ABSTRACT

This study investigated the relationship between corporate governance and financial performance of insurance companies in Kenya. Good corporate governance enhances ethical behavior of those that yield corporate power. Specifically, this study examined board size, board composition, board meeting frequenc y and their relationship with financial performance, as measured by return on assets, of insurance underwriter sin Kenya. The study comprised of all 43 insurance companies licensed by the Insurance Regulatory Authority during the period 2008 to 2012.The st udy employed linear regression analysis. The findings were that firms with larger board sizes had lower financial performance presumably due to sub - optimization of decisions inherent in consensus building and slower major