Abstract

Strong financial institution system such as banks and nonbank financial instituti
insurance companies play a vital role in the development of a given country. Insura
companies, enhances the firms and individuals saving mobilizations and transferr
risk, which is minimizing the companies` financial and non-financial worries in futu

The purpose of this study is to analyze product diversification and insurer performa
with comprehensive look at the non-life insurance operations. By using a panel d
from 2010-2017of 17 non-life insurance firms listed on Pakistan Stock Exchange t
study employs fixed effects regression model to examine the impact of product on
performance of non-life insurers. The study assesses insurer performance using b
return on assets and return on equity. The study finds that product diversification
insignificantly positively related to the performance of non-life insurers in terms
return on assets while product diversification is significantly positively related to
performance of non-life insurers in terms of return on equity. The study provides so
valuable insights into the effects of product diversification on the performance of n
life insurers in a developing country. The study findings suggest that managemen
non-life insurance firms should clarify their objectives and carefully assess
company's resources when dealing with product diversification. The results h
practical implications for the financial services industry in Pakistan.

Keywords - Product diversification, Firm Performance, Non-life insurance, insura
sector Pakistan.