


**THEORY OF RISK MANAGEMENT****Matiyazova S.R.**

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Article Info	ABSTRACT
<p><b>Article history:</b>  Received Febr 21, 2024  Revised March 16, 2024  Accepted March 17, 2024</p> <p><b>Keywords:</b>  Linsurance  Insurance Service  Insurance Theory  Underwriting Activity  Insurance Operations  Business Processes  Insurance Product  Insurance Reserves</p>	<p>The article describes the essence of insurance risks and the basics of risk management</p> <p>This is an open-access article under the <a href="#">CC-BY 4.0</a> license.</p> 

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**INTRODUCTION**

The study of the theory of risk management shows that it is appropriate to consider the functions of the organization as interrelated multi-level business processes. According to him, the efficient execution of specific process stages as activities (operations) aimed at achieving a certain result is ultimately a factor in ensuring the effectiveness of business processes.

Today, the priority risks at the level of corporations are integrally considered risks related to the image and brand. In order to minimize these risks, the introduction of a system of management and compliance processes as a component of business processes will reduce the probability of visible events and will be a factor in the sustainable development of the entity. Based on the adaptation of international standards ISO 31000:2018 "Risk management - Guidelines" ("Risk management - Guidelines") and IEC/DIS 31010 "Risk management - Risk assessment techniques" ("Risk management - Risk assessment techniques") in a number of countries development of national standards in the field of management continues.

## RESULTS AND DISCUSSION

Based on the results of the research, it can be noted that the main principles of risk management of business processes in insurance activities are as follows:

- a) the principle of integration (a systematic approach to managing all types of risks specific to the business in the overall organizational structure, including:
  - on risk management outside the scope of specialization
  - functional cooperation of structural units and mutual coordination of activities;
  - taking into account the impact of risks of different departments;
  - to ensure the completeness, quality and comparability of the information provided for each stage of the decision-making level, it considers the establishment of a single channel of informing the management of the entire spectrum of risks;
- b) the principle of continuity. It involves the use of simplified risk management procedures);
- c) the principle of feasibility (implements the analysis of the ratio of potential damage resulting from the implementation of risk assessment cost reduction).

According to a study of business processes in insurance operations, "the following are used in calculating the consequence of each assessed risk

- principles and environment (20%);
- goals and means (10%);
- insurance risk management (10%);
- market risk management (10%);
- operational risk management (10%);
- credit risk management (10%);
- strategic risk management (10%);
- liquidity risk management (10%);
- image risk management (10%)": such efficiency coefficients represent overall cumulative efficiency.

The following was developed within the practical grant project No. AM-FZ-20190815108 - "Creating an electronic software product for independent risk assessment of insurance products" for 2020-2021 and implemented at the Tashkent Financial Institute:

program for determining and assessing the magnitude of financial risks (MRKAVBD) - this program (Appendix 3) measures the magnitude of financial risks, the degree of volatility compared to the average value of the average income volume indicator obtained from financial transactions, the sum of the standard deviation of the risk level, allows to determine and estimate the expected average income of insurance organizations from financial operations. This program can be effectively used in the assessment of financial risks of economic entities;

program for risk assessment under conditions of multidimensionality and uncertainty (KO'VNSHRBD) - this program (appendix 4) is a multidimensional vector model of risk assessment under conditions of uncertainty, which is used to determine the ratio of insurance premiums and coverage of risk consequences directed. The prepared program increases the possibility of constructiveness in today's complex economic systems and accurate assessment of risk in the digital economy.

The above-mentioned software products have been developed based on the study of development factors of business processes in the insurance activities of developed countries and our country, and their use in the activities of national insurance entities is considered promising.

Business processes in insurance activities of developed countries  
The study of development factors and the application of international practical experience gained in this regard in the activities of national insurance entities are as follows:

- identification of insurance risks;
- comprehensive assessment of insurance risk (for example, in the "risk-identification-criterion-substance" section);
- saving, processing and changing the results of insurance risk assessment in separate files;
- provides an opportunity to improve processes such as insurance risk forecasting.
- Integrated solutions for automating business processes in the insurance market of Uzbekistan development remains the next task.

## CONCLUSION

The research highlights the significance of using a multi-tiered business process methodology for risk management in organizational settings. It emphasizes how important it is now for businesses to handle critical risks associated with their reputation and brand. Reduced risk and sustainable growth are ensured by integrating management and compliance systems that are in line with international standards like ISO 31000:2018 and IEC/DIS 31010. The study cites integration, continuity, and feasibility as important risk management tenets for insurance company operations. Practical applications in the insurance business are demonstrated by various software solutions designed for risk assessment in financial operations and under multidimensionality and uncertainty. The conclusion highlights the importance of using global best practices to improve business procedures in Uzbekistan's insurance operations, with an emphasis on risk assessment, identification, and all-encompassing risk management solutions.

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