FACTORS AFFECTING GENERAL INSURANCE COMPANIES PROFITABILITY: EMPIRICAL STUDY IN INDIA

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ABSTRACT

The general objective of this study was to investigate factors that determining general insurance profitability in India. Financial statements of non-life general insurance companies were collected from the year 2006 up to 2016 from 10 general insurance companies (4 public and 6 private insurances). Panel data analyzed using Fixed Effect Model (FEM) after testing the appropriateness of the model with Random Effect and Pooled regression model. According to the regression result, capital adequacy and GDP are positively affecting profit and liquidity and inflation negatively affecting the profitability of general insurances in India. Managers may give more emphasis on the capital adequacy and current liability management to maintain the profitability position in the industry.

KEY WORDS: factors affecting, general insurance, internal factors, profitability.

References


