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THE IMPACT OF CORPORATE GOVERNANCE ON FIRMS' GROWTH IN INSURANCE INDUSTRY: EVIDENCE FROM NIGERIA

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ABSTRACT
The purpose of this paper is to investigate the impact of corporate governance on firms' growth in Nigerian insurance industry. The paper examines various corporate governance mechanisms adopted in Nigerian insurance industry such as board characteristics, audit committee, board independence, board size, growth and profitability. This research has been performed using a sample of 50 companies quoted on the Nigeria Stock Exchange (NSE) from 2012 to 2017. Multiple regression model was used to analyse the data obtained for the purpose of the study. The results of the multiple regression analysis were statistically significant at 0.05 level. The findings of the study confirmed that corporate governance enhances firms' growth in Nigeria.

Keyword: Corporate failure, Accounting scandals, Insurance industry, Firms' growth

1. INTRODUCTION
The importance of responsibility, accountability, transparency and fairness cannot be over emphasis by corporate organisations (Najjar, 2012). The unique role played by corporate governance in the determination of the sanity of corporations and the society at large has made it a point of interest for researchers in recent times (Najjar, 2012). This is closely associated with agency problem as a result of corporate governance mechanisms which encourages managers to act in the best interest of the shareholders so as to maximise firms' value and ultimately reduce agency costs (Najjar, 2012). Effective governance is essential for long-term corporate success. Effective corporate governance helps to improve shareholder wealth and the wealth of other corporate stakeholders (Momoh & Ukpong, 2013).

The whole essence of corporate governance is to assure transparency, investor protection, full disclosure of executive actions and corporate activities to stakeholders, environmental impact assessment of corporate activities, assurance of performance related to executive compensation and full disclosure of executive compensation (Okoye, 2013).

Corporate governance has received a great deal of public interest in recent times. This is as a result of its apparent importance on the economic health of corporations and society in general (Okoi et al, 2014). This is mostly due to the high-profile collapses of a number of large corporations such as Enron Corporation and MCI Inc. (formerly WorldCom) in the United States of America, HIH and One Tel in Australia, Cadbury in Nigeria, Ghana Airways Limited in Ghana and Parmalat in Italy amongst others (Ssekakubo et al, 2014; Yeboah, 2009; Okaro & Okafor, 2013).

After the collapse of Enron and many other companies, corporate scandals have eroded investors' confidence and this is the reason why a firm needs to focus on good corporate governance in the best interest of stakeholders. The corporate governance mechanisms vary from one country to another. For example, the corporate governance mechanism applicable in Taiwan is family ownership while equity market is a key corporate governance mechanism in Angelo-American economy.

Whether it is in Asia, Europe or USA, it is highly important to appropriately structure organizations and implement the right governance mechanisms that will help with the decision-making process (Najjar, 2012).

Momoh, and Ukpong (2013) argued that the collapse of Enron in 2001 in US, WorldCom, Global Crossing, and Rank Xerox was due to poor governance. Between 2002 and 2005, several international non-life insurers and reinsurers have failed because the directors of such companies unlawfully used money meant for guaranteed annuity rate policies to subsidize current annuity rate policies.

Sweden's largest insurance company and a world leader in providing variable annuities and other savings products shook its reputation in 2003 when three of its top executives came under investigation for misusing corporate assets. Lion of Africa Insurance, Nigeria was also liquidated because of its board crisis. Its liabilities outweighed the assets and the company unable to recapitalize in 2007.

The increasing burden of corporate fraud around the world has made companies to place much emphasis on corporate governance. According to Nwachukwu (2007), there is a growing consensus that good corporate governance has a positive link to national economic growth and development. Checks and balances in an organization are strengthened through corporate governance. Directors that are unaware of corporate enforcement mechanism might be involved in portraying misleading information about company's performance to potential investors. Countries are now devising measures to enhance good corporate governance in order to strengthen investors' confidence.

There is need for good corporate governance in order to address current global challenges. Moreover, good corporate governance is enhanced by the need for accountability as a result of deregulation and lesser governmental control. Good corporate governance encourages economic growth and development. The benefits of good corporate governance includes increased access to finance, improved organisational performance, higher returns to shareholders and lower cost of capital (Claessens et al, 2002). A good corporate governance also facilitates accurate disclosure in business reporting thereby enhancing greater market liquidity and capital formation (Frost et al, 2002). Nigeria had also witnessed corporate failures in the past as a result of poor corporate governance. Hence, many financial institutions have been mandated by the Central Bank of Nigeria (CBN) to merge due to poor performance resulting from bad corporate governance. For a developing country, like Nigeria, corporate governance is of key importance. Consequently, corporate governance is relevant in Nigerian context because it promotes accountability, enhances transparency of operations, improves firm's profitability, protects stakeholders' interest by aligning their interest with that of managers and facilitates growth of the Nigerian economy. This research investigates the effect of corporate governance on firms' growth in Nigerian insurance industry.

1.1Statement of Problem

Corporate governance has been a subject of significant interest in the United States and around the world since 1970s (Crawford, 2007). This is due to the wave of dismissal of Chief Executive Officers (CEOs) of multinational companies such as Kodak, IBM and Honeywell e.t.c. In 1997, the Eastern Asian financial crisis also affected the economies of Thailand, Indonesia, South Korea, Malaysia and Philippine. In the early 2000s, massive bankruptcies and criminal malfeasance of Enron and WorldCom amongst other corporations have encouraged firms to place much emphasis on corporate governance.

In Italy, Parmalat failed in 2003 when it engaged in accounting scandals worth 8 billion Euros (Demaki, 2011; Norwani, et al., 2011). In New Zealand, Allied Nationwide Finance failed in September 2010 while NZF Money became bankrupt in January, 2011 (Lianne, 2011). Nigeria has had its own share of financial reporting failures with the problems in Cadbury Nigeria Plc in 2006. Afribank Nigeria Plc and Intercontinental Bank Plc also faced the problems of financial reporting in 2009.

Nigeria has issued corporate governance codes to address issues relating to corporate failures in the country. These codes were issued to address issues not specifically addressed by previous legislations.

Many researches that have measured corporate governance in relation to firm's performance concluded that good corporate governance boosts the performance of firms depending on the proxies adopted for the variables by different studies (Momoh, and Ukpong, 2013). However, Companies sometimes have volatilities (upward and downward) in their share values. The board of directors of a company is a very vital organ not only responsible for management but predominantly for adopting good corporate governance practices in the company (Aina, 2013). Furthermore, it is therefore the responsibility of the board to ensure a credible governance system and this can only be achieved through a good and competent composition of the board.

Chief Executive Officers (CEO) of some companies in Nigeria at the 16th Nigerian Economic Summit in Abuja identified weak corporate and individual regulatory framework as the cause of collapsed corporate governance in the country. They highlighted that board members in Nigeria are still seeing their appointments on the board as patronage and hence lack the moral courage to challenge the chairman and question issues objectively. Most boards in Nigeria are populated by family members, friends and colleagues who compromise standards in order to maintain the status quo and protect their benefactor (vanguard, 2010). Despite this fact, it was reported by the CBN in 2006 that there has been a significant effect of corporate governance on national growth and development. A good corporate governance is relevant to insurance companies because it promotes accountability, transparency, profitability and stakeholders interest (Fadan, 2013).

1.2 Objectives of the Study

The main objective of this study is to examine the impact of corporate governance on firms' growth in the insurance industry in Nigeria within the period of 2009-2013. The specific objectives are to:

- Determine the effect of board characteristics on growth of insurance industry
- Examine the effect of audit committees on growth of insurance industry

- Examine the effect of board independence on growth of insurance industry
- Determine the effect of board size on growth of insurance industry

1.3 Research Questions
In the course of the study, the following questions were answered:

- What is the effect of board characteristics on growth of insurance industry?
- Do audit committees have a significant effect on growth of insurance industry?
- What is the effect of board independence on growth of insurance industry?
- Do board sizes affect the growth of insurance industry?

1.5 Research Hypotheses
In the course of the research, the following hypotheses were tested:

HYPOTHESIS I
H_0: Board characteristics has no significant effect on growth of insurance industry
H_1: Board characteristics has a significant effect on growth of insurance industry

HYPOTHESIS II
H_0: Audit committee has no significant effect on growth of insurance industry
H_1: Audit committee has a significant effect on growth of insurance industry

HYPOTHESIS 111
H_0: Board independence has no significant effect on growth of insurance industry
H_1: Board independence has a significant effect on growth of insurance industry

HYPOTHESIS 1V
H_0: Board size has no significant effect on growth of insurance industry
H_1: Board size has a significant effect on growth of insurance industry

2.0 LITERATURE REVIEW
Corporate governance has been subject of significant interests in modern corporations since late 20th Century due to the high-profile collapses of a number of large U.S. firms such as Enron Corporation and WorldCom. In 2002, the U.S. Federal Government passed the Sarbanes-Oxley Act with a view to restoring public confidence by ensuring compliance by quoted companies (Awoyemi, 2009).
The Securities & Exchange Commission (SEC) and the Corporate Affairs Commission (CAC) have jointly issued a code of best practices in 2003 so as to address corporate failures in Nigeria. The Central Bank of Nigeria (CBN) has also launched a Code of Corporate Governance for banks in Nigeria after the consolidation exercise in 2006.
Corporate governance is a broad term that has to do with the manner in which rights and responsibilities are shared among owners, managers and shareholders of a given institution (Awoyemi, 2009). As a concept, corporate governance has been defined in various ways depending on various authors.
Rwegasira (2000) defined corporate governance as the structures within which a corporate entity or enterprise receives its basic orientation and direction. This narrow view perceives corporate governance in terms of issues relating to shareholder protection, management control and the popular principal-agency problems based on economic theory.

According to Egwuonwu (2000), Corporate governance refers to the control of corporate policy through the power legally vested in a group (or groups) of people to chart a course of action followed by the organization in areas of fundamental importance to its survival, prosperity and proper functioning. It encompasses the mode of structure, the power that determines the rights and responsibilities of the various groups involved in running the organization, the legitimacy expectation of the business, the method of operation and the overall accountability of management and of the directors (Folajimi and Adenike, 2010).

Organisation for Economic Cooperative Development (OECD) also defines that corporate governance as a set of relationships between a company's management, its board, its shareholders and other stakeholders. Oso and Semiu (2012) defined corporate governance as internal system encompassing policies, processes and people which serves the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity. Sound corporate governance is reliant on external market place commitment and legislation, plus a healthy board culture which safeguards policies and processes.

Oyejide and Soyido (2001) viewed corporate governance as a product of two perspectives: a narrow perspective, in which corporate governance is merely concerned with the structures within which a corporate entity receives its basic orientation and direction; and a broader perspective in which corporate governance is regarded as the heart of both market economy and a democratic society.

However, Imam (2006) posits that corporate governance is concerned with effective leadership of corporations to ensure that they deliver on the promise to create wealth for the society and that they do so in a suitable manner.

Adenikinju and Ayorinde (2001) argued that corporate governance is an all-encompassing concept which seeks to guarantee and institute credible governance standards and in the creation of wealth.

Sullivan (2006) defined corporate governance as being the heart of both market economy and a democratic society

Corporate governance in insurance industry has become an issue of global concern because it enhances improved financial services thereby reducing financial risk.

Jayashree (2006) opined that Corporate Governance, when used in the context of business organization, is a system of making directors accountable to shareholders for effective management of the company in the best interest of the shareholders along with concern for ethics and values. It is the management of company through the board of directors that hinges on complete transparency, integrity and accountability of management.

Corporate governance aims at reducing conflicts of interest, short-sightedness of writing costless perfect contracts and monitoring of controlling interest of the firm, the absence of which firm value is decreased. Consequently, corporate governance entails a set of rules which governs relationship between a firm's management, shareholders and stakeholders (Ching et al, 2006). However, corporate governance is important in developing countries because it helps to distinguish among firms (Metrick and Ishii, 2002). This implies that corporate governance centres on how the organization relates with other stakeholders within an environment and its impact on the collective welfare of society (Fadun, 2013).

Salami (2011) investigated how ownership structure and existence of conflicts of interest among stakeholders in firms characterized with a poor governance system. The research evidence suggests that firms with low ownership concentration showed low profitability. Rogers (2006) examined corporate governance and financial performance of selected commercial banks in Uganda. The findings of the study showed that corporate governance predicts 34.5% of the variance in the overall financial performance of commercial banks in Uganda. Klein et al (2005) investigated the relationship between firms'value as measured by Tobin's Q and corporate governance using a sample of 263 Canadian companies. They employed four control variables namely size, advantage, growth and profit variability. The research evidence revealed that corporate governance does not matter in Canada and that size was negatively related to performance.
Brown and Caylor (2004) examined whether firms with weak governance perform poorly than firms with sound corporate governance. The corporate governance mechanisms examined were board composition, compensation, take-over defense and audit committee. The evidence of the study revealed that board composition is the most important factor influencing corporate governance while the least important factor is take-over defense.
Babatunde and Akeju (2016) investigated the impact of corporate governance on firms' profitability in Nigeria using multiple regression model. The findings of their study revealed that corporate governance enhances firms' profitability in Nigeria.
Prior studies have revealed mixed positions regarding board size and firm performance. While some studies posit that the smaller the board size, the higher the performance (Jensen, 1993; Sanda et al, 2005; James & Okafor, 2011) others show that the higher the number of directors on the board, the better the performance (Belkhir, 2006; Adams, 2010). Fich and Shivdasani (2006), Mehran and Adam (2010) and Thomas and Muhammed (2011) however added that firms' performance can deteriorate if busier directors serve on the board. Yermach (1996) and Eisenberg et al (1998) found a negative relationship between board size and firms' performance while Bhagat and Black (2002) argued that a weak negative relationship exists between board size and firms' performance.
According to McColgan (2001), one of the most consistent empirical results in the corporate governance literature is that directors are more likely to lose their jobs if they are poor performers.
However, Weisbach (1988) and Warner et al (1988), amongst others, found that it is only the very poorest performing management who lose their jobs and that it generally takes a prolonged period of poor performance to result in forced top executive turnover.
Mak and Li (2001) posited that the nature and significance of the relationship between board size and firms' performance is sensitive to the estimation methods used. Irrespective of the school of thought, the size of the board should be sufficient enough with appropriate level of commitment to fulfill its responsibilities and duties.
As cited in McColgan (2001), Fama and Jensen (1983) argued that effective corporate boards should be composed largely of outside independent directors holding managerial positions in other companies. They argued that effective boards had to separate the problems of decision management and decision control. However, if the CEOs were able to dominate the board, separation of these functions would be more difficult and shareholders would suffer as a

consequence. Outside directors will able to separate these functions and exercise decision control since their reputations are at stake if they failed to do so.

Agrawal and Knoeber (1996) examined a range of governance variables within a simultaneous regression framework and found that the proportion of outside directors on a company's board is the only governance mechanism which consistently affects corporate value. However, the relationship is negative, suggesting the US firms have destroyed shareholder wealth by employing these directors. Hermalin and Weisbach (1991) found no relationship between board composition and firms' value.

However, Mace (1986) argued that the CEOs tend to dominate the director nomination process and will choose directors most in line with their own preferences .Jensen (1993) argues that corporate boards are less effective as they grow in size. Larger boards may be slower to react to decisions that require an immediate course of action. He also argued that as more directors are added, boards lose their ability to be directed in their operations. Directors also become less candid in their ability to be critical of one another, thereby giving room for less efficient decision making. Core et al (1999) found that CEO compensation is an increasing function of board size. In addition, they found that CEO compensation is a decreasing function of the percentage of insiders on the board. This is at variance with the UK study of Conyon and Peck (1998) who found no relationship between compensation and board structure.

2.1 ADVENT OF INSURANCE BUSINESS IN NIGERIA

Insurance is a peculiar financial sector in Nigeria, the sector perform slightly different economic functions from other financial services. The insurance business was introduced in Nigeria in 1910 by the British colonial government. Prior to this time, some forms of traditional insurance had been in existence in every part of Nigeria. This was in the form of mutual and social scheme, which evolved through the extended family system, age grades and union of African cultures (Osoka, 1992).

However, there are evidence that suggested that insurance contributes both in numerical growth and otherwise to Nigerian economy by improving the money transmission mechanism and by complementing the role of banks and other financial institutions in an efficient mix of activities than would be undertaken in the absence of risk management instruments.

Olalekan and Akinlo (2013) posited that Insurance is the cornerstones of modern-day financial services. Apart from its traditional role of managing risk, insurance market acts as an intermediary and also as provider of risk transfer and indemnification which enabled it promote growth by allowing different risks to be managed more efficiently, promoting long term savings and encouraging the accumulation of capital, serving as a conduit pipe to channel funds from policy holders to investment opportunities, thereby mobilizing domestic savings into productive investment (Skipper, 1997; Arena, 1998).

Oke (2001) argues that the origin of modern insurance are intertwined with the advent of British trading companies in Nigeria and the subsequent increased inter-regional trade. The first indigenous insurance company, the African Insurance Company Limited was established in 1958. There were twenty five (25) insurance companies in Nigeria as at 1960 out of which seven were indigenous companies with total market share of below 10% of the total share in the industry (Osoka, 2002). This was as a result of Obadan committee which recommends to government to reduce its stake in insurance industry due to the volatile nature of the industry (Usman, 2009). The recommendation of the committee has led to the establishment of department of Insurance in the Ministry of Trade and was later transformed to the Ministry of Finance. The report has also led to the enactment of Insurance Companies Act of 1961, which became effective from 4th May, 1967. By the provisions of the Act, the office of the Registrar of Insurance was created to supervise insurance practice. Other provisions of the Act included minimum capital requirement and other conditions for registration, monitoring, and controlling of insurance operation generally. This was followed by a series of legislation which sought to further the cause of insurance regulation in the country.

In 1986, there was a substantial increase in the number of insurance companies following the emergence of Structural Adjustment Programme (SAP). The first major attempt at regulating insurance in the country was the promulgation of the Nigerian Insurance Decree, 1976. The biggest development in the Nigerian insurance is the refurbishment of insurance institutions through the establishment of National Insurance Commission (NAICOM) which was established in 1997 and the taking over of the largest insurer, National Insurance Company of Nigeria (NICON).

The number of insurance companies increased from 70 in 1976 to 110 in 1990. To streamline insurance business activities, capital base was increased from ₦1 million to ₦2 million. As a result, 57 insurance companies met the minimum capital base. This was followed by strict control aimed at strengthening insurance sector in Nigeria. The first of the two round of recapitalization occurred in December 2002 where out of 117 insurance companies, 14 of them did not meet up with the minimum capitalisation and were liquidated. In 2003, in line with passing of the 2003 Insurance Act, the capital base was raised from ₦20 million to ₦150 million for life insurance businesses, ₦70 million to₦300 million for non-life insurance businesses, and N150 million to ₦350 million for reinsurance businesses.

The last major recapitalization process was introduced by the Insurance Act 2003. Section 9 ofthe Act raised the minimum capital requirement by as much as 650% with the exercise ended in 2004. Oni (2010) observed that the exercise left over 107 insurance and reinsurance companies in the market and it was perceivedas not achieving the aim of reducing the number of players in the industry. Section 9(4) of the Insurance Act provides that NAICOM may increase the amount of minimum capital requirement from time to time.

The then Minister of Finance announced a new minimum capital regime in September 2005 which was to be complied with by the end of February 2007. While previous Insurance Act 2003 only required new capital of less than ₦500 million (about $4 million); the 2005 recapitalization directive required a minimum of ₦2 billion (about $15 million) for life insurance and ₦3 billion (about $ 23 million) for non-life business. The 2005 recapitalization changed the landscape considerably as many companies were forced to merge in compliance with the follow-up directive of NAICOM that the requirements were only to be met through mergers and acquisitions. This led to phenomenal increase in the total asset of insurance companies to ₦573, 152.48 billion(National Insurance commission, 2010).

Table 1: Capital base for Nigerian insurance institutions

Category of	**Old capital base**	**New capital base**	**Increase in**

insurance	(2003)(₦)	(2005-till date) (₦)	percentage (%)
Life Insurance	150 million	2 billion	1,233.0
General Insurance	200 million	3 billion	1,400.0
Composite	350 million	-	-
Reinsurance	350 million	10 billion	2,757.0

Source: Oyedotun and Babajide (2015)

2.2 PRACTICE OF INSURANCE BUSINESS IN NIGERIA

According to Akanro (2008), government regulations over time have supported the growth prospect of insurance industry in the quest for economic development. According to National Bureau of Statistics (2009), insurance sector accounts for 61% of total jobs in the financial sector of the economy while other sectors accounted for 39% of jobs in the industry.

The structure of the sector was characterized by small establishments with few large ones which accounted for many of the jobs in the industry. Many insurance companies are situated in metropolitan areas. Insurance companies which deal directly with the public are located in all states of the country. Most of the workers are working in local insurance companies while others work for independent firms in metropolitan areas of the country.

Moreso, government propounded regulations in recent times to support the growth of the industry which include compulsory insurance for all public office holders and compulsory insurance for all non-government organizations operating in the country. The National Insurance Commission is working to ensure that any inhibitions to local insurers participating in the oil and gas business are removed. The commission also ensures that consortium bidding is strongly considered by oil and gas companies in selecting insurers for participation in the oil and gas business. This is to achieve a wider spread in participation by local insurance companies. There was also an upward review of interest rates by the Central Bank of Nigeria (CBN) in respect of statutory deposits of insurance companies which are placed with the CBN.

The practice of insurance business in Nigeria is commendable in fund transmission mechanism, that is, mobilization and transferring of funds from surplus sector to the deficit sector to finance real sector investment.

Arena (2006) argued that insurance companies, both as financial intermediaries and as providers of risk transfer, promote economic growth by allowing different risks to be managed more efficiently, encouraging the accumulation of new capital and by mobilizing domestic savings into productive investments. He also provided that insurance companies do not only contribute to economic growth, but also contribute to the growth of financial sector of the economy.

The joint effect with the banking sector and the development of insurance activity could encourage bank borrowing by reducing cost of capital, which influences economic growth (Grace and Rebello, 1993).

Zou and Adams (2006) opined that property insurance facilitates bank intermediation activity by partially collateralizing credit, which would reduce bank's credit risk exposures and promote higher levels of lending. Moreso, the development of the banking sector may facilitate the development of the insurance activity through a much more effective payment system thereby creating room for improved financial intermediation services (Webb et al, 2002).

USAID (2006) posited that the conjoint effect with the stock market, the development of the

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insurance activity, in particular life insurance companies, could promote stock market development by investing funds (savings) raised through contractual saving products in stocks and equities.

3.0 RESEARCH METHODOLOGY

The broad objective of this study is to examine the impact of corporate governance on firms' growth in Nigerian insurance industry. The data used for the purpose of this study were obtained from annual reports of 50 companies quoted on Nigerian Stock Exchange (NSE). A period of 6 years was considered. To test the hypothesis, the relationship between corporate governance mechanisms and firms' growth was measured.

The model used for the purpose of the study is:

$FG= \beta_0+\beta_1 BCR+\beta_2 AC+\beta_3 BI+\beta_4 BS+ \mu$

Where:

FG= Firms' Growth

β= Regression Coefficients

BCR= Board characteristics

AC= Audit Committee

BI= Board Independence

BS= Board Size

μ= Stochastic error term

4. RESULTS

Multiple regression model was employed to test the relationship between corporate governance mechanisms (Board Characteristics, Audit Committees, Board Independence and Board Size) and firms' growth in Nigerian insurance industry.

The coefficient of determination R^2 of 0.575 and the adjusted R^2 of 0.502 showed that corporate governance mechanisms explained firms' growth in Nigerian insurance industry. The R^2 indicates that 57.5% variation in firms' growth in Nigerian insurance industry is caused by corporate governance mechanisms. This implies that the result is a good fit of the model.

The evidence of the findings revealed a significant positive relationship between board characteristics and firms' growth. This is evidenced by a P-value of 0.004 which is statistically significant at 0.05 level. A significant positive relationship was also found between audit committee and firms' growth. This is supported by a P-value of 0.002, which is statistically significant at 0.05 level.

The results of the findings also revealed that there is a positive relationship between board independence and firms' growth. This is revealed by a P-value of 0.000, which is statistically significant at 0.05 level. A P-value of 0.000 also revealed that board size is significantly positively related to firms' growth.

5.0 CONCLUSION

This paper investigates the impact of corporate governance on firms' growth in Nigerian insurance industry. Corporate governance is examined from the perspectives of board characteristics, audit committees, board independence and board size. The evidence of the findings revealed that there is a significant positive relationship between corporate governance and firms' growth in Nigerian insurance industry. This means that the higher the level of board characteristics, audit committees, board independence and board size ,the higher the level of growth in Nigerian insurance industry.

Based on the findings of this study, it is recommended that insurance companies in Nigeria should focus on corporate governance mechanisms in order to enhance their growth.

Moreso, there is development of National Code of Corporate Governance by the Financial Reporting Council of Nigeria (FRCN) which is expected to be adopted by all firms operating in Nigeria.

The adoption of the National Code of Corporate Governance helps to prevent corporate failures in Nigerian insurance industry and therefore enhance their firms' growth

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APPENDIX 1

MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.758[a]	0.574	0.502	0.11400

Source: Author's Computation, 2018

a. Predictors: (Constant), Board Characteristics, Audit Committee, Board Independence and Board Size
b. Dependent Variable: Firms' Growth measured by Percentage Change in Total Assets

APPENDIX 2

COEFFICIENTS[A]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	0.714	0.166		4.633	.001
	Board Characteristics	0.158	0.194	0.117	2.188	.004
	Audit Committees	0.224	0.181	0.198	2.214	.002
	Board Independence	0.055	0.239	0.125	2.997	.000
	Size	0.205	0.263	0.142	2.471	.000

a. Dependent Variable: Firms' Growth

APPENDIX 3

ANOVA[a]

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Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.243	3	.021	1.369	.003[b]
	Residual	2.507	52	.036		
	Total	2.750	55			

Source: Author's Computation, 2018

a. Dependent Variable: Firms' Growth
a. Predictors: (Constant), Board Characteristics, Audit Committee, Board Independence and Board Size