
Development of Life Insurance in Uzbekistan

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Abstract: In the article, based on the analysis of the situation of life insurance in the conditions of Uzbekistan, the ways of its development are mentioned. Based on the current types of life insurance, theoretical issues are presented and suggestions and recommendations for development are presented.

Key words: insurance, life insurance, insurance premium, insurer.

Introduction

Life insurance has entered the life of every able-bodied citizen, occupying leading and strong positions in the insurance market of western countries in terms of collecting insurance premiums. Life insurance is going through a difficult period of development in our country, as in the countries of the commonwealth.

After Uzbekistan gained independence and chose the path of market economy, the development of social production based on market relations became a vital necessity for the country.

The fact that many decrees and decisions on the development of the insurance sector in Uzbekistan, laws related to insurance activity are being adopted by the Oliy Majlis and the current ones are being improved show that our country pays special attention to the development of the insurance market. The reason is that in today's market economy, the demand for insurance services is increasing, and in order to meet this demand, there is a need to develop the insurance market at the level of this demand.

Literature review

According to Sh. Zakirkhodjaeva, the field of life insurance is a special field of insurance aimed at protecting the financial and property interests of the insured in case of death, damage to life and health, or other insurance event, and used to increase the idle funds of the population [1].

O. Yuldashev states that the establishment of the life insurance payment guarantee system strengthens the protection of the property interests of insured (beneficiary) natural persons, increases the level of confidence of the population in the life insurance market, creates conditions for ensuring the financial stability of insurance operations and the stable development of the life insurance market. [2].

A.Yu.Polchanov notes that the prospects of life insurance companies in the insurance market are closely related to the establishment of the life insurance payment guarantee fund. According to him, the launch of this mechanism in the national insurance market will lead to positive changes in the stabilization of life insurance companies [3].

Income level is the most important variable influencing the demand for life insurance [4]. Almost all previous studies show that there is a significant and positive relationship between income level and the demand for life insurance [5-8].

Analysis and results

Today, when the process of modernization of the economy is in full swing in our country, the privatization of state property continues, and especially the scale of business activity is increasing sharply, new insurance objects are increasingly being attracted to the insurance sector. This, in turn, requires the development of insurance work and the insurance market, as well as the improvement of legal, organizational, and economic management mechanisms, and the implementation of new forms of insurance.

Life insurance is formalized with a contract, like other types of insurance, according to which, in exchange for the insurance premium paid by the insured, the insured sum agreed in the contract is paid during the period of validity of the contract in the cases provided for in the contract (death or reaching a certain age and other circumstances) the insurer undertakes to pay. At the same time, this contract also regulates the rights and obligations of the insured.

The following types of life insurance are widely used in practice: death insurance, accumulated life insurance, mixed life insurance, group insurance. As a branch of personal insurance, life insurance deals with the labor force, which is a volatile part of the economy. In this type of insurance, the object of insurance protection is the life, health and working ability of citizens. Unlike property insurance, the objects of life insurance do not have a known value.

State control over life insurance activities is manifested in the regular monitoring and regulation of the financial condition of insurers and their ability to fulfill their obligations under concluded contracts, that is, the level of solvency.

Insurer's lack of sufficient funds to fulfill responsibility for his obligations leads to the loss of trust not only in the insurer under the contract, but also in the entire insurance. As a result of the loss of confidence of the population in insurance, it may cause their complaint to the state financial institutions. That is why the state should monitor the financial stability of insurers, protect the interests of policyholders and thereby stimulate the socio-economic development of the country.

The important directions of formation of life insurance regulatory mechanisms are to increase the financial stability and solvency of insurers. In order to implement these, the following instructions are given in the country's insurance legislation: a) the obligation to obtain a license; b) formation of authorized capital; c) procedure for formation of insurance reserves and their placement; d) reinsurance.

Insurance has a positive effect on the economic development of the state by protecting social production from various risks, at the same time, insurance is formed as an important branch of society in the social protection of people who are in financial distress due to the negative effects of market relations.

Insurance activity is distinguished by the fact that it forms significant resources for attracting investments to the economy, mitigates investment risks, reduces or eliminates the consequences of business risks, eliminates risks arising in international relations, trade, tourism and other processes, and ensures stability in social life.

All of the above shows the insurance institution as one of the basic systems of the economy. The development of market structures that form the basis of insurance in the conditions of modernization of the economy depends on the development of a rational policy for conducting insurance activities.

Special attention was paid to the development of life insurance, which is one of the indispensable and important sectors of insurance, and incentives were created for the development of this sector. In particular, in accordance with the resolution of the President of the Republic of Uzbekistan dated April 10, 2007 "On measures to further reform and develop the insurance services market", tax benefits for insurance premiums related to property insurance and long-term life insurance have been established. According to this decision, the amount of insurance premiums paid by the legal entity under the property insurance contract, as well as the amount of insurance premiums

paid under the long-term life insurance contract of its employees, is deducted from the total income. The amount of insurance premiums paid by a legal entity for long-term life insurance for its employee is not considered as taxable income of an individual.

As a result, the growth rate of life insurance and especially life insurance continues to be high today.

Life insurance solves a number of complex problems, including social, financial and economic problems.

Accumulated life insurance plays an important role both for the country's economy and for the population, because this insurance tool covers the financial losses caused to citizens as a result of natural and other natural events in their life, family and work activities in a timely manner. This, along with the saving of the state's funds for social protection to a certain extent, also creates an opportunity for the accumulation of investment funds, which play a key role in the development of the economy. Insurance organizations providing life insurance provide the accumulation of large amounts of long-term investment funds, which are the lifeblood of the economy, by providing life insurance. This creates an opportunity for insurance companies to compete with banks by providing long-term loans to businesses.

But life insurance in our country, as well as accumulated life insurance, is developing only within the framework of the created benefits, this insurance does not have a mass appeal among the population. As a result, compared to developed countries, the life insurance network has not been able to take its significant place in the social sphere and economy, as in these countries. There are several reasons for this, and it is necessary to analyze and study these reasons on a scientific basis and find solutions based on this.

The development of life insurance in the country and the increasing role of insurance in protecting investors are reflected in the following:

- increasing the financial stability and solvency of insurance companies, increasing the prestige of internal and external investors by increasing the amount of equity capital, increasing the quality of work organization, and fulfilling unconditional obligations regarding the received obligations;
- to constantly monitor the solvency of insurers, to take measures and give instructions to insurers whose solvency has decreased in time to eliminate it;
- creation of competitive life insurance companies in the insurance market.
- establishment of funds to guarantee the fulfillment of obligations under insurance contracts. Such funds ensure that insolvent or bankrupt companies meet their obligations, while at the same time strengthening public confidence in insurance.

The state determines the main directions of life insurance promotion and development. Because there is a state interest in the development of the life insurance market, the reason is that this industry is one of the important forms of organizing social protection. Therefore, one of the most important directions of regulating the life insurance market in the country is the formation of the legal framework related to this industry.

Conclusion

Based on the above, to study the activities of insurance organizations engaged in accumulated life insurance, to identify problems related to this activity, and to improve the methodological and conceptual foundations of the development and stability of accumulated life insurance based on the experiences of developed countries. We believe that development is necessary.

In order to develop such practical proposals and recommendations, it is necessary to perform the following tasks:

- to analyze the theoretical foundations of the organization and implementation of insurance through life savings insurance of natural persons, to clarify the essence and implementation principles of this type of insurance;
- Assessing the current state of accumulated life insurance in Uzbekistan by studying and analyzing it, identifying the circumstances that hinder the development of this type of insurance;
- determining the ways of its development in our country after studying the conditions and conditions of this type of insurance in foreign countries;
- development of methodological recommendations on the comprehensive assessment of risks related to insurance through life savings insurance of individuals;
- development of practical proposals for increasing the requirements of individuals for insurance through savings insurance.

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