Analysis of Fraudulent Financial Practices and The Relationship with Firm Value

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Abstract
This study aims to examine the existence of fraud in life insurance companies listed on the Indonesia Stock Exchange (IDX) during the financial reporting period of 2012–2018 by using the Beneish Ratio Index as a measurement tool. The Beneish M-score values of each company are analyzed to identify potential financial reporting fraud and are used as variables to measure their relationship with firm value, which is proxied by stock prices. This study is expected to provide insight into the reliability of the Beneish M-score model in detecting fraud within the financial insurance industry. The findings are anticipated to be useful for stakeholders, especially customers and investors, in predicting fraud risk and potential bankruptcy. Furthermore, this research aims to develop a model that explains the relationship between fraud risk and stock prices, contributing to the development of signaling theory in financial management. By revealing how fraud indicators may affect market perceptions and investor behavior, the study offers both theoretical and practical implications. It serves as a reference for investors in making informed investment decisions in the life insurance sector, which often presents different characteristics compared to other industries. Overall, this research contributes to the literature on financial fraud detection and its influence on firm valuation in capital markets.

INTRODUCTION

The issue of default experienced by Jiwasraya Insurance has heightened concerns about fraud in the life insurance industry (Puspadini, 2023), following similar incidents involving companies like Bakrie Life, Bumi Asih Jaya, and Bumiputera. These cases of default are particularly noteworthy given that these companies are large, reputable firms with extensive experience in the industry (Alijoyo, 2021). Failures or issues within a company can often be detected through the analysis of financial statements if those statements are easily understandable, comparable, relevant, and transparent to stakeholders (Pasiakan, et al., 2018). This allows stakeholders to take necessary actions to anticipate potential failures. However, many companies commit fraud in their financial reporting. Financial statement fraud can be defined as the intentional misstatement or omission in financial statements that deceives investors and creditors, encompassing both financial and non-financial aspects (Syafitri et al., 2021).

The impact of financial statement fraud is significant, causing losses to stakeholders by providing inaccurate or misleading information (Christian et al., 2022; Akmal et al., 2023). In the insurance sector, such fraud directly affects policyholders, as seen in the Jiwasraya case, resulting in defaults. For publicly listed companies, fraud affects investors by leading to irrational decision-making and failure to achieve returns on investment due to falling stock prices or failure to pay dividends, ultimately reducing the company's value (Elviani et al., 2020). Fraud in the insurance industry requires serious attention because insurance not only offers financial benefits but also provides a sense of security to policyholders. The failure of an insurance company can lead to both material and non-material losses, such as the loss of security for policyholders and their heirs.

Unlike banks or other financial institutions that offer periodic returns, insurance policies are long-term investments primarily aimed at providing security, with claims often arising from unpleasant events. Therefore, failure to pay claims can cause long-term disappointment and loss of trust in the

insurance industry. For listed insurance companies, consumer disappointment and loss of trust can affect operational performance and financial results, ultimately impacting the company's value. Shareholders and other stakeholders need reliable information from financial statements for decision-making purposes (Gea & Putra, 2022). Manipulated financial statements can lead to errors in decision-making and policy formulation (Sofia, 2018). Therefore, early detection of financial statement fraud is crucial. This can be achieved through financial ratio analysis, particularly using the Beneish Ratio Index or Beneish M-score Model.

The Beneish Ratio Index is a financial ratio analysis tool developed to identify potential fraud and assist Certified Fraud Examiners (CFE) in detecting signs of manipulation (Rachmi et al., 2020; Sarumpaet & Kamilah, 2021; Ningrum, 2023). Beneish indicates that potential manipulation is characterized by significant increases in receivables, declines in gross margin, decreases in assets, sales growth, and increases in accruals. The Beneish model uses variables such as Days Sales In Receivables Index (DSRI), Gross Margin Index (GMI), Asset Quality Index (AQI), Sales Growth Index (SGI), Depreciation Index (DEPI), Sales General And Administrative Expenses Index (SGAI), Leverage Index (LVGI), and Total Accruals To Total Assets Index (TATA) to predict manipulation. Given the prevalence of fraud in the insurance industry and concerns that it may affect other listed insurance companies, this study aims to analyze the occurrence of fraud in the insurance industry, particularly companies listed on the Indonesia Stock Exchange (IDX) for the period 2012-2022, using the Beneish Ratio Index or Beneish M-Score as a tool to detect financial statement fraud. Furthermore, this study analyzes the impact of detecting this fraud on the stock values of life insurance companies listed on the IDX.

Conceptual Fraudulent Financial Reporting

Fraudulent Financial Reporting is the intentional misstatement or omission of amounts and disclosures with the intent to deceive users of financial statements (Setiawan & Herlin, 2020). This fraud usually occurs when a company overstates its assets or income or understates its liabilities and expenses (Setiawan & Herlin, 2020). Financial statement fraud can be committed by anyone at any level who has the opportunity (Sintabela & Achmad, 2023).

According to the American Institute of Certified Public Accountants (AICPA, 1998) and Abbas and Herry (2022), fraudulent financial reporting is an intentional act or omission resulting in material misstatement that misleads financial statements. Meanwhile, according to the Australian Auditing Standards (AAS), fraudulent financial reporting is the intentional omission or misrepresentation of certain amounts or disclosures in financial reporting to deceive users of financial statements (Brennan & McGrath, 2007). Both definitions share a similar perspective on fraudulent financial reporting.

Financial reporting containing elements of fraud can result in decreased integrity of financial information and negatively impact various parties (Martantya & Daljono, 2013). Besides investors and creditors, auditors also fall victim to fraudulent financial reporting as they may suffer financial losses and/or damage to their reputation. Therefore, auditors must understand the methods used by certain parties in committing fraud (Rezaee, 2002). The AFCE (Association of Certified Fraud Examiners) classifies financial statement fraud into two types:

1. Overstatement of assets or company profits (earning overstatement).
2. Understatement of assets or company profits (earning understatement).

The most common fraud scheme is the overstatement of assets or company profits. This is also supported by Golden et al. (2006) in Kartikasari and Gugus (2010), which explains that most fraud occurs in the form of overstatement of revenue or profits to increase the company's profitability. Essentially, profit information becomes the main focus for most users of financial statements. Therefore, it is not surprising that company management manipulates profits to show that the company is in a more favorable condition than it actually is.

Financial statement fraud can take various forms. According to Wells (2011), fraudulent financial reporting includes several modes, such as:

1. Falsification, alteration, or manipulation of financial records, supporting documents, or business transactions.
2. Intentional omission of events, transactions, accounts, or other significant information in the presentation of financial statements.

3. Intentional misapplication of accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events and business transactions.
4. Intentional omission of information that should be presented and disclosed regarding the accounting principles and policies used in the preparation of financial statements.

Beneish Ratio Index

The Beneish Ratio Index is a financial statement analysis technique used to detect the presence of fraud in financial statements. Beneish (1999) conducted research on the quantitative differences between companies identified as manipulating earnings and those not identified. Beneish uses company financial data and calculates financial ratios to identify whether there are conditions that encourage manipulation in a company. Earnings manipulation is usually indicated by a significant increase in revenue or a decrease in company expenses from one year to the previous year.

Several financial ratios used in the Beneish Ratio Index to detect financial statement fraud are:

1. Days Sales in Receivables Index (DSRI): This ratio measures daily sales in receivables in a given year compared to the previous year. A large increase in DSRI may indicate a revenue spike that is not in balance with sales.
2. Gross Margin Index (GMI): This ratio compares changes in gross profit from the previous year to the current year. A decline in gross margin may indicate poor company prospects.
3. Asset Quality Index (AQI): This ratio measures the quality of company assets by comparing fixed assets other than Property, Plant, and Equipment (PPE) to total assets. The higher the ratio, the greater the likelihood of the company manipulating revenue.
4. Sales Growth Index (SGI): This ratio compares sales in the current year to the previous year. An SGI greater than 1 indicates an increase in sales.
5. Depreciation Index (DEPI): This ratio compares depreciation expenses on fixed assets before depreciation in the current year and the previous year. A DEPI greater than 1 indicates a slowdown in asset depreciation.
6. Sales, General and Administrative Expenses Index (SGAI): This ratio compares sales, general, and administrative expenses to sales in the current year and the previous year.
7. Leverage Index (LVGI): This ratio compares the amount of debt to total assets in the current year and the previous year. An LVGI greater than 1 indicates an increase in leverage, making the company more susceptible to earnings manipulation.
8. Total Accruals to Total Assets (TATA): This ratio estimates the extent to which cash underlies reported earnings, with higher positive accruals associated with a higher likelihood of earnings manipulation.

Based on these ratios, Beneish developed the M-Score, which reflects the presence of earnings manipulation:

M-Score = -4.84 + 0.920 DSRI + 0.528 GMI + 0.404 AQI + 0.892 SGI + 0.115 DEPI – 0.172 SGAI – 0.327 LVGI + 4.697 TATA

The value -4.84 is a constant, and the eight financial ratios are multiplied by their respective constants. If the Beneish M-Score is greater than -2.22, the financial statements are considered manipulated.

METHODS

The type of data used in this research is secondary data. According to Sugiyono (2017), secondary data is data that does not directly provide information to the data collector. This secondary data supports the need for primary data such as books, literature, and related readings that support this research. The secondary data used in this research comes from books, research journals, theses, and annual financial reports of companies obtained from the Indonesian Stock Exchange (IDX) website: www.idx.co.id. In this research, the population is also the research sample, consisting of 14 life insurance companies listed on the IDX during the period 2012-2022.

The dependent variable is the variable that is influenced or is the result of another variable. The stock price (Y) used in this research is the closing price per year of each life insurance company listed on the Indonesia Stock Exchange for the period 2012-2022. This research uses 8 Beneish Ratio Index variables, as follows:

M M-Score = -4.84 + 0.920 DSRI + 0.528 GMI + 0.404 AQI + 0.892 SGI + 0.115 DEPI – 0.172 SGAI – 0.327 LVGI + 4.697 TATA

Criteria:

1. 0 = Beneish M-Score value < -2.22, the company is not indicated to commit fraudulent financial reporting or is classified as a non-manipulator.
2. 1 = Beneish M-Score value > -2.22, the company is indicated to commit fraudulent financial reporting or is classified as a manipulator.

The details of each ratio are as follows:

1. Days Sales in Receivables Index (DSRI)
   The formula used to measure the Days Sales in Receivables Index is:
   $$\text{DSRI} = \frac{(Account\ Receivables_t / Sales_t)}{(Account\ Receivables_{t1} / Sales_{t1})}$$
2. Gross Margin Index (GMI)
   The formula used to measure the Gross Margin Index is:
   $$\text{GMI} = \frac{[(Sales_{t1} - COGS_{t1} / Sales_{t1})]}{[(Sales_t - COGS_t) Sales_t]}$$
3. Asset Quality Index (AQI)
   The formula used to measure the Asset Quality Index is:
   $$\text{AQI} = \frac{[(1 Current\ Assets_t + PPE_t) / Total\ Assets_t]}{[(1 Current\ Assets_{t1} + PPE_{t1}) / Total\ Assets_{t1}]}$$
4. Sales Growth Index (SGI)
   The formula used to measure the Sales Growth Index is:
   $$\text{SGI} = \frac{Current\ Period - Previous\ Period}{Previous\ Period} \times 100$$
5. Depreciation Index (DEPI)
   The formula used to measure the Depreciation Index is:
   $$\text{DEPI} = \frac{Depreciation_{t1} / (Depreciation_{t1} + PPE_{t1})}{Depreciation_t / (Depreciation_t + PPE_t)}$$
6. Sales General and Administrative Expenses Index (SGAI)
   The formula used to measure the Sales General and Administrative Expenses Index is:
   $$\text{SGAI} = \frac{SG\&A\ Expense_t / Sales_t}{SG\&A\ Expense_{t1} / Sales_{t1}}$$
7. Leverage Index (LVGI)
   The formula used to measure the Leverage Index is:
   $$\text{LVGI} = \frac{Long\ Terms\ debt_t + Liabilities_t) / Total\ Asset_t}{Long\ Terms\ debt_{t1} + Liabilities_{t1}) / Total\ Asset_{t1}}$$
8. Total Accrual to Total Assets (TATA)
   The formula used to measure Total Accrual to Total Assets is:
   $$\text{TATA} = \frac{Net\ income\ from\ continuing\ operation - Cashflow\ operation}{Total\ assets}$$

RESULTS AND DISCUSSION

A. result

Analysis of Data

This study utilized secondary data obtained from the Indonesia Stock Exchange (IDX) and company financial reports. The research focused on life insurance companies listed on the IDX between 2012 and

2022. Based on the sample selection criteria, it was found that 50 life insurance companies were listed on the IDX during this period. Among these, 30 life insurance companies reported negative profits or losses during the 2012-2022 period. These 30 companies were tested using the Beneish Ratio Index to detect those potentially involved in fraudulent financial reporting. The results of the Beneish Ratio Index test indicated that 14 life insurance companies were suspected of fraud or being manipulators. These companies were then analyzed to determine the impact of such fraudulent activities on stock price changes during the fraud period and whether the effect was significant or not. The table below lists the companies sampled based on the Beneish Ratio Index test results:

Table 1. Calculation of M-Score for Life Insurance Companies (2012-2022)

No.	Company (anonymized)	M-Score	Description
1	A	-3.33	N
2	B	-2.57	N
3	C	-4.01	N
4	D	-2.69	N
5	E	-2.40	N
6	F	-2.01	M
7	G	-2.00	M
8	H	-2.30	N
9	I	-0.59	M
10	J	-1.57	M
11	K	-2.56	N
12	L	-2.19	M
13	M	-2.16	M
14	N	-1.89	M
15	O	-1.80	M
16	P	-2.45	N
17	Q	-2.87	N
18	R	-2.56	N
19	S	-0.60	M
20	T	-2.29	N
21	U	-2.13	M
22	V	-2.31	N
23	W	-2.23	N
24	X	-2.11	M
25	Y	-1.93	M
26	Z	-2.85	N
27	A1	-6.43	N
28	B1	-2.59	N
29	C1	-1.45	M
30	D1	-1.97	M

Source: Processed Data Using Beneish Ratio Indeks (2024)

Key:
N = Non-Manipulator
M = Manipulator

Results of Descriptive Statistical Analysis Descriptive Statistics

Descriptive statistics are used to analyze data by describing or summarizing the collected data without intending to make general conclusions or generalizations. Descriptive statistical analysis provides information regarding the data, including mean, minimum value, maximum value, standard deviation, and sample size (Sugiyono, 2017). This study involved life insurance companies listed on the Indonesia Stock Exchange (IDX) during the 2012-2022 period. Based on specific sample selection criteria, 14 samples were obtained. The descriptive statistics for the variables are shown in Table 2:

Table 2. Descriptive Statistical Test Results

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Fraudulent Financial Reporting	14	-2.19	1.89	-1.3579	1.07538
Stock Price	14	126	7080	1740.71	2060.287

Source: Processed with SPSS 23 (2024)

Based on Table 2. data points were processed during the 2012-2022 research period with the dependent variable (Y) being the stock price and the independent variable (X) being Fraudulent Financial Reporting. The output of the descriptive statistical test is as follows:

1. Stock Price
   The stock price, as the dependent variable (Y), had a minimum value of IDR 126 in company H during the 2012-2022 period, indicating a stock price of IDR 126 per share. The maximum value was IDR 7,080 in company M, indicating a stock price of IDR 7,080 per share. The mean value was 1740.71, showing that the average change in stock prices across the companies was 1740.71, with a standard deviation of 2060.287.
2. Fraudulent Financial Reporting (Beneish Ratio Index)
   Fraudulent Financial Reporting, as the independent variable (X), had a minimum value of -2.19 in company L, indicating the lowest level of financial manipulation among the companies. The maximum value was 1.89 in company C1, indicating the highest level of manipulation. The mean value was -1.3579, indicating an average manipulation level of -1.3579 across all companies, with a standard deviation of 1.07538.

Normality Test

The normality test aims to determine whether the distribution of the dependent variable for each value of the independent variable is normally distributed. The normality of the data was tested using the Kolmogorov-Smirnov (K-S) test. Data is considered normally distributed if the Asymp. Sig (2-tailed) value is greater than 0.05. Conversely, if the Asymp. Sig (2-tailed) value is less than 0.05, the data is not normally distributed. The normality test results for this study are shown in Table 3, indicating a significance value of 0.200, meaning the data in this study is normally distributed since the significance level is greater than 0.05.

Table 3. Normality Test Results

		Unstandardized Residual
N		14
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2060.28636339
Most Extreme Differences	Absolute	.247
	Positive	.247
	Negative	-.217
Test Statistic		.247
Asymp. Sig. (2-tailed)		.020[c]

Source: Processed with SPSS 23 (2024)

The normality of this study's data can also be seen from the Normal P-P Plot Standardized Residual graph. When the data follows the diagonal line direction, the regression model meets the normality assumption. Conversely, if the data spreads too far, it does not meet the normality assumption. The data in this study has points following the diagonal direction without spreading far from the diagonal line, indicating that the regression model meets the normality assumption.

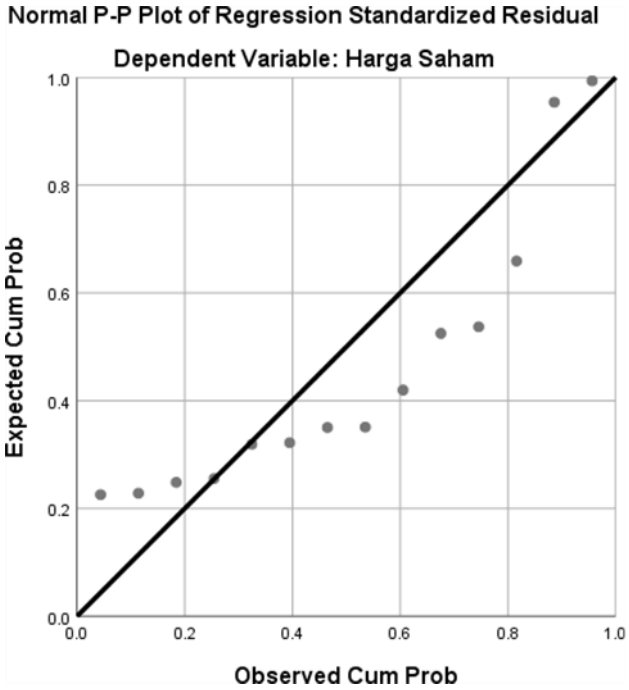

Figure 1. Normality Probability Plot
Source: Processed with SPSS 23 (2024)

Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation between the disturbance errors in period t and the disturbance errors in period t-1 (previously). Autocorrelation is tested by comparing the calculated Durbin-Watson statistic with the Durbin-Watson table. The autocorrelation test results are shown in Table 4.

Table 4. Autocorrelation Test Results

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of theEstimate**	**Durbin-Watson**
1	.206[a]	.061	-.083	2144.414	1.385

a. Predictors: (Constant), Fraudulent Financial Reporting
b. Dependent Variable: Stock Price

Source: Processed with SPSS 23 (2024)

Based on the autocorrelation test in Table 4, the Durbin Watson (d) value is 1.385, with the number of observations (n) being 14 and the number of independent variables (k) being 1. The Durbin Watson table value at a significance level (α = 0.05) gives the upper limit (dU) = 1.350 and the lower limit (dL) = 1.045. The Durbin Watson (d) value of 1.385 is greater than the (dU) value of 1.350 and less than (4-dU) = 2.65. Thus, the value of Durbin Watson is between (dU < d < 4-dU), indicating no autocorrelation.

Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there is an inequality of variance from the residuals for all observations in the regression model. A good regression model is homoscedastic or does not have heteroscedasticity. Heteroscedasticity can be detected by observing whether there is a specific pattern in the scatterplot. If the points form a pattern, the heteroscedasticity test is fulfilled. Conversely, if the points spread randomly, the heteroscedasticity test is not met.

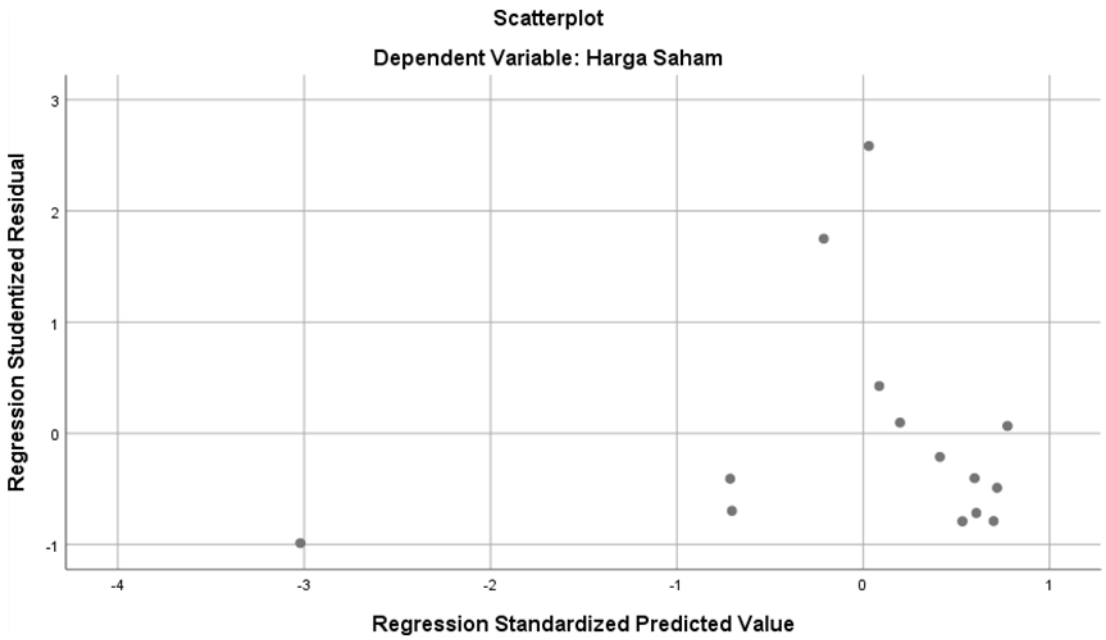

Figure 2. Heteroscedasticity Test Results
Source: Processed with SPSS 23

Hypothesis Testing

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the effect of two or more independent variables on the dependent variable. The regression model in this study was used to test the hypotheses by analyzing the significance of the coefficients. The results are shown in Table 5.

Table 5. Multiple Linear Regression Analysis Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardize d Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1739.713	944.688		1.842	.090
	Fraudulent Financial reporting	.737	553.062	.000	.001	.999
Dependent Variable: Stock Price						

Source: Processed with SPSS 23 (2024)

Based on Table 5, the regression equation can be formulated as follows: Y = 1902.824 - 119.377X. The table shows the results of a linear regression analysis to examine the effect of the *Fraudulent Financial Reporting* variable on *Stock Price*. Based on the unstandardized coefficient (B), the constant is 1739.713 and the regression coefficient is 0.737, which means that each one-unit increase in *Fraudulent Financial Reporting* is predicted to increase the *Stock Price* by 0.737 points. However, the significance value (Sig.) of 0.999 indicates that this relationship is not statistically significant, as it is far above the 0.05 threshold. Therefore, it can be concluded that *Fraudulent Financial Reporting* does not have a significant effect on *Stock Price* in this regression model.

t Test

The t test is used to determine the individual effect of the independent variables on the dependent variable. The test results are shown in Table 5 above. Based on the t-test results in Table 5, it is known that the calculated t value is 0.001, while the table t value is 2.178. Since the calculated t value of 0.001 is less than 2.178, it can be concluded that H0 is rejected, meaning there is no significant effect of Fraudulent Financial Reporting on stock prices. Therefore, this study concludes that Fraudulent

Financial Reporting does not affect the stock prices of life insurance companies listed on the Indonesia Stock Exchange (IDX) for the years 2012-2022.

Coefficient of Determination (R2)

The coefficient of determination (R2) is used to determine the proportion of the variance in the dependent variable that is predictable from the independent variables. The results are shown in Table 6.

Table 6. Coefficient of Determination (R2) Test Results

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of theEstimate**
1	.206[a]	.061	-.083	2144.414

a. Predictors: (Constant), Fraudulent Financial Reporting
b. Dependent Variable: Stock Price

Source: Processed with SPSS 23 (2024)

Based on the results, the R Square value is 0.061, indicating that 6.1% of the variance in stock prices is explained by Fraudulent Financial Reporting (Beneish Ratio Index), while the remaining 93.9% is explained by other factors not included in this study.

This study found that Fraudulent Financial Reporting (Beneish Ratio Index) does not significantly affect stock prices in life insurance companies listed on the Indonesia Stock Exchange (IDX) during the 2012- 2022 period. This suggests that investors may not consider fraudulent financial reporting as a major factor influencing their investment decisions in the life insurance sector. Further research could explore additional factors that may impact stock prices and investor behavior in this industry.

B. Discussion

This study analyzed the impact of fraudulent financial reporting, as measured by the Beneish Ratio Index, on the stock prices of life insurance companies listed on the Indonesia Stock Exchange (IDX) between 2012 and 2022. Focusing on 14 companies identified as manipulators, the study examined whether such manipulations significantly influenced stock price movements.

The results showed no significant relationship between fraudulent financial reporting and stock prices, with a regression analysis t-value of 0.001, below the critical value of 2.178. Additionally, the coefficient of determination (R^2) was 0.061, indicating that only 6.1% of stock price variance could be explained by fraudulent reporting, with 93.9% attributable to other factors. These findings align with research suggesting that investors in emerging markets prioritize macroeconomic trends over financial irregularities but differ from studies in developed markets showing a strong negative relationship between fraud and stock performance.

The lack of significant findings may be due to the opacity of the life insurance sector in Indonesia, limited financial literacy among investors, and the low visibility of the Beneish Ratio Index. These factors could reduce the perceived importance of financial manipulations in investment decisions. The study underscores the need for enhanced transparency and investor education within the Indonesian financial market. Regulatory bodies like the Financial Services Authority (OJK) should promote awareness of financial manipulation indicators such as the Beneish Ratio Index to encourage informed investment practices. Companies must also prioritize strong corporate governance to build investor trust and mitigate reputational risks.

However, the study has limitations, including its small sample size of 14 companies, focus on the life insurance sector, and reliance on secondary data, which may not capture all dimensions of fraudulent reporting. Future research could expand the scope to other sectors, use alternative measures of financial manipulation, and explore the impact of regulatory interventions and investor awareness campaigns. In conclusion, while fraudulent financial reporting did not significantly impact stock prices in the Indonesian life insurance sector during the study period, the findings highlight the importance of fostering transparency, investor education, and regulatory oversight to strengthen financial markets.

CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on the analysis conducted in this study, it was concluded that Fraudulent Financial Reporting, as measured by the Beneish Ratio Index, does not significantly affect the stock prices of life insurance companies listed on the Indonesia Stock Exchange (IDX) during the 2012-2022 period. The t-test results showed a t-value of 0.001, which is less than the critical t-value of 2.178, leading to the rejection of the null hypothesis (H0). Descriptive statistics indicated an average stock price of IDR 1740.71 and a mean value for Fraudulent Financial Reporting of -1.3579. The coefficient of determination (R^2) was 0.061, suggesting that only 6.1% of the variance in stock prices is explained by Fraudulent Financial Reporting. Investors should be aware that fraudulent reporting may not significantly impact stock prices in this sector and should consider other factors when making investment decisions.

B. Suggestion

Future studies should explore additional factors influencing stock prices, use more advanced fraud detection methods, and consider larger sample sizes and extended time frames. This study was limited by its sample size, time frame, and reliance on the Beneish Ratio Index and secondary data sources. Addressing these limitations in future research could provide deeper insights into the relationship between financial fraud and stock price dynamics in the life insurance sector.

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