

Community Based Insurance Model

Introduction:

The project on community based insurance model was initiated as loan protection scheme in 2003 as a social risk management system. The Vizainagaram district programme management unit and Zila Samakhya (ZS) conceptualised the program to encourage community involvement and address issue of false claims. A transparent process of insurance for submission of claims was developed for SHG members. One Bima Mitra was responsible for each mandal of the district.

Impact:

Bima Mitra played a central role from insurance application to verification and settlement process of claim. Once the ZS started booking profits the premium was reduced from 4% to 2% in 2009-10. The higher transparency and accessibility of Bima mitra and involvement of village organisation helped in increasing greater participation as community as a whole became a major stakeholder. The increased willingness of SHG members to pay for insurance helped in increasing insurance coverage to more than 80% of SHG members with loss ratio of less than 40% which is rarely observed in partner-agent model in the country.

Source: An exploration of community based livestock insurance, Vizainagaram by Anupama Sharma and Alok Shukla, IFMR lead