

Objectives of Successful Implementation of Underwriting Service Policy in Conditions of Increased Risk

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Abstract: *The article presents the underwriter's duties in carrying out insurance operations, notes the need to use information on the state of insurance objects, underwriting policy within the framework of insurance operations for certain types of insurance. Special attention is given to the assessment of underwriters' risk. Specific proposals are given for improving the underwriting policy of insurance companies.*

Keywords: *underwriting policy, risk, reinsurance, reinsurer, policyholder, risk control, insurance market, risk management, occurrence of insurance risk.*

Relevance of the research topic. The underwriter shall, whenever possible, analyse statistical data characterising the performance of the relevant types of insurance, bearing in mind the branch of insurance in which the risk is offered. This requirement applies equally to both insurance and reinsurance.

In order to successfully implement the underwriting policy, the insurance company must have and accumulate statistical data on the completion of each type of insurance (by year and for the tariff period).

Insurance statistics should allow the underwriter to judge not only the results of insurance operations for certain types of insurance, but also to make the necessary forecasts.

Review of the status of the problem under consideration. In underwriting practice, it is important to use statistical data not only from a specific insurance company, but also from a group of companies providing similar types of insurance, from the market as a whole, and in special cases, from statistics from individual foreign countries and even global statistics from the international market.

When assessing the risk, the underwriter must take into account that the dangers to which the insurance object is exposed are usually divided into various causes of impact related to the production process. These causes in turn are divided into internal causes, external causes, the possibility of causing damage to property and health of third parties by enterprises. As we can see, the causes are so diverse that they cannot be quantified and listed. Moreover, in some cases they are unpredictable.

However, in the terms of insurance, when listing the volume of insurance coverage, it is not allowed to indicate "and other risks". All risks must be specifically listed, otherwise conflict situations are inevitable, which ultimately leads to legal and arbitration proceedings. It is clear that this affects the interests of the insurer, meaning, first of all, the undermining of its reputation and competitiveness.

Liquidation of losses, payment of insurance compensation amounts is the final stage of legal relations between the policyholders and the insurer, arising from the insurance contract, and their implementation must be impeccable according to the principle set out in all insurance laws of civilized countries - "insurance and reinsurance are built on the principle of the highest good faith". [3]

Analysis and assessment of the risk of the insurance object. The next step after establishing the risk (the complex of exposure of the insurance object to dangers) is to evaluate it in monetary terms, i.e. to establish such an insurance amount that would not only correspond to the insurance value of the insured

object, but taking into account the inflation process and value fluctuations, would allow for the complete restoration of the lost or damaged in the event of an insured event. Conducting such an assessment is most difficult for industrial enterprises, since it is difficult to imagine that an insurance company can have a whole range of specialists in numerous areas of industrial production.

It is obvious that analysis and assessment by involving relevant experts are necessary. Expert assessment should ultimately correspond to the interests of the insurance company (meaning the establishment of adequate premium rates) and the interests of the insured, interested in the comprehensive restoration of the lost as a result of the insurance event.

An essential element in the underwriting policy of any insurance company should be the availability of sufficient reinsurance protection. The underwriter must be sure that, when accepting large and dangerous risks for insurance, the excess liability exceeding the financial capabilities of the insurance company will be attributed to the reinsurers. At the same time, the insurance company must have contractual reinsurance coverage, according to the terms of which the automaticity of reinsurance coverage functions from the moment the risk is accepted for insurance. It is meant that when intending to accept a large or dangerous risk for insurance with subsequent optional reinsurance, the underwriter in principle cannot express his willingness to accept such a risk for insurance until the reinsurers confirm their willingness to reinsure it. But in this case, the confirmation must relate to 100% reinsurance coverage.

Since reinsurers in the facultative business are free from the initial legal obligation to accept any risk for reinsurance and confirmation may take some time, under the influence of a possible occurrence of an insured event, the policyholder may refuse the services of such an insurer. The policyholder can offer insurance to a more competitive insurance company or one that, having contractual reinsurance coverage, will decide to immediately accept the risk for insurance. But even having such reinsurance coverage, the underwriter must be sure that, firstly, the risk falls under the terms of reinsurance in general, and, secondly, that the amount transferred for reinsurance does not exceed the limit of the total liability of the reinsurers under the contract.

The underwriting policy of an insurance company should rely on establishing control over the risk accepted for insurance. Risk control, especially in the insurance of industrial enterprises, should consist of ensuring a continuous and normal production process, preventing the possible occurrence of an insured event, and, if it occurs, taking measures to eliminate the consequences of the impact of the insured event. Measures included in the concept of "risk control" should, in principle, be determined already in the process of accepting the risk for insurance.

Conclusion on the research topic. Insurance unions are called upon to play a major role in the development of a civilized insurance market. Their task is to develop recommended insurance conditions, premium rates, and protect the interests of insurers before government agencies. Insurance unions should ultimately contribute to the stabilization of the insurance market and stimulate economically sound underwriting policies in the Uzbek market. The current situation in this area largely hinders the successful development of the national insurance market.

Unfortunately, the problems of the underwriting policy of an insurance company are not sufficiently covered in domestic economic literature. Therefore, a more in-depth approach to the correct conduct of insurance business in the domestic insurance market is needed.

It is precisely competent risk management and the correct underwriting policy of insurance organizations that should become the basis for conducting insurance operations and the financial stability of domestic insurers.

Literature:

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