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Assessment of Insurance Adoption in Management Properties in Ilorin, Nigeria

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Abstract

This study investigates the level of insurance adoption and its influencing factors in the management of income-generating properties in Ilorin, Nigeria, a rapidly urbanizing city with a dynamic real estate market. The research assessed the extent of insurance coverage among properties managed by estate surveying and valuation firms and identified key determinants influencing its adoption. A descriptive survey research design was employed, targeting registered estate surveying and valuation firms and property owners. Valid responses were obtained from 24 firms and 83 property owners. Data were collected using structured questionnaires and analyzed through descriptive statistics, weighted mean scores, factor analysis, and binary logistic regression. Findings reveal low insurance adoption, with 83.3% of residential and 75.0% of commercial properties having no form of insurance, and even the properties noted to have insurance cover in each management portfolio of the estate surveying and valuation firm are categorized within a range of 1 – 10 properties, highlighting a significant risk exposure gap. The weighted mean score analysis revealed that awareness of insurance benefits, access to credit and mortgage requirements, and cost of insurance premiums were key factors influencing adoption levels. Factor analysis identified four key determinants, which are Economic and Financial Considerations, Socio-Cultural and Relational Influences, Regulatory and Institutional Environment, and Risk and Experience Factors. Economic and Financial Considerations, and Regulatory and Institutional Environment were statistically significant predictors, with odds ratios of 5.937 and 3.083, respectively. The study concludes that economic incentives and robust regulatory frameworks are critical to enhancing insurance uptake, while socio-cultural and risk-related factors play secondary roles. To improve adoption, it is recommended that stakeholders develop affordable

insurance products, strengthen regulatory enforcement, and intensify public awareness campaigns to promote insurance literacy and trust. Future research should explore longitudinal trends in insurance adoption and the impact of emerging insurtech solutions in Nigeria's real estate sector.

Keywords: Insurance adoption, management properties, property management, property owners, estate surveying, valuation firms.

Introduction

The property management sector of Nigeria is a vital component of its economy, driven by rapid urbanization, population growth, and increasing demand for real estate. According to Pontianus and Oruonye (2021), Nigeria's population, projected to surpass 233 million by 2025 and 440 million by 2050, fuels the need for real estate infrastructural development. Hence, making effective property management essential. Property management in Nigeria involves the administration, maintenance, and oversight of real estate properties to maximize returns for property owners (Sado, Jinanwa & Ndeche, 2025). These properties range dominantly from residential, commercial, mixed-use, agricultural and industrial. As rapid urbanization and climate vulnerabilities exacerbate property-related risks such as fire, structural failures, theft, vandalism, and natural disasters, insurance serves as a critical safeguard. By transferring financial risks from property owners to insurers, it not only protects investments but also fosters investor confidence, enabling capital mobilization and sustainable growth. Insurance facilitates economic resilience by stabilizing income flows during disasters and supporting post-event recovery, thereby contributing to broader macroeconomic stability (Jarzabkowski, Chalkias, Cacciatori & Bednarek, 2023). In African contexts, where property markets are nascent yet expanding, insurance adoption has been linked to enhanced market maturity.

The insurance sector plays a critical role in mitigating risks and fostering economic stability. Despite these benefits, insurance penetration in developing nations remains disproportionately low, with systemic barriers hindering its adoption (Yarumba, Kassenga & Mwageni, 2024). The degree to which insurance services are embraced within an economy is indicated by insurance penetration, which is calculated as the ratio of total insurance premiums to GDP. According to ATLAS Reinsurance (2022), at a global level in 2021, the world's insurance penetration for non-life is around 3.90% with the following statistics; Asia Pacific (2.10%), Latin America and the Caribbean (8170%), Europe (2.70%), Africa (0.80%), South & Central America (3.00%) and Middle East (1.40%). Even though Africa has a penetration ratio of 0.80%, Nigeria, being a populous nation with a growing economy, remains significantly underpenetrated as this metric has consistently hovered below 1% over the past three decades, compared to South Africa's 14.28% (Hafiz, Salleh, Garba & Rashid, 2021; Ibibe, 2025). According to Hafiz, Salleh, Garba and Rashid (2021),

Nigeria had an insurance penetration rate of less than 0.3201% of Gross Domestic Product (GDP) as of 2020 and forecasted to further drop to around 0.3116 % in 2030.

This low adoption is particularly acute in property insurance, where urbanization, which drives demand for real estate, clashes with inadequate risk hedging. This implies that rapid real estate development has not been matched by corresponding insurance adoption. In the Nigerian real estate landscape, property management faces multifaceted risks, including construction defects, tenant disputes, and environmental hazards, amplified by infrastructural deficits and economic volatility (Nedolisa & Udobi, 2024; Nnamani, Ogbuefi & Egbenta, 2025). The sector's growth is projected to expand steadily due to rising urban populations and foreign investments that have not translated into commensurate insurance adoption. Insurance mitigates emergency risks in real estate, such as property damage from unforeseen events. Recent legislative achievements, most notably the Nigeria Insurance Industry Reform Act (NIIRA) 2025, which the Nigerian president signed into law, mandate insurance for property owners, landlords, and developers, signalling a shift toward compulsory coverage to bolster sector resilience. This reform also seeks to address longstanding issues, including low public trust and delayed claims processing, which have perpetuated a cycle of avoidance. However, the desire of the public to willingly adopt is still far-fetched.

The National Insurance Commission (NAICOM), established under the Insurance Act of 2003, has introduced initiatives like the Market Development and Restructuring Initiative (MDRI) to boost insurance penetration. Despite these efforts, the management properties that are designed to generate income for the property owners lag in adopting insurance. Conversely, emerging trends, such as the rise of Insurtech and partnerships with foreign insurers, present opportunities to enhance insurance adoption by improving accessibility and trust. Despite these efforts, the insurance penetration is still significantly low because many consider it a financial burden (Zolfagharian, Hasan, Motie, & Squire, 2020)

The adoption of insurance in management properties can provide a safety net that supports the financial sustainability of real estate operations because they are income-producing, which should be an advantage for insurance coverage. It ensures that property owners are compensated for losses incurred due to damage or legal liabilities, thereby reducing the economic burden on property managers. However, the extent to which insurance products are utilized and integrated into income-producing properties in Nigeria remains a concern. Furthermore, while general insurance penetration statistics are available, there is a paucity of research specifically addressing management properties, which constitute a significant portion of Nigeria’s urban real estate market. As such, this study seeks to explore the level of insurance adoption in management properties and the factors influencing its adoption.

Ilorin is considered an adequate location for this study because it represents a rapidly urbanizing mid-sized Nigerian city with a dynamic and diverse real estate market that blends traditional property ownership patterns with modern management practices. As the administrative and commercial capital of Kwara State, Ilorin hosts numerous estate surveying and valuation firms, financial institutions, and a growing number of privately owned incoming

generating real estate investments. This offers both the diversity and representativeness needed to generalize findings to similar emerging urban centers. Hence, it makes Ilorin a suitable context for examining the factors influencing insurance adoption in property management.

LITERATURE REVIEW

The utilization of insurance as a tool for risk management has been widely explored across various contexts, including construction, flood risk, online platforms, youth demographics, climate risks, digital literacy, and homeowners' insurance. This review synthesizes key findings from recent studies, identifies gaps in the literature, and justifies the need for a study on the "Assessment of Insurance Adoption in Management Properties in Ilorin, Nigeria," emphasizing its relevance in addressing localized, context-specific barriers to insurance adoption in management properties.

Akinradewo, Aghimien, Aigbavboa and Onyia (2022) examined factors influencing the adoption of insurance as a risk management tool in the construction industry. The study categorized factors influencing insurance adoption in the construction industry into Project features, financial security, organizational goals, insurer influence, and legal requirements. The findings highlight insurance as an effective tool for managing external risks but do not explore behavioral or psychological barriers, such as trust or risk perception, which may be particularly relevant in property management contexts.

Thistlethwaite, Henstra, Brown and Scott (2020) examined obstacles to using insurance as a flood risk management mechanism. The factors influencing decisions regarding the usefulness of insurance were evaluated in a survey of property owners. The results show that Canadians expect governments to pay a large amount of the cost of flood recovery through disaster assistance, have little understanding of flood insurance coverage, and are not willing to pay for both insurance and property-level flood protection measures. While this study underscores knowledge gaps, it does not address how regional or cultural differences within a country, such as those in a diverse Nigerian city like Ilorin, might influence insurance adoption for management properties.

Nasrin and Dahana (2022) investigated the influencing factors of the extent, timing, and pattern of online insurance adoption. The study examined three aspects of online insurance adoption: the quantity of products adopted, the timing of adoption, and the pattern of adoption. According to the findings of three statistical analyses, consumers with low social needs are more likely to purchase insurance products online, products that are promoted on television and the Internet or that are believed to have high premium variability are likely to be adopted sooner than other products, and the adoption of an insurance product seems to be influenced by the attribute discrepancy between products as well as the type of insurance that was previously purchased. However, the study overlooks the role of digital infrastructure reliability, which is critical in regions like Ilorin, where digital literacy is not as advanced as it is in some developed countries, potentially affecting property owners' ability to adopt online insurance solutions.

Aketch (2023) examined Factors Influencing Insurance Uptake Among the Youth in Nairobi County, Kenya. The study focused on 1,791,550 young people in Nairobi's 17 subcounties who were between the ages of 18 and 34. The sample was chosen using the stratified random sampling technique. There were 400 responders in the study's sample. Results regarding the impact of product-related factors on young people's adoption of insurance products revealed a statistically significant correlation between insurance uptake and product-related factors. Additionally, the impact of service-related factors on youth insurance uptake revealed a statistically significant correlation between service-related factors and insurance uptake. Lastly, demographic characteristics like gender, marital status, and employment were positively correlated with insurance uptake. This study does not focus on management properties.

Aheeyar, Amarasinghe, Amarnath and Alahacoon (2023) appraised the factors affecting willingness to adopt climate insurance in Sri Lanka. The findings indicate a significant relationship between willingness to pay (WTP) for insurance and socioeconomic factors like age and income. Overall, the findings show that the adoption of insurance is influenced by household socioeconomic factors and their contextualized risk perceptions. These findings are pertinent, but there was no exploration of institutional trust or insurance accessibility, which are critical for property owners in Ilorin, where economic constraints and skepticism toward insurers may prevail.

Onyike, Onuoha, and Gerald-Ugwu (2023) investigated the factors that affect homeowners' choices to buy flood insurance in areas of Imo State, Nigeria, that are susceptible to flooding. The research identified the variables that were most predictive in explaining the differences in perception and found that the determinants that were most influential were behavioral, attitudinal, and emotional. The study concludes that the likelihood of consumers purchasing insurance in the study areas is significantly influenced by their level of insurance literacy, the accessibility of insurance information, and their level of confidence in the integrity of insurance companies. This research was limited to flood insurance.

Ahmad (2025) investigated the relationship between digital literacy and insurance technology adoption. Concentrating on rural regions where digital education and technology infrastructure may be lacking. The study investigated the relationship between digital literacy levels and the inclination to use insurance technologies by examining case studies and polling rural populations. According to the research, raising digital literacy in rural areas can greatly increase the uptake of insurance technology, enhance financial inclusion, and promote greater economic stability in these areas.

Ge, Johnson, and Tzur-Ilan (2025) used new data on home insurance policies for 6.7 million borrowers to investigate how insurance premium increases affected borrowers' credit and mortgage outcomes. According to the study, higher premiums worsen borrowers' creditworthiness and raise the likelihood of credit card delinquency, which in turn increases the likelihood of mortgage delinquency.

Lefutso, Ogundeji, Danso-Abbeam and Nyam (2025) investigated low-income households' attitudes, knowledge, and practices regarding insurance coverage in their assessment of flood

risk insurance knowledge, attitudes, and perceptions among low-income households in South Africa. The findings indicated that people had a favorable opinion of insurance. The knowledge base is severely lacking, though. Socioeconomic factors determine the KAP dimensions. Structural obstacles like administrative complexity, mistrust of insurers, and low financial literacy are impeding adoption. However, in addition to digital platforms, there are opportunities to increase financial literacy through targeted educational campaigns. Microinsurance and subsidized policies are crucial, reasonably priced insurance options. Establishing institutional trust through open public-private partnerships and consumer protection measures is equally crucial.

Munanjala and Fulai (2025) examined Factors Influencing the Uptake of Houseowners' Insurance in Zambia. According to the study, homeowners' insurance adoption in Zambia is low, especially in residential areas like Chalala. Many homeowners lack insurance coverage despite the rising risks of theft, fire, and natural disasters causing property damage. The main determinants of homeowners' insurance adoption are examined in this study, with particular attention paid to perceived risks, awareness levels, and financial limitations. Data from homeowners was gathered through surveys and interviews as part of a mixed-methods research design. The main obstacles to adoption, according to the findings, are a lack of knowledge, financial limitations, and mistrust of insurance companies. These findings resonate with potential challenges in insurance but do not address the unique role in line with property owners, who often make insurance decisions for their properties.

Vriscu (2025) explored the role of risk profiling in the insurance industry, particularly its application in identifying and addressing high-risk clients. The study examined the variables that affect a high-risk profile, including past driving records and potential hazards to property. The research focused on risk-based pricing, which ensures a more equitable system and deters high-risk behavior by customizing premiums to each client's unique risk profile.

Zhu and Li (2025) explored the impact of the three digital divides on residents' commercial insurance purchase behavior in China. Three noteworthy findings come from the study. First off, residents' willingness to buy commercial insurance is severely impacted by all three digital divides. This implies that residents who do not use the internet, those who use it occasionally, or consider it to be less important are less likely to purchase commercial insurance. Further research indicates that the digital divide hurts the volume and percentage of commercial insurance purchases. Second, the negative impacts of the digital divide on commercial insurance purchasing behavior vary significantly by age, household income, net assets, and household registration, as indicated by heterogeneity analysis. Finally, mechanism analysis shows that the detrimental effects of the digital divide on commercial insurance purchase behavior can be lessened by social trust, social interaction, and insurance accessibility.

From the reviewed literature, there was limited context-specific focus on management properties that generate income for the property owners. Studies focused on homeowners or general consumers (Onyike et al., 2023; Ngoza & Fulai, 2025), with limited attention to property owners and their property managers who oversee multiple properties and face unique risk management challenges. While studies like Aheeyar et al. (2023) and Aketch (2023)

highlight socio-economic factors, they do not account for the unique cultural and economic context. Ahmad (2025) and Zhu and Li (2025) emphasize digital literacy and divides, but the focus on rural and general populations overlooks urban property managers in cities like Ilorin, where digital infrastructure and access to online insurance platforms is limited. Ge et al. (2025) and Melser et al. (2024) highlight the financial burden of premiums, but there is limited research on affordable insurance solutions for property owners. Melser et al. (2024) and Onyike et al. (2023) address environmental risks like flooding, which are relevant to Ilorin due to its susceptibility to seasonal floods. However, the unique challenges faced by property owners in mitigating these risks through insurance are underexplored because it is not limited to only flood. Lefutso et al. (2025) and Ngoza and Fulai (2025) identify distrust in insurers as a barrier, where skepticism toward financial institutions may be prevalent. Thistlethwaite et al. (2020) note reliance on government assistance, but few studies explore how regulatory frameworks influence insurance adoption in property management.

METHODOLOGY

The study employed a descriptive survey research design to provide a comprehensive understanding of insurance adoption in property management. The target population for this study comprises all registered Estate Surveying and Valuation Firms operating in Ilorin and the property owners who have properties in the management portfolio of the Estate Surveying and Valuation Firms. The research was carried out in Ilorin, Kwara State, which has a rapidly growing and vibrant real estate market. The city's expanding property sector and diverse management practices make it a suitable context for investigating insurance adoption. The research was carried out in Ilorin, Kwara State, which has a rapidly growing and vibrant real estate market. The city's expanding property sector and diverse management practices make it a suitable context for investigating insurance adoption. The sampling frame for the study consists of the 27 Estate Surveying and Valuation Firms (NIESV Kwara Branch Directory, 2024) and the 610 property owners who had properties in the management portfolio of the Estate Surveying and Valuation Firms. Total enumeration was adopted to incorporate the entire sampling frame to improve the data for this study. However, the study had a total of 107 respondents (83 property owners and 24 estate surveyors/valuers).

Data was collected using a structured questionnaire. The questionnaire was developed based on insights from the reviewed literature. To ensure construct validity, the instrument was subjected to expert review by 3 Academics in Estate Management and 4 Estate Surveyors and Valuers in the Fellowship cadre of the Nigerian Institution of Estate Surveyors and Valuers. The experts evaluated the questionnaire for clarity, relevance, and content adequacy, leading to the refinement and adjustment of certain items to ensure that the instrument accurately measured the constructs related to insurance adoption in management properties.

Method of Data Analysis

Descriptive Statistics of Frequencies, percentages were used to summarize data on the property portfolio size of estate surveying and valuation firms and the general trends in

insurance adoption in the property portfolio size. Also, the weighted mean score was used to analyse the ranking of individual factors influencing the adoption of insurance cover in management properties in Ilorin. This allows factors to be scored against a pre-defined scale, which aids in determining the importance of each component as well as their rankings. Factors are sorted from the first to the last in descending order of their weighted mean. The Weighted mean on a 5-point scale, with 5, 4, 3, 2 and 1 denoting Strongly Agree, Agree, Indifferent, Disagree and Strongly Disagree respectively, was computed using this method. The formular is as stated in eq. (i).

$$Weighted\ Mean = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1}{n_5 + n_4 + n_3 + n_2 + n_1} \text{..... eq. (i)}$$

Factor analysis was conducted to identify the underlying constructs influencing insurance adoption. Factor analysis was used to reduce the number of variables and to identify patterns of relationships between identified variables influencing the adoption of insurance cover in management properties in Ilorin. Mathematically, factor analysis in eq. (ii).

$$Fk = W_1kX_1 + W_2kX_2 + W_3kX_3 \text{ ---------- } + W_nkX_n \text{ ---------- } \textbf{\textit{eq. (ii)}}.$$

Where W_1k is the weight of the original variable and X_1 is the linear composite of the factor k. The suitability of data was tested using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. Factors with eigenvalues greater than 1 were extracted and rotated using Varimax rotation.

Finally, binary logistic regression was used to determine the significant predictors of insurance adoption among property owners of management properties under the portfolio of estate surveying and valuation firms. The binary logistic regression model is expressed in eq. (iii).

$$\text{Logit}(P) = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 F_1 + \beta_2 F_2 + \beta_3 F_3 + \beta_4 F_4 \text{.....eq.(iii)}$$

Where:

i. Dependent variable (P)= Probability that a firm adopts insurance cover (1 = Adopted, 0 = Not Adopted)
ii. Independent variables ($F_1$to F_4)= Factor scores obtained from the factor analysis
iii. β_0= Constant
iv. β_1–β_4 = Regression coefficients

Model fit was assessed using the Hosmer–Lemeshow test, -2 log likelihood, and Nagelkerke R^2.

RESULTS/FINDINGS

Table 1: Property Portfolio of Estate Surveying and Valuation Firms

Property type		Frequency	Percentage
Residential	1 – 10	2	8.3
	11 – 20	4	16.7
	21 – 30	3	12.5
	31 – 40	8	33.3
	41 and above	7	29.2
	Total	**24**	**100.0**

Property type		Frequency	Percentage
Commercial	1 – 10	19	79.2
	11 – 20	2	8.3
	21 – 30	3	12.5
	Total	**24**	**100.0**
Mixed-Use	None	7	29.2
	1 – 10	14	58.3
	11 - 20	3	12.5
	Total	**24**	**100.0**
Agricultural	None	24	100
	Total	**24**	**100.0**
Industrial	None	24	100
	Total	**24**	**100.0**

Source: Field Survey, 2025

Table 1 outlines the distribution of property types managed by the 24 ESV firms, categorized by portfolio size. Residential properties dominated, with 33.3% of firms managing 31–40 properties, 29.2% managing 41 and above properties, while only 8.3% are managing 1–10 properties, indicating a focus on larger-scale residential developments. Commercial portfolios were predominantly small, with 79.2% of firms managing 1–10 properties, 8.3% of firms managing 11–20 properties and 12.5% of firms managing 21–30 properties. For mixed-use properties, 58.3% managed 1–10 properties, 29.2% had none, and 12.5% had 11–20 properties. Agricultural and industrial properties were absent from all portfolios (100% none), highlighting a narrow specialization in urban real estate.

Table 2: Property Portfolio of Estate Surveying and Valuation Firms with Insurance Cover

Property type		Frequency	Percentage
Residential	None	20	83.3
	1 – 10	4	16.7
	Total	**24**	**100.0**
Commercial	None	18	75.0
	1 – 10	6	25.0
	Total	**24**	**100.0**
Mixed-Use	None	24	100.0
	Total	**24**	**100.0**
Agricultural	None	24	100
	Total	**24**	**100.0**
Industrial	None	24	100
	Total	**24**	**100.0**

Source: Field Survey, 2025

Table 2 shows that insurance adoption is very low across property categories. For residential properties, 83.3% had no insurance coverage, with only 16.7% insuring 1–10 properties. Commercial properties showed similar low adoption, with 75.0% uninsured and 25.0% insurance covering between 1–10 properties. Since there are no agricultural and industrial properties in the management portfolio of the Estate Surveying and Valuation Firms, there is no reference to insurance.

Table 3: Reliability Test

Variables	Number of items	Cronbach's Alpha
Factors influencing the adoption of insurance cover in management properties in Ilorin	18	0.830

Source: Field Survey, 2025

Table 3 reports the internal consistency of the 18-item scale measuring factors influencing insurance adoption, yielding a Cronbach's alpha of 0.830. This value exceeds the conventional threshold of 0.70 (Kumar, 2024), confirming it reliability of the instrument for further factor analysis and inferential interpretation.

Table 4: Factors influencing the adoption of insurance cover in management properties in Ilorin

Factors	Mean	SD	Rank
Awareness of Insurance Benefits	4.46	0.72	1st
Access to Credit & Mortgage Requirements	4.27	0.34	2nd
Cost of Insurance Premium	4.13	0.80	3rd
Perceived Value for Money	4.04	0.62	4th
Trust in Insurance Providers	3.96	0.62	5th
Perceived Risk	3.92	0.78	6th
Value of Property	3.83	0.70	7th
Government Policies and Regulations	3.79	0.98	8th
Past Experience with loss	3.75	1.07	9th
Availability of Insurance Product	3.71	0.62	10th
Income Level of Property Owners	3.71	1.30	11th
Property Use	3.54	1.06	12th
Cultural Attitudes and Beliefs	3.50	1.14	13th
Location Risk Profile	3.38	0.82	14th
Trust in Legal Framework	3.29	0.91	15th
Enforcement of Building Codes	3.22	0.97	16th
Intermediary Influence	3.16	0.83	17th
Peer Influence	3.03	1.18	18th

Source: Field Survey, 2025

From Table 4, the ranking of factors reveals that Awareness of Insurance Benefits (Mean = 4.46, SD = 0.72) emerged as the most influential determinant of adoption. This suggests that

when property managers and owners clearly understand the protective and financial advantages of insurance, they are more inclined to adopt it. The next two key factors are access to credit & mortgage requirements (Mean = 4.27, SD = 0.34) and Cost of Insurance Premium (Mean = 4.13, SD = 0.80) highlight the role of financial considerations; as credit institutions often make insurance compulsory before approving loans, thereby linking financial inclusion with risk protection behaviour.

Mid-tier factors indicated agree to strongly agree are perceived value for money (4.04, SD = 0.62), trust in insurance providers (3.96, SD = 0.62), perceived risk (3.92, SD = 0.78), value of property (3.83, SD = 0.70), government policies and regulations (3.79, SD = 0.98), past experience with loss (3.75, SD = 1.07), availability of insurance products (3.71, SD = 0.62) and income level of property owners (3.71, SD = 1.30). Factors like property use (3.54, SD = 1.06), cultural attitudes and beliefs (3.50, SD = 1.14), location risk profile (3.38, SD = 0.82), trust in legal framework (3.29, SD = 0.91), enforcement of building codes (3.22, SD = 0.97), intermediary influence (3.16, SD = 0.83), and peer influence (3.03, SD = 1.18) showed borderline agreement.

Table 5: KMO and Bartlett's Test on factors influencing the adoption of insurance cover in management properties in Ilorin

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.761**
Bartlett's Test of Sphericity	Approx. Chi-Square	845.72
	Df	153
	Sig.	.000

Source: Field Survey, 2025

From Table 5, the Kaiser-Meyer-Olkin (KMO) measure of 0.761 indicates adequate sampling adequacy, while Bartlett's Test of Sphericity was significant ($\chi^2 = 845.72$, df = 153, $p < 0.001$). These results confirm that the dataset was suitable for factor analysis. The significant Bartlett's test shows that variables were sufficiently correlated to reveal meaningful factor structures, while the KMO value above 0.7 demonstrates that the dataset met the required standard for inter-item correlations suitable for dimensionality reduction.

Table 6: Total Variance explained of factors influencing the adoption of insurance cover in management properties in Ilorin

Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.825	31.812	31.812	4.825	31.812	31.812
2	2.973	22.533	54.345	2.973	22.533	54.345
3	2.317	17.619	71.964	2.317	17.619	71.964
4	1.625	13.283	85.247	1.625	13.283	85.247
5	.841	4.925	90.172			

6	.589	2.771	92.943
7	.442	1.365	94.308
8	.323	1.173	95.481
9	.286	1.001	96.482
10	.238	.926	97.408
11	.191	.864	98.272
12	.155	.661	98.933
13	.126	.379	99.312
14	.107	.247	99.559
15	.09	.188	99.747
16	.07	.092	99.839
17	.04	.087	99.926
18	.02	.074	100.00

Source: Field Survey, 2025

Table 6 lists the eigenvalues associated with each linear component before extraction, after extraction and after rotation. Before extraction, 18 linear components were identified within the data set. The eigenvalue associated with each factor represents the variance explained by that particular linear component and this reflected in the table in terms of the percentage of variance explained. The table further shows that the principal component analysis extracted four major components with eigenvalues greater than 1, accounting for 85.247% of the total variance. The first component explained 31.812%, the second 22.533%, the third 17.619%, and the fourth 13.283% of the variance. The high cumulative variance indicates that the four extracted components represent the main dimensions influencing insurance adoption among estate firms in Ilorin. This suggests that a small number of latent factors can explain most of the observed variability, which is a sign of a well-structured model with strong explanatory power.

Table 7: Rotated Component Matrix of the factors influencing the adoption of insurance cover in management properties in Ilorin

Factors	**Component**			
	1	**2**	**3**	**4**
Economic and Financial Considerations				
Cost of Insurance Premiums	.859			
Income Level	.786			
Perceived Value for Money	.772			
Access to Credit & Mortgage	.759			
Socio-Cultural and Relational Influences				
Awareness of Insurance Benefits		.791		
Cultural Attitudes & Beliefs		.773		
Peer Influence		.700		
Intermediary Influence		.681		
Regulatory and Institutional Environment				

Trust in Insurance Providers	.788	
Government Policies & Regulations	.763	
Enforcement of Building Codes	.740	
Availability of Insurance Products	.712	
Trust in Legal Framework	.685	
Risk and Experience Factors		
Location Risk Profile		.696
Property Use		.781
Value of Property		.637
Perceived Risk		.724
Past Experience with Loss		.669
Extraction Method: Principal Component		

Source: Field Survey, 2025

The results of the extracted components with associated variables influencing the adoption of insurance in management properties in Ilorin are provided in Table 7. Component 1 comprises of four factors namely: cost of premium (.859), income level (.786), perceived value for money (.772), and access to credit (.759). Based on the content of the variables, the component was named Economic and Financial Considerations. Component 2 comprises of four factors namely: awareness of insurance benefits (.791), cultural beliefs (.773), peer influence (.700), and intermediary influence (.681). Based on the content of the variables, the component was named Socio-Cultural and Relational Influences. Component 3 comprises of five factors namely: trust in providers (.788), government policies (.763), building code enforcement (.740), product availability (.712), and legal framework (.685). Based on the content of the variables, the component was named Regulatory and Institutional Environment. Finally, Component 4 comprises of five factors namely: property use (.781), perceived risk (.724), location risk (.696), past experience (.669), and property value (.637). Based on the content of the variables, the component was named Risk and Experience Factors.

The rotated matrix provides a comprehensive structure explaining insurance adoption. The findings reveal that financial-economic motives are primary, which is followed by socio-cultural and relational influence. However regulatory and institutional environment alongside risk and experience factors also play vital roles.

Table 8: Model Summary

Step	-2 Log likelihood	Cox & Snell R^2	Nagelkerke R^2	Classification Accuracy
1	18.72	0.472	0.635	83.3%

Source: Field Survey, 2025

From Table 8, the binary logistic regression model demonstrates a good fit (Nagelkerke R^2 = 0.635), meaning that approximately 63.5% of the variance in insurance adoption can be explained by the four factors extracted from the analysis.

Table 9: Binary Logistic Regression Model

Variable	B (Coefficient)	S.E	Wald	Sig. (p-value)	Exp (B) (Odds Ratio)
Constant	-1.246	0.585	4.534	0.033	0.287
Economic & Financial (F1)	1.781	0.693	6.604	0.010	5.937
Socio-Cultural & Relational (F2)	0.842	0.507	2.759	0.097	2.321
Regulatory & Institutional (F3)	1.126	0.552	4.166	0.041	3.083
Risk & Experience (F4)	0.584	0.389	2.253	0.133	1.793

Source: Field Survey, 2025

$$In(\frac{P}{1-P}) = 1.246 + 1.781F_1 + 0.842F_2 + 1.126F_3 + 0.584F_4 \text{..... eq. (iv)}$$

From Table 9 and eq. (iv), the constant (-1.246) implies that when all predictor variables are zero, the log-odds of adopting insurance is -1.246. This corresponds to an odds ratio of 0.287, meaning there is a relatively low base likelihood of adoption without influence from any factor.

The Economic & Financial factor (B = 1.781, p = 0.010) significantly increases the likelihood of insurance adoption. Holding other variables constant, a one-unit increase in this factor multiplies the odds of adoption by 5.937. This suggests that economic strength, affordability, and financial literacy are the most influential determinants of insurance uptake in Ilorin. The Socio-Cultural & Relational factor (B = 0.842, p = 0.097) has a positive but statistically insignificant effect. The odds ratio of 2.321 indicates that cultural attitudes and interpersonal relationships moderately increase the likelihood of insurance adoption, but not at a statistically strong level.

The Regulatory & Institutional factor (B = 1.126, p = 0.041) is statistically significant, with an odds ratio of 3.083. This means that better institutional frameworks, policies, and enforcement mechanisms substantially raise the probability of insurance adoption. The Risk & Experience factor (B = 0.584, p = 0.133), though positive, is not statistically significant. The odds ratio of 1.793 shows that greater risk awareness and prior experience with insurance modestly improve adoption likelihood but not conclusively.

DISCUSSION

The findings from Table 1 reveal a distinct specialization among the Estate Surveying and Valuation firms in Ilorin, with a clear focus on residential and commercial properties. Residential portfolios are notably robust, with 33.3% of firms managing 31–40 properties and 29.2% handling 41 or more, indicating a strong inclination toward larger-scale residential developments. In contrast, commercial portfolios are predominantly smaller, with 79.2% of firms managing 1–10 properties, suggesting limited engagement with larger commercial assets. Mixed-use properties are moderately represented, with 58.3% of firms managing 1–10 properties, while 29.2% have none, reflecting a cautious approach to this category. The complete absence of the management of agricultural and industrial properties underscores a

narrow focus on urban real estate firms' activities with a narrow property specialization dominated by residential property management and commercial property management.

However, from Table 2, insurance adoption among these managed properties remains relatively low. Only a small proportion of residential and commercial properties were insured. For residential properties, 83.3% of firms reported no insurance coverage, with only 16.7% insuring 1–10 properties, indicating a low prioritization of risk mitigation in this dominant portfolio segment. Similarly, 75.0% of commercial properties lack insurance, with just 25.0% of firms covering 1–10 properties, further emphasizing the limited uptake of insurance. These results highlight a general neglect or low prioritization of insurance among property owners. This pattern suggests a significant insurance gap within property management practice in the city, indicating that many assets remain exposed to potential risks and losses.

Table 4 ranks the factors influencing insurance adoption, with Awareness of Insurance Benefits with a mean of 4.46 emerged as the top driver. This implies that informed property owners are more likely to adopt insurance when there is a clear understanding of its protective and financial benefits. Access to Credit & Mortgage Requirements ranked second with a mean of 4.27, as some financial institutions will require insurance cover before granting credit facilities. Cost of Insurance Premium ranked third with a mean of 4.13, highlighting the critical role of financial incentives and affordability in driving insurance uptake. Other significant factors are Perceived Value for Money, Trust in Insurance Providers, and Perceived Risk with means ranging from 3.92 to 4.04 indicate moderate influence, while lower-ranked factors such as Cultural Attitudes and Beliefs, Location Risk Profile, and Peer Influence (Means from 3.03 to 3.50) suggest limited impact, possibly due to contextual or social barriers in Ilorin's real estate market.

The result presented in Table 4 reveals that awareness of insurance benefits ranked highest with a mean of 4.46, indicating that informed property owners are more likely to adopt insurance when there is a clear understanding of its protective and financial benefits. The high mean score further highlights the importance of sensitization campaigns and public enlightenment programs by insurance firms and professional bodies, as greater awareness directly translates into increased patronage and trust in insurance products within the real estate sector. The second and third-ranked factors are access to credit and mortgage requirements, with a mean of 4.27, and cost of insurance premiums, with a mean of 4.13. Financial institutions often require insurance cover as part of mortgage or loan conditions, which indirectly compels property owners to participate in insurance schemes. However, the cost implication remains a deterrent for some, as higher premium rates may discourage property owners with limited financial resources. Thus, while access to credit promotes adoption, affordability concerns continue to challenge widespread participation, emphasizing the need for flexible premium structures and government-backed incentives.

Further analysis shows that perceived value for money, with a mean of 4.04, and trust in insurance providers, with a mean of 3.96, are key perceptual determinants. Property owners are more likely to adopt insurance if they believe the services justify the cost and if they have confidence in insurers' ability to deliver compensation when needed. A relatively high mean

for trust suggests moderate confidence in insurance firms, though there is still room for improvement in transparency and claim settlement efficiency. Similarly, perceived risk, with a mean of 3.92 and value of property with a mean of 3.83, indicates that the perceived vulnerability of assets and their monetary worth also motivate insurance uptake, implying that property owners are more inclined to insure high-value or risk-prone assets. Conversely, factors such as peer influence, with a mean of 3.03, and intermediary influence, with a mean of 3.16, ranked lowest, signifying that social or agent-driven persuasion has minimal impact on insurance adoption decisions among property stakeholders in Ilorin. Likewise, trust in the legal framework, with a mean of 3.29, and enforcement of building codes, with a mean of 3.22, received low ratings, suggesting weak institutional support for enforcing insurance compliance. Overall, the findings underscore that enhancing awareness, affordability, and institutional trust are crucial strategies for improving insurance adoption in property management practices in Ilorin.

Table 7 categorizes the 18 variables into four key factors: Economic and Financial Considerations, Socio-Cultural and Relational Influences, Regulatory and Institutional Environment, and Risk and Experience Factors. Economic and financial elements such as cost of premiums and access to credit showed the highest loadings, indicating their dominant influence. Socio-cultural beliefs, institutional frameworks, and risk experiences also emerged as supporting determinants. This structure underscores the multifaceted nature of insurance adoption, with economic motives being primary, supported by social, regulatory, and risk-related influences.

Table 9 reveals that Economic and Financial Considerations ($B = 1.781$, $p = 0.010$, Odds Ratio = 5.937) and Regulatory and Institutional Environment ($B = 1.126$, $p = 0.041$, Odds Ratio = 3.083) are statistically significant predictors of insurance adoption, with the former having the strongest impact. A one-unit increase in Economic and Financial Considerations multiplies the odds of adoption by nearly six times, underscoring the pivotal role of affordability and financial literacy. The Regulatory and Institutional Environment also significantly boosts adoption likelihood, with better policies and trust in providers tripling the odds. Socio-Cultural and Relational Influences ($p = 0.097$) and Risk and Experience Factors ($p = 0.133$) are not statistically significant, though their positive coefficients suggest moderate influence. These findings highlight the dominance of economic and regulatory factors in driving insurance uptake in Ilorin's real estate sector.

This study makes a significant theoretical contribution by establishing an integrative framework that explains insurance adoption behaviour among property owners. It departs from the conventional approach that the decision to adopt insurance is not only shaped by individual economic rationality, such as affordability and perceived financial benefit. This is because it is also significantly shaped by the institutional environment, including regulatory effectiveness and structural support. By categorizing the determinants into four key dimensions of Economic and Financial, Socio-Cultural and Relational, Regulatory and Institutional, and Risk and Experience, the study advances understanding of how these interrelated forces interact to influence insurance adoption decisions. The originality of this

contribution lies in extending existing insurance behaviour theories into the context of Nigerian management properties, where empirical studies are limited. The framework developed provides a contextualized model that future research can adapt to other emerging markets, thereby enriching theoretical discourse on insurance adoption and risk management in developing economies.

CONCLUSION

The study assessed the determinants of insurance adoption among property managers in Ilorin, Nigeria, using factor analysis and binary logistic regression to identify key influencing factors. The analysis revealed that four main factors: Economic and Financial, Socio-Cultural and Relational, Regulatory and Institutional, and Risk and Experience—collectively explain the patterns of insurance adoption in the study area. Among these, the Economic and Financial and Regulatory and Institutional factors were found to be statistically significant predictors of adoption, indicating that affordability, financial stability, and effective regulatory oversight are critical to encouraging insurance uptake among property managers. Also, the results show that property managers are more likely to adopt insurance when they perceive economic benefits, have access to financial resources, and operate within a structured institutional framework. Although Socio-Cultural and Relational and Risk and Experience factors also contribute positively, their effects were not statistically significant, suggesting that while awareness and social perception matter, they are secondary to economic and institutional conditions.

Academically, this study advances the body of knowledge by empirically identifying and classifying the key determinants of insurance adoption into four interrelated factors: Economic and Financial, Socio-Cultural and Relational, Regulatory and Institutional, and Risk and Experience. This provides a comprehensive framework for understanding insurance behaviour in management properties. This multidimensional approach enriches existing theoretical perspectives that integrate economic rationality with institutional and behavioural insights, offering a context-specific model that reflects the realities of emerging real estate markets. From a policy standpoint, the study provides original evidence to guide the formulation of targeted strategies aimed at promoting insurance adoption through economic empowerment, institutional strengthening, and regulatory reform. By bridging theoretical inquiry and practical relevance, the study contributes a fresh, evidence-based perspective that informs both academic debate and policymaking in the Nigerian real estate and insurance sectors.

RECOMMENDATIONS AND FUTURE RESEARCH

Based on the findings, it is recommended that government and regulatory agencies strengthen institutional frameworks governing insurance in the property sector. Policies should aim to reduce bureaucratic barriers and improve enforcement of insurance-related regulations to increase compliance and trust among property owners.

Secondly, financial institutions and insurance companies should develop flexible and affordable insurance products tailored to the real estate market. Providing incentives such as

premium discounts, installment payment options, or bundled property management insurance plans could encourage wider adoption among property owners with limited financial capacity. Finally, public education and professional awareness campaigns should be intensified on insurance coverage. These programs should emphasize the long-term financial and risk mitigation benefits of insurance, promote success stories from insured property owners, and integrate insurance literacy into professional development courses. Strengthening these dimensions can foster a more resilient and risk-conscious property management practice in Ilorin and similar urban centres across Nigeria.

For future research, longitudinal studies could examine how economic changes, regulatory reforms, or major loss events influence adoption trends over time. Additionally, future research could investigate the behavioral, technological, and institutional dimensions of insurance adoption, such as the role of PropTech, InsurTech, digital literacy, and policy enforcement by targeting strategies for improving insurance uptake and risk management culture within Nigeria's real estate industry.

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