



## WAYS OF INNOVATIVE DEVELOPMENT OF THE INSURANCE MARKET 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.

**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.





It is necessary to develop and expand the insurance market infrastructure by activating the activities of insurance brokers, improving the system of insurance agents, introducing bank insurance mechanisms, as well as increasing the role of professional participants in the insurance market in general.

The diagram provides information on insurance brokers, insurance assistants, insurance actuaries and insurance adjacent.

### Insurance assistant

Nº	Companies	Form of legal organization
1.	Bovar Service	Limited Liability Company
2.	Global Assist	Limited Liability Company
3.	Insurance Assist Group	Limited Liability Company
4.	Intertich	Limited Liability Company
5.	O'zbekinvest Assistans	Limited Liability Company

### Actuary of Insurance

Nº	Companies	Form of legal organization
1.	Actuarial Advisers	Limited Liability Company
2.	Actuarial Service Bureau	Limited Liability Company

### Adjacent of insurance

Nº	Companies	Form of legal organization
1.	ASCON SERVICE	Limited Liability Company
2.	Bovar Service	Limited Liability Company
3.	LABB	Limited Liability Company

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.

In addition, insurance companies would create convenience for their customers by providing services online. Currently, the main directions of digitization of the insurance market are the emergence of several specific features, which can be described as the Internet, digitization of insurance activities within the established terminology of the digital economy. Internetization is carried out through the use of the Internet in the business processes of the insurance company as a direction of digitization of the insurance market. The term "Internet insurance" is now widely used to mean the sale of insurance services over the Internet.

The Internet of insurance activities is carried out in insurance companies in the following areas:

- Online sale of insurance services;
- Resolving insurance claims online;
- Collect information about police owners via the Internet.

Such opportunities are very convenient for both parties.

The system of insurance services is one of the developing sectors, relying on the huge, practically untapped market opportunities in the Republic of Uzbekistan, which have a future. Although the demand for insurance in the society at the initial stage of economic reforms in Uzbekistan is not strong, today there are signs that the insurance market in the Republic of Uzbekistan is becoming the most important segment of economic relations. The global insurance system is considered to be one of the indicators of the state of the global economy.

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