

## Financial Inclusion through Digital Banking: The Role of Microinsurance in Emerging Markets

**Maizaitulaidawati Md Husin**

Azman Hashim International Business School, Universiti Teknologi Malaysia

**Jamhuri Talib**

Azman Hashim International Business School, Universiti Teknologi Malaysia

### **Abstract:**

Financial inclusion is a critical driver of economic development, particularly in emerging markets where access to formal financial services is often limited. This paper explores the role of digital banking as a catalyst for enhancing financial inclusion by providing affordable and accessible services to underserved populations. It highlights the importance of microinsurance as an essential component within the digital financial ecosystem, offering protection against risks that can otherwise push vulnerable individuals into poverty. Through case studies and a review of existing literature, the paper examines how digital banking platforms are integrating microinsurance solutions, addressing key barriers such as cost, trust, and accessibility. Furthermore, it discusses the potential of mobile technology and fintech innovations in scaling these services, and how they contribute to financial stability in low-income communities. The paper concludes with policy recommendations to promote greater adoption of microinsurance in emerging markets, emphasizing regulatory frameworks and partnerships between the private and public sectors to ensure sustainable financial inclusion. This research aims to provide insights for policymakers, financial institutions, and development agencies on leveraging digital banking and microinsurance for inclusive growth.

### **Keywords:**

Financial Inclusion, Digital Banking, Microinsurance.