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Research on Risk Assessment for Different People

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ABSTRACT

The traditional idea is that risk aggregation is the operating principle of the insurance industry, sometimes called the insurance principle, which refers to the aggregation of unrelated risk items to reduce risks [1]. Simply put, because insurance companies issue many policies to different customers with independent risk sources, each policy only accounts for a small part of the insurance company's portfolio. With this decentralized approach to achieve the purpose of reducing risk. However, selling more insurance means increasing the risk investment position, and the overall risk will also rise. Therefore, we find that simply increasing the sale of new independent policies cannot explain the insurance industry. Subsequently, we put forward the concept of risk sharing, which is also the basic principle used by the insurance industry, that is, holding a large number of policies in diversification on the basis of controlling the total risk by selling shares to shareholders. Spread a certain amount of risk over many investors, and as the Sharpe ratio increases with the number of policies, the risk per shareholder decreases.

KEYWORDS

Risk Assessment; Insurance Companies; Reducing Risk.

1. INTRODUCTION

With the concept of risk sharing, anyone can create an insurance company, but this is not the case, and there is still a very important problem in the real business is risk assessment. Risk assessment refers to the quantitative risk assessment of people's lives, health and property at that point in time before the risk event occurs, and the degree of future economic loss is predicted. The insurance industry analyzes the profits that can be obtained from the insurance policy prediction according to the results of the risk assessment, and determines whether there is a possibility of profit before sustainable development. Risk assessment has become an indispensable part of all walks of life in today's unpredictable world, and in the insurance field, it is particularly important to carry out risk assessment for different population characteristics.

2. RISK CLASSIFICATION

In terms of risk, early researchers divided risk into internal risk and external risk. With the continuous development of society, scholars have different views in recent years. Barbara Adam and Jost van Loon divided risk into two categories: man-made risk and natural risk. Scott Rush divides it into three categories: social and political risk, economic risk, and natural risk. [2] In the research of Chinese scholars, risk is divided into seven types: natural, health, social, economic, political, environmental, and technological [3], while in this paper, risk is divided into individual risk and group risk.

3. POPULATION RISK CHARACTERISTICS

A group is composed of individuals, and individuals are complex and diverse. The characteristics of individuals can be classified vertically according to age, and horizontally according to work, health, family, etc. A group is a macro level including individuals, which can be divided into different groups according to the same characteristics of individuals. Its risks are manifested as social security, food safety, ecological resource problems, insufficient supply of public goods such as education and medical care, and unstable prices. [4] Different groups have different risk characteristics. Existing studies have confirmed that the problems that people have the strongest risk perception are concentrated in social problems with a high degree of community and strong reality. The top three were: economic crisis (26.9 percent), public health events (25.4 percent) and social security emergencies (23.6 percent). [3] It can be seen from this that individuals are generally concerned about economic, health and safety risks, which are risks of common concern to individuals in their daily life and have certain stability. Insurance companies will also take these risks as their main business operations. With the continuous development of society, risks will first appear among individuals. After continuous accumulation, intensification and expansion, these individual risks will gradually evolve and spread to the group level, and under the further action of the social amplification mechanism, major social problems or social crises will break out. Taking the above factors into account, group characteristics can reflect the risk characteristics of a large group of people and determine the scope of insurance business, while individual risk characteristics can show group characteristics and predict new group risks, thus opening up new business scope for insurance companies. Insurance companies should carry out risk assessment on individual policyholders, so as to determine the individual risk characteristics and then show the group characteristics to the insurance rate and insurance coverage.

4. INFLUENCE OF DIFFERENT POPULATION CHARACTERISTICS ON RISK ASSESSMENT

In today's society, every individual is facing risks. First of all, we need to clarify the impact of different population characteristics on risk assessment. Risk assessment based on population characteristics can help us better understand and predict potential risks. Different groups of people may behave and react differently to the same risk. Through the analysis of population characteristics, we can assess the risk degree of different groups more accurately, so as to take corresponding measures to reduce the probability of risk occurrence. But in real life, each individual and even each group bear different risks, and the social risk distribution is actually significantly different. Different groups of people may have different health conditions, lifestyle habits, occupational characteristics, etc., and these factors can affect their risk. For example, for some manual workers, the main risk they may face is an accident injury related to the work environment; For some white-collar workers, they may need to pay more attention to issues such as mental health and burnout. The history of risk distribution shows that, like wealth, risk is always attached to a class pattern, but in an inverted way: wealth accumulates at the top and risk at the bottom. In this sense, the risk seems not to eliminate class society but to consolidate it. Poverty entails a great deal of risk of misfortune. On the contrary, wealth in income, power, and education can buy security and the privilege of immunity from risk." [5] Recent studies by Chinese scholars also believe that the distribution of specific risks is to some extent isomorphic with the differentiation of classes and strata, strengthening the differentiation of the latter, and point out that there is a complex interaction between the logic of wealth distribution and the logic of risk distribution in our country. [6] Therefore, risk assessment based on the characteristics of different populations can be more targeted to develop corresponding risk management measures, so that insurance policies have different measurements of different insured people, which requires insurance companies to measure individual risks of insured people and formulate different insurance premium ratios. The group is helpful for insurance companies to

develop different business scopes and formulate future development strategies from the macro level. Individuals can help insurance companies to measure risks and estimate different insurance premium ratios, which also requires our research to introduce a microscopic perspective and pay attention to the difference in risk distribution, not only to separate out the real damaged groups, but also to screen the damage degree of different groups under the same risk situation.

5. INSURANCE BUSINESS FOR DIFFERENT GROUPS OF PEOPLE

Risk assessment according to the characteristics of different populations is an important part of insurance operation, and also helps to improve the accuracy and effectiveness of risk assessment. First of all, different people may have different performances and reactions when facing risks, and their risk appetite will also be different. For example, in the financial field, young people and old people may have different risk tolerance, so risk assessment for different age groups can more accurately understand their risk appetite, so as to provide them with more appropriate financial products and services. In the medical field, people of different races, genders and ages may face different health risks, so risk assessment based on different population characteristics can more accurately predict the health problems they may face, so as to provide more effective health care programs. Secondly, risk assessment based on different population characteristics can improve the effectiveness of assessment. Through the risk assessment of different population characteristics, we can better understand the risk factors they face, so that appropriate measures can be taken to reduce the risk. For example, in the field of insurance, risk assessment for people with different occupations, lifestyles, and health conditions can more effectively determine their insurance rates and thus provide them with insurance services more equitably. Through in-depth analysis and understanding of the characteristics of different populations, we can grasp the risk situation they face more comprehensively, so as to assess the possibility and impact of risk more accurately. This helps organizations and individuals to understand and deal with risks more scientifically, avoid blindness and unnecessary panic, and also more effectively avoid the occurrence and expansion of risk events. It is not only the key to risk assessment for insurance companies, but also conducive to the macro control of risks by the state. However, it is not easy to carry out risk assessment for different population characteristics. First of all, we need to systematically classify and sort out the characteristics of different populations, which requires a full understanding of the characteristics and characteristics of each population. Secondly, we also need to establish corresponding risk assessment models and methods in order to better respond to the risk assessment needs of different populations. Finally, we also need to strengthen the supervision and management of risk assessment to ensure the objectivity and accuracy of assessment results.

6. CONCLUSION

To sum up, individual risk management is the basis of group risk management, and individual risk management is an indispensable part of modern social risk management. Group risk management must be combined with individual risk management in order to control and prevent risks more effectively. The limitation of group risk management by the state as a single subject has been obvious, and many scholars have elaborated on this issue in depth. It is of great significance to conduct risk assessment based on the characteristics of different populations, so that we can more accurately understand their risk status and take more effective measures to reduce risks, which not only helps to protect people's interests, but also helps to protect people's interests. It also helps to improve the level of risk management in various fields. Through in-depth analysis and understanding of the characteristics of different populations, risk management measures can be more targeted and the accuracy and effectiveness of risk assessment can be improved. However, to do this work is not easy, we need to strengthen research and practice, and constantly improve the theory and method of risk assessment, in order to better protect people's life safety and health.

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