

**Determinants of Micro-Insurance Business Performance in Ethiopia**Abel Worku^a Aregu Asmare^b^a Corresponding Author, Lecturer, Jimma University, Department of Accounting and Finance, aworku946@gmail.com^b Lecturer, Jimma University, Department of Management, areguasmare2@gmail.com**Keywords**

Economic development,
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Abstract

Successful performance of insurance industry provides impetus for other industries and development of an economy. Financial performance measurement is important to investors and management in determining the future success. Thus, the aim of study is investigating determinants of micro insurance business performance in Ethiopia. The data used in this study was panel data and collected from nine micro insurance provider institutions secondary data from 2009-2017. Besides, in-depth interview with officials of those institutions was conducted. The collected data was analyzed using Ordinary Least Square regression model. The result of study reveals that volume of capital and market share have significant and positive impact on return on asset performance. With regard to ownership structure, it affects positively return on asset. In contrast, reinsurance dependency, premium growth, underwriting risks and inflation have negatively affected financial performance of micro insurance business in Ethiopia.