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PROPERTY INSURANCE COVERAGE AND ORGANISATIONAL SURVIVAL: EMPIRICAL EVIDENCE FROM SELECTED SMALL AND MEDIUM SIZED ENTERPRISES IN LAGOS STATE, NIGERIA

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Abstract *The study investigated the nexus between property insurance coverage and survival of SMEs in Lagos State. The study adopted cross sectional research design. The population of the study comprised of three hundred and fifteen SMEs registered with the National Association of Small and Medium Enterprises (NASME) in Lagos State. The sample size of the study was estimated through the application of Taro Yamane formula to arrive at a sample size of one hundred and seventy-seven SMEs. One of the findings of the study revealed that coverage limit has significant influence on survival of SMEs in Lagos State with p-value of 0.000<0.05. The second finding revealed that coverage width and coverage limit has joint significant influence on survival of SMEs in Lagos State with p-value of 0.000<0.05. Based on findings, it was concluded that property insurance coverage limit has favorable and notable impact on survival of SMEs, emphasizing the need of suitably scaled coverage in risk management and business continuity. It was also concluded that the combined significant impact of coverage-width and coverage-limit emphasizes the necessity of designing insurance policies with a balanced approach to guarantee both thorough risk management and affordability. Based on findings, it was recommended that SMEs should prioritize taking up broad insurance coverages that will accommodate a wide number of risks that these firms are exposed to. Also, SME owners were enjoined to frequently examine changes in their risk profile in order to effectively make judicious decisions as to the appropriate insurance coverage to be effected.*

Keywords Coverage-width, Coverage-limit, Business resilience, Sustainability, Organisational survival

Introduction

Small and Medium-sized Enterprises (SMEs) are widely acknowledged as a fundamental driver of economic growth and development across both developed and developing economies (Ajemunigbohun, Isimoya & Elegunde, 2020; Dayour, Adongo & Kimbu, 2020; Abdissa, Ayalew, Dunay & Illés, 2022). This prominence stems from their significant contributions to employment generation, income creation, and overall national output (Aliyu, 2018; Gherghina, Botezatu, Hosszu & Simionescu, 2020). Beyond their direct economic outputs, SMEs play a critical role in the development of skilled and semi-skilled labour, thereby forming a foundation for sustained industrial expansion. Consequently, the performance and sustainability of SMEs are central to improving household welfare and enhancing macroeconomic stability (Egwuonwu & Osuchukwu, 2019; Gherghina et al., 2020; Elgafari, 2021). Nevertheless, SMEs operate within highly volatile environments characterized by economic uncertainty, regulatory instability, and operational risks that frequently undermine their survival, particularly during their formative years (Fadun, 2018).

The vulnerability of SMEs is largely attributable to structural constraints such as limited access to finance, inadequate managerial capacity, and weak asset bases, which collectively reduce their ability to absorb shocks and recover from adverse events. These challenges are further exacerbated in developing economies such as Nigeria, where institutional inefficiencies and macroeconomic instability intensify business risks. In Lagos State, for example, evidence from the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the National Bureau of Statistics (NBS) indicates that a substantial proportion of SMEs lack adequate financial protection against operational risks (SMEDAN & NBS, 2017). In this regard, insurance is increasingly recognized as a critical risk management instrument that facilitates risk transfer and provides financial compensation in the event of loss, thereby enhancing business resilience and continuity (Cai & Song, 2017).

Despite the acknowledged importance of SMEs to economic development, empirical evidence consistently reveals a high failure rate within the sector in Nigeria. A significant proportion of SMEs exit the market within the first five years of operation, while only a marginal percentage survive beyond a decade (SME|DAN/NBS, 2017; Afolabi & James, 2018). One of the key factors associated with this persistent failure rate is the inadequate utilisation of insurance as a formal risk management mechanism (Adeyele & Osemene, 2018). Empirical data further indicate that insurance penetration among SMEs remains relatively low, with a considerable number of firms operating without any form of insurance coverage (SMEDAN & NBS, 2017). Even among insured SMEs, existing literature suggests that coverage is often narrow in scope and insufficient to adequately address the multiplicity of risks confronting business operations (Aduko, 2011; Adeyele, Osemene & Olubodun, 2017; Adamu, 2018; Asai, 2019), thereby leaving firms partially exposed to significant financial vulnerabilities.

Although various policy interventions have been implemented by government and regulatory institutions in Nigeria to enhance SME resilience and promote risk mitigation through insurance adoption, many enterprises continue to experience persistent survival challenges due to inadequate risk protection and recurrent operational losses (Fadun, 2018; Ojubanire & Dawodu, 2021; Aduloju & Akindipe, 2022). Furthermore, while extant studies have examined risk management practices and SME performance, and a limited number have investigated risk attitude and insurance utilisation (Ackah & Owusu, 2012; Fofie,

2016; Adamu, 2018; Ajemunigbohun, Isimoya & Elegunde, 2020), there remains a notable paucity of empirical evidence on the direct effect of insurance utilisation on SME survival outcomes. Also, prior studies examined insurance uptake but failed to consider major policy features such as coverage limit and coverage width(Gbireh, 2013; Amoako, 2019;Chakraborty& Das, 2019). Accordingly, this study seeks to address this gap by examining the effect of insurance utilisation on the survival of SMEs, underpinned by survival theory as a conceptual lens for explaining how insurance adoption contributes to business continuity, resilience, and long-term sustainability.

The study aims to investigate the nexus between property insurance coverage and survival of SMEs in Lagos State, Nigeria. The specific objectives are to investigate the extent to which property Insurance coverage limit influences the survival of SMEs in Lagos State, Nigeria; and to examine the extent to which property insurance coverage variables (Property Insurance coverage limit and coverage width) jointly influence the survival of SMEs in Lagos State, Nigeria.

2. Literature Review

2.1. Conceptual Review

2.1.1. Conceptual clarifications on the Meaning of SMEs

According to Guimarães, Blanchet & Cimon (2021), there is no universally recognised definition of an SME. This is because there are not any standardised measures to evaluate them in terms of capital expenditure, revenue, staff, fixed capital investment, availability of machinery and other assets, market share, level of development, and even appellation (Langat, Naibel & Getare, 2017). These differences exist amongst countries, economic sectors, academic institutions, and writers (Mazambani & Mutambara, 2018).

A diverse and significant collection of businesses, small and medium-sized enterprises (SMEs) are essential to the growth and development of the economy (Sahler & Wiedmaier, 2017). These firms, which are smaller than huge corporations but larger than micro-enterprises, achieve the perfect balance between expansion and functional capacity.

As a result, authors from a variety of nations have produced a number of definitions of SMEs that correspond with the legislation and categorization schemes that have been authorized by their individual governments (Baba & Thiong, 2019; Elgafari, 2021; Dickason, Thamaha & Ferreira Schenk, 2021; Crovini, Ossola & Britzelmaier, 2021; Abdissa, Ayalew, Dunay & Illés, 2022). There are definitions that are both theoretical and practical. Interestingly, Elgafari (2021) points out that theoretical definitions of SMEs include into account descriptive demands such independence, personal simplicity, and the involvement of at least the founders on a private and financial level.

In Nigeria, there are a number of definitions of SMEs available. Aduloju and Akindipe (2022) claims that throughout the years, a large number of authors, organisations, governmental bodies, and legislators have put forth a number of methods for defining SMEs. These criteria seem to take into consideration the nation's current economic situation as well as the diverse features of SMEs. The descriptions of SMEs that are currently in operation reflect the different perspectives of different authors, scholars, and educational institutions regarding variations in capital expenditure, employee count, gross revenue, fixed capital investments, available equipment and facilities, market share, and growth extent (Fadun, 2018).

In other words, the description of SMEs depends on the size of the economy in question. A small enterprise is defined as

one that has a total cost (including working capital but excluding cost of land) above #5 million but not exceeding #50 million, with a workforce size of between 10 and 50 employees, according to a statistical survey conducted by the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development of Nigeria (SMEDAN) (2017). A medium enterprise has a total cost (including working capital but excluding cost of land) above #50 million but not exceeding #100 million. Therefore, depending on whether they are small or medium sized, SMEs are privately held companies that have a modest workforce and a moderate sales volume. The size of the economy determines how SMEs are defined (Muriithi, 2017).

2.1.2 Property Insurance Coverage

Property insurance covers most risks to property, such as theft, fire, and certain weather-related risks (Adeyele, Osemene &Olubodun, 2017). This includes specialised insurance plans such as earthquake, fire, flood, boiler, and home insurance (Amoako, 2019). Named hazards and open perils are the two main categories of property insurance. First-party property insurance provides compensation to the insured in the event that property is damaged (Azende, 2012). First party property insurance gets its name from the fact that it is intended to only cover direct losses to the insured and not to third parties. Third party damages, however, are covered by third party liability insurance. The purpose of property insurance is to protect against unanticipated loss (Stevens-Benefo, 2015).

Renters' insurance, homeowners insurance, flood insurance, and earthquake insurance are among the several plans that are included in the category of property insurance. Personal property is frequently covered by a homeowners' or renters' policy (Karadag, 2015). Expensive and valuable personal property is an exception, and it is frequently covered by purchasing a "rider," which is an addition to the policy. If a claim is made, the property insurance coverage will either reimburse the insured for the actual value of the damage or the cost of replacing the damaged item. Property insurance protects against common weather-related risks, such as damage from fire, smoke, wind, hail, snow and ice, thunderstorms, and more. According to Dayour, Adongo, and Kimbu (2020), property insurance protects against theft and vandalism and covers both the building and its contents. Property insurance also provides liability coverage in the event that someone who is not the owner or renter gets injured on the property and chooses to sue. Damage from a variety of events, including floods, tsunamis, sewage and drain backups, seeping water in the ground, standing water, and a variety of other water sources, is frequently not covered by property insurance.

Three types of property insurance coverages are available. The cost of maintaining or replacing the property is covered under replacement cost coverage, regardless of degradation or value growth. Premiums for this type of coverage are determined using cost of replacement values rather than actual cash worth. Therefore, it covers replacement cost less depreciation. Extended replacement cost will pay more than the coverage ceiling if construction prices have increased. This usually doesn't exceed 25% of the permitted amount (Baba & Thiong, 2019). The maximum benefit amount that the insurance company will offer for a certain event or situation is known as the sum insured.

2.2 Theoretical Review

2.2.1 Survival theory

The survival theory, which has its roots in management and economic theories, focuses on the choices and ploys firms make to stay

successful and continue operating in the face of adversity. Natural catastrophes, liability claims, and operational interruptions are just a few of the risks that businesses face in an ever-changing operating environment (Barberis & Thaler, 2003). In order to maintain long-term viability, the survival theory highlights the significance of efficient risk management and backup plans. In this situation, insurance is essential since it gives firms a way to lessen the possibility of suffering financial losses as a consequence of unanticipated circumstances. Businesses might improve their capacity to withstand unforeseen difficulties without endangering their operations by acquiring insurance coverage.

Businesses must carefully manage their resources to maintain sustainability and development, much as the survival theory contends that creatures do so for long-term security. By enabling companies to devote a portion of their financial resources to protecting their operations and assets, insurance adoption is consistent with this idea. This distribution aids in establishing a safety net that lets companies handle unforeseen setbacks without depleting their cash reserves (Terungwa, 2012). SMEs may achieve a balance between taking on risk and reducing it by using insurance. Businesses can pursue expansion prospects while reducing the possible negative effects of unforeseen circumstances by shifting some risks to insurance providers. Accordingly, insurance adoption becomes a strategic instrument for SMEs to improve their capacity to adapt, prosper, and endure in a constantly shifting and unpredictable business environment when seen through the prism of business survival theory. It supports the general resilience and longevity of SMEs by being consistent with the concepts of risk minimisation, resource allocation, and adaptive decision-making.

2.3 Empirical Review

Understanding the relationship between insurance uptake and survival of small and medium-sized enterprises (SMEs) requires analysing prior research, empirical data, and surveys that have focused on this research area. Some of these studies have shown that insurance uptake is beneficial to SMEs. With an emphasis on the utilisation of business interruption insurance, Adeyele, Osemene, and Olubodun (2017) examine the reasons for SMEs' failure and mitigation strategies. In order to achieve the study objectives, three hundred and eighty nine SMEs were specifically chosen from four main cities in Nigeria's Niger Delta Region (NDR). The results showed that SMEs' losses were closely linked to how they transported raw materials to their places of operation and the duty they placed on their owners to deliver items to clients without using insured cars or vans. Among other things, the report suggested that SME owners lower some business risk exposures by ensuring that their items are transported in insured cars or vans and by coming up with ways to hold suppliers accountable for the safe delivery of the supplies they buy. However, the study failed to consider major features of insurance policies- coverage width and coverage breadth and how they may distinctively influence business survival.

Ajemunigbohun, Isimoya, and Elegunde (2020) investigated the association between SMEs' performance in Lagos State, risk attitude, and insurance patronage. The single-stage cluster sampling approach was combined with a descriptive survey design in order to achieve the study objective. Using a structured questionnaire, the two hundred and fifty-six sample representation yielded reliable answers. In this field investigation, the Kolmogorov-Smirnov test method was employed as a data analysis tool. The study reveals the substantial, albeit low-level, impact of SMEs' risk attitudes on their market share. In order to assist curb

Nigeria's ongoing recessionary economic decline, the study suggests developing strong risk management measures. However, the study only considered attitude as one of the determinants of insurance uptake, whereas, there are other major factors that may influence how, why and when people may take up insurance.

Ojubanire and Dawodu (2021) investigated the relationship between risk management and MSMEs' financial performance, concentrating on Osun State in Nigeria. Data from two hundred and seventy-three respondents was used in the study, and regression analysis and descriptive statistics were used to analyse the data. The findings then showed that risk management significantly impacted Osun State's SMEs performance, and it was suggested that managers and owners should step up their risk management procedures to improve their performance. The study's scope is too generic; it considers risk management generally without revealing the uniqueness of insurance to SMEs as a risk management technique.

Similarly, Afolabi and James (2018) evaluated how risk management affected the performance of small and medium-sized businesses in Nigeria's Osun state. Three hundred and forty respondents' data were used in the study, and the results of the ordinary least square regression estimation approach showed that risk management significantly impacted the performance of small and medium-sized businesses in Osun State. As a result, it is advised that managers and owners of SMEs create economic strategies that will help risk management be more successful in improving performance. However, the study is too generic. It failed to explore the direct benefits of insurance on SMEs survival.

Aduloju and Akindipe (2022) examined how a risk control strategy affected the organisational performance of a few chosen Lagos State businesses. Utilising data from three hundred and eighty-seven respondents, the study's analysis of the data using the ANOVA regression estimation approach revealed that performance was significantly impacted by the physical risk control strategy. However, the results indicated that performance was significantly impacted by financial risk control. Therefore, the study recommended that in order to promote performance, organisations should make sure that risk control measures are used. However, the study's use of risk control as an independent variable is too broad. Risk control comprises of physical risk control which comprises of risk avoidance, loss reduction and loss prevention as well as financial risk control which includes self-insurance, use of captives, contract, hedging as well as conventional insurance. Thus, the study did not reveal which of these risk control tools impact the performance of SMEs more.

A recent empirical study by Kabanda and Balisanyuka (2025) investigated the determinants of insurance uptake among SMEs in Kampala District using a cross-sectional survey of 420 enterprises and logistic regression analysis. The study found that insurance uptake among SMEs is significantly influenced by **business formalization, owner education, perceived benefits, affordability, and trust in insurers**. Importantly, firms that had higher levels of insurance uptake were more likely to demonstrate **greater financial stability and resilience to business shocks**, particularly in relation to asset protection and continuity after losses. Although Kabanda and Balisanyuka (2025) establish that insurance uptake improves SMEs' financial stability and resilience, the study is limited to a single urban context (Kampala) and does not examine how insurance uptake translates into measurable SME performance outcomes such as profitability, growth, or productivity across broader African commercial hubs like Lagos. There is therefore a contextual and

methodological gap in understanding the **causal performance effects of insurance uptake among SMEs in developing mega-cities**.

3.0 Research Methods

The cross-sectional design is adopted in this study. The cross-sectional design is considered the appropriate research design since the researcher intends to elicit information from a relatively large number of SME owners about their perception on the influence of property insurance on the survival of their business at apoint in time. More importantly, cross-sectional design is considered the appropriate form of research design for this study since the study intends to investigate the current situation of business survival influenced by insurance uptake. The population of the study consists of SME owners who are registered with the National Association of Small and Medium Enterprises (NASME) in Lagos State. The total number of SMEs registered under this association as at October 2024 is three hundred and fifteen. Sample size for the study was determined by using the Taro Yamane formula at 5% level of significance as provided:

$$\boldsymbol{n = \frac{N}{1 + N(e)^2}}$$

Thus,

$$n = \frac{315}{1 + 315(0.05)^2}$$

$$n = \frac{315}{1.7875} = 176.223 \cong 176$$

The sample size of 177 SMEs owners was selected by applying the convenience sampling method. The researcher with two trained research assistants were present at the monthly meeting of the association at their office in Ikeja for two consecutive months to administer and retrieve the structured questionnaire designed by the researchers as the main data collection instrument. The questionnaire had two sections- Section A and Section B. Section A of the questionnaire had five items which were used to elicit information related to the respondents' bio-data. Under section B, five questions each were asked on the three variables of the study- Property insurance Coverage width, property Insurance Coverage Limit and Survival of SMEs. The instrument was validated through construct validity while its reliability was tested through Cronbach Alpha test where the three research variables had correlation coefficient of 0.898, 0.871 and 0.896 respectively after the conduct of a pilot study. This is shown in table 4.5 below:

Table of Summary of Test Coefficient for Validity and Reliability

Sample Size (n)-: 172 Respondents

Latent Variable	Cronbach's Alpha	Remark
Property Insurance Coverage Limit	0.898	Good Stand
Property Insurance Coverage Width	0.871	Good Stand
SMEs Survival	0.896	Good Stand

The Cronbach's alpha coefficients are above the threshold of 0.7, and thus, suggest that the data meet the reliability conditions in measuring the constructs.

With the help of the Statistical Package for Social Sciences (SPSS) data editor software, version 20, a combination of descriptive and inferential statistics was employed for the data analysis. Regression analysis was utilised in testing the research hypotheses. The study would therefore adopt the model below:

Survival = f (Property Insurance Coverage)

$$SU_{it} = f(CW_{it}\ CL_{it}) \qquad (3.1)$$

Where:

SU= Survival of SMEs

CW= Coverage Width

CL=Coverage Limit

Thus, the panel data regression model is expressed as follows:

$$SU_{it} = \beta_0 + \beta_1 CW_{it} + \beta_2\ CL_{it} + \boldsymbol{\mu}_{it} \qquad (3.2)$$

4.0 Result and Discussion

4.1 Descriptive Analysis of the Socio-Demographic Characteristics

The table below shows the statistics of the Socio-Demographic Characteristics used in this study which comprises of Sector of the respondents in the concerned organization. The tables show that 172 respondents participated in the study; that is, five of the questionnaires were not attended to, giving 97.2% response rate.

Sector Statistic

		Frequency	Percent
Valid	Food and beverages	20	11.63%
	Textile	4	2.33%
	Third party logistics	12	6.98%
	Financial Services	52	30.23%
	Marketing	16	9.30%
	Purchasing and Supply	8	4.65%
	Others	60	34.88%
	Total	172	100.0

Source: *Field Survey, 2025*

Discussion

Table above shows the frequency distribution of the respondent Demographic Details of the participants sector that participated in this study. Out of the categories of Sector on the respondents that participated in this study, it shows that Financial Services and Others participated more in the study with the population of 52 and 60 respondents constituting over 60% of the population.

Descriptive Analysis of the Variables

Overview of the descriptive of all the variables	**SD**	**D**	**U**	**A**	**SA**	**Mean**	**SD**
The property insurance policy covers all potential risks associated with my business property.	0.0%	4.2%	10.4%	58.3%	27.1%	4.0833	.73316
I am satisfied with the extent of coverage provided by my property insurance policy.	2.1%	2.1%	16.7%	68.8%	10.4%	3.8333	.71873
The insurance coverage on my property is comprehensive and meets my business needs.	4.2%	8.3%	12.5%	60.4%	14.6%	3.7292	.95423
My property insurance includes coverage for both natural and man-made risks.	2.1%	6.2%	16.7%	64.6%	10.4%	3.7500	.80574
I feel that my property insurance provides adequate protection across various types of potential damage.	0.0%	10.4%	14.6%	64.6%	10.4%	3.7500	.77931

Source: *Field Survey, 2025*

Descriptive Analysis of *Property Insurance Coverage Width*

The table shows that each of the items on Property Insurance Coverage Width operationalized questions answered by the participants that participated in this study has the mean values of all the items are less than 3. This implies that the respondents does not fully agreed, irrespective of the extent, on all the research items which measures Property Insurance Coverage Width. Standard deviation which measures the variability of each questions, it shows that all the items are well magnitude of the deviation of the values as the standard deviation values are all positive and high.

Descriptive Analysis of Property Insurance Coverage Limit	**SD**	**D**	**U**	**A**	**SA**	**Mean**	**SD**
The coverage limit of my property insurance is sufficient for the value of my business assets.	2.1%	16.7%	12.5%	58.3%	10.4%	3.5833	.95629
I am confident that the coverage limit will adequately cover the replacement cost of my business property.	2.1%	16.7%	16.7%	52.1%	12.5%	3.5625	.97950
The current coverage limit is satisfactory given the potential financial risks my business could face.	0.0%	12.5%	22.9%	54.2%	10.4%	3.6250	.83447
My property insurance coverage limit aligns with the level of risk my business property is exposed to.	2.1%	14.6%	16.7%	54.2%	12.5%	3.6042	.95423
I believe the coverage limit is high enough to cover any substantial property losses my business might incur.	0.0%	18.8%	16.7%	58.3%	6.2%	3.5208	.86804

Source: *Field Survey, 2025*

Descriptive Analysis of *Property Insurance Coverage Limit*

The table shows that each of the items on Property Insurance Coverage Limit operationalized questions answered by the participants that participated in this study has the mean values of all the items are greater than 3. This implies that the respondents agreed, irrespective of the extent, on all the research items which measures Property Insurance Coverage Limit. Standard deviation which measures the variability of each question, it shows that all the items are well magnitude of the deviation of the values as the standard deviation values are all positive and high.

Descriptive Analysis of *Survival of SMES*	**SD**	**D**	**U**	**A**	**SA**	**Mean**	**SD**
I believe my business has the financial strength to survive any potential property-related losses.	6.2%	18.8%	14.6%	52.1%	8.3%	3.3750	1.07567
My business is well-positioned to withstand significant challenges over the long term.	2.1%	20.8%	16.7%	54.2%	6.2%	3.4167	.95629
I am confident that my business would survive even in the face of substantial disruptions or property damage.	6.2%	20.8%	20.8%	39.6%	12.5%	3.3125	1.12387

The resources available to my business are sufficient to overcome any major setbacks.	10.4 %	22.9%	20.8%	41.7%	4.2%	3.0625	1.1098 1
My business has a strong likelihood of long-term survival, regardless of potential risks or losses.	2.1%	25.0%	18.8%	45.8%	8.3%	3.3333	1.0095 5

Source: *Field Survey, 2025*

Descriptive Analysis of Survival of SMES in the table shows that each of the items on Survival of SMES operationalized questions answered by the participants that participated in this study has the mean values of all the items are less than 3. This implies that the respondents does not fully agreed, irrespective of the extent, on all the research items which measures Survival of SMES. Standard deviation which measures the variability of each questions, it shows that all the items are well magnitude of the deviation of the values as the standard deviation values are all positive and high.

Regression of Property Insurance Coverage Width on Survival of SMES.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.062[a]	.004	-.001	.88422

a. Predictors: (Constant), **Property Insurance Coverage Width**

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.568	1	.568	.727	.395[b]
	Residual	148.552	190	.782		
	Total	149.120	191			

a. Dependent Variable: **Survival of SMES**

b. Predictors: (Constant), **Property Insurance Coverage Width**

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.746	.527		7.110	.000
	CW	-.116	.137	-.062	-.852	.395

a. Dependent Variable: **Survival of SMES**

Sources: *Authors Computation, 2025*

Where CW acronymically means Property Insurance Coverage Width, CL means* Property Insurance Coverage Limit *and SS means Survival of SMES

Interpretation of Results

According to the result above in table above which shows the regression result of the estimated regression coefficients. The partial regression coefficient (α_1) of Property Insurance Coverage Width with respect to Survival of SMES is -0.116. This indicates that Property Insurance Coverage Width as a negative coefficient with Survival of SMES. This coefficient does not statistically significant at (t=--.852, p-value of 0.395>0.05) which implies that Property Insurance Coverage Width does not significantly influence the Survival of SME at the p-value of 0.395 which is higher than 5% (0.05) level of significance. Based on the result, the study therefore accepts the null hypothesis (H0) while the alternative hypothesis is rejected. Which means that Property Insurance Coverage Width does not significantly contribute to the Survival of SME.

Test of Hypotheses

This section presents the test of hypotheses formulated in chapter one. The hypotheses were tested to answer the stated research questions using the regression analysis.

Hypothesis One

Property Insurance Coverage Limit has no significant effect on Survival of SMES.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.332[a]	.110	.105	.83578

a. Predictors: (Constant), **Property Insurance Coverage Limit**

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.401	1	16.401	23.480	.000[b]
	Residual	132.719	190	.699		
	Total	149.120	191			

a. Dependent Variable: **Survival of SMES**

b. Predictors: (Constant), **Property Insurance Coverage Limit**

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.680	.340		4.946	.000
	CL	.453	.093	.332	4.846	.000

a. Dependent Variable: **Survival of SMES**

Interpretation of Result

Based on the result above in table above which shows the regression result of the estimated regression coefficients. The partial regression coefficient (α_1) of ***Property Insurance Coverage Limit***with respect to ***Survival of SMES***is 0.453. This indicates that ***Property Insurance Coverage Limit*** as a positive coefficient with ***Survival of SMES***. This coefficient is statistically significant at (t= 4.846, *p*-value of 0.000<0.05) which implies that ***Property Insurance Coverage Limit***significantly influence the ***Survival of SME*** at the p-value of 0.000 which is lesser than 5% (0.05) level of significance. Based on the result, the study therefore rejects the null hypothesis (H_0) while the alternative hypothesis is accepted. Which means that ***Property Insurance Coverage Limit*** significantly contribute to the ***Survival of SME***.

Discussion of Findings

The finding that the survival of SMEs in Lagos State is significantly impacted by the property insurance coverage limit emphasises how crucial it is to have sufficient insurance coverage to protect companies from unforeseen dangers. This result implies that a larger coverage level guarantees that small and medium-sized businesses may completely recover from monetary damages brought on by property damage from natural disasters, theft, or fire. This supports the idea that a SME's ability to recover from setbacks, continue operating, and ensure long-term sustainability may be directly impacted by the financial capacity offered by a strong insurance policy. The findings therefore reveals that adequate coverage limits can serve as a vital safeguard against insolvency for SMEs operating in Lagos, where environmental hazards and economic instability are prevalent. The findings of the

study is consistent with Gbireh (2013) who found that insurance is a viable tool to manage the risks of SMEs. The reason for this alignment of Gbireh (2013) with the result of this study could be that SME owners in Ghana have similar disposition to the utilization of insurance with that of SMEs in Nigeria, particularly, Lagos State

Hypothesis Two

Property insurance coverage variables (Coverage width and coverage breadth) do not have joint significant effect on SMEs Survival among Selected SMEs in Lagos State Nigeria.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.370[a]	.137	.128	.82512	1.859

a. Predictors: (Constant), Property insurance coverage

b. Dependent Variable: SMEs Survival on the Selected SMEs In Lagos State Nigeria

ANOVA[a]

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	20.445	2	10.223	15.015	.000[b]
	Residual	128.675	189	.681		
	Total	149.120	191			

a. Dependent Variable: SMEs Survival

b. Predictors: (Constant), Property Insurance Coverage Limit and Width

Sources: *Authors Computation 2025*

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.680	.530		5.058	.000		
	CW	-.324	.133	-.172	-2.437	.016	.916	1.091
	CL	.520	.096	.381	5.403	.000	.916	1.091

a. Dependent Variable: SS

Interpretation of Result

As shown in table on ANOVA, the *F*-Statistic of 15.015 with a *p*-value of 0.000 which is less than 1% and 5% levels of significance provide strong evidence that all the explanatory variables (Property Insurance Coverage) have joint significant influence on SMEs Survival on the Selected SMEs in Lagos State Nigeria. The evidence is points to the fact that Property Insurance Coverage has significant affect SMEs Survival on the Selected SMEs in Lagos State Nigeria.

Discussion of Findings

This finding emphasises that the degree of resilience that SMEs may attain is determined by the interaction of two factors- a high limit and broad coverage. Based on findings, a high-limit insurance combined with a wide coverage would give SMEs a huge opportunity to easily return to their operations when a loss occurs. The findings further reveals that the combination of these factors has been essential for lowering susceptibility and improving long-term survival in Lagos State's difficult business climate, which is marked by recurrent economic and environmental uncertainty. This finding is consistent with Adeyele, Osemene and Olubodun (2017) who found that both coverage limit and with of property insurance influence the continuity of SMEs. The reason for the alignment of Adeyele*et al.* (2017) with this study is that this current study focus on Lagos State which is a state under Nigeria that the study of Adeyele *et al.* (2017) considered. These firms and their owners seem to share similar characteristics when it comes to insurance uptake or utilization.

Measure of Goodness of Fit

As shown in table above, the adjusted R-squared (0.370) indicates that 13.7% percent of the variations in SMEs Survival on the Selected SMEs in Lagos State Nigeria is captured by the changes in Property Insurance Coverage. Thus, it could be inferred that 13.7% of the changes in SMEs Survival on the Selected SMEs in Lagos State Nigeria is caused by Property Insurance Coverage in the selected SMEs in Lagos.

Conclusion and Recommendations

This study investigated the extent to which property insurance coverage affected SMEs' ability to survive in Lagos State. The results show that SME survival is significantly impacted by the coverage-width of property insurance, most likely as a result of the financial burden of having too broad coverage that goes beyond the particular requirements of these entities. Property insurance coverage-limit, on the other hand, has a favorable and notable impact, emphasizing the need of suitably scaled coverage in risk management and business continuity. Additionally, the combined substantial impact of coverage-width and coverage-limit emphasizes the necessity of designing insurance policies with a balanced approach to guarantee both thorough risk management and affordability.These findings highlight the need for tailored insurance plans that take into account the particular risk profiles and financial capabilities of SMEs. Thus, the Nigerian insurance industry can significantly improve the resilience and sustainability of SMEs, which are essential drivers of economic growth in Lagos State and the country at large, by cultivating a positive insurance environment.

Based on the findings of the study, the SMEs should prioritize taking up broad insurance coverages that will accommodate a wide number of risks that these firms are exposed to. In order to achieve this, SME owners may need to engage an insurance broker to achieve obtain wide coverage at the lowest possible rate**.** SME owners are

enjoined to frequently examine changes in their risk profile in order to effectively make judicious decisions as to the appropriate insurance coverage to be effected.Insurance providers should concentrate on designing policies that are affordable and flexible enough to accommodate the particular risk profiles of small and medium scale businesses. In order to encourage the wider adoption of property insurance among SMEs, policymakers should support the creation of supportive frameworks, such as premium subsidies or tax incentives.

Contribution to knowledge

The study contribute to knowledge by showing that it is not enough for SME's to have property insurance, the design of the policy matters than just having insurance, it separates coverage width from coverage limit and shows they have opposite effects

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