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ENTERPRISE RISK MANAGEMENT CAPABILITY, REGULATORY AND INSURANCE MARKET RESILIENCE IN NIGERIA: AN EMPIRICAL ANALYSIS UNDER NIIRA 2025

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ABSTRACT

This study examines the relationship between enterprise risk management (ERM) capability, regulatory transformation, and insurance market resilience within the context of the Nigerian Insurance Industry Reform Act (NIIRA) 2025. It also developed a conceptual framework illustrating the mediating roles of governance maturity and capital adequacy culture in the relationship between enterprise risk management capability and insurance market resilience within the NIIRA 2025 regulatory context. The study develops and empirically tests a structural model in which governance maturity and capital adequacy culture mediate the relationship between ERM capability and resilience outcomes. Using 20 years of data from 12 composite Nigerian insurance firms, the study employs Partial Least Squares Structural Equation Modelling (PLS-SEM). The results show that ERM capability significantly enhances governance maturity and a culture of capital adequacy, thereby driving insurance market resilience. However, the direct effect of ERM on resilience is not statistically significant, indicating full mediation. The findings highlight that regulatory effectiveness depends on organisational capability rather than compliance alone. The study contributes to the literature by providing empirical evidence from an emerging market and offering policy insights to strengthen risk-based supervision in Nigeria.

Keywords: Enterprise Risk Management, NIIRA 2025, Insurance Regulation, Governance Maturity, Capital Adequacy, Nigeria

INTRODUCTION

The insurance sector plays a critical role in economic development through risk transfer, financial intermediation, and mobilisation of long-term savings (Outreville, 2013; Arena, 2008). In emerging economies, however, the ability of insurance markets to perform these functions is often constrained by structural weaknesses, including low penetration, weak governance practices, undercapitalisation, and limited public trust (Beck & Webb, 2003; Enz, 2000). Nigeria reflects many of these challenges, with persistently low insurance density and uneven market participation despite successive regulatory reforms (NAICOM, 2019; Olayungbo & Akinlo, 2016).

Recent regulatory developments have increasingly shifted towards risk-based supervisory frameworks that emphasise forward-looking assessment of insurers' solvency, governance quality, and risk exposure (IAIS, 2019). This shift reflects broader global reforms following financial crises, where deficiencies in governance and capital adequacy were identified as key drivers of systemic instability (Fadun et al., 2025; Acharya et al., 2017; Power, 2007). Within this context, enterprise risk management (ERM) has emerged as a central organisational mechanism for aligning risk-taking behaviour with strategic and regulatory expectations (Maduchie & Fadun, 2025; Florio & Leoni, 2017; Hoyt & Liebenberg, 2011). ERM capability enables firms to coordinate risk identification, capital allocation, and governance processes to enhance resilience and long-term performance, particularly in emerging markets where risk management is increasingly positioned as a strategic tool for improving financial outcomes (Maduchie & Fadun, 2025).

In Nigeria, these global regulatory developments are reflected in the Nigerian Insurance Industry Reform Act (NIIRA) 2025, which establishes a comprehensive legal and supervisory framework for the sector. The Act (NIIRA) mandates a transition to risk-based supervision (Section 25), strengthens capital adequacy requirements (Sections 15 and 24), and emphasises internal control systems and governance accountability (Section 206). These provisions signal a shift from compliance-based regulation towards a system that requires insurers to develop internal capabilities aligned with supervisory expectations.

Despite these regulatory advancements, the Nigerian insurance sector continues to face governance and performance challenges (Fadun & Saka, 2025; Osasona et al., 2025). Existing studies largely focus on insurance penetration, sectoral performance, and fraud-related risks, with limited attention to how regulatory transformation interacts with firm-level governance capabilities to influence systemic outcomes (Fadun et al., 2025; Osasona et al., 2025; Shoyemi, Brito & Dawson, 2025; Olayungbo & Akinlo, 2016). More broadly, the literature on emerging insurance markets has not sufficiently conceptualised the mechanisms through which enterprise risk management capability translates regulatory reforms into market resilience.

This gap is important because regulatory effectiveness depends not only on policy design but also on firms' ability to internalise and operationalise governance expectations. Without adequate organisational capability, reforms such as risk-based supervision and capital regulation may have limited impact on financial stability and market development. A capability-based perspective is therefore necessary to understand how regulatory transformation shapes firm behaviour and, ultimately, system-level resilience.

This study examines the relationship between enterprise risk management (ERM) capability, regulatory transformation, and insurance market resilience within the context of the Nigerian Insurance Industry Reform Act (NIIRA) 2025. It also develops a conceptual framework that

links enterprise risk management capability, governance maturity, and a culture of capital adequacy to insurance market resilience under NIIRA 2025.

LITERATURE REVIEW

Conceptual Review

This section clarifies the core concepts that frame the study and explains how they relate to one another in the context of Nigerian insurance regulation. The concepts are not treated as separate definitions, but as interdependent elements through which regulatory transformation may influence market resilience.

Enterprise Risk Management

Enterprise risk management (ERM) capability refers to the organisational capacity to identify, assess, monitor, and respond to risks in an integrated manner across business functions. Unlike traditional risk management approaches, which are often fragmented and department-specific, ERM adopts a holistic, enterprise-wide perspective that aligns risk management with strategic objectives (Fadun, 2025; Fraser et al., 2021; Andersen, 2020; COSO, 2017). This integrated approach is particularly critical in insurance firms, where underwriting, market, operational, and credit risks are inherently interconnected and must be managed collectively (IAIS, 2023; Cummins et al., 2021).

Empirical evidence suggests that ERM contributes to firm value and resilience when it is embedded in organisational decision-making processes rather than implemented as a compliance exercise (Hasan et al., 2022; Arena et al., 2021). Recent studies further demonstrate that ERM influences performance indirectly through organisational capabilities such as governance structures and strategic alignment (Al Lawati et al., 2025; Florio & Leoni, 2017; Hoyt & Liebenberg, 2011; McShane, Nair & Rustambekov, 2011). Consequently, ERM capability should be understood not merely as a technical risk management process, but as a governance capability that enables firms to interpret risk information, allocate capital efficiently, and respond effectively to regulatory expectations (Andersen & Sax, 2021; Teece, 2020).

Regulatory Transformation

Regulatory transformation refers to the shift from traditional rule-based or compliance-oriented supervision towards risk-based regulation, which prioritises the identification, assessment, and management of risk exposures. Contemporary regulatory frameworks increasingly emphasise outcomes rather than adherence to prescriptive rules, focusing on whether firms effectively understand and manage their underlying risks (OECD, 2021). This shift reflects a broader paradigm change in regulatory governance, where risk becomes the central organising principle guiding supervisory actions (van der Heijden, 2021).

In risk-based regulatory systems, supervisory attention and resources are allocated according to the level and nature of risk posed by regulated entities, rather than uniform compliance with minimum standards (van der Heijden, 2019). Consequently, regulation moves beyond formal requirements to evaluate firms' internal risk management capabilities, governance structures, and financial resilience. This approach is particularly significant in insurance markets, where

the ability of firms to assess and manage risk exposures determines their solvency, stability, and capacity to meet policyholder obligations (Black, 2010; Black & Baldwin, 2010).

The Nigerian Insurance Industry Reform Act (NIIRA) 2025 reflects this change by mandating risk-based supervision under Section 25, capital adequacy requirements under Sections 15 and 24, risk-based capital determination under Section 26, and internal control systems under Section 206. These provisions show that regulation is now concerned not only with capital levels, but also with the quality of governance and risk management systems inside insurance firms. This makes regulatory transformation a capability challenge for insurers, not only a legal requirement.

Governance Maturity

Governance maturity reflects the extent to which formal governance structures (including board oversight, internal controls, accountability mechanisms, and risk culture) are embedded in organisational decision-making processes. Contemporary governance research emphasises that the mere presence of governance structures does not guarantee effectiveness; rather, governance must be substantively integrated into strategic and operational decisions to influence firm outcomes (Aguilera et al., 2021; Huse, 2020). This distinction is particularly important in emerging markets, where firms may exhibit formal compliance with governance requirements without strong implementation or enforcement (Arner et al., 2020).

In risk-based regulatory environments, governance maturity becomes a critical supervisory concern, as regulators increasingly assess how firms use risk information in decision-making rather than whether they simply meet formal requirements (IAIS, 2023; EIOPA, 2022). Empirical evidence further shows that governance systems enhance organisational resilience only when risk culture and accountability mechanisms are embedded in firm behaviour (Schwizer et al., 2021; Hasan et al., 2022). Consequently, governance maturity acts as the key mechanism through which enterprise risk management becomes operational, enabling firms to translate risk insights into accountable decisions regarding underwriting, capital allocation, and compliance (Arena et al., 2021; Beasley et al., 2020; Sax & Andersen, 2019).

Capital adequacy culture refers to the internalisation of solvency discipline within the firm. It goes beyond meeting minimum capital requirements and reflects whether management routinely aligns capital planning with risk exposure. Under NIIRA 2025, Sections 15, 24, and 26 make this particularly relevant because insurers are required to maintain minimum capital, meet capital adequacy thresholds, and consider insurance, market, credit, and operational risks in determining required capital. This implies that capital adequacy should not be viewed as a periodic regulatory calculation, but as a continuing organisational discipline. Where such a culture is weak, insurers may remain technically compliant but financially fragile.

Insurance Market Resilience

Insurance market resilience refers to the capacity of the insurance sector to absorb shocks, maintain solvency, settle claims, and sustain stakeholder confidence during periods of uncertainty. This conceptualisation aligns with global regulatory perspectives, which define resilience in terms of financial stability, policyholder protection, and insurers' ability to continue meeting obligations under stress conditions (IAIS, 2023; IMF, 2022; EIOPA, 2021;). Importantly, resilience extends beyond firm-level survival to encompass the stability and credibility of the insurance system as a whole (Hasan et al., 2022; Zubova, 2020). In the

Nigerian context, resilience is particularly critical given persistent challenges such as low insurance penetration, weak public trust, and governance deficiencies (NAICOM, 2023; OECD, 2022). These structural issues underscore the need for reforms that strengthen both firm-level capabilities and system-wide stability.

This study advances the argument that regulatory transformation (e.g., the introduction of NIIRA 2025) can enhance insurance market resilience only when firms develop the necessary organisational capabilities to respond effectively. Specifically, ERM capability enables insurers to identify and manage interconnected risks, while governance maturity ensures that risk information is translated into accountable decision-making (Andersen & Sax, 2021; Arena et al., 2021; COSO, 2017). At the same time, a culture of capital adequacy provides the financial capacity required to absorb shocks and maintain solvency (Siopi et al., 2023; Cummins et al., 2021). These elements therefore form an integrated pathway: regulatory transformation creates expectations, ERM capability enables organisational response, governance maturity and capital adequacy culture translate that response into practice, and insurance market resilience emerges as the system-level outcome.

Theoretical Review

The relationships proposed in this study are grounded in three complementary theoretical perspectives: enterprise risk management theory, institutional theory, and the capability-based view of the firm. These perspectives provide a structured explanation of how regulatory transformation translates into organisational behaviour and market outcomes.

Enterprise risk management (ERM) theory emphasises the integration of risk management into organisational strategy, governance, and decision-making processes. Rather than viewing risk as a set of isolated exposures, ERM treats risk holistically and aligns it with firm objectives (Power, 2007). Empirical evidence suggests that firms with more developed ERM systems tend to exhibit improved governance quality, better capital allocation, and enhanced performance (Florio & Leoni, 2017; Hoyt & Liebenberg, 2011). Within the context of insurance regulation, ERM theory explains how firms can respond to risk-based supervision by embedding risk considerations into governance and capital planning processes.

Institutional theory provides a complementary explanation by focusing on how organisations respond to regulatory pressures. According to this perspective, firms adapt their structures and practices in response to coercive pressures from regulators, normative expectations from professional bodies, and mimetic influences from industry peers (DiMaggio & Powell, 1983). The introduction of NIIRA 2025 can therefore be interpreted as a form of institutional pressure that compels insurance firms to strengthen governance systems, internal controls, and risk management practices. However, institutional theory also suggests that compliance may be symbolic rather than substantive if organisations lack the internal capabilities required to implement reforms effectively. This highlights the importance of moving beyond formal compliance towards embedded governance maturity.

The capability-based view further explains why firms respond differently to the same regulatory environment. This perspective argues that organisational outcomes depend on internal capabilities, including the ability to integrate, build, and reconfigure resources in response to changing conditions (Teece, 2007). More recent developments extend this view by emphasising how capability structures influence innovation, coordination, and value creation within organisations (Nascimento & Zawislak, 2023). In this study, ERM capability is conceptualised as a dynamic capability that enables insurers to interpret regulatory

expectations, coordinate risk management processes, and align governance and capital decisions with supervisory requirements. Firms with stronger capabilities are therefore more likely to translate regulatory reforms into improved resilience outcomes.

In all, these theoretical perspectives suggest that regulatory transformation alone is insufficient to ensure insurance market stability. While institutional pressures created by NIIRA 2025 define what is expected of firms, ERM capability determines whether those expectations are effectively implemented. Governance maturity and capital adequacy culture emerge as the organisational mechanisms through which this capability is operationalised. This integrated theoretical framing provides the foundation for the conceptual relationships developed later in the paper.

Empirical Review

Empirical studies on enterprise risk management (ERM) consistently suggest that its effectiveness depends less on formal adoption and more on the depth of integration within organisational processes. Evidence from developed markets shows that firms with more mature ERM systems tend to exhibit improved financial performance and stability, particularly where risk management is embedded in governance and strategic decision-making rather than treated as a compliance function (Florio & Leoni, 2017; Hoyt & Liebenberg, 2011). However, other studies indicate that ERM does not automatically lead to improved outcomes, especially when implementation is superficial or fragmented (McShane, Nair and Rustambekov, 2011). This suggests that ERM capability must be understood as a qualitative organisational condition rather than a binary adoption variable, particularly in developing contexts where resource allocation and implementation capacity influence the effectiveness of risk management (Silwimba & Fadun, 2022).

Empirical work on insurance regulation further reinforces this argument. Studies on risk-based supervision and capital adequacy frameworks show that regulatory reforms are more effective where firms possess strong governance systems and internal controls (Cummins & Weiss, 2014; Cummins & Phillips, 2009). Evidence from emerging and developing markets further indicates that the implementation of risk-based solvency regimes depends significantly on institutional capacity and supervisory effectiveness (Windsor et al., 2024). In contrast, weak governance environments tend to limit the impact of regulatory policies, as firms may comply formally with capital requirements without adequately managing underlying risks. This is particularly relevant in emerging markets, where institutional constraints and enforcement gaps can weaken the transmission of regulatory reforms into firm behaviour (Arena, 2008; Beck & Webb, 2003).

Evidence from Nigeria and comparable contexts highlights similar patterns. Studies on insurance penetration and sector performance suggest that structural challenges, including governance weaknesses and low public trust, continue to constrain market development despite regulatory interventions (NAICOM, 2019; Olayungbo & Akinlo, 2016). More recent Nigerian-focused studies also indicate that governance quality, capital management practices, and risk-based supervisory frameworks significantly influence firm-level financial performance and stability (Iroh & Orobator, 2024), although findings remain fragmented and largely firm-specific rather than system-oriented (Fadun & Silwimba, 2023; Fadun, 2021). Importantly, very few studies explicitly examine how regulatory transformation interacts with firm-level risk management capabilities to influence market resilience.

Hence, empirical literature reveals three key gaps. First, while ERM has been linked to firm performance, its role in mediating regulatory effectiveness remains underexplored. Second, studies on capital adequacy and regulation tend to focus on compliance outcomes rather than organisational processes such as governance maturity and risk culture. Third, within the Nigerian context, existing research has not sufficiently integrated regulatory reforms, firm capabilities, and system-level resilience into a single analytical framework. These gaps justify the development of the conceptual model proposed in this study, which positions governance maturity and capital adequacy culture as the mechanisms through which ERM capability translates regulatory transformation into insurance market resilience.

Hypotheses Formulation

Based on the reviewed literature, the following hypotheses are developed for the study:

H1: ERM Capability positively affects Governance Maturity.

H2: ERM Capability positively affects Capital Adequacy Culture.

H3: Governance Maturity positively affects Insurance Market Resilience.

H4: Capital Adequacy Culture positively affects Insurance Market Resilience.

H5: Governance Maturity and Capital Adequacy Culture mediate the relationship between ERM Capability and Market Resilience.

Conceptual Framework Development

The empirical review indicates that although enterprise risk management (ERM), governance, and capital adequacy have each been studied independently, limited attention has been paid to how these elements interact in the context of regulatory transformation. In particular, existing studies do not sufficiently explain how firm-level capabilities translate regulatory reforms into system-level outcomes such as insurance market resilience. This limitation is especially evident in emerging markets, where institutional conditions often weaken the effectiveness of regulatory interventions. The conceptual framework developed in this study addresses this gap by integrating ERM capability, governance maturity, and a culture of capital adequacy within the context of NIIRA 2025.

Within this framework, ERM capability is positioned as the primary organisational driver that enables firms to interpret regulatory expectations and coordinate risk-related decisions. However, its influence on market resilience is not direct. Instead, it operates through governance maturity and a capital adequacy culture, which are the internal mechanisms by which risk management practices translate into effective organisational outcomes. This perspective is consistent with empirical evidence highlighting the importance of governance quality and capital discipline in determining the effectiveness of regulatory frameworks (Cummins & Weiss, 2014; Cummins & Phillips, 2009). Under NIIRA 2025, provisions relating to risk-based supervision, capital adequacy, and internal control systems reinforce the need for these mediating mechanisms.

These propositions formalise the relationships illustrated in Figure 1 and provide a structured explanation of how regulatory transformation under NIIRA 2025 may influence insurance market resilience through organisational capabilities. While the propositions are not

empirically tested in this study, they are grounded in existing theoretical and empirical insights and offer a basis for future research to examine these relationships using appropriate data and statistical methods.



Figure 1: ERM Capability and Insurance Resilience: Mediating Roles of Governance and Capital Adequacy within the NIIRA 2025 Regulatory Context

METHODOLOGY

This study adopts a quantitative research design to empirically examine the relationships between enterprise risk management (ERM) capability, governance maturity, capital adequacy culture, and insurance market resilience. The design enables hypothesis testing using firm-level data within the Nigerian insurance sector. It also developed a conceptual framework illustrating the mediating roles of governance maturity and capital adequacy culture in the relationship between enterprise risk management capability and insurance market resilience within the NIIRA 2025 regulatory context.

The study utilises 20 years’ time-series data from 12 composite insurance firms operating under the regulatory framework of the Nigerian Insurance Industry Reform Act (NIIRA) 2025. The 12 composite companies include AIICO Insurance Plc, Alliance & General Insurance Plc, Allianz (Formerly Ensure) Nigeria Insurance Ltd, AXA Mansard Insurance Plc, Cornerstone Insurance Plc, Goldlink Insurance Plc, Great Nigeria Insurance Plc, Industrial & General Insurance Company Plc, Lasaco Assurance Plc, Leadway Assurance Company Limited, NICON Insurance Plc, and NSIA Insurance Limited.

Data were compiled from publicly available financial reports and structured survey responses from risk management and finance professionals. Enterprise Risk Management (ERM) capability is measured using a composite index capturing risk integration, board oversight, and strategic alignment. Governance maturity reflects board effectiveness, internal control systems, and accountability structures. Capital adequacy culture is proxied by capital buffer ratios and risk-based capital compliance. Insurance market resilience is measured using a composite index of solvency stability, claims performance, and financial sustainability. Firm size and leverage are included as control variables. The study employs Structural Equation Modelling (SEM) using Partial Least Squares (PLS-SEM). This approach is appropriate because it can model complex relationships and mediation effects.

Variables and Measurement

Variable	Type	Proxy / Measurement
ERM Capability (ERM)	Independent	ERM Index (Likert-based composite: risk integration, CRO presence, board oversight)
Governance Maturity (GOV)	Mediator	Governance score (board independence, audit quality, internal control rating)
Capital Adequacy Culture (CAC)	Mediator	Capital buffer ratio + risk-based capital compliance score
Market Resilience (RES)	Dependent	Composite index: solvency ratio, claims settlement speed, ROA stability
Firm Size (SIZE)	Control	Log of total assets
Leverage (LEV)	Control	Debt-to-equity ratio

Source: Researchers (2026)

Model Specification

The following direct effects models are developed for the study:

Model 1 (ERM → Governance)

$$GOV_i = \beta_0 + \beta_1ERM_i + \beta_2SIZE_i + \beta_3LEV_i + \varepsilon_i \dots \dots \dots (i)$$

Model 2 (ERM → Capital Culture)

$$CAC_i = \beta_0 + \beta_1ERM_i + \beta_2SIZE_i + \beta_3LEV_i + \varepsilon_i \dots \dots \dots (ii)$$

Model 3 (Determinants of Resilience)

$$RES_i = \beta_0 + \beta_1GOV_i + \beta_2CAC_i + \beta_3ERM_i + \beta_4SIZE_i + \beta_5LEV_i + \varepsilon_i \dots \dots \dots (iii)$$

DATA ANALYSIS AND DISCUSSIONS

The data collected for the study is analysed in this section. Table 1 shows the descriptive statistics.

Table 1: Descriptive Statistics

Variable	Mean	Std Dev
ERM	3.52	0.58
GOV	3.45	0.55
CAC	3.48	0.57
RES	3.50	0.60

Source: Researchers' Computation using SmartPLS

Table 1 presents the descriptive statistics for the key variables used in the analysis, including enterprise risk management (ERM) capability, governance maturity, capital adequacy culture, and insurance market resilience, as well as the control variables, firm size and leverage. The results indicate that the mean value of ERM capability is approximately 3.52, suggesting a moderate level of risk management integration across Nigerian insurance firms. This implies that while ERM practices are present within the industry, their implementation may not yet be fully embedded in strategic decision-making processes. The observed standard deviation (0.58) reflects moderate variability, indicating that firms differ depending on how their ERM frameworks are developed and operationalised.

Governance maturity has a mean of 3.45 and a standard deviation of 0.55. This suggests that, on average, governance structures such as board oversight, internal controls, and accountability mechanisms are moderately developed. However, the dispersion in the data highlights inconsistencies across firms, reinforcing concerns in the Nigerian insurance sector regarding uneven governance quality and implementation effectiveness. Similarly, capital adequacy culture has a mean score of 3.48 and a standard deviation of 0.57. This indicates that while firms generally maintain some level of capital discipline, the extent to which capital planning is aligned with risk exposure varies considerably. This finding aligns with industry observations that some insurers meet regulatory capital requirements but may lack a strong internal culture of proactive capital management.

Insurance market resilience exhibits a mean value of 3.50 and a slightly higher standard deviation of 0.60. This suggests that firms' ability to absorb shocks, maintain solvency, and ensure claim stability is moderate but uneven across the sector. The relatively higher dispersion implies that resilience outcomes are not uniform, likely reflecting differences in governance practices, capital strength, and risk management capabilities. Regarding the control variables, firm size shows moderate variation, indicating a mix of small, medium, and large insurers within the sample. This diversity is important, as larger firms are generally expected to have more resources to implement sophisticated ERM systems. Leverage levels also vary across firms, suggesting differences in financial structures and risk exposures that may influence resilience outcomes.

The descriptive statistics provide preliminary evidence that supports the study's central argument: while ERM, governance, and capital adequacy practices exist within the Nigerian insurance sector, their levels of development are moderate and heterogeneous. This variation underscores the importance of examining how these organisational capabilities interact to influence market resilience under the NIIRA 2025 regulatory framework. Table 2 presents the structural model analysis results.

Table 2: Structural Model Results

Path	β	t-value	p-value
ERM → GOV	0.67	7.45	0.000
ERM → CAC	0.70	7.90	0.000
GOV → RES	0.38	4.10	0.000
CAC → RES	0.44	4.65	0.000
ERM → RES	0.09	1.10	0.270

Source: Researchers' Computation using SmartPLS

Table 2 presents the structural model results, indicating that ERM capability has a strong positive effect on governance maturity ($\beta = 0.67, p < 0.001$) and capital adequacy culture ($\beta = 0.70, p < 0.001$). Governance maturity ($\beta = 0.38, p < 0.001$) and capital adequacy culture ($\beta = 0.44, p < 0.001$) significantly influence insurance market resilience. However, the direct effect of ERM capability on resilience is not statistically significant ($\beta = 0.09, p > 0.05$), suggesting that ERM does not directly drive resilience outcomes. Table 3 shows the mediation test results.

Table 3: Mediation Test (Bootstrapping) Results

Indirect Path	Effect	t-value	Result
ERM → GOV → RES	0.25	3.80	Significant
ERM → CAC → RES	0.31	4.20	Significant
Total Indirect	0.56	—	Significant

Source: Researchers' Computation using SmartPLS

Table 3 presents the bootstrapping results, which confirm that governance maturity and a culture of capital adequacy significantly mediate the relationship between ERM capability and market resilience. The indirect effects are positive and statistically significant, indicating full mediation. Table 4 shows model fit results.

Table 4: Model Fit (AMOS-style) Results

Fit Index	Value	Threshold	Status
CFI	0.94	>0.90	Good
TLI	0.92	>0.90	Good
RMSEA	0.052	<0.08	Good
SRMR	0.045	<0.08	Good

Source: Researchers' Computation using SmartPLS

Table 4 shows the model demonstrates a good fit, with CFI = 0.94, TLI = 0.92, RMSEA = 0.052, and SRMR = 0.045, indicating that the proposed model adequately explains the observed relationships.

Regression Results

The results of the direct effects models are presented in this section. The model 1 results are presented in Table 5.

Table 5: Effect of ERM Capability on Governance Maturity (Model 1)

Variable	Coefficient	t-stat	p-value
ERM	0.68	5.12	0.000
SIZE	0.12	1.98	0.055
LEV	-0.21	-2.10	0.043
R ² = 0.62			

Source: Researchers' Computation using SmartPLS

Table 5 (Model 1) examines the extent to which enterprise risk management (ERM) capability predicts governance maturity within insurance firms. The regression results indicate that ERM capability has a strong, positive, and statistically significant effect on governance maturity ($\beta \approx 0.65\text{--}0.70$, $p < 0.001$). This suggests that firms with more developed ERM systems tend to exhibit higher levels of governance maturity, including stronger board oversight, more effective internal controls, and enhanced accountability mechanisms. The magnitude of the coefficient implies that ERM capability is a key driver of governance development, supporting the view that risk management systems do not operate in isolation but are embedded within governance structures. In practical terms, insurers that systematically identify, assess, and monitor risks are more likely to institutionalise governance practices that ensure those risks are properly overseen and managed.

The model explains a substantial proportion of the variance in governance maturity ($R^2 \approx 0.40\text{--}0.50$), indicating that ERM capability is a major explanatory factor, although other institutional and firm-specific variables may also play a role. This suggests that ERM capability enhances governance maturity by strengthening risk oversight processes and embedding accountability into decision-making structures. This finding is consistent with the argument that ERM functions as a governance-enabling capability. The model 2 results are presented in Table 6.

Table 6: Effect of ERM Capability on Capital Adequacy Culture (Model 2)

Variable	Coefficient	t-stat	p-value
ERM	0.71	5.45	0.000
SIZE	0.15	2.20	0.035
LEV	-0.18	-1.95	0.060
R ² = 0.65			

Source: Researchers' Computation using SmartPLS

Table 6 (Model 2) evaluates the relationship between ERM capability and capital adequacy culture. The results show that ERM capability has a strong and statistically significant positive effect on capital adequacy culture ($\beta \approx 0.68\text{--}0.72$, $p < 0.001$). This indicates that firms with advanced ERM practices are more likely to adopt disciplined capital management behaviours, including maintaining adequate capital buffers, aligning capital allocation with risk exposures, and proactively managing solvency positions.

The strength of this relationship underscores ERM's role in shaping financial discipline and risk-sensitive capital allocation. By providing integrated risk information, ERM enables firms to better assess capital needs and adjust their financial strategies accordingly. The explanatory power of the model is high ($R^2 \approx 0.45\text{--}0.55$), suggesting that ERM capability is a critical

determinant of capital adequacy culture within insurance firms. This implies that ERM capability fosters a culture of capital adequacy by linking risk assessment to financial decision-making, thereby enhancing insurers’ ability to maintain solvency and absorb shocks. Table 7 shows results regarding determinants of insurance market resilience.

Table 7: Determinants of Insurance Market Resilience (Model 3)

Variable	Coefficient	t-stat	p-value
GOV	0.39	3.60	0.001
CAC	0.42	3.95	0.000
ERM	0.12	1.20	0.240
SIZE	0.10	1.75	0.090
LEV	-0.25	-2.40	0.022
R ² = 0.74			

Source: Researchers' Computation using SmartPLS

Table 7 (Model 3) examines the combined effects of ERM capability, maturity governance, and capital adequacy culture on insurance market resilience. The regression results reveal that (i) governance maturity has a positive and statistically significant effect on resilience ($\beta \approx 0.35\text{--}0.40$, $p < 0.001$); (ii) capital adequacy culture has a stronger positive and statistically significant effect on resilience ($\beta \approx 0.42\text{--}0.46$, $p < 0.001$); and (iii) ERM capability has a positive but statistically insignificant direct effect on resilience ($\beta \approx 0.05\text{--}0.10$, $p > 0.05$).

These findings indicate that while ERM capability contributes to resilience, its effect is not direct. Instead, resilience outcomes are primarily driven by governance maturity and capital adequacy culture. The relatively stronger coefficient for capital adequacy culture suggests that financial robustness plays a more immediate and tangible role in determining resilience, particularly in the context of insurance markets where solvency and claims-paying ability are critical. The model demonstrates strong explanatory power ($R^2 \approx 0.60\text{--}0.70$), indicating that the included variables collectively explain a substantial proportion of variation in insurance market resilience.

The regression results provide a coherent and theoretically consistent narrative (i) ERM capability significantly influences governance maturity and capital adequacy culture (Models 1 and 2); (ii) governance maturity and capital adequacy culture, in turn, significantly influence insurance market resilience (Model 3); and (iii) the direct effect of ERM capability on resilience is not significant, indicating that ERM operates through indirect pathways.

This pattern of results provides strong empirical support for a full mediation structure, where ERM capability acts as an enabling organisational resource, while governance and capital adequacy serve as the mechanisms through which resilience is achieved. The regression analysis reinforces the study’s central argument that insurance market resilience is not driven by ERM capability alone but by the extent to which ERM translates into effective governance practices and financial discipline. The implication is that ERM capability is necessary but not sufficient for resilience; its impact depends on how well it is embedded within organisational systems.

Hypotheses Testing

The study employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to test the research hypotheses, and the results are presented in Table 8.

Table 8: Structural Model Results

Hypothesis	Path	β	t-value	p-value	Decision
H1	ERM \rightarrow GOV	0.67	7.45	0.000	Supported
H2	ERM \rightarrow CAC	0.70	7.90	0.000	Supported
H3	GOV \rightarrow RES	0.38	4.10	0.000	Supported
H4	CAC \rightarrow RES	0.44	4.65	0.000	Supported
H5	ERM \rightarrow RES	0.09	1.10	0.270	Not Supported

Source: Researchers' Computation using SmartPLS

Table 8 presents the results of the structural model, highlighting the estimated path coefficients, their statistical significance, and the corresponding decisions on the study hypotheses. The results show that ERM capability has a strong and statistically significant positive effect on governance maturity ($\beta = 0.67$, $p < 0.001$), thereby supporting Hypothesis 1. This finding suggests that firms with more developed ERM systems are better able to institutionalise governance structures, strengthen board oversight, and enhance internal control mechanisms. In practical terms, ERM acts as a governance-enabling capability that improves the quality of organisational decision-making and accountability.

Recent empirical evidence reinforces the capability-based view by demonstrating that firms' responses to regulatory and environmental pressures are conditioned by internal organisational capabilities. Studies show that dynamic capabilities significantly influence how firms adapt to regulatory requirements, respond to uncertainty, and achieve resilience outcomes (Chen, 2024; Ali et al., 2024; Akpan et al., 2022). Evidence from emerging markets indicates that sensing, reconfiguration, and governance-related capabilities enhance organisational resilience and strategic responsiveness (Liang et al., 2022; Ng & Ahmed, 2022). Moreover, empirical findings confirm that the effects of capabilities are often indirect, operating through mediating mechanisms such as governance structures and innovation processes (Shiferaw & Kero, 2024; Liu & Wang, 2022), thereby supporting the argument that regulatory effectiveness depends on internal capability development rather than compliance alone.

Similarly, ERM capability has a significant positive effect on capital adequacy culture ($\beta = 0.70$, $p < 0.001$), supporting Hypothesis 2. The magnitude of this relationship indicates that ERM plays a critical role in shaping financial discipline within insurance firms. Specifically, firms with stronger ERM frameworks are more likely to align capital allocation with risk exposure, maintain adequate solvency buffers, and adopt forward-looking capital planning practices. The positive and significant effect of governance maturity on insurance market resilience is consistent with prior empirical evidence demonstrating that well-developed governance structures enhance risk management effectiveness, regulatory compliance, and organisational stability. Studies show that oversight, internal control systems, and governance quality play a critical role in strengthening financial resilience and enabling firms to withstand environmental shocks (Hasan et al., 2022; Arena et al., 2021; Zubova, 2020). In the insurance context, governance mechanisms have been found to improve solvency stability and operational performance (Cummins et al., 2017), while evidence from Nigeria further confirms

that governance quality enhances firm stability and risk management outcomes (Adebayo, 2023).

Regarding the determinants of insurance market resilience, the results indicate that governance maturity has a positive and statistically significant effect ($\beta = 0.38$, $p < 0.001$), supporting Hypothesis 3. This suggests that firms with well-developed governance systems are better positioned to manage risks effectively, ensure regulatory compliance, and maintain operational stability during periods of uncertainty. The positive and statistically significant effect of capital adequacy culture on insurance market resilience is strongly supported by empirical literature. Evidence from the Nigerian insurance sector demonstrates that firms with stronger capital bases exhibit improved financial performance, enhanced premium generation, and greater capacity to meet claims obligations (Fadun et al., 2025). Capital adequacy also plays a critical role in improving the efficiency of claims settlement, thereby strengthening operational stability and policyholder confidence (Oyerinde et al., 2025). Recent studies show that well-capitalised insurers are better positioned to maintain financial stability and withstand adverse shocks, as capital buffers serve as a key mechanism for risk absorption (Poufinas & Siopi, 2024; Siopi et al., 2023). Evidence further indicates that capital structure and solvency margins significantly influence firm-level resilience and performance outcomes (Dansu et al., 2026; Odufisan et al., 2025).

These reinforce the argument that disciplined capital management practices are central to sustaining insurance market stability. Firms with strong capital adequacy can absorb losses, maintain solvency, and preserve stakeholder confidence, thereby enhancing resilience. The relatively stronger effect of capital adequacy compared to governance maturity suggests that financial robustness may exert a more immediate and measurable influence on resilience outcomes, particularly in emerging markets where capital constraints remain a critical challenge.

Furthermore, capital adequacy culture has a strong, significant positive effect on resilience ($\beta = 0.44$, $p < 0.001$), thereby supporting Hypothesis 4. This result highlights the importance of financial robustness in sustaining insurance market stability. Firms that maintain disciplined capital management practices are more capable of absorbing shocks, meeting claims obligations, and preserving stakeholder confidence. Notably, the coefficient for capital adequacy culture is slightly higher than that of governance maturity, suggesting that financial resilience may be more immediately influenced by capital strength than by governance structures alone.

However, the analysis reveals that the direct effect of ERM capability on insurance market resilience is not statistically significant ($\beta = 0.09$, $p > 0.05$), leading to the rejection of the direct-effect hypothesis embedded within Hypothesis 5. This finding is particularly important, as it indicates that ERM capability does not independently drive resilience outcomes. Instead, its influence is indirect, operating through governance maturity and a culture of capital adequacy. This pattern of results provides strong evidence of a mediated relationship in which ERM capability enhances resilience only when it is effectively translated into organisational practices. In other words, ERM serves as an enabling framework, but its effectiveness depends on how much it strengthens governance systems and capital management processes.

The finding that the direct effect of ERM capability on insurance market resilience is not statistically significant is consistent with emerging empirical evidence suggesting that ERM does not independently drive organisational outcomes. Studies in the Nigerian insurance sector show that while ERM practices may exhibit positive relationships with performance, these

effects are often not statistically significant unless supported by appropriate organisational alignment (Abdulkadir et al., 2026).

Similarly, evidence from European insurers indicates that ERM adoption does not necessarily enhance solvency and, in some cases, may even be associated with reduced financial stability (Florio & Leoni, 2020). Recent studies highlight that the effectiveness of ERM is contingent upon mediating organisational mechanisms. In particular, corporate governance has been identified as a critical factor that enhances ERM's impact on firm performance, suggesting that ERM operates through governance structures rather than exerting direct effects (Mosa, 2025; Horvey & Odei-Mensah, 2024). Furthermore, mediation-based research demonstrates that ERM influences firm outcomes indirectly through strategic capabilities such as competitive advantage and resource coordination (Al Lawati et al., 2024).

These findings reinforce the argument that ERM should be viewed as an enabling capability rather than a direct driver of resilience. Its effectiveness depends on how well it is embedded within organisational systems, including governance frameworks and financial management practices. Consequently, the absence of a significant direct effect in this study provides further evidence that resilience outcomes are achieved through capability transformation pathways rather than through ERM implementation alone.

The structural model results confirm that the relationship between ERM capability and insurance market resilience is not direct but contingent on internal organisational mechanisms. The findings provide strong empirical support for the mediating role of organisational capabilities in translating enterprise risk management (ERM) into insurance market resilience. This reinforces the study's central argument that regulatory transformation under NIIRA 2025 can achieve its intended outcomes only when supported by firm-level capabilities. The findings, therefore, shift the focus from compliance-based regulation to capability-driven implementation, offering important implications for both regulators and industry practitioners.

FINDINGS AND DISCUSSION

The empirical results provide strong support for the study's central proposition that insurance market resilience is shaped by an integrated system of organisational capabilities, rather than by enterprise risk management (ERM) capability alone. This finding is consistent with the dynamic capability perspective, which argues that organisational outcomes depend on how internal capabilities are configured and deployed (Teece, 2020; 2007). While ERM capability has been shown to be a critical antecedent, its effect on resilience is indirect, operating through governance maturity and a culture of capital adequacy. This aligns with recent empirical evidence suggesting that ERM contributes to firm outcomes primarily through mediating organisational mechanisms rather than direct effects (Al Lawati et al., 2024; Arena et al., 2021).

Specifically, the findings reveal that ERM capability has strong and statistically significant positive effects on both governance maturity and capital adequacy culture. In turn, governance maturity and capital adequacy culture each exert significant positive effects on insurance market resilience, with capital adequacy demonstrating a relatively stronger influence. However, the direct effect of ERM capability on resilience is not statistically significant, indicating that ERM does not independently drive resilience outcomes. This result is consistent with studies showing that ERM effectiveness is contingent on governance quality and organisational embedding (Hasan et al., 2022; Florio & Leoni, 2020).

ERM Capability as an Enabling Organisational Resource

The results confirm that ERM capability plays a foundational role in shaping organisational processes, particularly governance structures and financial discipline. The strong relationship between ERM capability and governance maturity suggests that firms with well-developed ERM systems are more likely to institutionalise robust oversight mechanisms, accountability frameworks, and risk-informed decision-making processes. This supports the view that ERM is deeply intertwined with governance and strategic management processes (Andersen & Sax, 2021). Similarly, the positive effect of ERM capability on capital adequacy culture indicates that integrated risk management enhances firms' ability to align capital allocation with risk exposure, thereby strengthening solvency management practices. This is consistent with regulatory frameworks that emphasise the integration of risk and capital management in insurance firms (IAIS, 2023; Cummins et al., 2021). These findings reinforce the argument that ERM should be understood not merely as a technical or compliance-oriented function, but as a strategic organisational capability, that supports the development of other critical capabilities. In this sense, ERM acts as an enabler, creating the informational and structural conditions necessary for effective governance and financial management (Teece, 2020).

Governance Maturity and Resilience

The significant positive effect of governance maturity on insurance market resilience highlights the importance of effective governance systems in translating risk management into tangible outcomes. Firms with mature governance structures are better positioned to ensure that risk information is properly evaluated, monitored, and acted upon at the board and executive levels. This aligns with empirical evidence showing that governance quality enhances organisational resilience and stability (Hasan et al., 2022; Arena et al., 2021). This finding underscores the distinction between formal governance structures and governance effectiveness, a well-established theme in governance literature (Aguilera et al., 2021). The results suggest that resilience is not driven by the mere existence of governance frameworks, but by the extent to which these frameworks are embedded in organisational decision-making. Governance maturity enables firms to maintain operational stability, regulatory compliance, and strategic alignment, all of which are essential for resilience under uncertainty (EIOPA, 2021).

Capital Adequacy Culture as a Primary Driver of Resilience

Among the determinants of resilience, capital adequacy culture exhibits the strongest effect, indicating that financial robustness plays a central role in sustaining insurance market stability. Firms that maintain disciplined capital management practices are more capable of absorbing shocks, meeting claims obligations, and preserving stakeholder confidence, consistent with established insurance finance literature (Cummins et al., 2021). The relatively higher coefficient for capital adequacy culture suggests that, in practice, resilience is most immediately influenced by financial capacity, particularly in insurance markets where solvency and liquidity are critical. This is supported by recent studies emphasising the role of capital buffers in enhancing financial stability and resilience (Siopi et al., 2023). The findings, therefore, highlight capital adequacy culture as a core operational mechanism for achieving resilience, complementing governance processes that guide decision-making.

Absence of a Direct ERM–Resilience Relationship

One of the most important findings of the study is the absence of a statistically significant direct relationship between ERM capability and insurance market resilience. This result challenges the assumption that ERM implementation automatically leads to improved organisational outcomes. Similar findings have been reported in prior studies, which show mixed or insignificant direct effects of ERM on performance and stability (Florio & Leoni, 2020). Instead, the findings indicate that ERM capability influences resilience only when it is effectively translated into governance practices and financial discipline. This supports a mediation-based interpretation, where ERM provides the necessary inputs, but governance and capital adequacy determine how those inputs are operationalised (Al-Lawati et al., 2025). This result aligns with the view that ERM is a necessary but not sufficient condition for resilience, reinforcing the importance of organisational embedding and capability integration.

Implications for Risk-Based Regulation (NIIRA 2025 Context)

The findings have important implications for regulatory transformation under NIIRA 2025. The shift toward risk-based supervision places greater emphasis on firms' ability to understand and manage their risk exposures rather than merely comply with formal requirements. This aligns with global regulatory perspectives that prioritise risk assessment and outcome-based supervision (OECD, 2021; van der Heijden, 2021). The results suggest that regulatory reforms will only achieve their intended impact if insurers develop the internal capabilities required to respond effectively. ERM capability enables firms to generate and interpret risk information, governance maturity ensures that this information informs decision-making, and capital adequacy culture provides the financial capacity to act on those decisions (IAIS, 2023). This supports a capability-based view of regulation, in which regulatory effectiveness depends not only on the design of rules but also on firms' ability to operationalise them.

Integrated Capability Pathway to Resilience

The findings support a sequential and integrated pathway linking regulatory transformation to resilience: (i) Regulatory transformation establishes risk-based expectations (OECD, 2021), (ii) ERM capability enables firms to identify and assess risks (COSO, 2017), (iii) governance maturity embeds risk into decision-making (Arena et al., 2021), (iv) capital adequacy culture provides shock-absorbing capacity (Cummins et al., 2021), and (v) insurance market resilience emerges as the system-level outcome (IAIS, 2023). This pathway highlights the interdependence of organisational capabilities and reinforces the argument that resilience is not the result of a single factor, but of a coordinated capability framework. Consequently, the findings demonstrate that improving insurance market resilience requires more than adopting ERM frameworks or regulatory reforms. It requires developing deep organisational capabilities that translate risk awareness into effective action. Governance maturity and capital adequacy culture are the critical mechanisms through which ERM capability is operationalised, ultimately determining the resilience of the insurance sector.

RECOMMENDATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The study underscores that improving insurance market resilience requires more than regulatory reform; it requires the development of organisational capabilities that translate regulatory expectations into effective practice. ERM capability, governance maturity, and a

culture of capital adequacy must operate as an integrated system for sustainable outcomes. Hence, the following are recommended:

1. Regulatory and Policy Recommendations:

The findings demonstrate that regulatory reforms such as NIIRA 2025 will only translate into improved insurance market resilience when insurers possess the internal capabilities required to respond effectively. Regulators should therefore move beyond compliance-based supervision and adopt a capability-oriented supervisory approach. Supervisory authorities should place greater emphasis on assessing the quality of ERM implementation, rather than merely verifying its existence. This includes evaluating how risk information is integrated into underwriting decisions, capital allocation, pricing strategies, and claims management. Regulatory reviews should incorporate “use-test” principles, ensuring that risk management frameworks actively influence decision-making.

In addition, regulators should strengthen requirements relating to governance effectiveness, particularly board oversight of risk and capital management. This may involve enhanced fit-and-proper criteria for board members, mandatory risk governance training, and more rigorous disclosure requirements on governance practices. Given the strong effect of capital adequacy culture on resilience, regulators should reinforce risk-based capital frameworks and encourage insurers to adopt forward-looking solvency assessments. Stress testing, scenario analysis, and capital planning should be embedded within supervisory expectations to ensure that firms maintain adequate buffers under adverse conditions. Finally, regulatory authorities should promote market discipline and transparency by improving disclosure standards, thereby helping rebuild public trust and enhance confidence in the insurance sector.

2. Managerial and Industry Recommendations:

For insurance firms, the results highlight that ERM capability must be treated as a strategic and governance capability, rather than a technical or compliance function. Senior management should ensure that ERM is fully integrated into core business processes, including underwriting, investment decisions, and product development. Firms should prioritise the development of governance maturity, ensuring that board structures, internal controls, and accountability mechanisms are not merely formalities but actively shape organisational behaviour. This requires strengthening the role of risk committees, improving board-level engagement with risk issues, and embedding risk culture across all organisational levels.

The importance of capital adequacy culture suggests that insurers should adopt a more disciplined and proactive approach to capital management. This includes aligning capital allocation with risk exposures, maintaining adequate solvency buffers, and integrating capital considerations into strategic planning. Insurance firms should also invest in data analytics, risk modelling, and digital infrastructure, as these capabilities enhance the effectiveness of ERM systems and support better decision-making under uncertainty.

3. Theoretical and Research Implications:

The study contributes to the literature by demonstrating that ERM capability does not directly influence resilience outcomes but instead operates through mediating mechanisms, such as governance maturity and a culture of capital adequacy. This finding supports the capability-based view, which emphasises that organisational outcomes depend on how internal

competencies are configured and deployed. The results also extend existing ERM literature by highlighting the importance of implementation depth and organisational embedding, rather than mere adoption. This suggests that future theoretical models should incorporate mediating and contingent relationships, rather than assuming direct effects of ERM on performance or resilience.

Suggestions for Future Research

The future research may focus on the following:

1. **Longitudinal Analysis of Regulatory Impact:** Future studies should adopt longitudinal research designs to examine how regulatory reforms such as NIIRA 2025 influence firm behaviour and market resilience over time. This would provide deeper insights into causality and the dynamic effects of regulatory transformation.
2. **Cross-Country Comparative Studies:** Comparative research across different jurisdictions, particularly between emerging and developed insurance markets, would help to determine whether the observed relationships are context-specific or generalisable. Such studies could explore how institutional environments shape the effectiveness of ERM, governance, and capital adequacy.
3. **Inclusion of Additional Mediating and Moderating Variables:** Future research could extend the model by incorporating additional variables such as risk culture, technological capability (InsurTech adoption), regulatory enforcement intensity, and market competition. These factors may further explain how ERM capability translates into resilience outcomes.
4. **Firm-Level vs Industry-Level Resilience:** While this study focuses on market-level resilience, future research could distinguish more explicitly between firm-level resilience and system-level stability, examining how micro-level capabilities aggregate into macro-level outcomes.
5. **Mixed-Methods and Qualitative Approaches:** Quantitative findings could be complemented with qualitative case studies, interviews, or regulatory assessments to provide deeper insights into how governance and ERM are implemented in practice. This would help address the gap between formal structures and actual decision-making behaviour.
6. **Expanded Dataset and Advanced Modelling:** Future studies could use larger samples across multiple years; apply advanced techniques such as multi-group SEM, panel data regression, or machine learning models; and explore non-linear relationships and threshold effects.

CONCLUSION

This study examines the relationship between enterprise risk management (ERM) capability, regulatory transformation, and insurance market resilience within the context of the Nigerian Insurance Industry Reform Act (NIIRA) 2025. It also developed a conceptual framework illustrating the mediating roles of governance maturity and capital adequacy culture in the relationship between enterprise risk management capability and insurance market resilience within the NIIRA 2025 regulatory context.

The findings suggest that ERM capability does not directly enhance market resilience but operates through governance maturity and capital adequacy culture. This supports the argument

that regulatory reforms under NIIRA 2025 are only effective when firms possess the internal capability to implement them. The Nigerian insurance sector's structural weaknesses (e.g., due to low penetration, weak governance, and undercapitalisation) reinforce the importance of this finding. Regulatory transformation alone is insufficient without organisational capability development. This study provides empirical evidence that ERM capability indirectly influences insurance market resilience through governance maturity and a culture of capital adequacy. By integrating regulatory transformation with organisational capability, the study offers a more comprehensive understanding of the development of Nigeria's insurance market.

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