



## CONDENSED MILK #12

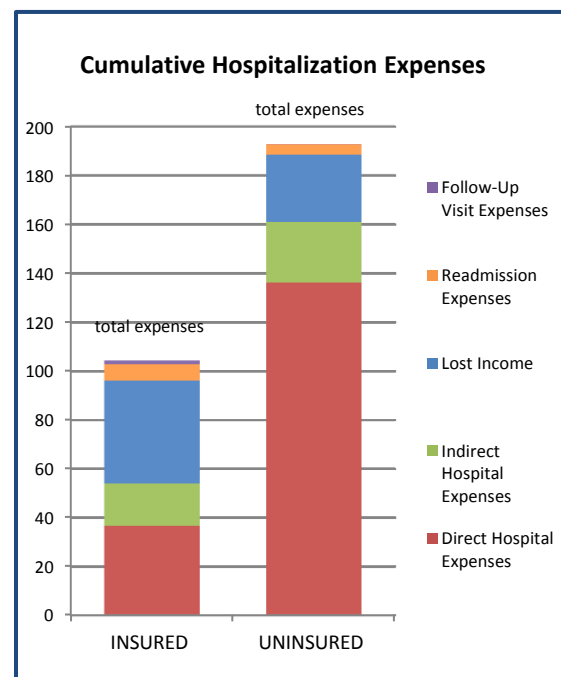
### “Doing the Math” with Health Microinsurance in Karnataka, India

#### Studying Grameen Koota’s health microinsurance in India

MILK partnered with the microfinance institution Grameen Koota in India to explore the financial value of a health microinsurance product offered on a voluntary basis to its borrowers. The product covers Grameen Koota borrowers, all of whom are women, and their immediate family members. Clients receive low-cost inpatient coverage coupled with access to a broad range of discounted outpatient services. We interviewed insured and uninsured families that recently suffered typhoid fever or gastroenteritis resulting in hospitalization, documenting the full cost of the hospitalization and their financial responses.

#### What did we learn?

- ⇒ As a result of the pre-negotiated cashless insurance benefit, insured respondents had substantially lower direct hospital expenditures than uninsured patients (USD37 compared to USD131).
- ⇒ Although insurance alleviated pressures on direct hospitalization costs, indirect costs were still high.
- ⇒ Opportunity costs associated with missed work were especially high for Grameen Koota borrowers, many of whom did not own their land but worked as laborers or in trade.
- ⇒ Even before the hospitalization, the uninsured group in our sample was substantially better off financially than the insured. This suggests that the product may have increased access to high quality private health care services to a group that was otherwise unlikely to use these services and would instead turn to lower-cost, lower-quality alternatives.
- ⇒ Use of the product’s outpatient benefit was low, in part due to low awareness of this benefit and in part because it provided only a modest 20% discount.



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