



Journal Website:
<https://theamericanjournals.com/index.php/tajpslc>

Copyright: Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.

Research Article

THE NECESSITY FOR THE IMPLEMENTATION OF ENVIRONMENTAL INSURANCE IN THE REPUBLIC OF UZBEKISTAN

Submission Date: February 08, 2022, Accepted Date: February 17, 2022,

Published Date: February 28, 2022 |

Crossref doi: <https://doi.org/10.37547/tajpslc/Volume04Issue02-11>

Abduvali Daminov

Independent researcher, Tashkent state university of Law, Uzbekistan

ABSTRACT

Natural disasters and human actions have recently caused a variety of environmental changes around the world. Climate and weather patterns are shifting dramatically across the planet, water and soil composition are getting increasingly polluted, and plant and animal species are becoming extinct.

KEYWORDS

Economic crisis, transportation industries, environmental insurance, development.

INTRODUCTION

As a result, the ecology and the health of all people on the earth are severely harmed¹. Natural and

environmental disasters continue to wreak havoc on the global economy, and the harm is getting worse.

¹ <https://parliament.gov.uz/upload/iblock/074/fpjeggfutkglyz-jzajpbbodcelhrf%20dwvnbcthwncsyq.pdf>.



MunichRe (2021) estimated 980 large global losses in 2020 alone, with roughly 8,200 deaths and a total loss of 210 billion USD².

Environmental legislation needs to be improved, and environmental insurance needs to be implemented to prevent these issues. This could be explained by the following factors: **first of all**, use of reserve funds of insurance companies in prevention of natural disasters and man-made emergencies is very important, as this is a key source in preventing any country from falling into an economic crisis; **secondly**, it is critical to quickly eliminate the damage caused to the environment and human life, health and property; **thirdly**, there should be focus on the expansion of potentially environmentally hazardous activities (oil, chemical, metallurgical, and transportation industries) that pose a threat to the environment; **fourthly**, large enterprises engaged in these activities to finance measures to prevent major environmental risks are not capable of doing so fully; **fifthly**, the financial capacity of the state budgets of most countries does not allow them to cover unforeseen expenses in the event of an emergency. These circumstances necessitate the development of a system that can cover environmental costs while without putting a strain on the state budget.

In the context of the research topic, the analysis of positive feedback in the legal literature reveals that there are a number of issues that need to be addressed in legislation and practice[1]. In particular, in consideration of the lack of in-depth study of environmental insurance, to study the legal relationship of environmental insurance, we can refer that there is a need to develop an economic and legal

mechanism for the introduction of environmental insurance and establishment of public administration in the implementation of environmental insurance. In addition, it is important to study the experience of some advanced foreign countries[2].

Today, there is a tendency in Western countries to exclude environmental risks from the general liability insurance contract and to insure all risks associated with environmental pollution only under environmental insurance[3].

In this regard, neighboring countries are developing legislative frameworks. The Law of the Republic of Kazakhstan “On compulsory environmental insurance” was passed in 2005. Environmental insurance is also a part of the national legislation in the Republic of Azerbaijan.

The development of the Federal Law “On compulsory environmental insurance” in the Russian Federation has begun.

A number of laws have been adopted in Uzbekistan in order to regulate insurance activities, such as the Laws of the Republic of Uzbekistan “On Insurance Activity”[4], “On compulsory insurance of civil liability of the employer”[5], “On compulsory insurance of civil liability of vehicle owners”[6] and “On compulsory state social insurance against accidents at work and occupational diseases”[7]. In addition, the Civil Code of the Republic of Uzbekistan establishes the rules for implementing voluntary and compulsory insurance against various insurance risks.

The followings Laws of the Republic of Uzbekistan “On sanitary and epidemiological well-being of the

² <https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2021/natural-disaster-losses-2020.html>.



population”[8], “On Radiation Safety”[9], “On public health”[10], “On Waste”[11], “On protection of the population and territories from natural and man-made emergencies”[12], “On the safety of hydraulic structures”[13] and several similar regulations refer to the compensation for damage caused to legal entities and individuals as a result of the economic consequences of emergencies, which means that citizens have the right to claim compensation for material damage to life, health and property, and other benefits.

Law of the Republic of Uzbekistan “On Protection of the Nature”[14] of 1992 (Article 36) establishes the legal basis for both voluntary and mandatory environmental insurance. According to this law, companies, institutions, and organizations, as well as individuals’ lives, health, and property, are all subject to voluntary and compulsory insurance, taking into consideration the damage caused by environmental pollution and the deterioration of natural resource quality. The legislation of the Republic of Uzbekistan will outline the procedure and circumstances for ecological insurance.

Today, effort is being done to develop legal and regulatory documents in order to introduce an environmental insurance system in our country. In particular, in order to raise the responsibility of organizations operating hazardous production facilities, and to ensure industrial safety of hazardous production facilities, the Cabinet of Ministers of the Republic of Uzbekistan passed a Resolution to adopt the Regulation “Procedure for compulsory civil liability insurance for damage to other persons’ life, health, and property, as well as the environment, in the event of an accident at a hazardous production facility” (December 10, 2008).

Decree of the President of the Republic of Uzbekistan PD-60 “On the Development Strategy of the New Uzbekistan for 2022-2026” (dated January 28, 2022) also specifies taking relevant measures on the improvement of mechanisms for assessing the level of environmental pollution, environmental monitoring, forecasting its pollution level, providing state environmental control with constant information, and monitoring the status of pollutant sources and their impact on the environment[15]. The President's emphasis on the environment and ecology in this five-year Development Strategy demonstrates how important our research is.

As mentioned above, Article 36 of the Law of the Republic of Uzbekistan “On protection of the nature” provides for environmental insurance, however, how to implement environmental insurance, and its economic mechanisms are not specified, which refers to a gap in legislation. To close this gap, we believe that a single draft law “On Environmental Insurance” should be developed and adopted.

We believe that one of the most important and key factors in eliminating the cited problems and bringing the environmental insurance sector to the level of developed countries is, based on the experience of foreign countries, to introduce mutual environmental insurance and use of state initiative (as these are current issues in the field of environmental insurance).

We believe that in order to adopt mutual environmental insurance in the country, it is important, first and foremost, to provide legal support for it, as well as to provide benefits and preferences in this area. In this instance, mutual environmental insurance develops as a different form of insurance alongside commercial environmental insurance. It serves as an important factor in attracting a large number of potential policyholders, improving citizens' material



well-being, reducing risks associated with entrepreneurial operations, and maintaining the long-term viability of businesses and organizations.

CONCLUSION

In conclusion, the implementation of the Law of the Republic of Uzbekistan "On Environmental Insurance" helps to avoid environmental risks that may arise as a result of economic activity. It also helps to promote environmental safety by generating extra-budgetary funds to compensate residents and the environment for material damage to their lives, health, and property.

REFERENCES

1. Kholmominov J.T. Scientific-theoretical analysis of legal problems of prevention and elimination of environmental threats. Monograph. Tashkent. TSUL, 2016. - p.344.
2. Kholmuminov Zh.T. Legal issues of improving public administration and environmental legislation in the field of environmental protection (Foreign experience. // Central Asian journal of social sciences and history volume: 02 issue: 06 | jun 2021 (issn: 2660-6836)
3. https://parliament.gov.uz/upload/iblock/074/fpjeg_gfutkglyz-jzajpbbbodcelhrf%20dwvnbcthwncyq.pdf.
4. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 2002, No. 4-5, Article 68
5. Collection of Legislation of the Republic of Uzbekistan, 2009, No. 16, Article 197
6. Collection of Legislation of the Republic of Uzbekistan, 2009, No. 16, Article 197
7. Collection of Legislation of the Republic of Uzbekistan, 2008, No. 37-38, Article 361
8. Collection of Legislative Acts of the Republic of Uzbekistan, 2015, No. 34, Article 451, 2019, No. 2, Article 47; Database of Legislation and Information, 15.01.2021, No. 03/21/666/0032
9. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 2000, No. 7-8, Article 212
10. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 2000, No. 7-8, Article 212
11. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 2002, No. 4-5, Article 72
12. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 1999, No. 9, Article 221
13. Bulletin of the Oliy Majlis of the Republic of Uzbekistan, 1999, No. 9, Article 223
14. Bulletin of the Supreme Council of the Republic of Uzbekistan, 1993, No. 1, Article 38
15. Decree of the President of the Republic of Uzbekistan PD-60 "On the Development Strategy of New Uzbekistan for 2022-2026" dated January 28, 2022 // National Legislative Database, 29.01.2022, 06/22/60/0082. URL: <https://lex.uz/uz/docs/5841063>