

MODALITIES FOR IMPROVING THE MANAGERIAL OF ACCOUNTS, INCOME AND A EXPENDITURE IN THE INSURANCE SECTOR

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Abstract

Insurance is a necessary element, socio-economic system of any company was and remains one of the main areas that offer the guarantee in case of violation of the interests of property. In the current stage of the development of marketing relations, the role of insurance is increasing substantial. Insurance is becoming more and more important because, on the one hand, it is one system of protection of the national economy, and on the other hand, this is significant domestic investment resource.

The young field of economics, insurance does not yet have instructional materials necessary methodologies that would allow them to evolve and improve and be successful competes with foreign insurance companies. In addition, the development of internal business insurance, which focuses on the creation of structures, provides for centralized revenue management involving parent company affiliated investment companies.

Income and expenses, together with financial results (profit and loss) are important indicators of the activity of any insurance company and the principal income statement.

Keywords: *insurance organization, accounting, profit, account, sub-account, system;*

JEL classification: M10, M20, M21, M31

1. Introduction

Insurances are economic relationships, in the form of money, established on contractual basis, generated by the transfer of risks between insured and insurers, which have emerged as a necessity related to the existence of possible dangers for the integrity of the material goods or for the life of the people. As an economic activity, they have distinct features, in the economy and in the financial system, respectively: they represent a branch of the economy that participates in the growth of the gross domestic product (GDP), they lead to the increase of the labor productivity in the national economy, they participate with a capital offer of loan on the financial market,

accelerates the production process through the contribution they make to the restoration of goods, represents a reflection of the evolution of the national economy, the awareness of the population regarding the insurance activity, a proof of the incomes made by it, they are a creative branch of value added and jobs.

A key source of information security for management decisions is the accounting insurer and the analytical system. [1] It is a collection of reflective methods accounting information intended for informative support to the decision-making process management. US-analytical system allows you to get strong data on the part financial, economic and organizational processes at the time of decision making [2].

It also acts as the main information, the source of statistical calculation indicators of the insurance organization, on the basis of which statistics are formed and improved; basis for performing actuarial calculations, determining the size and structure of the tariff rate and achieving the financial sustainability of business insurance as a whole [3].

2. Insurance classification and cost allocation

Classification of income and expenditure insurance organizations for accounting administration in the domestic economic literature not sufficiently developed of particular importance, revenue and expenditure accounting are grouped.

The main objective of managing an insurance business is profit and efficiency necessary in the process of representing the protection of property the interests of the insured to the detriment of insuring the third fund.[4] The following sources are distinguished in the economic literature of profit of the insurance company:

- profit in U.S.A
- cost savings in business - lower relative to the ruble insurance premium compared to the level provided in the insurance price,
- reducing the losses of insurance operations compared to the level provided by the price,
- surplus to transactions received and reinsurance resulting from exit,
- income from investment activities,
- revenues from other activities that are not prohibited by global law,

In this case, the source of profit formation from insurance operations can be anything element of the insurance rate. However, in the insurance process there is the possibility that the sum of the payments and the expenses of the insurer will exceed the amount received by the insurance premium[5]. The authors believe that the reasons why there may be errors in realizing this risk even the net price or large expenses for the business management of the insurance organization. If the influence first factor is probabilistic in nature, then the cost level of the activity depends directly on the activities of the insurer, is subject to control and management, offering an opportunity to gaining competitive advantage in the insurance market.

The main task of improving the accounting system of analytical companies insurances plead for the possibility of comparing current revenues and expenses with structure of the tariff rate by the appropriate type of insurance.

To extend the analytical capabilities the business process management in pre-insurance intends to include in the chart of current accounts the organization of the system accounts and subaccounts for accounting of income, expenses and financial result in breakdown of calculable

types of insurance:

- personal insurance,
- property insurance,
- news responsibility and CTP[6].

This will allow you to quickly identify deviations from a value standard, in a timely manner but makes management decisions resulting from the insurance portfolio tariff revision and reduction of administrative expenses.

3. Management of costs, revenues in the field of insurance

The distribution of the premium accumulated according to the type of insurance does not cause difficulties in accounting while the allocation of costs carries out activities for a certain type of insurance, especially in terms of costs,[7] requires considerable separation.

It is known that the composition of costs is carried out by the activity, the insurance company includes direct and administrative expenses, commission for the conclusion of an insurance contract.

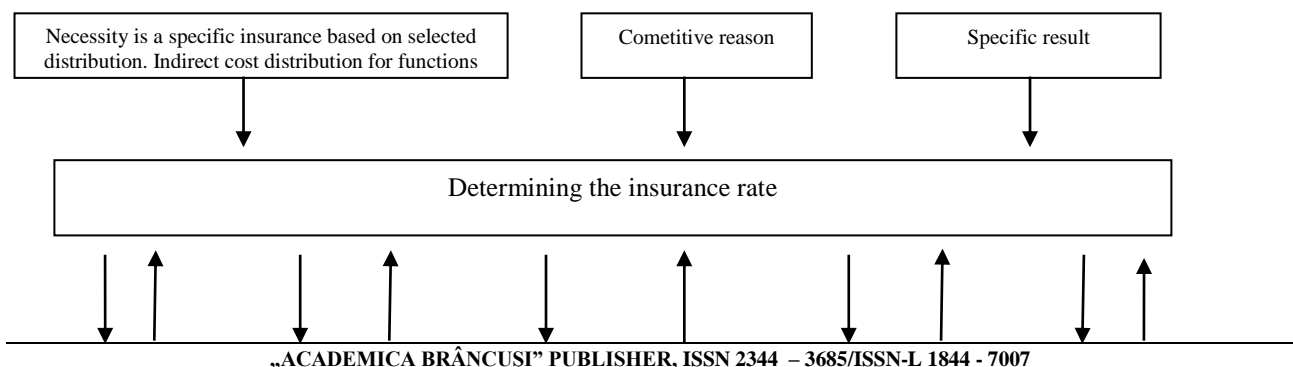
Allocation of direct costs of insuring operations and commission on types of specific insurance is provided on the basis of primary documents.

The administrative expenses incurred are recorded without reference to the types of specific insurance[8]. Famous economists T.V. Polaznova and OS Savchenko as proportional indicators in the indirect distribution of expenses suggests the use[9]:

- the ratio between the number of contracts insurance,
- the type of insurance for the total number of insurance contracts concluded for periodic reporting, insurance premium ratio for each type of insurance at the total premium from the periodic reporting, the ratio of the losses claimed for each type of insurance to the total amount requested for losses for the reporting period,
- the direct cost report for each insurance type at the total amount of direct expenses for the reporting period.

Choosing an administrative distribution base is advisable to perform expenses according to the type of insurance based on the functional unit that performed relevant expenses[10].

The administrative distribution process moves to insurance companies in Depending on the type of insurance, it should contain two stages. Stage I - Distribution of expenses directly functional organization. Stage II - Assign the functional expenses to the unit for types of specific insurance based on selected distribution[11]. Indirect cost distribution for functions listed the divisions of the insurance companies proposed to be organized as part of the analytical, subaccounts open to their accounts. The relevant functional unit expenses are distributed by the type of insurance based on the adopted basis (Fig. 1).



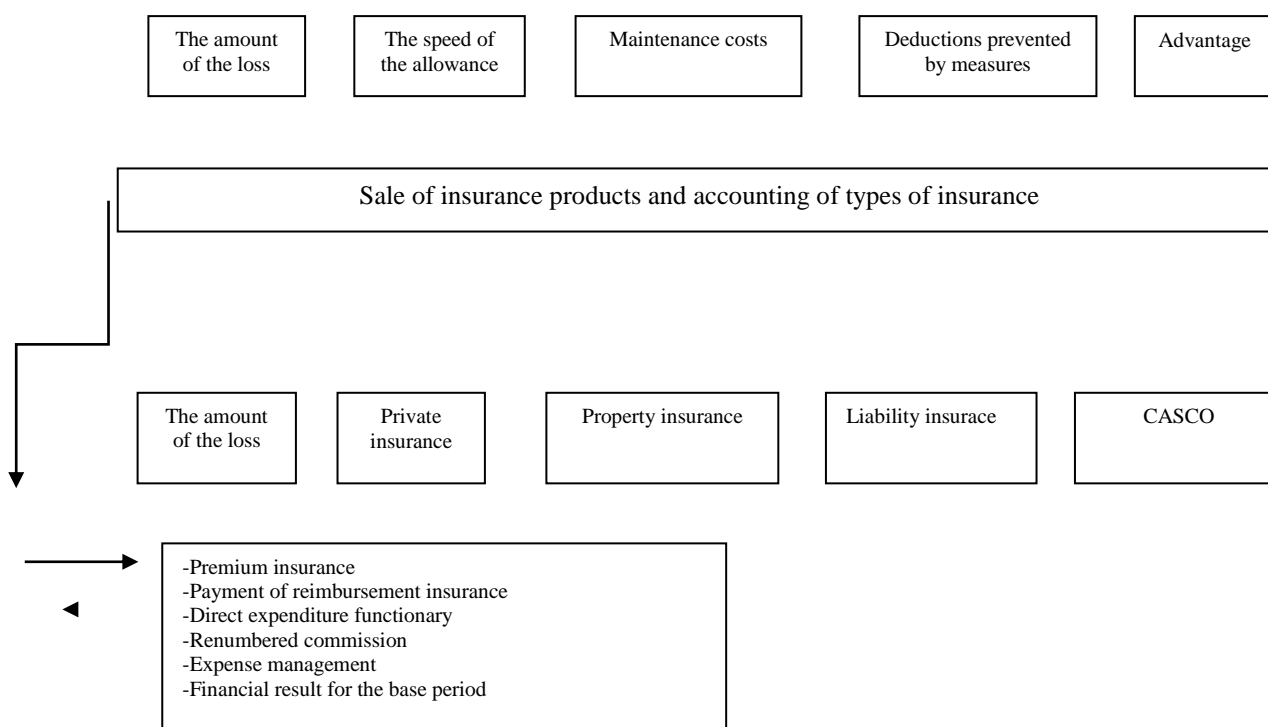


Figure 1. Scheme of distribution of administrative expenses for the types of insurance

To make the accounting process more efficient, you can organize the accounting financial cost of maintenance work according to a certain pattern (Fig. 2). Accountancy directly costs of costs "Direct costs and insurance operations."

To generate information about the invoice of the expenses of administration of the companies insurance and household recommended use sc. 26, General expenses ". K a formed system four-digit sub-accounts can be entered in this account, of which the first two characters reflects an article of the expenses incurred, the third - fun - national unit of expenses performed, the fourth type of insurance, if possible, at the posting of accounts[12].

Accounting of insurance benefits by analogy with the deployment movements a the activity must be carried out according to the type of insurance. In this regard, we consider sc. 22 „ Payments in under the insurance, co-insurance and reinsurance contracts "open a system below double digit number.

To reflect the reimbursement of insurance premiums, paid in the event of early termination or modifications of the insurance contract, which we offer, giving it a name "Repayment of insurance premiums (contributions) and repayment amounts" and opening a sub-account system similar to sc. 22.

The main areas of administrative expenses

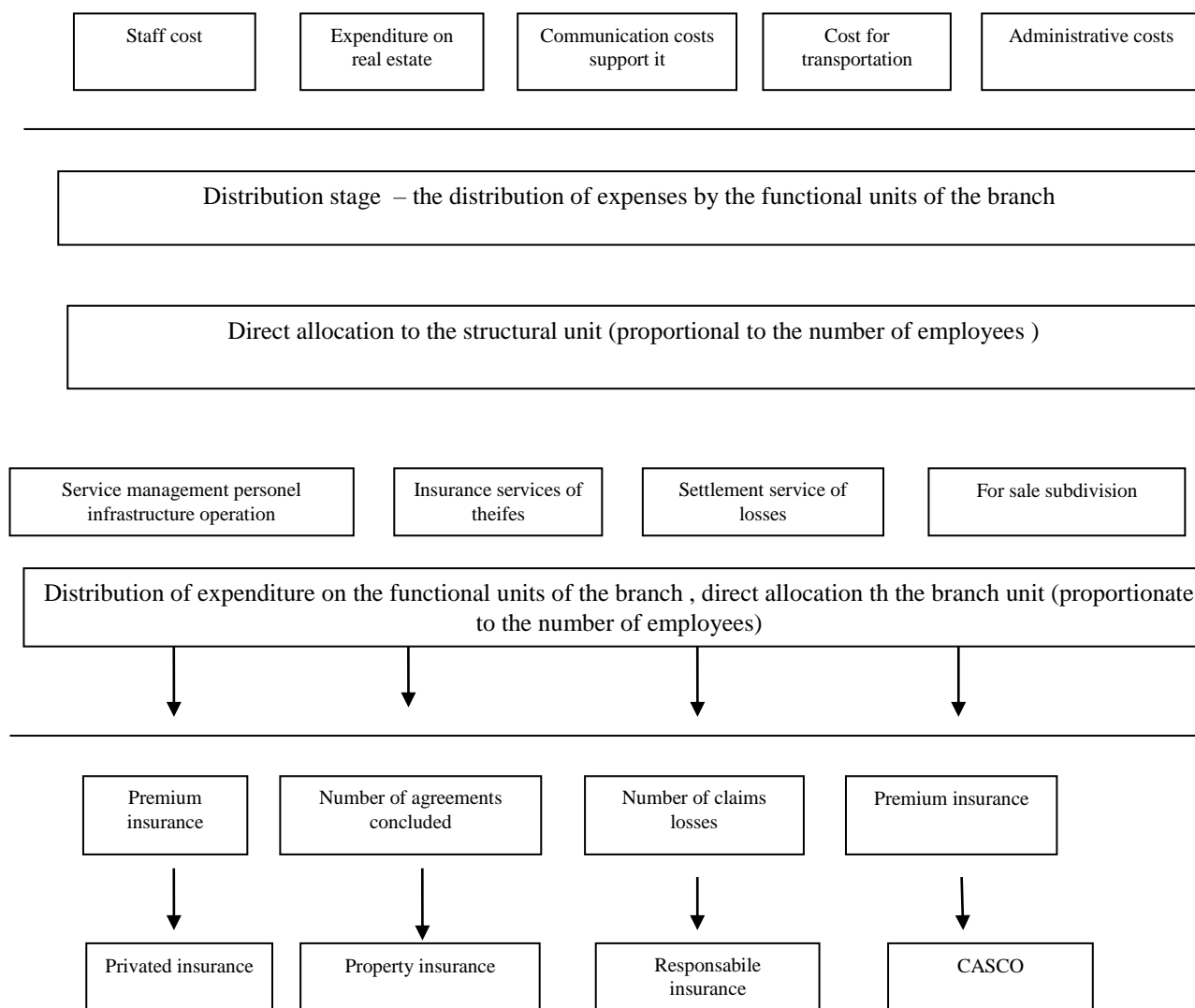


Figure 2. Scheme of reflection in accounting for basic insurance operations on types

According to the accounting system (see Fig. 2), the financial result from the activities of insurance is determined by the MF. 90, Financial result of the insurance activity. " To compare income and expenses by type of insurance, the authors believe it is necessary to take into account, open system with double digit accounts below. His first sign indicates the type of insurance the operation for which the insurance premium is accumulated, the second - reflects type of insurance[13].

Insurance expenses are transferred to the debit account 90 at the sub-accounts determining the financial result by type we provide insurance through comparing the incomes and related expenses necessary for frequency control. MF sweet soil 90 per type of insurance is debited to the account. 99 at the end of the reporting period.[14] The system proposed for reflection and grouping, K account information for an insurance company willleads to an increase in its quality and will also improve its analytical capabilities accounting in the direction of obtaining the objective given by real costs insurance services.

Implementation of operational measures to monitor the planned and effective structure, the tariff rate depending on the type of insurance allows the lit managers to control the level expenses of insurance operations, level of payments, compliance with financial provisions planned and effective results, as well as directly competing capacity and compliance individual rates types of conditions of the insurance market[15].

4. Conclusions

Proper organization of accounting of income from insurance operations training and placement, which is based on the profit estimate built into the tariff structure insurance and invested insurance reserves are of particular importance.

The article describes and analyzes the problems of accounting and income management insurance expenses companies. It also studies the basic tasks of improvement of the accounting and analytical systems. Based on the research, we propose a reflection system and grouping the accounting information of an insurance company.

This system can improve the quality of the company. It will allow you more access managers effectively control the level of expenses in order to maximize profit.

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