



MICRO-INSURANCE BRIEFS

Karnataka: Swayam Krishi Sangam Health Scheme

Scheme Design

Founded in 1998, Swayam Krishi Sangam (SKS) Micro-finance Limited is one of the fastest growing micro-finance organizations in the world, having provided over \$579 million in loans to close to 2,000,000 women clients in some of the poorest parts of India, the drought-prone Deccan region. In the last year alone, SKS micro-finance grew by nearly 300%, with a current portfolio of \$263 million and a 99% on-time repayment rate. SKS currently has 770 branches and over 6800 employees in the states of Andhra Pradesh, Karnataka, Maharashtra, Orissa, Kerala, Chattisgarh, Gujarat, Uttaranchal, UP, Bihar, Jharkhand, West Bengal, Rajasthan, Delhi and Madhya Pradesh.

In addition to rapid expansion, SKS leads the industry in technology development and innovation. It is one of the first MFIs to have a fully-automated management information system. SKS is in the process of setting up a customised ERP solution which will work across its offices and give access to real time data. SKS is aggressively looking at additional ways to empower the rural poor within India while remaining economically self sufficient. In addition to partnering with ICICI Lombard for health insurance, SKS has partnered with LIC in providing life/credit insurance to its members. SKS is currently building a robust distribution channel across rural India to explore possibilities of reaching quality retail goods, solar lamps, mobile handset which are aimed at making its members economically self-sufficient and getting access to a better lifestyle

Eligibility Conditions

Members /loanees of SKS micro finance limited and their family members

Exclusions

Normal exclusions applied by insurance companies and five 1st year exclusions.

Plan Benefits

Health care:
 Hospitalisation with maximum sum insured of Rs 10,000 per year per person and Rs 20,000 for family of 2,3, or 4
 Pre-existing diseases covered
 Maternity - institutional delivery only – Rs 2500
 Personal Accident for member and spouse Rs 10,000

General Overview

Starting date:	May 2007
Ownership profile:	NBFC
Target group:	SHG poor women members
Outreach:	2 States (AP, Karnataka)
Intervention area:	Rural
Risks covered:	Risk Package: Health + Personal Accident
Premium Insured/Y:	Rs 250–Rs 375/family/yr
Co-contribution:	
Total premium:	Rs 400–Rs 525/family/yr
No of insured:	450000

Operational Mechanisms

Type of scheme:	Partner-agent
Insurance company:	Private (ICICI Lbd.)
Insurance plan year:	Fixed (Loan period)
Insured unit:	Individual
Type of enrolment:	Mandatory
One-time enrolm.fee:	Rs 150 (service charge)
Premium payment:	Upfront
Easy payment mech:	No
Waiting period:	NIL
Indirect subsidy:	No

Scope of Health benefits

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

Level of Health benefits

Hospitalization:	Rs 10,000 per person; Rs 20,000 for family; Rs 2500 instl delivery
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Service Delivery

Prior H. check-up:	Extensive check-up though health camps
Tie-ups with HP:	Private HP
Type of agreement:	Informal agreement
No of Assoc. HP:	41
Access to HC serv.:	Free access
Co-payment:	No
HC service payment:	Cashless or Reimb
TPA intervention:	No
Addit. financial ben.:	Nil
Addit. non-fin. ben.:	education/promotion

Premium

Rs. 250, 325, 350 and 375 for the family of the one, two, three and four respectively (Inclusive of Service Tax).

Plan Insurance Key Features

- One of the few mandatory schemes
- Benefit starts from day one of enrolment
- Maternity benefit from day one a key feature considering that SKS provides loans to female members only
- Provision both for cashless and reimbursement facility

Main Achievements

- Enrolment of 5 Lakh lives within 10 months
- Claim settlements well within 37 days
- Claim rejection ratio less than 7%
- 34 % of claims is for maternity cover

Remaining Challenges

- Effective and valuable communication to the members of the benefits of the insurance and its utilisation
- Low awareness about Health Insurance among hospitals
- Simplification of documents for reimbursement

Development Plans

- Roll out of Health Insurance in 500 branches spread across 7 states by March 2009
- Enrolment of 2.7 million lives by March 2009
- Introduction of OPD facilities for the clients through the network hospitals (negotiations on with the insurer)

