

# OPTIMAL INSURANCE SOLUTIONS BASED ON MARKETING INFORMATION SYSTEMS

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**Abstract.** This article reveals the issues of the effective use of marketing information systems in insurance companies, widespread use of technical solutions and special computer programs designed to automate the marketing processes of the insurance company. The use of marketing information system has provided ample opportunities for solving labor-intensive issues. Increase market share, introduce new insurance products, increase working capital and profit margins, this problem can be solved through the effective implementation of marketing information systems.

**Keywords:** marketing information systems, capital, profit margins, insurance, insurance company.

## 1.INTRODUCTION

Insurance activity in the world economy is a system that combines methods of creating a monetary fund to increase the competitiveness of products, protect activities from risks associated with export and import of products, integrate production, as well as expand the scope of activities of each entity, serves to secure investment and increase credit opportunities. Over the years of independence, radical changes have taken place in the insurance industry of our country. As a result of economic reforms, insurance companies of various forms of ownership began to work in the industry on a competitive basis. As a result of state support for the development of the national insurance market, the range of insurance services provided to legal entities and individuals is expanding, and positive changes in quality indicators are observed. The legal framework for insurance has been strengthened and is constantly being improved. The strategy of actions in five priority areas of development of the Republic of Uzbekistan for 2017-2021 states that "expanding the volume of insurance, leasing and other financial services by introducing and improving their new types, as well as attracting capital and alternative resources for enterprises, financial institutions and the population; development of the stock market". In this regard, the introduction of information and communication technologies (ICT) in insurance activities plays a special role in solving the problems of creating a competitive environment in the national insurance market.

## 2.LITERATURE REVIEW

The socio-economic significance of insurance from foreign scientists N. B. Grishchenko [6], Kenneth C. [7], Mcnurlin S. B.[8], V. V. Shakhov, T. N. Chernoguzova, V. B. Gomelya [3], Akhvlediani

U.T.[4], Emmett J.[5], and others studied the insurance market and its development trends on the basis of developed countries.

From local scientists Alimov R.X., Begalov B.A., Yulchiyeva G.T, Alishov Sh.[1], Aripov M.[2], Gulomov S.S. [9] studied some aspects of the insurance market.

Methodical aspects of establishing a control system over compliance with principles of decent work and social security in textile enterprises were researched by Gulnora Kalandarovna Abdurakhmanova and others [14;16] Innovative development of Uzbekistan agroindustrial complex were dedicated works of Yldashev, N., Nabokov, V. I., Nekrasov, K. V. [17;18]. Estimation methodology of efficiency of production capacity management at textile enterprises were investigated by Kirill K. and others [19]. Role of Managing Industrial Stocks in Increasing of Textile Enterprises Capacity were studied by Tursunov B. and others [20;21]. But they did not investigated aspects of insurance.

According to S. Balbino, "Insurance is the basis of modern life, and without the insurance system, public activities and sectors of the economy cannot fully fulfill their functions. The insurance system reduces losses from economic, natural, technological, political and demographic risks. This, in turn, will become a key tool for people in their daily lives, as well as for companies to operate, develop and innovate. "

According to J. Wogan, insurance is a complex system that is difficult to define precisely, but it has two important features, such as the transfer of risk from one person to the group (the insured) and the fair distribution of financial losses by all members of the group.

V.A. Shcherbakov agrees with S. Balbinot: "Insurance is a strategic sector of the economy.

Especially in a market economy, when entrepreneurs feel that their means of production and workers are protected from various risks, they focus on growing their business. It is insurance activity that increases the investment potential of the country and enriches the population. That is why insurance plays an important role in the country's economy and is an integral part of it". [10]

According to G. V. Chernova "Insurance is the most important institution for the protection of an individual, a group of people, an industrial and economic unit and the whole society as a whole. However, carrying out insurance operations to provide it, a separate insurance organization also carries out investment activities. The accumulation at the level of insurance companies of a large amount of funds and their use to generate investment income define insurance as a powerful investment institution". [11]

The main feature of the state of the domestic insurance market at the present time is its underdevelopment at the regional level. [12]

In our opinion, the insurance market is an integral part of the financial market, since its main feature is the accumulation of temporarily free financial resources and their transformation into insurance assets. This ensures the implementation of the process of redistribution of money capital between individual subjects, which use it to implement their inherent functions. The modern market environment is characterized by instability and the presence of crisis phenomena. All this necessitates the search for measures to minimize the influence of negative factors on the activities of business entities. Numerous risks, which constitute the primary threat to the normal functioning of individuals and legal entities, require the development of specific programs and methods for their elimination. The insurance service makes it possible to compensate for lost property interests by creating an insurance fund by paying insurance premiums by the insured.

### 3.MAIN PART

In a highly competitive environment, all insurance companies are trying to find new ways to better organize their activities. Improving sales efficiency is one of the key links in the development of an insurance company. Making clear management decisions regarding sales management in the insurance industry would not have been possible without complete and accurate information about customers and economic indicators that reflect market dynamics.

Today, increased competition and the gradual saturation of the insurance market prevent insurance companies from maintaining their market position. Therefore, the problem of creating and using effective marketing information systems, which play an important role in the insurance market of our country, remains relevant.

Automation of marketing activities in the insurance industry means the widespread use of technical solutions and special computer programs designed to automate the marketing processes of the insurance company, and to save labor and time resources, the company's business processes are transferred to digital services. The main areas of automation of marketing activities are marketing planning and budgeting, marketing asset management, marketing activities management, customer relations, potential sales management, integration and analysis of customer information. Practice shows that automation of marketing activities can be part of customer management systems (CRM - Customer Relationship Management) and can be implemented as independent marketing management systems (EMM - Enterprise Marketing Management). Independently looking systems can also be complex or integrated, focused on solving marketing problems, depending on the subject area. In our example, since this is the insurance industry, we understand the information systems of insurance marketing.

A marketing information system (MIS) is a set of methods and procedures that are used to collect, process, analyze and distribute marketing decisions on a regular and ongoing basis to provide information.

The successful use of MIS has provided ample opportunities for solving labor-intensive issues, which, in turn, were considered the most sensitive aspect of information processing in insurance companies.

The widespread use of MIS leads to the rejection of rigid processes that are usually performed manually, which leads to a much higher level and integration of the data source, increasing security and protection of corporate data, opening up new marketing opportunities and increasing marketing efficiency.

Our studies show that the widespread use of MIS leads to actions in the following areas:

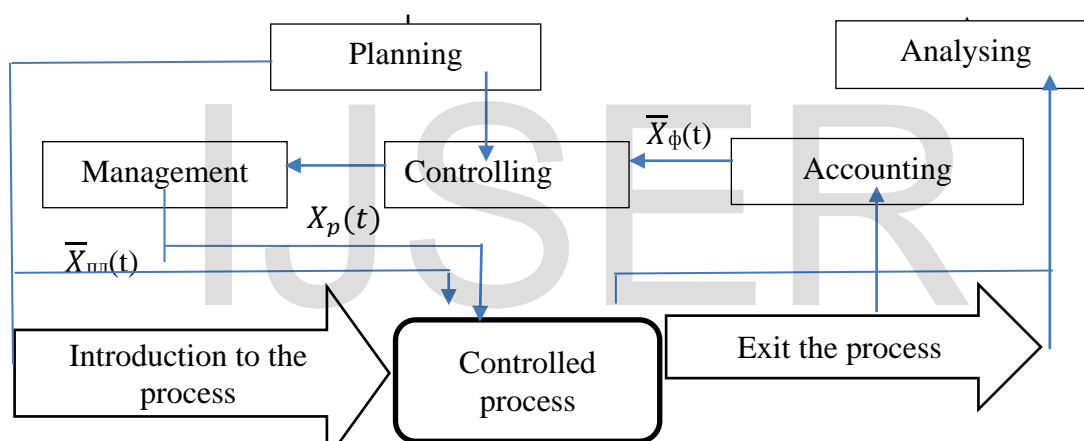
- 1) the formation and promotion of content: the ability to conduct marketing research on the Internet, tools for finding potential customers (new sites, electronic brochures), promotion of an insurance company through advertising and email;
- 2) marketing management: a set of tools for the development, implementation and management of activities;
- 3) preservation of leads: the opportunity for site visitors to receive information about what they are doing, write down their information and establish relationships with content of interest to them;
- 4) lead management: is a central part of the automation system of marketing activities, evaluation of potential customers, modification and transfer for subsequent use in marketing activities. Many information systems are integrated with CRM systems, which allows marketers and sales managers to manage leads;

5) measurement of results: on the basis of primary data obtained as a result of widespread use of MIS, the market situation, customer preferences, and the effectiveness of measures taken are analyzed.

MIS, in turn, belongs to the group of information systems of the organizational and economic type. In such systems, the organization, leadership and coordination of team members play an important role. In terms of marketing and management, these processes are process-driven. Management of each marketing process is carried out by performing management functions in it. The solution of marketing problems based on information systems includes the structure of its functions, planning marketing activities, such as management,

accounting for current marketing activities, process management, event management, analysis of the results. The relationship in the implementation of these functions in solving marketing problems is shown in Figure 1.

The activity of MIS in the insurance market requires constant communication with customers, since the main goal is not only the sale of the insurance product, but also its further service and monitoring. Information about customers, their desires, their level of satisfaction with insurance products should be constantly accepted, stored and processed based on MIS tools.



**Figure 1. The structure of information-functional relations in the system of functional management of marketing issues**

*Source: author's elaboration*

Practice shows that MIS is not only a computer program, but also a complex integrated system that includes technical means of data collection and mutual data exchange. For example, an insurance company may have a system for tracking customer visits, which provides detailed statistics on their visits, based on which decisions can be made on the further development of the company and the introduction of new insurance products. In addition, the widespread use of MIS includes the development of rules for their use and electronic document management. An integrated approach to the exchange of information and accounting for individual parts of the system is one of the basic principles for their effective use.

One of the main objectives of MIS in the insurance market is to provide information about the marketing object, processes and the existing

environment in a convenient way for the decision maker.

Our study shows that MIS in the insurance market consists of the following main components:

1. Information systems for collecting and processing primary insurance information, first of all, contain an existing database in which significant changes and events, existing and potential customers, used insurance products are recorded.
2. The decision-making system implements marketing decision-making procedures based on information about the marketing object.
3. The request input / output system provides information obtained from MIS in a convenient way for making decisions. This is an analysis system that serves to determine the cause of failures, determine responsibilities and compare planned and actual data.

Practice shows that the main problem that insurance companies face in the market is the lack of

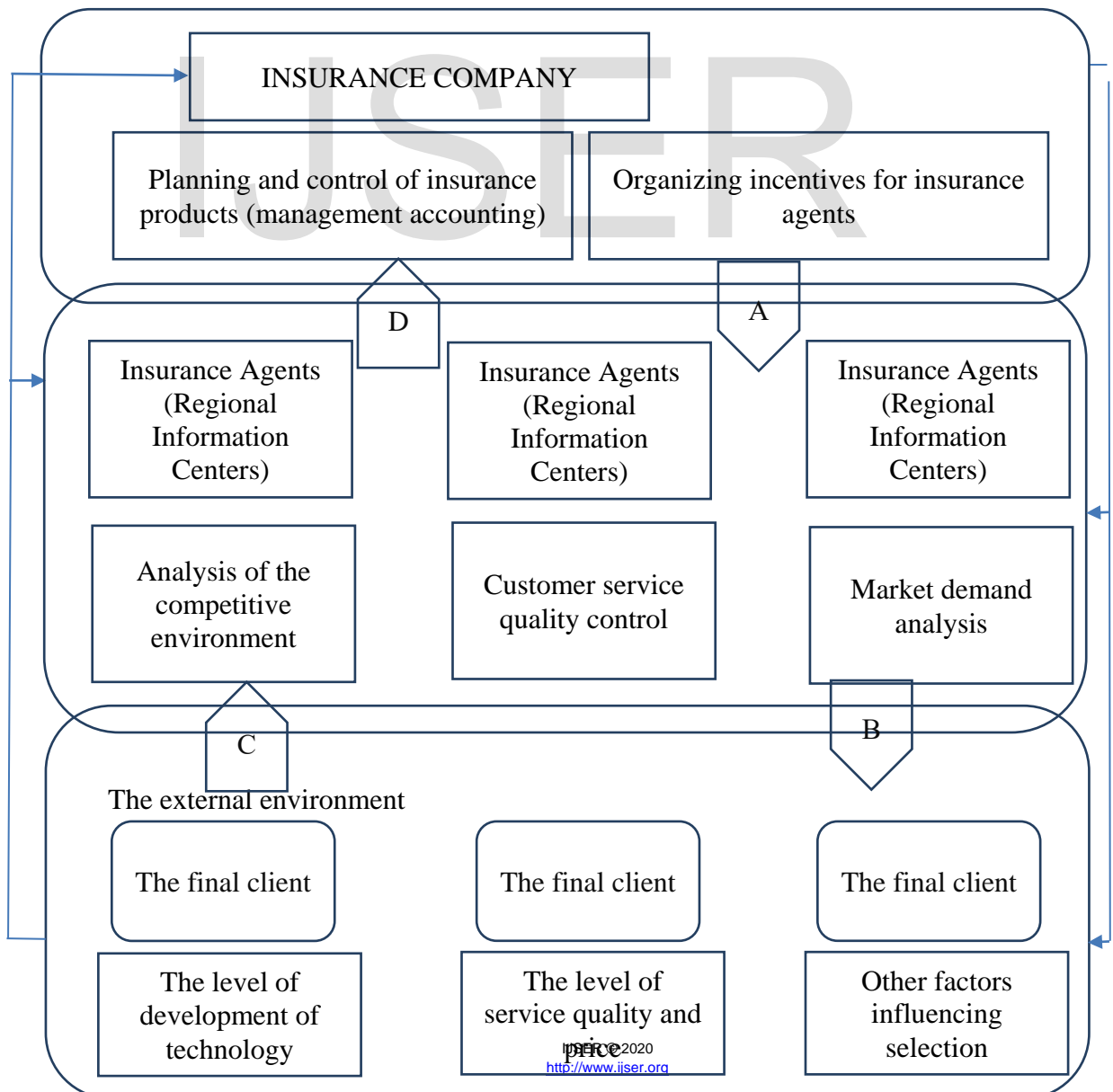
understanding between the company's divisions, which is expressed in sales figures. Therefore, in our study, we developed a MIS-model of sales management in an insurance company, which serves to overcome the above disadvantages on the basis of a wide range of interactions between departments (Figure 2). Based on this approach, MIS pursues the following objectives:

- fully provide the company's employees directly involved in the sale of insurance policies to customers with the information resources necessary for them to fully fulfill their functional duties;
- providing employees with the necessary information about the market situation on a regular basis;
- the insurance company establishes direct contacts between marketing departments and sellers of insurance policies, seeks maximum satisfaction of existing customer requirements and, if necessary, attracts new ones.

Since the sale of insurance policies by insurance companies is mainly carried out by insurance agents, one of the main tasks is to establish mutually beneficial relations between them. It should be noted that, given that insurance companies offer

their products to a large number of potential customers in the market, their effective sales will be possible only through widespread insurance agents. This requires the development and implementation of specific methodological approaches and systems. To do this, it is necessary to apply a transparent system, which encourages insurance agents to fulfill the established plan in excess and direct their activities towards a further increase in sales. Insurance agents in the regions should be aware of the planned tasks assigned to them, and they should receive the necessary methodological, informational and technical assistance from the central office of the insurance company (line A in the figure above).

Our study shows that insurance agents simultaneously study the market situation, analyze their strengths and weaknesses compared to products of competing companies, collect and process the necessary data, and supplement MIS with primary data (lines V and C). The work of insurance agents in this regard is very important, and the information they collect is sent to the central office of the insurance company (line D). As a result of these measures, the volume of insurance policies sold will increase.



**Figure 2. The optimal MIS model for managing the sale of insurance policies in the insurance market.**

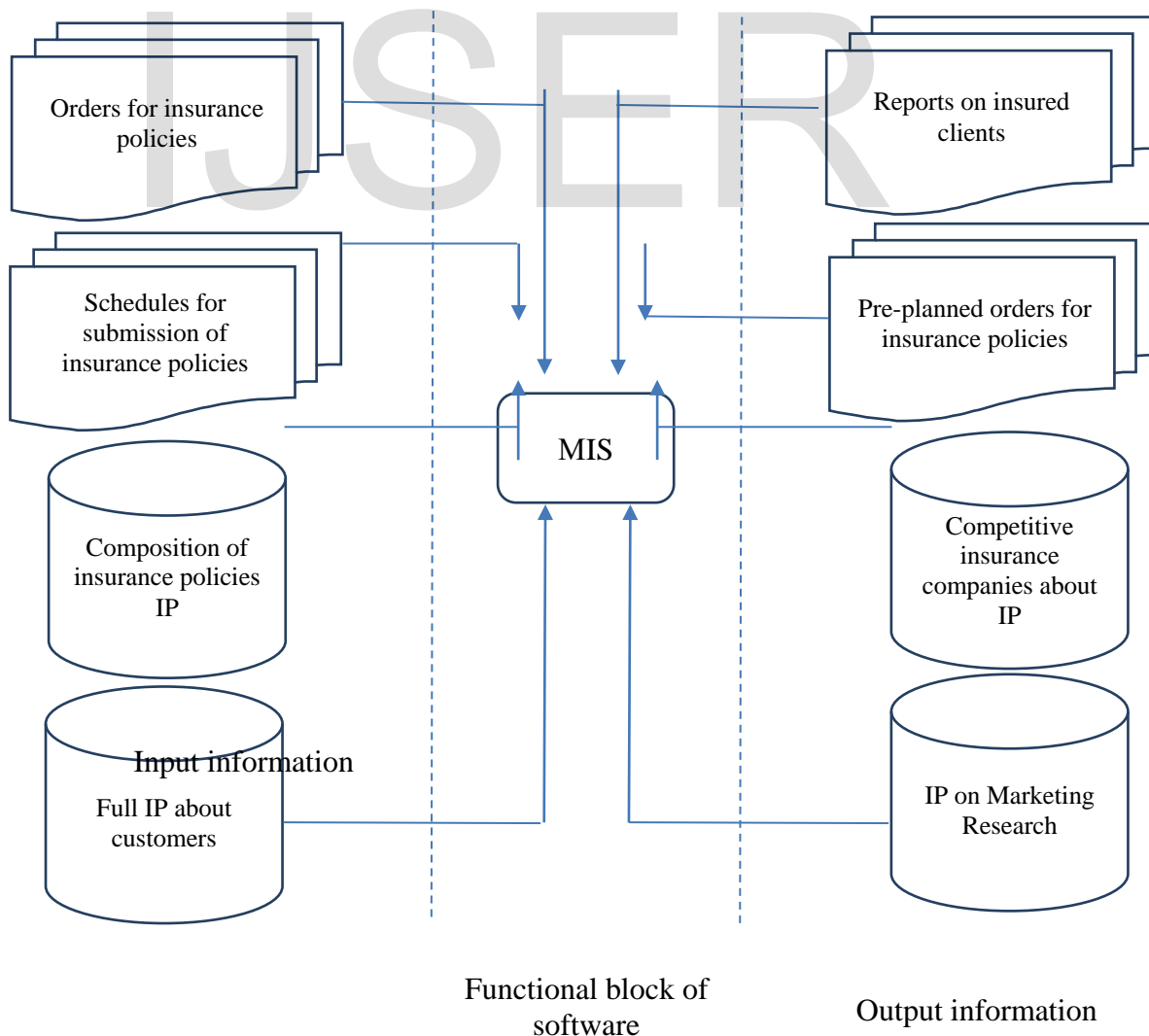
*Source: author's elaboration*

Our study shows that large-scale automation of marketing activities includes the following groups of automation systems:

- a) integration of marketing management (IMM), providing a comprehensive solution to the problems of marketing departments, ensuring their functional integration;
- b) Marketing resources management, which includes the organization and implementation of marketing activities, including their budgeting, marketing phases, mailing lists and marketing research;
- c) Enterprise Feedback Management (EFM), a class of corporate information systems designed for the planning and implementation of marketing research of customers, maintaining and analyzing the results;
- d) Campaign management has additional functions designed to solve specific problems that arise during the implementation of marketing

activities, partially reflecting the capabilities of the above information systems;

- e) Marketing analytics - these are specialized tools designed to analyze marketing data;
- f) Digital asset management;
- g) Internet marketing is a set of e-commerce programs that tracks the behavior of customers on a site in real time;
- h) e-mail marketing - this is a distribution management program, accounting and analysis of customer behavior are improved using marketing tools;
- i) manage marketing performance, analyze the performance of marketing departments and manage performance based on established criteria.



### Figure 3. Scheme of work of marketing information system in insurance company

Source: author's elaboration

Our analysis shows that the various classes of marketing information systems listed above can also be functionally overlapping. Therefore, companies usually use several information systems to solve different problems, and the results obtained in one can be transferred to another. The transition to an integrated system, rather than separate marketing information systems, will also reduce the cost of their use.

As a result of our research, we proposed a work scheme for a marketing information system in an insurance company (Figure 3). The first information about customer satisfaction is the schedule for submitting insurance policies. In addition, the input information includes orders for insurance policies, a database on the composition of insurance policies (IP) and a complete IP about customers. This information is processed by the MIS of the insurance company, and as a result, reports on the insured clients are generated, information on pre-planned orders is displayed in insurance policies. In

addition, IP s in competitive insurance companies and IP s in marketing research are widely used in MIS's business processes.

Our studies show that insurance companies remain mainly financial institutions engaged not only

in the sale and servicing of insurance products, but also in the wide attraction of free financial instruments from clients to investments. Therefore, it is necessary to predict and analyse the stock market, banking services and the economic situation, the implementation of which is inconceivable without modern ICT and MIS.

An objective assessment of the design quality of integrated marketing data and communication systems and their insurance can be included in business processes, and tools can be provided to a company that sets goals only to evaluate functionality based on practical results of its use. Thus, there is a need to determine the content of MIS and to structure the interrelated and complementary principles of an integrated marketing data and communication system.

It is recommended to start with the creation and implementation of an integrated marketing information and communication system in the activities of the insurance company, starting with determining how to make these changes in its internal environment, and focus on the management and personnel of the managing organization. If the majority of senior and middle managers of the insurance company are not interested in the development, implementation and effective functioning and improvement of integrated marketing information and communication systems in the long term, it is not recommended to start this project, since overcoming barriers will lead to significant costs.

In short, in order to solve the problems of company development, that is, to increase market share, introduce new insurance products, increase working capital and profit margins, this problem can be solved through the effective implementation of MIS.

#### 4.SUMMARY

The use of automated software packages for storing, processing and using information is a key direction in increasing the efficiency of the insurance information system. The construction of an information system for an insurance company should be individual, depending on the volume of tasks performed and the existing structure of the insurance company.

Technologies to improve the functional aspects of the insurance information system in national insurance companies are effective in creating virtual office services by managing the internal and external data of the insurance company and improving the level of customer service, facilitating staff work, increasing productivity, making correct, quick decisions, helps bring customer service up to world standards.

The role of the Internet business in the insurance market is invaluable, therefore, insurance companies will continue to use the Internet in collecting insurance premiums when developing electronic payment systems, virtual insurance agents and insurance policies in electronic form. Currently, the development of Internet insurance in Uzbekistan is of great importance, which depends on the size of the insurance market. It is the use of ICT that will allow insurance companies to enter a new stage of institutional development and increase the competitiveness of national insurance companies.

It is necessary to model an automated information system of an insurance company based on cloud computing technology and integrate its core at the level of the Oracle database management system, and develop a unified database of insurance policies. It is important to develop the integration of the functional processes of the AAT insurance company with external information systems, since today there are no complex information systems in our country.

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