

**Impact of Corporate Governance on the Performance of Insurance Sector:
Evidence from Listed Companies in Colombo Stock Exchange**

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Abstract

The purpose of this study is to observe the impact of corporate governance on the performance of insurance sector in Sri Lanka. The study utilized four Corporate Governance (CG) variables as independent variables such as board size, percentage of non-executive directors, percentage of independence non-executive directors and institutional investor's ownership. Return on Investments (ROI) occupied as the dependent variable. The sample of the study consists with nine insurance companies and data from period of 2010-2014 included in the study. Four hypotheses were formulated and data and information obtained from secondary sources through the financial statements, annual reports, journals and corporate websites etc. The method of data analysis employed for this study is multiple regression analysis. The overall results provide that moderate positive relationship with CG variables and ROI. However the based on step wised regression analysis only the percentage of independence directors provide significant impact on ROI.

Key words: *corporate governance, returns on assets, board size and composition Colombo Stock exchange (CSE)*