

MIA's model to implement Community-Based Mutual Aid Schemes for Health

Micro Insurance Academy, New Delhi, India

Healthcare Spending

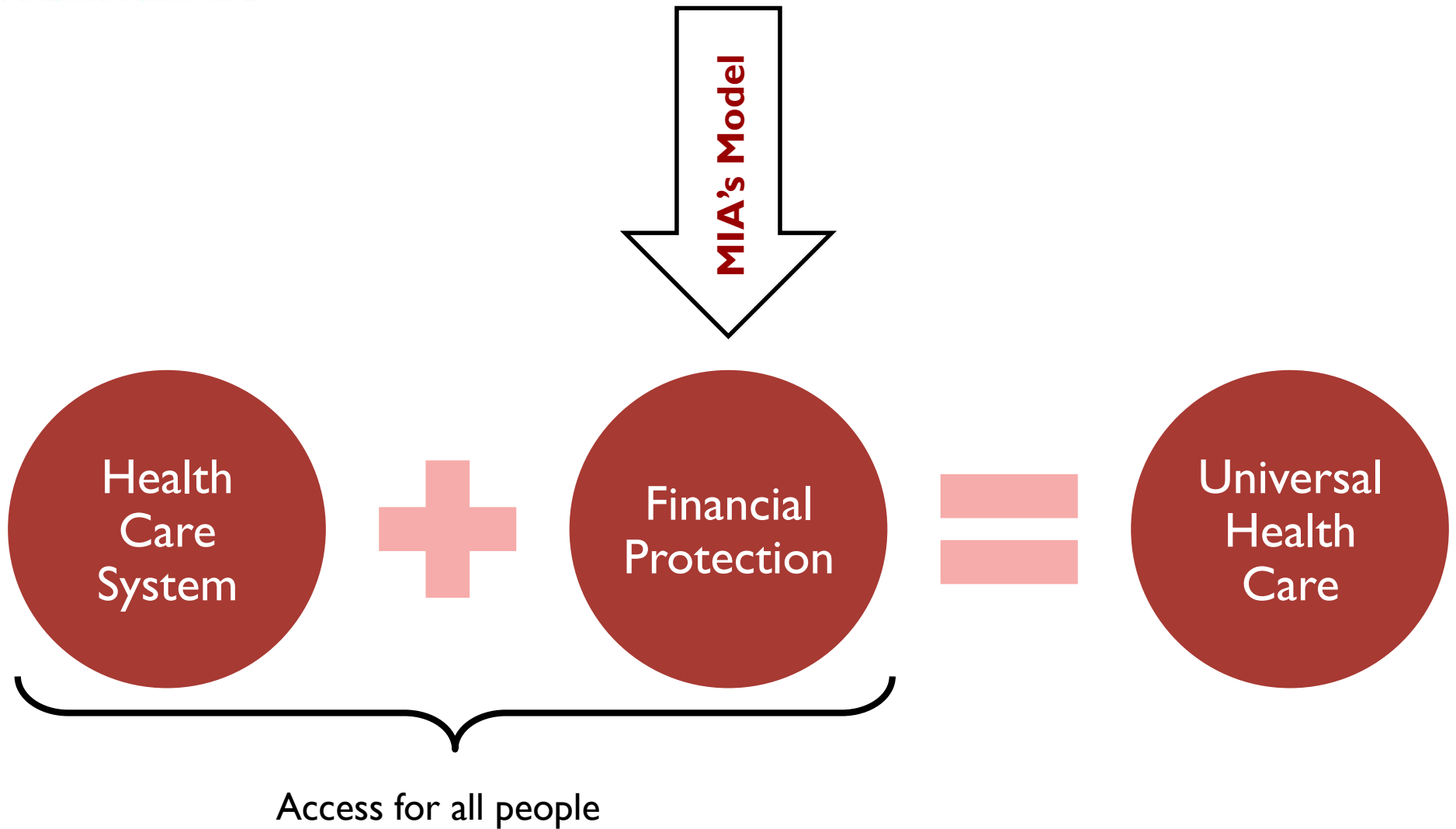
- Mostly **out-of-pocket (OOP)**
- 70% private, 86% of which is OOP
- Most of OOP is by **hardship financing** (borrowing, selling assets)

World Health Organisation

- Striving towards Universal Health Coverage (UHC)

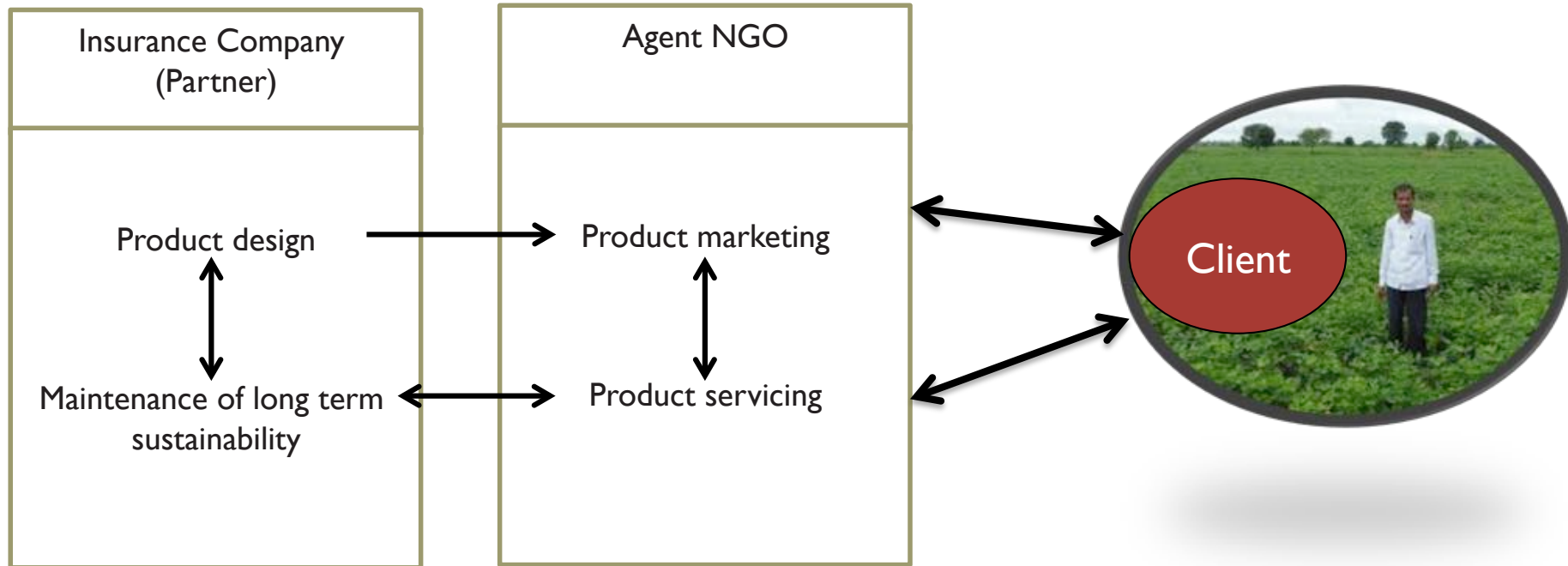
How can UHC be achieved?

- Proper Health Care system
- Good Financial Protection through prepayment and **risk pooling**



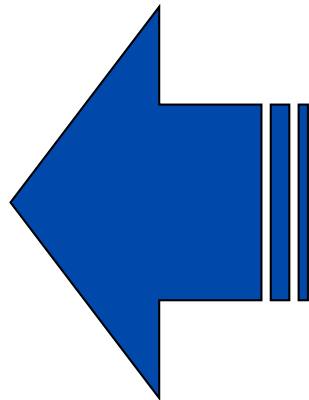
How Commercial Insurance Works?

Partner-Agent Model



Challenges with Existing Microinsurance Schemes

**Low
voluntary
uptake**



Risks not considered as per community which is being insured



Supply-driven



Dependency on subsidy to premium



Lack of local data specific to the community being insured



Lack of trust between community and the insurer



Inefficient business processes



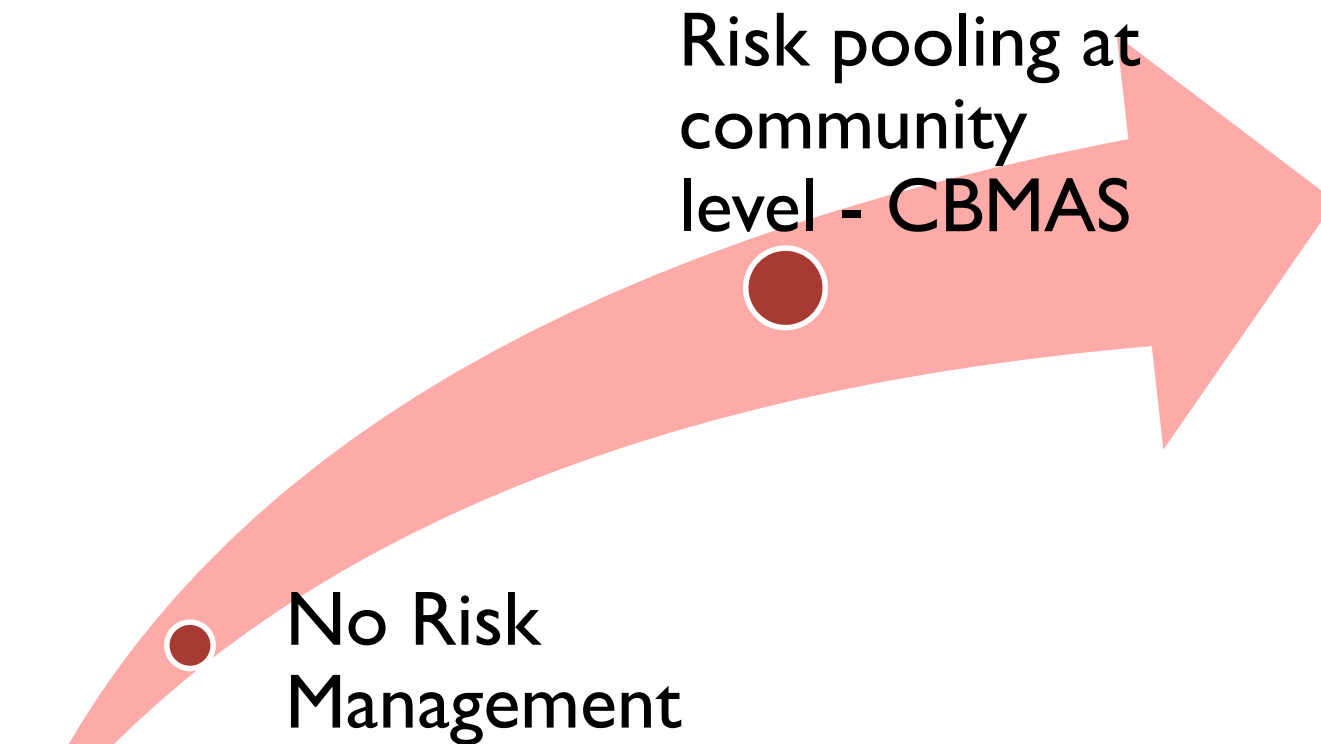
Fraudulent claims

Alternative Solution at Community level

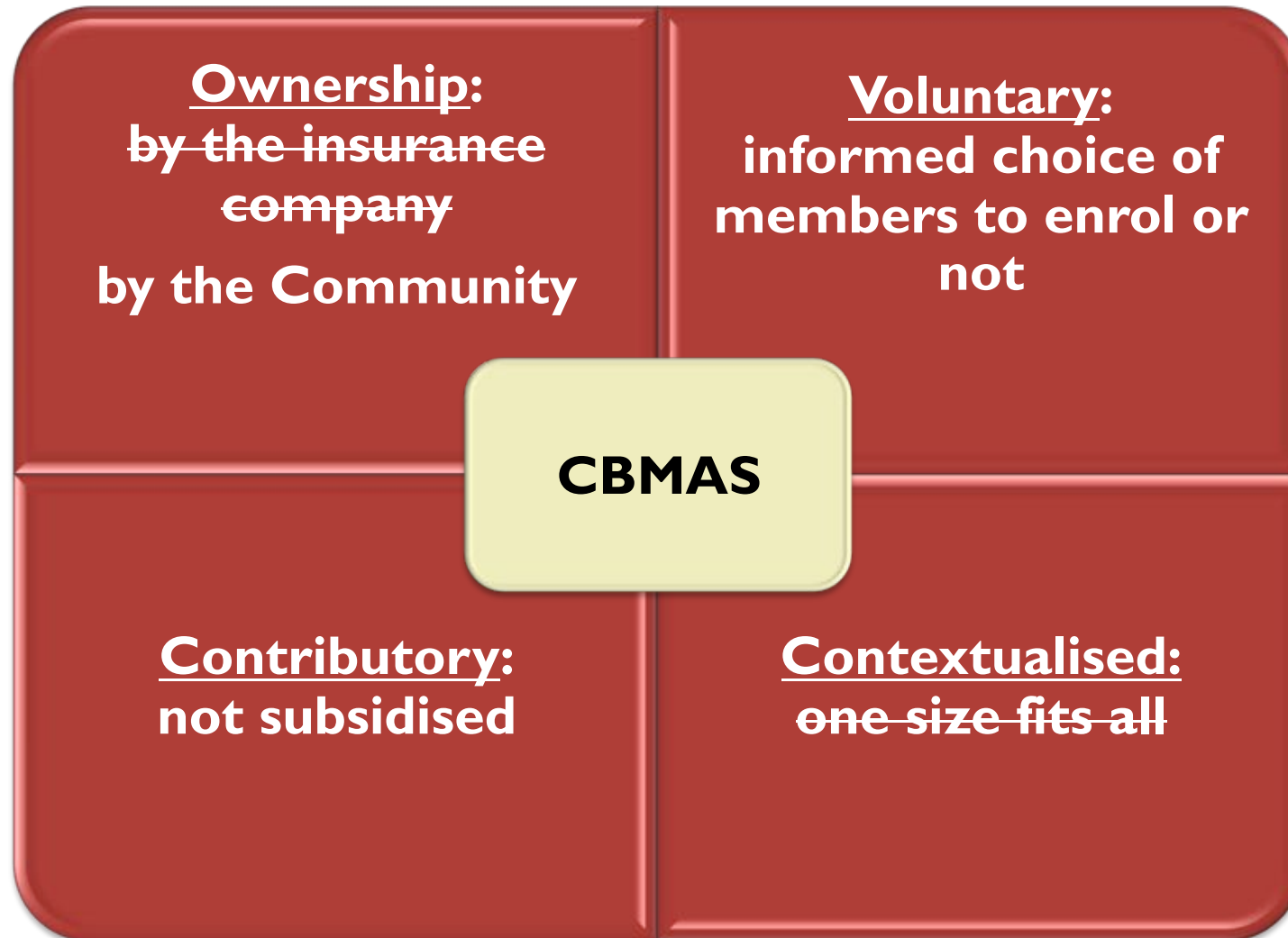
Community-Based Mutual Aid Scheme (CBMAS)

- Proposed solution (Dror and Jacquier, 1999): people own and run community-based health insurance schemes at community level
- CBMAS is of the Community, for the Community and by the Community
- Community is involved in all steps: formation of CBMAS, benefit package design, premium collection, claims management

MIA provides technical support to communities:



What is the MIA Model?



How does the MIA model work?



- High renewal rates: 40 to 80%
- Cumulative enrolment: 94,379
- Social empowerment:
 - 57% women and 89% SC/ST
 - Local governance
- Prompt claim settlement: < 1 month
- Claim ratio: 60 to 85%
- Financial sustainability: all schemes solvent into year 4 of operations
- Zero premium subsidy
- Minimal or no fraudulent withdrawals as community owns their system and keep a watchful eye to their money.

Where does MIA work?



MIA: Glimpses from the field

Insurance
Literacy &
Awareness



Participatory
Risk
Assessment



Community **Voices**



Community Voices.mp4

Community
Designed
Packages



Prompt
Payouts



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