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BOARD CHARACTERISTICS AND SHARE PRICE VOLATILITY OF INSURANCE COMPANIES LISTED ON NIGERIAN EXCHANGE GROUP

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ABSTRACT:

This study examines the effect of board characteristics on share price volatility of insurance companies listed on Nigerian Exchange Group. The study employed ex-post facto research design to establish the relationship between board size, board ownership, frequency of board meetings, and share price volatility. Secondary data were extracted from audited annual reports of twenty-four (24) quoted insurance firms, covering 2009 to 2019 financial years, and analyzed using SPSS, version 23. Ordinary Least Squares (OLS) regression was employed in estimating the unknown parameters in the study's model. Empirical results show that board size and frequency of board meetings exert significant and positive influence on share price volatility, while board ownership shows an insignificant and negative impact on share price volatility of the study companies. However, board size, board ownership, and frequency of board meetings have joint significant impact on share price volatility of listed insurance companies in Nigeria. This implies that corporate board practices and activities of board members are instrumental in achieving stability in the movement (fluctuation) of share prices of quoted insurance companies in Nigeria. The study recommends that listed insurance companies in Nigeria should avoid over bloated board size, while members of the Board who are shareholders should have the expertise needed for meaningful contribution/participation during board meetings. Also, too many board meetings in a financial year should be avoided, especially when some of the issues being discussed are not evidently in the best interest of shareholders.

Key words: *Board characteristics, Insurance companies, Nigeria, Share price, Volatility,,*
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1. INTRODUCTION

Board of Directors is the apex decision-making body of a quoted corporate entity saddled with the responsibility of managing the company on behalf of the shareholders. Agency problems arise because of fear of the directors and managers pursuing their personal interests to the detriment of shareholders. Agency theorists argue that in order to protect the interest of shareholders, the board of directors must assume an effective oversight function. Little wonder the issue of board characteristics, as an aspect of corporate governance, has continued to receive wide attention in the world of research. According to Cheng, Kee, and Rajah (2018), corporate board serves the most important role in corporate governance. The Federal Government of Nigeria in response to calls for better corporate governance practices, occasioned by loss of reporting credibility which resulted in the collapse of notable firms, came up with Code of Corporate Governance best practices in November 2003. The Code states that the business of a firm should be managed under the direction of a board of directors who delegates to the Chief Executive Officer (CEO) and other management staff, the day-to-day management of the affairs of the firm. In order to ensure that the Insurance industry was keeping abreast of developments within the global community, the Nigerian Insurance Commission (NAICOM) issued the Code of Good Corporate Governance for the insurance industry in Nigeria in 2009. An effective corporate governance framework enforces appropriate standards to recognize and protect the rights, relationships and interests of all stakeholders in the insurance industry. Najjar (2012) in Momoh and Ukpong (2013) is of the view that any governance principle adopted by the insurance industry should be flexible enough to take into account the variety of insurers within its purview because each insurance company tailors its corporate governance procedures according to its own circumstances.

Board members are sometimes greeted with varying degrees of criticism in the event of decline in shareholders' wealth and corporate failures. Some of the reasons perceived to be responsible for corporate failures include: wrongly constituted board size, absence of diversified Board, concentrated ownership structure, irregular meetings, among other factors. As a result, various corporate governance reforms have specifically emphasized on appropriate change to be made to the board of directors in terms of its composition, structure and ownership configuration (Abidin, Kamal, & Jusoff, 2009). A properly constituted and versatile Board is inevitable if a corporate entity wants to easily meet its strategic goals; achieving stability in the movement of share prices is one of those goals. Little wonder Uwuigbe (2013) posits that good corporate governance can serve as an instrument for enticing investors as well as influencing the stock price. Regrettably, despite the corporate governance codes put in place by regulators, the issue of ineffective governance practices, instability in share prices, and administrative ineptitude on the part of some board members remain issues of serious concern to shareholders, researchers, and other stakeholders. Prior studies show that there exists a relationship between indices of board characteristics and share prices or firm performance. While some studies posit that board size positively affects share price volatility (Mouna & Anis, 2018; Jose, Nelize, & Fernanda, 2015), others show that board size has a negative relationship with share price volatility (Mc Reynald, 2013; Mediha, Asma, & Adel, 2017). Megbaru (2019) found that board ownership is positively and significantly related with financial performance, while Kristian and Andreas (2018) provided empirical results showing that firms with high CEO ownership deliver significant negative abnormal returns compared to the market. Contributing, Khaleel, Siti, and Shamharir (2016) found a positive association between frequency of corporate board meetings and firm performance.

In Nigeria, most previous research efforts on board characteristics and share price concentrated on industries other than insurance, irrespective of the sensitive nature of the industry as well as the reforms it has continued to undergo. Also, the range of financial period(s) covered in some previous studies is very short and not up to date, as in the case of Bahtiar, Eny, Rusdiyanto, and Eny (2020); Khaleel, Siti, and Shamharir (2016). The current study has longer research periods to establish the relationships existing among the variables under study. Utilizing long-term data can help determine whether board characteristics are worthwhile for insurance firms aiming to stabilize volatility in share prices over time. Consequently, to the best of the researchers' knowledge, no empirical study has been undertaken to examine effect of board characteristics on share price volatility of insurance companies listed on Nigerian Exchange Group (formerly the Nigerian Stock Exchange), covering the period 2009 to 2019. Hence, this study tends to fill the gap.

1.1 Objectives of the Study

The broad objective of this study is to ascertain the effect of board characteristics on share price volatility of insurance companies listed on Nigerian Exchange Group. The specific objectives of the study are:

i. To ascertain the effect of board size on share price volatility of insurance companies listed on the Nigerian Exchange Group.
ii. To determine the effect of board ownership on share price volatility of insurance companies listed on the Nigerian Exchange Group.
iii. To assess the effect of frequency of board meetings on share price volatility of insurance companies listed on the Nigerian Exchange Group.
iv. To ascertain the extent to which board size, board ownership, and frequency of board meetings jointly affect share price volatility of insurance companies listed on the Nigerian Exchange Group.

1.2 Hypothesis

This study is guided by the following null hypotheses;

H_{01}: Board size has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

H_{02}: Board ownership has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

H_{03}: Frequency of board meetings has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

H_{04}: Board size, board ownership, and frequency of board meetings do not have joint significant impact on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 The Concept of Share Price Volatility

Stock or share price all over the world, including Nigeria, is characterized by upward and downward movements. It is worth noting that stock market is driven by forces that could cause the price of a particular investment or asset to rise or fall over a long period of time. Osazevbaru (2014) states that stock market volatility is a measure for variation of price of a financial asset over time which is concerned with the dispersion and not the direction of price changes, while according to Mullins (2000), stock market volatility refers to the degree to which price of a security or commodity rises and falls within a short term period. The performance of equity market, in terms of returns, gets better as volatility tends to decline, and plummets as volatility tends to rise (Stephen, Victor, & Farida, 2015). Volatility is measured by the annual average of the standard deviation of equity returns (Martin, 2015).

2.1.2 Board Size and Share Price Volatility

Board size is the number of members on a company's Board. Having adequate board size could imply capacity to make proper decisions for the benefit of stakeholders. In Nigeria, the current insurance industry code of corporate governance emphasizes that no insurance company shall have less than seven (7) members and not more than fifteen (15) members on its Board. The Board is expected to have executive and non-executive directors out of which not more than 40% of the members shall be in the executive capacity. Extant literature has revealed mixed positions regarding the relationship between board size and share price volatility. For instance, while Evans (2015) observed that board size positively affects share price volatility, Mediha, Asma, and Adel (2017) found that board size has a negative relationship with share price volatility.

2.1.3 Board Ownership and Share Price Volatility

Board ownership, in the context of this study, refers to the proportion of shares owned by board members. The composition of the Board usually comprises members who are independent and those who are investors (shareholders). Ogbeide and Evbayiro-Osagie (2019) established that managerial ownership negatively impact on share price volatility, while ownership concentration has a strong association with the volatility of share prices. Contributing, Weice (2017), in a study on ownership structure and stock price fluctuation, found that institutional shareholders of listed companies in public utilities in China have the motive to promote the volatility of stock price, while state-owned shareholders play a role in stabilizing stock price volatility.

2.1.4 Frequency of Board Meetings and Share Price Volatility

Board meetings are platforms where board of directors discuss issues of concern to the company. Principle 10 of Nigerian Code of Corporate Governance 2018 states that meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the strategic objectives of the Company. Akseli (2020) observed that positive correlation exists between board meeting frequency and the standard deviations of monthly stock return, while Ntim and Osei (2011), in their study, found a statistically significant and positive association between the frequency of corporate board meetings and corporate performance. Hence, it can be argued that frequency of board meetings has a link with share price movements and firm performance.

2.2 Theoretical Review

2.2.1 Agency Theory

The study is anchored on the Agency Theory. The term *agency relationship*, according to Forjan (2019), is used to describe an arrangement where one entity, the principal, legally appoints another entity, the agent, to act on its behalf by providing a service or performing a particular task. Agency theory in corporate governance is the type of agency relationship that exists between the principal (shareholders) and agents (board members) of a quoted company. The different interests of principals and agents may become a source of conflict, as some agents may not perfectly act in the principals' best interest. In a large corporate environment, the shareholders, as principals, elect the executives (directors) to act and take decisions on their behalf.

According to Sanjay (2019), despite this clear rationale of electing the board of directors, there are a lot of instances when complicated issues come up and the executives, knowingly or unknowingly, take decisions that do not reflect shareholders' best interest. Hence, the activities of board members in quoted insurance companies are expected to be guided by Corporate Governance Principles as stipulated in Nigerian Code of Corporate Governance 2018 and other relevant regulatory frameworks. Agency theory suggests that corporate governance can reduce agency costs which in turn leads to improved firm performance (Saeid & Sakine, 2015). When a firm is performing well over time, achieving stability in the firm's share price movements becomes feasible.

2.3 Empirical Review

Several studies have been carried out on the relationship between indices of board characteristics and share price volatility. The studies employed different methodologies and have produced mixed results, giving rise to divergent opinions and interpretations. Thanatawee (2021) examined the impact of foreign ownership on stock price volatility in Thailand using regression model and covering 2014 to 2018 financial years with 1,755 firm-year observations. The study found that foreign ownership has a negative and significant impact on stock price volatility. The findings of the study suggest that foreign investors help to reduce stock price volatility and thus stabilize share price in the Thai stock market. The study, however, centred only on ownership structure; it failed to capture other indices of board characteristics. This is in addition to the fact that much credence may not be given to the study's findings in the context of the Nigerian environment, considering that the study was carried out in Thailand.

Bahtiar, *et. al* (2020) looked at corporate governance and its impact on stock price using descriptive approach and regression techniques for the period 2016 to 2018 in Indonesia. It was established that managerial ownership has an impact on stock prices, while institutional ownership does not have an impact on stock prices. Contributing, Ogbeide and Evbayiro-Osagie (2019) examined corporate governance mechanisms and share price volatility of quoted firms in Nigeria. Data for the period 2010 to 2015 were collected for twenty (20) firms. It was found that managerial ownership negatively impact on share price volatility, while ownership concentration had a strong association with the volatility of share prices. One key gap identified in the study is the fact that the sample size of 20 out of population size of 198 stated in the study is arguably small. Also, the study findings may have been different if the period covered (2010-2015) were more elaborate.

Taher and Nada (2017) studied the effect of corporate governance (disaggregated into board of directors and audit committee independence) and equity prices. Specifically, the study examined how the market performance of French listed companies can be improved through the proportion of independent members in the board of directors and the audit committee. The study's sample includes French listed companies from the SBF120 index over the period 2005-2012. The study found a negative and significant relation between board independence and equity returns. This suggests that appointing more independent directors fails in enhancing firm stock returns. Nonetheless, the fact that the study has European background (France) makes the findings and recommendations to be cautiously relied upon in the Nigerian scenario.

Weice (2017) researched on ownership structure and stock price fluctuation. Based on the sample of A-share listed companies in year 2015, the data used in the study are derived from the CSMAR database, involving 379 valid sample companies. The study employed multiple regression/correlation analysis approach. It was found that institutional shareholders of listed companies in public utilities in China have the motive to promote the volatility of the stock price, while the state-owned shareholders play a role in stabilizing stock price volatility. In order to reduce the ability of the institutional shareholders to manipulate the stock price, the study recommends that government should increase the intensity of investment in public utilities. However, the study failed to consider extended financial period but rather focused on year 2015 only, hence is deficient from the perspective of trend analysis of stock price movement. Also, the study focused on ownership structure only as an explanatory variable.

Khaleel, Siti, and Shamharir (2016) utilized dynamic panel technique of generalized method of moments (GMM) to analyze data generated from secondary sources, covering 2009 to 2013, for 118 firms to study the relationship between board meeting and firm performance using evidence from the Amman Stock Exchange, Malaysia. It was found that there is a positive association between the frequency of corporate board meetings and firm performance. The study provides insightful evidence to policy makers on the effectiveness of Nigeria's 2009 Code of Corporate Governance. It must however be noted that the study's dependent variable does not centre on share price volatility, as against the focus of the present study. Also, only one corporate governance variable (board meeting) was analyzed; the addition of few other explanatory variables would have given room for a more robust analysis.

Mc Reynald (2013) evaluated board characteristics and its impact on share prices of publicly-listed holding companies in the Philippines. Determining how board size and board independence affect share prices of 36 sample companies was the specific objective of the study. In addition to descriptive statistics and correlation analysis, a multivariate analysis using cross-sectional regression was employed. The empirical results revealed that board size and board independence negatively influence the share prices of the study firms. The study however recommends that further research efforts should consider the overall impact of corporate governance among all Philippine companies using different measures of performance as well as the introduction of other relevant governance-related parameters to better assist the decision- making of the companies' stakeholders.

Burcu, Utku, Serap, and Yildiz (2012) conducted a study on the effect of ownership structure on stock prices during crisis periods using Turkish data of non-financial firms that are trading in Instanbul Stock Exchange (ISE). The findings show that all explanatory variables (inside ownership, largest ownership, concentrated ownership, foreign shareholders, and family-controlled and dispersed ownership) are important to explain stock prices during the crisis periods. Also, while largest ownership and concentrated ownership are negatively related to stock price, dispersed ownership has a negative interaction between stock prices too, but family-controlled firm's interaction between stock prices differs from period to period. In addition, the analysis shows that the shares of firms that have concentrated, largest and dispersed ownership structure outperform when compared with other firms. It should however be noted that the study focused on non-financial firms, not precisely insurance companies; hence the findings and recommendations may not be totally relied upon by stakeholders in the insurance industry.

3. MATERIAL AND METHOD

This study adopted *ex post facto* research design since the study's variables are already in existence (reported in the audited annual reports of the companies under study), hence cannot be manipulated. This study focuses on all the listed insurance firms in Nigeria as at 2019 financial year; hence secondary data are extracted from the annual reports of twenty-four (24) listed insurance firms in Nigeria. The study makes reference to the model used in a study by Aigbovo and Ashafoke (2015) but modified to incorporate preferred indicators of board characteristics. The generic model of the study is as follows;

$$SPV = f(BDS + BOO + FBM) \quad (1)$$

The above is however represented in econometric format:

$$SPV = \beta_0 + \beta_1 BDS_{it} + \beta_2 BOO_{it} + \beta_3 FBM_{it} + \mu \quad (2)$$

Where:

SPV	=	Share price volatility (dependent variable), proxied by standard deviation of annual stock returns.
BDS	=	Board size, proxied by number of board members.
BOO	=	Board ownership, proxied by percentage of the company's shares owned by the board members.
FBM	=	Frequency of board meetings, proxied by natural logarithm of the total number of board meetings held per year.
β_0	=	Constant term or intercept of the relationship in the model.
μ	=	Stochastic or error term.
β_1-β_3	=	Intercept for the explanatory variables (board size, board ownership, and frequency of board meetings respectively).

Statistical Package for Social Sciences (SPSS, version 23) was used in analyzing the time-series data extracted for the study. Interestingly, the software is designed to provide statistical results for measurement parameters like correlation coefficient, coefficient of determination (R^2), adjusted R-square, t-statistics, F-statistics, et cetera.

4. RESULT AND DISCUSSIONS

4.1Data Analysis

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.415[a]	.172	.163	.64039	2.184

a. Predictors: (Constant), FBM, BOO, BDS
b. Dependent Variable: SPV
Source: SPSS 23.0 Output

Table 1 shows that the value of Durbin-Watson (DW) statistic is closer to 2, implying that there is no autocorrelation in the study's model. It can therefore be concluded that the regression output is reliable. The R-square of 0.172 depicts that the study's explanatory variables account for 17.2% variation in stock price volatility of listed insurance companies in Nigeria; the remaining 82.8% represents other factors/variables that also affect stock price volatility but not included in the study's model.

Table 2: Coefficients of the Parameter Estimates

Variables	Coefficients	Std Errors	t-Statistics	Prob.
C	-1.736	.365	-4.754	.000
BDS	2.327	.374	6.217	.000
BOO	-.064	.053	-1.204	.230
FBM	.527	.214	2.460	.015

Source: SPSS 23.0 Output (Extracts from Regression Results)

Table 2 above, among others, shows coefficients of the parameter estimates, which is used to determine the contribution of each independent variable included in the model. It could be observed that the coefficients for board size (BDS), board ownership (BOO), and frequency of board meetings (FBM) are 2.327, -0.064, and 0.527 respectively. This implies that a unit increase in BDS and FBM will respectively result in 2.327 and 0.527 units change (increase) in the dependent variable (share price volatility), while holding all other predictors constant. The result shows that board size and frequency of board meetings are positively and significantly related to share price volatility. On the contrary, the empirical result reveals that one unit increase in BOO will amount to 0.064 decrease in share price volatility, while holding other predictors constant. Succinctly, board ownership exerts negative and insignificant influence on share price volatility.

4.2 Test of Hypotheses

4.2.1 Hypothesis One

H_{01}: Board size has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

4.2.1.1 Test statistic: Table 2 shows that board size is statistically significant; its significance value is 0.000, which means $P< 0.05$.

4.2.1.2 Decision: If p-value is equal to or less than 0.05, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1); otherwise the H_0 is accepted, at 5% level of significance. When p-value is ≤ 0.05, it is statistically significant, indicating strong evidence against the null hypothesis. Based on the analysis above, the null hypothesis (H_{01}) is rejected while the alternative hypothesis (H_{11}) is accepted; hence the conclusion follows that *board size has significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.*

From the empirical results (hypothesis one), board size has a significant and positive impact on stock price volatility of listed insurance companies in Nigeria. In other words, the instability (fluctuation) in share prices of quoted Nigerian insurance companies tends to soar as number of board members increases. The result is not in conformity with Mediha, Asma, and Adel (2017) who observed a statistically significant negative relationship between board size and share price volatility. Having optimal (not over bloated) board size is ideal for sound, speedy, and quality deliberations/decisions. Once the number and mix of board members are in line with statutory requirement, it becomes expedient to avoid appointing extra board members.

4.2.2 Hypothesis Two

H_{02}: Board ownership has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

4.2.2.1 Test statistic: Table 2 shows that board ownership is not statistically significant; its significance value is 0.230, which means $P>0.05$.

4.2.2.2 Decision: Based on the analysis above, the null hypothesis (H_{02}) is accepted while the alternative hypothesis (H_{12}) is rejected; hence the conclusion follows that *board ownership has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.*

The empirical results (hypothesis two) also reveal that board ownership has an insignificant and negative effect on stock price volatility of listed insurance companies in Nigeria. This result is similar to the finding of Ogbeide and Evbayiro-Osagie (2019) who established that managerial ownership has negative impact on share price volatility. The result implies that the higher the proportion of shares owned by board members, the lesser the fluctuations experienced in share prices of the companies under study. Achieving share price stability is a function of multiple factors; administrative dexterity and competence of board members who are shareholders form part of the factors. Little wonder Megbaru (2019), in his study on the effect of corporate governance mechanisms on financial performance of selected commercial banks in Ethiopia, recommends that the composition of the Board should include both board members who are independent and those who have share contribution.

4.2.3 Hypothesis Three

H_{03}: Frequency of board meetings has no significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

4.2.3.1 Test statistic: Table 4.2 shows that frequency of board meetings is statistically significant; its significance value is 0.015, which means $P<0.05$.

4.2.3.2 Decision/Conclusion: Based on the analysis above, the null hypothesis (H_{03}) is rejected and the alternative hypothesis (H_{13}) accepted; hence the study concludes that frequency of board meetings has significant effect on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

Accordingly, the study reveals that frequency of board meetings has a significant positive effect on stock price volatility of listed insurance companies in Nigeria. In other words, the higher the number of board meetings, the higher the volatility (fluctuation) of share prices. This result is similar to the findings of Ntim and Osei (2011) and Khaleel, Siti, and Shamharir (2016) who observed a statistically significant and positive association between board meetings frequency and corporate performance. It can therefore be argued that, irrespective of the number of board meetings held, the outcome (resolutions) of the meetings do not actually address the issue of instability (volatility) of stock prices among listed insurance companies in Nigeria. When board meetings become too frequent, some of the issues and challenges being deliberated upon might become more contentious and less important vis-a-vis shareholders' interest. Board meetings are expected to focus on serious and urgent issues. According to Ntim and Osei (2011), directors can increase the frequency of meetings during crisis or when shareholders' interests are visibly in danger.

4.2.4 Hypothesis Four

H_{04}: Board size, board ownership, and frequency of board meetings do not have joint significant impact on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

4.2.4.1 Test statistic: Table 4.3 below shows F-ratio of 18.065, with significance value of 0.000, implying that the explanatory variables jointly contribute in explaining stock price volatility.

Table 3: ANOVA Result

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.225	3	7.408	18.065	.000[b]
	Residual	106.625	260	.410		
	Total	128.849	263			

a. Dependent Variable: SPV

b. Predictors: (Constant), FBM, BOO, BDS

Source: Extract from SPSS 23.0 Output

4.2.4.2 Decision: Based on the analysis above, the null hypothesis (H_{04}) is rejected and the alternative hypothesis (H_{14}) accepted; the conclusion therefore follows that board size, board ownership, and frequency of board meetings have joint significant impact on stock price volatility of insurance companies listed on the Nigerian Exchange Group.

The outcome of the joint test of significance (hypothesis four) indicates a statistically significant impact of board characteristics (board size, board ownership, and frequency of board meetings) on share price volatility. It can therefore be argued that board characteristics are critical towards the attainment of stability in share prices movement (fluctuation) in Nigeria's insurance industry. However, since the study's explanatory variables account for only 17.2% variation in share price volatility, it implies that, to achieve share price stability, consideration should be given to other factors that also affect share price volatility but are not considered in the study's model. These factors include, but not limited to, level of earnings/financial position, demand and supply forces, inflation, political factors, and market sentiment. According to Corradi, Distaso, and Mele (2006), it is of immense importance to understand the cause of stock market volatility because it helps to predict stock returns and to understand the major determinants of stock market uncertainty. From the results in table 4.2, the study's regression equation is as stated thus: SPV = -1.736 + 2.327(BDS) - 0.064(BOO) + 0.527(FBM).

CONCLUSION AND RECOMMENDATIONS

This study concludes that board characteristics, as an aspect of corporate governance practices, have significant effect on the volatility of share prices of listed insurance companies in Nigeria. Specifically, board size and frequency of board meetings exert significant influence on share price volatility, while board ownership shows an insignificant impact on the volatility of share prices of the study companies. This implies that corporate board practices and activities of board members are instrumental in achieving stability in the movement (fluctuation) of share prices in Nigeria's insurance industry. The study is anchored on the agency theory; hence, since board members are appointed by their principal (shareholders) to manage the company in a manner that will protect the interest of all stakeholders, it becomes imperative for board of directors to be guided by corporate governance best practices and guidelines of insurance industry regulators while carrying out their functions as strategic decision-makers. The study recommends that: the Board of listed insurance companies in Nigeria should not be over bloated; members of the Board who are shareholders should have the expertise needed for meaningful contribution/participation during board meetings; and the frequency of board meetings should be monitored, as too many board meetings in a financial year may not really be in the best interest of shareholders.

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