

DATA PROTECTION ACT 2023 AND PERFORMANCE OF INSURANCE BROKING FIRMS IN LAGOS STATE, NIGERIA

Obinna Chilekezi

Department of Management Science, University of The Gambia, Banjul, The Gambia

cobinna@utg.edu.gm/ugobichi@yahoo.com

ARTICLE INFO

Article No.: 0342

Accepted Date: 08/04/2026

Published Date: 18/05/2026

Type: Research

ABSTRACT

The enforcement of the Nigeria Data Protection Act (DPA) 2023 represents a major regulatory shift, with significant implications for the operations and compliance structures of insurance brokerage firms. Understanding how this Act affects organisational outcomes is crucial to enhancing data governance in Nigeria's financial services sector. This study aimed to examine the challenges posed by the implementation of the Data Protection Act 2023 and its impact on the organisational performance and growth of selected registered insurance brokers in Nigeria. A quantitative research design was adopted using a structured questionnaire administered to 300 purposively selected fifteen insurance broking firms across Lagos State. Of these, 210 responses were valid and were analysed using SPSS version 23. Hypotheses were tested using simple regression analysis and Chi-square Test for Goodness of Fit. The results revealed a strong positive relationship between the implementation of the DPA 2023 and the organisational performance of insurance brokers. It also showed that a significant number of brokers face implementation challenges, such as limited staff training and inadequate compliance infrastructure. Furthermore, the study found a positive and significant relationship between the DPA 2023 and the growth of insurance brokers. The study concludes that while the DPA 2023 positively influences both performance and growth of insurance brokers, implementation challenges remain a critical barrier that must be addressed to fully realise its benefits. It is recommended that regulatory bodies and broker associations provide more training, compliance support, and digital infrastructure to insurance brokers to ease DPA implementation. This will enhance performance outcomes and foster sustainable growth within Nigeria's insurance brokerage sector.

Keywords: Data Protection Act, Insurance Industry, Solvency Margin

Introduction

The Nigerian government enacted the Data Protection Act 2023 to protect personal data and privacy. The key Provisions and Objectives of this law could be summed up as follows: the Act has the objective of regulating how personal information is processed, to make sure that it is done fairly, lawfully, and transparently; this law creates this independent body and saddle it with the responsibility of overseeing the implementation of the Act, and to promote its awareness, and enforcement of the provisions; the Act provides the rights of individuals with regards to their personal data, and their rights to access, correct, and request deletion of their information; it also provides that data controllers should conduct Data Protection Impact Assessments (DPIAs) for high-risk data processing activities; and on the issue of Cross-Border Data transfers, the Act makes provision for the regulation of such transfer of personal data outside of Nigeria, and it ensures that recipients in other countries provide an adequate level of protection to the data that had been given to them about a Nigeria; etc. (Data Protection Act, 2023).

On the other hand, insurance is a business that helps people with risks to buy adequate protections for their risks. Most times, the people will need the services of experts in the insurance industry that are known as insurance brokers to intermediate on their behalf in the process of buying insurance covers. The insurance brokers plays important role in the Nigerian insurance market in this regard. In this way, they bring into a contractual relationship between the insured and insurer. For the broker to carry out this function effectively, the broker should request and obtain detailed information about the risk for cover from the proposer. This collected information or data would then be passed on the insurance who would then use the data for risk underwriting purposes.

As stated earlier insurance brokers play important role in the distribution channel of the insurance, including that of Nigeria. The broker can only carry out professional duties effectively when proposers provide adequate information about their proposed risks for cover. Where the brokers could not get such data, this would affect their performance and may make it difficult of the broking sector of the insurance industry to grow as expected. In a simple manner, data protection could be described as the practice by an individual, corporate entity or the state in protecting, safeguarding sensitive information from data loss and corruption. This process has the major objective of protecting data and ensuring that its availability and compliance with regulatory requirements. With this in mind, this study would look at how the insurance brokers in the Nigerian insurance industry are willing to protect the data collected from their proposers and how the data would be used to enhance the performance of these firms in the market. In carrying out this study insurance brokers across Lagos State were selected for the study.

Research Objectives

In view of the above the primary objective of this study is stated as to examine the impact of the Data Protection Act 2023 on the organisational performance of insurance brokers in Nigeria, while the specific objectives are stated below as:

- i. To assess the level of awareness and understanding of the Data Protection Act 2023 among insurance brokers in Nigeria.
- ii. To identify the challenges faced by insurance brokers in Nigeria in implementing the Data Protection Act 2023.
- iii. To evaluate the impact of the Data Protection Act 2023 on the organisational performance of insurance brokers in Nigeria.

Literature Review

An overview of insurance broking

The Nigerian insurance brokers have assisted the insuring public not only in placing their risks with insurers but also in areas like risk management and claims handling processes.

An Insurance Broker, as argued by Chitaliya (2019) acts as middlemen between Insurance Companies and people who are in search of purchasing insurance policies. Brokers are experts who help people in buying suitable insurance policies as per their needs and requirements. The Insurance Brokers also suggest and guide people about the nitty-gritties of the policies which are beyond the understanding of the layman (Chitaliya, 2019). The National Insurance Commission (NAICOM) in an undated guideline defined insurance broking as Insurance broker" means a person for the time being licensed by the Commission to provide insurance broking services. What this means is that, in Nigeria if you are not licensed by NAICOM you cannot be regarded as a broker.

Empirical Review

Tarila and Samson (2021) investigated the influence of supervision on the financial stability and profit performance of insurance firms in Nigeria. This study used Time series data from 2011 to 2017 was gathered by the authors from industry reports, financial reports, structured research questionnaires, and the Nigerian Insurers Association (NIA) Digests. The study employed regression analysis and a correlation matrix were used to analyse the data (OLS approach). The results of the data analysis point to a strong impact of insurance monitoring on profit performance. It is advised, in light of these findings, that Nigeria's insurance regulating body enhance the operational guidelines for insurance that are provided to insurance companies by putting into practice effective and efficient enforcement measures. The primary emphasis of the study was how insurance oversight impacts the efficiency and financial stability of insurance companies in Nigeria. Based on the data analysis and theoretical analysis of this work, researchers are clearly in agreement that insurance supervision is a valuable tool that can be used in the insurance sector to improve the financial stability and profit performance of insurance firms. This is because one of the main goals regulators work to achieve in the sector is the improvement of financial stability and profitability because of the industry's importance to a country's entire financial system. The research findings indicate a noteworthy correlation between the financial performance of insurance companies in Nigeria and insurance supervision. Additionally, the Insurance Supervisory Authority (NAICOM) has demonstrated notable efficacy in bolstering the financial stability of the country's insurance sector and fostering a consensus of viewpoints. Adebayo & Oladipo (2018) investigated the connection between risk based supervision and the financial stability of insurance companies in Nigeria.

Aloamaka (2023) examined data protection and privacy challenges from prevailing issues in Nigeria and other developing countries in Africa using the extent of the data and privacy challenges existing in Nigeria. Through a comparative analysis, this study investigated the existing provisions of data protection laws in some European countries and those of Nigeria with the aim of revealing the consequence of insufficient legislation to protect data or data users' privacy, the applicability and responsiveness of existing data protection laws in Nigeria, the dearth of legal precedents, the appalling lack of awareness of data privacy rights, and how it tends to handle or manage human rights violations. The study also used the doctrinal research method to identify these issues and propose viable solutions by comparatively examining the protection of data in Europe, with a focus on the legal regimes of data protection in the United Kingdom, Germany, and France (Aloamaka, 2023). Alomaka (2023) argued that Nigeria requires thorough data protection legislation like that of developed nations to provide effective data protection and a robust enforcement framework.

Akintayo (2024) examined trends and implications of Nigerian courts' jurisprudence on privacy and data protection and argued that from telecommunication to retail, to health care, to banking, to insurance, security services, and so forth, industries and governments used data to drive business and governmental functions. Akintayo (2024) noted that to effectively regulate data processing in ways that both foster innovation and protect fundamental human

rights, especially the right to privacy. This means that the courts in their endeavour protect the privacy of individuals which cannot be overemphasised, arguing that studies showed that even in jurisdictions with expansive data protection frameworks, courts are still needed to clarify the law and effectively protect and advance fundamental human rights, including the right to privacy, in the face of ever-expanding technology. Furthermore, the pace of contemporary technology development is such that questions are already being asked as to whether data protection is not gradually becoming outdated and obsolete (Akintayo, 2024). Consequently, a proactive and progressive judiciary is required to ensure that technological development does not leave the law too far behind. Adequate knowledge and awareness of technology-driven development and conceptualisation of the right to privacy is necessary for the courts to effectively perform these critical roles (Akintayo, 2024). This study noted the need to articulate the changing paradigm of the right to privacy in the data-driven era and its nexus with effective regulation of data processing (data protection) in the digital age, and it adopted a comparative and doctrinal research methodologies to interrogate and analyse the trends in the Nigerian privacy and data protection case law; it examines their defects, which identified best practices and learning points for Nigerian courts from comparative foreign jurisprudence as well as highlights right to privacy enhancing provisions of the new Nigeria Data Protection Act 2023 for a nuanced and more robust approaches to privacy and data protection adjudication in Nigeria (Akintayo, 2024).

Ilobinson (2022) study consumer privacy and data protection Nigeria and observed that Data is the world's most valuable asset; in fact, data is the new gold which is seen from the large volume of data collection and the ease with which they are processed and shared in recent times has led to consumer privacy and data concerns. Ilobinson (2022) acknowledged that data relating to individuals like the payment details, biometric data, personal identification numbers and addresses are collected from consumers by government agencies and the private sector. She noted that such data could be adopted to derive the location of a person's home or workplace; monitor habits, preferences, and purchasing history; used for target advertisements based on the data subject's interests; or worst still, used for fraud. Historically, privacy concerns have always been in existence, however, technological advancements in the 19th century moved the focus from other dimensions of privacy to the privacy of personal information (Ilobinson, 2022). This scholar then went further to state the need for personal data protection has led governments to establish privacy protection legal frameworks using a combination of appropriate control, security, transparency and consent mechanisms and the study provided an in-depth revelation on the legal and institutional framework for consumer privacy and data protection in Nigeria as it evaluated whether the personal data of Nigerian consumers are adequately protected. The study therefore found that there is no existing enactment that specifically deals with consumer privacy and data protection though there is a Data Protection Act was a handful of subsidiary legislation which provide minimal data protection to consumers in different sectors of the economy. The study also noted that the Nigeria Data Protection Regulation 2019 issued by the National Information Technology Development Agency (NITDA) had provided a more robust protection to data subjects in Nigeria. This study also found that although NITDA had taken commendable steps in protecting personal data in Nigeria, and that there was the need for the establishment of a government agency with the primary mandate of regulating the collection and processing of both computer and paper-based personal data in Nigeria.

On the issue of examining data breaches, Ifinedo, Vachon and Anyaso (2025) examined the increase in the understanding of pertinent exogenous and endogenous antecedents that can reduce data privacy breaches using a cross-sectional survey was used to source participants' perceptions of relevant exogenous and endogenous antecedents developed from the Antecedents-Privacy Concerns-Outcomes (APCO) model and Social Cognitive

Theory. A research model was proposed and tested with empirical data collected from 213 participants based in Canada. The study found that exogenous factors of external privacy training and external privacy self-assessment tool significantly and positively impact the study's endogenous factors of individual privacy awareness, organizational resources allocated to privacy concerns, and group behaviour concerning privacy laws (Ifinedo et al, 2025). The study also noted that the proximal determinants of data privacy breaches (dependent construct) are negatively influenced by individual privacy awareness, group behaviour related to privacy laws, and organizational resources allocated to privacy concerns and that endogenous factors fully mediated the relationships between the exogenous factors and the dependent construct (Ifinedo, et al, 2025).

Gap in Knowledge

The results from the searched literature showed that there were no studies relating to the examination of the challenges of Data Protection Act 2023 on organisation performance of selected registered insurance brokers in Nigeria. This makes it very difficult for the collection of empirical works for review for this study. The search also showed that there had been lack of studies in the insurance industry in general. This means that this study would enhance and contribute immensely to the body of literature on insurance research in the country in particular and the world in general.

Research Methodology

A number of methods were employed in this work. They include the use of secondary and primary information. The secondary information known as library data is used when the research data is based mainly on either published and unpublished books materials, among which are textbooks, journals, magazines and other serial publications. On the other hand, the primary facts are used when the researcher gathers his own materials, using different methods in collecting them. And it is collected directly from the respondents through the administration of questionnaire and interviews. The questionnaire is used in order to give the respondents the time to answer the questions, while the interview methods is used in order to get immediate answers and reactions from the respondents. The primary information is called raw information or facts. The population of study is the entire insurance brokers in the Nigerian insurance market. According to the Nigerian Council of Registered Insurance Brokers there are presently over 500 insurance brokers in the Nigerian insurance market.

A total of 300 insurance brokers were selected from fifteen insurance broking firms in Lagos State, Nigeria for the study through purposive sampling method since the researcher is a member of the industry and know the market very well. There was no special criteria for the selection of these companies as all of them are licensed to operate by the National Insurance Commission (NAICOM) and are members of the Nigerian Council of Registered Insurance Brokers (NCRIB). The questionnaire was designed to enable the respondents provide ensure to the questions with ease. All the questions were mostly close-ended and structured except for few questions designed to allow the respondents make contributions freely with regards to the issue involved.

The questions were carefully worded in order to allow as much as possible for an easy understanding of the questions. The research instrument used for data collections was predominantly the questionnaire. However, some selected life underwriters were also interviewed. The copies of the questionnaires were physically distributed by the researcher to the respondents who were randomly selected from the companies used as sample for this research. The respondents were given a period of two weeks to complete the form after which the researcher went back and collected the completed questionnaires. The collected data collected data were analysed using SPSS 23 with regression analysis and Chi-square Test for Goodness of Fit as tool for the analysis. The results of the analysis are presented in the next section.

Presentation of Data

This section presents the data obtained from the administered questionnaires. It begins with the response rate, which shows the proportion of successfully completed and returned questionnaires. This is followed by the demographic profile of the respondents to provide background information. Finally, the descriptive analysis of the study variables is presented to summarize the key characteristics of the data collected.

Response rate

A total of 300 copies of questionnaire were distributed to insurance brokers through purposive sampling method. However, as shown in Table 1 two hundred and ten copies of questionnaire were found valid for analysis, representing a response rate of 70%. This is considered adequate for statistical analysis.

Table 1: Response Rate

Description	Frequency	Percentage (%)
Questionnaires Distributed	300	100
Questionnaires Returned and Valid	210	70
Questionnaires Not Returned/Invalid	90	30

Source: Fieldwork, 2026

Descriptive Analysis of Study Variables

Table 2: Challenges of Implementing DPA 2023

Response	Frequency (%)
No	79 (39.3%)
Yes	122 (60.7%)
Total	210 (100.0%)

Source: Fieldwork, 2026

As shown in the table 2, 122 respondents (60.7%) indicated that they are facing challenges with the implementation of the Data Protection Act (DPA) 2023, while 79 respondents (39.3%) reported no challenges. This suggests that a majority of the insurance brokers surveyed experience difficulties complying with the DPA 2023, highlighting a potentially widespread implementation issue within the industry.

Descriptive Statistics of Study Variables

According to the results in Table 2, 10.9% of the respondents strongly agreed that their organization has implemented measures to comply with the Data Protection Act 2023, 15.9% agreed, 31.8% were undecided, 28.9% disagreed, and 12.4% strongly disagreed. This item recorded a mean score of 2.85, indicating general indecision with a tendency toward disagreement. Regarding the clarity of the Act, 12.4% strongly agreed, 16.9% agreed, 26.9% were undecided, 36.8% disagreed, and 7.0% strongly disagreed, yielding a mean of 2.91. On whether the Act has changed how client data is handled, 11.9% strongly agreed, 14.9% agreed, 28.9% were undecided, 33.3% disagreed, and 10.9% strongly disagreed, with a resulting mean of 2.84. Finally, 11.9% strongly agreed, 14.4% agreed, 27.4% were undecided, 36.3% disagreed, and 10.0% strongly disagreed that staff have been trained on the Act, resulting in a mean of 2.82. The grand mean of 2.86 suggests a generally low level of perceived implementation and understanding of the Data Protection Act among insurance brokers.

Table 3: Descriptive Statistics of Study Variables

Variable / Questionnaire Item, N = 201	SD (%)	D (%)	U (%)	A (%)	SA (%)	Mean
Data Protection Act						
DPA1: My organization has implemented measures to comply with the Data Protection Act 2023.	12.4	28.9	31.8	15.9	10.9	2.85
DPA2: The provisions of the DPA 2023 are clear and easy to understand.	7	36.8	26.9	16.9	12.4	2.91
DPA3: The implementation of DPA 2023 has changed how we collect, store, and use client data.	10.9	33.3	28.9	14.9	11.9	2.84
DPA4: Staff in my organization have been trained on the requirements of DPA 2023.	10	36.3	27.4	14.4	11.9	2.82
Grand Mean – DPA					2.86	
Organizational Performance						
OP1: Our organization’s operational efficiency has improved in the last year.	8	36.3	24.9	20.9	10	2.88
OP2: Our organization meets set operational targets consistently across departments.	4	35.8	26.9	19.9	13.4	3.02
OP3: Employee productivity has improved compared to the previous year.	1.5	30.8	39.8	17.9	10	3.04
Grand Mean – OP					2.98	
Growth of Insurance Brokerage Firms						
GRW1: Our client base has expanded steadily over the past two years.	10	33.8	30.8	14.9	10.4	2.82
GRW2: We have introduced new services or product lines within the last 24 months.	7.5	36.8	31.8	12.9	10.9	2.83
GRW3: The firm has entered new market segments or geographical locations recently.	11.4	31.8	26.9	17.4	12.4	2.88
Grand Mean – GRW					2.84	

Source: Fieldwork, 2026

As shown in Table 3, 10.0% of the respondents strongly agreed that their organization’s operational efficiency has improved in the last year, 20.9% agreed, 24.9% were undecided, 36.3% disagreed, and 8.0% strongly disagreed. This item recorded a mean of 2.88. For consistent achievement of operational targets, 13.4% strongly agreed, 19.9% agreed, 26.9% were undecided, 35.8% disagreed, and 4.0% strongly disagreed, resulting in a mean of 3.02. Regarding employee productivity, 10.0% strongly agreed, 17.9% agreed, 39.8% were undecided, 30.8% disagreed, and 1.5% strongly disagreed, giving a slightly higher mean of 3.04. Overall, the grand mean of 2.98 reflects a moderately positive perception of organizational performance, though a substantial portion of respondents remain undecided or express disagreement.

In Table 3, 10.4% of respondents strongly agreed that their client base has expanded over the past two years, 14.9% agreed, 30.8% were undecided, 33.8% disagreed, and 10.0% strongly disagreed. The item had a mean of 2.82. On whether new services or products have been introduced in the last 24 months, 10.9% strongly agreed, 12.9% agreed, 31.8% were undecided, 36.8% disagreed, and 7.5% strongly disagreed, resulting in a mean of 2.83. For

expansion into new market segments or locations, 12.4% strongly agreed, 17.4% agreed, 26.9% were undecided, 31.8% disagreed, and 11.4% strongly disagreed, yielding a mean of 2.88. The grand mean of 2.84 suggests that respondents have a generally neutral to slightly negative perception regarding the growth of their insurance brokerage firms.

Analysis of Data

The hypotheses for this study are tested using simple regression analysis and Chi-square Test for Goodness of Fit as tool for the analysis. Specifically, hypothesis one and three were tested using simple regression while hypothesis two was tested using Chi-square Test for Goodness of Fit. The results are presented in table 2 and 3.

H₀₁ The Data Protection Act 2023 has no significant impact on the organisational performance of insurance brokers in Nigeria.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.555	.553	.58740

a. Predictors: (Constant), DPA

The model summary in Table 4 shows that there is a strong positive relationship between the Data Protection Act (DPA) 2023 and the organisational performance of insurance brokers in Nigeria ($R = .745$). The R Square value of .555 indicates that approximately 55.5% of the variance in organisational performance is explained by the implementation of the DPA 2023. The adjusted R Square (.553) confirms that the model has good explanatory power, with a standard error of estimate of 0.58740.

Table 5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.625	1	85.625	248.157	.000 ^b
	Residual	68.664	199	.345		
	Total	154.289	200			

a. Dependent Variable: OP

b. Predictors: (Constant), DPA

As shown in Table 5, the regression model is statistically significant, $F(1, 199) = 248.157$, $p < .001$. This result indicates that the Data Protection Act 2023 significantly predicts the organisational performance of insurance brokers in Nigeria. The model's high F-value supports the overall significance of the regression equation.

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.063	.129		8.250	.000
	DPA	.674	.043	.745	15.753	.000

a. Dependent Variable: OP

Table 6 shows that the Data Protection Act 2023 has a positive and statistically significant effect on organisational performance ($B = .674$, $SE = .043$, $\beta = .745$, $t = 15.753$, $p < .001$). This implies that as the implementation of DPA increases, organisational performance also increases. Since the effect is both positive and significant, the null hypothesis (H₀₁) is rejected, confirming that DPA 2023 significantly impacts the performance of insurance brokers in Nigeria.

H02 Nigerian insurance brokers are not facing any challenges with the implementation of the Data Protection Act 2023.

Table 7: Challenges of Implementing DPA 2023

	Observed N	Expected N	Residual
No	79	100.5	-21.5
Yes	122	100.5	21.5
Total	201		

Source: Fieldwork, 2026

Table 7 reveals that out of 201 respondents, 122 observed responses indicated that insurance brokers are facing challenges with the implementation of the DPA 2023, while only 79 indicated no challenges. Compared to the expected equal distribution (100.5 per group), the residuals show a deviation of ± 21.5 from expectation, suggesting a noticeable skew in perception.

Table 8: Test Statistics

	Challenges of Implementing DPA 2023
Chi-Square	9.199 ^a
Df	1
Asymp. Sig.	.002

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.5.

The Chi-Square test result in Table 8 shows that there is a statistically significant deviation from the expected frequencies, $\chi^2(1, N = 201) = 9.199$, $p = .002$. Since the p-value is less than 0.05, we reject the null hypothesis (H02). This result indicates that a significant number of Nigerian insurance brokers are indeed facing challenges with the implementation of the Data Protection Act 2023.

H03 The implementation of the Data Protection Act 2023 will not aid the growth of insurance brokers in Nigeria.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.655 ^a	.429	.426	.73564

a. Predictors: (Constant), DPA

The model summary in Table 9 shows a strong positive relationship between the implementation of the Data Protection Act 2023 and the growth of insurance brokers ($R = .655$). The R Square value of .429 indicates that about 42.9% of the variance in firm growth is explained by the implementation of DPA 2023, with an adjusted R Square of .426 and standard error of 0.73564, confirming the model's strength.

Table 10: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Inhjuy	80.763	1	80.763	149.239	.000 ^b
	Residual	107.692	199	.541		
	Total	188.456	200			

a. Dependent Variable: IBG

b. Predictors: (Constant), DPA

According to Table 10, the regression model is statistically significant, $F(1, 199) = 149.239$, $p < .001$. This confirms that the implementation of the Data Protection Act 2023 has a significant effect on the growth of insurance brokerage firms, validating the relevance of the predictor variable in the model.

The results in Table 10 indicate that the implementation of the Data Protection Act 2023 has a positive and statistically significant effect on the growth of insurance brokerage firms ($B = .655$, $SE = .054$, $\beta = .655$, $t = 12.216$, $p < .001$). This suggests that better implementation of DPA is associated with increased growth outcomes. Given the strength and significance of this relationship, the null hypothesis (H_0) is rejected, indicating that DPA 2023 positively influences brokerage firm growth in Nigeria.

Table 11: Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	.976	.161		6.047	.000
	DPA	.655	.054	.655	12.216	.000

a. Dependent Variable: IBG

Presentations Of Findings

The main objective of this study was to examine the challenges and impact of the Data Protection Act (DPA) 2023 on the organisational performance and growth of selected registered insurance brokers in Nigeria. Specifically, the study tested whether the DPA 2023 significantly influences organisational performance, whether insurance brokers face implementation challenges, and whether the Act supports firm growth. The study adopted a quantitative research design and employed a purposive sampling method to distribute 300 questionnaires, out of which 210 valid responses were received, representing a 70% response rate. The findings of this study reveal important insights into the implications of the Data Protection Act (DPA) 2023 for insurance brokers in Nigeria. Firstly, the study found a strong positive relationship between the DPA 2023 and the organisational performance of insurance brokers, suggesting that compliance with data protection regulations enhances operational efficiency and productivity. Secondly, a significant number of respondents reported facing challenges with the implementation of the DPA 2023, indicating ongoing compliance and capacity-related issues. Lastly, the study established a strong positive relationship between the implementation of the DPA 2023 and the growth of insurance brokerage firms, demonstrating that data governance can support market expansion and innovation within the industry.

Discussion of Findings

This result shows that there is a strong positive relationship between the Data Protection Act (DPA) 2023 and the organisational performance of insurance brokers in Nigeria. This finding can be justified by the fact that compliance with the DPA enhances data management practices, promotes client trust, and reduces risks associated with data breaches. Insurance brokers that effectively implement data protection policies are likely to improve internal efficiency, accountability, and operational control. These benefits collectively contribute to better service delivery and performance outcomes. Moreover, regulatory alignment often drives process improvements that boost employee productivity and help firms meet performance targets. This finding aligns with Alves (2019), who observed that effective data protection frameworks empower Data Protection Officers (DPOs) to influence strategic decisions that enhance corporate performance. Similarly, Ford et al. (2023) affirmed that data compliance fosters investor confidence, indirectly boosting firm performance. These studies support the positive influence of data protection on organisational outcomes.

This result indicates that a significant number of Nigerian insurance brokers are indeed facing challenges with the implementation of the Data Protection Act 2023. This is justified by the reality that many insurance brokerage firms—especially small and medium-sized ones—lack the technical expertise, infrastructure, and financial resources required for effective compliance. The DPA introduces complex legal and technical obligations that

demand organizational restructuring, employee training, and IT upgrades. Many brokers may also struggle with interpreting specific provisions of the Act or may not receive adequate regulatory guidance. These factors collectively contribute to widespread challenges in implementing the DPA effectively. This finding is consistent with Omotubora (2021), who noted enforcement and compliance gaps in Nigeria's earlier data protection regulation. Likewise, Adeoti (2023) acknowledged that despite innovations in the 2023 Act, stakeholders still face practical compliance difficulties. Chatsuwat et al. (2023) also reported poor compliance among SMEs with data protection laws, confirming this implementation challenge.

This result shows a strong positive relationship between the implementation of the Data Protection Act 2023 and the growth of insurance brokers. This finding is justified by the fact that proper implementation of the DPA builds consumer confidence and trust, which are critical for market expansion. When clients feel assured that their personal data is protected, they are more likely to engage with brokerage firms and refer others. Furthermore, compliance with the DPA opens opportunities for partnerships with international and corporate clients who prioritize data privacy. Such developments can lead to diversification, product innovation, and broader market reach. This aligns with McGurk (2023), who noted that sound data governance can enhance innovation and risk-profiling capabilities in insurance firms. Chime and Okoroafo (2025) also highlighted how data protection frameworks encourage responsible data use, fostering trust and market competitiveness. These studies support the view that DPA 2023 can be a catalyst for industry growth.

Recommendations

This result indicates that a significant number of Nigerian insurance brokers are indeed facing challenges with the implementation of the Data Protection Act 2023. To address implementation challenges, targeted training and awareness programmes should be conducted by regulatory bodies and insurance associations. Within Nigeria's diverse operational landscape, such capacity-building initiatives will equip brokers—especially small and medium-sized firms—with the knowledge and tools to effectively implement the DPA 2023 and reduce non-compliance risks.

This result shows a strong positive relationship between the implementation of the Data Protection Act 2023 and the growth of insurance brokers. Insurance brokers should leverage the DPA 2023 as a strategic growth tool by using data protection compliance to enhance service delivery and expand customer base. In Nigeria, where data misuse concerns are growing, demonstrating compliance can serve as a competitive advantage, fostering customer confidence and enabling firms to enter new markets confidently.

Conclusion

The main objective of this study was to examine the challenges posed by the Data Protection Act (DPA) 2023 on the organisational performance of selected registered insurance brokers in Nigeria. Specifically, the study sought to investigate the impact of the DPA 2023 on organisational performance, assess the extent of implementation challenges faced by insurance brokers, and evaluate the relationship between the Act's implementation and the growth of brokerage firms. Based on the objectives and findings of this study, it can be concluded that the implementation of the Data Protection Act (DPA) 2023 has a significant positive influence on both the organisational performance and growth of registered insurance brokers in Nigeria. This suggests that compliance with data protection standards enhances operational efficiency, service delivery, and competitive positioning within the industry. However, the study also reveals that many insurance brokers are experiencing practical challenges in implementing the Act, indicating gaps in capacity, awareness, or resources. Therefore, while the DPA 2023 holds transformative potential for the sector, its success largely depends on stakeholders' ability to overcome implementation barriers.

References

- Adeoti, E. (2023). A New Era of Data Protection and Privacy; Unveiling Innovations & Identifying Gaps in the Nigeria Data Protection Act of 2023. *Unveiling Innovations & Identifying Gaps in the Nigeria Data Protection Act of*. <https://ssrn.com/abstract=4520238> accessed 13 May 2025.
- Akintayo, A. E. (2024). Trends and implications of Nigerian courts' jurisprudence on privacy and data protection: Lessons from comparative foreign jurisprudence. *African Journal of Privacy & data Protection*, 1, 99-118.
- Akintayo, L. A. (2023). *General Insurance Business*. Lagos: CSS Publishers Limited
- Aloamaka, P. C. (2023). Data protection and privacy challenges in Nigeria: Lessons from other jurisdictions. *UCC Law Journal*, 3(1), 281-321.
- Alves, M. A. (2019). Directive on certain aspects concerning contracts for the supply of digital content and digital services & EU data protection framework: are worlds colliding?. *UNIO-EU Law Journal*, 1-14.
- Chatsuwan, P., Phromma, T., Surasvadi, N., & Thajchayapong, S. (2023). Personal data protection compliance assessment: A privacy policy scoring approach and empirical evidence from Thailand's SMEs. *Heliyon*, 9(10).
- Chitaliya, C. S. G. (2019). *Insurance Broking and its compliance*. Retrieved from www.ICSI.edu
- Chime, I., & Okoroafo, C. (2025). Gaps and Bridges between Data Protection and Competition Law in Nigeria. *Journal of Commercial and Property Law*, 12(1), 11-23.
- Ifinedo, P., Vachon, F. and Ayanso, A. (2025), "Reducing data privacy breaches: an empirical study of relevant antecedents and an outcome", *Information Technology & People*, Vol. 38 No. 4, 1712-1734. <https://doi.org/10.1108/ITP-07-2022-0516>
- Ilobinson, I. (2022). Consumer privacy and data protection in Nigeria. *Other Consumer Protection Matters*, Chp 15, 458-489.
- McGurk, B. (2023). Data: the growth of risk-related data in insurance and protecting privacy. In *Research Handbook on International Insurance Law and Regulation* (pp. 590-620). Edward Elgar Publishing.
- Omotubora, A. (2021). How (not) to regulate data processing: assessing Nigeria's Data Protection Regulation 2019 (NDPR). *Global Privacy Law Review*, 2(3).