Clients expected a private health solution to match a national one

The Filipino government is working towards universal health coverage and offers a package of health insurance and benefits called PhilHealth. Although gaps remain, it is covering increasing numbers of Filipinos and is well-known and understood in the country.

Pioneer did not want to compete with PhilHealth, but saw that there was a gap in the market to cover the additional losses people faced when illness forced them to take time away from work and travel to receive care. It therefore launched a hospital cash insurance product, which provided a defined pay-out per day spent in hospital.

The product was never intended to cover the costs of treatment, but Pioneer found that as soon as they described the product as a health or hospital cover, clients immediately expected a comprehensive health insurance product similar to PhilHealth.

Pioneer decided to rebrand the product as income replacement insurance. At the same time, it boosted its sales efforts by increasing sales points and improving staff training, as well as allowing clients of partner MFIs to take out a loan to pay the premium.

As a result of these combined changes, total enrolments increased from 5,502 people in the first year before the new branding and sales strategy were introduced, to 140,627 in the second year.

Complementing national schemes represents a significant opportunity for insurers, but it is important to position the product carefully - right down to its name.

Find out more about how health microinsurance can be leveraged to achieve universal health coverage: http://www.impactinsurance.org/publications/mp23

Or read 10 recommendations for health microinsurance practitioners: http://www.impactinsurance.org/publications/mp36

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