



"Navigating Uncertainty: An In-depth Exploration of Risk Perception at the Branch Level of United India Insurance Company Limited in Dibrugarh Town"

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ABSTRACT: Life holds uncertainty for all, as fortunes rise and fall. Each seeks to build assets and safeguard what they gain. Finance and insurance now aid in acquiring goods, reimbursing losses that remain. The insurance sector has grown tremendously in the past decade. While products lessen risks to life and property, the risks borne by companies were understated before now. This paper looks again at the risks for one INSURANCE firm in Dibrugarh, Assam. Every company manages danger differently; each manager applying methods with character and ethics. Insurance benefits society, so rewards outweigh costs, including risks. Reinsurance and spread policies help curb risks, though some unknown losses stay. Core principles guide handling and mitigating venture results. Staff applying rules vary impacts based on handling every unique case, led by principles not fixed laws. A branch's risk view mixes set regimes with leaders' seasoning from roles held.

KEYWORDS: branch level, insurance, perception, risk management

I. INTRODUCTION

Needs, both basic and expanding, tie together all people regardless of attributes. The craving for more has spawned unprecedented demand fueling problems today. As Maslow stated, needs form a hierarchy. Safety and security needs, addressed through insurance, rank among life's fundamentals alongside clothing, shelter and sustenance. Insurance, a defensive shield reimbursing losses, requires absorbing risk. Risks in insurance contain uniqueness and fundamentals. Field-level application of evaluating and managing danger depends partly on individual views, since managers perceive and handle risks subjectively. Yet universal truths endure, like the associations between premiums and exposures or how insurers and insured generally connect.

Insurance remains a personal topic. Premium amounts and policy details vary according to needs and sometimes customization. A company, an artificial entity, operates through staff administering inconsistently due to diverse backgrounds triggering everyone in a manner. Psychological analyses and danger absorption levels differ because we emerge from different cultures receiving stimuli differently. Books and reality rarely coincide completely as individuals view similarly through various lenses - a glass half full or empty. Likewise a roadway appears left or right-sided from alternate angles. Parallel variations appear here where equals appraise an identical risk differently - management, customers or one branch studied.

II. REVIEW OF LITERATURE

Not much literature was found on the intended area. However, some of the notable ones are stated as under:

Hariharan et al shed light on the diverse reporting practices employed by Indian life insurance agencies regarding risk administration and governance in their yearly statements. The scientists chosen five aspects to decipher the overall quality of risk disclosure specifically Risk Management Framework, Risk Governance, types of Risks Clarified, designation of Chief Risk Officer (CRO) and his/her Independence/Capability and Quality Standards Certification. The conclusions demonstrated that there was considerable variety in the substance of their revelations despite all following the identical corporate governance rules of the Insurance Regulatory and Development Authority of India (IRDAI).

Diacon and Ennew's exploration paper featured the aftereffects of an point by point examination of a portion of the elements that characterize the observed hazard in various individual monetary administrations, life coverage and banking items presently accessible to private



financial specialists in the United Kingdom. The scientists utilized psychometric scaling strategies to process the observed hazard and advantages. The outcomes of the examination proposed a critical part for the controllers of the individual monetary administrations advertise in taking measures which can upgrade shopper trust in items and suppliers, and in guaranteeing some INSURANCE from genuine negative monetary results.

Alhakami and Slovic attempted to recognize the elements that decide the interdependence between hazard and advantage assessments and to comprehend why some things have more elevated than others. The investigation uncovered that the relationship between observed danger and saw advantages might rely upon the person's general passionate appraisal of the item. The scientists opined that things or items towards which individuals had positive mindsets were seen as having elevated advantages and low hazard and the other way around .

NEED AND IMPORTANCE OF THE STUDY

Insurance has become an essential way of mitigating personal risks and risk carriers shoulder the burden themselves. Thus, insurance companies take on immense risks at the company, branch, and employee levels. Examining risk perception at the branch level helps illuminate ground-level risk.

STATEMENT OF THE PROBLEM

Each employee's risk perception varies according to social, psychological, and financial factors. This study explores risk perception at a prominent insurance company's Dibrugarh branch to gain an on-the-ground understanding of how risks manifest locally. Nuances in perspective shed light on how risk is experienced differently based on situational contexts and individual traits. Overall, appreciating diverse risk viewpoints enhances an organization's capacity to tune support according to the realities of diverse work environments.

OBJECTIVES OF THE STUDY

1. To study the variety of risk perceptions across branches and understand how they impact operations.
2. To analyze the assortment of risk diversification methods utilized and determine their effectiveness.
3. To examine the diverse facets of established risk oversight mechanisms and identify areas for improvement

III. RESEARCH METHODOLOGY

- Study Area: United India Insurance Company Limited
- Research Instrument: Interview Schedule
- Type of Data: Primary and Secondary Data
- Method of Analysis: Qualitative methods based on observation and data collected.

IV. RESULTS & DISCUSSION

I. STATEMENT OF RISK ASSOCIATED WITH INSURANCE BUSINESS

1. Insurance undertakings inherently take on risk unique to the industry.

The respondent strongly agreed to this statement and hence ranked it as 1

Interpretation: Profitability relies on accurately gauging exposures and underwriting calculated amounts commensurate with the long term returns of low and moderate risk ventures, which typically yield higher rewards than ventures with greater uncertainties.

2. Premium calculations for life plans are founded upon mortality tables delineating average life expectancies by age, a critical factor since the probability of sizable payouts increases with seniority.

The respondent agreed to this statement and hence ranked it as 2.

Interpretation: However, additional personal particulars like gender, medical background, family health history, hobbies and occupation also influence pricing by providing a more nuanced picture of each applicant's situation and subsequent risks. Continuous reassessment and refinement of the models underpinning premium determinations helps insurers enhance their ability to appropriately distribute costs among policyholders.

3. The need for insurance diminishes as more are exposed to common risks.

The respondent somewhat agreed and thus scored it a 2.

Interpretation: Insurers rely on the law of large numbers to calculate premium costs. When risks are shared by a broader population, each individual bears less of a burden since the chances of a claim are distributed across more people. However, perfect predictability remains elusive as real-world conditions are dynamic rather than static.

4. Premium amounts correspond to the level of insured risk.



The respondent took a neutral stance and consequently ranked it a 2.

Interpretation: Insurance risk varies due to numerous influences from age to medical history. For life insurance underwritten by a company, longevity expectations impact premiums along with location-tied perils such as a property's surroundings. Generally, youth signals lower premiums since health issues have had less time to develop. Similarly, a vehicle's first years usually require less maintenance than its later operation cycles as wear accumulates over time.

5. Benefits of insurance should exceed the cost of insurance.

The respondent concurred with this statement, ranking it as 2.

Interpretation: Insurance provides society both advantages and disadvantages. Regarding social costs, premiums induce income anxiety and difficulties paying, leading to increased borrowing for premiums and diminished individual consumption. As for social advantages, insurance reimburses losses and restores insureds' prior condition, acts as an investment source, boosts creditworthiness and aids loss prevention efforts. The complexity of determining whether advantages surpass costs demonstrates why this debate continues and policies aim for equitable solutions. Overall, a system providing peace of mind against life's uncertainties maintains value if accessible and used prudently.

II. RISK DIVERSIFICATION

1. Reinsurance is the main element for risk diversification.

The respondent disagreed with this assertion, ranking it a 4 on the scale.

Interpretation: Reinsurance serves as a safety net for insurance companies, allowing them to offset excessive risk exposure. Only the most substantial policies that could financially devastate a carrier if a claim materialized tend to be reinsured. Prudent underwriting aims to avoid accumulating too many such high-risk contracts inevitably some will slip through. Reinsurance remains a final recourse seldom utilized as insurers naturally prefer retaining maximum profits. However, taking on liabilities beyond prudent limits leaves little margin for error, imperiling solvency should catastrophe strike. Thus, diversifying concentrated risk globally via reinsurance offers a prudent strategy for balancing growth and stability in unpredictable markets.

2. Risk from financial markets can be offset using derivatives rather than insurance.

The respondent disagreed with this statement, ranking it a 4.

Interpretation: The respondent should have strongly agreed since insurance cannot reduce uncertainty in finances. Hedging transfers chances of unfavorable price changes. It aims to minimize potential losses. Most investors mitigate risk through derivatives. These contracts value depends on a real asset. Common derivatives let owners choose to buy or sell a stock at a set price within a time limit.

3. Risk relating to financial market operations is not covered by insurance.

The respondent should have strongly agreed with this statement

Interpretation: Uncertainty from economic fluctuations and unpredictable price movements cannot be covered through traditional risk protection plans. Exposure to risk in securities like stocks and bonds stems from forces that sway entire industries and the overall health of the economy. It's a reality that investing carries the possibility of losing money when turmoil disrupts the typical rise and fall of asset values. While certain derivative tools may help offset some danger, insurance provides no safeguard from variability in financial arenas. No premium paid to an insurer can guarantee reimbursement when instability in the marketplace affects the worth of invested funds in an adverse fashion. Since no individual controls whether markets boom or bust in the face of uncertain global events and changing conditions, this type of danger must be absorbed as an inevitable part of participating in opportunities for profit through ownership of financial instruments.

III. RISK CONTROL

1. To minimize credit risk when issuing policies, insurers must thoroughly review applicants' previous financial records.

The respondent strongly agreed with this notion, ranking it first in importance.

Interpretation: When underwriting insurance, companies should examine customers' payment histories to accurately assess their ability and willingness to meet premium obligations on time. Any defaults on premium payments by a policyholder would exacerbate the insurer's credit risk exposure. As a result "Navigating Uncertainty: An In-depth Exploration of Risk Perception at the Branch Level of United India Insurance Company Limited in



Dibrugarh Town .The insurance provider may experience interruptions in cash flow as well as incur additional collection costs while attempting to recoup unpaid dues. Possessing a clean credit record allows insurers to offer coverage confidently, empowering sound business decisions around risk acceptance and pricing. Careful consideration of creditworthiness helps shield insurers from avoidable losses and maintains a stable flow of resources, critical to operational sustainability.

2. Both public and private sector insurance companies are stringently governed by IRDAI.

The respondent firmly concurred with this statement, ranking it foremost.

Interpretation: The Insurance Regulatory and Development Authority of India (IRDAI) serves as an autonomous statutory body established primarily to regulate the insurance and reinsurance industries nationwide. It functions to safeguard policyholders from any fraudulent practices. All companies must obtain registration with IRDAI and procure the requisite certificates. Any modifications regarding renewal or termination of such certifications will be handled by IRDAI. Protection and preservation of consumer rights forms the bedrock of its supervision. While promulgating compliance, it aims to foster a climate of transparency.

3. For effective risk control, insurance companies are strictly required to adhere to the fundamental principles of insurance.

The respondent strongly agreed with this statement, selecting it as their top choice.

Interpretation: The entire insurance business is built upon the cornerstones and basic foundations of insurance doctrine. Insurance legislation can have substantial legal implications for an individual in the event of a loss. Policies are purchased with the objective of hedging against unexpected financial blows. The laws and provisions relating to coverage determine whether one is protected and the extent of compensation. These are intricate legal documents reflecting law in general and insurance law specifically. Therefore, it is imperative to have a clear grasp of the underlying tenets that govern insurance contracts as they are intended to benefit society as a whole. Additional training may be needed to fully understand intricate clauses and identify edge cases not clearly addressed to avoid disputes after claims. While standardization aims to promote fairness, no document can anticipate every situation so discretion and nuance still play a role.

4. Does your company organize awareness camps to educate policyholders on safeguard measures against the insured risks?

While the respondent acknowledged holding educational events, their response necessitated further details.

Interpretation : The representative reacted positively but their validation underscored the requirement for supplementary context. Their endorsement highlighted the need to clarify how such INSURANCES are conveyed and uncertainties allayed.

At the local level, Exhibitions spread knowledge of the protection provided by offerings to existing customers. Companywide, an annual focus on integrity sees participation in pledges for openness and the eradication of corruption through enlightenment of the public, cultivating vigilance.

V. FINDINGS OF THE STUDY

The findings of the study have been summed up as under:

SUMMARY OF THE RESPONSES GIVEN BY THE BRANCH MANAGER

SCALE RANKS STATEMENTS

1 Strongly Agree

✓ Insurance undertakings inherently take on risk unique to the industry.

✓ To minimize credit risk when issuing policies, insurers must thoroughly review applicants' previous financial records.

✓ Both public and private sector insurance companies are stringently governed by IRDAI.

✓ For effective risk control, insurance companies are strictly required to adhere to the fundamental principles of insurance.

2 Agree

✓ Premium calculations for life plans are founded upon mortality tables delineating average life expectancies by age, a critical factor since the probability of sizable payouts increases with seniority.

✓ The need for insurance diminishes as more are exposed to common risks.

✓ Benefits of insurance should exceed the cost of insurance.

3 Neutral

✓ Premium amounts correspond to the level of insured risk.

4 Disagree

✓ Reinsurance is the main element for risk diversification.

✓ Financial market risk can be hedged by financial derivatives but not by insurance.



✓ Risk from financial markets can be offset using derivatives rather than insurance.
5 Strongly Disagree

VI. RECOMMENDATIONS

1. While the employees strive for clarity in their approach to insurance, complex policies often leave conceptual gaps which frustrate both worker and customer alike.
2. Orientation and targeted training can help the staff better understand each unique client's needs, tailoring their efforts to minimize risk through comprehensive yet compassionate care.
3. For their part, customers deserve easy access to information enlightening their choices, as educational outreach empowers investors at every level to select options aligned with their evolving goals and guarded futures.

VII. CONCLUSION

Risk perception encompasses cognitive awareness as well as subjective feelings towards potential dangers. How much one understands risks and how they emotionally experience threats heavily dictates their views.

This focused study explored the viewpoint and instinctual stance of a select insurance company's branch manager regarding vulnerabilities within policy coverage at UNITED India INSURANCE. Results exposed that he expressed an exceedingly sensitive risk perspective with minuscule recommended precautions concerning diversifying dangers as the firm chiefly adhered to underwriting principles with little flexibility. Yet he did concede possibilities exist to somewhat decentralize and govern insurance risks by expanding the number subjected to comparable threats.

The insurance business fundamentally relies on managing uncertainties and unforeseen events. Therefore, an insurer must consider a broad assortment of plausible risks and subsequent consequences that may impact present and future financial well-being. Thus, an underwriter ought to be equipped with every accessible risk management technique so losses can be curtailed or eliminated to the greatest attainable extent.

LIMITATIONS

The investigation focuses solely on the risk interpretation of an individual insurance company located in Dibrugarh. Additionally, the branch

manager occasionally misspoke when replying to queries, revealing some lack of underlying conceptual comprehension. Consequently, inferences produced from those responses might fail to accurately mirror genuine perceptions concerning insurance dangers. Prior exploration on related topics providing applicable knowledge for this paper was likely constrained. Nonetheless, acknowledging restrictions can birth prospects to pinpoint gaps in previous works and emphasize necessity for extra progression within this field of analysis.

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ANNEXURE

SCHEDULE

A STUDY OF RISK PERCEPTION AT BRANCH LEVEL OF THE UNITED INDIA INSURANCE COMPANY LIMITED OPERATING IN DIBRUGARH TOWN

a. Name:

b. Designation:

c. Rank the given statements in a 5 point Likert scale where,

1. Strongly Agree 2. Agree 3. Neutral 4. Disagree 5. Strongly Disagree

I. STATEMENT OF RISK ASSOCIATED WITH INSURANCE BUSINESS

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2 Premium calculations for life plans are founded upon mortality tables delineating average life expectancies by age, a critical factor since the probability of sizable payouts increases with seniority.



3. The need for insurance diminishes as more are exposed to common risks.
4. Premium amounts correspond to the level of insured risk.
5. Benefits of insurance should exceed the cost of insurance.

II. RISK DIVERSIFICATION

1. Reinsurance is the main element for risk diversification
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3. For effective risk control, insurance companies are strictly required to adhere to the fundamental principles of insurance.
4. Does your company organize awareness camps to educate policyholders on safeguard measures against the insured risks?