



## **MANAGEMENT OF THE MICROINSURANCE PRODUCT IN FINCA MDI LTD**

### **ABSTRACT**

The study sought to investigate the management of microinsurance, the hindrances to the development of microinsurance products, and to recommend measures that can help to improve the products. The study targeted one branch of FINCA Uganda in Kampala from where a population of 300 (clients and staff of FINCA), was considered. The sample size was 169 as determined by using the table as adopted by Krejcie & Morgan's (1970). Self-administered questionnaires were used to collect data which was processed and analyzed using statistical package for social scientists (SPSS). The results revealed that the microinsurance product in FINCA MDI was handled under the partner-agent model where a partnership was formed between FINCA and an agent (insurance company, microfinance institution, donor, etc.), and in some cases a third-party healthcare provider. Findings further revealed that the microinsurance products were not well marketed to clients and thus were not fully embraced due to limited awareness. Another issue that was highlighted pointed to the fact that microinsurance products are not tailored to the specific needs of the people, making them irrelevant to the target market. Suggested solutions include; increased awareness of existing and potential clients about the need for microinsurance, regularly introducing new products or revising

existing ones to meet the changing needs of clients, and increase clients' awareness of risk-prevention methods for their businesses.