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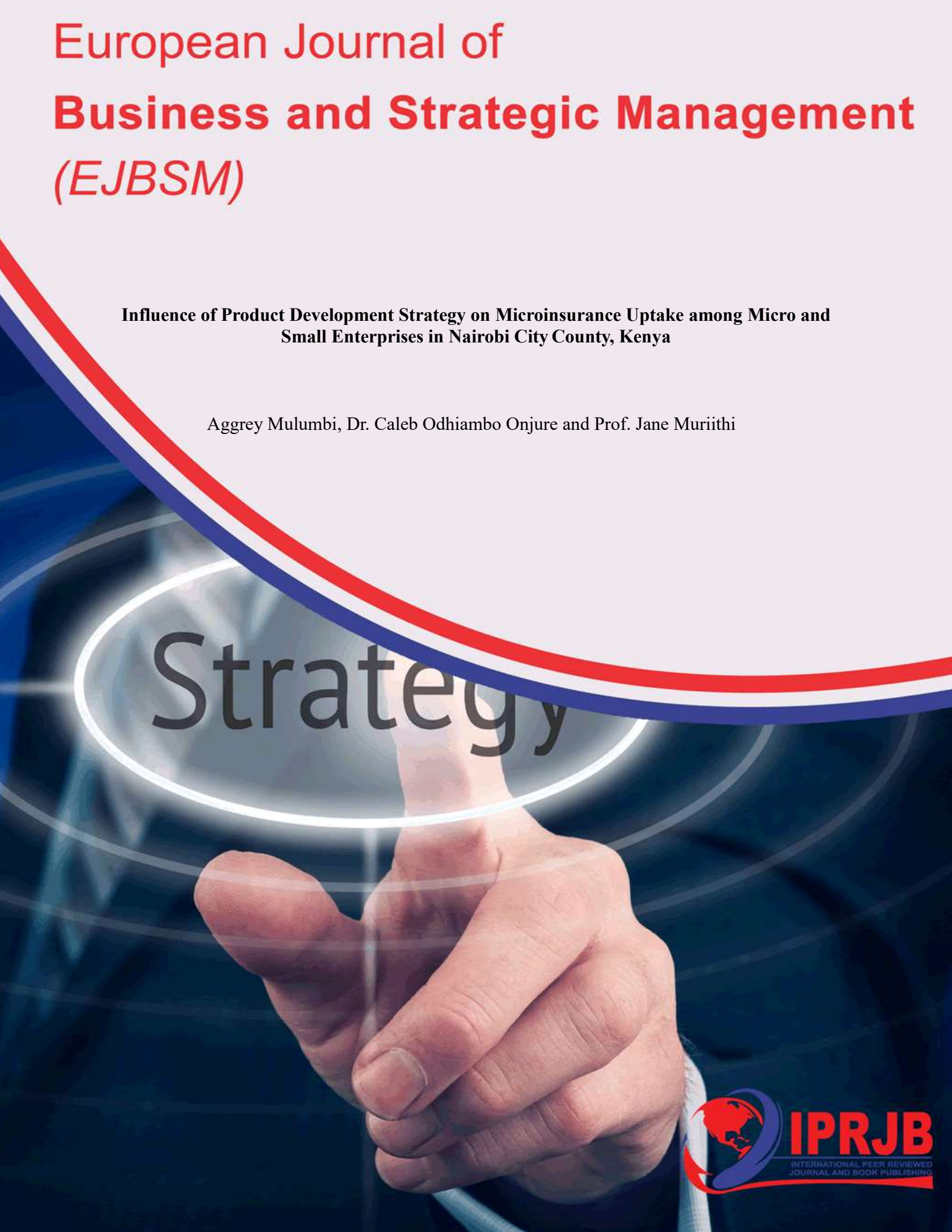

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Influence of Product Development Strategy on Microinsurance Uptake among Micro and Small Enterprises in Nairobi City County, Kenya

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Abstract

Purpose: The study aimed to investigate influence of product development strategies on microinsurance uptake among micro and small enterprises in Nairobi County, Kenya.

Methodology: The research adopted a positivist philosophy and descriptive research design. A representative sample of 387 MSEs was selected through multistage random sampling from a population of 12,429 registered MSEs in Nairobi County (MSEA, 2024). Data collection involved structured questionnaires, with a pilot test conducted to ensure validity and reliability. Quantitative data were analyzed using SPSS version 27. Descriptive statistics such as means and standard deviations were calculated, while inferential analysis employed multiple regression and correlation techniques to test hypotheses at a 95% confidence level ($p < 0.05$).

Findings: The analysis revealed strong positive correlations between product development strategies and microinsurance uptake ($r = 0.572$), significant at $p < 0.01$. Regression models showed that the strategy accounted for 32.7% of the variance in microinsurance uptake. The ANOVA results indicate an F-statistic of 146.009 with a p-value of 0.000 further suggesting that the relationship between product development strategy and microinsurance uptake was statistically significant at the 95% confidence level. The unstandardized coefficient (B) for product development strategy was 0.317, indicating that a one-unit increase in product development strategy led to 0.317 units increase in microinsurance uptake.

Unique Contribution to Theory, Practice and Policy: Based on the study findings, microinsurance providers should intensify investment in market research to understand the specific risks, operational challenges, and protection needs of different MSE sectors. Product design should prioritize flexibility, affordability, and relevance to the business environment.

Keywords: *Market Development Strategy, Product Development Strategy, Microinsurance Uptake, Micro and Small Enterprises (MSEs)*

JEL Codes of Classification: *M31, O31, G22, L26*

INTRODUCTION

Micro and small enterprises (MSEs) form the backbone of many economies, particularly in developing nations. They play a critical role in job creation, income generation, and poverty alleviation (World Bank, 2021). Despite their importance, MSEs often face substantial risks, including theft, illness, market fluctuations, natural disasters, and business disruptions (Adepoju et al., 2020). These risks significantly threaten their sustainability and growth. While microinsurance has the potential to cushion these risks, its adoption among MSEs remains strikingly low.

Nevertheless, the problem of microinsurance uptake among MSEs has persisted for decades, with recent studies highlighting that most small business owners in developing economies lack any form of formal insurance. According to Finmark Trust (2021), less than 5% of low-income households and businesses in underdeveloped countries access insurance products, despite the heightened vulnerabilities they face. This low uptake is quite concerning because it leaves MSEs exposed to risks that can lead to financial ruin, perpetuating cycles of poverty and economic instability. Chummun (2017) attributes this low adoption to limited awareness, poor product design, and lack of trust in insurance providers. The gap between the supply of microinsurance products and their adoption by small businesses signals deeper issues that warrant investigation.

According to Adepoju et al. (2020), microinsurance is a type of insurance designed to provide low-cost, accessible coverage to low-income individuals and small businesses, particularly in developing countries. It aims to mitigate risks such as illness, accidents, property damage, and income loss that disproportionately affect low-income populations and micro and small enterprises (MSEs). Microinsurance products are often characterized by their low premiums, simplified policies, and easy access, making them suitable for those who cannot afford traditional insurance. On the other hand, Njogu (2019) defines product development strategy as the planning and execution of creating, designing, and improving insurance products that meet the needs of a target market.

One critical barrier to microinsurance demand is lack of awareness and understanding of the products (Adepoju et al., 2020). Many MSE owners are unfamiliar with the concept of microinsurance and its potential benefits, resulting in misconceptions and mistrust. Njogu (2019) notes that limited efforts to educate MSEs about microinsurance have contributed significantly to its low penetration in Kenya. Without targeted efforts to raise awareness, small business owners are unlikely to perceive microinsurance as a viable solution to their risk exposure.

Globally, MSEs play a crucial role in the business environment. For instance, China is home to a rapidly growing number of MSEs, particularly in manufacturing, e-commerce, and agriculture. The government's push towards financial inclusion, including the introduction of microinsurance products for small businesses, has made insurance more accessible. According to China's Insurance Regulatory Commission (CIRC) (2019), the market for microinsurance in China is expanding, with more businesses adopting these products due to increasing awareness and favorable government policies.

In Africa, specifically Nigeria, MSEs account for over 90% of businesses, yet microinsurance uptake remains underdeveloped. Njagi and Njoka (2021) highlighted that the fragmented insurance

landscape limits penetration. However, the government's National Financial Inclusion Strategy aims to boost coverage to 40% by 2025. Marketing strategies, such as leveraging mobile technology, have shown promise. Initiatives like MTN's mobile insurance partnerships have helped raise awareness among informal sector workers, though scale remains limited (Mose, 2022).

In kenya, a study by Mutua (2017) revealed that less than 5% of MSEs in Kenya have any form of insurance coverage, largely due to lack of awareness and education about the available products. In addition, Kamau et al. (2022) found that microinsurance providers in Kenya face challenges in reaching the informal sector with educational campaigns and outreach programs, which hampers the uptake of these products. Affordability remains one of the major constraints to the uptake of microinsurance among MSEs in Kenya. MSEs, especially those operating in the informal sector, typically have low- and irregular-income streams. According to UNDP (2022), effective market development strategies such as product development, pricing, distribution, and promotion are critical for driving uptake.

Problem Statement

Despite the potential benefits of microinsurance, its uptake remains low among MSEs in Nairobi City County, Kenya, leaving businesses exposed to significant risks. According to the Insurance Regulatory Authority (IRA) of Kenya, microinsurance penetration remains low, at 2.34% nationally (IRA, 2023). Studies by Njuguna and Arunga (2022) highlight that these businesses often close within two years of operation due to financial losses that microinsurance could mitigate. Studies have shown that factors such as affordability and awareness significantly influence the adoption of microinsurance products (Churchill, 2020), while poor distribution channels hinder their reach (Makau & Abeka, 2021). However, the influence of market strategies specifically product development strategy in driving uptake has not been fully explored. This study sought to fill this gap by analyzing the influence of tailored product development strategies on the uptake of microinsurance among MSEs in Nairobi City County, Kenya.

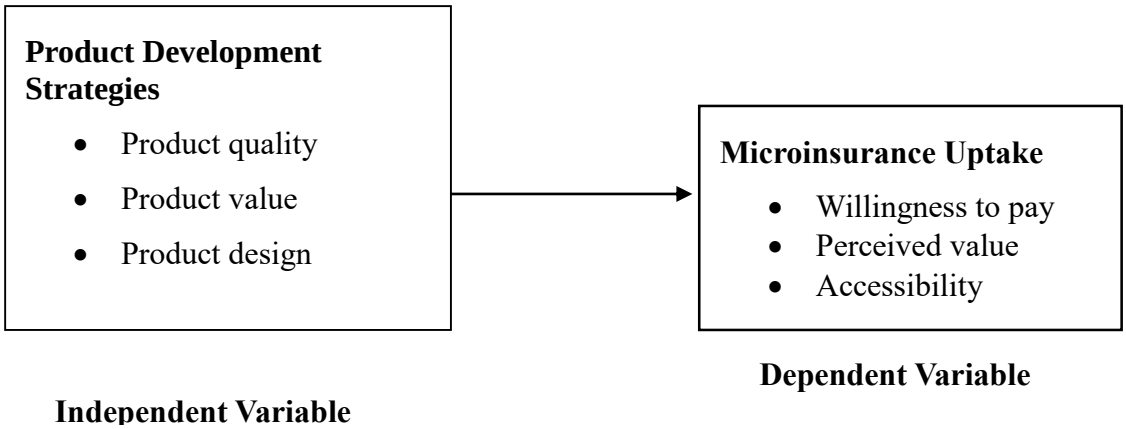
LITERATURE REVIEW

Theoretical Review

Disruptive Innovation Theory (DIT), developed by Christensen (1997), explains how new market entrants disrupt established businesses by targeting underserved or overlooked segments with simpler, more affordable products. The theory identifies three key principles: (1) incumbent firms often overserve existing customers by offering overly complex and expensive products, leaving a gap at the market's lower end; (2) disruptive innovations initially underperform on traditional metrics but appeal to niche or peripheral customers; and (3) incumbents' focus on current profitability limits their incentive to invest in disruptive technologies targeting smaller or less profitable markets (Christensen et al., 2018). While DIT has faced criticism for relying heavily on retrospective case studies and oversimplifying innovation types, potentially reducing its predictive power and ignoring broader institutional factors (Lile et al., 2024), it remains influential in strategic management. In this study, DIT was applied to product development to analyze how enhancing microinsurance products can disrupt traditional insurance models and increase uptake among Micro and Small Enterprises (MSEs).

In addition, behavioral economics examines how psychological factors, social influences, and cognitive biases affect decision-making, often leading to choices that deviate from purely rational behavior. The theory was applicable in explaining microinsurance adoption, as MSE owners may resist adopting such products due to biases like status quo bias and loss aversion (Kahneman & Tversky, 1979). Additionally, trust issues with insurance providers may further deter uptake (Tversky & Kahneman, 1991). Therefore, by understanding these biases, microinsurance products can be better tailored to address these challenges, improving adoption rates among MSEs in Nairobi by simplifying policies and building trust.

Conceptual Framework



Empirical Review

Bendig and Arun (2016) aimed to explore the factors influencing the uptake of multiple microinsurance schemes in Sri Lanka, with a particular focus on household decision-making dynamics. The study employed a quantitative cross-sectional research design, targeting rural households across various provinces. Utilizing stratified random sampling, the authors collected data that were analyzed using logistic regression models to examine the likelihood of households subscribing to more than one insurance scheme. Their findings indicated that higher education levels, diversified sources of income, and positive past experiences with insurance significantly increased the likelihood of adopting multiple insurance products. Trust in providers and affordability were also influential. However, the study presents geographical and contextual gaps as it focuses on rural households in Sri Lanka rather than SMEs in Kenya. Methodologically, the research emphasized household-level adoption, overlooking the firm-level decision-making processes relevant to SMEs.

Onduso (2014) investigated the factors that influence the penetration of microinsurance in Kenya, with particular attention to regulatory frameworks, consumer awareness, and the effectiveness of distribution channels. The study adopted a descriptive research design and primarily targeted insurance companies and regulatory authorities in Nairobi. Using purposive sampling, key industry informants were selected, and data were analyzed through SPSS, employing descriptive statistics

to present findings in tables and charts. Results revealed that low levels of public awareness, inadequate distribution networks, and complex regulatory environments were major obstacles to microinsurance penetration in Kenya. While the study offers valuable insights into the Kenyan insurance landscape, its contextual gap is evident as it focuses predominantly on the supply side (insurers and regulators) rather than the demand side, specifically SMEs as consumers of microinsurance. This limits its applicability to understanding SME behavior in Nairobi.

Mose (2022) sought to examine how microinsurance strategies contribute to the overall enhancement of insurance penetration in Kenya. Employing an explanatory research design, the study targeted insurance firms across the country. Stratified sampling was utilized to select respondents, and data were collected through structured questionnaires. The analysis, conducted using regression analysis alongside descriptive statistics, revealed that product innovation, strategic pricing models, and robust customer education initiatives significantly influence microinsurance penetration rates. Despite these valuable findings, the study has a contextual gap as it takes a national perspective without narrowing down to SMEs in Nairobi. Additionally, from a methodological standpoint, the study primarily relies on data from insurance providers, thereby omitting the critical perspectives of SMEs as end-users of microinsurance products.

Ngera (2018) focused on the relationship between entrepreneurial orientation and microinsurance uptake among micro and small enterprises (MSEs) in Nairobi County. The study used descriptive research design, targeting MSE owners in Nairobi. A sample of 384 enterprises was selected using stratified random sampling to ensure representation across different sectors. Data were analyzed using descriptive statistics and regression models, with results presented in narrative and tabular formats. Findings showed that entrepreneurial traits such as innovativeness, risk-taking, and proactiveness significantly influence the likelihood of microinsurance uptake. However, the study is limited by a methodological gap due to its reliance on self-reported data, which could introduce response bias. Conceptually, while it addresses entrepreneurial orientation broadly, it does not delve deeply into specific strategic elements like product development that could directly impact microinsurance uptake.

Muthoga et al. (2018) aimed to determine how entrepreneurial innovativeness affects microinsurance uptake among micro and small enterprises (MSEs) in Kenya. Using a descriptive survey design, the study sampled MSEs across various sectors through stratified random sampling. Data collection was conducted via structured questionnaires, and regression analysis was used to interpret the data, with findings presented in descriptive tables. The study established that entrepreneurial innovativeness—particularly the ability to identify new market opportunities and develop creative solutions—positively influenced microinsurance adoption among MSEs. Nonetheless, the research exhibits a geographical gap as it considers the national context of Kenya without a focus on Nairobi SMEs specifically. Additionally, while it examines innovativeness, it does not adequately address product development strategies, which are critical for understanding microinsurance uptake behaviors.

Muriithi (2022) examined the relationship between organizational strategies and the growth of microinsurance in Kenya. The study employed descriptive correlational research design and targeted managerial staff within microinsurance firms across the country. A census approach was used, given the limited number of microinsurance providers, and data were analyzed through both

descriptive and inferential statistics to establish the link between strategies and growth outcomes. Findings revealed that strategies such as differentiation, cost leadership, and market focus were instrumental in driving the growth of microinsurance providers. However, the study presents a contextual gap as it focuses on the supply side—insurance providers—without incorporating perspectives from SMEs who are potential or current microinsurance consumers. Methodologically, the study also lacks qualitative insights that could offer a richer understanding of SME decision-making processes.

Bulti (2018) sought to identify factors that affect the penetration of microinsurance in Ethiopia, focusing on micro and small enterprises in Addis Ababa. The study utilized a descriptive survey design, with a stratified random sampling approach to select participants from various enterprise sectors. Data was gathered using structured questionnaires and analyzed through regression analysis to identify significant predictors of microinsurance penetration. Key findings highlighted the importance of financial literacy, product affordability, and effective distribution channels in enhancing microinsurance uptake. However, the study presents notable geographical limitations since its focus on Ethiopia restricts the transferability of findings to the Kenyan context. Furthermore, it provides a general view of penetration factors but does not specifically investigate product development strategies tailored to SMEs.

Research Gaps

Bendig and Arun (2016) found that education, income diversification, and past insurance experiences influence microinsurance uptake but noted a geographical gap, as their study focused on rural households in Sri Lanka, not SMEs in Kenya. Onduso (2014) examined the penetration of microinsurance in Kenya but limited the focus to the supply side (insurers and regulators), overlooking the demand-side behaviors of SMEs. Mose (2022) explored microinsurance strategies in Kenya but did not narrow the focus to SMEs in Nairobi, missing critical insights from end-users. Ngera (2018) and Muthoga et al. (2018) addressed factors influencing microinsurance uptake among MSEs in Kenya but both faced methodological gaps, as they relied on self-reported data. Muriithi (2022) investigated organizational strategies in microinsurance growth but did not include SME perspectives, missing key demand-side factors. Bulti (2018) examined microinsurance penetration in Ethiopia but did not address the Kenyan context or investigate how product development strategies specifically impact SMEs. These gaps underscored the need for research focusing on product development strategies and their influence on microinsurance adoption among MSEs in Nairobi, Kenya.

METHODOLOGY

This study adopted a positivist research philosophy, emphasizing the use of scientific methods and empirical data to establish causal relationships and ensure objective, replicable, and generalizable findings (Park, Konge & Artino, 2020). The research design was descriptive, aimed at systematically describing the variables related to market development strategies and microinsurance uptake among micro and small enterprises (MSEs) in Nairobi without manipulating any variables (Calik, 2022; Siedlecki, 2020). The target population consisted of 12,429 MSEs registered in Nairobi County in 2024, with the sampling frame drawn from official records and microfinance institutions to ensure representativeness of the informal sector.

Using Yamane's formula with a 95% confidence level and 5% margin of error, the sample size was calculated as 387 MSEs (Yamane, 1967). A multistage sampling technique was applied: first stratifying by sector (agri-business, manufacturing, services, traders, uncategorized), then proportionally selecting respondents within each sector (e.g., 25 from agri-business, 75 from manufacturing), and finally applying random sampling to minimize bias and enhance reliability (Table 1).

Table 1: Target Population and Sample Size

Sector	Population	Sample size	Percentages
Agri-Business	809	25	0.06%
Manufacturing	2,421	75	19.38%
Services	3,961	123	31.78%
Traders	5,196	162	41.86%
Uncategorized	42	2	0.005%
Total	**12,429**	**387**	**100%**

Data collection employed structured questionnaires, allowing efficient, anonymous responses from managers and business owners (Greener, 2008; Krosnick, 2018). Ethical clearance was secured from NACOSTI and AIU, and data were collected by trained research assistants through face-to-face interviews. A pilot study involving 38 MSEs in Embu County tested the research instruments, ensuring validity and reliability (Taherdoost, 2021). Validity was established through expert review and factor analysis (Rahi, 2017), with construct validity indicated by factor loadings >0.4. Reliability was confirmed with a Cronbach's alpha threshold of 0.7 (Creswell, 2017).

Data analysis utilized SPSS version 27 for descriptive statistics (mean, standard deviation, frequency) and inferential techniques including correlation and multivariate regression. Diagnostic tests checked normality (Kolmogorov-Smirnov), heteroscedasticity (modified Wald), autocorrelation (Durbin-Watson), and multicollinearity (VIF), ensuring robust, unbiased regression results (Silva et al., 2022; Khaled et al., 2019; King, 2018). The study applied multiple linear regression models to test hypotheses about the impact of market development strategies (product, price, promotion, distribution) and their interaction with enterprise characteristics on microinsurance uptake. Hypotheses were tested at a 5% significance level, with ANOVA used to evaluate overall model significance. Ethical protocols ensured voluntary participation, confidentiality, and data security throughout the study.

FINDINGS AND DISCUSSION

Descriptive Findings

The descriptive findings indicated strong positive perceptions of microinsurance product development and uptake. Most respondents agreed that product quality (92.1%), reliability (91.9%), value for money (91.9%), and benefits (92.1%) were satisfactory, with mean scores around 4.0, reflecting general approval. Additionally, 94.8% agreed that product design aligned with business risks and was tailored to meet unique business needs, with the highest mean score of 4.24. Overall, the average mean score of 4.10 and a standard deviation of 0.975 implied

consistent, favorable views toward microinsurance products, highlighting effective development strategies that met client expectations.

Table 2: Product Development

Statements	SD	D	N	A	SA	Mean	Std Dev
The quality of microinsurance products is satisfactory for addressing the needs of my business.	2.6%	5.3%	13%	50%	29.1%	3.98	0.934
The reliability of microinsurance products gives me confidence to consider purchasing them.	7.9%	0%	2.6%	57.6%	31.7%	4.05	1.030
Microinsurance products provide good value for the price I would pay.	2.6%	5.3%	5.3%	57.6%	29.1%	4.05	0.891
The benefits offered by microinsurance products are worth the investment for my business.	5.3%	2.6%	15.6%	26.2%	50.3%	4.14	1.108
The design of microinsurance products aligns well with the specific risks faced by my business.	2.6%	2.6%	15.6%	36.8%	42.4%	4.14	0.953
Microinsurance products are tailored to meet the unique needs of businesses in sub counties.	2.6%	2.6%	10.6%	36.8%	47.4%	4.24	0.934
Average						**4.10**	**0.975**

Inferential Findings

Correlation Results

A positive correlation ($r = 0.572$, $p < 0.01$) was observed between product development strategy and microinsurance uptake, indicating that well-designed and relevant product offerings contribute to higher adoption rates. This finding aligns with Chummun & Srikissoon (2024), who asserted that product innovation enhances accessibility and affordability, thereby increasing policy uptake. Similarly, Muriithi (2022) emphasized that customer-centric product designs improve adoption by addressing the specific needs of micro and small enterprises (MSEs).

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Table 3: Correlation between Product Development Strategy and Microinsurance Uptake

		Product development Strategy	Micro-insurance uptake
Product development Strategy	Pearson Correlation	1	.572**
	Sig. (2-tailed)		.000
Microinsurance uptake	Pearson Correlation	.572**	1
	Sig. (2-tailed)	.000	

Regression Results

Regression Analysis of Product Development Strategy on Microinsurance Uptake

A regression analysis was conducted to assess the influence of product development strategy on microinsurance uptake among MSEs in Nairobi, Kenya

Table 4: Model Summary for Product Development Strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.572[a]	.327	.325	.3874807

a. Predictors: (Constant), AV_product

The results, presented in Table 4, indicate an R^2 value of 0.327, suggesting that 32.7% of the variance in microinsurance uptake is explained by the product development strategy. The remaining 67.3% of the variance is attributed to other factors not included in the model, highlighting the potential influence of additional variables on microinsurance adoption.

Table 5: ANOVA for Product Development Strategy

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.922	1	21.922	146.009	.000[b]
	Residual	45.042	300	.150		
	Total	**66.964**	**301**			

a. Dependent Variable: AV_Microinsurance_uptake
b. Predictors: (Constant), AV_product

The ANOVA results presented in Table 5 indicate an F-statistic of 146.009 with a p-value of 0.000. The high F-statistics suggest that the regression model significantly enhances prediction compared to a model without predictors. Since the p-value is less than 0.05, the relationship between product development strategy and microinsurance uptake is statistically significant at the 95% confidence level. These findings align with those of Nguyo and Anene (2024), who found that an F-statistic above 100, coupled with a p-value below 0.05, signifies a strong model fit in insurance research. Similarly, Lilondo & Kimutai (2023) reported that significant F-values in microfinance studies indicate a robust predictive relationship between independent and dependent variables. This confirms that product development strategies play a crucial role in influencing microinsurance adoption, emphasizing the need for innovative and customer-centric microinsurance products to drive uptake.

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Table 6: Regression of Coefficients of Product Development Strategy

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.966	.110		26.995	.000
	AV_product	.317	.026	.572	12.083	.000

a. Dependent Variable: AV_Microinsurance_uptake

The unstandardized coefficient in Table 6 (B) for product development strategy was 0.317, indicating that a one-unit increase in product development strategy led to 0.317 units increase in microinsurance uptake. The standardized coefficient (Beta = 2.966) further confirmed a strong positive relationship between the two variables. The t-value of 12.083 and the p-value of 0.000 indicated that the relationship was statistically significant at the 95% confidence level. These findings align with Mundia (2024), who found that product design positively influences microinsurance penetration, and Goga (2022), who reported that better-designed insurance products lead to higher adoption rates.

The regression model for this relationship is expressed as follows:

$Y = \beta_0 + \beta_1 X$ ……. Equation 1

Where **Y** = Microinsurance uptake

$\beta_0 =$ 2.966

$\beta_1 =$ 0.572

X= Product development strategy

$Y = 2.966 + 0.572X$ ……. Equation 2

Test of Hypothesis

The hypothesis $H0_1$: Product development strategies do not significantly influence microinsurance uptake among MSEs in Nairobi, Kenya was rejected based on the empirical results, with tcalc = 2.442 greater than the critical value of tcrit = 1.96 and a p-value of 0.000, which is less than the significance level of 0.05. This indicates that product development strategies have a statistically significant impact on the uptake of microinsurance among MSEs in Nairobi, Kenya.

Product development strategies are vital to shaping the demand for microinsurance products. The positive rejection of the null hypothesis aligns with various studies indicating that product characteristics such as quality, value, and design can significantly impact the adoption of microinsurance. For instance, Huber (2012) explored the influence of socioeconomic factors on the demand for life insurance in Indonesia, highlighting that economic capacity, financial literacy, and product knowledge had a direct positive effect on microinsurance uptake. Similarly, Bernado et al. (2014) in the Philippines found that product awareness and economic factors were crucial in shaping demand for microinsurance, even though financial literacy had a negative correlation with uptake. This finding reflects the complex dynamics at play where even an individual's economic capacity or awareness does not guarantee adoption unless other factors, such as trust and ease of use, are optimized.

Moreover, Fiala et al. (2016) found in Cambodia that financial literacy and comprehension of insurance products played a key role in microinsurance demand, which further strengthens the conclusion that product development strategies that focus on increasing customer awareness and improving product design (especially regarding clarity and simplicity) are likely to encourage uptake. These studies emphasize that product development in terms of clarity, ease of use, and affordability is central to increasing microinsurance adoption among low-income individuals and small enterprises.

Siloya (2022) provides further support for these findings, noting that socioeconomic factors like inflation and income, compounded by a lack of knowledge about the product's benefits and low trust in insurers, hinder microinsurance adoption. This aligns with the findings of the current study, as it suggests that microinsurance uptake is significantly influenced by factors outside the traditional economic measures, such as trust and understanding of the product, which are central to product development strategies. The study further reiterates the importance of designing products that are aligned with the target market's socio-economic context, suggesting that a one-size-fits-all approach is inadequate.

In Kenya, particularly within Nairobi's context, Kajwang (2021) noted that product quality, distribution channels, and consumer awareness played a significant role in microinsurance uptake. Cultural beliefs and perceptions about insurance, which might impact trust and understanding, were identified as barriers. This finding ties into the hypothesis rejection, indicating that an effective product development strategy must address not only economic factors but also the psychological and cultural aspects that shape perceptions of value and trust. Therefore, the empirical evidence from this study aligns well with the broader literature, emphasizing that product development strategies significantly influence microinsurance uptake among MSEs.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The objective of the study was to determine the influence of product development strategy on microinsurance uptake of MSEs in Nairobi City County, Kenya. The study revealed that product development strategy significantly influences the uptake of microinsurance among MSEs in Nairobi. According to the descriptive and inferential findings, the respondents agreed that microinsurance products were generally well-designed to meet the specific needs of businesses,. This indicates a positive perception of the products' quality, their alignment with business risks, and their value for money. The findings suggest that well-designed products that address the needs of businesses are more likely to be adopted. Therefore, the alignment of product designs with the specific needs and challenges of the target market leads to higher engagement and uptake of microinsurance policies.

Recommendations

Based on the study findings, microinsurance providers should intensify investment in market research to understand the specific risks, operational challenges, and protection needs of different MSE sectors. Product design should prioritize flexibility, affordability, and relevance to the business environment. In addition, developing sector-specific microinsurance packages, offering optional riders, and bundling products (e.g., business interruption cover, health insurance) can

enhance uptake. Lastly, collaboration with business associations, trade unions, and cooperatives are essential to providing deeper insights into sector-specific risks, ensuring that products resonate strongly with intended beneficiaries.

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