



Property insurance to protect poor against natural disaster

Property insurance: Protecting poor

- An international development agency works in 74 countries.
- In India for past 60 years working in the areas of relief, disaster preparedness, gender, education health, nutrition and livelihoods.
- Priority is to work with marginalized and vulnerable population and in particular women and children.
- CARE works with local communities through NGO partners and seek cooperation from both private and public institutions to address underlying causes of poverty.



Property insurance: Protecting poor

- Insure Lives and Livelihood project was initiated with financial assistance from Allianz SE in 2006 and now extended with the financial support of DFID.
- Project Objectives: (1) To identify, train and handhold NGO partners to act as micro insurance intermediary, (2) develop and carry out effective client education activities for potential users of micro insurance services, (3) facilitate a business relationship between the NGO and Insurer by defining and evolving governance and mutually acceptable rules for collaboration and (4) finally to test new ideas in micro insurance horizon.

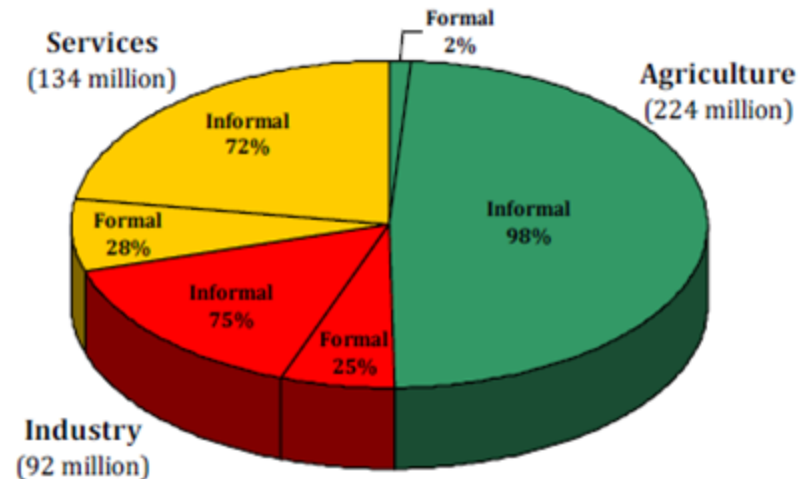


Property insurance: Protecting poor

- Majority of people agriculture daily wage labourers
- Low literacy skills / low insurance knowledge
- Low asset value
- Live in low lying areas
- Insurance penetration is very low

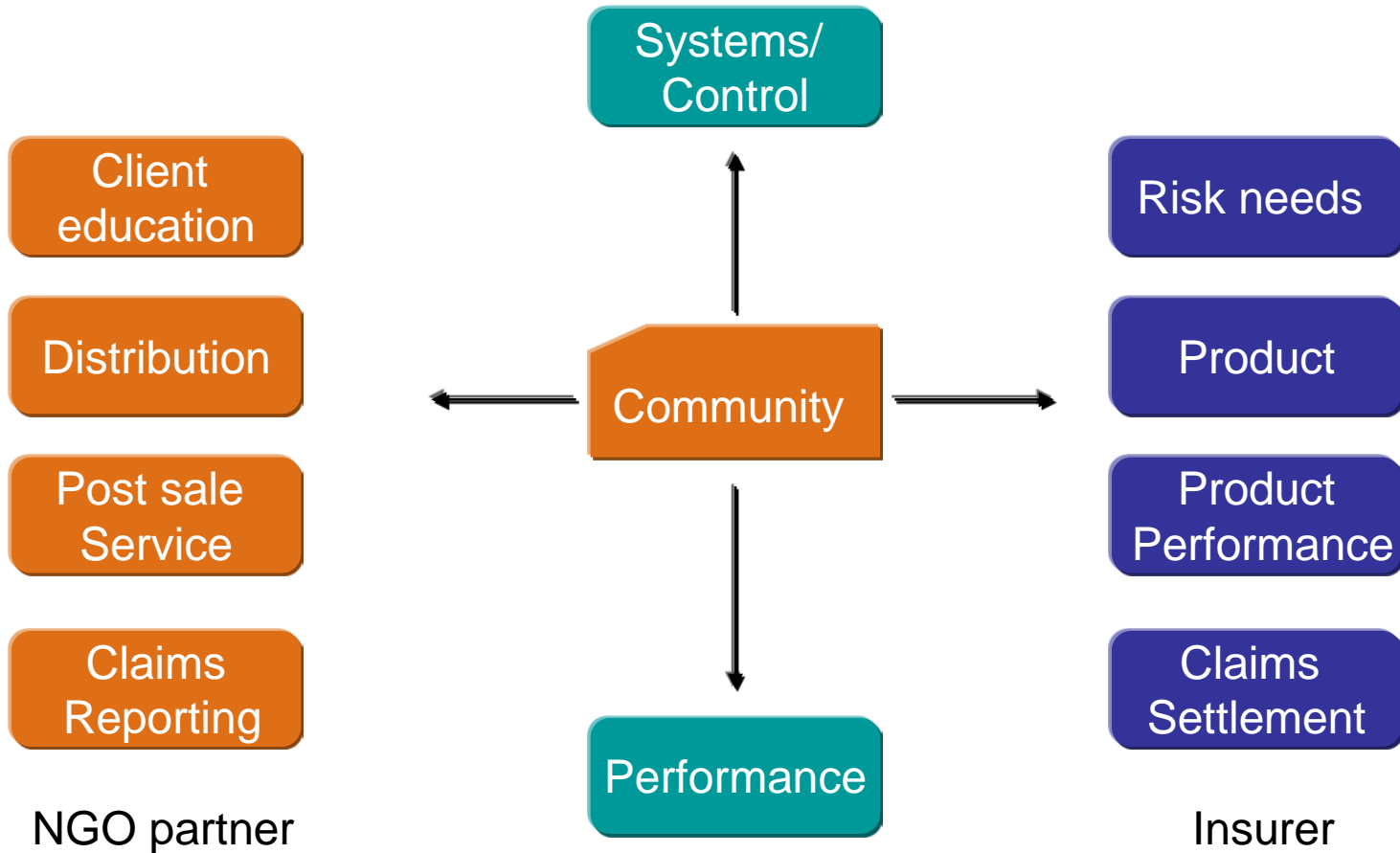
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Formal and informal employment, by sector, 2008-09 estimates



Source: Table 2.7 "Modified Current Weekly Status employment estimates" in *The Challenge of Employment in India Report*, National Commission for Enterprises in the Unorganised Sector, April 2009.





Property insurance: Protecting poor

Risks of coastal community

Risks of farming community

- Health
- Boats/ Nets
- Maternity
- Social needs

Accident	Accident
Treatment/ Wage Loss	Treatment/ Wage Loss
Disability	Disability
Death	Death
Funeral	Funeral
Property	Property

- Crop
- Social needs
- Maternity
- Equipments



Property insurance: Protecting poor

Product

Accident

Treatment

24 Hrs admission

Rs. 1000 Maximum

Wage Loss

120 Per day/ 24Hrs for 5 days

Rs. 600

Disability

Partial

Rs. 12500

Complete

Rs. 25,000

Death

Motor/ Non Motor Accident

Rs. 25,000

Funeral

Rs. 2000

Education Grant

Rs.5000

Property

Accident/ Natural disaster

Household contents/ Structure

Rs. 5000

Hospital Cash

Out of Pocket expenses

Rs.300 / 24 Hrs admission for 5 days

Rs. 1500

Premium in Rs.

185/ 210

250/ 320



Property insurance for protecting poor against natural disasters

Insure Lives and Livelihoods



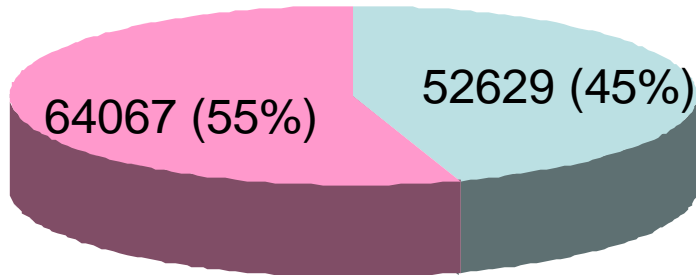
Property insurance: Protecting poor

Risk Education	Insurance Education	Product Education	Financial Education
Risk exhibition	Principle	Product feature	Proposal forms
Consequence of risk	Practices (Models)	Risk covered/ compensation	Claim formats
Risk management cost	Relevance of insurance	Claims conditions	Premium payment
Present risk management mechanism	Effectiveness of insurance	Premiums	Claim documents



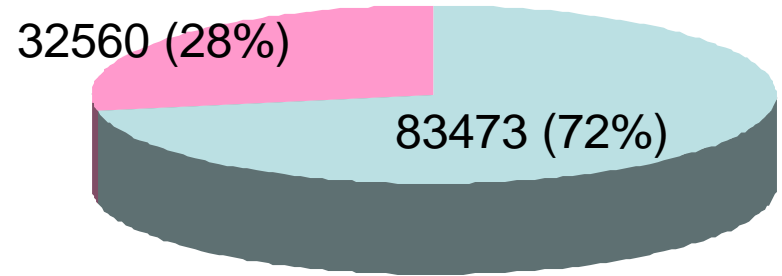
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2008-2009

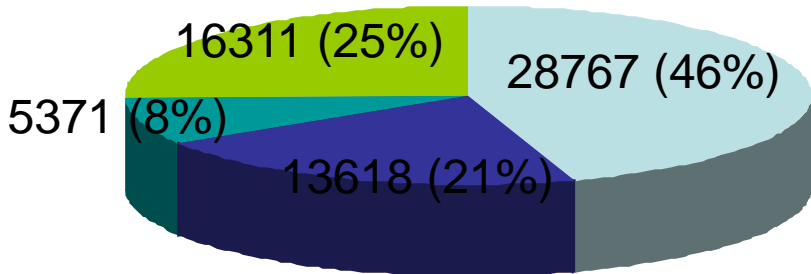


Life General

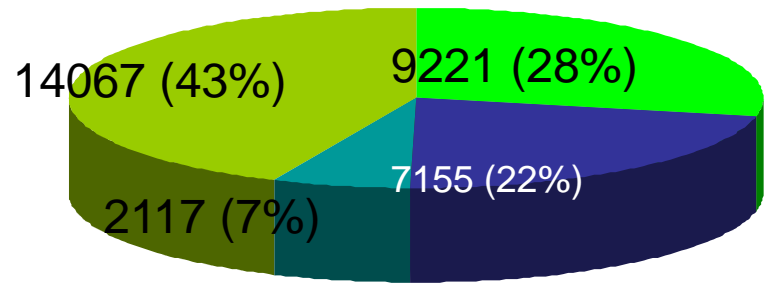
2009-2010



Life General



CARE CARE+ CAREH CARE H+



CARE CARE + CARE H CARE H+



Property insurance: Protecting poor

Cyclone / Year	State	Households	Value in Rs.
Ogni/ 2006	Andhra Pradesh	349	290,444
NISHA/ 2008	TamilNadu	14405	43 Million
Laila/ 2010	Andhra Pradesh	128	145,400

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- Joint claim assessment process in consultation with local community members [Link photos\DSC00069.JPG](#); [Link photos\DSC00071.JPG](#); [Link photos\DSC00072.JPG](#)
- Local community certifies the ownership of the household [Link photos\DSC00073.JPG](#); [Link photos\DSC00176.JPG](#)
- NGO field staff extensively used to verify the veracity of the damages. [Link photos\DSC00197.JPG](#); [Link photos\DSC00202.JPG](#); [Link photos\DSC00206.JPG](#)
- Regular document requirements are waived
- Payout disbursed in very quick time (with in 30 days after completion of assessment)



Property insurance: Protecting poor

Stakeholder roles



- Frequency of weather related disasters becomes increasingly “predictable”
- Lack of reinsurance support
- Diversification of risks- Geographical expansion
- Everybody wants claim!
- Even in disaster affected area where claims have been received reenrollment becomes a challenge
- Without property cover the product becomes less attractive for the community
- With property cover pricing becomes an issue

