



Prospects for the Development of the Insurance Market in the National Economy

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Annotation. This article shows the financial performance of the country’s insurance market and analyzes the investment activities of insurance companies operating in our country. The share of the insurance sector in the country’s Gross Domestic Product has been studied. It also highlights feedback from foreign and local scientists. The problems of the insurance market in Uzbekistan have been analyzed and the prospects for its development have been considered.

Keywords: Insurance market, insurance infrastructure, gross domestic product, insurance premiums, investment activities, insurance companies, insurance activities.

1. Introduction.

Insurance is a key part of the country’s financial system, it emphasizes the continuity of the production of social reproduction depending on natural disasters, accident poles, risks in the manufacturing process and other unexpected events at high risk of property losses is also a tool that provides social protection to its people and stabilizes the investment process in the economy. In our country, the insurance market is growing rapidly, leaving many countries with a lag rate of growth. But increasing the role of the country in socio-economic development remains an unresisted task.

Article 3 of the LRU-730 Law “On Insurance Activities” states: “... Relationships related to the replacement of damages caused in the event of a particular event, the establishment and use of targeted monetary funds for compensation and other payments, the protection of the interests of individuals, both physically and physically [1]”.

In accordance with the Decree of the President of the Republic of Uzbekistan dated August 2, 2019 no. PD-4412 “On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development” [2], one of the highest goals of further reforming the national insurance market and ensuring its rapid development, introducing new types of insurance services in high demand, increasing consumer confidence in the insurance market recognized as. Therefore, in this article we present promising proposals for the achievements and problems of the insurance market of the Republic of Uzbekistan, as well as on improving the insurance market in the near future.



The Peerian Journal

Open Access | Peer Reviewed

Volume 11, October, 2022.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

2. Literature review.

E. Verden in his book *Pay Insurance Cooperatives and Share Pay*, Verden notes: “The barbarians of new Europe were the first to insert mutual insurance provisions into economic life. People teamed up to meet the odysseys of all accidents in life, friendly mutual assistance, not property for friendly mutual assistance when economic economic damage is done Not ownership for which helped the economic person [3]”.

In theory and practice, the concept of financial risk has a multilateral and multi-valued character. At the same time, the concentration of asterisk, in turn, generates the so-called “boomerang effect”, expressed in the universalization of atsiand risks that destroy economic and rational boundaries. Today, the combination of the properties of inertia and newatsiand, as well as the inevitable risks that arise, are a constant potent factor in the movement of the economy.

When defining financial risk, the concepts of “essence” and “essential features” are often used interchangeably, which do not coincide, moreover, are at different levels of cognition. The identification of the essential features of the phenomenon is often necessary in the preparatory part of the process of cognition, since this allows you to set a certain framework for the use of the laws of formal logic [4].

S. A. Bachmatov and L. S. Borodavko in an article entitled “Insurance of investments made in the form of capital investments”, Borodavko cites the current state of the investment insurance market, which is made in the form of capital investments. Investment insuring investments as the main factors that could negatively affect the practice of these organizations in this insurance area insufficient experience of local water allied insurers in the field; that it is not; They cited modern methods of sudden identification, evaluation and analysis of the risks of investment projects required for insurance, lack, as well as investment projects required for insurance [5].

L. I. Reitman of the book “Insurance from A to Z” for insurers says that “insurance is the purpose of forming a target insurance fund at the expense of monetary additions designed to compensate for damages or provide material assistance to citizens for extraordinary and other damages that may be caused to enterprises and organizations. is a set of special closed special closed redistribution relations between its participants [6]”.

N. G. Ishchenko Insurance and Reinsurance Intermediaries – insurance agents and insurance agents and insurance brokers – have played a special role in the insurance rights of the European Union. Middle insurance intermediaries, on the one hand, are the last consumers of insurance services - insurers and insurance entities and on the other hand, they pay for insurance covers neither bears obligations nor is liability responsible [7].

Oberemko noted that one of the main goals of insurance brokers is to help the customer choose the most suitable insurance product. At the same time, the insurance product is represented by two factors: represented by: material (insurance tariffs) tariffs) and insurance quality (insurance conditions). The ratio of these two factors to determining the best insurance product for the customer is complicated by the fact that there is a wide range of insurance product options from insurance brokers. they get complicated. At the moment, the problem of creating tools that allow us to assess the quality and quality of insurance products has not been solved [8].



3. Research methodology.

In the process of writing the article, tables and diagrams of financial indicators were used that revealed the role of insurance companies in the country's economy - statistical, monographic, economic methods were used.

4. Analysis and discussion of results.

In our country, there are always risks in the development and development of market relations, the high level of economic independence of economic entities, and the growing level of freedom. They engage in redistribution of risks that can harm their interests and are constantly repetitive, i.e. insurance with a special service that is unique. The upper limit of the price of the insurance service is determined by the required volume and the amount of the bank's interest rate. In case of sufficient demand for a particular type of insurance service, the insurance organization can maintain a high level of the cost of the service. However, with an increase in insurance service provisions on the market over time, tariff rates on their own will be reduced [9].

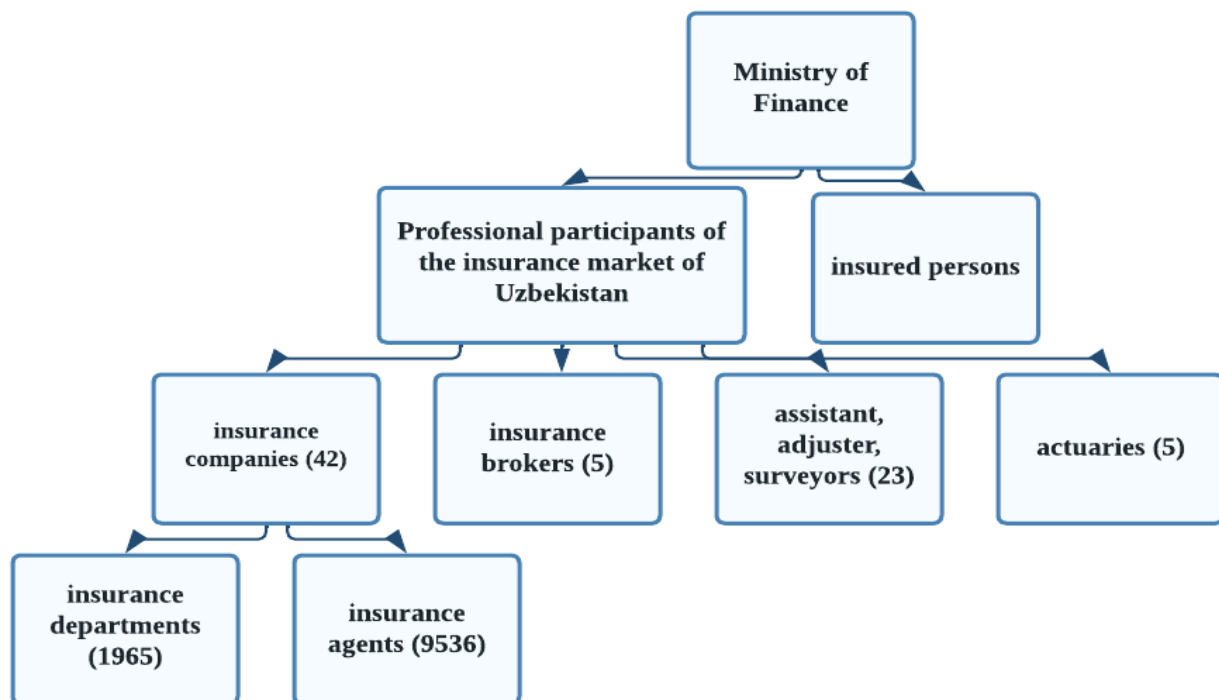


Figure 1. The current situation of the insurance market in Uzbekistan [10]

The picture above shows the current structure of the insurance market of Uzbekistan, there are 42 insurance companies, 5 insurance brokers, 23 assistants, adjusters, 5 actuaries, insurance There are about 1,965 branches and 9,536 insurance agents.



The Peerian Journal

Open Access | Peer Reviewed

Volume 11, October, 2022.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

If we pay attention to statistical data, it can be seen that as of December 31, 2021, the total assets of insurers in the republic amounted to 1.546 trillion soums, which increased by 7.4 percent compared to 2020.

In 2021, total insurance premiums amounted to 3.7 trillion soums, or 68% more than in 2020, mainly due to a significant increase in life insurance premiums. In 2021, about 81 percent of the total collected premiums were for general insurance, and 19 percent were for life insurance (Figure 2).

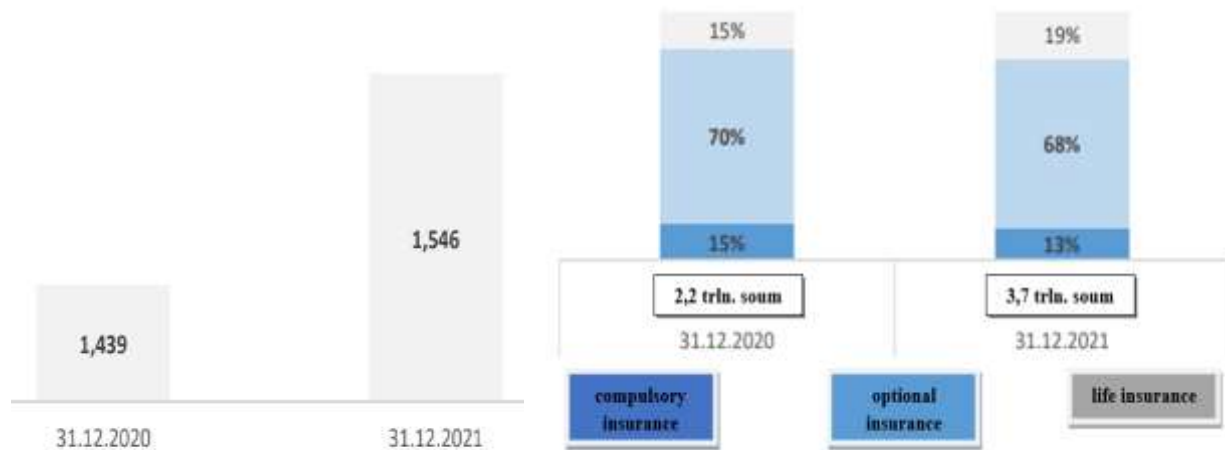


Figure 2. Financial indicators of the insurance sector [11]

One of the main reasons for this is the limited number of employees of the Insurance Supervision Inspectorate under the Ministry, who mainly keep statistics. As a result of insufficient information on insurance activities in the regions, the population's confidence and understanding of insurance is not fully formed. This has a negative impact on the growth of the industry's share in GDP and the financial stability of companies (Figure 3).



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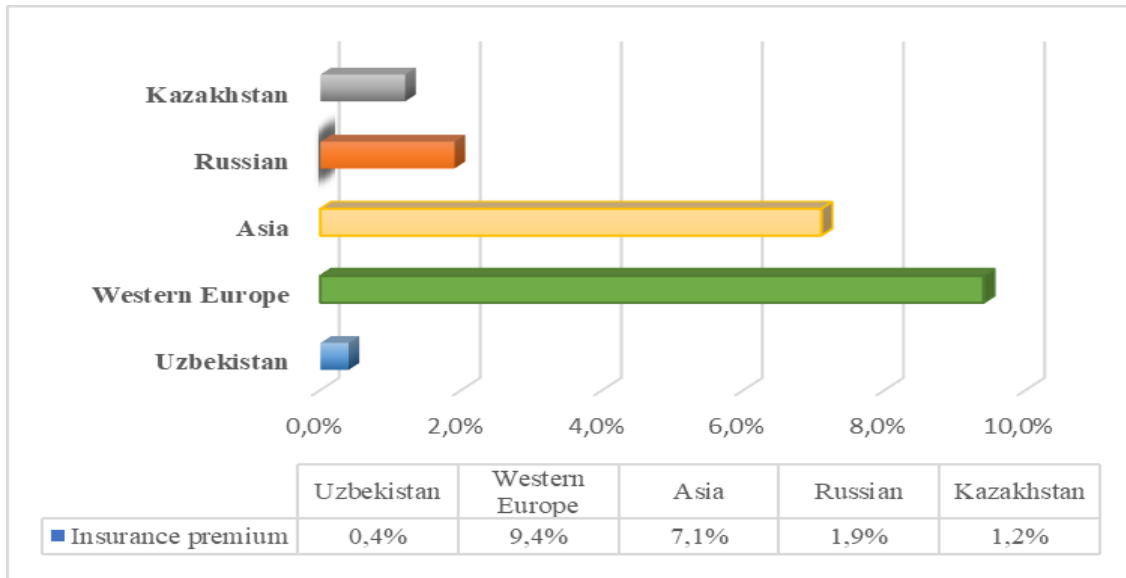


Figure 3. Share of insurance premiums of foreign countries in GDP 2022 [12]

Today, it can be considered that the insurance market in Uzbekistan remains attractive enough to realize investment goals, taking into account the reforms being carried out in the insurance sector and the market situation. It is important to note that in the last 10 years, total insurance premiums per capita have increased by 28.8 percent, and the ratio of insurance premiums to GDP has increased from 0.22 percent in 2010 to 0.40 percent in 2022. It's done. This indicator is still low compared to the indicators in Kazakhstan (1,20 percent) and Russia (1.90 percent), but foreign experts estimate that it has good growth potential.

The law "On Insurance Activity", adopted 15 years ago, does not fully meet today's requirements. In particular, certain types of compulsory insurance have been introduced on the basis of government decisions and are not regulated by law. In addition, the lack of involvement of large international insurance and reinsurance companies in the country's insurance market, as well as the incomplete implementation of international norms, standards and principles of the International Association of Insurance Supervisors and financial reporting and accounting is an obstacle for medium-sized companies to obtain international ratings.

By the end of 2021, the total investments of the republic's insurers will be equal to 3.746 trillion soums, which is an increase of 10.8 percent compared to the previous year (Table 1). In 2021, 58.9% or 2.208 trillion soums of insurance companies' investments were invested in bank deposits, followed by investments in various securities (29.3% or 1.096 trillion soums). However, the investments directed to the purchase of real estate and participation in the company's charter fund decreased by 13.3% and 47.7%, respectively, compared to 2020, and the total investments made by insurance companies accounted for 1.8% and 4%, respectively. decreased by 2 percentage points.



Table 1. Composition of the investment portfolio of insurers, mln. soums [13]

Indicators	31.12.2020		31.12.2021		change, in %
	million in soums	in % of the total	million in soums	in % of the total	
Total investment	3 382 685	100%	3 746 665	100%	+10,8%
Deposits	1 818 925	53,8%	2 208 573	58,9%	+21,4%
Securities	958 552	28,3%	1 095 976	29,3%	+14,3%
Debts	42 054	1,2%	47 453	1,3%	+12,8%
Real estate	285 320	8,4%	247 340	6,6%	-13,3%
Enterprise charter fund	272 143	8,0%	142 203	3,8%	-47,7%
Others	5 691	0,2%	5 120	0,1%	-10,0%

Analyzing the composition of insurance premiums, compared to the previous year in 2021, compulsory insurance increased by 17.4 percent and general insurance by 21.6 percent, while life insurance increased by 61.0 percent in the same period. we will witness. Of course, during the coronavirus pandemic, human health was the first priority, which led to such changes. However, today's geopolitical crises, political tensions between developed and developing countries, economic and social instability demand more attention to the general insurance sector.

Analyzing the composition of the insurers investment portfolio, it was found that both in 2021 and 2020, insurance companies directed the majority of their investment resources (58.9 and 53.8 percent) to bank deposits, and at the same time, mining we are witnessing that they have chosen a conservative investment strategy. If we take into account that insurance, by its nature, contributes to the stabilization of the economy, economic growth in the country, and the reduction of social tension in society, the need to ensure more active participation of insurance companies in the investment process is obvious it seems.

5. Conclusions and suggestions.

The role of the insurance sector in the national economy is incomparable. Therefore, based on the above analysis and discussion, we formulated the following proposals and recommendations that will ensure the stability of the insurance industry in the near future:

1. Improvement of the regulatory legal framework that ensures the protection of the interests of the state, organizations and citizens in the field of compulsory insurance by means of insurance;
2. Creation of necessary conditions that encourage the involvement of a wide stratum of the population and enterprises regardless of ownership forms and ownership forms in insurance;
3. Improving the infrastructure of the insurance market, organizational economic and development - the interests of citizens and legal entities of various forms of ownership and the interests of legal entities of various forms of ownership and the interests of legal entities of various forms of ownership accompanying the process of insurance relations, as well as the state's



The Peerian Journal

Open Access | Peer Reviewed

Volume 11, October, 2022.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

insurance assistance in the development of insurance organizations in the development of insurance organizations that help to increase the implementation of the policy;

4. The competitiveness of insurance companies is determined by analyzing the direct and indirect factors affecting the indicators reflecting the investment potential of insurance companies. Getting the right answers to the questions that are equally interesting for both the investor and the insured, in particular, allows making the right decision about which insurance company to choose as a reliable partner in the market;

5. Our country's insurance market is at the level of developed countries one of the most important and main factors of delivery is the introduction of mutual insurance in Uzbekistan based on the experience of foreign countries, and the use of the state's initiative in this is an urgent issue of today in the field of insurance. We believe that in order to introduce mutual insurance in the country, first of all, it is necessary to establish its legal support, to provide privileges and preferences related to this sector in order to develop mutual insurance. In such a case, mutual insurance as a separate form of insurance develops in parallel with commercial insurance and increases the material well-being of citizens while attracting a large number of potential policyholders to insurance, and is related to their entrepreneurial activity. serves as an important factor in guaranteeing risks, and in the stable operation of enterprises and organizations.

In conclusion, it is possible to say that the issue of further development of insurance relations in the national economy is considered one of the most important tasks, because the development of insurance relations leads to the accumulation of idle funds and from them not only for the purpose of insurance, but also to the leading sectors of the economy and will be mobilized as investment resources in the fields, and will ultimately lead to the development of these industries and sectors.

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The Peerian Journal

Open Access | Peer Reviewed

Volume 11, October, 2022.

Website: www.peerianjournal.com

ISSN (E): 2788-0303

Email: editor@peerianjournal.com

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