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Research Article

An Evaluation of Financial Performance with Respect to Productivity and Profitability of Public Sector General Insurance Company Operating in India Using Fem & Rem

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ABSTRACT

India ranking 5th in terms of GDP where it contributes nearly 2.73% into the world insurance during 2024, where general insurance has gained more importance at present reason behind the study is to analyse driving factors which are determining the performance of public sector general insurance company and identifying the valid reasons for decline in its growth. The study has been conducted by considering some of the key dependent and independent factors impacting the performances. A sample of 4 public sector general insurance companies has been considered for the study. The time period of the study was from 2011-12 to 2020-21. Regression analysis static panel data model has been employed to analyse by considering some of the important variables such as Dependent variables & Independent variables, findings of the study states that there is a positive (Significant) relationship between CTOR, YOTI, GR, UER, LR, ID, SM, IR & NPM whereas the study states that there is a negative (Not Significant) relationship between ROA, IR, RI & IP. Finally the research paper shall try to conclude that the FEM model try to suggest that selected variables shall have a significant impact on the profitability of public sector general insurance company.

Keywords: General Insurance; Regression analysis; financial performance

INTRODUCTION

India is being the 5th largest economy in the world and also ranking 15th globally in the area of insurance contributing nearly 2.73% into the worlds insurance but still recording the lowest penetration rate. At present 53.89% contribution has been through the service sector out of the total GDP since insurance is also functioning under service sector where currently having a growth rate of 10-12% in respect to life insurance where as 16-18% growth has been witnessed YOY with respect to general insurance. Basically this sector needs an elevation to flourish in the market of uncertainties by adapting a suitable business models projecting positive growth in this sector, realising the companies about its core businesses they are in, moving ahead with the changes that are taking place worldwide needed to be addressed. Currently insurance has been considered as one of the stable industry when it is been compared with rest of the industry. Insurance industry has been ranked 4th in terms of new business application growth.

TABLE 1 SHOWING THE WORLDS GDP

Rank	Country	GDP(Trillion $)	Share of worlds GDP (%)
01	US	19485.4	24.08
02	China	12237.7	15.12
03	Japan	4872.4	6.02
04	Germany	3693.2	4.56
05	India	2650.7	3.28

(Source: www.worldometers.info)

TABLE 2 SHOWING INSURANCE CARRIERS & RELATED ACTIVITIES

Year	Total GDP ($)	Insurance Carriers & Related Activities GDP($)	Percentage of total GDP (%)
2016-17	19,479.6	550.7	2.8
2017-18	20,527.2	590.7	2.9
2018-19	21,372.6	604.5	2.8
2019-20	20,893.7	640.3	3.1
2020-21	22,996.1	674.2	2.9

(Source: US department of Commerce Bureau of Economic Analysis)

TABLE 3 SHOWING SHARE OF NON-LIFE INSURANCE COMPANY DURING THE YEAR 2020-21

Sector	Percentage (%)
Public Sector	49.3
Private Sector	36.2
Standalone Health Insurance	7.9
Specialised Insurers	6.6
Total	**100**

CHART 1 SHOWING THE CHALLENGES FACED BY GENERAL INSURANCE COMPANIES IN INDIA

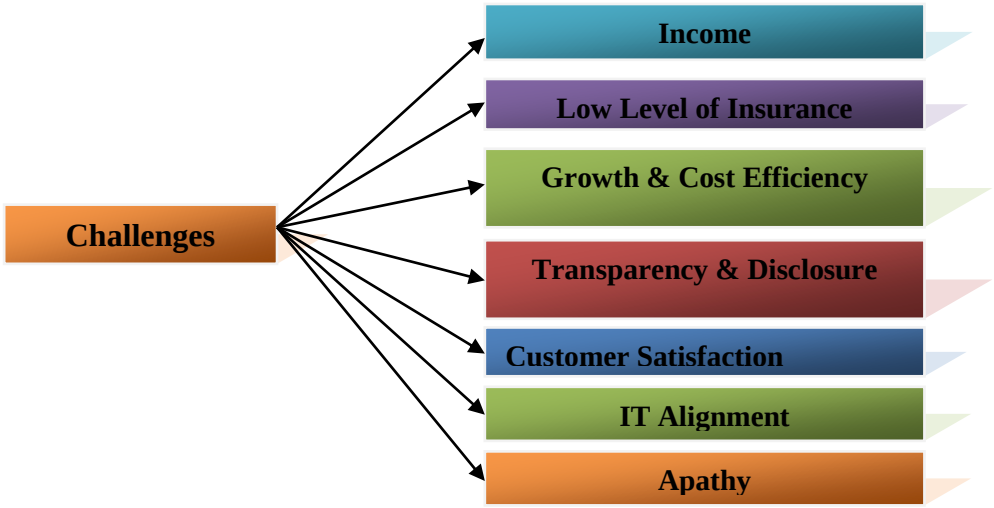
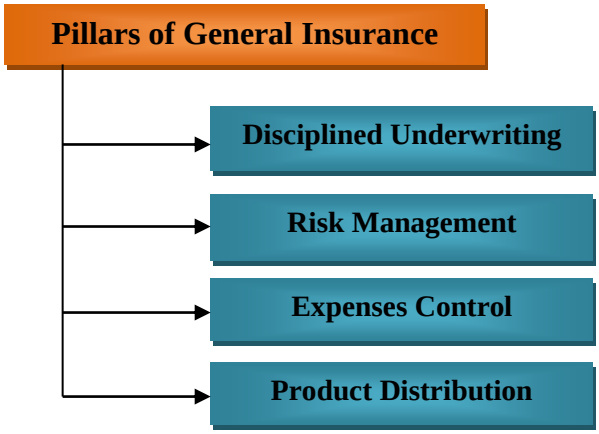


CHART 2 SHOWING THE PILLARS OF GENERAL INSURANCE



2.1 LITERATURE REVIEW

(Kamat, Prof.B.Ramesh, & Dhume, 2016)[1] In this research paper the researcher has made a study on the evaluation of financial performance of all 24 life insurance companies operating in India where the study is based on selected parameters which is ranging from 2009-2014 using FEM and Regression Equation, the findings of the study was that there shall exist a significant difference among the performance of public and

private sector life insurance companies, finally FEM shall try to suggest that profitability position of life insurance companies have significant positive relationship with liquidity, solvency & age.

(Muthusamy, Dewasiri, Lankanatha, Sood, & Grima, 2023)[2] In this research article here the researcher has made an effort to explore the soundness of general insurance industry in Srilanka by employing CARAMEL approach , the study is been carried out during 2011-2019 by employing panel data regression analysis, return on Asset (ROA) is been used as a proxy of financial performance along with other 10 dimensions, findings of the study was that using FEM model CAR and PR shall have a positive impact whereas in case of RR, CR & ER shall have a negative impact on the financial performance, finally the paper shall try to conclude that CAR, ER, RI & AS are the important predictors of financial performance of general insurance.

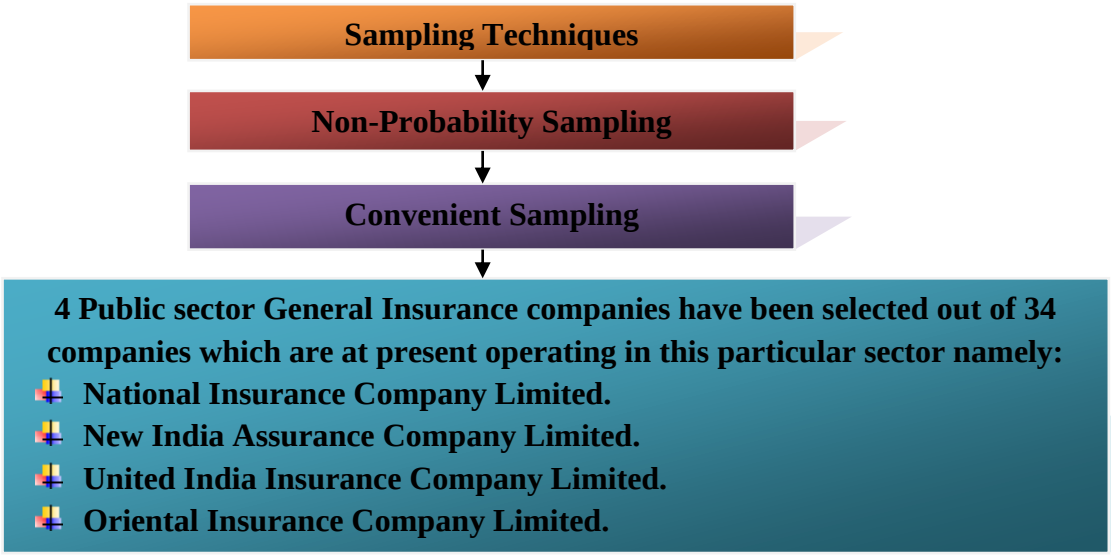
(Choudhary & Upadhyaya, 2021)[3] In this research paper the author has made an examination of the financial performance of Indian life insurance based on various parameters by considering 23 private players & public players, where one way ANOVA, Net Profit Ratio, Returns on Net worth, Return on Capital Employed, Return on Asset ratios has been employed in the study for better analysis, finding of the study is that LIC, SBI life been better among the public sector when compared with HDFC.

(Rao, 2016) In this research article the author has tried to explain the role of insurance in the developing country like India. This paper shall try to explain the financial performance of public sector general insurance companies operating in India where the key factors selected for the study were Gross Premium, Earned Premium, PAT, Net Incurred Claim Ratio, Net Acquisition Cost Ratio on Earned Premium and Management Expenses Ratio to Earned Premium the study has been conducted for recent 6 quarters. Findings of the study was that the above parameter selected for the study where Gross Premium, Earned Premium, PAT, Net Incurred Claim Ratio has a positive impact on the financial performance whereas Acquisition Cost Ratio on Earned Premium and Management Expenses Ratio to Earned Premium shall have a negative impact on the financial performances finally the paper shall try to conclude that the management shall try to minimize the Acquisition cost & management expenses in order to maximize the profitability of public sector general insurance companies operating in India.

3. RESEARCH METHODOLOGY

3.1 OBJECTIVE OF THE STUDY

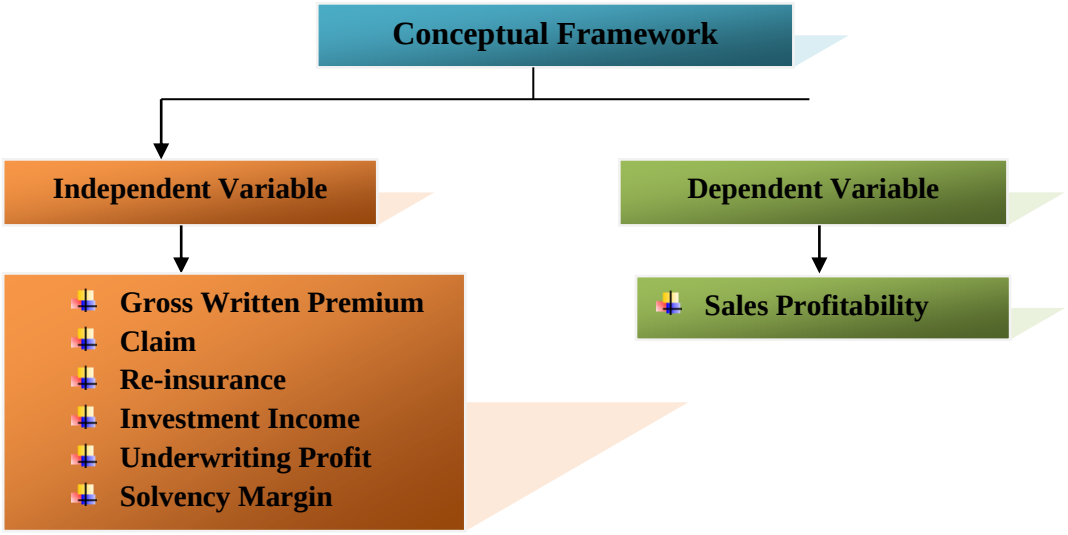
- To assess the financial performance of public sector general insurance company operating in India.
- To study the indicators impacting the financial performance of public sector general insurance company operating in India.



3.2 SAMPLING DESIGN

3.3 RESEARCH DESIGN

In this research paper the following are some of the key Dependent and Independent variable employed in the study



3.4 SAMPLE SIZE

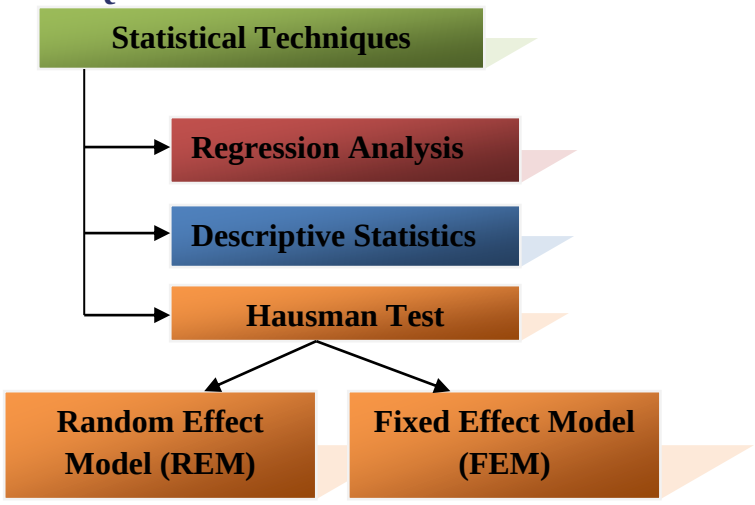
Research paper shall include 4 public sector general insurance companies which are operating in India where the data has been collected through their financial reports that were presented during the last **10** years i.e. from the financial year **2011-12** to **2020-21** respectively.

3.5 MODEL SPECIFICATION

$$SP = a_0 + \beta 1(GWP\text{it}) + \beta 2(C\text{it}) + \beta 3(RI\text{it}) + \beta 4(II\text{it}) + \beta 5(UP\text{it}) + \beta 6(SM\text{it})\ \varepsilon\text{it}$$

In testing of association between the financial performance the following Regression equation static panel data model has been specified in order to test the effect on the performances of public sector general insurance company:-

3.6 STATISTICAL TECHNIQUES



In order to investigate the financial performance and its impact some of the key financial ratios have been employed along with regression analysis and Hausman Test for better analysis.

3.7 SOURCES OF DATA

Secondary sources of data have been used in conducting the study.

3.8 STUDY PERIOD

Study has been conducted for a period of 10 years i.e. from **2011-12** to **2020-21** respectively.

3.9 LIMITATIONS OF THE STUDY

- The Study has been confined only to **4** public sector general insurance companies operating in India.

- There shall be other indicators affecting the financial performances apart from the variables employed in the study henceforth results may vary accordingly.
- Only public sector general insurance company has been taken up for the study the same outcome may or may not hold good for the private sector general insurance companies operating in India.

H_0 : ROA,NPM, YOTI,CTR,DPR,IR,RI ,GR,UER,LR,IP ,ID,SM does not have a significant impact on ROP

3.10 HYPOTHESIS USED IN THE STUDY

H_1 : ROA has a significant impact on ROP

H_2 : NPM has a significant impact on ROP

H_3 : YOTI has a significant impact on ROP

H_4 : CTR has a significant impact on ROP

H_5 : DPR has a significant impact on ROP

H_6 : IR has a significant impact on ROP

H_7 : RI has a significant impact on ROP

H_8 : GR has a significant impact on ROP

H_9 : UER has a significant impact on ROP

H_{10} : LR has a significant impact on ROP

H_{11} : IP has a significant impact on ROP

H_{12} : ID has a significant impact on ROP

H_{13} : SM has a significant impact on ROP

4. DATA ANALYSIS AND INTERPRETATION

Table 4 showing results of Cronbach's Alpha test:-

Reliability Statistics	
Cronbach's Alpha	N of Items
.361	15

Analysis:-

From the above table 1 showing the results of Cronbach's Alpha value which is 0.361 which is been considered very low & the scale consist of 15 items where a large number of items can improve the reliability.

Table 5 showing the summary statistics for a data set containing information on various financial and economic variables:-

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
RETURN ON ASSET	40	-5.70	6.29	1.0080	2.89784
YIELD ON TOTAL INVESTMENT	40	6.32	22.39	12.1793	4.08053
NET PROFIT MARGIN	40	-18.14	19.09	3.7488	8.88225
RETURN ON PROFIT	40	-29.50	14.68	-2.9493	10.20372
CAPITAL TURNOVER RATIO	40	18.68	39.47	30.4435	5.12985
DIVIDEND PAYOUT RATIO	40	.00	25.22	2.3412	6.45027
INTEREST RATE	40	.65	.87	.7290	.06080
REINSURANCE	40	.62	.93	.8240	.06800
GROWTH RATE	40	-6.60	8.70	5.4700	4.30957
UNEMPLOYEMENT RATE	40	5.30	8.00	5.7000	.80000
LITERACY RATE	40	69.30	74.37	70.8210	2.35296
INSURANCE PENETRATION	40	.70	1.00	.8310	.11254

INSURANCE DENSITY	40	10.00	19.00	14.2200	3.83848
SOLVENCY MARGIN	40	.02	3.56	1.7370	.74852
INFLATION RATE	40	3.40	10.00	5.8100	2.14713
Valid N (list wise)	40				

Analysis:-

- **Return on Asset**: The Mean value is **1.0080** indicating a slight positive average return, whereas Standard Deviation is **2.89784** suggesting moderate variability in returns.
- **Yield on total Investment**: The Mean value is **12.1793** indicating higher average yield, whereas Standard Deviation is **4.08053** revealing more variability when compared to return on Asset.
- **Net Profit Margin**: The Mean value is **3.7488** suggesting a moderate average profit margin, whereas Standard Deviation is **8.88225** indicating significant variability in profit margins.
- **Return on Profit:** The Mean value is **-2.9493** indicating an overall negative return, whereas Standard Deviation is **10.20372** suggesting high variability in returns.
- **Capital Turnover Ratio:** The Mean value is **30.4435** indicating a relatively high average capital turnover, whereas Standard Deviation is **5.12985** suggesting moderate variability.
- **Dividend Payout Ratio:** The Mean value is **2.3412** indicating a moderate average dividend payout whereas Standard Deviation is **6.45027** suggesting significant variability in dividend payouts.
- **Interest Rate:** The Mean value is **0.7290** indicating a relatively low average interest rate whereas Standard Deviation is **0.06080** suggesting low variability in interest rates.
- **Reinsurance:** The Mean value is **0.8240** indicating moderate average reinsurance premium whereas Standard Deviation is **0.06800** suggesting low variability in reinsurance premiums.
- **Growth Rates:** The Mean value is **5.4700** indicating a moderate average growth rate whereas Standard Deviation is **4.30957** suggesting significant variability in growth rates.
- **Unemployment Rate:** The Mean value is **5.7000** indicating a moderate average unemployment rate whereas Standard Deviation is **0.80000** suggesting low variability in employment rates.
- **Literacy Rate:** The Mean value is **70.8210** indicating a high average literacy rate whereas Standard Deviation is **2.35296** suggesting moderate variability in the literacy rates.
- **Insurance Penetration:** The Mean value is **0.8310** indicating a moderate average insurance penetration whereas Standard Deviation is **0.11254** suggesting low variability in insurance penetration.
- **Insurance Density:** The Mean value is **14.2200** indicating a moderate average insurance density whereas Standard Deviation is **3.83848** suggesting significant variability in insurance density.
- **Solvency Margin:** The Mean value is **1.7370** suggesting moderate average solvency margin whereas Standard Deviation is **0.74852** suggesting moderate variability in solvency margins.
- **Inflation Rate:** The Mean value is **5.8100** indicating moderate average inflation rate whereas Standard Deviation is **2.14713** suggesting moderate variability in inflation rates.

Table 6 showing the results of a one-sample Kolmogorov-Smirnov (K-S) test of Normality:

One-Sample Kolmogorov-Smirnov Test																
		RETURN ON ASSET	YIELD ON TOTAL INVESTMENT	NET PROFIT MARGIN	RETURN ON PROFIT	CAPITAL TURNOVER RATIO	DIVIDEND PAYOUT RATIO	INTEREST RATE	REINSURANCE	GROWTH RATE	UNEMPLOYEMENT RATE	LITERACY RATE	INSURANCE PENETRATION	INSURANCE DENSITY	SOLVENCY MARGIN	INFLATION RATE
N		40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Normal Parameters[a,b]	Mean	1.0	12.18	3.7	-2.9	30.44	2.34	.729	.8240	5.47	5.7000	70.8	.8310	14.22	1.737	5.810
	Std. Deviation	2.9	4.08	8.9	10.2	5.13	6.45	.061	.06800	4.31	.80000	2.35	.11254	3.84	.7485	2.147
Most Extreme Differences	Absolute	.22	.21	.20	.12	.13	.46	.183	.152	.303	.446	.441	.210	.261	.130	.228
	Positive	.12	.21	.11	.06	.07	.46	.183	.091	.227	.446	.441	.209	.261	.130	.228
	Negative	-.22	-.16	-.20	-.12	-.13	-.36	-.09	-.152	-.30	-.309	-.259	-.210	-.238	-.101	-.153
Kolmogorov-Smirnov Z		1.4	1.30	1.3	.78	.80	2.9	1.16	.958	1.92	2.822	2.79	1.331	1.649	.824	1.442
Asymp. Sig. (2-tailed)		.04	.06	.08	.57	.54	.000	.14	.317	.001	.000	.000	.058	.009	.505	.031
a. Test distribution is Normal.																
b. Calculated from data.																

Analysis:-

The above table 3 shall try to reveal that some of the variables shall try to show significant deviations from normality which shall include Return on Profit, Dividend Payout Ratio, Reinsurance, Unemployment Rate and Insurance Density whereas there are few other variables which appears to be more normally distributed such as Yield on Total Investment, Net Profit Margin and Capital Turnover Ratio.

Table 7 showing the summary statistics for the regression model:-

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.848[a]	.718	.561	6.76350	2.029
a. Predictors: (Constant), INFLATION RATE, YIELD ON TOTAL INVESTMENT, UNEMPLOYEMENT RATE, CAPITAL TURNOVER RATIO, REINSURANCE, INTEREST RATE, INSURANCE PENETRATION, SOLVENCY MARGIN, DIVIDEND PAYOUT RATIO, RETURN ON ASSET, LITERACY RATE, GROWTH RATE, INSURANCE DENSITY, NET PROFIT MARGIN					
b. Dependent Variable: RETURN ON PROFIT					

Analysis:-

- R value is 0.848 which shall indicate strong positive relationship between the Independent and the Dependent variables.
- R squared of value 0.718 which means 71.8% of the variation in Return on Profit which is been explained by the model.
- Adjusted R squared of 0.561 which is lower suggesting that some of the indicated variables might not be adding significant explanatory power.
- In case of Standard error value of 6.76350 suggest that on average the predicted Return on Profit is off by about 6.76350 units.
- According to Durbin-Watson where the value is 2.029 suggest that there is no significant autocorrelation in the residuals where this is a good sign as auto correlation can violate the assumption of regression analysis.

Table 8 showing the results of an ANOVA test which is been used to assess overall significance of the regression model:-

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	2916.898	14	208.350	4.555	.000[b]
	Residual	1143.622	25	45.745		
	Total	4060.521	39			
a. Dependent Variable: RETURN ON PROFIT						
b. Predictors: (Constant), INFLATION RATE, YIELD ON TOTAL INVESTMENT, UNEMPLOYEMENT RATE, CAPITAL TURNOVER RATIO, REINSURANCE, INTEREST RATE, INSURANCE PENETRATION, SOLVENCY MARGIN, DIVIDEND PAYOUT RATIO, RETURN ON ASSET, LITERACY RATE, GROWTH RATE, INSURANCE DENSITY, NET PROFIT MARGIN						

Analysis:-

Overall model significance since the F-statistic of 4.555 and the corresponding p-value of 0.000 shall try to indicate that the model is statistically significant which means that the independent variable shall collectively explain the significant portion of the variation in Return on Profit.

Table 9 showing the coefficients from the regression model:-

Coefficients[a]					
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	44.667	85.726		.521	.607
	RETURN ON ASSET	-2.402	3.495	-.682	-.687	.498
	YIELD ON TOTAL INVESTMENT	-.991	.453	-.396	-2.186	.038
	NET PROFIT MARGIN	1.188	1.192	1.034	.996	.329
	CAPITAL TURNOVER RATIO	-.117	.315	-.059	-.371	.714
	DIVIDEND PAYOUT RATIO	.288	.305	.182	.944	.354
	INTEREST RATE	-64.554	37.323	-.385	-1.730	.096
	REINSURANCE	98.344	26.139	.655	3.762	.001
	GROWTH RATE	-.715	.687	-.302	-1.041	.308
	UNEMPLOYEMENT RATE	-3.100	3.508	-.243	-.884	.385
	LITERACY RATE	-.881	1.206	-.203	-.731	.472
	INSURANCE PENETRATION	12.807	42.922	.141	.298	.768
	INSURANCE DENSITY	.429	1.636	.161	.262	.795
	SOLVENCY MARGIN	.561	2.197	.041	.255	.801
	INFLATION RATE	-.414	.892	-.087	-.464	.647
a. Dependent Variable: RETURN ON PROFIT						

Analysis:-

- A p-value less than 0.05 shall try to indicate that there exist a statistically significant relationship between the Independent and the Dependent variable.
- Several Independent variables have statistically significant relationships with Return on Profit.

Table 10 showing summary statistics for the residuals from a regression model:-

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-22.1029	13.1248	-2.9493	8.64825	40
Residual	-13.69460	9.74265	.00000	5.41513	40
Std. Predicted Value	-2.215	1.859	.000	1.000	40
Std. Residual	-2.025	1.440	.000	.801	40
a. Dependent Variable: RETURN ON PROFIT					

Analysis:-

Since the Mean residual value is **0.000** suggesting that the model is unbiased.

Table 11 showing the results of a paired sample t-test for various pairs of variables related to Return on Profit (ROP):-

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	RETURN ON PROFIT - CAPITAL TURNOVER RATIO	-33.39275	12.50456	1.97714	-37.39190	-29.39360	-16.889	39	.000
Pair 2	RETURN ON PROFIT - YIELD ON TOTAL INVESTMENT	-15.12850	10.91316	1.72552	-18.61870	-11.63830	-8.767	39	.000
Pair 3	RETURN ON PROFIT - RETURN ON ASSET	-3.95725	9.38453	1.48383	-6.95857	-.95593	-2.667	39	.011
Pair 4	RETURN ON PROFIT - DIVIDEND PAYOUT RATIO	-5.29050	11.05320	1.74766	-8.82549	-1.75551	-3.027	39	.004
Pair 5	RETURN ON PROFIT - INTEREST RATE	-3.67825	10.23818	1.61880	-6.95258	-.40392	-2.272	39	.029
Pair 6	RETURN ON PROFIT - REINSURANCE	-3.77325	10.16535	1.60728	-7.02429	-.52221	-2.348	39	.024
Pair 7	RETURN ON PROFIT - GROWTH RATE	-8.41925	9.41999	1.48943	-11.43191	-5.40659	-5.653	39	.000
Pair 8	RETURN ON PROFIT - UNEMPLOYEMENT RATE	-8.64925	10.49200	1.65893	-12.00475	-5.29375	-5.214	39	.000
Pair 9	RETURN ON PROFIT - LITERACY RATE	-73.77025	11.37663	1.79880	-77.40867	-70.13183	-41.011	39	.000
Pair 10	RETURN ON PROFIT - INSURANCE PENETRATION	-3.78025	10.23806	1.61878	-7.05454	-.50596	-2.335	39	.025
Pair 11	RETURN ON PROFIT - INSURANCE DENSITY	-17.16925	12.28560	1.94252	-21.09837	-13.24013	-8.839	39	.000
Pair 12	RETURN ON PROFIT - SOLVENCY MARGIN	-4.68625	9.95073	1.57335	-7.86865	-1.50385	-2.979	39	.005
Pair 13	RETURN ON PROFIT - INFLATION RATE	-8.75925	9.96428	1.57549	-11.94598	-5.57252	-5.560	39	.000
Pair 14	RETURN ON PROFIT - NET PROFIT MARGIN	-6.69800	10.30362	1.62914	-9.99326	-3.40274	-4.111	39	.000

Analysis:-

p-value less than 0.05 shall indicate that it is statistically significant difference between the paired variables:-

- **Pair-1:** Return on Profit - Capital Turnover Ratio since the p-value is 0.000 suggesting a significant difference between two variables.
- **Pair-2:** Return on Profit - Yield on Total Investment since the p-value is 0.000 suggesting a significant difference between two variables.
- **Pair -3:** Return on Profit - Return on Asset since the p-value is 0.011 indicating that there is no significant difference between two variables.
- **Pair -4:** Return on Profit - Dividend Payout Ratio since the p-value is 0.004 indicating that there is significant difference between two variables.
- **Pair -5:** Return on Profit - Interest Rate since the p-value is 0.029 indicating that there is no significant difference between two variables.
- **Pair -6:** Return on Profit - Reinsurance since the p-value is 0.024 indicating that there is no significant difference between two variables.
- **Pair -7:** Return on Profit - Growth Rate since the p-value is 0.000 indicating that there is significant difference between two variables.
- **Pair -8:** Return on Profit - Unemployment Rate since the p-value is 0.000 indicating that there is significant difference between two variables.
- **Pair -9:** Return on Profit - Literacy Rate since the p-value is 0.000 indicating that there is significant difference between two variables.
- **Pair -10:** Return on Profit - Insurance Penetration since the p-value is 0.025 indicating that there is no significant difference between two variables.
- **Pair -11:** Return on Profit - Insurance Density since the p-value is 0.000 indicating that there is significant difference between two variables.
- **Pair -12:** Return on Profit - Solvency Margin since the p-value is 0.005 indicating that there is significant difference between two variables.
- **Pair -13:** Return on Profit - Inflation Rate since the p-value is 0.000 indicating that there is significant difference between two variables.
- **Pair -14:** Return on Profit - Net Profit Margin since the p-value is 0.000 indicating that there is significant difference between two variables.

FINDINGS OF THE STUDY:-

Table 12 showing the results of coefficients from the regression model:-

Variables	Indicators	P Value	Impact	Decision
Internal	ROA	0.498	Not significant	Accept H_0
	NPM	0.329	Not significant	Accept H_0
	YOTI	0.038	Significant	Accept H_1
	CTR	0.714	Not significant	Accept H_0
	DPR	0.354	Not significant	Accept H_0
	RI	0.096	Not significant	Accept H_0
	SM	0.001	Significant	Accept H_1
External	IR	0.308	Not significant	Accept H_0
	GR	0.385	Not significant	Accept H_0
	UEM	0.472	Not significant	Accept H_0
	LR	0.768	Not significant	Accept H_0
	IP	0.795	Not significant	Accept H_0
	ID	0.801	Not significant	Accept H_0
	IFR	0.647	Not significant	Accept H_0

Table 13 showing the results of a paired sample t-test for various pairs of variables related to Return on Profit (ROP):-

Pairs	Indicators	P Value	Impact
Pair 1	RETURN ON PROFIT - CAPITAL TURNOVER RATIO	.000	Significant
Pair 2	RETURN ON PROFIT - YIELD ON TOTAL INVESTMENT	.000	Significant
Pair 3	RETURN ON PROFIT - RETURN ON ASSET	.011	Not significant
Pair 4	RETURN ON PROFIT - DIVIDEND PAYOUT RATIO	.004	Significant
Pair 5	RETURN ON PROFIT - INTEREST RATE	.029	Not significant
Pair 6	RETURN ON PROFIT - REINSURANCE	.024	Not significant
Pair 7	RETURN ON PROFIT - GROWTH RATE	.000	Significant
Pair 8	RETURN ON PROFIT - UNEMPLOYEMENT RATE	.000	Significant

Pair 9	**RETURN ON PROFIT - LITERACY RATE**	**.000**	**Significant**
Pair 10	**RETURN ON PROFIT - INSURANCE PENETRATION**	**.025**	**Not significant**
Pair 11	**RETURN ON PROFIT - INSURANCE DENSITY**	**.000**	**Significant**
Pair 12	**RETURN ON PROFIT - SOLVENCY MARGIN**	**.005**	**Significant**
Pair 13	**RETURN ON PROFIT - INFLATION RATE**	**.000**	**Significant**
Pair 14	**RETURN ON PROFIT - NET PROFIT MARGIN**	**.000**	**Significant**

Out of 14 pairs in the study 10 pairs shall try to reveal that the variable shall have a significant impact on the Return on Profit whereas only 4 pairs shall indicate that the variables shall have no significant impact on the Return on Profit.

Conclusion:-

Today assessing the financial performance has gained more significant during the last decade. Performance metrics has several explanations but most significant is that which can maximize the efficiency of the general insurance companies when it is been employed correctly. Willingness of general insurance companies in competing positively is so important or else it shall be very difficult for the general insurance companies in making in this competitive world.

The most significant part of the study is creation of certain methods or structure which can be employed by the general insurance companies to be successful. The most significant contribution of this research is creation of structure and methodology for evaluating the success of the general insurance companies with this analysis we can try to conclude that the parameters used in the study shall have a huge impact on the study. Creating a realistic structure and methodology for evaluating the success of the public sector general insurance companies is the most significant contribution of this research paper.

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