ASSETS INVESTMENTAND FINANCIAL PERFORMANCE OF LISTED INSURANCE COMPANIES IN NIGERIA

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Abstract
Efficient investment in assets is a crucial factor in enhancing the financial performance of insurance companies which in turn can reposition the sector to contribute significantly to the growth of Nigerian economy. To that end, this study investigated the effect of assets investment on financial performance of listed insurance companies in Nigeria. The study employed an ex-post facto research design. The population of the study was fifteen (15) listed insurance companies in the Nigerian Exchange Group were sampled to five (5) using purposive sampling technique. The data used in this study was sourced from annual reports and statement of accounts of the selected companies between 2014 and 2023. The method of data analysis is descriptive statistic and multiple regression of Ordinary Least Square (OLS) with the help of SPSS. The study's finding indicated that there is a significant effect of non-current assets investment on net profit margin, and there is an insignificant effect of current assets investment on net profit margin. Based on the findings, the study concludes that, there is a positive and significant effect between non-current assets investment and financial performance of listed insurance companies. It was suggested amongst others that, since non-current assets of the listed insurance companies has significant effect on net profit margin, this study therefore recommends that insurance companies in Nigeria should sustain their investment in non-current assets to enhance profitability.

Keywords: Assets Investment, non-current assets investment, current assets investment and net profit margin

Introduction
Universally, the ultimate aim of every profit-making organization, irrespective of size, type or nature of business, is profit maximization. Shareholders are always profit-driven, the primary objective of every financial manager is to ensure that fund are judiciously invested with a singular aim of profit maximization. Financial performance in term ofprofitability evaluates the efficiency with which plant, equipment; and current assets are transformed into profit.Acquisitions of assets by firms are intended to increase their operational efficiency and value creation (Major et al., 2022; Ayewumi& Chukwunweike, 2024). The composition of a firm's assets and decisions made concerning them are major determinants of profitability for any business (Fitri & Marietza, 2024). Peterson (2023) simply defined assets as those things we purchase today that will bring future benefits. Oliver et al (2017) defined assets as "probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. The United States Institute of Management Accountants defined assets as "any owned physical object (tangible) or right (intangible) having economic value to its owners; an item or source of wealth with continuing benefits for future periods, expressed, for accounting purposes, in terms of its cost, or other value, such as current replacement

cost.One way of classifying assets is based on their ease of convertibility into cash. According to this classification, total assets are classified either into current assets or non-current assets (fixed assets). Other classifications are physical existence (tangible or intangible assets) and usage (operating and non-operating assets).

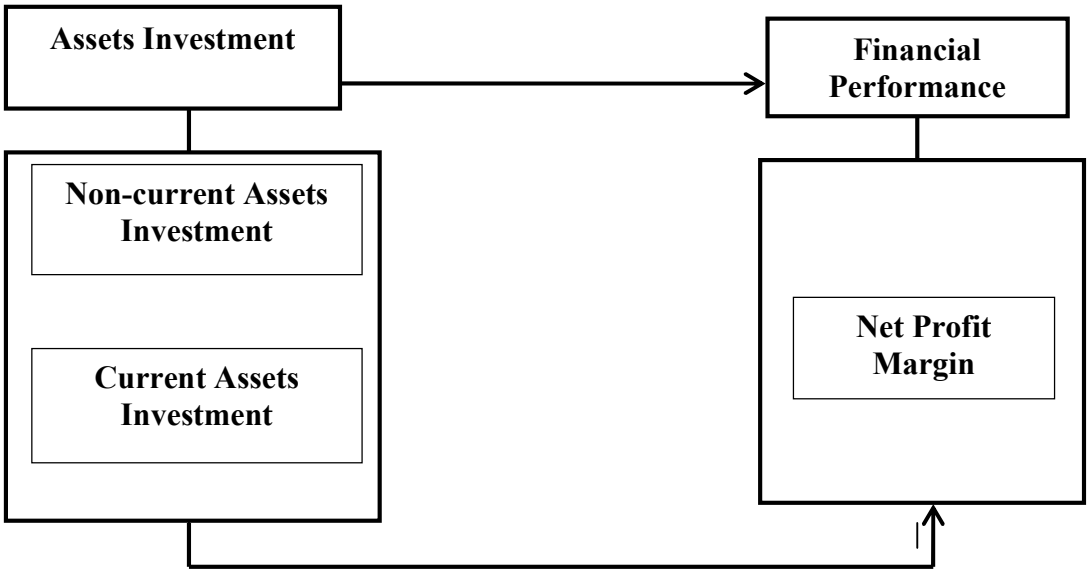
Noncurrent assets constitute an essential part of the overall resources that are available for organizational use. Noncurrent asset investment plays vital role in carrying out corporate activities and also enhances the capacity of an organization in providing goods and services (Abolo, 2022). These investment items include; plant and machinery (office equipment, information and communication technology, buildings) motor vehicle, furniture and fittings (Akparhuere et al., 2019; Ullah & Ahmad, 2019; Osirim & Moses, 2019; Thankgod, 2021; Egwu et al., 2024). There are many reasons why non-current assets are considered as one of most investment element in an organization.Okoro and Charles (2019) opined that effective investment of non-current assets is one of the most important elements of firm in creating value for shareholders. High non-current assets turnover ratio indicates efficient utilization of non-current assets in generating sales whilea low ratio indicates inefficient investment and utilization of non-current assets. If non-current assets are not invested properly, then there is the likely chance that organizations will not perform as expected (Saut et al., 2024). Successful organizations know how to invest in non-current assets for efficient accomplishment of organizational goals and adopt to changes in external environment as well as change in technology (Mwaniki & Omagwa, 2017). In other hand, current assets involve the investment in cash, accounts receivable and inventories.These are non-interest bearing assets. It is possible for a firm to avoid making capital investment like land, but it's impossible for a business to run without the provision of adequate current assets. Current asset investment gained prominence as firms began to be aware of the relevance of the difference between profitability and liquidity (Chukwu et al., 2022; Major et al, 2022). Efficiency in investment of current assets is a vital element in managing of operating funds (Osirim& Moses, 2019). Pandey (2005) noted that excessive investment in working capital (net current assets) results in unnecessary accumulation of inventories leading to inventory mishandling, wastage and theft. He argued further that unnecessary investment in current assets like debtors culminates into higher incidence of bad debts, complacency of management inefficiency, increasing speculative profit from the accumulated inventories and consequent loss of profits. Similarly, inadequate current assets might increase operating inefficiencies and this may result in poor financial performance.

Statement of the Problem

Most organizations in Nigeria have closed down due to poor performance. Up till now, organizations are failing as a result of poor performance. This poor performance may be attributed to liquidity problem, poor assets investment, assets utilization and insolvency. Appraisal problem in terms of poor assets investment in fact, may be a significant factor resulting to the failure of some Insurance companies. According to Yohanes et al (2018), careless asset investment practices are the main causes of poor financial performance and failure of business enterprises. Regardless of whether it is an owner-manager or hired-manager, if the assets investment decisions and practices are wrong, profitability of the company could be adversely affected and consequently, the entire business organization (Lakew & Rao, 2018). They stated that the practices adopted for investing the mix of the non-current and current assets are critical because they have risk and return implications. Whereas non-current assets lead to high returns, they are usually more risky because of the difficulty of converting them into liquid form for day to day operations. Current assets on the other hand are less risky because they are in cash or near cash spendable form, but they portend very

minimal returns for the business (Lakew & Rao, 2018). Another major challenges firms faced is the issue of access to finance. Insurance companies in Nigeria, suffer from lack of access to appropriate (term and cost) funds from the bank, government and capital markets. This is due to the perception of higher risks resulting in high mortality rate of the business, information asymmetry, poorly prepared project proposals, inadequate collateral, absence of, or unverifiable history of past credit(s) obtained and lack of adequate historical records of the company's transaction. Ayewumi and Chukwunweike (2024) highlighted significant issues related to quality, services, image, economic instability, delays, labour shortages, insufficient data and poor knowledge. Low service in the industry is attributed by the low technology used, poor noncurrent assets management and employment of unskilled labour, high input and length projections, manpower shortages, inadequate maintenance, non-conducive and disaster-prone conditions. Raji et al. (2017) concluded that firms faced huge cost overruns in projects due to the ineffective management, including poor material control, poor site management and poor cash management which have caused a bad image to the industry. Considering the above weaknesses and significant gaps in the assets investment and financial performance, there is a conflict and mixed findings and also, most of the study prior studies has tackled the challenges in investing more in assets management in the manufacturing firms and deposit money banks leaving a study gap to fill in listed insurance companies. Therefore, this study aimed to fill in this gap by determining the effect of assets investment on financial performance of listed insurance companiesin Nigeria.

Conceptual Framework



Sources: Abolo et al (2022), Major et al (2022),Chukwu et al (2022), Muli et al (2022)

Aim and Objectives of the Study

The aim of this study was to ascertain the effect of assets investment on financial performance of listed Insurance companies inNigeria. Specifically, the study sought to:

1. determine the effect of non-current assets investment on net profit margin of listed insurance companies in Nigeria;
2. determine the effect of current assets investment on net profit margin of listed insurance companies in Nigeria.

Research Questions

The study was guided by the following research questions:

1. What is the effect of non-current assets investment on net profit margin of listed Insurance companies inNigeria?
2. What is the effect of current assets investment on net profit margin of listed Insurance companies inNigeria?

Hypotheses

The following null hypotheses were tested in this study:

H_{01} The effect of non-current assets investment on net profit margin of listed Insurance companies inNigeria is not significant.

H_{02} The effect of current assets investment on net profit margin of listed Insurance companies inNigeria is not significant.

Review of Related Literature

Conceptual Review

Assets Investment

The term asset is defined as 'a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity's. Firms use non-current assets to transfer raw materials into finished goods. These assets are called property, plant, and equipment including land, building, equipment, automobiles, and furniture. Current assets are liquid assets which include cash, inventories, accounts receivables, prepaid expenses, accrued income and loan advances. They are used in running day-to-day activities of companies. The sum of current assets and non-current assets is known as total assets. Typically, assets are divided into two categories: tangible assets and intangible assets. Non-current assets and current assets are composition of the tangible assets. Intangible assets have distinct conditions according to accounting standards. Therefore, most of the assets presented in the statement of financial position for companies are tangible assets (Mawih, 2014).. There is however increasing importance of non-current assets and current assets in generating profit as most manufacturing firms invest heavily in the assets (Agbogun&Taiwo, 2020).

Non-current Assets Investment

Non-current assets otherwise known as fixed assets are those assets that cannot be converted into cash during a year of running a business. It includes the land, buildings, furniture and fitting, computers, equipment of services/manufacturing and other assets which can last for longer periods of time. Fixed assets or non-current assets are more revenue generators than the current assets but the risk involvement is more than in the current assets as it is difficult to convert them into cash and also the involves huge initial capital outlay (Oliver et al., 2017). Non-current assets are more revenue generators than the current assets but the risk involvement is more than in the current assets as it is difficult to convert them into cash and also the involves huge initial capital outlay. Non-current assets are essentially Long term assets of a firm and usually include buildings and other real estate acquisitions, furniture, equipment, vehicles and ICT infrastructure which may include hardware and software.

Current Assets Investment

Current assets are the inventories, accounts receivables, and any other short-term investments held by an organization. Current assets management entails handling afirm's short-term assets to ensure the firm is able to continue its operation and that it has sufficient cash flow to meet

maturing short-term debt obligations and future operational expenses. It also refers to all actions and decisions of the management which affects the size and effectiveness of current assets (Osirim& Moses, 2019; Chukwu et al., 2022). It is the management of short-term investments or assets of a firm with maturity less than one year. In the face of paucity of funds coupled with high cost of borrowing, investment in current assets and their management require a special and professional attention as the key principle is to maintain optimum level of current assets that is neither excessive nor inadequate.

Financial Performance

Financial performance can be described as a measurement of how well a firm uses its assets from its primary model or business and general revenue. The term is also used as general measure of firm's overall financial health over a given period of time. The business directory defines financial performance as measuring results of a firm's policies and operations in monetary terms and these results are reflected in the firm's return on investment, return on assets, among others. The subject of financial performance has received significant attention from scholars in the various areas of business and strategic management. The term is used as a general measure and has also been the primary concern of business practitioners in all types of organizations since financial performance has implications to organization's health and ultimately its survival. High performance reflects management effectiveness and efficiency in making use of company's resources and this in turn contributes to the country's economy at large (Owuor et al., 2021).

Net Profit Margin

The net profit margin, also known as net margin, indicates how much net income a company makes with total sales achieved. A higher net profit margin means that a company is more efficient at converting sales into actual profit. Net profit margin (NPM) is one of the most closely followed numbers in finance. Shareholders look at net profit margin closely because it shows how good a company is at converting revenue into profits available for shareholders (Ogbodo& Osisioma, 2020). Net profit margin is the percentage of revenue remaining after all operating expenses, interest, taxes and preferred stock dividends (but not common stock dividends) have been deducted from a company's total revenue (Vuong et al., 2017). Net profit margin analysis is not the same as gross profit margin. Under gross profit, fixed costs are excluded from calculation(Abiodun, 2012).

Theoretical Review

The Capital Asset Pricing Theory (CAPT)

The CAPT was developed by Treynor, Sharpe,Lintner and Mossin in the early 1960's and was refined further for a few years. The capital asset pricing theory (CAPT) is an extension of Markowitzmean-variance theory. CAPT was based on three major concepts. The first concept is of a risk-free investment,secondly a notion of market portfolio is used and thirdly an efficient Marketis assumed to exist. The model predicts the relationship between the risk andequilibrium expected returns on assets (Abolo, 2022). According to Bode et al(2003), CAPT required rate of return for a security to its risk as measured by beta. Beta measures the contribution of a single asset to the risk of a diversified portfolio. He further stated that beta is use for effective measure of systematic risk of a specific asset. The CAPM's expected return – beta relationship isas follows:

$E(rA) = rf + \beta A\,[E(rm)-rf]$

Where: $E(rA)$ = Expected return of Asset A

rf = risk-free rate of return

βA = Contribution of Asset A to the risk of a portfolio

E(rm) = Expected return of the market

Source: Bode et al (2003)

The expected return – beta relationship also holds for any combinations of assets. The beta of a portfolio is simply the weighted average of the Betas of the Assets in the portfolio, using as weights the portfolio proportions (Bode, 2003).Assets are combined into portfolios based on possible equilibrium pricesin different situations (Findlay et al, 1979).

The theory was relevant to this research because, the theory predicts the relationship between risk andequilibrium expected involves in investment of assets. The theory was helpful in explaining and understanding the impact of non-assets investment and financial performance variables.

Empirical Review

Victor et al (2024) studied the effect of assets management on financial performance of listed consumer goods manufacturing companies in Nigeria. The study adopted an ex-post facto design. Data were generated from the audited financial reports of the seven selected listed consumer goods manufacturing company from 2012-2022. Assets turnover ratio, assets tangibility ratio, intellectual assets ratio on return on assets was used as variables. Panel multiple regression technique was employed to analyze the data using Stata 14.2. The study found that assets turnover ratio and assets tangibility have significant positive and negative effect on return on assets whereas intellectual assets ratio exerted a non-significant positive effect on return on assets. These results imply that the shiftability concern is negligible in the listed consumer goods manufacturing companies in Nigeria. However, the proportion of tangible assets seems to have over-stretched beyond the optimal level, thereby impacting negatively on their financial performance.

Tumuhimbise (2024) evaluated the effect of assets management and financial performance of Centenary Bank. Financial statements for Centenary Bank spanning 2017 to 2021 were obtained from the bank's annual reports between Q3 2019 to Q2 2022 provided further granular insights. Primary data was collected through a survey of 50 bank managers directly involved in overseeing Centenary Bank's assets deployment and recovery processes across various branches. Descriptive statistics were used to analyze survey data in SPSS while interviews underwent thematic analysis. Pearson's correlation and regression analyses were then conducted to determine significance and direction of relationships between assets management variables and financial performance indicators. From the findings, It was revealed that the bank has maintained adequate business stability through treasury management, corporate treasurers and chief financial officers who have effectively handled their responsibility for overall cash management strategies, cash related responsibilities and stability analysis.

Fitri and Marietza (2024) studied the influence of Investment efficiency on Financial Performance in Indonelsia. The research used a quantitative approach with secondary data. The population of the study was companies indexed LQ45 in the 2018-2022 period, the sample of this study was 27 companies with 135 observation that meet the criteria. The research was tested using multiple linear regression analyze using the Eviews application. The result showed that investment efficiency cannot affect financial performance. It was suggested that since investment efficiency cannot affect financial performance, so it is hoped that further research can add other variables to see the effect of investment efficiency on financial performance, besides that it is also expected to add or replace other samples to be tested.

Ayewumi et al. (2024) investigated asset management on financial performance of listed firms in Nigeria. To ensure a representative sample, the study used a non-random sampling technique to select five (5) BERGER; BETAGLASS; CAP Plc; CUTIX Plc &DANCEM) of the listed firms. Data for the variables were obtained from the published annual financial reports of the listed firms. The study used a comprehensive panel dataset of five (5) listed industrial firms spanning 2018 through 2022 and applying regression analysis. The study found that RECEI stood significant while INTUR and ASSTU seem insignificant. Based on these findings, it was recommended that firms should focus on enhancing their receivables collection processes through tightening credit policies, offering discounts for early payments, and implementing more rigorous follow-up procedures. Also, firms to continue improving inventory management through better inventory tracking systems, adopting just-in-time inventory practices, and using demand forecasting tools can help reduce holding costs and potentially improve firm performance.

Saut et al. (2024) studied analysis of asset management ratio and solvency management ratio. The purpose of the research was to analyze asset management ratio and solvency management ratio of PT FKS Food Sejahtera Tbk. The type of research used was qualitative descriptive research. The subject of the research was PT FKS Food Sejahtera Tbk whose financial report data were from 2015 to 2021. The analysis method in the research used was a time series analysis approach. The results of the research show that the average fixed asset turnover of PT FKS Food Sejahtera Tbk is 1.15 times. The average total asset turnover of PT FKS Food Sejahtera Tbk is 0.7 times. The average debt ratio at PT FKS Food Sejahtera Tbk from 2015 to 2017 has a value of 1.38 which becomes unsafe in 2017, 2018, and 2019. The multiple that received the highest profit was in 2019 with a multiple of 12.15.

Oluyemi and Chiyenre (2024) examined relationship between asset structure and financial performance. The study used secondary data retrieved from the various websites of the quoted construction firms in Nigeria from 2012 to 2018. The variables were validated by conducting descriptive statistics, correlation test and the unit root test using the Augmented Dickey Fuller (ADF). Two simple regression models were employed for the study and data were analyzed. The results of the study indicated that fixed asset have a positive and significant impact on return on asset. Also, the study found that current asset has positive and significant impact on earnings per share. The study recommends that the construction firms should limit debtors as it greatly affects the current asset, invest more money in fixed assets as this will also increase the profitability of the firms and will in the long run maximize the return on asset (ROA) and Earnings per Share (EPS) and that firms should avoid keeping non-performing funds.

Egwu et al. (2023) examined the investment in non-current assets and the performance of quoted manufacturing firms in Nigeria. Secondary data were collected from annual reports and accounts of the fifteen (15) selected quoted firms for the period of eight (8) years spanning from 2012 to 2019. Data collected were analysed using descriptive statistics, correlation and regression analyses. The empirical results revealed that investment in tangible non-current assets has positive and significant effect on the return on assets (ROA) of the selected manufacturing firms. Investment in intangible non-current assets also has positive and significant effect on the return on assets, debt to assets ratio has a positive and significant effect on return on assets; while assets turnover ratio has negative but insignificant effect on return on assets. The study concluded that the influence of tangible non-current assets on the financial performance of the manufacturing companies is more than that of the intangible non-current assets in Nigeria and therefore recommended that attention should be paid to optimum

asset utilization by the manufacturing firms in Nigeria. The study also recommended that manufacturing firms in Nigeria can leverage on debts to fund their assets.

Muli et al (2023) studied the influence of current asset structure on financial performance of manufacturing firms in the building and construction sector in Kenya. Causal exploratory survey was adopted with a population of 44 companies in the building and construction sector in Kenya over a 5 year period covering 2016 to 2021. Fixed effects bivariate panel regression model was adopted after conducting model specification tests. The test of hypothesis was conducted using the t-statistic at 95% confidence interval. Based on the positivist research philosophy, the findings reveal that current asset structure (CAS) as measured by the current asset to total assets ratio had a negative effect on financial performance as measured by return on equity and net profit margin. The study recommended that, an enhanced sample for all company sizes to check out if size has an effect on the robustness of the findings.

Empirical Gap in Literature

Considering the above empirical reviewin term of weaknesses and significant gaps in the assets investment and financial performance, there is a conflict and mixed findings and also, most of the study prior studies has tackled the challenges in investing more in assets management in the manufacturing firms and deposit money banks leaving a study gap to fill in insurance companies. Therefore, this study aimed to fill in this gap by determining the effect of assets investment on financial performance of listed Insurance companies inNigeria.

Methodology

Research Design: The research design adopted for this study was expose-facto research design

Population for the Study: The targeted population of the study consisted of fifteen (15) Insurance companies listed on the floor of the Nigerian Exchange Group as at 31st December 2023.

Sample Size and Sampling Techniques: The sampling technique used in this study was purposive (Judgmental) sampling technique. As the name implies, it is a sample "chosen purely on the basis of convenience. Five (5) listed Insurance companies were chosen simply because this research work is expected to be carrying out twice. Hence, purposively, data of ten years period was chosen for the study which consists of 50 observational time period (2014-2023).

Sources and Method of Data Collection: The study used secondary data for the analysis. Secondary data was collected from published annual reports of the selected oil and gas companies in the Nigerian Exchange Group Fact Book

Method of Data Analysis: This study adopted descriptive statistics, Unit Root Test and Multiple Regression method of data analysis.

Model Specification

Model: Net Profit Margin (NPM) Model

$NPM = f(NCAINV, CAINV, FZ)$ 1

This can be written in Ordinary Least Square (OLS) form as:

$NPM_{it} = a_o + a_1 CAINV_{it} + a_2 CAINV_{it} + a_3 FZ_{it} + U_t$ 2

$a_1>0; a_2>0; a_3>0$

Where: NPM = net profit margin, as proxy for financial performance
INV = inventories as proxy for current assets investment
NCAINV = Non-current assets investment as proxy for assets investment
CAINV = Current assets investment as proxy for assets investment

FZ = Firm size as a Proxy for Moderating Variable
t = time period under study
a_o = constant
a_1-a_3= parameter or coefficient of explanatory variable
u = error term

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Univariate Analysis

Table 1 Descriptive Statistics of the Variables

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
NCAI	50	5.50	10.51	6.5886	1.16577	2.059	.337	4.506	.662
CAI	50	4.93	9.56	6.4436	1.16164	1.344	.337	1.967	.662
NPM	50	.73	8086.57	201.8469	1147.19452	6.905	.337	48.290	.662
FS	50	4.94	9.14	6.3650	.98119	1.256	.337	1.930	.662
Valid N (listwise)	50								

Source: Generated by the Researchers using SPSS

This section presented the descriptive analyses of the variables under the study that investigates the effect of assets investment on financial performance of listed Insurance companies inNigeria. The results in table 1 had demonstrated a descriptive statistics of non-current assets investment (NCAI) with a total sampled N statistic (50) that had a positive growth rate between the Minimum (5.50) to Maximum (10.51) shown a Mean and Standard Deviation statistics values of (6.5886) and (1.16577) respectively. The skewness provided useful information about the symmetry of the probability distribution of non-current assets investment (NCAI) and the data set discovered a positive skewness statistic value (2.059) implies that NCAI have a long right tail. The kurtosis statistic also revealed a positive value (4.506) and a standard error termed (0.662) that implied the extent of flatness of the distribution is greater than the normal curve.The results in table 1 had illustrated a descriptive statistics of current assets investment (CAI) with a total sampled N statistic (50) that had a positive growth rate between the Minimum (4.93) to Maximum (9.56) shown a Mean and Standard Deviation statistics values of (6.4436) and (1.16164) respectively. The skewness provided useful information about the symmetry of the probability distribution of current assets investment (CAI) and the data set discovered a positive skewness statistic value (1.344) implies that CAI have a long right tail. The kurtosis statistic also revealed a positive value (3.967) and a standard error termed (0.662) that implied the extent of flatness of the distribution is greater than the normal curve.The results in table 1 had illustrated a descriptive statistics of net profit margin (NPM) with a total sampled N statistic (50) that had a positive growth rate between the Minimum (0.73) to Maximum (8086.57) shown a Mean and Standard Deviation statistics values of (201.84) and (1147.19) respectively. The skewness provided useful information about the symmetry of the probability distribution of net profit margin (NPM) and the data set discovered a positive skewness statistic value (6.905) implies that net

profit margin (NPM) have a long right tail. The kurtosis statistic also revealed a positive value (48.290) and a standard error termed (0.662) that implied the extent of flatness of the distribution is greater than the normal curve.

Multivariate (Regression) Analysis

Table 2 Model One Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.596[a]	.487	.341	999.56234	2.424

a. Predictors: (Constant), FS, NCAI, CAI

b. Dependent Variable: NPM

Source: Generated by the Researchers using SPSS

The results in table 2 discovered a linear regression coefficient of ($R = 0.596^a$ $R^2 = 0.487$, Adjusted $R^2 = 0.341$, DW=2.424 and a standard error of the estimate 999.562). The R value illustrated that positive relationship exist between independent variable non-current assets investment (NCAI), current assets investment (CAI) and dependent variable net profit margin (NPM) as well as firm size (FS). The coefficient of determination R-Square represented the proportion of variance of dependent variable that has been explained by the independent variables in the model. The adjusted R Square provides an insight of goodness of fit of the model. This implied that 48.7% of the increase in net profit margin (NPM) is due to increase in non-current assets investment (NCAI), current assets investment (CAI) as well as firm size (FS) of the listed insurance companies inNigeria. The Durbin-Watson statistic test discovered that there is a positive evidence of autocorrelation in the time series data set.

Table 3 ANOVA of Model One

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18526964.257	3	617.752	6.181	.001[b]
	Residual	45959744.177	46	999.873		
	Total	64486708.433	49			

a. Dependent Variable: NPM

b. Predictors: (Constant), FS, NCAI, CAI

Source: Generated by the Researcher using SPSS

The table 3 indicated a regression Mean square value (617.752) and significant P value of $0.001^b < 0.05$ and F test value = 6.181 which discovered that, the overall model is statistically significant at 0.05alpha level betweenvariable non-current assets investment (NCAI), current assets investment (CAI) and dependent variable net profit margin (NPM) as well as firm size (FS) of listed Insurance companies inNigeria.

Table4 Coefficients of Model One

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3133.068	977.487		-3.205	.002
	NCAI	706.600	287.210	.718	2.460	.018
	CAI	-231.413	419.011	-.234	-.552	.583
	FS	26.795	461.292	.023	.058	.954

a. Dependent Variable: NPM

Source: Generated by the Researcher using SPSS

Test of Hypotheses

The Decision Rule: Reject H_{O1}if sig **(**P-value) is less than 0.05 significant levels otherwise accepted the alternate hypothesis.

Statement of Hypothesis One

H_{01} The effect of non-current assets investment on net profit margin of listed Insurance companies inNigeria is not significant.

The results in table4 discovered a regression significant level non-current assets investment on net profit margin for the period under study in Nigeria. The significant value P= 0.018 <0.05 at alpha level revealed that the effect ofnon-current assets investment on net profit marginis statistically significant at 0.05 alpha level. This implied that the null hypothesis is rejected and the alternate hypothesis is accepted. Thus, the effect of non-current assets investment on net profit margin of listed Insurance companies inNigeria is significant.

Statement of Hypothesis Two

H_{02} The effect of current assets investment on net profit margin of listed Insurance companies inNigeria is not significant.

The results in table4 discovered a regression significant levelcurrent assets investment on net profit margin for the period under study in Nigeria. The significant value P= 0.583>0.05 at alpha level revealed that the effect of current assets investment on net profit marginis statistically insignificant at 0.05 alpha level. This implied that the null hypothesis is accepted and the alternate hypothesis is rejected. Thus, the effect of current assets investment on net profit margin of listed Insurance companies inNigeria is not significant.

Conclusion(s)

This study provided empirical evidence thatinvestigated the effect of current assets investment and financial performance of listed insurance companies in Nigeria. Based on data obtained from the listed Insurance companies in Nigeria, data analysis, discussion of findings, we concluded that;

1. The effect of non-current assets investment on net profit margin of listedInsurance companies in Nigeria is significant,
2. The effect of current assets investment on net profit margin of listedInsurance companies in Nigeria is not significant,

Recommendations

After investigating the effect of current assets investment and financial performance of listed insurance companies in Nigeria, the following recommendations were made:

1. Since non-current assets of the listed Insurance companies hassignificant effect on net profit margin, this study therefore recommends that Insurance companies in Nigeria should sustain their investment in non-current assets to enhance profitability.

2. Adequate provision for depreciation should be made to enhance the ease of replacement as well as modernization of worn out plants and machinery to sustain steady service rending in order to avoid loss of investors.

Implication/Contributions to Scholarship

Findings from this study suggest that non-current assets had significant effect on net profit margin of listed insurance companies in Nigeria. This implies that firms in the Nigeria should encourage investment in modern plants and equipment as well as investment properties and intangible assets to enhance speedy net profit margin. However, below are some contributions to scholarship.

1. This study provides a framework for non-current assets investment and financial performance. Evidence from this study shows that companies in Nigeria should not be keen in maintaining expensive offices all around Nigeria to avoid the erosion of profitability as well as return on capital employed of the firms. This is because the quest to maintain so many offices will have an increase in a corresponding need to equip such offices with furniture and fittings and hence much investment in properties which is inimical to profitability.
2. The results of this study add value to the world of knowledge, by establishing a model to investigate the effect of noncurrent assets and financial performance of listed Insurance in the Nigerian Exchange Group. This study also provides a basis for future reference to scholars and those making related studies in developing their research projects/thesis.

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