

ABSTRACT

The present paper entitled “**Risk based Loading factor for individuals**” is an attempt to arrive at a varying loading factor while calculating the premium of insurance policies of individuals. A common Loading factor/rate is applied over premium calculation for every individual’s insurance policy. This factor is arrived at estimation of total loss over a portfolio. This causes some less risky individuals to be charged more than the risky individuals and thus some consumers are at disadvantage. This paper is concerned with static analysis of data and is driven by estimating the loss scenarios for the insurer. The paper also presents the suggestions and future prospects of methods to arrive at varying loading factors in the country.