



(L) Francois-Xavier Hay,
the team leader
acfxhay@yahoo.fr
(C) Nicolas Cadiou
(R) Clement Picard

FRENCH ACTUARIES in India

Clement Picard and Nicolas Cadiou, Actuarial Science Students, EURIA, France

We are two French students in actuarial science, studying in EURIA (www.euria.fr), a French Institute which awards

a diploma in Actuarial Science after three years. Once graduated from this school, student becomes fellow of the "Institut des Actuaire". (www.ia.fr)

This institute encourages its students to have a work experience in a foreign country before graduation. In that way, we are doing our internship in Pune within the French NGO Inter Aide which, has been managing various development programs for many years including micro finance activities, in collaboration with Indian NGOs. Thus, we are working in partnership with one of these NGOs (Annapurna Mahila Mandal, Pune) on a mutual health fund project under leadership of Francois-Xavier Hay, Fellow Institut des Actuaire, France.

CONTEXT

Annapurna Mahila Mandal, Pune works with more than 2,500 slum dwellers in number of ways: Micro loans, Savings, training and family development through counselling. Around 70% of the member's families are living with less than Rs. 750 per month per person. On average, the families are compound of 4 or 5 persons. Slum's hygiene conditions make slum-dwellers' health highly vulnerable. The impact of a health problem is worse than for the rest of the population. In order to pay health expenses, they have to sell an asset, often a productive one, or even to take a loan.

HISTORY OF THE PROJECT

In 2001, one of the Annapurna Members had to go for a very expensive heart operation (>Rs 1 Lakh). With a Rs 3000 monthly income, her husband could not face such an expense, still he did everything to gather the sufficient funds including the selling of his working asset: his rickshaw. Annapurna Members also participated in this fund raising and gave some personal donations. Moreover, after such an event, they felt necessary to get some cover against health hazards. Inter Aide who is collaborating with Annapurna Mahila Mandal, Pune (AMM) on the micro finance activities, decided to work

on a health mutual fund project proposals for AMM members.

Overall project's objectives

- Secure the incomes of poor communities by limiting the economic consequences of major health expenditures (illness, accident)
- Favour these household's access to appropriate quality health care
- Improve member's behaviour by giving them the management of the fund (the mutual benefit societies are owned by the members.)

Specific objectives of the experiment underway

- test a health insurance scheme that is adapted to the needs and specificities of India's slums
- validate the long-term financial, organizational and institutional viability of the health insurance scheme

As owners of a mutual health organization, members are responsible for determining the services that will be covered, setting premiums, and managing (or at least taking a major share in the decisions) the day-to-day operations. In some cases, all members participate in making these decisions.

Two different types of coverage have already been proposed to the future members: for an annual premium of Rs 50 they will get either an individual Rs 1,750 coverage amount per year for hospitalisation or a fixed amount for pre-selected serious health problems (e.g. Rs 5,000 per year in case of fracture, Rs 2,500 per year for a jaundice, etc.).

This initiative received the support of the I.A.A. (International Actuarial Association) since it has been accepted as pilot project for the year 2002 by the committee "Actuaries Without Frontiers".

The objective is to globalise actuarial profession exporting knowledge in developing countries and conducting research activities.

The results of the experimentation will be exposed in our final study thesis to be released in June 2003.

We have been keen on this project and are enjoying very much working in India! □