

# UNDP ICMIF Insurance Innovation Challenge Fund – Winning Project



## *Income loss protection for informal sector women living in remote areas of India*

Award recipient	National Insurance VimoSEWA Co-operative Ltd
Location	India
Product	Life and income loss protection
VimoSEWA contribution	USD 37,376
IIC contribution	USD 79,019

Duration of project	1 April 2024 to 31 March 2026
Target population	Vulnerable women workers in the informal sector
Projected total policies issued (including renewals)	10,000
Projected total lives covered	40,500
Projected total number of individuals educated/trained	25,000

## What is the project and why is it needed?

VimoSEWA developed "Sara! Suraksha Yojana," an innovative income loss insurance product that protects insured members from out-of-pocket expenses incurred during a health crisis when hospitalization is needed. As one of the earliest aggregators in the insurance industry, VimoSEWA has spent over two decades focusing on the needs and risks faced by informal women workers and their families.

Overall insurance penetration in India was less than 4% in 2019, leading to a significant gap in safety nets to protect against crises. While various insurance services exist, few address income loss faced by the poor due to unforeseen crises. For these communities, health issues can significantly impact their financial status. Among India's poorest households, wage loss due to illness accounts for about 15% of total spending - three times more than medical expenses.

The primary policyholders are women of the targeted households. The income loss insurance product also increases the resilience of the targeted low-income rural households against risk of death due to accidents by providing a cover and financial protection to the family for a fixed number of days annually.

The project will span six blocks across two districts of West Tripura and North Garo Hills, covering over 700 villages with over 600,000 low-income women. The project aims to educate 25,000 individuals across 210 villages about insurance. Notably, 78% of the rural population of West Tripura earn less than INR 5000 (USD 60) per month, and about 61% of households in North Garo Hills live below the poverty line.

## What is innovative about it?

A key innovation from VimoSEWA is their marketing model, which promotes services through a bottom-up service mechanism, and their use of technology, which consists of gamification tools for financial literacy and a mobile application for collecting membership and policy data. VimoSEWA's aim is to have the whole process end to end digitally-enabled but still maintain the local personal interaction.

## How does it follow a value-orientated solution framework?

The project takes a holistic value-oriented approach, intertwining economic empowerment, education, community resilience and gender empowerment. As a cooperative, there is constant engagement with the policyholder throughout the project period to ensure the product meets the specific needs of its policyholders. The recruitment and training of 210 local agents ensures that proximity to the client is maintained even in such remote districts.

<b>Gender equality</b>	VimoSEWA is the first cooperative of its kind in India where all of its insurance-policyholders and shareholders are women. The cooperative now has over 4,989 women from five states as individual shareholders and 11 membership-based organisations of the SEWA movement as institutional shareholders.
<b>Education</b>	<p>A pivotal strategy of this project is to enhance the financial literacy and resilience of women in low-income communities. By implementing a sustainable model, the project aims to bolster the community's ability to manage risks over time. Under this initiative, VimoSEWA will identify and train 210 women as Bittiya Sakhis (insurance promoters) in the communities, enabling them to earn livelihoods through an incentive model.</p> <p>A total of 25,000 women will be engaged under the insurance awareness programme, reached through various channels such as community meetings, marketing campaigns, information education communication (IEC), audio visual (AV) and gamification tools.</p>
<b>Community building and resilience</b>	VimoSEWA is partnering with a developmental organisation that is already working on improving the socio-economic situation of these rural marginalised remote communities. The joint approach of education and insurance access build resilience through knowledge on self-management of risk and utilising the coverage available through the insurance product.

## What is the scaling up strategy?

VimoSEWA's income loss insurance is a mutual product that has already been successfully piloted in various geographies, demonstrating its scalability. Given that over 90% of India's population works in the informal sector and is vulnerable to numerous risks, the scaling up of this product is not only realistic but also crucial.

The project has a goal to enroll and provide coverage for 40,500 members of households through 10,000 policies. Though the project will begin in the two selected blocks of both districts, the uptake of the solution is expected to increase from the second year onwards through a domino effect. The roadmap to sustainability will be achieved during the project period and subsequently the product revenues will make the solution viable from the second year.

## Who is VimoSEWA?

[National Insurance VimoSEWA Cooperative Ltd.](#) is a multi-state and women-only insurance cooperative based in India. Registered in 2009, VimoSEWA aims to provide financial protection through microinsurance to self-employed women workers and their families.

## How to get involved?

Through the UNDP ICMIF Insurance Innovation Challenge (IIC), the United Nations Development Programme's (UNDP) [Insurance & Risk Finance Facility](#) and [The ICMIF Foundation](#) are helping mutual and cooperative insurers scale up innovative, affordable and inclusive insurance products which specifically serve the needs of underserved households and/or micro, small and medium-sized enterprises (MSMEs) in developing economies, with a particular focus on women.

For more information and how to get involved please contact the ICMIF Foundation [foundation@icmif.org](mailto:foundation@icmif.org)

### About UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet.

### About The ICMIF Foundation

ICMIF has been providing development support to its members in emerging markets for over sixty years and in 2015 established a charitable organisation called [The ICMIF Foundation](#) (registered charity in England and Wales No. 1179919) to take the work to the next level. To date, The ICMIF Foundation has as reached over three million low-income households in total with insurance and resilience building efforts, equating to over 16 million lives being impacted.