
Ways to Develop the Insurance Market Based on International Standards

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Abstract: This article examines the problems in the development of the insurance market and the regulation of insurance activities in Uzbekistan, and gives practical suggestions and recommendations for their improvement.

Key words: insurance, insurance market, insurer, insured, innovation, competition, finance.

Introduction

Today, the development and implementation of a wide range of insurance services that can win the trust of not only domestic but also foreign customers by insurance companies, the expansion of regional insurance services, the effective management of the financial resources of insurance companies, and the national insurance market is one of the main problems in development. Bu holat mazkur mavzuning dolzarbligini ifodalaydi. Insurance has been an important factor affecting the economy as an integral part of financial relations in the stages of gradual development of human history.

The fact that the innovative development of the insurance market is undergoing rapid changes in the process of globalization in the modern era means that the theoretical and practical research of the activities of this institute is urgent. The insurance market is the main segment of the economy of any country, and at the same time, it directly serves its development. At the same time, it should be noted that insurance activity is a social phenomenon that has been formed in its own way and is widely used, and it is considered a factor of stability. Forecasting the development of the country's insurance market, in turn, created the need to research the directions for the development of insurance as an institution that ensures the protection of the interests of business entities and the population at a guaranteed level.

The growing competition in the conditions of economic reforms requires the development and implementation of a completely new approach and principles for the more stable and rapid development of our country, taking into account the volume of insurance and leasing and other financial services. special attention is paid to the issues of expansion due to the introduction of new types and improvement of quality, as well as the development of the stock market as an alternative source of attracting capital and placing free resources of financial institutions and the population. In particular, in the "New Development Strategy of Uzbekistan for 2022-2026"¹ expansion of the scope of state support in agriculture and implementation of new mechanisms of insurance will provide financial and social support to all labor migrants. support, focusing on expanding their life and health insurance practices. Taking into account the above, we can justify the relevance of this topic.

Analysis of literature on the topic

It is known that in world practice, the experience of forming reinsurance organizations by consolidating several insurance organizations in the country into groups, societies or associations in

¹ <http://www.mf.uz> - the official website of the Ministry of Finance of the Republic of Uzbekistan

the insurance of large risks was established in the 19th century. In our country, this important mechanism is still not used.

In this regard, many economists have studied the problems of studying the fundamental factors affecting insurance activity, and researchers such as M.Sharapova and A.V.Vakhabov can be mentioned among them. Also, authors S.A.Tashmatov, N.Kh.Khaidarov and L.A.Adilova studied the problem of formation of insurance. Economists Nizamiddin Khaidarov and N.K.Khaidarov took part in researching the stability of national currency and currency relations with their scientific approach.

Various obstacles and restrictions in the legal documents of our country do not allow effective use of these funds, including their attraction to the authorized capital of insurance companies. In a word, outdated norms, differences, confusion and other shortcomings in legal documents have closed the doors of prospects for these companies.

At the current stage of reforms, the active development of financial services aimed at ensuring the stable growth of the economy, increasing the quality and level of the population's life requires strengthening the role of the insurance market in the republic and the wide use of insurance tools. Mirziyoyev made the following comments at a meeting on the development of the insurance services market: "The industry needs a structure that introduces advanced and modern standards, creates a truly competitive environment among all participants, and develops the insurance market, not a supervisor"². Therefore, the State Inspectorate of Insurance Control under the Ministry of Finance was abolished and the Insurance Market Development Agency was established. Also, the task was set to develop a strategy for the medium and long-term development of the insurance sector, to increase the volume of insurance premiums per capita by 3 times, and the share of the sector in the GDP by 2 times by 2022.

- As a result of studying the issues of insurance market development in our country, the following conclusions were formed:
- First of all, although the national insurance market of our country is developing relatively quickly, today it cannot fully meet the world's requirements.
- Secondly, the majority of the population who use and can use insurance services do not have complete information about insurance. However, the increase in demand for this type of insurance contributes significantly to the improvement of the financial situation of the insured and the insured.

Research methodology

This article uses methods such as analysis of researches and articles of economists on the subject, analytical comparison of tables, grouping, calculation of quantitative and qualitative indicators, and their comparison with each other. The dialectical-materialistic method of cognition and the general scientific, special and private scientific methods based on it were used in the work. In particular, logical, comparative, analysis methods (that is, statistical, etc.), synthesis methods were used in the work.

Analysis and results

Although the reforms and measures implemented in Uzbekistan for the development of the insurance market serve to a certain extent for the development of the country's insurance market, the development of specific measures for the development of the insurance market in the context of the ongoing global financial and economic crisis exit serves to develop insurance relations and ensure the continuity of production in the country. It is known that the state is an important subject of the insurance market and one of its participants.

² <https://president.uz/uz> - the official website of the President of the Republic of Uzbekistan 5. <http://www.mf.uz> - the official website of the Ministry of Finance of the Republic of Uzbekistan

In order to fulfill important tasks, it is important to train employees who meet the global requirements in the field of insurance and prepare them for practice, to inform the population about insurance information. In practice, there are many reasons that hinder the development of the insurance market, and one of these reasons is the emergence of a monopoly situation. In countries with a developed market economy, the number of companies operating in one industry is at least ten or more, and the share of one company in this market does not exceed 31 percent of the sales of insurance services, as a safe condition against the emergence of monopoly. share should not exceed 44 percent, share of three companies should not exceed 54 percent, and share of four companies should not exceed 64 percent.

If this ratio is violated, the state applies economic sanctions to these companies and limits their participation in this market. One of the elements of state regulation of the insurance market is collusion and mutual agreements between two or more companies in order to artificially eliminate competition in the market, that is, to prevent other participants from entering this market. consists of not allowing.

Unhealthy methods and means of competition - artificially increasing or decreasing tariffs, informing policyholders about a certain type of insurance or about their competitors who carry out this type of insurance. These are cases where it is impossible to give information and put it in the context. In relation to such cases, the state must take permanent countermeasures by means of laws and other regulatory documents.

The processes of liberalization of regulation of insurance relations in the context of the globalization of the world insurance market, the liberalization of international insurance services, the concentration of insurance and reinsurance capital have led to a sharp increase in competition between large multinational insurance companies, as a result of which insurance and leading to the emergence of many new forms of reinsurance, the growth of insurance, banking and financial capital.

Table 1. Quantitative and qualitative indicators of system efficiency insurance³

Insurance market subject	Quantitative indicators	Qualitative indicators
Policyholder	The difference in the economic situation of the insured before the occurrence of the insured event and after the occurrence of the insured event, taking into account the paid insurance compensation (in property insurance); completeness of compensation for damage, level of insurance coverage,	Company brand; service system; competence of insurance specialists, prompt payment of insurance compensation.
Insurer	Profit; profitability indicators, loss ratio, financial stability, solvency, capital structure indicators, ownership ratio, financial dependence ratio, self-financing ratio, investment income ratio, investment income productivity, insurance worker productivity, number of risks covered by insurance, presence of a branch network, indicator depending on the reinsurance market, the share of costs associated with fulfilling insurance obligations to	The level of professional qualifications of labor resources, the development of an insurance marketing system (development of a high-quality insurance product, the effectiveness of selection and formation of sales channels, the emergence of new methods of promoting insurance products on the market, etc.), the presence of large, well-known companies and holding

³ Formed by the author.

	policyholders for insurance events.	companies among the founders, checking the reliability of the occurrence of insurance events, reliability of obtaining information from the policyholder about concluded insurance contracts in relation to the object with other insurance companies.
State and society	Macroeconomic indicators indicating the development of the insurance market of the country and regions, the composition of premiums, payments, the number of insurance organizations, the degree of coverage of the insurance field, insurance premium per capita (insurance density), the share of insurance companies in the total profit received by business entities, the amount of investment per account of temporarily free funds of the insurance fund, the total authorized capital of insurance companies, for foreign capital in the total authorized capital of insurance companies, a generalized rating indicator of the insurance activity of the region.	The growing role of insurance in society, the formation of a social protection system, the participation of the insurer in the rapid elimination of massive losses, maintaining the stability of the industry economy and macroeconomics, saving budget funds.

A number of changes are taking place in the system of state control over the activity of insurers, in which the main position is occupied by interstate integration agreements, the general agreement on trade in services. The emergence of a new information environment through the Internet is breaking down the borders between countries, and unprecedented levels of insurance services are being achieved. In recent years, the expansion of the world insurance market has been observed, and it can be seen that the processes of merger, globalization and integration have intensified. The main reasons for mergers of insurance companies or acquisitions of small ones by large companies are as follows:

First of all, there is a large number of companies with a high level of capitalization among the participants of the national and world insurance markets and the presence of strong competition between them.

Secondly, there is a need for companies with a large amount of capital in the insurance and reinsurance of large risks. Insurers pay attention to the amount of their capital in the first place when choosing reinsurance companies. 50 mln. reinsurance companies with capital less than USD are forced to stop their activities.

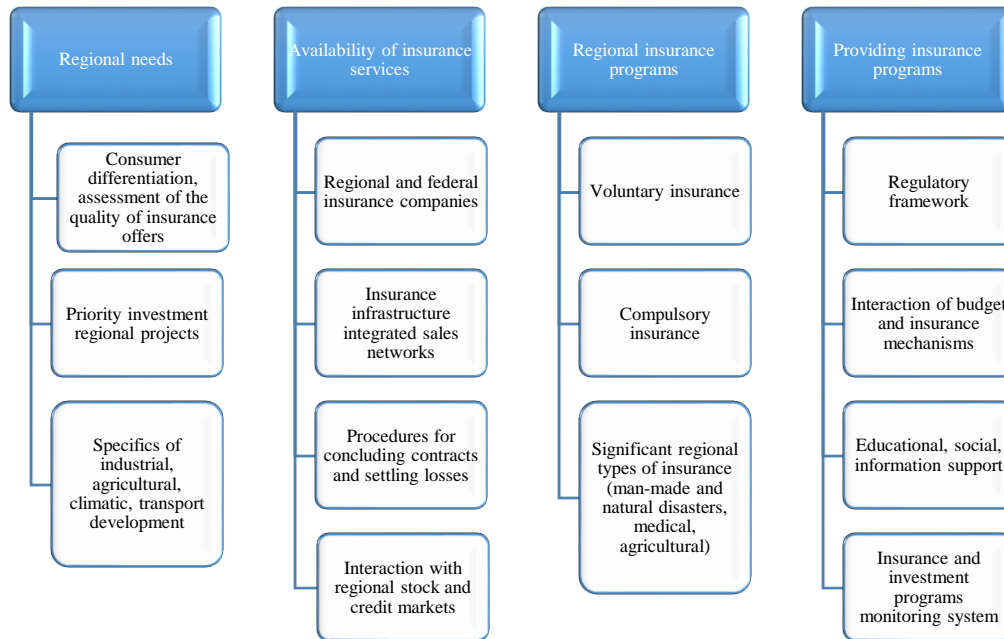


Figure 1. Development of the insurance market in the regions of the Republic of Uzbekistan ⁴

Thirdly, the goal of reducing the costs of doing business in the company. According to experts' conclusions, the income of insurance premiums for one company in the USA is 10 mln. The increase in dollars allows to reduce the amount of operating expenses from 30 percent to 10 percent.

Fourthly, the desire to raise one's rating at the expense of a financially stable partner. As a result of mergers and acquisitions, large multinational insurance companies are formed, and they carry out a large amount of liability insurance and reinsurance in the international market. As in other fields, a new era of management is entering in insurance activity. This new era should ensure the safety of the activities of insurance companies. Ensuring the safety of the activities of insurance companies is one of the main functions of modern management.

Due to the failure of the company manager to correctly assess the risks to the company's activity and not taking the necessary measures against it, the company may suffer significant losses. Therefore, a qualified manager should take into account various aspects of the development of events, plan to quickly change strategies and tactics, and increase reserve funds when such situations occur. One of the factors hindering the development of the insurance market is the rise of extortion in the market.

Adjuster also operates in the insurance system. An adjuster is a person who reviews a claim and improves its settlement. Due to the fact that the use of the services of representatives of this field is not widely established in our country, this task is carried out by the company's own employees. The establishment of the activities of surveyors, adjusters and actuaries, who are professional evaluators of insurance risks, has been legally strengthened in our country, and now the establishment of the actual activities of these structures will be one of the factors of the development of the national market.

Conclusions and suggestions

In accordance with the purpose and concept of the study, insurance should serve as a protective, financial and social mechanism, as a result of which it can contribute to the development of the economy and social sphere of individual regions of the Republic of Uzbekistan and the country as a whole.

⁴ Formed by the author.

In the process of studying the peculiarities of the functioning of insurance, a number of factors in the development of insurance of a general nature, characteristic both for the country and for individual regions, were identified:

- strengthening state regulation of insurance activities and reducing the number of insurers;
- reducing the participation of the banking sector in the insurance process;
- an increase in loss ratios in compulsory types of insurance and a decrease in voluntary types;
- low quality and overpriced insurance services due to weak competition;
- Significant imbalances in the territorial distribution of insurance funds and reserves with a predominance of compulsory insurance in the regions.

Factors of an insurance nature are indicated within the country, since they are the same for all regions, which is due to the centralized system of insurance regulation and supervision in the Republic of Uzbekistan.

The analysis showed that an effectively operating regional insurance market is capable of having a stimulating effect on various areas of development of the region, due to its impact on a number of controllable factors. Based on this statement, a diagram of the influence of insurance on the functioning of the socio-economic sphere of the region has been drawn up, showing an algorithm for further research into the influence of general and regional factors on the socio-economic development of the region itself. A classification of the identified factors into directly controlled, indirectly controlled and uncontrollable is also presented. Most of the general factors are controlled indirectly, through the system of regulation of the insurance market at the federal level. This is explained by the fact that regulation is the main mechanism for managing the insurance market, so special attention is paid to it in our work.

The current system of insurance regulation in the country does not allow for a differentiated approach to the development of insurance in the regions, although such a need exists. Therefore, the problems arising from ineffective insurance regulation were analyzed, and models of insurance regulation and supervision in the practice of other countries were examined. In foreign practice of insurance regulation, preventive measures and a risk-oriented approach to supervisory activities prevail.

In our country, similar measures and mechanisms are not fully implemented; directive supervisory methods predominate. The system of self-regulation of insurance in Uzbekistan, which includes the functioning of market mechanisms, coordinated self-regulatory organizations, is practically undeveloped in Uzbekistan, and local authorities do not have leverage over insurance entities. In order to improve the efficiency of insurance, fundamental changes in the regulatory system are necessary. The dissertation formulates conclusions about the excessive centralization of insurance regulation in the country and the need to shift emphasis to the development of regional insurance.

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