

MICRO-INSURANCE BRIEFS



Sri Lanka - Yasiru Mutual Provident Society Limited

Scheme Design

Established in 2000, Yasiru Mutual Provident Society Limited is a mutual benefit programme in Sri Lanka. It receives Financial, Technical and Re-insurance support from the Rabobank Foundation and Eureko Re in the Netherlands. It aims to effectively manage and reduce the risk factors affecting the lives of vulnerable communities in rural Sri Lanka by social security coverage. It provides relief to members in times of death, accident, distress sickness. It does this by setting up mutual societies in partnership with CBO's and NGOs who are local and deal with the poorer strata through their field operations.

The members of Yasiru are the policy holders and they along with the 9 partners are represented in the Board of Management of Yasiru.

Eligibility Conditions

Membership is open to all adults from 18 to 65 years and covers children of the members aged between 90 days – 18 years. Additional dependents between 18 and 75 years may be covered if the House Hold (HH) income is less than LKR 3,000. However a maximum of 3 persons aged 65-75 can be covered.

Exclusions

Households with an income of above LKR 3000 per household member per month.
Suicide and contagious diseases

Plan Benefits

Benefits	Minimum	Maximum
Death after the age of 18 and before 65 due to an accident	18,000	108,000
Permanent disability after three months before the age of 65 due to an accident	36,000	216,000
Death after the age of 18 and before 65 due to natural causes	9,000	54,000
Sudden death before reaching the age of 18	5,000	6,000
Sudden death between the age of 65 and 75	7,500	12,500
Hospitalization cost per day for a maximum of 15 days (range)	90	540
Traditional or similar treatment cost per day for a maximum of 15 days (range)	45	270

Premium

Members are classified according to their family situation. In each class, members can choose among 5 monthly premiums. Monthly premiums range from LKR 10 (\$0.1) to LKR 150 (\$1.5) per month

1	Household with no children	LKR 30, 50, 100, 120, 150 or 180
2	One parent with children	LKR 30, 50, 100, 120, 150 or 180
3	Household with children	LKR 45, 75, 150, 180, 225 or 270
4	Other adult > 18 years	LKR 15, 25, 50, 60, 75 or 90

General Overview

Starting date:	2001
Ownership profile:	Registered Society
Target group:	Small-scale farmers, estate workers and low income group
Outreach:	6 districts in South & Central Sri Lanka
Intervention area:	Rural
Risks covered:	Health, Life & Accident
Premium Insured/yr:	LKR 360 – 2700/yr
Co-contribution:	-
Total premium:	LKR 360 – 2700/yr
No of insured:	25,000

Operational Mechanisms

Type of scheme:	In-house
Insurance company:	NA
Insurance plan year:	Not fixed (open all year)
Insured unit:	Family of 5
Type of enrolment:	Voluntary
One-time enrolm.fee:	No
Premium payment:	Monthly
Easy payment mech:	None
Waiting period:	30 days for hospitalisation
Indirect subsidy:	No

Scope of Health benefits

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

Level of Health benefits

Hospitalization:	Range from LKR 90 – 540 per day for max of 15 days
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Service Delivery

Prior H. check-up:	No
Tie-ups with HP:	Private HP
Type of agreement:	Formal agreement
No of Assoc. HP:	44
Access to HC serv:	Pre-authorization
Co-payment:	25% of the bill
HC service payment:	Cashless
TPA intervention:	No
Addit. financial ben.:	wage compensation during sickness
Addit. non-fin. ben.:	Health educ. progr.

Insurance Plan Key Features

- Through a mutual model Yasiru offers products that are affordable for the members and gives reasonable compensation in case of death, permanent disability or hospitalization.
- Children and other adults in the family can be covered under the scheme
- The scheme is member based and has a democratic system of management
- There is no actual maturity payment in the scheme, but there is a mechanism for profit sharing. Yasiru opens an account for each member. When a member reaches the age of 75, or terminates the membership, he/she will receive the credit balance of the account if the membership has lasted for more than five years. Forty percent of the scheme's profit is credited to members' accounts
- As part of its development support Eureka Re provides reinsurance

Main Achievements

- A steady increase in membership over 8 years – Membership in 2008 was 7,397 covering a total of 24,018 insured

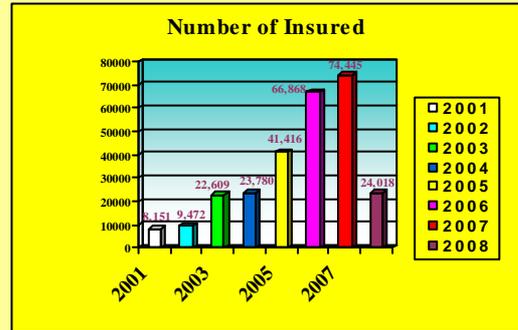
Remaining Challenges

- In the short term, community mobilisation, sensitisation and organisation is a big need.
- In the long term, institutionalisation & leadership Development is the long term strategy;
- To negotiate and organize a co-contribution mechanism.

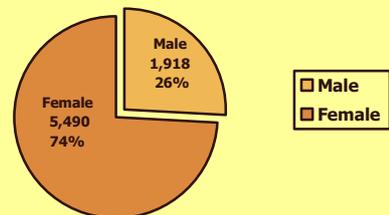
Development Plans

- There is the opportunity to link up with a Government Farmers insurance scheme with an outreach of 2 million farmers
- Cooperative sector has also shown interest in the products for their members
- Over a five year period, the goal is to have 100,000 policies by 2010, and the profit share to LKR 10 million as endowment fund

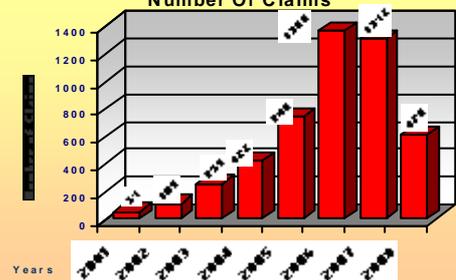
Activity Indicator



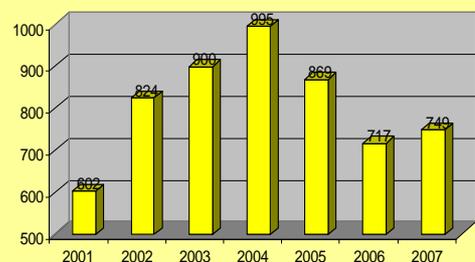
Woman's participation



Number Of Claims



Average hospitalization claim amount (SLr)



Development Plan - 5 years (number of policies)



