



 Research Article

## TRANSFORMATION OF INSURANCE SERVICES MARKET

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### ABSTRACT

In the article, suggestions are given for the operation of insurance companies based on clear target plans through the system of innovative and motivational approach to service delivery.

### KEYWORDS

Insurance market, agent, voluntary insurance, insurance premium, insurance coverage.

### INTRODUCTION

Today, in the conditions of the transformation of the economy, it is operating on the basis of specific target plans through the system of innovative and motivational approach to service in all sectors. Also, the insurance sector is providing insurance services through digital technologies in order to provide convenient services to legal entities and individuals. Because insurance is a passive demand service, the consumer does not know or think that they can be purchased. It takes a lot of effort to transfer (sell) insurance services. Therefore, it is necessary for insurance companies to carefully develop a marketing strategy for the sale of insurance products and to fully

fulfill their solvency in order to win the trust of potential policyholders.

It is worth noting that in our country special attention is being paid to the regular improvement of the legislation on insurance activities. Adoption of the Law of the Republic of Uzbekistan "On Compulsory Insurance of Civil Liability of Vehicle Owners", Law "On Compulsory Insurance of Civil Liability of Employers" and Law "On Compulsory Insurance of Civil Liability of Transporters". In addition, to ensure the implementation of the decision of the President of the Republic of Uzbekistan "On additional measures for the digitization of the insurance market and the



development of the life insurance sector" dated October 23, 2021 No. in order to popularize the types of services, to develop insurance products that serve the needs of the population and the economy, the decision of the Cabinet of Ministers dated June 9, 2022 No. 323 "On making changes to some decisions of the Government of the Republic of Uzbekistan, as well as considering some of them as invalid" was adopted.

In accordance with the decision, the Insurance activity classifier approved on the basis of Appendix 6 of the unified regulation "On the procedure for licensing certain types of activities through a special electronic system" approved by the decision of the Cabinet of Ministers No. 80 of February 21, 2022 was expanded by adding additional insurance classes. In particular, the life insurance sector includes V-class "Liability insurance", VI-class "Long-term voluntary pension insurance" and VII-class "Life insurance with return of capital", while the general insurance sector includes 18th class "Medical "Insurance" class was introduced.

These additions to the insurance classification serve to expand the range of services in the insurance market of our country and increase the standard of living of the population.

Also, on December 5, 2022, the decision of the Cabinet of Ministers No. 694 "On approval of the regulation on the procedure for providing electronic insurance services" was adopted. According to the regulation, insurance policies for all types of insurance will be registered in a single automated information system managed by the Insurance Market Development Agency under the Ministry of Finance together with the Insurance Payments Guarantee Fund, and the activities of the Insurance Payments Guarantee Fund will be expanded and the management system will be improved. In addition, electronic sales of all types (classes) of insurance, formalization, registration and establishment of data exchange between the insurer and insured customers without the human factor.

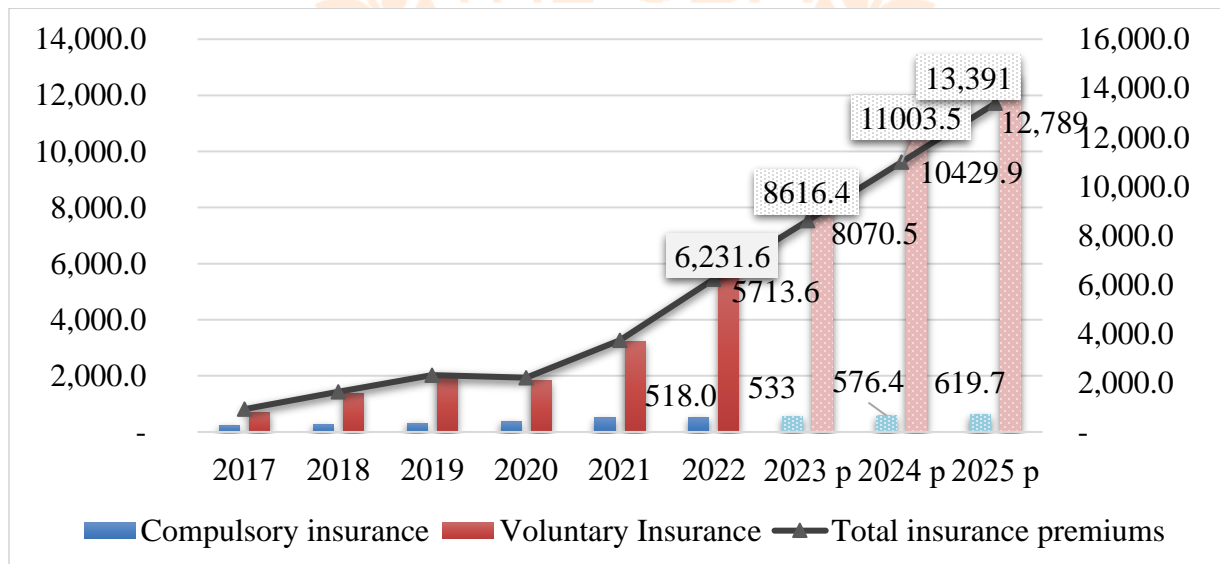


Figure 1. Dynamics of changes in insurance premiums by type of insurance (in billion soums)

Until December 31 of this year, a single information system that registers all insurance policies and controls their circulation will be introduced together with relevant ministries and interested agencies, and it is planned to integrate this system with the information systems of all insurance organizations. By March 1, 2023, one of the main tasks is the launch of a single mobile application designed to fill out and review the traffic accident notification (Europrotocol) issued online without the participation of the internal affairs body. By July 1, 2023, applications for insurance claims for other mandatory and optional insurance types will be sent and reviewed online through a single mobile application.

In the development of the insurance market in our country, the development of industries by further improving the competitive market of insurance

services will serve to create new jobs. created a system of compensation, as a result of which the amount of insurance coverage paid to victims increased dramatically. This serves to further strengthen the social protection of the population.

The fact that a large-scale layer of insurers has arisen in the insurance market, by them the fact that new insurance services that are in the interest of these entities are offered in order to attract paying customers to insurance protection, and the competitive environment between them is increasing, has a positive effect on the development of the insurance process. A number of decrees and decisions adopted on the development of the insurance sector in Uzbekistan are of great importance in bringing the quality of insurance services to a new level. We can see it in the pictures below.

**Structure of the insurance market of Uzbekistan**

Composition of the insurance market	31.12.2021	31.12.2022	Change %
Total insurance companies	42	41	-2.4%
General insurance companies	34	33	-2.9%
Life industry companies	8	8	0%
Total charter capital of insurance companies (million soums)	1 589 808	1 884 111	+18.5%
Number of insurance brokers	5	7	+ 40.0%
Number of insurance actuaries	5	5	0%
Number of insurance agents	9581	9155	-4.4%
The number of participants of the payment guarantee fund	23	25	+8.7%

It can be seen from the data of the table that in 2023 there was a decrease in some of the main indicators in the market of national insurance services. General insurance network insurance companies (Garant insurance group) decreased to one. We can also see

that the number of insurance agents who are insurance intermediaries decreased by 426 in 2022 compared to 2021. Another positive change is that the number of insurance companies participating in the payment guarantee fund increased by 2 in 2022 compared to the

previous year 2021, which is also a positive situation for the wide promotion of compulsory insurance types.

The development of the health market in Uzbekistan depends more and more on the introduction of technologies that affect the health technologies of the digital economy, but this does not change its economic essence. As a result of using digital technologies in healthcare activities:

- increase the efficiency and profitability of the health care industry;
- integration of mutual and commercial system;
- the socialization of the patient's relationship takes place;
- new health services and products are created;
- the labor market in the insurance sector will change (automated management systems and replacement of some insurance agents, sales and middle managers with robots).

Digitization of the Uzbek health market is the need of the hour, and the acceleration of this process guarantees that the country's health market will find its place in the global health market.

We managed to develop the following suggestions for improving the market of insurance services in Uzbekistan:

- the modernization and development of the national insurance market, i.e. the State Insurance Control Body in the insurance market role more boost;
- development of insurance activities and between them healthy competition environment formation;
- insurance services should be provided more online and insurance services should be explained more widely to potential policyholders;

- introduction of modern mechanisms of international partnership aimed at increasing the effectiveness of mutually beneficial cooperation in the implementation of tasks for the development of insurance activities;
- Ensuring guarantees of reliable protection of rights and freedoms of clients:
- taking all necessary measures by the management of the companies to solve the appeals of citizens (clients) in a timely manner, to avoid cases of sloppiness, formality and indifferent attitude in the consideration of appeals;
- development of relevant regulatory documents or measures to ensure reliable protection of the rights and freedoms of citizens (clients) by the management apparatus of insurance organizations;
- strengthening citizens' confidence in insurance;
- to ensure timely receipt of insurance coverage for the damages suffered by citizens;
- To further strengthen financial stability and achieve high economic growth rates;
- ensuring the growth of the share of insurance services in the gross domestic product;
- based on the experience of developed countries, it is necessary to ensure that the minimum amount of authorized capital is increased every 2 years.

Based on the highlighted problems and solutions, these suggestions will help in the further development of insurance services.

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