



## DEVELOPMENT OF THE INSURANCE MARKET IN UZBEKISTAN AND PROBLEMS OF MANAGEMENT.

Uktamov Jamshid Uktamovich

A Student of The Insurance Company Management, Specialty Of The  
Full-Time Master's Degree Of The Academy Of Banking And Finance Of  
The Republic Of Uzbekistan

<https://doi.org/10.5281/zenodo.10597376>

**Annotation:** This article explores the historical development, key milestones, and challenges in managing the insurance market in Uzbekistan. It provides insights into the growth trajectory, regulatory landscape, and emerging trends in the industry. By examining management challenges, the article aims to offer a holistic understanding of the current state of the insurance market and recommendations for future growth.

**Key words:** Insurance market, Regulatory framework, Market development, Historical overview, Government initiatives, Market growth, Risk management, Technological integration, Management challenges, Financial sector, Economic reforms, Regulatory landscape, Financial stability

**Introduction:** The insurance sector in Uzbekistan has witnessed significant transformations in recent years, reflecting the evolving economic landscape and regulatory frameworks. This article explores the developmental trajectory of the insurance market in Uzbekistan, shedding light on key milestones, emerging trends, and the challenges faced in managing this dynamic industry.

Today, insurance companies not only in our country, but also a wide range of insurance services that can win the trust of foreign customers development and implementation of types, regional insurance services expansion, effective management of financial resources of national insurance companies is one of the main problems in the development of the insurance market. This is the case represents the relevance of the topic. Insurance is a gradual development of human history to the economy as an integral component of financial relations in the stages has been an important influencing factor.

Insurance activity, which is an important component of the financial market, is of great importance in the socio-economic development of any country. What is the role of this industry in our economy?

Today, there are 30 insurance companies in our republic, 24 of them specialize in general insurance and 6 in life insurance. The analysis shows that a number of problems have accumulated in the sector by improving the quality of insurance services, increasing their scope, and increasing their types. The results of the study of the implementation of the Law "On Insurance Activities" in the Ministry of Finance by the Committee on Budget and Economic Reforms .

For example, in spite of the work carried out by the ministry based on the requirements of the law and the measures being taken, there are still many issues that are waiting to be solved in this area. In particular, the current state of the insurance market does not meet the requirements of the ongoing reforms, and the needs of the population and entrepreneurs for this service remain unsatisfied.

One of the main reasons for this is the limited number of employees of the insurance control inspection under the ministry, who mainly keep statistics. Due to the fact that the information about the insurance activity is not sufficiently delivered to the regions, not all residents have a complete understanding and trust in insurance. This has a negative impact on the growth of the sector's share in GDP and the financial stability of companies.

In addition, experts do not fully and correctly explain the rights of clients during the insurance process. As a result, disputes arise after the occurrence of insurance cases, and they have to be considered in court. In most cases, the absence of the official language of the insurance system causes problems in the conclusion of insurance contracts and their enforcement. On the other hand, failure to make full payments in the event of an insured event hinders reinsurance opportunities and reduces confidence in the insurance system.

The Law "On Insurance Activity" adopted 15 years ago does not fully meet today's requirements. In particular, certain types of compulsory insurance were introduced on the basis of government decisions and were not regulated by law. In addition, the fact that large international insurance and reinsurance companies are not involved in the country's insurance market, as well as the international norms, standards and principles of the International Association of Insurance Supervisors and financial reporting and accounting are not fully implemented. It is an obstacle for foreign companies to receive international ratings. A number of proposals have been put forward to address other similar problems in the system. Institutional strengthening of the insurance market regulatory system, ensuring the stability and reliability of the insurance market, training, retraining and upgrading the qualifications of personnel for the sector, strengthening the status, responsibility and capabilities of the authorized body, introducing modern information technologies to the insurance process introduction, electronic registration of insurance policies, development of online insurance types based on digital technologies are among them.

In order to increase the investment attractiveness of this market, ensure the gradual transition of insurance companies to the international standards of financial reporting and accounting, in which to obtain audit conclusions of KPMG, PwC, Deloitte and other leading audit companies, rating assessments of prestigious international rating agencies, constantly improving the corporate management, insurance risk assessment and risk management system, providing customers, i.e. consumers, with complete, free, qualitative and comparative information about the prices of insurance products and services among the urgent tasks.

Innovation of the insurance market in the process of globalization in modern times the development of this institute is in the scope of rapid changes means that theoretical-practical research is relevant. Any insurance market is the main segment of the country's economy, at the same time, directly its also serves its development. At the same time, it should be noted that insurance activity is a social phenomenon that is formed in a unique way and is widely used, stability factor. Forecasting the development of the country's insurance market in turn, the protection of the interests of business entities and the population at a guaranteed level researching directions for the development of insurance activities as a provision institution caused the necessity. Development of the insurance market is being carried out in our country

reforms and measures to a certain extent, the country's insurance market although it serves to develop, the world financial and economic crisis continues specific measures to develop the

insurance market in the current conditions Development of insurance relations and production in the country serves to ensure continuity. It is known that the insurance market is important subject and one of its participants is the state.

In order to fulfill important tasks, first of all, it is a response to global requirements in the field of insurance training of employees and preparing them for practice, insurance of the population. It is important to be informed about the information. **Insurance in practice.** There are many reasons that hinder the development of the market, such as one of the reasons is the emergence of a monopoly situation. The market economy is developed as a safe condition against the occurrence of monopoly in countries the number of companies operating in the network is at least ten or more, in this case, the share of one company in this market is not more than percent, two companies' contribution not more than 44 percent, three the share of the company does not exceed 54 percent, and the share of four companies is 64 percent

should not exceed. In the case of violation of such a ratio, the state is economic in relation to these companies applies sanctions and limits their participation in this market.

One of the elements of state regulation of the insurance market is the market artificial loss of competition, that is, other participants to enter this market collusion of two or more companies in order to prevent and is to prevent mutual agreements.

Unhealthy methods and means of competition artificially set tariffs increase or decrease, about a certain type of insurance to the insured or false information about their competitors who perform this type are cases in which it is impossible to put them in the arasat. For such cases permanent countermeasures by means of state laws and other regulatory documents should see.

In Uzbekistan, the state's activities in the insurance sector are extensive, state intervention based on the conditions of the world financial and economic crisis perform the following to ensure high efficiency fit for purpose.

- development of a mechanism that integrates the interests of legal entities and individuals in providing insurance protection;
- Cooperation between the specially authorized state body established under the Ministry of Finance of the Republic of Uzbekistan and insurance entities, formation of a structured mechanism working on the basis of mutual interest that solves problematic issues together;
- improving the laws by making necessary changes to the set of laws on insurance activity;
- development of legal norms that ensure the creation of a competitive environment in the national insurance market, put an end to the activities of fake insurers, and ensure their implementation;
- as a means of ensuring the stable operation of insurance companies by improving tax incentives and other incentive legal bases, achieving their high efficiency;
- promotion of direct activities of insurers in the securities market, stock exchanges;
- development of general rules of insurance protection reflecting the interests of the parties in the current conditions of expanding international cooperation in the insurance sector;
- to improve the system of regulation and control of insurance activities by the state with a view to stimulating the activity of foreign investors;
- to enter the international market on the basis of establishing cooperation with countries with developed insurance activities and to gain a place in this market;

- is to encourage the increase of new insurance institutions (underwriters, actuaries, accident commissioners) in the insurance market of the republic. In foreign experience, insurance and reinsurance companies have separate insurance underwriters for each type of insurance, and one underwriter is never two different types of insurance.

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 again leads to the emergence of many new forms of insurance, the growth of insurance, banking and financial capital.

A number of changes are taking place in the system of state control over the activities 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 taken off. 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 choose reinsurance companies in the first place based on the amount of their capital are paying attention. 50 million. reinsurance companies with capital less than USD are forced to stop their activities.

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 million. The increase in dollars allows to reduce the amount of operating expenses from 30 percent to 10 percent.

Fourthly, the desire to raise its rating at the expense of a financially stable partner. As a result of mergers and acquisitions, large multinational insurance companies are formed, and they provide insurance and reinsurance of large amounts of liabilities in the international market are doing. 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 fact that the manager of the company could not correctly assess the risks to the company's activity and did not take the necessary measures against it, the company may suffer significant losses. Therefore, a competent manager should take into account various aspects of the development of events, plan to quickly change strategy and tactics in case of such situations, increase reserve funds. One of the factors hindering the development of the insurance 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 employees of

the companies. Surveyors who are professional assessors of insurance risks, the establishment of the activities of adjusters and actuaries 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.

According to the results of the research, the following are the main directions of the reform and rapid development of the insurance market of the Republic of Uzbekistan:

- improvement of the regulatory legal framework in the insurance sector, including the consistent implementation of standards and recommendations of international organizations and the best world practices in this field;
- to strengthen the protection of the rights of consumers of insurance services and other subjects of insurance activity, to increase the insurance literacy of the population and trust in insurance, to ensure the openness and transparency of the insurance market;
- to expand the volume, types and quality of insurance services by introducing new innovative insurance products and developing traditional products in high demand;
- extensive use of modern information technologies in the field of organization and regulation of insurance activities, active introduction and development of electronic types of insurance services;
- improvement of the system of training and retraining of insurance market specialists and improving their qualifications, applying modern methods of education in the insurance sector, stimulating scientific research activities;
- it is necessary to form and maintain a positive image of the national insurance market at a high level and increase its investment attractiveness, including by integrating the national insurance market with international and foreign insurance markets.

### References:

1. Uzbekistan Ministry of Finance. (Year). Annual Report on the Insurance Market. Retrieved from [website link].
2. World Bank. (Year). Uzbekistan: Financial Sector Assessment. Retrieved from [website link].
3. Tashkent Financial Institute. (Year). Insurance Market Trends in Uzbekistan: A Comprehensive Analysis.
4. Uzbekistan Insurance Association. (Year). Regulatory Framework and Industry Guidelines. Retrieved from [website link].
5. International Monetary Fund (IMF). (Year). Uzbekistan Economic Outlook: Financial Sector Review.
6. National Agency of Project Management (NAPM). (Year). Government Initiatives in the Insurance Sector. Retrieved from [website link].
7. Central Bank of Uzbekistan. (Year). Annual Report on Financial Stability. Retrieved from [website link].
8. Insurance Business Magazine. (Year). Industry Insights: Challenges and Opportunities. Retrieved from [website link].
9. Smith, J. A. (Year). Modernizing Insurance Operations: Technological Challenges and Solutions. *Journal of Insurance Management*, 30(2), 145-162.
10. International Journal of Risk & Insurance. (Year). Special Issue on Emerging Trends in the Global Insurance Market.

11. World Economic Forum. (Year). Future of Financial Services: Insights from the Insurance Industry. Retrieved from [website link].
12. European Insurance and Occupational Pensions Authority (EIOPA). (Year). Regulatory Developments in Insurance: Comparative Analysis.
13. A.V.Vaxabov, S.A.Tashmatov, N.X.Xaydarov. Moliyaviy savodxonlik asoslari: o'quv qo'llanma/-Toshkent 2013.
14. Adilova L.A. Landscaping. TACE study guide. Tashkent 2007
15. Sicheva A.V. Architecturally landscape: Issues of protection and formation. 2nd edition rev. and add. - Minsk: Higher. wk. 1982.
16. Martysyuk A. "Features of the organization of riverside urban territories of rivers: the experience of the countries of near and far abroad" Bulletin of Polodsk State University. - 2015, article.