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AWARENESS AND ACCEPTANCE OF HOUSEHOLD (BUILDING) INSURANCE AMONG PRIVATE RESIDENCE OF FLOOD PRONE AREAS IN LAGOS STATE, NIGERIA.

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Abstract

This study was aimed at assessing the awareness and acceptance of household (building) insurance among private residence of flood prone areas in Lagos state, Nigeria. This study employed a descriptive research approach. Purposive sampling techniques was adopted for this study to select Ajeromi/Ifelodun, Amuwo-Odofin, Apapa, Eti-Osa, and Kosofe were selected as the choice population. A research questionnaire was adopted for the purpose of the study. A total of 400 copies of questionnaire were distributed to the selected areas, where 80 copies of the questionnaire were distributed to each of the five (5) LGA. Out of the 400 copies of the questionnaire administered for data collection, 364 copies were found useful for analytical results, providing 91%response rate. The Kolmogorov-Smirnov test and Kendall's rank correlation coefficient techniques were employed in data processing. Analysis for hypothesis one shows that the Dcalc value (- 0.51295) <Dtab value (0.071), meaning that the null hypothesis household building insurance has not gained high level of popularity among residents of flood prone areas in Lagos state, Nigeria is accepted at $\alpha = 0.05$, while the analysis for hypothesis two shows that the Dcalc value (- 0.4194) <Dtab value (0.071), which means that the null hypothesis which state that residents of flood prone areas in Lagos state, Nigeria are not willing to accept household building insurance policy, Nigeria is accepted at $\alpha = 0.05$ and lastly, the analysis detected that there is a strong, positive relationship between awareness of household building insurance and acceptance of household building insurance ($r = 0.671$, $N=364$, $p < .000$)

INTRODUCTION

According to Odufuwa, Adedeji, Oladesu and Bongwa (2012), flood is the most recurring, widespread, disastrous and frequent natural hazard of the world. It is noteworthy that all flood occurences are not alike, while some floods develop slowly and last for days; flash floods can develop quickly, sometimes in just a few minutes and without any visible signs of rain. Rural and urban flooding has resulted in major loss of human lives, properties (houses and contents therein), destruction of economic and social infrastructure such as water supply, electricity, roads and railway lines (means of livelihood). Flooding is also an important factor responsible for the spread of diseases such as diarrhea, typhoid, scabies, cholera and malaria. Worldwide, there has been rapid growth in number of properties destroyed as well as people killed or seriously impacted by flood disasters (UN-Water, 2011). Indeed, the amount of property damages affects a large proportion of people in low-lying coastal zones or other areas at risk of flooding and extreme weather condition. According to UN-Water (2011) floods, including urban flood is seen to have caused about half of disasters worldwide, and 84% disaster deaths in the world was attributed to flooding.

Agbonkhese, Agbonkhese, Aka, Joe-Abaya, Ocholi and Adekunle (2014) also argued that the most common environmental problem in Nigeria is flood and it is said to occur when a body of water moves over and above an area of land which is not normally submerged. It could also be seen as the inundation of an area not normally covered with water, through a temporary rise in level of stream, river, lake or sea. Askew (1999) reiterated that floods cause about one third of all deaths, one third (⅓) of all injuries and one third (⅓) of all damage from natural disasters. Worldwide historical data for the years 1989 till 2018 shows that 42% out of 15,588 events are related to flood, and they imposed 22% of $4347 billion losses (MunichRE 2019).

It is displeasing to note that, rural areas and most especially urban areas in Nigeria are particularly vulnerable to flooding due to the geographical and geological characteristics of the country, and they are primarily considered as the major reasons behind this flood risk and vulnerability. Also, inadequate drainage system; changes in ecosystem through the replacement of natural and absorptive soil cover with concrete; and deforestation of hillsides, which has the effect of increasing the quantity and rate of runoff, and through soil erosion and the silting up of drainage channels. Low-lying coastal areas such as Lagos, Nigeria and other cities like Ibadan and Abeokuta where the flood-plains have been abused due to haphazard physical developments, illegal erection of buildings and other structures as well as unhealthy habit of dumping refuse and solid wastes in open channel drainage systems are particularly prone to flood disasters. The implications of recent flooding in Nigerian cities include among others; huge destruction of homes and building of residents, loss of life, spread of diseases, deformed livelihoods, assets, and infrastructure (Eleuterio, 2012).Virtually every spurt of flowing surface waters leaves a lasting mark in the natural environment. Damages that occur with respect only to the natural environment often remained unnoticed or are deliberately ignored. They become a problem only when the damage relates to the infrastructure created by people.

The inherent need for safety and protection from potential dangers to property, life, and physical well-being is a natural aspect of human nature. As trade and commerce have increased, this need has led to the development of insurance, which aims to safeguard the financial security of individuals, companies, and society as a whole against unexpected losses. Insurance involves the cooperation of various individuals to reduce the impact of risks, and as new areas of risk emerge, new insurance packages are needed to address them. The goal of insurance is to minimize the impact of contingent events by sharing the burden of losses across a larger community. Both private individuals and businesses require various forms of insurance, which involves paying regular premiums to secure compensation in the event of loss or damage to property, life, or person. Insurance provides peace of mind to policyholders and is critical to personal and business success. Insurance policies are

designed to cover a wide range of risks, including those related to flooding, fire, and theft. This study aims to investigate the awareness and acceptance of household building insurance policies among residents of flood-prone areas in Lagos state, Nigeria. The following objectives were formulated to further guide the Study: Find out the level of awareness of household building insurance among residents of flood prone areas in Lagos state, Nigeria; Examine the willingness to acceptance household building insurance policy among resident of flood prone areas in Lagos state, Nigeria: Investigate the relationship between the awareness and acceptance of household insurance policies.

Research Questions

- What is the level of awareness of household building insurance among residents of flood prone areas in Lagos state, Nigeria?
- Are the residents of flood prone areas in Lagos state, Nigeria willing to accept household building insurance policy?
- What is the relationship between the awareness and acceptance of household insurance policies?

Research Hypothesis

$H_0$1 Household building insurance has not gained high level of awareness among residents of flood prone areas in Lagos state, Nigeria

$H_0$2 Resident of flood prone areas in Lagos state, Nigeria are not willing to accept household building insurance policy

$H_0$3 There is no relationship between the awareness and acceptance of household insurance policies

Literature Review

Floods are the most common occurring natural disasters that affect human and its surrounding environment (Eleuterio, 2012; Hewitt, 1997). It affects social and economic stability of a country. An effect of floods in less developed countries is more vulnerable. It occurs when a river or stream breaks out through their natural or artificial bank due to heavy rainfall, melting of snow, dam failure etc. Floods are of mainly three types: flash flood, river flood and coastal flood (GSL 2001). Such kind of flood occurrence are influence by natural phenomena and human involvement like deforestation, land management (timber harvest, reforestation and forestation, herbicide application and controlled burning), industrial development, agriculture, regulation of rivers. However, the recent causes for frequent flooding of some areas are mainly due to un-planned land use, construction and operating of dams in upstream. If a hydraulic structure is not design properly then it could even lead to catastrophic, the dam can fail, the highway can be flooded and bridge can be collapse thus increasing the risk for flood (Samira, 2016). The consequences of flood are from different natures, e.g. social, cultural, economic, human and environmental. These consequences of flood can be negatives or even positive, affecting different assets, e.g. material damage on buildings and contents and financial losses among others (Schlef, 2018).

Flood is referred to a situation when a part of a land, which is usually dry, is being inundated by water (FEMA 2016; NSSL 2019). Also, Douben (2006) explained flood as “a temporary condition of surface water (river, lake, sea), in which the water level and/or discharge exceeds a certain value, thereby escaping from its normal confines”. While Douben and Ratnayake (2005) defined flood as “the spilling over or failing of the normal limits for example lake, sea or accumulation of water as a result of heavy precipitation through lack of beyond of the discharge capacity of drains, or snow melt, dams or dikes break affecting areas”. According to MunichRe (2007), four different types of floods exist, namely; river flood, flash flood and urban floods):

River floods: According to Adaku (2020), these types of floods, which happen along the rivers, are natural events. They occur when the spring rains merge with melted snow from winter. When the basins of the river get filled fast, then the stream spills over the rivers’ banks. These floods also can happen because of heavy rainfall during a continuous period of days over a large area. Hence, the river floods do not occur suddenly but develop

gradually. Spreading of diseases and drinking water shortage can be counted as indirect threats of river related flooding (Douben 2006b)

Flash floods: These types of floods are temporary inundations of different sources such as river basins, sub catchments or some parts of a city (Vimalkumar, 2005). They usually occur in combination with thunderstorm over a small area or even intense rains in short times can cause them. In fact, when the rainfall intensity exceeds the infiltration rate, water runs off the surface. However, the ground is not soaked usually. Flash floods can take place anywhere and are good signs to predict a major river flood. The engineering structures such as dams, dikes and levees are usually constructed to protect areas against these floods. They happen without warning and cause maximum damage as huge amounts of fast-moving water is involved.

Urban floods: Urban flooding, which normally depends on the soil type, topographical conditions and the quality of the drainage system, is usually caused by extreme local rainfall sometimes combined with blocked drainage systems (Douben, 2006b).Urbanization is a driver which increases intensity and frequency of urban floods. Alaghmand *et. al.* (2010) showed that there is a direct relationship between urbanization and hydrological characteristics such as infiltration, runoff frequency and flood height in urban areas. They stated that increased urbanization causes increases in floods, both their frequency and magnitude. Moreover, permeability of buildings and roads can affect urban floods, since the huge amount of rain water leads to urban runoff during heavy rainfall events, as rain cannot be absorbed into the impervious urban areas (Douben, 2006b)

Flood Prone Areas in Lagos State

Before the creation of Lagos State on 27 May 1967, Lagos, which was the country's capital, had been administered directly by the Federal Government as a Federal Territory through the Federal Ministry of Lagos Affairs, while the Lagos City Council (LCC) governed the city. Lagos, along with the towns from the then Western region (Ikeja, Agege, Mushin, Ikorodu, Epe and Badagry), were eventually captured to create Lagos State. Lagos city was split into the present day seven Local Government Areas (LGAs), while the other towns now make up 13 LGAs in the state. Lagos played the dual role of being the State and Federal Capital until 1976, when the state capital was moved to Ikeja. Lagos was adversely affected during Nigeria's military rule. Also, on 12 December 1991, the seat of the Federal Government was also formally relocated to Abuja. However, Lagos still remains the financial Centre of the country, and also grew to become the most populous conurbation in the country. From a historical perspective, Lagos has always been susceptible to various types of flooding which are well documented from the 1960s onwards (Etuonovbe, 2011).

However, in recent year's pluvial flooding events (rainfall-related), have arguably been more widespread (Olajuyigbe *et al.,* 2012). With the exception of 1973, the drought year, flooding in Lagos has occurred annually (usually between July and October rainy season) with an increasing intensity and an increased severity of impacts from 1960 onwards (Oyebande, 1974). According to FME (2012), Lagos is one of the few locations in Nigeria with more frequent flooding events. A number of floods have occurred in the Lagos area, although keeping track of events in the Nigerian context is challenging due partly to lack of relevant data collection capacities. As a result, data relating to hydrodynamics and historical flooding events are often lacking (Ajibade et al., 2013). According to previous studies, more severe flooding has been recorded in select areas of Lagos including Lagos Island, Apapa, Ikeja, Mushin, Surulere, and parts of Ikorodu (Oyebande, 1974; Odunuga, 2008). There is no clear explanation for this peculiar circumstance, but it seems to follow a pattern of spatial and temporal distribution of rainfall within and around Lagos. The flood prone areas in Lagos include Eti-osa LGA which is the most flood prone area in Lagos. Eti-osa has the largest percentage of land area at high risk of flood in the state. Etisa-osa has a total land area of 168.3km with 133.59km at high risk of flood. This means, 79.38% of Eti-osa LGA's land area is at high risk of flood. Popular cities in Eti-osa include; Obalende, Victoria-island,

Bamgbose, Ilado, Igboefon, Ikate, Alaguntan, Ibeju, Maiyegun, Ibeju, Langbasa, Iranla, Badore. Also, 66% of the total land area in Ajeromi/Ifeodun is at high risk of flood according to the report. With a total land area of 11.65Km, 7.76 km of its total land area is at high flood risk. Cities in Ajeromi/ifelodun; coker, ayetoro.

Furthermore, the total land area in Apapa LGA is 32.9km. 19.9km of Apapa's total land area at high flood risk. This means, 60.52% of Apapa'stota and area is at high food risk. Cities in Apapa: Ijora, Ajegunle, Dankaka, Tincan Island, Igboejo, Tarqua bay. 54.35% of Amuwo-odofin's total land area (173.38km) is at high food risk. Areas Amuwo-odofin; Ago palace, Agboju, Alapako, kirikiri, isuna, Igbalogun, inogbe, ibasha,imore, ilashe, ibeshe, Asogun,Irede, Ikare, ondotedo. With a total land area of 74.12km, 47.96% of kosofe local government area is high flood risk. Cities: isheri, odgun, ketu, Agboyi. While Ojohas 43.80% (Iba, ishahi, era, egan, eteggin, igbede, igbolobi, ishagira, Tafi), and Surulerehas 39.16% (itire, ikate, lawanson, Ijeshatedo, Osho, Aganni). Also, Badagry has 37.63% (Magbon, Mowo, Gbanko, Moba, Ajara, Isalu, Panko, Agonrin, Wasere) and Lagos Mainland has 36.92% (Abule-Ijesha, Alagbede,Abulenla, Iganmu,Ijero) with Lagos Island: 35.4% (Iwaya, Makoko,Ebute-meta) and Ibeju-Lekki: 28.7% (Okunsola, kuramo island, Tiye, Mobido, Ebute-lekki)

Household Insurance

According to NAIC (2022) homes are frequently a consumer's largest asset therefore household insurance is important because it protects consumers' homes and personal property. In the event of a total loss, insurance can provide the primary source of rebuilding funds. It also provides liability coverage for legal actions arising from injuries or damage from another person on their property. Additionally, most mortgage lenders require household coverage, with the homeowner listed as the mortgagee. All household' insurance policies cover the structure of the home, including attached structures, fixtures and built-in appliances while another cover the contents in the home and personal liability from injuries or damage that occur from covered accidents. Policyholders often add additional coverage specific to their needs, as need and want among consumers vary in numerous ways even after certain similarities.

Household policies pay for damages caused by perils listed in the terms of the contract, up to the agreed policy limit. Peril is a cause of loss, such as fire or theft among many others; however, coverage can be for all perils, except those explicitly excluded, or for just those perils specifically named in the policy. Household' policies typically include coverage for fire, lightning, flood, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, theft and breakage of glass. Household policy is a multiple-line insurance policy, meaning that it includes both property insurance and liability coverage, with an indivisible premium, meaning that a single premium is paid for all risks. This means that it covers both damage to one's property and liability for any injuries and property damage caused by the owner or members of his/her family to other people. The cost of household insurance often depends on what it would cost to replace the house and which additional endorsements or riders are attached to the policy. The insurance policy is a legal contract between the insurance carrier (insurance company) and the named insured(s). It is a contract of indemnity and will put the insured back to the state he/she was in prior to the loss. Typically, claims due to floods or war (whose definition typically includes a nuclear explosion from any source) are excluded from coverage, amongst other standard exclusions (like termites).

Building Insurance

According to Olalekan (2018), a building consists of several components vulnerable to flooding each of which may lose all or part of their value in a flood event. The components could belong to the building structure or its contents. The building structure is defined as "the buildings and everything permanently built into them," while building contents are defined as "everything within the structure not permanently installed" (Israel, 2017; Davis and Skaggs 1992). Damage to different buildings varies from each other because of

variability in the characteristics of buildings and flood events (Morteza, 2020).

According to Ajemunigbohun, Isimoya and Ipigans (2019), the building section of household building policy protects the building owner against the cost of repairing or rebuilding the home when damaged or destroyed. It covers the structure of your home (e.g. the roof, walls and windows) and any permanent fixtures and fittings, such as fitted kitchen units and bathroom suites. Valerie (2014) and Krzysztof (2018) are of the opinion that any property that will be left behind in the course of moving is to be considered to be part of the building. Buildings insurance is one of the two types of home insurance policies available. The other is contents insurance which protects the belongings. An insured can buy both types of insurance separately, or can buy them as a joint household insurance policy. Buildings insurance covers a wide range of risks, but it doesn't cover everything. Therefore, it is important that the insured read the policy to know what is covered and not covered. Building policy of household insurance covers damage to building resulting from a range of perils such as: Flooding, Subsidence , fire , storms , burst pipes and water damage, including frozen pipes, vandalism, subsidence, falling trees, car and lorry collision. However, while general exclusions may vary between policies and insurance companies, the insured buildings will not usually be covered against: General wear and tear, damage due to lack of maintenance (e.g. roof tiles not being replaced and then the roof leaking when there is a storm), restricted cover when the home is empty for a long period, often 30 or 60 days, (specified in the policy), and any amount over the limits specified in the policy, among others.

Methodology

This study employed a descriptive research approach. The motivation for its application was because it describes the variables in a situation of interest to the researcher and thus examines the happenings around the sample subjects which are devoid of any attempt of manipulation (Asika, 2008; Sekaran, Bougie, 2016). In a bid to achieve the research objectives, data collection was conducted through a cross sectional survey design among selected building owners in flood prone areas in Lagos state, Nigeria. The choice of the targeted areas is due to the fact that they are areas that witness flood regularly and are indispensable hub in the economic advancement of Lagos. A research questionnaire was adopted for the purpose of the study, the usage of the data collection tool was because of its appropriateness in terms of being able to collect information in a timely manner, gaining direct contact with respondents, getting more relatively accurate information, and engaging research assistants who can interpret questions when necessary (Kothari and Garg, 2016). The choice of these areas was due to the number of businesses and their economic importance in Lagos State.

Table 1: Sample Population

S/N	LGA	Population
1	Ajeromi/Ifelodun	2,000,346
2	Amuwo-Odofin	318,576
3	Apapa	217, 661
4	Eti-Osa	287, 958
5	Kosofe	633,543
	Total	**3,458,084**

Source: *https://www.lagosstate.gov.ng*

Purposive sampling techniques were adopted for this study. Eti-osa, Amuwo-Odofin, Ajeromi/Ifelodun, Kosofe and Apapa were purposive selected for this study. The rationale for employing this sampling technique was because it purposive sampling is a non-probability sampling method is a sampling method used when "elements selected for the sample are chosen by the judgment of the researcher." Researchers often believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money. It is also advantageous for those researchers whose subjects are fragmented over a large geographical area (Wilson, 2014). A total of 400 copies of questionnaire were distributed to the selected areas, where 80 copies of the questionnaire were distributed to each of the five (5) LGA. Judging from the above generated sample size, the researchers considered this number to be a sizeable representation of the entire population under study. The period of data collection was between February 2022 and October 2022. Ultimately, out of the 400 copies of the questionnaire administered for data collection, 364 copies were found useful for analytical results, providing a 91% response rate. The Kolmogorov-Smirnov test and Kendall's rank correlation coefficient techniques were employed in data processing. Three Likert-scaling measurements of "Agree", "Indifferent", and "Disagree" were adopted.

In order to accomplish the intention for the adoption of the data collection instrument, a pilot study was conducted so as to test its reliability measure. The test result produced a Cronbach alpha of 0.8912, indicating that the standard requirement of 0.70 was surpassed. The study took cognizance of the validity of the research with the adoption of logical and constructs validity. The former was embarked upon by the schedule distribution to a few selected household in the flood prone areas and members of the academia in the field of insurance, survey and estate management. These experts gazed through the data instrument and offered laudable comments that helped the researchers' presentation of the instrument for clearer comprehension of the respondents. The latter took measures of the examined variables from relevant and well-thought out literatures.

The testing technique used to test the formulated hypotheses was a Kolmogorov-Smirnov. The Kolmogorov-Smirnov technique is a nonparametric tool suitable to test the goodness of fit to an ordinal data; and more so, help to compare a theoretical distribution with an observed distribution of samples. The Kolmogorov-Smirnov test is described as: $D = \max | F0(x) - Sn(x) |$ Where F is described as the number of observations, F0(X) is defined as a specified cumulative frequency distribution under the null hypothesis (H_0) for any value of X and the proportion of circumstances expected to have scores equal to or less than X; while Sn(X) is said to be described as an observed cumulative frequency distribution of a random sample N observations where X is any possible score.

The H_0 is the specification of the null hypothesis (which is a representation of H_1 and H_2). The null hypotheses are such that is set up as a logical counterpart of the alternative hypotheses such that if the null hypotheses are untrue, the alternative hypotheses must be true. The decision rule is such that null hypotheses (H_0) will be rejected once the calculated D (i.e. D_{cal}) is greater than the tabulated D (D_{tab}) under the deviation level of 0.05. The tabulated D from the Kolmogorov-Smirnov test table is always represented by ($\alpha / \sqrt{N}$); where $\alpha = 1.36$ and N is described as the number of observation.

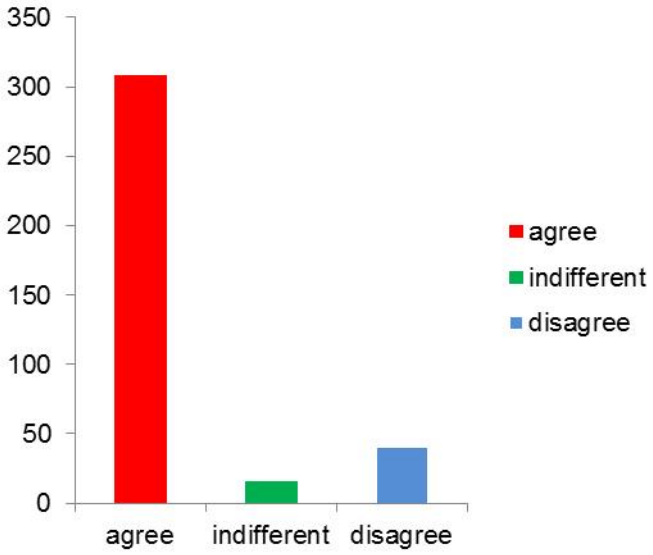
The critical value of D must be such represented as $N > 35$ (i.e. large samples).

Acceptance Criteria: If the calculated value is less than critical value accept null hypothesis. **Rejection Criteria:** If calculated value is greater than table value reject null hypothesis. Also, Kendall's Tau b correlation was also adopted. It is a non-parametric measure of the strength and direction of association that exist between two variables. It is considered a nonparametric alternative to Pearson's product-moment correlation.

Results and Discussion

Hypothesis One: Household building insurance has not gained high level of popularity among residents of flood prone areas in Lagos state, Nigeria.

Table 2: Frequency distribution of respondents in relation to Hypothesis 1 Question



***Source**: Authors Computation, 2022.*

Table 3: Kolmogorov-Smirnov Table for Hypothesis 1

Hypothesis One	Agree	Indifferent	Disagree
F = Household building insurance has not gained high level of popularity among residents of flood prone areas in Lagos state, Nigeria	308	16	40
$F_o(X)$ = Theoretical cumulative distribution of choice Under H_o	0.3333	0.6666	1
$S_n(X)$ = Cumulative distribution of observed choices	0.8461	0.8901	1
$\|F_o(X) - F_r(X)\|$	- 0.5128	- 0.2235	0

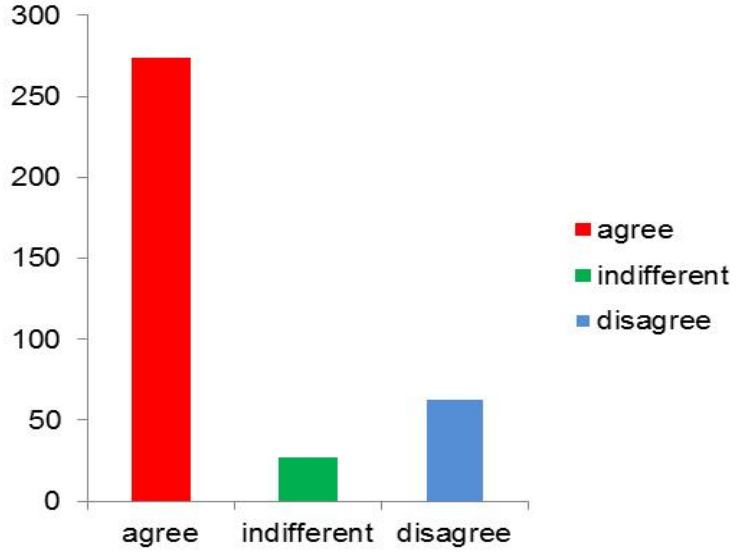
Source: Authors Computation, 2022

D_{calc} = -0.51295 P-Value = 0.05 D_{tab}= 0.071

With the above table, it shows that the D_{calc} value (- 0.51295) is less that the critical value of 0.071, meaning that the null hypothesis (Ho) household building insurance has not gained high level of popularity among residents of flood prone areas in Lagos state, Nigeria is accepted at $\alpha = 0.05$ (Table 3). This mean that the alternate hypothesis that household building insurance has gained high level of popularity among residents of flood prone areas in Lagos state, Nigeria is thereby rejected.

Hypothesis: Resident of flood prone areas in Lagos state, Nigeria are not willing to accept household building insurance policy

Table 4: Frequency distribution of respondents in relation to Hypothesis 2 Question



***Source**: Authors Computation, 2022.*

Table 5: Kolmogorov-Smirnov Table for Hypothesis 2

Hypothesis Two	Agree	Indifferent	Disagree
F = Resident of flood prone areas in Lagos state, Nigeria are not willing to accept household building insurance policy	274	27	63
$F_o(X)$ = Theoretical cumulative distribution of choice Under H_o	0.3333	0.6666	1
$S_n(X)$ = Cumulative distribution of observed choices	0.7527	0.8269	1
$\|F_o(X) - F_r(X)\|$	- 0.4194	- 0.1603	0

Source: Authors Computation, 2022

D_{calc} = -0.4194 P-Value = 0.05 D_{tab}= 0.071

With the above table, it shows that the D_{calc} value (- 0.4194) is less that the critical value of 0.071, meaning that the null hypothesis (Ho)resident of flood prone areas in Lagos state, Nigeria are not willing to accept household building insurance policy, Nigeria is accepted at $\alpha = 0.05$ (Table 5). This mean that the alternate hypothesis which state resident of flood prone areas in Lagos state, Nigeria are willing to accept household building insurance policy is thereby rejected.

Hypothesis Three: There is no relationship between the awareness and acceptance of household insurance policies

Correlations

			Awareness of Household Building Insurance	Acceptance of Household Building Insurance
Kendall's tau b	Awareness of Household Building Insurance	Correlation Coefficient	1	.671**
		Sig. (2-tailed)		.000
		N	364	364
	Acceptance of Household Building Insurance	Correlation Coefficient	.671**	1
		Sig. (2-tailed)	.000	
		N	364	364

**. Correlation is significant at the 0.01 level (2-tailed).

A Kendall's tau b correlation was run to determine the relationship between awareness of household building insurance and acceptance of household building insurance. The analysis detected that there is a strong, positive relationship between awareness of household building insurance and acceptance of household building insurance ($r = 0.671$, $N=364$, $p < .000$). Therefore, the alternative hypothesis which state that there is relationship between the awareness and acceptance of household insurance policies is thereby accepted, while the null hypothesis which state that there is no relationship between the awareness and acceptance of household insurance policies is thereby rejected.

Conclusion and Recommendation

This study attempts at examining the awareness and acceptance of household building insurance policy among private residents of flood prone areas in Lagos state, Nigeria. The findings evident from the result of the study show that residents of flood prone areas in Lagos are not aware of the existence of household building insurance policy in Nigeria. The reason for the lack of awareness of household building insurance could be as a result of several factors ranging from the lack of household building insurance as a compulsory insurance by the government, since flood in recent times all over the world is considered as a very popular risk which the government alone cannot handle alone. Furthermore, it could be as a result of lack of adequate awareness program of household building insurance by insurance companies in Nigeria. Also, the result of the study clearly shows that resident of flood prone areas in Lagos are not willing to accept household building insurance policy in Nigeria. This could be as a result of lack of trust in insurance companies in Nigeria, lack of understanding of the functionality of household building insurance, as well as the believe that flood control is a major function of the government. Lastly, the result shows that there is a strong and positive relationship between awareness of household building insurance and acceptance of household building insurance. This shows that where the residents are adequately aware of the functions of homeowners' building insurance policy, they will sure be willing to buy the policy to safeguard their buildings again flood.

Therefore, this study recommends the following: The insurance companies in Nigeria should embark on aggressive awareness campaign on household building insurance and insurance in general in areas where flood is a concern in Lagos as well as other flood prone areas in Nigeria. That the Nigerian government should make compulsory, the household building insurance policy and adequately enforce compliance in areas where flood is a concern in Lagos as well as other flood prone areas in Nigeria, and lastly, that flood risk management program be developed if there is none by the government so as to safeguard the live and properties of the citizens.

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