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Micro Insurance Acceptability and its Effect on The Nigerian Economy

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ABSTRACT

The continuous nosediving of Micro insurance industry in Nigeria due to poor and ineffective awareness strategies calls for urgent attention of researchers. This study hereby examines the acceptability and critically analyze the impact of micro insurance on Nigerian economy. A quantitative research method was used in carrying out this study. Both primary and secondary data were used. Secondary data was sourced from the official website of NAICOM and NBS. The researcher used simple random sampling technique to select employees in various sectors in Nigeria insurance companies. Out of 130 questionnaires, 115 were retrieved. The study revealed through the respondents that the issue of sustainable development in micro insurance has being a serious challenge to the developing countries of the world including Nigeria. It is being discovered also that, the Nigerian government are not giving adequate back up to the development of micro insurance and its benefit are being looked down upon. This study concluded that, micro insurance is presently at the growth stage, which needs the widely acceptance of micro insurance product by not less than at least 50% of the Nigerian population of the low-income earners. This study recommends that the level of education and knowledge of the population, as observed from the research, aggressive education and enlightenment campaigned should be initiated and maintained by the insurance industry to address the trend of information about micro insurance in the insurance industry. Also, the insurance industries should focus more on in using a proper distribution models in making sure that the existence of micro insurance should not be only know at grass root level but they embrace it.

Keywords*:* Micro Insurance, Nigerian Economy, Product Acceptability, Government Policies, Insurance Industry.

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1. INTRODUCTION

One of the greatest innovations in the insurance industry is the existence of the micro insurance into the Nigerian insurance market. Micro insurance gives those at the grass roots or people with a very low disposable income the opportunity and chance to benefits from the advantages and existence of insurance.

As observed in most developing countries including Nigeria, the operation of insurance and insurance products have been quite discriminatory in favor of the rich and business entities in urban centres. The poor and low-income earners in the rural areas are being neglected in marketing and consumption of conventional insurance services. Hence, the public perception and acceptance of insurance services remain very low (Ubom, Williams & Ubom 2017).

In an effort towards effective financial inclusion of insurance in Nigeria, the National Insurance Commission (NAICOM) in the year 2013 introduced micro-insurance scheme into the Nigeria insurance system. The micro insurance Scheme which was launched in December 2013 is designed to bring insurance services to the poor, low income earners, rural agriculturists, artisans and micro-entrepreneurs. Such experiences in countries like, Singapore, Peru, Philippines, Brazil and South Africa where Micro insurance scheme has been Social economic determinants to promote micro investment projects and grass root economic development and growth attest to the high potency of this novel insurance scheme in Nigeria in this regard (Uduak, Akpan & Anthonia 2017). Although micro insurance scheme is quite new in Nigeria, and the need to investigate its relevance in promoting micro investments and sustainable development in the country becomes pertinent in order to evolve effective and efficient strategies of operations of the scheme to realize its potentials in promoting micro investments and sustainable development in the economy

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Fig 1: A typical Micro-trading Business that Needs microinsurance
Source: https://www.cgap.org/blog/diagnostic-action-developing-microinsurance-nigeria

As a result of the way Micro-financing is gaining currency world over in recent times. This is because of the poverty reduction prospect it offers and the reported successes in countries like Bangladesh, Philippines and India. In these places, micro-finance institutions, especially micro-finance banks have grown both in numbers and size. They are known to have increase Social economic determinants in scope and outreach, providing funds and other financial services to hitherto un-served poor people in rural and semi-urban areas of these countries. The expansion in scope by these micro-finance institutions in providing services other than the traditional bank services of savings and credit, have made them more attractive to the productive poor they serve and more useful to the businesses of their clients.

In addition to the traditional banking services micro-finance banks, in some of the more micro-finance successful countries, now offer micro-leasing services, e-banking, telephone banking, payment transfer services, micro-insurance, etc. These additional product offerings have made them more or less one-stop shops for a gamut of banking services. The businesses they serve need no longer go to many financial institutions to access the financial products they require (Ikechukwu, A & Mfon, S. U. 2016).

According to the study carried out by the (Shuaibu, 2016) it is shown that, Micro insurance in Nigeria is at a very early but growing phase. The EFInA Access to Financial Services (A2F) in Nigeria 2016 survey highlighted that, out of 96.4 million adults, only 0.3 million use Micro-insurance products. A further review of the survey findings suggested that while uptake is currently low, 32.1 million adults will be interested in using Micro-insurance. This presents a significant opportunity for Micro-insurance operators to develop products that meet the needs of adult Nigerians. The Insurance industry regulator, the National Insurance Commission (NAICOM) has Social economic determinants the guidelines for Micro-insurance operation in Nigeria.

These determinants establishes a uniform set of rules, regulations and standards for the conduct of Micro-insurance business in Nigeria which took effect from January 1st 2018. This shows the signs that the Nigerian Micro insurance sector is awakening and considering low-income insurance distribution. The guidelines real Social economic determinants defined Micro-insurance as insurance developed for low income populations, with low valued policies provided by license Social economic determinants institutions, run in accordance with generally accepted insurance principles and funded by premiums. It explained that Micro insurance products are insurance products that are designed to be appropriate for the low-income market in relation to cost, terms, coverage, and delivery mechanism. It also clarifies the scope of Micro-insurance for the operator's, stating that the sum insured under a Micro-insurance policy(ies) shall not be more than N2,000,000 per person per insurer.

The Nigerian economy being known as the independent variable for this research study is known as the Saharan Africa's largest economy which relies heavily on oil as its main source of foreign exchange earnings and government revenues. Following the 2008-09 global financial crises, the banking sector was effectively recapitalized and regulation enhanced. Since then, Nigeria's economic growth has been driven by growth in agriculture, telecommunications, and services. Economic diversification and strong growth have not translated into a significant decline in poverty levels; over 62% of Nigeria's over 180 million people still live in extreme poverty.

Economic growth is the procedure by which the prolific component of an economy increases over a specified period, which also leads to a rise in the levels of the national income. When there is economic growth, it shows in the form of an income level, an expansion of the labor force, an increase in the total capital stock of the country and increase capacity of trade and consumption (Frank, Ime, & Ikechukwu 2017). The economy of Nigeria is a middle-income, mixed economy and emerging market, with expanding manufacturing, financial, service, communications, technology and entertainment sectors. It is ranked as the 27th-largest economy in the world in terms of nominal GDP, and the 24nd-largest in terms of purchasing power parity. Nigeria has the largest economy in Africa; its re-emergent manufacturing sector became the largest on the continent in 2013, and it produces a large proportion of goods and services for the West African subcontinent. In addition, the debt-to-GDP ratio is 16.075 percent as of 2019. (Willys, 2020).

1.1 Statement of the Problems

The development of Insurance has been over the years one of the problem Nigerian insurance industries has been facing due to the previous past experience people have faced by Social economic determinants on the claim issues between the insurance and the Nigerian citizens. Still the insurance industry has been able to solve such issue to some extent, but apart from the perception aspect of the problem. Several studies have been carried out on micro insurance but most of them have mostly focus on its introduction, challenges and how its existence so far. Hence this study is being carried to out to take an empirical overview of what the concept of micro insurance is all about, its challenges so far and also the methods to be adopted in making sure that micro insurance itself gain widel acceptance by the masses mainly designed for. The initial factors relating to the economy that is affecting micro insurance in its sense to help contribute to the growth and development of the Nigerian economy and also helps in increasing the gross domestic product of the economy of Nigeria, and their importance and what impact is micro insurance having on the Nigerian economy and to what extent its effect will contribute to the growth of the country's economy in some years to come.

1.2 Objectives of the Study

The objectives of this paper are to:

i. Examine the effect of awareness strategies by micro insurance companies on the level of patronage by the Nigerian citizens.
ii. Examine the impact of micro insurance on the development of Nigerian economy

2. LITERATURE REVIEW

2.1 The Economic Growth concepts

Economic growth is the procedure by which the prolific component of an economy increases over a specified period, which also leads to a rise in the levels of the national income. When there is economic growth, it shows in the form of an economic level, an expansion of the labour force, an increase in the total capital stock of the country and increase capacity of trade and consumption. The Gross Domestic Product (GDP) of a country which reflects the economic model of the country's output. A country's financial health can be measured by looking at that country's economic growth (Iyodo, Samuel & Inyada 2018).

The Nigerian insurance sector does not exist in isolation. It functions under the micro and macroeconomic, socio and demographic confines of the Nigerian economy. Therefore, the sector's operation should affect the country's general economic system and vice versa. According to the (Chuke & Kenneth, 2018), Nigeria is the most populous nation in Africa, and the eighth-most populous country in the world. It is estimated to be growing at 3.2% per year with a population of about 149.3 million as at 2009 Social economic determinants on the 2006 population census. Of this population, according to Enhancing Financial Innovation and Access (World bank development indicator data base 2010), 69.5% of the people, with a population distribution of 51.2% male and 48.8% female, most of the people in the population being below the age of 34, live in the rural area and 59.9% of the total population earn a relatively low income of 20,000 or less per month (about $130). The implication of this is that they will inadvertently have low purchasing power. Only 13.3% of Nigerians as at 2010 were said to be on full time employment According to the United Nation (UN), more than 70% of the Nigerian population survives on less than a dollar a day (Gloria, 2016). Yet in this country, in 2009, its nominal GDP was $173 billion (Chuke & Kenneth, 2018).

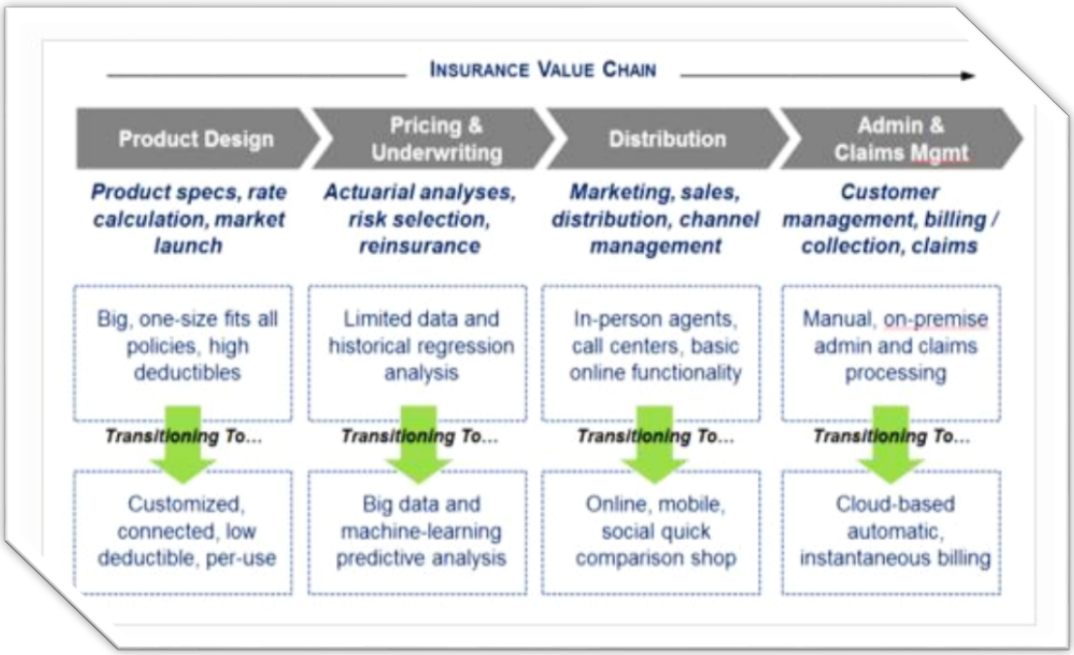

Fig 2: The Insurance Value Chain
Source: https://smuva.com/insacar/knowledge/insurance-value-chain/

This positioned the country as the 44thlargest economy in the world, only second to South Africa by comparison in sub-Saharan Africa. It also indicates that, by projection, the country will have an annual average growth of 7.4% between 2009 and 2013. Yet, poverty in the country is endemic. The Enhancing Financial Innovation & Access (EFInA) A2F shows that one out of five Nigerian adults cannot read or write, and 7 out of 10 adults in Nigeria do not have a bank account, only 11% and 1% of adults bank and insure, respectively. Majority of Nigerian population reside in the rural areas and the poverty level in the economy is about 80% (Gloria, 2016).

This compelled the Federal Government of Nigeria to initiate series of publicly micro-financed programs targeted at the rural and urban poor. Such programs involved Rural Banking Program, the Nigerian Agricultural and Cooperative Bank, Peoples Bank of Nigeria, Community Banks, Nigerian Agricultural Insurance Corporation, the Family Economic Advancement Program, National Poverty Eradication Program.

2.1 Overview of Insurance and Types

In the environment we live in, all activities are subject to risk of loss from unforeseen events. To alleviate this burden to individuals, what we now call insurance has existed since at least 215 BC with a common goal of pooling related risks and offering a cushion to the unforeseen circumstances. This concept has been practiced in various forms for over 1400 years (Berinato, 2021). Currently traditional insurance products are expensive and not readily available to the poor. This has led to the development of micro insurance. Micro insurance can be defined as the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involve. (Flannery, 2016).

Low income households are also expo-Social economic determinants to various risks in their day to day activities. One way of protecting themselves from those risks is by taking insurance covers. Micro insurance can play a major role in helping them to maintain financial confidence even in the face of significant vulnerability. It seeks to reach out to customers that are not yet served by the existing traditional insurance. Despite focusing on low income sector, micro insurance should be managed in accordance with the general accepted insurance principles and practices as it still falls under the broader insurance market (Fraser, Madura, & Weigand, 2019).

According to Gudbrand (2021), Micro insurance is the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved. It typically refers to insurance services offered primarily to clients with low income and limited access to mainstream insurance services and other means of effectively coping with risk. Micro insurance in Nigeria is at a very early but growing phase. The Enhancing Financial Innovation & Accessible (EFInA) Access to Financial Services (A2F) in Nigeria 2016 survey highlighted that out -of 96.4 million adults, only 0.3 million use Micro insurance products. A further review of the survey findings suggested that while uptake is currently low, 32.1 million adults will be interested in using Micro insurance.

This presents a significant opportunity for Micro insurance operators to develop products that meet the needs of adult Nigerians. The Insurance industry regulator, the National Insurance Commission (NAICOM) has real Social economic determinants the guidelines for Micro insurance operation in Nigeria, which establishes a uniform set of rules, regulations and standards for the conduct of Micro insurance business in Nigeria with effect from January 1st 2018.These are signs that the Nigerian Micro insurance sector is awakening and considering low-income insurance distribution. The guidelines defined Micro insurance as insurance developed for low income populations, with low valued policies provided by license Social economic determinants institutions, run in accordance with generally accepted insurance principles and funded by premiums.

It explained that Micro insurance products are insurance products that are designed to be appropriate for the low-income market in relation to cost, terms, coverage, and delivery mechanism. It also clarifies the scope of Micro insurance for the operators, stating that the sum insured under a Micro insurance policy(ies) shall not be more than N2,000,000 per person per insurer (Gupta, 2021).

2.2 Micro-insurance

The contribution of insurance to an economy's growth and efficiency is not the only entry point into its role in development. The contribution of insurance to poverty alleviation and the welfare of the poor is also potentially of considerable importance, although the quantitative evidence on this point is not on very firm grounding. Nonetheless, case studies and other qualitative evidence make a persuasive case that the potential social value of so-called micro-insurance provision to poor households and small-scale entrepreneurs warrants a great deal more experimentation with business models and products to develop scale able approaches that combine commercial and philanthropic elements (Hakkarainen, Kasanen, & Puttonen, 2019). As noted above, patterns of insurance coverage suggest a positive correlation with income –at least up to a point where the value of insurance begins to diminish relative to the value of overall household assets.

But this does not tell us anything about the potential social value of insurance provision at lower levels of income –only that poor consumers either do not or cannot purchase insurance at currently prevailing prices and availability. Moreover, insurance market development faces many special informational challenges that have been extensively documented in economic research even in wealthier countries. Put simply, insurance is likely to be relatively more expensive –even prohibitively so –for low income households and small-scale entrepreneurs because of the high informational problems and transactions costs relative to the size of the risk to be insured. As a result, most types of insurance are simply not available to the vast majority of the world's poorer citizens. In the absence of risk pooling mechanisms, plunges in incomes due to death, disability, and adverse agricultural outcomes often translate into substantial decreases in consumption and investment that can permanently set back a poor family's livelihoods and prospects (Henri, & Peter, 2019).

When drought or floods lead to low agricultural yields, critical health interventions may be delayed, education of younger members of a household put on hold indefinitely, and land, livestock or equipment permanently forfeited. Due to the catastrophic consequence of such losses, there is extensive evidence that in the absence of formal insurance poor households and communities attempt to „self-insure" through a combination of building assets and diversifying sources of income. The result most likely is investment in a set of lower risk but also lower return activities –and even this degree of self-insurance is highly incomplete. There are also a variety of mechanisms that have emerged at the community level, such community pooling of informal insurance contributions to cover burial costs. Community-based insurance mechanisms surmount the problems of transactions costs and lack of legally enforceable contracts through personal relationships and piggybacking on traditional small-scale financial collection mechanisms, similar to the early stages of micro-credit. However, they offer only feeble protection in the face of community-wide, covariate shocks, since they do not typically pool risk across broader populations and are limited in the types of products they can provide.

For micro entrepreneurs and farmers, the net result can be a significant drag on overall economic performance as they choose to invest in activities that might offer the best risk-return profile from an individual point of view but are suboptimal from an economy-wide point of view where a higher returning but riskier set of investments might lead to better aggregate outcome (Hussein, Hassan, & Faris, 2021). According to John and Weitz (2017), high transactions costs are the main impediment standing in the way of a systematic shift from informal to formal mechanisms for managing and pooling risk for poorer households and small entrepreneurs. As such, the emerging field of micro-insurance faces many of the same challenges faced by micro-credit two decades ago in developing creative mechanisms for reducing or subsidizing transactions costs.

Indeed, micro-credit institutions are among the first to venture into micro-insurance products, and their most popular initial insurance product offering was „credit-life" insurance to pay off any debts associated with outstanding micro-credit loans in the event of death. As this field expands, it might follow a trajectory similar to that of micro-finance, perhaps starting with Non-Governmental Organization (NGO) providers funded on a philanthropic basis, but rapidly expanding to include commercial partners as financial intermediaries as scale able business models emerge. In parallel, in some countries the public sector is taking a greater interest in the provision of social insurance to poorer populations –through subsidized public insurance schemes for health, natural disasters, or weather-related crop insurance. Government mandates for compulsory insurance also expand the covered population although the difficulty of achieving risk-based pricing can lead to market distortion (Kegode, 2021).

2.3 Micro-Insurance Development, Practice and Effects

As already noted, few poor households have access to formal insurance against risks such as the death of a breadwinner, severe or chronic illness or loss of assets such as livestock and housing. These shocks are particularly damaging for poor households that are more vulnerable and less able to absorb the financial consequences of such events. When farmers are insured against a bad harvest (usually resulting from drought), they are in a better position to grow crops which gives high yields in good years and bad yields in years of drought. Without the insurance however, they will be inclined to do the opposite; since they have to safeguard a minimal level of income for themselves and their families. Crops would be grown which are more drought-resistant, but which have a much lower yield in good weather conditions (Klimzack, 2021). Micro-insurance is practically a new field and still in its experimental stage although its life products are becoming increasingly available.

As MFIs expand credit to a broader array of financial products, there is increasing interest to offer their clients access to micro-insurance products in partnership with insurance companies. While commercial insurers provide the majority of the world's products, mutual, cooperative and other community-based or community-led insurance organizations are emerging as providers of micro-insurance. Its greatest challenge however, is that of providing real value for poor house-holds; thus, finding the right balance between adequate protection and affordability (Mu, 2020). This inevitably brings us to the issue of sourcing an appropriate insurance scheme. A micro-insurance scheme is a scheme that uses, among others an insurance mechanism whose beneficiaries are (at least in part) people excluded from formal social protection schemes, particularly in informal economies, where it includes workers and their families.

The scheme differs from others created to provide legal and social protection to formal economy workers. Membership is not compulsory and members pay in part or whole the necessary contributions to cover benefits (Nassiuma, 2004). A micro-insurance scheme could also be used to refer to the institution that provides insurance (e.g., a health mutual benefit association) or the set of institutions (in the case of linkages) that provide insurance or the insurance service itself provided by an institution that also handles other activities (e.g., a micro-finance institution). Micro-insurance has made a significant difference in countries like Mali and Bangladesh, although institutional and financial challenges are still being experienced in its practice. Perhaps a more exemplary case would be that of Ghana where credit health insurance is being launched for the benefit of micro-finance clients.

According to Micro Finance Africa, the Ghanaian Branch of Micro Ensure, a UK based subsidiary of Non-profit Opportunity International that serves as a micro-insurance intermediary, has announced plans to offer credit health insurance to micro-finance clients in Ghana. The product will enable Micro Ensure to cover weekly micro-credit payments in the event that the borrower is admitted to the hospital during the loan term. To effect this, clients would need to present proof of admission and discharge from a recognized inpatient hospital in order to file a claim. The cost of the coverage would start at 0.25USD per month and will cover loan payments for any health condition for any amount of time (Okumu, 2020).

According to Shapira (2016), director of Micro Ensure operations in Ghana, Micro Ensure expects to pay hundreds of claims that range between 30USD and 60USD per month. It is hoped that soon coverage would be extended to client's families. Presently, two Micro-Finance Institutions (MFIs) partnering with Micro Ensure Ghana have signed up for the new product, and more organizations have also expressed interest. Micro Ensure serves approximately 3.5 million poor clients in Ghana, India, Bangladesh, Mozambique, Malawi, the Philippines, Tanzania and Kenya (microcapital.org). A recent 100-country study demonstrates a market demand for micro-insurance exceeding one billion people. In emerging markets, there appears to be the same inherent desire to protect one's possessions and safeguard one's family against devastating financial losses such as death of a breadwinner or crop failure.

3. METHODOLOGY

This study adopted the descriptive survey research design method with the use of questionnaire to gathered and investigate the relevant information on the behavioural phenomenon among the groups of people in the insurance industry and the economy of Nigeria about the impact at which the introduction of micro insurance has been having on the development of the Nigerian economy, with particular emphasis on micro insurance and the Nigerian economy. The targeted population for the study are, the personnel in Nigeria insurance companies selected in Lagos metropolis and they are divided into three parts which are, Low level management, Middle Level, and top-level employees of the selected insurance companies in Lagos with a total of 130 questionnaires administered and only 115 were able to be retrieved.

3.1 Method of Data Analysis

The study employed the use of both descriptive and inferential tools in analysing the data that was gathered. The descriptive tools that were used in the analysing include mean and standard deviation. Regression Method was used to test the hypotheses at 0.05 or 5% level of significance. The regression analysis model specification.

Y= + + ε .....(1)

Where:
Y = Dependable Variable

= Autonomous

= Independent Variable
ε = Error term

3.2 Data Analysis and Presentation

The response given in the questionnaire is used as research instruments and was analysed with the use of tables and percentages.

Table 1: Statistics of Questionnaire Responses

Classification	No. of respondents	Percentage
Questionnaires Return	115	88%
Questionnaires Un-return	15	12%
Total	130	100%

Source: Questionnaire Administration 2022.

The table above shows that, the total number of questionnaire distributed is 130, and out of it, 115 questionnaires were completed and returned, and 15 questionnaires were unable to be retrieved.

Test of Hypotheses

H_o: Awareness strategies by micro insurance companies do not have significant effect on the level of patronage by the Nigerian citizens.

Table 2: Model Summary for hypothesis One

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.37[a]	.27	.446	.86969

a. Predictors: (Constant), MIN (Awareness Strategies by Micro Insurance)
b. Dependent Variable: PNC (patronage by the Nigerian citizens)

The model summary reveals the relationship between Awareness Strategies by Micro insurance and patronage by the Nigerian citizens is about 37%. R, as the correlation coefficient, describes the degree in which the independent variable can illustrate the dependent variable. The R^2 (i.e. coefficient of determination) as seen in the model summary, is approximately 27%.

This implies that the micro insurance industry only promote micro insurance products up to 27%, meaning that the awareness strategies is less effective.

Table 3: Coefficients for Hypothesis One

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.577	2.018		.250	.071
	AWARE	.537	.119	.526	.507	.064

a. Dependent Variable: patronage by the Nigerian citizens

Table 3 shows that the beta value (B) of awareness strategies is only 0.537, the t-value of 0.507 and a P-value of 0.064 > 0.05. This implies that awareness strategies can only contribute about 0.53 unit change to the level of patronage of micro insurance products. Since the p-value of 0.064 is higher than the p-value of 0.05, we hereby conclude that awareness strategies by micro insurance companies do not have significant effect on the level of patronage by the Nigerian citizens.

Hypothesis Two Testing

H_o: Micro insurance does not have significant effect on the development of Nigerian economy.

Table 4: Model Summary for Hypothesis Two

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.190[a]	.181	.171	13.58065

c. Predictors: (Constant), (Micro Insurance)
d. Dependent Variable: GNE (Growth of Nigerian Economy)

The model summary reveals the relationship between Micro Insurance and Growth of Nigeria Economy is about 19% R, as the correlation coefficient, describes the degree in which the independent variable can illustrate the dependent variable. The R^2 (i.e. coefficient of determination) as seen in the model summary, is approximately 18.1%. This implies that about 18.1% of the total variation in the dependent variable i.e Growth of Nigerian Economy(GNE) being explained by the independent variables i.e Micro Insurance.

Table 5: Coefficients for Hypothesis Two

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.197	.667		2.876	.060
	Micro Ins	.033	.136	.030	.243	.057

a. Dependent Variable: Growth of Nigerian Economy(GNE)

This study revealed that Micro Insurance has positive but insignificant effect on the Growth of Nigerian Economy (GNE). Since p value (0.057 > 0.05) is less than 0.05 level of significant, we hereby fail to reject the null hypothesis and conclude that Micro Insurance has positive but insignificant impact on the growth of Nigeria economy.

4. DISCUSSION OF FINDINGS

Having look at the various responses given to the research questions and data gathered through the questionnaire distribution to find out the respondent's views and perception and experience through micro insurance and its acceptance in relating to its impact on the Nigerian economy so far, it is being discovered that, the issue of sustainable development has presented a serious challenge to less developed and developing countries of the world, including Nigeria. As noted earlier this issue has captured global attention as it is being discussed in many international conferences and submits. It is being discovered also that, the Nigerian government are not giving adequate back up to the development of micro insurance and its benefits are being look down upon which calls for adequate and reliable one for. The findings discovered so far for this research work will help serve as a guide in coming up with a reliable conclusion at the end of this study in the last chapter and various recommendations will be able to come up with too.

5. CONCLUSION

The level of awareness of micro insurance products is not encouraging. This study concluded that, micro insurance is presently at the growth stage, which needs the widely acceptance of micro insurance product by not less than at least 50% of the Nigerian population of the low-income earners.

6. RECOMMENDATIONS

This study recommends that:

1. Aggressive education and enlightenment campaigned should be initiated and maintained by the insurance industry to address the trend of information about micro insurance in the insurance industry. Also, the insurance industries should focus more on in using a proper distribution models in making sure that the existence of micro insurance should not be only know at grass root level but they embrace it.
2. Micro insurance products should be supported with the law, poor enforcement of laws relating the compulsory insurance policies should be addressed. There should be a change in the present significant untapped opportunities available in these areas of insurance business. This would enhance product visibility, expansion of coverage and improve premium generation for the industry.
3. Micro insurance providers should begin with such schemes which focus on the major occupation of the rural inhabitants, which is farming.
4. The government should work in collaboration with the regulatory body (NAICOM) to develop and enforce a comprehensive and workable insurance policy framework to regulate and prevent the entry of unscrupulous players into the industry.

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