



# New Inclusive Insurance Product in the field of Health

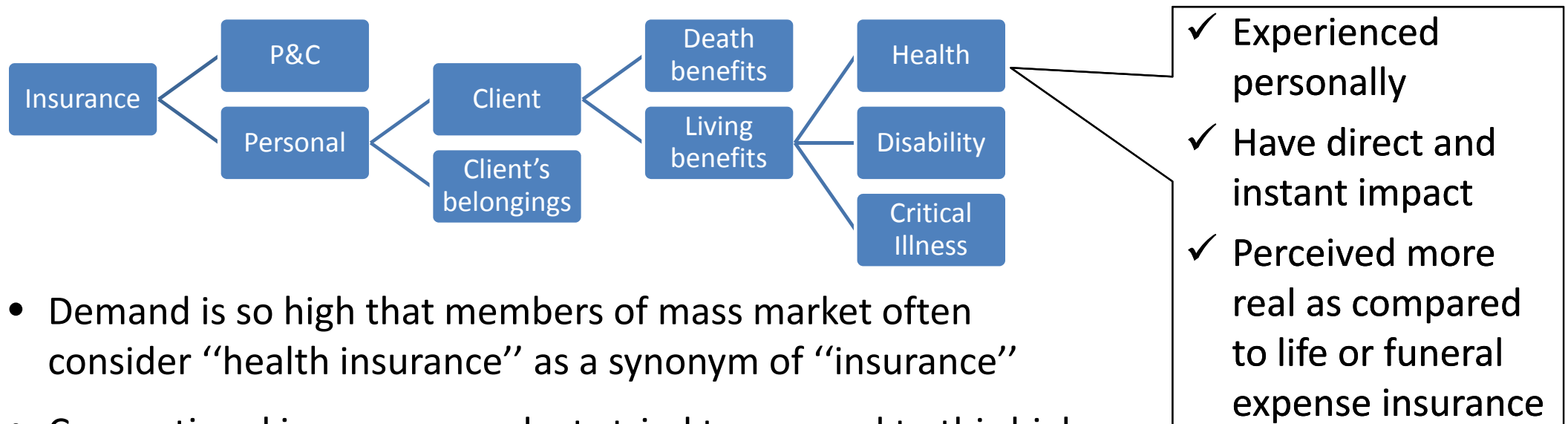
An overview of MicroEnsure's learnings

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# Health is important

- Health is one of the most sought after form of insurance in mass market clients:



- Demand is so high that members of mass market often consider “health insurance” as a synonym of “insurance”
- Conventional insurance products tried to respond to this high demand from mass market but the traditional “niche” market health products failed to address specific needs of mass market

## Fifteen years of learning!



- Started with a cashless in-patient insurance sold to MFI clients in India
  - Cashless did not work due to slow claims payment via TPA
  - Network of hospitals was problematic
- Worked with Government of India to distribute RSBY at village level
  - Very hard to get paid enough compared to the work required – distribution not seen as important
- Created Gender specific health cover sold via Anglican Church in Tanzania
  - Church does not work as a place to collect premiums
  - Product spec was heavily influenced by Church leaders who thought they knew what clients wanted
- Out-patient capitated product sold to coffee growers on Mount Kilimanjaro
  - Farmers could cover cost of out-patient care but cost of selling and servicing was unsustainable
- Hospital cash – thank God for Hospicash!!
  - Very scalable
  - No need for TPA or network of hospitals
  - Simple product, easy to explain

# Mass market unique health attributes

Products must account for non-hospital expenses such as loss of wages, transport, special diets, post hospitalization medicines and consultations etc.

**Address real needs**

**New to insurance**

Products must account for the fact often the clients have low literacy rates and at times >90% never had an insurance before in their lives

Clients live far from city centres and cannot go to a specific facility. They normally go to a nearest facility which is at times free government hospital

**Geographic proximity**

**Policy terms**

For first timers, it is hard to understand exclusions, waiting period, other limitations and complex policy wordings



# Why traditional health products fail?

Product feature	Mass market response	Impact
Policy terms including 30+ exclusions and waiting periods	Lack of understanding	<ul style="list-style-type: none"> <li>• Low take-up</li> <li>• Frequent complaints</li> </ul>
Panel hospital condition for cashless treatment	Low usage as panel hospital is often far away from their residence	<ul style="list-style-type: none"> <li>• Mistrust in policy</li> <li>• Fights if panel hospital denies treatment due to outstanding bills with insurance company</li> <li>• Bad word of mouth in community leading to product failure</li> </ul>
Gatekeepers	Inability to relate the process of gatekeeper approval with hospital admission	<ul style="list-style-type: none"> <li>• Mistrust in policy</li> <li>• Fights with gatekeepers</li> <li>• Product failure</li> </ul>
Covers treatment cost	Consider insufficient as treatment cost is around 40% of total financial impact linked with health event	<ul style="list-style-type: none"> <li>• Unable to avail even treatment cost benefit as often land in free hospitals closer to house</li> <li>• Blame insurance policy not providing enough benefit</li> <li>• Still come under debt to manage loss of wages, transportation, post hospitalisation medicines and consultation costs</li> </ul>

# How MicroEnsure created a workable product?



Challenge	How we managed that?
Client understanding	Removal of over 90% exclusions and waiting periods Redrafting policy in simple, everyday language
Proximity far from city centres	Removed the condition of panel hospitals; clients can go to any facility when needed including free hospitals
Low utilisation when visiting free hospitals	De-linked policy benefit from hospitalisation cost and the benefit remains indifferent of the money spent in hospital
Treatment cost a fraction of overall financial loss	Offered a flat benefit giving client the right to utilise that the way they prefer
Complexity of product not allowing getting to scales	Simplified the product such a way that those are explainable in less than 5 minutes hence possible to distribute using call centre and digital channels

## Increasing frequency of use

- We knew that only 3% of people were hospitalised in any given year
- So how do you demonstrate value (beyond “peace of mind”) to the 97% that do not make a claim?
- Focus has been on introducing living benefits:
  - Teledoc / SMS-a-doc
  - Drug discounts at pharmacies
  - Health tips
  - Health camps
  - Health apps that provide medical d-trees suggesting what ailment the patient may have



# JazzCash Sehat Sahulat

## Case Study





# Strategic focus



## 1 Address Health Needs

Lack of access to healthcare is amongst the leading reasons for low life expectancy in Pakistan. 63% Pakistanis bear the financial cost of illness by using their savings, borrowing money or even selling household assets to overcome major health catastrophes\*

## 2 Drive Sustainability

In addition to the social benefit, sourcing commercial impact for JazzCash by way of increased clients loyalty, enhance value proposition, encouraging use of mobile wallets to “buy things” and attract good new clients

# Key facts



No documentation – No medical exam – Digital processes

- **Launched** – 2015
- **Product type** – Health insurance providing a range of benefits for inpatient hospitalization and treatment of injuries
- **Insured persons** – Customers having opened a mobile wallet with JazzCash
- **Age limits** – 18 to 65 years
- **Enrolment** – Outbound call centre, JazzCash mobile phone app and USSD
- **Insured clients profile** – Lower and middle mass market clients and approximately 97% had no health insurance experience before in their lives
- **Education and awareness** – Social media, website, IVR, call centre, claims testimonials, claims disbursement events, brochures etc.
- **Price points** – Various ranging from \$6 to \$29 per year

# What's in it for each party?



## Customer Benefits:

- *Financial protection in case of hospitalization and outpatient treatment*
- *Visit any facility of your choice. No condition on panel hospitals*
- *Generous cash benefit amounts*
- *Simple and easy to understand coverage*
- *Fast and electronic claims processing*
- *Accidental medical reimbursement cover*

## Partner Benefits:

- ✓ *More customers*
- ✓ *Better customer retention*
- ✓ *Added benefits position JazzCash as preferred bank for loans and savings*



31 year old Mohsin Shahzad Shah spent 13 days in hospital with Typhoid Fever. After being discharged he completed his claim and in less that 24 hours of his notification, his claim payment was approved. He said, "I am satisfied with customer service and JazzCash Sehat Sahulat policy" He further added that he highly recommends JazzCash Sehat Sahulat policy and would like to spread the word about it in his social circle.

# Learnings



## Favourable factors

- ✓ Large number of clients with no prior insurance experience
- ✓ Strong JazzCash brand with penetration in mass market
- ✓ JazzCash's strong desire to use mobile wallets for premium payment
- ✓ JazzCash management keen on delivering true value of insurance to their clients

Challenges	How we fixed them?
• Distrust of clients on insurance products	• Strong JazzCash brand helped address this
• Unwillingness of insurers to participate due to medical insurance frauds – a perception carried from traditional niche market health insurance	• Supported with evidence of similar and other products from Pakistan and other similar markets • Robust processes to close all loose ends
• Distribution challenges due to low awareness about insurance products	• We called them through call centre to explain the product, answer their questions and assist in making a buy decision
• Fast claim payment to gain trust	• Allowed admission to any hospital with no condition of panel hospitals • Fast documents collection process used mobile technology • Use of mobile money to disburse claims within hours

Thank you

[Richard.Leftley@microensure.com](mailto:Richard.Leftley@microensure.com)

