



## ACTIVITIES OF INSURANCE COMPANIES IN THE CONDITIONS OF UZBEKISTAN

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### Abstract

This article describes the importance of creating and implementing innovations that define the innovative nature of insurance services, as well as the scientific and methodological aspects of digitization of the insurance market of Uzbekistan in accordance with modern requirements and the acceleration of this process. In modern conditions, an important condition for the dynamic development of the Republic of Uzbekistan is the accelerated implementation of the modern innovative technologies in the economy, social and other spheres with widespread use of science and technology. Dynamically developing all spheres of public and state life of the country require close follow-up of ongoing reforms on the basis of modern innovative ideas, developments and technologies that ensure a fast and high-quality breakthrough of the country into the ranks of the world civilization leaders. This determines the relevance of the topic being developed. The paper studies various approaches to the methodology of state support of innovation in economically developed and dynamically developing countries of the world. Based on this analysis, taking into account the characteristics of the national economy, the authors proposed areas of state support for the innovation process in the Republic of Uzbekistan.

**Keywords:** Insurance market, e-policy, life insurance, insurance broker, insurance adjuster, insurance actuary, insurance product, insurance assistant, insurance service.

### Introduction

One of the strategic tasks is to further reform the national insurance market, develop insurance relations and digitize insurance services in line with modern requirements. A sustainable insurance services market will stimulate the development of the national economy. It is clear that it is necessary to attract additional investment resources to the development of the financial services market in the national economy, to identify areas for studying the formation and development of the insurance services market, along with the development of market relations in the insurance industry. At present, measures are being taken to support the activities of





insurance companies, as well as to protect the rights and legitimate interests of consumers in this area, to provide them with quality services. At the same time, the current stage of reforms requires the active development of financial services aimed at ensuring sustainable economic growth, improving the quality and standard of living of the population, strengthening the role of the insurance market in the country and the widespread use of insurance. Therefore, for further development of insurance services, the President of the Republic of Uzbekistan on August 2, 2019 On the basis of the Resolution No. PP-4412 "On measures to reform the insurance market and ensure its rapid development", the study of supply and demand in the insurance market became one of the important tasks.

### **Adjacent of Insurance**

The development of insurance as a mechanism to protect the property interests of individuals and legal entities is directly related to the formation of insurance legislation in particular. By defines the growing importance of legal mechanisms in the effective development of insurance. As legal entities that have obtained the right (license) to carry out insurance activities in the manner prescribed by law, insurers are participants in trade in the insurance market. The volume and structure of supply are largely influenced by factors of competition among insurers, the level of costs of insurance activities and other factors that characterize the situation in the insurance market. The infrastructure of the insurance market plays a special role in ensuring the functioning of the insurance services market. Insurance market infrastructure means all the conditions that ensure the continuity of insurance activity. Insurance infrastructure includes insurance institutions, the secondary insurance market, and more. The following is important for the methodological justification of the nature of innovative insurance activities and the focus of insurance organizations on innovative development: The formation and development of a modern post-industrial society based on knowledge and innovation in all areas determines the objective requirements for the creation and dissemination of innovative solutions in all areas of insurance companies, which play an important role in creating conditions for sustainable development of the national economy. Modern trends in innovative development provide a basis for changing the management system of insurance companies, which should reflect the growing importance of innovation and encourage insurance companies to innovate in the insurance business, which is mainly focused on innovative development; Innovative development of insurance companies is accompanied by a significant increase in the risk component, because due to the specific nature of insurance activities, in addition to insurance risks, there are risks





associated with the innovative activities of insurance companies, which place new demands on the quality of innovation-oriented development. Insurance companies increase the number of customers by gaining their trust through the service. The more the insured benefits from the insurer in the event of an accident, the greater the confidence in the insurer. Therefore, it is very important for insurers to develop insurance products and update the service sector at the level of demand, taking into account the needs of potential policyholders, based on the marketing analysis of the insurance market. At the end of 2019, we can see the sum of premiums received by insurance companies in the insurance market of Uzbekistan. According to the receipt of insurance premiums, it is 54% in Tashkent, 7% in Tashkent region, 5% in Fergana, 3% in Samarkand, Namangan and Andijan regions. The lowest rates are in the Syrdarya region and the Republic of Karakalpakstan at 2%. Based on the analysis, it can be said that the largest number of insurance premiums fell on the city of Tashkent and Tashkent region. In other regions, the level of performance is satisfactory. Today, insurance companies in our country offer new products for life insurance, which for years meet the new needs of the population of our country. In order to study the unique nature of life insurance from other types of insurance and its similarity to investment products, insurance functions are considered, and the uniqueness of the products of this industry is emphasized. In fact, life investment insurance is a new unique product that combines 2 main components: capital insurance and investment. It allows meeting the basic needs of the population - that is, to obtain financial income and to keep their investments in a guaranteed manner. This will allow customers to increase and accumulate revenue through a new insurance product. Of course, unit-linked investment insurance in our country opens up new opportunities for the insurance market in Uzbekistan. Taking into account the advantages of life investment insurance, the development of the country's insurance services market is inevitable.

## Conclusions

The above goals can be achieved through the effective implementation of life insurance in the example of developed countries. With this in mind, the government of Uzbekistan puts a consequential heed to insurance elaboration. However, this insurance network has not developed to today's level. Therefore, it requires in-depth research in this area. The following conclusions were drawn during the study of the monograph:

1. In the nineteenth and twenty-first centuries, the content and economic significance of life insurance in economics have been improved and expanded based on defining





its genesis, broadening the understanding of this insurance, defining its organizational and financial features.

2. Accumulative life insurance is a unique type of insurance based on the doctrine of dualism, the belief in longevity in the event of a sudden death at any stage of a person's life.

3. Accumulated life insurance is related to the negative and positive circumstances in the lives of individuals (insured and insured persons). It is concentrated on the principles of payment (insurance premium), return (insurance coverage), maturity (insurance period), profitability (the additional investment income) is a type of insurance aimed at protecting their property interests.

4. Mobile life insurance is determined by the accumulation of insurance amounts during the entire insurance term contract. Consequently, it is based on people's tendency to save (save their funds) and earn investment income.

5. Life insurance in Uzbekistan and accumulative life insurance has significantly lower rates than in developed and many developing countries.

6. In recent years, our country has made some progress in life insurance, and this growth is mainly due to tax benefits provided by the government for long-term life insurance.

7. The main reasons for the low level of life insurance in Uzbekistan compared to these types of insurance in many countries are high inflation and devaluation in the economy, relatively low incomes, insurance companies' inexperience, and low-income public confidence in insurance services.

8. Given that the main source of income of an insurance company engaged in accumulative life insurance is the income from the investment of accumulated insurance premiums, the lack of profitable investment instruments in Uzbekistan slows down this type of development insurance.

9. The fact that the insurance legislation of Uzbekistan does not allow abroad insurance companies to operate in the national market limits the possibility of direct study of the experience of advanced foreign insurance companies.

10. The level of competition in the national insurance market of Uzbekistan is relatively low. Allowing abroad insurance companies to operate in the domestic market will lead to increased competition in the market.

11. An insurance company needs to ensure data transparency for policyholders to increase its clientele. To do this, insurance companies must first and foremost provide insurance services, indicators of their financial stability and other information on time and in a manner that is easy to use in attracting potential policyholders. But so far, insurance companies have not created the necessary conditions for the insured.





In order to eliminate this shortcoming, it is necessary to establish by law that insurance companies publish information related to their activities on time and to establish a procedure for imposing fines on insurance companies that do not comply with the required level.

12. So as to proliferate the level of profitability of investment activities of national insurance companies, insurance companies must ensure the transparency of information on their investment opportunities through their websites. In addition, it will create opportunities for entities in need of investment funds to meet their investment needs while expanding the choice of investment recipients for insurance companies.

13. General, statistical and analytical data on the insurance market of Uzbekistan are not published sufficiently and on time. The lack of timely and complete disclosure of such data makes it difficult to research the field and identify problems on time. Hence, it is paramount to entrust this task to the "Insurance Market Development Agency" or "Association of Professional Participants of the Insurance Market of Uzbekistan" to determine the means of control over its implementation and create a separate site for the publication of such information.

14. In the context of high inflation, in order to procure the conclusion of long-term (five years and more) accumulative life insurance contracts, as well as taking into account the differences in income levels of people at various phases of life (increasing or decreasing insurance premiums at the discretion of the insured) It is crucial to elaborate and offer insurance products, which are calculated in the form of) and linked to a fixed exchange rate

15. In order to popularize life microinsurance, the development of standard rules for the use of this type of insurance, including the organization of insurance of the poor based on public-private partnership, will give the desired result.

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