

# Developing Pro-Poor Health Insurance in India

## An International Conference on Micro Health Insurance

India Habitat Centre, New Delhi  
November 1<sup>st</sup> and 2<sup>nd</sup> 2006

### Background

India clearly emerges as the world's leader in the development of low-cost health insurance through micro health insurance units for poor and for rural population-segments. Around 40 such schemes, covering several million clients, are active in India. And the numbers are on the rise.

Most of the existing micro health insurance schemes decided to run their own independent insurance because of an understandable reluctance among rural communities and the poor to add to profits of commercial insurance companies, and because the package they need is not easily available. Non-commercial mutual "micro health insurance schemes" are attractive because they enable the members to retain part of the profits. This is also an effective way to reduce free-riding, moral hazard and adverse selection, as well as insurance fraud.

The other distinguishing factor is the modus operandi of the schemes' which involves the clients in some important aspects of the business cycle. Due to the prevalent intensive ongoing contacts among community members, more and better information flows inexpensively, which can be used to enhance broad-based affiliation and renewal, and to monitor outlier utilization. By reducing moral hazard, adverse selection and free-riding, communities can reduce costs for all.

### Objectives of this conference

This conference aims to disseminate new information on the effectiveness of community health schemes in delivering health insurance for poor and rural population segments in India. The new evidence was gathered and analyzed in 2005 and 2006 under the project "Strengthening micro health insurance units for the poor in India", funded by the EU/ECCP. The main source of information is a household survey conducted in seven locations where micro health insurance units operate; the survey covered upwards of 4,930 households, and is the largest comparative survey of this kind conducted in India so far.

The results of the analysis are presented thematically, following the main functions of the business cycle of insurance. Within each topic, practitioners and experts discuss the adaptation of the business processes to suit the specific requirements of health insurance for the poor. Special attention is devoted to the question of policy choices for the rollout of sustainable insurance for the poor.

### The conference is particularly relevant for...

- **Communities running insurance/ planning to start operations:** It will provide an insight into critical issues in insurance and will deal with specific proposals to improve performance and critical points in planning to start a micro health insurance scheme.
- **Policy-makers:** The government has a vital role to play in creating the necessary enabling environment for a fast rollout of low-cost health insurance.
- **Donor agencies and multi-/bilateral development agencies:** A discussion of how funding support can be more effective in reaching the bottom of the pyramid faster and more cost-effectively.
- **Commercial (health) Insurance industry:** The conference offers insights on improving the business process, notably by providing marketing and distribution managers information on entering the specific target market.
- **Banks & MFIs:** Banks and MFIs that are interested to extend their product-mix to insurance can gain insights on a larger service range to clients.
- **Health economists and academics:** Anyone interested in health policy, health economics and in a broad range of issues related to extending low-cost health insurance among rural and poor population segments in India will find this conference useful.

# Programme

## Day 1:

Wednesday, 1<sup>st</sup> November 2006

### Inaugural Session

#### **Session I: "What's in a Name?" Types of micro health insurance**

This session will deal with strengths and weaknesses of different models of operating micro health insurance schemes. The panelists, representing groups that operate different models of organization or ownership, will share their experience; and the discussion that will follow will highlight the different objectives that underlie the alternatives of delivering health insurance.

#### **Session II: "Rules & Relationships" Responding to clients' priorities**

This session will focus on the experience with giving choices to clients to design a benefit package, as individuals and as groups. We will discuss ways to attract, retain and satisfy clients within a micro insurance scheme, while at the same time generating revenues and offering judicious choices.

#### **Session III: "The salesman's job begins when the client says no"**

In this session, panelists will discuss experience with sales and distribution among the uninsured. There are a few success stories, and some tips and ideas about increasing clients' awareness about the benefits of health insurance.

## Day 2:

Thursday, 2nd November 2006

#### **Session IV: "Act locally think globally": settling claims**

This session focuses on claims processing: what lessons can be learned from the experience with arrangements for cashless access to healthcare? Local scrutiny of claims? And with guidance to the clients about which healthcare providers to access?

#### **Session V: "Size matters" (... and sustainability too)**

Europe's social health insurance started from a community basis as well. What insights can the European experience with social health insurance schemes offer for the development of community based health insurance schemes? And how can these make a scalable, sustainable contribution toward insuring the uninsured poor in India?

#### **Session VI: "The future belongs to those who believe their dreams"**

This session will focus on the medium and long-term prospects of health insurance among the poor. A fair and orderly development of the supply of insurance will most likely raise issues of regulating this insurance market, to ensure fair competition among insurers (notably prevent selection of good risks, or 'cream skimming'). This session will also include a discussion on the role of subsidies in developing equitable supply of health insurance.

## Registration Form

# “Developing Pro-Poor Health Insurance in India”

## An International Conference on Micro Health Insurance

**Date :** November 1 and 2, 2006     **Venue :** India Habitat Centre, New Delhi     **Registration :** 8 am

**Yes**, we are interested in participating in the conference on “Developing Pro-Poor Health Insurance in India.”

Delegate Fee for Conference (Per Delegate)	
Members from Communities i.e. Non-Government Organizations, Self Help Groups, Micro Insurance Units etc.	Nil
Others	INR 3,000/-
Foreign Participants	US \$75

**We/I represent the following organization/interest-group:**

- Existing Micro insurance
- Existing micro finance
- Other grassroots organization (e.g. SHG/ community organization/NGO)
- Commercial insurance company
- Commercial bank
- Industry, other than banks or insurance; (please specify:.....)
- Government (please underline as relevant: Central/State/Local authority)
- Researcher / Scholar / Academic

(Please tick the appropriate category and provide requested details.)

**For Communities** (Please provide details below if you wish to apply for waiver of the fee):

- Kind of Community Organization (NGO, SHG, etc) \_\_\_\_\_
- Name and Address of Organization \_\_\_\_\_
- What is the main domain activity? \_\_\_\_\_

**For Others:**

Our DD/Cheque No \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_ drawn on \_\_\_\_\_ In favor of Federation of Indian Chambers of Commerce and Industry/FICCI, payable at New Delhi is enclosed

I hereby register the following persons as participants in the conference on “Developing Pro-Poor Health Insurance in India”

**Delegates**

1. Name \_\_\_\_\_ Designation \_\_\_\_\_

2. Name \_\_\_\_\_ Designation \_\_\_\_\_

Organization : \_\_\_\_\_

Address : \_\_\_\_\_

Tel (with STD / ISD Code) : \_\_\_\_\_

Fax (with STD / ISD Code) : \_\_\_\_\_

E-mail \_\_\_\_\_ Website: \_\_\_\_\_

## ORGANIZERS



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*"Enriching lives of the poor... Together"*



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The registration form can be transmitted online, at  
[www.ficci.com](http://www.ficci.com) or [www.microhealthinsurance-india.org](http://www.microhealthinsurance-india.org)