

TARGETED DEVELOPMENT INDICATORS OF THE INSURANCE MARKET IN UZBEKISTAN AND THEIR INTERCORRELATION

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Abstract. *This article examines the target indicators of the development of the insurance market of Uzbekistan and their relationship. The correlation between these indicators is studied. Further, the regression equation for these indicators is determined, with the help of which it is possible to make a forecast for these indicators. To conduct a regression analysis for these indicators, the least squares method is used.*

Keywords: *insurance services, insurance market integration, correlation, development level, insurance market.*

I. INTRODUCTION

In today's rapidly evolving globalization environment, the socio-economic significance of the insurance market is increasing. In Uzbekistan, efforts are being made to further develop the financial market, expand the coverage of high-quality financial services for clients, support insurance activities, and ensure a reliable and consistent implementation of consumer rights protection in the insurance sector.

Although the scientific studies of our country's economists present quantitative and qualitative indicators of the development of the insurance market, a comprehensive systematic analysis of insurance relations has not been sufficiently conducted. In particular, insurance activity serves as a financial mechanism to cover potential losses related to a person's labor potential, health, life, property and liability [1].

Currently, the stability of the global economy is closely linked to integration processes, affecting all economic sectors, including insurance. Analyzing the modern development trends of the insurance market shows that the quantity and quality of insurance services provided vary across different markets. Therefore, accelerating the integration of insurance markets in countries with varying levels of development is unlikely to yield the expected results. A clear example of this is the integration of the European Union insurance market with the Southeast European insurance market, which has not been as effective as anticipated [2].

At the same time, it is essential to note that a systematic study of targeted development indicators and their correlation in the insurance market is crucial for ensuring its rapid growth, introducing new high-demand insurance services and increasing consumer trust in the insurance sector. These studies should be conducted both theoretically and practically in a holistic and systematic manner.

II. LITERATURE ANALYSIS

The development of the insurance market has been analyzed in the scientific works of economists such as G.Dickinson, A.Karl, R.Carter, T.Levitt, T..Murphy, L.Turo, M.Fernandez, O.Futterknecht and G.Chernova [3]. Additionally, research by scholars like N.Adamchuk, I.Zhuk, I.Kotlobovskiy, N.Kuznetsova, J.Pisarenko, K.Turbina and R.Yuldashev has focused on managing insurance services in developed and developing countries [4].

The issue of insurance market development in the context of globalization has been explored by researchers such as A.Kose, Y.Peikhun, S.Prasad, U.Hawkins and R.Sharma [3].

Some aspects of the targeted development of Uzbekistan's insurance market have been studied by economists such as H.Sobirov, T.Iminov, M.Mirsodikov, H.Shennayev, T.Baymuratov, I.Abdurakhmonov, A.Nurullaev and S.Sherov [5]. Their scientific works examine the essence of the insurance market, its development factors and management issues, particularly the improvement of insurance relations. However, the theoretical and practical aspects of the intercorrelation between targeted development indicators of Uzbekistan's insurance market have not been systematically studied.

The analysis of relevant literature indicates that the insurance market is an integral part of the financial market, while insurance relations form the foundation of the state financial system. The development of insurance activities in the economy ensures:

- Risk minimization;

- Guaranteed protection of consumers and the state against unforeseen and accidental events;

- Financial stability and balance in society. Despite previous scientific research and achievements in the global and regional insurance markets, a unified solution for assessing and planning the future development of the national insurance market has yet to be formulated.

III. RESULTS ANALYSIS AND RESULTS

From the perspective of opportunities, the insurance market in Uzbekistan is considered one of the most promising financial markets. However, it still lags in providing internationally relevant insurance services (such as life insurance classes). Additionally, the role of insurance activities in investment processes, which serve as the primary source of income for insurance companies, is not at the desired level. This is attributed to the relatively low capitalization of insurance organizations and their insufficient share in the reinsurance market.

Insurance is the process by which legal and physical entities, as well as state subjects, are protected through insurance premiums and accumulated funds based on the occurrence of specific insurance events.

Insurance providers in Uzbekistan are organizations and companies operating under national legislation, holding licenses to conduct insurance and reinsurance

activities. Policyholders include individuals and legal entities that enter into contracts with these insurance organizations. The process of providing insurance and reinsurance services is defined as insurance activity.

The effectiveness of the insurance system depends on the improvement of the legislative framework, the efficiency of the state's financial and monetary policy, the quality of insurance activity supervision and the reliability of insurance organizations.

The primary goal of insurance activities is to protect the property and activities of legal and physical entities. It must fulfill the following tasks:

- Implement a unified state policy in the insurance sector;

- Establish insurance principles that ensure economic security for citizens and economic entities;

- Develop an insurance mechanism.

To enhance public engagement in insurance activities in Uzbekistan, it is advisable to introduce the following insurance services:

- Life insurance guaranteeing survival until a certain age or protection against potential insurance events;

- Marriage insurance ;

- Pension insurance;

- Insurance against various diseases and accidents;

- Health insurance;

- Vehicle insurance;

- Cargo insurance;

- Agricultural insurance (crop, plant and livestock insurance);

- Property insurance for individuals and legal entities;

- Liability insurance;

- Business risk insurance;

- Financial risk insurance and others.

As of January 1, 2021, a total of 46 insurance organizations in Uzbekistan have been licensed to conduct insurance activities [6].

According to data from the UK-based New Frontier organization, the “Insurance Penetration Rate”, which is determined by the ratio of total insurance premiums to GDP, stands at 6.35% globally [7]. However, in Uzbekistan, this figure is only 0.4% [8]. While the global per capita insurance premium amounts to 847 euro, in Uzbekistan, it is just 6 euro, indicating the limited reach of these services. Among global leaders, Hong Kong holds the highest position, with a per capita insurance premium of 7,500 euro, while Nigeria records the lowest at 5 euro.

The main issues observed in insurance relations in our republic include the refusal to pay insurance compensation, the insufficient application of digital technologies in the provision of insurance services, the valuation of insured objects being determined through mutual agreement between the parties, the insurer's obligation to pay compensation being strictly defined, the lack of alternative dispute resolution methods and the presence of restrictions in contractual relationships.

Table

Key Indicators of Uzbekistan’s Insurance Market Development (2019-2022)

Year	2018	2019	2020	2021	2022	2023
Total Assets of Insurance Organizations	2,5	3,0	3,6	4,3	5,2	6,0
Types of Insurance Services	105	115	135	155	175	196
Number of Regional Branches	1450	1500	1580	1660	1740	1825
825	50,0	65,0	88,0	114,0	148,0	179,0
Share of Insurance Services in GDP(%)	0,4	0,5	0,6	0,7	0,8	0,88

This is us

$$r_T = \frac{\sum n_{xy}xy - n \cdot \bar{x} \cdot \bar{y}}{n \cdot \sigma_x \cdot \sigma_y}, \quad \bar{y}_x - \bar{y} = \rho_{yx}(x - \bar{x})$$

Use and We find the regression line for the indicators under study.

Studying the correlation of increasing the level of service of insurance agents (Figure1) We find the values of , for the profitability of detection and correlation coefficients,respectively.

This indicates that the dependence of insurance assets on the number of insurance service types is very strong. From this , it can be seen that an increase in the number of insurance service types in insurance organizations leads to an increase in their assets.

In turn, this leads to an increase in investments made in insurance organizations made in insurance organizations.As a result.insurance premiums per capita increase,which in turn contributes to an improvement in the standard of living of the population.

The validity of our conclusions is also confirmed by the correlation between the amount of insurance premiums per capita and the number of insurance service types (Figure 2)

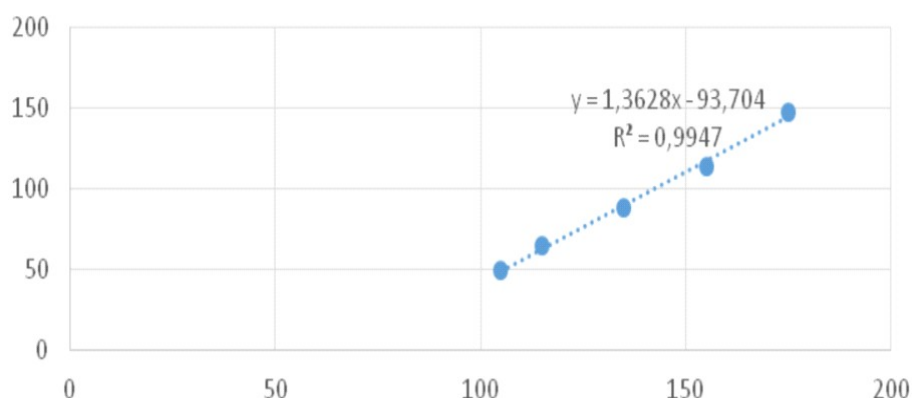


Figure 2. Correlation Between per capita insurance Premiums and the Number of insurance service Types[10]

Here, as a result of studying the correlation of the insurance premium per capita with respect to the number of types of insurance services (Figure 2), we find the values for the coefficient of determination and the correlation coefficient, respectively. This, in turn, shows that the amount of insurance premiums per capita is very closely related to the types of insurance services.

Thus, the increase in the types of insurance services offered by insurance organizations leads to an increase in the amount of insurance premiums per capita. This, in turn, will increase the public's trust in insurance organizations and create an understanding among the population of the need for insurance.

The correlation of the amount of insurance premium per capita with respect to insurance assets (Figure3) shows how reasonable our above opinions are.

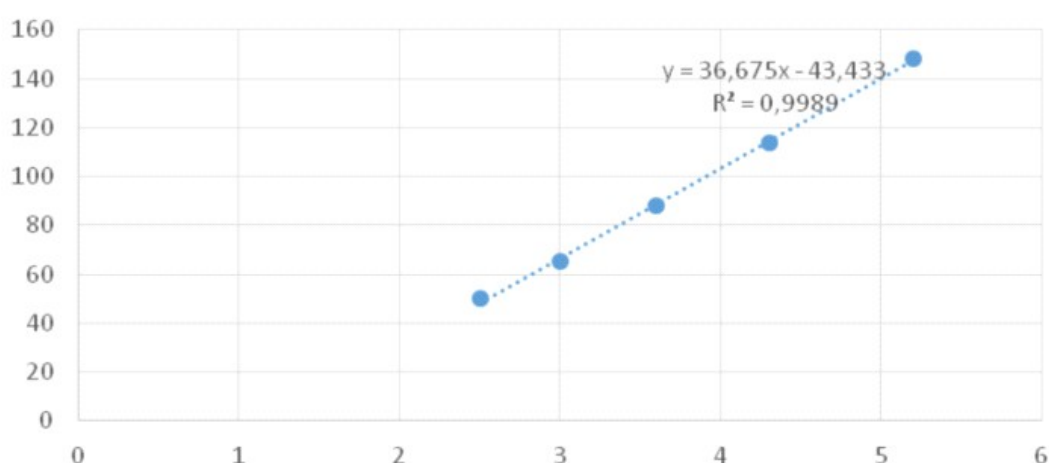


Figure 3. Correlation of insurance premiums per capita with respect to insurance assets [10]

IV. CONCLUSION AND SUGGESTIONS

In order to further reform the national insurance market and ensure its rapid development, introduce new highly demanded types of insurance services, increase consumer confidence in the insurance market and in accordance with the State Program

for the implementation of the Five Priority Areas of Development Strategy of the Republic of Uzbekistan, the following measures for the reform and rapid development of the insurance market are proposed:

Improvement of the regulatory and legal framework in the insurance sector, including the consistent implementation of international standards, recommendations, best global practices in this field;

Institutional development of activities aimed at ensuring the stability of this market through the application of effective regulatory and prudential supervision mechanisms.

Increasing the capitalization level, solvency and financial stability of professional participants in the insurance market, optimizing the structure of their assets and developing insurer's investment activities;

Developing the infrastructure of the insurance market by enhancing the activities of insurance brokers, improving the operational system of insurance agents, introducing bancassurance mechanisms and strengthening the overall role of professional participants in the insurance market.

Strengthening the protection of the rights of insurance service consumers and insurance relationship subjects, increasing public trust in insurance and ensuring transparency in the insurance market;

Expanding the volume and types of insurance services by introducing innovative insurance products and developing high-demand traditional products;

Broadly utilizing modern information technologies in the insurance sector and actively developing electronic insurance services;

Establishing and maintaining a positive image of the national insurance market, as well as enhancing its investment attractiveness, including through the integration of the national insurance market with international and foreign insurance markets.

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