



CONDENSED MILK #11

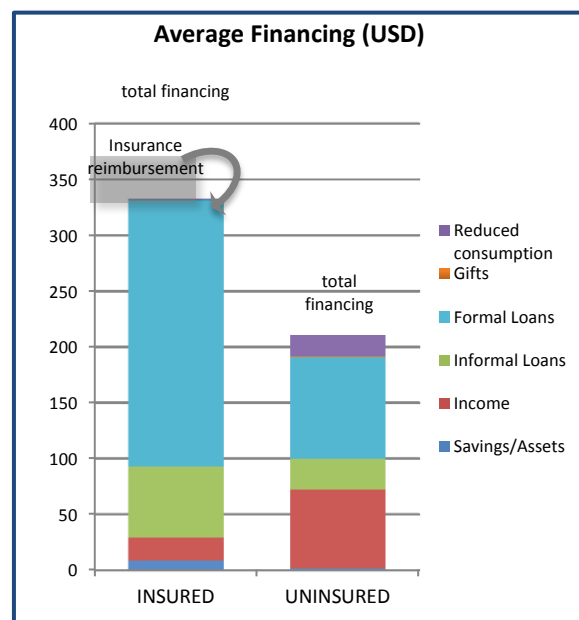
“Doing the Math” with Health Microinsurance in Maharashtra, India

Studying MicroEnsure’s health microinsurance in India

MILK partnered with microinsurance intermediary MicroEnsure to explore the value of a health microinsurance product in financing the cost of hospitalization in Maharashtra, India. The product, offered to clients of the Solapur District Community Cooperative bank, is intended to cover inpatient care for a wide range of services on a cashless basis. We examined the extent to which it helped clients cope with the financial consequences of a recent hospitalization for one of several similar illnesses. To do so, we interviewed insured and uninsured people to gain a better understanding of the full cost of the illness and how it was financed with and without insurance.

What did we learn?

- ⇒ Insurance coverage offered some relief to clients, though the insurance benefit was small relative to the full cost of the hospitalization.
- ⇒ The insured were better able to finance the shock than the uninsured, but this difference appears to be in large part driven by their greater access to low-cost loans and ability to divert current income toward the costs of the health crisis.
- ⇒ Many health care providers did not comply with the “cashless” component of the product, taking 14 weeks on average to reimburse claims. This had significant negative implications for the product’s value, as the family had to quickly pull together the up-front costs, in the same way as the uninsured.
- ⇒ For the households in our sample, many of which were low-income farmers, some of the most significant costs of a health crisis are incurred outside the hospital setting as a result of their inability to work. This suggests that complementary coverage for lost income might improve value.



This Client Math study was conducted by the MILK Project



Microinsurance Learning and Knowledge (MILK) is an initiative of the MicroInsurance Centre that is working to gain insight into two questions:

Is there a **business case** for microinsurance among insurers and delivery channels?

- Detailed financial case studies of insurers, intermediaries, and distributors
- Leveraging and updating existing case studies
- Alliances with other data collection efforts
- Analysis of large intermediaries
- Industry-wide analysis

explore connection

Do clients get **value** from microinsurance?

- "Building blocks" drawing together lessons from existing work
- Client Math studies
- Randomized control trial exploring links between demand and value
- Additional original research
- Collaborative efforts with other researchers

MILK Publications

Available on the MILK website at <http://www.microinsurancecentre.org/milk-project/milk-docs.html>

MILK Briefs

- MILK Brief #1: What is MILK?
- MILK Brief #2: Client Value Landscape Study
- MILK Brief #3: Business Case Landscape Study
- MILK Brief #4: What We Know About the Financial Value of Microinsurance for Poor Clients: A Snapshot
- MILK Brief #5: Changing Role of Family Networks in Coping with Risk
- MILK Brief #6: Research Design for Measuring the Client Value of Microinsurance
- MILK Brief #7: A Microinsurance Puzzle: How do Demand Factors link to Client Value?
- MILK Brief #8: "Doing the Math" - Cashless Funeral Microinsurance in Colombia
- MILK Brief #9: What is "Client Math"?
- MILK Brief #10: "Doing the Math" with Property Insurance in Ghana
- MILK Brief #11: Doing the Math: Health Microinsurance in Maharashtra, India
- MILK Brief #12: "Doing the Math" in Karnataka, India
- MILK Brief #13: "Doing the Math" - Funeral and Life Microinsurance in the Philippines
- MILK Brief #14: The Business Case for Life Microinsurance in the Philippines: Initial Findings

Literature Reviews

- Is There a Business Case for Microinsurance? A review of recent literature
- Do Clients Get Value from Microinsurance? A systematic review of recent and current research

Discussion Notes

- MILK Discussion Note #1: Doing the Math: Can Delayed Payment of Claims Erode the Value of Life Microinsurance?
- MILK Discussion Note #2: Are Existing Health Financing Mechanisms Sufficient for Poor Women in Guatemala?
- MILK Discussion Note #3: Counting Lives Covered: Getting it Right

Coming Soon!

- Protecting those Left Behind: An Experimental Study of Life Microinsurance Purchase Decisions of Compartamos Banco's Borrowers in Mexico
- "Doing the Math" with Catastrophe Insurance in Haiti
- "Doing the Math" with Life Microinsurance in Mexico
- "Doing the Math" with Calamity Microinsurance in the Philippines
- "Doing the Math" with Property Microinsurance in Coastal Colombia
- Multinational Microinsurance-only Intermediaries: Is there a business case?
- Agricultural microinsurance: High potential but low demand