

Actual Issues of Financial Reporting in Insurance Organizations on The Basis of International Standards

Ergashova Mukaddas

Researcher at "Accounting" Department, Tashkent State University of Economics
Tashkent City, Uzbekistan

Abstract. The article examines current issues, problems and their solutions in the organization of financial reports in insurance organizations. In particular, problems affecting the organization of accounting in insurance campaigns and issues related to their solutions are researched. Basic concepts: insurance organization, financial reporting, international standards of financial reporting, accounting of financial results, income and expenses.

Keywords: Insurance, standards of financial reporting, accounting of financial results, income and expenses, accounting.

1. INTRODUCTION

Further development of the financial market in our country, population measures to expand the scope of coverage with quality financial services, to support the activities of insurance organizations, as well as to create favorable conditions for protecting the rights and legal interests of consumers in this area are being consistently implemented.

At the heart of the numerous reforms implemented in the republic, of course, is the modernization of the national economy and its branches. The goal is to make it visible and, as a result, get a high profit. Therefore, it is necessary to introduce international standards of financial accounting in all areas of our economy, including the insurance sector.

The President signed Decrees and Resolutions (PF-5635, PQ-4412, PQ-4611) on further improvement of financial reports in insurance organizations.

In particular, PQ-4412 "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development" PQ-5265 "On additional measures to digitize the insurance market and develop the life insurance sector" of the President of the Republic of Uzbekistan dated February 24, 2020 "Financial Decision No. PQ-4611 "on additional measures for the transition to international reporting standards" was adopted, in which all necessary measures were covered in the approved "Road map" for the step-by-step introduction of MHSS and modern methods of training personnel in this field. In accordance with this, the control of the quality of financial statements published by insurance organizations in accordance with international principles has given us the following priority tasks.

By accelerating the transition to international financial reporting standards (IFRS), attention is focused on providing foreign investors with the necessary information environment and expanding access to international financial markets, as well as improving the system of training accounting and auditing specialists according to international standards.

In addition, the implementation of financial accounting methods tested in the world experience in the further improvement of financial reports in insurance organizations is considered to be one of the urgent issues.

2. LITERATURE REVIEW

Current issues, problems and solutions of financial reporting in insurance organizations have been reflected in the scientific works and literature of a number of scientists. Among economists, there is no common understanding of current issues, problems and their solutions in the organization of financial reports in insurance organizations.

Within the framework of the selected research topic, the actual issues, problems and their solutions of the organization of financial reports in insurance organizations require an in-depth analysis of their nature and purpose. A number of scientific researches are being carried out on researching current issues, problems and their solutions in the organization of financial reports in insurance organizations of the economy.

Shennaev Kh. M (2020) international experience of regulation of insurance activity is studied on the example of the USA, the European Union and its member states, such as Great Britain, Germany, as well as the developed countries of Asia, Japan and China. The article also analyzes the changes and trends related to the regulation of insurance activities on a global scale in the context of globalization. Based on the results of the research, suggestions and recommendations were developed on the application of advanced and modern forms of regulation of insurance

activities in the practice of insurance activities of Uzbekistan [1].

U. Radjabov (2021) emphasized that the concepts of insurance and insurance activity, the existing theoretical views related to insurance activity have gained a new meaning based on the requirements of the market economy. Insurance reserves, the procedures for their formation have been disclosed. It has been studied that the calculation of insurance reserves should be carried out based on the account and reporting data of the insurer. The results of financial activity of insurance market participants, indicators of financial stability of insurance companies, the current state of insurance legislation and other regulatory legal documents related to insurance work were analyzed[2].

Ochilov I.K (2017) in insurance organizations for the operative implementation of the payment of damages caused by the occurrence of insurance events, studying the documents submitted for insurance claims, determining the amount of damage caused to property and fulfilling financial obligations to pay insurance coverage, to eliminate damages the issues of determining expenses and improving their reflection in accounts are covered [3].

In our opinion, accounting is of great importance in the development of insurance organizations, because the financial collapse of an insurer affects the interests of many policyholders. For this reason, we believe that it is important to focus on ensuring the financial stability of the insurance organization, correct financial calculations, and improve the accounting system based on international standards.

3. RESEARCH METHODOLOGY

Observation, data collection, summarization, grouping, comparison, economic relations in the field of services and the pandemic and its impact on the insurance industry, problems and their solutions by local and foreign scientists based on the study of the pandemic and the laws regulating the industry and conclusions and proposals aimed at its impact on the insurance industry, problems and their solutions are formed.

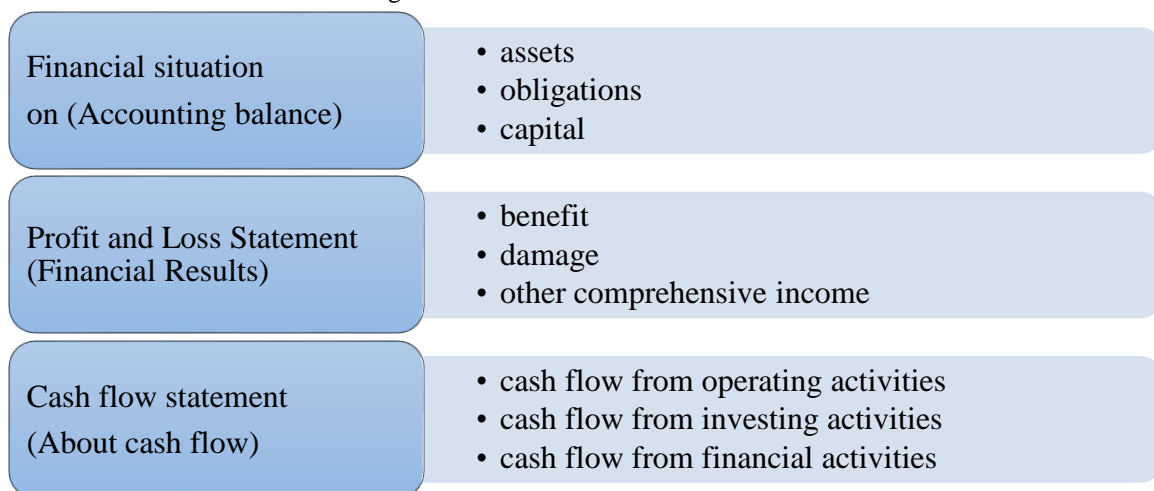
4. ANALYSIS AND DISCUSSION OF RESULTS

In 2019-2020, the share of the insurance sector in the gross domestic product in our country is only 0.4 percent. Insurance premiums per capita amount to 28,000 soums, which is a very low figure. One of the main reasons for this is that insurance services are not sufficiently attractive, and the rights of all parties in insurance relations are not the same, which prevents legal and natural persons from increasing their confidence in insurance.

In the context of deepening market relations and modernization of our country, insurance organizations are developing their activities in the field of providing insurance services.

As an example, 40 insurance organizations, 5 insurance and reinsurance brokers, 22 assistants, adjusters and surveyors, 5 actuaries, and more than 8,900 insurance agents are operating in the insurance market in our country. At this point, it is important to adapt the calculation of insurance organizations to the international level. In the international practice of preparation and presentation of financial reports, the structure of report forms is defined in Figure 1 below.

In insurance organizations, it provides information to users of financial statements about the elements listed in the financial statement forms shown in this figure.



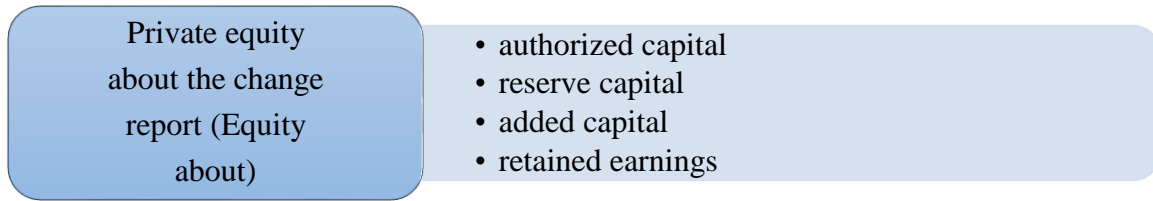


Figure 1. Forms of financial statements and their elements

In turn, users are considered important in the preparation and presentation of financial reports in accordance with international standards in insurance organizations. (Fig. 2)

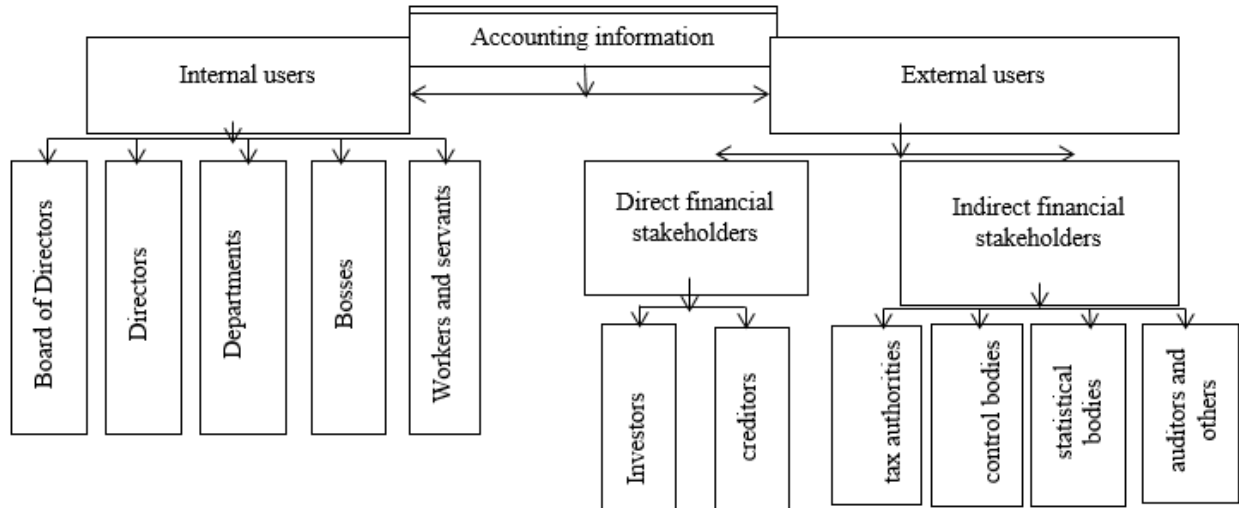


Figure 2. Users of financial reports of insurance organizations

Private capital is an important source of economic funds of insurance organizations. This resource is mainly multiplied by the last financial result obtained from the insurance activity, i.e. profit. That is why the report on financial results is an important object. Financial results of insurance organizations are directly related to income and expenses, and they must use available resources effectively. Otherwise, high results cannot be achieved in their activities. Therefore, incomes, expenses, their types and sources of origin are constantly monitored.

The accounting of financial results of insurance organizations is a component of the financial report, that is, the final economic result of the activity of the insurance organization expressed in the form of profit or loss, conducting work to confirm the correctness of income and expenses, the correctness and reasonableness of the report on financial results (Form 2) is to ensure that it is filled

In insurance organizations, the main income and expense account differs in its specificity. The total amount of money received in the account as a result of carrying out insurance, engaging in other activities not prohibited by law is considered as its income. Incomes in insurance organizations are composed as follows.

The total cost of the insurer is the cost of the insurance "product". It is regulated on the basis of current regulatory documents and is the basis for determining the structure of the insurer's expenses. When determining the tax base, it is also necessary to clarify the total costs of the insurer and their composition. The costs of insurance organizations can be seen in Figure 3 below..

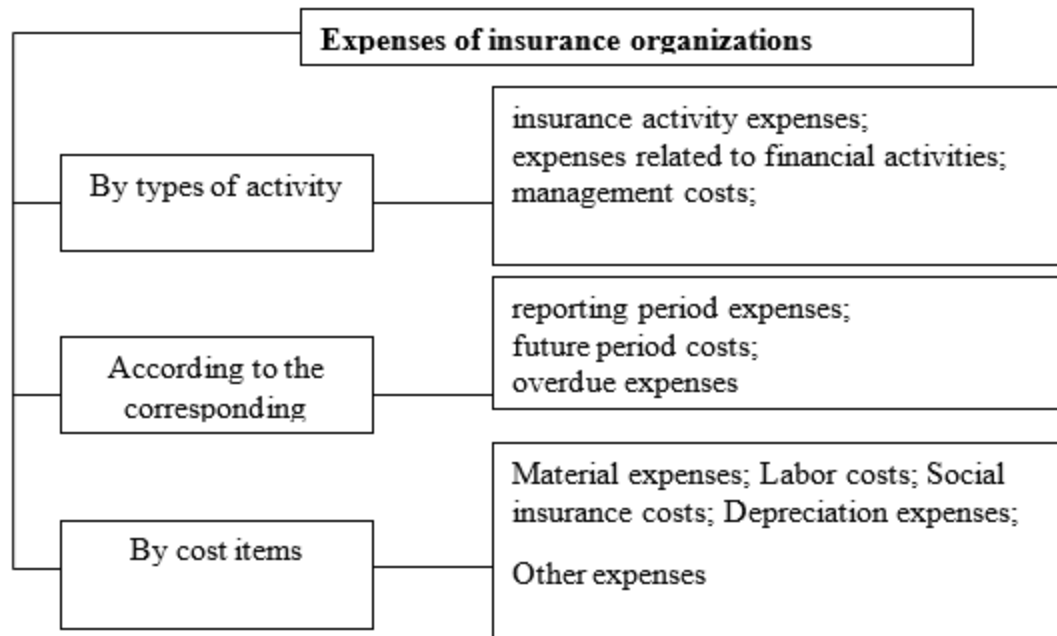


Figure 3. Cost structure of insurance organizations

Financial performance accounting in insurance organizations has certain characteristics, which are as follows:

- the report on financial results can be checked separately or simultaneously with other operations (indicators) of the insurance organization;
- the report on financial results is considered the final part of the accounting policy of the insurance organization, so the effectiveness of the report on financial results directly depends on the results of other indicators;
- the report of financial results includes a clear and specific period, this period is directly related to the type of report (current, annual reports).
- the composition of financial results reports differs in content depending on the forms of ownership.

5. CONCLUSIONS AND SUGGESTIONS

In the process of adaptation to the MHSS of insurance organizations, we have developed a scheme of the accounting and analysis system Fig. 3. The systematic approach includes considering accounting as a system of interrelated subsystems: accounting, operational (operational and technical) accounting, statistical accounting, reporting, analytical system, internal control and audit system. The relationship between the presented accounting and analytical elements results in the system providing more detailed information to interested users who make management and economic decisions. In conclusion, we can say that it is necessary to publish financial reports in the same form and content for everyone when entering foreign markets, establishing international trade and commerce, and participating in the world stock market. The use of accounting in insurance organizations in economic entities gives the opportunity to occupy one of the main positions in the rapid and prospective management of their activities, to fully comply with the requirements of international standards.. As a result of the conducted research, the author proposed solutions aimed at eliminating problems related to the improvement of accounting of the organization of financial reports in insurance organizations:

Adjustment of accounting in insurance organizations to international standards;

In the formation of financial results in insurance organizations, great attention was paid to income, expenses, profit and loss, their content;

It was concluded that it is appropriate to improve the filling of financial reporting forms in insurance organizations.

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