



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.

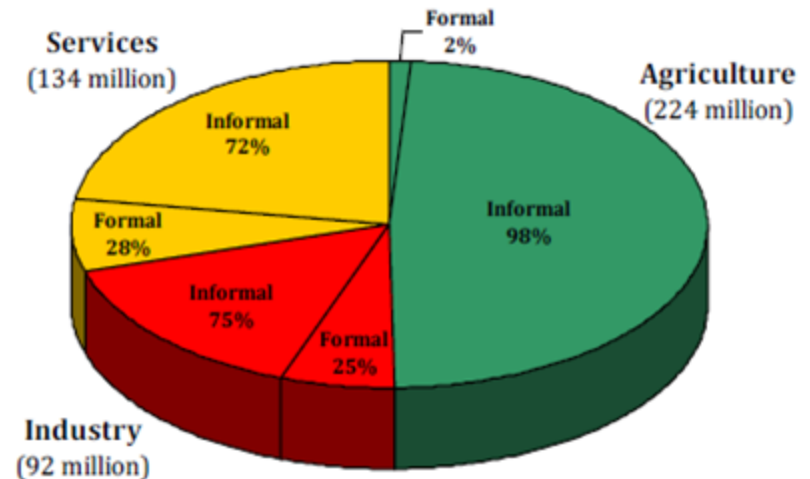


### Property insurance: Protecting poor

- 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

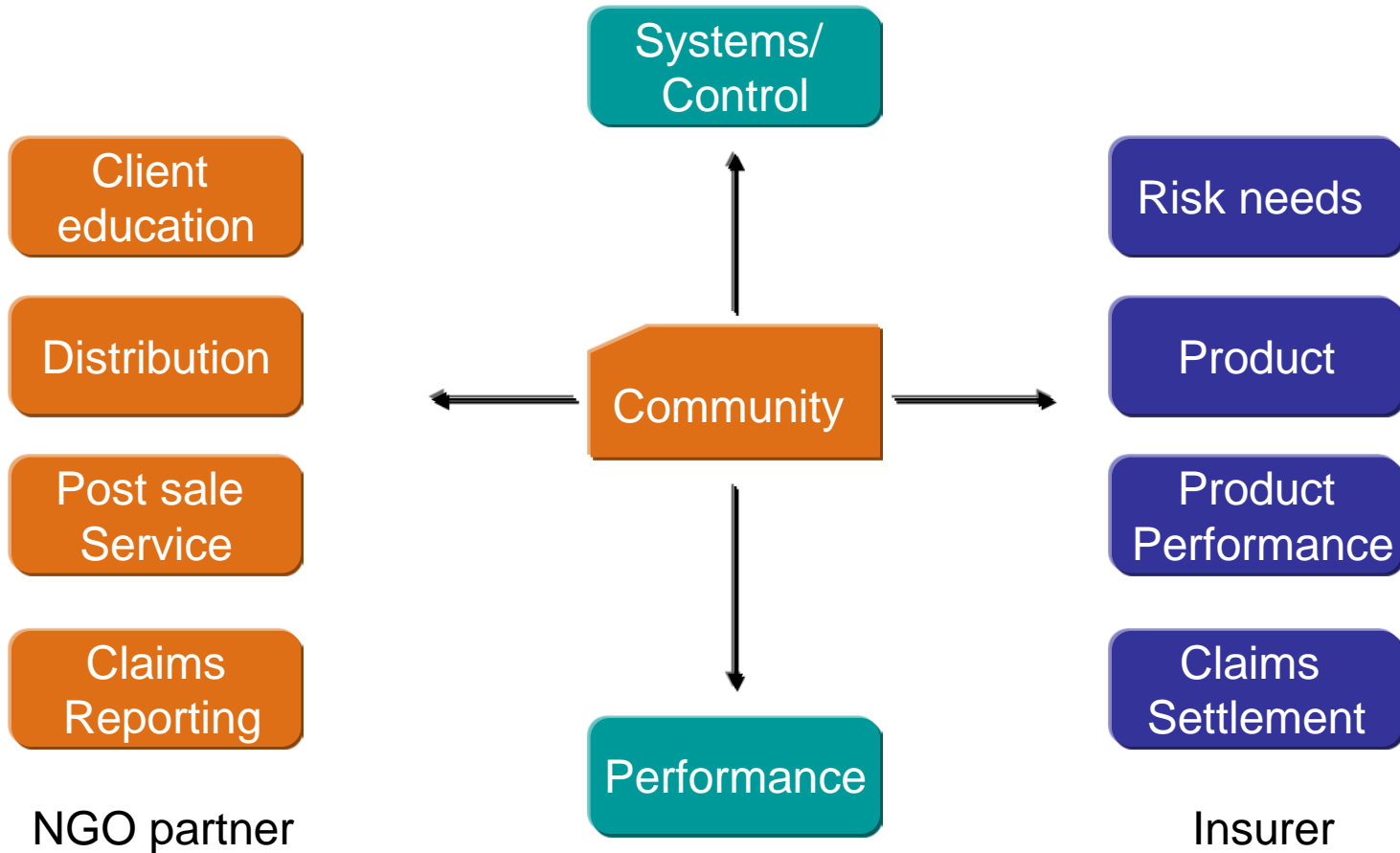
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Formal and informal employment, by sector, 2008-09 estimates



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.





Risks of coastal community

Risks of farming community

Health

Boats/ Nets

Maternity

Social needs

Accident

Treatment/  
Wage Loss

Disability

Death

Funeral

Property

Accident

Treatment/  
Wage Loss

Disability

Death

Funeral

Property

Crop

Social needs

Maternity

Equipments



# Product

## Property insurance: Protecting poor

Accident	Treatment	24 Hrs admission	Rs. 1000 Maximum	Premium in Rs. 185/ 210	
	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		250/ 320
		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		



Property insurance for protecting poor against natural disasters

Insure Lives and Livelihoods



# Property insurance: Protecting poor

## Client education

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

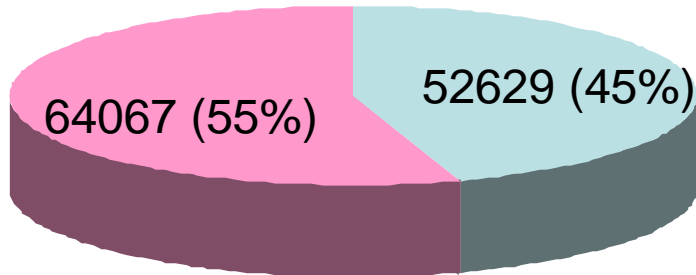




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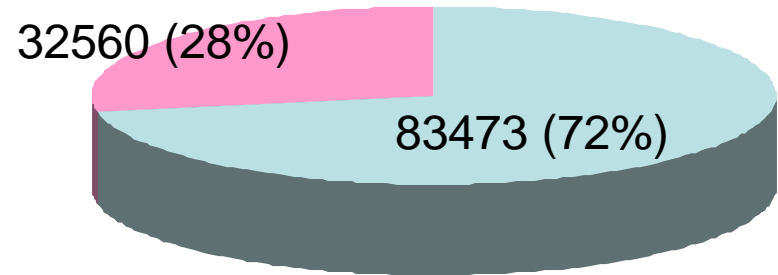
Outreach

2008-2009

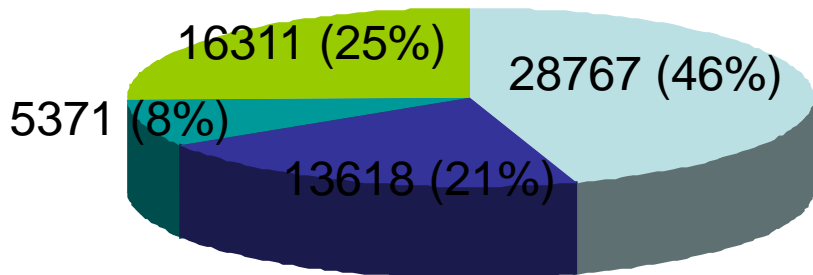


■ Life ■ General

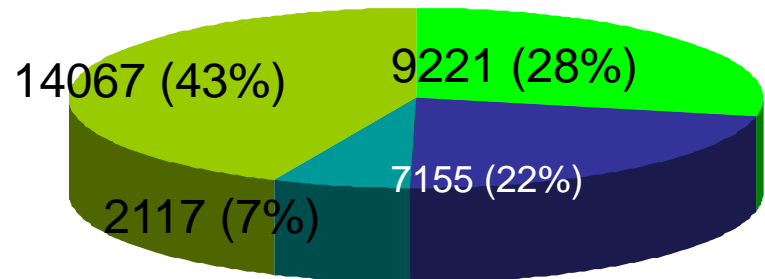
2009-2010



■ Life ■ General



■ CARE ■ CARE+ ■ CAREH ■ CARE H+



■ CARE ■ CARE+ ■ CAREH ■ CARE H+



## Property insurance: Protecting poor

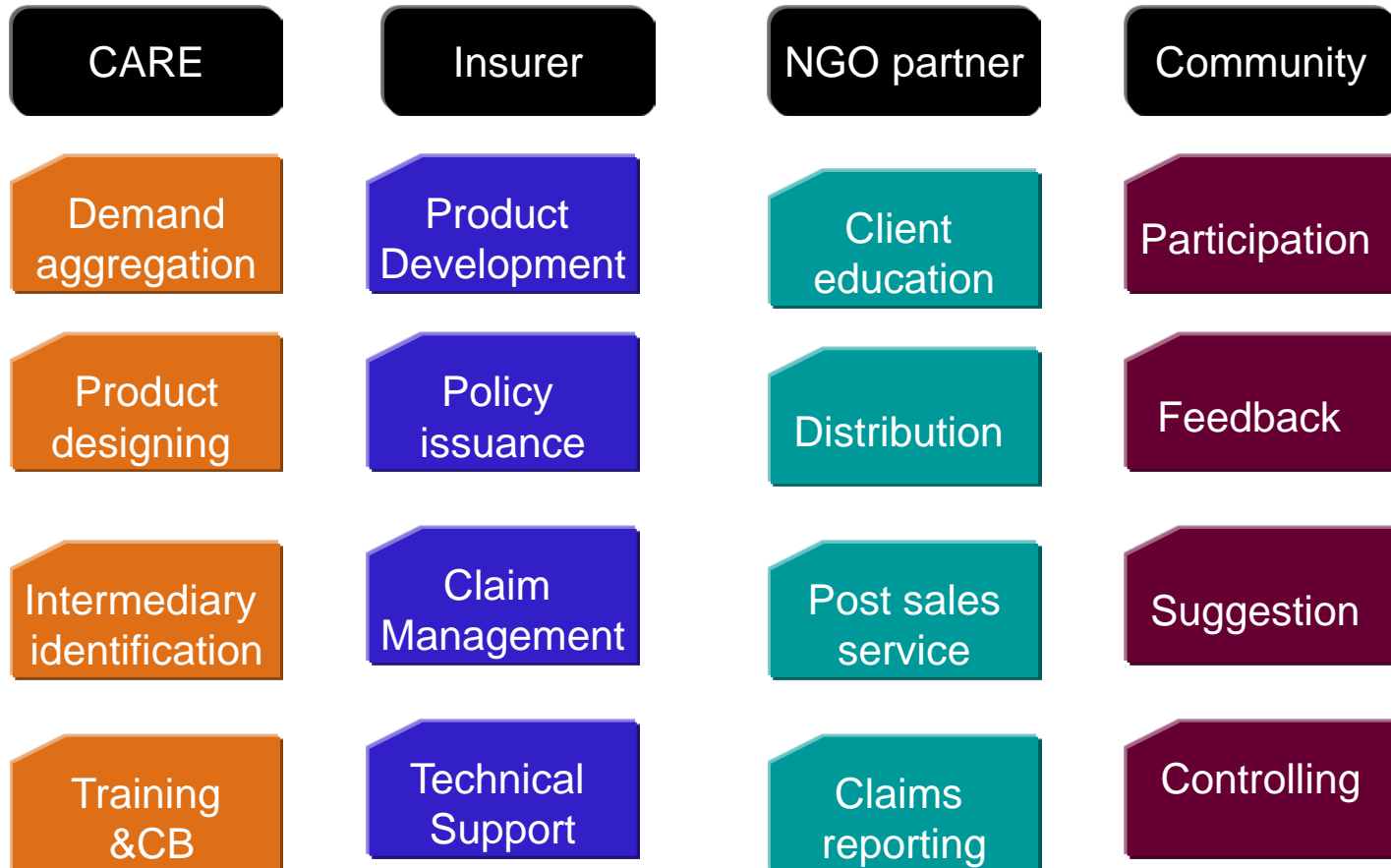
Cyclone / Year	State	Households	Value in Rs.
Ogni/ 2006	Andhra Pradesh	349	290,444
NISHA/ 2008	TamilNadu	14405	43 Million
Laila/ 2010	Andhra Pradesh	128	145,400

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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)





- 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

