

Impact of Internal Factors Toward the Performance of Motor Insurance Business in Sri Lanka

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ABSTRACT

Introduction - Insurance services is vital and considered as integrated modules in the financial industry. The insurance sector plays an essential role in the service-based economy of Sri Lanka. This paper aims to examine the impact of internal factors on the performance of the Motor Insurance Business in Sri Lanka.

Design/methodology/approach - Financial performance measured through Return on Assets and three independent variables such as Company Size, Solvency Ratio, Company Investment Income. Four Non - life insurance companies from 2011 to 2018 selected and analysed using Eviews. The data gathered from secondary data sources; annual reports of each company.

Findings - Internal factors of Company Size and Company Solvency Ratio have a statistically significant impact on Motor Insurance performance. Company size has not considerable effect on motor insurance performance.

Conclusion - This study investigated the influence of the impact of the determinants of an internal factor on motor insurance business performance in Sri Lanka. These findings will help for future studies relating to Motor Insurance performance in Non - life insurance company.

Keywords: *ROA, Internal factors, Motor Insurance Companies, Motor Insurance Performance, Investment Income, Underwriting Losses*