOPE	Simple savings related life insurance plan	Non linked , non participating	life insurance
BENEFICIARY	18- 60 years	18-55	
RISK	30,000	50,000	5000
KEY BENEFITS	Death, accidental and disability, auto cover, paid up value, surrender value	Death	Life, accidental death and disability benefits
MIA	MFIs, SHGs and NGO	-	SKS

	NEW INDIA – BHAGYALAKSHMI CHILD WELFARE POLICY	ICICI LOMBARD FAMILY HEALTH FLOATER
KEY FEATURE	One girl child, 24 hour risk basis, group discount	Any member of the family can claim up to Sum Insured, any number of times during the policy period.
TYPE	Endowment Plan	term plan
SCOPE	Accidental death cover	health cover
BENEFICIARY	0-18 years	91 days to 60 years
RISK	25,000	
KEY BENEFITS	ONE girl child in a family who loses either the father or the mother due to accidental death	cashless hospitalization , Reimbursement
MIA	MFIs, SHGs and NGO	MFIs

ASSET INSURANCE MODEL

AGRICULTURE PUMP SET INSURANCE- NEW INDIA ASSURANCE CO LTD
Cover for Centrifugal Pump Sets(Electrical and Diesel/Oil) and submersible pump sets used for agricultural purposes only. It includes Pump, Driving Unit and Starter.
1-9 years
Mechanical/Electrical Breakdown Fire and Lightning Theft and Burglary Riot, Strikes, Malicious Damage and Terrorism Flood (on payment of extra premium @2% of Sum insured, 1% of Sum Insured in Submersible Pump set).
Long term discount
100% of Market Value at the time of issuance of cover or present replacement value for Submersible Pump sets

LIVESTOCK INSURANCE MODEL

CATTLE INSURANCE BY THE NEW INDIA ASSURANCE CO LTD	HDFC ERGO INSURANCE CO LTD
Accident , Diseases contracted or occurring during the period of this policy. Surgical Operations, Riot and Strike.	Death and disability cover
Veterinarian's Report. photograph, Veterinary Health Certificate	Sex and health verified by veterinary doctor, photograph
Based on benefits purchased	Based on benefits purchased

CROP INSURANCE

INDEX BASED	PRADHANMANTRI FASAL BIMA YOJANA
BASIX and ICICI Lombard	Multiple agencies are involved
Parameters – rainfall, soil moisture, temperature	Area approach basis
Started in 2003	
Advantages- reduces moral hazard, adverse selection, administrative costs,	Sum assured depends on the threshold yield and minimum support price

CENTRAL GOVERNMENT SCHEME MODELS

PRADHANMANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY)	PRADHANMANTRI JAN DHAN YOJANA (PMJDY- Life cover with LIC)
Government-backed Life insurance scheme in India	Financial Inclusion in an affordable manner, 1.5 Crore (15 million) bank accounts were opened under this scheme
For 18-50 years of age with bank accounts	
It has an annual premium of Rs330 (US$4.90) excluding service tax, which is above 14% of the premium	Basic Banking Accounts" with overdraft facility of 5,000 after s6 months and RuPay Debit card with inbuilt accident insurance cover of 100000, RuPay Kisan Card
Sum assured – Rs 2,00,000	-

PRADHAN MANTRI SURAKSHA BIMA YOJANA	ATAL PENSION YOJANA
Government-backed accident insurance scheme in india	Government-backed pension scheme in india targeted at the unorganised sector
For 18 and 70 years of age with bank accounts	For 18-40 years
Annual premium of rs 12 (18¢ US) excluding service tax, which is about 14% of the premium	For every contribution made to the pension fund, the central government would also co-contribute 50% of the total contribution or rs 1,000 per annum, whichever is lower, to each eligible subscriber account, for A period of 5 years
Sum assured – rs 2,00,000/1,00,000	Subscribers are required to opt for A monthly pension from rs. 1000 - rs. 5000 and ensure payment of stipulated monthly contribution regularly

CHALLENGES

UNINSURED TARGET SEGMENT	DISTRIBUTION CHANNEL	INSURANCE COMPANY
Low product awareness	population spread over a large area	high transaction cost
Aversion to purchase an intangible asset	lack of sufficient incentives to cover operation costs	poor documentation
perception of insufficient benefit product not suitable for specific strata	lack of understanding of product fitment to customer needs	largely un- banked target customers
time required to claim settlement too long as compared to urgency	risk of losing respect if a claim isn't honoured	high distribution and transaction expenses
lack of trust		limited infrastructure
		low renewal rate
		coverage limited to fulfilment of rural obligation

GAPS IN DEMAND AND SUPPLY

- Irregular coverage only 10 percent of the population in Kerala lives in poverty, over 81 percent of Bihar's people are poor. Most of work done in southern part of India.
- MFIs in survey indicated that maternal care and childhood illnesses were two of the highest priorities, followed by malnutrition, HIV/AIDS, and hygiene sanitation. Not many policies designed for these illnesses.
- Most of the health insurance products specifically exclude deliveries and other pregnancy-related illnesses. Most of these products also mention amongst their exclusion clauses, HIV/AIDS.
- Few innovations in various distribution channels.
- Less involvement of the private players.
- Less PPP models with wide outreach currently working in India.
- Segregation of life and non-life insurance products.
- Lack of valid database
- Less involvement of public hospitals in providing healthcare under Microinsurance
- Less number of government schemes working in this area.

STRATEGIES AHEAD

- Focusing on North and North-Eastern states
- Customized policies
- Innovative and formal distribution channels
- Involve the private insurers
- Combining life and non-life products
- More Government schemes
- development of data base
- More involvement of public hospitals

RECENT DEVELOPMENTS

TELENOR SURAKSHA

Telenor has started offering free life insurance scheme for its customers in partnership with shriram life insurance and Micro Ensure. Target – Bottom of pyramid (customers who didn't even have bank accounts and had minimal access to financial security). The insurance offered is 100 times the recharge value, capped at a maximum pay out of Rs50,000. Claims are settled against a death certificate and a SIM card, typically within seven working days .18 million consumers have enrolled so far, 7.8 million have got insured till January.

simplifying the insurance process. Any Telenor user who buys a recharge voucher is eligible. Enrolment happens at the dealerships or can be done on a feature phone, a device owned by the bulk of Telenor's users. Same strategy as used by Parle -G – low margin with high volume

EXPERIMENTING WITH TECHNOLOGY

TATA AIG and SKS – mobile banking

ICICI PRUDENTIAL LIFE INSURANCE

Micro insurance for tribal tea plantation labourers

CONCLUSION

The landscape of health micro-insurance is changing fast. Co existence of small initiatives and large government plans has expanded its coverage. Formalisation of CBHIs with private insurers has improved their efficiency. Its important to leverage technology to reduce cost without undermining cover. Innovation is the key along with that correctly identifying needs of the poor at a given location, promotion and education, partnering with MFIs and local authority can also be of great help. BEST FORM OF MARKET EDUCATION IS A GOOD PRODUCT WITH CLAIMS PAID EFFICIENTLY.