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Validating a Theoretical Model to Measure the Business Success of Microinsurance (MI) in South Africa

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ABSTRACT The objective of the present study was to validate a theoretical model to measure business success of Microinsurance in South Africa. The empirical process of validation is based on literature research. The model was tested amongst 400 employees from four insurance companies offering Microinsurance (MI). 261 questionnaires were filled (a response rate of 62.25%). The validation process aimed to validate the variables that measure each of the business success influences; assess the sampling adequacy, test the applicability of the data for multivariate statistical analysis; determine the importance of each of the MI's business success influences; and test the reliability of each of the business success influences. All these objectives were successfully met. This culminated in the final result, namely the model to measure business success of MI and was proven statistically to be a valid and reliable model that can be used to measure the business success of MI in SA. The research is of value to the Government, Microfinance institutions, Microinsurers, Insurers, NGOs, academics and researchers.