

Factors Affecting in Introducing Micro-Insurance for The Self-Employed People in Kurunegala District

M.S.P.C.G. Amarasekara¹ and J.M.B.R. Fernando²
Department of Finance, University of Kelaniya, Sri Lanka^{1,2}
ganyaamara@gmail.com¹, ruwani@kln.ac.lk²

ABSTRACT

Introduction: The objective of this study is to examine the factors that affect the enhancement of outreach of Micro Insurance Services available for the self-employment sector in the Kurunagala district. The concept of micro-insurance is more prevalent in third world countries and the need for financial services for the poor is now universally accepted. Micro Finance (MFI) was launched to provide a formal risk protection scheme and minimize poor household facilities and the idea of micro-insurance was born.

Design/Methodology/Approach: The study used deductive approach. The study employed a survey questionnaire to collect the data and the sample consist with 113 respondents. Willingness to pay, accessibility, affordability, and consumer trust were used as the factors affecting introduction of micro-insurance schemes.

Findings: Willingness to pay, accessibility, affordability, consumer trust in income has significant positive effect on the implementation of micro-insurance. The hypotheses were tested using simple regression analysis, and all alternative hypotheses were accepted, and null hypotheses were rejected.

Conclusion: The study reveals that industry professionals and insurance companies need to pay attention to the factors such as willingness to pay, accessibility, affordability, consumer trust in deciding their micro-insurance schemes. Thus, insurance companies can introduce new eye-catching insurance schemes to eliminate or mitigate the impact of these barriers.

Keywords: *Micro Insurance, Self Employed People, Affordability, Consumer Trust in Insurance, Implementing of Micro Insurance*