FINANCIAL RISK MANAGEMENT SYSTEM

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INTRODUCTION

Through the rapid development of the insurance market in Uzbekistan, by the end of 2022, respectively, compared to 2018, the share of insurance services in the gross domestic product (GDP) will be 2.0; the volume of total insurance premiums is 3.3; total assets of insurance organizations 2.1; to increase the number of types of insurance services by 1.7 times” determination requires the strengthening of the role of the insurance market and the wide use of insurance tools. Accordingly, during the comprehensive classification of the content of the "financial risk" category and the systematic research of its theoretical, methodological and practical aspects, the study of the causes of its occurrence, as well as the research of activities aimed at eliminating or minimizing its consequences, is considered one of the urgent topics.

The activity of economic entities is taking place in the scope of risks, in particular, it is observed that financial risk occupies a special place among them. In the current conditions, the financial risk arising in the process of formation, distribution, redistribution and use of the main and working capital, reserves and other sources of monetary resources of these entities is manifested under the influence of the pressure level of the external environment.

In addition, the entities of the production (performance and service) sectors of the economy cannot use financial risk management tools successfully used in traditional activities in the process of financial market operations in a risky situation that is new to them. In this case, it is observed that economic entities use a conservative approach in most cases, which is different from the activities of foreign exchange markets or trading entities, that is, these operations are manifested in the limited selection of technologies and equipment, other types of resources.

As a factor of the success of the financial risk manager, it is observed that through the ability to predict this risk event in advance, it ensures the stability of the level of losses (losses) that can be seen according to the probability of occurrence of the risk of operations.

The ultimate goal is to ensure that financial risk management is carried out in harmony with the operational and strategic activities of the entity based on a systematic approach. Due to the failure to use such an approach, the subjects will be harmed, as they will have to deal not with the prevention of financial risk, but at the same time with the elimination of its consequences.

The risk management system is effective in that it is based on specific principles, according to the specificity of the activity of economic entities, the description of the production (service and performance) processes, the risk profile is (Fig. 1).
Risk management includes:

- efficiency (assessment of potential risks of the entity's structural structures, as well as ensuring the optimality of their management system);
- periodicity (minimization is ensured in time through risk identification, monitoring and control);
- continuity (the functionality of making decisions on risk management in order to minimize them in the continuity of the assessment of potential risks is ensured);

**Figure 1. Principles of risk management system**

- systematicity (risk management tasks, obligations, responsibilities and systematic distribution of powers are ensured)
- independence (application of principles such as independence of management functions from various threats on the basis of functions and legal compliance in conceptual integrity is a factor in achieving effective results in risk minimization.
- Objective management is the main link of the performance management process. It is on this basis that it is possible to assess the degree to which the subject's activities achieve the goals. Objectives are usually achieved using different strategies. In particular, the strategy determines the methods of action in the direction of the chosen direction of development of the subject's activity.
- The formation of the financial risk management system of the economic entity is as follows:
  - identification of financial risks;
  - assessment of financial risks;
  - determining the limit of financial risk;
  - development and implementation of financial risk measures;

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- it is advisable to focus on ensuring the performance of tasks such as risk management system based on situation monitoring.

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