



## ISSUES OF INCREASING THE INSURANCE MARKET BY INTRODUCING NEW INSURANCE SERVICES

\* *Vasila Nuriddinova*

\* senior teachers, Department of Finance, Tashkent Institute of Finance, 100 000, A.Temur street 60A, Tashkent, Uzbekistan,  
E-mail: [dostonberdiev7070@gmail.com](mailto:dostonberdiev7070@gmail.com)

### ABSTRACT

*This article outlines the expansion of the insurance market through the introduction of new insurance services. The activities of the national insurance company Uzbekinvest (Insurance Company in Uzbekistan) in the insurance market were also analyzed.*

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### 1. Introduction

An important area of financial services is the expansion of insurance services and, as a consequence, undertaking social policy of the country and financial support of the investment facilitation of the economy. In order to further develop the country's financial market and expand market activities, as well as to introduce innovative services in insurance companies and increase the effectiveness of companies, in pursuance of the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On Strategy for Further Development of the Republic of Uzbekistan", the Decree of the President of the Republic of Uzbekistan "Increase the volume of insurance, leasing and other financial services by increasing their quality and introduction of new types of services, the development of the stock

market as an alternative source for free enterprise, financial institutions and free resources of the population. "

Without understanding the basic concepts of insurance in the system of financial market relations, it is impossible to approach the issue of identifying and solving problems in the insurance sector. Among the most important of these are the following basic concepts: insurance, insurance activity, insurance risk (insurance risk), insurance market, professional participants in the insurance market. These concepts usually lead to understanding of insurance activity. Their interpretation is reflected in relevant legal acts regulating the activity of insurance organizations. For example, in accordance with the Law of the Republic of Uzbekistan of April 5, 2002 "On insurance activity", when insurance event occurs at the expense of monetary funds formed from insurance premiums paid by legal entities or individuals, these persons are entitled to cover their interests by paying

E-mail address: [info@researchparks.org](mailto:info@researchparks.org)

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insurance indemnity according to insurance agreement protection is understood."

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## 2. Literature review

Some of the publications described in the article are as follows: "Insurance is the sum of redistribution relationships associated with the formation of targeted insurance funds to compensate potential losses."

In order to clarify the socio-economic essence of the insurance, it is desirable to study the approaches to this issue in scientific literature. It is noted that they have a "insurance-service industry" and, accordingly, in recent years, the theory of "economics of services" has been found in the international economic terminology (Kalpakjian & Schmid, 2014; Pierce & Goldstein, 2016).

"Insurance activity" means the activity of professional participants of insurance market in connection with the insurance activity. The insurance risk (insurance risk) concept means the events that occur and the amount of damage is accidental. "The insurance market is a part of the cost-paying relationship that is being realized by the insurance service and is shaped by supply and demand."

Insurers, insurance intermediaries, adja-centers, actuaries, insurance brokers and professional assistant insurance market participants. Insurance broker, reinsurance broker and insurance agent are insurance intermediaries. "

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## 3. Main part

The legal person who is obliged to pay insurance compensation (insurance premium) in accordance with the insurance contract is considered as the insurer.

In the conditions of the market economy it is important to create competitive environment in the insurance market, to ensure its positive impact on the activity of its insurance companies, and to develop insurable and insurable insurance products for insurers and potential insurers in competitive conditions. Recently, the desire of the population to preserve their social status, property interests and increase in profitability create the basis for the creation of legal entities willing to engage in insurance activities and create competitive insurance services.

At present, 27 insurance companies in the national insurance market are operating in more than one hundred types of insurance and are trying to ensure that insurance products are based on demand, flexibility and flexibility. The saying goes that there will be an increase in competition. In non-competitive areas, it is not possible to attract customers, to convince others, or even to improve the quality. Therefore, a great deal of government-wide work has been done to eliminate the monopoly in the insurance industry and to provide insurance market with insurance services meeting the needs of the population.

Significant efforts are being made to further develop competition in the market of insurance services, increase the level of capitalization of insurance companies. In particular, as a result of the great attention paid to the reform and development of the sector, the volume of insurance

premiums grows by an average of 34% per year, and most of the population is provided with insurance services.

The development of competitive environment in the insurance market of Uzbekistan is a determining factor in the development of the industry. It is known that the commodity turnover in the insurance market is the insurance product, which means that its quality, price, order of purchase, convenience, availability and insurance conditions of the insurance contract are crucial for customers.

Clients, first of all, insist on the basic and additional types of services of the insurer, as well as the conclusion of the insurance event, the conclusion of the insurance product (Bhoothalingam, 2016).

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## 4. Research analyses

In recent years, a number of legal acts have been adopted for the development of the insurance market and large-scale projects have been implemented.

When analyzing the performance of Uzbekinvest national insurance company in the insurance market, one of the main tasks of the insurance company is to provide financial support to the health or property of the population as a result of accidents. As soon as possible, the Client's insurance indemnity is reviewed and the timely repayment of the insurance indemnity determines the insurer's reputation. At present there are 27 insurance companies. By 2018, they will make 927.4 billion. Total insurance premiums collected and amounted to UZS 269.9 bn. Total insurance payments were made.

Continuous improvement of the quality of insurance services, timely fulfillment of its obligations under insurance contracts is an important aspect of Uzbekinvest National Insurance Company's activity.

If applied to figures, in 2018, 9846 insurance claims were reviewed and approximately 32.2 billion soums were applied. The insurance cover was paid out in UZS. Of these, 25.6 billion. 6.6 billion soums were paid to legal entities. The share of individuals is equal to the share of individuals.

So, last year, an average of 820 insurance claims were filed, compulsory insurance of civil liability of employers, voluntary medical insurance, compulsory insurance of vehicle owners, voluntary car insurance, property insurance.

74% of insurance payments were made to voluntary types of insurance and 26% to compulsory insurance.

It should be noted that in 2017 the company will receive 20.6 billion soums of clients. The insurance cover was paid out in UZS.

In order to further improve the efficiency of the work with the population by Uzbekinvest, Hotline, day-to-day dispatcher service was introduced.

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## 5. Discussions

There is also the service of Tashkent city and Tashkent city assistant service, where the company employees come to the scene and render necessary assistance in case of an accident.

It is clear from the results of the research that there is a great potential for the development of the insurance market in our country and, with the utilization of this potential, the following:

1. It is necessary to establish insurance companies in the regions. State-owned investment projects allow the insurance of regional businesses, as well as the activities of small businesses and private entrepreneurship, through regional insurance companies, and, secondly, to provide employment for the population.

At the same time, the task of the insurance companies is to provide insurance companies with up-to-date technologies in the regions, to introduce effective insurance services with full analysis of demand for the population's insurance services.

2. Accelerated development of insurance of small business and private entrepreneurship, introduction of new types of insurance in business insurance (bankruptcy, loss of profits, unforeseen expenses, litigation costs, professional liability insurance and so forth), their precise design, differentiation, quality and increase efficiency.

3. The process of insurance operations starts with the development of insurance products that meet the needs of the population, so first of all it is desirable to produce products at high quality and at affordable prices and on the basis of demand of potential insurers. In sum, the development of the insurance market remains an integral part of the process of modernization of the economy.

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## Conclusion

It is being implemented in accordance with the national model of radical change which envisages the leading role of the state in the creation of new economic institutions and conditions for the formation of a socially oriented market economy. The country has a great potential for the development of the insurance market and the use of this potential will increase the share of insurance services in the gross domestic product.

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