TOPIC :

# "THE PERFORMANCE OF INSURANCE COMPANIES IN FIVE YEARS PERIOD (1989-1993)"

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A RESEARCH PAPER SUBMITTED TO THE

**MARA INSTITUTE OF**

**TECHNOLOGY**

IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE

**ADVANCED DIPLOMA IN BUSINESS STUDIES (FINANCE)**


ADVISOR : ZAHIYAH ITAM OTHMAN

RESEARCHER : JUNAIDAH BTE HJ. BUSAH

ITM MATRIX : 92784774

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ABSTRACT

This paper is part of the course requirements for final students of Advanced Diploma In Business Studies (Finance) before finishing up studies.

This project paper is a study on the performance of general insurance companies in five years period (1989 - 1993). The performance is measured by using ratios. From the ratio analysis, it will show how well is the performance of the companies in 5 years time. The result of the ratios also can determine the strength and weaknesses of the companies.

Moreover, the study will focus on the development of general insurance companies in Malaysia.

Recommendation regarding the study is given at the end of this project paper which it could help students to do their research in future.

## 1.1 INTRODUCTION

Measuring the performance of an insurance companies is unlike that for companies in other industries because the most important factors of performance are rough estimates. One approach to the analysis of performance recognizes three types of criteria. The criteria are as follows :-

(a) External

The public is concerned with bases for comparing the external performance of companies. External criteria include service, cost, equity among policyholders and financial strength of the companies. Each of these bases for comparison has a non-quantifiable element that makes evaluation difficult.

(b) Operational

In order to gain a realistic appraisal of an insurance company's effectiveness, the organization should be evaluated in functional terms.