

Accounting Information for Improvement of Cost Planning in Accident Insurance

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Abstract

Accounting information facilitates business analysis in previous periods and forms a basis for prediction and planning. Application of accounting information about costs of acquisition and expenditure for insured cases in accident insurance in the insurance market provides an information base for consideration of current, and prediction of future, annual market trends. Prediction models, therefore, become a necessity in insurance company modern business practice. By the research, a prediction model is obtained which, by application of accounting information about costs of acquisition and expenditure for insured cases, with the use of statistical and mathematical methods, enables estimates of annual costs of acquisition and expenditure for insured cases in the insurance market. By differentiating acquisition costs from commission costs and other acquisition costs, detailed information is provided about the structure of the accident insurance acquisition costs. By research and setting up of the model, accounting information is obtained about anticipated annual costs and expenses for claims and its application in insurance company business is demonstrated. The positions of earned premiums, acquisition costs, expenses for insured cases and number of accident insurance policies are thus encompassed by the model. The aim of the conducted research was to develop a model which generates prognostic information for the needs of business management in accident insurance. The information provided by the model improves the processes of planning and prediction of costs of acquisition and expenditure for claims in the market and the model practicability is shown on the example of insurance company acquisition cost management.

Keywords: accounting information, insurance companies, accident insurance, acquisition costs, commission costs, cost management