BRITISH VIEW

MULTIDISCIPLINARY JOURNAL

British View ISSN 2041-3963 Volume 8 Issue 8 2023
Universal impact factor 8.528
SJIF 2022: 4.629

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INSURANCE AND FINANCIAL ORGANIZATIONS RISK ASSESSMENT: CONCEPTUAL APPROACHES

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Abstract. This article notes the relevance of the formation of conceptual approaches to the assessment of financial risks, examines the issue of their direct or indirect impact on the results of financial activities of subjects. In particular, it is indicated that the main task of risk management is the assessment and analysis of probabilistic risk, the choice of methods to minimize risk by identifying its factors. The author presents modern methods of assessing the level of financial risk, as well as the necessary methodological manuals for determining the level of profitability of financial transactions on the example of insurance organizations in Uzbekistan. This approach to the formation of the necessary level of profitability of financial transactions, taking into account risk factors, allows for the interconnection of indicators in the process of financial activity of insurance organizations as a whole.

Keywords: financial risk, sources of financial risk, level of financial risk, assessment of financial risk, universalization of risk, concentration

Today's world rejects the concept of absolute security and applies the category of acceptable risk. Its essence implies the achievement of the level of security accepted by the society during a certain period of time. From this point of view, the category of "financial risk" is an uncertainty that requires the assessment of systemic factors affecting financial activity in economic conditions. Sources and factors of financial risks are so wide that it is ineffective to think about a universal single method of their assessment. In this process, mutually "contradictory" factors systematically cause: on the one hand, an increase in the level of uncertainty, and on the other hand, opportunities for effective risk management. [1].

When choosing a risk management method, it is appropriate to calculate the maximum loss rate due to the occurrence of this event, compare it with the amount of capital exposed to this type of risk, and then compare the total losses with the amount of one's own financial resources. Accordingly, the main task of risk management is to identify and choose ways to minimize risk by analyzing and evaluating it.

The category "Financial risk" is multifaceted and essentially has a broad meaning. In addition, the concentration of financial risks [2],in turn, the "boomerang effect" that does not take into account economic and national borders, which is visible in the universalization of risks [3] brings out. Today, the risks are probably the combination of inertia and innovation characteristics, as well as the concentration of

[1]Айдинова А. Т., Халидова А. Ш. Финансовые риски и методы их оценки в деятельности современных предприятий.//Молодой ученый. - 2019. - №12. - С. 373-375.

[2]Молиявий рисклар концентрацияси [financial risks concentration].//Бланк И.А. Словарь-справочник финансового менеджера. - К.: «Ника-Центр»,1998. - 480 с.

[3] Luhmann N. Op. cit. Цитируется по русскому переводу: Луман Н. Понятие риска ./ Пер. А. Ф. Филиппова //THESIS. 1994. № 5. С. 149.

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SJIF 2022: 4.629
factors that show the tradition of growth in the economic process.

Today, the assessment of financial risks is based on the following conceptual approaches, i.e. (Figure 1):

- situational approach (identification and assessment of losses due to those events);
- process approach (using multi-form, i.e. variability indicators);
- scenario approach (using analysis of pessimistic, realistic and optimistic scenarios);
- it can be mentioned that the complex approach is based on the concept of expected utility.

These approaches are used in creating a risk management system and assessing financial risks.

Estimating the level of financial risks is a complex step in the risk management system that requires the use of modern methodological tools. It should be noted that financial risk is based on probability and is used in calculations in the process of assessing uncertainty and determining the level of risk.

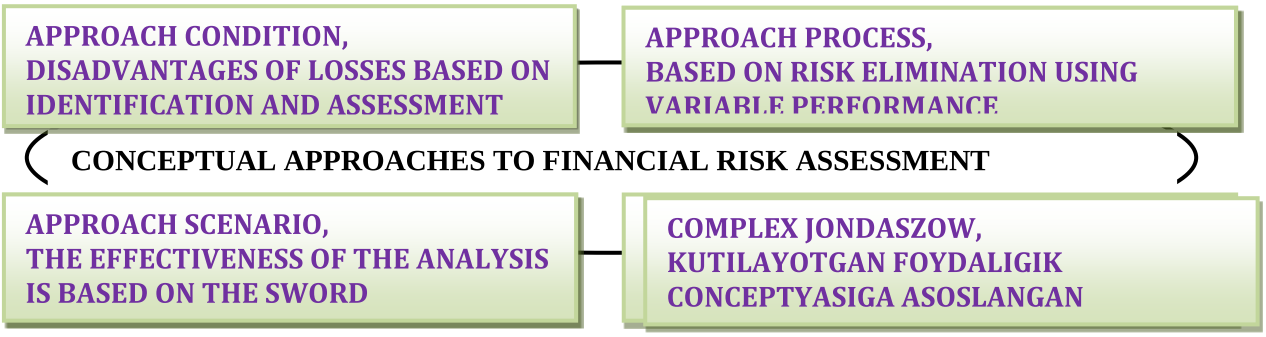

Fig. 1. Conceptual approaches to the assessment of financial risks [4]

At the first stage, a probable event is determined for each expected financial risk. At the same stage, the financial risks of the organization are grouped.

In the second stage, the amount of damage likely to be caused by the event is determined when the risk occurs. This amount of loss describes the maximum loss that is likely to occur from a financial transaction or a specific type of financial activity, without taking into account measures to eliminate the consequences of risk.

The analysis of theoretical and practical developments and statistical data carried out within the topic, the author's approach aimed at determining the necessary level of profitability of financial operations taking into account risk factors, in particular, the interdependence of indicators in the course of the activity of an insurance organization, served as the basis for the formulation of the following suggestions regarding the assessment of the level of financial risk:

firstly, to assess the financial risk, it is necessary to select and use effective

[4] It was compiled by the author based on the analysis of the scientific research of the authors listed below: Bogomolova E.A. Bering A.O. Existing approaches to assessing the risks of real investment projects: their advantages and disadvantages.//Economics: problems, solutions and prospects. University Bulletin. - 2016. -No. 10, pp. 47-52; Kryzhanovsky O.A., Popova L.K. Methodological approaches and methods for assessing financial risks in an enterprise. //Questions of economics and management. - 2016. - No. 5. - pp. 162-165; Shevchuk A.O. Conceptual approaches to risk management in insurance companies.//Proceedings of the IX International Scientific and Practical Conference “Sustainable Economic Development: State of the Art, Problems, Prospects” - Pinsk, May 22, 2015, pp. 234-236, etc.

methods of risk analysis and determination of factors to reduce its consequences, according to the probability of any particular activity (operation);

secondly, it is required to calculate the maximum allowable loss for each type of risk, compare it with the amount of available resources, the total amount of own funds. It is with the implementation of this activity that an appropriate decision can be made regarding the acceptability of accepting a certain risk;

thirdly, in the case of some insurance organizations of Uzbekistan, the mutual differentiation of the assessment carried out on the basis of the calculation and analysis of risk indicators, the application of the coefficient of variation in this process includes the following:

– appropriate level of financial risk;

- the average amount of income from financial transactions;

- level of fluctuation (dispersion) in relation to the average value of the studied indicator;

– sum of average square (standard) deviation of individual financial risk level;

- allows to determine the expected average income indicators from financial operations in general;

fourthly, it is an important indicator that the choice of the method of risk minimization in practice is based on the fact that the costs of implementing this policy do not exceed the amount of benefits resulting from its application. However, in practice, it is difficult to fulfill this condition. Therefore, it is often necessary to determine the minimum costs for the implementation of measures to reduce the risk to an acceptable value;

fifth, by applying the expert evaluation method to determine and evaluate the level of financial risk, a complex of logical, mathematical and statistical methods, as well as procedures related to the activities of experts in the process of making a specific decision and processing the information necessary for its implementation, when the reliability of the evaluation is guaranteed on the basis of the coordinated actions of experts systematic implementation is important;

sixth, the above-mentioned methods of reducing the level of risk have their own advantages and disadvantages. The choice of specific assessment methods is determined by the availability of a suitable data base and other factors. On the other hand, in practice, it is recommended to use the most suitable combination of instruments for a specific entity and it is required to take into account its relevance to the network and the directions of activity.

In conclusion, it can be noted that systematic application of risk assessment methods, modern methods of financial risk assessment based on mutual coordination of some methods with others, in particular, in the case of insurance organizations of Uzbekistan, is a factor in the formation of a conceptual approach to the management of activities (financial operations).

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