

## DEVELOPMENT OF THE INSURANCE MARKET IN THE REPUBLIC OF UZBEKISTAN

**Tugizova Malika Sohib kizi**

*Tashkent State Economic University, Faculty of Finance and Accounting, 3rd year student*

### ARTICLE INFO.

**Keywords:**

Insurance activity, insurance product, insurance companies, comprehensive insurance coverage.

### Annotation

Risk is an integral part of entrepreneurial activity. After all, in business, the probability of loss is as real as the opportunity to make a profit. And although managers do everything in their power to ensure the success of the business, they cannot protect themselves from all types of risk.

<http://www.gospodarkainnowacje.pl/> © 2022 LWAB.

**Introduction:** It is very difficult to assess risk, especially long-term risk, and the results are inaccurate. No person is able to imagine all the situations that can lead to loss. After all, for any person there are problems that he has never encountered in his life, and has not even heard of them, which means he does not know how to solve them. Situations in which something can go wrong are simply impossible to predict.

By and large, all the risks that an economic entity may face can be divided into four main groups:

- 1) loss of property (due to the destruction or theft of both tangible and intangible assets);
- 2) loss of income (due to a decrease in income and an increase in expenses due to any event);
- 3) legal liability to other persons, including employees of the company;
- 4) loss of key employees of the company (due to accidental illness or death).

The entrepreneur can take measures to reduce the risk or the amount of potential damage associated with it. But since it is impossible to completely exclude the possibility of losses, he must think about the question: how and at what expense will possible losses be compensated?

In business practice, there are two possible answers to this question. The first is risk taking. This means that entrepreneurs prefer to recover losses at their own expense. To cover unexpected losses, many businesses take funds from current income, create reserve funds and contingency funds. However, this way of solving the problem is not without drawbacks. Small firms cannot afford to set aside a large amount for unexpected expenses.

The second option - the transfer of risk - allows you to avoid such turns in fate. In this case, losses are covered by funds received from external sources. The most well-known way of transferring risk is insurance.

According to the Law of the Republic of Uzbekistan "On Insurance Activities", insurance is the protection of the interests of legal entities or individuals by paying them, in accordance with the

insurance contract, and insurance compensation (insurance amount) at the expense of monetary funds formed from the insurance premiums they pay, upon the occurrence of a certain event (insured event).

Insurance in Uzbekistan is divided into two branches: life insurance and general insurance. Within each of them, the types of insurance are divided into classes in accordance with the classifier of insurance activities. The classification of insurance is a set of types of insurance, combined according to certain criteria.

The type of insurance (**insurance product**) is a specific insurance service developed and provided to an insurance company. The service may have features of one or more classes of insurance if the insurer has the appropriate license and subject to restrictions on the combination of insurance classes established by regulatory enactments.

Insurance companies are commercial enterprises. They sell the goods - this is financial protection. To be successful, they must cover their costs, which consist of insurance policyholder claims, sales and administration costs, dividends and taxes.

In deciding how much income to earn from insurance premiums, a company must determine how much it is likely to have to pay on a claim during any given period. The amount of premiums for a particular type of risk is based mainly on the probability of damage. Insurance is a way of pooling risks.

### **The main stages of the insurance industry.**

The formation of the insurance market of Uzbekistan went in two main directions. On the one hand, the State Insurance system was transformed, and on the other hand, based on the needs of a market economy, it created new insurance companies, including those with the active participation of the state. The first law "On insurance" was adopted in Uzbekistan in 1993, and in 1994 the national insurance company for export-import insurance "Uzbekinvest" appeared.

The main activities of the national companies of export-import insurance "Uzbekinvest" are:

- providing insurance protection for national exporters of capital, technology, goods and services from political, commercial and entrepreneurial risks in international markets;
- submission of insurance guarantees covering export loans allocated by commercial banks-residents of the Republic of Uzbekistan to finance the export of technologies, goods and services;
- organization of a comprehensive marketing analysis of the strategy for effective promotion from domestic products to international markets for technologies, goods and services;
- comprehensive insurance protection of foreign investments attracted by the priority sectors of the economy of the Republic of Uzbekistan.

There are risks that are not insured for domestic entrepreneurs, but are insured against foreign businessmen. These are political risks. Thus, Uzbekinvest provides foreign investors with insurance protection against confiscation, expropriation, nationalization, selective discrimination against a foreign partner or country, the introduction of an export / import embargo, revocation of a license, reviews of a government guarantee, termination of a government agreement, impossibility of transferring dividends. Insures "Uzbekinvest" foreign investors and against termination of the contract in connection with the failure of the Uzbek side of contractual obligations due to political events, including the introduction of legislative acts in the Republic of Uzbekistan that impede the fulfillment of these obligations.

On the territory of the Republic of Uzbekistan, there are also such state-owned insurance companies as "Uzagrosugurta", "Kafolat".

The state joint-stock insurance company "Uzagrosugurta" was established in the form of an open joint-stock company and is the successor of the main department of state insurance under the Ministry of Finance of the Republic of Uzbekistan for all property and non-property rights and obligations.

The main activities of the state-owned joint-stock company "Uzagrosugurta" are:

- ✓ ensuring insurance protection of property and products of agricultural producers;
- ✓ insurance of repayment of funds advanced for carrying out work on growing agricultural products;
- ✓ provision of a complex of insurance services to legal entities, ensuring insurance protection of personal and property interests of the rural and urban population;
- ✓ studying the solvency of agricultural producers of borrowers and providing insurance guarantees to cover loans allocated by commercial banks to an agricultural enterprise for the development of production and the implementation of projects in agriculture.

Summarizing the above, it can be noted that today the field of personal insurance in Uzbekistan has formed quite tough competition and has a huge potential, the implementation of which will largely depend on improving the standard of living of the population and changing its thinking.

### Conclusion.

Insurance is a special mechanism of the market economy, which helps to “smooth out” negative economic situations, restore the full functioning of legal entities that have failed due to various reasons, and is also a huge potential investor capable of investing real capital in the development of the domestic industry.

### List of used literature.

1. Decree of the President of the Republic of Uzbekistan dated August 2, 2019 No. 4412 “On measures to reform and ensure the accelerated development of the insurance market of the Republic of Uzbekistan”.
2. www.mf.uz. “Information on the state of the insurance services market in 2020.”
3. Khalmirzaev A.A., Egamberdieva U.T. "Development of the global insurance market in the context of the COVID-19 pandemic" // "Materials of the Republican Scientific and Practical Online Conference" 2020. (124 pages)
4. <https://lifeingos.ru/stop-covid>
5. [https://forbes.kz//finances/insurance/v\\_kakih\\_stranah\\_suschestvu\\_et\\_strahovanie\\_ot\\_covid-19/](https://forbes.kz//finances/insurance/v_kakih_stranah_suschestvu_et_strahovanie_ot_covid-19/)
6. <https://coronavirus.uz/>
7. Мамажонов, А. Т., Фозилжонов, И. С., Хакимов, Ш. Т., & Исамов, С. М. (2016). Учет затрат на осуществление производственной деятельности фермерских хозяйств в условиях рыночной экономики в Узбекистане. Издательство "Научное обозрение".-Наука и мир.-Волгоград, 2(1), 35.
8. Мамажонов, А. Т., Юлдашев, Б. Т., Фозилжонов, И. С., & Эркинбоев, М. Р. (2016). Вопросы оценки нематериальных активов и их классификация. Экономика, социология и право, (6), 22-26.
9. Мамажонов, А. Т. (2022). ТЕОРЕТИЧЕСКИЕ ОСНОВЫ ПРОВЕДЕНИЯ МАРЖИНАЛЬНОГО АНАЛИЗА В ХОЗЯЙСТВУЮЩИХ СУБЪЕКТАХ. Models and methods in modern science, 1(10), 4-8.
10. Мамажонов, А. Т., & Кодиров, Ш. Қ. (2022). ЗАМОНАВИЙ ТАЪЛИМ ВА ИННОВАЦИОН ТЕХНОЛОГИЯЛАР СОҲАСИДАГИ ИЛФОР ХОРИЖИЙ ТАЖРИБАЛАР: КЕЙС-СТАДИ. Academic research in modern science, 1(10), 4-8.
11. Мамажонов, А. Т., & Кодиров, Ш. Қ. (2022). ФЕРМЕР ХЎЖАЛИКЛАРИДА ИШЛАБ ЧИҚАРИШ ХАРАЖАТЛАРИ ВА МАҲСУЛОТ ТАННАРХИ ТАҲЛИЛИНИ ТАКОМИЛЛАШТИРИШ. Development and innovations in science, 1(10), 4-8.