Risk management as an element of corporate governance is becoming an integral part for the success and survival of almost every organisation, more importantly imperative for the insurance companies where managing risk is their core and primary functions on daily basis.The study examined the impact of risk management practices on financial performance of listed insurance companies in Nigeria. Specifically, the trend of financial performance was analysed over the period of 2007 - 2018. Consequently,this study examined the impact of risk management practices on financial performance as proxy (ROCE and EPS) of listed insurance companies in Nigeria. It also studied the effect of some control variables (Audit Quality and Firm Size) on the financial performance of listed insurance firms in Nigeria.

This study employed“an ex-post” factor research design which is empirical in nature to obtain data.Out of the total population of fourty nine (49) insurance firms listed on the Nigerian Stock Exchange as at the end of 2018, a sample of twenty eight (28) firms with consistent and completed financial information were selected.The study used secondary source of data collection obtained from companies’ annual report and financial statements and the Nigeria Security and Exchange Commission factbooks. Descriptive statistics employed consist of mean, median, mode and standard deviation while the inferential statistics include panel regression analysis (pooled OLS, random effect and fixed effects models) with both (EPS) and (ROCE) as dependent variables for measuring financial performance while (underwriting risk, reinsurance risk, market risk, solvency risk for explanatory variables and control variables of audit quality and firm size.

The findings revealed flunctuationin trend in the financial performance of insurance companies in Nigeria within the period considered for both earning per share (EPS) and return on capital employed (ROCE).The result also confirmed that risk management practices employed have positive and statistically significant relationship with financial performance except solvency risk with significant negative impact with coefficient of -0.0029.The explanatory variables such as underwriting risk with coefficient of 0.85, reinsurance risk 0.50 and market risk with coefficient of 0.035 have positive significant effectwhile the control variables of audit quality and firm size with coefficient of 0.072 and 0.280 have positive and significant effect on financial performance of listed insurance firms in Nigeria. The overall random effect regression R-squared(R2) for EPS and ROCE at 5% level of significant were 0.45 and 0.33 which depicts the degree of variation in financial performance that can be explained by joint effect of all explanatory variables employed in the study.

In conclusion, Enterprise risk management practices have significant impact on the financial performance (return on capital employed and earning per share)of listed insurance firms in Nigeria.