

# Review of: "Microinsurance: Bibliography of Unclassified Literature"

Prof. Dr. Hj. Raja Suzana Raja Kasim<sup>1</sup>

<sup>1</sup> Universiti Malaysia Kelantan

**Potential competing interests:** No potential competing interests to declare.

This article presents a compelling case for microinsurance as a viable social protection strategy for low-income individuals, particularly those in the informal economy. The author provides a well-researched account of microinsurance schemes' benefits and potential drawbacks, offering a nuanced view of this innovative financial tool. The article begins with a detailed overview of microinsurance, including its historical development, current forms, and how it can address the needs of low-income populations. The author's explanation is clear and accessible, making the topic comprehensible even to those unfamiliar with financial concepts. The author's primary argument is that mainstream commercial and social insurance schemes often neglect low-income individuals, particularly those engaged in the informal economy.

The author discusses how these individuals are often excluded due to high premiums, complex application processes, and a lack of understanding about insurance benefits. The author contends that microinsurance can bridge this gap by providing affordable, accessible, and tailored services that can mitigate risks related to health, agriculture, and accidents. The author offers several case studies that effectively illustrate the potential of microinsurance. These examples highlight how microinsurance can contribute to poverty reduction, financial inclusion, and social protection. This section is precious as it grounds the author's arguments in real-world contexts, demonstrating the tangible impact of microinsurance on the lives of low-income populations.

However, the article also addresses the potential challenges associated with microinsurance. The author notes that the sustainability of microinsurance schemes could be better due to the high costs of administering small policies. There is also the issue of low uptake due to a lack of awareness and understanding about microinsurance and cultural and behavioral factors that might deter potential customers.

Moreover, the author points out that the quality of microinsurance services can sometimes be subpar, leading to dissatisfaction and mistrust among policyholders. The article also mentions the risk of fraud, as the low-income population may be more vulnerable to deceptive practices. While these drawbacks are discussed, the author does not elaborate on potential solutions or strategies to mitigate these challenges. This is a missed opportunity, and the article would have been more substantial if it had offered a more in-depth examination of how these issues could be addressed.

This article comprehensively examines microinsurance as a mechanism of social protection for low-income populations. It succeeds in making a convincing case for the potential of microinsurance while also acknowledging the challenges that need to be addressed for it to be a sustainable solution. The author's clear, detailed writing and use of relevant case

studies make this a valuable read for anyone interested in innovative financial tools for social protection. However, future research should delve deeper into the potential solutions to the highlighted challenges to provide a more well-rounded view of microinsurance's potential.