

The Role of the Market of Insurance Services in Ensuring the Socio-Economic Development of the Country

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Abstract

This article analyzes the insurance market of Uzbekistan based on the main statistical indicators that determine the degree of development of the insurance market, based on a comparison of these indicators with other countries, draws conclusions; according to these conclusions, suggestions are given to solve problems and develop the insurance market.

Keywords: *risk, natural event, natural event, insurance, insurance premium, insurance coverage, mutual insurance.*

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Introduction

In the current conditions, the goal of the state financial policy is to ensure the level of well-being of society members based on the sustainable development of the economy and the increase of the efficiency of social production with the help of certain measures. It should be noted that the indicators of development observed in the economy of Uzbekistan in recent years are the result of an effective financial policy. The role and importance of the insurance sector in the stable development of the republic's economy is incomparable. Therefore, the government of the republic pays special attention to the improvement of insurance relations. It is known that the process of further liberalization of the economy cannot be implemented without the development of the appropriate market infrastructure, that is, the banking and financial system, leasing, auditing, insurance, engineering and other structures.

Nevertheless, a number of works have been carried out to regulate and strengthen the legislation on insurance companies offering services to the insurance market, and the measures in this regard are becoming more and more profound.

Nevertheless, the development and implementation of a wide range of insurance services that can win the trust of not only domestic but also foreign customers is one of the main problems in the development of the national insurance market.

Analysis of literature on the topic

In scientific research on mutual insurance, scientists studied various aspects of this insurance activity, for example, M.L. Burlakova devoted her scientific work to the problems of development of mutual insurance in Russia.[1] T.A.Merebashvili researched the material and procedural issues of shipowners' liability insurance using mutual insurance.[2] D.S. Lopatkin covered the issues of development of mutual insurance in the field of tourism in his scientific activity.[3] V. A. Zelenchuk analyzed the issues of development of mutual insurance against business accidents.[4] I.V. Logvinova devoted her doctoral dissertation to clarifying the theoretical aspects of mutual insurance, its specific features and the advantages of mutual insurance in creating new insurance products.[5] Although various aspects of insurance activity have been studied by the scientists of our country, there are very few scientific works devoted to mutual insurance, only by H.S. Umarov in his candidate's dissertation on the topic "Insurance market of Uzbekistan: main problems and development trends" the specific features and advantages of mutual insurance, which the issues of application in agriculture and property insurance are discussed.

Research methodology

In this article, in order to research the current state of the national insurance market of Uzbekistan, grouping and comparing the dynamics of the last five years of statistical data related to the market was carried out. In order to determine the indicators widely used by world scientists in determining the level of development of the insurance market, tables were created and these indicators were compared with the indicators of foreign countries. The advantages of the mutual insurance form have been determined by studying the researches of the scientists on mutual insurance.

Analysis and results

Regulation and control of insurance activities in our country is carried out in the following directions:

- monitoring the activities of professional participants of the insurance market;

- to improve the quality of insurance products and expand the scope;
- protection of interests and rights of consumers of insurance products;
- personnel training.

The following activities were carried out to monitor the activities of professional participants of the insurance market:

Professional participants of the insurance market and the plan developed by the State Insurance Control on November 30, 2012 according to the decision of the Republican Council on the coordination of the activities of control bodies No. 2/1 G and approved by the order of the Ministry of Finance according to the insurance activities inspection program, the insurance activities of 4 professional participants of the insurance market were inspected, documents were drawn up on the identified deficiencies, and instructions were given to eliminate them.

One of the five principles of the transition to a market economy according to the "Uzbek model" of development is that the state is designated as the main reformer in all changes and updates in the country's life. In particular, our president Islam Abduganiyevich Karimov expresses his opinion on the principle of the state-chief reformer: "It must determine the priority directions of reforms, develop a policy of changes and carry it out consistently." Of course, there is no field whose development and progress can take place without the support of the state.

As we mentioned above, insurance activity occupies an important place in both the social and economic life of the country. Insurance is of great importance in the continuity of production, social protection of the population and stimulation of investment activity. Therefore, direct state regulation and control of insurance activities is carried out continuously.

In recent years, the population's attitude towards insurance has improved, citizens' trust in insurers has increased, and insurance work is being taken seriously. The professionalism of employees of insurance companies in our republic has also increased significantly. Figure 1 shows the current state of the insurance market of Uzbekistan.

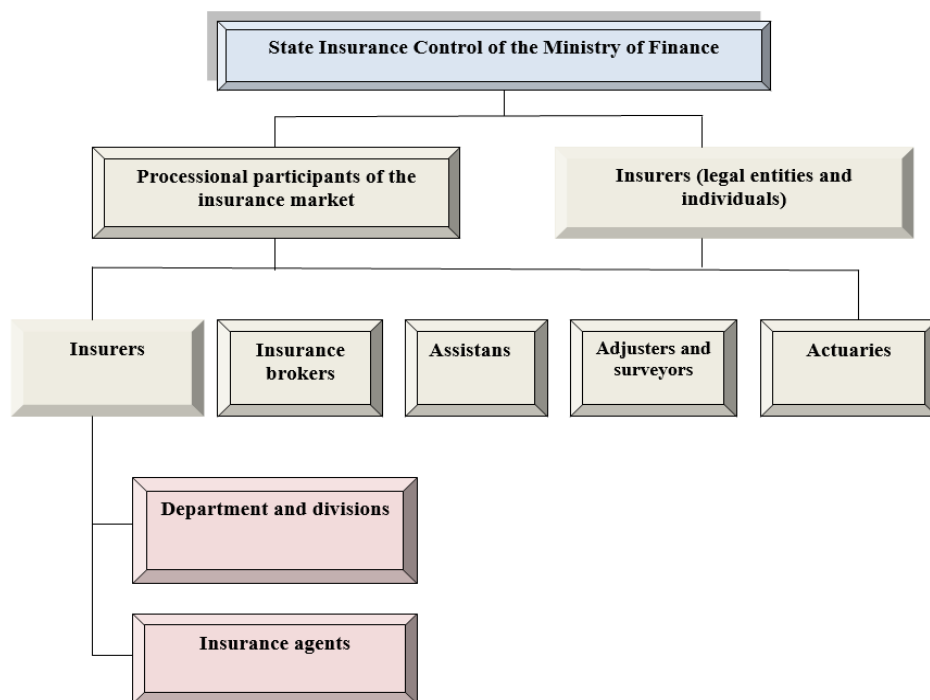


Figure 1 Structure of the insurance market of Uzbekistan

As a working hypothesis in our study, we adopted the thesis that the domestic insurance market as an industry market for the country's financial market is a set of professional participants in insurance activities interacting in the technological, informational, economic and managerial spheres. At the same time, it is assumed that the insurance market is in the process of endogenous evolutionary development, the driving factor of which is its inherent internal problems, processes and contradictions, and should be studied as a system that is in the process of dynamic development. Promoting economic growth and development, the insurance market, its state, structure, scale and variety of functions, in turn, are a reflection of the development of the country's economy, the quality of its institutions, and the business climate.

Table 1 Structure of the insurance market of the Republic of Uzbekistan for 1998-2021

Year	Number of insurance organizations	Number of insurance organizations including life insurance	Aggregate authorized capital of insurance organizations (in million US dollars)	Number of insurance brokers	Number of certified actuaries	Number of insurance agents	Number of insurance surveyors and adjusters	Number of assistant service
1998	27	-	89,2	-	-	3265	-	1
2000	27	-	71,3	-	-	4167	-	1
2002	28	-	65,1	1	-	4508	4	2
2004	21	2	71,1	1	1	4650	4	2
2006	25	2	80,9	2	1	4700	4	2
2008	31	2	96,5	3	1	4280	4	4
2010	34	-	125,6	3	2	6753	4	4
2012	33	-	145,8	3	2	7100	12	4
2014	31	3	149,0	3	2	5800	15	6
2016	29	3	137,1	3	4	5800	12	6
2018	30	6	125,1	4	4	8700	18	6
2021	40	8	137,4	5	5	8870	18	6

Assessing the solvency and financial stability of insurers is a rather difficult task and requires the collection, processing, and interpretation of a large amount of statistical information, the use of labor-intensive economic-mathematical and probabilistic-statistical methods using modern applied software products. The results of these calculations are not always clear to consumers of insurance services and shareholders of insurance companies. National accounting standards have not yet been adapted to correctly reflect these results in the financial reporting system. In addition, insurance companies, except for two companies with state participation (these are JSC KEIS "Uzbekinvest", JSC "Uzagrosugurta") have a small amount of equity, which complicates the implementation of capital adequacy standards (ICS) of the International Association of Insurance Supervisors (IAIS), or, the regime solvency Solvency II. Few insurers have highly qualified personnel capable of performing complex economic and mathematical calculations to assess solvency indicators. For example, for 42 active insurance companies, there are currently only 5 certified actuaries, while such specialists should be on the staff of each insurance company.

The digitalization of the insurance industry provides insurance consumers with the ability to compare hundreds of insurance products on price, value and benefits. These sites also educate

consumers on how to better match product choices to their unique needs and willingness to pay, replacing insurance intermediary advice in a more convenient and modern format. As prices become more transparent, consumers will be increasingly open to new offerings based on different variables such as security, mobility, different types of coverage, and these offerings require new, dynamic pricing structures[6].

New financial products (for example, insurance ecosystems) and new technologies (for example, insurtech) appear on the market. The insurance industry is diversifying, with e-commerce, bancassurance, retailers and other non-traditional players offering innovative new business models and products.

Insurers that do not understand these factors and fail to develop and adopt new pricing models will end up losing out. These insurers will quickly lose their competitive edge in the marketplace over competitors who have a better understanding of what drives their customers' needs and willingness to pay and, as such, can develop better offers at lower prices.

In addition, those insurers that continue to rely solely on traditional pricing methods will end up with an unbalanced portfolio with riskier and less profitable insurance contracts, which reduces the profitability of their insurance business and, as a result, their market shares.

Conclusions and suggestions

Simultaneously with the large-scale modernization of the economy of Uzbekistan and the formation of an effective market economy, the risk environment of individuals and legal entities is changing, it is becoming more complex, new risks appear, as a result of the interaction of which with existing risks, the severity of the consequences of risk realization increases. In the context of economic modernization, approaches to the organization of risk management for individuals and legal entities are radically changing. At the same time, we accept as a working hypothesis that the effectiveness of the risk management system for individuals and legal entities in the conditions of a modernized economy is largely determined by the quality and completeness of the risk identification and analysis stage, and such a management method is more preferable. risks of individuals and legal entities, where this stage of risk management of individuals and legal entities is carried out at a professional level by specially trained people according to established methods.

The main goal of identifying and analyzing risks is to form a complete picture of risks that threaten business, property interests of individuals and legal entities, obligations arising in the process of relationships in the implementation of business processes, third-party rights, people's life and health, etc. The most professional and qualified process of identifying and analyzing risks is implemented with such a risk management method as insurance, since the effectiveness of the insurance business depends on this.

List of used literature

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