



International  
Labour  
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CASE BRIEF:

## NAYA JEEVAN

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micro | nsurance  
Innovation facility  
PROTECTING THE WORKING POOR

The logo for the MicroInsurance Innovation Facility, featuring a stylized blue globe icon above the text. The text is arranged in three lines: 'micro | nsurance' in a sans-serif font, 'Innovation facility' in a larger, bold sans-serif font, and 'PROTECTING THE WORKING POOR' in a smaller, all-caps sans-serif font at the bottom.

## 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 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

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 or restaurant staff
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

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 stops and starts. 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 to a range of sponsors 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 explore additional distribution channels 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

“Unilever Pakistan is very excited to be the pioneer in partnering with Naya Jeevan in terms of its healthcare plan for low-income households... It's a win-win scenario because then we have a more energized and motivated workforce.” - Shafaq Omar, Director Human Resources, Unilever Pakistan

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 therefore an insurance claim, in a given year, and may be less likely to re-enrol. 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 screening 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.”

Shakila 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](http://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.





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](http://www.ilo.org/microinsurance)