EVALUATING THE ROLE OF PUBLIC-PRIVATE PARTNERSHIPS IN MICROINSURANCE FOR THE LOW-INCOME SECTOR IN LAGOS STATE, NIGERIA.

Lawal, Tolase Usman & OKO-OSI, A. H. (Ph.D)
Department of Actuarial Science Insurance
Faculty of Management Sciences University of Lagos Email: aokoosi@unilag.edu.ng

Abstract

Microinsurance is known globally as a key instrument for promoting financial inclusion and protecting low-income households from unexpected risks such as illness, disasters, and loss of livelihood. In Nigeria, however, insurance penetration remains very low, with informal and vulnerable groups particularly excluded from coverage. Public-Private Partnerships (PPPs) have been proposed as a model for bridging these gaps by combining government support with private sector innovation. This study examines Public-Private Partnerships (PPPs) in Microinsurance, motivated by the low insurance penetration in the country, particularly among informal and low- income groups which make up majority of the populace. The research aims to determine the most subscribed microinsurance products in Lagos, identify the challenges hindering growth, and assess the potential of PPPs in addressing these gaps. A qualitative exploratory design was used, relying exclusively on secondary data from Casava and GOXI Microinsurance, as well as the government-supported Ìlera Èkó health scheme. Subscription data, product portfolios, and premium structures were analysed using in-depth analysis, alongside lessons from successful PPP case studies in other countries. Findings revealed that credit-linked products such as Credit Life (Casava) and Microloan Protection (GOXI) recorded the highest private adoption, while Ìlera Èkó achieved large-scale public enrolment of over 1.3 million people by 2024. The challenges identified include affordability, weak awareness, limited product-market fit, and dependence on loan-linked policies. The study indicates that PPPs can play a transformative role by combining government credibility and subsidies with private innovation to enhance outreach, affordability, and trust, thereby expanding sustainable microinsurance coverage in Nigeria

Keywords: Public-Private Partnerships, Microinsurance, Financial inclusion, Low-Income Sector

Introduction

Over the past decade, microinsurance has aroused the interest of the global community. Several researches have monitored its development and have examined its impact on the poor's ability of breaking out of the poverty trap (Apostolakis, van Dijk, & Drakos, 2015). Microinsurance is the provision of insurance products tailored to the needs of low-income individuals in developing countries (Churchill, 2007; Ime & Ikechukwu, 2017). These services are meant to protect people from risks like illness, property loss, death, and natural disasters through easy-to-understand, low-cost coverage plans (Churchill, Insuring

the ow-income market:challenges and solutions for commercial insurers., 2007).

As an aspect of financial inclusion, microinsurance falls within the broader category of inclusive insurance (Tsvetanka, 2023; Mhella, 2023), one of the sustainable developmental goals (SDGs) of the United Nations. In Nigeria, microinsurance is designed to meet the needs of low-income groups offering potential for social protection. However, uptake in Nigeria is limited due to systemic constraints including affordability, awareness, and weak distribution systems (Inyang, Bassey, & Umunnakwe, Evidence based policy evauation: Focus on micro-insurance operational poicy in Nigeria, 2022). Despite policy attention and pilot efforts, microinsurance coverage in Nigeria remains low relative to need, constrained by affordability, distribution and regulatory challenges (Inyang, et al, 2022).

An innovative approach to bridging these gaps is by introducing public–private partnerships (PPPs). Thus, combining the social protection objectives of government with the technical and operational capacity of private insurers (Nwangwu, 2012; Abass, et al., 2024). The government tends to formulate rules that simplify the operations of the businesses and provide them with specific subsidies or incentives. The private sector, on the other hand, provides infrastructure for service delivery and expertise in risk management (Cheraga, 2024). The collaborative nature of PPPs makes it easier to share resources and deal with major structural problems. For example, high distribution costs and a lack of trust in insurance products (Kang, Mulaphong, Hwang, & Chang, 2018).

Pertinent issues such as lack of confidence and participation in the microinsurance market (Ajemunigbohun, Oreshile, & Iyun, 2015); lack of adequate innovation when it comes to product design (Ime & Ikechukwu, 2017; Inyang & Okonkwo, 2022); and products that do not successfully address the specific needs of poor households (Nkwor & Ozor, 2022),for example, payment flexibility, and situation-targeted insurance products have all contributed to the penetration of microinsurance in Nigeria.

Public-private partnerships have proved effective in addressing similar issues in other developing countries such as India, the Philippines, Ghana, and South Africa (Leigland, 2018). These models have demonstrated the benefits of PPPs in improving outreach, reducing costs, and building trust on shared resources and collaborative delivery of services (Abass, et al., 2024). However, an understanding of how PPP frameworks can be fitted to Nigeria's specific socio-economic and institutional environment is limited.

The application of Public–Private Partnerships (PPPs) within the microinsurance sector in Nigeria is one such context where existing empirical studies remain sparse. Although PPPs have been widely studied in infrastructure and health sectors in developing countries, their use in microinsurance, particularly for enhancing insurance penetration among low-income populations has

received minimal systematic academic attention in Sub-Saharan Africa (Leigland, 2018; Ayyagari, Demirgüç-Kunt, & Maksimovic, 2017).

Nigerian microinsurance research has primarily focused on demand drivers, affordability constraints, consumer behaviour, and regulatory challenges (Adeniran & Fadun, 2021; Olayungbo & Hassan, 2016), while PPP-focused studies remain largely conceptual and policy-oriented. Hence, this study evaluates the role of public-private partnerships in microinsurance penetration for the low-income sector. Other objectives include identifying the key barriers and challenges affecting the growth of microinsurance in Nigeria; and assessing the potential of public-private partnerships (PPPs) in addressing these challenges and expanding microinsurance coverage in Nigeria.

Literature Review

Microinsurance offer a restricted set of benefits at low prices, making them accessible to low- income families. It is a form of insurance that ensures availability of insurance for the low-income population whilst offering various outlets to ensure microinsurance services reach the target market (Ime & Ikechukwu, 2017).

Microinsurance is projected to aid developing countries' development toward Universal Health Coverage (UHC), financial inclusion, and broader social protection (Munge et al., 2019). This is in line with the objectives of development institutions and policymakers who are interested in ensuring sustainable poverty reduction and economic resilience in developing nations (Aliber, 2002; World Bank, 2014).

Microinsurance can be offered in various forms, including life, health, agricultural, and property insurance. The delivery of these products often requires innovative approaches, such as the use of mobile technology, agent networks, and community-based models, to reach remote and underserved populations. (Churchill, 2006; Biener & Eling, 2012).

In the Nigerian context, microinsurance is regarded as a vital tool in improving the welfare of low- income groups, particularly in light of the country's high poverty rate and economic informality. However, microinsurance penetration rates in Nigeria remain low (Ajemunigbohun et al, 2015; Inyang & Okonkwo, 2022; Ugwuja & Ekunwe, 2022) since its introduction into the Nigerian market in 2014. Several reasons such as lack of awareness and education (Gabrah et al, 2020; Mhella, 2023); cost, as well as possibility of making regular premium payments due to uneven income prevalent with the low-income population (Churchill & Matul, 2012; Biener & Eling, 2012) impede its adoption and contribute to the frail microinsurance market. In addition, structural inefficiencies in the informal sector persists in hindering the sustainability of the informal economy's access to financial protection from uncertainties (Adewusi, 2025).

For example, Platteau (2017), highlights that many households prioritise short-term consumption and may find insurance premiums unaffordable or low

priority relative to immediate needs. Habib, Perveen, & Khuwaja (2016), in their systematic review of micro-health insurance, show that although many studies find reductions in out-of-pocket and catastrophic health expenditures, uptake and retention are variable—and their review underscores methodological limitations and heterogeneity of results.

Biener, Eling, & Wirfs (2014) argue that microinsurance markets are characterized by "thin" contracts, heterogeneous risks and cost structures that are substantially higher per policy than commercial insurance. In African contexts, regulatory capacity and supervision are often limited, which exacerbates risks to consumers and undermines trust. The study contends that effective regulation, standardised frameworks and consumer protection are prerequisites for sustainable microinsurance markets (Biener et al., 2014).

In Nigeria and other Sub-Saharan markets, prior research highlights these institutional constraints. For example, the regulatory environment remains nascent, product innovation is limited, and data on claims and exposures in informal markets is weak (Karagyozova, 2023). Also, in many developing countries, regulation is sometimes considered as mere routine, a formality of some sort in governmental affairs as opposed to a governance tool (Osifodunrin & Lopes, 2022).

As Bernards (2022) points out, the political economy of microinsurance reveals that donor and Non-Governmental Organisations (NGOs) efforts often frame microinsurance as market creation rather than social protection. Thus, a PPP for microinsurance cannot simply plug a private insurer into the low-income market; it must also embed public functions such as subsidies, reinsurance, regulation, data infrastructure, and channels for distribution. There is a great variety of public- private partnership models, no country replicating exactly what can be observed in another country (Ribeiro, 2021).

Leigland (2018) in his review of PPPs in developing countries argues that governance architecture determines its sustainability and performance. Hence, for microinsurance in Nigeria, a viable PPP model would explicitly allocate the public role (subsidy, oversight, capacity building), the private role (product design, underwriting, claims handling), and a third role for specialised intermediaries (MFIs, cooperatives, digital platforms) that manage distribution and build trust.

The Microinsurance Network (2021) notes that in several regions, especially Asia and parts of Africa, microinsurance has evolved significantly through collaborative models involving governments, insurers, NGOs, and donor agencies. These collaborative efforts are designed to enable wider reach, more sustainable delivery, and better product development aligned with the needs of the low-income and informal sector.

Dercon et al., (2014), suggests that when beneficiaries see insurance programs as being more legitimate, they are more

likely to enroll. Additionally, when public institutions are supported by private actors, there are reductions in transaction costs and administrative burdens.

Hence, the concept of public-private partnerships introduces a viable solution to intervene as an opportunity to provide a collaborative model to enhance both the limiting factors of providing microinsurance in Nigeria including the supply and demand side (Ramm, 2011; Banzon et al., 2013).

Biener et al. (2014) assert that regulation and market architecture determine microinsurance market viability; Leigland (2018) emphasises that PPPs in developing countries must have clear contractual terms, governance, risk-sharing, verification and exit mechanisms; and Bernards (2022) notes the political-economy risk of assuming that market logic alone will deliver social protection goals.

For microinsurance in Nigeria, the PPP model should allocate: public role (targeting, subsidy, regulatory oversight, data infrastructure), private role (insurance product, underwriting, claims), intermediary role (distribution, trust-building). Thus, by discussing the feasibility and possibilities of PPPs in extending microinsurance coverage, this study is bridging gaps in the literature by gaining context and sensitive insights to PPP practices used globally and its suitability for the Nigerian specific socioeconomic and regulatory environment.

The Public-Private Partnership (PPP) Theory is founded on the principle of cooperation between the government and private sectors to accomplish common objectives. The strengths of both sectors can be combined to deliver the public products and services better than any of them would have done on their own (Auzzir, Haigh, & Amaratunga, 2014).

Leigland (2018) emphasises that public-private partnerships (PPPs) can address shortcomings in regulatory oversight, financial constraints, and administrative capabilities thus allowing governments to harness private-sector advantages for expansive development goals. It acts as a collaborative mechanism to overcome institutional weaknesses by developing effective models and creating frameworks which establish mechanisms for communication and decision-making (Abass, et al., 2024).

This study employs the PPP paradigm to investigate how integrated public–private capacities, underpinned by effective governance, risk-sharing mechanisms, and institutional stability, might enhance microinsurance penetration in Nigeria and throughout Sub-Saharan Africa.

Financial inclusion is a concept that varies across countries and can be viewed from various perspectives, including users, suppliers, regulators, and policymakers (Damane & Ho, 2024). It promotes the diffusion of financial literacy and digital tools, which may increase awareness and trust in insurance products.

It highlights the significance of including deprived people into the official financial system to enhance the economic stability, social well-being, and developmental performance (Demirguc-Kunt et al., 2018; Allen et al., 2016).

It is relevant to this study because insurance products, particularly microinsurance, represent innovations in low-income communities where financial inclusion initiatives pave the way for adoption. Financial inclusion initiatives often rely on institutional reforms to improve financial and insurance market accessibility. Using this theoretical perspective, the study will evaluate the use of policy and partnership interventions to close current inclusion gaps in the Nigerian insurance industry.

Methodology

The research design approach adopted in this research is exploratory and qualitative. The qualitative approach allows a nuanced interpretation of the available literature, company data and policy documentation. This is important in view of the focus of the study on understanding the role of Public Private Partnerships (PPPs) in enhancing microinsurance coverage in low-income communities in Nigeria. An exploratory design is particularly appropriate for situations where little empirical studies have been done, which is the case with PPP applications in the microinsurance sector in Nigeria (Stebbins, 2001).

Instead of testing hypotheses, the study aims to explore what is known on the topic, analyse data from the sector, draw patterns, and propose some policy recommendations based on findings. This is done through systematic analysis of secondary data such as published academic literature, institutional reports, regulatory guidelines, company-level subscription records of microinsurance firms - Casava, GOXI and Ilera Eko. By relying on qualitative interpretation, the study however gives space for critical reflection on policy gaps, implementation barriers and enabling factors that may affect the establishment/scaling of PPP based microinsurance models in Nigeria. The exploratory nature further supports the ability to compare documented global best practices in comparison to the current realities in Nigeria for a basis of relevant and applicable recommendations.

This study purely uses secondary data. Data collection process involved finding and reviewing relevant data in the form of documents, reports, datasets, and literature that corresponded to the goals of the study. In-depth analysis of reports, previous literature and company/product data was utilized. By integrating literature with company and program-level evidence, the analysis bridged theory, practice, and data-driven realities of microinsurance in Nigeria.

Data Analysis

4.1.1 The Most Subscribed Microinsurance Product in Lagos

Table 4.1: Most Subscribed Microinsurance Products Across Selected Companies

Company	Product/Policy	2019	2020	2021	2022	2023	2024	2025(Aug)
Casava	Health Cash Insurance	_	_	_	38,074	48,245	0	1
	Health Insurance	_	_	_	_	_	141	185
	Credit Life Insurance	_	_	_	15,159	10,688	13,628	13,353
	POS Terminal Insurance	_	_	_	_	2,374	366	0
	Business Gro Insurance	_	_	_	_	5,865	1,927	1,548
	Income Protection	_	_	_	40	_	_	_
GOXI	Microloan Protection	116,510	58,127	159,912	260,855	134,481	140,866	_
	Agroloan Protection	_	_	243	729	353	345	_
	Cooperative Welfare Scheme	_	68	198	8,974	4,166	3,682	_
	MA Business Microinsurance	_	111	428	9	_	112	_
	Okada/Tricycle Insurance	_	_	_	766	335	_	_
Ilera Eko	Health Insurance	_	5,000	n/a	623,000	923,000	1,152,455	1,300,000

Source: Company data (Casava, 2025; GOXI, 2025; LASHMA, 2025).

The analysis shows that Ìlera Èkò health insurance overwhelmingly recorded the highest number of enrollees, rising from only about 5,000 in 2020 to more than 1.3 million by late 2024. This makes health insurance, delivered through a public program, the most subscribed microinsurance product in Lagos. Among private insurers, GOXI's Microloan Protection attracted the largest uptake, with subscriptions peaking at over 260,000 in 2022. Casava's Credit Life Insurance,

though consistent at around 13,000–15,000 subscribers annually, remained smaller in scale compared to GOXI and Ìlera Èkò.

These patterns reveal that health and loan-linked products dominate the microinsurance landscape. Ìlera Èkò's success is tied to government subsidies, multiple enrolment channels, and public credibility, which helped overcome affordability and trust barriers. GOXI's Microloan Protection thrived because premiums were linked directly to loan repayments, reducing payment difficulties and ensuring automatic enrolment. Casava's portfolio highlights private-sector innovation, that is, POS Terminal and Business Gro Insurance, but also shows the limitations of digital-only distribution in reaching large, low-income populations without additional public support.

The most subscribed microinsurance product in Lagos is Ìlera Èkò health insurance. This demonstrates that for low-income communities, health provides the strongest value. Goxi's Microloan Protection leads among private offerings and as such demonstrates that credit-linked insurance also provides great incentives for the low-income sector.

It should be noted that private microinsurance companies offer a wider range of products to suit the needs of the low-income sector.

4.1.2 Challenges Preventing the Growth and Accessibility of Microinsurance in Nigeria Table 4.2: Challenges Affecting the Growth of Microinsurance in Nigeria

Source	Challenge	Description
Acha et al. (2020); Churchill & Matul (2012); Ajemunigbohun et al. (2015); Gabrah et al. (2020); Olugbenro (2022); Jinadu & Isimoya (2023)	Low Awareness & Understanding	Many low-income households have limited knowledge of insurance products, leading to mistrust and poor adoption.
Ime & Ikechukwu (2017); Demirgüç-Kunt et al. (2018); Inyang & Bassey (2019); EFInA (2020); Ogunleye & Olowolaju (2021); Cheraga (2024)	Affordability Constraints	High poverty levels and irregular incomes make even small premiums difficult to sustain without subsidies.
NAICOM (2018); EFInA (2018); Abiola & Oloyede (2019); SOA (2023); Microinsurance Network (2023)	Weak Distribution Channels	Most insurance firms rely on urban-based or digital platforms, leaving rural and informal populations underserved.

EFInA (2018); Eze & Chima (2020); NAICOM (2022); Inyang et al. (2022); Bernards, N. (2022); Cheraga, J. (2024)	Regulatory & Institutional Bottlenecks	Overlapping mandates of NAICOM, CBN, and NHIA hinder streamlined policy implementation and enforcement.
Giesbert, Steiner & Bendig (2011); ILO (2013); Dercon, Gunning & Zeitlin (2019); Owoeye & Olubiyi (2021); Jinadu & Isimoya (2023); Adekunle & Vincent (2025)	Trust Deficit	Past experiences of delayed or denied claims discourage people from enrolling in or renewing policies.
Churchill (2006); EFInA (2018); Gabrah et al. (2020); Inyang & Okonkwo (2022); Bernards (2022); Epetimehin, F. & Agboola O. O. (2022); Karagyozova (2023); SOA (2023)	Product Mismatch	Products often fail to reflect the real risks of low-income groups (e.g., agricultural, informal transport, petty trading risks).
EFInA (2018); NAICOM (2020); Inyang & Okonkwo (2022); Yusuf, & Haque (2022); Imo &	Low Private-Sector Engagement	Private insurers perceive microinsurance as unprofitable due to small premiums and high operational costs.

Source: Compiled from previous literature by researcher

The data from Casava, Goxi, and Ilera Èkò show that the challenges highlighted in literature remain central to Nigeria's microinsurance sector. Awareness and outreach gaps are evident in Casava's low subscriber numbers for Health Insurance (only 185 in 2025) and Goxi's Lagos- centric focus, while Ilera Èkò scaled rapidly because of government-driven campaigns and grassroots agents.

Affordability constraints were also clear. Casava's Credit Life Insurance thrived because premiums were embedded within loan repayments, but Goxi's Okada/Tricycle Insurance (3% of sum insured) saw minimal adoption, showing the barrier of high costs. Ilera Èkò's subsidized premiums illustrate how affordability can drive mass enrollment, reaching 1.3 million by 2024.

Distribution and trust deficits further limited private schemes. Casava's Health Cash Insurance collapsed after an early surge, suggesting retention and confidence problems, while Goxi's sharp subscriber drop in 2023 reflects similar issues. By contrast, Ilera Èkò benefited from government credibility and diverse enrollment channels (USSD, kiosks, pharmacies), strengthening uptake.

Finally, product mismatch and private-sector caution were apparent in low adoption of Casava's POS Terminal Insurance and Goxi's MA Business Insurance. Both firms leaned heavily on credit- linked products, avoiding high-risk but socially vital segments such as agriculture, which remained marginal. Together, these findings show that while private innovation is important, PPPs are necessary to overcome affordability, trust, and outreach barriers in Nigeria's microinsurance landscape.

4.1.3 The Role of Public-Private Partnerships in Enhancing Microinsurance Access in Nigeria

Table 4.3: Analysis of PPP Case Studies in Microinsurance

Country	PPP Initiative	Methods	Key Outcome
India	Rashtriya Swasthya Bima Yojana (RSBY) - Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY)	Introduced as a government-subsidized health-insurance scheme for below-poverty-line families, RSBY contracted private insurers and empanelled public / private hospitals for enrollment, claims, and service delivery. In 2018 it was subsumed under PM-JAY, which retained the public–private model while expanding digital health-card systems and hospital networks nationwide	RSBY initially enrolled over 36 million low-income families across most Indian states by the mid-2010s, improving access to hospital care. Under its successor PM-JAY, more than 36 crore (360 million) Ayushman cards have been issued and over 30,000 hospitals empanelled as of 2024, indicating continued PPP-driven expansion of affordable healthcare coverage. La Forgia & Nagpal (2012); Raza et al. (2016); Press Information Bureau (2024).
Philippines	Agricultural & Disaster Microinsurance	The government provided subsidies for agricultural and disaster risk products, reducing the cost for farmers. Cooperatives and mutual benefit associations (MBAs) acted as distribution partners since they had strong trust and networks within rural communities. Public agencies also provided technical risk assessments.	Reached smallholder farmers and informal workers in hazard-prone regions; improved disaster resilience (Banzon et al., 2013).
South Africa	National Health Insurance (NHI) Pilot Programs	The government pooled health risks under pilot insurance programs and partnered with private hospitals, clinics, and technology firms to deliver services. This mixed model ensured public funding for coverage while leveraging private sector expertise for service quality and efficiency.	Enhanced healthcare inclusion in pilot districts; demonstrated potential for scaling health microinsurance through PPPs.

Ghana	MTN–MicroEnsure Partnership	MTN, a telecom operator, partnered with MicroEnsure to sell insurance products through mobile phones. Premiums were deducted from airtime credit, making payments easy and convenient. The government provided policy support while the insurer managed claims and underwriting.	Reached over 1 million previously uninsured Ghanaians; demonstrated telecoms as scalable insurance channels.
Tanzania	Improved Community Health Fund (iCHF) – National Health Insurance Fund (NHIF) PPP	The Government of Tanzania restructured its community health insurance by partnering with private insurers, ICT providers, and development agencies through the NHIF. The iCHF model introduced digital enrollment, premium subsidies, and shared service delivery with private facilities.	Expanded coverage for informal and rural populations; improved claims management and transparency; membership in iCHF increased by over 40 % between 2018 and 2022. PharmAccess (2016); NHIF (2023); World Bank (2022).
Gambia	African Risk Capacity (ARC) Drought Recovery Insurance Partnership	A multi-partner PPP between the Government of The Gambia, ARC Ltd (insurance arm of the ARC Group), and the African Development Bank under the ADRiFi programme. The government paid subsidized premiums while ARC Ltd pooled drought risk and managed payouts based on satellite rainfall data.	In April 2023, The Gambia received US $187,641 for drought recovery, enabling cash assistance to 17,000 affected farmers and demonstrating the viability of PPP-based disaster-risk financing. ARC Group (2023); AfDB (2023); WFP (2023).

Source: Survey 2025 (*Compiled from PPP studies in India, Philippines, South Africa, Ghana, Tanzania and Gambia)*

4.2 Positioning These Lessons Against Nigerian Data

The Nigerian cases analyzed in this study Casava, Goxi, and Ìlera Èkò share some similarities with these international PPP models but also reveal key divergences.

From India, the lesson of government-subsidized premiums is particularly relevant. The success of Ìlera Èkò, with 1.3 million enrollees by 2024, mirrors RSBY's outcome: affordability and trust increase when the state plays a financing role. In contrast, Casava's Health Insurance product attracted fewer than 200 subscribers in 2024 underscoring the necessity of government support.

From the Philippines, the role of trusted intermediaries such as cooperatives resonates with Goxi's experience. Goxi's Cooperative Welfare Scheme saw early traction (8,974 subscribers in 2022). The Philippine case suggests that with public subsidy and structured PPP support, such community-linked products could scale more effectively in Nigeria.

From South Africa, the importance of risk pooling and hybrid delivery models aligns with Ìlera Èkò's multi-channel distribution (agents, kiosks, digital platforms). However, unlike South Africa, Nigeria lacks a national health PPP framework that integrates private insurers systematically. Ìlera Èkò's state-level model demonstrates potential and can be replicated nation-wide.

From Ghana, Casava's digital-driven model reflects similar innovation but with limited uptake (e.g., POS Terminal Insurance dropped from 2,374 in 2023 to zero by 2025). This indicates that while mobile technology can scale distribution, as in Ghana, Nigeria still requires supportive PPP frameworks to ensure affordability and trust in digital insurance.

4.3 Conclusion of Comparative Position

The comparative analysis shows that Nigeria's microinsurance sector has elements of each international PPP case but has yet to integrate them into a coherent national framework. The success of Ìlera Èkò echoes India's government-financed model, Goxi's cooperative linkages resemble the Philippines' use of grassroots networks, Casava's digital approach mirrors Ghana's mobile innovation, and all highlight the need for a South Africa-style hybrid framework for nationwide scaling.

Ultimately, PPP structures that combine subsidies, grassroots distribution, and digital platforms are essential to accomplishing the expansion of microinsurance and broaden insurance penetration in Nigeria.

Summary

This study evaluates the role of public-private partnerships in microinsurance penetration for the low-income sector focusing on selected providers - Casava Microinsurance, GOXI Microinsurance, and the Lagos State–led Ìlera Èkó scheme. The findings are summarized in line with the study objectives.

Objective One: *To evaluate microinsurance product offerings in Lagos, Nigeria.*

The aggregate data revealed that loan-linked products dominate private microinsurance portfolios. GOXI's *Microloan Protection* accounted for more than 80% of its subscriptions between 2019 and 2024, while Casava's *Credit Life Insurance* consistently attracted over 10,000 subscribers annually. In contrast, health-related products such as Casava's *Health Insurance* and Ìlera Èkó's public scheme showed slower but steady adoption, with Ìlera Èkó reaching 1.3 million enrollees by 2024.

This indicates that while credit-driven products thrive in private markets, government- backed health insurance demonstrates the strongest overall scale.

Objective Two: *To identify the key barriers and challenges affecting the growth of microinsurance in Lagos state.*

The study reveals that growth is limited by several interconnected challenges. Outreach remains heavily concentrated where microinsurance products is supported by government initiatives. Affordability continues to be a constraint, as flat premiums and high-risk rates often exclude informal workers with irregular income. Trust deficits also hinder adoption, particularly for products with long-term benefits. In addition, some products do not align well with consumer needs, for example Casava's POS Insurance and GOXI's MA Business Insurance, which recorded minimal uptake. Finally, levels of enrolment were found to be sensitive to wider economic shocks with declines in 2020 and 2023 showing the sensitivity of low-income groups to inflation and financial stress. These results highlight that without subsidies and improved distribution structures, private insurers alone struggle to maintain large-scale adoption.

Objective Three: *To evaluate the prospects of Public Private Partnerships on solving these problems and increasing microinsurance coverage in Lagos state.*

The findings suggest that PPPs have the potential to bridge what appear to be key barriers of affordability, trust, and distribution of the microinsurance sector in Nigeria. While there has been private innovation by Casava and GOXI through credit-linked and cooperative-based schemes, it is limited in reach and unstable. In contrast, Ilera Eko shows how government credibility, subsidies, and grassroots sensitization helped to quickly scale-up to more than 1.3 million enrollees. A combination of government backing and private efficiency and innovation therefore, a PPP model may provide both wider distribution and more sustainable microinsurance results, especially for low-income and informal people.

Conclusion

The findings indicate that although private micro insurers have introduced innovative products, their impact has been constrained and they have been hindered by affordability problems, poor rural outreach, and a lack of trust. On the other hand, public-led programs such as Ilera Eko provide a good example of how subsidies, government credibility, and community-based distribution can support large-scale enrollment. However, public schemes alone are often limited in their deployment of innovation and efficiency that is needed for long-term sustainability. The study is therefore concluding that PPPs which exploit the strength of both sectors provide the most viable pathway in achieving inclusive, affordable and scalable microinsurance coverage in Nigeria. This conclusion is

directly related to the objectives set by the study by confirming that the current state of microinsurance is still fragile and that various key challenges exist in the expansion of such insurance and that PPPs have great potential in bridging the gaps for the benefit of the poor.

The government should provide targeted subsidies for socially important products such as health and agricultural insurance to make them affordable for low-income households. Private companies should leverage digital platforms while also developing offline distribution strategies that reach rural and informal workers and adopt joint initiatives with government where government provides policy support and subsidies while private insurers contribute operational expertise, innovation, and claims management.

As data is limited, the study was restricted to selected case studies (Casava, GOXI, and Ìlera Èkó) and may not represent the full spectrum of microinsurance providers in Nigeria. The findings therefore provide indicative rather than exhaustive insights into the sector, and conclusions should be interpreted within this scope.

Recommendations

1. It is recommended that additional research on the effectiveness of PPP-based microinsurance models through pilot projects be conducted in Nigeria.
2. An investigation of the long-term sustainability and impact of microinsurance products on poverty reduction, household resilience, and health or business outcomes is also recommended.
3. Additionally, comparative studies across sub-Saharan Africa to further broaden lessons on microinsurance and PPP models is encouraged.
4. It is highly recommended that microinsurance products be integrated into social protection initiatives, for example, NSITF to ease expansion of coverage.

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