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The Reflection of The Implementation of The Integration Strategy and Risk Management on The Financial Performance of Insurance Companies

(An applied study in a sample of Iraqi insurance companies)

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Keywords: Integration Strategy, Risk management, Financial Performance.

Abstract:

The research aims to know the extent of the reflection of the integration strategy and risk management on the financial performance of Iraqi insurance companies by conducting a field survey for a sample of insurance company employees in order to know the dimensions of the integration strategy as well as using the value indicator (Z) to measure the level of risks and using financial analysis indicators to measure performance. Financial for the years (2019-2020) in a sample of Iraqi companies listed in the money market, and after applying these indicators, the research objectives were achieved and the hypothesis tested.

he most important finding of the research is that the integration strategy represents an action plan that companies employ in order to improve their internal operations to achieve their future goals, as well as being the most important modern risk management system that works to make continuous improvements to the company's internal plans and to reflect on its external operations.

The most important thing recommended by the research is the necessity for the administration of Iraqi insurance companies to activate modern administrative systems in order to develop their administrative processes, which will be reflected in their strategic objectives, as well as for the higher management of insurance companies to activate

administrative processes in order to employ the strategic foundations to face risks and hedge them.

Introduction:

As a result of the accelerating recent developments in the external business environment and the increase in competition among companies for the purpose of obtaining the available resources in order to achieve future goals and increase financial performance in a way that strengthens its position in the markets, modern strategic and administrative plans have become a basic element in the continuation of administrative organizations in order to face future challenges and risks .

Also, the rapid developments in the field of facing financial risks played by employing the correct administrative and strategic foundations in order to develop financial performance to achieve the customer's desires, and this research comes in order to know the extent of the integration of the strategy of integration and risk management in the development of financial performance in a sample of Iraqi insurance companies.

As this research was divided to achieve its goals into three sections, the first topic included the research methodology, the problem, the importance and objectives of the research, and the second topic included the theoretical framework for the research, which clarified the concept and importance of the integration strategy, risk management, financial performance and how to develop it. In the third topic, the research touched on the practical side by conducting a survey on a sample of Iraqi insurance companies, as well as using methods of forecasting financial failure and financial analysis to measure risks and financial performance, respectively, and through that, the objectives of the research were reached and the hypothesis tested and concluded with a set of conclusions and recommendations.

Research Methodology:

1-1: The search problem

Most Iraqi companies lack the implementation of appropriate strategies that work to develop their administrative reality, which reflects their inability to face administrative risks, as they are still organizing their work according to traditional administrative plans that do not reflect the extent of the administration's ability to control administrative systems in a way that enhances financial performance. The research problem is represented by the following questions: -

1. Can the integration strategy be applied in the Iraqi insurance companies?

2. Do integration and risk management strategies have a clear impact on financial performance?

3. Can the level of risk and its impact on financial performance be known and reduced by applying the correct strategy?

1-2: the importance of research

The importance of research comes through the role played by integration strategies and risk management in providing appropriate plans that develop the financial performance of Iraqi companies operating in the field of providing insurance services. Directly in the increase or decrease in financial performance, which is reflected in the provision of customer services.

1-3: Research objectives

The research aims to achieve the following: -

1. Presenting a theoretical framework on the concept of integration strategies, risk management and their impact on the financial performance of Iraqi insurance companies.

2. Knowing how to employ integration strategies with risk prediction models through financial failure and the extent of their impact on the performance of insurance companies.

3. Conducting an applied and analytical study in a sample of Iraqi insurance companies in order to know the extent of the contribution of integration and risk management strategies and their impact on their financial performance.

1-4: Research hypotheses

The research hypotheses are as follows:

(**The relationship between the integration strategy and risk management affects the financial performance of Iraqi insurance companies in a way that helps to face risks and hedge them).**

1-5: Research methodology and method

In order to achieve the objectives of the research, the inductive approach was used to cover the theoretical side of the research and the applied and analytical approach to cover the practical side by distributing the questionnaire form to a sample of individuals working in Iraqi insurance companies to know the level of implementation of the integration strategy in their companies, as well as using the model of forecasting financial failure as an indicator To find out the size of the risks facing the Iraqi insurance companies. Financial analysis was also used for the purpose of measuring the financial performance in the research sample. The averages were analyzed and extracted through these models and analyzed according to the statistical program (spss). Through this, the hypotheses were tested and the objectives of the research achieved.

1-6: Research sample

The research sample is represented by Iraqi companies operating in the insurance sector, whose systems can be applied modern administrative and strategic foundations, as well as the impact of these advanced systems on financial performance.

1-7: Research limits

The limits of the search are as follows:

1- Spatial boundaries: It is represented by the published financial and administrative information of the Iraqi insurance companies.

2- Time limits: represented by the published financial reports for the years (2019-2020).

1-8: Research Outline

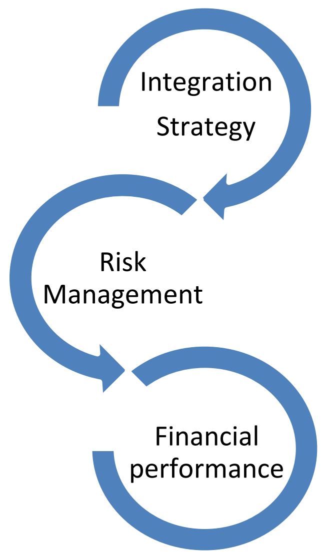

Figure (1) the research outline Source: Prepared by the researcher

The theoretical side

1-: Strategy of integration: Integration strategy is defined as an action plan taken by the company to achieve one or several goals and there are those who presented his concept of the integration strategy by focusing on strategic alternatives, so I knew that it is a process that includes identifying and evaluating alternatives available to the company in the framework of achieving its goals and its strategic mission and choosing the appropriate strategic alternative (Ismail, 15 : 1986).

Implementation of the integration strategy

The main steps that the company follows in implementing integration strategies are the following points (Badrawi, 2005: 27) (Bouhouch, 1980: 10):

1- Structure: It is a set of existing relationships within any company and it includes three dimensions (central, specialized, and complex).

2- Job policies: These are the rules and procedures that help make the company more predictive, whether in operations or results, and it is better for the policy of the top management to be a balanced policy in all parts of the company.

3- Resource allocation: It is represented in allocating financial, human and material resources to achieve the goals.

4- Company culture: It is represented by the common values, convictions and customs system of any company that interacts with the structure and policies followed for the purpose of influencing the behavioral principles.

5- Leadership: The leadership entrance is the vision that expresses effective leaders according to special characteristics that ordinary people do not possess, and these specifications make them an example and there are different approaches about the type of specifications that the leader should possess.

2-: Risk management

Be prepared for what might not happen and deal with what has happened. It is not hidden from the observer of the course of events, especially the political ones, the role of crises of all kinds in the history of peoples and societies, whether in terms of demolition or construction, and a careful reading of the role of the crisis in general leads us to touch a thread that leads us to the fact that the societies in which the leadership hierarchy relied on teams Especially and efficient in dealing with was more difficult to obey and continue than its peers, which adopted a different approach represented by improvised confrontation and dealing in ways that were not previously considered with the hotbeds of conflict and tension, which consequently led to their weakness and disintegration.(Graphis & Dogan,1996:52) In the major historical events, we find that between each stage and a new stage there is a crisis that moves minds, ignites conflict, stimulates creativity, and touches pristine spaces that pave the way to a new stage, often implicating signs of another crisis and another future change, and there was a growth and expansion of societies and the depletion of various resources and the intensity of political and economic competition. The final word on the longevity of risk to an extent that has become the history of the previous century (Agrawal,2004:14).

2-2-1: The importance of risk management

1- Mobilize financial, human and technical resources to work efficiently when a crisis occurs.

2- Determine the bodies that must be dealt to ensure the good implementation of the crisis.

3- Avoid confusion, confusion and randomness resulting from inadequate preparation.

4- Distribution of responsibilities and roles to individuals in the organization.

5- Coordination between the crisis management team and the functional departments in the organization; For the plan to be implemented efficiently (Caetano et al,2005:52)

1- Addressing the time pressures that prevail in the organization.

2- Ensuring the availability of expertise and working to improve the performance of the team.

3- Determine the influence and strength of the crisis parties.

4- Ensuring the availability of an accurate and reliable information system.

5- Team members participate in the evaluation; To identify the most important problems in the Crisis Matrix.

2-2-2: Dimensions of risk management (Agrawal, 2004: 10):

Threat level: The amount of resources at risk and their impact on the survival and viability of the organization. It is classified into high and low.

Degree of control: the organization's ability to control crisis events and how to influence their outcomes. It is classified into high and low.

Limitations of available alternatives: The alternatives to face the crisis must be set in the constraints imposed by the crisis within the organization, the effects that can result from it and its impact on the organization’s reputation and the cost of each alternative. And it is classified into few and multiple.

Time pressure: what is imposed by the nature of the crisis at the time of its sudden occurrence. Decisions must be made quickly, promptly and properly within a specified period of time. This varies according to the severity and type of the potential crisis.

2-3-2: The stages of risk management

These stages are represented by the following (Gambaro,2005:12).

1- Discovery of warning signals, which means diagnosing the signs and symptoms that predict the occurrence of a crisis.

2- Preparation and prevention means the prior preparations to deal with the expected crisis with the aim of preventing its occurrence or minimizing its effects.

3- Containing damages, which means implementing what was planned during the stage of preparation, prevention, and preventing the escalation of the crisis and its spread.

4- Restoring activity, which are the operations that the administrative apparatus performs for the purpose of restoring its balance and its ability to carry out its usual business as it was before.

Learning is the last stage, which is crystallizing and setting controls to prevent the recurrence of the crisis and building experiences from previous lessons to ensure a high level of readiness in the future.(Delaney,1996:20) Through the previous figure, we can see the vast difference between a proactive management initiative that relies on planning before the occurrence of risks and a management that waits for the occurrence of risks to deal with it with a reactionary logic like the case of Arab administrations. The absence of the two components of warning signal detection, preparedness and prevention is almost controlling the reality of organizations, as will be clear later through specialized studies (Kablan, 2009: 84).

2-2-4: A model for measuring risk by measuring financial default

There are many models for measuring financial default, and the simplest of them in application is the Altman model (1993), as it relies on five independent variables, each representing common financial ratios and a dependent variable (Z). These ratios are applied to the company and then the value of (Z) is calculated. If the value of (Z) is greater than (2.90), then the bank is continuous and is not exposed to bankruptcy risk. Either if the value of (Z) is equal to or less than (1.23), then the bank is exposed to bankruptcy risk, either if the value of (Z) is between (1.23) and (2.90), the bank is located in the foggy zone, that is, between risk and stability, and these ratios can be explained according to the following model (Altman, 2006: 42; Altman, 2014: 54).

$$Z=0.717x_1+0.847x_2+3.107x_3+0.420x_4+ 0.998x_5$$

As: -

(Z <1.23) red (hazardous)

(2.90 <Z <1.23 blur area)

(Z> 2.90 good region)

X1: Working capital ÷ total tangible assets.

X2: Retained Earnings ÷ Total tangible assets.

X3: Profit before interest and taxes ÷ Total tangible assets.

X4: Book value of shareholders' equity ÷ of total liabilities.

X5: Net Sales ÷ Total tangible assets.

2-3: the concept of corporate financial performance

Financial performance is known as a tool to identify the existing financial situation in the company at a certain point in time, which reflects the company's performance and effectiveness in the financial markets, and it is also known as the company's ability to make optimal use of available resources in employment and optimal use of them in the short and medium term of achieving wealth (Covert,1997:22)

Financial performance can be defined as maximizing results through improving returns and reducing costs continuously in the long term through which wealth can be achieved (Al-Khatib, 2010: 45).

2-3-1: The importance of financial performance

The importance of financial performance lies in the following points (Al-Zahraa, 2011: 9): -

1- Follow-up and knowledge of the company's activity and nature.

2- Knowing the economic conditions surrounding the company.

3- Helping in conducting analysis and comparison processes between the company's data.

4- Helping to understand the financial statements.

2-3-2: Financial Performance Indicators

The financial performance indicators are represented by the following (Jalila,: 2009, 93).

1- Working capital: Working capital is defined as the surplus of permanent funds of fixed assets, meaning the difference between current assets and current liabilities, and it is expressed as the portion of funds characterized by a weak maturity degree, which is used to finance elements of assets that have a high degree of liquidity.

2- Working capital requirement: it can be defined as part of the necessary needs directly related to the cycle of exploitation that did not cover periodic resources.

3- Treasury: it refers to the group of funds that the company possesses for one cycle of exploitation and includes ready values that can be disposed of.

2-3-3: Methods of measuring financial performance

There are many methods of measuring financial performance, as it can be measured by financial ratios or by vertical and horizontal analysis of the elements of the financial statements or through the sources and uses of funds, but the most common method is through financial ratios, and given the presence of a large number of financial ratios, the researcher will be limited On six ratios through which financial performance in companies is measured, which are represented by the following (Khadija and Mabrouka, 2013, 22;Kanch 2014: 10;Cokins,2003:32).

1- **Current ratio**: means the company's ability to meet current liabilities or the ability of current assets to cover current liabilities and can be measured according to the following law:

(Current assets total) / (Current liabilities total) = Trading rat

2-**profitability ratio**: It means the expected return from the investment process in a specific company, which is achieved from the sales of the invested company.

(Gross Profit) / Sales = Gross Profit Margin

3- **Rate of return on investment:** means the total profits achieved from the process of investing assets in an optimal manner, which is calculated according to the following law: -

(Tax after net profit) / (Total Assets) = Investment on return rate

4- **Return on Equity:** It refers to the amount of returns that owners obtain from the profits realized and is measured according to the following law:

(Tax after net profit) / (Equity) = Equity rights on rate of return

5-**Share turnover rate:** measured by dividing the number of shares traded during the period by the number of shares subscribed during the same period and according to the following law: -

(**The period during the number of shares traded) / (by the subscribed shares the number) = the stock turnover rate**

6-**The market value of the share:** it means the price of the share in the markets as a result of the supply and demand process in the money markets, as the increase in profits distributed to the shareholders leads to an increase in the demand for it by investors, and the market value of the share can be measured according to the following: -

(Earnings earned) / (Number of shares) = Market value per share

2-3-4: The impact of integration strategy and risk management on the financial performance of insurance companies

The integration strategy works to provide appropriate plans to make continuous improvements at the administrative levels, which is reflected in achieving efficiency in work, developing production processes and achieving competitive advantage, so the efficient plans developed by the top management of companies are reflected in financial performance by enhancing the ability to provide insurance services and avoid risks and work. To avoid them in a way that increases the market value of insurance companies and enhances their competitive advantage (Acosta, 2013, 133-157).

Practical side:

An introduction

This topic deals with the practical aspect of the research, through which the most prominent dimensions of the integration strategy will be clarified and the extent of its contribution to knowledge of risks and their management through a questionnaire that includes (100) employees and employees in insurance companies. The research sample, which may affect the performance of Iraqi insurance companies, was also used. With financial default models to know the level of risks that companies may face, which will be clarified by knowing the level of application of the integration strategy in high or low risks and their impact on the financial performance of companies. The research sample, and in order to know how to analyze, the most important characteristics of the research sample should be identified as shown in the table. following:

1-3: Description of the research sample

Table (1) Description of the sample

ت	The company	Date of Establishment	Nominal capital	Share capital on the date of listing	The proportion of the private sector
1	Al-Amin Insurance	2000.م	150 Million	150 Million	%100
2	Al- Ahlia Insurance	2000.م	500 Million	500 One billion	%100
3	Al-Hamra Insurance	2001.م	300 Million	300Million	%100
4	Al- khalij Insurance	2004.م	1 One billion	1 One billion	%100
5	Dar Al Salam Insurance	2000.م	300 Million	600 Million	%100

1- Gender: -

Table (2) Distribution of the research sample according to gender

Gender	Al-Amin		Al- Ahlia		Al-Hamra		Al- khalij		Dar Al Salam	
	number	ratio	number	ratio	number	ratio	number	ratio	number	ratio
Mention	55	%55	51	%51	60	%60	53	%53	57	%57
Female	45	%45	49	%49	40	%40	47	%47	43	%43
Total	100	%100	100	100 %	100	%100	100	%100	100	%100

2- Age: -

Table (3) Distribution of the research sample according to age

Gender	Al-Amin		Al- Ahlia		Al-Hamra		Al- khalij		Dar Al Salam	
	number	ratio	number	ratio	number	ratio	number	ratio	number	ratio
30-25	24	%24	13	%13	40	%40	15	%15	40	%40

40-35	61	%61	53	%53	50	%50	53	%53	55	%55
55-40	8	%8	20	%20	5	%5	22	%22	10	%10
Total	100	100 %	100	%100	100	%100	100	100 %	100	%100

In order to analyze the questionnaire form that was distributed to individual companies, the five-year Likert model will be used for the purpose of analyzing the answers to the questionnaire, as shown in the following: -

Table (4) Likert's five-year model

Strongly Disagree	I do not agree	neutral	I agree	I totally agree	The level of the answer
1	2	3	4	5	Coding

In order to reach the objectives of the research and test the hypothesis, the answers to the questionnaire submitted to the members of the research sample represented by the Iraqi insurance companies will be analyzed by dividing them into the following axis:

3-2: Analyzing the response of the research sample to the components of the integration strategy

Table (5) Analysis of the response of the sample members about the dimensions of the integration strategy.

The ratio Percentile / The Worker	I strongly agree	Agree	neutral	I do not agree	I strongly disagree	Arithmetic mean	standard deviation	Response ratio
Objectives	4.67	31.82	33.67	22.20	7.3	3.03	0.97	60.6
Organizational Structure	3.91	32.6	37.4	21.78	4.09	3.08	0.90	61.6
Leadership	5.50	25.34	40.16	22.88	5.88	3.01	0.93	60.2
Organizational culture	7.17	31.53	35.79	21.07	4.09	3.16	0.93	63.2
Information Systems	5.63	33.73	40.53	16.95	2.95	3.21	0.88	64.2
General Average	5.37	31	37.51	20.97	4.86	3.09	0.92	61.8

We note from Table (5) above the analysis of the components of the integration strategy, in which the answers of the sample members were reached through the distribution of the questionnaire, which showed that the compatibility ratios by (36%) agreed with the severely agreed (31 + 5.37) and the percentage (26%) disagreement. 20.97 + 4.86) and a neutral ratio of (37.51%) with an arithmetic mean (3.09) and a standard deviation of (0.92) and a response rate of (61.8%), and this means that the level of perception of individuals has reached the second level of the scale area, which is an indication of the importance of the integration strategy.

3-3: Measuring the level of risk in insurance companies

In order to know the level of risks facing insurance companies, which requires the use of an integrated strategy in order to confront them, models to measure financial default will be used, which can be inferred as an indicator to know the amount of risks facing companies, which can be clarified in the following table:

Table (6) Calculation of the forecast process for the research sample banks

Indicators for forecasting financial distress	**company Al-Amin**		**company Al- Ahlia**		**company Al-Hamra**		**Company Al- khalij**		**Company Dar Al Salam**	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Net working Total ÷ capital (X1)) assets	0.5	0.5	0.49	0.97	0.26	0.31	0.25	0.32	0.17	0.5
retained Total ÷ earnings (X2) assets	0.04	0.05	0.03	0.02	0.023	0.026	0.027	0.035	0.016	0.04
Earnings before interest and Total ÷ taxes (X3) assets	0.03	0.02	0.08	0.013	0.015	0.023	0.024	0.022	0.036	0.03
The market value of the Total ÷ equity (X4) assets	0.86	0.86	0.92	1.47	1.02	0.41	0.2	0.27	0.31	0.86
Total ÷ the sales (X5) assets	0.037	0.049	0.074	0.019	0.021	0.034	0.039	0.047	0.062	0.037

We note from Table (6) the use of the financial faltering model (sales to assets) to find out the level of risks facing insurance companies, which requires the use of a specific strategy in order to find out those risks that insurance companies face. The research sample, which can clarify those risks, the rest (Z) that will be extracted In the following table.

Table (7) calculating the Z value for the research sample banks

Indicators for forecasting financial distress	**company Al-Amin**		**company Al- Ahlia**		**company Al-Hamra**		**Company Al- khalij**		**Company Dar Al Salam**	
	2019	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**
0.717(X1)	**0.35**	**0.35**	**0.35**	**0.69**	**0.18**	**0.22**	**0.179**	**0.22**	**0.121**	**0.23**
0.847(X2)	**0.033**	**0.042**	**0.025**	**0.016**	**0.019**	**0.022**	**0.022**	**0.029**	**0.013**	**0.029**
3.107(X3)	**0.093**	**0.062**	**0.24**	**0.040**	**0.046**	**0.071**	**0.074**	**0.068**	**0.111**	**0.068**

0.420(X4)	**0.36**	**0.36**	**0.38**	**0.61**	**0.42**	**0.172**	**0.084**	**0.11**	**0.130**	**0.12**
0.998(X5)	**0.036**	**0.048**	**0.073**	**0.018**	**0.020**	**0.033**	**0.038**	**0.046**	**0.061**	**0.076**
Z	**0.872**	**0.862**	**1.168**	**1.374**	**0.685**	**0.518**	**0.397**	**0.473**	**0.436**	**0.473**

We note from Table (7) that all insurance companies, the research sample, except for the National Insurance Company, are in a critical position to face financial distress due to the fact that the ratio of (Z) in them was less than (1.23), that is, within the risk area, as for the National Insurance Company, the value of (Z) may It reached (1,168, 1,374) in the year (2019-2020) in a row, and it was found that it is possible to have used an integrative policy to face risks and hedge against them in the future, which is reflected in its financial performance, which can be explained in the following table.

3-4: Measuring the financial performance of insurance companies, the research sample

Table (8) ratios of financial performance in the research sample companies

Financial ratios for performance	company Al-Amin		company Al- Ahlia		company Al-Hamra		Company Al- khalij		Company Dar Al Salam	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
trade rate	9.97	8.21	6.73	19.23	1.79	1.98	3.58	15.89	7.09	4.88
Share turnover ratio	32.68	23.78	0.90	3.09	18.25	14.41	3.64	20.04	10.48	3.16
Earning per share ratio	10	9.02	18.37	16.03	24.58	4.34	------	0.029	------	------
The rate of return on ownership	91.26	89.31	85.22	94.90	0.07	0.147	72.05	93.74	------	------
The market value of the share	4260	2626	6093	3544	8550	3200	1380	7200	2375	1250
Estimating financial performance	median		very good		good		good		Weak	

We note from Table (8) that it appears that the National Insurance Company has used the correct integrative strategic foundations in the face of administrative and financial risks, which was reflected in its financial performance as prohibited from the above table, as the market value of the share in the year (2019) reached (6093) dinars. In the year (2020), it reached (3544) dinars, which indicates its superiority over the theory of insurance companies, which is noticeable from the table that there is a fluctuation in its performance between average, good and weak. In order to know the extent of the impact of the integration strategy in facing financial risks and its impact on the financial performance of companies, the indicators that have been reached will be summarized and statistical analysis conducted on them in order to test the research hypothesis, as shown in the following table:

Table (9) averages of the integration strategy and level of risk and financial performance of the research sample companies

ت	company	Integration strategy	Risks	Financial performance
1	Al-Amin For insurance	3.03	0.865	3443
2	Al- Ahlia For insurance	3.08	1.182	4818
3	Al-Hamra For insurance	3.01	0.562	5875
4	Al- khalij For insurance	3.16	0.435	8580
5	Dar Al Salam For insurance	3.21	0.455	1812

Table (9) shows the arithmetic mean that was reached through the questionnaire on the integration strategy. As for the risks, they were extracted from the average value of (Z) between the years (2019) and (2020). As for the financial performance, the average market value between the year (2019) was used. And (2020) for Iraqi insurance companies the research sample, through which the multiple linear regression model will be applied to arrive at the hypothesis test, as shown in the following table.

Table (10) statistical analysis between the integration strategy and the level of risk and the financial performance of the companies, the research sample

the details	Statistical analysis indicators
Number of Views	3
(T) factor	4.810
(F) factor	9.241
B	0.340
The size of the correlation	0.785
The level of morale sig	0.001

We notice from table (10) above that there is a strong correlation between integration strategies and risk management, as the value of the correlation reached (0.785) with a significant level (0.001) and it is less than the size of significance (5%) and as this relationship affected the financial performance of insurance companies, the research sample through Coefficient (B) by (0.340), meaning that increasing the relationship between integration strategy and risk management affects the financial performance of insurance companies and helps them in facing administrative risks and hedging them, which fulfills the research hypothesis that (the relationship between integration strategy and risk management affects the financial performance of Iraqi insurance companies In a form that helps to face and hedge risks).

Conclusions and recommendations

4-1: Conclusions

Through the practical side, the researchers reached the following conclusions:

1- The integration strategy represents a business plan that companies employ in order to improve their internal operations to achieve their future goals.

2- Strategy is one of the most important modern systems in risk management that works to make continuous improvements to the company's internal plans and to reflect on its external operations.

3- The relationship between integration strategy and risk management affects the financial performance of insurance companies, in a way that contributes to facing risks in general.

4- Financial default models can be used as indicators to measure administrative and financial risks in order to face them in the future.

5- The relationship between the integration strategy and its results in risk management is one of the most important influences on the financial performance of Iraqi insurance companies.

4-2: Recommendations

Through the above conclusions, researchers recommend the following:

1- The necessity for the management of Iraqi insurance companies to activate modern administrative systems in order to develop their administrative operations in a way that is reflected in their strategic objectives.

2- The senior management of insurance companies must activate administrative processes in order to employ the strategic foundations to confront and hedge risks.

3- It is advisable for Iraqi insurance companies to use the most acceptable and up-to-date financial indicators in order to know the financial performance periodically and explain this to the parties using it.

4- The necessity of analyzing the internal environment of the company in order to implement the integration strategy in line with the goals set for the company.

5- The need for Iraqi companies to keep pace with modern systems in strategic management in a way that achieves leadership and competitive advantage.

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