



ANALYSIS OF THE TRANSFORMATION OF THE NATIONAL INSURANCE MARKET OF UZBEKISTAN

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Abstract: This article presents analytical data on collected insurance premiums and insurance payments made for insurance services provided on the national insurance market of Uzbekistan, the amount of liability received, and offers and recommendations.

Keywords: Insurer, insured, insurance premium, insurance payments, insurance services, insurance market digitization, insurance market participants, insurer's competitiveness, insurer's financial stability.

Introduction

In recent years, the market of insurance services in our republic has expanded, introduced in the network, and the wide implementation of the markets has received recognition. Among them, the Decree No. 4412 of the President of the Republic of Uzbekistan dated 02.08.2019 was adopted and sufficient solutions were given to the existing problems in the field of insurance. In the 21st century, it is important to pay special attention to each sector of the economy, and insurance is an important branch of the same economy.

It is important to use the experience of giants developed by countries such as Uzbekistan, which have set themselves the goal of entering the world market and selling their products, including reforms that meet the modern demands of the digital economy, such as electronic police. Despite the pandemic of 2020, the insurance industry has become one of the sectors that managed to recover in the global market. The insurance market is a sphere of certain monetary relations in which insurance protection is involved as an object of trade, and a special socio-economic network in which supply and demand is formed is considered. In a broad sense, the insurance market is a set of economic relations arising from the purchase and sale of insurance services. The purpose of the insurance market is to ensure the continuity of the developed production processes by eliminating the damage caused by unexpected accidents. Today, the real changes taking place in all spheres of the economic and political life of the republic create conditions for increasing the role of insurance as one of the components of the economic and financial system. The insurance market is one of the most important segments of the market economy and its role in the socio-economic development of the country cannot be overestimated.

Currently, 42 insurers operate in the insurance market of Uzbekistan.

34 of them are in the general insurance network and 8 in the life insurance tobacco, as well as 5 insurance brokers, 5 actuarial organizations and 22 assistant, adjuster, surveyor

companies. However, 7,000 employees and 9,536 insurance agents (2,774 of them are individuals) operate in the state of insurers.

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Table 2.1

Index of insurance premiums of insurance organizations operating in Uzbekistan at the end of 2021 (million soums)¹

№	Name of insurance companies	Insurance premiums		
		31.12.2020	31.12.2021	Changes %da
1	"O‘zbekinvest" EISK AJ	262 869	385 385	+46,6 %
2	"Gross Insurance" MChJ	251 773	343 817	+36,6 %
3	"O‘zagrosug‘urta" AJ	178 203	260 975	+46,4 %
4	"Apex Insurance" MChJ	120 337	229 112	+90,4 %
5	"Kafolat sug‘urta kompaniyasi" AJ	149 363	223 750	+49,8 %
6	"My Insurance" MChJ	101 310	185 284	+82,9 %
7	"Alfa Invest" MChJ	97 295	156 314	+60,7 %
8	"Euroasia Insurance" QK MChJ	144 932	154 390	+6,5 %
9	"Temiryo‘l-sug‘urta" MChJ	52 788	135 316	+156,3%
10	"Kapital sug‘urta" AJ	49 432	116 805	+136,3 %

There are 42 insurance companies in Uzbekistan, 45 percent of the total services in the insurance market are accounted for by the first 5 companies, and 73 percent by the 10 companies. This shows that the potential of the insurance market is not fully functioning. In addition, in other countries, the share of life insurance is 50 percent, while in Uzbekistan it is 19 percent. In 2021, the following insurance companies achieved the highest premium collections in the general insurance industry.

As can be seen from the above table, the highest share of collected premiums in the general insurance network of the national insurance market in 2021 belongs to "Uzbekinvest" EISK JSC. Its share in total insurance premiums is 12.9 percent. In addition, gross insurance company owns 11.5% of OJSC, Ozagrosugurta OJSC 8.7%, Apex Insurance LLC 7.6%, guarantee insurance company 7.5%, My Insurance LLC 6.2% percent, Inv Invest LLC 5.2 percent, Euroasia Insurance LLC OJSC 5.2 percent, Railway Insurance LLC 4.5 percent, and Capital Insurance OJSC 3.9 percent. The volume of investments in the economy is 3.7 trillion. reached soums (an increase of 1188 percent). 2.2 trillion soums for bank bonds, 1 trillion soums for shares, 247 billion soums for real estate, 142 billion soums for the authorized fund of

¹ <https://imda.uz/uz/2021-yillik-korsatgichlar/> prepared by the author based on site data.



organizations, 47 billion soums and the remaining 5 billion soums for other invested in investments.²

At the same time, by the end of 2021, 1,232 trillion won by insurance companies of the Republic. insurance payments were made in the amount of soums, of which

1,041 trillion soums were paid for voluntary insurance types and 191 billion soums for mandatory insurance types. Their share in total insurance payments is 85 and 15 percent. If we compare the insurance payments in the Ummi insurance sector in the regions, the highest figure is 298 billion. collected the sum and came to Tashkent city. This figure was 49% of the total insurance premiums in the general insurance sector and increased by 49.7% in 2020 compared to the previous year. In addition, the highest share of insurance payments in the field of life insurance fell to the city of Tashkent and amounted to 178 billion US dollars. accounted for 56% of total payments and total payments.

Despite the rapid development in recent years, the role of insurance in the economy of Uzbekistan remains low, accounting for only 0.4% of the gross domestic product (GDP). In particular, it is about 230 million in 2020.

In addition, life insurance in Uzbekistan, in particular life insurance with savings, is developing only within the framework of created benefits, and this insurance does not have a mass character among the population. Compared to developed countries, the life insurance industry has not played as important a role in the social sphere and economy as in these countries. There are many reasons for this and it is of great importance to analyze, study and find a solution based on the scientific basis of these reasons.

In late December 2019, the first case of the novel coronavirus (COVID-19) was reported in Wuhan, the capital of China's Hubei Province, and the disease has spread widely to many regions of the country, other countries and continents. As of March 16, 2020, more than 170,000 people in 148 countries have been reported infected with the virus. The government of our country has taken drastic measures to mitigate the negative impact of this pandemic on the economy. In particular, the Decree of the President of the Republic of Uzbekistan dated March 19, 2020 No. PD-5969 "On priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis on macroeconomic stability during the period of coronavirus infection and other global threats" In accordance with the decree, to ensure the continuous operation of this system. economic sectors and branches, stimulation of foreign economic activity, effective social support, prevention of sharp decline in income., Under the Ministry of Finance of the Republic of Uzbekistan, a fund for combating the crisis in the amount of 10 trillion soums was established. In addition, according to the President's Decree, a special Republican commission was established on the program of preparation of measures. A few limitations crept in.

In particular, from March 23, 2020, the state borders were closed, all enterprises and institutions in Tashkent (regardless of the form of ownership) were allowed to go on vacation without affecting their main activities, and the rest of the workers could work remotely (online or remotely) as much as possible. . In addition, since March 16, 2020, Uzbekistan's air, rail and road traffic with foreign countries has been suspended. It is worth mentioning that the large-scale prevention of the COVID-19 pandemic in the country has led to the decline of small

² Stat.uz , The website of the Insurance Market Development Agency of Uzbekistan is imda.uz



business entities in the fields of international economic relations, tourism, hotel business, money transfer, manufacturing and service, and as a result, income.

This situation undoubtedly had a negative impact on the development of the insurance market, which is one of the most important links of the economy, due to a decrease in production in enterprises and organizations, a decrease in export-import operations, and a decrease in business activity. service forecast was not fulfilled. As a result, the business plans for 2020 of the insurance companies operating in the insurance market of Uzbekistan were revised. Scientists and experts also conducted research on the impact of the COVID-19 coronavirus pandemic on the insurance market of Uzbekistan.

According to preliminary data, in the first half of 2020, the gross domestic product of Uzbekistan at current prices will be 255,252.6 billion. amounted to soum. And it increased by 0.2 percent compared to January-June 2019. However, in January-June 2019, GDP growth was 6, sharp compared to the corresponding period of 2018. Thus, GDP growth in the first six months of 2020 decreased by 5.8 percent compared to the corresponding growth rates of 2019. In addition, according to statistics, in the first quarter of 2020, the amount of insurance premiums for voluntary insurance amounted to 413.4 billion soms. However, this figure was 449.8 billion soums in the first quarter of 2019 or 36.4 billion soums in the first quarter of 2020. In other words, the volume of insurance premiums collected by the country's insurers in the first quarter of 2020 decreased by 8%.

Due to the coronavirus pandemic, quarantine restrictions were officially introduced in Uzbekistan in the second half of March 2020. Thus, in January-February of this year, the national insurance market continued to develop as usual. However, since the second half of March 2020, the disruption of economic activity caused by the coronavirus pandemic in the country had a negative impact on the main indicators of the insurance market. Therefore, there is an aspect to be discussed here. Logically, given that quarantine restrictions were introduced in the country in the second half of March 2020 to mitigate the consequences of the coronavirus pandemic, its negative impact in the first quarter of 2020 should not have had a significant impact on the insurance market of Uzbekistan. However, the analysis of the given data shows that the volume of insurance premiums for voluntary insurance types decreased by 8 percent. It can be seen that the volume of voluntary insurance premiums collected in the first quarter of 2019 in the insurance market of Uzbekistan is higher than the volume of voluntary insurance premiums collected in the first quarter of 2018. It increased by 133.8 billion soums or by 142%. In the first quarter of 2018, in contrast to the first quarter of 2017, the receipt of insurance premiums for optional insurance types increased by 220 percent. Based on this, according to the expert, if quarantine measures had not been taken due to the coronavirus pandemic, probably by the end of the first quarter of 2020, the amount of insurance premiums received on voluntary insurance types would have increased by an average of 140%. 2016 -According to the results of the first quarter of 2020, the insurance companies operating in the insurance market of our country made insurance payments in the amount of 550.5 billion soums to cover the losses suffered by legal entities and individuals. Of this, 446.3 billion soums or 81.1 percent were allocated to voluntary insurance, and the remaining 18.9 percent to mandatory insurance.

According to the data, the largest insurance payments in the analyzed period amounted to 159.9 billion soums in the first quarter of 2019. In the first quarter of 2020, the coronavirus infection did not spread, and even during this period we could observe a significant increase in the volume of insurance payments. However, due to the COVID-19 pandemic, the amount of



insurance payments in the first quarter of 2020 amounted to 141.2 billion soums, which is 18.7 billion soums or 12% less than the first quarter of last year. At the same time, the volume of insurance payments of insurers amounted to 95.8 billion soums compared to the first quarter of 2019, which was 249 percent compared to the first quarter of 2018. In the first half of 2020

In the media of the insurance community of Uzbekistan, even in the case of a coronavirus pandemic, insurance payments are made to cover the damage caused by insurance events. For example, on April 27, 2020, the total liability of the "Guarantee" insurance company for objects damaged by strong wind and rain in the Bukhara region amounted to 21.9 billion soums. soums, a total of 195.1 mln. According to 13 appeals, sums. Insurance coverage paid Rs. From April 17, 2020 to April 6, 2020, Uzbekinvest insurance company paid 132.9 million soums of insurance coverage. The volume of insurance premiums decreased by 4 percent in the 1st quarter of 2020 compared to the 1st quarter of 2019. However, this change has affected all insurance products differently. While the premium rate for one type of insurance has decreased, the amount of premiums for other types of insurance has remained unchanged. Regarding the impact of the coronavirus pandemic, industry experts believe that the impact of the pandemic has reduced the demand for life insurance and the number of new insurance contracts to be written. As a result, the amount of insurance premiums under current insurance contracts has decreased sharply. In short, the restrictive quarantine measures introduced in the wake of the COVID-19 coronavirus pandemic had a negative impact on the development of the insurance market and, at the same time, led to a sharp decline in economic activity. As a result, in the first quarter of 2020, there was a decrease in some indicators of the development of the insurance market in Uzbekistan. However, the economy will recover in the near future due to the prevention of the spread of the coronavirus infection, the elimination of cases of the virus, the production of vaccines capable of destroying the virus and the implementation of mass vaccination.

Table 2.2
The structure of the insurance market of the Republic of Uzbekistan
(by the end of 2022)

Insurance market structure	31.12.2021	31.12.2022	Change (+/-)
Number of insurance organizations	42	41	-2,4%
including life insurance	8	8	0%
Total charter capital of insurance organizations (in millions of soums)	1 589 808	1 884 111	+18,5%
Number of insurance brokers	5	7	+40,0%
Number of actuaries	5	5	0%
Number of insurance agents	9 581	9 155	-4,4%



<i>including legal entities</i>	2 820	2 625	-6,9%
The number of insurance organizations that are members of the Payment Guarantee Fund	23	25	+8,7%

This table describes the number of entities providing services in the insurance market in 2021 and 2022 and their change in percentage in these years. As the number of insurance services provided on the insurance market increases, so does the number of entities providing services on the insurance market.

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