The Kerala State Insurance Department is a Commercial Department doing both General Insurance Business and Life Insurance business. It came into existence in the erstwhile Royal Travancore State in 1896. In the year 1979 this department was declared as commercial department It is empowered to under write General Insurance of any subject in which State Government has substantial financial interest.

Registration with IRDA : This Department is registered with IRDA under Reg. No.539 as per 3 of Insurance Act 1938 and Registration is renewed every year as per 3(a) of the same Act on remitting the renewal fees.

Proforma Accounts : Since State Insurance Department is a commercial department, Proforma accounts is prepared in the prescribed form and Accountant General certifies the Fund Balance of the Department every financial year. Entire management expenses of the Department and Pension Contribution of employees are deducted from the Fund Balance of the department. Even after this the department is making profit in both Life Insurance and General Insurance.

Fund Balance & Profit : This department is sharing a portion of profit earned in General Insurance business every financial year. Total Fund Balance for the financial year 2013-2014 is Rs. 3542.55 Crores.