



ANALYSIS OF BOARD COMPOSITION AND FINANCIAL PERFORMANCE OF INSURANCE FIRMS IN NIGERIA

Ipigansi Pretoria PhD¹, Michael Joseph Progress²

^{1,2}*Department of Insurance, Niger Delta University, Wilberforce Island,
P.M.B 071 Yenagoa, Bayelsa State-Nigeria.*

ORCID: 0000-0002-2798-1561

ORCID: 0009-0009-4724-0355

-----ABSTRACT-----

This research explores the implication of board composition on the financial viability of insurance corporations in Nigeria from 2018–2023. The research utilised ex-post facto design and data was gathered from the yearly report of the eight (8) Insurance firms listed in the Nigerian Exchange Group (NXG). The study adopted gender mixture, board size, independence, and meetings, as a proxy for board composition; while, return on assets was used to measure insurance businesses viability. In this research, the Hausman test was utilized, as well as the fixed effect model (FEM) for analysis. The analysis indicates that board size positively and significantly correlates with return on assets, suggesting that larger boards may enhance performance due to diverse perspectives and expertise. However, board independence revealed a favourable yet insignificant effect, indicating that the presence of independent directors alone does not significantly implication financial outcomes. Board gender diversity demonstrated a negative and statistically inconsequential effect on returns, suggesting that gender diversity on boards does not necessarily translate to improved financial performance in this context. Additionally, the frequency of board meetings had an unfavourable and statistically inconsequential effect on returns, implying that merely increasing the number of meetings does not lead to better financial results and may even be counterproductive. The study underscores the importance of optimizing board size to enhance financial performance in Nigerian insurance firms and suggests that other control practices, like board independence and meeting frequency, require a more nuanced approach. Future research should explore these dynamics, considering the unique characteristics and governance challenges of different industries and regions.

KEYWORDS: *Board composition, board gender diversity, return on assets, Insurance firms* -----

1.0 INTRODUCTION

1.1 Background to the Study

The performance of insurance firms is a critical measure of their ability to generate sustainable returns, manage risks effectively, and fulfill their financial obligations to policyholders and stakeholders (Isaac & Igomu, 2024). In Nigeria, the performance of insurance companies is often evaluated based on key financial metrics such as Return on Assets (ROA), underwriting profitability, and market value indicators like Tobin's Q ratio (Ayeni-Agbaje et al., 2024; Okeke, 2023). However, achieving optimal performance in the insurance sector requires not only operational excellence but also effective governance structures, such as the composition of their boards.

Board composition plays a pivotal role in shaping the strategic direction, risk oversight, and governance of insurance firms (Dagunduro et al., 2023; Afolabi et al., 2023). The composition of a board, encompassing factors like board size, independence, gender diversity, and meeting frequency, influences decision-making processes and the overall governance framework within insurance companies. Research has shown that a well-composed board can enhance firm performance by providing diverse perspectives, ensuring effective risk management, and fostering transparency and accountability (Adaeze & Charles, 2023; Wada et al., 2023).

In the context of Nigerian insurance firms, optimizing board composition presents an opportunity to address longstanding performance challenges and drive sustainable growth (Elegunde & Ajemunigbohun, 2020). By strategically structuring boards to include independent directors, gender-diverse members, and individuals with relevant expertise, insurance companies can strengthen governance practices and processes of making choice. This method can lead to better financial viability, enhanced market competitiveness, and increased investor confidence (Mohammed et al., 2023; Alabi et al., 2022).



The study by Onyishi et al. (2024) underscores the significance of gender mixture on corporate boards in driving performance outcomes in Nigerian insurance firms. Increasing the representation of women on boards not only promotes gender fairness but also enriches decision-making processes with different perspectives and insights. Companies with diverse gender representation tend to exhibit enhanced financial performance, improved risk management, and higher levels of innovation.

Additionally, the study conducted by Udeh and Nwankwo (2023) highlights the implication of board size on corporate viability in the Nigerian insurance sector. Optimal board size is crucial for effective communication, decision-making, and governance. Too large a board may lead to inefficiencies and difficulties in consensus-building, while a small board might lack the necessary expertise and oversight capabilities. Finding the right balance in board size is essential for maximising performance outcomes.

All these show the significant role played by incorporating a good corporate leadership mechanism in the board of organizations. Thus, this study will seek to evaluate board composition and insurance industry viability in Nigeria.

1.2 Statement of the Problem

In Nigeria, the performance of insurance firms has been a subject of persistent concern due to several factors affecting the industry's growth and stability. Over time, challenges such as low penetration rates, regulatory constraints, and operational inefficiencies have impacted the overall performance of insurance companies in the country (Ejura et al., 2023; Magai et al., 2024). The Nigerian insurance sector, though evolving, continues to grapple with issues related to financial sustainability, risk management, and market competitiveness. These challenges have highlighted the need for strategic interventions to enhance the performance and resilience of insurance firms.

Despite efforts to address these issues, there remains a lack of detailed study focusing specifically on the function of board arrangement in shaping the success outcomes of insurance companies in Nigeria. Existing studies often provide fragmented insights into board features, and their implication on business viability is not sufficiently explored within the context of the Nigerian insurance sector (Adeaze & Charles, 2023; Alabi et al., 2022).

A key gap in the studies is the limited focus on the interplay among board composition and the performance metrics specific to the insurance industry in Nigeria. Previous studies have either generalized findings across multiple industries or narrowly examined individual aspects of board features, like size or gender mixture, without comprehensive exploration of their collective impact on insurance firm performance (see, Adejare & Aliu, 2020; Moses, 2022; Ajukwara et al., 2022; EmadEldeen et al., 2021). This gap underscores the need for targeted research that examines how specific dimensions of board composition—such as independence, diversity, and proficiency—co-operate to influence the financial success of Nigerian insurance firms.

To address these gaps, this study will adopt a holistic approach by examining multiple dimensions of board arrangement—consist of independence, gender diversity, expertise, and meeting frequency—and their collective impact on performance metrics such as Return on Assets (ROA) within Nigerian insurance firms.

1.3. Objectives of the Study

The primary goal of the investigation is to assess the impact of board composition on the financial performance of insurance companies in Nigeria. Specifically, the objectives are as follows:

1. To investigate the effect of board size on the return on assets of listed insurance firms in Nigeria.
2. To analyse the effect of board independence on the return on assets of listed insurance firms in Nigeria.
3. To examine the effect of board gender diversity on the return on assets of listed insurance firms in Nigeria.
4. To evaluate the effect of board meetings on the return on assets of listed insurance firms in Nigeria.

1.4 Research Questions

1. What is the effect of board size on the return on assets of listed insurance firms in Nigeria?
2. What effect does board independence have on the return on assets of listed insurance firms in Nigeria?
3. What is the effect of board gender diversity on the return on assets of listed insurance firms in Nigeria?
4. What is the effect of board meetings on the return on assets of listed insurance firms in Nigeria?



1.4 Research Hypothesis

1. There is no significant effect of board size on the return on assets of listed insurance firms in Nigeria.
2. Board independence has no significant effect on the return on assets of listed insurance firms in Nigeria.
3. Board gender diversity has no significant effect on the return on assets of listed insurance firms in Nigeria.
4. There is no significant effect of board meetings on the return on assets of listed insurance firms in Nigeria.

2.0 LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Board Composition

Board composition pertains to the makeup and structure of a corporation's board of directors, encompassing various elements such as diversity, expertise, experience, and independence (Chen et al., 2020). It defines the collective characteristics and qualifications of individuals entrusted with governing and directing the strategic direction and viability of the organisation (Hermalin & Weisbach, 2012). Effective board composition is crucial for ensuring sound decision-making, risk management, and stakeholder value creation (Chen et al., 2020).

2.1.2 Dimensions of Board Composition

2.1.2.1 Board Independence

Board independence is a key aspect of firm leadership that ensures impartial decision-making and oversight within organizations. The concept of board independence revolves around the idea of having directors who are free from any undue influence that could compromise their capability to perform in the optimal goal of the business and its stakeholders. According to a recent study by Dalton, Daily, Ellstrand, and Johnson (2021), board independence is associated with enhanced monitoring of management, improved strategic decision-making, and ultimately, better firm performance.

2.1.2.2 Board Gender Diversity

According to Sytsma (2006), gender diversity entails achieving a balanced and fair representation of individuals from different genders. This commonly involves ensuring an equitable ratio of men and women but also encompasses inclusivity for individuals identifying with non-binary genders.

2.1.2.3 Board Size

Board size constitutes a vital facet of corporate governance, alluding to the count of directors operating within a business's board of directors. It has been a subject of significant interest and debate among researchers, policymakers, and practitioners. The size of the board has a critical function in shaping the effectiveness, decision-making processes, and overall governance of a company.

2.2.2.4 Board Meetings

Board meetings are a cornerstone of corporate governance, serving as critical forums for decision-making, oversight, and strategic planning within organizations. According to recent research by Smith and Johnson (2023), board meetings play a pivotal role in facilitating communication among directors, management, and stakeholders, thereby shaping the direction and performance of the company.

2.1.3 Insurance Firms Financial Performance

The viability of the insurance businesses in Nigeria is a theme of considerable attention, reflecting the industry's role in risk management, financial stability, and economic development. Recent research by Adegbite and Adeniyi (2024) underscores the importance of evaluating the performance of the Nigerian insurance sector to assess its contribution to the broader financial landscape. Key performance metrics include premium growth, entry rates, the effectiveness of claims settlement, and profitability—often expressed as return on equity, return on assets, etc.—are often used to assess the sector's success.

2.1.4 Measure of Insurance Firms Financial Performance

2.1.4.1 Insurance Firms Return on Assets

Measuring the performance of the insurance sector in Nigeria involves assessing various key indicators, one of which is the return on assets (ROA) of insurance firms operating within the country. A financial indicator known as return on assets (ROA) assesses how well insurance businesses make money off of their assets. A greater (ROA) is a sign that a business is making effective use of its resources to produce revenue. Research by Adegbite



and Adeniyi (2024) highlights ROA as a crucial measure of financial performance and operational efficiency in the Nigerian insurance sector.

2.2.1. Agency Theory

The theory of agency, put forth by Jensen and Meckling (1976), serves as a foundational framework in the realm of corporate governance. It tackles the underlying conflict of interest that arises among shareholders (principals) and managers (agents) within corporations. This theory emphasises the concept of the division between ownership and control. Shareholders delegate decision-making power to managers, who may not consistently prioritize the shareholders' best interests. The principal-agent relationship creates what is known as the agency problem, characterized by the risk of managerial opportunism and divergence from shareholder goals (Jensen & Meckling, 1976).

In the framework of agency theory, the board of directors plays a crucial role as an intermediary mechanism to mitigate the agency problem. The board is entrusted with monitoring managerial actions, aligning incentives, and ensuring that managerial decisions are in line with shareholder interests (Fama & Jensen, 1983). Through various governance mechanisms such as executive compensation, performance evaluation, and strategic oversight, the board seeks to reduce agency costs and enhance organizational performance.

As per Eisenhardt (1989), the board of directors acts as an agent for shareholders, overseeing the activities of managers and holding them accountable for their performance. As per agency theory, effective corporate governance requires boards to act as diligent monitors of managerial behavior, ensuring transparency, accountability, and adherence to shareholder value maximization (Jensen & Meckling, 1976). Board independence, composition, and decision-making processes are critical factors that influence the board's effectiveness in fulfilling its role as a steward of shareholder interests (Hermalin & Weisbach, 1998).

2.3 Empirical Review

Isaac, and Igomu (2024) explored the effect of firm leadership (board size, non-executive directors, block ownership and CEO tenure on viability (Tobin Q) of insurance businesses in Nigeria between 2012-2021. The study used an exploratory design as its research methodology. This research gathered and examined secondary data from the Nigerian Stock Exchange and the publicly available financial statements for the years 2012–2021. Regression analysis was utilised to analyse the data. It was discovered that board size, block ownership has a favourable but insignificant implication on the viability of listed insurance firms, while CEO Tenure and non-executive directors had favourable and substantial implication on the viability of the listed insurance firms. The research recommends that since board size and block ownership have been insignificant to the performance but show a positive effect, then the ownership of the listed insurance firms in Nigeria should continue to improve on their board size practices by increasing their number of board members and block ownership by reducing the percentage of block owners in their firms so that their positive effects may become significant. On the other hand, the firms can continue with their practices on CEO tenure, and non-executive directors since they already exhibit positive and significant influences on performance in the listed insurance firms.

Alabi, et al. (2022) investigated the implication firm leadership on financial output among businesses listed on FTSE 100 Index. Data from 2010 to 2019 were used, with performance assessed via “return on asset, and Tobin’s Q”. Employing analysis methods like Fixed/Random Effects OLS, and Feasible Generalized Least Squares, the study revealed substantial positive impacts. Particularly, Audit Committee Size and gender mixture significantly improved financial success, notably for ROE and Tobin’s Q. Additionally, Board Gender Diversity exhibited a favourable link with Share Price.

Magai et al. (2024) examined the impact of board characteristics on the value of listed Nigerian manufacturing enterprises, using data from 2021 to 2021. Censor sampling technique was employed with filters used to exclude firms with incomplete data. The multiple regression technique of analysis was employed in analysing the panel data generated. The analysis's findings demonstrated that, whereas other independent study factors had no bearing on the value of listed manufacturing businesses in Nigeria, board meetings and board nationality had a considerable impact on such firms' worth. According to the study's findings, board meetings significantly affect the value of Nigeria's listed industrial companies. When combined with other factors related to board characteristics, this impact may change. Furthermore, the ethnic background of the board has a significant impact on the valuation of industrial companies listed in Nigeria.



According to Audu, Uba, and Ekpa (2022), board composition impacts the financial viability of insurance businesses in Nigeria between 2012 and 2020. The study's population consists of the twenty-two (22) insurance firms in Nigeria that make up the sample size. The random regression approach helped with the data analysis. The findings indicate that, whereas board ethnic group mixture has a large unfavourable implication on Tobin Q and an inconsequential affirmative impact on ROA, board size has an inconsequential affirmative influence on Tobin Q. According to the research, Nigerian insurance firms with a large board should use ROA to gauge success, whereas businesses with a diversified board should use Tobin Q to gauge financial performance.

Ajukwara, et al. (2022) research explored the implication of board structure on the share price volatility of insurance businesses on the Nigerian Exchange Group. In order to determine the correlation between share price volatility, board ownership, meeting frequency, and board size, the study applied ex-post facto approach. Data were taken from the audited accounts of (24) quoted insurance businesses, spanning the financial years 2009 to 2019. The research used OLS regression to estimate the model's unknown parameters. According to empirical findings, the size of the board and the frequency of interactions have a major and positive effect on share price volatility, but board ownership has a negligible and adverse implication on the studied businesses' share price volatility. The volatility of the share prices of insurance businesses in Nigeria is, however, substantially affected by the size, ownership, and frequency of board meetings. This suggests that board members' actions and corporate board procedures play a significant role in achieving stability in the movement, or volatility, of listed insurance firms' share prices in Nigeria. According to the report, listed insurance firms in Nigeria should refrain from having an excessively large board, and shareholders should have the necessary experience to meaningfully contribute to and participate in board meetings. Avoid scheduling too many board meetings for a given fiscal year, particularly if some of the topics on the agenda clearly do not serve the interests of shareholders.

3.0 METHODOLOGY

3.1 Research Design

Research design establishes the comprehensive structure and direction of an investigation, serving as a framework for collecting and analysing data (Bryman & Bell, 2007). As a result, the study utilises an ex-post facto design. It is an approach where the investigator cannot control the variables due to their prior occurrences or their inherent unchangeable nature. For this research, Finbox and the annual reports of the eight (8) insurance enterprises quoted on the Nigerian Exchange Group (NXG) provided secondary data.

3.2 Model Specification and Variables Measurement

In this study, hypotheses have been stated to examining the impact of board composition contribution to insurance firm performance. The ROA is the metric used to evaluate the success of the insurance business. The board structure was expressed by the size of the board, the gender split of the board, the freedom of the board, and the frequency of board sessions. In capturing the variables in the study, the model is presented in a functional form as shown below:

$$Y = f(\text{BDIND}, \text{BDGEN}, \text{BDSZ}, \text{BDCMT}) + e \tag{i}$$

Where Y = Dependent Variable "performance"

X = Independent Variable which was represented by board size, board gender diversity, board independence, and board committee meetings.

The panel multiple linear regression models for this study are defined as:

$$\text{ROA}_{it} = \beta_0 + \beta_1 \text{BDIND}_{it} + \beta_2 \text{BDGEN}_{it} + \beta_3 \text{BDSZ}_{it} + \beta_4 \text{BDCMT}_{it} + e_{it} \tag{ii}$$

Where:

ROA_{it} represents the dependent variable, Return on Assets, for entity i at time t.

BDSZ_{it} represent Board Size, for entity i at time t.

BDIND_{it} represent Board Independence, for entity i at time t.

BDGEN_{it} represents Board Gender, for entity i at time t.

BDCMT_{it} represents Board Committee Meetings, for entity i at time t.

$\beta_0, \beta_1, \beta_2, \beta_3$ and β_4 constitute the slopes (coefficients) that need estimation.

e_{it} represents the error term



4.0 RESULT AND DISCUSSION

Table 1: Descriptive Statistics

	ROA	BDZ	BDIND	BDGEN	BDMEET
Mean	2.402128	8.276596	2.996809	2.481915	4.808511
Median	3.800000	8.000000	0.380000	0.250000	5.000000
Maximum	12.90000	11.00000	27.00000	18.00000	7.000000
Minimum	-19.80000	5.000000	0.140000	0.090000	4.000000
Std. Dev.	6.435921	1.963826	7.129389	6.001266	0.711346
Skewness	-1.616785	0.164791	2.450527	2.230464	0.653313
Kurtosis	6.178003	1.738965	7.467684	5.977071	3.471024
Jarque-Bera	40.25485	3.326880	86.12855	56.32720	3.777892
Probability	0.000000	0.189486	0.000000	0.000000	0.151231
Sum	112.9000	389.0000	140.8500	116.6500	226.0000
Sum Sq. Dev.	1905.370	177.4043	2338.097	1656.699	23.27660
Observations	47	47	47	47	47

Source: Eview 10

The descriptive statistics for the variables in Table 1: highlight key measures. The mean values indicate average figures, with return on assets (ROA) at 2.402128 percent, board size (BDZ) at 8.276596 number of directors, board independence (BDIND) at 2.996809 percent, board gender diversity (BDGEN) at 2.481915 percent, and board meetings (BDMEET) at 4.808511 number of meetings.

Table 3: Redundant Fixed Effects Tests

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.785502	(7,35)	0.0007
Cross-section Chi-square	31.558807	7	0.0000

Source: Eview 10

The result for the redundant fixed effect test shows a p-value of 0.0007, < 0.05 significance level. This indicates that the pooled ordinary least square model is not suitable for our study. This warrants the conduct of the Hausman test to ascertain which model between the Random and Fixed effect test is most suitable for the research.

Table 4: Random Effects (FEM) - Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.674978	4	0.0501

Source: Eview 10

According to the information presented in the table 4, the Hausman test produces a p-value of 0.0501, < 0.05% alpha. As a result, we can infer that the (FEM) is the appropriate and more efficient model for analyzing our study.

Table 5: Fixed Effect Model

Dependent Variable: ROA

Cross-sections included: 8

Total panel (unbalanced) observations: 47

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	70.98890	77.50828	0.915888	0.3660
BDZ	2.843924	1.598884	2.778693	0.0040
BDIND	0.833026	0.485240	1.716730	0.0949
BDGEN	-37.34777	29.69172	-1.257851	0.2168
BDMEET	-0.400791	1.639264	-0.244494	0.8083



Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.532315	Mean dependent var	2.402128
Adjusted R-squared	0.385329	S.D. dependent var	6.435921
S.E. of regression	5.045825	Akaike info criterion	6.290838
Sum squared resid	891.1123	Schwarz criterion	6.763216
Log likelihood	-135.8347	Hannan-Quinn criter.	6.468597
F-statistic	3.621522	Durbin-Watson stat	2.519066
Prob(F-statistic)	0.001760		

Source: Eview 10

4.1.3.4 Hypotheses Testing

Decision Rule: If the test statistic is less than 0.05 or if it is within the critical zone, the null hypothesis is rejected. Otherwise, the null hypothesis is not overruled if the test statistic is outside the crucial zone or if the p-value is higher than 0.05.

Hypothesis One

Ho₁: There is no significant effect of board size on the return on assets of listed insurance firms in Nigeria.

Based on the data presented in the table, it is evident that board size yields a t-statistic value of 2.778693 with a p-value of 0.0040, which is below the predetermined 0.05 alpha. Consequently, one can infer the presence of a favourable and substantial association among board size and returns on assets of insurance firms in Nigeria.

Hypothesis Two

Ho₂: Board independence has no significant effect on the return on assets of listed insurance firms in Nigeria.

After analyzing the table, it becomes apparent that the board independence variable exhibits a t-statistic value of 1.716730, accompanied by a p-value of 0.0949, which surpasses the predetermined 0.05 alpha. Therefore, we can conclude that there is a favourable but inconsequential outcome on board independence and the ROA of insurance businesses in Nigeria.

Hypothesis Three

Ho₃: Board gender diversity has no significant effect on the return on assets of listed insurance firms in Nigeria.

Upon reviewing the table, it becomes evident that gender mixture exhibits a t-statistic value of -1.257851 and a probability value of 0.2168, which is above the predetermined alpha of 0.05. This connotes the presence of an adverse and statistically inconsequential link among the dependent and independent variable. This suggests that, gender mixture has an unfavourable and inconsequential effect on the ROA of insurance businesses in Nigeria.

Hypothesis Four

Ho₄: There is no significant effect of board meetings on the return on assets of listed insurance firms in Nigeria.

Upon examining the table, it is evident that the board meetings variable possesses a t-statistic value of -0.244494, accompanied by a p-value of 0.8083, which exceeds the predetermined 0.05 alpha. This shows that, board meetings have an unfavourable and statistically inconsequential effect on the ROA of insurance businesses in Nigeria.

4.6 DISCUSSION OF FINDINGS

The findings of this research a substantial and favourable interplay among board size and ROA for insurance firms in Nigeria, consistent with Isaac and Igomu's (2024) results, which showed a positive but insignificant implication of board size on performance. Furthermore, while board independence in this study had a positive but statistically insignificant impact on returns, aligning with Audu, Uba, and Ekpa (2022) who found an insignificant effect of board nationality diversity on return on assets, Alabi et al. (2022) identified board independence as significantly influencing financial performance in FTSE 100 firms. The study also revealed that board gender diversity negatively impacted returns, which contradicts Alabi et al. (2022) findings where board gender diversity positively



influenced share prices and financial output. Additionally, board meetings were found to have an unfavourable and insignificant implication on ROA, echoing Magai et al. (2024) research, which also showed that frequent board meetings negatively impacted firm value. These results suggest that while some aspects of corporate governance, such as board size, positively affect financial performance, other factors like board gender diversity and board meetings do not significantly enhance the financial outcomes for Nigerian insurance firms, emphasizing the need for tailored governance practices to optimize performance.

5.0 CONCLUSION AND RECOMMENDATION

5.1 Conclusion

This paper investigated the implication of board arrangement on the financial viability of insurance corporations in Nigeria. The results connote that board size has a favourable and substantial interplay with ROA, suggesting that larger boards may enhance performance due to a diversity of perspectives and expertise. However, board independence exhibited a positive but statistically insignificant effect, indicating that while independent directors may contribute to governance, their presence alone is not sufficient to significantly impact financial outcomes.

Conversely, board gender diversity showed a negative and statistically inconsequential implication on returns, suggesting that gender diversity on boards does not essentially translate to enhanced financial viability in this context. Additionally, the frequency of board meetings was found to have an unfavourable and statistically inconsequential implication on returns, suggesting that simply increasing the number of meetings does not lead to better financial results and may even be counterproductive.

These findings align with certain aspects of existing literature, such as the positive role of board size noted by Isaac and Igomu (2024), while differing from studies like those of Alabi, Olaoye, and Ojo (2022) regarding board gender diversity. The discrepancies highlight the contextual nature of corporate governance practices and their varied impact across different markets and sectors.

In conclusion, the study underscores the importance of optimizing board size to enhance financial performance in Nigerian insurance firms while suggesting that other control practices, like board independence and meeting frequency, require a more nuanced approach. Future research should continue to explore these dynamics, considering the unique characteristics and governance challenges of different industries and regions.

Recommendations

1. Insurance firms in Nigeria should consider optimizing their board size. Firms should aim to have a balanced number of board members to ensure a diverse range of expertise and perspectives without becoming overly large, which could lead to inefficiencies.
2. Insurance firms should continue appointing independent directors. Independent directors can provide unbiased oversight and enhance governance practices, which may indirectly improve performance over time. However, firms should ensure that independent directors have the necessary expertise and are actively engaged in the firm's strategic decisions.
3. Policies aimed at supporting gender diversity should be accompanied by initiatives to enhance the contributions of female board members through leadership training and development programs.
4. Insurance firms should focus on the quality rather than the quantity of board meetings. Meetings should be well-structured, agenda-driven, and focused on strategic issues critical to the firm's success. Board members should receive relevant information in advance to ensure productive discussions and decision-making.

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