



## **BUSINESS PROCESS DEVELOPMENT IN INSURANCE ACTIVITY**

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In the theory and methodology for assessing the financial condition of insurance companies, more and more tools have been used - a risk-based approach, which to a certain extent allows the transition to a sustainable development trajectory that meets the criteria for efficiency in this area. In this perspective, the improvement of business processes in insurance involves [1]:

- the existence of a need for insurance services and for insurers capable of satisfying these needs in accordance with the quality expected by the insurers;

- realization of the potential of competition between insurance companies in terms of ensuring the interests of the subjects of insurance relations;

- monitoring of the regulatory framework of insurance and its compliance by all subjects of the insurance business in harmony with the development of the insurance institution;

- transparency of the insurance business, as well as its structural processes and sub-processes;

- strengthening the contribution of insurance to the realization of the financial, economic and socio-economic potential for the development of the country's economy;

- adaptation to changes in the insurance industry and the introduction of innovative technologies in the organization of insurance activities in accordance with the knowledge economy in the following strategic areas:

- automation and digitalization;

- blockchain technologies and online insurance [2];

- development of insurance e-commerce;

- "smart" insurance; telematic insurance products;

- modular system of personalized insurance services and insurance products (based on the principle of atomic modularity);

- bank insurance; mobile insurance service;

- design of financial instruments in the insurance industry;

- insurance management and insurance marketing of the "new generation" [3], etc.

For each specific company, business processes will have their own specifics. Nevertheless, in order to develop a standard for assessing their quality, it is possible to create a standard, comparison/comparison with the parameters of which will reveal deviations, negative trends, negative effects in the development of an insurance company, as well as develop an algorithm for overcoming them and entering the trajectory sustainable development. The realism of the described processes can be ensured by comparing their system with the functional units of the insurance company. For any company, including insurance, it is quite possible that the functional units will not fully ensure the solution of the tasks assigned to them, then its organizational structure will not be optimal for business purposes [4]. Of course, in this case, it is possible to achieve the goals set through reengineering and redesign. In any case, it is necessary to decide how the elements / sub-processes that make up the system of the entire business process will be identified and, if necessary, grouped.

Traditionally, these groups include the following:

- end-to-end or cross-functional processes that pass through several divisions or the entire insurance company, crossing the boundaries of functional divisions;



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- under the processes of divisions or intra-functional - their activities are carried out within the boundaries of any functional division of the insurance company;
- functions or operations of the lowest level of the organization's activities, i.e. operations performed by one employee.

The study of different levels of detail in insurance activities allows us to identify not only imperatives, but also possible trends in the overall development strategy, correlate them with the given coordinates and parameters of sustainability and efficiency. In this aspect, it is possible to identify the activities of the entire insurance company as a process, but at the same time, the provision of a certain insurance service is also a process. It is important here to realize that the insurance company is being studied through the prism of a process approach that determines the use of management technologies in relation to resources and all of its activities, taken in conjunction.

Business processes in insurance may also differ depending on the strategies implemented. The best strategy for an insurance company may be the one that provides synergy of its business processes. The so-called synergy of processes [5], consists in the fact that the results of one process will contribute to the improvement of the results of another or other processes. As a result, a positive effect can be provided in the form of a more perfect coordination mechanism for the management of an insurance company, an increase in the motivation and professionalism of employees, optimization of the costs of insurance activities, an increase in operational and economic efficiency in the use of financial, labor and information resources involved in the process of creating an insurance service that provides maximum level of customer loyalty. The reorientation of the insurance company to the interests of consumers can be represented as a client-oriented strategy - CRM (Customer Relationship Management).

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