

**THE EFFECT OF FINANCIAL RESTRUCTURING ON
PERFORMANCE OF INSURANCE COMPANIES IN KENYA**

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DECLARATION

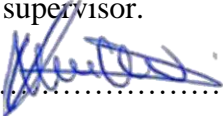
This research proposal is my original work and has not been presented for a degree in any other university.

Signature 

Date...**03/11/2021**

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This research project has been submitted for examination with my approval as the university supervisor.

Signature 

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This research project has been submitted for examination with my approval as the university moderator.

DEDICATION

I dedicate this project to my family, loved ones and myself. A special thankyou to my mum who through it all has been a constant cheerleader.

I also thank God for the strength He gave me to push through when times were a bit tough and helped me to see the light at the end of the tunnel.

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ABBREVIATION AND ACRONYMS

AKI	Association of Kenyan Insurers
CBK	Central Bank of Kenya
CIC	Cooperative Insurance Company
CMA	Capital Market Authority
FEM	Fixed Effects Model
GMM	Generalized Method of Moments
IRA	Insurance Regulatory Authority
KNBS	Kenya National Bureau of Statistics
NSE	Nairobi Securities Exchange
OLS	Ordinal Least Square
POLS	Pooled Ordinary Least Square
REM	Random Effects Model
ROA	Return On Assets
ROE	Return On Equity
ROI	Return On Investment
ROIC	Return On Invested Capital
TCT	Transaction Cost Theory
VIF	Variance Inflation Factor

ABSTRACT

The corporate world, particularly in the business arena, has remained to be dominated by restructuring. Financial restructuring is a major factor influencing its financial performance. The financial performance of insurance companies in Kenya is continuing to dwindle. The firms have been undertaking corporate restructuring more so financial restructuring. This study sought to determine the effect of financial restructuring on performance of insurance firms listed in Kenya. The study was based on descriptive correlational design. Between 2011 and 2020, insurers that restructured was involved. There were 18 financial restructurings during the period under analysis. A total of nine restructuring deals were considered aggregated 3 by 3 years pre and post financial restructuring. Secondary data from annual financial statements of publicly traded insurers was utilized in this study. The research focused on listed insurers that reorganized their financial structures between 2011 and 2020. Multiple regression, correlation, and descriptive statistics was used to analyze the data. Pearson's correlation coefficient was used to establish the relationship between the variables. The annual panel data was analyzed using an event study method. STATA 13 was used to do the analysis. Anova were used to perform significance testing using f-statistics. The study found that debt restructuring (debt ratio) had a significant negative effect on financial performance with equity restructuring showing a positive and insignificant effect. On the other hand, asset restructuring had a negative significant effect while liquidity had a negative insignificant effect on financial performance. Generally, the findings showed that financial restructuring had an inverse effect on financial performance. The study recommends that insurance firms reduce their debt and fixed assets for improved financial performance. Similar studies are recommended on other factors, in other sectors and on a different period.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Currently in global environment, businesses encounter hurdles emanating from an evolving business atmosphere in order to achieve long-term growth and financial performance (Skordoulis et al, 2020). As countries' economies develop, businesses must increasingly examine their capital structures to limit the risk of high debt levels while maintaining a healthy mix of debt and equity for maximum profits and shareholder worth (Robbins & Coulter, 2016). Due to increased competition and advances in technology, businesses restructure their financial structures, necessitating the redesign of business processes (Gowing, Kraft & Quick, 2018). According to Robbins and Coulter (2016), when a business is on the verge of bankruptcy, it is obliged to restructure in order to stay afloat financially.

The study will be based on transaction cost, institutional, trade off, and Modigliani and Miller theories. Organizations reorganize in efforts to realize a platform that requires businesses to optimize profit and value for shareholders while still attaining certain long-term ambitions, as per institutional theory (Coccia, 2019). In effort to accomplish the long-term goals, publicly traded firms realign in reaction to internally and externally changing business environment. The tradeoff theory states that when a company is publicly traded in a nation with large amount of debts, interest has to be paid by a company on the loans as a cost of financing. Transaction concept is important in steering our research since it describes how businesses should control its activities and establish their limits in order to reduce transaction fees. According to the Modigliani and Miller theorem, firms, whether leveraged or unleveraged, are subject to the very same cost of debt and thus ought to have the same value.

By the end of 2020, the Nairobi Securities Exchange will have six insurance companies listed, up from four in 2010. (NSE, 2020). Regardless of the fact that more insurers are listed on the NSE, such businesses have experienced recent turmoil. Economic factors such as greater competition and the necessity of minimum capital for insurance firms, as proposed by the CMA, have presented problems to the firms. More than 20 insurers in Kenya have recently undergone significant financial restructure (AKI, 2018). Britam, for example, reorganized the financial structure in 2013 following purchasing real insurance and increasing its asset value and equities. Sanlam restructured in 2016, Old Mutual Plc and Sanlam Kenya reorganized their finances in 2015, and CIC placed 800 million in 2015.

The goal of this research is to examine if financial restructuring by publicly traded insurance companies has a general impact on financial performance. This study seeks to establish whether the financial restructuring done by listed insurance firms has an overall effect on their financial performance.

1.1.1 Financial Restructuring

The term "financial restructuring" denotes fluctuations in the capital structure of a company in perspective of debt. Asset restructuring, debt restructuring, and equity restructuring were all mentioned being examples of financial restructure (Koh, Dai, and Chang, 2012). Nazir and Alam (2010) denote it as redesigning of entities and obligations by modifying the capital structure via debt and equity restructuring. However, according to Osoro (2014), financial restructuring is frequently linked to payments and capital structures. The use of debt to finance stock buybacks, buy back equities from stockholders, or take out a loan is referred to as financial restructuring (Fox & Marcus, 2012).

Financial restructuring is required, according to Lal, Pitt, and Beloucif (2013), when a company wants to expand operation, expand properties, dominate the market, reduce debt, or change it to other capital elements like equity. Cascio (2012) advocates for a restructure of finances when a company wants an optimization of financial performance metrics like profits or responds to environmental changes, a hostile takeover move, or insolvency. Furthermore, financial restructuring duplicates financial management's targeted attempts to optimize share value. Potential investors find companies that undertakes a restructure of their finances to be desirable as a result of enhanced financial performance measures, according to Nazir and Alam (2010).

The debt substituted with equity is a metric for financial restructuring (Rogovsky et. al., 2015). As per Javed and Akhtar (2012), an organization's restructure of finances is assessed using changes in equity via fresh share issuance, variance in proportion of debt, as well as the shareholders' equity that has been substituted by borrowing. Bowman et al. (2016), on the other hand, looked at financial restructuring in terms of changes in trade payables amounts as well as debt-to-equity ratio. The investigation will use debt-to-equity ratio to assess financial restructuring.

1.1.2 Firm Performance

Ball et al (2015) defined performance is defined as a business's ability to have a future cash flow is determined by its assets through comparing to an alternative investment. On the other hand, Mijić, Nuševa and Jakšić (2018) termed performance as the return from investment of idle cash. Performance is defined by Işık (2017) as the capacity of a particular investment to generate a profit when put to use. Hadani and Coombes (2015) also defined financial performance as the disparity around income and expenses accrued over the course of a financial year.

Tariq et al. (2014) emphasizes that performance (Financial) is a key factor for smooth operations of a corporation in a dynamic setting. Financial performance is also necessary for a financial institution for continued operations and reasonable returns for shareholders (Gitman, Juchau & Flanagan, 2015). Feng, Li, McVay and Skaife (2015) noted that, for many organizations, of the most crucial aspects of financial disclosures is financial performance. Financial performance is crucial to the business's management team, stockholder, as well as other engaged or connected stakeholders because it shows a comprehensive estimate of business performance.

Profit proportions are the key measures of financial performance of a firm. They include the return on assets (ROA) which compares the profit after tax to the firm's assets. Another ratio is return on equity (ROE) relating to post-tax compared to the firm's total equity (Ceylan et al, 2018). Murthy and Mouritsen (2013) measured financial performance through on ROA, ROE and earnings before interest. Oladipupo and Okafor (2013) used return on investment (ROI), return on equity (ROE), return on invested capital (ROIC) and return on assets (ROA) as the measures of financial performance.

1.1.3 Financial Restructuring and Performance

Financial restructuring has been discovered to help a company deal with performance challenges (Bowman et al., 2016). They claimed that financial restructuring has a billion-dollar impact on a company's financial performance. According to Roberts (2017), financial restructuring balances the capital structure which consists of equity and debt funding, resulting in lower finance costs and capital loss while also boosting business performance through greater profits and revenue. Financial restructuring decreases financial costs while improving financial ratios across times by affecting changes in capital

structure to produce balanced operational results (Adams & Mehran, 2015). This demonstrates that financial restructuring is linked to performance.

In terms of its association with performance, capital structure has yielded varied outcomes statistically. Financial restructuring, according to Oloyede and Sulaiman (2013), has a considerable influence on business performance. In the empirical investigations, Osoro (2014) found a direct association involving financial restructuring and financial performance. According to Norazlan (2018), there is an inverse association of financial restructuring and financial performance. According to Gupta (2017), there is no link of financial restructuring and corporate performance.

1.2 Research Problem

The corporate world, particularly in the business arena, has remained to be dominated by restructuring (Siro, 2017). Various companies, domestic and abroad, have restructured whatever the case may be to guarantee effective service delivery with the goal of improving financial performance (Nasieku & Karanja, 2016). Financial restructuring is the most common type of restructuring used around the world, and it typically involves changes to the asset and capital structure (Javed & Akhtar, 2012). Financial restructuring is a major factor influencing its financial performance. As a result, financial restructuring is a viable approach that a company can use to create profit. In a dynamic corporate environment, financial restructuring promotes financial performance. As per Roberts (2017), financial restructuring improves a corporation's financial ratios by bringing debts and equity funds into alignment. A firm that structures its capital and payables experience efficiency in operations which in turn improve financial performance (Norazlan, 2018). On the other hand, a firm that fail to do financial restructuring faces operational challenges which lead to financial performance challenges (Nasieku & Karanja, 2016).

The performance of insurance companies is continuing to dwindle. For example, profits plummeted to \$118.2 million in 2020 against \$144.8 million in 2017, indicating how difficult the situation was for Kenya's insurance industry (AKI, 2020). The performance issues have led to laying off of employees and/or reduction in business operations among the listed firms (Ministry of Finance, 2020). The declining performance has also reduced the contribution of the insurance sector to the GDP of the country (IRA, 2020). This has had a negative effect on the government projects and employment level in the country.

The effect of financial restructuring on performance has been empirically investigated. Globally, Duong, Phan, Hoang and Vo (2020) studied the effect of financial restructuring on the overall financial performance of banks in Vietnam and shows an inverse association around financial restructuring and performance. On another other hand, Norazlan (2018) investigated financial restructuring as well as its influence on the performance of Malaysian listed companies, finding that restructure in finances had a substantial inverse influence on financial indicators; meanwhile, Gupta (2017) conducted an impact assessment on business debt restructuring and financial performance of publicly trading establishments in Malaysia. Ratios of the Indian enterprises that revealed debt restructuring didn't alter. Okoye et al. (2020) weighed effects of corporate restructuring on financial performance in Nigerian banking sector and discovered a favorable correlation.

Locally, Kithinji (2019) studied bank restructuring and financial performance as gauged by return on assets and discovered financial restructuring directly influenced financial performance. Anyona (2017) studied the impact of corporate restructure on the performance of Kenyan insurers. The investigation revealed that corporate restructure had no consequence on insurer's performance. Ongwae and Moronge (2016) researched on restructuring and performance of commercial banks. The study found that financial restructuring improved financial performance of the banks

The studies showed conflicting findings on the effect of financial restructuring on financial performance where Okoye et al (2020) found a positive effect. Duong et al (2020) and Norazlan (2018) showed negative effect while Gupta (2017) found no effect. Regardless of the fact that similar researches have been undertaken, limited investigations have been conducted between 2010 and 2019. Researcher asks; How does financial restructuring influence performance of insurance firms listed at the NSE?

1.3 Research Objective

To determine the effect of financial restructuring on the performance of insurance firms listed in Kenya.

1.4 Value of the Study

Scholars will be able to still use the findings as a source of knowledge for scientific investigations. For scholars, it will also serve as a foundation for financial restructuring and performance studies. They will have more information to help them make better decisions, particularly about which type of strategic restructuring to utilize. The research will benefit

regulators, such as the Insurance Regulatory Authority, in determining which legislation and actions to enact amidst economic downturns.

The investors will be the most benefiting set of experts as a finding of this investigation, since it will assist in making accurate investing judgments. They will be able to comprehend how financial restructuring affects the financial performance of publicly traded insurers. Managers are able to design a financial restructuring strategy drawn from the results for the purpose of improving performance. Outcomes and recommendations from this investigation will help managers understand financial restructuring. Via restructuring, managers are able to find ways to increase performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The survey's publications and information will be examined. This will be determined by the study's variables. Throughout this part, the research would be conceptualized. Theories and concepts will also be evaluated objectively.

2.2 Theoretical Review

The section examines the survey's theoretical basis. This study will be based on transaction cost, contingency and trade-off theories.

2.2.1 Transaction Cost Theory

In 1937, transaction cost theory was formulated by Coase. It states that businesses must minimize transaction fees by establishing expenditure ceilings and floors for the operation. The idea of transaction fees describes reason firms exist (to reduce transaction fees), how organizations determine the borders, and how they should control their operations (Daddi et al., 2010). The concept additionally aids in determining the effectiveness of creating low-cost products and services in order to keep client price down (Lozano & Valles, 2013).

The expenses of overseeing, negotiating, and acquiring information make up the majority of transaction costs (Rodrguez & Robaina, 2016). This theory aimed to limit transaction costs in order to produce low-cost goods (Lozano & Valles, 2013). Corporate transaction costs must be evaluated during the procurement process to prevent acquiring them erroneously as the lowest-priced bidder is given the opportunity to engage with the company (Walker & Brammer, 2013).

This theory is important in driving this research since it describes how organizations should control activities and establish its borders in order to reduce transaction fees. The theory will aid insurers in defining and managing activities in order to reduce the expenses associated with business transactions for the investigation. The transaction fees could describe the insurer's operational costs, which could influence their performance. In order to optimize its financial performance, a company's financial reorganization might lower transaction fees.

2.2.2 Institutional Theory

Organizations, according to Scott (2004), are societal systems with customs and prospects that are forced to endure a lot. Organizations are involved in a wide range of activities (Lounsbury, 2008). It proposes that firms strive to be like other companies in their field, lowering the degree of rivalry among them. Firms adopt standards that are adopted by other businesses, making them more credible (Mokaya, 2016). Organizational behavior is influenced by the environment in which the organisation functions, according to Toma, Dubrow, and Hartley (2015). Companies that make significant adjustments to their operations, objectives, and aims have more influence over the pressures of the environment (Bealing, Riordann & Rordan 2011).

The institutional theory understands that organizations are designed in such a way that they can achieve long-term goals and financial performance. The relevance of the insurer's business functions and their contributions to financial performance is recognized in insurer restructuring. The restructuring process will necessitate funds, which may necessitate loans if the insurer does not have enough. If the insurance is underfunded, the shareholders may need to infuse capital. As part of the restructuring process, operational efficiency may need to be improved, while the size and shareholders of the company may need to be resolved. Insurers are reformed so that they can choose the kinds of services they are required to provide, like insurance rates.

2.2.3 Trade-off Theory

In 1973, Kraus and Litzenberger established trade-off concept. As per hypothesis, when a company uses debts to support its operations, it receives tax advantages but incurs financially distressed costs. The concept goes on to say that as debt levels rise, relative returns decrease and relative costs rise. To get the most out of debt funding, the company must make a trade-off involving debt and equity funding.

According to the theory, managers try to come up with the most appropriate level of debt by balancing tax advantages versus financial distress costs (Myers, 2012). This is reinforced by Chakraborty (2010), who claims that a company's distress costs and tax advantages received as a result of its capital structure must be kept in mind. Management strives to balance tax advantages on borrowing against the expenses relating to borrowing.

Investors and businesses have similar access to financial services, permitting for homegrown borrowing, as per the hypothesis. Investors can generate whatever loans they want but can't acquire, or dispose any loan the business took up that doesn't want. As a consequence, the business's borrowing has no bearing on the value of a company (Luigi & Visinescu, 2009). Various reports have identified substantial link between the factors of adjustment and the cost of borrowing, and several executives modify their capital structure to keep the cost and borrowing balance optimal (De Jong et al., 2011; Dang, 2013).

Where insurers use a lot of financing through loans, they pay considerably for interest. Furthermore, if interest is not paid, the companies are at risk of going bankrupt. To optimize tax benefits and minimize expenses associated with bankruptcy, insurer management must identify the ideal capital structure by instituting a trade-off between debt and equity. As a result, the performance of insurance companies would be impacted.

2.2.4 Modigliani and Miller Theorem

Modigliani and Miller came up with the Modigliani and Miller Theorem in 1958. Companies, regardless of whether leveraged or unleveraged, are subjected to similar cost of capital, according to Modigliani and Miller (1958). Researches done later confirmed that the assumptions of MM theorem do not hold and that capital structure affects company's value.

As per Watson and Head (2007), the hypothesis had misleading and very restrictive assumptions. First and foremost, the theory's conviction that individuals and organizations can obtain credit at the same cost of capital is debatable because people are riskier than corporate entities and would therefore pay higher interest. In addition, the assumption of no transaction cost is misleading too since there exist transactions cost when borrowing funds, thirdly, borrowers of funds have varied investment expectations and risk appetite.

The theory holds that investors who pay income tax will tend to take to equity while shying away from debts to take advantage of capital gain tax exemption by the government (Welch, 2009). For the present evidence on the influence around financial restructuring and financial performance, the Modigliani and Miller theory is applicable. The theory states that changes in a company's financial structure, such as debt, equity, and asset restructuring, impacts on business performance. It states that businesses who reorganize their debts are excused from paying taxes on the interests on existing obligations, resulting in improved financial performance and corporate value. A business restructures its finances by

absorbing further loans, swapping borrowings with equity, injecting more capital or increasing investment in fixed assets. Such firms enjoy improved financial performance.

2.3 Determinants of Financial performance of Listed Firms

A host of predictors have had an effect on performance. Predictors in this study will be financial restructuring, liquidity, firm size, and asset tangibility, as explained below;

2.3.1 Financial restructuring

Financial restructuring is defined by Koh, Dai, and Chang (2012) as the alteration of a company's capital structure in response to changing business conditions with the goal of financing the company's development. When a company is restructured, Cascio (2012) it refers to a shift in ratio relating and not limited to equity-debt. Financial restructure in companies is quantified by variations in debt to capital ratio over time, according to Bowman et al. (2016).

Financial restructuring is a major indicator of financial performance. Financial restructuring and financial performance are linked, according to Kwaning et al (2014). Norazlan (2018), on the other hand, discovered an inverse association. Gupta (2017) and Oloyede and Sulaiman (2013) found no link. This demonstrates that research into the association between financial restructuring and financial performance is inconclusive.

2.3.2 Tangibility of assets

The level of assets used in a company's operations is referred to as tangibility of assets (Kozak, 2011). The tangibility of assets is a metric that compares the value of fixed assets to the value of the company's total assets. A company with higher capital equipment levels runs better since it boosts the firm's long - term valuation (Kozak, 2011). In this investigation, we'll look at tangibility in perspective of capital assets as a percentage of total assets.

Hafiz (2011) found that asset tangibility had a favorable link with the financial performance of the companies analyzed. Naveed et al (2011), on the contrary, discovered an inverse association. As per Abbas et. al (2013), no meaningful association exist with tangibility and its profit margins. This demonstrates link between tangibility of assets and financial performance is indecisive and requires further investigation.

2.3.3 Firm Liquidity

Liquidity refers to easiness through which assets is being changed to cash is referred to as liquidity (Graham, 2010). Padachi (2016) suggests that in order to remain profitable, businesses should balance their liquidity levels. Company liquidity has been identified as a factor influencing a company's financial performance (Almajali et al 2012).

Liquidity ratios, according to Graham (2010), are used to assess liquidity. They have to do with the current ratio (the percent of short-term assets to short-term liabilities) and the quick ratio (the percent of short-term assets without inventory to short-term liabilities). It has been discovered that the current ratio gives a more precise analysis of liquidity. As a result, the current ratio is used as a measure of liquidity in this analysis. Liquidity and financial performance have a positive relationship, according to Nyabwanga et al (2013). Liquidity had a negative impact on financial performance, according to Kamau and Njeru (2016). Nevertheless, Enekwe, Nnagbogu, and Agu (2017) discovered no link around liquidity and financial performance.

2.4 Empirical Studies

2.4.1 Global Studies

Duong et al. (2020) investigated the impact of financial restructuring on commercial banks' financial performance in Vietnam. The questionnaire data for this study came from the signed financial statements relating to 28 Vietnamese banks from 2008 to 2018. The financial results, as measured by ROA and ROE, were the study's dependent variable. POLS, FEM, REM, and various GMMs were among the research methods used. The findings revealed that enhancing the equity of the shareholders would enhance the company's overall financial performance. Financial ratios did, nevertheless, worsen during the financial restructuring periods of 2012-2015 as well as 2016-2018. The previous study covered a 10-year duration from 2008 to 2018, while the present study covers the years 2011 to 2020. The study used financial banks as their population while the current study will use insurance firms as the target population. Pooled Ordinary Least Square Model was used with the current study using a linear panel regression model.

Around 1990 and 2012, Norazlan (2018) investigated how restructuring of listed companies in Malaysia's Bursa stock exchange affected their financial performance. The study looked at the return on assets and equity of 47 companies that had announced debt restructuring.

We used panel regression and descriptive analysis. Financial restructuring displays a solid inverse correlation with financial performance. A substantial regression coefficient demonstrated this. The research included a list of companies that were found to be relevant to the present study. However, the previous research was conducted at the Bursa stock exchange, whereas the present research will be conducted NSE. This research utilized all listed firms while current research will use only the listed insurance firms.

Gupta (2017) conducted research into debt restructuring and financial performance in Indian companies. The researchers looked at six companies that had restructured their debt in India. Gupta looked at ten financial ratios three years pre and post restructuring. Information was acquired from specific firms' financial reports. The information was examined with the use of descriptive statistical examination and t-testing. Debt restructuring relating to sampled companies had no effect on their financial ratios for the first three, but showed an improvement after the three years. This research will concentrate upon companies that have reorganized existing debt, while the current review examines companies that have reorganized their debt and equity. The study also used all listed firms with the current study focusing on insurance firms only.

Okoye et al. (2020) examine the influence of corporate restructuring on banking institutions' financial performance in Nigeria. Relying on a panel statistical analysis from 5 banks, this article compares bank performance before and after the capital restructuring to ascertain the utility or effectiveness of the capital restructuring in strengthening bank performance. The study spanned the years 1996 to 2016. The model's parameters were assessed using GMM. In pre period, results of the random effects model show a weak direct influence of corporate restructuring on bank performance. However, a post evaluation shows that organizational restructuring had a direct effect.

2.4.2 Local Studies

Kithinji (2019) studied bank restructuring and financial performance. As of 2012 to 2014, investigation focused on forty-four banks. The research included 39 banks that had publicly released accounting records during the study period. For the study, secondary data was gathered. The research applied quantitative models in examination of the data. The banks restructured the financial system, according to the research results. Financial restructuring displays a direct influence on financial performance, according to the findings. The investigation's main focus was commercial banks and assumed that other NSE-listed

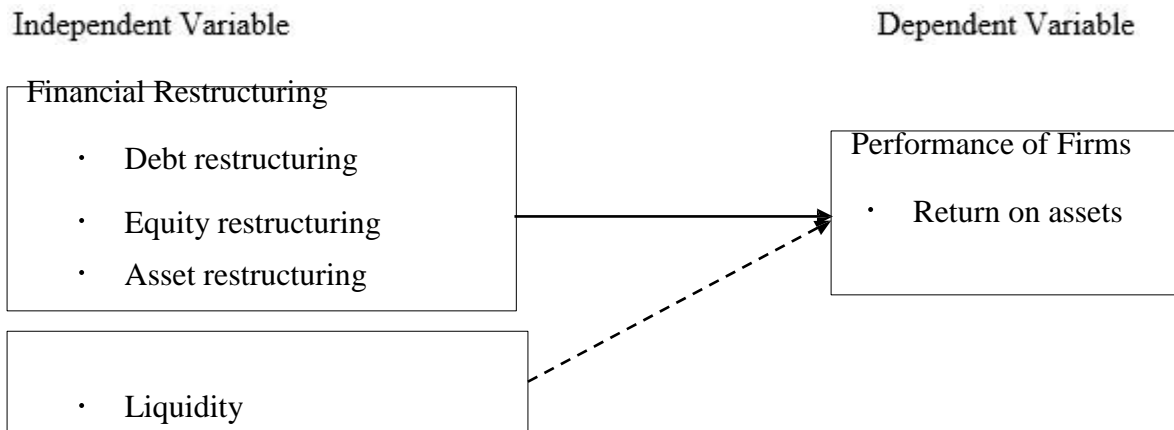
companies were not included. This analysis was carried across a span of 12 years with the current covering a span of 10 years.

Anyona (2017) investigated the impact of corporate restructuring on insurer performance in Kenya. For the period 2001-2016, the investigator used month - to - month secondary sources from the NSE, CBK, and KNBS. The Statistical Package for Social Sciences (SPSS) version 21 was used to perform multi - variate regression analysis. The study found that corporate restructuring had no effect on performance of insurance firms. This study focused on corporate restructuring and was not specific to financial restructuring. The study adopted a period of 16 years with the current study based on a 10-year period. The researcher based their analysis on monthly data while the current study will base analysis on annual data.

Between 2011 and 2014, Ongwae and Moronge (2016) conducted investigations relating to restructuring around performance of forty-four banks. The study included 462 employees from the corporate headquarters who were chosen at random. Self-administered questionnaires were used to obtain information. It was decided to conduct a descriptive analysis. Financial restructuring enhanced the banks' financial performance, according to the research results. The benefits, on the other hand, did not appear until 2 years after. The investigation used primary data concentrating on banks. The present study, on the other hand, will rely on secondary data and listed insurance companies. The previous research was for 5 years with the present done for 10 years.

2.5 Conceptual Framework

The variables of the study will be conceptualized graphically with their relationship shown by figure 2.1. The independent variable will be financial restructuring as measured debt, equity and asset while dependent variable will be performance. Liquidity will be used as control variable.



Control variable

Figure 2.1: Conceptual Framework

2.6 Summary of Literature Review

Throughout literature financial restructuring and performance has been discussed. Association between financial restructuring and performance was discovered to be equivocal within those investigations. Financial restructuring, as per Okoye et al (2020), seemed to have a direct influence on performance. However, Duong, Phan, Hoang and Vo (2020); and Norazlan (2018) found an inverse effect. On the contrary, Gupta (2017) displayed no connection. There is a paucity of localized context of financial restructuring and performance, with research concentrating on companies besides insurers (Kithinji, 2019; Ongwae and Moronge, 2016). On the other hand, Anyona (2017) despite studying insurance firms focused on corporate restructuring in general. The studies also adopted different methodologies and periods which creates a gap that with the study seeks to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This part gave the methods that were adopted. Methods were related to the population, data collection and data analysis.

3.2 Research Design

Research designs relates to technique used in scholarly investigation to rationally and concisely integrate the research elements (Cooper & Schindler, 2014). In this study, a descriptive correlational design was used. A descriptive-correlational design, according to Groves (2014), aims to describe variables in relation to associations. This design helped the investigator to demonstrate how the survey's parameters (financial restructuring and financial performance) are related to one another, guiding the investigations.

3.3 Population of The Study

Investigators targeting group, according to Mugenda and Mugenda (2012), is defined as the desired components for the research. Between 2011 and 2020, insurers that restructured were involved. As shown in Appendix I, there were 18 financial restructurings during the period under analysis, with majority of them occurring before 2017.

The last firm that financially restructured was the end of 2017 with majority financially restructuring in 2014. Hence, the study compared three-year pre-structuring data and three-year post-restructuring data to ensure that the firms that restructured cover the period of study. A total of 9 restructuring deals were considered. The study used aggregated data 3 by 3 years pre and post financial restructuring.

3.4 Data Collection

Data collection, as per the book by Langkos (2015), relates to process of collecting information premised on a problem. Secondary data from annual financial statements of publicly traded insurers was utilized in this study. The research focused on listed insurers that reorganized their financial structures between 2011 and 2020 on the NSE. In order to meet the research goal, financial performance ratios were derived from the data. Under this research, panel data was used.

3.5 Data Analysis

As per Brian (2011), data analysis relates to harvesting, collation, modeling of data with the goal of obtaining relevant details (Brians, 2011). Multiple regression, correlation, and descriptive analysis were used to analyze the data. Pearsons correlation coefficient was used in the correlation analysis. The variables were calculated annually.

The data was analyzed using an event study method. The influence of an event on businesses is the subject of an event study. The set of quantitative indicators used to determine and evaluate the impacts of an event on financial performance was referred to as event study methodology. The analysis relied on the occurrence of a particular event (financial restructuring) as well as its influence on the financial performance of NSE-listed insurers.

The goal of the study was to figure out how financial performance changes as a result of financial restructuring. This research focused on the assumption that this event had an impact on firm financial performance, and therefore this impact was mirrored in favorable financial performance ratios. In the assessment, panel data was used. STATA 13 was used to conduct the analysis.

3.5.2 Analytical Model

The research was focused on a linear panel regression model because the information included both time series and cross-sectional data. This was in the morphology of:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon$$

Where:

Y_{it} is financial performance as gauged by return on assets of firm, i at time t ;

α is constant term;

β_1, β_4 is regression coefficients;

X_{1it} is debt restructuring as gauged by debt ratio of firm, i at time t ;

X_{2it} Equity restructuring as gauged by equity ratio in equity of firm, i at time t ;

X_{3it} is asset restructuring as gauged by fixed assets ratio of firm, i at time t ;

X_{4it} is liquidity (control variable) as gauged by current ratio of firm, i at time t ;

ε = error term

3.5.3 Significance Tests

Anova was used to perform significance testing in this research. It necessitated the application of f-statistics. It determined whether the model fits the parameters and data from the research. The research was undertaken with a 95% level of confidence.

3.6 Diagnostic tests

3.6.1 Autocorrelation Test

When the error terms in a regression model are strongly correlated over time, this is known as autocorrelation. Autocorrelation was tested using Wool ridge test statistics. The absence of lower order autocorrelation was presumed in the higher order test.

3.6.2 Normality Test

Relying on erroneous term, a normality testing is performed to detect if variable information is spread normally or abnormally (Bryman, 2016). To see if the information is normal, a Shapiro Wilk Test was applied. Under the null hypothesis, the data pool is presumed to have a normal distribution. We rejected the hypothesis and reached the conclusion that the data does not have a normal distribution when the significant level is less than the suggested alpha value (0.05). The assumption isn't really rejected whenever the significant score exceeds the alpha values (U-Islam, 2011).

3.6.3 Multicollinearity Test

The term "Multicollinearity" refers to when the predictors have a linear relationship (Kumari, 2018). Variance inflation factor was used to test Multicollinearity in this survey. When the VIF is greater than ten or the tolerance value is greater than two, it is assumed that the data has Multicollinearity issues. Where the VIF score is larger over 10 or rather the tolerance is higher over 2, then can infer the models is experiencing multi-collinearity. A high level of Multicollinearity would be indicated by a variance Inflation Factor greater than ten.

3.6.4 Heteroscedasticity Test

The heteroscedasticity test is used to see if the error term deviation has remained consistent over time. The study which has the same dispersion is said to be homoscedastic. The test was run to see how much variation there was in the residuals of the regression model was used in this same survey. The error term must change with time, according to one of OLS' basic assumptions.

The heteroscedasticity test examines the error term variance's consistency (Liu & Okui, 2013). The error term's variation is considered to remain constant over time in homoscedasticity. The error term is not stable over time, according to heteroscedasticity. To determine heteroscedasticity, the Breusch Pagan test was used.

3.6.5 Specification Test

The most appropriate model for research is determined through a specification test. It was based on random and fixed panel models. The Hausman test was used to evaluate the predictor modeling approach. The Hausman test aids in the selection of a fixed effect or random effect model. The Hausman test aided in the selection of a fixed impact or random effect model. The null hypothesis was that random effect was the preferred model. Another possibility seems to be that the model is fixed effect.

The null hypothesis for the test, according to Greene (2012), is that the random impact model is favored to the fixed impact model, and it is rejected if the p value is less than 5%, implying that the fixed model is preferred. The random effect model should be used, according to the null hypothesis. The hypothesis is rejected and the fixed effect model is used when the significant level is less than 0.05. The hypothesis is not rejected when the value is greater than 0.05, and thus the random effect model is used.

3.7 Operationalization of study variable

Table 3.1: Operationalization Framework

Variable	Variable	Indicators	Measurement
Type			
Dependent	Financial performance	Return on assets	Profit after Tax/Total Assets
Independent	Debt restructuring	Equity ratio	Equity/Total Assets
	Equity restructuring	Debt ratio	Debt/Total Assets
	Asset restructuring	Fixed assets ratio	Fixed assets/Total Assets
Control	Liquidity	Current ratio	Current assets/Current liabilities

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter has analyzed data collected and its finding presented below. Discussions on the findings are also included.

4.2 Descriptive Statistics

This section describes the data in form of mean, minimum, maximum and standard deviation. The statistics are compared before and after financial restructuring to check whether financial restructuring had an effect on the financial performance of insurance firms.

Table 4.2: Descriptive Statistics before Restructuring

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	27	6.577793	16.8471	-22.2002	61.5035
DR	27	61.51612	21.96494	2.6701	94.5103
ER	27	27.37332	14.00367	5.4897	57.9602
FAR	27	9.413867	11.76965	.6952	48.5205
CR	27	65.94848	89.61092	5.8994	328.9551

Based on the findings from table 4.2, the insurance firms showed a pre-restructuring mean ROA as a measure of financial performance of 6.5778 with a standard deviation of 16.8471. The firms showed a minimum ROA of -22.2002 and a maximum of 61.5035. Debt restructuring as measured by debt ratio averaged at 61.5161 with as standard deviation of 21.9649. The debt ratio lay between 2.67 and 94.5103. Equity restructuring showed an average equity ratio of 27.3733 with a standard deviation of 14.0037. The equity ratio ranged between 5.4897 and 57.9602. Assets restructuring as measured by fixed asset ratio averaged at 9.4139 with a standard deviation of 11.7697. The fixed asset ratio lay between 0.6952 and 48.5205. Liquidity as measured by current ratio averaged at 65.9485. It ranged between 5.8994 and 328.9551. Current ratio showed the highest standard deviation which means that, before financial restructuring, liquidity varied so much across insurance firms in Kenya before financial restructuring.

Table 4.3: Descriptive Statistics After Restructuring

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	27	-.069237	4.353468	-13.2922	6.2261
DR	27	67.62391	27.20993	.9231	101.3191
ER	27	18.6212	10.59373	1.3191	36.3311
FAR	27	9.357796	13.71922	.2607	43.6604
CR	27	62.85892	77.04866	2.1494	320.8762

From table 4.3, the insurance firms showed a post-restructuring mean financial performance (ROA) of -0.0692 with a standard deviation of 4.3535. The firms showed a minimum ROA of -13.2922 and a maximum of 6.2261. Debt restructuring as measured by debt ratio averaged at 67.6239 with as standard deviation of 27.2099. The debt ratio lay between 0.9231 and 101.3191. Equity restructuring showed an average equity ratio of 18.5235 with a standard deviation of 10.7701. The equity ratio ranged between 1.3191 and 36.3311. Assets restructuring as measured by fixed asset ratio averaged at 9.3578 with a standard deviation of 10.5937. The fixed asset ratio lay between 0.2607 and 43.6604. Liquidity as measured by current ratio averaged at 62.8589 with a standard deviation 77.0487. It ranged between 2.1494 and 320.8762. Current ratio showed the highest standard deviation followed by debt ratio which means that, after financial restructuring, liquidity varied so much across insurance firms in Kenya.

4.3 Diagnostic Tests

```

Breusch-Godfrey/woolridge test for serial correlation in
panel models
data: ROA~DR + ER + FAR + CR
chisq = 79.48, df =53, p-value= 0.9461
alternative hypothesis: serial correlation in idiosyncratic errors

```

Figure 4.2: Autocorrelation

Autocorrelation test was done using wool ridge test. From the analysis, the chi square value showed a significance of 0.9461. In this case, we do not reject the null hypothesis and hence assume that there is no serial correlation or autocorrelation in the data.

Table 4.4: Normality Testing

Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
ROA	54	0.69986	15.001	5.802	0.00000
DR	54	0.86834	6.580	4.036	0.00003
ER	54	0.97087	1.456	0.804	0.21061
FAR	54	0.70442	14.773	5.769	0.00000
CR	54	0.50799	24.590	6.860	0.00000

For normality of data, the researcher used Shapiro-Wilk test. The test assumes that where the p-value is less than 5%, the the null hypothesis that the data is normally distributed is rejected. From the findings, all the variables except equity restructuring as measured by equity ratio (ER) showed significance values less than the critical 5%. Hence, we reject the null hypothesis that data is normally distributed and assume the data for the for financial performance, debt restructuring, asset restructuring and liquidity is not normally distributed. Equity restructuring showed significance value greater than 5%, hence I do not reject the null hypothesis. Hence, it is assumed that for equity restructuring, the data is normally distributed.

Table 4.5: Multicollinearity Test

Variable	VIF	1/VIF
FAR	1.55	0.643615
DR	1.49	0.671583
CR	1.06	0.947211
ER	1.01	0.991193
Mean VIF	1.28	

Multicollinearity was tested for the data using Variance Inflation Factor. Results show that the mean VIF value was less than 2 and close to 1 indicating that the variance was inflated at very low levels. The tolerance statistics are less than 1. Hence, we presume that there is no multicollinearity problem within the data.

Figure 4.3: Heteroskedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
 Ho: Constant variance
 Variables: fitted values of ROA

chi2(1) = 56.82
 Prob > chi2 = 0.3347

From the findings on heteroskedasticity test, the Breusch–Pagan statistics of 56.82 showed a significance value of 0.3347 which is greater than the recommended 0.05. This shows that the researcher does not reject the hypothesis that there is homoskedasticity in the data. Hence, we presume that heteroscedasticity is not present in the data used in this research.

Table 4.6: Specification Test

	---- Coefficients ----			
	(b) random	(B) fixed	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
DR	.143059	.1242216	.0188374	.0592547
ER	.3752289	.3491226	.0261063	.0894738
FAR	.5356532	.4550223	.080631	.085852
CR	-.0015309	-.0001078	-.0014231	.0036331

b = consistent under Ho and Ha; obtained from xtreg
 B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

chi2(4) = (b-B)'[(V_b-V_B)^(-1)](b-B)
 = 1.09
 Prob>chi2 = 0.8953

The specification test was done to establish the preferred model between random and fixed effect. This was done using Hausman test. The test assumes that random effect model is the preferred model. From the findings, the significance value of the Hausman test (0.8953) is greater than 0.05. Hence the researcher does not reject the null hypothesis that the preferred model is random. So, the random effect model was adopted in this research.

4.4 Regression Analysis

Regression analysis was done to establish the effect of financial restructuring on financial performance of insurance firms in Kenya. The regression analysis was done before and after the financial restructuring to establish whether the financial restructuring had any effect on the financial performance of insurance firms in Kenya.

Table 4.7: Regression Before Restructuring

```

Random-effects GLS regression           Number of obs   =       27
Group variable: CD                     Number of groups =        9

R-sq:                                  Obs per group:
  within = 0.1324                       min =          3
  between = 0.1814                      avg =         3.0
  overall = 0.1627                      max =          3

corr(u_i, X) = 0 (assumed)             Wald chi2(4)    =       13.7
                                         Prob > chi2     =       0.0163

```

ROA	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
DR	.1167457	.1794346	0.65	0.515	-.2349395	.468431
ER	.2964487	.3112917	0.95	0.341	-.3136718	.9065692
FAR	.4407828	.3391961	1.30	0.194	-.2240294	1.105595
CR	.0073129	.0336988	0.22	0.828	-.0587356	.0733613
_cons	-13.35048	1.578139	-3.73	0.000	-20.77059	-5.929412
sigma_u	13.898629					
sigma_e	12.721555					
rho	.54413106	(fraction of variance due to u_i)				

The random effect model is a between regressor model hence the interpretation is based on the R squared within the variables. The findings showed an R squared value (between) of 0.1814 This shows that 18.14% of the change in ROA in the pre-restructuring was due to changes in debt ratio, equity ratio, fixed asset ratio and current ratio at 95% confidence interval. Holding debt ratio, equity ratio, fixed asset ratio and current ratio in the period before restructuring to a constant zero, ROA of insurance firms would stand at -13.3505. Further, unit increase in debt ratio would lead to an increase in ROA by 0.1167. On the other hand, unit increase in equity ratio would increase ROA by 0.2964 in the pre-restructuring period. In addition, a unit increase in fixed asset ratio would lead to an increase in ROA by 0.4407. Finally, unit increase in pre-restructuring current ratio decreases ROA by 0.0073. All the variables showed an insignificant effect on the ROA of insurance firms in the pre-issue period. This shows that financial restructuring had an insignificant effect on financial performance of insurance firms.

Table 4.8: Regression After Restructuring

```

Random-effects GLS regression              Number of obs   =          27
Group variable: CD                        Number of groups =           9

R-sq:                                     Obs per group:
  within = 0.1489                          min =           3
  between = 0.8210                          avg =          3.0
  overall = 0.4735                          max =           3

corr(u_i, X) = 0 (assumed)                 Wald chi2(4)    =          19.78
                                              Prob > chi2     =          0.0006
  
```

ROA	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
DR	-.1325578	.0361644	-3.67	0.000	-.2034386 -.061677	
ER	.0153291	.080665	0.19	0.849	-.1427714 .1734296	
FAR	-.2719428	.0817584	-3.33	0.001	-.4321863 -.1116994	
CR	-.0080729	.0093993	-0.86	0.390	-.0264951 .0103493	
_cons	11.66313	4.007304	2.91	0.004	3.808958 19.5173	
sigma_u	0					
sigma_e	3.2565153					
rho	0	(fraction of variance due to u_i)				

The random effect model is a between regressor model hence the interpretation is based on the R squared within the variables. The findings showed an R squared value (between) of 0.8210. This shows that 82.1% of the change in financial performance in the post restructuring was due to changes in debt ratio, equity ratio, fixed asset ratio and current ratio at 95% confidence interval. The remaining 17.9% change in ROA as a measure of financial performance is accounted by other factors other than the ones considered in the study. The findings from the table also show that holding debt ratio, equity ratio, fixed asset ratio and current ratio in the period after restructuring to a constant zero, ROA of insurance firms would stand at 11.6633. The table also shows that a unit increase in debt ratio in the period would decrease ROA by 0.1326. A unit increase in equity ratio would increase ROA by 0.0153 in the post restructuring period. On the other hand, a unit increase in fixed asset ratio would lead to a decrease in ROA by 0.2719. Finally, the table shows that a unit increase in post restructuring current ratio decreases ROA by 0.008. All the variables showed a significant effect on the ROA of insurance firms in the post-issue period. However, equity ratio and current ratio showed an insignificant effect on ROA of insurance firms.

4.6 Discussion of Findings

The study found that debt restructuring (debt ratio) has a significant negative effect on financial performance. The findings concur with those of Norazlan (2018) who discovered that debt restructuring had an inverse relationship with financial performance. However, the findings differ with those of Gupta (2017) who found that no relationship existed between debt restructuring and financial performance.

The study also found that equity restructuring has a positive and insignificant effect on financial performance. The findings concur with the reviewed study of Duong et al. (2020) who found that increased equity would enhance the company's overall financial performance. The findings, however, differed with the findings by Norazlan (2018) who found that equity restructuring had an inverse correlation with financial performance. The also differed with those of Anyona (2017) who found that restructuring had no effect on performance.

The study found that asset restructuring has a negative effect on financial performance. The findings concur with the ones of Norazlan (2018) who found that equity restructuring had an inverse correlation with financial performance. However, the findings are different from those of Okoye et al. (2020) who found a direct effect.

The study also found that liquidity has a negative effect on financial performance. The findings concur with those of Kamau and Njeru (2016) who found that liquidity had a negative impact on financial performance. The findings however differ with those of Nyabwanga et al (2013) who found that liquidity and financial performance had a positive relationship; and Enekwe, Nnagbogu, and Agu (2017) who discovered no link around liquidity and financial performance.

The findings showed that financial restructuring had an inverse effect on financial performance. This indicates that financial performance decreases with financial restructuring. The findings concur with those of Duong et al. (2020); and Norazlan (2018) who found an inverse correlation. The findings, however, differed with those of Okoye et al. (2020); and Ongwae and Moronge (2016) who found a direct correlation.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter was based on the objective of the study. The conclusions and recommendation together with a summary of the findings were given. The summary is based on the descriptive and regression statistical findings. The limitations to the study are also described in this chapter. In this chapter, the recommendations for further research are given.

5.2 Summary of Findings

Based on the descriptive findings, the selected firms showed a pre-restructuring mean ROA as a measure of financial performance of 6.5778 and a post restructuring mean of 0.0692. This shows that the average ROA reduced after restructuring indicating a negative effect on financial performance. Debt restructuring as measured by debt ratio averaged at 61.5161 in the pre-period and 67.6239 in the post period. This shows that the insurance firms increased the level of debt in their restructuring efforts. In the pre-period, equity restructuring (equity ratio) averaged at 27.3733 and 18.5235 in the post period. This shows that the insurance firms reduced the level of shareholders' equity during the financial restructuring.

Assets restructuring as measured by fixed asset ratio averaged at 9.4139 in the pre-period but 9.3578 in the post period. This shows that the insurance firms involved in the study reduced the level of fixed assets during restructuring. In the pre-period, liquidity as measured by current ratio averaged at 65.9485 and 62.8589 in the post period. This shows that the current assets of insurance firms were reduced marginally with financial restructuring.

From the regression, the findings showed that financial restructuring (debt ratio, equity ratio, fixed asset ratio) and liquidity (current ratio) contributed 18.14% of the change in financial performance (ROA) in the pre-restructuring period. However, in the post restructuring period, the predictor variables contributed 82.1% of the change in financial performance. In the pre-restructuring period, the variables showed an insignificant effect on financial performance. However, this effect turned significant in the post restructuring period. This shows that financial restructuring has an effect on performance. This shows

that financial restructuring had an insignificant effect on performance of insurance firms in the pre-restructuring period but significant after restructuring. In the post-restructuring period, debt ratio significantly decreased ROA. On the other hand, equity ratio insignificantly increased ROA while fixed asset ratio significantly decrease ROA. Finally, current ratio insignificantly decreased ROA.

5.3 Conclusions

From the descriptive statistics, the study found that the average return on assets reduced in the post-restructuring period. This leads to the conclusion that financial restructuring by insurance firms in Kenya leads to poor performance of the firms. Based on the findings from the regression analysis, financial restructuring had an effect on the performance of the selected firms. This leads to the conclusion that financial restructuring affects the performance of insurance firms in Kenya.

From the regression analysis, the study found that debt restructuring had a significant negative effect on performance. This leads to the conclusion that the insurance firms in Kenya experience reduced performance when they restructure their debt. The study found that equity restructuring had a positive but insignificant effect on performance. This leads to the conclusion that equity restructuring has no significant effect on performance of insurance firms in Kenya.

The findings showed that asset restructuring has a significant negative effect on performance. The study concludes that asset restructuring has a negative effect on financial performance of insurance firms in Kenya. This shows that when the insurance firms restructure their assets, they experience a significant reduction in their performance.

5.4 Policy Recommendations

The study found that financial restructuring had a negative effect on performance. This is shown by the reduction in the average return on assets after financial restructuring. This study therefore recommends that insurance firms consider other factors that influence performance before financial restructuring is done. Insurance firms should increase their shareholder's capital in order to increase the performance metrics in the firms.

The findings showed that debt and asset restructuring had significant negative effect on financial performance. This research recommends that insurance firms in Kenya control the restructuring of debt and assets to reduce the negative effects on their performance. The

management of the insurance firms should reduce their level of debt in order to enhance their financial performance. They should also reduce the level of fixed assets in order to increase their performance.

5.5 Limitations of the Study

My research was limited by the variables selected for the study. It related to financial restructuring and financial performance. To overcome this, the research recommends further research studies. The study is also limited by the historical nature of secondary data. This was overcome by adopting the most recent data. The study was limited to insurance firms which may limit the generalizability of data.

5.6 Recommendations for Future Studies

The study recommends similar research on other factors influencing performance of insurance firms. A similar study is recommended in other sectors other than insurance industry. The study also recommends a similar study for a different period of time like 5 years or 20 years for comparison of results.

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APPENDICES

Appendix I: Insurance Firms Listed in Kenya [2011-2020]

1	Bank	Year of Restructuring	Sample Inclusion
2	APA insurance	2011	Excluded
3	Liberty Insurance	2012	Excluded
4	ICEA lion	2012	Excluded
5	UAP	2013	Excluded
6	Britam	2013	Excluded
7	Heritage Insurance	2013	Excluded
8	Gateway Insurance	2014	
9	Britam	2014	
10	Saham Group	2014	
11	Metropolitan Insurance	2014	
12	Jubilee Insurance	2014	
13	First Assurance	2015	
14	Pan-African Insurance	2015	
15	CIC	2015	
16	Madison Insurance	2017	

Appendix II: Data Collection Instrument

Year	Total Assets	Current Assets	Current Liabilities	Total Equity	Total Debt	Profit after tax
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.
-3						
-2						
-1						
+1						
+2						
+3						

Appendix: Data

Firm	Year	Debt ratio	Equity ratio	Fixed assets ratio	Current ratio
Gateway Insurance	2011	49.1806	50.8194	13.2278	17.4311
	2012	66.4580	33.5420	13.0120	14.3247
	2013	58.8507	41.1493	12.6987	13.0668
	2015	88.1359	11.8641	13.2259	2.2308
	2016	80.8140	19.1860	10.0565	2.1494
	2017	75.9068	24.0932	8.1775	3.7074
	Britam	2011	66.6236	33.3764	2.5483
2012		69.7268	30.2732	2.6472	168.7479
2013		68.5468	31.4532	2.4802	37.4497
2015		70.4078	29.5922	1.8342	965.7079
2016		77.2331	22.7669	1.9338	77.1791
2017		54.5222	31.9398	1.0418	7.3096
Saham		2011	55.7739	44.2262	34.5753
	2012	72.3307	38.4965	29.3909	20.3600
	2013	72.9728	27.0272	16.2760	25.1496
	2015	76.7294	23.2706	12.0677	116.5287
	2016	79.7949	20.2051	9.0488	68.0465
	2017	38.7251	32.3081	0.4783	3.4357
	Jubilee	2011	35.9447	10.4414	1.0193
2012		46.3963	14.5455	0.8362	113.0262
2013		46.7529	13.3233	0.6952	49.0537
2015		48.7962	13.5352	0.2607	73.1908
2016		86.6935	13.3065	0.4749	55.2458
2017		85.1194	14.8806	0.4099	205.6311
Metropolitan Insurance		2011	42.0398	57.9602	16.0001
	2012	62.8095	37.1905	13.6784	5.8994
	2013	63.0140	36.9860	14.0658	13.2506
	2015	91.5185	8.4815	11.8635	11.6837
	2016	101.3191	-1.3191	9.3973	11.6462
	2017	81.2246	18.7754	32.5684	8.5074
	First Assurance	2012	72.0135	27.9865	2.5795
2013		71.2468	28.7532	2.1112	244.3901
2014		68.3900	31.6100	1.8003	328.9551
2016		63.6689	36.3311	1.8011	320.8762
2017		66.0630	33.9370	1.9450	135.8790
2018		73.7242	26.2758	1.8165	209.6334
Pan-African Insurance		2012	94.5103	5.4897	1.4713
	2013	94.0842	5.9158	1.0843	21.7967
	2014	93.3091	6.6909	0.9754	21.8370
	2016	91.4500	8.5500	0.7314	21.9981
	2017	90.3652	9.6348	0.7288	16.8242

	2018	91.3240	8.6760	0.8034	22.8526
CIC	2012	72.4774	27.5226	2.9903	24.9150
	2013	73.3873	26.6127	2.3994	13.8753
	2014	64.2845	35.7155	2.3471	15.7497
	2016	66.7141	33.2859	1.8437	28.5528
	2017	69.5376	30.4624	1.7825	24.1856
	2018	67.7463	16.0323	1.5602	25.1105
	Madison Insurance	2014	72.1531	18.2514	7.1808
2015		2.6701	6.5137	7.5629	33.4557
2016		4.9878	17.2074	48.5205	30.9262
2018		2.3176	3.2391	43.1256	71.8897
2019		0.9231	7.6298	43.6604	31.7493
2020		5.0710	3.1939	40.0227	49.2170