

Although industrial or business organizations differ from one another in nature, size or complexities of operation yet all these six activities are common in all enterprises. The first five activities are quite well known therefore we are discussing only the sixth i.e managerial activities. We will explain these principles applicable in any insurance company.

**Notes**

4.1 OBJECTIVES

At the end of this lesson you will be able

- To know the principles of management
- How to apply these principles in insurance organization

4.2 MANAGERIAL ACTIVITIES /PRINCIPLES OF MANAGEMENT

The management activities are known as principles of management which are as follows:

- Forecasting and Planning,
- Organizing,
- Commanding,
- Co-ordinating and
- Controlling

A) Forecasting and Planning

Planning means looking ahead or to foresee. To foresee means, “both to assess the future and make provision for it. To plan means to foresee and provide means for future. The process of planning includes:

- 1. The identification of organizational goals.** The aim of any insurance company is to insure life or property of the human being. The goal is to insure maximum number of person or the property so that the risk can be spread on number of persons.
- 2. The line of action to be followed.** Once aim is set to insurer human being or property then the next step is how to insure human beings or property. The action will be to create a Marketing Department for a company.
- 3. The various stages through which the action would pass:** To sell the insurance product only marketing