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Enhancing the Performance of Micro Insurance Industry in Nigeria Through Online Insurance Products

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ABSTRACT

Currently in Nigeria, none of the products of micro insurance industry can be acquired by interested customers just the same way customers can acquire banking products at the comfort of their homes through the aid of technological advancement, this study hereby focused on enhancing the performance of micro insurance industry in Nigeria through online Insurance Products. Survey research design was employed for this study. Ordinary Least Square and Logit Binary Regression Models were employed to test the hypotheses of the study. To conclude this study, we should simply agree that Online Insurance Products and development of insurance industry are interwoven, and the ability of the insurance industry in Nigeria to use it as a stepping stone to move forward globally will not only promote their growth and development, but also contribute to the growth and development of the Nigerian economy. However, there are numerous challenges that insurance companies faced especially in the phase of online Insurance Products, these challenges are: integration processes, which encompass globalisation, consolidation and convergence, ever more frequent and intensified catastrophic events and the emergence of new risks, mainly caused by the emerging technologies. Arisen from this study, this study recommended that management of insurance business and the Nigeria government in particular should understand the humongous benefits that can accrual from Online Insurance Products. In the same light, Nigeria government should develop policies that can enhance the business operation of microinsurance industry to meet up with the challenges facing insurance industry in the phase of Online Insurance Products.

Keywords: Performance, Micro Insurance, Industry, Internet, Insurance Products

1. INTRODUCTION

All over the world, Micro insurance has been in the front burner as a panacea for effective financial inclusion and a bridge between low income earners and the insurance industry. Despite all efforts towards ensuring that micro insurance industry strives in similar manner as the banking industry, the financial performance of micro insurance remain unattractive and rather nosediving compared to the other financial institutions like banks who now employs technology to ensure financial inclusion of all citizens through the use of interment banking, Point of Sales (POS), ATM and other digitalised banking activities as customers of banks need not to visit their banks before they can perform all forms of banking transactions, hence, there is need for insurance industry (including micro insurance) to embrace similar technology for their transactions (Jack, 2021). Information Technology (IT) now encompasses the whole world. It has directly or indirectly affected each and every aspect of our life. The insurance sector is no exception (Ozuomba, Onyemaechi, & Ikpeazu, 2017). Computerization has provided a great help in speed of work, uniformity, accuracy, quality, efficiency, etc.

Earlier, it took months to transfer a policy from one branch to another. Now you can pay your policy premium anywhere in Nigeria. Detailed information about various policies, their rules and regulations, benefits is available at our fingertips. Earlier, even the agents took a long time in getting information of the policies. Now, information about newly declared policies by various insurance companies is easily available not only for agents, but also prospective policyholders at a speedy rate. Policyholders get their doubts cleared instantly because of e-mail, voicemail, websites, toll-free numbers, mobile Application etc. (Sule, & Momoh, 2019). Internet has proved to be one of the low-cost channels compared to other channels. The policyholder's he himself purchases products through online and also get a receipt of his payment through an e- mail (Rose, 2019). Compare to the older generation the younger generation are flexible to use the online services provided by LIC. Factors which influence the Electronic Insurance services of various insurance companies have been identified through a review of literature.

A technologically empowered future is progressively picking up centre over Latin America, Africa and South Asia. Scholars and professionals are working with guarantees in these districts to fine-tune their stages and improve the proficiency of their back-office operations (Okonkwo & Okeke, 2019). Whereas specialists and brokers still rule the industry in most rising markets, researchers pointed out the need to establish procedures point to assist them strengthen relationships with clients within the ever-changing digital environment. As computerized innovations advance, companies are finding better approaches to speed up forms, diminish costs and reinforce their brand acknowledgment within the showcase (Marijuana, Sandra & lime, 2019). Firms are proceeding to boost speculations in counterfeit insights, machine learning and huge information and extend utilize of telematics, versatile phones and table computers. People investigate a few of the inventive activities and challenges that companies confront in three diverse rising markets.

Although brokers proceed to rule the protections showcase over Africa, the industry is speedy to grasp computerized arrangements. According to Adeyele (2019), client needs advance, safeguards battle to strike the correct adjust between their bequest operations which contribute to a huge income and the openings that the modern advanced scene will generate. Most clients still buy protections approaches through budgetary advisors, protections operators or brokers. Be that as it may, a later EY overview found that clients in South Africa are more likely to utilize advanced channels to check and compare arrangements than their UK partners. The challenge remains of changing over the browsing into an effective deal still wins in these markets. 37% of South African clients utilize their portable phones or computers for the beginning prepare of browsing and recognizing arrangements, agreeing to Oxford Financial matters.

While versatile and computerized applications are focused on to particular markets, such as memorial service protections, major activities are changing back-office operations to gotten to be more cost-effective and solid. Boosting the company's back-office proficiency without imperilling the brokerage relationship will be key. Conventional protections firms have centred on making deals forms simpler for the advanced client, but basically in non-life items since of the solid position brokers and mediators still have in life coverage (Sadhak, 2020). It is as well early to judge victory, but officials frequently have to be investigate the potential of an unused dispersion demonstrate (Laz & Omokiniovo, 2020). Whereas most insurers see the benefits of computerized techniques, as it were a number of have actualized them.

As computerized deals increment, anticipate companies to dispatch items that improve the client travel. Indeed, in spite of the fact that computerized channels have ended up a more noteworthy strategy for offering protections over Nigeria, brokers and specialists proceed to be the overwhelming point of deals (Chi-Chuan, Chien-Chiang, & Donald, 2020). Whereas the more youthful era of shoppers assesses and evaluate protections items online, the real deal ordinarily requires a face-to-face discussion with the specialist.

By creating an end-to-end deals instrument for the front-line deals staff, computer experts are making a difference in the firms by creating a vigorous “hybrid model” where computerized instruments offer assistance operators discover the correct products to offer to the proper clients. Similarly, critical, the move to advanced deals permits operators to create and store client information based on their everyday client interaction. Over time, this will permit specialists to alter their deals approach from a benefit conveyance demonstrate to one where they claim and oversee client connections, in this way driving to cross-selling opportunities (Umit & Hasan, 2021). While clients for non-life arrangements, like travel or engine protections, are quickly moving to embrace digital arrangements, specialists will proceed to be a cog within the life protections advertise. Be that as it may, tackling computerized applications on portable phones can diminish grinding, boost proficiency and make strides the quality of deals, which may be the ideal implies of overhauling the Nigerian showcase.

Some industry cantered their endeavours with key keeping money clients on streamlining the conveyance prepare inside banks to diminish the time required for guaranteeing and preparing life protections items (Umit, & Hasan, 2021). The unused framework distinguishes the specialized necessities to create an approach and quickly creates cost cites. Such a commerce handling framework is basic for smooth communication and joining keeping money and insurance. 64% of life protections scope and 13% of non-life scope in Nigeria nowadays is sold through managing an account educate, agreeing to Oxford Financial matters (Dincer, & Hacioglu, 2021).

According to Vladimir and Boris (2022), looking ahead, the biggest development opportunity within the Nigeria showcase will be most likely to develop from annuity and widespread life items which can proceed to be disseminated primarily by banks. Progressively, banks must recognize the got to build up a protection working show that works for portable and web managing an account (Kugler & Ofoghi, 2022). This will require them to create specialized groups that are able to offer more customized protections arrangements. Modern commerce models would use the client information they get from both, keeping money and protections operations, to create custom-made items for person clients. The three developing markets outline how dispersion is changing for the protections industry.

The rise of advanced stages will offer assistance safeguards speed up forms and encourage diminish costs. In markets like South Africa, telematics is being utilized to survey driver behaviour in guaranteeing vehicle protections, whereas smartphones in Nigeria offer assistance affirm scope of unused approaches. Though numerous items loan themselves to advanced arrangements, specialists and brokers still matter and play a critical part (Goran, Ilija, & Vladimir, 2022). The connections they have created with clients cannot be promptly uprooted. As a result, coordinate or online conveyance will take time to develop in these markets, but long term looks promising. Digital arrangements offer ways for protections companies in creating nations to reimagine how they interface and lock in with clients.

Whereas dispersion is changing for the industry, the rise of computerized stages will offer assistance guarantees keep up pace of conveyance and accomplish business objectives (Asika, 2022).

1.1 Statement of the Problem

The poor performance of micro insurance industry in Nigeria calls for urgent attention of researchers. Unlike the banking industry that has brought banking closer to all their customers and as a result of the technology employed by banks, the financial inclusion to banks has being on continuous increase, in the same light, if insurance industry can employ similar techniques, through the micro insurance industry, there will be a significant improvement in the performance of insurance industry as a whole. Currently in Nigeria, none of the products of micro insurance industry can be acquired by interested customers just the same way customers can acquire banking products at the comfort of their homes through the aid of technological advancement, this study hereby focused on enhancing the performance of micro insurance industry in Nigeria through online Insurance Products.

1.2 Objectives of the Study

The main objective of this study is to enhance the performance of micro insurance industry in Nigeria through online Insurance Products. The specific objectives are to:

1. Determine the likely impact of online Insurance Products on the growth and development of micro insurance company in Nigeria
2. Examine the likely challenges that can negatively impair the performance of micro insurance company in Nigeria in the phase of Online Insurance Products.

2. LITERATURE REVIEW

2.1 Concept of Internet Insurance

Just like internet banking, internet insurance is use of modern technology is selling insurance products via the internet. These days, it appears like everything can be done online, from going to along with their specialist through video to requesting goods in an app. Buying protections is no distinctive; in reality, there are numerous computerized protections companies that offer online and app-based services. For numerous clients, there's no ought to indeed talk with an operator any longer (Asika, 2022). The age of insurtech has demonstrated to be exceptionally enlightening, as well. Shoppers can get answers to their greatest questions and be consistently guided through the insurance-buying handle, from deciding how much scope they ought to set up an arrangement in fair minutes. Internet insurance like internet banking is the application of web and related data advances to the generation and dispersion of protections administrations. In a smaller sense, it can be characterized as the arrangement of a protections cover whereby a protections arrangement is requested, advertised, arranged and contracted online (Goran, Ilija, & Vladimir, 2022).

The world is moving towards utilizing less paper and to electronic records, particularly money related records. Shortly you as well can get and keep up their protections approaches in electronic shape. Different regulatory bodies have issued rules relating to protections storehouses and electronic issuance of protections policies. Policy holders can maintain, store and recover their approaches and the data in them easily policy holders can adjust or change their protections approaches with speed and accuracy It will offer assistance increment proficiency and transparency It will diminish the taken a toll of issuing and keeping up protections approaches (Kugler & Ofoghi, 2022).

Online insurance allows users to conduct transactions via the Internet. Online insurance is also known as Internet insurance or web insurance. Online insurance will offer customers almost every service traditionally available through a local insurance companies including broker services. Every insurance institution ought to have some form of online insurance, available both on desktop versions and through mobile apps (Vladimir, & Boris, 2022).

2.2 Understanding Online Insurance

With online insurance, consumers aren't required to visit a broker or physical office of an insurance companies before insurance policy can be acquired. Customers can do all of this at their own convenience, wherever they want at home, at work, or on the go. Online insurance will require a computer or other device, an Internet connection, and a bank or debit card. In order to access the service, clients may need to register for their online insurance service with a broker. In order to register, customers will need to create a password. Once that's done, they can use the service to do all their insurance activities (Dincer, & Hacioglu, 2021). Insurance transactions offered online may vary by the institution (life and non-life insurance institutions). Most insurance generally offer basic services such as insurance of properties and life policies. Online insurance may not permit the purchase of certain policies, and that is why microinsurance industry maybe used a test run the online insurance business. Some certain insurance transactions still need to take place face-to-face with either a broker or insurance representatives (Umit & Hasan, 2021).

2.3 Advantages of Online Insurance

Convenience is a major advantage of online insurance. Basic insurance transactions such as purchase of insurance policies, claims of damage etc. can easily be done 24 hours a day, seven days a week, wherever a consumer wish (Chi-Chuan, Chien-Chiang, & Donald, 2020).

Online insurance will be fast and efficient. Policies can be acquired by different policy holders at the same time and from different locations. Consumers can also monitor their accounts regularly closely, allowing them to keep their accounts safe. Around-the-clock access to insurance information provides early detection of fraudulent activity, thereby acting as a guardrail against financial damage or loss (Laz, & Omokiniovo, 2020).

2.4 Disadvantages of Online Insurance

For a novice online insurance customer, using systems for the first time may present challenges that prevent transactions from being processed, which is why some consumers prefer face-to-face transactions with a broker (Sadhak, 2020). Although online insurance security is continually improving, such accounts are still vulnerable when it comes to hacking. Consumers are advised to use their own data plans, rather than public Wi-Fi networks when using online insurance, to prevent unauthorized access. Additionally, online insurance is dependent on a reliable Internet connection. Connectivity issues from time to time may make it difficult to determine if insurance transactions have been successfully processed. Just like every other banks, insurance can operate exclusively online, with no physical branch. These insurance handle customer service by phone, email, or online chat. Online insurance is frequently performed on mobile devices now that Wi-Fi and 4G networks are widely available. It can also be done on a desktop computer (Adeyele, 2019).

2.5 Customer Behaviour Toward E-Insurance Services

Phillips et al. said that technology facilitates easier customer interaction with improved service – (Journal of Marketing). Taylor and Brown states that humans select, interpret or information based on their existing attitudes (Marijuana, Sandra, & lime, 2019). The interpretation of information is based on how well it fits into their lifestyle – (Psychology Bulletin). Okonkwo, and Okeke (2019) aid that face-to-face service will be replaced by new technology when it is suitable and consumers will adopt its use because of higher service quality, accuracy, and convenience – (International liberalization of Telecommunication). Rose (2019) expressed that online service models are faceless and customers prefer direct face-to-face interaction where their problems and queries would be handled – (Journal of Academy of Marketing Science). Reichheld et al. studied in Nigeria, and customers are not accustomed with its technical features and transactional intricacies.

Traditional interpersonal channels like insurance agents and online insurance websites create uncertainty in customers' minds – (Harvard Business Review). Sule and Momoh (2019) deals with the implications of any innovations can be measured by the volume of use and how far it fits into the customers' requirement – (International Journal of Bank Marketing) (Ozuomba, Onyemaechi, & Ikpeazu, 2017). Jack (2021) proposed that internet as a service delivery channel has changed the traditional marketplace interaction by providing greater accessibility to customers. The virtual marketplaces have changed the nature of customer-company interaction and their relationship – (Harvard Business Review).

2.6 Determinants of Digitally Instigated Insurance Relationships

Cunningham argued that high technology in service production and delivery may bring disadvantages, especially for insurance firms that need to retain personnel for increasing workloads – (Best's Review). Fram and Grady studied that technical software issues may create technical glitches and affect customer satisfaction. The broken links on the websites demotivate the customer from visiting the website – (Direct Marketing). Stewart et al. says that information technology has lowered the capital costs of insurance through the unbundling of insurance products and through the risk management movement – (Stewart Economics Inc.) (Jack, 2021). Stewart et al. examined that the technological advances place in the hands of insurance companies and agents bring new savings and better services to the consumers. Digitalization has made it possible to process and communication information faster, cheaper and reliable than even before – (Stewart Economics Inc.). Davis proposed that TAM (Technology Acceptance Model), derived from TRA (Theory of Reasoned Action); it offers a powerful explanation for user acceptance of and usage behaviour toward new technology in insurance – (Management Information System Quarterly). Asika (2022) contended that various websites attributes affect customer satisfaction and motivate them to use online services – (Journal of Market Focused Management). Goran, Ilija and Vladimir (2022) posits that technological innovations and advancements would continue to be a critical component of customer – firm interface.

2.7 Customer's Perception about E-Insurance Services

Kugler and Ofoghi (2022) focused on customers place high priority to security attributes, and 'technical safety of the network against fraud or hackers is a high concern – (Managing Service Quality). Ranganathan and Ganapathy suggest that convenience and time- saving features are important factors influencing consumer online shopping behaviour – (Information and Management).

Vladimir and Boris (2022) postulate that customer satisfaction and adoption of technology is related to attributes such as information content, customization and reliability. The customers' responses have a significant effect on their perceived ease of use and usefulness of the websites. Dincer and Hacıoglu (2021) said that easy web accessibility is one of the factors affecting customers' interaction and perception toward online service websites. Umit and Hasan (2021) argued that understanding customers' behaviour toward service features and technological innovations becomes pertinent. Chi-Chuan, Chien-Chiang and Donald (2020) examined that older customers have to be enticed to use internet. They do not know what to expect from the online websites, thus for them the alternatives are few and may find the physical presence of the insurance agents more assuring than the 'virtual entity' of insurance firm. Buchner expressed that many customers prefer to speak to an insurance agent for purchasing a policy and are not comfortable shopping for insurance online.

2.8 Customer's Attitude towards E-Insurance Services

Laz and Omokiniovo (2020) promoted that a large population still remains sceptical about its relative advantage over the traditional delivery channels. Limited internet accessibility coupled with low technology literacy makes customers suspicious about online insurance services. Sadhak (2020) used that the production and distribution of insurance can be provided to an insured through an insurance policy that is online request. Adeyele (2019) described that consumers' perceived usefulness and perceived ease of use positively affected usage attitude and customer satisfaction of mobile application services of life insurance industry. Marijuana, Sandra and lime (2019) dealt with the ubiquity of internet has made it possible for customers to access insurance services online for gathering information about products, financial consultancy and indemnity planning. Okonkwo and Okeke (2019) made an assessment of customers' attitude can be of immense help in planning self-service technologies (SSTs) and improving services.

Fredrick et al. analyzed the ICT integration in E-insurance is perceived to enhance transparency, high productivity, and brand and image promotion and also increase in sales volume. Venkatesh and Agarwal applied that familiarity with online websites affects customer's behaviour toward it. Marijuana, Sandra and lime (2019) revealed that the advances in mobile wireless networks and the significant reduction in the price of mobile devices has created opportunities to financial service providers to offer their services on mobile. Rose (2019) proposed the application of internet in commercial and marketing activities reduces operating costs and allows the producer to contact customers directly. Sule and Momoh (2019) contended that service providers encounter tremendous pressure in designing service attributes that address needs of the customers.

2.9. Problems Faced By The Customers While Using E-Insurance

Based on the review of literature, this research investigation is born out of the concern for customers of online E-Insurance and their sufferings of the policy holders. Providers of the insurance services are at an increased rate using internet as a channel. E-Banking as managed successful relationship for many years. But Insurance is generally considered to be less appealing than e-banking. Compare to banking, insurance involves a range of offerings where the customers are purchasing a sense of security hoping that they don't have to use the product in full. Insurance is described "mostly as necessary evil". Customers are more seldom to use an insurance company's website than a banking website.

Online customers are not comfortable in using internet and perceiving the usefulness (Ozuomba, Onyemaechi, & Ikpeazu, 2017). Customers understanding of online technology and product may affect the usage of internet. However, insurers are still hesitant to approve policies in online and are adding those services slowly to other sites. Purchasing policies online will be slower for same type of insurance than other sectors. Insurance firm does not tell about the security systems to protect customer privacy and data. Products sold through agents will increase the cost of premium. For example, 35 to 100% commission for life insurance policies in the first year, but much less on renewal. In Nigeria, internet penetration is increasing but it is hindered by connectivity problem. Limited internet accessibility coupled with low technology literacy makes customers suspicious about online insurance services. Insurance companies do not create awareness and training to customer about the online insurance services. Insurance faces strategic challenges in utilizing the web. Insurance websites create fear in the minds of customers because the web pages are not getting uploaded easily, sometimes hyperlinks do not work. Above all customer perceived benefits, ease of use, capability, their attitude, technology and services attributes and constrains involved in online E- Insurance provided by the LIC are not up to customers expectation. Still their behaviour towards online life insurance is not satisfactory.

2.10 Microinsurance Products

Microinsurance products offer coverage to low-income households or to individuals who have little savings. It is tailored specifically for lower valued assets and compensation for illness, injury, or death. As a division of microfinance, microinsurance looks to aid low-income families by offering insurance plans tailored to their needs. Microinsurance is often found in developing countries, where the current insurance markets are inefficient or non-existent. Because the coverage value is lower than the usual insurance plan, the insured people pay considerably smaller premiums (Jack, 2021).

Microinsurance, like regular insurance, is available for a wide variety of risks. These include both health risks and property risks. Some of these risks include crop insurance, livestock/cattle insurance, insurance for theft or fire health insurance, term life insurance, death insurance, disability insurance, and insurance for natural disasters, etc. Like traditional insurance, microinsurance functions based on the concept of risk pooling, regardless of its small unit size and its activities at the level of single communities. Microinsurance combines multiple small units into larger structures, creating networks of risk pools that enhance both insurance functions and support structures (Goran, Ilija, & Vladimir, 2022).

Delivery of microinsurance is a challenge. Several methods and models exist, which can differ according to the organization, institution, and provider involved. In general, there are four main methods for delivering microinsurance to a client base: the partner-agent model, the provider-driven model, the full-service model, and the community-based model (Kugler & Ofoghi, 2022). Partner-agent model: This model is based on a partnership between the microinsurance scheme and an agent. In some cases, a third-party healthcare provider. The microinsurance scheme is responsible for the delivery and marketing of products to the clients, while the agent retains all responsibility for design and development. In this model, microinsurance schemes benefit from limited risk but are also limited in their control (Vladimir, & Boris, 2022). Full-service model: In this model, the microinsurance scheme is in charge of everything; both the design and delivery of products to the clients, working in conjunction with external healthcare providers.

While benefiting from full control, the disadvantage of the full-service model is the higher risks. Provider-driven model: In this model, the healthcare provider is the microinsurance scheme, and similar to the full-service model, is responsible for all operations, delivery, design, and service. This disadvantage of this method is the limitations of products and services that can be offered. Community-based/mutual model: In this method, policy holders or clients can run everything, working with external healthcare providers to offer services. This model is advantageous for its ability to design and market products more easily and effectively, but the small size and scope of operations limits effectiveness (Umit, & Hasan, 2021).

2.11 Empirical Review

According to Umit and Hasan (2014) who carried on a research on internet insurance performance efficiency of life insurance company in china using data envelopment analysis. his paper selects the top 10 Life Insurance Companies in China as the research samples. Using Data Envelopment Analysis and choosing both financial and non-financial variables, this paper makes a research on the Internet Insurance performance efficiency of Life Insurance Companies. The results show that in the early development period, the performance efficiency of Internet Insurance is normally low and the input of fixed assets does less to the performance efficiency than other two inputs. And this paper put forwards that insurance companies should take use of the official website to improve the performance efficiency of the Internet.

Umit and Hasan (2021) empirically clarify the determinants of customer's satisfaction, attitude, perception, problems faced by the customers' while using E- insurance website services in communicating with their insurance company. The researchers argue that in order to understand insurance customers' perception and intentions to use the internet for communication it is necessary to understand how the customer perceives insurance industries as this will affect whether the customer will form positive or negative attitudes towards using the E-Insurance website service of insurance industry.

3. METHODOLOGY

Survey research design was employed for this study, this involves selecting of some insurance companies in Nigeria and in Lagos state specifically, and the data collected is used with the use of questionnaire to gather and investigate the behaviour phenomenon in the insurance sector regarding Online Insurance Products and its impact on enhancing the growth and development of the microinsurance industry. The data collection methods used is the primary data. The primary data include the use of a well-designed questionnaire distributed to selected insurance companies in Lagos.

The targeted study populations are the personnel of Six (6) insurance companies, and they are divided into Two (2) categories; Three (3) best performing insurance companies and Three (3) least performing insurance companies with a total number of 150 staff strength. Notably, the commonly used approaches are by Yamene (1970) and Krejcie and Morgan (1970). Since the study has a population of 150, Krejcie & Morgan (1970; 2010) sample size selection table was employed to generate the study sample size. The table is developed based on the model, $s = \frac{X^2 N P (1-P)}{d^2 (N-1) + X^2 P (1-P)}$ where (**s**) is the required sample size, (**N**) is the population size, (**X²**) the table value of chi square for 1 degree of freedom at the desired confidence level (3.841), (**P**) is the population proportion (assumed to be 0.50 since this would provide the maximum sample size) and (**d**) is the accuracy/tolerable error expressed as a proportion (0.05 =5%).

Hence, using Krejcie and Morgan (1970; 2010), the sample size for this study was 103 respondents. The target population was fairly large and as such stratified random sampling techniques is used in order to include all level of employees and employer. Random sampling technique is used in the selection of respondents because it is highly impossible for all population to be sampled due to their size and numbers. Ordinary Least Square and Logit Binary Regression Models were employed to test the hypotheses of the study. This model is considered appropriate because it has the ability to predict the effect of independent variables on the dependent variables.

Formula for Logit Binary regression model:

$$L = \ln \left[\frac{P_i}{1 - P_i} \right] = \beta_0 X_i$$

Where:

L = Logit Regression

ln = Log

Pi = Integration processes, Emergence of new risks, Poor internet infrastructure,

1 - Pi = Integration processes, Emergence of new risks, Poor internet infrastructure,

β = Beta

X = Insurance Companies.

Statistical Package for Social Sciences Software (SPSS) version 25 was used for the data analysis.

3.1 Reliability and Validity Test

The research instrument that was employed for this study was subjected to both reliability and validity tests. Reliability test was carried out using Cronbach’s Alpha, while, Factor analysis (KMO) was employed to the validity of the research instrument.

Table 1: Case Processing Summary for Reliability test

		No.	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Source: SPSS Version 25 Output

Table 1 shows the number of cases that was processed, of the 200 cases that subjected to analysis, none of the cases was found missing. The table shows that there is 100% valid case processing, probably because the all the data cleaning that was embarked on prior to the analysis.

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.988	28

Source: SPSS Version 25 Output

The reliability table shows that the research instrument can be relied on to have the ability to rightly represent the opinion of the respondents up to 99%. Table 2 shows that 28 items (questions) were processed for test, and on the average, the content of the questionnaire can be said to be well understood by respondents.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.957
Bartlett's Test of Sphericity	Approx. Chi-Square	26148.587
	Df	99
	Sig.	.000

Source: SPSS Version 25 Output

Validity testing was carried out using Kaiser-Mayer-Olkin (KMO) and Bartlett's Test of Sphericity. These two tests establish the adequacy of the sample size whether they are sufficient enough to provide response upon which conclusion can be drawn. Table 3 revealed that Kaiser-Mayer-Olkin (KMO) represents about 96%, this implies that the sample size can be said to be adequate enough to predict for the entire population up to 96%. The number is found to be highly significant at 5% significant level as shown in table 3 (sig. = 0.000). Hence, the research instrument and the sample size are adequate enough for this study.

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Questionnaire was administered to the staff of the Insurance Companies in Lagos Nigeria, out of the 103 questionnaires that was administered, 98 copies were filled correctly and returned. The study collected information on demographic characteristics. Detailed results on each of the demographic characteristics are presented.

4.1 Data Analysis

Hypothesis One

H₀₁: Online Insurance Products has no significant effect on the growth and development of micro insurance company in Nigeria

Table 4: Model Summary^b for Hypothesis One					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721a	.677	.525	8547410015 4.5	2.51
a. Predictors: (Constant), Online Insurance Products					
b. Dependent Variable: Growth and development of micro insurance company in Nigeria					

Source: SPSS version 25 output.

Table 5 Coefficientsa for Hypothesis One						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	541416329	41023109		2.210	.001
	Online Insurance Products	4.141	3.210	.671	3.21	.009
a. Dependent Variable: Growth and development of micro insurance company in Nigeria						

Source: SPSS version 25 output.

R Square explain the relationship between variable. As shown in the model summary, there is positive relationship between Online Insurance Products and development of micro insurance company in Nigeria, and this account for about 67%. R being the determinant of correlation explain the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 72%, this implies that the independent variables can predict or determine dependent variables up to 72%. This simply means that Online Insurance Products can determine changes in Growth and development of micro insurance company in Nigeria up to about 72%.

This study revealed that a unit change in Online Insurance Products account for about 4.1 positive unit change in Growth and development of micro insurance company in Nigeria. This study revealed that Online Insurance Products has a significant positive effect on growth and development of micro insurance company in Nigeria. The p value of 0.009 is lower than 0.05, we hereby conclude that Online Insurance Products can significantly enhance the on growth and development of micro insurance company in Nigeria, and hereby reject the null hypothesis.

Hypothesis Two

H₀₂: There are no likely challenges that can negatively impair the performance of micro insurance company in Nigeria in the phase of Online Insurance Products.

Table 6 Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	-27.124 ^a	.787	.754
a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.			

Source: SPSS 25 Output

	B	S.E.	Wald	df	Sig.	Exp(B)
Integration processes	-5.241	3.212	2.211	4	.007	55.111
Emergence of new risks	-4.211	3.221	3.321	4	.001	12.214
Poor internet infrastructure	-5.3211	2.011	6.341	4	.000	1.214
Constant	5.141	22.117	5.141	4	.001	2.321
a. Variable(s) entered on step 1						

Source: SPSS 25 Output

Table 6 shows that there is about 79% correlation between integration processes, Poor internet infrastructure and the Insurance Companies. This implies that poor or efficient management of integration processes, poor internet infrastructure will have about 79% chances of affecting the Insurance Companies negatively. This is also confirmed by the Nagelkerke R Square value of 75%.. Table 7 revealed that integration processes; emergence of new risks; and poor internet infrastructure has negative significant effect on the performance of insurance company growth. Consequently, the Beta value of -5.241 (as shown in Table 7) simply mean that integration processes account for a unit effect of -5.241, emergence of new risks has a unit effect of -4.211, poor internet infrastructure account for a negative effect of -5.3211. the p-value (.007, .001, .000, and .001) is less than the significant level of 0.05. The result in the Table 7 shows that the p-value is less than the level of significance of 0.05. Therefore, integration processes; emergence of new risks; and poor internet infrastructure will have negative significant effect on the performance of insurance companies’ growth and development in Nigeria in the phase of online Insurance Products.

5. CONCLUSION

To conclude this study, we should simply agree that Online Insurance Products and development of insurance industry are interwoven, and the ability of the insurance industry in Nigeria to use it as a stepping stone to move forward globally will not only promote their growth and development, but also contribute to the growth and development of the Nigerian economy. However, there are numerous challenges that insurance companies faced especially in the phase of online Insurance Products, these challenges are: integration processes, which encompass globalisation, consolidation and convergence, ever more frequent and intensified catastrophic events and the emergence of new risks, mainly caused by the emerging technologies.

6. RECOMMENDATIONS

Arisen from this study, this study recommended that:

1. Management of insurance business and the Nigeria government in particular should understand the humongous benefits that can accrual from Online Insurance Products.
2. In the same light, Nigeria government should develop policies that can enhance the business operation of microinsurance industry to meet up with the challenges facing insurance industry in the phase of Online Insurance Products.

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