
Problems of Investment Insurance in the Legislation of Uzbekistan

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Abstract: Investment insurance is a young direction in the domestic insurance market, the development of which is very important in the strategic perspective. The need to develop this area is due to its impact on the investment climate of the country and the intensification of investment activities. Important in the insurance of capital-intensive investments is the study of the regional aspect and its features. This is explained by the fact that at present a significant part of the interests of public and private investors is concentrated in the sphere of the regional economy. The article discusses the conditions for the formation and problems of insurance protection of investments within the regional insurance market of Uzbekistan.

Keywords: insurance, development, problems, Tashkent regions, investment.

The most important, from our point of view, is the regional aspect of the development of this area in insurance, since at present the interest of many investors, both private and public, and is concentrated in the sphere of the regional economy [1]. Thus, at present, investment projects worth 317.3 billion soums are being implemented in Tashkent regions. The plans of investors provide for the implementation of new projects worth 129.5 billion soums[4]. Thus, we can say that capital-intensive investments in Tashkent regions are becoming increasingly important, and their insurance is becoming increasingly relevant. The volume of the potential insurance field is growing, which will inevitably lead to an increase in the supply on the market from insurers.

Let us further analyze the level of development of insurance coverage that an investor can receive within the framework of the regional insurance market. To do this, first, it is necessary to conduct a comparative analysis of the development of the insurance market in Tashkent regions and the insurance market of Uzbekistan as a whole. The analysis of the insurance market of the Tashkent regions in its general quantitative and qualitative characteristics of development has similar indicators with the insurance market of Uzbekistan as a whole [1].

In the context of regional insurance markets, there is a high concentration, expressed in a disproportion in the volume of insurance premiums depending on the regions of the country [3].

At the same time, the volume of the insurance market in Tashkent regions is growing every year. The increase in the volume of insurance premiums in 2018 amounted to 29.4%, which is significantly higher than the same indicator in the market as a whole. The growth rate of insurance payments relative to insurance premiums is not high, which is reflected in a rather low payout ratio. Moreover, over the past three years, there has been a downward trend in it (during this time it has decreased by 12 percentage points).

All this indicates that the insurance market of the Tashkent regions is developing with good quantitative characteristics, having a large potential.

The largest share in the total insurance premiums of Tashkent regions is occupied by property insurance (42%). At the same time, it can be noted that a feature that is also present in the national market characterizes the Tashkent regions. We are talking about "imputation" when concluding contracts types of property insurance (collateral agreements, etc.) [4].

The smallest share of collected insurance premiums falls on liability insurance and insurance of financial and business risks. The orientation of policyholders towards compulsory types of insurance is typical both for the regional insurance market and for the national one. The level of presence of "good will" in the insurance relationship between policyholders and insurers is currently very low.

The almost identical ratio of insurance premiums by type and direction of insurance is quite understandable - most insurers in the regional market of Tashkent regions are branches of republican insurance organizations. It is necessary to pay attention to such a very significant indicator of the development of insurance as the level of its penetration, i.e. in the Tashkent regions there are all conditions for insuring capital-intensive investments.

Consider the qualitative aspects of the development of this area of insurance. Before making a final decision regarding the implementation of investments in a particular region, the investor evaluates all the conditions that may affect further investment activities. An important factor is the possibility of obtaining high-quality insurance protection. In our opinion, the quality of insurance protection for capital-intensive investments influenced by the following factors:

- reliability of the insurance organization;
- the possibility of accepting a significant amount of liability by the insurer;
- choice of insurance coverage options;
- quality support of the insurance contract;
- Qualified staff.

Let's analyze each of these factors in the realities of the insurance market of Tashkent regions.

The reliability of an insurance organization is a conditional characteristic within the framework of the Uzbek insurance market. Currently, the reliability of an insurance organization is determined by the assessment of rating and information agencies, which, using certain formulas, algorithms and methods, assign to each particular insurer a certain reliability rating, reflecting the degree of financial stability, ability to fulfill their obligations to policyholders and prospects for further development.

The rating assessment of an insurance organization is a professional assessment of its condition, based on methods specially developed for this purpose, taking into account the comprehensive characteristics of the organization's activities, which confirms its validity for using the determination of the reliability of a potential partner. Based on this indicator, a potential policyholder can assess the reliability of the insurer, even without having specific knowledge in the field of insurance, which is a significant advantage in favor of its use [4].

Domestic insurance organizations evaluated not only by national experts, but also by world-famous rating and information agencies, giving an objective description of their activities.

However, the reliability of most insurance organizations that control more than 60% of the

insurance market is quite high, which also indicates the high reliability of the insurance protection they provide.

Directly related to the reliability of the insurance organization is the possibility of taking responsibility for major risks. It is known that capital-intensive investments may be accompanied by particularly large or little-studied risks, which entails the need to have a huge margin of financial strength for the insurance company that decides to conclude an investment insurance contract [4].

In this area, domestic insurance organizations do not yet have sufficiently high indicators that they can afford to take large risks for insurance, but they already have a positive trend in their development. Thus, the total value of the authorized capital of insurance organizations has been increasing in recent years (with a constant decrease in their number), over the past five years this indicator has grown by 40 billion soums and in 2012 amounted to 198 billion soums [1].

At the same time, most experts agree that domestic organizations are not capable of protecting large investment projects on their own. To do this, they use the reinsurance system, within which, as a rule, partnerships are established with the world's largest reinsurance companies. This characteristic can be supported only by the largest insurers of the Uzbek market, which are represented in each subject of Uzbekistan. Regional insurance companies do not even match the level of Uzbek insurance leaders, not to mention the world ones. Therefore, it is in the interests of the investor to apply for insurance coverage only to large insurance organizations of the republican level. Moreover, since branches of the largest republican insurers represent the main part of insurers in the insurance market of Tashkent regions, it can be argued that the level of insurance protection of investments in the region meets all the objectively necessary requirements of an investor that he can present to domestic insurers.

An analysis of possible options for insurance coverage of capital-intensive investments within the regional insurance market shows that there are practically no comprehensive products for insurance of capital-intensive investments in the regional market, as well as in Uzbekistan as a whole [1].

The limited supply leads to the fact that insurance contracts for capital-intensive investments can only be concluded using an individual approach to each specific case, when the parameters of the insurance product can be modified depending on the investment project [2]. The conditions of the insurance contract are established by agreement of the parties, and the main guideline for the insurer and the insured is the individual parameters and characteristics of the investment project. To provide such protection, direct cooperation between the insured and the insurer is necessary, which is currently not always available within the framework of regional insurance when it comes to branches of republican insurers. This is explained by the fact that most of the strategic functions of the insurer at the regional level are transferred to the head office, that is, there is a so-called "centralization" of functions. As a rule, the following functions are transferred: approval or refusal to conclude an insurance contract, agreement on the scope of insurance liability (all amounts and forms), determination of the terms of the insurance contract, determination of the amount of insurance payment, etc. All this is justified by the desire of insurers to fully control the activities of the organization's branches, reduce the loss ratio on insurance operations, prevent the influence of the human factor in underwriting and damage assessment, and in general can be justified. However, this is not always positively perceived by policyholders who use the services of insurers in the region.

When insuring capital-intensive investments, this approach cannot be justified, since such a complex line of insurance cannot be controlled remotely.

Firstly, the waiting time for responses to insurers' requests is increasing, which, naturally, do insurers perceive negatively.

Secondly, the individual approach, which is established through personal contact between the insured and the employee of the insurance organization, is no longer valid.

Thirdly, it becomes difficult objectively assess the risks associated with the implementation of an investment project, since the establishment of the likelihood of their implementation and possible damage are established remotely. As a result, the overall quality of the insurer's work with regional insurers is reduced.

This trend is increasingly spreading to branches of insurers, which negatively affects their cooperation with insurers. The result of this is a decrease in the level of quality support of insurance contracts. Given the negative impact of "centralization" on the activities of regional branches and representative offices, we can say that the factors that influence the level of quality of insurance protection of capital-intensive investments within the regional insurance market do not correspond to the republican level.

The next factor highlighted by us is the availability of qualified personnel of the insurance company. This factor acts as a cumulative one, including such characteristics of working with insurers as professional advice on any issue of the insured, the ability to assess risks and damage, knowledge of the basics of the insurance business, etc.

At present, the issue of providing insurance organizations with qualified personnel is quite acute both at the regional and republican levels. Few universities train specialists in the field of insurance and risk management; in most cases, specialists from other industries are involved in insurance, who are trained in the process of direct work. Despite the fact that practices are always highly valued, this situation in the insurance sector has a significant drawback - the lack of knowledge in the specifics of the insurance business.

Since insurance is a service sector, therefore, the main efforts of employees of insurance organizations are aimed at attracting potential policyholders and expanding the insurance portfolio. It is in this context that they look at the regional branches and representative offices of the central offices of all insurance organizations. As a result, most of the employees specialize in the sale of insurance products; in practice, they are called "sellers". Such specialists are not always fully aware of the whole essence of insurance, the specific mechanism for its implementation, etc. In order to achieve the goal, namely the implementation of the insurance product, the employee is able to use various methods, which subsequently may not always have a positive impact on the interaction between the insurer and the insured. Among these methods, one can find an underestimation of the insurance rate due to a commission fee, the collection of an incomplete package of documents necessary for concluding an insurance contract, etc. Such "indulgence" to policyholders undoubtedly has a positive effect on attracting a client, but does not always turn out to be good for the insurer.

The result of the vigorous activity of such "sellers" may be the dissatisfaction of the insured with the activities of the insurer. As a result, connivance during the conclusion of an insurance contract (incomplete package of documents, incomplete underwriting, etc.) may lead to a denial of insurance compensation. In this case, the policyholder will not only be dissatisfied with a particular insurer, but with the entire insurance industry. It is extremely difficult to return such a client to the circle of active users of insurance services. At the regional level, this problem is now relevant. Within the framework of the format that the

central office chooses for the activities of its branches, specialists “on the ground” practically become unnecessary, since their functions are taken over by the head office.

In our opinion, within the framework of this direction, the structural and separate divisions of the insurance company should be given more independence in decision-making, since when insuring capital-intensive investments, this can be a decisive factor in ensuring their protection from the influence of possible risks, as well as when choosing insurer.

The results of the analysis show that in the regional insurance markets, an investor is able to receive insurance protection for investments of approximately the same class as at the national level. Reliability of security and financial stability of operations is quite high, since the market is represented mainly by large republican organizations. At the same time, it is not possible to count on the same level of serviceability, therefore, in order to develop investments in Uzbekistan, it is necessary to maintain equal insurance conditions in all its regions. Only in this case the investor will be interested in choosing insurance as the most convenient and reliable method of protecting his capital investments throughout the country.

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