

Promising Ways to Develop the Personal Insurance Sector in Uzbekistan

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Abstract:

The management of insurance companies, in contrast to the management of companies in the field of material production, has a number of features. The specificity of insurance company management is highlighted by the differentiation of the structure of operation processes in the insurance business and other industries, the movement of funds in the form of insurance contributions paid by insurers in the insurance industry, the role of insurance companies in maintaining the environmental principle, the characteristics of the manufacturer as a means of regulating economic entities.

Key words: insurance, insurance system, Personal Insurance, Social Insurance, Insurance Management, insured person, insurance event, insurer, insurance money, life insurance, insurance premium, insurance company.

Introduction

Today, strengthening the social protection of the country and activating the participation of the population in this is a solution to many pressing issues. As a result of measures such as the use of preventive and preventive measures to prevent diseases that lead to severe cases, the creation of financial provisions for various unforeseen situations, the formation of financial skills in monetary investments, a reduction in the term of Return of sick people to work and the alleviation of social protection costs of the state, an increase in

The economic development of the state strengthens the health of the population, and in turn, the healthy population layer becomes the basis for economic growth. In this regard, it is necessary for the state to determine its policy regarding investment in the health of the population in the well-being of the country and its economic development. In this, the state establishes monetary deductions for the strengthening of the health of the population, the prevention and Prevention of diseases, the return of affected patients to social life, the quality of their life and the maintenance of labor productivity.

In this case, Prevention from diseases is considered important in preventing cases that complicate the social situation of the population. Such preventive measures include measures to eliminate the factors leading to the disease and early detection of the disease. It is known that environmental damage and pollution of ecology are the main cause of the origin of many diseases. By eliminating this factor alone, many social problems can be solved. It follows that the deterioration of the social situation caused by the derailment of the health of the population all over the world and the Prevention of environmental pollution, which leads to such diseases, the preservation of the principles of the green economy in society, is now an extremely urgent issue.

Socially significant diseases are diseases that are mainly associated with socio-economic conditions, which harm society and require social protection of a person. In Uzbekistan, citizens with these diseases are provided with medical and social assistance in the appropriate treatment and preventive institutions of the state health system, and constant medical monitoring is provided.[1]

According to the resolution of the Cabinet of ministers No. 153, 6 types of diseases are included in this type of disease, and the state provides for benefits for individuals suffering from these socially significant diseases. [2]

In recent years, the digitalization of the economy has covered many countries and is developing at a high pace, the economy of Uzbekistan is no exception. "Uzbekistan began to prioritize the development and digitalization of information and communication technologies (ICT) since the early 2000s. In particular, the" comprehensive program for the development of the National Information and communication system of the Republic of Uzbekistan in 2013-2020", the" strategy of action on the five priority areas of development of the Republic of Uzbekistan in 2017-2021 "and the" development strategy of new Uzbekistan for 2030 "and"2022-2026" envisage a number of measures aimed at the implementation of digital transformation in the national economy, industry and society as a whole.

The unified electronic data center allows its users to place data and search for data based on the unified standard, obtain territorial addresses, place surveys, make wishes and suggestions on types of personal insurance, and place articles and share scientific conclusions of researchers doing research in the field. To this end, it is envisaged to include a center – information, Sales, marketing, Science

portals. The activities of this electronic center are based on the decree of the president of the Republic of Uzbekistan "on the development strategy of new Uzbekistan dated 2022 year 2026", the law of the Republic of Uzbekistan on e-government, insurance activities.

The insurance sector of the economy is also preparing for digital transformation. In particular, in 2022, the law of the Republic of Uzbekistan "on insurance activities" was adopted in a new edition, in which the peculiarities of the exchange of information in an electronic form between the insurer and the insured reflect the principles of the digital economy. By law-digital methods of information exchange of Appeals for the conclusion of a contract, amendments to it and obtaining an insurance compensation, in which, using the identification and authentication system, the implementation is established and it is mandatory to be established in insurance regulations or other documents.

Electronic policies concluded by the insurer's acceptance of the offer by paying the insurance premium in contracts with an electronic digital signature or without such a signature were equated to a paper-based document. While the above legal changes will trigger digital transformation, insurance sales cannot be developed intensively without digital technologies and without the internalization of trade.

Analysis of thematic literature. The management of insurance companies, in contrast to the management of companies in the field of material production, has a number of features. The specificity of insurance company management is due to the differentiation of the structure of the operation processes in the insurance business and other industries. As you know, the insurance industry is a large investor who directs funds in the form of insurance contributions paid by insurers to the state economy. In this context, in the maintenance of the ecological principle, insurance companies may not manifest themselves as the main production, but as a means of regulating producing economic entities. At the same time, the insurance prevention function provides an opportunity to apply measures to reduce environmental risks in the insured organizations. It is known that in order to develop a sphere, the state applies indirect economic measures. Basically, the state can introduce tax incentives on insurance contracts concluded with economic entities based on the environmental principle. Through this, he popularizes the principles of the green economy. The insurance company also influences the insurer to reduce risk by imposing certain restrictions and franchises on the insured event and object.

Insurance companies collect funds consisting of insurance contributions in the amount of insurance protection and use them as an investment resource. The insurance service market is a major channel that redistributes national income and resources and a resource that protects the significant material interests of the individual.[3] nowadays, insurance is an important and necessary tool that provides general economic stability and security, the development of entrepreneurship and the continuity of economic activity, effective protection against many natural, man – made and other risks, and public social policy. [4]

Apparently, the high importance of personal insurance in the socio-economic sphere of the country is due to the fact that it provides protection for the population from certain risks and redistributes funds, manifests itself as a large investor in the country's economy. Nevertheless, it is not popular among the population to put money into insurance, to look at it from the point of view of protecting their personal interests and making a profit, Citizens in most cases move only within the framework of compulsory insurance. The following reasons can be attributed to the popularity of types of personal insurance among the population:

- lack of information on insurance services in the population;
- establishment of expensive tariffs as a result of the harmfulness of health-related insurance services;
- the fact that simple and easy mechanisms of insurance payments have not been developed;
- failure of insurance services to remote areas.

In developed countries, insurance, including personal insurance, is used as an effective method of risk management, and with its help the population grows, losses in income in connection with the loss of health or the death of a family member, medical expenses in the event of cases of illness are covered. In Uzbekistan, the introduction of molded microsurgical and inclusive insurance to the socially disadvantaged population and the population living in remote villages, regions where insurance services are not available, as well as the popularization of insurance services aimed at ensuring social protection of the population is an important issue. In increasing the efficiency of insurance management associated with these tasks, the relevance of the social principles of ESG increases.

The management principle of ESG is based on the sustainable development of insurance activities. In this case, it is understood to carry out a number of tasks related to insurance activities and in order to maintain financial stability in the process of fulfilling the obligation to customers. These tasks are in the form of ensuring transparency of activities, the formation of a healthy competitive environment, the unbiased formation and placement of insurance reserves consisting of insurance contributions by insurers, the formation of insurance tariffs on the basis of comprehensive actuarial calculations, which forms a criterion of efficiency. Efficiency criteria based on ESG principles like this ensure the sustainable development of the insurance company.

Research methodology. The article makes extensive use of comparative comparison of management efficiency reforms in the development of Personal Insurance, study and economic comparison and analysis of Statistics, logical reasoning, scientific abstraction, analysis and synthesis, induction and deduction methods.

Analysis and results. The World Trade Organization's classification of Insurance Services adopted under the general agreement on trade in services provides for the following institutions,

which are insurance, reinsurance, insurance intermediaries, insurance affiliated services, that is, services that ensure the productivity and success of insurance services. According to a number of scientists, "the infrastructure of the insurance market refers to a system of interaction between professional participants in the insurance market and other types of activity structure and specialists involved in it. The basis of the insurance market infrastructure is made up of surveyors, dispatchers, actuaries, insurance auditors, specialized and multidisciplinary consultants, who are considered subjects of the insurance market. It is also desirable that these include underwriters".[5]

Scientists from Uzbekistan have made the following conclusion regarding infrastructure: "the insurance market infrastructure of Uzbekistan is made up of such entities as insurance brokers (insurance agent, insurance and reinsurance broker), adjusters, actuaries, insurance surveyors and assistants, referring to the relationship and cooperation between professional participants in the insurance market, specialists in various fields and specialties, and types of activities that contribute to the productive activities of insurance." [6]

Insurers operating in the field of personal insurance are insurance companies that offer personal insurance services, in particular, are licensed under all 7 classes of the life insurance sector of the classifier of insurance activities and classes 1, 2 and 18 of the general insurance sector.[7] the licensing of the insurer and the control of its activities is carried out by the Ministry of Finance.

Affiliated services, which serve to ensure the productivity and success of insurance services, are organized by professional participants of the insurance market – actuaries, adjusters, surveyors and assistants. The activities of such professional participants are carried out according to the regulation "on professional participants of the insurance market" and the law "on insurance activities". These professional participants who organize affiliated services are not entitled to conduct insurance and reinsurance operations as insurers under the law, carry out insurance intermediary activities and participate in the statutory funds of the insurer. [8]

The activities of Actuaries in Uzbekistan are carried out on the basis of legislation, the activity is carried out on the basis of a certificate in accordance with the "administrative regulation of the provision of public services for the issuance of a certificate of competence".[9]

The institutional composition of Uzbekistan is given in the table below (table 1).

Table 1. Institutional structure of the personal insurance market of Uzbekistan [10]

Composition of the insurance market	The year 2021	The year 2022
Number of insurance companies	40	42
Including life insurance companies	8	8
Insurance brokers	5	5

Insurance agents	8900	9536
Insurance actuaries	5	5
Health insurance assistants	5	5

Despite the fact that the insurance market of Uzbekistan is made up of a wide range of institutions, there is a need to develop the insurance market, in particular, the personal insurance industry, improve existing institutions in order to improve the competitive environment of the insurance market, form demand and meet the needs of social protection of the population, and build an updated model of infrastructure

In the field of personal insurance, affixed insurance services are not sufficiently developed, there is no possibility of conducting a complete analysis on the current state of this line. In the field of personal insurance, it is possible to cover only the services of established medical assistants, but the services provided in this area are not free from disadvantages. Problems with this are associated with:

- private medical institutions overcharge nonlinear and unreasonable medical examinations under the health insurance policy;

- falsification of an insurance event by private medical institutions in agreement with the insured person;

- loss of objectivity in the provision of medical assistance to the client on the basis of the cashback system of medical institutions and, as a result, the assessment of the insurance phenomenon;

- despite the relative increase in the cost of health care from year to year, the fact that insurance definitions remain relatively low as a result of competition in the insurance market;

- that the insurance company gives control of insurance events to the assistant and does not have full control.

Table 2. Information on reinsurance services of foreign insurance organizations in insurance areas [10]

The size of reinsurance premiums of foreign insurance organizations					
Specification	In the year 31.12.2020		In the year 31.12.2021		switch %
	million. Soum	In% compared to gross insurance premiums	million. Soum	In% compared to gross insurance premiums	
General insurance industry					
Reinsurance granted	245 884	13%	490 787	16%	+99,6%
Reinsurance accepted	103 879	6%	332 731	11%	+220,3%

Life insurance industry					
Reinsurance granted	-	0%	150	0%	0%
Reinsurance accepted	-	0%	-	0%	0%

When analyzing the composition of reinsurance in the insurance sector in the insurance market of Uzbekistan, it can be seen that reinsurance operations have not been carried out in the life insurance network, which makes up a large part of personal insurance.

This situation indicates a lack of attention to this area, while the need for reinsurance is also greater in life insurance, which is manifested in the following areas:

- reinsurance operations in the field of life insurance in foreign practice (Russia) are associated with the banking network, that is, reinsurance of credit insurance of individuals. The introduction of the life insurance class to ensure obligations may create the need for reinsurance operas in Uzbekistan in this direction as well;

- in foreign practice, risky life insurance products have become popular, and the development of these types in Uzbekistan remains an urgent task. In this case, it is possible to sell products of foreign insurance companies on the condition of reinsurance and introduce such new types of insurance in the national market.

Taking into account this, it is advisable to develop a scientific and methodological basis of reinsurance and accept the relevant regulatory documents.

It is worth noting that the formation and development of reinsurance is determined by the economic development of certain states. Globalization processes in the economy and the increasing need for large-scale reinsurance necessitate the accumulation of reinsurance capital in one place and the formation of large reinsurance groups in the modern insurance market. There are major reinsurance groups such as Swiss Re (Switzerland), Zurich (Switzerland), Partner Re (Switzerland), Scor (France), Hannover Re (Germany), Munich Re (Germany), Transatlantic (SSHA).

By the middle of the XIX century, legislation began to form regulating the insurance and reinsurance market in foreign countries, by the 20th century, the development of reinsurance had become a boom of the insurance market, that is, reinsurance was formed that meets the description of the quality and quantity of insurance risks.

Looking at world politics in the coming days, political disputes between different states are creating economic changes. Such changes were also observed in recent history, and during World War I and World War II, European countries brought about a change in The Shape of the reinsurance market. The beginning of World War II, and in doing so, Switzerland's maintenance of a neutral position, laid the foundation for maintaining and developing business relations with insurance

companies located in the region of hostile countries. In the post-war period, Germany's severance of business relations with foreign countries and the transition of Eastern European countries to a new regime brought about the cessation of reinsurance options in the region, and major changes in the reinsurance market occurred.

Insurance and reinsurance relations, the process of formation of reinsurance in mamalakats, which differ in the composition of risks, are sought after by their features of economic, political, historical development, as well as their attribution to a different legal system. The historical stages of reinsurance Development show the importance of the international reinsurance system, which not only does it matter that the insurer transfers risks to the reinsurer, but also gives the insurer the experience and knowledge that the reinsurer has accumulated.

This is especially important for the developing insurance market of Uzbekistan. At the same time, it is important to form a national reinsurance sector in increasing the economic potential of the country, by creating a reinsurance market, the net outflow of reinsurance premiums beyond the national insurance market is obtained. Thus, reinsurance is formed as an important element of the insurance infrastructure of Uzbekistan. In this case, it is considered important to establish relations with large foreign reinsurance companies, as a positive effect of which is the application of foreign insurance practices to the domestic market.

The role of the national reinsurance market in increasing the economic potential of the country is incomparable. In this regard, it is necessary to improve the unified requirements and standards for the provision of reinsurance services in Uzbekistan, studying the requirements of reinsurance by foreign companies in the organization and development of a large reinsurance company in the country. Also, the qualitative and quantitative growth of the domestic insurance market is the basis for the development of the reinsurance market.

Insurance activities are, first of all, business. Despite state control instruments and anti-crisis measures, as with every commercial organization, the insurance industry is no exception to insolvency or bankruptcy, and legal documents provide for measures to be taken on these cases. In the insurance industry, sufficiently strict state control is established, and regulatory, in particular prudential, norms on ensuring the solvency and financial stability of the insurance company are aimed at ensuring anti-crisis management in the industry.

Through the formation of insurance reserves consisting of insurance premiums paid by insurers and requirements regarding the placement of insurers' assets, legal protection of insurers' monetary funds is carried out. In particular, these requirements can be said to be more strictly defined for the life insurance industry. Nevertheless, the decline in solvency as a result of the inability to meet

the requirement for the formation of authorized capital is also the cause of an increase in distrust of insurance as a result of the unpopularity of insurance.

Increasing the confidence of the population in this area, taking into account the social importance of personal insurance products, in particular life insurance products, is an important issue in the state economy. In this regard, we believe that it is advisable to launch funds that guarantee personal insurance payments. The fund is intended to operate as a non-profit organization and to cover management costs on account of the Income invested from the activities, and the financing of the fund is made up of contributions from insurance companies.

Today, increasing their insurance literacy and awareness in the formation of interest of the population in insurance products also gives a positive result. The formation of a single database of information in this will serve as a factor ensuring the development of the insurance market. As a result of the launch of such a center, it is possible to have the following opportunities in the personal insurance market:

- for the population: the transparency of information on the activities of insurance companies, territorial location information, the availability of information on the nature and advantages of Insurance Services, the possibility of analyzing this information, comparing insurance services on the basis of tariffs and regulations;

- for insurance professionals: obtaining data for marketing research in the study of population requirements, evaluation of consumer needs, possibility of a new sales channel;

- for insurer and insured persons: choosing an insurer through a single electronic resource and going to its internet page, purchasing electronic insurance policies, making claims about insurance payments and a number of other opportunities.

In the formation of demand for personal insurance and increasing confidence in the insurance market, it is advisable to introduce elements of the infrastructure, namely insurance payment guarantee funds and a unified electronic database of data.

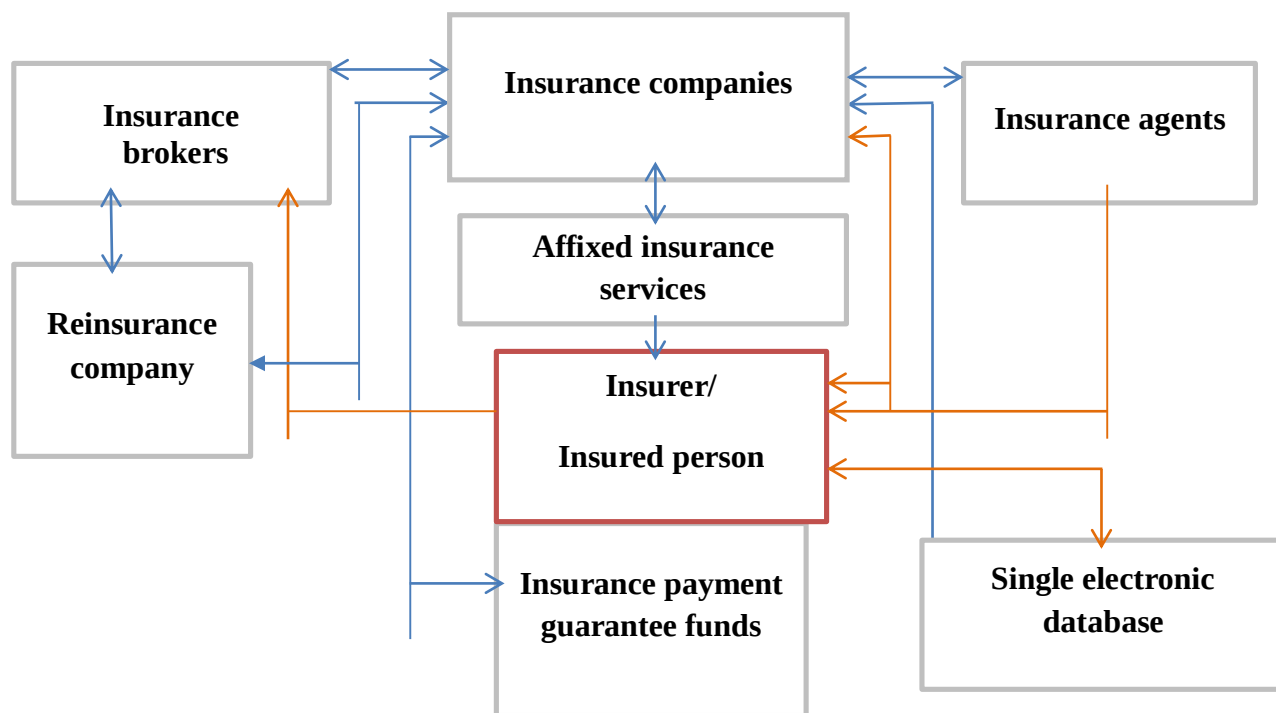


Figure 1. Updated model of personal insurance market infrastructure

Thus, the updated model of the personal insurance market infrastructure offered by us in today's conditions provides: society increases social stability and strengthens the national economy, ensures healthy competition in the personal insurance market, as a result, the market develops steadily, the transparency of insurance companies activity increases and the confidence of the population in insurance services is strengthened, a new sales channel for

Conclusion. The following important tasks should be performed in order to increase the profitability of insurance companies of Uzbekistan:

- ensuring the income of the insurance portfolio in achieving the effectiveness of the main activity;
- expand customer contact coverage;
- occupy new sales channels;
- minimizing sales costs;
- maintaining a comprehensive analytics of company risks and assets.

From this, it is necessary to provide for the digitization of insurance activities not only to legalize electronic policies, but also to organize a wide range of digitization at the launch of this process. In this, by digitizing the insurance industry, it is possible to understand the implementation of insurance sales and the management of insurance business processes through digital technologies.

In this regard, it is important to introduce digitization tools into insurance management, and it includes the following processes:

- automation of business processes (ERP-system, CRM-system);
- internalization of activities (wireless communication technologies, cloud technologies, on-line Trading Technologies);
- large-scale data system (BigData, Blockchain) and digital technology implementation (Artificial intelligence – AI, robotics).

As a result of cashing, the efficiency of insurance management increases in such areas as increased operability, receipt of fraud and errors, expansion of the possibility of notifications on payments, strengthening communication with customers, increasing customer goodwill and achieving loyalty, accurate risk assessment, and the financial stability of the company is ensured.

Insurance as a branch of the financial sphere occupies an important place in the country's economy, and its following features are manifested in the introduction of ESG standards to insurance management:

- regulation of environmental relations with the help of insurance, the formation of its economic Ethics, which, with the help of insurance, is aimed at preserving nature and resources in economic entities;
- formation of social relations, ensuring the social protection of the population with the help of insurance;
- improving management efficiency".

The following promising ways of developing the personal insurance industry can be identified in improving the effectiveness of management at both macro and micro levels of personal insurance management:

1. The fact that the state stimulates the mechanism of protection against social diseases.
2. Insurance management's control of the green economy.

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