



Improving Foreign Investment Insurance in Uzbekistan

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ABSTRACT

The theoretical and methodological basis of foreign investment insurance in Uzbekistan, the practice of foreign investment insurance, the existing problems in this field, analytical data have been explored in this article, also paper includes conclusions, suggestions and recommendations for improving foreign investment insurance.

Keywords:

investment attractiveness, foreign investments, risk management, insurance pool, insurance fund, insurance premium.

Introduction

The world countries take effective measures aimed at strengthening the role of insurance in the guaranteed protection of all property of foreign investors while expanding the scale of investments attracted to the economy, as well as at the widespread using of insurance while increasing the attractiveness of the investment climate of the regions. According to a report by the Swiss reinsurance company Swiss Re, "In 2021 natural and man-made disasters in the world caused damage to the global economy in the amount of 270 billion US dollars, 111 billion US dollars or 41.1 percent of which were covered by insurers"¹. Transformation of insurance activity, in scientific research conducted in the world in the field of foreign investment insurance, special attention is paid to the development of the activities of a special state body (or system of bodies) that provides guarantees and insurance services to foreign investors, mutual protection and stimulation of foreign investments. Scientific research is being carried out in such areas as the organization of an insurance pool

(Insurance Pool) in the form of a public-private partnership in insuring high-value projects with the participation of foreign investments, the introduction of innovative types of insurance in the insurance of foreign investments, expanding the scale of bilateral and multilateral interstate agreements, developing mechanisms for resolving investment disputes.

In Uzbekistan, the development of the insurance services market plays an important role in further improving the investment climate and increasing its attractiveness. The task of "expanding the volume of insurance, leasing and other types of financial services through the introduction of their new types and improving the quality, as well as the development of the stock market as an alternative source of attracting capital and placing free resources of enterprises, financial institutions and the population"² in the republic was outlined. In ensuring the fulfillment of this task, the issues of introducing new types of insurance while protecting the attraction of foreign investment into the economy through insurance, digitalization of the insurance

¹ Natural catastrophes in 2021: the floodgates are open. <https://www.swissre.com/institute/research/sigma-research/sigma-2022-01.html>

² Decree of the President of the Republic of Uzbekistan No. 4947 "On the Action Strategy for the Further Development of the Republic of Uzbekistan" of February 7, 2017)

market.

Literature review.

The scientific and theoretical basis of foreign investment insurance are investigated in the scientific works of such foreign scientists-economists, like J. Keynes, W. Sharp, M. Sornaraja, F. Henius, F. Berdo, Sh. Talesh, J. Stiglitz³.

In the scientific works of scientists from the CIS countries, such as K. Turbina, O. Malkova, A. Zagryadsky, L. Borodavko, N. Krichevsky, D. Volzhanin, D. Mikheev, M. Budnikov and O. Yatsentyuk, directions for improving foreign investment insurance⁴.

In the studies of domestic scientists, such as D. Gozibekov, N. Karimov, N. Zhumaev, Zh. Karimkulov, N. Kuzieva, K. Khoshimov, Kh. Shennaev, T. Baimuratov, foreign investments and issues of their insurance⁵ were also investigated.

In the research works and scientific and theoretical studies carried out within the

framework of this topic, the issues of insurance of foreign investments have been studied in an incomplete and systematic way. This circumstance determines the degree of relevance of the studied scientific and practical problems, as well as the developed proposals and recommendations for their elimination.

Research methods. The system analysis, logical and structural analysis, grouping and generalization, expert evaluation and forecasting, SWOT analysis, comparison methods are used in this article.

Analysis and discussion of results.

The economic essence of foreign investment, insurance and insurance activities are highlighted in legislative documents and research works of the countries of the world and the CIS, including Uzbekistan. According to Law of Republic of Uzbekistan "On investments and investment activities" dated December 25,

³Keynes.J.M., General theory of employment, interest and money / J.M. Keynes, - M.: EKSMO, 2007. - P. 960.; Sharp.W.F., Alexander.G.J., Bailey.D.W. Investments: textbook. M.: "Infra-M", 2001. - P. 1035.; The international law on foreign investment, M. Sornarajah - 2017 - P.574. Cambridge University Press.; Dictionary of Foreign Trade. by F. Henus Sec/Ed. N4., 1947, P.387.; Felipe Berdou. Target Insurance, G06Q40/02; G06Q40/08; (IPC1-7): G06F17/60. 2004, Shauhin A. Talesh. A New Institutional Theory of Insurance. UC Irvine Law Review, Vol.5, No.3, 2015, pp.617-650, UC Irvine School of Law Research Paper No. 2015-77., Joseph E. Stiglitz. Risk, Incentives and Insurance: The Pure Theory of Moral Hazard, The Geneva Papers on Risk and Insurance, 8 (No 26, January 1983), pp.4-5.

⁴ Turbine.K.E. Investment process and investment insurance against political risks / K. E. Turbina. - M.: Ankil, 1995. - P. 80.; Malkova.O.V. Insurance in the system of international economic relations. Tutorial. Rostov-on-Don. 2007.-p.192.; Zagryadsky.A.S. The role of foreign investment insurance in improving the conditions for investment in the national economy. Abstract of the dissertation for the degree of Ph.D. M-2004. -p.22.; Borodavko.L.S. Development of insurance of real investments in the implementation of investment projects. Abstract of the dissertation for the degree of Ph.D. Irkutsk., 2012. -p.23.; Krichevsky.N.A. Investment insurance., M. 2006.-p.334.; Volzhanin.D.A. Development of insurance as an investment risk management tool. Abstract of the dissertation for the degree of Candidate of Economics - M., 2005. -p.22.; Mikheev.D.A. Improving project risk management in the investment and construction sector. Abstract of the dissertation for the degree of Candidate of Economics-M. 2005.-p.17.; Budnikov.Yu.M. Development

of the enterprise investment risk insurance system. Abstract of the dissertation for the degree of candidate of economic sciences - M. 2008.-p.21.; Yatsentyuk.O.N. Correlation of international legal and national legal regulation of insurance of foreign investments from political risks. Abstract of the dissertation for the degree of Candidate of Law - M.-2004.-S.33..

⁵ Gozibekov. D.g. Investmentlarni moliyalashtirish masalalari. Tashkent. Moliya, 2003.-45 b.; Karimov.N.G. Foreign investments in the economy of the Republic of Uzbekistan and their financial support. Abstract of the dissertation for the degree of Candidate of Economics - Tashkent. 1998.-6 p.; Zhumaev N.Kh. Khalkaro molia munosabatlari. - Tashkent. 2003. - 293 b.; Karimkulov. Zh.I. Erkin iqtisodiy hududlarga horizhiy investmentlarni complaints qilishni rivozhlantirish yunalishlari. Iqtisodiyot fanlari doctor (DSc) dissertation and abstract. - Tashkent. 2019.-11b.; Kuzieva.N.R. Horizhiy investment ishtirokidagi korxonalar faoliyatini ragbatlantirishning molia-credit mexanizmlarini takomillashtirish yunalishlari. I.f.d. ilmiy darazhasini olish uchun yozilgan dissertation and abstract.- Tashkent.BMA, 2008.-11b.; Khoshimov.K.B. Chet el investialari ishtirokidagi korhonalarni soliqqa tortish va uni takomillashtirish y'llari. I.ph.s. ilmiy darazhasini olish uchun yozilgan dissertation and author's abstract.-Toshkent. BMA, 2004.-7 b.; Shennaev.Kh.M. Uzbekiston Republicasida sugurta faoliyatini rivozhlantirish yunalishlari. Iqtisodiyot fanlari doctori (DSc) ilmiy darazhasini olish uchun yozilgan dissertation abstract Tashkent:-2021 y.-33 b.; Baimuratov.T.M. Sugurta faoliyatining nazari-methodological tamoyillari. // "Moliya" ilmiy journal, 1/2018, 133 b.

2019, the following definition is given: "foreign investments are tangible and intangible assets and their rights, including rights to intellectual property objects, as well as reinvestments invested by a foreign investor in objects of the social sphere, entrepreneurial, scientific and other types of activities"⁶. In research of scientists, when highlighting the economic essence of foreign investments, it was shown that theoretical approaches do not differ much from each other, but complement each other, and most importantly, foreign investments differ from domestic ones in their cost, breadth of risk and complexity. Insurance of foreign investments is carried out within the framework of the theory of insurance funds, which includes the interconnected movement of the categories "investment" and "insurance". Article 3 of the Law of the Republic of Uzbekistan "On insurance activities", adopted on November 23, 2021, provides the following: "insurance is a relationship to protect the interests of individuals and legal entities related to covering damage caused, organizing and using trust funds to pay compensation and other payments upon the occurrence of a certain event (case)"⁷.

As a result of a comparative analysis of theoretical views and practical approaches that embody the essence of foreign investment insurance, in our opinion, the following conclusions were formulated: the implementation of foreign investment insurance in the framework of general insurance as a component of the theory of insurance funds, which includes the joint movement of investment and insurance categories, is its first major feature; It should be noted that there is no foreign investment insurance product on the insurance market, so foreign investment insurance is a combined type of insurance that includes third-party liability insurance of investment activities, property and personal insurance, which is its second characteristic feature.

Thus, as a result of studying the scientific and theoretical basis of foreign investment insurance, the author's own views can be expressed as follows: "foreign investment insurance is a relationship to protect the property interests of investment entities and their liability to third parties from insurance funds created at the expense of insurance premiums and other funds paid by insurers".

Foreign investors first take measures to protect their investments from political risks. State insurance agencies, international private insurance companies and international insurance organizations, which are created in countries where foreign investors came from, provide political risk insurance. In particular, the Uzbekinvest International company, headquartered in the UK in London, also provides insurance against political risks of foreign investments attracted to our republic. When insuring against political risks of foreign investments invested in a certain country, tariffs for insurance services are determined by the country risk indicator, that is, the level of indicators of the country's investment attractiveness and the level of each insured risk. The higher the level of these risks, the higher the insurance rates. At the same time, the international rating indicators of national insurance companies correspond to the general indicators of country risk and cannot be higher than them.

By attracting foreign investment in the national economy, it is possible to ensure the creation of high-tech industries and the provision of services, reduce unemployment, reduce imports and increase exports, apply the latest innovative experience, train modern national personnel, increase the country's gross domestic product, increase the income of business entities and the population.

In this regard, the development of insurance relations becomes the most important strategic task in the successful attraction of foreign investment in the national economy and their protection.

⁶ Law of the Republic of Uzbekistan No. ZRU-598 "On investments and investment activities" dated December 25, 2019. National Database of Legislative Acts, December 26, 2019, No. 03/19/598/4221; 06/07/2022, No. 03/22/775/0477.

⁷ Law of the Republic of Uzbekistan No. ZRU-730 "On insurance activities" dated November 23, 2021. National Database of Legislation, 11/24/2021, No. 03/21/730/1089.

Table 1

SWOT analysis of the insurance factor when attracting foreign investment in the economy of Uzbekistan⁸

Strength	Weaknesses
inviolability of property of foreign investors in the country; lack of discrimination; guaranteeing opportunities for foreign investors to use the results of their investment activities; stable conditions for investment activities; availability of foreign investment insurance practice against political and commercial risks.	imperfection of the theoretical and legal foundations of foreign investment insurance; limited financial capacity of insurance companies to insure large investment projects with the participation of foreign investments; lack of qualified specialists; underdevelopment of infrastructure with an objective assessment of investment risks; underdevelopment of mechanisms for accepting investment project risks for insurance; problems in resolving investment disputes; underdevelopment of domestic reinsurance activities; limited activity of foreign insurance companies in the insurance market of our country.
Opportunities	Threats
high economic growth; international economic integration of the country; carrying out structural transformations in the development of the insurance market; digitalization of the insurance market; reforms aimed at ensuring openness and transparency of insurance information.	deterioration of the ecological situation in the regions; weak measures to prevent corruption; strong monopoly; location of the country in a seismically dangerous zone; a decrease in the level of security in the countries of the region.

Table 1 includes a SWOT analysis of the significance of the insurance factor in attracting foreign investment. According to the SWOT analysis, it can be seen that the legal regime for foreign investors has been created in the country as much as possible, as well as stable economic conditions, there is a practice of insuring foreign investments from political and commercial risks.

Foreign direct investment plays an important role in the development of the

economies of the world, and it is this type of investment that is directed to the real sector of the economy. A comparative analysis of the volume of foreign direct investment attracted to the economy of some developed and developing countries, and the volume of insurance premiums collected in the insurance market, indicates the level of development of the insurance market in these countries (Table 2).

Table 2

⁸ Author's development.

Indicators reflecting the state of development of the economy and the insurance sector of some developed and developing countries (2019)⁹

Countries	GDP (billion dollars USA)	Volume of direct foreign investments (billion US dollars)	Share of FDI in GDP (in percent ages)	Insurance premiums (billion US dollars)	Share of insurance premiums in GDP (%)	Insurance premiums (billion dollars USA)
USA	21427.7	261	12.1	2460.1	11.43	1831.6
China	14342.9	141	0.9	617.4	4.30	288.0
Japan	5081.8	15	0.3	459.3	9.00	118.0
Germany	3845.6	54	1.4	243.8	6.33	142.3
Great Britain	2827.1	15	0.5	366.2	10.30	102.0
France	2715.5	34	1.2	262.3	9.21	94.7
Italy	2001.2	27	1.3	167.8	8.3	43.7
Canada	1736.4	48	2.8	133.2	7.67	79.8
Russia	1699.9	31.2	1.8	22.9	1.35	16.5
Kazakhstan	180.2	24.3	13.5	1.2	0.69	0.84
Ukraine	153.8	2.5	1.6	2.2	1.52	1.9
Belarus	63.1	6.0	9.5	0.7	1.06	0.08
Uzbekistan	57.9	2.3	4.0	0.2	0.4	0.01
Azerbaijan	48.0	4.3	8.9	0.6	1.2	-
Turkmenistan	40.8	2.1	5.1	-	-	-
Kyrgyzstan	8.5	1.1	12.9	0.02	0.2	-
Tajikistan	8.1	0.4	4.9	0.02	0.3	-

According to Table 2, the volume of foreign direct investment in the United States amounted to 261 billion US dollars, and insurance premiums in the general insurance industry - 1831.6 billion US dollars, that is insurance premiums exceeded foreign direct investment by 7.1 times. This indicator in Japan is 7.8 times, and in the UK 6.8 times more than the volume foreign direct investment. If we observe these indicators in developing countries, then the volume of insurance premiums collected in the insurance market is less than the volume of attracted foreign direct investment, which reduces the possibility of insuring foreign

investments. For example, in 2019 Russia attracted foreign direct investment in the amount of USD 31.2 billion, while non-life insurance premiums amounted to USD 16.5 billion. That is insurance premiums are 1.8 times less than foreign direct investment. This indicator is not in the best condition in other CIS countries. In particular, in 2019, foreign direct investment attracted to Uzbekistan amounted to 2.3 billion US dollars, and insurance premiums collected in the general insurance industry, 0.01 billion US dollars.

Insurance of risks associated with the development of foreign investments attracted

⁹ This table was created by author on the basis of data from the official websites of the United Nations Conference on Trade and Development (UNCTAD), the World Bank and the Swiss Re institute research center, as well as the Ministries of Finance, Central (National) Banks of the relevant countries and their government agencies.

to the economy of Uzbekistan is carried out by the national insurance company Uzbekinvest

JSC, Uzagrosugurta JSC and other national insurance companies.

Table 3

Indicators of comprehensive insurance of enterprises with the participation of foreign investments by the insurance company Uzbekinvest JSC¹⁰

Indicators	years				
	2017	2018	2019	2020	2021
Number of concluded insurance contracts for comprehensive insurance of enterprises with the participation of foreign investments (units)	244	1150	2888	9250	4405
Insurance premiums received from comprehensive insurance of enterprises with the participation of foreign investments (billion soums)	3.3	7.5	21.3	19.6	30.0
Total insurance premiums collected by the company (billion sum)	130.8	169.1	285.6	262.8	385.4
Share in the company's insurance portfolio (in percent)	2.5	4.4	7.4	7.4	7.8
The volume of insurance obligations assumed under the comprehensive insurance of enterprises with the participation of foreign investments (billion soums)	10616	13695	1917 4	1920 0	20100
Insurance indemnities carried out under comprehensive insurance of enterprises with the participation of foreign investments (billion soums)	5.3	7.1	11.2	13.9	21.6

According to Table 3 in 2017 the total volume of insurance premiums collected by the company amounted to 130.8 billion soums, and in 2021 - 385.4 billion soums, an increase of 2.9 times compared to 2017. In 2017, insurance premiums received on comprehensive insurance of enterprises with the participation of foreign investments amounted to 3.3 billion soums, and by 2021 this figure reached 30 billion soums. In 2017, the share of comprehensive insurance of enterprises with the participation of foreign investments in the company's insurance portfolio was 2.5 percent, and in 2021 this figure was 7.8 percent.

Based on the research of foreign experience in insuring the risks of investment projects and analyzing and assessing the risks of investment projects with the participation of

foreign investments in Uzbekistan, we consider it appropriate to divide the investment projects being implemented into several types according to certain criteria with the aim of high-quality, reliable and correct organization of comprehensive insurance. This, in turn, can be useful in developing the conditions for insuring the risks of investment projects. The classification of projects involving foreign investment into types embodies the level of complexity of their acceptance for insurance, which determines the ability of insurance companies to take responsibility for risks.

Based on this, it is proposed to divide investment projects accepted for insurance into five types. Type A - projects with a low level of risk, with standard features and having systematic insurance experience in practice; B

¹⁰The author's calculations based on data from the export-import insurance company Uzbekinvest JSC.

- investment projects that require a separate analysis of each type of risk; C - investment projects that include combined insurance against several risks. Projects that require specific analysis and evaluation, which are given special attention when drawing up an insurance program; E - insurance programs for such projects are very large-scale, and the responsibility of the insurance organization is very high; E - investment projects accepted for insurance risks in conditions of extreme

responsibility and high uncertainty (based on the consent of the insurance company).

In Figure 4, we can see that the volume of investment projects with the participation of foreign investments and the level of risk in their implementation are high, as well as the limited financial opportunities for insuring the risks of just such projects by national insurance companies, which forces them to transfer part of their insurance obligations abroad.

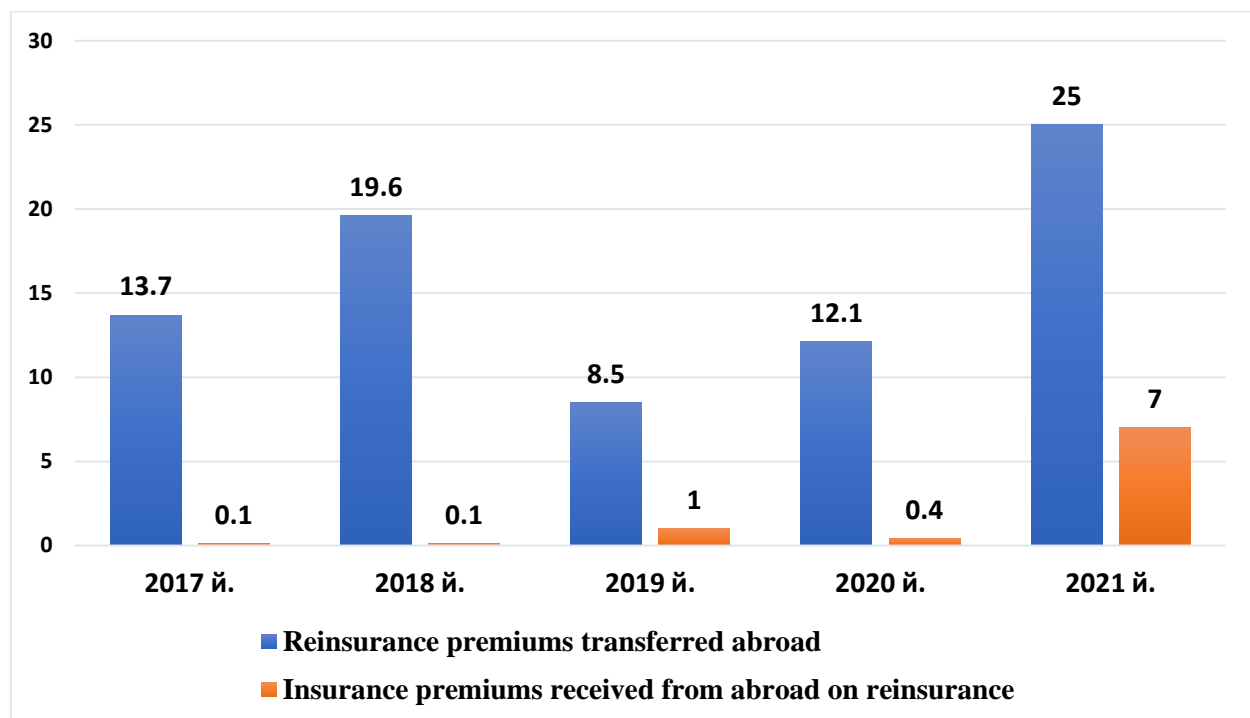


Figure 4. Dynamics of the volume of reinsurance premiums in the insurance market of Uzbekistan (mln USD)¹¹

The data in Figure 4 indicate that in 2017, insurance premiums transferred abroad for reinsurance by national insurance organizations amounted to 13.7 million rubles. US dollars, and in 2018 - 19.6 million US dollars. In turn, insurance premiums received from abroad for reinsurance in 2017-2018 amounted to the same 0.1 million US dollars each year, and in 2019 - 1 million US dollars. In 2021, insurance premiums transferred abroad for reinsurance amounted to USD 25.0 million. This situation indicates a low level of capitalization of national

insurance companies and insufficient development of the insurance market, which leads to an outflow of foreign currency in the form of insurance premiums transferred abroad.

Based on this, it is advisable to insure projects with large foreign investments through the creation of an insurance pool (Insurance Pool) in the form of a public-private partnership. In international practice, an insurance pool (Insurance Pool) is created to insure risks associated with high-risk

¹¹ Author's development (based on data from the Ministry of Finance and the Central Bank of the Republic of Uzbekistan).

industries: the aviation industry and space exploration, the sphere of "terrorism" and "sabotage", the launch of nuclear power plants and the protection of property from natural disasters.

Despite the fact that there are classic insurance products based on property insurance to protect investment activities from various commercial risks (property damage insurance, property insurance against fires and natural disasters, insurance of other financial risks), however, in practice, a complete protection mechanism has not been developed from the risks that may arise at all stages of investment activities. It was for this purpose that it was proposed to introduce innovative types of insurance: liability insurance for company executives and business downtime insurance. Under the liability insurance of the heads of the organization is understood the insurance of risks associated with erroneous decisions of the heads of enterprises who have the right to sign documents and manage, the

risks of abuse of official functions. This type of insurance is used to reduce the risk of making decisions (tax, legal and other errors) that lead to material losses. Business downtime insurance refers to insurance against the risk of not receiving the expected profit as a result of the shutdown of existing production or temporary business downtime under the influence of various investment risks in the implementation of investment projects with the participation of foreign investments.

The development of foreign investments attracted to the country's economy is implemented through investment projects, which in turn requires effective management of project risks at all stages of the implementation of investment projects. At the same time, insurance is considered as an important tool for effective risk management of investment projects. In the data of the following table 5, types of combined insurance are proposed for complex insurance of projects with the participation of foreign investments.

Table 5
Types of combined (mixed) insurance in case of complex insurance of projects with participation of foreign investments¹²

Risks	Insurance case	Form of insurance
1. Personal insurance		
Production, social, managerial, legal	Causing harm to human health and life as a result of work stoppages, social movements, court costs, etc.	The following types of insurance can be used at all stages of the investment project: insurance against accidents at work (Industry of general insurance 1st class, in a mandatory or voluntary form); medical insurance (General insurance branch 18th class, in mandatory or voluntary form).
2. Liability insurance for developers of project documentation and construction project		
Management, production, competition risk	Errors in design, damage caused due to insufficient qualification of project developers, architects and other specialists.	Professional liability insurance of a person in the development of design estimates, design, architectural and other documentation (<i>General insurance branch 13th class</i>)

¹²Author's development.

3. Loss and loss insurance		
Public administration, political, financial, legal, natural and environmental, social, loss of solvency	Nationalization, confiscation, out-of-court settlement of economic disputes, natural and man-made losses, currency and inflation risks, production stoppages and other losses	The operational phase of investment projects is insured. (Branch of general insurance 3,-7,-8,-9-classes)
4. Borrower's liability insurance for failure to fulfill the obligations of the loan agreement		
Public administration, political, financial, marketing	Nationalization, confiscation, out-of-court settlement of economic disputes, natural and man-made losses, currency and inflation risks, insufficient market research and others	Credits provided to importing enterprises are insured. Unlike credit insurance, in this case, the borrower's liability insurance is carried out under the contract. (General insurance industry 15th-16th grades)
5. Insurance against various risks at the stages of implementation of investment projects		
Production, management, legal, natural and environmental	Stopping production, insufficient working capital, loss of property and damage to products, man-made losses, losses of participants in land relations, causing damage to third parties and others	Insurance can be carried out in the following types: non-fulfillment of contracts; non-fulfillment of payments for goods; damage to tools and equipment; long downtime in production; transport and cargo transportation; various damage to property; relations in the use of land; title insurance (General insurance branch 3,-7,-8,-9,-15,-16 classes)
6. Construction risk insurance		
Production, managerial, legal	Violation of construction deadlines as a result of errors in construction and installation calculations, stoppages in production, failure to fulfill obligations, causing damage to third parties	Insurance is provided for the following types: insurance of construction and installation risks; insurance against damage to machinery and equipment; warranty insurance; contractor's civil liability insurance; the risk of non-fulfillment of the construction contract. (General insurance branch 3, -7, -8, -9, -13, -15, -16 classes)

At all stages of the implementation of projects with the participation of foreign investments, the procedure for interconnected insurance is proposed within the framework of classes 1, -3, -7, -8, -9 of the classifier of insurance activities. In general, there are project

risks in the implementation of investment projects that can be insured and cannot be insured, and risks that cannot be insured can be excluded by insurance companies in the process of identifying and assessing risks, or insurance

products for insuring such risks do not exist on the insurance market.

Conclusion

As a result of the research carried out to improve the insurance of foreign investments in Uzbekistan, the following conclusions were formulated and proposals were developed:

1. The results of a comparative analysis of theoretical views and approaches to foreign investment insurance showed that in Uzbekistan, scientific work on the scientific, theoretical and legal foundations of foreign investment insurance has been carried out at an insufficient level, based on scientific findings and practical results on foreign investment insurance, it is advisable in this regard, to form a unified approach.

2. Based on the best foreign experience in foreign investment insurance, as a result of the development of equal partnership and mutual cooperation with the Arab Interstate Investment Guarantee Corporation and the Islamic Investment and Export Credit Insurance Corporation, it is necessary to increase the scale of attracting foreign investment in the national economy from the member countries of these organizations and increasing the capacity to insure foreign investment.

3. It is necessary to develop a methodology for a correct and high-quality assessment of investment risks during insuring process against commercial risks of projects with the participation of foreign investments.

4. Reasonable conclusions are formulated that a high level of indicators that determine the investment attractiveness of the country, the level of capitalization of insurance companies, the share of insurance premiums in the gross domestic product have a positive effect on reducing insurance rates when insuring foreign investments against political risks and increasing the flow of foreign investment in the national economy.

5. In the study of complex insurance of investment projects with the participation of foreign investments, it is advisable to divide investment projects accepted for insurance to improve the development of insurance conditions into types according to certain

features, based on their level of riskiness and complexity.

6. It is necessary to widely use the mechanism for protecting foreign investments through insurance, improve the investment climate in Uzbekistan to attract foreign investment, strengthen the benefits and preferences provided to investors by regions.

7. In the field of investment risk insurance, it is necessary to create an investment activity insurance monitoring department under the body regulating and supervising insurance activities in our country to provide foreign investors with a transparent, open database.

8. It is necessary to increase the role of international arbitration courts in regulating the processes of consideration of insurance claims, in introducing mechanisms for a fair assessment of insured events and prompt payment of payments, in increasing the confidence of the population and entrepreneurs, as well as foreign investors in insurance, in settling disputes related to foreign investment in Uzbekistan.

9. In order to improve the insurance of foreign investments: through the creation of an insurance pool (Insurance Pool) in the form of a public-private partnership, it is expedient to insure large investment projects with the participation of foreign investments;

when insuring foreign investments by insurance companies, it is necessary to introduce liability insurance for heads of organizations and insurance against business downtime;

based on the level of risk and complexity of projects with the participation of foreign investments, it is necessary to accept them for insurance in a differentiated manner;

it is advisable to develop a procedure for insuring projects with the participation of foreign investments in interconnection within classes 1, -3, -7, -8, -9 of classes of the classifier of insurance activities.

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