# Review of: "Determinants of Corporate Financial Performance in African Insurance Market"

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Potential competing interests: No potential competing interests to declare.

**Abtract**:

1. Overall the abstract is sound but please provide research methods related to the population and sample from your research
2. Please explain the implications of your research results related to the following statement è The researchers provided possible recommendations for policymakers and insurance firms across Africa.

**Introduction**:

1. Please start it with a broader area/issue/context then relate it yours context/area of research.
2. Highlight the research gaps and problems in your area/context. You can also highlights the gaps of previous research.
3. There is a repetition of the statement in the introduction to paragraphs 7 and 8 However, the aforementioned studies failed to address the literature and methodology gap by incorporating small-sized insurance firms in their samples. The maximum number of MFIs incorporated in their studies was 10. This study aims to improve the sample size by including 170 observations, considering 17 insurance firms in Africa with at least 10 years of audited financial statements. The researcher aims to identify the effects of underwriting risk, reinsurance, premium growth, firm size, educational age, capital adequacy, leverage ratio, liquidity ratio, gross domestic product, and inflation rate as explanatory variables on the profitability of selected MFIs from 2010 up to 2022 G.C. This is necessary for policy guidance on the effect of each specific variable on the profitability of insurance firms in Africa.

On the other hand, from the researcher's level of knowledge, there is limited research on similar topics in Ethiopia, and it will contribute to the existing stage of the study of corporate financial performance of insurance firms in Africa. Therefore, filling the aforementioned gaps is the aim of this research. Hence, the aforementioned studies failed to disclose the literature and methodology gap by incorporating those small-sized insurance firms in their samples. The maximum number of MFIs incorporated in their studies was 10. However, this study will improve the sample size to 221 observations by considering 17 insurance firms in Ethiopia, which have at least 13 years of audited financial statements. So, the researcher aims to identify the effect of underwriting risk, reinsurance, premium growth, firm size, educational age, capital adequacy, leverage ratio, liquidity ratio, gross domestic product, and inflation rate as explanatory variables on the profitability of selected MFIs from 2010 up to 2022 G.C for the necessity of policy guidance on the effect of each specific variable on the profitability of insurance firms in Africa. On top of that, there are a number of insurance companies cropping up in different parts of the country. Therefore, this study attempts to analyze the determinants of corporate financial performance in the insurance market in Africa.

4. provide a deeper explanation or phenomenon that occurs about corporate financial performance in The African insurance market. It should be explained in a more clear the findings of prior studies to support it.

5. Also, it can be presented the novelty of this research.

**Literature Review:**

1. Hypotheses Development still very weak
2. There are differences in table 1. Variable Description and Hypothesis Formulation with figure 1 Conceptual Framework

| Category | Variables |
|---|---|
| **Dependent variables** | **Return on Asset (ROA):** Return on asset is a financial ratio that shows the percentage of profit that a company earns in relation to its overall resources (Dissanayake, 2012). |
| | **Underwriting risk** is the risk of loss borne by an underwriter. In insurance, underwriting risk may arise from an inaccurate assessment of the risks associated with writing an insurance policy or from uncontrollable factors. As a result, the insurer's costs may significantly exceed earned premiums (Deyganto and Alemu, 2019). |
| | **Reinsurance** is insurance for insurance companies. It's a way of transferring or "ceding" some of the financial risk insurance companies assume in insuring cars, homes, and businesses to another insurance company, the reinsurer. It has a positive effect on firm performance (Abebe & Abera, 2019). |

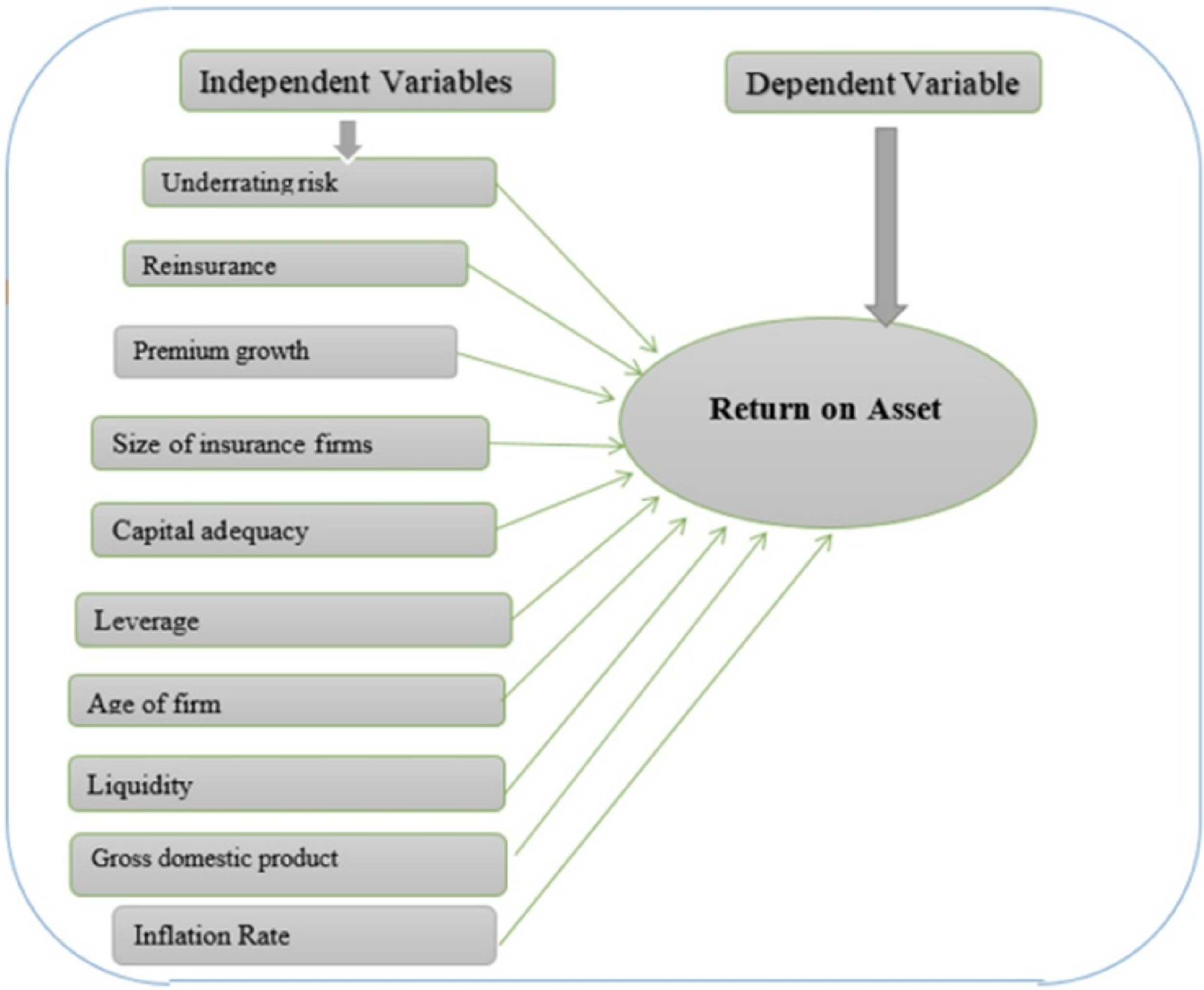


**Figure 1.** Conceptual Framework of the study

**Methods**:

1. Research Design è please explain about this statement è The purpose of this research is to identify the effect of corporate governance of MFIs on financial performance measured through ROA. Is corporate governance examined in your research?
2. Data Collection & Analysis è please explain about this statement è The aim of this section is to briefly explain the various methods that will be chosen to analyze the quantitative and qualitative data

**Findings**

Please tidy up the table

**Discussion** :

1. The discussion should be improved.
2. Please separate the discussion of each hypothesis to make it easier for readers to analyze the discussion of your

research results

3. The arguments must be supported by the literature you cited in hypotheses development.
4. Please describe that either your results are supported or contradict the literature you cited, especially discussion each hypothesis please is discussed in detail

**References**:

The author needs add more relevant literature and update. Also complete with DOI