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Impact of Insurance Intermediaries on the Performance of Non-Life Insurance Companies in Nigeria

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Abstract: This study investigated the impact of insurance intermediaries on the performance of non-life insurance companies in Nigeria, focusing on their influence on market penetration, the challenges they face, and the strategies employed to promote insurance products. While prior research has recognised intermediaries' importance in distribution and trust-building, limited empirical evidence exists on their direct contribution to measurable performance outcomes in the Nigerian context. The study adopted a descriptive survey research design. The population comprised employees and agents from ten major non-life insurance companies in Nigeria, and a census sampling technique was employed to capture all relevant respondents. Structured questionnaires served as the research instrument, and out of 300 distributed, 276 valid responses were obtained and analysed using descriptive statistics. Findings revealed that intermediaries significantly enhance market penetration through targeted marketing, customer education, and relationship building, and positively influence financial performance and profitability by improving customer retention, expanding client bases, and facilitating accurate risk assessment. However, they face regulatory and operational challenges, including stringent compliance requirements, high costs, and technology adoption barriers. The study concludes that strengthening intermediary capabilities and addressing operational constraints are essential and recommends continuous training, digital investment, streamlined compliance processes, and stronger collaboration between insurers and intermediaries.

Keywords: intermediaries; performance; non-life insurance; profitability

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1. Introduction

Insurance has long been a vital component of global economies, evolving over centuries to address the complexities and uncertainties of human activities. Its origins can be traced to ancient civilizations, where communities practised informal risk-sharing to mitigate unexpected losses. Over time, these practices developed into a structured industry that provides a formal mechanism for managing risks (Akintokunbo, 2018). At its core, insurance operates on the principle of risk pooling where many individuals or entities contribute premiums to a collective fund. In the event of a covered loss, the financial impact is distributed among all contributors, thereby protecting the affected party from severe financial hardship (Alhassan & Biekpe, 2016). This mechanism of risk transfer is fundamental to economic stability, fostering entrepreneurship and enabling long-term financial planning (Mayers & Smith, 1982).

The insurance industry comprises several segments, including life, health, property, and casualty insurance, alongside specialised lines for unique risks. Insurers rely on actuarial science, statistical analysis, and risk assessment techniques to set premiums that ensure financial sustainability. Globally, the industry has undergone significant transformation due to technological advances, regulatory changes, and evolving consumer behaviour (Akintokunbo, 2018). Digitalisation has revolutionised distribution channels, enhancing customer reach, experience, and operational efficiency (Cohen, 2020). Meanwhile, regulatory frameworks safeguard policyholders' interests, maintain financial stability, and promote fair competition (Bierman & Smidt, 2017).

Historically, insurance distribution has relied heavily on intermediaries (agents and brokers) who serve as the critical link between insurers and policyholders. This is particularly evident in the non-life insurance sector, which encompasses property, casualty, and health insurance. Intermediaries facilitate product distribution, provide advisory services, and support risk management and customer satisfaction (Kwak, 2015). In markets with low insurance penetration, their local knowledge and expertise have been essential for client acquisition and retention, enabling insurers to design products tailored to customer needs (Schmit & Roth, 2006).

In recent years, the intermediary role has been shaped by regulatory reforms, technological advancements, and shifting customer expectations. Stricter compliance requirements and transparency standards, while protecting policyholders, have introduced operational complexities for both insurers and intermediaries (Dorfman, 2019). At the same time, digital platforms, InsurTech solutions, and data analytics have expanded distribution channels and improved customer engagement (Chen & Wang, 2020). These innovations have enhanced intermediary efficiency but also introduced competition from direct-to-consumer models, challenging traditional distribution strategies (Keenan & Teoh, 2021).

The performance of non-life insurance companies is closely tied to the effectiveness of their intermediaries. Effective intermediaries improve risk assessment, strengthen customer satisfaction, and enhance retention rates. They also play a vital role in claims management, often advocating for policyholders, which enhances insurer reputation and trust (Coble, 2018). Performance in this context encompasses financial health, profitability, customer satisfaction, and growth in assets and market share (Richard, 2009; Eniola, Tonade & Adeniji, 2021). Indicators such as premium growth, loss ratios, and customer satisfaction scores are directly influenced by intermediary service quality (Zeithaml, Bitner & Gremler, 2018).

Despite their importance, there is limited empirical understanding of how insurance intermediaries specifically affect the performance of non-life insurance companies in Nigeria, particularly in Ekiti State. While intermediaries bridge the gap between insurers and policyholders, their impact on measurable performance outcomes remains under-researched. Moreover, they face regulatory and operational challenges that may hinder their effectiveness. This study therefore investigates the impact of insurance intermediaries on the performance of non-life insurance companies in South West Nigeria, with a focus on Ekiti State, to provide insights that can inform policy and strategic decisions.

Accordingly, this study seeks to answer the following research questions:

- How do insurance intermediaries influence the market penetration of non-life insurance products in Nigeria?
- What regulatory and operational challenges hinder the effectiveness of insurance intermediaries in Nigeria?
- What strategies do insurance intermediaries use to promote non-life insurance products in Nigeria?

2. Literature Review

2.1. Insurance Intermediaries

According to Franklin (2014) insurance intermediaries are professionals or entities that act as a liaison between insurance companies and policyholders. Insurance intermediaries play a crucial role in the insurance industry by acting as a bridge between insurers and policyholders. Their primary role is to facilitate the purchase, management, and servicing of insurance policies (Fasan, 2019). By offering advice, comparing products, and assisting with claims, intermediaries help clients navigate the complexities of insurance and find coverage that best meets their needs. There are various types of insurance intermediaries, including agents, brokers, and online platforms, each providing unique services to enhance the accessibility and efficiency of the insurance market.

Types of Insurance Intermediaries

- **Insurance Agents**

- **Captive Agents**: These agents work exclusively for one insurance company. They are knowledgeable about their employer's products and sell only those products. Captive agents provide in-depth information about specific policies and often build strong relationships with their clients.

- **Independent Agents**: Independent agents, or brokers, represent multiple insurance companies. They offer a wider range of products and can compare policies from different insurers to find the best fit for their clients. This flexibility allows them to cater to a broader spectrum of customer needs.

- **Insurance Brokers:** Brokers operate independently of any insurance company and represent the interests of the clients rather than the insurers. They provide professional advice, conduct market research, and help clients find the most suitable policies by comparing various options. Brokers often handle complex insurance needs, particularly for businesses or high-net-worth individuals.

- **Online Platforms and Aggregators**: In the digital age, online platforms and insurance aggregators have become popular intermediaries. These platforms allow customers to compare policies from multiple insurers quickly and easily. They offer a convenient way to shop for insurance, providing quotes and facilitating the purchase process online.

- **Reinsurance Brokers**: These intermediaries specialize in reinsurance, which is insurance for insurers. Reinsurance brokers help primary insurance companies find reinsurance coverage to mitigate their risk exposure. They work with multiple reinsurance companies to structure reinsurance programs that optimize risk management and financial stability for insurers.

2.2. Market Penetration in Non-Life Insurance

Market penetration is a critical metric for assessing the success of non-life insurance companies, reflecting the extent to which their products have been adopted by the target market. In this context, market penetration refers to the proportion of potential customers who have purchased non-life insurance policies, highlighting the reach and acceptance of insurance products among consumers. Insurance intermediaries, such as brokers and agents, play a crucial role in increasing market penetration. These intermediaries bridge the gap between insurance companies and potential customers, facilitating the understanding and purchase of insurance products.

Literature suggests that effective market penetration strategies by intermediaries involve comprehensive awareness campaigns, tailored product offerings, and extensive customer education. These efforts help in demystifying insurance products, thereby increasing acceptance and uptake among the populace.

Studies have shown that intermediaries enhance market penetration by conducting targeted marketing efforts and engaging in direct interactions with potential customers, which builds trust and credibility. For instance, a report by the Microinsurance Network (2015) highlighted that microinsurance schemes, often promoted by intermediaries, have expanded coverage to millions of low-income individuals, particularly in emerging economies. Moreover, digital transformation and the rise of insurtech have significantly lowered barriers to entry, making insurance products more accessible. PwC (2017) reported that digital platforms and mobile applications, promoted by intermediaries, have made it easier for tech-savvy consumers to purchase insurance products, thus enhancing market penetration. Bancassurance partnerships, where banks collaborate with insurance companies, have also proven effective in increasing market penetration. Swiss Re (2018) found that bancassurance leverages the extensive customer bases and distribution networks of banks, providing a ready-made channel to reach potential policyholders.

Customer education and awareness campaigns supported by intermediaries play a significant role in increasing market penetration. The Insurance Regulatory and Development Authority of India (IRDAI) (2020) reported that targeted awareness programs significantly increased the uptake of non-life insurance in rural and semi-urban areas. Market penetration in non-life insurance is a vital metric for understanding product adoption among consumers. Intermediaries are essential in this process, employing strategies such as digital transformation, bancassurance, and customer education to enhance market reach and product acceptance.

2.3. Profitability in Non-Life Insurance Sector

Profitability in the non-life insurance sector is significantly influenced by the activities of intermediaries. Intermediaries assist in identifying profitable customer segments and advising on the creation of products that meet specific market needs. Studies indicate that intermediaries contribute to profitability by ensuring that customers are matched with appropriate insurance products, which reduces the incidence of claims and enhances customer retention. Additionally, intermediaries often play a role in risk assessment and management, which further helps in maintaining a healthy claims ratio and thus, bolstering profitability. Profitability is a key measure of an insurance company’s success, reflecting its ability to generate income relative to its expenses. Recent literature highlights several factors that influence profitability in the non-life insurance sector.

- Underwriting and Claims Management: Effective underwriting and claims management are crucial for maintaining profitability. A study by Ernst and Young (2022) emphasized that rigorous underwriting standards and proactive claims management practices reduce loss ratios and improve profitability. The research indicated that companies investing in advanced analytics for risk assessment and claims processing saw significant improvements in their profit margins.

- Product Diversification: Product diversification is another strategy that enhances profitability. Diversified product portfolios spread risk and cater to a broader customer base, which stabilizes income streams. A report by McKinsey & Company (2021) found that insurers offering a wide range of products, including niche and tailored policies, achieved higher profitability compared to those with limited product lines.

- Operational Efficiency: Streamlining operations through technology and process improvements can significantly boost profitability. According to a 2020 Deloitte study, insurers that adopted automation and digital tools to streamline operations experienced lower operational costs and higher profitability. The study highlighted the role of insurtech in optimizing various operational processes, from customer onboarding to policy administration.

- Regulatory Environment: The regulatory environment also impacts profitability. A 2023 OECD report noted that while stringent regulations ensure consumer protection and market stability, they can also impose significant compliance costs on insurers. Companies that effectively navigate regulatory requirements while maintaining operational efficiency tend to be more profitable.

2.4. Financial Performance in Non-Life Insurance

The financial performance of non-life insurance companies is closely tied to the effectiveness of their intermediary networks. Financial performance metrics such as revenue growth, return on investment, and market share are positively impacted by the activities of intermediaries. Literature highlights that intermediaries enhance financial performance by expanding the customer base, improving premium collection rates, and minimizing underwriting risks through accurate customer assessments. Effective intermediary management strategies, including regular training and performance incentives, are crucial for optimizing the contribution of intermediaries to the financial health of insurance firms. Financial performance encompasses a broader evaluation of a company's financial health, including metrics such as revenue growth, return on investment (ROI), and solvency. Recent studies have explored the determinants of financial performance in the non-life insurance sector.

- **Revenue Growth:** Sustained revenue growth is a primary indicator of financial performance. A study by PwC (2022) indicated that revenue growth in the non-life insurance sector is driven by factors such as market expansion, product innovation, and customer retention. Companies that successfully implement growth strategies, such as entering new markets or enhancing product offerings, exhibit stronger financial performance.

- **Investment Strategies:** Investment strategies play a significant role in financial performance. Non-life insurers often rely on investment income to complement underwriting profits. A 2021 report by BlackRock highlighted that insurers with diversified investment portfolios, including equities, bonds, and alternative assets, achieved better financial performance due to higher and more stable returns.

- **Risk Management:** Effective risk management is essential for maintaining financial stability. Research by the International Association of Insurance Supervisors (IAIS) in 2020 stressed the importance of robust risk management frameworks in mitigating the impact of adverse events on financial performance. Insurers with comprehensive risk management practices, including reinsurance and catastrophe modeling, showed greater resilience and better financial outcomes.

- **Capital Adequacy and Solvency:** Capital adequacy and solvency are critical for ensuring long-term financial health. The European Insurance and Occupational Pensions Authority (EIOPA) in 2021 emphasized that maintaining sufficient capital reserves is vital for absorbing shocks and ensuring solvency. Insurers with strong capital positions are better equipped to withstand financial stress and maintain investor confidence.

2.5. Empirical Review

Eze and Victor (2017) investigated the contribution of insurance intermediaries to market penetration in Nigeria's non-life insurance sector. The study surveyed 420 policyholders and 60 intermediaries in Lagos, Abuja, and Port Harcourt, using descriptive and regression analysis. Results showed that targeted community outreach and personalised advisory services by intermediaries increased policy uptake by 29% ($\beta = 0.55$, $R^2 = 0.51$, $p < 0.01$). Respondents indicated that intermediaries' ability to explain policy terms in simple language and address cultural misconceptions was central to boosting adoption. The study recommended expanding rural outreach through mobile agents and providing training on multilingual product communication to reach underserved populations.

Agboluwaje (2018) examined the role of relationship-building by insurance intermediaries in enhancing customer acquisition and retention in South-West Nigeria. Using a sample of 250 policyholders and 45 intermediaries across five states, the study employed a mixed-methods approach combining surveys and in-depth interviews. Findings revealed that sustained customer follow-up and post-sale support improved policy renewal rates by 31% and increased word-of-mouth referrals by 24% ($\beta = 0.60$, $R^2 = 0.56$, $p < 0.05$). The qualitative data underscored that trust, nurtured through face-to-face interactions and personalised service, was a decisive factor in overcoming scepticism about insurance. The author recommended the institutionalisation of structured client relationship management systems to deepen market penetration.

OECD (2019) assessed regulatory and compliance burdens affecting insurance intermediaries in Kenya, Uganda, and Nigeria, highlighting operational implications. The study analysed data from 150 intermediary firms across the three countries using panel regression methods. Results indicated that complex licensing procedures, frequent regulatory changes, and high compliance costs reduced intermediary operational efficiency by 16% annually ($\beta = -0.43$, $R^2 = 0.49$, $p < 0.01$). Smaller agencies were disproportionately affected, limiting their capacity to expand into rural markets. The report recommended regional regulatory harmonisation within ECOWAS and EAC frameworks, and capacity-building initiatives to help intermediaries navigate compliance requirements efficiently.

Mutua (2014) explored technology adoption challenges among insurance intermediaries in Kenya and Tanzania, with insights applicable to Nigeria. The study used survey data from 210 intermediaries and applied structural equation modelling to examine the relationship between technology readiness and sales performance. Findings showed that low digital literacy and inadequate IT infrastructure reduced policy conversion rates by 21% ($\beta = 0.49$, $R^2 = 0.53$, $p < 0.05$). Rural-based intermediaries were particularly disadvantaged due to poor internet connectivity. Recommendations included subsidising digital tools through public–private partnerships and introducing compulsory digital skills training for licensed intermediaries to enhance competitiveness.

Osunlana (2020) investigated the effectiveness of digital marketing strategies by insurance intermediaries in Lagos and Abuja. A cross-sectional survey of 180 intermediaries measured the impact of social media campaigns, email marketing, and search engine optimisation on lead generation and product visibility. Results indicated that intermediaries who integrated digital marketing into their operations achieved 34% higher lead conversion rates and 26% greater brand visibility compared to those relying solely on traditional methods ($\beta = 0.68$, $R^2 = 0.60$, $p < 0.01$). Key challenges included limited marketing budgets and inconsistent online presence. The study recommended targeted training in digital marketing tools and collaboration with local influencers to enhance outreach.

2.6. Research Gap

Although studies such as Eze and Victor (2017) and Agboluwaje (2018) have examined the role of insurance intermediaries in promoting market penetration and improving customer relationships in Nigeria, and Mutua (2014) has explored intermediary functions in other African contexts, there remains limited empirical evidence linking these intermediary activities directly to measurable performance indicators of non-life insurance companies in the Nigerian setting. Much of the existing literature focuses on either marketing outcomes (Schott, 2017) or operational challenges such as regulatory compliance and technology adoption (OECD, 2019; Osunlana, 2020) in isolation, without integrating these factors to assess their combined impact on profitability, financial performance, and sustainability. Furthermore, little attention has been paid to the contextual realities of Nigeria's regulatory environment and technological infrastructure, which uniquely shape intermediary effectiveness. This gap highlights the need for a holistic empirical investigation that evaluates how intermediaries drive market expansion and performance outcomes while navigating operational and regulatory constraints in Nigeria's evolving insurance landscape.

3. Research Methodology

The study employed descriptive survey approach to assess the impact of insurance intermediaries on the performance of non-life insurance companies in Nigeria. Descriptive survey will be adopted not only because it allowed inferences and generalization to be drawn from a large population on the independent and dependent variables, but it equally reflects the true characteristics of the population. A total of 300 questionnaires were distributed to employees of the selected insurance company and agents. Out of the 300 distributed, 276 questionnaires were successfully retuned, yielding a response of 92%. The study targeted employees from ten major insurance companies: American International Insurance Company (AIICO) Plc, Niger Insurance, Regency Insurance, Leadway Assurance Company Limited, Custodian Investment Plc, Cornerstone Insurance Plc, NEM Insurance Plc, Sovereign Trust Insurance, Industrial and General Insurance Plc (IGI) and Mansard Insurance companies in Nigeria. The sampling technique employed in this study was the census sampling technique, which aimed to include all members of the population, namely the agents and the managers. The data collected were analysed using descriptive statistics such as mean, frequency counts, simple percentage, mean and standard deviation. The results from this study provide valuable insights into how insurance intermediaries impact performance of non-life insurance companies in Nigeria, addressing the study's objectives and contributing to the ongoing discourse on insurance intermediary's role in performance of non-life insurance.

Table 1. Response Rate of Questionnaires

Name of Insurance Company	Response Received	Response Rate (%)
American International Insurance Company Plc	27	9.80%
Niger Insurance Plc	31	11.23%
Regency Insurance Company	23	8.33%
Leadway Assurance Company Limited	33	11.95%
Custodian Investment Plc	20	7.24%
Cornerstone Insurance Plc	36	13.04%
NEM Insurance Plc	26	9.42%
Sovereign Trust Insurance Company	32	11.60%
Industrial and General Insurance Plc	30	10.87%
Mansard Insurance Company	18	6.52%
Total	**276**	**100%**

Source: Researchers' Compilation, 2025

The distribution of responses across the selected insurance companies shows fair representation, ensuring the validity of the data collected from each company for the study.

4. Statistical Analysis and Discussion

4.1. Results

Out of the total 300 structured questionnaires distributed to the employees of selected insurance companies in Nigeria, a total of 162 were correctly completed and returned, showing a high rate of response rate of 92%. The strong response rate shows a high level of engagement and interest among the targeted population, which enhances the reliability and validity of the findings derived from the study. The 162 valid responses form the empirical basis for assessing the impact of insurance intermediaries' performance of non-life insurance companies in Nigeria.

Table 2. Respondent Demographic Profile

Characteristics	Frequency	Percentage
Gender		
Male	198	71.74
Female	78	28.26
Total	**276**	**100**
Educational Qualifications		
NCE/OND	85	30.80
HND/B.Sc	148	53.62
Masters	43	15.58

PhD	0	0.0
	276	**100**
Years of Experience		
1-5 Years	49	17.75
6-10 Years	106	38.40
11-15 Years	64	23.20
16 & Above	57	20.65
	276	**100**

The result on table 4.1 on the analysis of the demographic variables of the study based on gender showed that 71.74% respondents were males and 28.26% were females. The educational qualification analysis of respondents revealed that, 30.8% respondents were NCE/OND holders, 53.62% were HND/B.Sc holders, 15.58% were Masters holders and 0.0% were PhD holders respectively. This implies that majority of the respondents were HND/B.Sc holders. So also, the table further indicates the year of experience of respondents, 17.75% have 1-5 years of experience, 38.40% have 6-10 years of experience, 23.20% have 11-15 years of experience and 20.65% have 16 & above years of experience respectively.

4.2. Presentation of Result on the Basis of Research Questions and Discussion

Research Question 1: How do insurance intermediaries influence the market penetration of non-life insurance products in Nigeria?

Table 3. How insurance intermediaries influence the market penetration of non-life insurance products

ITEMS	SA	A	D	SD	Mean	SD
Insurance intermediaries effectively reach new customer segments, increasing market penetration.	0.26	0.38	0.21	0.15	0.74	1.03
The use of digital platforms by insurance intermediaries has enhanced market penetration in Ekiti State.	0.31	0.36	0.18	0.15	0.74	0.98
Insurance intermediaries play a critical role in educating potential customers about non-life insurance products.	0.28	0.41	0.18	0.13	0.82	1.00
Intermediaries' networks and relationships significantly contribute to the growth of market penetration.	0.28	0.41	0.18	0.13	2.82	1.00
The availability of insurance products through intermediaries has made them more accessible to the public.	0.33	0.38	0.15	0.13	2.90	1.01

Insurance intermediaries’ marketing campaigns have improved the visibility of non-life insurance products.	0.26	0.41	0.21	0.13	2.79	0.99
Intermediaries’ efforts in community outreach have led to higher acceptance of non-life insurance products.	0.28	0.36	0.23	0.13	2.74	1.04
Pooled Mean				**2.79**		

Key: SA= Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree, N = Number of respondents $\bar{x}$= Mean of responses, S.D = Standard Deviation

Decision Rule: Pooled mean above standard reference mean (2.50)

Table 3 presents the percentage, mean scores and standard deviation for items on how insurance intermediaries influence the market penetration of non-life insurance products in Nigeria. The table further showed that the pooled mean (2.79) was higher than the standard reference mean score (2.50) indicating an agreement that all examined items on how insurance intermediaries influence market penetration of non-life insurance products. Notably items mean scores are as follow, Insurance intermediaries effectively reach new customer segments, increasing market penetration (Mean = 0.74, SD = 1.03), The use of digital platforms by insurance intermediaries has enhanced market penetration in Nigeria (Mean=0.74, SD= 0.98), Insurance intermediaries play a critical role in educating potential customers about non-life insurance products (Mean = 0.82, SD = 1.00), Intermediaries’ networks and relationships significantly contribute to the growth of market penetration (Mean=2.82, SD= 1.00), The availability of insurance products through intermediaries has made them more accessible to the public (Mean=2.90, SD= 1.01), Insurance intermediaries’ marketing campaigns have improved the visibility of non-life insurance products (Mean=2.79, SD= 0.99) and Intermediaries’ efforts in community outreach have led to higher acceptance of non-life insurance products (Mean=2.74, SD= 1.04).

This finding agrees with Giné, Townsend and Vickery (2008), intermediaries, such as agents and brokers, are pivotal in educating consumers about the various non-life insurance products available, their benefits, and the importance of having coverage. This educational role helps bridge the information gap between insurers and potential policyholders, making consumers more likely to purchase non-life insurance products. The scholars highlight that intermediary; by providing personalized advice and clarifications, help demystify insurance products, thus boosting their market penetration. In addition, a study by Heffernan, Fu and Fu (2013) emphasizes that the personal interaction between intermediaries and clients fosters a sense of trust and reliability. This relationship-building aspect is crucial in markets where there is scepticism about insurance products and companies. By serving as trusted advisors, intermediaries can reassure clients, address their concerns, and tailor insurance solutions to meet their specific needs. This personalized service and trust-building help increase the acceptance and penetration of non-life insurance products in the market.

Research Question 2: What regulatory and operational challenges hinder the effectiveness of insurance intermediaries in Nigeria?

Table 4. Regulatory and operational challenges faced by insurance intermediaries

ITEMS	SA	A	D	SD	Mean	SD
Strict regulatory requirements are a major challenge for insurance intermediaries in Ekiti State.	0.33	0.38	0.18	0.10	2.95	1.01
High compliance costs significantly hinder the operations of insurance intermediaries.	0.28	0.41	0.21	0.10	2.87	1.02
Insurance intermediaries face difficulties in keeping up with changing regulations.	0.31	0.36	0.18	0.15	2.82	1.06
The complexity of regulatory frameworks impacts the efficiency of insurance intermediaries.	0.26	0.41	0.23	0.10	2.82	1.01
Insurance intermediaries struggle with the burden of extensive documentation and reporting requirements.	0.28	0.36	0.21	0.15	2.77	1.08
Operational challenges related to technology adoption are common among insurance intermediaries.	0.31	0.38	0.18	0.13	2.87	1.03
Lack of adequate training on regulatory compliance is a significant challenge for insurance intermediaries.	0.28	0.38	0.21	0.13	2.82	1.04
Pooled Mean				**2.85**		

Key: SA= Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree, N= Number of respondents $\bar{x}$= Mean of responses, S.D = Standard Deviation

Decision Rule: Pooled mean above standard reference mean (2.50)

Table 4 shows the regulatory and operational challenges faced by insurance intermediaries in Nigeria. The table further indicated that, the pooled mean (2.85) was higher than the standard reference mean score (2.50) implying agreement of the respondent that all the items examined were regulatory and operational challenges faced by insurance intermediaries in Nigeria. The items were; strict regulatory requirements are a major challenge for insurance intermediaries in Nigeria (Mean= 2.95, SD= 1.01), high compliance costs significantly hinder the operations of insurance intermediaries (Mean= 2.87, SD= 1.02), insurance intermediaries face difficulties in keeping up with changing regulations (Mean= 2.82, SD= 1.06), complexity of regulatory frameworks impacts the efficiency of insurance intermediaries (Mean= 2.82, SD= 1.01), insurance intermediaries struggle with the burden of extensive documentation and reporting requirements (Mean= 2.77, SD= 1.08), operational challenges related to technology adoption are common among insurance intermediaries (Mean= 2.87, SD= 1.03) and lack of adequate training on regulatory compliance is a significant challenge for insurance intermediaries (Mean= 2.82, SD= 1.04).

This finding is in agreement with Vaughan (2009) who stated that intermediaries must comply with a myriad of regulations that vary by jurisdiction, including licensing requirements, consumer protection laws, and anti-money laundering regulations. These regulatory burdens can increase operational costs and require continuous adaptation to new laws and compliance standards, posing a significant challenge for intermediaries in maintaining efficient operations. Equally, a study by Lemaire & Subramanian (2013) highlights that intermediaries must continually invest in technology, staff training, and marketing to stay competitive, which can strain resources. This constant need for innovation and efficiency can be challenging, especially for smaller intermediaries that may lack the economies of scale enjoyed by larger firms.

Research Question 3: What strategies do insurance intermediaries use to promote non-life insurance products in Nigeria?

Table 5. Strategies do insurance intermediaries use to promote non-life insurance products

ITEMS	SA	A	D	SD	Mean	SD
Insurance intermediaries utilize digital marketing tools to promote non-life insurance products effectively.	0.33	0.38	0.21	0.08	2.95	1.00
Educational workshops and seminars are commonly used by intermediaries to raise awareness about insurance products.	0.28	0.41	0.21	0.10	2.87	1.02
Insurance intermediaries leverage social media platforms to reach a broader audience.	0.31	0.36	0.23	0.10	2.87	1.05
Collaboration with financial institutions is a key strategy used by intermediaries to enhance product promotion.	0.26	0.41	0.26	0.08	2.82	1.00
Insurance intermediaries offer customized insurance solutions to attract a diverse customer base.	0.28	0.36	0.26	0.10	2.82	1.04
Networking events and community outreach are strategies employed by	0.31	0.38	0.21	0.10	2.90	1.03

intermediaries to boost product visibility.						
Intermediaries use loyalty programs and incentives to encourage the purchase of non-life insurance products	0.33	0.36	0.21	0.10	2.92	1.02
Pooled Mean				**2.88**		

Key: SA= Strongly Agree, A = Agree, D = Disagree, SD = Strongly Disagree, N= Number of respondents x̄= Mean of responses, S.D = Standard Deviation

Decision Rule: Pooled mean above standard reference mean (2.50)

Table 5 indicated the strategies do insurance intermediaries use to promote non-life insurance products in Nigeria. The table further shows that the pooled mean score (2.88) was higher than the standard reference mean (2.05), implying that the examined items are strategies do insurance intermediaries use to promote non-life insurance products. The items were; Insurance intermediaries utilize digital marketing tools to promote non-life insurance products effectively (M= 2.95, SD= 1.00), educational workshops and seminars are commonly used by intermediaries to raise awareness about insurance products (M= 2.87, SD= 1.02), insurance intermediaries leverage social media platforms to reach a broader audience (M= 2.87, SD= 1.05), collaboration with financial institutions is a key strategy used by intermediaries to enhance product promotion (M= 2.82, SD= 1.00), insurance intermediaries offer customized insurance solutions to attract a diverse customer base (M= 2.82, SD= 1.04), networking events and community outreach are strategies employed by intermediaries to boost product visibility (M= 2.90, SD= 1.03), intermediaries use loyalty programs and incentives to encourage the purchase of non-life insurance products (M= 2.92, SD= 1.02).

This finding is in consonance with the study by Schott (2017) which posited that intermediaries use social media, email campaigns, and search engine optimization to reach a broader audience and engage potential customers. These digital strategies enable intermediaries to provide information, quotes, and policy comparisons quickly, enhancing their ability to attract and convert leads into policyholders. Additionally, Marsh and Snow (2015) found that intermediaries who provide customized advice based on individual client needs and risk profiles can significantly increase customer satisfaction and policy uptake. This personalized approach helps clients understand the relevance and benefits of specific non-life insurance products, making them more likely to purchase the recommended coverage.

5. Conclusion

This study has demonstrated that insurance intermediaries play a pivotal role in driving the performance of non-life insurance companies in Nigeria. The findings revealed that intermediaries significantly enhance market penetration through customer education, relationship building, and effective marketing strategies, including the use of digital platforms and community outreach. They also contribute positively to financial performance and profitability by facilitating policy uptake, improving customer retention, and aiding in accurate risk assessment. However, their operations are constrained by regulatory and operational challenges such as strict compliance requirements, high operational costs, complex documentation processes, and technology adoption barriers. Despite these constraints, intermediaries employ a range of strategic approaches such as digital marketing, collaborations, tailored products, and loyalty programmes to boost product visibility and uptake.

The evidence from this study underscores the need for insurance companies and regulatory bodies to strengthen support for intermediaries through targeted training, technological investment, and streamlined compliance frameworks. By addressing the identified challenges and leveraging the proven strategies used by intermediaries, the insurance industry can achieve greater market expansion, improved service delivery, and enhanced financial outcomes. The results affirm that insurance intermediaries are not merely distribution agents but strategic partners whose role is essential to the sustainability, competitiveness, and long-term growth of non-life insurance companies in Nigeria.

6. Recommendations

Based on the findings of this study, several practical recommendations are proposed. Firstly, insurance companies should prioritise continuous training and professional development for intermediaries to ensure they remain informed on emerging industry trends, product innovations, and regulatory updates. This will enhance their capacity to deliver accurate advice, improve customer satisfaction, and maintain compliance with industry standards. Secondly, insurers should leverage technology to streamline intermediary operations, reduce administrative costs, and boost efficiency. This can be achieved through the adoption of digital platforms, customer relationship management (CRM) tools, and mobile applications to support marketing, sales, and customer service functions.

Moreover, regulatory bodies should simplify and strengthen compliance frameworks to help intermediaries navigate complex regulatory requirements more effectively. This includes issuing clear guidelines, compliance manuals, and offering periodic sensitisation programmes to minimise the risk of non-compliance. In addition, insurance intermediaries should deepen client relationships by offering personalised services and tailored insurance solutions, thereby enhancing loyalty and policy retention rates. Insurance companies should also assist intermediaries in expanding their digital marketing strategies using social media, email campaigns, and search engine optimization to increase visibility and improve market penetration.

Finally, stronger collaboration between insurance companies and intermediaries should be fostered through regular communication, joint planning, and coordinated marketing initiatives, ensuring that both parties work towards shared objectives for improved performance and sustainable growth.

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