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EFFECT OF DIGITAL PAYMENT SYSTEMS ON INSURANCE BUSINESS IN NIGERIA, 2009-2024

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Abstract: The aim of study was to examine the effect of digital payment systems on insurance business in Nigeria. Specific objectives were to: examine the effect of web-pay-code programs on gross premium income of insurance business in Nigeria and investigate the effect of mobile pay code on gross premium of insurance business in Nigeria. Ex post facto research design was adopted. Study used time series data (2009-2024) within the periods under review, which was obtained from Central Bank of Nigeria (CBN) statistical bulletin. Ordinary least square (OLS) regression model was used to test formulated hypotheses. The findings revealed web-pay code had a positive and significant effect on insurance business proxied by gross premium income in Nigeria (coff =0.088429, pv < 0.05) and mobile pay code had a positive and significant effect on the insurance business proxied by gross premium income in Nigeria (coff=0.112788, pv<0.05). In light of the findings, the study concluded that digital payment systems had positive and significant effect on insurance business in Nigeria. Based on the findings, the following recommendations were made, Nigerian businesses invest in robust digital payment policies to mitigate risks and safeguard profitability through introduction of web-pay code programs. Additionally, businesses should strengthen their digital payment systems measures and regularly review risk management on mobile pay code frameworks to enhance resilience against cyber threats.

Keywords: Business, Digital, Insurance, Payment, Systems.

1.1 Introduction

A digital payment system, commonly referred to as digital payment or mobile payment, is an electronic transaction method where monetary value is stored in a specific digital medium (Adriani & Yuniar, 2023). The integration of information technology with the growing digital economy has led to the widespread adoption of cashless transactions. The implementation of electronic money, used for both online and offline payments, has significantly facilitated transactions for insurance businesses, particularly in organizations across Nigeria (Andhika, 2022).

Digital transactions have become a key driver for insurance business growth to expand their market reach and boost performance. Prior research on digital payment systems, such as that conducted by Purwanto (2021) and Prahiawan (2021), highlights that digital payment solutions not only promote accountable financial

management but also provide authentic value-added benefits for insurance business competitiveness in the global market. Consequently, the adoption of digital payment systems aligns with the improvement or control financial risk. Similarly, Rahmat (2019) emphasized during a capacity building training session that it is time for insurance businesses in Nigeria to embrace digital transformation.

Regardless of how innovative a service is, failing to leverage available technology would render it ineffective. In today's increasingly digital world, the importance of maintaining strong digital payment systems can be attributed to a number of factors, including the following: internet attacks can be extremely expensive for businesses; in addition to monetary losses, a data breach can result in irreparable damage to a company's reputation (Tariq, 2018). Insurance as a financial intermediary plays a significant role in economic growth of any country (Srijana & Fatta, 2017).

Technology-based solutions are being adopted by organizations around the world, making the world a digital place. Because of this, the risk of digital payment systems has increased, and this is especially true if the controls that are in place are insufficient or nonexistent. Incidents involving digital payment system risk can have a diverse range of effects on the businesses that are impacted by them. According to the Allianz Risk Barometer for 2019 and 2020, digital payment system risk, in conjunction with business interruption that is primarily caused by internet risk occurrences, has been identified as the most critical risk facing businesses around the world.

The practices of digital payment help the insurance business perform better by increasing client trust and strengthening data security and privacy, which ultimately leads to more potential for revenue, (Gatzert & Schubert, 2022). Digital payment refers to the use of electronic methods to transfer money or settle financial transactions between parties. Unlike traditional cash-based transactions that involve physical exchange of currency, digital payments utilize technologies such as the internet, web-pay-code programs, mobile pay code**,** mobile phones, payment cards, and point-of-sale terminals to facilitate financial exchanges (Ogbari et al., 2024; Beck, Chen, Lin, & Song, 2014; Li & Liu 2021).

As a result of the rapid pace at which businesses are implementing digital transformations with the help of mobile devices, cloud services, social media, and Internet of Things services, enterprise risk management has shifted its primary emphasis to digital payment systems. Better digital payment systems leads to increased consumer trust and income potential, but requirements for data protection and privacy are continually growing, making it more difficult to manage digital payment systems (Lee, 2021; Tariq, 2018). One of the strategies for managing the risks associated with digital payment systems is limiting data access. This is done to avoid putting sensitive information at risk. It also aims to maintain the confidentiality, integrity, and availability of this information (Panda & Bower, 2020).

The history of insurance dates back to the ancient era of civilization, well before the current economic and monetary system. Insurance existed in a multitude of forms, with the earliest dating back to the 2nd and 3r dmillennia BC. Babylonian, Chinese, and Indian traders would redistribute their goods among many different ships used to transport goods across the ocean. This practice was driven by the uncertainty of traversing treacherous waters, ensuring that if one ship overturned, all the goods would not be lost. Insurance stimulates business activities to operate cost-effectively (Ibegbulem, 2021; Agbamuche, 2012). Ubom (2012), the primary aim of insurance is to provide customers with safeguards against risks that may result in significant losses, such as job or income loss, inability to maintain social amenities and a decline in purchasing power. Based on this,

the study seeks to examine the effect of digital payment systems on insurance business in Nigeria from 2009 to 2024.

Statement of the Problem

The safeguard of system and internet-connected systems, such as software, hardware and data, from cyber-attacks, is referred to as cyber security. Individuals and businesses employ the technique to guard against illegal access to data centers and other digital systems. The internet has made the world smaller in many ways but has equally opened up the business world to influences that have never before been so varied and so challenging. As fast as the business can grow through the help of information communication technology, internet security challenges are unavoidable as data hackers grow even faster (Seemma, Nandhini & Sowmiya, 2018).

Digitalization presents an opportunity to enhance knowledge in marketing, promotion, and customer engagement, ultimately boosting insurance business productivity. This, in turn, can contribute to reducing risk and boost compensation rates. However, the reality suggests that many insurance business in Africa, particularly in Nigeria, have been slow to adopt digitalization. This delay is attributed to several factors, including a lack of awareness among business owners regarding the importance of digital transformation, poor web-pay-code programs, insufficient mobile pay code**,** insufficient knowledge of relevant technological tools, and limited access to resources such as capital and skilled human resources. However, despite this huge investment made by Nigerian insurance firms, cyber criminals still attack, penetrate and have undue access to their cyber-space causing damages to both the institution and customers of the insurance industry.

However, this work therefore seeks to fill this gap by examining digital payment systems (web-pay code and mobile pay code) and insurance business in Nigeria from 2009 to 2024. Based on the above, the study examines digital payment systems (web-pay code and mobile pay code) on insurance business in Nigeria from 2009 to 2024.

Objectives of the Study

The main objective of the study was to examine the effect of digital payment systems on insurance business in Nigeria. Specific objectives were to:

i. Examine the effect of web-pay-code programs on gross premium income of insurance business in Nigeria.

ii. Investigate the effect of mobile pay code on gross premium of insurance business in Nigeria.

Scope of the Study

The scope of the study enclosed the effect of digital payment systems on insurance business in Nigeria. 2009 was chosen due to the fact that the world was recovering from the 2008 financial crisis, and economic growth was generally weak. However, some sectors, particularly in Nigeria and world at large, saw a rebound. Investment was the primary driver of growth in developing countries. But 2024 was chosen because of the currency of data collected. The study also encompasses both dependent and independent variables. The dependent variable was growth of insurance business proxied by gross premium income while independent variable was digital payment systems measured with web-pay-code programs and mobile pay code.

REVIEW OF RELATED LITERATURE

Digital Payment Systems

The concept of digital payment systems refers to the use of electronic methods to transfer money or settle financial transactions between parties. Unlike traditional cash-based transactions that involve physical exchange of currency, digital payments utilize technologies such as the internet, mobile phones, payment cards, and

point-of-sale terminals to facilitate financial exchanges (Ogbari et al., 2024). These include internet banking, mobile money, USSD codes, automated teller machines (ATMs), Point-of-Sale (POS) terminals, debit/credit cards, online payment gateways (such as Paystack or Flutterwave), and even central bank digital currencies like Nigeria's e Naira (Okoye et al., 2023; Beck, Chen, Lin, & Song, 2014; Li & Liu 2021; Umar, 2019; Morgan, 2020; Bob- Alli, 2010).

Web-Pay-Code Programs

Web-pay code provides instructions and information on using the Interswitch WebPAY platform for online payments. It typically covers aspects like setting up a WebPay account, making payments, and managing payment history. These guides are usually designed to help users navigate the payment process effectively and securely in order to keep security of transaction in insurance businesses (Gardner & Thomas, 2014).

Mobile Pay Code

A Mobile Pay Code, also known as a unique transaction reference, is a code generated by the mobile payment system to identify and track specific transactions security. This code ensures the integrity and security of each payment made through a mobile payment system under the insurance businesses are well secured (Cengage, 2019; ManageEngine, 2019; Rouse, 2017).

Insurance

Insurance is a means of protection from financial loss. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. An entity which provides insurance is known as an insurer, insurance company, insurance carrier or underwriter (John, et al, 2022).

Theoretical Framework

This study was anchored significantly on Protection Motivation and Growth theory of Insurance in Nigeria. **Protection Motivation Theory** The theoretical framework used in this study is the Protection Motivation Theory, which was propounded by R.W. Rogers in 1975. PMT was originally developed to explain how individuals are motivated to adopt protective behaviors in the face of perceived threats, particularly in health-related contexts. The theory suggests that when confronted with a threat, individuals undergo a cognitive appraisal process involving four key components: perceived severity of the threat, perceived vulnerability to the threat, perceived efficacy of the recommended protective behavior, and perceived self-efficacy in executing the protective behavior. This appraisal process leads to the formation of a protection motivation, which drives the individual to take action to mitigate or avoid the threat. Over time, PMT has been extended beyond health to other areas such as environmental protection, disaster preparedness, and, importantly, digital payment systems, providing a robust framework for understanding how both individuals and organizations respond to a wide range of risks (Arenas et al, 2024; Khan et al, 2023). The theory can be used to analyze the cognitive processes that influence a business's decision to adopt cyber insurance as a protective measure against cyber risks.

Growth Theory

The growth theory was propounded by R. U. Herrod and E. Domar in 1955. The theory states that demand does not automatically equal supply, nor does saving automatically equal investment. The growth theory states that well developed financial intermediation can promote economic growth through marginal productivity of capital efficiency in channeling savings to environment, saving rate and technological innovations. The channel to growth model tries to link the financial intermediation function of insurance companies to economic growth. Webb, Grace & Skipper (2005), this theory is relevant to the study when web-pay code and mobile-pay code can be used as measures of digital payment systems contribute to insurance growth. From the growth theory, it

was discovered that the insurance sector foster economic growth in the following ways; i) Providing broader insurance coverage directly to firm, as well as improving their financial soundness; ii) Fostering entrepreneurial attitudes, encouraging investment, innovation, market dynamism and competition; iii) Promoting sensible risk management by household and firms, and contributing to sustainable and responsible development.

Empirical Review

The relationship between digital payment systems and insurance business in the world especially in Nigeria has been widely studied in the past few years. This is because the negative impact of cyber-crime and internet fraud stars is causing untold hardship not only to the insurance sector but to the financial institutions the world over. Some of the findings of the empirical studies are reviewed in this section.

In a similar study, Abdulrahim, (2019) determined the key cyber security risks being faced by Kenyan SMEs and to develop an implementation strategy which will provide a roadmap for managing cyber risk as a business risk. The research findings revealed that cyber security investment, web-pay code, training and awareness, cyber security policy programs, cyber security vulnerability management programs, real time network monitoring and incident management play a big role in the management of Cyber -risk within SMEs.

In the same vein, Ogene (2024) addresses Nigeria's critical cyber security challenges and the urgent need for strategic investment to safeguard its digital economy. This study employed a mixed-methods approach, analyzing academic literature, case studies, and reports on Nigeria's cyber security landscape. The findings indicate that investment in governance, skilled personnel, and emerging technologies is crucial for mitigating these risks.

Following the view of Okolo, Arume and Adedayo, (2024) investigated this relationship within Nigeria's Deposit Money Banks, employing a comprehensive analysis of key variables such as compliance adherence, web-pay code, training completion rate, risk awareness and management, behavioral analytics, employee feedback and engagement, and incident response time. The study revealed that compliance adherence, training completion rate, and risk awareness and management significantly influenced employee feedback and engagement.

According to Ajufo and Qutieshat (2023) shed light on the human factors influencing cyber security in Nigerian banks. They identify social engineering, poor information security culture, risky password practices, stress, web-pay code, burnout, and security fatigue as critical factors contributing to successful cyber-attacks. The study emphasizes the importance of cyber security awareness and training in mitigating these human-related vulnerabilities, providing practical recommendations for Nigerian banks to enhance their cyber security posture.

Aforementioned opinion by Abduel, (2024) assessed users' awareness of cyber security practices for preventing data attacks. The study employed a descriptive research design and quantitative research approach. Findings revealed that the user's awareness of cyber security practices on prevention of data attacks was high in the selected case for study, which remains anonymous.

Following previous study by Srinivas, Das, and Kumar (2019) examined government regulations in cyber security, highlighting the complexity of new technologies and the uncertainty in their adoption. Their study suggested that cyber security awareness plays a crucial role in shaping attitudes and intentions toward learning and using the latest technologies.

In related study by Owuor, (2018) explored the impact of mobile pay on the performance of insurance firms in Kenya. The review of literature revealed that various aspects of disruptive technology have a significant impact on organizational performance. The review showed that mobile pay technology has a significant influence and

explains to a large extent the growth of micro insurance in Kenya. It was also found that the increase in industrial convergence, technological innovation and social digital trends increases the financial performance of financial institutions including insurance firms.

Emem and Ubong, (2022) examined the effect of insurance mobile pay on deepening insurance services in Nigeria. The researcher employed the use of survey research design in which primary data was obtained through questionnaire administration. The finding was that there is a significant effect of the application of transaction processing system on deepening of insurance services in Nigeria. There is a significant influence of the use of decision support system on deepening of insurance services in Nigeria. There is a significant influence of the adoption of office automation system on deepening of insurance services in Nigeria.

John, *et al* (2024) studied the role of insurance industry on economic growth in Nigeria. Ex-post facto research design was applied. The data were analyzed using the Ordinary Least Square (OLS) method. From the analysis, it was revealed that there was a significant relationship between insurance income and gross domestic product in Nigeria. It was further discovered that there was a significant relationship between insurance premium and gross domestic product in Nigeria. Total insurance investment was also found to have a significant effect on gross domestic product in Nigeria.

Henyen, *et al* (2025) studied influence of digital payment systems on cash management of small and medium scale enterprises (Smes) in Nigeria. The research adopted a descriptive survey design and utilized primary data collected through structured questionnaires administered to 400 SME owners and managers, selected using a multi-stage sampling technique. Data analysis was conducted using descriptive statistics and multiple regression analysis with SPSS. The findings revealed that digital payment systems had a significant positive influence on cash management, indicating that increased adoption of platforms such as POS, USSD, and online transfers enhanced transaction tracking, reduced cash handling inefficiencies, and improved overall cash flow management.

Adesina, *et al (*2025) conducted a study on driving business growth through electronic payment systems: the role of e-payments in enhancing SMEs in Nigeria. This study examines the impact of electronic payment systems on the business performance of small- and medium-scale enterprises (SMEs) in Nigeria. Results showed that 52% of variations in SME profitability are explained by the adoption of electronic payments, while 48% of customer growth are similarly attributed.

Ayu and Embun (2025) studied the influence of digital payment on financial performance moderated by Gender of MSMES in Lombok Island. This study aims to analyze the impact of digital payment on MSME financial performance and the role of gender as a moderating variable. The findings indicate that digital payment has a significant impact on MSME financial performance in Lombok Island, and gender plays a moderating role.

Gaps in Empirical Review

Additionally, an empirical review was carried out where past and present studies both global and local were reviewed. In addition to the above, quite a number of gaps were identified easily from the previous studies reviewed such as; geography or area of the study is different from other studies, organizations used for the study may be different from other studies, and the variables studies may be different from other empirical examinations.

Despite the numerous studies on digital payment systems, there is a dearth of studies that cover the two variables (Web-Pay Code and Mobile-Pay Code Programs) that were examined in this study. The study assessed the various variables so as to get a glimpse of the influence of digital payment systems on insurance

business. This aided in getting results and as a result closing the gap. In addition, the gap in empirical review is even more significant as more studies were centered in the Western developed countries, Few studies have been conducted on digital payment systems and insurance business in Nigeria examples; digital payment systems and business sustainability of quoted insurance firms in Nigeria.

In addition, most studies have used survey research design, which limits the understanding of the complex relationship between variables. Secondly, none of the studies have measured the relationship between the independent and dependent variables beyond the sample period or provided insights into the relative importance of each variable in the model. Lastly, there are conflicting results from previous studies. This study aims to address these gaps by complementing previous research, exploring the dynamic relationship between digital payment systems and insurance business in Nigeria using secondary data that includes two inputs: web-pay and mobile pay code.

The study will also estimate the magnitude of the relationship between these variables. It is therefore important that digital payment systems (Web-Pay Code and Mobile-Pay Code Programs) be examined to bring to light such interplay in this sector. These are the gaps that this present study seeks to fill.

METHODOLOGY

Research Design

The study used *ex-post* facto research design because it was suitable for the assessment of data before and after this study. The choice of design was based on the fact that it does not provide the study an opportunity to control the variables; mainly they have already occurred and cannot be manipulated.

Nature and Sources of Data

The study used time series data (2009-2024) within the periods under review. The study was longitudinal and data for this analysis are mostly from secondary sources. This was evidently true as data were obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin from 2009 to 2024.

Model Specification

The study used a simple model relating all the variables under investigation. In order to investigate the relationship between digital payment systems and insurance business in Nigeria, Ordinary least square (OLS) regression model was used to test the effect of digital payment systems (independent variables) on insurance business in Nigerian (dependent variable). A OLS model was used in line with model of John, et al (2022). John, et al (2022) model was adopted and re-specified/modified to capture the objectives of this present study. John, et al (2022) model was specified as follow:

GDP= f(NIC, PLI, NLP, TII,INF, u)…….. (1)

The functional relation of the model was given as:

$GDP= \beta +\beta 1NIC+ \beta 2PLI + \beta 3\ NLP + \beta 4TII + \beta 5INF + u$

Where; GDP= gross domestic product at market price

NIC= number of insurance companies in Nigeria

PLI= premium of life insurance companies

NLP= premium of non-life insurance companies

TII= total insurance investment

INF=inflation rate

In order to achieve the objective of this study, the models below were re-specified in line with the above model of Oke (2012). Thus, the general model for the study was stated as follow:

The functional relation of the model was given as:

$GPI = \beta_0 + \beta_1 WPC + \beta_2 MPI + \mu_i$ ---------- (ii)

Where:

GPI= Gross Premium Income.

WPC= Web-Pay Code Programs

MPC = Mobile Pay Code

$\beta_0$and β_2 =Parameters

μ – Error term

Method of Data Analysis

Data for the study was subjected to pretest before the main regression test was carried out to guard against getting spurious and misleading results, and ensure that the outcome of this study can be used for meaningful prediction. Such diagnostic test to be carried out include: Unit root test, correlation test, normality test, trend analysis and descriptive tests. Stationarity test was done using the Augmented Dickey-Fuller. Ordinary least square (OLS) regression model was used for data analysis if the variables are stationary at the same level. However, Hypotheses was tested at 5% level of significance and 95% confidence level. The decision rule shall be: Accept the null hypothesis if p-value of (t-statistic) is greater than (0.05) level of significance, otherwise accept the alternate hypothesis.

Data Presentation

Table 4.1: The data were presented in raw form and log transformed to enable the variables appear in the same weight in order to avoid spurious results.

Log Transformation

Period	LOGGPI	LOGMPC	LOGWPC
2009	12.10038	0.239017	4.432601
2010	12.13205	1.894617	3.220874
2011	12.29109	2.943386	4.087823
2012	12.43773	3.450305	3.452207
2013	12.49813	4.961445	3.856933
2014	12.54910	5.847796	4.304605
2015	12.57536	6.092101	4.517213
2016	12.69500	6.629231	4.885525
2017	12.82761	7.004882	5.218191
2018	12.96269	7.587944	6.516075
2019	13.13869	8.533255	6.169904
2020	13.15112	9.614988	12.87988
2021	13.35572	10.88197	13.20861
2022	13.15112	12.30047	13.90821
2023	13.35572	8.533255	12.78295
2024	13.35572	8.533255	12.78295

Source: Extracted from E-View 10 Package

Table 4.2 Descriptive Statistics

	LOGGPI	LOGMPC	LOGWPC
Mean	12.74810	6.284386	6.896107
Median	12.69500	6.360666	4.885525
Maximum	13.35572	12.30047	13.90821
Minimum	12.10038	0.239017	3.220874
Std. Dev.	0.423183	3.428470	4.035045
Skewness	-0.009893	-0.004192	0.916943
Kurtosis	1.742315	2.283015	2.049068
Jarque-Bera	0.988852	0.299914	2.667129
Probability	0.609921	0.860745	0.263536
Observations	15	15	15

Source: Extracted from E-View 10 Package

The descriptive statistics for the variables in Table 4.2.1 highlight key measures. The mean values indicate average figures, with Gross Premium Income (GPI) at 12.74810 ₦ billion, Web-Pay Code (WPC) at 6.896107 ₦ billion, Mobile Pay Code (INSFA) at 6.284386 ₦ billion. Therefore, Gross Premium Income was the highest mean average value among other related variables under the study.

Table 4.3 Test of Unit Root

Variables	**ADF**	**Cv @ 5%**	**Pv**	**Inference**
LGPI	**-1.23`**	**-3.11**	**>0.6305**	**Levels**
LWPC	**-4.10**	**-3.11**	**<0.00921**	**Difference**
LMPC	**-2.31**	**-3.87**	**>0.3972**	**Difference**

Source: Extracted from E-view 10.0

The Unit root test results show that the variables are integrated of different orders which justified introduction of Ordinary least square (OLS) regression model. LGPI was ordered at levels while LWPC and LMPC are ordered at difference.

Test of Hypotheses

Test of Hypothesis One

The hypotheses for this study shall be presented in their null and alternate forms.

H_{01}: Web-pay-code programs does not significantly affect gross premium income of insurance industry in Nigeria.

H_{a1}: Web-pay-code programs significantly affect gross premium income of insurance industry in Nigeria.

Dependent Variable: LOGGPI
Method: Least Squares
Date: 04/28/25 Time: 16:07
Sample: 2009 2023
Included observations: 15

Table 4.4: ARDL Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.13828	0.123885	97.98029	0.0000
LOGWPC	0.088429	0.015639	5.654477	0.0001
R-squared	0.710938	Mean dependent var		12.74810
Adjusted R-squared	0.688703	S.D. dependent var		0.423183
S.E. of regression	0.236111	Akaike info criterion		0.074534
Sum squared resid	0.724727	Schwarz criterion		0.168940
Log likelihood	1.440998	Hannan-Quinn criter.		0.073528
F-statistic	31.97311	Durbin-Watson stat		1.912194
Prob(F-statistic)	0.000079			

Source: Researcher's extract from E Views 10.0

From the OLS result shown above, WEB-PAY and gross premium income with an associated probability value of 0.0000. The result further revealed that 1 percent decrease in gross premium income will lead to about 12 percent increase in WEB-PAY. The R-square value of 71% shows that the independent variables jointly explain about 71% of the total variations in gross premium income while the remaining unexplained 1% might be attributable to other relevant variables not included in the model. The Durbin- Watson statistic value of 1.9 indicates that there was no autocorrelation problem in the model. The bases here was that coefficient showed positive sign while pv was less than 0.5% level of significant. Overall regression result indicates that F-sta = 31.97311 and pv = 0.00000 still showing significant nature of the result. ***Decision Rule:*** departing by the decision criteria to accept H_0 if the sign of the coefficient was positive. The study rejected H_0 and concluded that web-pay code had a positive and significant effect on insurance business proxied by gross premium income in Nigeria.

Test of Hypothesis Two

H_{02}: Mobile pay code does not significantly affect gross premium income of insurance business in Nigeria.

H_{a2}: Mobile pay code significantly affect gross premium income of insurance business in Nigeria.

Dependent Variable: LOGGPI
Method: Least Squares
Date: 04/28/25 Time: 16:08
Sample (adjusted): 2009 2022
Included observations: 14 after adjustments

Table 4.5: ARDL Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.99590	0.067900	176.6701	0.0000
LOGMPC	0.112788	0.009564	11.79356	0.0000
R-squared	0.920576	Mean dependent var		12.70470
Adjusted R-squared	0.913958	S.D. dependent var		0.403027
S.E. of regression	0.118220	Akaike info criterion		-1.300977
Sum squared resid	0.167711	Schwarz criterion		-1.209683
Log likelihood	11.10684	Hannan-Quinn criter.		-1.309428
F-statistic	139.0882	Durbin-Watson stat		1.301105
Prob(F-statistic)	0.000000			

Source: Researcher's extract from E Views 10.0

From the OLS regression result shown above, mobile pay code and gross premium income with an associated probability value of 0.0000. The result further revealed that 1 percent increase in gross premium income will lead to about 11 percent increase in MOBILE PAY CODE. The R-square value of 92% shows that the independent variables jointly explain about 92% of the total variations in gross premium income while the remaining unexplained 8% might be attributable to other relevant variables not included in the model. The Durbin- Watson statistic value of 1.30 indicates that there was no autocorrelation problem in the model. The bases here was that coefficient showed positive sign while pv was less than 0.5% level of significant. Overall regression result indicates that F-sta = 139.0882 and pv = 0.00000 still showing significant nature of the result.

Decision Rule: departing by the decision criteria to accept H_0 if the sign of the coefficient was positive. The study rejected H_0 and concluded that mobile pay code had a positive and significant effect on insurance business proxied by gross premium income in Nigeria.

Summary of Findings

i. That web-pay code had a positive and significant effect on insurance business proxied by gross premium income in Nigeria (coff =0.088429, pv<0.05).

ii. That mobile pay code had a positive and significant effect on insurance business proxied by gross premium income in Nigeria (coff=0.112788, pv<0.05).

Recommendations

Based on these outcomes, it was recommended that Nigerian businesses invest in robust digital insurance policies to mitigate risks and safeguard profitability through introduction of web-pay code programs. Additionally, businesses should strengthen their digital payment systems measures and regularly review risk management on mobile pay code frameworks to enhance resilience against cyber threats.

Contribution to Knowledge

The study contributed to the existing literature on digital payment systems and insurance business and has also bridged the gap which existed between developed countries and developing countries with particular reference to Nigeria. Equally, the study made significant contributions to knowledge by providing a model in figure 5.1

below which shows the common link between digital payment systems and insurance business. The model was constructed based on researcher's findings from the study.

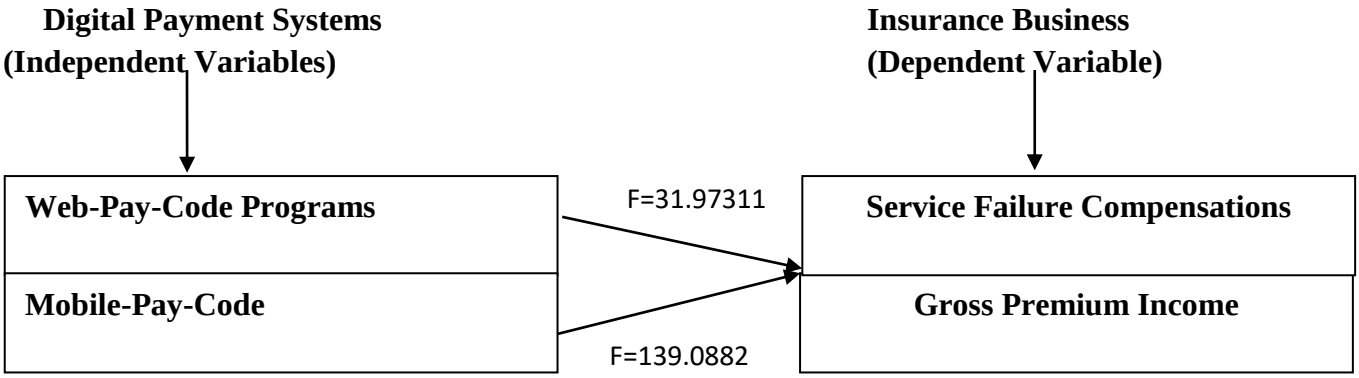

Figure 5.1: Researcher Own Model of Digital Payment Systems and Insurance Business

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