
National Insurance Market Development Process and Prospects

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Abstract: this mHistorical development processes, legal aspects and financial indicators of the insurance market of our country have been analyzed and researched in a comparative manner. The organizational, economic and legal aspects of the development of the insurance market are studied in detail. Proposals and recommendations for the prospective development of insurance activities in the country's insurance market have been developed.

Key words: insurance activity, insurance products, insurance premium, insurance liability, insurance compensation, insurance market.

Introduction

Economists who conducted research on the formation of the insurance market and the development of insurance activities in the years of independence of our country are also contributing to the development of the sector with their research. Conducting scientific research on the development of the insurance market of our republic, studying the historical stages of development and reaching scientifically based conclusions indicate the importance of conducting research on the stable development of the insurance market in the future.

Attention to the development of the insurance market of our republic is increasing year by year. One of the factors determining the development of the insurance market is determined by the share of insurance premiums in the volume of the gross domestic product. According to the information of the international "New Frontier" organization, the "Insurance penetration" indicator, determined by the ratio of total insurance premiums to GDP, is 6.35% globally, and 0.35% in Uzbekistan.[5].

Review of literature on the subject.

The study of sources related to insurance activity determines the specific trends of the development of the insurance market. In particular, he conducted research on the development of the national insurance market by dividing it into three stages. Also, in the state regulation of the development of the national insurance market, he paid special attention to the rights and obligations of the insured [2].

Economist H. Shennaev, who made a significant contribution to the development of the insurance market and insurance activity, also researched the period of development of insurance activity in five stages during the years of independence. The scientist made a significant contribution to the development of the field by focusing on the measures implemented in each period from a scientific point of view, focusing deeply on the development of the insurance market in his research [7].

Q.M. Koldoshev, one of the economists who conducted extensive research on the importance of mutual insurance and its advantages in the insurance market of Uzbekistan, justified the need to

establish legal support for the introduction of mutual insurance, to provide privileges and preferences related to the sector in the development of mutual insurance [8].

Analysis and results

In the years of independence, the insurance system of our country becomes an effective means of protecting the economic and legal interests of the state, citizens and all types of economic entities in the market economy.

Year by year improvement of the legislative framework of the national insurance system, which has become the financial support of the country's economy, like other sectors and industries in the way of sustainable development, the economic and legal development of insurance activity at a priority level in increasing the effectiveness of the state's financial and monetary policy directly affects the quality of insurance services and the reliability of insurance companies. depends.

The historical study of the development of the insurance market and the analytical evaluation of the achievements and shortcomings during the years of independence are increasingly important and relevant. Businesses of all types face various risks and unforeseen natural events in order to survive the competition. These situations have a negative impact on the financial stability of enterprises and maintaining their position in the market. For this reason, in any case, insurance comes to the field as a financial helper at the right time. By means of insurance protection, it is possible to prevent economic crisis and financial losses as a result of protection of enterprises from various risks and compensation of damages caused by natural disasters.

In the years of independence, mature scientists of our country have been contributing to the development of the industry with their research on the formation of the insurance market and the development of insurance activities. It is precisely conducting research on the development of the insurance market, studying the organizational, economic and legal foundations of the development stages and coming to scientifically based conclusions that will lead to the stable development of the insurance activity in the future.

The insurance market of our country has gone through its own historical stages of development. The legal foundation for the development of the insurance market was initially adopted by the Cabinet of Ministers of the Republic of Uzbekistan on December 31, 1992, No. 605 "On approval of the regulation on state insurance bodies of the Republic of Uzbekistan". According to this decision, the "Regulation on state insurance bodies of the Republic of Uzbekistan" was approved, and it was determined that state insurance bodies should carry out mandatory and voluntary types of insurance in accordance with the tasks assigned to them[3].

At the beginning of independence, state and non-state insurance organizations have been providing their services in the insurance market. Also, as a state organization, "Gosstrax" insurance organization has been continuing its activities with a monopoly position. Basically, from 1991 to 1997, this organization provided insurance services in the insurance market. As a result of conducting insurance activities by state and non-state insurance organizations operating in the insurance market in 1993-1996, in 1993 the total amount of compulsory insurance contributions was 21,871.9 thousand soums, while in the current period the volume of voluntary insurance contributions was 4,856.4 thousand soums. it is 4.5 times smaller compared to compulsory insurance.

By 1996, the share of compulsory insurance increased by 3.2 times compared to 1995. In 1993, the share of compulsory insurance contribution during the transition period was 81.8 percent, and by 1996, its share was 82.1 percent. So, in conclusion, it is worth saying that it shows the low attention to voluntary insurance.

Looking at the past periods, it is appropriate to say that the period from 1997 to 2001 was a period of reforms in the development of the insurance market. In 1997, 25 different ownership-based insurance companies operated in the insurance market, and the total insurance liability for all types of insurance was 308.2 billion soums, the total income of insurance premiums is 2.03 billion soums, amounted to 0.33 bln. The interest of the insured was protected by paying the insurance coverage.

Historical development of the insurance market It is not an exaggeration to say that 2002-2010 was a period of specific reforms. This period created ample opportunities for comprehensive improvement of the insurance market. Analyzing the development of the insurance market, in 2011, the number of insurance companies was 37, and in 2021, their number will be 42.

In 2011, the gross domestic product of our country was 96950 billion soums, the share of insurance premium was 0.21%. As of 2021, the share of the insurance premium is 0.51 percent, while the gross domestic product is 734,587.7 billion soums, and an increase of 0.30 percent has been achieved in almost ten years.

Based on official statistical data, the population of the Republic of Uzbekistan is 29,123.4 million in the analyzed period, i.e. in 2011. The share of insurance premiums per capita was 7.3 thousand soums, and in 2021, the population of our country increased by 5435.5 thousand people to 34558.9 million soums. person, the share of insurance premiums per capita was 108,000 soums (see Table 1).

Table 1. Dynamics of the main indicators of the development of the insurance market of Uzbekistan¹

No	Indicators	Years											The difference between 2021 and 2011 (+;-)
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
1.	Number of insurers, unit	37	33	30	31	30	26	27	30	36	40	42	5
2.	GDP volume, billion soums	96950	120242	144548	177154	210189	242496	302537	406649	510117	580203	734587.7	637637.7
3.	Total insurance premium, billion soums	212.8	285.9	338.5	439.1	515.7	692.6	927.5	1635.2	2313.9	2213.7	3732.8	3520.0
4.	Share of total insurance premium in GDP, %	0.21	0.24	0.23	0.25	0.24	0.28	0.31	0.40	0.45	0.38	0.51	0.30
5.	Population of the country, million people	29123.4	29555.4	29993.5	30492.8	31022.5	31575.3	32120.5	32656.7	33255.5	33905.2	34558.9	5435.5
6.	Amount of insurance premium per capita, thousand soums	7.3	9.6	11.2	14.4	17.0	22.0	29.0	50.0	69.5	65.2	108.0	100.7
7.	Total insurance coverage, billion soums	44.5	46.0	66.9	74.6	111.0	130.5	270.0	460.8	813.5	732.3	1232.3	1187.8
8.	The ratio of paid insurance coverage to the insurance premium, in %	20.9	16.0	19.7	16.9	21.5	18.8	29.1	28.1	35.1	33.0	33.0	12.1

The increase in the number of insurers in the insurance market and the quality of services provided, increased attention to the training of personnel in the field and their qualification, and led to the development of new insurance services in the activities of insurance companies.

As a result of the reforms carried out on the development of insurance activities, the regulatory and legal documents adopted in 2002 led to certain positive results in the development of the insurance market. The reforms implemented in the development of the insurance market in 2002, in addition to the formation of a competitive environment among insurance companies and ensuring the financial stability of insurance organizations, formed a comprehensive legal protection environment.

¹It was developed by the researcher based on the information of the Ministry of Finance of the Republic of Uzbekistan and the State Statistics Committee.

On April 5, 2002, the Law of the Republic of Uzbekistan "On Insurance Activities" was adopted, which mainly focused on general and life insurance issues.

The development of the insurance market is important for the country's economy and its industries. In this respect, insurance legislation is of great importance in the development of all-round insurance activities, in the formation of a competitive environment in the insurance market. Regulatory legal documents that ensure the development of the insurance market and regulate the rights and obligations of insurers and insured persons in harmony with this law are also important. In this regard, the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 413 of November 27, 2003 "On measures to further develop the market of insurance services" was able to make a significant contribution to the development of the insurance market [1].

The number of insurance companies operating in the country's insurance market in 1997-2021. In almost 25 years, it has had its own trend of change. In particular, in 1997, the number of insurance companies was 25, and by 2011, their number reached 37. The main reason is the introduction of compulsory insurance types and the establishment of insurance companies interested in insurance activities in order to obtain a compulsory insurance license. The number of insurance companies in the insurance market was 30 in 2013, and according to the results of 2021, the number of insurance companies reached 42.

According to paragraph 3.2 of the Decree of the President of the Republic of Uzbekistan on the implementation of the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, on the state program No. PF-5635 of January 17, 2019, "Insurance market reform" and rapid development" issues were determined. According to it, attention was paid to the issues of approving the concept of reforming and rapid development of the insurance market of our country and developing a new version of the Law "On Insurance Activities" [2].

Information on the income of insurance premiums for general insurance in the Republic of Uzbekistan is given. In 2012, the total income is 285.9 billion soums, and the highest income is in the city of Tashkent, while the lowest income is in the Jizzakh region. It should be said that Jizzakh region shows that during this period the affairs related to insurance activities were not properly organized in time.

As of 2021, the total income of insurance premiums is 3732.8 billion soums, while the highest amount of income corresponds to the city of Tashkent, while the lowest figure corresponds to the Syrdarya region. If we take an analytical approach to the data in the regions of our republic, over the years, insurance premiums have had a tendency to increase.

Conclusions and suggestions

Reforms implemented in the insurance market of our country in almost twenty-five years are bearing fruit. It is appropriate to implement the following recommendations in the development of the insurance market: to give full independence to insurance companies; prevention of interference of permanent supervisory bodies in insurance activities; formation of a free competitive environment in the insurance market; paying special attention to the issue of personnel training in the insurance market, retraining industry employees and improving their qualifications in insurance companies in developed countries.

Development of the insurance market of our country implementation of the recommendations based on the innovative approach to research on the directions of further improvement of the insurance system will serve to ensure the stable development of the insurance market.

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