
Development Trends of the in the Insurance Market in Uzbekistan

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Abstract: The article discusses promising and beneficial directions and trends in the development of the insurance market, shows the growing, stable and declining segments of the insurance industry, the main problems leading to the slowdown in the market formed.

Keywords: insurance, development prospects, insurance market, insurance services, trends.

The insurance market is a set of economic relations for the purchase and sale of insurance services, which is reflected in the protection of the property interests of individuals and legal entities at the expense of the insured in the event of an insured event. The main condition for the functioning of the insurance market is the need (demand) for insurance services and the availability of insurers capable of meeting these needs.

Currently, there are two trends in insurance in the world practice: the specialization and universalization of insurers, that is, certain insurance companies provide services for almost all types of insurance. If they expand their activities, other companies specialize in certain types of insurance and master this type of service. The first of these directions is directly related to the growing social division of labor: this process also creates an objective need in the insurance business.

Trends in the universalization of the activities of insurers occur in countries, regions or regions where the level of economic development is not so high, the number of applicants for insurance services is not so high, the economy of specialization processes and the insurance system are developed, belongs to a country, region or region with a large number of applicants for insurance services, because insurance companies in countries where the insurance market is still developing, the number of applicants for insurance is not so large, one or two sug. They cannot have enough customers by specializing in the intermediate type. That's why they try to get as many customers as possible by providing as many types of insurance services as possible. In developed countries, the number of applicants for insurance is sufficient, but their requirements are also high. Experience is required.

Insurance companies operating in the national insurance market of our country specialize in a particular field of insurance and at the same time carry out universal activities. This is due to the fact that the insurance sector is still underdeveloped, insufficient number of applicants for insurance services due to insufficient legal knowledge of enterprises, organizations and the population about insurance. Based on the above, the development of the insurance market in the country and the solution of existing problems is one of the main tasks of the insurance system and the government.

In 2018, Uzagrosugurta JSC collected insurance premiums of 178.8 billion soums, in 2019 - 252.0 billion soums, in 2020 - 176.5 billion soums, in the last 9 months of 2021 - 177.6 billion soums. The majority of insurance premiums fall on voluntary types of insurance. Insured liabilities amounted to 64.9 billion soums in 2018, 97.7 billion soums in 2019, 91.5 billion soums in 2020, and 28.7 billion soums in 2021.

In turn, based on the above indicators, the loss ratio of insurance (the share of insurance indemnity in the insurance premium) in 2018 was 36.3%, in 2019 - 38.8%, in 2020 - 51.8%. This figure will be 16.2% in the first 9 months of 2021. By 2021, the company has concluded more than 780,000 insurance contracts.

The company's investment portfolio amounted to 114.4 billion soums in 2018, 158.8 billion soums in 2019, 167.8 billion soums in 2020, and 163.6 billion soums in the first 9 months of 2021.

There is a tendency to attract foreign insurance companies to reinsurance, especially due to the fact that the capitalization of domestic insurance companies is not at the required level, and little attention is paid to the development of the national reinsurance market. As a result of the underdevelopment of the information system in the insurance market of the country, the insured legal entities and individuals have limited opportunities to insure their property and health by choosing financially stable and solvent insurance companies. Hinders the broad development of its activities.

An important condition for the well-being of the people is, of course, economic development. Based on the third of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, the priorities of economic development and liberalization, the work done in the country over the past 5 years has become the basis for real renewal and change.

Insurance services are one of the means of protecting the economy from various financial risks. Therefore, it is no exaggeration to say that the insurance industry is an integral part of the economy.

In order to provide the public with analytical information on the industry and the current state of the insurance market and the results of the first quarter of 2020, the Insurance Market Development Agency under the Ministry of Finance of the Republic of Uzbekistan organized a roundtable.

At the end of the first quarter of 2019, the volume of insurance premiums amounted to 0.5% of GDP, insurance premiums per capita amounted to 14.7 thousand soums.

Today in the insurance market of the Republic of Uzbekistan there are 36 insurers, including 28 in the general insurance network and 8 in life insurance, as well as 5 insurance brokers, 5 actuarial organizations and 22 assistants, adjusters, surveyors. According to insurance companies, in the first quarter of 2020 503.1 bln. UZS insurance premium was collected.

The total authorized capital of insurers amounted to 782.4 billion soums. soums (growth - 138%) and the volume of investments in the economy amounted to 2 834.9 bln. soums (increase by 137%). Fifty-five percent of investments are in bank deposits, 30 percent in stocks and the rest in other securities. The number of active contracts is 7.0 million. formed a grain.

In the first quarter of 2020, a total of 176.9 billion. Insurance payments were made in the amount of 141.2 billion soums. soums of voluntary insurance and 35.8 bln. soums were paid for compulsory insurance.

On July 10, 2019, President Shavkat Mirziyoyev held a meeting on the development of the insurance services market and set a number of tasks. In addition, a number of important decrees and decisions were adopted, which determine the development of the industry. Decree of the President of the Republic of Uzbekistan dated October 27, 2020 "On measures to accelerate the reform of state-owned enterprises and privatization of state assets", May 24, 2019 "On measures to expand export financing and insurance protection mechanisms"

Resolutions of August 2, 2019 "On measures to reform the insurance market and ensure its rapid development of the Republic of Uzbekistan", October 23, 2021 "On additional measures to digitize the insurance market and the development of life insurance" including.

In the first stage of privatization, in 1992-1993, state-owned small businesses and housing were sold at the lowest prices, mainly to employees of the enterprise. During this period, 54,000 enterprises were privatized, more than 18,000 family enterprises and 26,000 joint-stock companies were established. More than 700 state-owned agricultural enterprises have also been transformed into collective and rental farms.

It is known that in the past, all enterprises were owned by the state, so there was no need to insure them against various accidents. This is because if these companies were harmed as a result of insurance events, these losses could be easily covered by the state. However, as noted above, the emergence of tens of thousands of enterprises in the non-governmental sector as a result of the denationalization and privatization of property has, in itself, significantly increased the demand for insurance services. Because, unlike in the past, when enterprises in the non-governmental sector suffer losses due to natural disasters, these losses are not covered by the state budget.

It should be noted that last year UZINSURANCE paid special attention to the introduction of new types of insurance products that serve the interests of the population. In particular, he developed a new type of insurance product, which is a health insurance product for citizens, so that they can be a real support in the vaccination process. This insurance policy provides financial protection against adverse events that may occur as a result of the adverse effects of an officially documented vaccine received by the insured during the period of validity of the COVID-19 vaccine.

At the same time, based on the social significance of insurance, the company focused on local activities. In particular, the company's employees visited the homes of residents and studied their needs and desires. The goal was, first of all, to ease the burden on the citizens, to bring them closer and easier. The main focus was on the citizens included in the "Iron" book, "Women" and "Youth" books. One of the most important activities of the company was to work in the neighborhood, to study the needs and desires of each household, to reliably protect them from various financial risks.

Today, as in all areas of insurance, there is a growing focus on the introduction of modern information technologies and thus create convenience for customers. The Resolution of the President of the Republic of Uzbekistan dated October 23, 2021 "On additional measures for the digitalization of the insurance market and the development of the life insurance sector" is aimed at bringing this work to a new level. UZINSURANCE has also introduced an online form of insurance, which is popular among our people today. In particular, compulsory insurance of civil liability of vehicle owners, insurance against risks associated with the use of gas equipment installed in vehicles, comprehensive insurance of residential buildings and household items, accident insurance and prevention of infectious diseases. These types of insurance, such as compulsory insurance, are among them.

In general, according to the action plan developed by the company for the introduction of the information policy "Online Policy", the most popular insurance products were selected among the population, the "Online Policy" information system was developed "Public Offer", with payment services in the country. The agreement was signed and the Online Policy information system was integrated with other information systems.

Another important aspect is that UZINSURANCE, one of the leading participants in the country's insurance market, has implemented structural reforms to ensure efficiency,

introduce new innovations, compete not only in the domestic but also the international insurance market and actively attract foreign investment without state guarantees. . As a result of these efforts, the company received a stable rating of BB– by the international rating agency Fitch for the third year in a row.

The company's Business Plan for 2022 also reflects a number of promising projects. In particular, the reforms aimed at ensuring the convenience, quality and reliability of services provided to the population envisage the introduction of new types of inclusive insurance in order to create convenience for the population and certain segments of the population and to ensure affordable services. At the same time, ESG (Environmental Social Governance) is an organization of activities based on the system of ecological, social corporate governance, which focuses primarily on the development and improvement of products to insure against risks associated with nature and the environment.

In addition, a number of important tasks have been identified in order to successfully continue the ongoing transformation process in the company. Priority will be given to financial recovery and increasing operational efficiency.

The main condition for the functioning of the insurance market is the existence of demand for insurance services and the ability of insurers to meet this demand. This means that the functioning of the insurance market depends on the law of value and the law of supply and demand.

The insurance market is based on the independence of the subjects, their competition with equal opportunities, the main approach to the purchase and sale of insurance services, ie the purchase of insurance products, horizontal and vertical development links. Is described by going. The national insurance market covers insurance companies and their activities in any country. An example of this is the insurance market of Uzbekistan. Today, there are 30 insurance companies operating in the insurance market of Uzbekistan, of which 29 are engaged in general insurance and 1 in life insurance. Is engaged in intermediate types, as well as 1 is a reinsurance company.

In terms of services, insurance markets are divided into the domestic insurance market and the domestic insurance market, as well as external and global, ie the world insurance markets. The domestic insurance market is based on insurance relationships within a particular country. The main task of the domestic insurance market is to create demand for insurance services in the country. The formation of demand for insurance services is carried out mainly through the study of the insurance market through marketing surveys, advertising of insurance services, the formation of demand among the population, among property owners.

One of the most important features of the insurance company is its market-oriented, all-round, market-oriented insurance rates. By improving the infrastructure of the insurance market, market participants will benefit from each transaction. It should be noted that the development and implementation of a compact company and profitable tariff policy is an important task of the domestic insurance market, as insurance companies are able to set prices for insurance services based on their tariff systems.

It is possible to change the state of the insurance market by influencing the insurance market from the outside and by influencing the insurance market from the inside. External factors include economic policy, financial inflation, exchange rate fluctuations, and more.

The Swiss Re Institute of Switzerland predicts that by the end of 2022, the world's insurance premiums will reach a record \$ 7 trillion. According to the report of the institute, insurance premiums are expected to increase by 3.9% in 2022. In 2021, premium growth in key markets is expected to be 6.3% in China, 1.7% in the US, 2.8% in Western Europe and 5.6% for

emerging markets. The corona virus pandemic has been cited as an important factor in this growth. Whether it's health insurance or supply chain disruptions for businesses, people are beginning to understand what insurance is and how it can help them get out of a crisis.

In terms of insurance premiums in the world, the United States, China and Japan are again included in the top three largest insurance markets in 2020. The total insurance premiums in the world market are 2.5 trillion US dollars, and the share of these countries is about 58%.

In developed countries, insurance services are one of the products in the consumer basket. 80-90% of the population is insured for housing, property and life. This will not only benefit the people themselves, but also strengthen the economy.

As part of the transformation, a development strategy for 2021-2023 was developed in order to increase the position of Uzagrosugurta in the insurance market, in particular, to improve its financial health and operational efficiency.

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