

Yeshasvini Trust

The largest “micro” health insurance

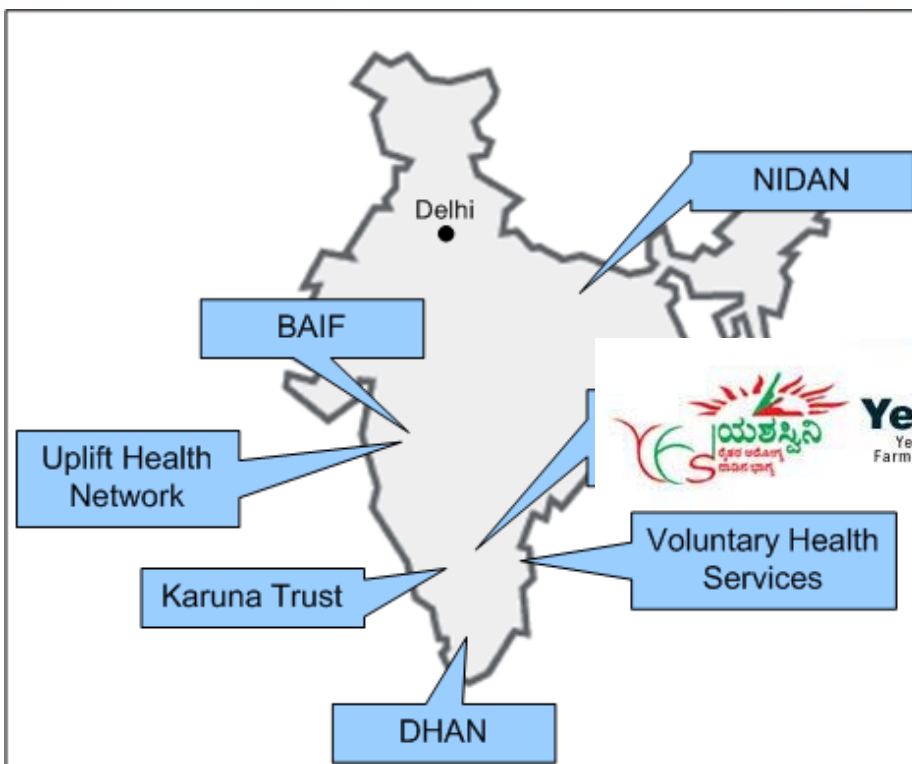
David M. Dror, PhD, DBA
Ralf Radermacher

Presentation at the Microinsurance Conference
Cape Town, 23 November 2006

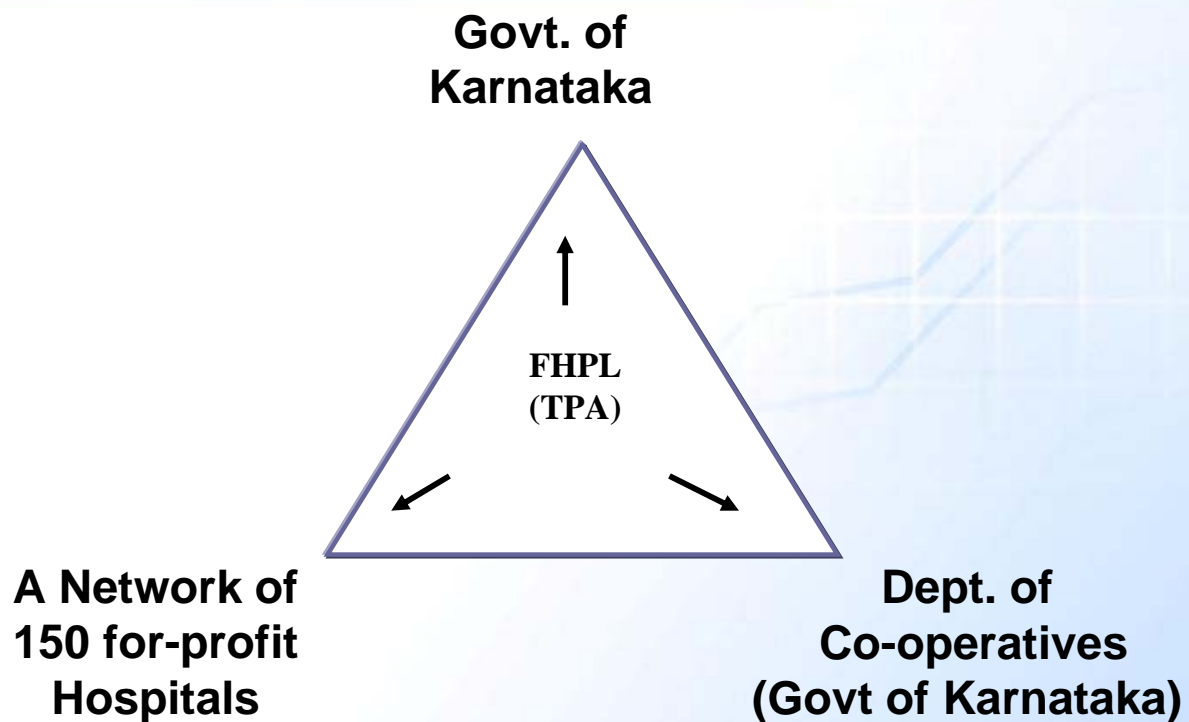
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Source of data: 2005 HH survey



Entities involved in Yeshasvini trust



Advantage of Cooperatives

- Huge client group (many small groups linked through coop)
- Identifiable
- Organized through coops
- Cost of outreach to clients low

Cooperative Societies that joined

1. Primary agricultural Cooperative Credit Societies
2. Agricultural Produce Marketing Societies
3. Milk Producers Cooperative Societies
4. Cooperative Sugar Factories



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Targeted Membership

- ✓ Registered members of State Rural Co-operative society (with at least 6 months seniority)
- ✓ Dependant family members (Spouse, Children and Parents)
- ✓ Age limit: Upto 75 yrs

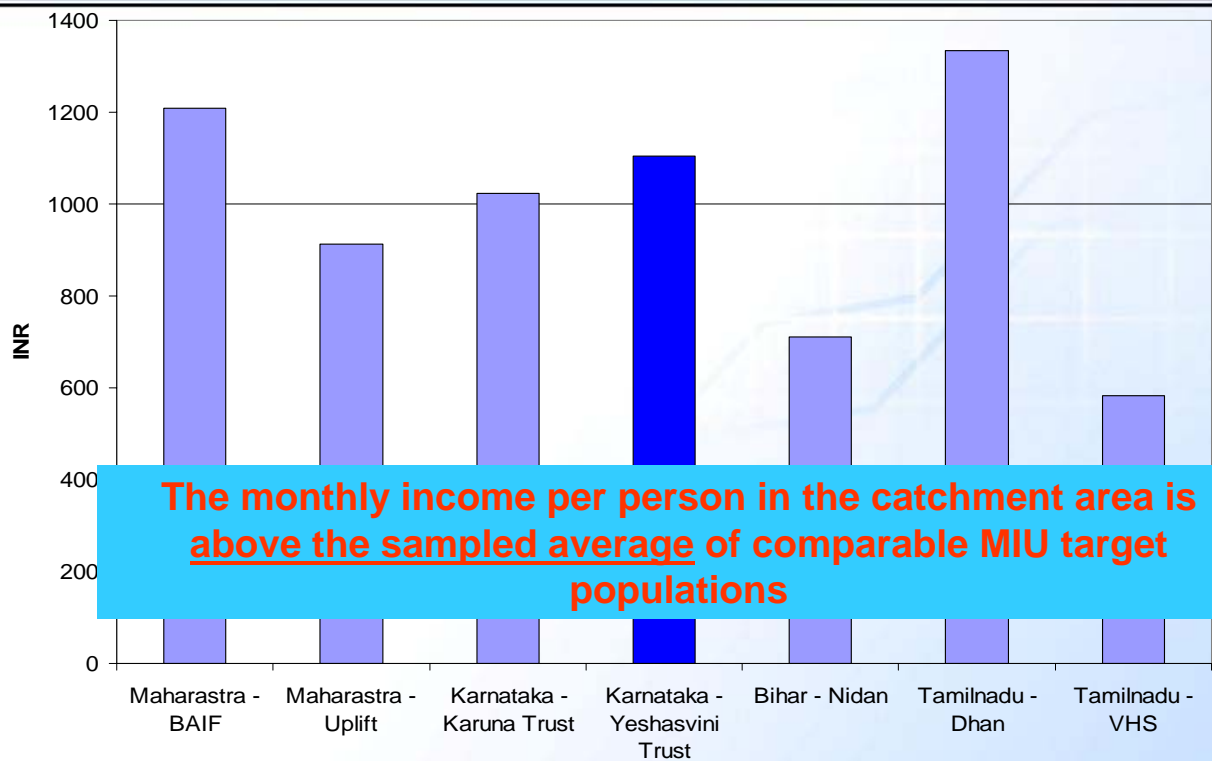


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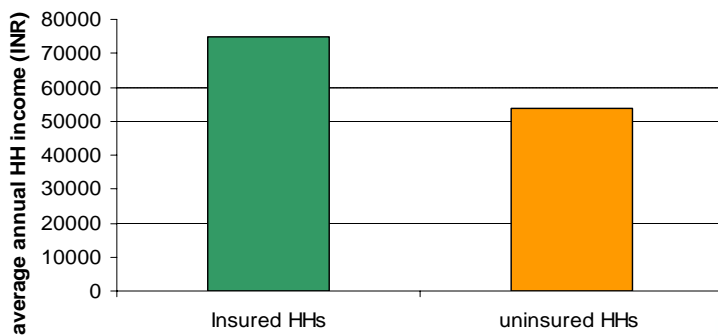
SES of the clients of Yeshasvini trust



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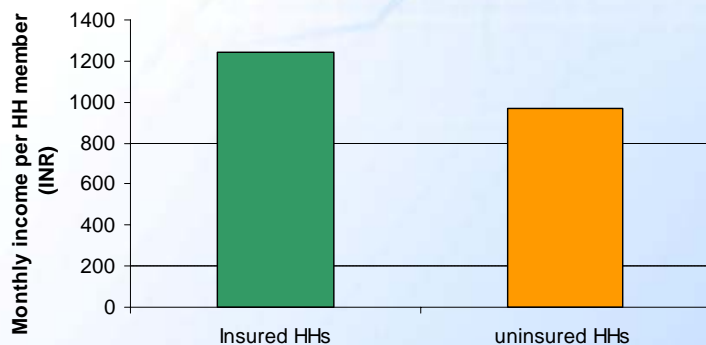


Insured have higher income than uninsured



Annual HH income

Monthly income p.p.



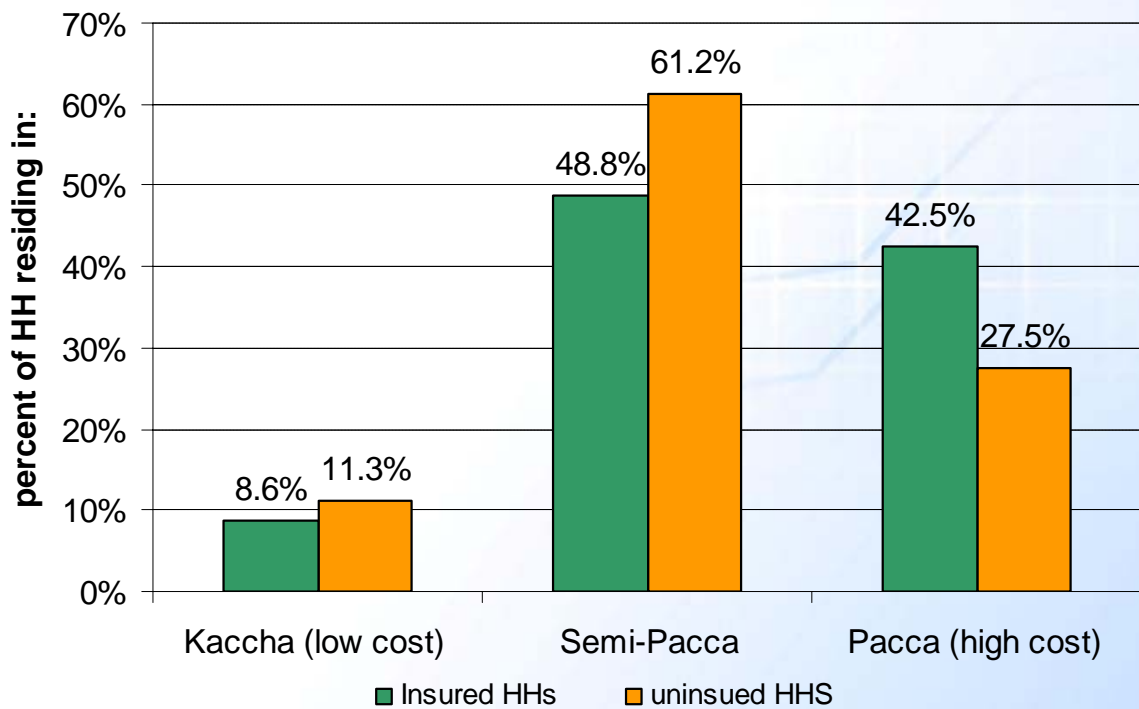
Difference significant $p < 0.01$



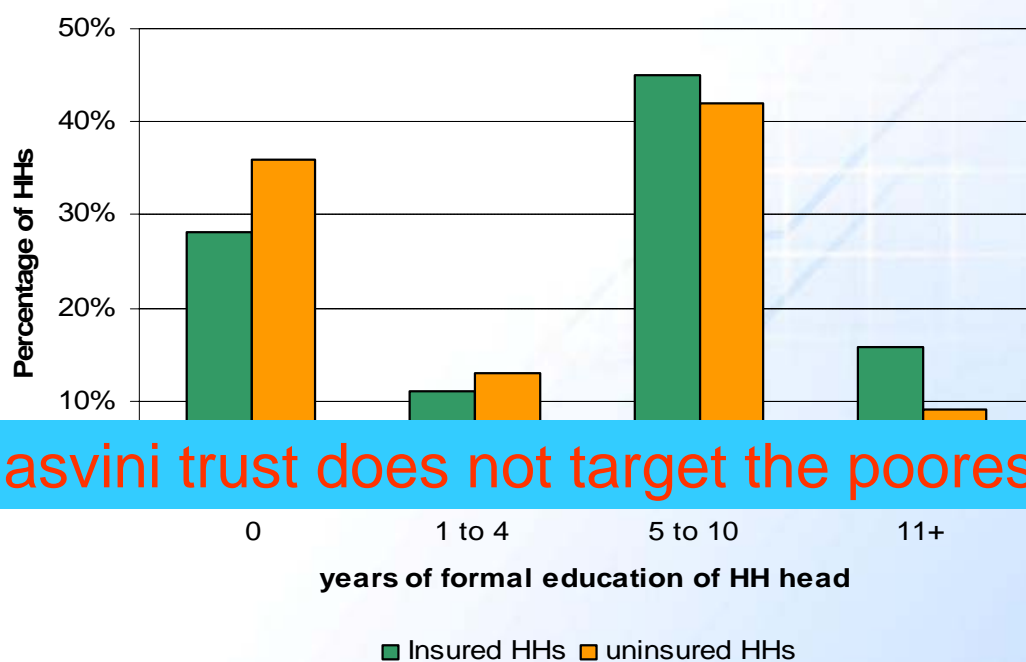
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They live in better houses



And the insured are better educated



Yeshasvini trust does not target the poorest

Premium Payable by Yeshasvini members

Year	Premium/Annum
Up to 2004-05	Rs 60/Adult (~US\$ 1.33)
From 2005-06	Rs 120/Adult Rs 60/ Child

Premium Income

Year	Premium/Annum	Enrollment	Total Premium Collected
2003-04	Rs 60	1.6 Mn	Rs 96.91Mn ~US\$2,153,555
2004-05	Rs 60	2.1 Mn	Rs 119.76Mn ~US\$2,661,333
2005-06	Rs 120/Adult Rs 60/ Child	1.4 Mn	Rs 163.4Mn ~US\$3,631,111
2006-07	Rs 120/Adult Rs 60/ Child	1.9 Mn	Rs 215.4Mn ~US\$4,786,667

Enrollment

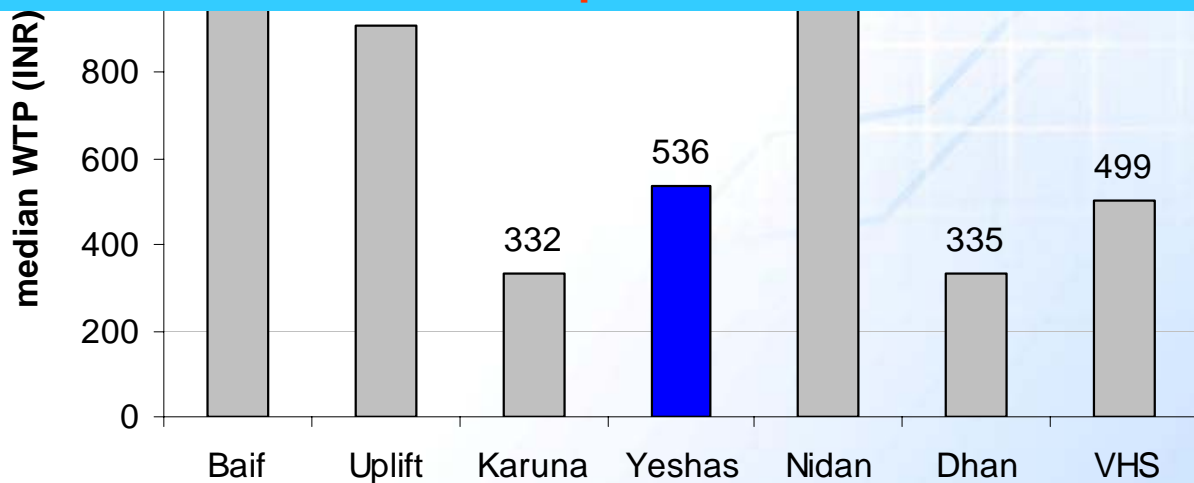
- Voluntary Contribution
- Compulsory Deductions– Credit societies
- Partial Subvention– Milk Societies

The less known facts....

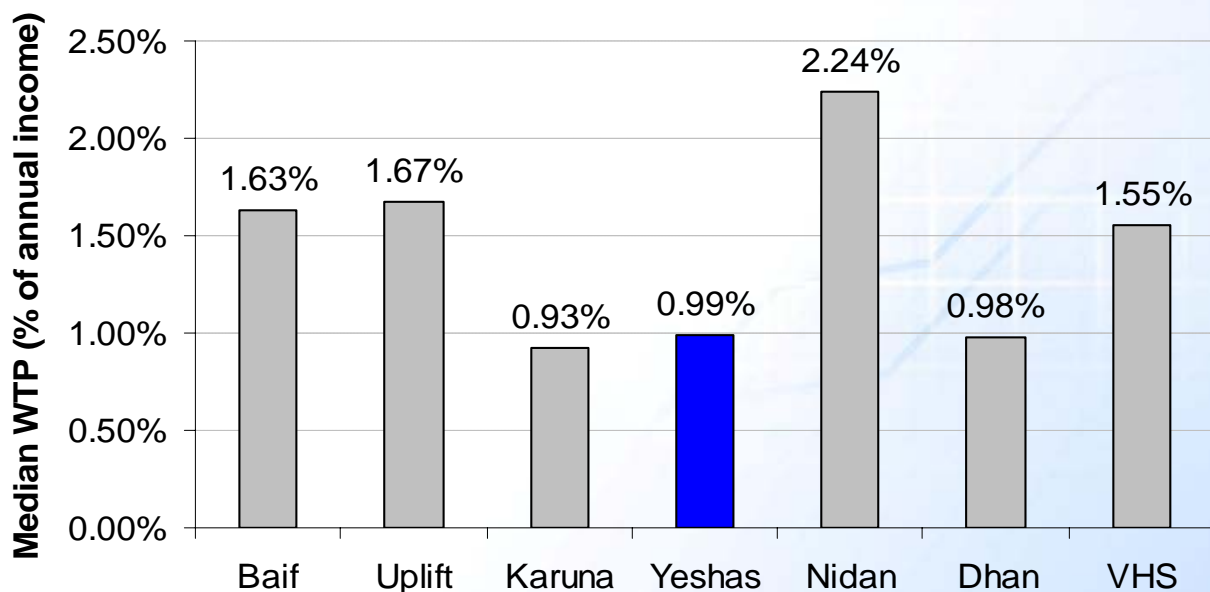
- 60% of the enrolled members were males
- In most cases only the members were enrolled while family members were left out
- Adverse selection - Those requiring surgeries were enrolling and not renewing
- Not much of involvement of the elected members of Cooperatives - mostly official driven

Willingness to pay: How much?

The median WTP in the Yeshasvini catchment area lower than in other locations sampled



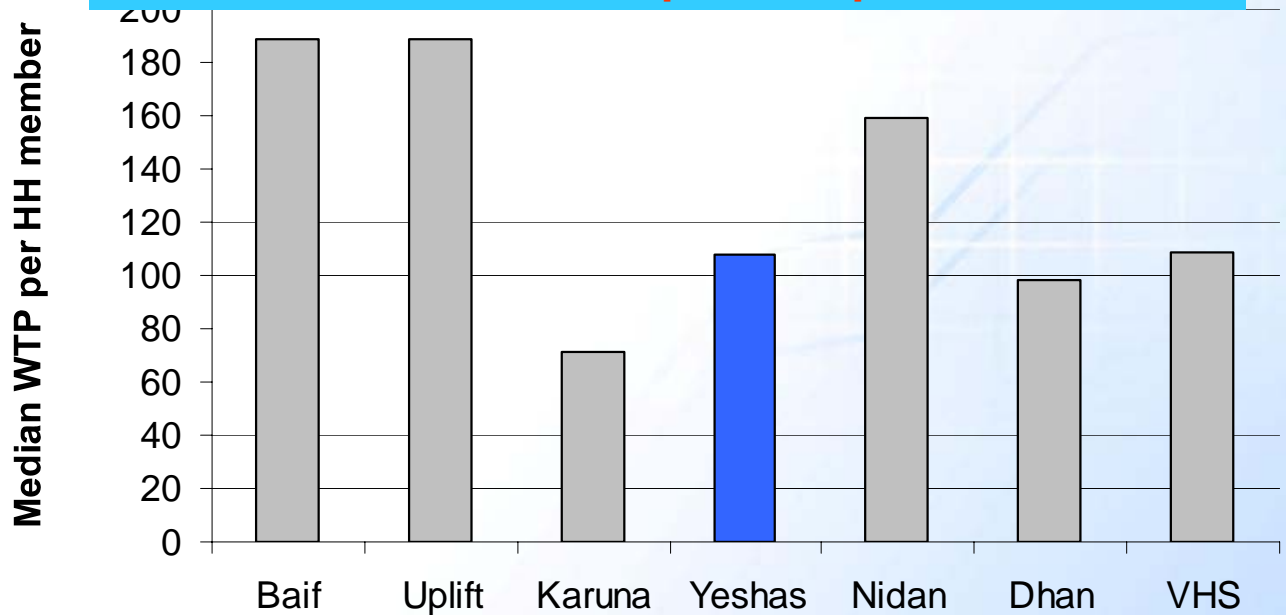
This is not because they are poor



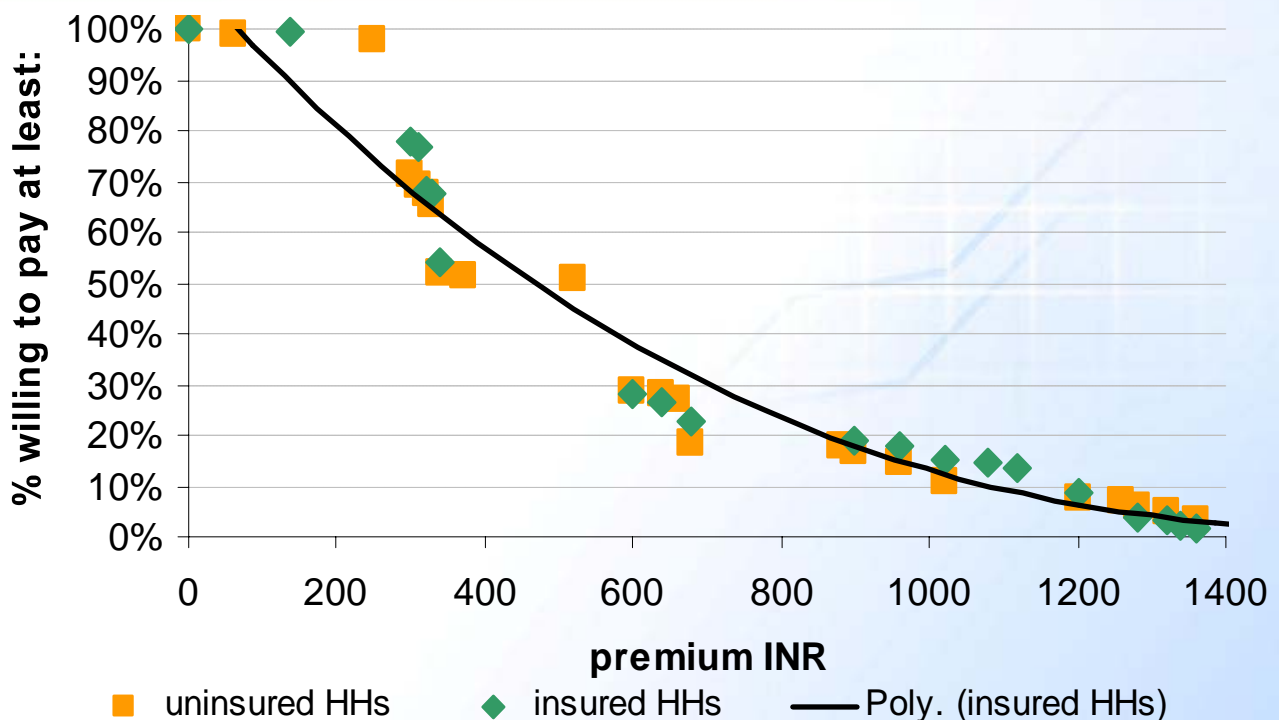
WTP In the area is low when expressed as % of HH income

And not because they have smaller HHs

WTP is low even when expressed per HH member



Affiliation with the insurance does not increase WTP



What insurances products are included?

Surgery Package includes:

- ✓ Cost of Medicines & consumables during hospital stay
- ✓ Cost of Operating Theater, Anaesthesia, Surgeons fee
- ✓ Professional charge: Consultant fee, Nursing fee
- ✓ Accommodation

Coverage Limit:

- ✓ Rs. 1 lakh (~US\$ 2,222) for single admission
- ✓ Rs. 2 lakh (~US\$ 4,444) for multiple admissions

Major Surgeries Covered

Cardiac Surgeries

- Coronary Artery By pass Grafting
- Open Heart Surgery

Neuro Surgeries

- Mitral Valve Replacement
- Decompressive Craniotomy
- Burr-hole aspiration of PVS

Vascular Surgeries

- Brain Tumor
- Aorto Femoro By pass grafting
- Femoro Popliteal By pass

Gastro Enterology

- G J Vagotomy

Orthopedic Surgeries

- Radical Gastrectomy
- Open Reduction and Internal Fixation
- Arthrotomy
- Laminectomy and Discectomy

Medical Emergencies

Coverage for Stabilisation of defined Medical Emergencies:

- Snake Bite
- Bull Gore Injury
- Electric Shocks
- Drowning
- Injuries caused while operating agricultural equipment
- Dog Bite

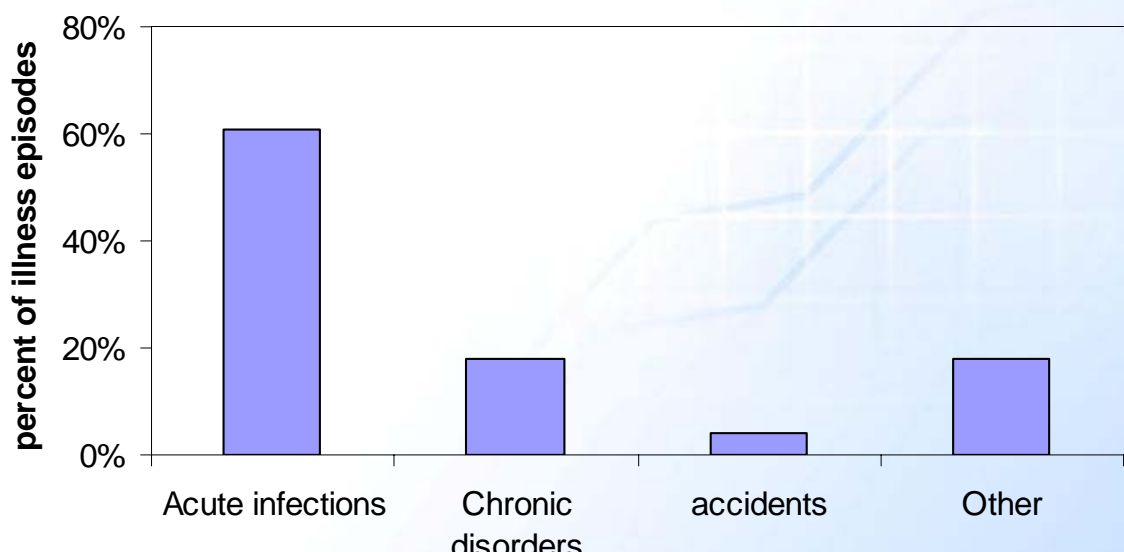
Normal Delivery

Neonatal Care

Angioplasty

But what do people need?

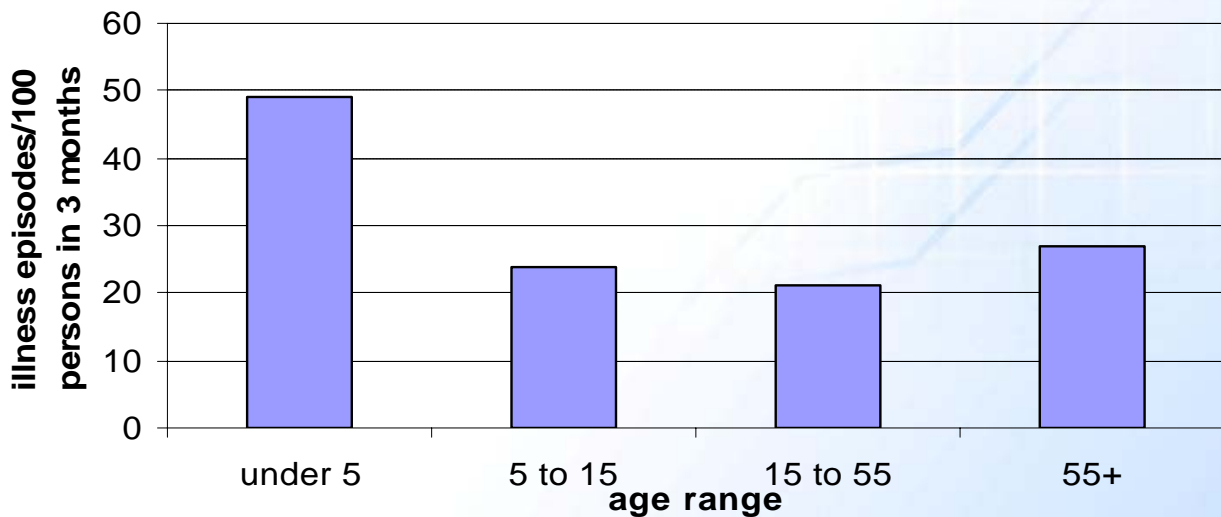
distribution of illness types (whole sample)



Acute infections are the most prevalent, but their expenses are not covered by Yeshasvini health insurance

The youngest and the oldest are most vulnerable

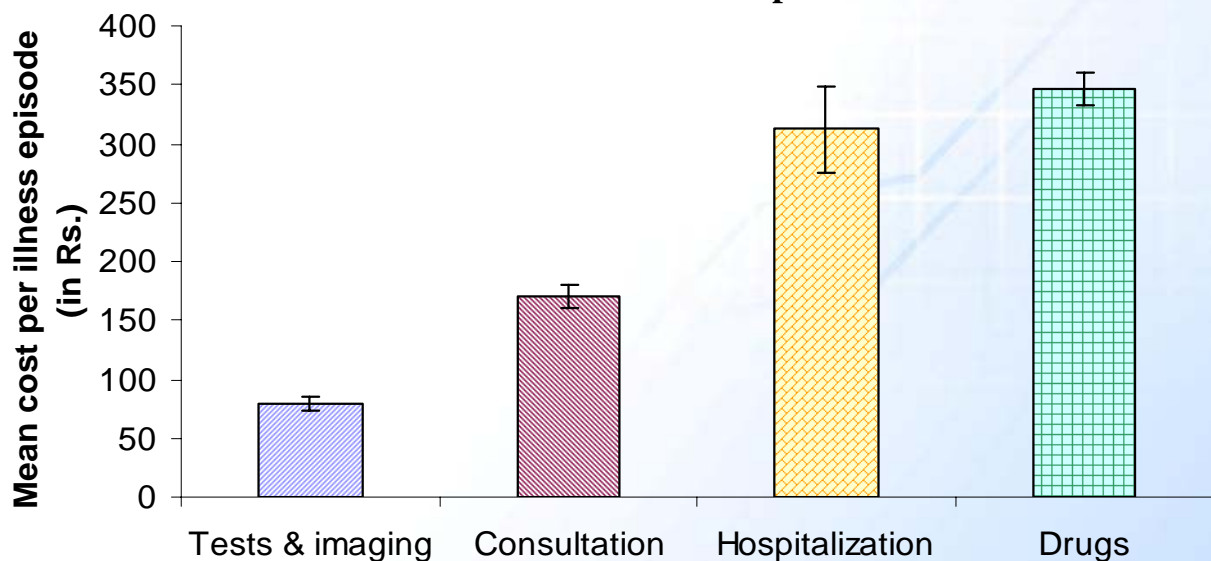
Age related illness episodes



But dependents are not always insured and the oldest are excluded

The aggregated drug costs exceed hospitalization costs

Cost distribution of illness episodes



But outpatient drugs are not covered by Yeshasvini health insurance

And what do clients say they want?

	“Package”	No. of groups	% of individuals	Cumul. %
1	OP(b)+IP(b)+T(b)+D(b)	6	26.80%	26.80%
2	IP(b)+T(b)+D(b)	8	31.80%	58.60%
3	OP(b)+T(b)+D(b)	3	13.90%	72.50%
4	OP(b)+IP(b)+D(b)	3	11.90%	84.40%
5	OP(b)+IP(b)+T(b)	1	4.00%	88.40%
6	IP(m)+D(b)	1	4.30%	92.70%
7	T(m)+D(b)	1	4.00%	96.70%
8	IP(h)+T(h)	1	3.30%	100.00%

Legend: OP= Outpatient; IP= Inpatient; T= Tests; D = Drugs;
(b) = basic; (m) = medium; (h) = high

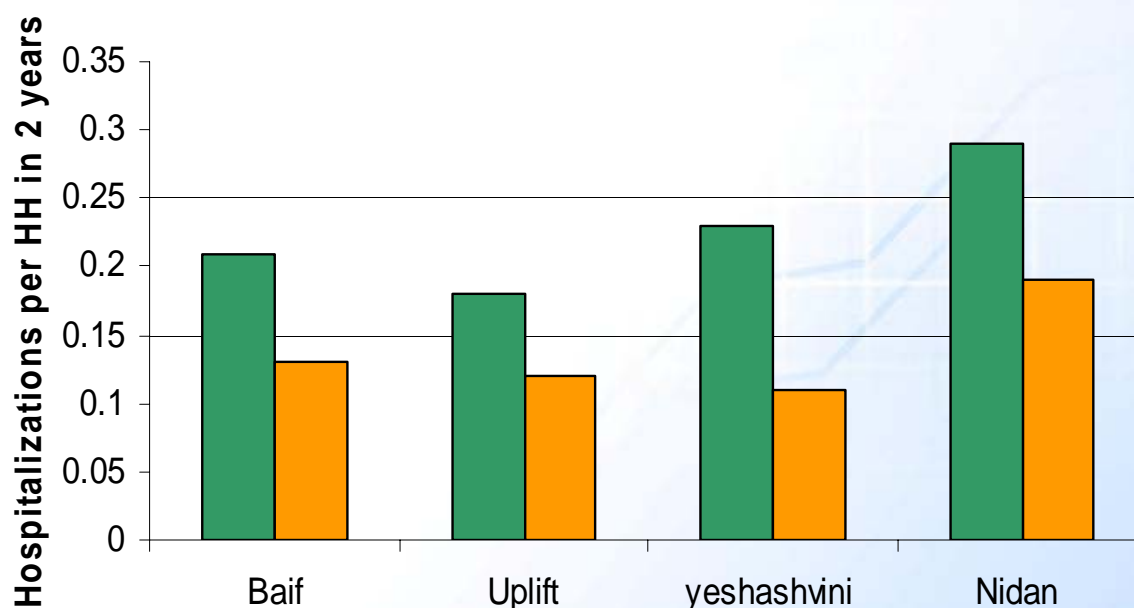


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The insured report higher access to hospitalization



**Is this a evidence of success
or of adverse selection?**



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Lessons from the Yeshasvini story on more outreach of health insurance among the poor

- > Affiliate whole HHs to reduce adverse selection and prevent exclusion.
- > Adjust the product to the clients' WTP (do not rely on subsidies, they will not last long).
- > Adjust the products to the clients' need, not the suppliers' interest.
- > Listen to what clients prioritize: cover expensive events rather than only rare catastrophic events.