

## 81 *Who benefits from an integrated community insurance scheme?*

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Recognizing that poor households face multiple and varied risks, some organizations have begun to provide insurance against multiple risks. For example, micro-finance organizations are increasingly offering both life and health insurance to their members. However, there is no evidence as to the relative benefit of different components of an integrated insurance scheme.

The objective of this study was to assess the distribution of benefits under Vimo SEWA's integrated insurance scheme – which includes health, life and assets components – by: (1) socio-economic status of members, and (2) place of residence (urban-rural).

It was seen that overall the scheme was equity neutral in relation to the distribution of benefits across poor and less poor members. However, on comparison of the data for rural and urban areas, and for different components of the scheme, two main inequities became apparent. The scheme was skewed in favor of urban members, who received a far higher proportion of the benefits compared to rural members. Further, in rural areas, the poorest members were disadvantaged compared to better-off members with regard to hospitalization benefits; under this component, the least-poor decile of rural members received almost four times the benefit received by the poorest decile. The study found that health accounts for more claims and the highest percentage of total benefits, followed by life and then assets. The inequitable benefit ratios for rural versus urban members and for the poorest versus least-poor rural members (for the health insurance component) were primarily due to the many barriers that the poor face in accessing medical care and submitting insurance claims.

Based on these findings, steps that can be taken to make an integrated scheme more equitable include, (1) differential pricing according to place of residence (i.e. higher premiums for urbanites); (2) different rules that make the benefits more accessible for the rural/poor (for example, cover transportation costs as part of the insurance); and (3) making greater efforts at trust-building and education among rural/poor members.

The findings of this study indicate that an integrated community-based insurance scheme can successfully provide risk protection to the poor, and equitably distribute benefits. However, for effective risk protection, it is important that such programs be monitored closely. The design of the insurance product, delivery and service mechanisms and facilitating systems at the macro level are all important for ensuring the equity in such schemes.