

**EFFECT OF CORPORATE GOVERNANCE ON THE FINANCIAL PERFORMANCE
OF INSURANCE COMPANIES IN KENYA**

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DECLARATION

I declare that the contents of this document are my own and they have not been submitted in any other institution for the sake of gaining an academic certificate.

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D63/34981/2019

This research proposal has been submitted for examination with my approval as the University supervisor.

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I salute Dr. Herick Ondigo, my supervisor, for his direction, encouragement and patience. His immense knowledge and assistance on the study topic was of great help.

DEDICATION

My family and siblings deserve special thanks for their support and tolerance throughout the process as I dedicate my master's to them.

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LIST OF ABBREVIATIONS

CMA- Capital Markets Authority

IRA- Insurance Regulatory Authority

NSE- Nairobi Securities Exchange

OECD - Organization for Economic Co-operation and Development

ROI- Return on Investment

ROA- Return on Asset

ABSTRACT

Corporate governance is critical in the operation of the insurance companies. Since time immemorial, corporate governance has remained afloat as the yardstick towards holistic development of firms. The corporate governance and performance have intertwining association. However, researcher findings have demonstrated inconclusive studies that need further scrutiny. Others have provided mixed findings and demand for eye-opener research. It is therefore supreme to comprehend the association amid the corporate management and insurance's financial performance. The performance of insurance firms may be impacted by corporate governance, according to this study's theory. Six indicators—Board composition, Board size, Board committee, Board independence, CEO duality, and board diversity—were utilized in the study to gauge corporate governance. In addition, to ensure that the model did not suffer from variable omission and hence a best fit two control variables were included that is, age of company and size of the company. Financial performance was proxied using returns on asset. The study used a census approach and studied 49 insurance firms in Kenya. Cross-sectional data for the financial year 2020-2021 was obtained from the respective companies' website. In the analysis section the study adopted a mix of descriptive statistics and empirical analysis namely correlation and regression analysis. Further post estimations tests namely autocorrelation and multicollinearity were tested. The study indicated a strong positive link with a correlation value of 0.359 and a correlation coefficient of 0.300 between the independence and board composition of insurance companies and their financial success. These coefficients denoted a weak correlation between the board composition and board independence with ROA. On further investigation using regression analysis, the research yielded significant and positive results coefficients for the two explanatory variables that is 24.878 and 5.115 respectively. The findings imply that a well-balanced board that operates largely independent from internal/external interference is anticipated to have a positive impact on the business's financial performance and guarantee sustained growth in market share. Data analysed also shows that on an insurance company's financial performance, the size of the board has a comparatively small effect.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate governance is related to the mechanisms that authority and power is exercised over corporate organizations. Corporate governance best practices across the globe and Kenya have also been defined by various frameworks including: Mwongozo code of governance and King IV code. The governance structure within an organization does have an impact on its capability to responding to external factors and its performance (Donaldson, 2003). Weak corporate governance may result in reallocation of resources to address the failures in governance as opposed to growth initiatives (CIPE, 2009).

The effect of corporate governance on organizational ROA is supported by various theories. The anchoring theory is the agency theory. The cornerstone theories incorporate; theoretical frameworks for resource reliance, agency, stewardship, and stakeholder relationships (Pfeffer, 1978). The Agency theory (Jensen & Meckling, 1976), is the most dominant of the theories given its prominence in corporate governance research. It identifies the agency association amid the principal and the agent. The principal typically assigns the agent tasks (Donaldson & Davis, 1991). Stewardship theory on the other hand presupposes that organizational management are quality towards achievement of corporate earnings and investors' returns. Stakeholder's theory (Maher and Anderson, 1999) focuses on the need to cater for the needs of all parties affected directly or indirectly by the organization functions. Resource dependence theory holds that the board has a critical functioning access to resources required by the firm.

The insurance landscape in Kenya currently has 56 registered insurance companies as at 2021. Notably in the past six years a number of insurance firms have crossed the red line and put in statutory management by the regulator. Insurance companies include: Blue Shield insurance.

Furthermore, the insurance have experience immense predicaments hence assigned statutory management. Standard Assurance and Access Insurance have not be left being. They have exhibited similar traits. Moreover, Kenya National Assuranc, and Stallion Insurance have also taken the same route as posted by the regulator. Finally,Lakestar Insurance and United Insurance have also been placed under receivership. Poor corporate governance attributed to the issues that led to the closure of the above insurance companies.

1.1.1 Corporate Governance

Corporate governance blueprints the link between the management and the stakeholders of the organization in the bid to control the firm Larner (1996). Similarly, the OECD (1999), states it as the relations between the board, stakeholders and shareholders. Cadbury (1999) further defines corporate governance as being that balance between the interests of individual and communal goals and the economic and social goals.

There has been growth around corporate governance within organizations driven by past failures such as the collapse of Enron in 2001 and regulatory push across the globe. Governments have not been left behind in the journey to prevent such collapses as they may result in absence of confidence in the capital markets (Mallin, 2007).

Agency theory is guided by the principal-agent association. Corporate governance comes in handy in tackling principal-agent problems. Johnson, Scholes and Whittington (2008) state that corporate governance involves the business managers being held accountable to the business owners through the structures and systems of control. The effectiveness of corporate governance is measured using duality, independence, size, diversity, composition and its committees. In order to measure and evaluate effectiveness of corporate governance the performance indicators that was be adopted were the board size, composition and its committees.

1.1.2 Financial Performance

Financial performance is stated as its capability to generate more value over time through its daily operations. Kagoyire and Shukla (2016) defines it as the company's ability to operate efficiently and sustainably thus ensuring financially growth over time. Great financial performance does add value to shareholders and rewards them for their investments. Thus, encouraging to invest more into the organization resulting in economic growth. On the other hand company failure resulting from poor performance may lead to negative economic growth.

There are three broad measures of organizational performance, these are: effectiveness, efficiency and adaptability (Moseng and Bredrup, 1993). Studies try to assess how and what the traits of the Board of Directors may increase ROA, ROE and enhance the shareholders' value. Beeks & Brown (2005) stated that informative disclosures are given by organizations exhibiting good corporate governance. (Akinruwa, Awolusi & Ibojo, 2013) provided evidence that financial performance is useful to compare organizations in similar firm or in different industries or sectors so as to determine how to improve or maintain a good position in the market.

Financial performance is measured through business statistics and ratios that include return on investment (ROI), profit margin, liquidity and efficiency ratios Han et al.,(2014). Further return on assets (ROA) is used to assess firm's performance and measures its income to total assets ratio Han (2014). The study optimized the ROA in this study. In this research ROA was used to measure financial performance. This measure adopted as it is an effective measure of conversion of investments into net income.

1.1.3 Corporate Governance and Financial Performance

There exists a conjectural correlation amid corporate governance and financial performance as delineated by concepts encompassing the agency theory that envisages that the lower level of

the insider ownership portray a deficient plan relating interest that incorporates corporate and shareholders (Jensen & Meckling 1976). Agency overheads must be used to spearhead managers deliver in the best interests of the shareholders (Spong & Sullivan, 2011). Firms therefore endeavor to ensure agency costs are minimized. Accountability is vital in ensuring organizations achieve optimum performance in line with its strategic objectives (Kaplan,2001).

Kaplan (2001) indicates that the most commonly used method to measure organizational performance is through analyzing its financial performance. However, an organization past performance is not an adequate measure of the future and long term performance. The Balanced Scorecard was designed to aid in measurement of performance for profit making firms (Kaplan and Norton, 1996). The scorecard focused on both the financial and non-financial metrics.

Financial performance of entities is measurable using the return on the company's assets (ROA). The association is critical and useful in the provision of the binding correlation. Financial performance has been major area of scrutiny, investigation and source of knowledge to investors and shareholder. Corporate governance is the cornerstone towards the prudent and accountable financial capacity and accountability. The two variables are notably supreme and crucial in the study.

According to various empirical research, there exists a skewed link between financial outcomes and corporate governance. The study aims to enumerate causality of Corporate Governance on financial outcomes. The focal point is the insurance companies. Several studies have sought to comprehend the correlation between these two concepts corporate governance and financial performance, by testing the determinants.

1.1.4 Insurance companies in Kenya

In Kenya, the insurance landscape is currently comprised of 56 insurance firms licensed as at 2021, with an expected decrease in number given the takeover of Allianz Kenya by Jubilee insurance Limited. Of the 56 companies six are listed in the NSE. The companies offer general and life insurance services. The Insurance Regulatory Authority as mandated by the Act of Parliament Cap 487 regulates the insurance industry. The IRA has powers to supervise, regulate and provide management oversight of the insurance industry in Kenya. The Financial stability report (2020) stated that the insurance sector outlook remains positive in terms of growth, resilience and stability. Further the financial sector was resilient to COVID 19 due to strong capital and liquidity buffers, with the insurance sector facing falling returns on investments, reduced premiums and increased claims. However, there is need for stronger governance practices to be put in place.

In 1987, The insurance companies formed an association. The independent non-profit association has 55 members and 4 associate members. It offers advisory and consultative advice to the insurance industry. Its main role is enhancing the collaboration among its members. Furthermore, it protects and prompts its' members' common interests and enhancing awareness concerning insurance to the general public.

In June 2011 the IRA stipulated corporate governance as roadmap for the insurance and reinsurance companies. The aim of the guidelines being to protect shareholders, policyholders and stakeholders of the insurance industry thus promoting confidence and growth in the insurance industry. The principles of good governance as recommended by the IRA are around governance structures of the Boards, its roles and responsibilities, fit and proper person criteria, board control functions, roles of the chair of the board, board committees and its role IRA (2011).

1.2 Research Problem

Corporate governance is critical in the operation of the insurance companies. Since time immemorial, corporate governance has remained afloat as the yardstick towards holistic development of firms. The corporate governance and performance have intertwining association. However, researcher findings have demonstrated inconclusive studies that need further scrutiny. Others have provide mixed findings and demand for eye-opener research. It is therefore supreme to comprehend the association amid the financial outcomes and corporate management of insurance.

Insurance with well-structured and effective laws that guarantee the imperative greatest epitome of professionalism can be resilient in disaster. The well-designed laws are the engine of the financial performance. The continuous improvement of insurance operation results in robust milestone in the business performance. Governance and performance have portrayed a great association. Management and shareholders have had major conflicts resulting from separation of the company ownership and controls (Berle and Means, 1932). Agency conflicts, where shareholders are keen to maximize the organizational value while managers aim to ensure job security and increased compensation, are an ever-present issue that organizations face. Good corporate management practices are among the ways to ensure alignment and monitoring of the two conflicting interests. Despite the great role of insurance in the economy, there are minimal studies relating to corporate governance and outcomes in insurance hence there is a need to bridge the conceptual and contextual gap.

Oyale and Adewale (2014) indicated the vitality of corporate management in realization of sustainability. The study opined significant and positive linkage. However, Natenzi (2017) provided contradicting findings to Hutchinson (2002) who opine the negative association. Young (2003) stipulated the neutral association. Based on the analysis, the findings ranges from

positive, neutral to negative. The mixed results might have resulted from wide array of methodology, contextual gaps and varying variables. It is very important to research on the corporate governance and performance. This stands to address contextual, conceptual and methodological gap.

Various companies have had scandals that have led to their closure and sanctioning from the relevant regulators. From Enron in 2001 to locally Mumias Sugar, 2015 and Blueshield in 2017 among others. These events have attracted the interest of regulators and researchers on the subject of corporate governance within organizations. Opanga (2013) found the positive amid the corporate governance and performance. Maria (2012) studied corporate governance practises which differ from the concept of this study. This study sought to fill the existing gaps.

Researchers have sighted conflicts regarding Agency, Stakeholder and Stewardship theories. There are studies that negate the presence of a correlation between corporate governance and firm performance (Fosberg, 1989; Bhagat& Black, 2002) while others affirm significant relationships (Rosenstein & Wyatt, 1990; Yermack, 1996; Brown and Caylor, 2004). This study henceforth, attempts to elaborate and reinforce facts by examining the association between corporate governance and financial outcome and focal point are the insurance companies in Kenya. Further limited research have concentrated on the corporate governance and financial outcome nexus among insurance companies considering pre and Covid era. From the above analysis, it is critical to state that the global and regional studies have realize conflicting findings. Furthermore, the positive, negative and neutral finding demands for more elaborate undertaking to address the question on; What is the effect of corporate governance on financial outcomes of insurance companies in Kenya?

1.3 Research Objective

To examine the effect of corporate governance on financial performance of insurance companies in Kenya.

1.4 Value of the Study

This paper will be extremely vital in terms of theory, practice and policy. The results obtained in the study would advance our understanding in that area. about corporate governance and how they affect organizational performance. More so considering the ramifications of COVID 19 on financial outcomes of insurance firms.

The various insurance sector regulators (Insurance Regulatory Authority and Capital Markets Authority) would obtain well-informed and insightful information. This is an asset to the regulators when making policy decisions regarding the insurance industry. The study is instrumental in relaying information to the Insurance industry' board on the effects of quality corporate governance practices. The study findings would increase knowledge and blueprint the academic references.

The insurance industry's decision-makers will find this report beneficial. It will act as a guide in selecting the best corporate governance practices useful and beneficial to the insurance companies in Kenya. This will in effect ensure improvement in financial performance in the sector. Policymakers including managers and board of directors in insurance companies will be able to improve corporate governance practices within their respective entities.

Stakeholders and shareholders will gain from the study results through understanding the effectiveness of the corporate governance practices undertaken by their companies. This will broaden their understanding of the governance issues and their effect on financial performance

of their companies. Further academicians and researchers will gain as they can identify gaps existing within the corporate governance and financial performance areas and further supplement their empirical review.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section highlights the theoretic works and the observed evidence of the nexus between corporate governance and insurance companies from a global, regional and local context. The conceptual framework and the interaction between the explanatory and outcome variables are also covered in this part. In conclusion this chapter gives a summary and the gaps that this study aims to fill.

2.2 Theoretical Review

The conjectural foundation underpropping the project comes from: the agency theory, as the initial theory. Further stewardship theory comes in handy as well as stakeholder's theory.

2.2.1 Agency Theory

Agency theory was originally explained by Ross (1973) as the relationship between the two parties that is the owner of the business and its management. Jensen and Meckling (1976) developed the theory further arguing that agency obstruction arise from separation of ownership from control with each party interested in its own personal interests. This results in managers spending firm resources to meet their personal interests other than that of shareholders. Jensen and Meckling (1976) further states that these conflicts are reduced if the principal and agent have shared interests or existence of incentive compensation to align the agents interests to that of shareholder wealth maximization.

The research is relevant is providing the roadmap towards the effective management of resources. The theory address the forensic accounting and auditing in the management. The egocentric pursuit can cause dismal performance in the organization. The agency theory

advocate for internal control, good control measures, risk mitigation, evaluation and monitoring. Kiel & Nicholson (2003) identifies that the managers are the agents while the business owners are the principals. The two parties have misaligned goals and aims resulting in the agency problem. Supervision of management actions by shareholders is required so as to control the agency problem. This thus introduces agency costs such as monitoring and coordination.

This study borrows from this perspective and assumes that shareholders appoint management to perform duties on their behalf (Ross, 1973). This is applicable in the study as there exists an agent-principal association between insurance companies management and shareholders. The theory was thus be helpful in evaluating board independence and assessing how CEO duality affects financial performance of organization.

Nevertheless, the management may failed to adhere to policies, procedures and laws. Furthermore, they can misuse the power given to them to undertake the vested interest due to assymmetric information. who opined the association linking shareholders and the managers. The employee are entrusted with shareholders wealth. However, the management sometimes pursue their self-centered interest. The cost resulting from mistakes of the management is absorbed as the organizational cost. This is great problems especially in cases of gross violation of policies and negligence. Therefore, corporate governance should prudently manage resources to realize the objective.

2.2.2 Stewardship Theory

In 1991, Donaldson and Davis adopted the hypothesis. The steward's responsibility is to act admirably in order to safeguard and maximize the money of the shareholders. The idea broadens the purview of corporate governance by defining the goal and parameters of

management. The prime objective is to generate maximum wealth to the shareholders. The steward can optimize integration of goals to compact with firm's objectives.

The theory is relevant in alignment of the personal needs to the organization. Contrary, the agency theory assumptions, stewardship theory suggests the performance is driven by the personal identity persuaded by the objective and purposes of the firm as opposed to greed by the executive. The theory suggests that the executive and shareholders aims and motives are similar, thus aligned interests with regards to maximizing the long-term stewardship of the organization.

However, the theory suggests that division of chief executive and chairman roles has a negative impact. It suggests that the two roles should remain as one to protect the strength and authority of executive leadership and ensure high performance. Notable, stewardship theory has a thin line separating the individual pursuit and organizational interest. The failure to anchor and build the internal system, monitoring, auditing, evaluation, balance and check measures may cause wide array of problems in the organizations. The harmonization of interest is powerhouse for misdeed and pursuit of egocentric interest.

2.2.3 The stakeholders Theory

Freeman (1970) embedded the theory. The theory steer the organizational towards openness and accountable ways of safeguarding the resources. The study is paramount in the advocating for transparency and due diligence. Stakeholder theory is a mix of both social and organizational behaviors in organizational operations (Wheeler, Fabig and Boele, 2002). The stakeholder means all the persons affected by the failure and success in the achievement of the firm's goals. The stakeholders including the management, governing body, suppliers, government. Communities or groupings affiliated to politics, sponsors, and trades. The theory

demonstrates a firm as a system that relies on the stakeholders for the prosperity. Therefore, the association with the stakeholders is hub for capitalizing the achievement of goals.

This theory emphasize the importance of stakeholders in the productivity of the business. Excellence in corporate governance depends on the mechanism utilized in the business undertaking. A stakeholder is a group or person who influences directly or indirectly the activities and objectives of an organization (Freeman, 1999). Primary and ssecondary groups constitute the two groups of stakeholders. Primary stakeholders are those directly affected by the undertaking of the company, be it positive or negative. The primary stakeholders identified by Jawahar and MCLAughlin (2001) are customers, investors, shareholders, employees and suppliers. The excellent performance are achievable through the effectiveness and efficient considerations of stakeholders. The theory is critical in the productivity and improving job satisfaction and investment. It encompasses the business ethical aspects and enhance the socio-economic conditions. It promotes the investors' trust and be critical in the development, market share and productivity. The systematic decision making process prioritizes stakeholder in coming sound judgements.

The critique include the heterogeneity interest that may generate conflict interest. It is unrealistic for management to maximize all views from all the stakeholders since majority are egocentric perspectives. The problem arise from the secondary stakeholders who may not understand the business undertakings. Secondary stakeholders are the groups or persons indirectly affected by the organization's actions. The theory addresses the group of stakeholders who require management's attention (Sundaram & Inkpen, 2004). This theory informs this study as it aids in evaluating the board committees that have different delegated responsibilities from different stakeholders.

2.3 Determinants of Financial Performance

There are several elements that affect how much money insurance companies make. Incorporated into this are the company's size, age, and corporate governance. These are discussed in detail in subsequent subsections. The determinants are critical in the business undertaking. The operational efficiency and effectiveness promote financial performance and sustainability.

2.3.1 Corporate Governance

Good corporate governance in return yield huge returns (Eisenhofer, 2010). Firms incorporating good corporate governance practices have greater returns in comparison with those ignoring corporate governance. Zahra and Pearce (2009) suggested that the market valuation for an organization is largely affected by its corporate governance practices, with those with superior measures performing much well. Thus, organizations with robust corporate governance scores enjoy better returns.

2.3.2 Size of the company

Companies suffer expenditures as a result of effective corporate governance procedures adoption. Financial resources are essential for guaranteeing the implementation of effective corporate governance principles because of the cost factor. Large economies of scale enable larger organizations to invest in strong internal control systems and larger board sizes and committees thus enhancing financial performance. Castello & Ozawa (1999) states that the characteristics of board committees in large organizations impacts the quality of corporate governance.

Small firms have less agency problems and lack bureaucracy that is critical in the ever-changing business environments (Yang and Chen, 2009). Small firms incur lots of fixed and sunk

costs due because of inadequate comparative advantage as a result affecting its performance. On the other hand bigger firms can diversify so as to gain a competitive advantage over small firms. Penrose (1959) indicated that large firms have the ability of employing human resources that can boost the organization's financial performance.

2.3.3 Age of the company

The size, age as premium growth rate were the critical determinants of financial performance in Tunisia according to (Derbali, 2014). From the study smaller insurance companies had more efficient operations. Age is a critical parameter in determining the performance. The firms that have lasted for long have greater ability in the financial performance which is a the holistic metric for the going concern of the firm.

Excellent financial sustainability portrays efficient financial health. There are wide arrays of parameters that blueprint the firm's financial performance (Opanga, 2013). It is a subjective way of measuring the capability of the firm to grow wealth for the shareholders. In a nutshell, the financial performance is crucial in decision making, tactical plans and absorption. Therefore, age is critical in determining the financial sustainability and the years of excellent operation.

2.4 Empirical Review

The empirical work surrounding corporate governance has undergone tremendous growth especially in advanced countries where data are available. This section provides highlights and summarizes other studies conducted and the findings. Studies around the area increasing the knowledge about the impact of corporate governance on insurance bottom-line.

Owuor (2018) encapsulated the outcome of corporate governance on the bottom-line. The study optimized secondary data to reach the objective. The focal point of the study is 43 firms listed in NSE. The research utilized cross-sectional design while analysis was done through excel and SPSS. The association was determined through inferential and descriptive statistics.

The performance was measured using ROA. Nevertheless, the focal point was companies listed and did not factor in insurance companies.

Onguka, Iraya and Nyamute (2020) analyzed the effect of corporate governance and business value. The study explored the 64 companies listed in NSE for the year spanning from 2013 to 2017. The driving force was the wide myriads of predicaments despite the binding laws and regulations. The corporate value maximized the Tobin Q. The analysis was done through descriptive and panel data. However, the research did not include insurance companies. Furthermore, the study analyzed corporate value and not financial performance.

Oyewale and Adewale (2014) analyzed the corporate governance at the Micro-Finance Institutions. The findings stipulated the need for prudential management to maximize the shareholders wealth. The parameter explored include board diversity and independence in facilitating the going concern of the firms. The board independence is crucial for smooth operation and high standards of accomplishments. However, the study did not analyzed the insurance companies and the Kenya set-up. Hence there is need for local research to bridge contextual gap.

Pham et al., (2020) stated the importance of financial sustainability through quality and prudent corporate governance. Financial sustainability is critical metrics illustrating productivity and performance. Corporate governance is the holistic system of operation leading to strategic accomplishment. However, local study need to be undertaken focusing on the insurance companies. The research is guided by the great magnitude of problems facing the insurance companies.

Al-Gamrh et al. (2020) opined the perfect role of corporate governance. The maximization of shareholders wealth involves the speculation to reap big from the investment outlay. The suitability of company to formulate strategies and reach sound judgment is informed by strong

corporate governance. Therefore, it is imperative to have competent and accountable corporate governance. Corporate governance injects systematic operation that ease the business transaction and minimize both cost and risk. However, there is a need for local research to bridge methodological, conceptual and contextual gap.

Brown and Caylor (2004) explored corporate governance to illuminate if it affected the firms performance. The research compared the weaker and stronger corporate governance. The study concentrated on the empirical comparative assessment. The findings delineated that the firm having weaker corporate governance were greatly exposed to risk. Further, the firms with higher risk posted less dividend payout. On the other hands, the firm with stronger corporate governance exhibit high dividend yields. However, the study constructed the Gov-Score by totalling 51 governance factors. Furthermore, the factors underwent classification in a binary order. This process is ad hoc thus did not maximize the correlation amid performance and governance. Notable, the study was done globally and there is a need for local research to fill both contextual and methodological gap.

Opanga (2013) studied how the numbers of directors, number of committees, number of resolutions put forward and sailed in general meetings as well as the frequency of holding meetings. The study's primary focus was Kenya's insurance companies. The 45 insurance companies were sampled in 80% of the survey. The insurance companies that were active in Kenya between 2010 and 2012. The study determined that the corporate governance factors studied are positively correlated with financial performance. However, this study assumed similarities and homogeneity in responsibilities of all firms without due consideration to owners, regulation, policies and size hence the findings may not bind equally to all insurance.

Eunice (2016) the link between the corporate management and the Kenya's insurance industry's financial results. The study explored several predictor variables such as board diversity and board meetings. Moreover, the study went further to scrutinize board committee and board size.

It involved conducting a census study of all 43 insurance businesses that the IRA has granted licenses to, covering the years 2012 to 2015.

From the investigation board meetings board diversity, board committee and were positively significant with board independence and board size statistically insignificant. The study duration was four years thus did not incorporate the economic factors that may happen over longer period. The longer period results in wide-spectrum assessment of the problem.

Maria (2017) examined the impact of corporate management practices on the financial results of Kenya's insurance companies. The author utilized existing data from the insurance firms yearly audited reports from 2011 to 2015. The results posit a negative correlation amid the corporate governance and ROA. Further small boards were found to be more effective than large boards. The study was limited as only 49 insurance companies were studied without considering other financial institutions like banks. Furthermore, the research was limited to a few corporate governance factors that affect financial success. Corporate governance procedures focused on the CEO, board committees, board size, and board makeup.

Ondigo (2019) explored the correlation regarding corporate governance and economic outcomes of Kenyan commercial banks. The resources used in extracting the quantitative secondary data were the yearly statements, and CBK reports from 2010 to 2014. Three factors—the board's independence, size, and composition—were used by the researcher to gauge corporate governance. The banks financial results was based on the CAMEL model. The research found that, with the exception of liquidity, bank Financial Performance and corporate governance were statistically significantly related. However, Given that the research adopted a descriptive research approach, the causality between the variables was not established. Thus, the causality effects among the variables could not be established.

2.5 Conceptual Framework

A conceptual framework as defined by Mugenda and Mugenda (1999) is a short explanation on a topic of study that incorporated pictorial representation of the study area. The defined conceptual framework shows how the corporate governance impacts the insurance firms performance. The nexus between the explanatory variables and financial performance can be conceptualized as below. The study analysed the board in terms of size, independence, committees, CEO Duality, composition and diversity inform the financial performance as illustrated below.

Independent Variable

Dependent Variable

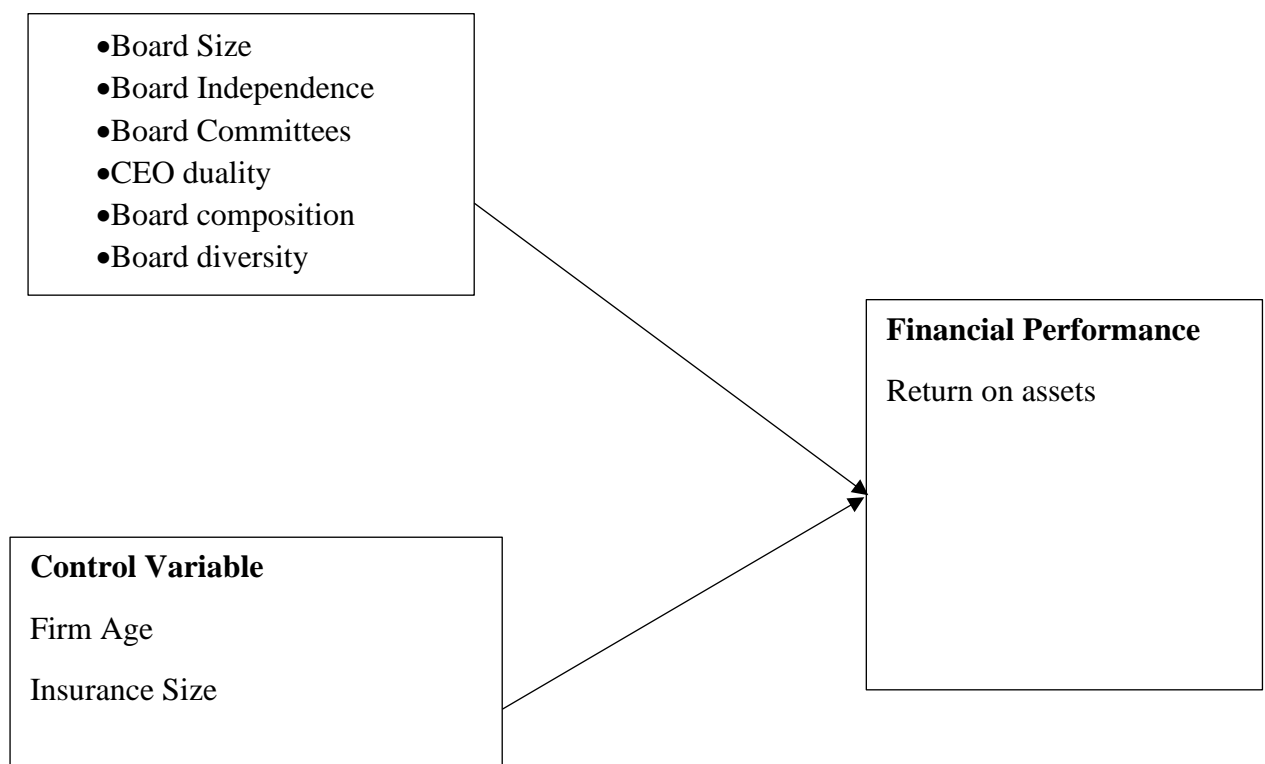


Figure 2.1: Conceptual Framework

Source: Author, 2022

2.6 Summary of Literature Review

The three key corporate governance theories that is the stakeholder's theory, agency theory and stewardship theory have defined and laid the key organizational governance issues. The theories have dissected the crucial relationships between management and the shareholders. Board size, composition and committees have been highlighted as key corporate governance factors influencing the financial performance. The conceptual model illustrates the relationship between financial outcomes and corporate governance

Global and local empirical literature reviews highlighted the effects of company governance policies on financial success. The findings presented mixed and inconclusive results. Corporate governance is critical in spearheading the business continuity. The lubricant of financial sustainability and performance is the corporate governance. The well-structured governance, competent personnel and strategic goals are the great pillars to the firm.

Further, recent research is yet to incorporate the latest developments such as the impact of Covid 19 and increased adoption of technology in the insurance industry. These disruptive innovations have been credited with the decline and then increased profit margins of the Kenyan insurance sector. This study attempted to seal the gaps given the recent changes in the insurance space in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The segment evaluates the research parameters to be deployed in the research. The research methods include the research design spearheading the study. Furthermore, it elaborates the targeted population. In addition, it states the sample design and the data collection. Finally, it delineates the data analysis method. The research methodology incorporated to meet the study objectives also be studied.

3.2 Research Design

Research design aids a researcher in organizing their research (Bryman & Bell 2003). It provides the framework for the entire study and needs to be suited to the study itself. There are various designs including exploratory and descriptive designs.

Exploratory research designs are useful in collection and exploration of systematic information. This design is used to collect information in an informal and unstructured form (Burns & Bush, 2006). It is a useful design in instances where there is little research on the subject and not much is understood on the area (Creswell & Creswell, 2017). For fresh sections of exploration of inquiry where the aim of analysis is to manage the scope of a behaviour or problem so as to test ability to conduct more research on the area, exploratory designs are often used (Bhattacharjee, 2012). This approach couldn't be used because there is so much research on corporate governance and performance of insurance businesses.

Descriptive research design adopted in the study. Descriptive research involves avoiding traits of certain characters or group (Kothari, 2014). Walliman (2011) suggested that descriptive research design is formalized and wellstructured thus providing detailed and highly accurate

and detailed picture. Taking into account the kind of data and analysis used, the design was chosen for this project. Cooper and Schindler (2003) states that this research design identifies the frequency for occurrence of a set scenario and how variables relate with each other.

3.3 Target Population

Mugenda and Muganda (2003) shows that a population alludes to a assortment of observable occurrences, people, or items that share a similar trait. The number of registered insurance companies in Kenya is 56 (IRA, 2021). All 56 insurance companies will make up the population of this study. The analysis was based on quarterly on data for a five-year period spanning from 2015 to 2020.

Insurance companies were identified for the study as they have adopted corporate governance practices. The regulators in the financial and insurance space have laid out guidelines around corporate governance.

3.4 Data Collection

The research particularly utilized secondary data. The IRA's quarterly and annual reports, as well as the individual insurance firms' published financial reports for the fiscal year 2020–21, were sources for secondary data on the financial results of the insurance businesses. Further the corporate governance variables were be derived from the non-financial information from the annual reports.

3.5 Diagnostic Test

The research carried out a various diagnostic test for robustness and validity checks. The study carried out normality, autocorrelation, and multi collinearity tests. The same are expounded on below.

3.5.1 Linearity Test

The existence of a direct relationship between the regressor and the regressed variables was verified using the ANOVA test. Both the direct and non-direct components of the variables are derived for the test. This can be determined using the F values; if the nonlinear component's F value is less than 0.05, nonlinearity is considered substantial.

3.5.2 Normality Test

For linear regression whole variables are expected to be multivariate normal. Tests for normality was conducted using the kurtosis and skewness tests which involves comparing a sample with a probability distribution. Log transformation was useful in the adjustment of data that were not normally distributed.

3.5.3 Multicollinearity Test

Multicollinearity is detected where the predictor variables are not predicted variable from each other. This in essence means one explanatory variable could be linearly forecasted from the other variables with some level of accuracy. This will be assessed using the VIF test.

3.5.4 Autocorrelation Test

Autocorrelation results in instances where residuals are not independent from each other. There should be minimal or absence of autocorrelation in linear regression analysis. In order to analyze data autocorrelation, the Durbin-Watson test was applied.

3.6 Data Analysis and Presentation

To better comprehend how the explained and explanatory factors interact, multiple regressions were used. The explanatory variables examined the board's diversity, size, independence, number of committees, and number of yearly meetings while the explained variable examined the organization's performance. The multiple regression is:

$$Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \epsilon t$$

Where Y Financial Performance of insurance companies in Kenya to be measured using ROA

X1 Board diversity on the composition of the Board.

X2 Board size extracted from the total board members.

X3 Board Independence measured by the number of autonomous members as a proportion of the total Board composition.

X4 Number of committees that is the committees to which the Board has delegated authority of oversight of different organizational aspects.

X5 Number of Board meetings held annually

α Constant or intercept (ROA)

ϵ is the error term

3.7 Test of Significance

Both parametric and non-parametric tests were used in the study. The t-test on the regression model's coefficients was the parametric test to be used, and the F-Test will be used to assess the model's appropriateness using nonparametric methods. Statistics will be used to evaluate the overall model's appropriateness.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The entire section contains the analysis of results computed using Statistical package for social sciences. The section mainly presents summary statistics obtained using measures of central tendency and dispersion. Several other maiden analyses such as measure of normality are presented. The chapter concludes with regression analysis that explain the main causality that the study sought to investigate.

4.2 Descriptive Statistics

Descriptive statistics forms the inception step of examination. It is fundamental in the sense that it enables the researcher and readers of the research to get the feel of the variables prior to delving into empirical analysis. The main significance of descriptive statistics is that it provides a summary of the statistics which is crucial in the identification of possible outliers and detection of any general errors within the dataset. This informs the researcher the course of action to be undertaken (Kothari, 2014). Results are Displayed in Table 4.1.

Table 4.1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Skewness	Kurtosis
Return on assets	49	3.41	1.72	.2012	1.841
Board composition	49	.283	.077	.3660	2.8317
Board size	49	8.102	1.649	.7654	2.8900
Board committee	49	3.714	.842	.7869	2.5138
Board independence	49	.676	.135	-.2124	2.7938
Size	36	5227310.4	5761101.4	2.9247	13.335
Age	49	42.367	30.813	2.0727	8.9925

Source: author's computation

Table 4.1 displays preliminary statistics in terms of the number of observations, mean, standard deviation, skewness, and Kurtosis. There is a total of 49 observations which represent the number of insurance companies sampled. This represents 100 percent of insurance companies present in Kenya as a census technique was adopted. Cross sectional data were obtained for the financial year 2020-2021 obtained from the websites of the respective firms. Data collection sheet is presented as appendix I.

According to the ratio of net income to total assets, the mean return on assets was 3.41 percent with a standard deviation of 1.72. The ratio of outsider board fellows to nonmanagement board fellows, used to calculate the board composition, had a mean of 0.283 and a standard deviation of 1.72. The standard deviation was 1.647 and the average board size was 8.102. The size of a board committee was 3.714 on average, with a 0.842 standard deviation. The mean of board independence was 0.676, with a standard deviation of 0.135. The insurance firm size, one of the control variables measured using turnover of the insurance company had a mean of KSH 5.2 billion and a standard deviation of KSH 5.7 billion. Finally, the mean of age another control variable was 42.367 and its standard deviation of was 30.813. It is important to point out that all the variables had means that were lower than the standard deviations except for size of insurance company. This is an indication of Presence outliers in the data owing to differences in turnover rates of firms. This situation can be alleviated by transforming the affected variable into logarithms.

Table 4.1 further presents the skewness and Kurtosis coefficients which are critical statistics for checking the normality of the data. Skewness measures the level of asymmetry in the data and explains the dispersion of the mean from the median. Kurtosis on the other hand, measures how heavy or light the normal distribution bell is. ROA had a skewness measure of 0.2012 and a kurtosis of 1.84. board composition had skewness of 0.366 and a kurtosis of 2.8317. board

size had a skewness measure of 0.7654 and a kurtosis of 2.89. Board committee had a skewness of 0.7869 and a kurtosis of 2.513. board independence had a skewness of -0.2124 meaning that its is moderately skewed to the negative side, it had a kurtosis of 2.79. Company size has a skewness of 2.9242 and kurtosis of 13.335. Finally, age of firm has a skewness of 2.0727 and a kurtosis of 8.9925. According to Kothari (2014) a Skewness parameter below 2 in absolute terms is an indication of moderate skewness. On the other hand, a kurtosis of less than 3 denotes normal distribution. Going by this assertion we can conclude that size of the firm and age are not normally distributed because their skewness and kurtosis coefficients have surpassed the required threshold. To this end, the two variables are transformed into logarithm to facilitate robust empirical analysis.

4.3 Correlation Analysis

Correlation is the gauge of linkage between two variables whose parameters are between -1 and 1. Parameters that approach 1 in absolute terms signify strong association between the variables while those less than 0.5 denote a feeble correlation. The correlation results are indicated in Table 4.2.

Table 4.2: Pairwise correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) return on assets	1.000								
(2) board composition	0.359 (0.011)	1.000							
(3) board size	-0.233 (0.107)	0.924 (0.000)	1.000						
(4) board committee	-0.031 (0.833)	0.146 (0.316)	0.202 (0.165)	1.000					
(5) board independence	0.300 (0.036)	-0.267 (0.064)	-0.315 (0.027)	-0.174 (0.232)	1.000				
(6) CEO duality	-0.067 (0.646)	-0.147 (0.315)	-0.086 (0.556)	-0.105 (0.473)	0.103 (0.482)	1.000			
(7) board diversity	-0.026 (0.859)	0.007 (0.960)	-0.096 (0.513)	0.175 (0.230)	-0.108 (0.459)	-0.119 (0.414)	1.000		
(8) logsize	0.043 (0.767)	0.007 (0.963)	0.072 (0.625)	0.031 (0.834)	0.018 (0.903)	0.235 (0.104)	0.175 (0.230)	1.000	
(9) lnAge	-0.041 (0.779)	-0.207 (0.154)	-0.139 (0.340)	0.046 (0.753)	-0.029 (0.844)	-0.180 (0.217)	0.052 (0.721)	0.076 (0.603)	1.000

Note: The values in parenthesis denote P-values

Table 4.2 presents the coefficients and P-values obtained from correlation analysis. From the table, the correlation coefficient relating to board composition and ROA is 0.359 and is significant at 1 percent (Pvalue=0.011). Similarly, the correlation coefficient relating to board independence and ROA is 0.300, it is significant at 5 percent (P.value=0.036).

4.4 Regression Analysis

The typical rate of return on assets as Results of the regression analysis are presented here. The primary goal of the study was to evaluate the causal relationship between corporate governance and the financial results of Kenyan insurance firms. To do this, the Ordinary Least Squares approach was used. The dependent variable in the model was return on assets, which served as a substitution for financial performance. The explanatory variables, however, included the board's size, composition, committee, independence, CEO duality, diversity, log of the board's size, and log of the company's age.

4.4.1 Model Summary

This subsection presents the model summary in terms of coefficient of determination, test for autocorrelation and estimates standard error.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
dimension	.636	.404	.285	1.45343	1.546

The R-square of the model is 0.404 which means that 40.4 percent of the deviation of ROA of insurance firms in Kenya is explained by Board composition, Board committee, Board independence, Board size, CEO duality, board diversity, log of size, and log of Age of the company. The Durbin Watson statistics is used to measure the degree of autocorrelation in the model. Autocorrelation refers to correlation between two successive error term. The statistic is 1.346 which is in the bounds of 1.5 and 2.5. This means that the model is not affected by autocorrelation.

4.4.2 Analysis of Variance

Analysis of Variance (ANOVA) is an important part of estimation that explains the overall significance of the regression equation.

Table 4.4: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.282	8	7.160	3.390	.005 ^a
	Residual	84.498	40	2.112		
	Total	141.780	48			

The F statistic is 3.390 with a Pvalue of 0.005 which is a significance. The implication here is that the overall regression line is statistically significant in forecasting the determinants ROA among insurance companies in Kenya. Thus, the variables are suitable in arriving at meaningful inference on the population.

4.4.3 Regression Coefficients

Regression results used in establishing the line of regression is as presented in Table 4.5

Table 4.5: Linear regression

ROA	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Board composition	24.878	7.997	3.11	.003	8.715	41.04	***
Board size	.653	.381	1.71	.094	-.117	1.423	*
Board committee	-.153	.265	-0.58	.567	-.689	.383	
Board independence	5.115	1.681	3.04	.004	1.717	8.513	***
CEO duality	-.705	.455	-1.55	.129	-1.625	.215	
board diversity	-.057	.506	-0.11	.911	-1.081	.966	
logsize	.194	.304	0.64	.526	-.42	.809	
logAge	.569	.317	1.80	.080	-1.209	.071	*
Constant	8.63	4.721	1.83	.075	-.912	18.172	*
Mean dependent var		3.411	SD dependent var			1.719	
R-squared		0.404	Number of obs			49	
F-test		3.390	Prob > F			0.005	
Akaike crit. (AIC)		183.757	Bayesian crit. (BIC)			200.783	

*** $p < .01$, ** $p < .05$, * $p < .1$

From Table 4.5 the corresponding regression line is presented as:

$$Y = 8.63 + 24.87x_1 + 0.65x_2 - 0.153x_3 + 5.115x_4 - 0.705x_5 - 0.057x_6 + 0.194x_7 + 0.569x_8 \dots \dots \dots 4.1$$

Where:

X1=Board composition

X2=Board size

X3=Board committee

X4=Board independence

X5=CEO duality

X6=board diversity

X7=logsize

X8=logAge

The Y intercept is 8.6, this is autonomous ROA irrespective of other Board composition, Board independence, Board size, CEO duality, board diversity, Board committee, log of size, and log of Age of the company.

4.4.4 Multicollinearity Test

Multicollinearity test was conducted as a postestimation test. It is an OLS assumption that refers to the correlation between independent variables. Results are presented in Table 4.6

Table 4.6:Multicollinearity test

Model	Multicollinearity Statistics	
	Tolerance	VIF
Board composition	.621	1.611
Board size	.685	1.183
Board committee	.883	1.133
Board independence	.854	1.171
CEO duality	.833	1.201
Board diversity	.792	1.263
logsize	.846	1.183
lnAge	.869	1.151

Multicollinearity was diagnosed using Variance Inflation Factor and Tolerance. VIF of above 4 is an indication of multicollinearity problem and must be alleviated. Similarly, a tolerance of below 0.25 denotes multicollinearity. From the results displayed in Table 4.6 all the variables have met these conditions. We can conclude that the model does not suffer from the problem of multicollinearity.

4.5 Interpretation and Discussion of Results

From the correlation examination the study obtained significantly positive correlation between board composition and ROA ($r=0.359$, $P\text{-value}=0.011$). This finding shows that there is a slight but positive association between the board's composition and the insurance industry's ROA in Kenya. As the number of nonmanagement board members increases, ROA of insurance companies also increase. A positive and significant coefficient was also obtained in the regression model ($\beta=24.878$, $P\text{-value}=0.003$). The findings indicate that an addition in nonmanagement member to the board by one would result in improvement in ROA by 24.878 percent. This implies that a well-balanced board with external and autonomous members is more probable to enhance the financial performance of the company and guarantee sustained growth in market share (Opanga, 2013; & Eunice, 2016).

The correlation coefficient for board independence is significantly positive albeit weak ($r=0.300$, $P\text{-value}=0.036$). These outcomes denote the existence of a puny correlation between independence of the Board and ROA of insurance companies in Kenya. However, when board independence increases, ROA for insurance companies is expected to increase but to a smaller magnitude. On a similar note, the regression coefficient obtained is positive ($\beta=5.115$, $P\text{-value}=0.004$). these findings imply that an elevation in independence of board would result in a 5.115 percent increase in ROA of Kenyan insurance companies. Board independence is vital for smooth operation and high standards of accomplishments (Oyewale & Adewale, 2014).

These results denote that insurance companies that operate largely independent from internal/external interference are more likely to record better financial performance as observed by Maria (2017) and Odingo (2019).

Board size had a positive coefficient in the regression table and significant at 10 percent level ($\beta=0.653$, P-value=0.094). The results imply that an increasing board size by one member would result in a 0.65 percent increase in ROA of Kenyan insurance companies. The outcomes herein are aligned with the research by Eunice (2016) that established that board size is positively related with financial outcomes of Kenyan insurance firms. Larger boards are able to have governance efficiency due to ability to delegate duties hence are able to achieve desired results (Owuor, 2018).

Finally, Age of firm was established to have a positive coefficient ($\beta=0.569$, P-value=0.080). These results indicate that as a firm age by one year would lead to a 0.569 percentage increase in the ROA of insurance firms. The firms that have lasted for long have greater ability in the financial performance which is the holistic metric for the going concern of the firm (Derbali, 2014).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Herein, the research's results are presented in a condensed form. The study examined the influence of the board's size, independence, committee structure, CEO duality, composition, and diversity on the financial performance (ROA) of Kenyan insurance enterprises.

5.2 Summary of findings

Based on the stated purpose, the study's findings are presented in this section. To measure corporate governance the study used six indicators namely, Board composition, Board size, Board committee, Board independence, Board diversity and CEO duality. In addition, to ensure that the model did not suffer from variable omission and hence a best fit two control variables were included that is, age of company and size of the company. Financial performance was proxied using returns on asset.

The study used a census approach and studied 49 insurance firms in Kenya. Cross-sectional data for the financial year 2020-2021 was obtained from the respective companies' website. In the analysis section the study made use a mix of descriptive statistics and empirical analysis namely correlation and regression analysis. Further post estimations tests namely autocorrelation and multicollinearity were tested.

According to the study, there is a significant association between financial outcomes of insurance firms and board composition and independence with correlation coefficient of 0.359 and 0.300 respectively. These coefficients denoted a weak correlation between the board composition and board independence with ROA. On further investigation using regression analysis the study derived positive and significant coefficients for two explanatory variables that is 24.878 and 5.115 respectively. The findings imply that a well-balanced board that operates largely independent from internal/external interference is more probable to enhance

the financial outcome of the company and guarantee sustained growth in market share. Data analysed also shows that the size of the board has a relatively minimal impact on the financial performance of insurance companies.

Finally, the study established that the age of insurance companies does in fact affect financial performance notwithstanding the above-mentioned factors of independent variables; older firms tend to perform better compared to newer firms.

5.3 Conclusion

The study's descriptive and inferential findings lead to the conclusion that the study has adequately addressed the research question, which sought to determine how corporate governance affects the financial results of Kenyan insurance firms. The study framework had abstracted that board diversity, board independence, board committee, board size, board composition, and board committee all had an impact on the financial success of the companies. The study found that board independence, board composition, and board size all had positive and significant coefficients.

First, the analysis disproves the claim that the board membership of Kenya's insurance companies has no bearing on their financial success. It comes to the conclusion that having non-members on the board helps insurance companies perform financially. Second, the research disproves the claim that board independence has no bearing on the bottom line of Kenyan insurance companies. The study concludes that a well-balanced board with external and autonomous members is more probable improve the financial outcome of the company and guarantee sustained growth in market share. Thirdly, the analysis disproves the claim that board size has no bearing on the financial success of Kenyan insurance companies. The study indicates that larger boards have the advantage of duty delegation leading to governance efficiency and achievement of desired results.

5.4 Recommendations

Kenya through various stakeholders in the insurance sector needs to seriously put in place measures that make it mandatory for insurance companies to constitute well-balanced boards that adhere to stipulated size and exercise their mandate independently to safeguard shareholders' interests as well as consumers' policies. This requires concerted efforts from the government to amend laws that create loopholes for companies to operate with significantly flawed boards that do not offer any real value and contribution to financial performance and stability in the insurance sector.

Secondly, the implication of this study is that insurance firms must take keen interests in entrenching corporate governance through functional boards aligned along the identified key influencing variables in order to achieve financial growth and stability.

5.5 Limitations of the study

Factor that limited the study were that there are a plethora of other internal/external factors beyond the identified variables also affect firm performance. For instance, massive insurance fraud in the Kenya insurance sector have led to huge losses that are detrimental to the financial outcomes of the companies. Poor economic performance in key sectors also affect remittance of premiums by clients. The analysis is therefore conclusive if all other factors can be included in the study.

The reliance on secondary data from company is also limiting given that some insurance companies are not publicly listed and are therefore not obligated to disclose full information regarding financial performance and board operations. This does affect how the study analyses the key variables identified.

5.6 Suggestion for Future Studies

Future studies should add more variables to ensure that they capture determinants of financial performance. This is because of the lower coefficient for determination obtained by this research. The study established that the variables used were not exhaustive and it would be vital to include more important variables in the model.

Secondly, the study relied on secondary data that is limited in terms of the information they can provide. Further studies should incorporate primary data and other important influencing factors should also be conducted so as to have an understanding of key insurance' performance indicators.

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APPENDICES

Appendix I: Data Collection Sheet

Insurance	Board composition	Board size	board committee	board independence	CEO duality	board diversity	size	age	ROA
AAR Insurance Kenya Limited	07:01	11	3	0.58	1	0	5683964	38	3.87
Africa Merchant Assurance	05:01	9	4	0.8	0	0	1069483	22	2
AIG Kenya Insurance Company	07:01	7	3	0.63	1	0	3045831	50	1.64
APA Insurance Limited	03:04	8	4	0.77	0	0	9508815	19	4.8
APA Life Assurance Limited	07:01	8	4	0.77	0	1	1749599	19	4.8
British American Insurance	10:01	8	4	0.58	0	1	31580259	57	6.1
Cannon Assurance Company	05:01	8	3	0.52	0	0	1467368	58	4.9
CFC Life Assurance Limited	07:01	7	4	0.62	1	0	10196750	58	2.4
CIC General Insurance Limited	04:03	8	4	0.77	1	1	5908970	13	2.8
CIC Life Assurance Limited	04:03	9	3	0.8	1	0		13	1.6
Continental Reinsurance Limited	07:02	11	3	0.58	1	0		37	3.8
Corporate Insurance Company	07:01	6	3	0.61	0	1	1208710	40	4.1
Directline Assurance Company	05:01	8	4	0.52	0	1	2626423	24	4.9
Mayfair Insurance Company	06:01	12	4	0.54	0	0	3300416	17	2.7
Mercantile Insurance Company	05:01	12	4	0.54	0	0		29	2.7
Metropolitan Life Insurance	08:01	6	3	0.58	0	0	1467368	12	2.2
Occidental Corpany Limited	07:01	11	6	0.357	1	1	2812086	35	2.2
Old Mutual Life Assurance	08:01	9	4	0.92	0	0	2211260	177	1
Pacis Insurance Company	09:02	8	3	0.58	1	0	1445894	4	6.1

Pan Africa Life Assurance	08:01	6	4	0.78	1	0		76	3.7
Phoenix of East Africa Insurance	06:01	8	3	0.63	1	0		53	1.64
Pioneer Assurance Company	07:01	7	4	0.71	0	0	5003561	92	3.8
Real Insurance Company Limited	07:01	8	3	0.83	1	0		112	0.77
Resolution Insurance Company	07:01	11	2	0.63	1	0		20	1.64
Takaful Insurance of Africa	07:01	6	4	0.78	1	1		14	3.7
Tausi Insurance Company	06:01	8	4	0.9	0	0	1180207	30	0.7
The Heritage Insurance Company	06:02	7	4	0.73	1	0	5765206	46	6.1
The Jubilee Insurance Company	08:01	7	3	0.58	1	0	13313829	85	5.3
The Kenya Alliance Insurance	09:02	9	6	0.42	0	0	3096569	42	5
The Monarch Insurance	05:01	8	3	0.58	0	0	1627091	43	5.3
Trident Insurance Company	07:01	6	4	0.78	0	0	705810	40	3.7
UAP Life Assurance Company	11:01	7	4	0.62	1	0	1786005	28	2.4
UAP Insurance Company	11:01	6	3	0.62	1	1	10605343	28	1.79
Xplico Insurance Company	05:01	9	4	0.92	1	0		12	1
East Africa Reinsurance	10:01	8	3	0.61	0	0		29	4.3
Fidelity Shield Insurance	07:01	8	3	0.58	0	1	2060190	82	6.1
First Assurance Company	05:01	6	4	0.78	1	1	4144458	92	3.7
GA Life Assurance Limited	06:01	7	4	0.78	0	0	3449048	43	2
GA Insurance Limited	06:01	7	4	0.78	0	1	7840648	43	2
Gateway Insurance Company Ltd	07:01	8	2	0.66	0	1		40	2.3
Geminia Insurance Company	07:02	9	4	0.62	0	0	6160527	40	3.2
ICEA LION General Insurance	08:01	9	5	0.74	1	0	6057393	11	2.6
ICEA LION Life Assurance	07:01	8	3	0.83	1	0	14820301	11	5.8
Intra Africa Insurance Company	04:03	7	4	0.73	1	0	1105381	45	6.1
Invesco Assurance Company	04:03	7	4	0.73	1	0		27	6.4
Kenindia Assurance Company	09:01	10	4	0.93	0	1	7372207	44	0.67
Kenya Orient Insurance Limited	05:01	6	3	0.71	0	0	2577508	40	5.8

Kenya Reinsurance Corporation	10:01	11	6	0.36	0	1		52	3
Madison Insurance Company	06:01	7	4	0.72	1	1	4228696	34	2