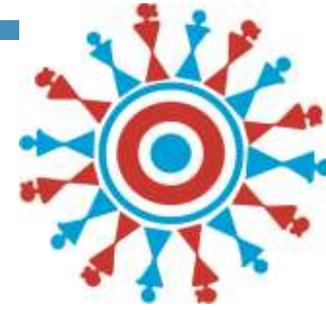


SETTING UP MUTUALS

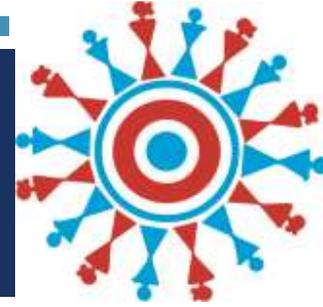
UPLIFT'S BUILT OPERATE TRANSFER LICENSE MODEL



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लघुपत्राई



WHAT'S A MUTUAL ?



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- A mutual is an institution started by people who join together as members to primarily serve their own common interest.
- Mutuals are characterised by low risk, member involvement in decision making, and better customer services.
- In a mutual organisation, customers are also the owners who provide capital and own the residual value of the firm.
- The mutual model is free from conflict of interest between owners and customers because they are one and same.
- The major objective behind establishing mutuals is the spirit of cooperation among members to achieve a common interest. Usually they are free from a profit-centric objective and focussed more on customer service and reducing the cost to their members.

WHAT'S MUTUAL INSURANCE ?



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- When people, communities come together and form a mutual for risk sharing (as against risk transfer) its called Mutual Insurance. Its very similar to cooperative models in India. For a short introduction watch the following video
<https://www.youtube.com/watch?v=50Qo5OdQMmw&index=4&list=PLYsGp4gyvHi5BQrIXFD05PI33dWeJ7RUB>
- The largest insurance companies in the world started as Mutuals. It's the most primary form of Insurance and has been in existence for more than 1000 years.
- Worldwide Mutual or Cooperative Insurance is an accepted line of business with leading markets in US UK JAPAN Singapore Germany France. **Mutuals and Cooperative Insurance form 26% of the total world insurance market.**
- In India there is very little understanding of or knowledge of Mutual Insurance and is mostly seen in small community groups.
- The International Association of Insurance Supervisors (apex body of Insurance Regulators)came out with a issues paper that highlights what mutuals and cooperatives are ,double click on the icon to read more



UPLIFT'S MUTUAL MODEL FOR HEALTH



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- Uplift Mutuals has pioneered the mutual health insurance institution for low income families in India with over 200,000 lives under its risk sharing mechanism.
- Communities design and manage their own health mutual risk sharing schemes that are supported end to end by Uplift under its BUILT OPERATE TRANSFER LICENSE(BOTL) Model
- Communities play an integral role in understanding demand, design of the mutual product as well as play a key role in validating the scheme and participating in the claims decision process
- The scheme is professionally managed thanks to Uplift support with community playing the lead role backed by systems and rules that provide the structure for viability and scale
- With an eco-system approach to risk management in health, that includes health prevention and access to quality health care initiatives help to reduce health incidents and thus make the small ticket size viable.

UPLIFT'S MUTUAL MODEL FOR HEALTH



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- Insurance companies often practice what is commonly known as cherry picking and lemon dropping. Picking good risks and leaving out bad risks is a typical formula used by commercial insurance products.
- At Uplift, discussing and debating with communities especially women, a lot of learning emerged vis a vis risks
- As a result of these discussions it was realized that for risk pooling to make sense for the poor, it has to be inclusive and respond to the real needs of the people.
- The many features imbibed thanks to this learning is no age based pricing-one price for all, no age entry bar, product exclusions validated by the community based on their context (normal maternity is covered in some communities), informed risk management (rationalized utilisation of services) and focus on family enrolment to ensure that girls are covered.

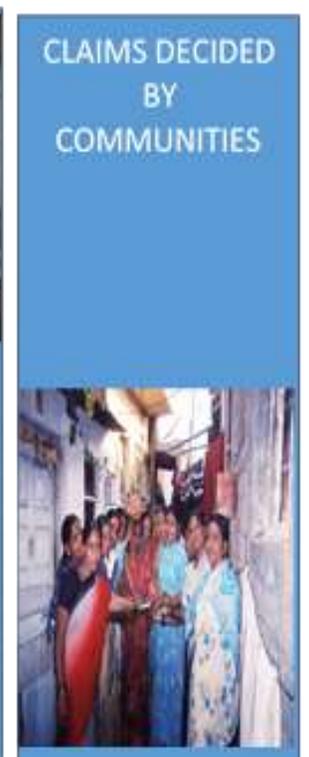
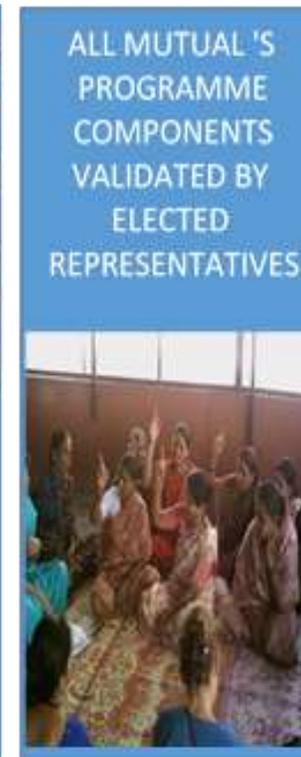
<p>SOLIDARITY BASED INCLUSIVE PRICING - NO AGE DIFFERENT PREMIUMS</p> 	 <p>RISK POOLING AMONG COMMUNITIES PROVIDES BETTER RISK MANAGEMENT</p>	<p>EXCLUSIONS VALIDATED AND REVIEWED BY COMMUNITIES</p> 	 <p>FOCUS ON FAMILY ENROLMENT AND GIRL CHILD INCLUSION CONTROLS</p>
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UPLIFT'S MUTUAL MODEL FOR HEALTH



Uplift
लुप्तप्रायः

- The main component of a mutual scheme is that the buyers and sellers of insurance are not different, they are often the same.
- As such at Uplift Mutuals right from product design to claims decision community via their elected representatives play the role of decision makers.
- An elaborate Information education and communication process is built in in the entire scheme that brings in a great amount of transparency and accountability.
- Community representatives are trained over a period of time that enables them to take claim decisions and run the scheme according to set rules and guidelines.

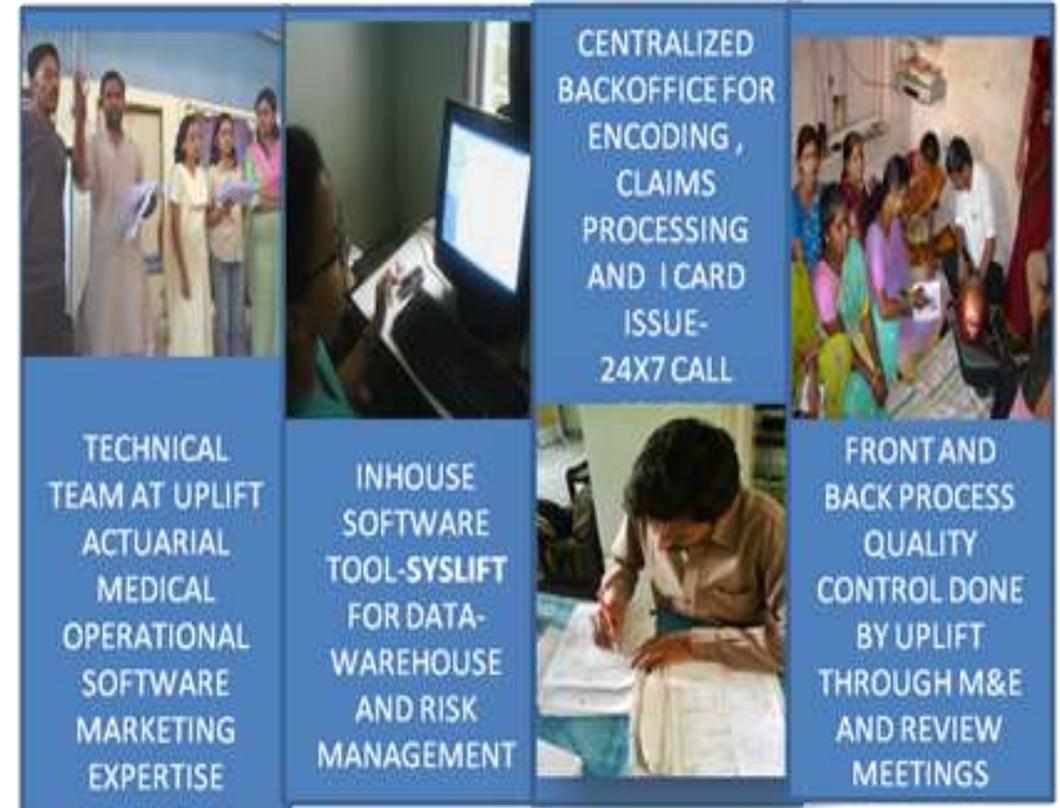


UPLIFT'S MUTUAL MODEL FOR HEALTH



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- Often one of the main complains of community based programmes are that they are technically not robust or do not have a good MIS in place. Uplift understood that data is at the core of any decision making and if the community has to decide it will need copious amounts of data in a manner that is easy to understand and use for decision making.
- Uplift was one of the earliest schemes to have a dedicated desktop MIS that has enabled its communities to make responsible and rational decisions over the last decade.
- It has one of the most detailed and granular level of data over a decade that has helped refine its product and services in consonance with feedback received from communities. Scheme data has regularly been presented to community representatives and explained to them in the most lucid manner.
- Uplift has recently upgraded its MIS and developed a sophisticated web based system (UTTAM) that has allowed it bring greater efficiencies in enrolment and claims management and an array of reports that will help its communities better manage their mutuals.
- Uplift has a set of skilled technical human resource that work on right from product design, process design, back office management, training and capacity building, and medical services provision



UPLIFT'S MUTUAL MODEL FOR HEALTH

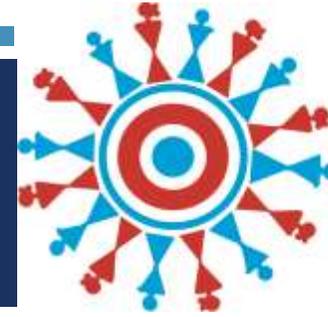


उपलिट
लुप्तवाइ

- One of the earliest realizations that came through community feedback was that for the Mutual scheme to provide value to its members it should invest in access to health services as it was critical for the mutual scheme to work. After a decade the single most important learning of Uplift has been that health insurance is a lot about health care management.
- Uplift has created a multilevel access for its members by creating a preferred provider network, a 24X7 helpline managed by doctors for emergency and normal guidance, a referral system and dedicated human resource to guide people to relevant health care and follow up and a dedicated Out Patient service system to provide the first level of quality care.
- This has helped Uplift communities in saving a huge amount of money in out of pocket expenses by knowing where to get a good treatment at a good rate. The tangibility brought by these set of services has helped the communities understand the consumption of health care and its merits and demerits.



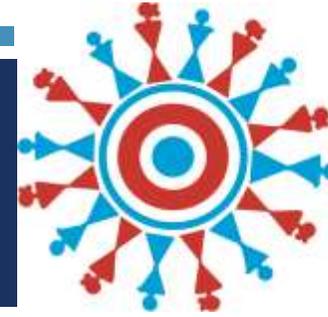
SETTING UP MUTUALS



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- Uplift has setup over 8 mutuals in the past decade across the rural and urban areas of Maharashtra and Rajasthan
- It sets up these Mutuals using its built operate transfer license model
- Under this model Uplift provides an end to end technical support to launch operationalize and co manage the operations till the community/organization can manage on its own (min 3 yrs-max 5yrs)
- Afterwards Uplift uses a licensing strategy (executed via an MOU and Report card) that allows a community to access Uplift resources at subsidized rates provided they diligently maintain the core principles /basic requirements of a Mutual-so as to avoid being a Ponzi/fraudulent scheme

SETTING UP MUTUALS - STEPS



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म्युचुअल्स

10-90 days

Feasibility
Study

90-180 days

Pre Launch

3-5 yrs.

Operationalize
1yr bimonthly
support
2yr quarterly
support
3yr quarterly

LICENSE

Services based
on a menu and
MOU with
Uplift