

## Insurance Systems Operating in our Republic, Insurance Activity and its Shortcomings

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**Abstract:** This article provides information about the insurance activity of Uzbekistan and its shortcomings. The article also talks about measures to eliminate these shortcomings.

**Keywords:** Insured, insurance market, financial result, insurance premiums, digitization, innovations, electronicization, digital technologies.

Today, the insurance sector is one of the fastest growing sectors of the economy. Development and implementation of a wide range of insurance services by insurance companies that can win the trust of not only domestic but also foreign customers, expansion of regional insurance services, effective management of financial resources of insurance companies are the main factors in the development of the national insurance market. One of the problems. Insurance is an agreement to provide protection or compensation against financial loss. An insurance company (insurer) provides insurance coverage to a person or organization (insured) who holds an insurance policy. In return for having an insurance policy, the insured pays a regular premium to the insurance company. Insurance includes protection against a variety of losses, such as property, auto, health, life, and business losses. A number of presidential decrees on the development of the insurance system have been adopted in Uzbekistan. These decrees are implemented in order to modernize the insurance sector, attract investment to the network and provide quality insurance services to the population. Below I will provide information about some important decrees of the President of Uzbekistan on the insurance system: PF-6347 "On measures to further develop insurance activities" adopted on November 1, 2021 decree no. This decree is aimed at liberalizing the insurance market and improving the competitive environment, improving the quality of insurance services, as well as improving insurance services through the widespread introduction of information technologies. Within the framework of the decree, measures such as increasing the capital of insurance companies, introducing new types of insurance and simplifying the delivery of insurance services to the population are defined. Decree No. PF-60 "on approval of the intended national strategy". This decree approved a comprehensive strategy for the development of the healthcare system of Uzbekistan. Within the framework of the strategy, measures aimed at introducing and expanding the health insurance system, providing high-quality and affordable medical services to the population, as well as ensuring the financial stability of the health care system are defined. Decree No. PF-6197 (adopted on March 7, 2019) on additional measures to This decree was adopted in order to improve the health of the population and promote a healthy lifestyle. Within the framework of

the decree, it is envisaged to develop the health insurance system, to ensure the population's wide use of medical services, and to strengthen preventive healthcare measures. These decrees are aimed at developing the insurance market of Uzbekistan and providing more comprehensive insurance services to the population. These documents play an important role in improving insurance services, creating a competitive environment and protecting the health of the population. The insurance system in Uzbekistan has been developing significantly in recent years. State and private companies operate in the country's insurance market. State regulation is carried out by the Insurance Control Inspectorate under the Ministry of Finance of the Republic of Uzbekistan. Today, the main areas of insurance are:

1. Life Insurance: This line covers life risks and life insurance products are leading to an increase in demand.
2. Health insurance: Citizens are able to cover health-related expenses through health insurance.
3. Property Insurance: Property insurance protects buildings, vehicles and other valuable assets against risks.
4. Auto insurance: Auto insurance covers accidents, theft, and other damages.

The financial results of the insurance market in Uzbekistan are growing year by year. Below are some key financial indicators of the insurance market of Uzbekistan for the period from 2015 to 2020:

<b>year</b>	<b>Amount of insurance premiums</b>	<b>Paid insurance coverages</b>	<b>Total assets of insurance companies</b>
2015	691 billion soums	141 billion soums	1.1 trillion soums
2016	817 billion soums	167 billion soums	1.3 trillion soums
2017	1.03 trillion soums	210 billion soums	1.6 trillion soums
2018	1.29 trillion soums	272 billion soums	2.0 trillion soums
2019	1.54 trillion soums	360 billion soums	2.4 trillion soums
2020	1.91 trillion soums	450 billion soums	3.0 trillion soums

These indicators show that the insurance market is growing year by year and financial results are improving. In this case, the volume of insurance premiums and paid insurance coverage, as well as the total assets of insurance companies are increasing year by year. The above indicators show the financial potential of the insurance market of Uzbekistan. This gives confidence that the market will continue to develop in the future and increases the confidence of the population in insurance services. The insurance market in Uzbekistan experienced significant changes and developments in 2021-2023. In 2021, several new measures and strategies have been implemented by insurance companies. In particular, activities such as digitization, development of life insurance and expansion of new insurance services were established. In 2022, measures were taken to expand life insurance and introduce new methods of working with clients in the insurance market. By 2022, voluntary health insurance in Uzbekistan has further developed, large companies have begun to provide voluntary health insurance as a social package to employees. This led to an increase in the size of the insurance market and increased competition. In 2023, the mandatory health insurance system will be gradually introduced. This process is planned to be carried out in 2021-2025, and it is envisaged that employees of state and private organizations will be insured first, and then the entire population will be covered. The insurance sector of Uzbekistan is expected to face a number of important changes and developments in 2024. The insurance market is expanding inextricably linked to economic growth and government policies. This year there may be changes in the following directions:

1. Civil liability insurance: It is planned to further improve the regulations on compulsory civil liability insurance of vehicle owners and to strengthen the activities of insurance companies engaged in this field. This will help to further protect the rights of traffic accident victims and simplify the compensation process.

2. Expansion of insurance services: It is planned to expand insurance services in all regions of the republic and increase the quality of services by introducing digital technologies. This involves the expansion of regional branches of insurance companies and the introduction of modern technologies.
3. Life insurance: Measures will be taken to develop life insurance rates and improve this service. It is expected that the life insurance market will become more attractive to the population and the insurance coverage will be expanded.
4. State insurance supervision: Measures to regulate and control insurance services will be strengthened by state insurance supervision bodies. It aims to regulate the activities of insurance companies and ensure the protection of consumer rights.
5. Providing information about insurance services: It is planned to carry out extensive information about the rules and benefits of compulsory insurance through mass media. It serves to increase transparency in the insurance market and strengthen citizens' confidence in insurance services.

In 2024, significant positive changes are expected in the insurance market of Uzbekistan through these measures, which will help to make insurance services more comprehensive and reliable. The insurance market in Uzbekistan has great potential for development. This sector can be further developed by introducing digital technologies and innovative products, improving the quality of services and increasing citizen awareness. At the same time, it is important to study international experiences and improve national legislation.

The following measures should be taken to develop insurance in Uzbekistan:

1. Government support: In order to develop the insurance industry, additional support from the government and modernization of regulatory legislation is necessary. This is necessary to increase confidence in insurance companies and expand their activities.
2. Increasing financial literacy: It is important to establish educational programs to increase the financial literacy of the population. By informing the general public about the benefits of insurance services, demand can be increased.
3. Digitization and introduction of innovations: It is necessary to create convenience for customers by digitizing insurance services and introducing modern technologies. This speeds up insurance processes and reduces red tape.
4. Attracting domestic and international investments: It is necessary to create favorable conditions for attracting domestic and foreign investments in the insurance sector. This will help the emergence of new insurance companies and the expansion of existing ones.
5. Diversification of insurance products: Different needs can be met by developing and introducing different insurance products. For example, it is necessary to develop products such as micro insurance, agricultural insurance, cyber security insurance.
6. Tax benefits: Interest in insurance can be increased by providing tax benefits to individuals and legal entities who purchase insurance policies.

These measures will help to develop and expand the insurance industry in Uzbekistan. In the process of globalization of the economy, the insurance industry forces companies to ensure the safety of their assets, evaluate financial situations, reduce financial risks, gain competitive advantages, join integration processes, comply with world standards, and the coordinated requirements for this are also increasing. This necessity requires the introduction of automated information technologies into the insurance process. In the conditions of Uzbekistan, it is necessary to create software that can solve the problems related to time and human factor, and meet the requirements for increasing the efficiency of the activities of clients, physical and legal entities, based on the characteristics of the industry. In recent years, many new products and

services have been introduced in the insurance sector. The process of electronicization of the market and introduction of digital technologies continues.

**Conclusion:** In conclusion, we can say that today the lack of sufficient awareness of insurance services among citizens and in some cases the low quality of services provided by companies are among the problems. In order for insurance in our republic to meet global requirements and to develop it, it is necessary to widely attract the concept of insurance among the population.

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