

A Project Report on
**“A STUDY ON ROLE OF NEW INSURANCE POLICIES IN
MINIMISING BUSINESS RISK”**

Submitted to
Department of Management Sciences & Research (DMSR)
G.S. College of Commerce and Economics, Nagpur
(An Autonomous Institution)

Affiliated to:
Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of
Master of Business Administration

Submitted by
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Under the Guidance of
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NAAC Accredited “A” Grade Institution



Academic Year 2023-24

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
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Academic Year 2023-24

CERTIFICATE

This is to certify that **Mr. PRATIK R. PANDEY** has submitted the project report titled "**A STUDY ON ROLE OF NEW INSURANCE POLICIES IN MINIMISING BUSINESS RISK**", under the guidance of **Dr. ARCHANA DADHE** towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination.

It is certified that he has ingeniously completed his project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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**Department of Management Sciences and Research,
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Academic Year 2023-24

DECLARATION

I,

I, **Mr. Pratik R. Pandey** here-by declare that the project with title "**A STUDY ON ROLE OF NEW INSURANCE POLICIES IN MINIMISING BUSINESS RISK**", has been completed by me under the guidance of **Dr. Archana Dadhe** in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Accredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

This project was undertaken as a part of academic curriculum and has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Mr. Pratik R. Pandey

Place: Nagpur

Date:

**Department of Management Sciences and Research,
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Academic Year 2023-24

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I would like to thank **Prof. Uday Dhomne** for his constant support & guidance throughout the project.

Last but not the least, I am very much thankful to all those who helped me directly and indirectly in successful completion of my project.

Mr. Pratik R. Pandey

Place: Nagpur

Date:

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CHAPTER 1
INTRODUCTION

INTRODUCTION:

Life is full of risks; expected or unexpected. In recent years there have been a lot of disasters and uncertainties affecting personal lives and the business environment across the globe. These events have had adverse effects on the socioeconomic activities on developed and developing nations.

There have been violent floods, fire outbreaks, traffic accidents, occupational hazards, accidental damage to properties and harm caused to lives, theft and armed robbery, as well as other unforeseen events that impact negatively on various economic ventures; especially the private sector investment activities. These mishaps remind us of the need to adopt risk management measures

Risk is everywhere but the business world is much exposed to it. To overcome the losses arising from these risks some take up insurance, others do not. Defined risk management as an ongoing process that can help enhance operations, prioritize resources, ensure regulatory compliance, achieve performance targets, improve financial performance and ultimately, prevent loss/damage to the entity.

Specifically, the purpose of risk management within an organization is “to reduce the possibility of future events harming an organization and control the probability that results will deviate from the expected” to reduce the cost of pure risks and set out safety and disaster management by providing adequate coverage through an insurance technique and, “to enable an organization to progress towards its goals and objectives”.

The basic techniques of risk management are risk avoidance, risk reduction, risk retention and risk transfer. Nevertheless, insurance is used as the most common risk transfer mechanism

Insurance is a contract in which one party agrees to indemnify (compensate) another party in the event of loss or damages caused by risks specified in the contract, in exchange for the payment of a certain amount known as the “insurance premium” to the first party. The premium could be arranged to be paid as a lump sum amount or it could be paid as periodic amount. Insurance is a useful tool for managing risks.

It is an important aspect of any operations including SMEs in order to protect assets and to reduce losses. Instead of protecting properties and lives physically, insurance serves to protect the business against adverse financial consequences of losing properties and lives. Thus, a business suffering from losses would be able to recuperate and rebuild their business by utilizing the compensation paid by insurance companies.

SMEs business owners should be aware of the benefits of incorporating insurance in to their operations. The immediate effect of utilizing insurance in a business is two-fold it gives protection against losses and it influences the success of loan applications with banks and financial institutions.

Hence, it is imperative to ensure the adequacy of insurance coverage undertaken. Adequate insurance coverage signifies that a company's risks are well-covered under a good risk management strategy.

The dynamic and unpredictable nature of today's business environment necessitates robust risk management strategies. Central to these strategies is the role of insurance, which serves as a critical tool for mitigating various risks businesses face. This study explores the evolving landscape of insurance products and their efficacy in minimizing business risks.

By examining contemporary insurance solutions, including cyber insurance, pandemic insurance, and environmental liability coverage, we aim to elucidate how these innovations enhance business resilience.

This investigation will provide insights into the effectiveness of new insurance products, helping businesses to better navigate uncertainties and sustain their operations in the face of diverse challenges.

Risk management had been practiced for thousands of years However, the formal risk management concept existed only in the twentieth century The concept that began as a field in the early 1950s was limited in scope to pure loss exposures where risks were managed through controlling and financing techniques

Insurance has been the most popular financing approach in managing corporate risk. It has been used to manage property, liability, and related insurable risks. Most of the risk management definitions stressed on two key points: firstly, risk management is concerned with pure risk and secondly, the risk management process

Generally, the role of risk management is to reduce property, human, and financial losses defined risk management as an ongoing process that can help enhance operations, prioritize resources, ensure regulatory compliance, achieve performance targets, improve financial performance and ultimately, prevent loss/damage to the entity.

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The immediate effect of utilizing insurance in a business is two-fold; it gives protection against losses and it influences the success of loan applications with banks and financial institutions. Hence, it is imperative to ensure the adequacy of insurance coverage undertaken. Adequate insurance coverage signifies that a company's risks are well-covered under a good risk management strategy

Highlight the adverse effects of risks on investment using macroeconomic data from more than forty (40) developing countries. They emphasized the fact that the uncertainty about business decisions in the future and the resulting gains cannot be optimistic. Despite efforts by successive governments through economic reforms to heighten the private sector to complement government's investments and enhance economic growth, the sector's response is relatively low; and this could be attributed to their risk averse attitude.

Entrepreneurs make decisions regarding their investment in a dynamic and risky environment.

The outcomes of their decisions are generally not conclusive due to the uncertainties associated with the future outcomes. Variability in future outcomes is the biggest source of risk, particularly among Small, and Medium Scale Enterprises (SMEs).

The use of insurance as a risk mitigation tool provides confidence and prospects in successful business decisions, however to some degree. The basic function of insurance is risk transference; risk is transferred from one party (the insured) to another party (the insurer).

The transfer of risk by no means eliminates the possibility of misfortune, but the insurer provides financial security and tranquility for the insured when the insured risk occurs. In return, an insured pays a premium in a very small amount when compared with the potential losses that may be suffered.

TYPES OF NEW INSURANCE POLICIES:

To minimize business risks, various new insurance policies have emerged. These policies are designed

to address modern business challenges and specific risks that traditional insurance might not fully cover. Here are some of the key types:

1. **Cyber Liability Insurance:** This covers the costs associated with data breaches and cyber-attacks, including legal fees, notification costs, and damage control.
2. **Business Interruption Insurance:** This policy helps businesses recover lost income and cover operating expenses during periods when they cannot operate due to a covered peril, such as natural disasters or cyber-attacks.
3. **Directors and Officers (D&O) Liability Insurance:** This protects the personal assets of corporate directors and officers, as well as the financial well-being of the company, against legal actions for alleged wrongful acts in their managerial capacity.
4. **Employment Practices Liability Insurance (EPLI):** This covers legal defense costs and damages related to employment-related claims, such as wrongful termination, discrimination, and harassment.
5. **Environmental Liability Insurance:** This policy provides coverage for businesses against liabilities related to environmental damage, such as pollution and contamination incidents.
6. **Product Liability Insurance:** This protects businesses against claims of injury or damage caused by products they manufacture, sell, or distribute.
7. **Supply Chain Insurance:** This helps businesses manage risks related to disruptions in their supply chain, covering losses from supplier failures or delays.
8. **Reputation Insurance:** This relatively new type of policy provides coverage for costs related to restoring a business's reputation after a damaging event, such as a PR crisis or social media

backlash.

9. Intellectual Property (IP) Insurance: This covers the costs of defending against IP infringement claims and may also cover damages if a business is found liable for infringing on another's IP.
10. Pandemic Insurance: Following the COVID-19 pandemic, some insurers have developed policies specifically to cover business losses due to pandemics, including business interruption and extra expenses.

These insurance policies help businesses manage and mitigate a wide range of risks, ensuring continuity and financial stability in the face of unforeseen events.

An illustrative example is a mid-sized e-commerce company that enhanced its risk management by purchasing Cyber Liability Insurance.

E-commerce Company with Cyber Liability Insurance

Company Background:

A growing e-commerce business, "TechShop Online," which specializes in selling consumer electronics, relies heavily on its online platform for sales and customer interactions.

Risk Before Insurance:

- Cyber Threats: TechShop Online faced increasing risks from cyber threats, such as data breaches and ransomware attacks.
- Potential Losses: A successful cyber-attack could lead to significant financial losses, including costs associated with data breach notifications, legal fees, regulatory fines, and damage to the company's reputation.
- Operational Downtime: An attack could disrupt their operations, leading to lost sales and decreased customer trust.

Insurance Policy:

TechShop Online purchased a comprehensive Cyber Liability Insurance policy. This policy covered:

- Costs related to data breach response, including customer notification and credit monitoring services.
- Legal fees and regulatory fines.
- Expenses for public relations efforts to manage reputational damage.
- Business interruption losses due to a cyber-attack.

Incident:

A year after purchasing the Cyber Liability Insurance, TechShop Online experienced a significant ransomware attack. The attackers encrypted critical customer data and demanded a substantial ransom.

Outcome with Insurance:

- Immediate Response: The insurance policy covered the costs of engaging a specialized cybersecurity firm to mitigate the attack and restore data from backups.
- Financial Protection: The policy also covered the revenue lost during the downtime, enabling TechShop Online to maintain cash flow and meet its financial obligations.
- Reputational Management: The policy funded a comprehensive PR campaign to reassure customers and stakeholders, helping to restore the company's reputation quickly.
- Legal and Regulatory Costs: The insurance paid for the legal fees and any regulatory fines associated with the data breach.

Risk Reduction:

By having Cyber Liability Insurance, TechShop Online significantly mitigated the financial and operational impact of the ransomware attack. The insurance policy not only provided immediate financial support but also ensured that the company could recover swiftly without severe long-term damage to its business operations or reputation.

Conclusion

This example demonstrates how purchasing a new insurance policy, like Cyber Liability Insurance, can significantly reduce the risks associated with cyber threats. It highlights the importance of such insurance in ensuring business continuity and financial stability in the face of modern digital risks.

CHAPTER 2
COMPANY PROFILE

COMPANY PROFILE:

To create a company profile for a study on the role of new insurance policies in minimizing business risk, focusing on an organization under the Insurance Regulatory and Development Authority of India (IRDAI), here's an example profile:

Company Name: Secure Shield Insurance Ltd.

Headquarters: Mumbai, Maharashtra, India

Founded: 2010

Type: Public

CEO: Ramesh Kumar

Industry: Insurance and Risk Management

Number of Employees: 2,200

Annual Revenue: ₹5,000 crores (2023)

Website: www.secureshield.in

COMPANY OVERVIEW:

Secure Shield Insurance Ltd. is a prominent insurance company in India, operating under the regulations of the Insurance Regulatory and Development Authority of India (IRDAI). Established in 2010, Secure Shield has rapidly expanded its footprint across the nation, offering a wide array of insurance products tailored to the needs of businesses and individuals.

The company is committed to providing robust insurance solutions that safeguard businesses from an array of risks, promoting stability and growth.

CORE SERVICES & PRODUCTS:

1. Commercial Property Insurance:

Coverage for business premises, equipment, and inventory against risks such as fire, theft, and natural disasters.

2. Liability Insurance:

- Public Liability Insurance
- Employers' Liability Insurance
- Product Liability Insurance

3. Cyber Insurance:

Protection against cyber threats, data breaches, and associated legal costs.

4. Business Interruption Insurance:

Compensation for income loss and additional expenses incurred during periods of operational downtime due to covered events.

5. Employee Benefits Insurance:

Group health insurance, group life insurance, and group accident insurance.

6. Specialized Risk Management Solutions:

Customized services for risk identification, assessment, and mitigation, tailored to specific industry needs.

INNOVATIVE INSURANCE POLICIES

Secure Shield is at the forefront of introducing new insurance policies to address contemporary business risks. Recent innovations include:

➤ **Pandemic Protection Insurance:**

Offers financial support for businesses affected by pandemics, covering operational disruptions and income loss.

➤ **Climate Risk Insurance:**

Provides coverage for businesses impacted by climate change-related events, such as extreme weather conditions.

➤ **Remote Work Insurance:**

Covers liabilities associated with remote working, including cyber risks and home office safety issues.

RISK MANAGEMENT STRATEGIES

Secure Shield adopts a proactive approach to risk management, offering clients:

➤ **Risk Assessment and Analysis:**

Utilizing advanced data analytics and industry expertise to evaluate potential risks comprehensively.

➤ **Loss Prevention Programs:**

Tailored programs aimed at reducing the likelihood of claims through safety training and regular risk audits.

➤ **Efficient Claims Management:**

Streamlined claims handling process to ensure swift and fair resolution, minimizing business disruption.

MARKET POSITION & STRATEGY

Secure Shield stands out through innovation, customer-focused solutions, and a deep understanding of evolving risk landscapes. The company's strategy includes:

➤ **Expansion of Product Offerings:**

Continuously developing new insurance products to meet emerging risks and customer needs.

➤ **Integration of Technology:**

Leveraging cutting-edge technology, such as artificial intelligence and blockchain, to enhance risk assessment and claims processing.

➤ **Commitment to Sustainability:**

Promoting sustainable practices within the company and offering products that support environmentally responsible business operations.

CHAPTER 3
LITERATURE REVIEW

LITERATURE REVIEW:

A literature review is a comprehensive and critical analysis of existing research and literature on a specific topic. It involves summarizing, evaluating, and synthesizing the findings from various sources, such as books, academic journals, and other scholarly articles, to provide a clear understanding of the current state of knowledge on the subject.

1) Evaluating the Role of Insurance in Managing Risk of Future Pandemics:

This paper outlines a framework for using insurance to manage business interruption risks during pandemics, drawing lessons from COVID-19. It highlights the importance of preemptive planning and the involvement of policymakers, insurers, and businesses to design effective insurance solutions for future systemic risks (NBER).

2) Enterprise Risk Management: A Literature Review and Agenda for Future Research:

This systematic review categorizes the existing research on Enterprise Risk Management (ERM) and discusses its adoption, determinants, and effects on firm performance. It emphasizes the need for more studies on the effectiveness of ERM components, especially within the insurance sector (MDPI).

3) The Role of Insurance in Minimizing Business Risk:

This study examines how different types of insurance, such as property, liability, business interruption, and cyber insurance, help businesses manage risks. It highlights insurance's role in ensuring business continuity, legal compliance, and stakeholder confidence (iResearch.ng) (Naveena Ulavan).

4) Risk Management: The Role of Insurance in Your Business:

This article discusses the critical role of insurance in business risk management, covering the transfer of risk, legal compliance, and enhancing business credibility. It provides insights into selecting the right insurance policies tailored to specific business risks (Bixler Insurance).

5) Insurance as a Risk Management Tool for business:

Focused on small and medium-sized enterprises (SMEs), this review explores how insurance products like business interruption and cyber insurance are crucial for SMEs to manage unexpected events and financial uncertainties, thus supporting business resilience (Naveena Ulavan).

6) The Impact of Proper Underwriting in Promoting Insurance Image:

This study on Nigerian insurance companies demonstrates how thorough underwriting practices can enhance the public image of insurers and boost confidence among policyholders, thereby increasing the uptake of business insurance products (iResearch.ng).

7) The Effect of Insurance on Business Continuity Planning:

This review emphasizes the role of various insurance policies in ensuring that businesses can recover and continue operations after catastrophic events, thereby minimizing the risk of financial collapse (Naveena Ulavan).

8) Insurance and Risk Transfer in Business Management:

This literature review explores how businesses use insurance to transfer risks, thus converting potentially significant losses into manageable costs. It highlights the importance of regularly updating insurance coverage to match evolving business risks (Bixler Insurance).

9) Insurance and Legal Compliance in Business Operations:

This article reviews the mandatory insurance requirements for businesses, such as workers' compensation and auto insurance, and discusses how compliance with these regulations helps businesses avoid legal issues and maintain smooth operations (Bixler Insurance).

10) Cyber Insurance: Protecting Businesses in the Digital Age:

This review focuses on the increasing importance of cyber insurance in protecting businesses from cyber threats. It discusses the financial implications of cyberattacks and the role of cyber insurance in mitigating these risks, ensuring data security and business continuity (Naveena Ulavan).

These sources provide a comprehensive overview of how new insurance products and practices are vital in minimizing various business risks, ensuring continuity, and fostering stakeholder confidence.

CHAPTER IV
RESEARCH METHODOLOGY

RESEARCH METHODOLOGY:

Methodology is systematic procedure of collecting information in order to analyze and verifying a phenomenon. Preparing a research report is a research analysis it involves the process of collecting data, analyzing data and reporting data for an absolute result

For conducting a study on the role of new insurance policies in minimizing business risk, a comprehensive research methodology can be developed.

This methodology can be outlined in several key sections:

Introduction:

➤ Research Problem:

Define the specific problem your study aims to address. For example, understanding how new insurance policies can mitigate risks for businesses, particularly SMEs, during unexpected events like natural disasters or economic downturns.

➤ Objectives

Establish the goals of the study, such as evaluating the effectiveness of different insurance policies in risk management and understanding the adoption rate among businesses.

➤ **Research Design:**

Study Area: Specify the geographical location of your study. For instance, focusing on SMEs in a particular city or region.

Population and Sampling: Define your target population and the sampling technique. You might use a stratified random sampling method to ensure diverse representation of various business sectors.

Data Collection Methods: Utilize both primary and secondary data. Primary data can be collected through surveys and interviews, while secondary data might include industry reports and existing studies (iResearch.ng) (Project papers).

➤ **Data Collection Instruments:**

Questionnaire: Design a detailed questionnaire to gather quantitative data on the types of insurance policies used by businesses, their **perceived effectiveness, and the extent of their adoption.**

Interviews: Conduct semi-structured interviews with business owners and insurance experts to collect qualitative insights.

➤ **Data Analysis:**

Quantitative Analysis: Use statistical tools to analyze survey data, employing techniques like frequency counts, cross-tabulations, and regression analysis to identify patterns and correlations.

Qualitative Analysis: Perform thematic analysis on interview data to extract key themes and insights regarding the role of insurance policies in risk management (Project papers).

➤ **Validity and Reliability:**

Ensure the validity and reliability of your data collection instruments through pilot testing and consistency checks. This step is crucial to ensure that the findings of your study are credible and generalizable.

➤ **Ethical Considerations:**

Address ethical issues by obtaining informed consent from participants, ensuring confidentiality, and being transparent about the purpose of the research.

➤ **Presentation of Results:**

present the findings using appropriate charts, graphs, and tables to illustrate the data clearly. Provide a detailed discussion of the results, linking them back to your research questions and objectives.

➤ **Conclusion and Recommendations:**

Summarize the key findings and suggest practical recommendations for businesses and policymakers on improving the adoption and effectiveness of insurance policies in minimizing business risks. Highlight areas for future research to continue advancing knowledge in this field (Project papers).

This structured approach will help in systematically investigating the role of new insurance policies in minimizing business risks and provide actionable insights for stakeholders.

PROBLEM STATEMENT

Businesses today face an array of risks that are more complex and interrelated than ever before, ranging from cyber threats and supply chain disruptions to regulatory changes and environmental challenges. Traditional insurance products often fail to provide adequate coverage for these modern risks, leaving businesses vulnerable.

This study seeks to investigate whether new insurance policies, which are designed to be more comprehensive and adaptable, can more effectively minimize these business risks. Understanding the role and impact of these new insurance policies is essential for businesses to make informed decisions about their risk management strategies

NEED OF STUDY

- The study would help identify the reasons for the level of insurance as a risk transfer mechanism and create a changed behavior of the owners of business.
- The research would benefit, risk managers, business consultants and business continuity consultants by identifying areas that they might need to consider when preparing disaster recovery plans.
- Findings that emerged from the study would serve as a spring board to generate interest for further research into the other aspects of insurance challenges.
- The research work would also be of enormous assistance to various levels of educational institutions in the country, especially the universities as reference material for further studies and research work on insurance as a risk management strategy.
- The study would further contribute to the existing literature on mitigating and providing confidence to entrepreneurs in their investment decisions.

OBJECTIVE OF STUDY:

The main objective of this study is to evaluate the role of insurance in minimizing business risk, with emphasis on small scale business, but to aid the completion of the study, the researcher intends to achieve the following specific objective;

- To examine the role of insurance in minimizing business risk
- To identify and assess the specific risks faced by businesses across different industries.
- To determine the effectiveness of new insurance policies in mitigating business risks
- To examine the influence of new insurance policies within businesses

HYPOTHESIS:

1. Null Hypotheses (H0): There is no significant relationship between the adoption of new insurance policies and the reduction of business risk.

2. Alternative Hypotheses (H1): The adoption of new insurance policies is positively associated with a reduction in business risk, leading to improved risk management outcomes and greater resilience in the face of uncertainties

LIMITATIONS OF THE STUDY:

The limitations of such a study could include:

1. The study focuses on a specific subset of new insurance policies and may not cover all available products in the market.
2. The research may be limited to certain geographical regions, which could affect the generalizability of the findings to other areas.
3. The study is conducted within a limited time frame, which might not capture long-term effects and trends
4. Access to detailed and comprehensive data from insurance companies and businesses may be restricted, potentially limiting the depth of the analysis.
5. Business leaders' and managers' perceptions of the effectiveness of new insurance policies can be subjective and vary widely, impacting the consistency of the findings.

CHAPTER V

DATA ANALYSIS & INTERPRETATION

DATA ANALYSIS & INTERETATION:

DATA ANALYSIS:

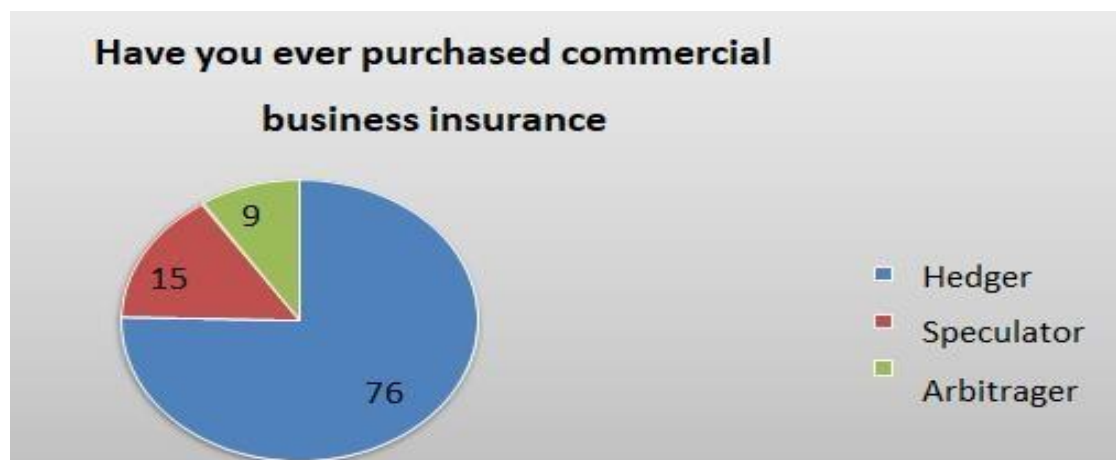
Data analysis is the process of inspecting, cleaning, transforming, and modeling data to uncover useful information, draw conclusions, and support decision-making. It involves various techniques, such as statistical analysis, machine learning, data mining, and visualization, to extract meaningful insights from raw data. The goal of data analysis is to understand patterns, trends, and relationships within the data to make informed decisions or predictions.

DATA INTERPRETATION:

Data interpretation is the process of analyzing and making sense of data to derive meaningful insights and conclusions. It involves examining data sets, identifying patterns, trends, and relationships, and drawing conclusions or making recommendations based on the analysis. Data interpretation often involves synthesizing information from multiple sources, such as tables, charts, graphs, or textual data, to understand the underlying meaning and implications of the data. It is an essential step in the data analysis process and is used to inform decision-making in various fields, including business, science, healthcare, and social sciences.

Q1 Which commercial business insurance have you purchased from below mentioned?

Ever Purchased	frequency	Percentage
Hedger	49	75.38
Speculator	10	15.38
Arbitrager	6	9.23
Totals	59	100.0

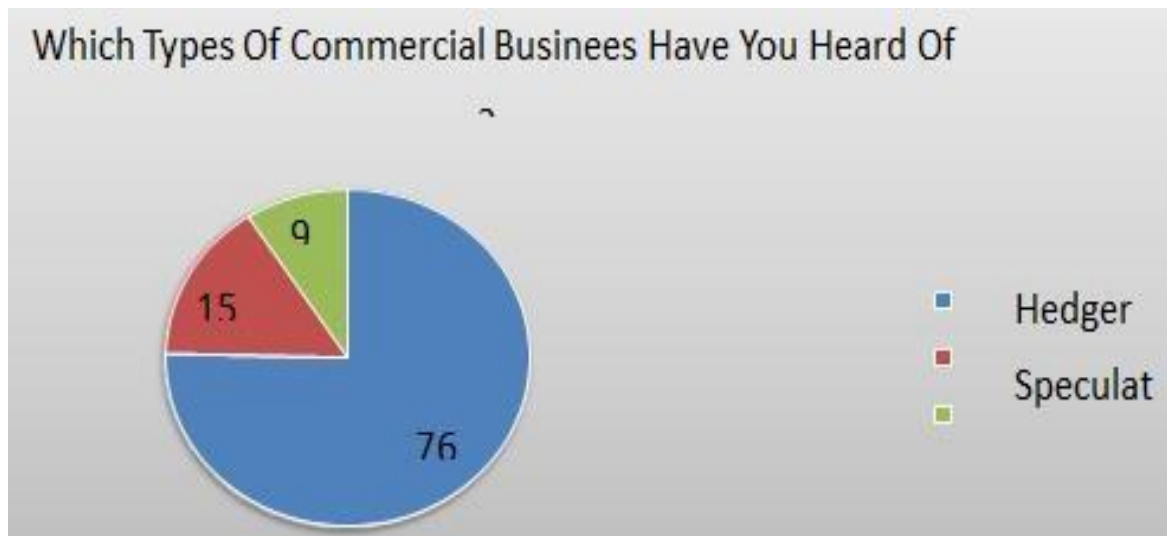


INTERPRETATION:

The above graph shows the purchase of commercial business insurance. It shows that 9% is purchased by arbitrageur and the 15% insurance purchased by speculator and the 76% commercial business insurance purchased by Hedger.

Q2. Which Types of Commercial Business Insurance Have You Heard Of?

Insurance Type	Frequency	Percentage
Business Liability Insurance	46	15.38
Business owners Policy	7	61.53
Worker Compensation	6	23.07
Totals	59	100

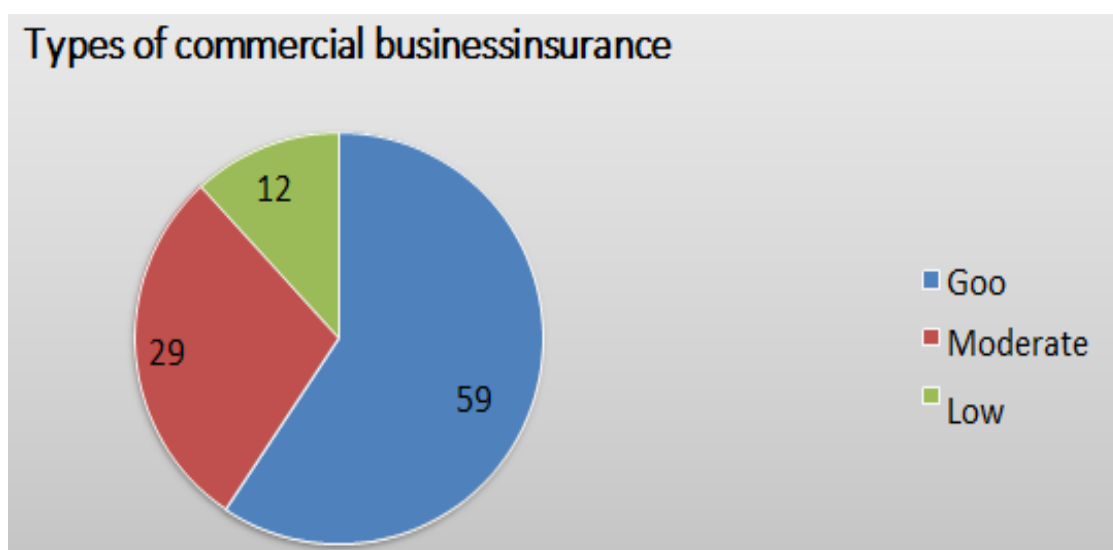


INTERPRETATION:

The above graph shows the percentage of commercial business have you heard of heard of soul the 15% commercial business as type of speculator 76% and 9% are arbitrage

Q3. How would you rate your understanding of different types of commercial business insurance?

Insurance Type	Frequency	Percentage
Good	35	59.3
Moderate	17	28.8
Low	7	11.8
Totals	59	100



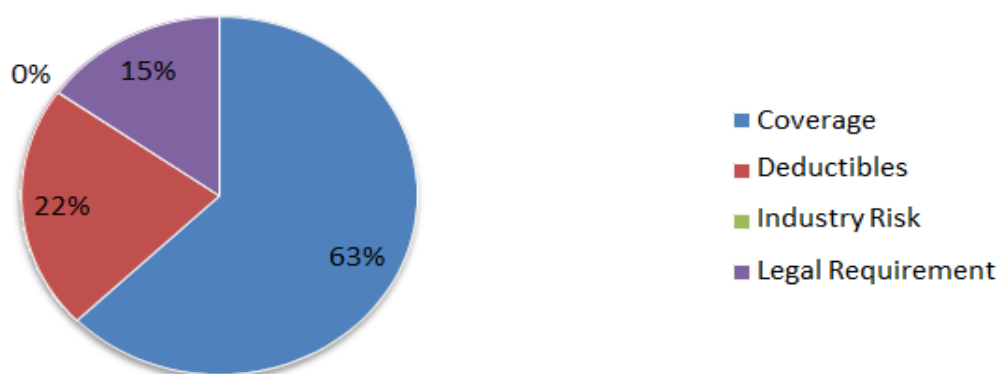
INTERPRETATION:

The above graph shows the types of commercial business insurance so the percentage shows that 59.3% comes under good insurance type 28.8 comes under moderate and 11.8 comes under low type of insurance.

Q 4 What factors do you consider when choosing a commercial business insurance provider?

Consider While Purchasing insurance	Frequency	Percentage
Coverage	37	62.7
Deductibles	13	22.0
Industry Risk	0	0
Legal Requirement	9	15.2
Totals	59	100

Commercial Business Risk

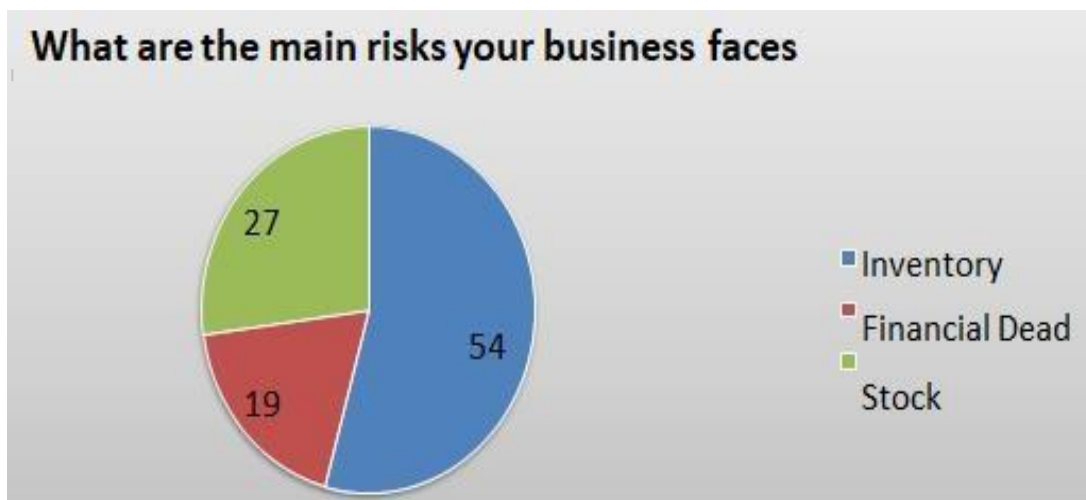


INTERPRETATION:

The above graph shows the factors considered when choosing a commercial business insurance provider so the coverage is of 63% and 22% shows deductibles and the zero percent shows industry rate or industry risk and 15% as legal requirement.

Q5 What are the main risks your business faces?

Major Risks of Your Business	Frequency	Percentage
Inventory	32	54.2
Financial	11	18.6
Dead Stock	16	27.1
Total	59	100

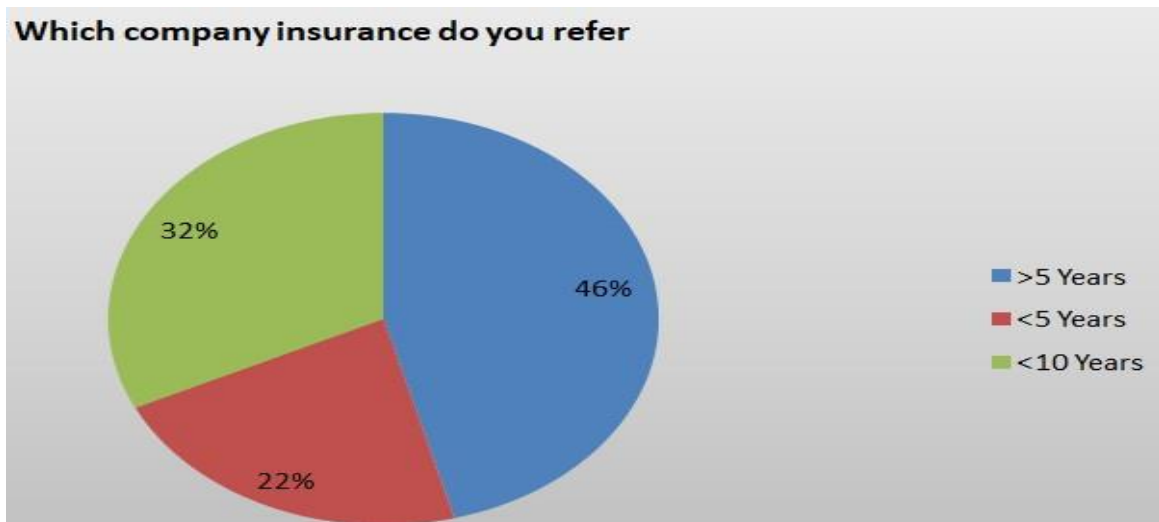


INTERPRETATION:

The above shows the main risk business faces it shows that 54% inventory disc 19% financial address and 27% of stock risk.

Q6 From How many years you are taking insurance for your business?

No. of Years	Frequenc y	Percentag e
>5 years	27	45.7
<5 years	13	22.0
<10 years	19	32.0
Total	59	100

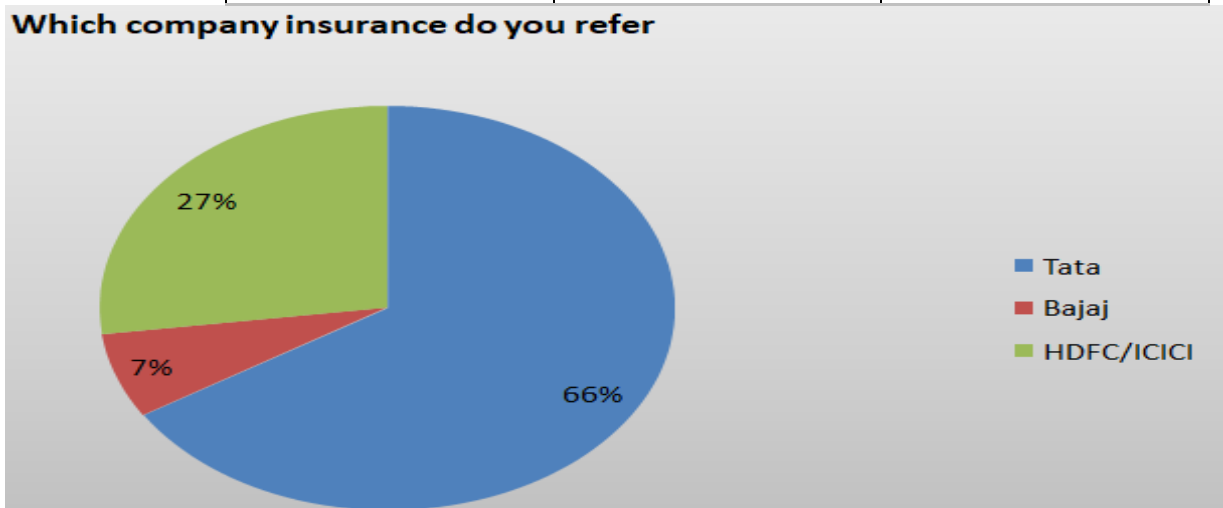


INTERPRETATION:

the above graph shows the company insurance for business so the five years insurance frequency is 27 which shows 46% and the five-year frequency which is 13 shows 22% and the 10-year frequency shows 32% which is 19 frequencies.

Q7 which company insurance do you refer?

Insurance Company	Frequency	Percentage
Tata	39	66.1
Bajaj	4	6.77
HDFC/ICICI	16	27.1
Totals	59	100



INTERPRETATION:

the above graph shows the insurance from different companies show the business which prefer 27% of insurance is from HDFC and ICICI Bank the 7% from Bajaj and 66% has from Tata insurance.

CHAPTER VI
FINDING & SUGGESTIONS

FINDINGS:

- I. This financial buffer helps maintain stability and ensures businesses can recover from disruptions Legal Compliance.

- II. Certain types of insurance, like workers' compensation and liability insurance, are mandatory in many jurisdictions, helping businesses comply with legal requirements and avoid penalties

- III. This is crucial for SMEs, which might lack the reserves to withstand prolonged disruptions.

- IV. New insurance policies are evolving to cover emerging risks such as cyber threats, which have become increasingly relevant with the rise of digital operation

- V. Businesses can customize their insurance coverage to match their specific risk profiles, ensuring optimal protection against the unique risks they face

SUGGESTIONS:

- I. Insurers should educate businesses about the benefits of new insurance policies through workshops and informational campaigns.
- II. Continue developing industry-specific insurance products to meet the unique needs of various sectors.
- III. Emphasize the importance of cyber insurance, given the growing threat of cyber attacks.
- IV. Offer flexible and scalable insurance solutions that can adapt to the changing risk profiles of businesses.
- V. Use technology to further streamline claims processes, ensuring quick and fair settlements to maintain business trust and satisfaction.

CHAPTER VII

CONCLUSION

CONCLUSION:

The study on the role of new insurance policies in minimizing business risk provides critical insights into how modern risk management strategies can be enhanced through innovative insurance products. By examining the effectiveness, adoption, and perception of these new policies, the study highlights their potential to offer superior protection against contemporary business risks compared to traditional insurance solutions.

The findings suggest that businesses that incorporate new insurance policies into their risk management frameworks are better equipped to handle unforeseen disruptions and financial setbacks. However, the study also identifies key challenges and limitations in the adoption and implementation of these policies, such as awareness, cost considerations, and varying levels of coverage.

In conclusion, the research underscores the importance of continuous innovation in the insurance industry to keep pace with the evolving risk landscape. For businesses, understanding and leveraging new insurance policies can be a vital component of a robust risk management strategy, ultimately contributing to greater resilience and long-term success. Future research could expand on these findings by exploring the long-term impacts and effectiveness of new insurance policies across different industries and regions.

CHAPTER VIII

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REFERENCES

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ANNEXURE

ANNEXURE

1. Which commercial business insurance have you purchased from below mentioned?

- Hedger
- Speculator
- Arbitrager

2. Which Types of Commercial Business Have You Heard Of?

- Business Liability Insurance
- Business owners Policy
- Worker Compensation

3. How would you rate your understanding of different types of commercial business insurance?

- Good
- Moderate
- Low

4. What factors do you consider when choosing a commercial business insurance provider?

- Coverage
- Deductibles
- Industry Risk
- Legal Requirement

5. What are the main risks your business faces?

- Inventory
- Financial
- Dead Stock

6. From How many years you are taking insurance for your business?

- >5 years
- <5 years
- <10 years

7. Which company insurance do you refer?

- Tata
- Bajaj
- HDFC/ICICI