



## **DEVELOPMENT OF PROMISING INSURANCE SERVICES IN UZBEKISTAN**

Mekhroj Khamroev

PhD, Samarkand Institute of Economics and Service

### **Annotation**

The article reveals the essence and role of insurance services in both the economic and social spheres. The article focuses on the distribution of insurance services by industry. Also, scientific and practical proposals have been developed for the further development of the activities of insurance companies in the context of economic liberalization and adaptation of services for organizing technologies for the sale of insurance policies to market requirements.

**Keywords:** insurance services, industrial insurance, distribution insurance services, professional insurance services, consumer insurance services, general services insurance.

### **Introduction**

The insurance industry is a set of industries associated with ensuring the safety and stability of enterprises (organizations, institutions), the lifestyle of the population, the welfare of the population, the full protection of the general population. The insurance industry includes insurance institutions involved in the organization and implementation of insurance relationships. Within the framework of insurance relations, the aim is to protect the security of enterprises from any events or situations by providing insurance services to customers, to achieve their sustainable development and increase living standards by covering losses. Clearly, it is important for businesses of all forms of ownership to sharply increase the demand of the general population for financial services, including insurance services. It should be noted that legal entities and individuals can receive insurance services that meet their needs only by applying to the insurance market. Based on international experience, it can be said that the development of infrastructure specific to the requirements of the country requires the organization of insurance services that ensure the continuous implementation of insurance policy and socially guarantee the interests of the population. The development of insurance services is one of the priorities in the formation of the infrastructure of a market economy.

In the context of modernization of the economy in the country, the deepening of economic reforms in the stabilization of private property, the sustainable development of entrepreneurship has led to an increase in demand for insurance to cover losses associated with production activities and interests of citizens. case indicates an increase in revenue . The “Action Strategy” has been developed for the five priority areas of development of the Republic of Uzbekistan for 2017-2021. The priorities for the development and liberalization of the economy include the following: , attracting capital and developing the stock market as an alternative source of free resources for enterprises,



financial institutions and the population ”[1]. In particular, the importance of modern services such as mobile communications, Internet, video telephone system, digital television, modern banking services, leasing, consulting, insurance, auditing, engineering, as well as the growing interest in it, the role and prestige of these sectors in economic development.

The above requires the development of the insurance service, the improvement of its legal, organizational, economic management mechanism.

### **Literature Review**

It should be noted that the issues of sale and development of insurance products are reflected in the scientific work of foreign [2] and domestic economists [3], but the theoretical and practical significance of this topic has not yet been resolved.

The fact that economists are divided on the issue of organizing insurance services also indicates that this problem is not fully resolved [4]. In the context of modernization of the economy, the organization of the technology of sale of insurance policies of business entities on the basis of international standards brings new tasks to the scope of scientific research. Therefore, in the context of modernization of the economy, the further development of insurance companies and the adaptation of services for the organization of technology for the sale of insurance policies in this area to market requirements and the development and implementation of practical proposals.

Theoretical and methodological bases of the research are the laws regulating the activities of economic entities of the Republic of Uzbekistan, President Sh.M. Mirziyoyev's decrees, works and instructions aimed at reforming the country's economy and developing it on the basis of market relations, Cabinet decisions, normative documents and instructions developed by the Ministry of Finance [5], normative documents of the State Insurance Supervision Organization scientific work on development, data reflecting the activities of insurance companies [6] [7] and recommendations of research institutes [8].

### **Research Methodology**

During the study analysis and synthesis, comparison The issues of development of insurance services in the financial market were studied using such methods.

### **Analysis and Results**

In the current situation, without improved insurance services and services, all businesses, especially small businesses and private entrepreneurs, agricultural producers will be deprived of access to credit for effective work and investment activities.

Insurance services create positive opportunities for socio-economic development of the state by protecting production and the population from various risks, as well as insurance serves as an important financial tool in the social protection of the financially vulnerable from the negative effects of the financial and economic crisis. This is due to the



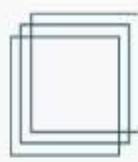
development of not only the most important industries in the country, ie the engineering industry, the formation of agriculture and processing of raw materials, construction and new facilities, the rapid development of services and the creation of new jobs in these industries. guarantees the creation of opportunities.

In any market relationship, two or three parties are involved, ie the seller and the buyer, and between them there is always an exchange of the relevant insurance product (service). In the same way, the seller (insurer) and the buyer (potential insurer) participate in the market of insurance services. Here it is important to correctly understand the essence of the term potential insured. It would not be appropriate if the potential insured is recognized as a direct insured. Under current law, legal entities and individuals who have a direct contract with insurance companies and have civil capacity are recognized as insured if they need to purchase the "product", but have not yet entered into an insurance relationship with the insured. An insurer is a legal entity that has the right to carry out insurance activities in the territory of the country and whose main activity is insurance. However, it is prohibited for an insurance company to have a license from a state body authorized to carry out relevant activities and to engage in non-insurance-related processes in accordance with applicable law.

Insurance services for the insured can be provided by hundreds and thousands of insurance companies. This situation will increase competition among insurance companies to attract potential customers to the insurance market and will have a positive impact on the quality of the insurance "product". The potential insurer, on the other hand, strives to have a product that meets their needs. This is true. An insurance company assumes a great responsibility when selling its products in the market. This is because the insured guarantees the effective operation of the insured by accepting a large amount of risk in exchange for a small insurance premium. In the event of an insured event, it ensures the payment of insurance coverage.

One of the main sectors of the economy is the insurance of insurance companies, and today the theoretical and practical problems of the analysis of their organization and activities depend on the structure and classification of the industry and their grouping. In classifying insurance companies for the provision of services within the scope of insurance services, it is important to determine the criteria based on their structural and functional functions. This is because the inconsistency of the classification in one country with another can lead to misunderstandings in the relationship, which can affect a country's insurance service performance.

Thus, in the context of modernization of the economy, the guaranteed performance of business entities depends in many respects on the current financial potential of insurance companies and the degree of development. The development of insurance activities is directly related to the proper organization of insurance services. Insurance services are the collection of insurance premiums from as many insured persons as possible and the formation of insurance reserves necessary for the fulfillment of their obligations and



payments by paying them guaranteed insurance premiums in the event of an insured event. By providing insurance services, insurance companies accumulate funds that do not belong to them.

It should be noted that insurance companies affect the interests of many insured who are financially unstable in the performance of their obligations. Therefore, in the implementation of insurance services, it is important to focus on ensuring the financial stability of insurance companies, the compliance of financial and economic activities with applicable law, as well as the correct implementation of the technology of selling insurance policies. In the context of the negative factors of the crisis as a result of the pandemic, attracting more customers and improving the quality of services provided by the technology of selling insurance policies remains a key factor.

This will be achieved through the correct policy of sales of insurance products and the widespread use of advanced methods of insurance services, the introduction of theoretical and practical experience, as well as the operation of insurance agencies in accordance with international standards for services related to the technology of selling national insurance policies in Uzbekistan. Currently, the Republican insurance companies have problems that need to be addressed in the sale of insurance policies. In particular, taking into account the specifics of insurance services in the country, one of the most pressing issues remains the aesthetic approach to the organization of insurance services and the methodological basis for its organization in accordance with the requirements of a market economy. Its positive solution will ensure the financial stability and competitiveness of insurance companies. The lack of a full scientific basis for the above issues makes it necessary to conduct research on the effective organization of insurance services.

In developed countries, the implementation of the classification is approached mainly in terms of the performance of the tasks assigned to state insurance agents. An example is the historical classification model in developed market economies [9].

There are also a number of other alternative options for classification.

This classification can be interpreted in the form of a table.

**Table 1 Distribution of insurance services by sectors**

Types of insurance services	Application in industries
Production insurance services	Insurance service for engineering, leasing, equipment maintenance and repair
Distribution insurance services	Insurance services for trade, transport, communication systems
Professional activity insurance services	Insurance services for banks, insurance companies, financial, consulting and other firms
Consumer insurance service	Services related to household insurance
General services insurance	Insurance of television, radio, education, cultural structures





As mentioned above, its economic significance can be revealed by scientific and theoretical analysis of the activities of more than 200 insurance services. This activity should be aimed at solving the issues of insurance of production of material goods, provision of various insurance services to the population, training of professional personnel for the insurance system.

At present, according to world experience, insurance entities engaged in service activities are divided into large, medium, small and very small entities. The category of such enterprises in the world is determined by the number of employees. In fact, it is also possible to classify according to other criteria, such as value added, turnover, degree of independence of the enterprise, and so on. If we look at EU standards, if the number of employees is more than 250 people - a large enterprise; From 50 to 249 people - medium enterprise; From 10 to 49 people - a small business; From 1 to 9 people is called a very small enterprise [10].

The most common private entities in the United States are manufacturing and consumer insurance services. It is important to organize insurance services in the field of catering, medical services, recreation, as it consists of very small enterprises with 2-4 employees. Major service enterprises mainly include banks, ICT, tourism, business structures providing hotel services, catering, transport, education, advertising, medical services and others. The activities of large enterprises can be not only national, but also international. Therefore, the insurance service can be divided into groups.

Innovation in the field of insurance services (ie the production of new products in the insurance industry, the use of new modern technologies, the introduction of new types of insurance, etc.) is a technological innovation that serves to fully meet the needs of society. The types of innovations in insurance companies engaged in production-related insurance services in the system of insurance services can be divided into the following groups:

- Technical innovation insurance - is characterized by insurance associated with the introduction of modern new technical and technological equipment at the enterprise;
- Organizational and technological innovation insurance - means the creation of a new type of insurance services, the organization of work and the introduction of effective forms of insurance services;
- Management innovation - it means the improvement of the organization of external and internal insurance relations, using new forms and methods of insurance management;
- Complex innovation is an innovative process that simultaneously covers various aspects of insurance services. Assessing the state of insurance service delivery in any country will depend on the quality and culture of its insurance service.

The quality of insurance services means the complex condition of the services provided, compliance with applicable technical standards, full compliance with individual or general requirements, meeting national and international standards. The quality of service will be high, medium, low, according to customer demand. Improvement of



quality ensures successful implementation of services in the insurance organization, increase in the range of insurance products, rapid and short-term satisfaction of consumer demand and, ultimately, increase the efficiency of insurance services.

Examples of indicators characterizing the quality of insurance services are:

- The number and characteristics of equipment in the provision of services, the adequacy of equipment, various materials and funds;
- Psychological cycle of insurance services and its physical and technological features (different sounds, lighting, etc.);
- The most necessary information, data, their results, etc. for the insured on the provision of insurance services;
- Service to the insured, the quality of insurance services provided without his participation, etc.

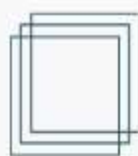
### **Conclusions and Suggestions**

Ensuring the safety of insurance services, which is one of the main indicators of insurance quality, is one of the important indicators to ensure the effectiveness of the insurance service organization. In order to ensure the provision of safe insurance services to policyholders, it is necessary to know the following types of security: environmental, information, financial, property, psychological, human health and other safety.

In case of compliance with these requirements, the provision of insurance services is considered to be carried out at a high level of insurance quality. This requires the management of the insurance company to work consistently to improve the skills of employees, the widespread introduction of modern technologies in the workplace and the implementation of quality management.

### **References**

1. Resolution of the President of the Republic of Uzbekistan No. PP-4947 on the Action Strategy for the Development of the Republic of Uzbekistan dated 07.02.2017.
2. Theory and practice of insurance. / Pod red. K.E. Turbinoy. - M.: Ankil, 2003; Shaxov V.V. Insurance. - M.: UNITI 2003; Ginzburg A.I. Insurance. - SPb: Peter, 2003; Armstrong D. Insurance business: principles of organization. - M.: ed. MEA, 2002; Gorndayn R. Insurance market: organization, principles and practice. - M.: Infra-M, 2001; Pfayffer K. Introduction to reinsurance. - M.: ANKIL, 2000; Bruncker L. Reinsurance: theory and practice. - M.: International relations, 1999.
3. Shennaev X.M. A Guide for Insurance Agents. - T.: InfoCOM.uz, 2010. - 208 p.
4. Maxmudova L. Insurance case. Study guide. - T.: TAKI, 2004; Xo'jaev I. Insurance in foreign economic activity. Study guide. T.: Tax Academy, 2005; Klimov M.A. Insurance. Tutorial. - M.: PRIOR, 2004. - 137 p.
5. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated November 27, 2002 No 413 "On measures to further develop the market of insurance services "



- // System of decisions of the Government of the Republic of Uzbekistan, 2002. - 11, pages 65-97; Decree of the President of the Republic of Uzbekistan No. PF-3022 of January 31, 2002 "On measures to further liberalize and develop the insurance market"; Resolution of the President of the Republic of Uzbekistan dated April 10, 2007 No PP-48 "On measures to further reform and develop the market of insurance services."
6. Shennaev X.M. A Guide for Insurance Agents. - T.: InfoCOM.uz, 2010. - 208 p.; Boymuradov T.M. Transfer of risks in insurance activities. Monograph. - T.: ECONOMY-FINANCE, 2005. - 181 pages; Shennaev X.M. A Guide for Insurance Agents. - T.: InfoCOM.uz, 2010. - 208 p.
  7. Klochenko L.N., Yuldashev R.T. Guidance on the organization of insurance companies. - M.: Ankil, 1997. - 110 p.
  8. Efimov S.L. Organization of management of the insurance company: theory, practice, foreign experience. - M.: Russian legal publishing house, 1995. - 147 p.
  9. Efimov S.L. Organization of management of the insurance company: theory, practice, foreign experience. - M.: Russian legal publishing house, 1995. - 147 p.; Theory and practice of insurance. Tutorial. coll. ed. - M.: ed.Center Akil, 2003. - 704 pp., Adamchuk N.G. Yuldasheva R.T. Review of insurance markets for foreign countries (series «World insurance markets»). M. - Publishing center «Ankil», 2001, - 120 p.; Hampton D.D. Financial management in insurance companies- M.: Ed. Center Akil, 1995. - 263 p.
  10. Lapusta M.G., Starostin Yu.L. Small Business: Textbook. -2<sup>nd</sup> ed., revised. and additional - M.: INFRA-M, 2005. - p. 7-18.
  11. Xusanov, B. S. (2021). PROBLEMS OF FURTHER STRENGTHENING OF FINANCIAL SUPPLY OF SOCIAL SERVICES IN THE SPHERE OF EDUCATION AND HEALTHCARE. Экономика: анализы и прогнозы, (2), 142-151.
  12. ELAMONOVICH, E. N. Module for Assessment of the State of Local Budgets. International Journal of Innovations in Engineering Research and Technology, 7(11), 46-50.