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ENHANCING DISASTER RESILIENCE IN MSME BUSINESSES: A SUSTAINABLE INSURANCE FRAMEWORK FOR MITIGATING RISKS IN NIGERIA

From the desk of the President

Dear Professional Colleague,

On behalf of the Governing Council of our Great Institute, I wish to convey our best wishes to you. The Council is happy and proud that we are sustaining the legacy of the Institute, despite all odds and challenges. Without any shadow of a doubt, the success we have recorded in the last few years, most especially under my presidency would not have been possible without your continual support. Indeed, the Institute is glad to have you as a stakeholder.

My tenure as the 51st President of the Institute commenced on Friday, July 15, 2022. Quite frankly, presiding over the affairs of our foremost insurance Institute for the past 2 years has been a great task. Nonetheless, we achieved to a large extent the set objectives for this Presidency, regardless of the economic challenges facing the nation.

It is important to note that the theme of my Presidency is "BUILDING A SUSTAINABLE LEGACY." A theme that is borne out of the need to maintain a continuity plan to build on and sustain the legacies of Past Presidents of the Institute. This will guarantee that even in the face of current global uncertainties, the Institute continues to meet the needs and aspirations of its members. The Institute must sustain a stronger strength of professionalism and ethical standards in the Insurance Industry. The sustainable legacy cuts across revamping the digital operations of the Institute.

Against this backdrop, we unlocked the potential of this approach by focusing on a three-point agenda:

1. Digital Reinforcement of Institute's Operations.

2. Insurance Awareness for all - grassroots, Youths, and Insuring Public.

3. Infrastructural Development.

Insurance plays a pivotal role in the sustainability and resilience of small and medium-scale businesses (SMBs) in Nigeria, particularly in the face of disasters and unforeseen events. The landscape of businesses in Nigeria, dominated by SMBs, forms the backbone of the economy, contributing significantly to the Gross Domestic Product (GDP) and employment. However, these entities are often the most vulnerable to disruptive events - ranging from natural disasters to economic fluctuations - primarily due to limited access to resources and planning capabilities.

The concept of "Insurance Sustainability" emerges as a critical tool in this context, offering a pathway for SMBs to manage and mitigate the risks associated with various disasters. It encompasses the adaptation of insurance products and services tailored to the specific needs and challenges faced by SMBs in Nigeria, ensuring that these businesses not only recover from immediate losses but also fortify their resilience against future challenges.

This approach to insurance goes beyond traditional risk transfer mechanisms. It involves a comprehensive strategy that integrates risk assessment, prevention, and recovery within the operational framework of SMBs. Insurance companies, in partnership with government agencies and the private sector, are innovating to develop accessible, affordable, and relevant insurance solutions. These include property and casualty insurance, business interruption insurance, and specialized products covering risks from climate change and cyber threats.

The adoption of sustainable insurance practices by SMBs in Nigeria has the potential to transform the landscape of business continuity and disaster recovery. By leveraging insurance as a tool for risk management, SMBs can enhance their ability to withstand and bounce back from adversities, thus safeguarding their contributions to the economy and society at large. In essence, insurance sustainability is not just about financial indemnity but about building a resilient and sustainable ecosystem for

small and medium-scale businesses in Nigeria.
As stakeholders of the Institute, the onus is on us to embrace professionalism and uphold the Institute's code of ethics and values in the course of all our business endeavors. The Institute is our pride and it serves as a guiding light for the insurance industry.

My deepest appreciation once again goes to you for your unwavering support during my tenure as your president, even as I urge you to continue supporting the Institute as partners in progress to the growth of the insurance industry. We should equally sustain the tempo of excellence that the Institute has been noted for and turn all perceived challenges into stepping stones for greatness.

Have a pleasant reading.

Yours in Service,
Mr. Edwin Igbiti, ACII, FIIN
President/Chairman of Council
Chartered Insurance Institute of Nigeria.

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FORWARD »

Insurance is a financial arrangement that provides protection against potential future losses or damages. It involves the transfer of risks from an individual or entity to an insurance company in exchange for regular payments, known as premiums.

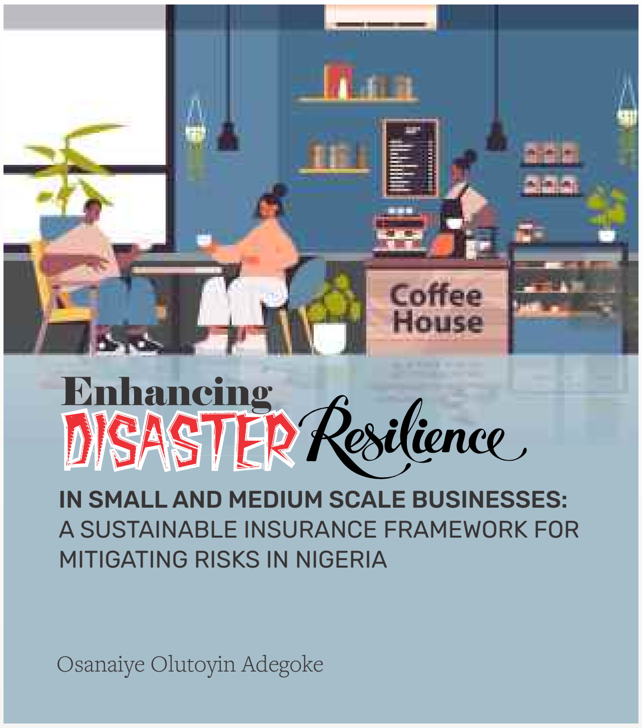
This Journal explores the critical role of insurance in managing disaster risks for Micro, Small, and Medium Enterprises (MSMEs). MSMEs, often characterized by limited resources and vulnerabilities to disruptions, face significant challenges in recovering from disasters.

In order to give the needed nudge to the place of insurance in managing risks encountered by MSMEs, the Editorial Board has in this edition featured seven articles to address the essence of insurance as a vital tool in mitigating financial losses, ensuring business continuity, and fostering resilience among these enterprises. By analysing case studies and empirical data, the papers highlight how tailored insurance products can address the specific needs of MSMEs, enhance their preparedness, and provide a safety net against unforeseen events.

The findings suggest that effective integration of insurance within the risk management strategies of MSMEs not only safeguards their sustainability but also contributes to broader economic stability. The journal concludes with recommendations for policymakers and insurers to design inclusive insurance solutions that cater to the diverse landscape of MSMEs, emphasizing the importance of accessibility, affordability, and awareness in optimising the protective benefits of insurance.

I enjoin you to explore the pages that follow, fully confident that the knowledge contained therein will inform and ultimately enrich your understanding of insurance as a tool for managing risks and disasters, particularly in business enterprises.

Abimbola Tiamiyu, M.A.S, M.Sc, FIIN
Registrar/CEO

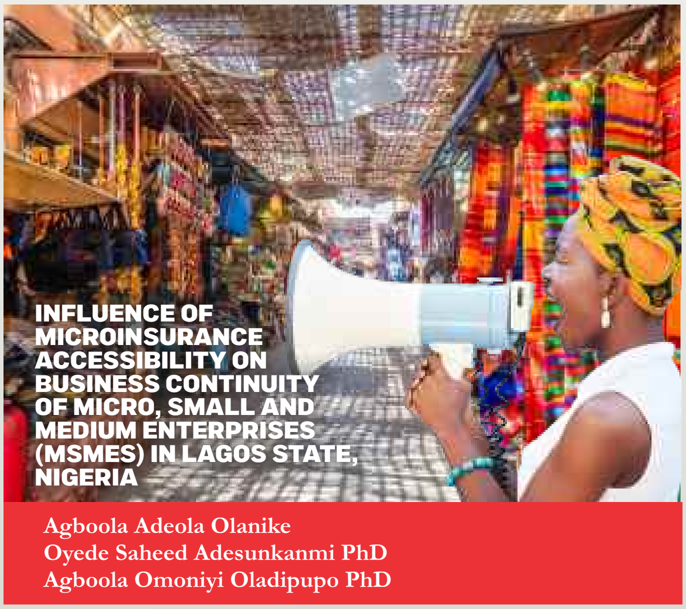

Coffee
House
Enhancing
DISASTER Resilience
IN SMALL AND MEDIUM SCALE BUSINESSES:
A SUSTAINABLE INSURANCE FRAMEWORK FOR
MITIGATING RISKS IN NIGERIA
Osanaiye Olutoyin Adegoke

06

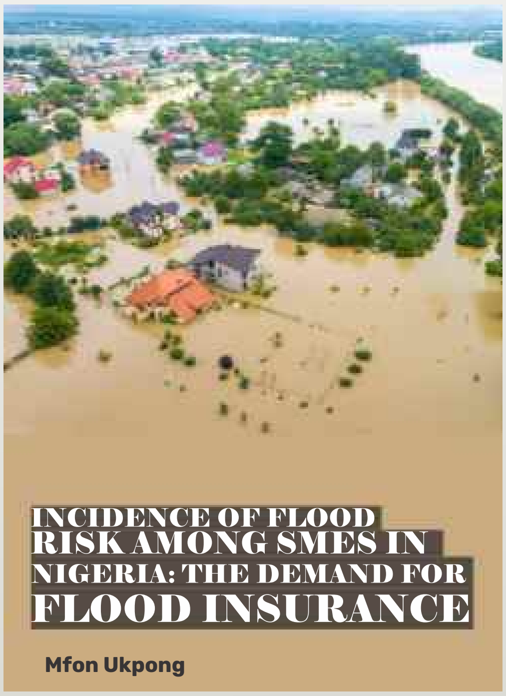

Insurance
Sustainability:
Managing Disaster
amongst Small and
Medium Scale
Businesses in Nigeria.
Ede Monday Ibrahim

11

12


INFLUENCE OF
MICROINSURANCE
ACCESSIBILITY ON
BUSINESS CONTINUITY
OF MICRO, SMALL AND
MEDIUM ENTERPRISES
(MSMES) IN LAGOS STATE,
NIGERIA
Agboola Adeola Olanike
Oyede Saheed Adesunkanmi PhD
Agboola Omoniyi Oladipupo PhD

21


INCIDENCE OF FLOOD
RISK AMONG SMES IN
NIGERIA: THE DEMAND FOR
FLOOD INSURANCE
Mfon Ukpong

Personality
COLUMN WITH

MR. LAWRENCE NAZARE
Managing Director/CEO,
Continental Reinsurance Plc.

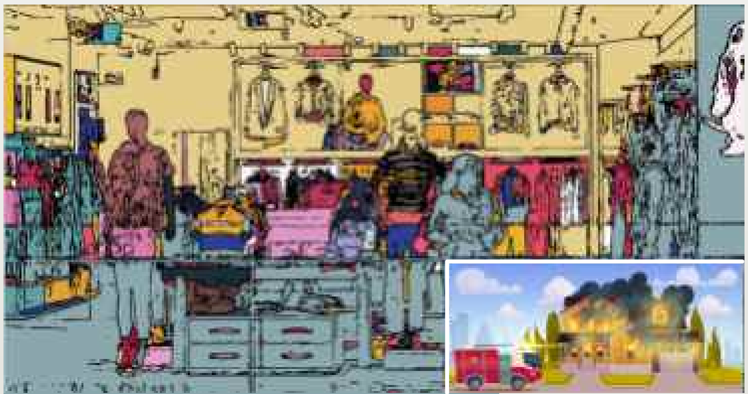
28

36

42

Halimah Sani Sambo (Ph.D)
Abdulrahim Yusuf Otori
Dr. Dalhat. A. Idris

50



Unlocking Growth: Why Insurance is the Secret Weapon of Nigerian SMEs

Adeolu Adewumi-Zer
Chief Babajide Olatunde-Agbeja
Bode Pedro
Ibraheem Babalola

Enhancing DISASTER Resilience

IN SMALL AND MEDIUM SCALE BUSINESSES: A SUSTAINABLE INSURANCE FRAMEWORK FOR MITIGATING RISKS IN NIGERIA

Osanaiye Olutoyin Adegoke

Abstract:

This research investigates the current state of disaster preparedness and risk management among small and medium scale businesses (SMEs) in Nigeria, with a specific focus on the role of insurance in promoting sustainability. The study assesses the challenges faced by SMEs in managing disasters and explore innovative insurance solutions that can effectively address these challenges. By analyzing the existing insurance landscape and identifying gaps, the research proposes a sustainable insurance framework tailored to the needs of SMEs in Nigeria, aiming to enhance their resilience and contribute to the overall sustainability of the business sector in the face of disasters. The propositions of this research are expected to provide valuable insights for policymakers, insurance providers, and SMEs, fostering a more resilient and sustainable business environment in Nigeria.

Introduction

Disaster resilience refers to the ability of a system, community, or society to withstand, adapt to, and recover from the adverse impacts of disasters. According to the United Nations (UN, 2012), resilience is the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions. It involves a multidimensional and dynamic capacity that encompasses various aspects, including physical infrastructure, social systems, economic structures, and governance mechanisms. Resilience goes beyond mere resistance to disasters; it involves the ability to anticipate, prepare for, respond to, and recover from disruptive events while maintaining

essential functions and minimizing long-term negative consequences.

Small and Medium Scale Businesses (SMEs) play a crucial role in the economic landscape of Nigeria, contributing significantly to employment, poverty reduction, and overall economic growth. SMEs constitute a substantial portion of Nigeria's economy, serving as the bedrock for economic diversification and reducing dependency on a single sector. In Nigeria, SME is perceived as any business with between 11 and 100 employees or a total value of less than N50 million, including working capital but excluding land costs (Adigwe, 2012).

One of the primary significance lies in the employment opportunities provided by SMEs. In Nigeria, SMEs contribute 48 percent of national GDP, account for 96 percent of businesses and 84 percent of employment in Nigeria (Mile, Ijirshar & Ijirshar, 2022; Mokuolu & Oluwaleye, 2023). SMEs are recognized as hubs for innovation and entrepreneurship, and play a pivotal role in community development by creating localized economic activities.

In recent years, the Nigerian business landscape has faced myriad of challenges, with disasters posing a significant threat to the sustainability of SMEs. SMEs are particularly vulnerable to various types of disasters, which can significantly impact their operations and viability. Understanding these vulnerabilities is crucial for developing effective disaster resilience strategies. Some key vulnerabilities include limited financial resources, dependency on local markets, inadequate risk mitigation measures, limited access to capital and credit, lack of business continuity planning, limited technological infrastructure, supply chain disruptions, regulatory compliance, and lack of awareness and training.

This study addresses the need for an enhanced disaster resilience strategy, focusing on the role of a sustainable insurance framework in mitigating risks for SMEs in Nigeria. In the face of increasing uncertainties and vulnerabilities within the Nigerian business landscape, particularly for SMEs, the imperative to enhance disaster resilience has become more pronounced.

State of Disaster Preparedness among SMEs in Nigeria

The state of disaster preparedness in Nigeria reflects a multifaceted approach aimed at addressing a range of potential hazards. Several key components contribute to the overall readiness and resilience of the nation in the face of disasters. SMEs play a crucial role in the nation's economy, but their varying capacities and resources influence their ability to effectively prepare for and respond to disasters.

i. Government Initiatives: The Nigerian government, recognizing the importance of SMEs, has initiated programs to enhance disaster preparedness. These may include awareness campaigns, training, and financial incentives to encourage SMEs to adopt resilience measures.

ii. Industry Associations and Networks: Some SMEs participate in industry associations and networks, like SMEDAN and NASME, that provide resources and guidance on disaster preparedness. These collaborative efforts enable the sharing of best practices and experiences among businesses.

iii. Training and Capacity Building: Various training programs and capacity-building initiatives aim to empower SMEs with the knowledge and skills needed to develop effective disaster response plans. These efforts focus on promoting resilience at the organizational level.

iv. Digital Solutions and Technology Adoption: The adoption of digital solutions and technologies contributes to improved disaster preparedness.

Some SMEs leverage digital platforms for communication, data backup, and remote working, enhancing their ability to adapt to disruptions.

While some SMEs in Nigeria proactively invest in insurance coverage and financial planning to mitigate the impact of disasters, including business interruption insurance, property insurance, and contingency funds, many SMEs operate with limited financial resources, making it challenging to allocate funds specifically for disaster preparedness measures. Investments in insurance, risk mitigation, and recovery plans may be constrained. In addition, a significant number of SMEs may lack awareness of the importance of disaster preparedness or may not fully understand the potential risks they face. This can result in a lack of proactive measures to mitigate these risks.

Moreover, the cost and time associated with training programs on disaster preparedness can be a barrier for SMEs. Limited human resources may mean that key personnel are unable to attend training sessions. Again, many SMEs heavily rely on key personnel, and the absence or incapacitation of these individuals due to a disaster can significantly impact the business. Succession planning and cross-training may be lacking.

Some SMEs that embrace technology enhance their disaster resilience. This involves implementing digital solutions for data backup, adopting cloud computing, and leveraging e-commerce platforms to maintain business continuity. Some SMEs may face challenges in accessing information and adopting technology solutions that enhance disaster preparedness. Limited digital literacy and access to relevant information may hinder their ability to leverage technological advancements. SMEs with complex or interconnected supply chains may be vulnerable to disruptions caused by disasters affecting suppliers or distributors. Limited diversification in supply sources can amplify the impact of disruptions. Despite the importance of insurance in disaster risk management, some SMEs may face challenges in accessing affordable and comprehensive insurance coverage, leaving them exposed to financial losses.

Lastly, compliance with regulations related to disaster preparedness may be challenging for SMEs, especially as the complexity of regulatory requirements and a lack of clarity on compliance standards can be obstacles for businesses.

In this light, while some SMEs in Nigeria adopt commendable risk mitigation practices, significant challenges such as financial constraints, lack of awareness, and regulatory complexities persist. Therefore, efforts to enhance disaster preparedness among SMEs in Nigeria should focus on addressing these challenges through a combination of targeted policies, education, and support mechanisms. Collaborative initiatives involving government agencies, industry associations, and financial institutions can contribute to building a more resilient SME sector in the face of potential disasters.

Insurance as a Risk Mitigation Tool

Insurance plays a pivotal role in the risk mitigation strategies of SMEs in Nigeria. SMEs, often characterized by limited financial resources and operational scale, face various risks that could potentially disrupt their business continuity. Insurance serves as a financial safety net, offering protection against unforeseen events and helping SMEs manage risks effectively. SMEs in Nigeria can benefit from a range of insurance products tailored to their specific needs such as business interruption insurance, property insurance, liability insurance, cyber insurance and among others.

Insurance is a financial risk management tool in which the insured transfers a risk of potential financial loss to the insurance company that mitigates it for a monetary consideration known as the premium, usually agreed upon in advance. The modern history of Insurance began in 1921, when an English outfit, Royal Exchange Assurance Company opened its first branch in Lagos. Insurance banking is regulated by the Nigeria Deposit Insurance Corporation (NDIC) in Nigeria. The NDIC is a parastatal under the Nigerian Ministry of Finance. The corporation is charged with protecting the banking system from instability occasioned by runs and loss of depositors' confidence. It operates under the Nigeria Deposit Insurance Corporation Act (1990).

Insurance serves as a comprehensive risk mitigation tool for SMEs by providing financial protection against a diverse array of potential risks. The ability to customize insurance coverage would allow SMEs to tailor their risk management strategies to specific industry challenges and local contexts in Nigeria. In the event of a covered loss or disaster, insurance enables SMEs to maintain financial resilience. Instead of shouldering the entire financial burden of recovery, SMEs can rely on insurance payouts to fund repairs, replace damaged assets, and cover operational expenses. This financial support is instrumental in preserving business continuity and preventing long-term disruptions.

Despite the advantages, SMEs in Nigeria face challenges related to insurance adoption. Limited financial resources may make insurance premiums appear prohibitive for some SMEs, creating a barrier to comprehensive coverage. A lack of awareness about the types and benefits of insurance can result in low adoption rates among SMEs. Education campaigns are crucial to communicate the value of insurance as a risk mitigation tool. Navigating complex insurance regulations and ensuring compliance with industry standards can be challenging for SMEs, particularly those with limited administrative capacity.

Proposed Sustainable Insurance Framework

Small and Medium Enterprises (SMEs) form the backbone of Nigeria's economy, contributing significantly to employment and economic growth. However, these enterprises are vulnerable to various risks, ranging from natural disasters to economic downturns. Establishing a

sustainable insurance framework is essential to foster the growth and resilience of SMEs in Nigeria. Despite efforts by the government and other key stakeholders to ensure the survival SMEs in the country, small and medium enterprise still struggle to exist amidst economic instability and inconsistencies. This calls for a more sustainable insurance framework which are discussed below:

Risk Assessment and Advisory: in every enterprise, there is need to identify and analyze potential risks for the purpose of providing tailored advisory services. Insurance professionals and risk assessors need collaborate to conduct comprehensive risk assessments for SMEs; develop risk profiles for different business sectors, considering region-specific vulnerabilities; provide SMEs with customized risk advisory services, emphasizing preventive measures and risk mitigation strategies.

Affordable and Comprehensive Insurance Products: to offer SMEs access to affordable and comprehensive insurance coverage tailored to their specific needs, they need to Engage with insurance providers to develop SME-centric insurance products covering various risks, including property damage, business interruption, and liability. Insurance companies should introduce flexible premium structures, allowing SMEs to choose coverage levels that align with their budgets; facilitate awareness campaigns to educate SMEs on the importance of insurance and the specific coverage options available to them.

Government Support and Incentives: to create an enabling environment with government support and incentives for SMEs to adopt sustainable insurance practices; advocation of government policies that incentivize SMEs to invest in insurance, such as tax breaks or subsidies; collaborate with government agencies to streamline regulatory processes, making it easier for SMEs to acquire and maintain insurance coverage; and establishment of fund to support SMEs in covering insurance premiums during challenging economic periods.

Capacity Building and Training: to enhance the understanding of SMEs regarding the importance of insurance and risk management. There is need to develop training programs in collaboration with industry experts, covering topics like risk awareness, insurance literacy, and claims management; conduct workshops and seminars at the local level, reaching a broad spectrum of SMEs and building a culture of risk-conscious entrepreneurship; and utilize digital platforms to provide accessible and interactive training modules for SME owners and employees.

Technology Integration: to leverage technology for efficient insurance processes and data-driven risk management, there is need to encourage the adoption of InsurTech solutions for streamlined insurance processes, including digital claims processing and policy management; facilitate partnerships between SMEs and technology providers to enhance their cybersecurity measures and protect against cyber risks; and develop a centralized platform for real-time risk monitoring and early warning systems, integrating data from various sources.

Collaboration with Financial Institutions: in order to integrate insurance solutions into financial services for SMEs, promoting a holistic risk management approach, there is need to partner with banks and financial institutions to embed insurance offerings within financial products, such as loans or working capital facilities; develop joint programs that incentivize SMEs to adopt bundled financial and insurance services, enhancing overall resilience; and establish a feedback loop between insurers and financial institutions to continuously improve integrated offerings based on SME needs.

Conclusion

In conclusion, insurance serves as a vital tool for SMEs in Nigeria, offering a robust mechanism for risk mitigation and financial protection. While challenges exist, concerted efforts by stakeholders can pave the way for increased awareness, affordability, and comprehensive coverage, ultimately bolstering the resilience of SMEs against unforeseen events.

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Insurance Sustainability:

Managing Disaster amongst Small and Medium Scale Businesses in Nigeria.

Ede Monday Ibrahim
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Introduction:
Small and Medium Scale Enterprises (SMEs) play a crucial role in Nigeria's economic landscape, contributing significantly to employment and fostering economic growth. However, these businesses often face various risks that can hinder their sustainability. Insurance emerges as a powerful tool to mitigate these risks and sustain the resilience of SMEs in the face of challenges.

The Importance of Insurance for SMEs:
Insurance serves as a safety net for SMEs, offering financial protection against unexpected events. Whether it's property damage, business interruption, or liability claims, having appropriate insurance coverage can be the difference between a temporary setback and a catastrophic loss for an SME. In Nigeria, where businesses often grapple with infrastructure challenges and economic uncertainties, insurance becomes a strategic asset for sustaining operations.

Disaster Management for SMEs: One of the primary roles of insurance in the SME landscape is disaster management. Natural disasters, accidents, and unforeseen events can have devastating consequences for small businesses, leading to financial ruin and closure. Insurance helps SMEs recover by providing the necessary funds to rebuild, replace damaged assets, and compensate for lost income during downtime. This ensures business continuity and minimizes the impact of disasters on the overall economy.

Risk Management and Insurance: SMEs face a myriad of risks, from supply chain disruptions to cybersecurity threats. Insurance facilitates proactive risk management by encouraging businesses to assess potential threats and tailor coverage accordingly. By identifying and mitigating risks through insurance, SMEs can operate with greater confidence, knowing that they are protected against unforeseen circumstances.

Customized Insurance Solutions for SMEs:
Recognizing the unique challenges faced by SMEs, insurance providers in Nigeria are increasingly offering tailored solutions. These may include policies specifically designed for small businesses, providing coverage for property, equipment, employees, and even business interruption. Customization ensures that SMEs receive the protection they need without unnecessary costs, making insurance more accessible and practical for these enterprises.

Government Initiatives and Partnerships:
To further enhance the role of insurance in sustaining SMEs, government initiatives and partnerships are essential. Collaborations between insurance companies, government agencies, and industry associations can lead to the development of comprehensive insurance programs specifically designed for SMEs. Financial incentives, awareness campaigns, and simplified processes can also encourage more small businesses to embrace insurance as a proactive risk management tool.

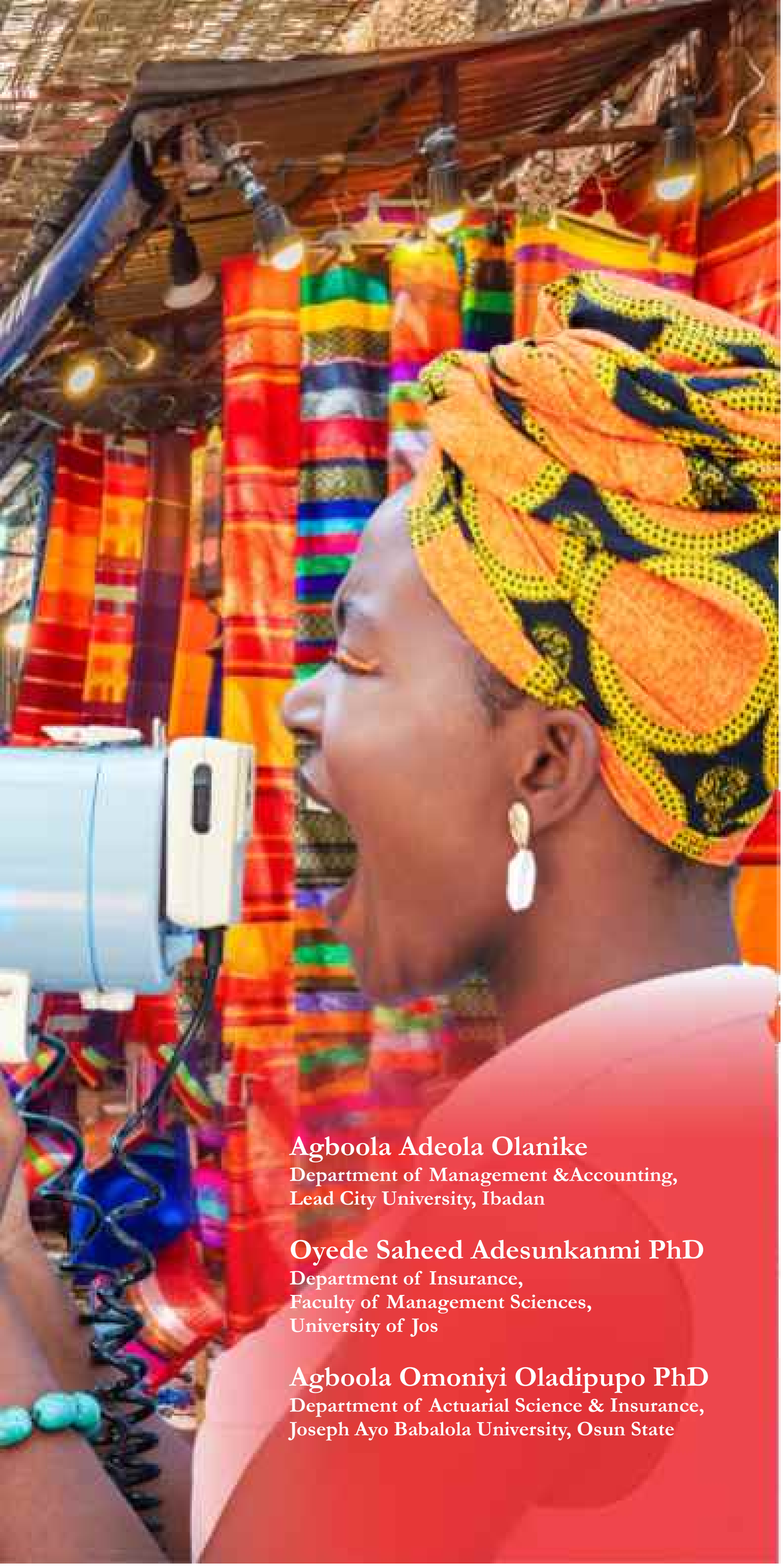
Conclusion:
Insurance sustainability for Small and Medium Scale Businesses in Nigeria is not just a protective measure; it is a strategic investment in the resilience and longevity of these enterprises. By recognizing the pivotal role of insurance in disaster management, risk mitigation, and tailored solutions for SMEs, Nigeria can foster a more robust and sustainable business ecosystem, contributing to overall economic growth and stability.

INFLUENCE OF MICROINSURANCE ACCESSIBILITY ON BUSINESS CONTINUITY OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN LAGOS STATE, NIGERIA

Abstract

The purchase of microinsurance could potentially avert financial misfortune. The poor penetration of insurance policies plays a significant role in the failure or death of MSMEs in Nigeria. Therefore, the purpose of this research was to analyse how microinsurance policies in Lagos State, Nigeria, affected the firm continuity of micro, small, and medium-sized enterprises (MSMEs). This quantitative study used a mixed-methods approach, combining survey and cross-sectional techniques. Although 400 questionnaires were sent, only 345 were filled out and used for this research, which translates to an 86.3% response rate. The finding revealed that microinsurance accessibility has positive and significant effect on MSMEs business continuity in Lagos state. The study recommended that insurance companies should develop accessibility plan and policy to make Microinsurance accessible to MSMEs owners/managers. Increasing product accessibility requires public education, advertisement, direct marketing techniques, social media platform, door to door, words of mouth, customer enlightenment, aggressive publicity, personal selling, sponsorship of events, grassroot campaign, remote marketing systems, community social responsibility, print media, adverts, jingles in both local and official language.

Keywords: Business continuity, Institutional theory, Microinsurance accessibility, Micro, Small, Medium Enterprises,



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Introduction

Microinsurance protects persons with low incomes against specific risks in return for recurring premium payments that are dependent on the probability and cost of the risk. It is defined as a device designed to defend against a variety of dangers, the majority of which are connected to business, health, agriculture, and life (Ajemunigbohun, Oreshile, and Iyun, 2014). Microinsurance may help to break the cycle of poverty by providing low-income families, companies, and farmers with post-disaster funding that protects their livelihoods and allows for rehabilitation (Mechler, Linnerooth-Bayer, & Peppiatt, 2006). Microfinance is generally recognised as an important tool for poverty reduction and socioeconomic well-being (Sultakeev, Karymshakov, & Sulaimanova, 2018).

A thriving micro, small, and medium business (MSME) sector is critical for poverty reduction and economic growth in Sub-Saharan Africa (Chetama et al., 2016). Banks and microfinance organisations have been used to support and extend microcredit to small businesses (Al-Absi, 2016). The majority of presently running multinational firms are estimated to have began as startups (Spinelli & Adam, 2012).

Small and medium-sized businesses (SMEs) are critical to the development and stability of developing economies. Their success and advancement are contingent on having access to financial services (Aladejebi, 2019). According to the experience of many countries, entrepreneurship in the form of SMEs may greatly assist a country accomplish its economic development objectives (Abu & Ezike, 2012). These objectives include generating employment, redistributing income, enhancing productivity, promoting indigenous technology and entrepreneurship, placing industries throughout a country's regions, and producing intermediate commodities (Abu & Ezike 2012). Small company entrepreneurs get their funding from a number of sources, including their personal savings, money from friends and family, cooperative organisations, business companions and partners, and other financial institutions. Small businesses struggle to fulfil deposit bank collateral requirements when compared to major corporations (Babajide, 2012).

Although immensely helpful, Nigerian society has failed to completely adopt insurance plans. Poor policy penetration is one important issue contributing to Nigeria's MSME failure (Alo, 2021). whereas this is a possibility, it is worth mentioning that the insurance business in Nigeria contributes <1% to the Nigerian economy, whereas the sector contributes 12% to the South African GDP. Similarly, Nigeria's premium is over $1.64 billion, with a $9.4 premium per person. All of these statistics indicate to the insurance industry's poor performance, which may be linked to the fact that the country's MSMEs, which account for more than 80% of all enterprises and create more than half of its GDP, are uninsured.

It was observed that Nigerian culture has yet to completely accept insurance policies; nonetheless, for microinsurance to be effective, the goods and services provided must be appropriate in terms of awareness, coverage, timeliness, affordability, and accessibility (Cohen, McCord, & Sebstad, 2003). The most difficult obstacle for microinsurance is not product creation, but rather product distribution and accessibility to the target market (Acha & Ukpong, 2012). There are several methods and techniques for achieving effective delivery and accessibility, depending on factors such as the organisation of the institutions and providers involved (Ajemunigbohun, Oreshile, & Iyun, 2014).

Nigerian entrepreneurs confront considerable challenges to starting new enterprises, especially because of restricted access to financial institutions, which stifles the country's economic progress. This lack of access limits their capacity to get the funds and resources required to launch and maintain companies. Furthermore, the sustainability of entrepreneurial ventures is often jeopardised, since many of the causes and consequences linked with such activities are neither financially feasible nor ecologically sustainable. As Olowe, Moradeyo, and Babalola (2013) point out, this reflects a larger issue in Nigeria's entrepreneurial environment, where institutional constraints impede both the development of new enterprises and their long-term success. Addressing these challenges is critical for creating a more suitable climate for entrepreneurship to flourish, therefore driving economic growth and guaranteeing the long-term viability of entrepreneurial operations in Nigeria.

Sustainable MSME development in developing nations is severely hampered by the absence of functional financial markets. It is on the premise of seeking sustainable solutions to the above challenges that this research aims to assess the influence of microinsurance accessibility on business continuity of MSMEs in Lagos Metropolis, Nigeria. Based on the above problem statement, the study intends to answer the questions; how does microinsurance accessibility influence business continuity of MSMEs in Lagos Metropolis, Nigeria? Above all, a study of this nature will most likely inform policy relating to microinsurance and MSMEs business continuity in Nigeria. This is because knowledge of the critical aspects of performance is revealed and studied about accessibility of microinsurance policies.

Research Hypothesis

In line with the study aim, as well as the development of the previous research question, the null hypothesis is developed and put forward to be tested:

H0: Microinsurance accessibility does not have significant effect on MSMEs business continuity.

Literature review

This section concept of review of concepts, empirical review and theoretical framework.

Concept of microinsurance

Microinsurance provides financial risk protection to the underserved in return for a premium proportional to the insured risk's probability and cost (Churchill, 2006). Microinsurance plans cover a variety of risks that primarily influence business, health, agriculture, and life (Banerjee, 2008). Microinsurance basically implies insurance for the poor (Yusuf and Mobolaji, 2012). Cohen, McCord, and Sebstad (2003) add that microinsurance is an efficient strategy to reduce risk for the poor while also allowing insurers and their agents to diversify and expand their market to include low-income families. Microinsurance has the potential to be an "additional" risk transfer mechanism to reduce the poor's vulnerability (Barnett, Barrett, & Skees 2008).

However, microinsurance is seen as an important financial instrument for protecting the poor from unfavourable financial consequences in the case of disease or illness (Jutting & Ahuja, 2003). One advantage of microinsurance is that it promotes credit and savings to be utilised more efficiently to provide job opportunities (Devaux, 2000). Microinsurance may assist MSMEs get loans and operating capital by serving as collateral. This fosters more secure credit, entrepreneurship, and innovation, helps the poor get out of poverty, provides more complete protection against natural catastrophe dangers and consequences, and advances social objectives (Ajemunigbohun, Oreshile, & Iyun, 2014).

Concept of Microinsurance Accessibility

Microinsurance accessibility is the ease with which a low-income individual or his/her enterprise can reach a microinsurance service provider. Minani, Ishengoma & Mori (2018), examined accessibility based on customers' selection of microinsurance products, customers' awareness of the products, customers' proximity to microinsurance services, and the plasticity of premium imbursement. Halden et al., (2000) explains "accessibility measures seek to define the level of opportunity and choice taking account of both the existence of opportunities..."

The government's freebies in the form of incentives and discounts will help to increase the accessibility window for both the uptake and provision of sustained microinsurance services, which will help to attract more MSMEs to the microinsurance scheme. Additionally, being able to obtain credit easily, and industry regulators placing microinsurance in a standardized structure that works will also help (Ndurukia, Njeru & Waiganjo, 2017). The government can concentrate on sectors where MSMEs are comparatively more exposed to risk in order to make insurance policies more easily accessible (Kaufman, Livingston & Komro, 2020). For MSMEs to survive, government involvement in the effort to eliminate the barriers to accessing a policy is essential.

Concept of Micro, Small and Medium Enterprises (MSMES)

Micro, Small and Medium Scale Enterprises (MSMEs) are hardly ever clearly defined. However, MSMEs are small businesses that are typically run by a single owner and are primarily utilized as means of subsistence for families in many countries, particularly in developing countries. Micro enterprises, according to the World Bank, have between one and nine employee, small enterprises have between ten and fifty employees, and medium businesses have between fifty and two hundred and fifty employees (Bello & Can, 2022). According to a MSMEs survey, 96% of Nigeria's firms are MSMEs, and they provide 50% of the country's GDP. One-person businesses make up 73% of all MSMEs studied; private limited liability corporations make up 14% of the total, and partnerships account for 13% of the total (Bello & Can, 2022). In both developed and developing economies, the MSMEs sector serves as a catalyst for economic change and industrialization, making a substantial contribution to the creation of jobs and the eradication of poverty (Ayyagari, Beck & Demirgüç-Kunt, 2007; Nursini, 2020). As a result, the industry is ready for inclusive and sustainable growth. According to the World Economic Forum (WEF), exploiting the nation's entrepreneurial environment and addressing the high rate of informal employment are essential for creating significant prospects for inclusive and sustainable growth (Nkwor & Ozor, 2022).

According to Ashamu (2014), small scale industrial enterprises may be referred to as small scale businesses, small scale industries, or small-scale entrepreneurship. There seems to be no clear definition of small business in Nigeria or anywhere else in the globe. Different writers, academics, and educational institutions have different perspectives on capital expenditure, staff count, sales turnover, fixed capital investment, accessible equipment and machinery, market share, and degree of development; these characteristics vary equally from one country to the next.

1. In Nigeria, the Third National Development Plan defined a small-scale enterprise as a manufacturing establishment with less than ten workers or a machinery and equipment investment of less than ₦600,000.

2. According to the Central Bank of Nigeria's loan standards, small-scale businesses are those with an annual income or asset of less than ₦500,000.

3. According to the Federal Government's Small Scale sector Development Plan of 1980, a small company in Nigeria is any manufacturing process or service sector with a capital of less than ₦150,000 in manufacturing and equipment alone.

4. A small scale firm, as defined by the Small-Scale

Industries Association of Nigeria (1973), employs no more than fifty people and has an investment of up to ₦60,000 (pre-SAP value).

5. According to the Federal Ministry of Industries, it refers to businesses that were created for less than ₦500,000 (pre-SAP value), including working capital.

6. In its 1982 policy proposal to the federal government, the Centre for Management Development (CMD) defined small scale industry as "a manufacturing processing, or servicing industry involved in a factory of production type of operation, employing up to 50 full-time workers" (Sule, 2018).

MSMEs in Nigeria offer significant potential for job creation, improving indigenous technology, diversifying output, encouraging domestic entrepreneurship, and boosting integration with large corporations (Nkwor & Ozor, 2022).

The MSMEs' intrinsic vulnerability to risks and shocks emanating from their business operations and activities, on the other hand, poses a greater difficulty. These dangers often jeopardise their existence.

Concept of MSMEs Business Continuity

MSMEs must be able to get and utilise insurance in order to assure company continuity and reduce failure rates (Krysiak, 2009; Falkner & Hiebl, 2015). Insurance risk management does this by protecting MSMEs' assets, freeing up private capital for investment, and sheltering them from losses caused by business risks, natural catastrophes, and other catastrophic events (Falkner & Hiebl, 2015). It increases the capacity of MSMEs to maintain productivity and recover quickly after a shock (Nkwor & Ozor, 2022). Indirectly, having access to insurance can improve MSMEs' ability to obtain financing, which is frequently the main factor contributing to SMEs' failure.

Empirical Review

While acknowledging the relevance of microinsurance to small businesses, Ajemunigbohun, Oreshile and Iyun (2014) pointed out that while insurance companies have worked very hard in recent years to raise awareness about insurance products and their benefits, accessibility still poses a significant problem for a population that is densely populated. Poor accessibility means that insurance companies might not be able to find customers for their goods, no matter how advantageous they may be.

Cohen, McCord and Sebstad (2003) have previously said that location frequently influences poor people's access to microinsurance programmes, particularly in rural regions, is further hampered by a significant dearth of high-quality health care facilities, which substantially diminishes the potential for microinsurance. Babajide (2012) investigated the 520 selected businesses financed by microfinance banks in Nigeria using panel data and multiple regression analysis. The outcome demonstrated that an enterprise's size and location have a more direct impact on growth than access to microfinance. Babajide (2012) suggested that the bank's capital structure be restructured and its scope expanded in order to better support the expansion of MSMEs.

Aruwa (2004) performed a random sample of 20 SMEs and 10 formal and informal financial sources in Kaduna and Abuja. Simple Chi-square and correlation coefficient statistical analyses were utilized to explain the relationship between the growth of Small and Medium Enterprises and the rate at which Bank Credit Facilities were disbursed. The study found that the country's problem with SMEs financing was not one of a lack of funding because there were several financing options available; rather, it was difficult to access the funds despite numerous government initiatives because there were not adequate and clear guidelines for their distribution, which led to the expansion of MSMEs' informal sources of financing.

Nwakoby and Okoye (2014) investigated the reason(s) SMEs were unable to obtain capital market funding as well as the conditions that would make them eligible for such exposure. In Anambra State, 80 SMEs were sampled using a descriptive statistics survey (40 SMEs each from Onitsha and Nnewi). Owners of businesses and/or their representatives were given questionnaires. The analysis's findings revealed that almost all owners of SMEs are unaware of the capital market's activities and the potential advantages they hold for the survival of their businesses. Even those few who did appear to be aware of them were hesitant to engage with the capital market in order to maintain complete control over their businesses.
According to research by Osmond and Paul (2016), many SMEs were unable to access intervention funds due to unfavorable conditions attached to them and unclear guidelines. It was therefore advised that all banks taking part in the disbursement of intervention funds to support SMEs growth synchronize the applicable guidelines for accessing such funds in order to make them consistent and investor-friendly.

According to Chatterjee and Wehrhahn (2017), unrestricted access to microinsurance can help to mitigate the effects of economic downturns and make it easier to accumulate assets, level out consumption, absorb shocks, and manage risks related to uneven and unstable income.

The Institutional Theory (IT)

The study is underpinned by the institutional theory. The architecture, behaviors, strategies, governance, and processes of organizations are significantly influenced by institutional environments. Managers of businesses strive for legitimacy while preserving efficiency in order to achieve a competitive advantage. According to the institutional theory (IT), the institutional environment can frequently have a stronger influence on the formation of formal structures in a corporation than market pressures (Fauzi & Sheng, 2022). According to David, Tolbert & Boghossian (2019), IT is frequently used to describe the acceptance and development of formal organizational structures, including established practices, written policies, and new organizational forms. It focuses on the functions played by the political, economic, and social structures in which businesses operate and are institutionalized or undergo "reinstitutionalization."

In line with IT, businesses are subject to fundamental pressures that either push them towards isomorphism (evolving into other businesses that face the same or similar environmental conditions) or decoupling (separation from formal institutional or societal demands). These pressures include coercive, normative, and mimetic pressures (amounting to institutional, conformance, or cognitive pressures) (Ratten & Usmanij, 2020). The coercive demands on MSMEs come from government regulations; the normative pressures come from the MSMEs' customers; and the mimetic pressures come from rival or more successful businesses.

Research Methodology

The study is quantitive research as it gathers and analyses numeric data, applying statistical methods to analyse the relationships between two or more variables (Ojeleye, Bakare, Umar & Ojeleye., 2022). Specifically, the study used surveys and cross-sectional research. The survey research design technique seems to be the most chosen due to the comparatively large size of the study population. Furthermore, the survey approach is appropriate for drawing inferences about the complete population from a sample (Ojeleye, Kareem, Chimezie, & Abdullahi, 2022).

The research is cross-sectional in nature, with results and conclusions based on primary data collected from MSMEs in Lagos State at current moment. The design enables the researcher to collect data from responders at a specific time. The survey included 3,235,987 registered MSMEs operating in Lagos State. Lagos state was chosen as the study's domain because it is considered Nigeria's business centre, accounting for half of the country's corporate companies in 2016 (Euromonitor, 2017). The sample size of 400 was determined using Taro Yamane's Finite sample size formula, which is presented below:

Where n = Sample Size, N = population for finite population and e = margin error (assume 5%)

$$n=\frac{N}{1+N\ (e)2} \quad n=\frac{3,235,987}{1+3,235,987\ (0.05)2}$$

$$n=\frac{3,235,987}{23.1}$$

$$n=399.95$$

$$n=400$$

The unit of analysis of this study involved Owners/managers and staff member of the selected MSMEs. The list of enterprises recognized by SMEDAN and registered as MSMEs to transact business in Lagos State was the sampling frame for this study assessed using simple random sampling technique. Out of the 400 pieces of questionnaire distributed only 345 (86%) were returned and used for the study. In addition, Statistical Package for Social Sciences (SPSS) version 27 was employed to analyse the data to ascertained the hypothesised relationship using simple linear regression analysis specify in the model below:

MSME_BC = β0 + β1ACCESS_MI+εi..................Eq(i)

Where: MSME_BC = MSME business continuity, β1ACCESS_MI = microinsurance accessibility, βo = the intercept expected value of y when x is equal to zero and μ = the error term to accommodate the effect of other variables that can influence MSMEs performance, but which were not included in the model.

Measurement

The measurement used was created by the researcher with the help of five validators to confirm the face-value validity of the instrument. The microinsurance accessibility was analysed using a five-item measure. The sample of items is: "Access to loan can increase purchase of microinsurance" assessed on a five-point Likert scale (1 strongly disagree to 5 strongly agree), with a stated Cronbach alpha of 0.723, suggesting that the instrument is reliable and appropriate for the research. Business continuity was assessed using a 5-item scale with a reported Cronbach's alpha of 0.935, indicating that the instrument is reliable and appropriate for the research. The question "Purchase of microinsurance policies can enhance MSMEs productivity" is scored on a five-point Likert scale (1 strongly disagrees to 5 strongly agrees).

Data Analysis and Reporting

The study's data were evaluated using SPSS to determine the hypothesised link. Tables 1 and 2 provide an overview of the SPSS output.

Table 1 displays the ANOVA result (model significance overall) of the regression test, which revealed that microinsurance accessibility had a substantial impact on MSME company continuity in Lagos State. This is explained by the F-value (104.908) and p-value (0.000), which are statistically significant at the 95% confidence level. As a consequence, the study concluded that microinsurance accessibility had an impact on MSME company continuity, which was statistically significant at a 95% confidence level.

Table 1: ANOVA for Microinsurance Accessibility and MSMEs Business Continuity

Model	Summary of Square	dif	Mean Square	F-Value	Sig.
Regression	55.734	1	55.734	104.908	.000[a]
Residual	181.048	343	.528		
Total	236.422	344			

a. Predictors: (Constant), Microinsurance Accessibility (MI)

c. **Dependent Variable: Business Continuity**

Source: Researcher's Result (2023)

Table 2 shows a model fit, which indicates how well the model's equation matches the data. The determination coefficient (R2) of 0.234 revealed that microinsurance accessibility accounts for 23.4% of the variation observed in MSMEs business continuity, with the remaining 76.6% explained by exogenous variables other than microinsurance accessibility. This finding indicates that microinsurance accessibility influences 23.4% of MSMEs' business continuity.

Table 2. Regression Coefficients of effects of Microinsurance Accessibility on MSMEs Business Continuity

Variables Regressed	**Coefficient**	**Std. Error**	**T-Value**	**P-Value**	**Result**
Constant	1.092	0.186	5.883	0.000	
ACCESS_MI	0.690	0.067	10.242	0.000	Rejected
R	0.484[a]				
R-Square	0.234				
Adjusted R-Square	0.232				
F-Statistics	104.908				
P-Value	0.000				

a. Dependent Variable: **Business_Continuity**

Source: Researcher's Result (2023)

In addition, table 2 shows the outcome of the coefficients of regression for the influence of access to microinsurance policy on MSME business continuity. An evaluation of the unstandardized coefficient of Access to microinsurance policy in the table of coefficient and its related p-value shows that microinsurance accessibility is statistically significant and can be used in predicting MSME business continuity (βACCESS_MI= 0.690, $p < 0.05$).

The result was significant statistically as the p-value of 0.000 was below the acceptable threshold of 0.05. Given that, microinsurance accessibility was statistically significant in relation to MSMEs business continuity. Based on coefficient of regression table 2, the regression model is stated as follows:

MSME_BC = 1.092 + 0.69ACCESS_MI.............Eq. (ii)

Where:

MSME_BC = MSME Business Continuity

ACCESS_MI = Microinsurance Accessibility

According to the regression equation above, in the absence of Microinsurance accessibility, MSME business continuity in Lagos State is 1. 092.The result also indicates that Microinsurance accessibility will lead to a 0.69 increase in MSME business continuity in Lagos State. Overall, on the strength of this result ($R^2 = 0.234$, $F(1,343) = 104.908$, βACCESS_MI = 0.69 and $p = 0.000$), this study fails to accept the null hypothesis (H0) which states that Microinsurance accessibility has significant influence on MSME business continuity in Lagos State, Nigeria. Consequently, this leads to the acceptance of the alternative hypothesis and the rejection of the null hypothesis. This implies that microinsurance accessibility has significant influence on MSME business continuity in Lagos State, Nigeria. The finding of the study is consistent with prior studies of e.g., Ajemunigbohun, Oreshile & Iyun 2014; Cohen, McCord & Sebstad 2003; Babajide 2012 & Osmond & Paul, 2016 which found that microinsurance accessibility significantly predicts MSME business continuity.

Conclusion and Recommendation

The study explored whether holding microinsurance policy will influence performance of MSMEs in Lagos. This research problem is intertwined in that a good microinsurance accessibility could improve business continuity of MSMEs. The study established that microinsurance accessibility has significant positive impact on performance indicators of MSMEs business continuity.

Based on the finding of the study, the study recommended that insurance companies should develop accessibility plan and policy to make Microinsurance accessible to MSMEs owners/managers. Increasing product accessibility requires public education, advertisement, direct marketing techniques, social media platform, door to door, words of mouth, customer enlightenment, aggressive publicity, personal selling, sponsorship of events, grassroot campaign, remote marketing systems, community social responsibility, print media, adverts, jingles in both local and foreign languages. Microinsurance Companies should endeavour to educate the MSMEs on the relevance of insurance products and services on business. Microinsurance should be more visible and closer to MSMEs or low-income communities such as geographical, occupational, religious, gender, cause, ethnic, and other types of affiliations.

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INCIDENCE OF FLOOD RISK AMONG SMES IN NIGERIA: THE DEMAND FOR FLOOD INSURANCE

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Introduction

The operation and function of small and medium scale enterprises (SMEs) is not novel in Nigeria. Over decades of years, this group of entrepreneurs have contributed immensely to the growth and development of the economy via employment generation, poverty reduction, utilization of local raw materials, facilitation of non-oil exports and ultimately, economic growth. SMEs generated much interest following Nigeria's independence in 1960 and the subsequent drive and promotion of small and medium scale outlets in the country. Agwu and Emeti (2014) assert that SMEs in Nigeria are capable of enabling greater dissemination of wealth and income, economic self-reliance, entrepreneurial development as well as low cost employment opportunities. Studies have shown that SMEs and MSMEs account for about 50 percent of Nigeria's gross domestic product and provides employment for close to 80 percent of employable persons in the country (Dan-Awoh, 2022). Consequently, SMEs are a major agent of growth in the country and a veritable force for poverty alleviation.

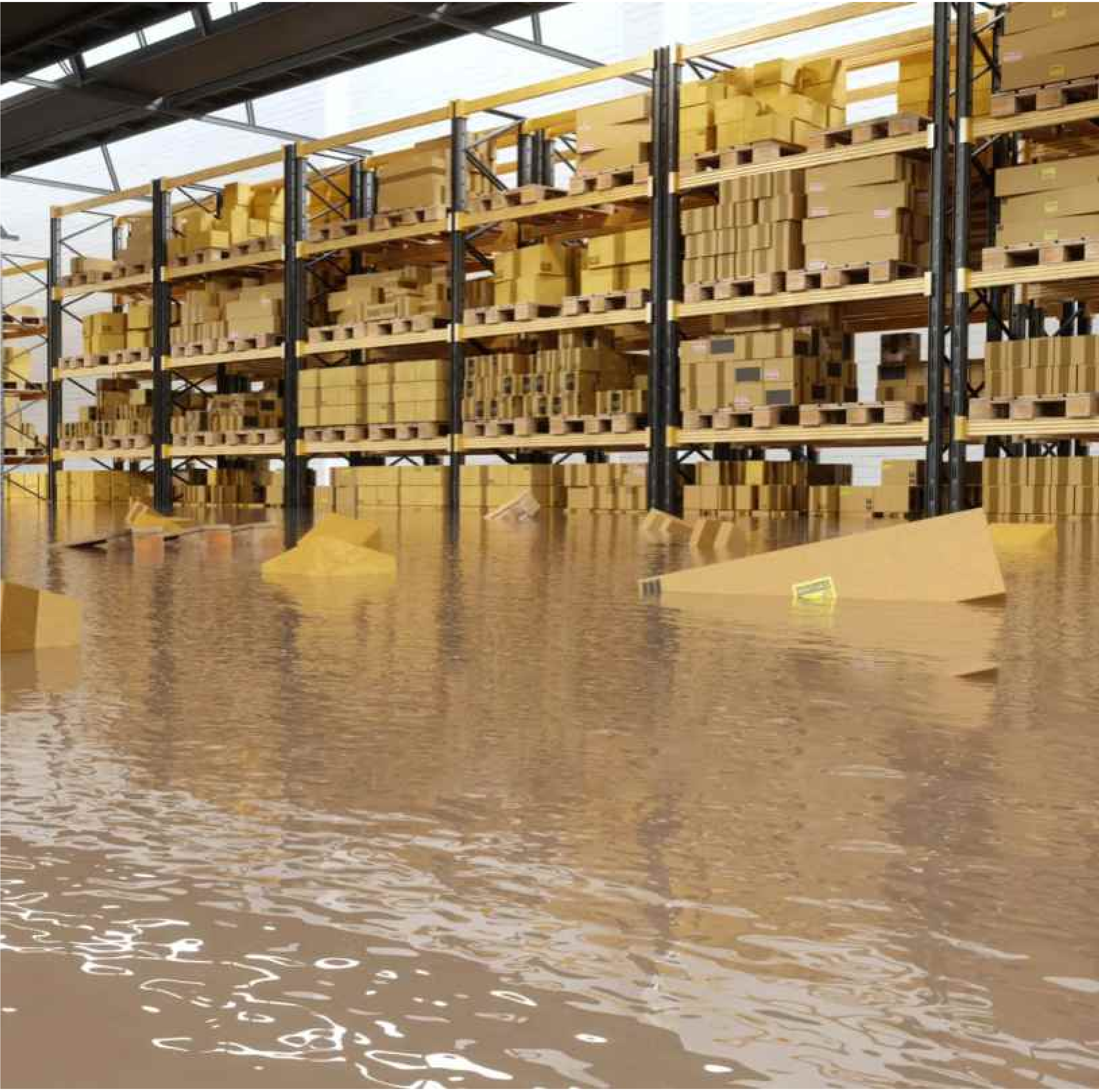
The Problem

In as much as SMEs are considered as a force for economic growth, their growth and survival is threatened by the occurrence of disasters such as fires, storm, wind and flood. Of these, flood seems to be more prevalent especially in the riverine areas and flood basin of the country. Flooding occurs as a result of extreme weather conditions in the country majorly orchestrated by heavy rainfall, blocked drainages as a result of bad waste disposal practices and incessant rural-urban migration etc. According to Olutu, et al. (2021), three major forms of flooding are common in Nigeria namely: urban flooding, river flooding and coastal flooding. Most of these floods are prevalent in densely populated areas of the country such as Lagos, Port-Harcourt, Ibadan, Onitsha and Aba. Incidence of floods in Nigeria over time has resulted in deaths, submergence of both dwelling houses and business places, interruption of business and socio-economic activities and injuries to hundreds of people (Aderogba, 2012; Olutu, et al., 2021).

SMEs in flood affected areas are prone to suffer loss of goods and consequential loss of income arising from the occurrence of flood risk. This is mostly due to poor risk perception coupled with insufficient risk mitigation strategies. Also, upon occurrence of the risk, it may take an unduly long time for the affected SMEs to recover especially where there was no insurance policy in force at the time of risk occurrence. As SMEs play a significant role in poverty reduction, employment generation and economic growth, there is a need to study their perception of flood risk and the demand for insurance as a means of mitigating this risk.

Incidence of Floods

To properly understand the concept of flood as a disaster, let's examine what a disaster entails. According to the United Nations Office for Disaster Risk Reduction (UNDRR) (2021), a disaster can be considered a grave interruption of the normal operations of a society or community as a result of hazardous events, and influenced by exposure, vulnerability and capacity of the society. Such event must be capable of leading to human, material, environmental or economic losses. Common disasters include storms, floods, earthquakes, fires, cyclones, hurricanes, volcanic eruptions, subterranean fires, etc.



Needless to say, a disaster is an unwanted event of high impact and widespread effect.

The World Health Organization (WHO) defines a flood as an overflow of water that immerses land that is mostly dry. Literature has shown that floods can be considered as one of the most prevalent and lethal disasters in the world. Globally, between 1980 and 2016, floods have resulted in approximately 539,000 deaths, and 361,000 injuries affecting 2.8 billion people and resulting in damages worth $1.6 trillion (Rana, et al. 2020). Data from CRED (2021) and Veeravalli, et al. (2022) show that floods account for 69 percent of disasters in Africa which led to about 17 percent deaths in 2020. In Nigeria alone, losses from floods amounted to $9.12 billion in 2022. The heavy rainfall that was experienced in June 2022 nationwide, culminated in floods that led to the death of about 600 people, the submergence of farmlands, displacement of close to 82,000 homes most of which were owned by low-income micro, small and medium-scale enterprises (MSMEs). The opening of the Lagdo dam in Cameroon increased the intensity of the floods with gravitating impacts on farm owners and farm products. In Benue state which is known for its agricultural produce, many

farmlands were rendered inaccessible while the crops were destroyed. As most of these farmers were uninsured, the losses were colossal.

The susceptibility to flood in Africa is intensified by flood-prone communities, urbanization, climate change occasioned by rising global temperatures, extreme rainfall, rise in sea level and the low socio-economic status of dwellers in these communities. In Nigeria, flood risk is also heightened by seasonal weather conditions and flash floods which are rampant in rural areas and overcrowded communities characterized by poorly constructed habitations, blocked drainages and increased exposure to disaster risks (Lawanson, et al. 2022). Urbanization is also a major cause of flooding in Nigeria. In communities characterized by excessive rainfall and incessant flashfloods, urbanization constricts the flow of water as parts of the earth's surface which would have served as drainage outlets are covered with houses, roads, pavements and other constructions. Deforestation and unplanned building activities also promote flood risk by ensuring that rivers overflow rather quickly on the occurrence of rain as there are fewer drains than hard surfaces (Aderogba, 2012; Butu, et al. 2021).

What is the impact of flood?

The impact of floods is enormous both on mankind and the environment. Summarily, these impacts can be given as:

- Loss of lives and property, dwelling houses and business places. Yearly, lives are lost and humans are displaced as a result of flood occurrence.
- Interruption of economic activities, settlements and lifestyles. There are also direct, indirect and psychological impacts that may occur as a result of flood occurrence such as lost/destroyed/ damaged goods, loss of equipment or facilities, blocked access to business premises and loss of income. For the SMEs, disruption of economic activities produces a ripple effect on the incomes and sustainability of the business. Olutu, et al. (2021) maintain that the aftermath of floods on SMEs includes loss or damage to their buildings and/or machinery, loss of goods, consequential losses and loss of revenue, interruption of supplier activities, threat to business continuity, etc. Sharif (2021) opines that SMEs are more susceptible to disaster risks such as floods because of their location in non-optimal areas, smaller financial capacity in comparison with large enterprises, and their state of localization. It therefore becomes imperative that SMEs find an appropriate means of mitigating flood risk.
- Flood acts as a deterrent to development. Where there is displacement of humans, destruction of buildings and property, and destruction of farmlands and livestock, development is impaired as the government would have to commit its resources to reconstruction and settlement of displaced individuals and families.
- Poverty is also an indirect effect of flooding. This is because when people lose their means of livelihood, especially among SME owners, there is a tendency for an increase in the rate of poverty.

Flood Risk Mitigation

The implications and aftermath of flood risk disasters call for effective risk mitigation strategies to protect SMEs from suffering too great a loss from its occurrence. Flood risk mitigation strategies cover diverse measures, activities and programs arranged by individuals, communities, risk management organizations like insurance companies, and government to reduce the effect of flood risk and advance the sustainability of business enterprises. Rye, et al. (2017) advocate a top-down or bottom-up approach to mitigating flood risk, whereby the government at the helm of affairs would oversee activities aimed at reducing the frequency or severity of flood risk occurrence. As SMEs do not have the wherewithal to invest in flood mitigating programs, the onus is on the government to invest in these schemes and make available both flood prevention and mitigation agenda to ensure the sustainability of these enterprises as they contribute substantially to the stabilization of the economy.

Some flood risk mitigation strategies include:

(i) The creation of an enabling environment by the government where robust social systems can be established aimed at inhibiting flood risk hazards.

(ii) There should also be policies and practices in alignment with global best practices aimed at efficient flood risk management in Nigeria.

(iii) There should be enactment and monitoring of appropriate environmental laws that will forbid the indiscriminate dumping of refuse into drainage channels to reduce the frequency of floods.

(iv) Frequent sensitization and creation of public awareness on climate change, extreme weather effects and its impact on the environment as well as on businesses and enterprises.

(v) Communities with high frequencies of flood risk in addition to flood mitigation strategies, should also develop strategies for easy adaptation and recovery from flood disasters in the interest of SMEs and MSMEs.

The Demand for Insurance in Flood Risk Mitigation

So far it has been established that flood risk is a form of natural disaster that can lead to deaths, displacement of lives and property and loss of income. It is also of common knowledge that in Nigeria, most recovery strategies after flood occurrence are initiated by individuals and community members with the aid of their family, friends, the government and occasionally non-governmental organizations and donor agencies (Ogbonna & Umeh, 2023). Sadly, these interventions have proven inadequate and insufficient in providing succor in the face of this disaster. Hence, there is still a search and a need for a more attuned risk management scheme that is rightly tailored to meet the needs of individuals and businesses in the face of a flood disaster. As insurance is a risk management device, we must examine and understand its demand and role in the management and mitigation of flood risk especially in the interest of SMEs in Nigeria.

Insurance is a form of risk transfer from the insured to the insurance company in exchange for a premium. It protects the insured from loss on risk occurrence by restoring him/her to the same level occupied before loss occurrence. Common insurance covers include motor vehicle, fire, accident, homeowners'/householders insurance, marine and aviation, oil and gas and life insurance covers. According to UNDRR (2021), insurance provides a noble, effective and appropriate medium for managing disasters such as flood risk. Flood insurance would serve as a means of providing financial relief after flood occurrence and effective utilization of floodplains, land use and development. This assertion notwithstanding, the insurance industry in most developing countries such as Nigeria is yet to undertake the task of providing insurance covers against flood risk, which has hitherto been treated as an exclusion in many covers. The demand for insurance in flood risk mitigation can be summarily given as:

a. The market for flood risk insurance is still in its infancy. Irrespective of the dire challenges posed by flood risk, the perception of flood risk insurance in Nigeria is still minimal. In Lagos state, for instance, only about 0.8 percent of flood risk is covered by insurance (Ogbonna & Umeh, 2023). There is also the case of the unwillingness of the affected persons to opt for natural disaster insurance.

b. Lack of adequate sensitization on the need for flood insurance to SME operators is also an impediment to flood risk insurance. Where flood insurance is made mandatory for small business owners, insurance would be able to play a more functional role in mitigating flood risk and returning the business owners to the position they occupied prior to the disaster.

c. The insurance industry has to play a more responsive role in flood risk mitigation to keep up with its responsibility as an effective risk transfer mechanism for the society. Where hitherto, flood risk was treated as an exclusion, research in insurance underwriting should be encouraged to underscore the inclusion of flood risks among the insurable risks in the industry.

d. There is a need for government collaboration with the insurance industry to ensure a wider and more sustainable cover for the product, especially considering the limitations of the insurance sector over catastrophic risks. Where such collaboration is in force, micro insurance can be introduced as a means of integrating SME operators who mostly have low income into the cover.

e. Reinsurance, both internal and external, and other collaborations with international organizations can be of assistance in making available flood risk insurance programs for small business owners in the country. Moghalu (2018) in Ogbonna and Umeh (2023) suggest the African Development Bank's Africa Disaster Risk Financing Programme which was to collaborate with the African Risk Capacity Group in providing disaster response schemes, to cover disasters in the country.

Conclusion

Small and medium scale enterprises (SMEs) are a major contributor to the growth and gross domestic product of the country. Aside from the employment opportunities created by SMEs, they also aid in poverty reduction and wealth creation. They encourage entrepreneurial activities, technological enhancement and industrialization across the country. They provide value chain linkages which if well managed can encourage foreign investment in the country. However, as beneficial as SMEs are to the economy they are threatened by disaster risks of which flood is one of the most common. Proper risk mitigation activities, flood insurance and government participation can ensure that SMEs recover quickly from flood risk occurrence and retain their position as the mainstay of the Nigerian economy.

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Personality
COLUMN WITH

MR. LAWRENCE NAZARE
Managing Director/CEO,
Continental Reinsurance Plc.

It is heartwarming that this edition is featuring one of the most astute Re-Insurance professionals in the African Continent, Mr. Lawarence Nazare, MD/CEO of Continental Reinsurance Plc. Nazare inthis wo-holds-barred interview conduct by Mr. Tope Adaramola and Mr. Adeleke Adetunji took a periscopic view of the insurance industry in Nigeria and Africa generally, addressing the multifaceted issues of trust deficits in the industry and the need to make insurance products more attractive and market friendly to stave off its "grade purchase" toga. He took a deep insight into the growing relevance of insurance to growth of SMEs and the generational transition impact on the insurance industry's supply and demand sides.

Nazare took ample time to applaud the laudable roles of the Chartered Insurance Institute of Nigeria in accelerating manpower development and attaining growth talents towards societal expectations from the industry. He concluded by opining that inspite of the challenges facing insurance in Nigeria, operators needed to maintain optimism and shun ambivalence to issues relating to creativity. Rather he implored all operators to prioritise adaptability and resourcesfulness to achieve growth. There is no doubt the conversation is an appealing read by all. Enjoy it!

Can you let us into your thoughts about CIIN and the insurance industry at large?

I believe the Chartered Insurance Institute of Nigeria (CIIN) already plays a crucial role in addressing market challenges through developing talents and supporting the market in developing the essential knowledge tools to equip practitioners. Continued education and development are key to ensuring that insurance professionals stay updated and capable of delivering quality services that meet the evolving needs of customers and the industry.

The Institute must be at the forefront of initiatives that promote the understanding of insurance services, and the fostering of collaboration with stakeholders to advance the industry collectively.

I believe the primary challenge facing the insurance industry is the negative public perception that hinders its development and growth. To address this, we need to focus on several fundamental factors that shape public perception.

Firstly, individuals and businesses must view insurance as a necessity. Unlike banking services where people willingly deposit money, insurance is often seen as a 'grudge purchase'. We must raise awareness about the essential roles of insurance in managing risks and protecting against unforeseen events.

immediate, essential expenses. We must aggressively demonstrate the value and necessity of insurance and assist in the promotion of compulsory insurance products that can significantly impact market growth.

How do you think the industry can promote customer service and what do you think the industry can do best at getting the trust of the customers?

The critical moment of truth for customers comes when a claim must be paid. However, the whole experience the customer has with our offering, from the initial engagement and throughout the policy period, our processes, and how we inform customers about the products they are purchasing is important.

For example, the current volatile situation in Nigeria with high inflation and currency devaluation significantly impact asset values and insurance protection. Many insurance companies may not openly communicate these effects to their clients. It is crucial to educate clients and encourage them to revalue their assets to ensure coverage is adequate. We must also be transparent in communication about policy terms and conditions, even if complex legalities are maintained.

When it comes to claims processing, insurance companies should prioritize finding ways to honor claims promptly and efficiently. Clients should not feel neglected or left in distress when they experience a loss - we must regain trust.

Lastly, customer experience in the insurance sector needs improvement. Similar to the advancements seen in banking services, we should aim to enhance the convenience of insurance transactions through digital platforms.

Another critical aspect is trust. Trust is paramount because customers purchase promise of protection. Unfortunately, the industry has been viewed with skepticism due to instances where claims are denied or complicated terms are highlighted during distressing times.

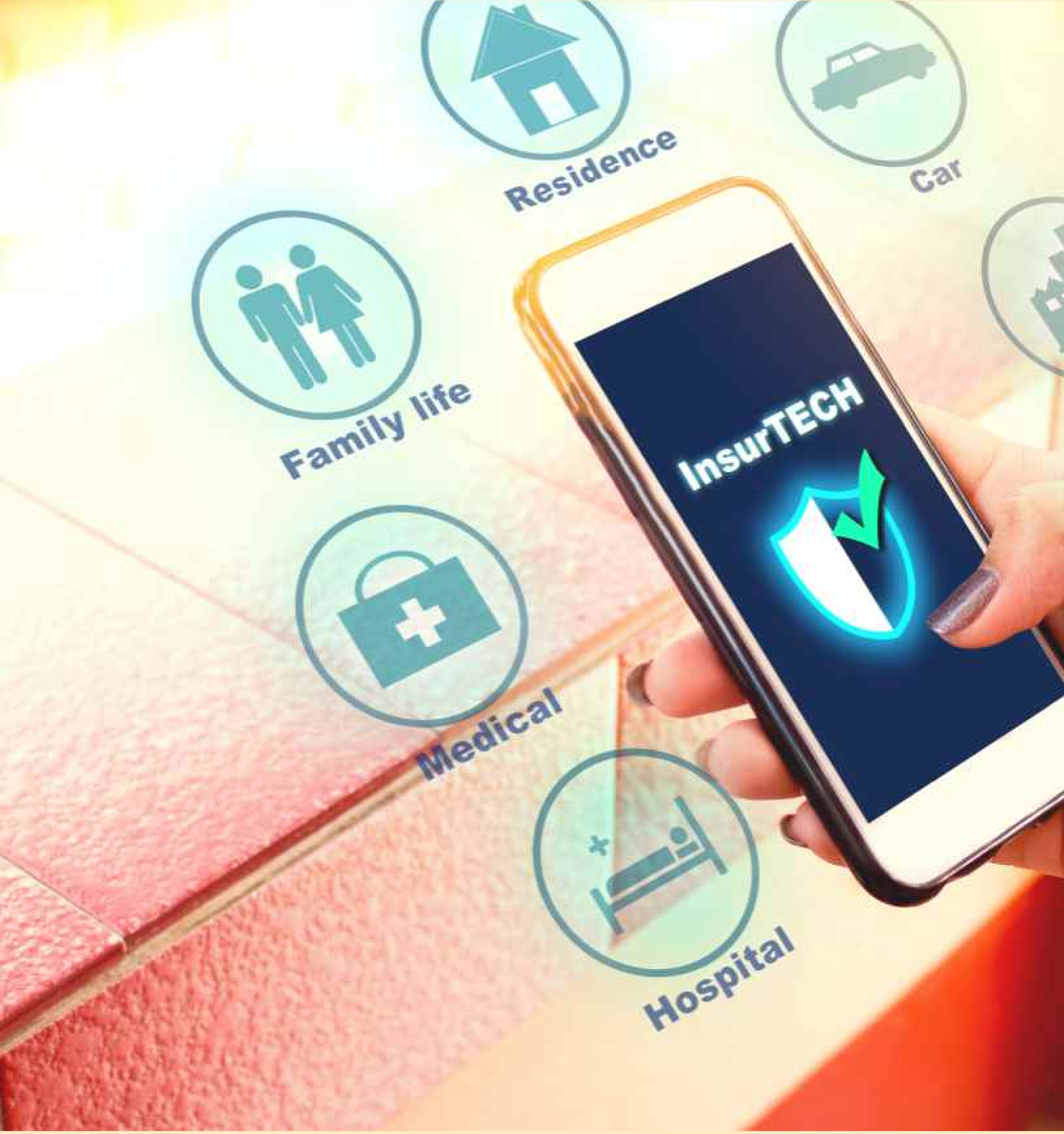
The complexity of insurance products also poses a challenge. Insurance should be made more accessible and understandable to the general public. Simplifying the products and making the process of purchasing insurance will encourage broader adoption and participation.

Additionally, insurance is not necessarily cheap. Unfortunately, it must compete with other, more

Rising through the ladders, what can you tell us about your journey in the insurance industry, the insurance of yesteryears and the contemporary insurance business, transitioning of the old to the Gen Z and millennials?

There are no shortcuts to success; it requires hard work, facing challenges, seizing opportunities, and allowing time for growth. As I reflect on my journey, I am grateful for the mentors who invested in my development during my formative years. They provided valuable guidance and nurtured my potential.

When I joined the insurance industry 34 years ago, I entered an institution that offered a structured apprenticeship-style training program. This program combined classroom learning with hands-on support from experienced professionals. It provided comprehensive learning that went beyond technical skills



and encompassed softer skills and management acumen. We learned not only about insurance but also about etiquette, professional conduct, client interactions and leadership.

As a young professional, I was ambitious and focused on setting clear goals for myself. I understood the importance of building expertise in a specific area of the business. Whether in claims, underwriting, or accounting, I aimed to excel and become known for my expertise through continuous learning and practical application.

Building relationships, early in one's career, is essential. Many of the connections I made in my early years are still part of my professional network today.

Throughout my career, I embraced challenges and took on diverse roles, from technical accounting to IT project

management and human resources. These experiences allowed me to develop leadership skills and gain the trust of my superiors to lead teams.

I attribute much of my success to the support of mentors and the opportunities that came my way through networking and professional development.

What are those peculiarities about the transition from the traditional insurance business to the contemporary insurance business to insure tech.

The evolution we've witnessed in the past 20 to 25 years, particularly in digitalization and automation, has been remarkable and transformative. When I began my career, we relied on pen and paper for tasks, and calculations were manual and labor-intensive.

The banking sector has undergone a significant transition from traditional banking to fintech, with a strong focus on enhancing customer experience. The insurance industry has also experienced substantial shifts, especially in advanced markets. From primarily face-to-face interactions and branch offices, with paperwork and forms filled out manually to digital environments that have revolutionized how insurance products are accessed and managed.

The digitalization of insurance has had a profound impact on customer experience, particularly given the inherent complexity of insurance products but innovations that are essential for improving customer interactions and product accessibility must go far beyond automation and digitization, true digitalization involves simplifying processes and making insurance products more user-friendly.

Gen Zs and Millennials demand simplicity and ease of access and transacting. Learning from their preferences can guide us in adapting insurance offerings to meet modern consumer demands, enhancing overall customer engagement and satisfaction.

Tell us about your experience as the Managing Director of Continental Reinsurance Plc and the secret behind your accomplishments.

Before I was appointed Managing Director in 2020, I served as an Executive Director at this company for over a decade. I became the CEO just after COVID-19. The rapid pace of change in recent years, influenced by events like the Ukraine-Russian war, has had profound effects on businesses worldwide. Despite these challenges, I take pride in our achievements, particularly in building a business that is future-focused and resilient. One of our accomplishments has been enduring the impact of the massive devaluation of the naira. While many of our peers have struggled, we remain resilient.

Our success hinges on our abilitiy to build talented and diverse team, attracting experienced professionals from global markets, and nurturing young talents. Our organization has become an employer of choice, even among smart young individuals who traditionally prefer careers elsewhere.

Furthermore, we have successfully integrated ourselves into core markets across Africa, earning credibility and trust, underscoring our growing reputation as a Nigerian brand with regional influence.

I attribute much of our success to the solid foundation built by my predecessors, whose vision and leadership continue to guide us.

What is your perception of the image of insurance and its performance in Nigeria and Africa?

Let me offer you this perspective. The Nigerian insurance industry has a rich history.

It had a huge learning and development stature, with notable academics like the late Professor Joseph Irukwu leading the entire continent in insurance learning. Nigerian companies were seen as giants that underpinned the market's image. The perception now is that Nigeria has stagnated and receded from its previous leadership role in sub-Saharan Africa. While talent development remains robust, we keep struggling to regenerate lost skills.

The economic challenges facing our country have had a profound impact on market growth. Market perception often correlates with market size. We often look at South Africa as a leader due to its substantial market size.

In terms of insurance penetration, we now lag behind other markets significantly. And interest from global investors has waned. For me, market size remains a critical factor influencing perceptions and opportunities.

How best do you think insurance products can manage risk and disaster amongst MSMEs?

To succeed in this market, you must understand its unique nature, distinct from other segments. By gaining this understanding, you can develop products tailored to meet their needs. Education is crucial; we must help customers appreciate their risk management challenges and the value of insurance in mitigating these risks. We must simplify processes to ensure a positive customer experience. Aggregating insurance for specific segments and embedding insurance with other products will be critical. It's also important to offer risk management services and engage with customers to build trust and demonstrate the benefits of insurance.

Furthermore, collaboration is key. We need to establish partnerships with various entities, including banks and distributors, to reach and serve SMEs and industries effectively. As the market evolves, responsiveness and adaptability are vital.

What advice would you give to the young generation on mentorship and professionalism, how would you advise them regarding having a brighter future in the industry?

There is currently a significant revolution happening across various sectors. It's important to be specific and deliberate about your goals, especially when considering the insurance field. Many people may enter insurance without clear intentions, often due to limited alternatives. It's crucial to establish clear growth objectives and continuously build expertise.

In terms of mentoring and training, even if formal mentorship or structured training sessions are not available within your company, seek to cultivate your mentoring relationships. I've observed many young individuals taking the initiative to approach more experienced professionals for discussions on career and personal development.

Initiating and nurturing networks early in your career is essential as it provides long-term support. I admire young individuals who are bold and proactive, volunteering for projects and demonstrating excellence in task performance.

What other information would you like to share with us as maybe the industry at large?

We have experienced challenging times, but it's important to maintain optimism. Dwelling on ambivalence and negativity will not help us overcome obstacles or stay motivated as a market. Instead, we need to prioritize adaptability; economic downturns are temporary and should not deter us from our efforts to innovate and grow.

During these difficult periods, it's crucial to maintain our focus on aspects such as investing in technology, embracing modern advancements, understanding customer needs, communicating, and listening. These factors are vital for driving market growth.

climate change management and the intricacy

Jimoh Kazeem Adewale (FIIN, FRMN, FECRMI) (PhD in view)

Introduction:
Climate change issues have been something of public concern in the last few years, considering its global effect on the human existence and its ability to affect the continual survival of lives on the earth into the forceable future.

This concern is borne out of the fact that the greatest damage to the earthly ecosystem is done by man's activities, including manufacturing, cutting of trees, generation of power or energy through various means and release of toxic materials into the environment, which are changing the intricately balanced system designed by nature. Ironically, it is the same man that depends on this very system, delicately designed by nature that faces the existential threat if cautions are not taken.

Basically, climate is the average weather condition at a particular place, which includes features like temperature, precipitation, humidity, rainfall and windiness. These varying features has direct effect on the atmospheric condition within a given time frame. Indeed, the weather is always changing and this is synonymous to the climate change. These changes could be between day to days or even year to years. This is why no two days, years, decades or centuries are ever the same in terms of climate.

According to Britannica, Climate change is the periodic modification of earth's climate which frequently happens as a result of changes in the atmosphere and continuous interactions between the atmosphere and various other geologic, chemical, biological, and geographic factors within the earth system. The atmosphere is seen as a dynamic fluid that is in constant motion.

The United Nations Framework Convention on Climate Change (UNFCC) defines climate change as a change which is attributed directly or indirectly to human activities that alters the composition of the global atmosphere and an addition to natural climate variability observed over comparable time periods. This definition succinctly underscores the effect of human activities in the scheme of climate change, especially with the era of industrialization.

The direct effect of climate change is global warming and this is noticeable through the increases and intensity in the following activities like storms, desertification, droughts, fire, rising sea levels, warming oceans, melting glaciers and flooding, which has assumed an alarming rate considering the severity of damages they bring and the associated cost.

The direct impacts of this increased phenomenon include rising diseases for man and animals, destruction of the places they live, and wreaked havoc on plants, people's livelihoods, communities, and infrastructure. As climate change worsens over the years, dangerous weather events are becoming more frequent and severe. This is now a major concern for man with regards to their survival.

American Meteorological Society confirms that climate change comes from the following four overarching issues: 1) Climate is changing; 2) People are causing climate to change; 3) The societal consequences of climate change are highly uncertain but include the potential for serious impacts; and 4) There are numerous policy options for climate change risk management, most of which are well characterized (i.e., have known strengths and weaknesses).

Causes of climate change

Scientists agreed that the movement of temperature is directly affected by factors like, solar radiation, the geographic position of continents, ocean currents, the location and orientation of mountain ranges, atmospheric chemistry, and vegetation growing on the land surface. They also asserted that this change in temperature on our planet started from the 19th century with average increase of about 2 degrees Fahrenheit (1 degrees Celsius), mostly due to increased carbon dioxide emissions and other greenhouse gases into the atmosphere, driven largely by human activities.
Steps to check the global warming:

A major advocacy by the world leaders to check the global warming effect as a result of the climate change was the 2015 Paris agreement in France. In this congregation, the main solution advanced to the climate change is the control of the greenhouse gases by reducing them to zero. A proposal for net zero carbon emission was set for the year 2050. The Paris climate treaty is basically about the commitment of the countries involved in reducing their carbon foot prints within a given time line, with the ultimate goal of achieving overall reduction in global carbon emission.

Climate change management

Consequently, there is need for us to proactively manage the various risks associated with climate change and according to American Meteorological Society, this management approaches can be viewed from four broad perspectives which are,

1. Mitigation: This is one of the processes of climate change management which involve the direct reduction of carbon emissions, which eventually reduces ccontribution to the concentration of greenhouse gases. Consequently, this will reduce the potential changes in the ecosystem which results in the adverse climate changes in the atmosphere. This will ultimately reduce the societal impact on climate change to manageable level.

The process of reducing emissions fall into several categories. These include a) Regulation; b) Research, development, and deployment of new technologies; c) Conservation, which involves protection of natural habitats created by nature ; d) Efforts to increase public awareness; e) Positive incentives to encourage choices that lower emissions or responsible behaviors; and f) Adding a price to greenhouse gas emissions, which creates incentives to reduce emissions broadly.

2. Adaptation: This involves planning for climate impacts, building resilience to those impacts, and improving society's capacity to respond and recover, with the overall aim to reduce damages and disruptions associated with climate change.

Adaptation policy can include regulation to decrease vulnerability (e.g., through land-use planning and building codes); response planning; disaster recovery; impact assessment for critical systems and resources (e.g., water, health, biological systems, agriculture, and infrastructure); observations and monitoring; and efforts to minimize compounding stresses such as traditional air pollution, habitat loss and degradation, invasive species, and

nitrogen deposition. The provision of medicals and mental health management for affected populace are also very important consideration.

This could also include direct government interventions through the provision of relevant information, publicity and early warning system relating to weather changes that can cause immediate and future effects, so that people can take proactive actions to prevent or minimize the adverse outcome of climate changes. The financial/technical aids by local and international donor agencies are equally important, considering that climate related disasters are usually overwhelming in terms of required resources for the affected community or country, hence the need for such support.

Also, insurance cover for life and property are crucial for rebuilding of affected areas. Insurers and their reinsurance counterparts have been playing crucial roles in the financial support for climate related losses with a tenfold increase in their financial commitment in the last decade compared to the previous one, according to available statistics.

3. Geoengineering; This involves the deliberate act of manipulating the climate system on a global-scale, with the aim of changing the outcomes to a favorable one.

Two categories of geoengineering are most prevalent within scientific and policy discussions: A. Solar radiation management (offsetting human-caused warming due to greenhouse gas emissions by reflecting incoming sunlight back to space) and B. Carbon removal and sequestration (extracting carbon dioxide from the air and storing it deep in the ground or ocean). Extraction of carbon dioxide could also be achieved through deliberate action of afforestation/reforestation by mass planting of trees which could absorb this gas.

Geoengineering could potentially help lower greenhouse gas concentrations in the atmosphere, counteract the warming influence of increasing greenhouse gas concentrations, address specific climate change impacts, or offer desperation strategies in the event that abrupt, catastrophic, or otherwise unacceptable climate change impacts become evident.

Geoengineering could also create new sources of risk because attempts to engineer the earth system on a large scale could lead to unintended and adverse consequences.

4. Research, observations, scientific assessments, and technology development: This can help reveal risks and opportunities associated with the climate system which could potentially support decision-making with respect to climate change risk management. Expanding the knowledge base allows policy makers to understand, select, and refine specific risk management strategies that can subsequently increase the effectiveness of risk management efforts.

Knowledge-based expansion can, in some cases, also reveal entirely new opportunities for protecting the climate system or reducing the risks of climate change impacts. As a result, policies to expand the knowledge

base can underpin and support the proactive risk management strategies described above (mitigation, adaptation, and geoengineering).

Conclusion: Considering the diverse approaches to handle climate change problems and its peculiarity that a number of factors are also outside the control of man, the above-mentioned risk management options are not mutually exclusive. It suffices to say that, wholistic climate change risk management will certainly include a combination of policy responses.

However, the way we integrate both objective and subjective policy choices affects our value judgments in determining whether we are more averse to the risks of climate change or not. This is noticeable in the hypocrisy and power play amongst the most developed countries of the world e.g. America, China, France, Germany, Britain and others whose economic activities have the greatest impacts on the world changing climate and are hesitant to abide with the Paris treaty because of commercial gains. All these are a complex mix, which often makes climate risk management contentious and a challenge.

It is universally agreed that the effects of human activities on Earth's climate from time past to date are irreversible on the timescale of humans alive today, but whatever steps taken now in reducing the temperature or avoiding further increase will help to forestall the likely calamity that might befall man eventually and save the planet from self-implosion.

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REFFERENCES

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CAN THE NIGERIAN INSURANCE INDUSTRY UTILIZE THE SMART TECHNOLOGY IN THE DEMEANOR OF ITS OPERATIONS?

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Abstract
Smart technology is ushering huge innovations that is facing out the traditional business model into a digital transformation era. The insurance industry is no exception as a new generation of insurance operators are evidently emerging globally and Nigeria inclusive. The Nigerian insurance industry is growing despite numerous challenges. However, insurance awareness and penetration in Nigeria has been regarded as poor. The low penetration rate is due to the lack of awareness of the value of insurance and low financial inclusion notwithstanding the emergence the digital economy. Despite this, the Nigerian insurance industry is more resilient than expected. The paper recommends the digitalization of premium calculations, underwriting and claims process to ease the processes, systems and underwriting of insurance policies. This will give the industry the opportunity to inject more funds into the Nigerian economy and insurance laws may have to be modified to suit the digital era.
Keywords: Insurance, Smart technology & Nigeria.

1.0 Introduction
The rapid advancement of smart technologies has brought about transformative changes in various

industries worldwide. This study explores the potential for insurance companies in Nigeria to leverage smart technologies in their operations. The Nigerian insurance industry plays a crucial role in the country's economic development, but it faces challenges such as manual processes, inefficiencies, and a lack of transparency. Smart technologies offer opportunities to address these challenges and enhance the industry's performance. This study examines the current state of smart technology adoption in Nigerian insurance companies, identifies the potential benefits and barriers, and explores the research gaps that need to be addressed. Data privacy and security, ethical considerations, customer trust and acceptance, legal and regulatory challenges, integration with legacy systems, impact on insurance professionals, and long-term cost-effectiveness are among the research gaps identified. By addressing these gaps, insurance companies and stakeholders can gain insights into the feasibility and implications of implementing smart technologies in Nigeria. The findings of this study will contribute to the industry's digital transformation, resulting in enhanced efficiency, improved customer experience, and increased competitiveness in the global market.

The integration of smart technology has become increasingly prevalent across various industries. The insurance sector, known for its complex and data-intensive processes, stands to benefit significantly from the implementation of automated systems. However, while automation has made substantial strides globally, its adoption in the Nigerian insurance industry is still in its nascent stages. This study aims to explore the potential of smart technology and automation in revolutionizing the operations of the Nigerian insurance industry. By examining the current state of automation in the sector and identifying the research gaps, we can shed light on the opportunities and challenges associated with its integration.

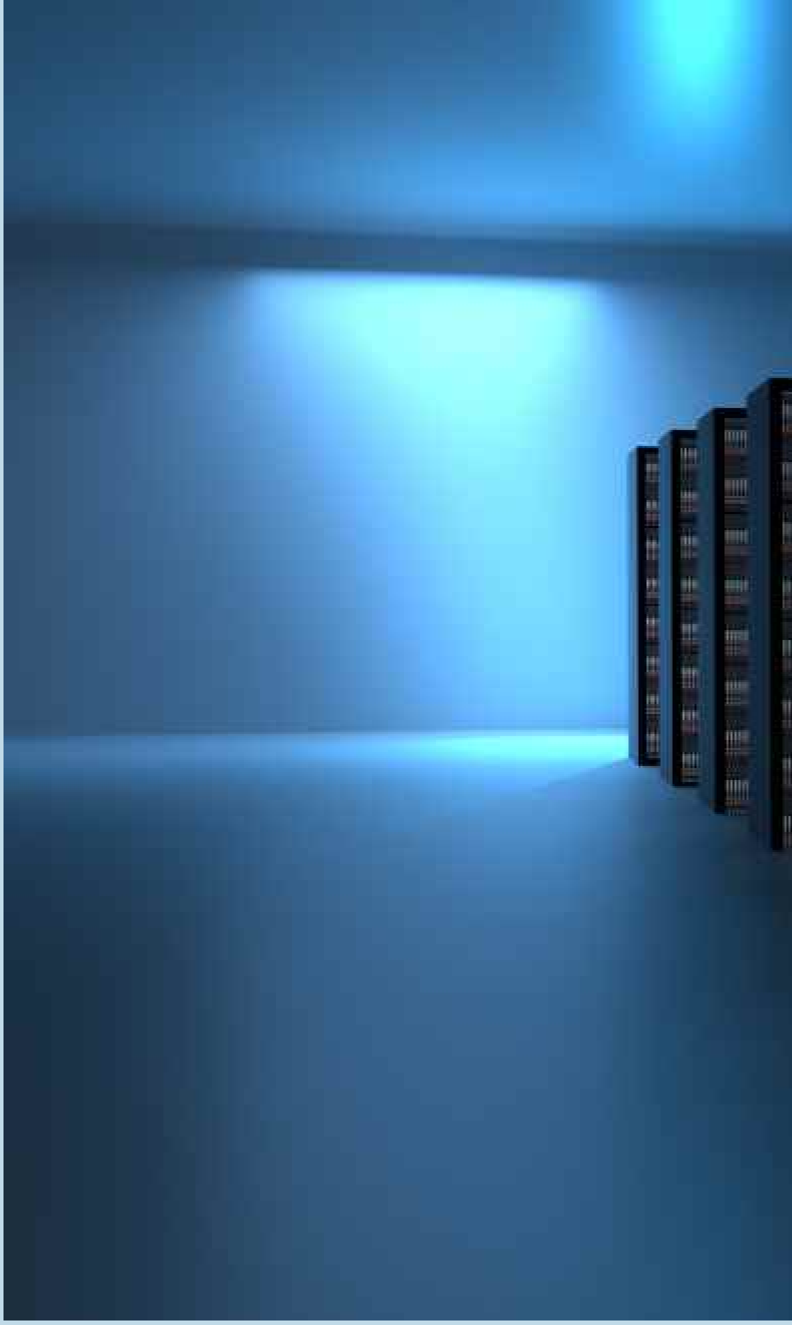
Risk mitigation is a major role of insurance and it helps in the economic development of any country. However, it has long been plagued by manual and paper-based processes, leading to inefficiencies, delays, and a lack of transparency. The introduction of smart technology has the potential to address these challenges, streamlining operations, enhancing customer experience, and improving overall industry performance. Despite the potential benefits, there are several research gaps that need to be addressed before widespread automation can be achieved in the Nigerian insurance industry. To achieve this, the study hypothesizes as follows:

$H0_1$: Smart technology in the insurance industry has no significant benefits nor challenges in the demeanor of its operation in Nigeria.

By examining these research gaps such as data privacy and security concerns, ethical considerations related to algorithmic decision-making, customer trust and acceptance, legal and regulatory challenges, integration with legacy systems, impact on insurance professionals, and long-term cost-effectiveness and proposing potential solutions, this study aims to provide insights into the viability and implications of implementing smart technology in the Nigerian insurance industry. The findings will not only benefit insurance companies but also policymakers, regulators, and other stakeholders involved in shaping the industry's future.

The low penetration rate is due to the lack of awareness of the value of insurance and low financial inclusion. Notwithstanding this, the Nigerian insurance industry is more resilient than expected. The sector paid out claims worth over $25 million and generated an estimated gross premium income (GPI) of over N520 trillion ($1.21 trillion) in the financial year ended December 31, 2020. However, there are still many challenges facing the industry such as erratic power supply, increasing energy costs, failing infrastructure, multiplicity of taxes and low awareness among Nigerians about insurance products.

There are two main classes of insurance business in Nigeria: life and general insurance businesses. Life



insurance business is further classified into individual life insurance, group life insurance and pension business. General insurance includes health, automobile, travel, property, occupiers' liability, engineering, oil and gas, manufacturing and general business. Health insurance is one of the most popular types of insurance in Nigeria. It covers basic patient screening tests, medical consultation, free preventive healthcare and treatment for certain illnesses.

There are six types of insurance companies in Nigeria based on the class of business: life insurers; non-life insurers; composite insurers; re-insurers; takaful operators; and micro-insurance operators. The Nigerian Agricultural Insurance Corporation is responsible for implementing the Agricultural Insurance Scheme which subsidizes premiums chargeable on selected crops and livestock policies.

There are several research gaps in the automation of the insurance industry. Some of them include:

1. Integration with legacy systems: Many insurance companies have existing legacy systems that may not be easily compatible with automation technologies. Research is needed to develop strategies and frameworks for seamless integration of automated processes with legacy systems, ensuring a smooth transition and minimizing disruptions.

2. Impact on insurance professionals: Automation may lead to changes in the roles and responsibilities of insurance professionals. Research is needed to understand the impact of automation on the workforce, including potential job displacement and the need for upskilling or reskilling.

3. Long-term cost-effectiveness: While automation can bring efficiency gains, there is a need for research on the long-term cost-effectiveness of implementing automated processes in the insurance industry. This includes evaluating the return on investment, identifying potential cost-saving opportunities, and assessing the overall economic impact.

Addressing these research gaps can help insurance companies and researchers develop effective strategies for leveraging automation while ensuring its responsible and ethical implementation in the industry.

2.0 Literature review

The integration of smart technology in the insurance industry has gained significant attention in recent years. This literature review aims to provide an overview of the existing research on the use of smart technology in the insurance sector, highlighting its potential benefits and challenges.

2.1 Some Paybacks of Smart Technology in Insurance:

Improved Efficiency and Cost Reduction: Several studies have highlighted the potential of smart technology to streamline insurance processes, reduce manual labor, and improve operational efficiency. Automation of tasks such as claims processing, underwriting, and policy administration can lead to significant time and cost savings for insurance companies (Kumar & Kumar, 2019; Yaseen et al., 2020). Enhanced Customer Experience: Smart technology enables insurers to offer personalized and seamless customer experiences. The use of chatbots, virtual assistants, and mobile applications allows for faster and more convenient communication with customers, leading to higher satisfaction levels (Gupta & Kumar, 2018; Kuo et al., 2020).

In the same vein, Improved Risk Assessment and Fraud Detection using smart technology can effectively detect potentially fraudulent activities. This can help insurance companies make more informed underwriting decisions and mitigate risks effectively (Kumar & Kumar, 2019; Yaseen et al., 2020).

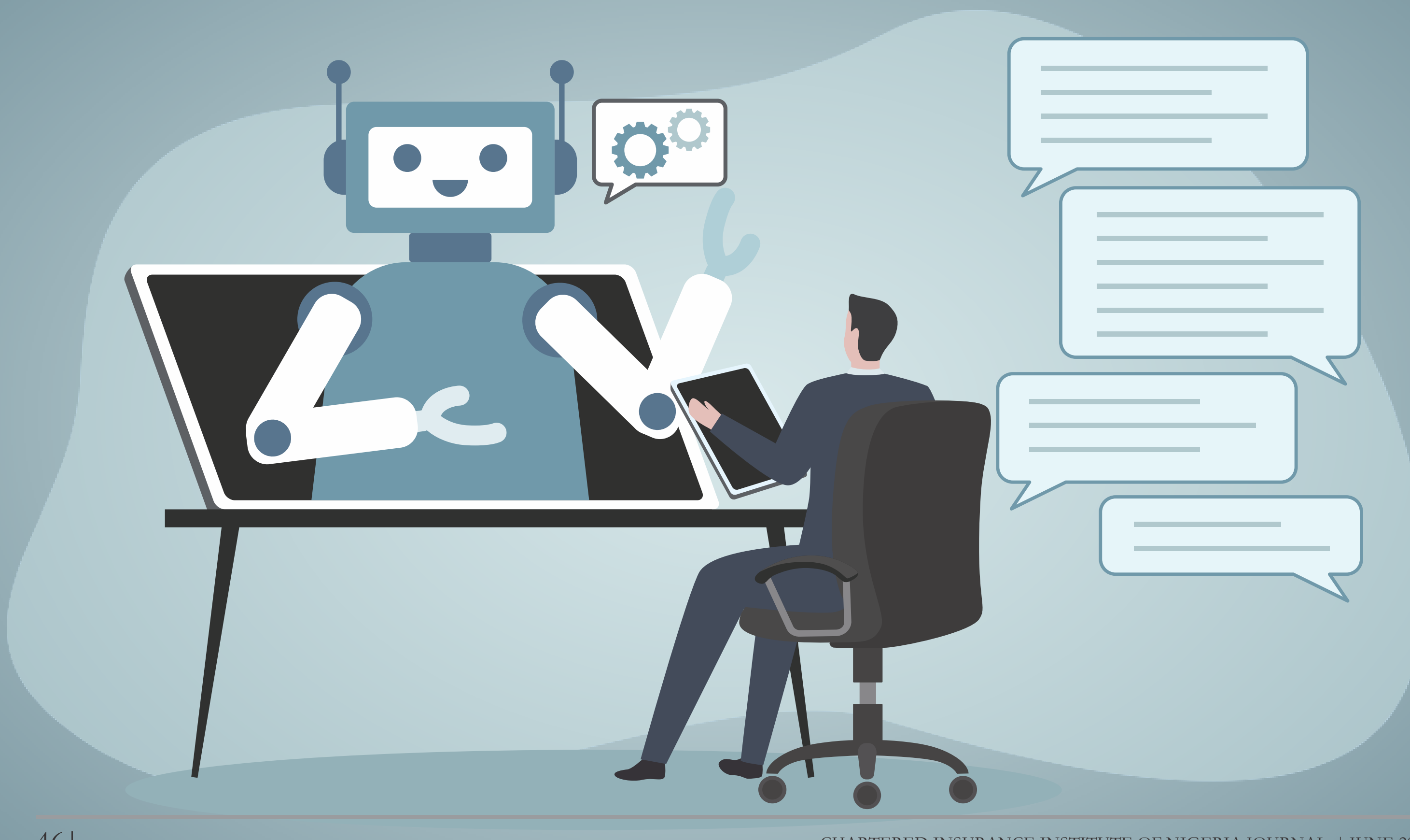
2.1.1 Benefits, Challenges and Limitations:

Gupta & Kumar, 2018 and Kuo et al., 2020 The use of smart technology involves the collection and analysis of large volumes of personal and sensitive data. Ensuring data privacy and security is a significant concern, as any data breach or misuse can lead to reputational damage and legal implications for insurance companies. Since the industry uses sensitive customer data, there is a need for research on ensuring data privacy and security. This includes developing robust cybersecurity measures and addressing potential vulnerabilities in automated systems.

Kumar & Kumar, 2019 and Yaseen et al., 2020) studied ethical concerns in the operation of Smart technology, particularly in areas such as algorithmic decision-making and customer profiling. The transparency and fairness of automated processes need to be carefully addressed to avoid bias and discrimination. Ethical considerations: Automation raises ethical concerns, such as the potential for biased decision-making algorithms or the impact on employment. Research is needed to address these ethical considerations and develop frameworks for responsible automation in the insurance industry.

The adoption of smart technology may face resistance from customers who are skeptical about sharing personal information or relying on automated processes for insurance services. Building trust and ensuring customer acceptance are crucial for the successful implementation of smart technology in the insurance industry (Gupta & Kumar, 2018; Kuo et al., 2020). Customer trust and acceptance: Automation may change the way insurance services are delivered, and customer trust and acceptance are crucial for its successful implementation. Research is needed to understand customer perceptions, concerns, and expectations regarding automated insurance processes, and to develop strategies to build trust and acceptance.

Legal and Regulatory Challenges: The use of smart technology in insurance may require updates to existing legal and regulatory frameworks. Insurance companies need to navigate through regulatory complexities to ensure compliance and accountability (Kumar & Kumar,



2019; Yaseen et al., 2020). Legal and regulatory challenges: Automation may require updates to existing legal and regulatory frameworks. Research is needed to identify potential legal and regulatory challenges and propose solutions to ensure compliance and accountability in automated insurance processes.

The literature review highlights the potential benefits and challenges associated with the implementation of smart technology in the insurance industry. While smart technology offers opportunities for improved efficiency, enhanced customer experience, and better risk management, it also presents challenges related to data privacy, ethics, customer trust, and regulatory compliance. Thus, to gain competitive edge in the evolving digital landscape the industry must look at these areas.

2.2 Management of insurance industry risk

Insurance risk managers analyze insurance needs by identifying risk exposures and analyzing and classifying risks to provide optimum coverage, costs, and claim settlements. They conduct regular policy reviews, research and compile loss trends, review actuarial estimations, administer systems to collect data and generate meaningful models and reporting to support decisions. Insurance risk managers also coordinate policy renewals and applications. They may administer self-insured plans.

Agwuegbo, Adewole, and Maduegbuna. (2010) argued that all businesses face insurance risks and by fully understanding the different types of business risk, you can better understand insurance risk. Insurance companies must protect their clients' homes, cars, businesses as well as their personal information from cybercriminals who can leverage it to commit fraud or other crimes. The core risks facing an insurance company are underwriting, credit market operational liquidity risks etc.

Furthermore, actuaries play an essential role in the insurance industry as they use mathematics, statistics, and financial theory to assess the risk of potential events and help businesses develop policies that minimize the cost of that risk. Actuaries work in life insurance, health insurance, retirement benefits, investments, and finance. They predict insurance company costs and analyze mathematical models to forecast the reasonableness of future events. Actuarial science is applicable in any situation where risk and uncertainty are present. Life insurance is one of the traditional and largest areas of practice for actuaries. Actuaries can fill a number of diverse roles within the operation of life insurance companies. For example, they develop, price, and manage insurance products. They also give advice to insurance companies, review contracts, plans and policies to ensure that they are using accurate data for prediction. Advancement usually depends on job performance and the number of actuarial exams passed. For example, actuaries who achieve fellowship status often supervise the work of other actuaries and provide input to senior management. Therefore, the insurance industry requires to train the actuaries to assist the industry migrate to the digital transformation era in the demeanor of its operations.

Concept of smart technology

Smart technology refers to the integration of computing and telecommunication technology into other technologies that did not previously have such capabilities.

It uses big data analysis, machine learning, and artificial intelligence to provide cognitive awareness to objects. Smart technology can track and analyze data. Evidently, insurance companies can utilize smart technology in the conduct of their operations. Technologies enable insurance companies to determine risks more precisely. For example, auto insurers have historically relied on indirect indicators such as the age, address, and creditworthiness of a driver when setting premiums. Now, data on driver behavior and the use of a vehicle can be used to set premiums. Smart devices also enable policyholders to carry out tasks that could make daily life easier, more efficient, and safer. Policyholders who utilize this type of smart technology are taking proactive measures that could reduce the number of claims they file or the damage scope. Insures try to simplify underwriting and claims processes but new service- based models are emerging in the industry.

Insurance companies may use software to cooperate with customers faster and respond to any customer concern. Many processes become automated, and chatbots replace humans to chat with customers 24/7. Moreover, it allows insurance companies to replace the whole customer service support. Smart housing is another area where insurance companies can utilize smart technology. Smart homes can help consumers save money while supporting underwriting and claims-processing across homeowners' insurance. The potential of telematics is enormous - it helps increase road safety, improve driving behavior, adapt insurance premium plans for car owners considering their needs, and make the auto insurance sector more profitable.

3.0 . Methodology

Some common research methodologies that are often used to study the automation of industries, including the insurance industry:

1. Surveys: Researchers may conduct surveys to gather data from insurance companies, employees, and customers to understand their perspectives on automation in the insurance industry. Surveys can help collect quantitative data on the current level of automation, challenges faced, and potential benefits.

2. Interviews: Researchers may conduct interviews with industry experts, insurance company executives, and employees to gain insights into their experiences with automation. Interviews can provide qualitative data and in-depth understanding of the challenges, opportunities, and strategies related to automation.

3. Case studies: Researchers may conduct detailed case studies of specific insurance companies or organizations that have implemented automation in their operations. Case studies allow for a deep examination of the implementation process, challenges faced, and outcomes achieved.

4. Literature reviews: Researchers may conduct literature reviews to analyze existing studies, reports, and articles related to automation in the insurance industry. This helps in synthesizing existing knowledge, identifying research gaps, and providing an overview of the current state of automation.

5. Data analysis: Researchers may analyze existing data, such as insurance company performance metrics, customer data, and industry reports, to assess the impact of automation on various aspects of the insurance industry. Data analysis can provide quantitative insights into the effectiveness and efficiency of automation.

It's important to note that the specific research methodologies used may vary depending on the research objectives, available resources, and the nature of the study. Researchers may also use a combination of different methodologies to gain a comprehensive understanding of automation in the insurance industry. The paper is a pioneering effect for future studies in the areas of digitalization of the industry. Specifically, the industry's key areas of operation includes Premium, underwriting and claims.

Premium: It guarantees financial compensation for the policyholder in exchange for coverage and is usually paid on a monthly basis. Premiums are what you pay insurance companies in exchange for protection against potential losses. Therefore, if the industry digitalizes the computation of policies premium charge can be done though software's and artificial intelligence once correct data is inputted.

Underwriting

Insurance underwriting is the process of evaluating and analyzing risks involved in insuring people and assets. Underwriters use computer software to determine how risky it is to issue coverage to a certain person or businesses. They are industry professionals who decide whether an insurer can provide coverage to individuals and families.

Claims

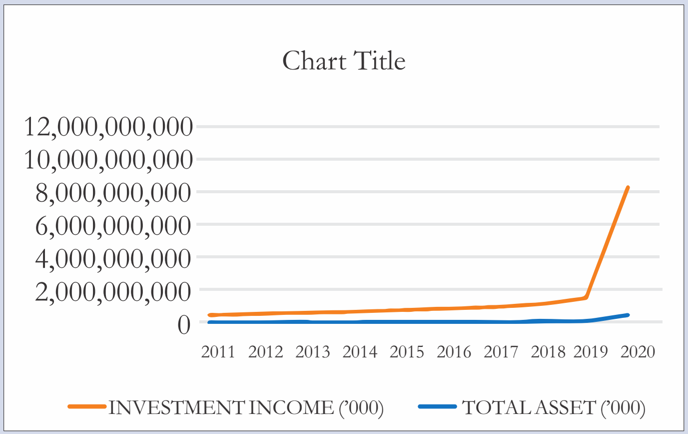
A claim arises where the insured event occurs however, the types of claims depend on the situation at hand and the kind of insurance policy you have For example, car insurance claims can pay out in many different cases, including theft and natural disasters. Homeowners insurance claims typically cover scenarios related to your home. A claim payment is typically only issued to the person named on the policy (or a designated beneficiary). When you file an insurance claim, you are requesting that your insurer pay for something your insurance covers, such as a car accident or house fire. The insurer validates the claim and issues payment to the insured or an approved interested party on behalf of the insured. If your claim is approved, you may have to pay a deductible, which is the amount you're responsible for paying before insurance kicks off.

4.0 Analysis and presentation of data

The paper revealed that the computerization of the insurance industry is unavoidable. This is because the businesses are adopting the use of smart technologies to accurately and efficiently conduct their manual operations which take longer to achieve the set goal for the organization. Specifically, for the service industry where they are faced with changing customer behavior. Thus, satisfy each customer is specific to the customer needs. This holds in the insurance industry as the customers known as insured also have diverse needs that have to be attended to for the industry to achieve its profit (Omoke, 2011)

Table 1: Investment income and total Asset (2011 to 2020)

YEAR	INVESTMENT INCOME ('000)	TOTAL ASSET ('000)
	16,794,086	573,472,632
2011	38,752,743	661,967,570
2012	42,158,922	750,923,727
2013	38,561,213	794,982,012
2014	44,417,461	894,875,247
2015	45,318,580	985,980,763
2016	65,880,017	1,086,703,228
2017	77,910,786	1,225,695,447
2018	98,791,619	1,435,027,175
2019	100,315,142	1,855,844,555
2020	**568,900,569**	**10,265,472,356**
TOTAL		



From table 1 above, the market is expected to achieve a CAGR of more than 10% during 2023-2027. The study revealed a consistent increase in income for the period under study from 38,752,743 million in 2011 to 568,900,569 million in 2020. Similarly, assets accumulation in the insurance industry amounted to 661,967,570 million in 2011 and also steadily increased to 10,265,472,356 million. Other indicators such as gross written premium, accepted and ceded premium, profitability ratios, revealed positive increase in the industry.

5.0 Summary and conclusion

In conclusion, the Nigerian insurance industry has the opportunity to leverage smart technology and automation to transform its operations and enhance its competitiveness in the global market. However, thorough research is required to understand the challenges and opportunities associated with this transformation. By addressing the identified research gaps, we can pave the way for a more efficient, customer-centric, and digitally-driven insurance industry in Nigeria. Thus, developing robust cybersecurity measures and addressing potential vulnerabilities in automated systems of the insurance industry in Nigeria can inject fund and thereby increase gross domestic product (GDP).

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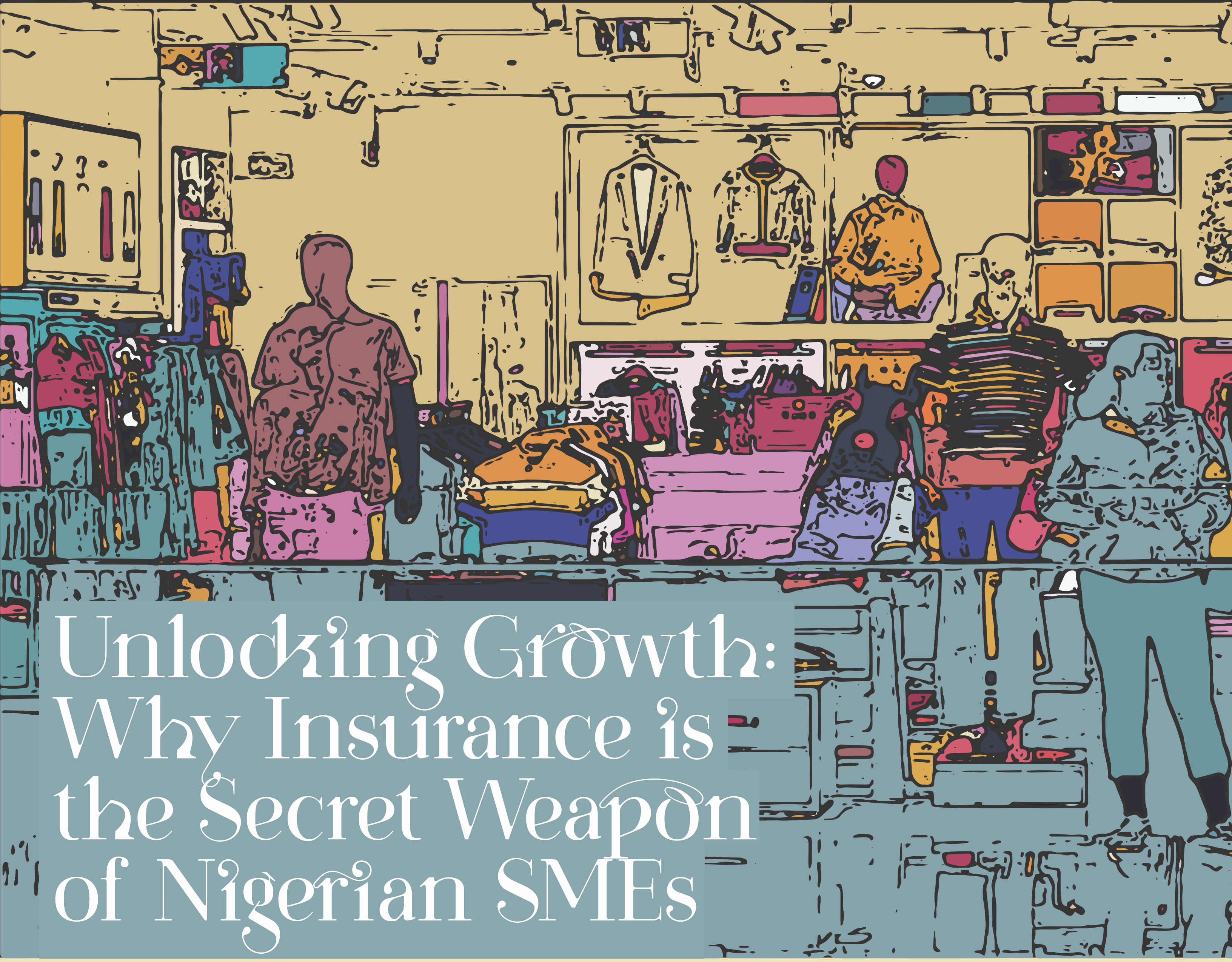

Unlocking Growth: Why Insurance is the Secret Weapon of Nigerian SMEs

Adeolu Adewumi-Zer, ZER Consulting Africa
Chief Babajide Olatunde-Agbeja, Boff & Co. Insurance Brokers Ltd
Bode Pedro, Casava
Ibraheem Babalola, ETAP

Synopsis:
Nigeria's thriving small and medium-sized enterprises (SMEs) face a major hurdle: low insurance penetration. This leaves them vulnerable to financial shocks and hinders their growth. The good news? A wave of innovation is bridging the gap between traditional insurance and the specific needs of Nigerian SMEs.

One evening, King's Super Market owner Mrs. Kehinde Soremekun received a call indicating that a fire had broken out in the store next to hers, consuming the surrounding businesses. The fire was too wild to put out even with the fire extinguishers and other precautions in place. Sadly, her entire investment was lost in a matter of hours. The financial hit may have forced her to completely shut down her dream business, but, this story has a happy ending, as she was back in business in just a matter of months thanks to her insurance coverage.

Unfortunately, this fairy-tale ending is not too common amongst Nigeria's thriving community of small and medium enterprises (SMEs). While large corporations often have robust insurance strategies, many SMEs remain uninsured or underinsured. The National Bureau of Statistics (NBS) reports that only 0.5% of Nigerian businesses have any form of insurance, a figure dwarfed by the global average of 54%. This stark disparity translates to a massive protection gap, leaving Nigerian SMEs highly vulnerable to a multitude of risks, hindering their growth potential and overall economic contribution. However, a new wave of innovation is brewing, with insurtech companies and forward-thinking insurance

brokers bridging the gap between traditional insurance and the specific needs of Nigerian SMEs.

ZER Consulting Africa is on a mission to empower African SMEs to compete on the global stage. As a pan-African management consultancy, we see insurance as a critical tool for ensuring their success. In this article, we dive deep into the challenges and opportunities within the SME insurance landscape, drawing insights from industry experts and real-world case studies.

The Challenge: A Disconnect Between Needs and Offerings

Nigeria boasts a thriving SME sector, yet insurance penetration amongst them remains low. The low insurance penetration rate amongst Nigerian SMEs can be attributed to a complex web of factors that create a significant disconnect between the needs of businesses and the offerings of traditional insurers. Here's a breakdown of the key challenges:

Distribution Challenges: Reaching geographically dispersed SMEs, particularly those operating in remote areas, has been a persistent hurdle for traditional insurers. Reliance on brick-and-mortar distribution channels proves ineffective in capturing this vast and dynamic market segment.

Lack of Sector Understanding: Traditional insurance products tend to be designed with large corporations in mind. These one-size-fits-all solutions often fail to cater to the unique risk profiles and financial constraints of SMEs. For instance, a manufacturing business might require coverage for machinery breakdown, while a digital marketing agency might need protection against cyber threats. Traditional offerings may not address these specific needs or come with hefty premiums that are out of reach for many SMEs.

Misaligned Value Chain: A fundamental disconnect exists between the traditional insurance value chain and the way SMEs operate. Traditional insurers often lack a deep understanding of the specific risks and vulnerabilities present across different SME sectors. This limited understanding translates to a mismatch between the products offered and the actual needs of SMEs. Businesses are left with generic insurance packages that may not provide adequate coverage for their specific operations.

Communal Support: The extended family system or close-knit nature of Nigerian society often leads business owners to rely on their family, friends, and colleagues for support in times of unfortunate accidents or losses to their business, rather than utilizing insurance. This sense of interconnectedness fosters a reliance on personal relationships rather than formal institutions like insurance companies. The adage, 'experience is the best teacher', does not come into play here because familiar networks are available to assist business owners in their time of need.

Impact of the Disconnect

The consequences of this disconnect are far-reaching. A 2021 report by the Lagos Chamber of Commerce and Industry (LCCI) revealed that over 70% of SME closures in Nigeria are directly linked to financial shocks caused by unforeseen events like fire outbreaks, theft, or business interruptions. The lack of adequate insurance leaves these businesses exposed, hindering their ability to recover from setbacks and jeopardizing their long-term survival. This, in turn, stifles economic growth and job creation, as SMEs are critical drivers of innovation and employment in Nigeria.

Beyond the statistics, the human cost is equally significant. Happy stories like King's SuperMarket are sadly not the norm. The financial and emotional toll of an uninsured loss can be devastating, forcing business owners to close their doors and leaving employees jobless.

By bridging this gap between SME needs and insurance offerings, we can unlock a future where Nigerian SMEs thrive, protected from unforeseen circumstances and empowered to chase their entrepreneurial dreams. This is where innovative insurtech companies and forward-thinking brokers are stepping in...

Case Study 1: Casava Microinsurance

Addressing the distribution challenge

Basix, a microfinance institution deeply rooted in rural India, faced challenges selling insurance through agents. Recognising the need for a different approach, Basix partnered with a micro insurer to refine their agents' understanding of insurance products and the customers' psychological biases. The agents underwent training in behavioral economics, focusing on biases such as **present bias**, where customers prefer immediate rewards over future benefits, and **optimism bias**, which leads to underestimating the likelihood of adverse events. This training enabled agents to tailor insurance offerings to meet customer needs. Additionally, to combat **loss aversion**-a tendency to prefer avoiding losses over acquiring gains-Basix introduced incentives like quarterly premium discounts for no claims despite premiums being 10% higher. This strategy significantly resonated with the villagers' risk-averse nature, resulting in a notable 10.1% increase in insurance adoption within a year.

Leveraging similar strategies in Nigeria, Casava, a leading Nigerian insurance startup, developed *BusinessGro* in partnership with a Federal Government agency. This product, aimed at micro-business owners and sold digitally through a government portal, combines insurance with digital business training and loan referrals. By addressing present and optimism biases, Casava achieved a 250% uptake increase in the first six months.

"Addressing biases like the 'optimism or Jesus bias' observed in Nigeria involves framing insurance not just as a safeguard against negative events but as an aspirational and gratifying product", says Bode Pedro, Founder & CEO at Casava. "Our progress at Casava underscores the importance of behavioral economics in the development and distribution of insurance products."

In markets like Nigeria, where biases such as optimism bias influence perceptions, Casava finds it crucial to frame insurance as an aspirational product. Emphasizing the value of partnering with distributors that are trusted within their community and committed to product innovation and agent training is key to bridging the demand gap and enabling effective insurance distribution, ultimately improving the quality of life of customers.

Case Study 2: ETAP (Easy as Taking A Picture)

Bridging the value chain disconnect
In today's dynamic business landscape, insurance plays a crucial role in mitigating risks and fostering growth for Nigerian SMEs. ETAP, Africa's leading digital insurance provider, is at the forefront of revolutionizing how SMEs perceive and leverage insurance.

By offering affordable and accessible insurance solutions tailored to the unique needs of SMEs, ETAP empowers these businesses to thrive in an increasingly competitive market. From comprehensive coverage for assets and liabilities to innovative products like ETAP for Business, which simplifies fleet management and insurance administration, ETAP is a game-changer for Nigerian SMEs.

"Through strategic partnerships and cutting-edge technology, ETAP is driving financial inclusion and resilience among SMEs, enabling them to navigate uncertainties and seize opportunities with confidence", explains Ibraheem Babalola, CEO of ETAP. "As we continue to champion the cause of SMEs, ETAP remains committed to aggressively leveraging advanced technology to transform the insurance landscape and empower Nigerian businesses to reach new heights of success."

Case Study 3: Boff & Company Insurance Brokers Ltd. (Boff & Co.)

Building sector understanding

Boff & Co., an Ibadan-based firm with a long-standing reputation, understands the unique needs of SMEs and the importance of establishing trust through personalized service. Their team of experienced brokers goes beyond simply selling policies. They work closely with SMEs to conduct a thorough risk assessment, identify potential vulnerabilities, and develop a customized insurance plan that offers comprehensive protection. By partnering with insurance companies, they offer bespoke policies that directly address the specific operations of each business, moving away from the outdated concept of one-size-fits-all insurance.

Experience has shown that the distrust of the SMEs is because of inadequate reimbursement following losses, typically stemming from gross underinsurance. This occurs when businesses insure assets at low values but expect full compensation in case of a claim. Premium rates are determined scientifically, and incomplete premium payments result in partial claim settlements. Boff & Co. also prioritizes educating business owners not only about the claims process but also about the need to insure adequately for full compensation in the event of a claim.

Insufficient documentation poses another challenge for SMEs seeking full compensation during claims. Many businesses fail to maintain proper records of invoices, receipts, and purchase orders, hindering their ability to support their claims effectively.

"SMEs are the backbone of the Nigerian economy, but they are often exposed to a multitude of risks," says Chief Babajide Olatunde-Agbeja, Chairman of Boff & Co. "Our role is to serve as trusted advisors, guiding SMEs through the complexities of insurance to secure the right coverage at the right price. We believe that informed and protected businesses are better positioned to succeed."

The Policymaker's Role: Fostering an Enabling Environment

While innovative insurtech platforms and dedicated brokers are making significant strides, the government has a crucial role to play in fostering a more enabling environment for SME insurance adoption. By implementing strategic policies and fostering collaboration between stakeholders, policymakers can help bridge the gap between SME needs and insurance offerings, ultimately propelling the growth and resilience of Nigeria's vibrant SME sector. Here's how policymakers can contribute:

Promote Risk-Based Supervision (RBS): Currently, a one-size-fits-all regulatory approach often burdens SMEs with excessive compliance requirements. Implementing RBS can revolutionize the landscape. RBS encourages a data-driven approach, tailoring regulations to the specific risk profiles of SMEs. This allows insurers to develop more innovative and inclusive insurance products that are more relevant and affordable for smaller businesses. For example, a low-risk online retailer might face less stringent capital requirements compared to a high-risk manufacturing company. This flexibility allows insurers to create targeted products priced competitively for the SME market.

Facilitate Innovation: The rise of insurtech presents a game-changing opportunity for SME insurance penetration. However, existing regulatory frameworks may not adequately address the unique needs of these digital platforms. By fostering a more innovation-friendly regulatory environment, policymakers can encourage the development and deployment of digital insurance solutions. This could involve streamlining licensing procedures for insurtech startups and creating regulatory sandboxes that allow them to test and refine their offerings in a controlled environment.

Support Capacity Building: Knowledge is power, especially when it comes to insurance. A significant barrier for SMEs is the lack of awareness and understanding of the benefits of insurance and the claims process. Policymakers can play a crucial role in promoting financial literacy initiatives specifically geared towards SMEs. This could involve collaborating with industry bodies and educational institutions to develop training programs that educate business owners about risk management strategies and the importance of insurance in safeguarding their businesses. Additionally, initiatives can be designed to simplify insurance policies and claims procedures, making them more accessible and user-friendly for SMEs.

Building a Sustainable Future

By working together - insurers, insurtechs, brokers, and policymakers - we can equip Nigerian SMEs with the secret weapon of insurance, unlocking their full potential and propelling them to become the driving force of a vibrant and resilient economy.


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MEET THE YEAR 2024/2025 CIIN AMBASSADOR, MR. AKOREDE OLAOLUWA JOHNSON

Amidst pomp and pageantry, the 2024 edition of the annual CIIN Nite of Talents was held at the Condo Event Centre in Victoria Island, Lagos on March 8, 2024.

The keenly-contested competition had contestants from leading insurance companies in the country and at the end of the day, Akorede Olaoluwa Johnson, a Youth Corp Member with Sovereign Trust Insurance Plc emerged the winner and subsequently, becomes the CIIN Ambassador for the insurance industry for year 2024/2025.

Akorede Johnson is a graduate of Insurance from Lagos State Polytechnic as well as having a B. Sc degree in Education from the Lagos State University.

He is a highly motivated and adaptable individual with a passion for learning and growth. Akorede is a registered and qualified teacher with the Teachers Registration Council of Nigeria.

He is also a member of the Chartered Institute of Personnel Management of Nigeria, (CIPM) and holds a Diploma Certificate of the Chartered Insurance Institute of Nigeria, CIIN. As an undergraduate, he served in various capacities in the Student Union body in leadership positions.

As a young leader with enthusiasm for knowledge and professionalism, Akorede cut his career teeth with Sovereign Trust Insurance plc in October 2023, when he joined the company for his mandatory one-year Youth Service as a staff in the Reinsurance unit in the Technical Division of the Underwriting Company.

He is a professional photographer that loves to learn, travel and try new things.

The Institute was founded in 1959 by Article of Association and Memorandum. The Institute was known and referred to as the Insurance Institute of Nigeria until February 26, 1993, when it became Chartered vide Decree (now Act) No 22 of the Federal Republic of Nigeria. Upon establishment in 1959, the Institute became the rallying point for insurance practitioners in Nigeria comprising a few Expatriates and their Nigerian counterparts whose pioneering effort provided the building blocks for what has now become a veritable force in the Nation's Financial Services Industry and the economy at large. The Institute was affiliated to the Chartered Insurance Institute (CII), London in 1960 for reasons bordering on the need to model its operations after the London Institute which then produced the bulk of insurance professionals whose expertise were indispensable in shaping the face of professionals' practice in the days.


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