

## Improving the Quality of Insurance Services in Uzbekistan

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***Abstract:** This article identifies current trends in insurance and the factors that lead to the growth of the insurance market. Comparing the insurance market of Uzbekistan with the market of other countries, its shortcomings were identified and the results obtained show the development of the insurance market, as well as the improvement of services provided.*

***Keywords:** insurance, insurance service, insurance market, insurance premium.*

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## **Introduction**

Analysis of the factors influencing the development of the insurance system in the context of globalization shows that strengthening financial relations with large insurance companies, taking into account the specifics of our country, requires the use of modern management and insurance strategies and information services in managing services.

In the current situation, the scientific and theoretical basis of insurance services management is rapidly changing in the process of formation of the economy based on the factors and knowledge that affect it. In particular, each insured entity of the national economy operates under the influence of internal and external competition. Also, under the influence of innovations in the world, there is a growing need to introduce a new type of innovative services based on new knowledge in production.

The innovations of the insured in production are causing unpredictable changes in the behavior of buyers. In particular, such changes are service-specific. In particular, there is a need to move from public insurance services to individual insurance services.

## **Literature review**

Foreign scientists have in-depth research experience in this area. The peculiarities of the state regulation of the insurance market and insurance premiums have been considered in the works of foreign scientists J. Keynes, J. Stigler, J. Gelbright, K. Meyer, François Quilbalt, William F. Sharp, Michel Badock and others.

The fact that economists are divided on the issue of organizing insurance services also indicates that this problem is not fully resolved [1-3].

Economist K.Kulshoshev "Insurance market is an objective economic law, a mechanism that connects buyers of insurance goods (insured, other stakeholders, especially the state), sellers of insurance goods (insurers, reinsurers) and meets the needs of both parties to the maximum" [4].

In the research work of A.M. Godin, the role of the insurance market in the financial system, as well as providing insurance protection to various financial institutions, insurance companies become one of the major players in the financial market through their investment activities and potential [5].

## **The main part**

It is necessary to develop an insurance plan to ensure the commonality of all activities and goals in the insurance service business. This plan serves to effectively allocate all available resources, including time and funds, in making insurance service decisions.

Economic factors influence the development of insurance services, including the unemployment rate, inflation rate, real income of the consumer, access to credit, its interest rate and types. It is also affected by the prices of substitute goods, petroleum products, recreational equipment.

Insurance is a system of economic relations related to the payment of damages and other monetary compensation for damage caused by natural disasters, various accidents. The prospects for the development of insurance are inextricably linked with economic reform. The influence of the state in insurance relations is very large. The state itself organizes and takes control of insurance relations. However, the role of these services in the financial market of our country is not large yet. In developed countries, this system is more developed, with insurance premiums in

GDP averaging 8-12 percent of GDP (Table 1). The share of this sector in the GDP of Uzbekistan is only 0.4%.

**Table 1. The share of insurance in GDP in some countries**

#	Countries	Share of GDP
1.	South Korea	11 %
2.	Germany	6 %
3.	Russia	1,5%
4.	Uzbekistan	0,4 %

Currently, there are about 40 insurers in the insurance market of Uzbekistan.

Most of the works of the above authors focus on macroeconomic problems and do not have enough information about the regional aspects of the development of the insurance market. The problem of activating the innovative and investment activities of insurance companies in the market also requires additional research.

In developed countries, any innovative investment project is not accepted without an insurance guarantee. Therefore, in our country, insurance plays a special role in the activities of any entity, stabilizes financial relations between them and should develop as an innovative service network in solving all the accumulated problems.

The main directions of reform and accelerated development of the insurance market of the Republic of Uzbekistan are as follows:

- Improving the regulatory framework in the field of insurance, including the consistent introduction of standards and recommendations of international organizations and best practices in this area;
- institutional development of the system of regulation of insurance activities aimed at ensuring the reliability and stability of the insurance market through the introduction of effective mechanisms of regulation and prudential supervision;
- increase the level of capitalization, solvency and financial stability of professional participants of the insurance market, improve the quality of their assets, as well as the development of investment activities of insurers;
- development and expansion of the insurance market infrastructure by activating the activities of insurance brokers, improving the system of insurance agents, the introduction of bank insurance mechanisms, as well as increasing the role of professional participants in the insurance market in general;
- strengthening the protection of the rights of consumers of insurance services and other subjects of insurance activity, increasing insurance literacy and public confidence in insurance, ensuring openness and transparency of the insurance market;
- expansion of the volume, type and quality of insurance services provided through the introduction of new innovative insurance products and the development of traditional products in high demand;
- extensive use of modern information technologies in the field of organization and regulation of insurance activities, active introduction and development of electronic types of insurance services;

- Improving the system of training, retraining and advanced training of insurance market specialists, the use of modern methods of education in the field of insurance, the promotion of research activities;
- formation and maintenance of a positive image of the national insurance market and increase its investment attractiveness, including through the integration of the national insurance market with international and foreign insurance markets [6].

The quality of insurance services means the complex condition of the services provided, compliance with applicable technical standards, full compliance with individual or general requirements, compliance with national and international standards [7]. The quality of service will be high, medium, low, according to consumer demand.

President Sh. Mirziyoyev held a meeting on the development of the insurance services market on July 10 and proposed the establishment of an insurance market development agency.

One of the main reasons for this is that insurance services are not attractive enough. For example, in the last six months, the insurance industry collected 887 billion soums of insurance premiums, but the amount of insurance coverage paid to customers during this period amounted to only 11% of the premiums. In the world, this figure is on average 50-60%.

The need to radically reform the State Inspectorate for Insurance Supervision was discussed at a meeting under the Ministry of Finance.

- The industry needs not a supervisor, but a structure that introduces advanced and modern standards, creates a truly competitive environment among all participants and develops the insurance market, - said Shavkat Mirziyoyev.

It was proposed to establish the Insurance Market Development Agency and abolish the State Inspectorate for Insurance Supervision. The task is to develop a strategy for medium and long-term development of the insurance industry, to increase the amount of insurance premiums per capita by 3 times and the share of the industry in GDP by 2 times by 2022.

Insurance is needed in our most difficult situations, but the majority of the population does not trust this system and does not even have a basic knowledge about it. First of all, it is necessary to increase the confidence of the population and entrepreneurs in insurance. The Ministry of Finance and the Antimonopoly Committee were instructed to reduce the time and documents for consideration of insurance claims, to introduce a system of fair assessment of the insured event and prompt payment of payments.

Tasks were given to expand the mechanisms to support the investment activities of insurance companies. In particular, the tasks of encouraging insurance companies to engage in leasing activities and improving the system of taxation of leasing services have been identified.

It was noted that it is important to cover the economy with insurance services. The Ministry of Finance and the Ministry of Investment and Foreign Trade were instructed to introduce mechanisms for state subsidies for part of the cost of insurance of agricultural exports.

Specific tasks have also been set to ensure the access of national insurance companies to international financial markets, to obtain international ratings through the introduction of advanced corporate governance.

Attention was also paid to the training of modern personnel in the field of insurance, training of

specialists in prestigious foreign universities and advanced training in leading companies.

Speaking about the introduction of compulsory health insurance in Uzbekistan, the head of state stressed the need to carefully prepare for it, to form a minimum social package of medical services.

The main factors that negatively affect the insurance market are the economic environment in the country, as well as the purchasing power of the population and the volume of lending. However, the heads of insurance companies expect an increase in fees for adjusting tariffs for compulsory motor liability insurance, which will be one of the few drivers due to growth in the insurance industry [8].

According to insurance companies, in the first quarter of 2020 503.1 bln. soums of insurance premiums were collected. The total authorized capital of insurers is 782.4 billion soums. soums (138%). The volume of investments in the economy amounted to 2.834 trillion soums. He made up the sum. Of this, 55% is in bank deposits, 30% in shares, and the rest in other securities. There is a disproportion in the components of the insurance market in our country, ie 82% of voluntary insurance and 18% of compulsory insurance. In other developed countries, the share of compulsory insurance is 50%. One of the main solutions to the problem is the privatization proposal of insurance companies. This allows you to promote, attract as a way to manage insurance risks. Foreign investment and technology, the creation of new skilled workers, as well as the population will have more opportunities to choose insurance products, and competition with state insurance companies will increase.

Another trend in the global market is the introduction of a risk-based approach. Insurance companies not only assess the risks associated with premiums and liabilities, but also have the ability to assess assets, loans, and market risks [9]. This will allow for more active management of insurance capital. To attract foreign investors, this trend is spreading to emerging markets as well. In terms of capital management, a risk-based approach makes it more understandable and more comparable.

Increasing the volume of insurance premiums remains an important issue for developing countries, including Uzbekistan. By raising the insurance culture and explaining to the population that insurance is protection, we will reduce the burden on the state and increase the responsibility of companies for their obligations. In developed countries, 70% of the population is financially literate, compared to less than 30% in developing countries. This will allow developing the insurance industry in Uzbekistan in the future. People need to understand why they need to buy an insurance policy. Many people think that this is a waste of money. In addition, the level of consumer protection in Uzbekistan is very low. If consumers feel they are protected, they will also be willing to buy more insurance policies.

The general trend towards reducing staff costs and agency fees is fully consistent with insurers' desire to trade online [10].

### **Conclusion**

In order to develop insurance services and ensure the use of insurance services by as many legal entities and individuals as possible, it is necessary to create a legal framework that covers all aspects of the industry. In addition, there is a lot of work to be done in the field of insurance services. Therefore, it is important to develop the process of mutual insurance through modern innovative approaches, the establishment of a system of non-profit mutual insurance society in

our country and the development of its legal framework. Such a company must serve to insure the property and other property interests of its members.

The development of the insurance services market will allow to achieve high rates of socio-economic development and a positive solution to social problems in the country, the effective use of productive forces and means.

In short, the insurance service sector, which is one of the key sectors of the financial system of the Republic of Uzbekistan, should take full advantage of the potential of our country today and learn more about the laws of the world's major insurance markets. should apply.

In short, in order to increase operational efficiency, it is necessary to review and improve the organizational structure of organizations, ie the widespread introduction of digitalization in insurance activities. Another important aspect is the need to establish a mechanism of constant communication with customers in order to develop and ensure the effectiveness of modern insurance products in order to take a worthy place in the insurance market, strengthen financial stability and competitiveness. Along with improving the quality of insurance services, one of the important tasks is to increase the share of the industry in GDP and protect the economy from various financial risks.

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