

THE IMPORTANCE OF INFORMATION COMMUNICATION TECHNOLOGIES IN SALES OF INSURANCE POLICIES

Shahboz Djanadilov

Researcher of Tashkent State University of Economics, Tashkent, Uzbekistan

shohboz@mail.ru

Abstract

In this article studied how introduction of information communication technologies to insurance activity will influence on insurance companies and there were made an analysis with use of econometric models. Especially access of internet and mobile technologies into economy sectors, especially to insurance activity in developed countries increases trust of ordinary people on insurance based on information technologies more than traditional insurance methods and advantages of this activity on the companies is showed in the investigation of the author. Analysis shows that by development of ICT clients of insurance companies prefer ICT based methods more than insurance agents while buying insurance policies. Application of ICT into the activity of the insurance companies serves to the formation of better connection between companies and clients, and is important in formation of comfortable conditions for insurance policies purchasers.

Keywords: Insurance, Information and communication technologies, Internet, mobile applications

INTRODUCTION

Effective management of the financial economic process in the condition of liberalization and globalization of national economy, in many respects depends on the degree of using information communication technologies (ICT) in it. (Begalov & Zhukovskaya, 2016). Introduction of information communication technologies into the spheres and sectors of economy, particularly wide application in insurance activity management, will serve for formation of insurance relationships and widening of the effective spheres (Amy Newell, 2002). Complex application of the ICT into insurance activity and formation of effective informatization of the processes will

serve for increase of investment into the national economy and let's aimed coordination of the financial funds for changing economy wisely and it in it's turn serves for the rise of countries economic potential (Mangani, 2012).

If insurance companies till now used traditional way using insurance agencies, nowadays development of information communication technologies and intence accession of it into the economies sectors let's insurance companies to sale polices basing on new information communication technologies and effective use of them (Mark v. Pauly, bradley herring and David Song, 2006). Means and methods used for saling insurance polices nowadays are showed in figure 1.

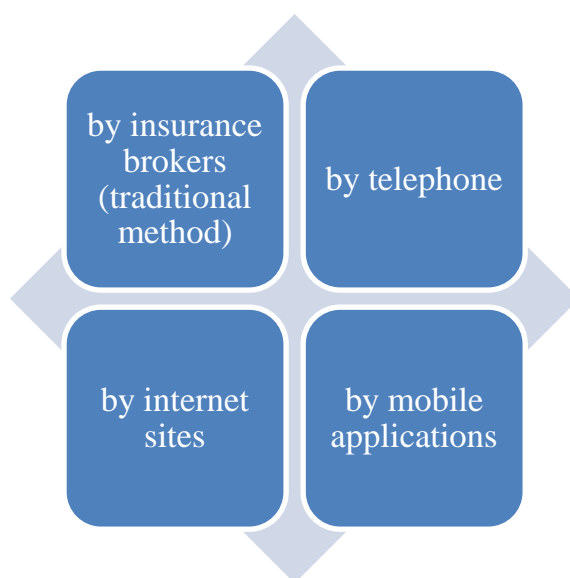


Figure 1. Means and methods used by insurance companies to sale insurance polices

Source: Compiled by author

Even though insurance companies offer above motioned traditional method and method based on ICT, there was no clear investigation of insurance polices seekers preferences and what methods and means should be paid more attention to make comfortable serves for customers of the companies.

METHODOLOGY

In our investigation studied application of information communication technologies into the insurance companies activity in developed countries and were given suggetions for insurance companies working in Uzbekistan national insurance market on application of information communication technologies in their activity. During the investigation analysis made by

Capgemini&Efma in 2016 on the USA, the UK, Japan, Germany, France, India, Canada, Italy, Spain, the Netherlands, Mexico, Brazil Belgium, Australia and Switzerland insurance systems was used for the investigation. Before determining the role of information communication technologies in insurance activity, degree of use of information communication technologies in sales of insurance policies were defined by using questionnaires applied to clients of companies in above mentioned countries. In this questionnaire participants were questioned about what technologies they prefer while buying insurances and participants marked answers like traditional method (insurance agencies), by telephone, by internet and mobile applications on the scale of 100 points. Questionnaire was held among clients of insurance companies of 15 countries above mentioned by Capgemini&Efma in 2016. To test reliability of the results of questionare we will use Cronbach's Alpha method(Odilov, 2017). Cronbach's Alpha method is calculated by following formula.

$$\alpha_{st} = \frac{N \cdot \bar{r}}{1 + (N - 1) \cdot \bar{r}}$$

Here, N – is number of cases, \bar{r} – is average correlation coefficient of the cases.

After defining preferable for clients means of saling insurance policies with the help of Cronbach alpha method, to define mutual relation of these means and preferenceies of the clients what technologies to use while buying policies correlation analysis is made. Coefficient of correlation is calculated by following formula:

$$r_{xy} = \frac{cov_{xy}}{\sigma_x \sigma_y} = \frac{\sum(X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum(X - \bar{X})^2 \sum(Y - \bar{Y})^2}}$$

Here, $\bar{X} = \frac{1}{n} \sum_{t=1}^n X_t$, $\bar{Y} = \frac{1}{n} \sum_{t=1}^n Y_t$ is average quantity of selection.

Data was coded and analyzed using IBM SPSS Statistics 23.

ANALYSIS & RESULTS

Basing on investigation of questionare results and basing on gathered information 1 table was formed. At this table easily can be seen what methods and means are preferred by clients of insurance companies in these 15 countries by 100 point marking system.

Table 1. Technologies used by clients while buying insurance policies

Name of the country	Insurence agent	telephone	internet	Mobile applications
USA	60,1	42,7	43,7	30,2
Great Britain	45,7	40,9	51,6	23,0
Switzerland	48,8	18,9	28,1	14,1
Spain	45,0	25,9	36,3	24,3

Table 1....

Netherlands	37,5	21,1	41,1	19,2
Mexico	61,5	37,5	46,7	38,3
Japan	30,2	12,6	16,0	10,2
Italy	47,2	20,7	31,9	22,6
India	54,0	34,3	49,7	40,0
Germany	42,2	19,0	25,7	11,1
France	51,2	26,9	35,3	14,7
Canada	54,7	38,7	35,0	19,9
Brazil	55,9	39,4	49,2	40,1
Belgium	47,8	19,5	27,2	11,8
Australia	54,0	45,2	50,3	24,6

Source: World Insurance Report 2016 – Capgemini & Efma

Our calculations by results of questionnaire showed 0.918 of Cronbach Alpha coefficient. It means that results of questionnaire are reliable and can be accepted.

Table 2. Cronbach's alpha coefficients

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0,918	0,919	4

Our analysis shows that means used on sales of insurances (insurance agents, by telephone, by internet and mobile applications) by average results the most pointed by clients mean estimated as 49,05 points is insurance agents and most preferred by clients.

Table 2. average quantity of features

	Mean	Std. Deviation	N
Insurance broker	49,053	8,3576	15
Phone	29,553	10,6780	15
Internet	37,853	10,7649	15
Mobile Application	22,940	10,2634	15

On the next position is buying by the internet with 37,85 points. Buying insurance policies by mobile applications which is developing nowadays took last position with 22,94 points.

During the investigation all elements, was formed mutual correlation matrix and displayed on 3-table. It is easily can be seen on our correlation matrix average correlation relationship between other means coming with purchases by internet are very great.

Table 3. Inter-Item Correlation Matrix

	Insurance broker	Phone	Internet	Mobile Application
Insurance broker	1,000	,766	,632	,685
Phone	,766	1,000	,862	,694
Internet	,632	,862	1,000	,803
Mobile Application	,685	,694	,803	1,000

In general correlation connection of internet and telephone and internet and mobile applications together is more than 0.8 and result of insurance agents with other means more than (in average 0.7).

CONCLUSIONS AND DISCUSSIONS

In this article analysis of the degree of influence of information communication technologies development on the activity of the insurance companies was made by special approach and is different from other investigations by its methods and scale. Benefit by application of ICT in selling of insurance policies is described schematically and simple mathematic methods on the example of developed countries insurance systems, leveled and wide analysis is made and defined suggestions and instructions to the national insurance companies of Uzbekistan are worked out. We can conclude that application of ICT into the activity of the insurance companies serves to the formation of better connection between companies and clients, and is important in formation of comfortable conditions for insurance policies purchasers.

Our analysis shows that by development of ICT clients of insurance companies prefer ICT based methods more than insurance agents while buying insurance policies. If Uzbekistan's national insurance companies would apply sales of insurance policies by the internet, it could be more comfortable for the clients of the companies. This article examines the role of ICT in the sale of insurance policies. Particularly, it analyzes exactly what technology is used by the company's customers to purchase insurance policies. Study based only on customer's opinion and other aspects like effectiveness of the ICT, efficiency of IT tools are beyond the scope of the study.

REFERENCES

Amy Newell, 2002. Online Insurance Industry Enjoys Net Gains, Banking Technology News, February 2002, pp 24-25.

Begalov, B.A. and Zhukovskaya, I.E., 2016. Methodological aspects of influence of information society on innovative development of economy. T.: science and technology.

ManganiSh, 2012. The importance of information technology in the insurance industry. Malta

Mark v. Pauly, bradley herring and David Song, 2006. Information Technology and Consumer Search for Health Insurance, Int. J. of the Economics of Business, Vol. 13, No. 1, February 2006, pp. 45–63

OdilovSh.G, 2017. Application of IT in Logistics activities: survey of efficiency and impact analysis, IJECM, Vol. V, Issue 11, November, 2017, pp 227-232