

The Changing scenario of Micro Insurance in Karnataka with special reference to Yeshasvini

Scheme

by

Safeer Pasha M^[a] & Mohan Kumar. M.S^[b]

Abstract

Human being is always prone risk which may be associated with health, agriculture, business, life etc. For those who are having strong financial background can overcome these risks and uncertainties by hedging their risk some of the risk averting tools such as insurance etc. whereas for a common man with low and irregular income it is not possible for face these risk and uncertainties, to overcome these risks the govt. will support them by issuing micro finance schemes where the policy holder has to pay a minimum premium and can avail the facility. The scheme of Yeshasvini has been introduced in Karnataka to farmers with a meagre sum of Rs. 250 per year, a farmer in Karnataka can avail the facility of top class treatment related to any complex health issue in the best hospital in Karnataka. The performance of the scheme has done a miracle in the area of member enrolment; premium collection, amount released from government, treatment and amount spend for both outpatient and inpatients. This paper tries to identify the development of Yashasvini scheme over the years.

Key words: Micro insurance, Yeshasvini scheme, Risk mitigation tool

^[a]Safeer Pasha M

Assistant Professors

Dept. of Commerce

St. Claret College,

Bangalore -13

Mobile: 9008140185

Email: safeerpasha77@gmail.com

^[b]Mohan Kumar. M.S

Assistant Professors,

Dept. of Commerce,

St. Claret College,

Bangalore -13

Mobile: 9844404523

Email: mohankumarms21@gmail.com

1. Introduction

Getting health services in the developing countries like India has become a miracle for the middle income and low income population, due to increasing medical expenses the low income people are not been able to avail the better treatment. The scheme of micro insurance such as Yeshasvini will make them to get the best possible treatment by paying a meagre amount each year.

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The origin of insurance¹

The roots of insurance go back to 3000 B.C in China, where merchants and their investors shared their risk mutually when sending goods to foreign countries. Even in other ancient civilisations such as Babylon, Greek and Roman who introduced the insurances related to health and life during 600 B.C.

The first formal insurance company was launched in London after the Great fire of London in 1666. At the same time Mr. Edward Lloyd was also responsible for establishment of a coffee house which become a famous meeting place for those who want to insure ships and their cargoes.

Meaning of the term Micro Insurance²

Micro insurance is an arrangement that offers financial protection to individuals and groups with a low-income against specific risks in exchange for premium payments. Micro insurance is run in accordance with generally accepted insurance practices but is designed to meet the needs of those who are otherwise unable to access mainstream insurance.

The usage of micro insurance was low and less effective. In many cases it was involuntary among low income microcredit clients of MFIs. Factors which influenced the demand for insurance were diverse at group and regional level not adequately considered while designing the insurance product³.

The difference between Micro insurance and general insurance

Fundamentally speaking there are no fundamental differences between general insurance and micro insurance, but for understanding the concept of micro insurance we can identify the following differences.

- The transaction size of the micro insurance very small when compared to general insurance and even the amount of premium is also less.
- The main target for micro insurance are people with low income and who are deprived of insurance facility, where as for general insurance the normal customers include middle income groups and rich category.
- Micro insurance facility is very popular for life, health and medical parameters.
- Normally the products of micro insurance are simple to understand and execute when compared to general insurance.
- Another difference of micro insurance it will be supported by govt. or some local bodies to help a low income person that is it may be govt. sponsored programme or PPP model program.

2. Review of literature

Viverita et al (2010) have studied the need of micro insurance to low income homes during disaster in Indonesia and find that most of the respondents do not aware of the insurance products, there is a quite huge demand on the micro-disaster insurance in the hardly hit disaster-prone areas in Indonesia. We also found that they are willing to pay for the insurance premium, if such product is offered.

Sibakathulla Nasir (2013) has studied the contemporary issues of microfinance institutions in India and found that the microfinance institutions are lacking in terms of loan and credit to needy and they have to overcome these lacunas to reach maximum population.

David M. Dror and Lucy A. Firth (2014) studied that people in the informal sector seek welfare enhancements through affiliation with groups, rather than through isolated transactions with partners they do not know and with whom they have little experience transacting. Therefore, the demand for health insurance is contingent on groups agreeing that most of their members can gain welfare from engaging in this transaction.

Yeshasvini Scheme

YESHASVINI which is a unique Cooperative Health Care Scheme launched for the first time in the world is meant for farmers who are members of the Cooperative Societies. Its aim is to ensure good health for farmer co-operators of Karnataka. "Yeshasvini Scheme"- a landmark initiative has come as a great boon to the farmers in the State. Launched on 1st June 2003, the scheme has helped the State to revolutionize rural health care and healing. Unique Scheme and embodiment of Cooperative Principle of "One for all and all for one".

The Yeshasvini Health Insurance Scheme, which is aimed at the members of cooperative societies and their families, was implemented to the largest extent successfully in Hassan, Mandya and Kolar districts. When compared to other districts, these districts have availed the maximum benefits under the scheme⁴.

After successfully implementing the scheme in rural area the govt. is introducing the scheme in urban areas also with the name of Nagara Yeshasvini⁵ health insurance scheme for members of cooperative societies and planning a mass insurance scheme that provides healthcare cover to all citizens.

Mission of the scheme

To bring health care of International Standards within the reach of every cooperative farmer of Karnataka. We are committed to the achievement & maintenance of excellence in health care for the benefit of farmer co-operator.

Table No. 1 Total Number of Network Hospitals under Yeshasvini Scheme

District Name	No. of Network Hospitals	District Name	No. of Network Hospitals
Bangalore Urban	51	Dakshina Kannada	24
Bangalore Rural	7	Udupi	17
Ramanagar	11	Belgaum	49
Tumkur	24	Bijapur	23
Kolar	9	Bagalkote	39
Chikkaballapura	8	Dharwad	18
Chitradurga	12	Gadag	6
Davanagere	21	Haveri	14
Shimoga	20	Uttara Kannada	16
Mysore	21	Bellary	8
Chamrajnagar	4	Bidar	9
Mandya	25	Gulbarga	16
Hassan	19	Koppal	5
Chikkamagalur	7	Raichur	11
Kodagu	3		

Source: http://www.yeshasvini.kar.nic.in/NWH_list.html

The above table depicts the total no. of hospitals which are associated with Yeshasvini scheme in Karnataka. Maximum no. of hospitals is from Bangalore Urban district and least from Kodagu districts.

3. Findings & Discussion:

Special Features of Yeshasvini scheme⁶

- No age limit to avail the benefits of the scheme.
- Suffering from any kind of disease is no bar to avail the benefits of the scheme.
- Farmers have to be a member of a cooperative society for at least 3 months to avail the benefits of the scheme.
- Members can avail free surgery costing up to Rs.1.25 lakhs and Rs.2.00 lakhs for multiple surgeries in one year.
- 823 types of surgeries have been included in the Yashaswini Scheme.
- During the year 2006-07 following new facilities are included under the scheme, subject to certain conditions.

Table. 2: Growth of Yeshasvini schemes

(Rs in Lakhs)

Source: <http://sahakara.kar.gov.in/Yashasivini.html>

SL NO	Scheme Year	Members enrolled under the scheme	Growth (%)	Amount collected	Growth (%)	Amount released from the Govt.	Growth (%)	No.of O.P.D.	Growth (%)	No.of surgeries done	Growth (%)	Amount spent on surgeries	Growth (%)
1	2003-04	16,00,000	100	969.09	100	450	100	35,814	100	9,047	100	1065.35	100
2	2004-05	20,21,661	126	1197	123	357.88	79	50,174	140	15,236	168	1847.23	173
3	2005-06	14,73,576	92	1634	168	1100	244	52,892	147	19,682	217	2616.94	245
4	2006-07	18,53,966	115	2156	222	1985	441	2,06,977	577	39,602	437	3851	361
5	2007-08	23,18,000	144	2775	286	2500	555	1,55,572	434	60,668	670	5409	507
6	2008-09	30,47,000	190	3610	372	3000	666	1,91,109	533	75,053	829	6103	572
7	2009-10	30,69,000	191	4136	426	3000	666	1,34,534	375	66,796	738	5308	498
8	2010-11	30,47,000	190	4168	430	3000	666	1,57,480	439	73,963	817	5723	537
9	2011-12	30,70,000	191	4508	465	3000	666	1,16,690	325	77,526	856	6000	563
10	2012-13	30,36,000	189	5888	607	3500	777	1,10,842	309	80,401	888	7412	695
11	2013-14	37,51,000	234	5272	544	4500	1000	1,23,205	344	86,359	954	8456	793

The above table explains the growth and development of yeshasvini scheme in Karnataka from the years 2003-04 to 2013-14.

The total no. of members enrolled during the year 2003-04 was 16,00,000 and increased to 37,51,000 with an increased percentage of 234 taking 2003-04 as base.

The amount collected from the members for the scheme was Rs.969.09 lakhs during the year 2003-04 and increased to Rs.5272 lakhs during the year 2013-14 with an increased percentage of 544.

As far as the amount released by the govt. For the scheme was Rs.450 lakhs during the year 2003-04, and had a slight decrease during 2004-05 against it is been in increasing trend and reached to Rs.4500 lakhs during the year 2013-14 with an percentage of 1000.

The table also explain the No. of beneficiaries who got treatment as outpatients. During the year 2003-04 the total no. of outpatients was 35814 and shows an increasing trend from year on year with an increased percentage of 344 and increased in numbers to 123205 persons.

The major benefit of being a member of this scheme is that the members will get excellent treatment for surgeries in reputed hospitals such Narayan Hrudaya, Narayana Netralaya, Mallya Hospital etc. The total no. of patients who underwent surgeries during the year 2003-04 was only 9047 and had seen an increase of 86359 with a percentage increase of 954. The amount spent on conducting the surgeries also increased from 1065.35 lakhs during 2003-04 and increased to 8456 lakhs during the year 2013-14 with a percentage increase of 793 taking 2003-04 as base year.

4. Conclusion

The availability of credit and insurance to the poor in rural India not only helps them but also allows the financial intermediaries to increase their business. The study has find that the performance of micro insurance Yeshasvini is been successfully implemented in the state of Karnataka with an increasing trend in terms enrolment in numbers, allocation of money by the govt., no. of patients treated both OPDs and surgeries etc. Moreover the scheme which was meant only for rural area now has been introduced in urban areas also thus it enhances its scope.

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