

POSTGRADUATE SEMINAR SERIES

Research Findings Seminar

Topic Title : **Gender, risk-taking and organization form: Evidence from the U.S. property-casualty insurance industry**

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Abstract : In this paper, we investigate the impact of female CEOs and female directors on firm's risk taking for U.S. property-casualty insurance companies with differing organizational forms. We analyze the three principal organizational form types in the industry—publicly-traded stocks, closely-held stocks, and mutuals. Previous studies mostly focus only on the role of female CEOs or female directors in publicly-traded stock companies separately but not simultaneously. Female CEOs and female directors play different roles as managers and monitors within the corporate governance mechanisms, respectively. Further, less is known about the role of female CEOs or female directors in firms with organizational forms other than publicly-traded stock firms. Various ownership structures are associated with varying agency costs between owners and managers. We posit that varying firm ownership structures affect the impact of female CEOs and female directors on firm risk taking. We do not find direct evidence of female participation on firm risk taking in mutuals, consistent with the argument that mutuals operate in less complex lines of business and require less managerial discretion. However, both female CEOs and directors affect risk taking in stocks. Interestingly, the impact of female CEOs and female directors on risk taking varies between publicly-traded stocks and closely-held stocks. Specifically, female CEOs reduce the risk and insolvency propensity in closely-held stocks but not in publicly-traded stocks. Further analyses show that female CEOs is negatively associated with underwriting risk but positively associated with investment risk in closely-held stocks. On the other hand, the proportion of female directors leads to higher underwriting risk but lower investment risk for publicly-traded stocks only.

Date : **29 March 2021, Monday**

Time : **15:30 – 17:00**

Venue : **SEK210 & Zoom**  [link: https://lingnan.zoom.us/j/93492277202](https://lingnan.zoom.us/j/93492277202)
Please join Zoom Meeting, Meeting ID: 934 9227 7202 (Passcode: 80697966)

Language : **English**



**** All are Welcome ****