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With the modernization in all fields and technology, risk management techniques have also grown up to the advanced level and the concept of insurance has developed with greater expansion. Insurance in simple words can be defined a form of risk management, which helps minimizing the risk of uncertain loss or losses. Insurance has been a great advantage as it can help in reducing the effects of some misfortune to the normal life routine. But while taking any insurance policy, one must go through the entire policy carefully as he or she may not understand all the aspects of policy and may buy some unfavorable or irrelevant policy. But still insurance policies have made the life much easier and provide great benefits to policy holders. For example, if one is not a policy holder and need to be hospitalized for some treatment, the one will have to bear all the heavy expenses of treatment by oneself which will result in extreme burden on the person or the family, especially the person or family is not financially strong enough to face and manage sudden troubles. Contrary to this situation, if policy holder faces same situation, although in some cases he/she will have to bear expenses by himself/herself, but his/her amount will be reimbursed later. This is a small example why insurance policies have become popular. Due to its ever growing value, a number of insurance companies have been established that started offering many different kinds of insurance policies. Two very well known and famous types of insurances policies are national insurance and business insurance.

National insurance can be understood as a system of insurance for workers and employers. This type of insurance was introduced as a system for benefit of the employees when they fell sick or during their unemployment. Further improvements introduced other benefits of pension, children education, etc. The system involves payment of nominal fixed contribution by employees or employers from their income on monthly or weekly basis and sometimes annually in order to get medical and professional facilities of insurance. This type of insurance became so popular over the time that almost all the organizations provide this facility to their employees now; even the self-employed individuals also use this facility.

Another kind of very popular insurance policy is business insurance. Different forms of this type of insurance have been offered by many insurance companies and involve various kinds of professional liability insurance. A businessman may need different types of risk management measures to secure his/her business. All these aspects of risk managements are covered under this insurance. Out of many types of insurance policies, a few important ones are described here for clear understanding. Trade credit insurance covers the insurance of receivable accounts and in case debtor defaults on payments, the company pays the receivables to the policy holder, thus, securing him/her from any loss. Business Interruption insurance gives an edge to the business man in case some hazard interrupts his/her routine business operation and covers loss of income. These kinds of policies are of great advantage, especially for those who are new to business or small business owners as they feel a sense of security while making investment.

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