In today’s age of consumerism, insurance requirements have expanded to keep pace with the increasing risks. Gone are the days when life insurances ruled the roost; today we have a wide assortment of risk coverage commencing from health insurance to travel insurance to theft insurance to even a wedding insurance. With affluence and spending capacity on the surge there is a growing trend to fulfil needs, deal with responsibilities and secure one’s possessions, be it good health or worldly wealth. Non-Life Insurance companies have willingly catered to these increasing demands and have offered a plethora of insurance covers that almost cover anything under the sun. Any insurance other than ‘Life Insurance’ falls under the classification of Non-Life Insurance.

Non-Life Insurance products and services are being offered as package policies offering a combination of the covers mentioned above in various permutations and combinations. There are package policies specially designed for householders, shopkeepers, industrialists, agriculturists, entrepreneurs, employees and for professionals such as doctors, engineers, chartered accountants etc. Apart from standard covers, Non-Life Insurance companies also offer customized or tailor-made policies based on the personal requirements of the customer. A suitable Non-Life Insurance cover is an absolute essential for every family. This is a necessity to overcome uncertainties and risks prevalent in life. It is also necessary to protect one’s property against risks as a loss or damage to one’s property can leave one in the doldrums.
Losses created by catastrophes such as the tsunami, earthquakes, cyclones, floods, and volcano eruptions or landslides have left many penniless and shelter-less. Such losses have the potential to shatter lives, but availing a suitable insurance cover could help mitigate the unforeseen risks.

Similarly, an individual can be provided with a suitable insurance cover against Personal Accidents. A Health Insurance policy can provide financial relief and lowering of mental agony to an individual undergoing medical treatment on account of a disease or an injury.

At present there are 6 public sector Non-Life Insurance companies and 21 private Non-Life insurance companies in India, details as per IRDA 11/3/2013. Private sector in Non-Life Insurance sector has been entered after the formation of IRDA.

The data for the study has been collected from the published annual reports and accounts of the selected companies for the seven years from 2005-06 to 2011-12. To supplement the data various publication regarding insurance industry published by India Insurance Institution, insurance times, insurance world and individual companies web sites have been referred.

The present study has been divided in to six chapters. The first chapter includes the introduction of insurance, concept of risk, definition of insurance, basic principles, function and organizational set-up of insurance companies. In the second chapter Conceptual Framework of Financial Performance has been discussed. In the third chapter Literature Review while Research Methodology is narrated in the fourth chapter.
The fifth chapter contains Data Analysis and Interpretation applying CARAMEL Model. Finally the sixth chapter contains summary, findings and conclusions and suggestions offered during the courses of the study for improving weakness of the selected Non-Life insurance companies.

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