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

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Potential competing interests: No potential competing interests to declare.

The Determinants of Corporate Financial Performance in the African Insurance Market" is a study conducted by researchers from Atlantic International University and Dilla University that explores the factors that affect the financial performance of insurance companies in Africa. The study examines both internal and external factors that impact the financial performance of insurance companies in Africa and provides recommendations for companies and policymakers across the continent. The study concludes that operational efficiency, asset quality, and capital structure are the main internal factors that affect the financial performance of insurance companies in Africa, while GDP, inflation rate, and interest rate are the main external factors that affect financial performance. The study recommends that insurance companies in Africa improve their operational efficiency, diversify their products and services, and adopt risk management strategies to improve their financial performance. In summary, the text presents a comprehensive overview of the key determinants of corporate financial performance in the African insurance market, emphasizing their importance for both the insurance sector and the broader economy. It underscores the need for further research in this area to inform policy and practice. The study aims to analyze the financial performance of insurance companies in Africa, considering a variety of internal and external factors that can influence this performance. This analysis is crucial for assessing the efficiency and sustainability of these companies' operations and making informed decisions regarding investments and strategic planning. The methodology adopted for this research appears to be appropriate, with a quantitative approach that aligns well with the research objectives. The panel research design is a relevant choice for investigating the relationship between corporate governance and financial performance over time. However, it would be beneficial to include more details about the sampling design for a comprehensive understanding of the methodology. The descriptive statistics are valuable for understanding the data distribution and provide a solid foundation for more advanced statistical analyses that can be conducted later in the study. They offer an overview of the dataset's characteristics and the trends observed over the analysis period. The statistical analysis is important for understanding the relationships between the variables and how they affect ROA, as well as for determining the most appropriate regression model for the study. The random effects model is chosen based on the results of the Hausman test. Based on the research findings, it can be concluded that a combination of factors influences the financial performance of insurance companies in Africa. Underwriting, reinsurance, premium growth, firm size, capital adequacy, and leverage are key factors that positively impact ROA. Liquidity management, GDP, and inflation also play significant roles in determining financial performance. Understanding these factors and their relationships can assist insurance companies in making informed decisions to enhance their profitability. The article provides a detailed and well-founded analysis of the variables that affect the financial performance of insurance companies in Africa. However, it is important to remember that the conclusions are specific to this context, and the causality between the variables needs to be examined in more detail.