Housed at the International Labour Organization’s Social Finance Programme, the Microinsurance Innovation Facility seeks to increase the availability of quality insurance for the developing world’s low income families to help them guard against risk and overcome poverty. The Facility was launched in 2008 with generous support from the Bill & Melinda Gates Foundation to learn and promote how to extend better insurance to the working poor. Additional funding has gratefully been received from several donors, including the Z Zurich Foundation and AusAID.

See more at www.ilo.org/microinsurance

CASE BRIEF:

**NAYA JEEVAN**

Jeanna Holtz and Alice Merry
CASE BRIEF:
NAYA JEEVAN

Product name: Naya Jeevan Health Plan
Location: Pakistan
Description: A health-care plan for low-income workers, subsidised by their employer or other sponsoring organisation

Benefits: Cashless, card-based services at over 100 high-quality, private hospitals across Pakistan. The product covers all hospitalisation, including all trauma, inpatient emergencies, day procedures (e.g. colonoscopy), and ambulatory surgery. It also covers all outpatient expenses within 30 days of hospitalisation that are associated with the hospitalisation event.

The sum assured is US$ 1,500 a year, benchmarked to cover cardiac bypass surgery across the nationwide provider network. A philanthropic health rescue fund is used, on a case-by-case basis when members have conditions that are excluded by the insurance policy.

The insured benefits are supplemented by value-added services, including:
- Onsite claims orientation and training workshops
- A 24/7 ‘family doctor’ tele-health line
- Targeted preventive health education sessions

An initial health risk assessment of insured beneficiaries, with workforce ‘risk profile’ reports provided to employers.

Premium: Approximately US$ 2 per person per month
Number of clients: 25,190 beneficiaries connected to 83 corporate sponsors at the end of 2013

AN INNOVATIVE MODEL TO FUND HEALTH MICROINSURANCE

Financing health for low income households is a significant challenge. Naya Jeevan is trying an innovative approach in order to make quality health services affordable to low-income workers in Pakistan, it seeks sponsors to pay the majority of the premium on behalf of workers whom they employ or have a business relationship with, e.g. corporate supply chains. As well as providing a way to finance a more generous health insurance benefit design, this model gives Naya Jeevan access to groups of low income clients. Naya Jeevan has so far focused on three groups of beneficiaries:

1. Informal domestic workers, such as cooks or drivers (managers and executives of large multinational corporations subsidize the healthcare of the informal workers in their households)
2. Low-income employees, like factory workers
3. Low-income workers within corporate value chains, such as suppliers or small retailers

As a result, Naya Jeevan effectively serves two groups of clients: the corporate sponsors and the low-income beneficiaries. Beneficiaries receive quality, affordable healthcare and are saved the cropping financial expenses of large health shocks. Employers demonstrate their corporate social responsibility and can reward and incentivize loyalty among low-income workers.

PARTNERSHIP WITH UNILEVER

Naya Jeevan’s first partnership with a major multinational company was with Unilever. As a result of this collaboration, Unilever required all of its 100 plus distributors (ranging from small to medium-sized businesses) to provide health insurance to their informal and formal employees as a precondition for doing business with Unilever. As a result of this arrangement alone, more than 1,400 beneficiaries are now covered through Naya Jeevan. Unilever is planning to expand this collaboration to also cover mobile ice-cream sales agents who sell Unilever ice-cream products on bicycles or tricycles.

Unilever’s motivation is not purely philanthropic – one of its distributor’s informal employees suffered a life-threatening accident while at work and died because he could not afford the associated medical expenses. Media spotlight on this issue had the potential to harm Unilever’s image.

The partnership with Unilever has made it possible for Naya Jeevan to provide health insurance to scattered small enterprises. However, expanding the programme to cover more of Unilever’s workers has progressed in steps and Naya Jeevan previously attempted to persuade Unilever’s high and middle-management staff to provide health insurance to their informal household staff. Despite a great deal of interest and apparent willingness, the initial launch was unsuccessful as Unilever’s managerial staff was discouraged by the manual paperwork needed to enrol their domestic workers. Naya Jeevan is now working with Unilever to establish a simple, online registration process, with the option for staff to pay insurance premiums for their domestic employees through automatic payroll deduction.

CHALLENGES

The chief limitation of Naya Jeevan’s business model to date has been its inability to recruit large numbers of insured persons in a single deal. Several partners are still trying out the quality of services with a smaller group of beneficiaries, or are simply progressively slowly due to the bureaucratic constraints and multiple decision makers in large organisations. This puts Naya Jeevan in a challenging position as it has to pursue lengthy sales processes and at the same time prove its excellence. An important spin-off without the critical mass of beneficiaries which could make the venture more financially viable.

Its slower-than-anticipated market penetration has forced Naya Jeevan to continuously expand into smaller or niche market segments. Many smaller businesses have proved receptive to the health plan. In particular, Naya Jeevan has found that restaurants have been particularly interested in the product. Insured workers in one restaurant have often spread the word about Naya Jeevan to others working at nearby restaurants, increasing demand for the product.

In addition, small businesses in Pakistan are often approached by employees for help funding health care during medical emergencies. Many of Naya Jeevan’s clients prefer insurance to the unpredictable costs and difficult decisions related to responding to these requests.

However, this approach requires Naya Jeevan to sign up a large number of small companies in order to reach a critical number of insured. Furthermore, since each business only employs small numbers of workers, it may not experience a hospitalization, and hence an insurance claim, in a given year, and may be less likely to re-enroll. As a result, recruiting and retaining small businesses as clients is resource intensive.

VALUE FOR SPONSORS AND FOR BENEFICIARIES

In many respects the interests of corporate clients and beneficiaries are aligned. A healthy and motivated workforce is generally beneficial for employers. In some cases the health of workers has a direct impact on business. For example, restaurants are keen to take advantage of Naya Jeevan’s annual medical screenings, which have often detected communicable diseases like tuberculosis in restaurant workers.

However, the priorities and needs of the corporate clients and associated beneficiaries can sometimes differ. For example, in-person workshops and health screenings form an important aspect of Naya Jeevan’s value proposition to beneficiaries. To ensure beneficiaries are able to access these benefits, they are usually conducted at the place of work, often during working hours. These sessions require the active support of the sponsoring companies and represent an immediate opportunity cost to them. As a result, some companies have reduced the number of face-to-face activities held for their employees.

This is one of the motivations behind Naya Jeevan’s plan to slowly transition components of its value-added services towards an integrated network of cashless outpatient clinics. This would allow workers to seek primary care when needed rather than at a specific time during working hours.

In addition, Naya Jeevan has recognised a need for more proactive internal communication, its sales team largely focuses on corporate clients, while the medical team is closer to Naya Jeevan’s low-income beneficiaries. Naya Jeevan began an internal monthly newsletter, client stories, and weekly exchange meetings between the two teams. This has allowed staff to better understand the needs of both sponsors and beneficiaries.

PURSUING PRIMARY CARE

The demand most often made by Naya Jeevan’s beneficiaries is for primary health care coverage.

“The Naya Jeevan card should cover primary care, because we get minor ailments – cold, flu, cough, fever – and you can’t get admitted for these ailments. So we need a clinic in which we can get treated for these minor ailments, which would protect us from getting more serious illnesses.”

Shahla Bibi, Factory Worker, Global Uniforms

In response, Naya Jeevan opened its first primary care clinic in 2012 and has since expanded its network to five additional clinics. Naya Jeevan is increasingly seeing the need to expand its primary care offerings. It sees that both beneficiaries and sponsors are more willing to contribute premium for an insurance product which includes affordable access to frequently used outpatient services. Take a look at this short video, which illustrates this shift:

www.microinsurancefacility.org/videos/pursuing-primary-care

In the next phase, Naya Jeevan plans to integrate a nationwide, cashless network of outpatient clinics using a common medical information system, and leveraging mobile technology, like nurse-assisted telemedicine and a mobile banking platform.
## CASE BRIEF: NAYA JEEVAN

**Product name:** Naya Jeevan Health Plan  
**Location:** Pakistan  
**Description:** A health-care plan for low-income workers, subsidized by their employer or other sponsoring organization.

### Benefits
- Cashless, card-based services at over 190 high-quality, private hospitals across Pakistan. The product covers all hospitalization, including all trauma, inpatient emergencies, day procedures (e.g. colonoscopy), and ambulatory surgery. It also covers all outpatient expenses within 30 days of hospitalisation that are associated with the hospitalisation event.
- The sum assured is US$ 1,500 a year, benchmarked to cover cardiac bypass surgery across the nationwide provider network. A philanthropic health rescue fund is used, on a case-by-case basis when members have conditions that are excluded by the insurance policy.

### Premium and Number of clients
- **Premium:** Approximately US$ 2 per person per month.
- **Number of clients:** 25,190 beneficiaries connected to 83 corporate sponsors at the end of 2013.

### An Innovative Model to Fund Health Microinsurance

Financing health for low-income households is a significant challenge. Naya Jeevan is trying an innovative approach in order to make quality health services affordable to low-income workers in Pakistan, it seeks sponsors to pay the major part of the premium on behalf of workers whom they employ or have a business relationship with, e.g., corporate supply chains.

As well as providing a way to finance a more generous health insurance benefit design, this model gives Naya Jeevan access to groups of low income clients. Naya Jeevan has so far focused on three groups of beneficiaries:

1. Informal domestic workers, such as cooks or drivers (managers and executives of large multinational corporations subsidize the healthcare of the informal workers in their households).
2. Low-income employees, like factory workers.
3. Low-income workers within corporate value chains, such as suppliers or small retailers.

As a result, Naya Jeevan effectively serves two groups of clients: the corporate sponsors and the low-income beneficiaries. Beneficiaries receive quality, affordable healthcare and are saved the crippling financial expenses of large health shocks. Employers demonstrate their corporate social responsibility and can reward and incentivize loyalty among low-income workers.

### Partnership with Unilever

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Unilever’s motivation is not purely philanthropic— one of its distributor’s informal employees suffered a life-threatening accident while at work and died because he could not afford the associated medical expenses. Media spotlight on this issue had the potential to harm Unilever’s image.

The partnership with Unilever has made it possible for Naya Jeevan to provide health insurance to scattered small enterprises. However, expanding the programme to cover more of Unilever’s workers has progressed in steps and stops. Naya Jeevan previously attempted to persuade Unilever’s high and middle-income managerial staff to provide health insurance to their informal household staff. Despite a great deal of interest and apparent willingness, the initial launch was unsuccessful as Unilever’s managerial staff was discouraged by the manual paperwork needed to enrol their domestic workers. Naya Jeevan is now working with Unilever to establish a simple, online registration process, with the option for staff to pay insurance premiums for their domestic employees through automatic payroll deduction.

### Challenges

The chief limitation of Naya Jeevan’s business model to date has been its inability to recruit large numbers of insured persons in a single deal. Several partners are still trying out the quality of services with a smaller group of beneficiaries, or are simply progressing slowly due to the bureaucratic constraints and multiple decision makers in large organisations. This puts Naya Jeevan in a challenging position as it has to pursue lengthy sales processes and at the same time prove its excellence. Risk of span of funds without the critical mass of beneficiaries which could make the venture more financially viable.

Its slower-than-anticipated market penetration has forced Naya Jeevan to continuously expand in number of clients. It is often difficult to sell to large businesses with a major annual budget for health insurance, but larger businesses are more likely to have policies that cover primary care, because we need a scenario where Naya Jeevan’s individual members can get admitted for these ailments. The demand most often made by Naya Jeevan’s clients is for cover primary care, because we need a scenario where Naya Jeevan’s individual members can get admitted for these ailments.

### Pursuing Primary Care

The demand most often made by Naya Jeevan’s beneficiaries is for primary health care coverage.

"The Naya Jeevan card should cover primary care, because we get minor ailments—cold, flu, cough, fever—and you can’t get admitted for these ailments. So we need a clinic in which we can get treated for these minor ailments, which would protect us from getting more serious illnesses.”

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