



THE INTERVIEW: SUNIL SILVA – CHAIRMAN OF YASIRU MUTUAL PROVIDENT SOCIETY



*Interview with Sunil Silva,
Independent Non-Profit Organization Management Professional*

*Chairman of
YASIRU MUTUAL PROVIDENT SOCIETY LIMITED
Created in 2001 - Sri Lanka*

AMIN: What are the key features of how your scheme works?

Sunil:

- Group responsibility through mutuality;
- Risk management and risk reduction in the grass roots among the poorest of the poor;
- Establishing minimum standards of risk governance measures;
- Institutionalising the different products.

AMIN: In your opinion, which of those could be replicated in other schemes in Sri Lanka?

Sunil: This is the only process of mutual risk management scheme.

AMIN: In the 2007 AMIN Inventory, you said you were especially targeting small-scale farmers, estate workers and low-income groups:

I. Could you explain why you have chosen these groups?

Sunil: The disadvantaged, deprived, marginalized and vulnerable communities in the remote and difficult areas are not covered by any of the other risk management schemes. The communities were disciplined through community based empowerment activities along with microfinance.

II. How are you reaching their registration?

Sunil: With grass-root level community based interventions and innovations.

III. Do you want to target other groups?

Sunil: We always try to keep these innovations and initiatives among the poorest of the poor, disadvantaged communities because they are severely neglected.

AMIN: Your scheme especially focuses on health, crops and calamities (natural accidents) and also on life:

I. Can you explain your strategy?

Sunil: Strengthening of group dynamics and mutuality among the poor.

II. Do you offer packages containing different kinds of risks?

Sunil: In relation to life, health, accidents, credit, death by different causes (natural and premature).

III. Concerning health, what are the risks you are covering?

Sunil: Illness, accidents, epidemics, partial and full disability, hospitalisation and Ayurvedic and traditional treatments.

IV. Are there any limitations?

- Suicide and/or wilful attempt to die;
- Accidents while engaged in hunting;
- Accidents while engaged in motor races and bicycle races;
- Accident while engaged in a robbery or other illegal activity;
- Death occurred due to the violation of the rules and regulations of the government;
- Wilful or intentional accidents;
- Contagious diseases and communicable diseases or epidemics (however the final decision for such payments will be taken by the Yasiru Executive Director Board as and when the necessity arise);



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- Diseases caused by misbehaviour (addictions);
- Hospitalization for a confinement (however hospitalization due to a special reason will be taken into consideration for payment of benefits). The final decision regarding such cases is reserved with the Yasiru Executive Director Board).

AMIN: What is Yasiru's coverage?

I. In 2007, you had 13,617 members covering a total of 74,445 insured. What about today?

Sunil: 7,377 members covering a Total 45,744 (the reduced data caused by cancellation due to war, tsunami and other difficulties in the field).

II. What is your position compared to your competitors?

Sunil: It's not a real competition if we mobilize the poor in an effective way. The commercial banks are specially involved with insurance schemes but they are not microinsurance companies. Competition is minimal with our cliental, community based different products, total family coverage access, minimum premium and working strategies, etc.

III. How could your coverage be further extended and improved?

Sunil: With rigorous training modules on social mobilization, sensitization to micro insurance, organization of poor and strengthening of community institutions would be the strategic intervention to extend and improve the processes of Yasiru. Yasiru is a community safety net and a community owned program. Yasiru represents the nutshell of the community rhythm and pulse. The strategies of extension of outreach and improvement of Yasiru are related to community safety needs and sustainability.

IV. Are there barriers to the extension of your scheme?

I. For example, do you have problems linked to the enabling environment (legal, relations to providers, etc.)?

Sunil: In Sri Lanka there is no microinsurance regulatory act or legal framework. A preliminary

framework is under discussion with the consultation of the Rabobank foundation and the Eureka reinsurance Company in the Netherlands. The Insurance Board of Sri Lanka (IBSL) is not likely to harm the microinsurance industry in Sri Lanka by imposing strict rules, regulations and heavy safety deposits.

II. Is community mobilization and awareness still a major challenge?

Sunil: Yes of course, the insurance is a new thing to the people and it's very difficult to sensitize the poor especially to the microinsurance process. After tsunami and war disasters, people have changed their mind set in evaluating microinsurance products as the need of their life.

IV. More generally, what is the population coverage in Sri Lanka?

I. In general?

20 millions.

II. For health?

7.4 millions.

AMIN: Thank you Sunil!



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More information: <http://www.ilo.org/step>



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