



Risk Assessment In Professional Insurance

Risk Assessment Of Insurance Services In Our Country

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ABSTRACT

The article deals with current problems of occupational risks estimation in social insurance and key notions in the estimation methods, and substantiates the necessity of using occupational risks estimation methods in social insurance. The author proposes a new technique of occupational risks estimation, and determines factors that influence the level and scale of occupational risks. According to the current legislation, the creation of a labor protection management system, which includes occupational risk management, is the responsibility of every Uzbek employer. In addition, such measures increase the security of the business as a whole and allow employees to properly organize social insurance.

Keywords:

Insurance activity, social insurance, social insurance against accidents and occupational diseases, occupational risk, working capacity, work incapacity.

Introduction. The main purpose of social insurance of occupational risks is to provide adequate compensation to victims of an industrial accident and/or occupational disease. As a rule, as a result of such events, an individual loses all or part of his ability to work, which inevitably leads to a decrease in opportunities to receive labor income in the form of wages.

An injury or illness in the workplace can lead to a decrease in income after an injury for several reasons, including a decrease in an employee's physical abilities to work, a violation of career growth, and a weakening of relations with an employer, which may be associated with injured employees.

In Uzbek practice, there is no research on the adequacy of compensation payments to injured workers in the social insurance system of occupational risks.

Literature review. Several researchers solved this problem by creating comparison or control

groups consisting of workers whose earnings were similar to the victim before the date of the injury. Biddle (1998) linked accepted employee compensation claims filed in Washington State from July 1993 to June 1994 with income data for six quarters (1.5 years) before and 14 quarters (3.5 years) after injury at work [2]. Earnings losses for more seriously injured workers were estimated by comparing their earnings after injuries with those of workers whose injuries were not related to loss of working time. Biddle used statistical methods to adjust the characteristics of workers and the labor market, which may explain the differences in earnings losses compared to the comparison group.

Boden and Galizia (1999) compared the income after injuries of various categories of applicants for workers' compensation in Wisconsin with data from a comparison group of workers who received benefits only for 7-10 days. The

applicants suffered injuries that occurred between April 1, 1989 and September 30, 1990 [3]. Boden and Galizia suggested that the loss of income for the comparison group occurred only during a short period of temporary payments. Similar to Biddle's approach, they also used statistical methods to control for other factors (personal characteristics, employer characteristics, and labor market characteristics) that may explain differences in earnings losses compared to the comparison group. They then estimated what the earnings of the injured workers would have been if they had been in the comparison group, and compared their actual earnings after injuries with these figures.

Reville (1999) compared the earnings of applicants with permanent partial disability after injury in California with the earnings of 10 people who were not injured (per injured employee) who worked in the same company and had similar earnings before the date of injury [4]. The injuries occurred during 1991-1993. Partial disability refers to injuries that are

found to have a permanent effect, but do not prevent the victim from returning to any form of work. Revill noted that the use of controls from the same firm as the applicant leads to underrepresentation of small firms because they are less likely to have controls available.[5]

Analysis. There are several ways to measure the adequacy of compensation payments to affected workers. There are two key issues: how to measure lost income and how to determine the replacement rate — the degree to which compensation payments compensate for the loss of income. Measuring lost earnings As for the first question, one approach is to compare an employee's earnings after the date of injury with earnings before injury. This approach has the main advantage of simplicity: if income data are available (and they can be linked to compensation claims data), then it is possible to calculate the ratio of income after injury per year for each year after injury to income for the year before injury. Ideally, this should be done over a long period after the injury to cover both short-term and medium- and long-term impacts

Table-1

The state of working conditions of workers engaged in mining, manufacturing, construction, transport and communications enterprises in the Sirdara region (as of the end of 2023)[6]

№	Workers	Total		Including			
		human	%	Men's		Women's	
				human	%	human	%
1	The list number of employees	221 931	100,0	150 083	100,0	71 848	100,0
2	Employed in conditions that do not meet the hygienic standards of working conditions	75 486	34,0	61 481	41,0	14 005	19,5
3	Those engaged in hard work	34 063	15,3	29 753	19,8	4 310	6,0
4	Working on equipment that does not meet the requirements of labor protection	1 227	0,6	732	0,5	495	0,7
5	Employed in types of work related to the intensity of the labor process	17 375	7,8	14 617	9,7	2 758	3,8

These data indicate a high degree of occupational risks in the priority sectors of the regional economy — in mining enterprises, manufacturing, construction, transport and communications.

The joint venture of the Syrdarya region in the form of a limited liability company "Syrdarya Mega Lux" has established the production of packaging products, soft container bags, plastic films.

Uzbekistan-Russia seeks to export products to Russia, Kazakhstan, Ukraine, Belarus, Kyrgyzstan, Tajikistan, Moldova, Armenia, Afghanistan, Israel. In 2023, exports amounted to 35%.

However, this approach has an important limitation: many factors can affect a person's earnings over time, except for injury, so it is difficult to determine the specific impact of a work injury. These factors include: accumulated work experience (which may depend on an occupational injury, but also affects wages in the absence of an occupational injury), the acquisition of new skills and knowledge, as well as labor market conditions. These influences may vary depending on the characteristics of the employee, such as age and gender. For example, an employee who was injured at a very young age might have had a low salary rate before the injury, but expected a much higher salary as he gained experience and knowledge. In this case, comparing income before and after injury will underestimate the loss of potential income.

The second issue in measuring the adequacy of employee compensation payments is how best to measure the extent to which benefits compensate for lost benefits. Two alternative approaches can be considered. One of the approaches adopted in all the above-mentioned studies in the United States is to measure the proportion of lost earnings that are replaced by employee compensation payments. This share can be designated as a loss compensation coefficient.

For example, suppose we decide to calculate lost income by comparing post-traumatic income with income before injury. Let's assume that the annual income before the

injury was 500,000 soums, the income after the injury was 300,000 soums, and the compensation payments to the employee were 80,000 soums. In this case, the loss of earnings is 20,000 soums per month, and benefits cover 40% of this loss. The coefficient of compensation for losses is 40% in the considered case.

A similar calculation could be made if we used control groups to estimate the loss of income. However, instead of calculating the loss of earnings by comparing income after injury with income before injury, the comparison will be with the income of the control group after the date of injury.

An alternative approach could be to measure the extent to which a combination of post-injury earnings and employee compensation payments replaced the earnings that the employee would have received if he had not been injured. This can be measured using income before injury or a control group. This indicator can be described as an income replacement coefficient. In the example just described, the amount of earnings and benefits after injury is 380,000 soums. Thus, the income replacement ratio is 76 % ($380\,000 / 500\,000$). **In conclusion**, Thus, there are four possible ways to measure the adequacy of employee compensation payments, depending on decisions on how to measure the loss of earnings (compared with earnings before injury or with earnings of the control group after injury) and how to determine the replacement coefficient (compensation for losses or earnings). The systematization of methods for assessing the adequacy of compensation payments allows conducting empirical research in relation to the domestic social insurance system of occupational risks.

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6. Compiled by the author (<https://www.sirstat.uz>)