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"Examining the Relationship Between Governance Structures and Financial Viability in Health Insurance Companies – An Empirical Study"

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Abstract:

Corporate governance is very critical in determining the financial integrity, accountability and long-term sustainability of organizations especially in highly regulated and stakeholder sensitive sectors like health insurance. The relationship between financial performance and governance structures in India's health insurance business is the subject of this research. In this study, 110 participants were interviewed, including board members, CEOs, finance heads and senior managers. The purpose of the research was to use descriptive and correlational analysis to determine how corporate governance practices, audit committees, internal controls, risk management and transparency affect the financial health, stability, longevity and trustworthiness of businesses.

Findings have shown that the correlation between the variables of corporate governance and the financial variables are poor and negligible in terms of statistical significance, indicating that the governing mechanisms, although theoretically fundamental, are still not successfully affecting the financial performance of the research companies. The results suggest that more robust implementation, connection of risk management with the governance processes, and adequate communication with stakeholders should be used to convert the governance frameworks to concrete monetary and organizational gains. The research addresses a significant gap in research as it is the health insurance industry that the governance-performance literature usually does not cover and provides the policymakers and practitioners with the opportunities to engage in strategic planning in an effort to align the ethical governance with profitability and resilience.

Keywords: Corporate governance, financial health, audit committees, internal control systems, risk management, stakeholder confidence, health insurance sector, business sustainability.

Introduction:

Corporate governance is one of the pillars that has come up as a source of organizational sustainability and financial integrity especially in industries that are highly regulated and sensitive to the stakeholders like the health insurance industry. A set of rules and guidelines put in place to ensure that all levels of management in an organization adhere to a set of principles that promote openness, responsibility, and ethics. In the financial institutions' context, proper corporate governance is not only the reduction of risks and improvement of investor confidence, but also the long-term financial performance and stability of companies. The health insurance environment in particular, is a complicated one that is characterized by a high level of compliance established, unstable policies and an increase in public scrutiny and hence good governance practices are essential to stability as well as trust.

Recently, the world financial market has been characterized by a number of corporate and institutional collapses due to a weak governance framework, as it has become an emblem of the need to have strong board management, independent auditing, open reporting and ethical leadership. As Affes and Trabelsi (2023) emphasize, governance practices that are effectively managed, including board independence and quality of the audit, usually improves the performance of businesses, but their outcomes can differ depending on the regulatory and operational conditions in an industry. On the same note, it means that a properly designed governance framework can result in increased profitability, accountability, and stakeholder trust in the insurance industry, as research in emerging markets (Zelalem, 2022; Kiptoo et al., 2021) suggests. Nonetheless, even though there is theoretical agreement on the significance of governance, limited empirical studies on its performance in fostering financial health in health insurance firms are insufficient and untested, especially in the Indian setting.

The Indian health insurance industry has witnessed a lot of transformations due to the introduction of liberalization and regulatory changes by the Insurance Regulatory and Development Authority of India (IRDAI). Such reforms have encouraged participation of the privates, the rules of disclosure, and generally practices of risk management. Nevertheless, the synchronization of the policies of governance with the realities of operation continues to be problematic. Their dependence in boards, ineffective audit control, ineffective internal control and inconsistency in their decision-making continue to be the challenges affecting several companies. Given the fact that the industry will be at the centre of focus in the context of financial inclusion, access to health services and providing consumers protection, it is particularly relevant to investigate how the types of governance affect the trust of stakeholders, their stability, and their financial status.

This report is based on the results of empirical research developed investigating the relationship between the financial success of the company and its governance terms Indian health insurance industry. The objective of the research will be to improve the financial health, financial stability and sustainability in the long-term by conducting examination of the work of audit committees, internal control systems, risk management systems, and transparency practices. It also addresses how the governance practice affects the confidence of the stakeholders that lead to the provision of a holistic understanding of how governance may be effective even in non-compliance-based views.

Using the assistance of the descriptive and correlative analysis, the study contributes both theoretical and practical knowledge on how corporate governance may be utilized as a strategic resource to facilitate financial sustainability in health insurance organizations. The lessons gained will probably enlighten policy makers, regulators, and business executives in developing governance systems that would guarantee alignment of ethical behaviour and profitability and sustainable development in this important industry.

Review of Literature:

Affes and Trabelsi (2023) in their study *"The impact of corporate governance on financial performance: A meta-analysis and empirical insights"* reviewed and meta-analysed empirical findings showing that well-implemented governance practices (board independence, audit quality) generally improve firm financial outcomes, but effects vary by sector and regulatory context. The paper highlighted that in highly regulated sectors such as insurance and healthcare, governance effects may be muted unless coupled with operational reforms, directly relevant when interpreting insignificant correlations in this study. **Zelalem (2022)** in the paper *"Corporate governance and financial performance in the insurance sector: Evidence from*

Ethiopia" examined the relationship between governance mechanisms and profitability of insurance companies. The study revealed a positive and significant association between board composition, independence, and return on assets, emphasizing that good governance enhances financial health, especially in developing economies with emerging insurance markets.

Hazzaa and Al-Khaldi (2024) in their study *"Influence of CEO and audit committee characteristics on financial performance: Evidence from insurance firms"* analysed data from multiple insurance firms and found that audit committee expertise and CEO independence significantly influence firm performance. Their results suggested that governance characteristics directly affect financial stability by strengthening internal control and accountability mechanisms. **Ahmeti (2022)** in the article *"Impact of internal audit quality on financial performance of insurance companies"* assessed the role of internal audit efficiency and professionalism in influencing profitability. The findings showed that the competence and independence of internal auditors had a significant positive effect on financial performance, underscoring the importance of internal control systems for financial health in insurance companies. **Kiptoo et al. (2021)** in their study *"Corporate governance and financial performance of insurance firms in Kenya"* investigated how governance structures influence performance metrics. They found that board diversity and audit committee strength had a significant positive relationship with profitability, suggesting that effective governance enhances both financial discipline and stakeholder confidence. **Marques and Silva (2025)** in their paper *"Corporate governance practices and solvency in health plan operators: Evidence from Brazil"* explored the linkage between governance indicators and solvency ratios. Their results demonstrated that companies with robust governance mechanisms and compliance frameworks experienced better financial stability, highlighting the role of internal controls and risk management in sustaining solvency. **Sem and Hastuti (2024)** in the article *"The impact of audit quality, audit committee and internal control systems on financial reporting quality (finance sector)"* analysed the relationship between governance practices and reporting integrity. The study revealed that audit committee effectiveness and strong internal control systems significantly improved the reliability of financial statements, leading to enhanced investor and stakeholder trust. **Business Perspectives Research Team (2023)** in their study *"Investigating the impact of corporate governance and investment decisions on financial performance and firm value in insurance and banking"* found that governance structures positively influenced firm value when combined with prudent investment strategies. The paper suggested that governance effectiveness depends on decision-making discipline, emphasizing its importance in financial institutions like insurance companies. **KPMG (2021)** in the white paper *"On insurers' audit committee agendas: Key topics for audit committees in the insurance sector"* discussed the evolving responsibilities of audit committees in ensuring financial resilience and compliance. The report emphasized that audit oversight, internal controls, and risk management are critical governance functions for sustaining financial health in the insurance industry. **Bagh et al. (2025)** in the study *"The impact of corporate governance on firm value: Evidence from large US firms"* analysed the influence of governance scores on firm valuation. Their findings confirmed that better-governed companies experienced higher firm value and profitability, highlighting the universal relevance of strong governance mechanisms across sectors, including insurance. **Hasan (2024)** in his paper *"Examining the role of corporate governance practices in strengthening stakeholder confidence: Global case insights"* explored how transparency and disclosure affect stakeholder trust. The study concluded that effective governance communication and ethical leadership significantly enhanced stakeholder confidence, reinforcing the reputational aspect of financial stability.

Mandy (2025) in the article *"ESG governance and stakeholder trust in insurance: An empirical exploration"* evaluated how ESG-oriented governance practices impact financial and reputational performance. The study revealed that insurers integrating ESG into governance frameworks achieved stronger stakeholder trust and long-term financial benefits, highlighting the modern dimension of governance effectiveness. **International/Regional Study Group (2024)** in the paper *"Board characteristics, audit committee efficiency and post-crisis financial performance: A cross-country perspective"* assessed governance factors influencing performance recovery after financial crises. The results showed that effective audit committees and well-structured boards supported long-term financial stability, emphasizing that governance reforms are crucial for sustainability in insurance firms.

Research Gap:
Despite extensive research on corporate governance and firm performance across various industries, there remains a notable gap in understanding how corporate governance practices specifically influence the financial health of health insurance companies, a sector characterized by stringent regulations, complex risk structures, and stakeholder sensitivity. Most existing studies focus on general financial institutions such as banks, with limited empirical evidence from the health insurance domain, especially in emerging economies like India. Furthermore, while governance dimensions such as board composition, audit committees, transparency, and risk management have been individually examined, their integrated impact on financial stability and long-term sustainability in health insurance firms remains underexplored. This study bridges this gap by empirically evaluating the relationship between governance mechanisms and financial health, offering insights into how governance frameworks can strengthen financial resilience and stakeholder trust in the health insurance sector.

Research Questions:
1. How effective are corporate governance practices in promoting transparency, accountability, and ethical management within health insurance companies?
2. To what extent do corporate governance mechanisms influence the financial health and profitability of health insurance companies?
3. What is the nature of the relationship between corporate governance practices and stakeholder confidence, including that of investors, employees, and customers?
4. How do risk management practices, audit committees, and internal control systems contribute to enhancing the financial stability of health insurance companies?
5. Which corporate governance practices significantly contribute to the long-term business sustainability and competitive advantage of health insurance companies?

To test the study's assumptions about how health insurance companies' financial and organizational performance are affected by governance structures, an empirical investigation will be conducted. The questions that will shape this research are closely tied to the study's aims.

Research Objectives:
1. To evaluate the effectiveness of corporate governance practices in promoting transparency, accountability, and ethical management within health insurance companies.
2. To analyse the impact of corporate governance mechanisms on the financial health and profitability of health insurance companies.

3. To assess the relationship between governance practices and stakeholder confidence, including investors, employees, and customers.
4. To examine the role of risk management, audit committees, and internal controls in enhancing the financial stability of health insurance companies.
5. To identify the governance practices that significantly contribute to long-term business sustainability in the health insurance sector.

Hypotheses of the Study:

Hypothesis No.	Statement
H1	"Corporate governance practices have a significant positive effect on the financial health of health insurance companies"
H2	"The effectiveness of audit committees and internal control systems significantly improves financial stability in health insurance firms"
H3	"There is a significant positive relationship between corporate governance transparency and stakeholder confidence"
H4	"Risk management and ethical practices significantly influence the profitability and operational efficiency of health insurance companies"
H5	"Strong governance frameworks significantly contribute to the long-term sustainability and market competitiveness of health insurance companies"

I.Research Design:

The study used a descriptive and correlational research strategy.

Design: The proposed study is descriptive because it aims to investigate and describe the practice of corporate governance, audit committees, internal control systems, risk management mechanisms, transparency, and how they have been perceived to impact financial health, stakeholder confidence, and business sustainability.

Correlational Design: To test the strength, direction and the significance of relationships between the governance mechanisms (independent variables) and the organization outcomes (dependent variables) of financial health, stability, stakeholder confidence and long-term sustainability.

2. Population and Sample

Population: The sample involved managers, heads of finance, CEOs/MDs, board members and senior management of health insurance companies that operate in India.

Sample Size and Sampling Technique: Purposive sampling was applied to select 110 respondents who are directly concerned with the issue of corporate governance and strategic decision-making.

The sample will consist of an equal representation of the levels of experience, designation, ownership and size of the organizations to ensure diversity and representation throughout the sector.

3. Research Instruments:
Primary Data Collection: An organized survey was developed based on the study's objectives and the results of the literature research.
The questionnaire had 22 questions based on:
a) Corporate governance (board effectiveness, transparency, ethical management).
b) Internal control systems and audit committees.
c) Mechanisms of risk management.
d) d)Stakeholder confidence
e) indicators of financial health and sustainability.

4. Data Collection Procedure
Pre-testing: In order to make sure the questionnaire was easy to understand, it was pilot tested with 10 participants.
Survey Administration: Survey was done online and offline to the executives of the health insurance companies.
Data Compilation: The responses were tabulated and purged to be accurate, then analysed.

5. Data Analysis Techniques
Descriptive Statistics:
The analysis of the respondents in terms of designation, experience, ownership and company size was done using frequency, percentage, and cumulative percentage.
Reliability Test:
In order to find out how consistent the instrument was internally; Cronbach's Alpha was drafted ($\alpha = 0.789$).

Pearson Correlation Analysis:
It is used for the purpose of examining the correlations between the variables of interest (governance systems) and those of the target population (stakeholder confidence, financial stability, sustainability, and health of the economy).
Picked because it works better for finding associations between continuous variables, both in terms of strength and direction.
Correlation coefficient (r) and p-value of 5% significance level interpretation.
Hypothesis Testing:
Null hypothesis (H_0) accepted if $p > 0.05$.
Alternative hypothesis (H_1) accepted if $p \leq 0.05$, indicating a significant positive relationship.

II. Testing of Results and Discussion:
Table 01: Showing the demographic profile of the respondents

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Designation	Board Member	20	18.2	18.2	18.2
	CEO/Managing Director	22	20.0	20.0	38.2
	CFO/Finance Head	19	17.3	17.3	55.5
	Senior Manager	29	26.4	26.4	81.8
	Other	20	18.2	18.2	100.0
Experience	Less than 5 years	30	27.3	27.3	27.3
	5–10 years	24	21.8	21.8	49.1
	11–15 years	31	28.2	28.2	77.3
	Above 15 years	25	22.7	22.7	100.0
Ownership	Public Sector	24	21.8	21.8	21.8
	Private Sector	21	19.1	19.1	40.9
	Joint Venture	29	26.4	26.4	67.3
	Other	36	32.7	32.7	100.0
Number of Employees	Below 500	31	28.2	28.2	28.2
	500–1000	22	20.0	20.0	48.2
	1001–2000	21	19.1	19.1	67.3
	Above 2000	36	32.7	32.7	100.0

Source: *Authors' Primary Survey, 2025*

The respondents were a balanced representation of leadership roles in the health insurance sector. Most of them (26.4) were Senior Managers, then came CEO/Managing Directors (20%), Board Members (18.2), CFOs/Finance Heads (17.3), and others (18.2). This means that both the strategic decision-makers and the operational leaders were represented in the study and this is the reason why the study has taken a broad perspective of corporate governance practices. Regarding professional experience, the major part of the respondents includes the ones who have been in the profession between 11-15 years (28.2), which were accompanied by a big portion of the respondents with less than 5 years' experience (27.3). There were also respondents who had experience of 5-10 years (21.8) and more than 15 years (22.7) of experience. This distribution will ensure that the information has been obtained based on the relatively new professionals or experienced personalities and this will add depth to the analysis. Different types of organizations were used as the sources of the respondents. Other ownership types (32.7%), Joint Venture (26.4%), Public Sector organizations (21.8%), and Private Sector firms (19.1%) had the highest number. This variation portrays a wide range of governance systems and working environment in the health insurance industry. The study covered organizations of different sizes. The highest number of companies consisted of those with more than2000 (32.7) and less than 500 (28.2) employees, with the rest comprising 500-1000 employees (20) and 1001-2000 employees (19.1). This also shows that the sample not only covers the large firms but also smaller firms and consequently, the findings can be generalized to other firms of varying sizes.

There is a well-balanced sample based on the designation, experience, type of ownership, and size of organizations that is shown by the respondent profile. Researchers hope that by include a wide range of stakeholders, they can more accurately portray the health insurance industry's perspective on corporate governance procedures and financial/organizational success, which will increase the study's credibility and practicality.

Table 02: Showing the Reliability Statistics

Cronbach's Alpha	N of Items
.789	22

Source: *Authors' Primary Survey, 2025*

There is a strong internal consistency among the 22 questionnaire questions, as shown by the Cronbach's Alpha rating of 0.789. The items seem to be consistently assessing the structures associated with health insurance businesses' financial health and corporate governance policies. Since the reliability coefficient exceeds the acceptable threshold of 0.70, the scale is considered dependable for subsequent statistical analyses.

Table 03: Showing the 1st objective and its related hypothesis

Element	**Details**
Objective-01	To analyse the impact of corporate governance mechanisms on the financial health and profitability of health insurance companies.
Hypothesis (H1)	Corporate governance practices have a significant positive effect on the financial health of health insurance companies.
Independent Variable (IV)	Corporate Governance Practices (CGP)
Dependent Variable (DV)	Financial Health Indicators (FH)
Null Hypothesis (H0)	There is **no significant relationship** between corporate governance practices and the financial health of health insurance companies.
Alternative Hypothesis (H1)	There is a **significant positive relationship** between corporate governance practices and the financial health of health insurance companies.

Using Pearson correlation analysis, it looked at how health insurance businesses' financial health was correlated with their corporate governance policies. This method is ideal for situations when it needs to determine the strength and direction of a linear connection between two continuous variables. This will be useful in determining the significance of corporate governance procedures to financial health.

Table 04: Showing the findings of the association between health insurance firms' financial health and corporate governance procedures

Correlations			
		MeanScore_CGP	MeanScore_FH
MeanScore_CGP	Pearson Correlation	1	-.123
	Sig. (2-tailed)		.199
	N	110	110
MeanScore_FH	Pearson Correlation	-.123	1
	Sig. (2-tailed)	.199	
	N	110	110

Source: *Authors' Primary Survey, 2025*

The Pearson correlation value ($r = -0.123$, $p = 0.199$) indicates a weakly negative relationship between corporate governance practices and financial health. With a p-value higher than 0.05, we may rule out statistical significance for the link. Corporate governance measures do not have a major impact on the financial health of health insurance businesses; hence the null hypothesis (H_0) is accepted.

Table 05: Showing the 2nd objective and its related hypothesis

Element	Details
Objective – 02	To examine the role of audit committees and internal control systems in enhancing the financial stability of health insurance companies.
Hypothesis (H2)	The effectiveness of audit committees and internal control systems significantly improves financial stability in health insurance firms.
Independent Variable (IV)	Effectiveness of Audit Committees and Internal Control Systems (ACICS)
Dependent Variable (DV)	Financial Stability Indicators (FSI)
Null Hypothesis (H0)	There is no significant relationship between the effectiveness of audit committees and internal control systems and the financial stability of health insurance firms.
Alternative Hypothesis (H1)	There is a significant positive relationship between the effectiveness of audit committees and internal control systems and the financial stability of health insurance firms.

The association between the financial stability of health insurance businesses and the efficacy of audit committees and internal control systems was determined using Pearson correlation analysis. This method is ideal for determining the nature and magnitude of a linear relationship between two continuous variables. It offers an insight in ascertaining whether or not the governance mechanisms do have a substantial influence on financial stability.

Table 06: Displaying the findings of correlation between the efficiency of audit committees and internal control systems and the fiscal stability of health insurances firms

Correlations			
		MeanScore_ACICS	MeanScore_FSI
MeanScore_ACICS	Pearson Correlation	1	-.117
	Sig. (2-tailed)		.222
	N	110	110
MeanScore_FSI	Pearson Correlation	-.117	1
	Sig. (2-tailed)	.222	
	N	110	110

Source: *Authors' Primary Survey, 2025*

The efficacy of audit committees and internal control systems and the financial stability of health insurance businesses are weakly but not significantly related, according to the Pearson correlation coefficient ($r = -0.117$, $p = 0.222$). The null hypothesis (H_0) is accepted since the p-value is greater than 0.05. Thus, the audit committees and internal controls cannot significantly enhance the financial stability of the surveyed firms.

Table 07: Showing the 3rd objective and its related hypothesis

Element	Details
Objective – 03	To examine the relationship between corporate governance transparency and stakeholder confidence in health insurance companies.
Hypothesis (H3)	There is a significant positive relationship between corporate governance transparency and stakeholder confidence.
Independent Variable (IV)	Corporate Governance Transparency (CGT)
Dependent Variable (DV)	Stakeholder Confidence (SC)
Null Hypothesis (H0)	There is no significant relationship between corporate governance transparency and stakeholder confidence in health insurance companies.
Alternative Hypothesis (H1)	There is a significant positive relationship between corporate governance transparency and stakeholder confidence in health insurance companies.

The study used Pearson's correlation analysis to look at the link between health insurance company trust and openness in corporate governance. It may use it to find out how strong and in what direction a linear connection is between two continuous variables. It assists in establishing whether transparency in governance can lead to a significant impact on the confidence of stakeholders.

Table 08: Presenting the findings of the correlation of corporate governance transparency and trusts stakeholders in health insurance companies

Correlations			
		MeanScore_CGT	MeanScore_SC
MeanScore_CGT	Pearson Correlation	1	.008
	Sig. (2-tailed)		.937
	N	110	110
MeanScore_SC	Pearson Correlation	.008	1
	Sig. (2-tailed)	.937	
	N	110	110

Source: *Authors' Primary Survey, 2025*

According to the Pearson correlation coefficient ($r = 0.008$, $p = 0.937$), there is a slight but statistically insignificant association between stakeholder trust and corporate governance transparency. We accept the null hypothesis (H0) since the p-value is greater than 0.05. This suggests that stakeholders' trust in the health insurance organizations examined is not much affected by corporate governance openness.

Table 09: Showing the 4th objective and its related hypothesis

Element	Details
Objective – 04	To examine the role of risk management, audit committees, and internal control systems in enhancing the financial stability of health insurance companies.
Hypothesis (H4)	Risk management, audit committees, and internal control systems have a significant positive impact on the financial stability of health insurance companies.
Independent Variable (IV)	Risk Management, Audit Committees, and Internal Control Systems (RMACICS)
Dependent Variable (DV)	Financial Stability Indicators (FSI)
Null Hypothesis (H0)	There is no significant relationship between risk management, audit committees, internal controls, and the financial stability of health insurance companies.
Alternative Hypothesis (H1)	There is a significant positive relationship between risk management, audit committees, internal controls, and the financial stability of health insurance companies.

In order to learn how risk management, audit committees, and internal control systems all work together to affect health insurance firms' financial stability, the study used Pearson correlation analysis. For continuous variables, this is the correct method for determining the direction and strength of linear connections. To what extent do these governance systems contribute significantly to monetary stability may be evaluated with its help.

Table 10: showing the correlation results of the health insurance firms' financial stability, audit committees, risk management, and internal controls.

Correlations			
		MeanScore_RMACICS	MeanScore_FSI
MeanScore_RMACICS	Pearson Correlation	1	-.020
	Sig. (2-tailed)		.839
	N	110	110
MeanScore_FSI	Pearson Correlation	-.020	1
	Sig. (2-tailed)	.839	
	N	110	110

Source: *Authors' Primary Survey, 2025*

The correlation coefficient between, risk management, audit committees, internal control systems, and financial stability ($r = -0.020$, $p = 0.839$) shows an extraordinarily weak statistically insignificant association between the two factors. We may accept the null hypothesis (H0) since the p-value is larger than 0.05. This is an indication that such forms of governance have no remarkable effect on financial stability in the surveyed health insurance firms.

Table 11: Showing the 5th objective and its related hypothesis

Element	**Details**
Objective – 05	To identify the governance practices that significantly contribute to long-term business sustainability in the health insurance sector.
Hypothesis (H5)	Specific corporate governance practices significantly influence long-term business sustainability of health insurance companies.
Independent Variable (IV)	Corporate Governance Practices (CGP) – e.g., board effectiveness, transparency, audit committees, internal controls, risk management
Dependent Variable (DV)	Business Sustainability Indicators (BSI) – measures long-term organizational growth, resilience, profitability, and stakeholder trust
Null Hypothesis (H0)	There is no significant relationship between corporate governance practices and long-term business sustainability in health insurance companies.
Alternative Hypothesis (H1)	There is a significant positive relationship between corporate governance practices and long-term business sustainability in health insurance companies.

To find out if health insurance businesses' long-term viability is related to their corporate governance methods, we used Pearson correlation analysis. The approach is suitable in testing the magnitude and the direction of linear relationships among continuous variables. It aids in identifying whether the governance practices to a large extent affect the sustainability of the organization.

Table 12: Showing the results of the correlation between the practice of corporate governance and the long-term sustainability of business of the health insurance companies.

Correlations			
		MeanScore_CGT	MeanScore_BSI
MeanScore_CGT	Pearson Correlation	1	-.055
	Sig. (2-tailed)		.571
	N	110	110
MeanScore_BSI	Pearson Correlation	-.055	1
	Sig. (2-tailed)	.571	
	N	110	110

Source: *Authors' Primary Survey, 2025*

The correlation coefficient r (= -.055, p = 0.571) shows the very weak and statistically non-significant connection between the practices of corporate governance and the long-term sustainability of the business. With a p-value greater than 0.05, we may accept the null hypothesis (H 0). This implies that governance practices are not a significant factor in long term sustainability of the surveyed health insurance firms in this study.

Major Findings:

1. **Corporate Governance Practices and Financial Health:** A slight negative correlation between corporate governance procedures and financial health was found in the study, which was contrary to predictions (r = -.123, p =.199). Evidently, the financial performance of the health insurance firms that were part of the sample was unaffected by governance measures including ethical management, openness, and board effectiveness.
2. **Audit committees and Internal Control systems:** A slight negative insignificant connection (r = -0.117, p = 0.222) was also shown between financial stability and audit committees and internal control systems. This implies that in reality, these mechanisms need not be sufficient to produce improved financial stability without supporting management and operations.
3. **Corporate Governance Transparency and Stakeholder Confidence:** The correlation between openness in government and trust from stakeholders was weak (r = 0.008, p = 0.937). This means that corporate transparency programs did not create a substantial change in the trust and perception of the stakeholders in the surveyed companies.
4. **Risk Management, Internal Controls, and Audit Committees:** The joint effect of risk management, internal controls and audit committees on financial stability was very low and statistically significant (r = -0.020, p = 0.839). This leads to the fact that more integrated and proactive risk governance practices are needed to influence stability in a positive way.
5. **Governance Practices and Long-Term Business Sustainability:** Corporate practices of governance were observed to relate insignificantly (r = -0.055, p = 0.571) with long-term

sustainability. This suggests that the implemented traditional governance mechanisms may fail to achieve long term sustained growth, resilience, and trust between the stakeholders**.**

Suggestions:

1. **Strengthen Implementation:** There should be more effective implementation of corporate governance mechanisms other than formal structures. Enforceable policies in practice and consistent with the company strategy might enhance the financial performance.
2. **Bring about Risk Management:** Companies need to implement integrated risk management structures incorporating audit committee, internal controls and operational risk strategies as opposed to treating them as distinct functions**.**
3. **Improve Stakeholder Involvement:** To gain trust, a company should be transparent in its governance activities, such as transparency reports and stakeholder feedback loops, and transparency must be converted into trust.
4. **Pay attention to Long-Term Value Creation:** Governor policies must be connected with strategic decision-making and sustainability objectives, and their policies must not only guarantee compliance but also lead to resilience, profitability, and competitiveness on the market.
5. **Bespoke Governance Models:** Health insurance companies can enjoy the benefits of bespoke governance models based on size, ownership, and complexity of operation than those based on generic models only.

Conclusion:

The study concludes that even though the theory of corporate governance practices is very crucial, its application in the health insurance companies in India does not significantly influence financial health and stability, stakeholder confidence, and long-term survival. It demands a strategic re-aligning of the governance practices to a closer association between these practices and operational efficiency, risk management, and stakeholder-based strategies. The compliance should not be the only model of governance in the next generation, and it is expected to act as an enforcer of financial performance and sustainable growth, and by actively involving all stakeholders in ethical decision-making and value creation to all stakeholders.

Limitations of the Study:

The current study has several caveats that complicate the process of generalizing the findings and make it challenging to come up with conclusions and use them in other situations, including the effects of corporate governance practices on the bottom lines of health insurance companies. To begin with, the sample used in the study is a purposive sample of 110 respondents who are representatives of various health insurance companies, which though diverse in terms of designation, experience, type of ownership as well as scale of organization, may not be representative of the whole health insurance industry in India. Second, self-report data collection was employed on a large scale by use of structured questionnaires, which can be subject to respondent bias, social desirability or subjectivity especially on sensitive issues like transparency, ethics, and governance effectiveness. Third, the study was cross-sectional in nature, which means that responses were captured at one moment in time; therefore, this approach might not be able to cover long-run changes in the governance practices or the financial performance. Fourth, quantitative whereby the primary data analysis method is Pearson correlation measures linear relationships between variables and may not be able to recognize more complex, non-linear and causal relationships between corporate governance mechanisms and organizational results. Besides that, some of the important contextual variables, like changes in regulation, macroeconomic environment or company-specific strategic initiatives, were not carefully modulated in the analysis this may lead to differences in the financial performance and sustainability results. Lastly, findings in the study indicate the present state of governance practices implementation and perception and cannot be generalized to other industries or the companies not within the sampled areas. These limitations show that this study can be understood with an eye and open up the opportunities of future research involving longitudinal design, large and more representative sample and mixed methods to provide deeper penetrating findings on the nature of the relationship between governance and performance.

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