

## MICROINSURANCE IN EFFORT TO ENHANCE INDONESIA'S ECONOMIC RESILIENCE

Heri Supriyadi<sup>\*)</sup>, Aryo Swastika Nugroho<sup>\*)1</sup>, Harry Suhartanto<sup>\*)</sup>

<sup>\*)</sup>BRI Insurance Indonesia

Jl. Mampang Prapatan Raya No.18, Mampang Prapatan, Jakarta 12790, Indonesia

**Abstract:** This paper provides a comprehensive analysis to identify how general insurance can scale up microinsurance for Micro, Small, and Medium Enterprises (MSMEs) protection in effort to enhance national economic resilience while insurance literacy and inclusion in Indonesia remain low. From a review using Systematic Literature Review (SLR), two issues were found that motivated the research. (1) So far, microinsurance has been defined as a product that targets only the low-income people. (2) Partnerships between micro finance institutions and insurance companies have not yet been formulated in an integrated business ecosystem. This paper reviews and provides proposals to enhance the contribution of microinsurance from the broader economic perspective. First, the insurance industry needs to redefine microinsurance while maintaining its simple, accessible, economical, and immediate (SMES) characteristics as a response to the protection needs of MSMEs. Second, it should collaborate with micro finance institutions to build an MSME business ecosystem in order to develop an insurance business within the MSME business environment. It can be concluded that with more amicable products, simpler business processes, and more affordable premiums, microinsurance has social and economic value for MSME actors in strengthening Indonesia's economic resilience.

**Keywords:** microinsurance, MSMEs, systematic literature review, business ecosystem, economic resilience

**Abstrak:** Paper ini bertujuan menyediakan analisis komprehensif untuk mengidentifikasi bagaimana asuransi umum dapat mengeskalasi asuransi mikro untuk perlindungan Usaha Mikro, Kecil, dan Menengah (UMKM) dalam upaya peningkatan ketahanan ekonomi nasional sementara literasi dan inklusi asuransi di Indonesia masih rendah. Dari hasil penelitian menggunakan metoda Systematic Literature Review (SLR), ditemukan dua hal yang menjadi motivasi penelitian. (1) Selama ini asuransi mikro didefinisikan sebagai produk yang menasar kelompok masyarakat berpenghasilan rendah saja. (2) Kemitraan antara lembaga pembiayaan mikro dengan perusahaan asuransi belum dirumuskan dalam sebuah ekosistem bisnis terintegrasi. Paper ini mengulas dan memberikan usulan untuk menyempurnakan kontribusi asuransi mikro dalam perspektif ekonomi yang lebih luas. Pertama, industri asuransi perlu meredefinisi asuransi mikro dengan tetap memegang karakter sederhana, mudah, ekonomis, segera (SMES) sebagai respons atas kebutuhan perlindungan UMKM. Kedua, melakukan kolaborasi dengan lembaga pembiayaan mikro untuk membangun ekosistem bisnis UMKM dalam rangka pengembangan bisnis asuransi di lingkungan bisnis UMKM. Dapat disimpulkan bahwa dengan asuransi mikro yang lebih membunmi produknya, sederhana proses bisnisnya, dan murah preminya, maka asuransi mikro memiliki nilai ekonomi dan sosial bagi pelaku UMKM dalam memperkuat ketahanan ekonomi Indonesia.

**Kata kunci:** asuransi mikro, UMKM, tinjauan literatur sistematis, ekosistem bisnis, ketahanan ekonomi

### Article history:

Received  
31 May 2023

Revised  
14 June 2023

Accepted  
9 August 2023

Available online  
31 August 2023

This is an open access article under the CC BY license (<https://creativecommons.org/licenses/by/4.0/>)



<sup>1</sup> Corresponding author:

Email: [aryo.swastika@work.brins.co.id](mailto:aryo.swastika@work.brins.co.id)

## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of Indonesia's economy, yet the insurance protection for these entities remains largely untapped. This becomes the reason for conducting the research. A significant strategy that could enhance the resilience of these MSMEs, and consequently, the national economy, is the increased utilization of microinsurance. Microinsurance has traditionally served as a financial safeguard for the low-income people (Churchill, 2003), and has been used in many developing countries to improve financial resilience (Kousky et al. 2021). Although the purpose of microinsurance is still applied, microinsurance products are still widely available in big cities but have yet to reach low-income individuals (Alkahfi & Aslami, 2021). However, the relevance and potential of microinsurance extends beyond this traditional scope, especially when considering the protection needs of MSMEs. Microinsurance products, instead of being downsized versions of conventional insurance, should be designed specifically for the target market, based on a deep understanding of the customers' particular needs (Biener, 2012).

In this context, this paper complements and conveys further development of the previous literature on microinsurance. We examine how a paradigm shift in the approach to microinsurance can effectively cater to the protection needs of MSMEs. The research proposes two main strategies. Firstly, the redefinition of microinsurance while maintaining its simple, accessible, economical, and immediate (SMES) characteristics. Secondly, the creation of an integrated business ecosystem through collaboration between micro finance institutions and insurance companies. This ecosystem approach is seen as a novel and cost-effective strategy for stimulating economic prosperity (Isenberg, 2021).

Moreover, these strategies align with the 2021-2025 Master Plan of the Indonesian Financial Services Authority (OJK) that focuses on restoring the national economy and enhancing the resilience and competitiveness of the financial services sector. This paper contributes novelty to the field by comprehensively examining microinsurance's potential as a protective mechanism for MSMEs and its proposition for an integrated business ecosystem. The analysis is based on a review of literature, secondary data, including related regulations. The paper also reviews the existing

government policies associated with efforts to support MSME business sustainability.

Hence, the proposed study provides a unique contribution of general insurance industry to the field by redefining microinsurance and proposing an integrated business ecosystem. This could serve as a reference for policymakers, stakeholders, and researchers interested in enhancing microinsurance utilization for MSMEs' protection, thereby bolstering Indonesia's economic resilience. Microinsurance products must embody the SMES characteristics: simple, accessible, economical, and immediate. This makes it commercially more flexible to enter markets with low literacy levels. In addition, the general insurance industry can collaborate with micro finance institutions to support the financial resilience of MSME businesses. Ultimately, building an MSME business ecosystem that involves all stakeholders can be an option for insurance business development within the MSME business environment. The purpose of this paper is to hopefully serve as a reference for decision-makers in formulating policies that increasingly favor MSME protection with the involvement of the general insurance industry. The novelty of this research is crucial due to the lack of comprehensive reviews on the strategic role of general insurance and microinsurance in supporting the sustainability of MSME businesses.

## METHODS

This paper is conducted with a Systematic Literature Review (SLR) in Indonesia in the year 2023. The techniques of getting data begin with identifying relevant data and deepening the literature on microinsurance. The next step is to synthesize previous research to answer specific problem formulations (Tranfield et al. 2003). The analysis technique used in this paper is qualitative descriptive analysis, which describes secondary data and interprets data obtained through a literature review.

To ensure the facts presented in the synthesis results will be beneficial for decision-makers as a policy output foothold, we follow the five-stage systematic review procedure proposed by Khan (2003). It is formulating the problem as the essence of research, identifying relevant research and regulations, evaluating previous research by looking at study alignment, concluding evidences, and finally interpreting the results of

existing research (Figure 1). The analysis is based on a reviews of literature, secondary data, including related regulations. The paper also review the existing government policies associated with efforts to support MSME business sustainability.

The research question of this paper is how general insurance can scale up microinsurance for Micro, Small, and Medium Enterprises (MSMEs) protection in effort to enhance national economic resilience. As a basis of reasoning, given the significance of the role of MSMEs in national economic interests, any efforts to improve national economic resilience must involve MSMEs. Micro insurance has to be intended not only for low-income (economically vulnerable) people but escalated for MSME actors. Protecting MSMEs through risk transfer mechanisms is a concrete form of contribution that can be made by general insurance companies. The involvement of the general insurance industry should not be seen as merely complementary, let alone as a secondary cost burden. Rather, protection should be an integrated component within the MSME business ecosystem. Therefore we propose two hypothesis to answer the problem formulation: (1) microinsurance can be scaled up to protect MSME to enhance national economic resilience by redefining the products to be more relevant to the businesses without disregarding its simplicity and economical characteristics, (2) collaboration between the general insurance industry and micro finance institutions as an integrated element in the MSME business ecosystem can play a crucial role in bridging the low level of literacy. This is because micro finance institutions are more reachable and easily accepted by low-literacy communities.

## RESULTS

Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to Indonesia's economy, with a contribution of 60.51% to the country's Gross Domestic Product (GDP), investment absorption of 54.21%, and a total export contribution of 15.65%. The Ministry of MSMEs also stated that out of the 135.30 million working population, as much as 96.92% are employed in MSMEs. This data reveals the pivotal role of MSMEs in supporting the economy of a significant majority of Indonesian households. Additionally, micro-businesses are characterized by quick transaction turnover, utilization of domestic production, and alignment with people's primary needs, such as culinary, agribusiness, and fashion sectors (Nainggolan, 2021). This aligns with the assertion that entrepreneurship acts as a catalyst for economic growth and national competitiveness (Kelley et al. 2010) With the advancement of SMEs, the economy will further develop, and the multiplier effect will occur everywhere. People's income will increase, leading to improved welfare, and ultimately, it is expected to contribute to increased tax revenue for the country (Sanjaya, 2021).

Considering the significant contribution of MSMEs to the economic base, the resilience of MSMEs reflects the resilience of regional and national economies. The key to improving economic resilience lies in the commitment to supporting MSMEs. In addition to crisis resilience, MSMEs have a strategic role in economic activities, such as job creation, community empowerment, regional economic development, income distribution, poverty reduction, creating new markets, and contributing to the balance of payments (Herri, 2023).

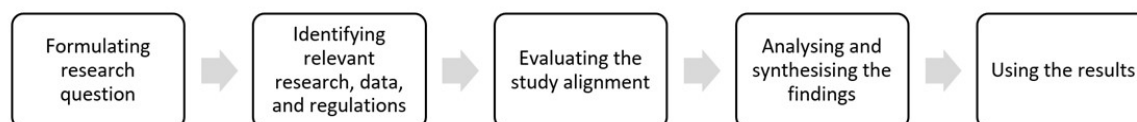


Figure 1. Research Framework

As a priority sector in the Indonesian economy, MSMEs continue to receive support from the government for expansion and economic inclusion. The capacity building of MSMEs is being carried out comprehensively, supported by technology to facilitate financing, improve business quality, financial management, and market access. Accommodative macroprudential policies are being strengthened and synergized to encourage credit to the business world. The main goal is to strengthen the competitiveness of MSMEs and support economic growth. These policies are regulated in Government Regulation No. 7 of 2021 on the Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. Among the many initiatives that have been implemented, there is still no specific policy support that specifically addresses the protection aspect for MSME businesses. Business protection through policy synergy and innovation for national economic resilience is an anticipatory and forward-looking step that needs to be taken, especially in the momentum of national economic recovery and revival in the future.

Unfortunately, at present, financial literacy and inclusion, including insurance, are still quite low. Meanwhile, knowledge and implementation of effective risk transfer strategies are critical to reducing the impact of losses. Regarding insurance, the literacy and inclusion levels of the community are still very low particularly on microinsurance. The general insurance industry in Indonesia is still considered underdeveloped. The OJK's National Financial Literacy and Inclusion Survey records financial literacy rates of 49.68%

and inclusion of 85.10%. Insurance literacy stands at 31.72% and inclusion at 16.63%, in comparison, banking is at 49.93% and 74.03% (Figure 2). The low level of insurance spending is reflected in the insurance penetration rate, i.e., the percentage of premiums to Gross Domestic Product (GDP). General insurance penetration in Indonesia is only 0.47 percent of GDP. Meanwhile, in Singapore, it has reached 1.80 percent, Thailand 1.90 percent, Malaysia 1.40 percent, South Korea 5.20 percent, and the average for Asia Pacific countries is 2.10 percent (Atlas Magazine, 2023). Indonesia's public expenditure to purchase general insurance products or density is IDR325 thousand per capita or about USD 21. Whereas in Singapore it's USD 1,327, Thailand USD 141, Malaysia USD 157, and the Asia Pacific country average is USD 673 (Atlas Magazine, 2023).

Literacy is not only interpreted as consumer knowledge and belief but also the ability to implement it in managing and making wise decisions to choose financial products or services (Cahyani et al. 2020). Thus, people can withstand financially and experience economic sustainability in a better direction. The essence of inclusion is not only access. Ozili (2020) mentions two other dimensions, namely availability and usage. Insurance inclusion means that people have access to reach available products and use them continuously. In terms of educational background, according to data from the Ministry of MSMEs, 95 percent MSMEs actors in Indonesia did not complete higher education as shown in Table 1.

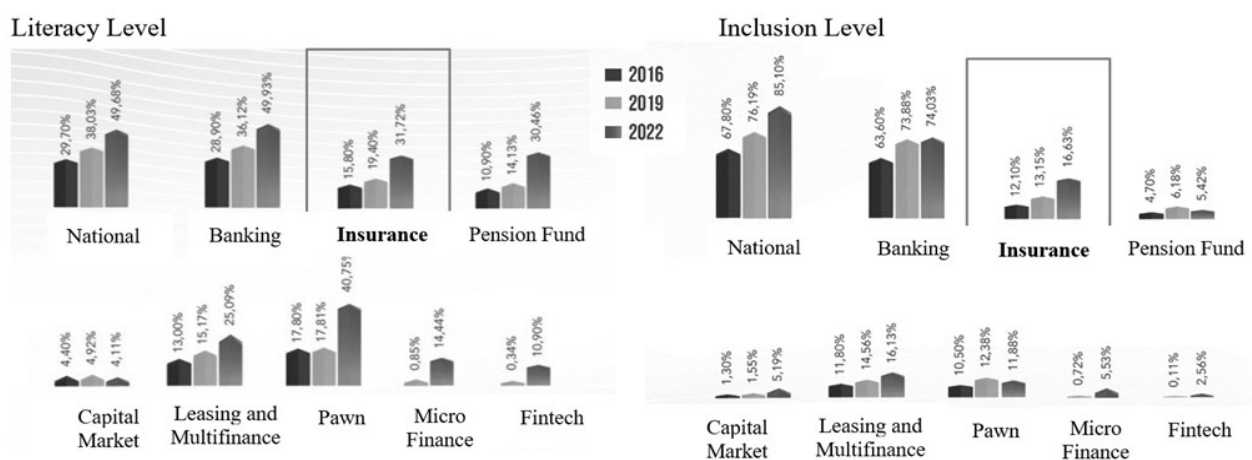


Figure 2. Data of literacy and inclusion levels based on the financial services sector (OJK's National Survey of Financial Literacy and Inclusion, 2022)

Table 1. Education Level of MSME Actors

| Education Level                          | Percentage |
|--|------------|
| Did not finish elementary School         | 11%        |
| Finished elementary school / equivalent  | 36%        |
| Finished junior high school / equivalent | 12%        |
| Finished senior high school / equivalent | 36%        |
| Finished Diploma I or higher             | 5%         |

Source: Data from the Ministry of Cooperatives and Small and Medium Enterprises, 2022

Our analysis of the Financial Services Authority (OJK) 2021-2025 Master Plan indicates that these proposed strategies align with the national vision to enhance the resilience and competitiveness of the financial services sector. By integrating these strategies into the ongoing efforts to bolster Indonesia's economic resilience, we can potentially create a favorable environment for the growth and sustainability of MSMEs. To conclude, the results and analysis conducted in this study reinforce the notion that a redefinition of microinsurance, combined with an integrated business ecosystem approach, can significantly enhance insurance protection for MSMEs. This could serve as a stepping stone to promote financial resilience amongst MSMEs, thereby fortifying the economic backbone of Indonesia.

One point in the first pillar mentions that strengthening the application of governance and risk management has become essential for the present and future. This is necessary to mitigate various risks that arise from economic uncertainty, information technology disruption, and the increasing complexity of financial products and services. The second pillar, among other things, emphasizes the importance of SJK in supporting the MSME sector and regional development to achieve economic growth targets. Access to financial services still needs to be improved, especially in areas with low financial inclusion. The third pillar mentions that business process reengineering is carried out to improve work efficiency and create innovative business processes oriented to performance parameters such as cost, quality, service, and speed.

In order to align strategic directions with the structural framework, the insurance industry is obligated to play its role in risk management in order to support MSMEs. This is done through efficient business process innovation to realize financial services inclusion. In relation to this, the contribution of the insurance

industry is to carry out an important intermediary function in the risk transfer mechanism (Thoyts, 2010). This mechanism is used to manage risks that are too large to be held individually or by companies. The way to do it is to transfer part of the financial consequences to a similar risk pool managed by the insurance company and exchanged for insurance premiums. This is considering that insurance has historically proven to drive economic growth and entrepreneurship as well as risk reduction (Friawan, 2021). As part of efforts to support the strengthening of quality economic growth in order to achieve more equitable societal welfare, there is a need for an improvement in the deepening of the financial sector, so that all people have equal access to quality formal financial services at affordable costs. Deepening the financial sector includes increasing financial inclusion, expanding innovation in financial products and developing financial infrastructure services (Bhagawati & Novarini, 2022).

To address these aspirations, as a first step, a risk analysis that will impact MSMEs is needed. The exposures faced by MSMEs come from both internal and external sources. Internally, MSMEs risk having limited working capital and a lack of knowledge about good business management. Business competition with large industries to gain market share and changes in societal consumption patterns to online can also become obstacles if MSMEs are unable to adapt. In relation to this, MSMEs need to analyze and evaluate their businesses so they can survive by adapting in the new normal era (Fahriyah & Yoseph, 2020). Externally, macroeconomic conditions and disruptions occurring in the business ecosystem are exposures that business actors must face. Therefore, risk mitigation is required by building adaptive business model literacy (Wibowo & Irfan, 2021).

External risks that can disrupt business continuity are extreme weather risks and natural disasters. Added to this is the risk of losses due to unexpected events such as fires, accidents, and diseases. All these risks are serious threats to the sustainability of MSME businesses. Large financial losses due to catastrophic disasters can at any time disrupt the economic stability of individuals, companies, to local governments. This vulnerability also takes into account that from a geographical perspective, Indonesia is an area prone to natural disasters.

According to The World Risk Index in 2022, Indonesia (index 41.46) is ranked third out of 193 countries most vulnerable to natural disasters after the Philippines (index 46.82) and India (index 42.31). This index measurement is based on five parameters: the level of population exposure to disaster risk, the level of socio-economic vulnerability of the community to disasters, the community's resilience level in providing resources for disaster mitigation, the community's ability level to fight against the short-term impacts of disasters, and lastly the community's adaptation level to devise strategies in anticipating disasters. Disaster data from the National Disaster Management Agency (BNPB) states that in 2022 alone, the number of disasters recorded was as many as 3,514 incidents. Financially, material losses reached over one trillion Rupiah. Therefore, the average frequency of disasters in 2022 is 10 disasters per day. The most common types of disasters in order of frequency are: floods, extreme weather, landslides, forest/land fires, earthquakes, tidal waves, and droughts.

Geographically, the calculation results of the disaster risk index, which shows a real history of disasters and causes losses in the Indonesian region in the 2022 Indonesia Disaster Risk Index (IRBI) book, states that 192 districts/cities in the province are in the high disaster risk class and 322 are in the moderate disaster risk class. There are no provinces that are at low disaster risk. Meanwhile, in the risk index table per threat, almost all provinces are at a high index for flood, earthquake, and extreme weather risks. This includes the islands of Java and Sumatra, which are the concentration of MSME businesses.

Fiscal risk from natural disasters occurs when there's a funding gap between the disaster funds reserved by the government and the economic losses caused by the disaster. This gap causes the government to reallocate funds from other spending posts to meet its obligations to disaster victims. This budget reallocation often impacts the realization or achievement of set development program targets. Natural disasters can and have had severe effects on the Indonesian economy. The BNPB data mentions three large-scale natural disasters in Lombok, Palu, and the Sunda Strait in 2018, causing 12,430 casualties (deaths, missing persons, and injuries). The economic losses from these events amounted to at least IDR35 trillion or more than 1.6% of the total realization of the 2018 state budget.

Another example, the Aceh earthquake and tsunami in 2004, resulted in economic damages and losses reaching IDR 51.4 trillion.

According to data from the Ministry of Finance of the Republic of Indonesia, the government has set aside disaster management funds, both pre-disaster, emergency, and post-disaster, in the Disaster Pooling Fund (PFB) regulated in Presidential Regulation No. 75 of 2021 regarding Joint Disaster Management Funds. The total funds are currently IDR 3 trillion from the 2022 state budget and IDR 4.3 trillion from the 2023 period. Unfortunately, these funds are far from enough to meet the financing needs for disaster management, which on average causes economic losses of IDR 10.4 trillion per year during 2012 - 2022. As a result, there's a significant financing gap each year, around IDR 6 trillion or 60%.

This situation poses a high risk to the post-disaster economic recovery in affected areas. It also creates various risks for financial institutions with assets and loans. The country needs a comprehensive risk transfer mechanism to overcome disaster financing difficulties. To manage natural disaster risks, insurance can help the government ensure that its population is financially protected and reduces fiscal risk and budget volatility when a disaster occurs (Friawan, 2021). By synergizing with the Central Government and Regional Governments, insurance can reduce post-disaster financial difficulties, accelerate post-disaster recovery, and improve economic resilience.

The next exposure is the risk of bank loan defaults. By the end of 2022, Bank Indonesia recorded that banking loan disbursement to MSMEs was IDR1,351.25 trillion or 21.04% of the total bank credit. Looking at the trend, MSME credit disbursement tends to increase every year. Since December 2021, MSME credit growth has surpassed pre-pandemic levels. At the same time, the restructuring of banking credit impacted by the pandemic is also decreasing. MSME credit restructuring reached its peak during the pandemic at IDR 335 trillion. The government has issued a policy of credit relief for informal workers and MSMEs through OJK Regulation No. 11 of 2020 concerning National Economic Stimulus as a countercyclical policy for the impact of the spread of Covid-19. However, the value of credit insurance claims since the pandemic until 2022 has reached IDR30.97 trillion.

Other risk exposures that are high and fall within the scope of general insurance guarantees are accidents and fires. According to statistical data from the National Criminal Information Center (PUSIKNAS), traffic accidents throughout 2022 increased by 34.6%, totaling 25,138 accidents. Meanwhile, data from the Social Security Agency for Employment (BPJS) states that the number of workplace accidents in Indonesia continues to increase. The latest data in 2022 shows workplace accidents increased by 13.26%, with a recorded total of 265,334 cases. The data does not include other accidents, such as individual accidents, excluding traffic and workplace accidents.

Furthermore, the risk of fire also threatens business continuity. The Ministry of Home Affairs mentioned that in 2021 there were 17,672 fire cases. The most common cause was short electrical circuits, amounting to 5,274 cases or about 45%. As a barometer, BPS mentioned the number of fires during 2022 in Jakarta alone was 1,691 incidents, up 10.2% from the previous year. The Regional Disaster Management Agency (BPBD) of DKI Jakarta Province stated that losses due to fires in the capital that occurred throughout 2022 reached approximately IDR 130.6 billion. The data only talks about incident data handled by the fire department, excluding minor fire incidents.

The potential impact of the risks mentioned can become too massive a risk burden for business actors and the Government to manage independently. The option to transfer risk with economic costs to general insurance companies is the most appropriate solution in risk management implementation to prevent greater losses (Yohana, 2019). In protecting sustainability, insurance companies will provide protection against business failure risks due to sudden and unexpected events. The way general insurance can scale up microinsurance for MSME protection in effort to enhance national economic resilience, the following two things need to be followed up: (1) redefining microinsurance while still holding on to the SMES character as a response to MSME protection needs, (2) collaboration of micro finance institutions and insurance as an integrated element in the MSME business ecosystem.

### **Redefine Microinsurance for MSME Protection**

The definition of microinsurance products in the OJK Circular Letter No. 9 of 2017 regarding Microinsurance Products and Microinsurance Product Distribution

Channels is insurance products designed to provide protection against financial risks faced by low-income people. The provision explains in detail the administrative technicalities about characters, features, distribution channels, to the operational guidelines for its marketing. However, the phrase low-income people, hereafter abbreviated as LIP, is not defined in the SEOJK.

In the OJK's Indonesian Microinsurance Grand Design of 2013 low-income people are defined as those with monthly income not exceeding IDR 2.5 million. Based on Law No. 11 of 2011 on Housing and Residential Areas, low-income people (LIP) are those who have limited purchasing power and therefore need government support to acquire a home. Meanwhile, in the Decision of the Minister of Public Works and Public Housing No. 22 of 2023 regarding the amount of income for low-income people and the limit of the floor area of public and self-help houses, the maximum monthly income for LIP per region is set between IDR 7 million and IDR 10 million. The International Labour Organization (ILO) mentions that individuals are considered low-income if they live in households with daily consumption or income of less than 1.90 US dollars, equivalent to IDR 855 thousand per month. This figure is believed to be the amount of money needed to cover the cost of basic food, clothing, and housing worldwide.

In general, the term LIP can refer to less financially capable people. People who are not financially incapable according to the Regulation of the Minister of Social Affairs of the Republic of Indonesia No. 15 of 2018 about Integrated Service and Referral Systems for Handling the Poor and Incapable People are people who have sources of livelihood, wages or salaries, who can only meet decent basic needs but are unable to pay premiums for themselves and their families. Whereas the Asian Development Bank (ADB) in Key Indicators for Asia and the Pacific 2022 conveys the classification from very poor, poor, to vulnerable are households that earn below USD 5.50 per day or currently equivalent to IDR2,475 million per month. This is close to the LIP boundary stated in the OJK Microinsurance Grand Design.

The General Insurance Association of Indonesia (AAUI) has responded to the Microinsurance Grand Design by releasing standard microinsurance policies in 2014. Each policy has a premium of no more than

IDR 50,000. The policy is then developed and modified by member companies according to their appetite and priority distribution channels. Some companies specifically target MSMEs with specific products. In this regard, the existence of microinsurance products shows the readiness of the insurance industry players in increasing inclusion and fulfilling the needs of the community who have not been protected so far. This is also a market differentiation step to target untapped potential (Chaharuddin, 2016).

The low-income people, as the target of microinsurance in the above literature review, we believe, does not fully align with the context of microinsurance as a social tool and commercial product to provide protection to MSME actors. In the context of protection for MSME and the scope of general insurance coverage, the definition of microinsurance needs to be expanded to fit the target market. Thus, microinsurance and its benefits can be a tool to expand social protection in the context of providing security for the community and contributing to poverty alleviation (Syafril et al. 2021). This redefinition will extend the term “micro” so it no longer associates with the small nominal income of participants. Denotatively, the term “micro” will be more relevant to micro businesses including MSMEs without disregarding its simplicity and economical characteristics.

This redefinition is important for product alignment with the characteristics of its target market (Table 2). Firstly, microinsurance primarily targets MSME actors. Given the massive number of MSME actors, from a business scale perspective, it can fulfill the law of large numbers. Besides, MSME has a strategic position in the Indonesian economy as explained before. Secondly, the demand for microinsurance will be minimal if intended for low-income people because they do not understand the concept of risk financing or have a misunderstanding about insurance (Churchill et al. 2003). Thirdly, microinsurance is developed to counter skepticism or negative perceptions of the poor reputation of insurance due to aggressive marketing, misselling, or claim rejections. Fourthly, microinsurance is attractive to potential insurance participants who have assets and need protection because of its convenience and economy. Especially nowadays, insurance spending is considered a tertiary need by part of the community. The following are proposed provisions for microinsurance with some adjustments in each parameter in bold.

Referring to the classification of community strata based on income presented by the Asian Development Bank (ADB) in the Key Indicators for Asia and the Pacific in 2022 and the OJK Microinsurance Grand Design, we divide it into three layers of insurance target markets (Figure 3). The lowest layer is the low-income community (very poor - poor - vulnerable) with a monthly income below IDR 2.5 million. At this level, people can only meet basic needs. Therefore, owning microinsurance can be achieved through subsidies or assistance from the Government. Insurance is poorly understood by poor people which affect their awareness of the benefits of insurance. They are hardly aware of insurance risk management available to them (Mazambani & Mutambara, 2018). Another way is to use the insurance company’s Social and Environmental Responsibility (TJSL) activities. The topmost layer is the middle-to-upper-class community that already has a good level of literacy. This includes high-income individuals and businesses or large corporations that do not meet the criteria of MSMEs. At this level, the suitable type of product is conventional or indemnity insurance according to the needs and complexity of the insured object.

The middle layer represents the target market for commercial microinsurance. It consists of individuals who have achieved a stable economic status, including MSME entrepreneurs. In this segment, there is a significant potential customer base with sufficient purchasing power. Despite relatively low levels of literacy, this group has a pressing need to protect their assets and businesses. According to data from the Organisation for Economic Co-operation and Development (OECD) in 2020, 80 percent of MSMEs operate in sectors affected by the Covid-19 pandemic, such as processing, trade, construction, accommodation services, and food and beverage. The current post-pandemic situation has indirectly increased the interest of MSME actors in using insurance products. The findings of the OJK-BCG Joint Research Survey in 2020 revealed that 88 percent of MSME actors expressed a high level of openness towards insurance products. The desired protections among MSME actors include coverage for business interruptions caused by the pandemic, property damage, and disaster-related losses.



Table 2. Comparison of conventional insurance, microinsurance (ojk version), and proposal

| Parameter                 | Conventional Insurance   | OJK Microinsurance   | Proposal  |
|---------------------------|--|--|---|
| Policy Wording            | Using complex language   | Using simple, concise, and easily readable Indonesian language.  | Using simple, concise, and easily readable Indonesian language.   |
|                           | Can use English according to the original wording that has not been translated into Indonesian.  | The policy length is limited to a maximum of 3 (three) pages of letter-size paper using Arial font size 10 (ten).  | The policy length is limited to a maximum of 1 (one) page of letter-size paper using Arial font size 10 (ten).  |
|                           | Having many exceptions.  | Can use local languages alongside Indonesian language.<br>There are very few or no excluded risks.   | Can use local languages alongside Indonesian language.<br>There are very few or no excluded risks.<br>The covered risks are clearly stated and easily understood, avoiding any ambiguity in their interpretation.           |
| Supporting Documents      | Supporting documents are adjusted to the underwriter's needs in assessing risk.  | The most supporting documents are 4 (four) pieces of evidence related to the personal data of the policyholder, insured, participant, or insurance beneficiary and related written evidence.                   | The supporting document is an insurance cover application letter (SPPA) containing the personal data of the policyholder, details of the insured object, and beneficiaries without a survey report.                         |
| Customer Nature           | The middle to upper class of society who relatively understand insurance.  | Low-income people and those who relatively do not understand insurance.  | Low-income people and entrepreneurs of micro, small, to medium business segments (MSMEs).   |
| Accumulation Policy       | Can cover multiple objects of coverage in one policy.  | Covers one object of coverage.   | The participant can have several policies according to ability with a maximum benefit value equal to the value of the insured object.   |
| Coverage Price            | In accordance with the acquisition price of the insured object. If not, under/overinsured can occur.   | The maximum coverage value is 24 (twenty four) times the highest Minimum Wage at the time of closure.  | According to product design with certain considerations, for example emergency cost benefits so that the insured can rise again to arrange their business after suffering a disaster.                                       |
| Premium Calculation       | According to the rate set based on underwriting factors.   | Has a relatively affordable premium where the risk premium is at least 50% (fifty percent) of the gross premium.   | Has various choices of premiums that are relatively affordable by the public.   |
| Validity of the Guarantee | Policy is issued after an examination of the condition of the insured object and is active since the company's approval.   | Policy is issued without a prior examination of the condition of the insured object and after activation or membership application is approved by the company.   | The policy is issued without a prior examination of the condition of the insured object after the premium is paid in full.  |
| Premium Payment           | Has a grace period or warranty premium clause (WPC) for a certain period of time as agreed upon. Premiums must be paid at most by the time the WPC is due.   | Is a guaranteed issuance offer (GIO) or simplified issue offer (SIO), that is, the policy applies after the premium is paid in full.   | Is a guaranteed issuance offer (GIO) or simplified issue offer (SIO), that is, the policy applies after the premium is paid in full.  |
| Claim Payment             | Indemnity-based. The insured must submit a report and required claim documents completely and correctly. Then the company inspects the insured object and negotiates compensation. The claim payment is made within a maximum of 30 (thirty) working days after the compensation agreement is reached. | Compensation-based. The claim is processed and resolved by the company if approved within a maximum of 10 (ten) working days since the company received the required claim documents completely and correctly. | Compensation-based. The claim is processed and resolved by the company if approved within a maximum of 5 (five) working days since the company received the required claim documents and evidence completely and correctly. |
| Claim Dispute             | Resolved in accordance with the provision of laws and regulations.   | Resolved in accordance with the provisions of laws and regulations, prioritizing dispute resolution through deliberation.  | Resolved in accordance with the provisions of laws and regulations, prioritizing dispute resolution through deliberation.   |

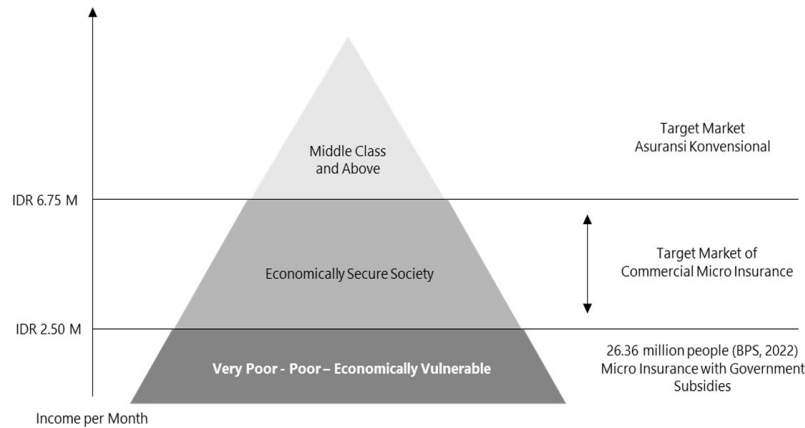


Figure 3. General insurance target market scheme

There are already several insurance products specifically designed to provide protection against risks for MSMEs. However, many MSMEs do not understand or take advantage of these programs. The main problem is that most MSMEs tend to have limited knowledge and understanding of the benefits of insurance, so they do not see the need to obtain insurance coverage. According to literature reviews, the main challenges are low levels of financial literacy and inclusion. Additionally, there is a societal paradigm that views insurance costs as too expensive and unaffordable for them. Insurance is also more difficult to access for MSMEs that do not have credit records or sufficient assets as collateral, making it difficult for them to obtain insurance products. Therefore, the government and financial institutions need to work together to increase awareness and understanding of the benefits of insurance among MSMEs and provide easier access to insurance programs that meet their needs. This way, MSMEs can be better protected from risks that can harm their businesses. Financial education can increase financial knowledge, skills, and entrepreneurs' trust in providers while reducing future financial issues (Septiani & Wuryani, 2020).

These challenges need to be addressed with product designs, that are tailored to accommodate protection needs aligned with the vulnerabilities of MSMEs, as previously discussed. OJK's Circular Letter No. 9 of 2017 on Microinsurance Products and Microinsurance Product Distribution Channels also states that microinsurance is designed to provide basic protection against risks commonly faced by the community. This is supported by ILO research in five countries, which shows that the main concerns of micro entrepreneurs

regarding losses are: the death of family members, illness or injury, natural disasters, and extreme weather conditions, theft or property damage (Churchill et al. 2003).

Insurance companies can offer simple guarantees with affordable premiums that do not require a separate budget and can be easily compared with other expenses, such as comparing it to mobile phone credit costs. Insurance should also be given the opportunity to open up wide distribution channels and enhance inclusion by integrating microinsurance into the MSME business ecosystem. Microinsurance products are designed to provide fair compensation to compensate for potential losses and adequate amounts to rebuild businesses affected by disasters. The obligation of insurance companies is to expedite the verification process for valid claims, ensure transparency in the process, and fulfill the promises of claim benefit payments. Additionally, monitoring customer dissatisfaction through a contact center can help prevent business disruption due to negative publicity. Lastly, it is important to be aware of potential fraud by customers due to the conveniences offered by microinsurance products.

In developing products, the formulation of natural disaster insurance for MSMEs depends on profitability, the market potential of MSMEs, marketing needs, and the adequacy of current government regulations. The commercial development of microinsurance products targeting SMEs should be accompanied by appropriate premium determination and reinsurance strategies. If insurance premiums are too high, they will burden participants, while if they are too low, it can result in negative consequences or insolvency for the insurance

company. For certain segments, the government can intervene by providing premium subsidies. The biggest challenge in premium determination is the limitation of supporting data, especially in developing countries like Indonesia, caused by infrastructure readiness and data anomalies (Demus, 2016). On the other hand, considering the low general insurance inclusion, microinsurance has a wide market potential. Especially with the need for protection, purchasing power, and the significant number of MSMEs, microinsurance can become a competitive advantage with a large-scale economy for insurance companies to expand their retail customer.

### **Collaboration Between Micro Finance Institutions and Insurance as an Integrated Element in the MSME Business Ecosystem**

The availability of financial resources is vital for MSMEs to grow and thrive. Compound annual bank loans for MSMEs from 2012 to 2022 grows 9,89% per year. This provides insights into the access to financial support for MSMEs over the years. It helps identify the need for complementary financial instruments, such as microinsurance, to enhance the resilience of MSMEs and protect them from potential risks. Despite the increased availability of bank loans to MSMEs, there is still a gap in comprehensive risk protection. By integrating microinsurance into the financial ecosystem, MSMEs can better manage and mitigate risks, ensuring their sustainability and long-term growth. To achieve sustainable financial growth, regulation is one of the significant factors (Sundari, 2012). One of the main focuses of the regulations is to promote financial inclusivity. Easier access to financial services for underserved communities can help enhance overall economic growth. By providing opportunities for everyone to participate in the financial system, such regulations can foster inclusive economic development. Thus, Indonesia also needs a suitable and profitable ecosystem to ensure the progress and sustainability of enterprises (Rustandi, 2023).

The entrepreneurship ecosystem, according to Isenberg (2011), consists of six elements that influence the decisions and success of entrepreneurs (Figure 4). Each stakeholder in these elements interacts and influences each other in complex ways. The ecosystem reveals the interaction between actors in the ecosystem and

also access to all resources. The government acts as a backdrop (Stam, 2015). There are four elements of this diagram that can be highlighted specifically in the elements of Policy, Finance, Culture, and Supports. The first is the role of the Government in providing regulations, policy sufficiency, and incentives capable of supporting businesses. Then the role of investors and financing institutions in providing capital. Next is social norms in growing businesses including innovation and risk tolerance. The last is infrastructure support and support from other institutions and various professions in conducting business. Relevant to this concept, the MSME business ecosystem also relies on interaction and collaboration between stakeholders located on these elements. Capital served by micro-financing institutions, for example, will be heavily influenced by the policies issued by the Government. Policies are also highly determined by macro-sociological conditions as a result of changes in society toward welfare. Then the aspect of infrastructure support will be very much related to the scale of the business.

The business ecosystem is a system of interrelated components that influence the speed and ability with which MSMEs can create and scale new ventures in a sustainable manner (Aziz et al. 2022). The entrepreneurial ecosystem in Indonesia needs to be developed into an ecosystem that supports each other among the actors and the factors within it in order to have a positive influence on micro and small businesses (Haratua & Wijaya, 2020). Despite their substantial contribution to Indonesia's economy, MSMEs remain vulnerable to various risks due to the lack of adequate insurance protection. Addressing this issue, our analysis suggests a paradigm shift in microinsurance to better cater to the protection needs of MSMEs while advocating an integrated business ecosystem involving micro finance institutions and insurance companies. An important aspect of our proposition involves leveraging an integrated business ecosystem to enhance the insurance reach to MSMEs. This ecosystem, as visualized in our proposed MSME Business Ecosystem Scheme, is built on collaboration between micro finance institutions and insurance companies. Micro finance institutions, due to their existing relationship and proximity to MSMEs, can play a crucial role in bridging the insurance gap by raising awareness about the benefits of insurance and facilitating the process of policy procurement.

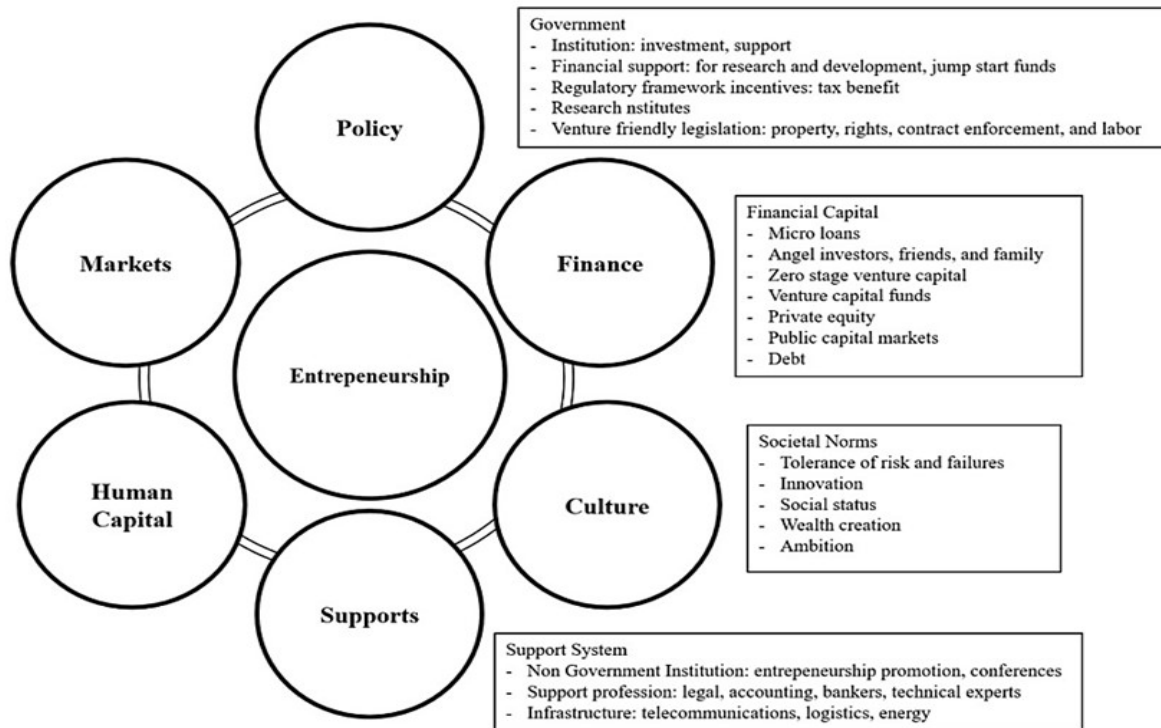


Figure 4. Business Ecosystem Map (Daniel, 2011)

The protection of business actors mentioned here specifically pertains to safeguarding MSMEs against risks of disasters and accidents. The policy approach to mitigating these new risks primarily revolves around ensuring financial backing and providing supervisory guidance. This implies that the newly implemented government policies primarily focus on safeguarding financing institutions rather than business actors themselves. The Government interventions are only effective when innovative market practices are designed and insurance policies are easy to understand in this case is microinsurance (Yan & Faure, 2021). We believe that bridging the gap between risk exposure and the sufficiency of these policies requires collaborative efforts between micro finance institutions in the realm of financing and general insurance companies in terms of protection. Stakeholders involved in both aspects can synergize their efforts, given their interconnected contributions.

The success of the business ecosystem depends on identifying the roles of key players and how they interact with each other to support each other (Khattab, 2017). As shown in Figure 5 the government and regulators act as orchestrators of the ecosystem by providing adequate policies. Governance structures play a central role in the resulting performance of ecosystems. Nevertheless,

because of digitalization the scope of business become broader and more ingenious (Bejjani & Menter, 2023). With rigorous financing program, the government may create economic growth by stimulating self-sustaining businesses creation (Flores & Kovacs, 2018).

On the financing side, micro finance institutions and micro finance linkage/channeling collaborate with general insurance companies. This collaboration is done through a strategic partnership model. Both institutions can facilitate the needs of MSMEs through distribution channel expansion. For example, insurance companies can collaborate with bank agents, provide business-to-business-to-customer (B2B2C) applications, marketing through referral models, or product bundling. On the other hand, general insurance companies also have an obligation to develop products and business processes that are compatible with the financing targets. For example, for the ultramicro credit market, insurance products need to be redesigned with more affordable premiums to suit the purchasing power of customers. Ideally, with affordable prices and appropriate guarantees, microinsurance products can protect micro finance institutions from the risks of loan payment failures due to the decrease in capacity or cessation of MSME operations.

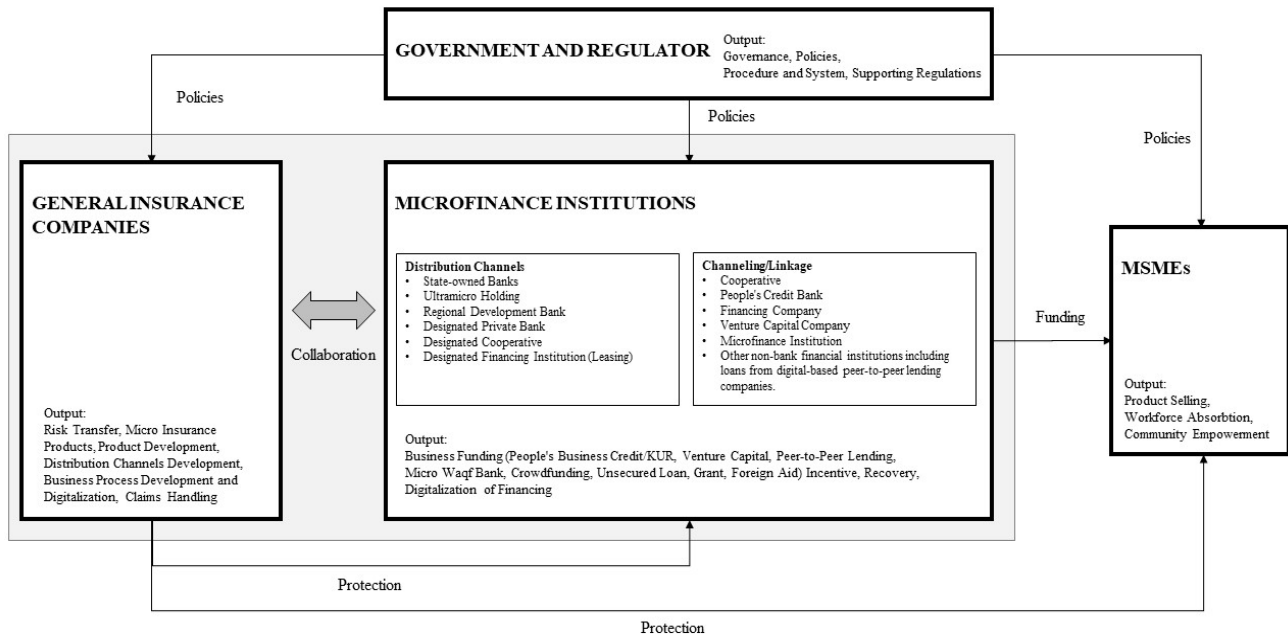


Figure 5. MSME Business Ecosystem Scheme

This collaboration is important for several reasons. First, micro finance institutions have wide distribution channels, numerous clients, and are more easily accepted by low-literacy communities. This is because people or MSMEs have a higher urgency for capital. However, without the involvement of protection elements in financing activities, business continuity can be disrupted. Therefore, it can be said that protection is a critical component in business risk management.

Second, the collaboration of micro product marketing activities with micro finance institutions can respond to the provisions stated in OJK Circular Letter No. 9 of 2017 on Microinsurance Products and Microinsurance Product Distribution Channels. According to the OJK regulations, microinsurance should be easily obtainable in the community, such as at public service offices and financial institutions. Microinsurance should also be efficient in terms of marketing costs and operations to ensure affordable premiums. Claim payments will be much faster if using an integrated system with the institution. This is because insurance participants need immediate funds to face financial impacts. Therefore, collaboration from marketing to claims handling using integrated distribution channels with micro finance institutions is an effective solution to meet these needs.

Third, financial literacy, including insurance literacy, will increase through mentoring that is packaged

together with financing. Good financial literacy will provide an understanding of risks, improve cost efficiency, and reduce future financial issues (Septiani & Wuryani, 2020). This emphasizes that financial support is only useful at the beginning of establishing a company, but strategic guidance and business mentoring are needed to ensure the sustainability of business activities (Isenberg, 2011). Insurance education through mentoring channels in financing activities will increase the literacy of MSME entrepreneurs. This will enable them to better understand financial management, ensuring the continuity and development of their businesses. Ultimately, protected businesses will provide peace of mind for entrepreneurs in their operational activities.

Fourth, the protection of assets, individuals, transactions, and business operations will be a crucial need for business owners. With microinsurance, MSMEs can develop good risk management strategies. They can allocate funds for recovery in the event of unexpected accidents and losses due to disasters. Furthermore, the positive impact on the overall business ecosystem of increasing awareness of the importance of protection extends beyond business owners. Its ripple effect brings social and economic benefits to all stakeholders from the protection of MSMEs. For the government, insurance can reduce the gap and volatility of disaster funding financed by the state budget. For micro finance

institutions, in addition to increasing partnership revenue, this collaboration can bring added value to financing products while protecting businesses. This collaboration within the MSME business ecosystem will increase insurance inclusion for general insurance companies. Companies can penetrate untapped market potentials, thereby increasing business volume and accelerating the growth of customer bases.

### Managerial Implication

Based on the findings of the paper our recommendations are as follows. First, microinsurance products are commercially more flexible to enter markets with low literacy levels. Thus microinsurance can play the strategic role in economic resilience if its utilization is scaled up to MSME businesses which possess high risk exposure and urgency for protection as well as massive contribution for national economy. Secondly, microinsurance is a cost effective strategy to mitigate disaster risk of both MSME and the government. Microinsurance can reduce the gap and volatility of disaster funding financed by the state budget. Thirdly, the policy of collaborating micro finance institutions and general insurance industry within the MSME business ecosystem is the enabler to support the sustainability of MSME businesses. These ideas may serve as a reference for decision-makers in formulating policies that increasingly favor MSME protection with the involvement of the general insurance industry.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The significant role of MSMEs in the Indonesian economy and as a source of income for a large number of households makes business protection a national interest. This paper examines the vulnerability of business actors to external risks that are closely related to general insurance protection. In mitigating risks and strengthening economic resilience, we believe that the limitations set by the OJK on microinsurance need to be redefined. The aim is to reposition the target market of commercial microinsurance not only for low-income people but also for the MSME market.

To the MSME market, one of the biggest challenges in the utilization of insurance is the level of public literacy. Therefore, an analysis is carried out to understand the

needs and strategies to boost inclusion. To achieve a high level of inclusion, the products developed must be adaptive, affordable, and easily accessible. Collaboration between the general insurance industry and micro finance institutions is an agenda to realize this goal. This process will drive innovation based on the needs of MSMEs in developing microinsurance products that embody SMES characteristics, which are simple, accessible, economical, and immediate. Thus, a proposed MSME business ecosystem scheme is suggested that enables reciprocal cooperation among the two industries, the government, regulators, and business actors. In this way, the development of insurance businesses within the MSME business ecosystem is conducted by involving all stakeholders. This strategic partnership ultimately aims to strengthen national economic stability and resilience.

### Recommendations

Future research should focus on establishing a clearer picture of the particular microinsurance products. Furthermore, while this paper suggests the micro business ecosystem, observational studies are required to gain more insight into partnership model of any specific micro finance institution. For instance, whether business to business or digital business is effective to be applied for such a partnership.

## REFERENCES

- Alkahfi MA, Aslami N. 2021. Pengaruh strategi pemasaran asuransi mikro terhadap kesejahteraan UMKM di Indonesia. *Journal of Visions and Ideas* 1(3): 261-273. <https://doi.org/10.47467/visa.v1i3.795>
- Asian Development Bank. 2022. *Key indicator for Asia and the Pacific 2022 (53<sup>rd</sup> ed)*. Mandaluyong, Philippines: Author.
- Atlas Magazine. 2021. Insurance density in Asia-Pacific in 2021. <https://www.atlas-mag.net/en/category/tags/pays/insurance-density-in-asia-pacific>
- Atlas Magazine. 2022. Insurance penetration rate in Asia-Pacific. <https://www.atlas-mag.net/en/category/tags/pays/insurance-penetration-rate-in-asia-pacific>
- Aziz ZDA, Hussein N, Rahman NAA, Omar MK. 2022. The influence of entrepreneurial ecosystem on SMEs industry in Malaysia. *Advances in Social Sciences Research Journal* 9(10): 349-356.

- <https://doi.org/10.14738/assrj.910.13249>
- Badan Nasional Penanggulangan Bencana. 2023. *Indeks risiko bencana Indonesia*. Jakarta: Author.
- Bank Indonesia. 2022. *Sinergi dan inovasi memperkuat ketahanan dan kebangkitan menuju Indonesia maju: Laporan perekonomian Indonesia*. Jakarta: Bank Indonesia
- Bejjani M, Gocke L, Menter M. 2023. Digital entrepreneurial ecosystems: A systematic literature review. *Technological Forecasting and Social Change* 189:122372. <https://doi.org/10.1016/j.techfore.2023.122372>
- Bhegawati DAS, Novarini NNA. 2022. Percepatan inklusi keuangan untuk meningkatkan pertumbuhan ekonomi, lebih terinklusif, dan merata di era presidensi G20. *Jurnal Akuntansi, Manajemen, Bisnis dan Teknologi (AMBITEK) STIE Mahaputra Riau* 2(2): 14–31. <https://doi.org/10.56870/ambitek.v3i1.60>
- Biener C, Eling M. 2012. Insurability in microinsurance markets: an analysis of problems and potential solutions. *The Geneva Paper* 37:77-107. <https://doi.org/10.1057/gpp.2011.29>
- Cahyani R, Tristiarto Y, Marlina. 2020. Analisis literasi keuangan dan inklusi keuangan financial technology terhadap personal finance nasabah PTBank Negara Indonesia (Persero), Tbk di Kota Bekasi. *Jurnal Universitas Pembangunan Nasional Veteran Jakarta Fakultas Ekonomi dan Bisnis* 626-643.
- Chaharuddin A. 2016. Tinjauan asuransi mikro di Indonesia. *Journal of IndonesiaRe*.
- Churchill CF, Liber D, McCord MJ, Roth J. 2003. *Mengembangkan asuransi bagi lembaga keuangan mikro: Petunjuk teknis untuk mengembangkan dan menawarkan asuransi mikro*. Jakarta: International Labour Organization.
- Churchill CF, Matul M. 2012. *Protecting the poor: A microinsurance compendium volume II*. Switzerland: International Labour Organization
- Demus N. 2016. Actuarial pricing untuk produk asuransi mikro. *Journal of IndonesiaRe*.
- Fahriyah A, Yoseph R. 2020. Keunggulan kompetitif spesial sebagai strategi keberlanjutan UKM di era new normal. *Prosiding Seminar Stiarni* 7(2).
- Flores KMG, Kovacs JK. 2018. Defining the entrepreneurship ecosystem. *Journal of SEA – Practical Application of Science* 6(18): 299-306.
- Friawan D. 2021. Membangun sistem pembiayaan dan asuransi resiko bencana di Indonesia. *Journal of Centre for Strategic and International Studies*. <https://www.csis.or.id/publication/membangun-sistem-pembiayaan-dan-asuransi-risiko-bencana-di-indonesia/>
- Haratua A, Wijaya C. 2020. Membangun ekosistem kewirausahaan untuk usaha mikro dan kecil di Indonesia: sebuah tinjauan literatur. *Jurnal Ilmu Administrasi Negara* 16 (1): 36-47.
- Herri, Jamira A. 2023. Geliat UMKM pascapandemik dan strategi pengembangannya (part 1). *Jurnal Univesitas Bayanghari*. <https://unbari.ac.id/detail/Kampus/2023/01/19/131522/geliat-umkm-pascapandemik-dan--strategi.jsp>
- International Labor Organization. 2019. *Financing small business in Indonesia: challenges and opportunities*. Jakarta: Author.
- International Labour Organization. 2023. *World employment and social outlook: trends 2023*. World Employment and Social Outlook.
- Isenberg D. 2011. The entrepreneurship ecosystem strategy as a new paradigm for economic policy: Principles for cultivating entrepreneurship. *The Babson Entrepreneurship Ecosystem Project*.
- Kelley DJ, Bosma N, Amorós JE, Global Entrepreneurship Research Association (GERA). 2010. *Global Entrepreneurship Monitor (GEM): 2010 Global Report*. <http://entreprenorskapsforum.se/wp-content/uploads/2011/02/GEM-2010-Global-Report.pdf>
- Kementerian Keuangan. 2022. *Ekosistem lembaga pembiayaan mikro: Laporan penelitian kerjasama penelitian OR TPkEM BRIN – BKF kemenkeu*.
- Kementerian Keuangan. 2023. Mengenal program pembinaan UMKM kemenkeu satu tahun 2023. <https://www.djkn.kemenkeu.go.id/artikel/baca/15879/Mengenal-Program-Pembinaan-UMKM-Kemenkeu-Satu-Tahun-2023.html>
- Khattab I, Al-Magli OO. 2017. Towards an integrated model of entrepreneurship ecosystem. *Journal of Business & Economic Policy* 4(4).
- Kousky C, Wiley H, Shabman L. 2021. Can parametric microinsurance improve the financial resilience of low-income households in the united states? : A proof-of-concept examination. *Economics of Disasters and Climate Change* 5: 301-327. <https://doi.org/10.1007/s41885-021-00088-1>
- Mazambani L, Mutambara E. 2018. Sustainable performance of microinsurance in low-income markets. *Risk Governance and Control: Financial Markets & Institutions* 8(2): 41-53.

- <https://doi.org/10.22495/rgev8i2p2>
- Nainggolan EU. 2020. UMKM bangkit, ekonomi Indonesia terungkit. *Jurnal Kementrian Keuangan Republik Indonesia*. <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>
- Otoritas Jasa Keuangan. 2017. Semua ok dengan asuransi mikro: *Seri Literasi Perasuransian*. November.
- Ozili PK. 2018. Impact of digital finance on financial inclusion and stability. *Journal of Borsa Istanbul* 18(4): 329–340. <https://doi.org/10.1016/j.bir.2017.12.003>
- Sanjaya PKA, Nuratama IP. 2021. *Tata kelola manajemen & keuangan usaha mikro kecil menengah*. Gowa: CV. Cahaya Bintang Cemerlang.
- Septiani RN, Wuryani E. 2020. Pengaruh literasi keuangan dan inklusi keuangan terhadap kinerja UMKM di Sidoarjo. *E-Jurnal Manajemen* 9(8): 3214-3236. <https://doi.org/10.24843/EJMUNUD.2020.v09.i08.p16>
- Stam E. 2015. Entrepreneurial ecosystems and regional policy: A sympathetic critique. *European Planning Studies* 23(9): 1759– 1769. <https://doi.org/10.1080/09654313.2015.1061484>
- Syafril, Syaffitri RN, Asyahri Y, Ashari H. 2021. Edukasi manfaat asuransi mikro bagi masyarakat dan pelaku UMKM di komunitas ibu-ibu perumahan gang rahayu Banjarmasin. *Jurnal Pengabdian Kepada Masyarakat Politeknik Piksi Ganesha* 1(1): 17-26. <https://doi.org/10.56689/padma.v1i1.284>
- Thoyts R. 2010. *Insurance theory and practice*. New York: Routledge.
- Tranfield D, Denyer D, Smart P. 2003. Towards a methodology for developing evidence-informed management knowledge by means of the systematic review. *British Journal of Management* 14(3): 207–222. <https://doi.org/10.1111/1467-8551.00375>
- WartaFiskal. 2022. Mendorong inklusi keuangan UMKM. *Jakarta*.
- Wibowo H, Irfan M. 2021. Peningkatan literasi pengembangan usaha mikro kecil menengah (UMKM) di era disrupsi. *Jurnal Pengabdian dan Penelitian Kepada Masyarakat (JPPM)* 2(2): 242-251. <https://doi.org/10.24198/jppm.v2i2.34642>
- Yan Y, Faure M. 2021. Government interventions in microinsurance: evidence from china. *The Geneva Papers on Risk and Insurance* 46: 440-467. <https://doi.org/10.1057/s41288-020-00202-6>
- Yohana C. 2019. *Manajemen risiko teori dan aplikasi*. Yogyakarta. Indonesia: Penerbit Samudra Biru.