



The Main Criteria of Continuity of Business Processes in Insurance Activity

Yakubova N. T.

Associate Professor of the "Insurance and pension work" Department PhD TFI

ABSTRACT

The primary goal of improving business processes in an insurance organization is to increase customer confidence.

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This, in turn, ensures a positive financial result from activities (operations) based on the optimal organization of insurance activities and its management.

The continuity of the insurance organization's activity implies its long-term presence in the insurance market. Continuity of insurance activity is one of the main factors shaping the insurance market.

The main criteria for the continuity of business processes in insurance activities are indicators of financial stability and solvency, which are determined based on the information of the insuring entity.

The control of these indicators is carried out by the insurance organization and the insurance control body.

The fact that the insurance organization carries out its financial and economic activities in conditions of uncertainty is explained by the fact that, on the one hand, it operates as a business entity under conditions of risk, and on the other hand, the core of this activity is the insurance risk or the risk of another entity. Бу далил шуни кўрсатадики, иқтисодиётнинг бошқа соҳа субъектларидан фарқланиши, айнан суғурта ташкилоти фаолиятининг ўзига хос жихатлари, яъни унинг ноаниқлик муҳитида кечиши ва фаолияти (операциялари) самарадорлиги эса, эҳтимоллик хусусиятига эга эканлигидан келиб чиқади.

The classification and structure of business process characteristics of the insurance organization is determined by the nature of the insurance activity. Accordingly, the design, functionality, and improvement of business processes in the activity of this subject are directly influenced by risk factors (Figure 20).

One of the notable rates used here is that "the set of systematic actions that link the inputs (process initiation) and output (process termination) to business processes ultimately contributes to the effectiveness of the final process."¹.

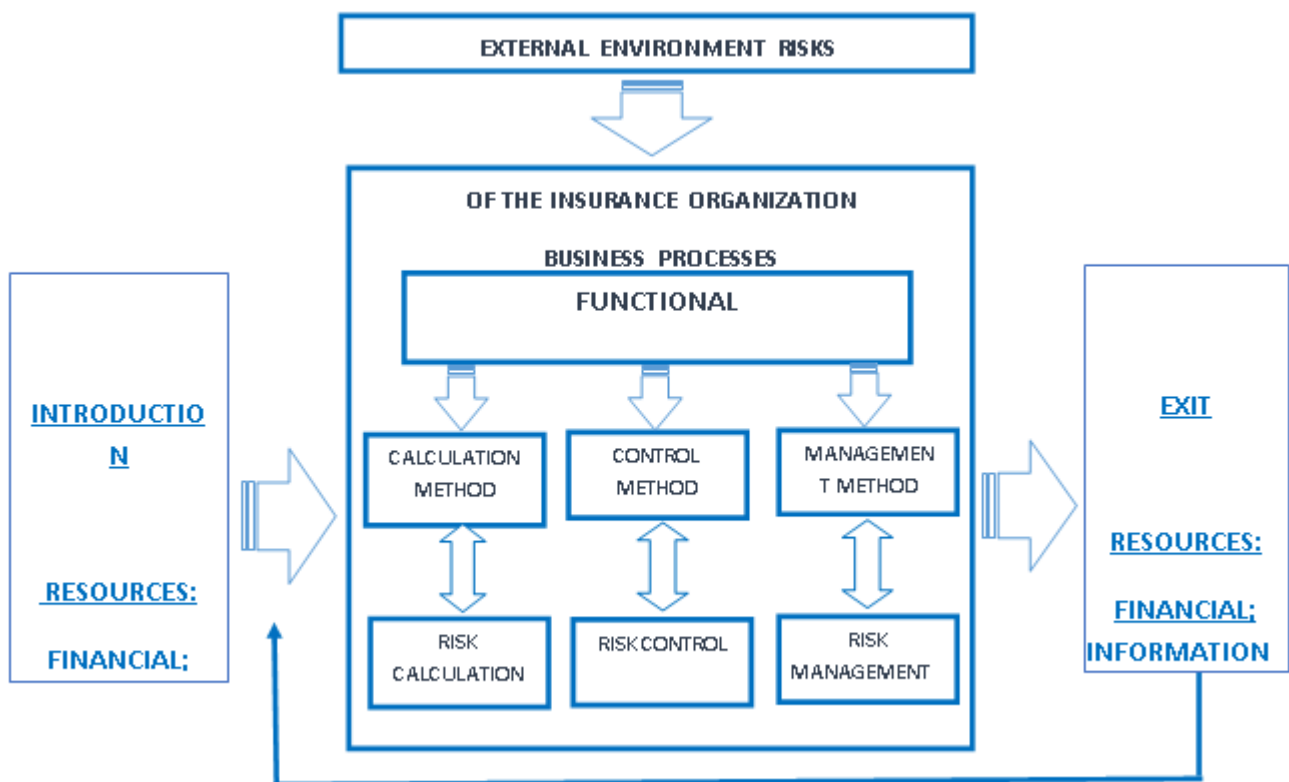


Figure 1. Insurance organization business processes functional structure²

Gorulev, D.A. Optimization of business processes of an insurance company. /YES. Gorulev, A.A. Kvarandzia // Taxation, accounting and reporting in an insurance company. - M.: Regulations. 2008. No. 3..

²Nikolenko, N.P. Underwriting is a key business process of an insurance company [Electronic resource] / N.P. Nikolenko//Insurance today [website]. [2006].//URL:http://www.insur-info.ru/management/comments/; Telnov Yu.F., Fedorov I. System analysis of reference models of business processes; Economics, statistics, informatics. Vestnik UMO, 2,

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E-mail address: info@researchparks.org
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In this case, the expected goal of business processes is achieved it is required to determine the sequence of activities (operations). In our opinion, business processes are strategic measures aimed at ensuring expected results, they are a set of execution, management, monitoring and control methods.

It is worth noting that business processes are aimed at ensuring their transfer to a different quality and quantity at the end of the activity (operations), i.e. at the end of the activity (operations) through their management and control in the "input" and subsequent continuous processes. Accordingly, it is appropriate to divide the activities (operations) of the insurance organization into systematic business processes that perform certain functions and are aimed at a specific result.

In this case, "the final result of business processes may differ from the expected one, or it may be consistent with it. It is explained by the fact that the implementation of business processes can lead to different results, precisely because the processes are affected by different risks. It should be noted that the source of these risks can be both the internal and external environment of the processes.

The business processes of an insurance organization consist of a set of activities (operations) that are complex, interacting, that are consistent or inconsistent with the set goal, and that are performed within a certain limit or in a continuous manner in accordance with the functional tasks of the structural units of the organization. At the same time, it should be noted that the degree of compliance of the processes with the expected parameters is determined based on the indicators of the output parameters.

Business processes in the activity of the insurance organization are as follows:

- acceptance of risks of subjects for insurance and collection of insurance premium in exchange for such guaranteed service;
- directing financial resources formed at the expense of insurance reserves and own funds to investment;
- other activities (operations) are carried out as a system.

Business processes in the insurance organization are as follows, specific to the specified types of activities (operations):

- ✓ technical risks;
- ✓ investment risks;
- ✓ is covered by other risks.

With the implementation of business processes in the insurance organization inextricably linked: technical risks arise in processes such as tariff policy, underwriting, conclusion of insurance and reinsurance contracts, assessment and calculation of insurance reserves. Insurance reserves are the financial sources of compensation for damages (losses) that can be seen in the insurance organization as a result of them, and in the case of their deficit, their own private funds.

Insurance risks are factors of occurrence of technical risks of the insurance organization, their occurrence has a direct impact on the efficiency of business processes in insurance activities.

Investment activity is an additional source of income in terms of compensation of damages (losses) incurred in the course of the main activity of the insurance organization. It is necessary for the insurance organization to follow the principles of having minimal risks in the implementation of this

2012. and developed by the researcher as a synthesis of other sources.

activity. The investment risks of the insurance organization are inextricably linked with the possible losses (losses) on the investment objects and the ratio of insurance reserves and own funds.

The emergence of other risks in the insurance organization occurs in connection with its other activities. These include: management risk, risk of legislative changes, market risk, and other risks (eg, credit risks).

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