



## Insurance Services Market Development Tendencies

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**Abstract:** Nowadays, insurance services occupy a special place in the comprehensive development and support of the developing market economy. Insurance organizations operating as a separate segment of the financial market should be able to provide professional services in the assessment of economic risks and their prevention. This article talks about the current activities of insurance organizations in Uzbekistan, the practical work carried out in the provision of insurance services.

**Keywords:** Financial market, insurance organizations, insurance market, insurance activity, compulsory and voluntary insurance.

In the republic, measures to further develop the financial market, to expand the coverage of the population with quality financial services, to support the activities of insurance organizations, and also to create favorable conditions for protecting the rights and legal interests of consumers in this area are being implemented consistently.

At the same time, at the current stage of reforms, the active development of financial services aimed at ensuring stable growth of the economy, increasing the quality and level of the population's life requires increasing the role of the insurance market in the republic and wide use of insurance tools.

In our country, insurance activity has not been developed to the required level, various reforms are being implemented to develop the insurance industry and the insurance market. In particular, on April 5, 2002, the Law "On Insurance Activities" was adopted. In this law, the full satisfaction of the demand for insurance services and the protection of the interests and obligations of all subjects of insurance relations of legal and natural persons were clearly defined.

In addition, the decision of the President of the Republic of Uzbekistan on August 2, 2019 "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its development" No. The decision No. 1060 "On events" serves as a legal basis for the development of the insurance market.

Thanks to the above created legal frameworks and guarantees, the place and role of insurance activity entities in our economy is growing more and more.

In recent years, medical insurance has been gradually forming. Its main purpose is to cover the expenses related to maintaining people's health, providing medical care, and ensuring the health of the insured persons.

PF-5953 dated March 2, 2020, approved by the Decree of the President of the Republic of Uzbekistan No. PF-5953, to the state program on the implementation of the Strategy of Actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021 in the "Year of the Development of Science, Enlightenment and Digital Economy" and the 2019 Decree of the President of the Republic of Uzbekistan The Cabinet of Ministers decided in accordance with the decision PQ-4412 dated August 2 "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development" .

On the basis of the decision, the strategy of the development of the insurance market of the Republic of Uzbekistan, approved by the Decree of the President of the Republic of Uzbekistan No. PF-5953 dated March 2, 2020, regarding the implementation of the Strategy of Actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021 in the "Year of Development of Science, Enlightenment and Digital Economy" developed in accordance with the state program, as well as the standards and recommendations of the International Association of Insurance Supervisors, taking into account modern trends in international insurance markets.

The strategy is aimed at introducing modern methods of managing insurance activities, further supporting professional participants of the insurance market, strengthening the protection of the rights and legal interests of all subjects of insurance relations, and defines the goals, tasks, priorities and stages of its development of the insurance market of the Republic of Uzbekistan, and in this area, programs and a comprehensive measure - is the basis for the development of measures.

The insurance system consists of commercial organizations that are professional participants of the insurance market. Insurance market life insurance and includes general insurance sectors.

There are 42 insurance companies in the insurance market (34 of them - general 5 insurance and reinsurance brokers, 22 assistants, adjusters and surveyors, 5 actuaries, more than 9 thousand insurance agents operate.

958.3 billion in the first half of 2020. Soum insurance premium was collected and made 76.5 percent compared to the same period last year. The reason for the low level of growth is the introduction of quarantine measures in our republic starting from April this year.

Also, in the first half of 2020, a total of 328.1 billion. insurance payments were made in the amount of 76.5 billion soums (85.6 percent compared to the same period last year). voluntary insurance types and 169.1 billion soums. soum paid for compulsory insurance types.

Gross charter capital of insurers is 1,242.7 billion. the volume of investments in the soum and the economy is 2,944.3 bln. amounted to soum.

During the reporting period, the number of insurance departments reached 1772. 6,600 employees and about 9,000 insurance agents work in the state of insurers.

There are 3 state-owned companies in the insurance market, their capital is 34% of the total capital, and their assets are 34% of the total assets. It is 41 percent.

The Insurance Market Development Agency under the Ministry of Finance of the Republic of Uzbekistan, the Society of Actuaries of Uzbekistan, and insurance partnerships based on joint insurance of insurance organizations are also an integral part of the infrastructure of the insurance market.

Difficulties and problems in the development of the insurance market

1. The main indicators showing the development of the insurance market - the share of insurance income in the gross domestic product is 0.4 percent, and the collected insurance premiums per capita are 28 thousand soums and remain at a very low level.
2. Insurance is not used to ensure the continuity of the activities of enterprises and organizations in the stable sectors of social protection and economy. In particular, compulsory insurance types such as compulsory medical insurance, compulsory agricultural insurance and compulsory property insurance introduced in the world, as well as the order of insurance activities and insurance products supporting innovative projects have not been introduced.
3. The high level of state participation in the general insurance network has a negative impact on the efficiency of insurance organizations and the investment attractiveness of the industry. The share of state companies in total insurance premiums is 20%, the share in total assets is 41%, and the share in total charter capital is 34%.

4. The coefficient of profitability of assets of state insurance organizations is 1.7% , the profitability of system capital is 6.5% , the profitability of own capital is 2.5% , and the coefficient of return on investments is 2.3% , while in non-governmental insurance organizations, these indicators are on average 6.6%. Percent, 22.3 percent, 16.6 percent, and 13.0 percent.
5. The level of use of modern information technologies in the digitization of business processes and procedures is low. The total number of online insurance contracts concluded in 2020 share It is not even 1 percent.

The current system of regulation of insurance activity does not ensure sufficient reliability and stability of the insurance market; there are no effective mechanisms of regulation and control. The level of implementation of the main principles of insurance in the insurance market of our country is 35.0 percent, and effective prudential control has not been established.

To develop the insurance market the following should be taken into account :

Creation of a single electronic information exchange system for organizations and offices

1. A single database containing the register of professional participants of the insurance market, including non-halal insurance brokers and other participants of the insurance market creation
2. Increasing the types of insurance services and expanding their coverage
3. Expand online marketing and advertising, including e-books, games, quizzes and other digital advertising
4. Improvement of the system of training and retraining of insurance market specialists
5. Increasing the efficiency of insurance organizations and strengthening competition in the insurance market in exchange for the establishment of new insurance organizations;

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