

DEVELOPMENT OF THE INSURANCE MARKET IN THE DIGITAL ECONOMY**Khalikulova Gulzada Tadjimuratovna,**

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Abstract

This paper makes analyses of the research points on insurance facilities of the Republic of Uzbekistan. On this case, improving the insurance system and its implementation mechanisms of the sector has been analysed both methodologically and theoretically. Finally, research has outlined both outcomes and shortcomings as the whole.

Keywords

Insurance, facilities, Uzbekistan, mechanisms, implementation, outcomes

Introduction

In the context of continuous development of the world economy and the global financial system, the importance of the insurance system and its main component, the insurance market, is growing. First, in world practice, the insurance system is one of the largest sources of investment in the economy through the formation of certain funds and the redistribution of funds of economic entities. Second, insurance is one of the main forms of risk management that is complex and has a growing trend in the modern economy. In addition, ensuring the protection of the property interests of the insured creates a process of continuous reproduction, which helps to ensure economic and financial stability. It should be noted that “the total turnover of the modern global insurance market is 2.4 trillion soums. US dollars. ” The experience of developed countries shows that the role of insurance in the effective solution of socio-economic problems is growing.

Extensive research is being conducted in international practice to improve the insurance system and its implementation mechanism. These studies consider the insurance system as an effective form of protection of property interests of business entities, as well as a way to attract funds by insurance companies to invest in the national economy. However, today the analysis of the economic nature and mechanism of the insurance system, the specifics of the formation of the institutional environment of the insurance system in the country and research aimed at improving the mechanism of implementation of the insurance system remain one of the key issues.

Improving the mechanism of implementation of the insurance system is of paramount importance in the formation of a system of quality indicators based on increasing the efficiency of the insurance system and its implementation mechanism in accordance with modern requirements. In particular, "... the accelerated continuation of reforms in the banking and financial system, the widespread introduction of modern market mechanisms in the industry" has been identified as one of the priorities. Ensuring the fulfillment of these tasks requires the formation of a system of quality indicators based on the effectiveness of the insurance system and the mechanism of its implementation in accordance with modern requirements and improving the efficiency of business processes of insurance companies.

Theoretical background

The main condition for the implementation of the insurance system is characterized by the existence of demand for insurance services and the ability of insurers to meet this demand.

In the theoretical study of the insurance system, it is advisable to pay special attention to insurance and insurance activities. It is known that insurance has existed at all stages of human development as an effective means of protecting the property interests of individuals and legal entities.

The development of insurance relations is a strategically important task in the operation of modern economic systems. A sustainable insurance system stimulates the development of the national economy.

In this regard, first of all, it is necessary to identify methodological principles for attracting additional investment resources to the development of the financial services market in the national economy, the study of the formation and development of the insurance system, along with the development of market relations in the insurance sector.

According to the results of the analysis, the insurance system is a complex set of economic relations on the formation and distribution of the insurance fund to create favorable conditions for ensuring a continuous process of reproduction, insurance protection of property interests of economic agents. The insurance system includes the types and principles of insurance as well as the infrastructure.

The insurance system is a type of economic relationship between insurance companies and the insured, which is regulated by law, and is an economic mechanism aimed at protecting the property interests of the insured in the event of certain events (insured events).

Methodology

In a broader interpretation of the insurance system, it implies social insurance, including pension insurance, types of insurance with a long-term savings function, as well as mutual insurance.

The functioning of the mechanism of the insurance system is a process of interaction of the participants of the insurance relationship at the macro, meso and micro levels. This mechanism includes ways, methods and means of implementing insurance.

Insurance as a socio-economic institution has a unique history of development, which began in ancient times, at the stage of the emergence of humanity and the emergence of the first signs of statehood. The process of formation of the insurance institute was quite complex and consisted of several stages. In the process of evolutionary development, humans have been virtually helpless in the face of any dangerous natural conditions and events. The desire to deal with the damage caused by natural disasters, wars and other risks, and at the same time the consequences of these risks, has encouraged people to pool their strengths and resources. This situation was, firstly, objective, and secondly, the principle of combining their forces and capital as one of the basic principles of organizing the fight against the negative consequences of natural and other damage.

Main part

The insurance system is assessed in each country on the basis of real insurance premiums, ie the amount and rate of real premium growth of insurance companies from the sale of policies. Another important indicator of the world market is the share of insurance premiums in the GDP of a state or region. The share of insurance premiums collected by insurance companies in the US is 12% of GDP, 10% in Japan, 19% in Taiwan, 18% in Hong Kong, 12% in Finland, 8.44% in Western Europe and 1.3% in Russia. It is 0.85% in Kazakhstan, 0.62% in Armenia and 0.5% in Azerbaijan.

The formation of the insurance market of the Republic of Uzbekistan took place in the

conditions of transition to a market economy. The leadership of our country is aware of the need to develop the insurance sector, which is one of the strongest means of protecting economic entities from various risks in the context of the development of relations of economic entities with the outside world and the country's entry into the global financial and economic system.

Analysis of the development of the insurance system allows us to identify general trends in the development of the insurance system and priorities for development. The development of the insurance market, its structure allows to assess the effectiveness of the insurance system. At the same time, it is important to analyze the quantitative and qualitative indicators of the development of the insurance market, assess the level of economic and legal regulation of insurance relations, assess the level of impact on the overall development of the insurance system.

To assess the development of the national insurance market of Uzbekistan, we need a comprehensive analysis of its development indicators. The insurance market of Uzbekistan is assessed by a number of quantitative and qualitative indicators.

We are required to pay attention to the quantitative indicators listed below.

1. volume of insurance premiums collected by insurance companies;
2. insurance payments made by insurance companies;
3. number of insurance companies operating in the market;
4. insurance market concentration (Herfindal-Hirschman index);
5. the amount of capital formed by insurance companies.

The modern insurance system has shown signs of development in recent years. The analysis of key indicators of the insurance market of Uzbekistan considers the issues of increasing business activity among individuals in this segment of the financial services market, increasing insurance premiums, increasing the level of capitalization of insurance companies and strengthening state control over insurance companies. Nevertheless, there are a number of challenges that will accelerate the development of the national insurance system.

It is noted that the revision of strategic development plans at the micro level or at the level of individual insurance companies, the introduction of risk management in the practice of the subjects of the insurance system.

The insurance market also acts as an intermediary. Because it has a specific task - to persuade the customer to buy an insurance product. Almost every possible object abroad is insured and insurance statistics are collected for it. This allows us to more accurately assess the risks. In Uzbekistan, there is a problem of lack of statistics for each object, in fact, the object is reinsured every time, and the level of prolongation in the market is low. However, in the context of an innovative economy, there is a need to reconsider the agency policy and the policy of selling insurance products in general.

In recent years, the number of insurance companies in the insurance market is growing. Large financial groups are opening their own insurance companies and making a profit from it.

It should be noted that the most attractive segments of bank insurance (life and health insurance of borrowers, loss insurance of debtors, collateral of legal entities, insurance of bank risks) are among the largest insurers - subsidiaries of the largest banks.

In general, the market should allow the development of infrastructure services. At the same time, it seems necessary for all insurers to fight fraud, to take into account policies and losses, to prepare a

report, to create a common database. This will help to gather the necessary statistics to improve the quality of underwriting in the market, which will allow the gradual development of the market.

Despite the fact that the resource potential of the economy plays a leading role in shaping the financial and economic potential of the insurance market, institutional changes have a significant impact not only on its formation, but also on its implementation. It should be noted that these changes will open up new opportunities for development, increase existing opportunities, but at the same time lead to threats and, accordingly, complicate the process of modernization of the insurance market, hinder the development of its promising directions.

The low level of capitalization of insurance companies has a negative impact on the financial stability of the insurance company. One way to solve this problem is to regulate the entry of foreign insurance companies into the domestic market.

The presence of foreign companies has a great impact on the development of the insurance market and attracts capital in the first place. In Poland, for example, 48% of total assets and 73.5% of capital in the insurance market are managed by foreign investors. Poland is currently one of the leaders in the insurance market of Eastern and Central European countries. Further development of foreign investors in the national insurance market will be carried out in the country with prudent policies and regulatory support.

There is an imbalance in the infrastructure of the insurance system. Currently, the institute of brokers is almost non-existent in the insurance market of Uzbekistan. As of January 1, 2018, there are 30 insurance companies and 3 insurance brokers in the country, while in economically developed countries this figure is tens to hundreds of intermediaries for insurance companies. The Institute of Brokers operates only as a reinsurance intermediary in international insurance companies. One of the main solutions to this problem is to coordinate the activities of insurance brokers regulated by the state.

The investment potential of the national insurance system is not at the level of demand, which means that it is advisable to increase the investment activity of insurance companies. The role of the insurer as an institutional investor is important in the development of the economy. Uzbek insurance companies have not been able to establish themselves as institutional investors, investing 88.6% of their total investments in 2018 in low-yield corporate securities and deposits. To enhance the role of insurance companies as institutional investors, assets can be placed in high-yield and long-term investments. It is necessary to attract insurers to participate in the development of investment activities.

Economic and legal regulation of insurance relations - regulation of the activities of the participants of insurance relations both by the state and by market means. On January 17, 2019, Decree No. PF-5635 adopted the State Program for the implementation of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the "Year of Active Investment and Social Development", which includes measures to develop the insurance market in Uzbekistan. marked.

According to this program, the main goal of developing the insurance market of Uzbekistan is to increase the level of protection of property interests of individuals and legal entities through insurance, to ensure the effective operation of the insurance market, taking into account international experience.

The analysis allows to highlight the following basic conceptual provisions of the policy of state regulation of insurance relations:

- Targeted approach to strategic management of the insurance market in the development of the

national economy;

- application of short-term planning in conjunction with strategic plans for the development of the insurance market;
- reduction of regional disparities in the development of the national insurance system;
- application of management technologies;
- Improving the legal framework for regulating insurance relations in accordance with changes in the field of insurance relations.

In an innovative economy, the role of insurance market regulators or self-regulatory organizations is growing. Self-regulation of insurance activity is the regulation of insurance relations by self-regulatory institutions without the intervention of state regulatory institutions, which include professional associations of insurers, organizations and associations of insured (consumers of insurance services), social associations and organizations enters.

It should be noted that self-regulation does not contradict regulation by the state. Self-regulatory norms complement and expand the regulation of insurance relations by the state. The main factor in determining the institutional structure of self-regulation at the current stage of development of the national insurance system of Uzbekistan is the limited number of employees of the State Insurance Inspectorate and the underdevelopment of the insurance market and the growing problems of insurance regulation.

Self-regulatory institutions can act as intermediaries in resolving various disputes between an insurance company and a consumer of insurance services. In the practice of national insurance, the decision-making process of the institute of "arbitration court" is relevant. The existence of such an independent organization, which could resolve disputes without going to court, would have had a positive impact on the insurance industry.

The main advantage of self-regulatory institutions is that self-regulatory norms are more flexible than the requirements of state regulation and have the ability to change according to the real situation in the insurance market. The analysis of economic and legal regulation of insurance relations in Uzbekistan shows that self-regulatory institutions are specific special institutions that promote insurance relations. The purpose of self-regulatory institutions in the insurance market is to protect the insurance interests of its participants and the development of the national insurance system in general. Self-regulatory institutions perform the following functions:

- direct protection of the interests of participants of self-regulatory institutions in relations with the state (improvement of the regulatory framework);
- Insurance market, including self-regulatory institutions and state regulatory institutions

At the level of regulation of insurance relations, the development of processes of self-regulation of insurance relations, the balanced application of economic-legal and control methods will contribute to the development of the national insurance system. Thus, a key factor in the successful development of the national insurance system is the formation of a modern market infrastructure, which is an important part of it. In this regard, it will be important for the insurance company to conduct financial engineering of business processes.

An important component of the success of any insurance organization is the availability of effective business processes and a corporate information system that ensures a high degree of automation of the work of each division of the insurance organization. The flexibility of the company, the quality of

customer service, process practice, the level of costs and its future development potential will depend on it. Over time, customer needs are changing, information technology continues to evolve, and new approaches are emerging in the business management system. Therefore, the business processes of the organization, like a complex mechanism, need constant improvement.

The modern electronic-digital world opens up many opportunities for insurance activities by providing insurers with comprehensive information in order to assess as accurately and accurately as possible the risks that directly affect the financial stability of insurance companies. At the same time, it is expedient to identify the factors that directly affect the formation of a qualitative model of risk assessment and forecasting the probability of occurrence of insurance events.

Discussions

The spread and improvement of digital technologies will affect the development of industrial relations, the structure of the economy and education, setting new requirements for communications, computing power, information systems and services. In modern conditions, without advanced platforms, technologies, institutional and infrastructural environments, the dynamic development of markets and industries is unlikely to take place.

The process of digitization of the economy also has a significant impact on the activities of insurers - the main participants in the insurance market, business entities engaged in insurance activities.

In addition to the fact that the technology itself is new, the introduction of "smart insurance" products will lead to significant growth and development of the insurance portfolio, but in many respects this is the most important factor, taking into account the specifics of each client and the object of insurance. sales of insurance products, which allow the formation of price indicators, which will ultimately significantly increase the accuracy of risk assessment and have a positive impact on the financial stability of insurance companies. At the same time, similar product types mean that the customer is actively involved in shaping the price of his insurance product and, of course, prevents the development of negative situations in all areas of his life.

Conclusions

The experience of introducing similar systems in the West shows that the "smart insurance" product has reduced the number of road accidents, increased the overall level of road safety, reduced car insurance and fuel costs, as well as improved the environmental condition of cities. For medicine, where early diagnosis of the disease is a guarantee of effective treatment, such decisions allow preventive measures aimed at reducing the medical costs of clients, and insurance companies to reduce the overall cost of paying and providing insurance coverage. Similar trends are observed in property insurance of individuals.

The implementation of the above scientific-theoretical proposals and practical recommendations will serve to improve the country's insurance system and its implementation mechanism, as well as to implement the tasks set out in the action strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021.

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