

PONA NA TIGO BIMA

Health microinsurance utilizing mobile phone-based claim payments

World Bank studies have found that poor health and the inability to access health care are key factors leading to, and resulting from, poverty. Health microinsurance can offer financial protection to the poor as well as increase access to medically needed healthcare services.

In October 2012, the social business MicroEnsure, in partnership with mobile network provider Tigo, sales and technology facilitator Bima and insurer Golden Crescent, piloted the *Pona na Tigo Bima* (“Get Well with Tigo Insurance”) health insurance product in Dar es Salaam, Tanzania, offering life insurance and hospital cash for hospital care at a defined network of hospitals.

Implementation date: October 2012

About Pona Na Tigo Bima

MicroEnsure designed the insurance product and processes to manage and deliver it to consumers. They perform daily overall administration and oversight, including claims processing and customer service. Bima developed the technical platform for enrollment and manages the agent network, and Tigo distributes the product under its local brand.

The health insurance product offers six tiers of life and hospitalization coverage paid via three monthly installments that are deducted from the customer’s airtime balance. From a technical perspective, Pona na Tigo Bima utilizes a USSD application for product enrollment, which provides an efficient service as well as high-quality product information at low cost to the entire Tigo Tanzania subscriber base. The claims process is handled via a call center and most documents are submitted digitally in Tigo shops. MicroEnsure assists claimants throughout the claims process, helping them to find and submit the documents required to receive their claim payments. Once the claim is approved by MicroEnsure and Golden Crescent Assurance, the claim is paid immediately via mobile money transfer using the Tigo Cash service. Tigo Cash offers a safe, transparent and reliable means for MicroEnsure and its partners to pay claims wherever there is a Tigo network signal. As a result of this

process, the vast majority of claimants can submit claims and receive money without travelling to an insurance office.

Evaluation and Results

By switching from paper to mobile claims payments, MicroEnsure reduced claims processing time from 11 to 3.2 days. Claimants were willing to register for mobile money payments and expressed interest in learning about the details of the payment process. The timely and reliable nature of the payment has built client trust in both mobile payments and MicroEnsure’s health product. Based on its experience, MicroEnsure is implementing new mobile health insurance products for launch in 2014 in six new markets across sub-Saharan Africa and Asia.

Lessons Learned

- MicroEnsure and Tigo built a successful partnership by clearly defining their roles and responsibilities and ensuring that all parties were in agreement from the outset and benefitted from the arrangement.
- A network of sales agents was essential in educating consumers about the Pona na Tigo Bima program.
- By bundling health insurance in a package of Tigo services and automatically deducting premiums via airtime, MicroEnsure established a convenient payment mechanism for its clients that ensures regular and timely contributions for premiums.
- Mobile money’s potential continues to increase; however, current low utilization rates in Tanzania limit opportunities for expansion into other areas, such as premium payments.
- Client understanding of MicroEnsure’s health products is lower than for its life products. The company is continuing to address this challenge through its product development, messaging and underwriting work.



Conclusion

While challenging, health microinsurance has the potential to increase access to needed healthcare services, mitigate the risks of disease and ill health, and address the need for new methods of health financing. Insurance practitioners, researchers, policy makers and the global health community should continue to seek evidence towards the benefits, as well as shortcomings, of mobile health microinsurance for the poor.

Geographic Coverage: Tanzania

Implementation Partners: MicroEnsure, Tigo, Bima, Golden Crescent Assurance

Funders: MicroEnsure, Tigo, Bima, Golden Crescent Assurance

Contact Information:

MicroEnsure UK Ltd: Richard Leftley, CEO MicroEnsure & MicroEnsure Asia (+44 (0)1242 526836, richard.leftley@microensure.com), Peter Gross, Regional Director - Africa (+254-786-499-100, peter.gross@microensure.com)

References:

1. MicroEnsure Case Study. USAID, Health Finance & Governance. No Date.
2. Micro Insurance Matters. Issue No. 10. MicroEnsure. No Date.