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## Factors affecting pricing of risk for profitability in the non-life insurance market

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### Key Words

Pricing, Risk, Profitability, Operating expenses .Nonlife insurance,

### Abstract

*Insurance companies continue to face intense pressure to improve performance, increase profitability, deliver superior customer service and increase shareholder returns. This is primarily due to the fact that operating efficiency is of particular interest for managers whose aim is to improve the performance of their firm and, therefore safeguard the stability of the financial system by generating enough profit.*

*The Nigeria Insurance Industry is facing a myriad of problems ranging from underwriting losses, high operating expenses and reduced income. It is the believe of the market that the emerging trend bothers on pricing of risk. The research investigates the impact of pricing of risk on the profitability of Nigeria Insurance market and also to find out the relationship between operation expenses and profitability of the non-life insurance market in Nigeria. Our results show that economy, competition and government regulation have effect on pricing of risk. These findings will have special significance for both the insurance industry policy makers and market competitors. Policy holders can use these findings to develop long term policy strategies for market development. Also, it was observed that operation expenses is strongly correlated to profitability and should be properly managed.*

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