INSURANCE

Building Health Insurance Programmes for Vulnerable Populations

Over the past six years, VisionFund and World Vision–enabled by the tremendous financial support of Swiss Capacity Building Facility (SCBF) – have partnered with insurers to create affordable, context-specific insurance solutions for poor and financially excluded communities. Building on early pilots in Ghana and Malawi, we refined our model to deliver deeper, lasting impact, and developed a practical toolkit to guide replication. Today, VisionFund extends its expertise beyond its own network, providing technical assistance to MFIs and NGOs, all in pursuit of a single goal: *transforming lives and securing brighter futures for children.*

Why it matters

Each year, 100 million people are pushed into extreme poverty due to out-of-pocket health expenses. In fragile contexts, where families often lack any financial cushion, they are forced to cope by selling vital assets, withdrawing children from school, or cutting back on food. A low-cost, fit-for-purpose health insurance scheme acts as a proven shock absorber–protecting household assets, maintaining school attendance, and stabilising incomes, even in contexts where public systems are weak, overwhelmed, or entirely absent.

4 - PHASE METHODOLOGY

Covering partnership building, market research, product co-design, pricing, roll-out, M&E and continuous improvement

CHECKLISTS AND TEMPLATES

FIELD LESSONS FROM FRAGILE CONTEXTS

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The key phases

Establishing a micro health insurance programme requires a clear and structured process. We have identified 13 essential steps, which can be grouped into 4 practical phases. This phased approach not only provides clarity and direction but also ensures that programmes remain context-specific, sustainable, and impactful for the communities they are designed to serve.

1. Exploration phase

- Build partnerships between stakeholders
- Conduct a country insurance landscape assessment to evaluate feasibility
- Conduct a client needs and risks assessment

2. Preparation phase

- Identify a key service that the insurance product can be bundled with
- Work on strategic alignment with insurance partner
- Develop a business plan to balance wishes and feasibility
- Engage and agree with a premium subsidy partner if the population is too vulnerable to pay a premium immediately
- Agree on an implementation plan and timelines

3. Implementation phase

- Conduct staff training: from management to field staff
- Conduct financial and insurance education for beneficiaries and clients
- Launch and roll-out the product with field staff engagement
- Develop a clear phase out of premium subsidies to encourage long term sustainability

4. Monitoring and review phase

- Design a monitoring and evaluation framework
- Review and refine the product and program, continuously

Example of practical tools

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INSURANCE SURVEY KEY FINDINGS:
MALAWI

PROPOSED IMPLEMENTATION
A family hospital cash product to complement the National Health Insurance Scheme (NHIS) and Health Insurance Scheme that enables beneficiaries to access private and mission hospitals would be the proposed approach for Malawi. Beneficiaries can pick any of the available options. There would be a need to provide a premium subsidy in the initial period and gradually reduce the subsidy as families begin to realise the scheme's benefit.

1. PROPOSED RESPONSE TO RISK
The priority is for a health insurance product that would allow families to deal with the most frequent and impacting risks. A bad harvest product and an accident insurance offer would also be interesting for many clients.

Clients should be provided with training and support to help them develop strategies to cope with risk to avoid the use of savings, the need for external help or the sale of assets to mitigate the risk. There is a significant loss of business income due to hospitalisation giving scope for developing a hospital cash insurance product.

2. WILLINGNESS TO ENROLL IN HEALTH INSURANCE: 70%
There is significant knowledge about insurance and its benefits; a positive opinion of insurance might make it easier to sell insurance products to the targeted group. Willingness and capacity to pay indicate that people are eager to enroll and enroll the whole family.

MALAWI'S CONTEXT Despite free hospitalisation provided in government hospitals, illness remains the most impacting risk. VVM and VFM have worked with two insurance providers (MASM and MicroEnsure) to develop two insurance products for Savings Groups members. These products meet the requirements for MVCs and may be leveraged for this effort.

FEASIBILITY Insurance premium is estimated at $10-$12 (fully funded) or $13-$15 (shared) per MVC, per family of four. For 30,000 beneficiaries, the total cost is estimated to be $459k if fully funded or $564k or less based on family contribution to the insurance premium. If the family covers the whole premium, the cost would be $114k; this includes $35k in-country expenses and $39.5k for global support. This estimate will be further refined according to the local context.

FO READINESS
WVM and VFM have the capacity and commitment to roll out insurance for MVC. They will also make use of the learnings and experience from the insurance for Savings Groups project. Leadership transition in WVM could result in minimal disruptions.

KEY STATISTICS*

1. Strategy to pay for medical bills	Savings: 56% Borrow: 51% Sell Assets: 30%	6. MVC population in Area Programmes	51% (FY19)
2. National Health Insurance Scheme exists	True Involvement (if true): 100% availability	7. Direct financial support currently provided by FOs	False
3. Illness identified as the most frequent risk in their life	90%	8. Country Statistics (% Rural APs vs Urban APs)	100% Rural
4. Illness identified as the risk that causes the greatest financial impact	78%	9. Notes	
5. Incapacitating illness experienced in the last 12 months	89% 4-6 days: 24% 7 days or more: 51%	10. Willingness to enroll in insurance: 70%	

*410 people from 5 regions in Malawi were interviewed. 64% of the respondents were female 76% of were male headed. 98% have at least one dependent, 60% between 5 to 10. 72% of interviewed people earn less than MWK 500,000 (USD 635) per year. The main source of income of respondents are from farming (88%) and Business (71%).

Key insights for fragile contexts

- Bundle to drive demand: Standalone insurance has low traction; bundling with savings or loans is more effective.
- Trust is everything: Partnering with respected NGOs ensures community acceptance.
- Infrastructure gaps matter: Unstable power and connectivity requires flexible, in-person training solutions.
- Subsidy boosts adoption: Temporary premium support encourages uptake and positive claims experience, setting the foundation for future sustainability.

These field-tested learnings are now shaping programme roll-outs in other settings.

Resilience isn't built when the storm hits; it's built before. Our toolkit turns affordable health insurance into a first-line defence for the hardest-to-reach families.

For more information, you can write in to: info@scbf.ch

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