



Innovative Insurance Market of Uzbekistan

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ABSTRACT

The article is devoted to the issues of innovative development of the insurance services market, which is based on the need and importance of creating innovations in the industry. Barriers to the introduction of innovations have also been identified and appropriate ways for their elimination have been identified.

Keywords:

insurance, innovation, GDP, insurance product, directive products, e-policy, innovative marketing, innovative project.

Introduction

As a result of monitoring insurance risks not only in case of force majeure, but also in the trends of scientific, technical and socio-economic development of the country, the volume of insurance services in our country is constantly growing. This sector makes a significant contribution to strengthening the material well-being of mankind in various conditions. In order to ensure the rapid development of the national insurance market, the introduction of new types of insurance services, the introduction of new innovative insurance products and the development of traditional products in high demand, effective work is being done to expand the volume, range and quality of insurance services.[1]. Innovative activities to create innovative product in any field, at different stages of the production process to implement the options become, as a result, the complete satisfaction of the needs of the community and minimized production costs can be achieved[2].

Methodology.

At the beginning of the twenty-first century, a distinctive feature of the world economy was the introduction of new advances in science and technology into production, which serve to increase labor productivity in the material sphere through the formation, use and adaptation of new knowledge. Today, the innovative basis for the development of society, so that scientific and technological progress, as well as the socio-economic development of the country as a condition of innovative process need for regulation and management of the processes will occur, ultimately operating in the introduction of new technology and production methods of tooth to ensure the competitiveness of each economic entity to be achieved.

One of the main objectives of the economic policies being implemented in the country is ensuring the rapid development of the economy and competitiveness. To do this, it is necessary to restructure production in basic industries, implement structural changes in industries and regions through the active introduction and modernization of new and

modern technologies, ensure interconnectedness and balance between them, diversify the national economy, increase production capacity. In order to achieve this goal, the wide and effective use of modern scientific achievements, the introduction of the most advanced and latest technologies in production, the strengthening of attention to the development of innovations in all sectors and industries of the national economy, relying on innovations and experiences abroad should be considered and implemented. It is important not only to introduce, but also to achieve high levels of national practice and achievements, to use all the opportunities and potential for this.

Results.

The picture shows that the highest level of insurance in the world is in the United

States, and the need for insurance services in the country is a secondary need. The next places are occupied by Western European and Asian countries. The picture shows the low level of demand for insurance services in Uzbekistan, which is being consistently reformed by the government. In 2019, in accordance with the instructions of the President, a Roadmap for the accelerated development of the insurance market of Uzbekistan was developed. According to him, instructions were given to rapidly increase the share of insurance services in GDP, the amount of insurance premiums per capita, the total amount of insurance premiums, the authorized capital, assets and investments of insurers. At the same time, tasks have been set to improve the quality of insurance services.

Table 1[4]

Accelerated development of the insurance market of the Republic of Uzbekistan in 2019-2022

TARGET INDICATORS

No	Name of indicators	2018 y	2019 y	2020 y	2021 y	2022 y	Growth
1.	Share of insurance services in GDP (<i>percent</i>)	0,4	0,5	0,6	0,7	0,8	2,0 times
2.	Amount of insurance premium per capita (<i>thousand soums</i>)	50,0	65,0	88,0	114,0	148,0	3,0 times
3.	Total insurance premiums (<i>trillion soums</i>)	1,6	2,1	2,9	3,8	5,2	3,3 times
4.	Total authorized capital of insurance companies (<i>trillion soums</i>)	0,5	0,8	0,9	1,0	1,2	2,4 times
5.	Total assets of insurance companies (<i>trillion soums</i>)	2,5	3,0	3,6	4,3	5,2	2,1 times
6.	Total investments of insurance companies (<i>trillion soums</i>)	2,0	2,5	3,3	4,1	5,3	2,7 times
7.	Number of types of insurance services (<i>units</i>)	105	115	135	155	175	1,7 times
8.	Number of territorial divisions (<i>units</i>)	1 450	1 500	1 580	1 660	1 740	1,2 times

Achieving these goals requires, first of all, a radical reform of the insurance market, first of all, to study what products the population needs, to offer them comprehensive quality and convenient services, to provide a wide range of insurance through the establishment of regional branches of insurance companies. As for the insurance services market with innovative settings v wellbeing, is now interested in is required and available through the new insurance services as an enrichment and the purpose of the formation of the interest of clients.

The share of insurance premiums in GDP in the world averaged 6.35%, which is 16 times lower than the 0.4% in Uzbekistan. Insurance companies have been instructed to increase this figure, and today they are carrying out reforms to provide the population with the necessary and needed products. Today, the per capita insurance premium in Uzbekistan is 5 Euros, and in the world - 847 Euros. Their comparative analysis was 169 times. The approved roadmap aims to increase this figure to 3 times by 2022. In order to ensure the fulfillment of these tasks, insurance companies are actively working to strengthen their financial base, expand coverage and use innovative methods of service and increase the attractiveness of insurance products, the use of innovative marketing research.

In order to increase competitiveness, attract potential customers, ensure the financial stability of insurers, local insurance companies are taking certain measures to improve market performance by introducing various innovations. In accordance with the requirements of the insurance supervisory authority, the factors ensuring the financial stability of the insurance company are the adequacy of own capital, insurance reserves formed to meet the obligations to the insured, economically justified insurance rates and reinsurance system [5].

1. The insurance product is determined by the set of basic and ancillary services provided to the insured at the conclusion of the insurance contract. The subject of product

innovation in insurance is the main insurance service, and the change in ancillary services will be associated with technological innovation. The innovative development of insurance activities aimed at the creation of new insurance products can be considered in detail. On the one hand, the insurance company is taking steps to create an entirely new insurance product for foreign and domestic practice. On the other hand, the insurer improves the insurance product already used in the market by giving new qualities. Thirdly, an insurance company borrows a product that is unknown in that insurance market and promotes it as a novelty for that market. In the country's insurance market, in most cases, a new insurance product is a modification of an old product that has the new qualities needed to meet the growing needs of society.

When talking about innovations in the insurance product, it is necessary to focus on improving the quality of customer service in the event of an insured event, which requires the introduction of new advanced technologies. The provision of insurance services involves the establishment of a stable partnership between the insurer and the insured, which is directly related to ensuring the quality of the insurance product during its validity period. Achieving the quality necessary to continue cooperation with the insured will allow the client to provide "innovative" support in the implementation of the insurance contract. In a large insurance company with a large customer base, it is necessary to innovate with the latest information technology to provide high quality customer service. Innovations aimed at developing new channels for the sale of insurance services are most in demand in the competitive environment of the local insurance market. It is necessary to create new ways of selling the product in order to increase sales at the stage of introduction of the insurance product into the market. This is one of the promising methods and organization of the use of Internet trade. Internetning active, taking into account

the development of the insurance companies have Web sites, you need to give attention to the development and modernization of their time. In addition to the increase in sales, the growth of insurer profits is positively affected by the decline in business costs achieved through e-commerce.

2. All new ideas that meet the principles of innovative development of insurance activities, but do not reach the level of corporate innovation strategy, should undoubtedly be encouraged by the management of the insurance company. Whether or not the innovation is applied to the company, management should reward employees who have been involved in the development and implementation of the innovation. To do this, it is necessary not only to implement an innovative strategy, but also to develop a system of accounting for new ideas aimed at optimizing the core business processes of the company. We propose to develop an automated corporate system for recording new ideas. Every employee of an insurance company who wants to improve the business processes of their site or the company as a whole should have the opportunity to present their ideas and discuss them with representatives of the interested structures of their company. In order for employees to form ideas on how to optimize not only their own activities, but also the company's activities, it is necessary to explain to each employee the company's innovative development strategy and explain its goals and objectives. Depending on the score of the new idea given by the employee, the author of the idea should receive a certain amount of material reward or be included in the list of prospective employees who applied quickly. The Project Committee described above should work to analyze and evaluate new ideas. All this allows us to carry out high-quality work on the implementation of innovative processes that ultimately ensure the maximum use of the intellectual potential of the insurance company.

The choice of innovative development strategy should be based on the search and

strengthening of market positions that will ensure the long-term competitive advantage of the insurance company. This can be achieved by maintaining a leading position as a new insurance product offered to customers, which requires it to be unique in the insurance market or to have attractive features for the insured and potential insured. In order for an insurance company to achieve competitive advantages, it is necessary to ensure the availability of highly qualified innovators, knowledge of the characteristics of insurance interests of certain groups of clients, business reputation in the insurance market, use of modern information technologies and an effective resource management system.

3. In order to improve the market of insurance services in Uzbekistan, expand access to services, simplify the system of insurance policies, on December 14, 2020 the Cabinet of Ministers adopted a Resolution "On additional measures to improve the provision of electronic insurance services." An e-policy is an insurance policy that is purchased online and circulated electronically. According to the decision, the "E-policy" will initially operate under the compulsory third party liability insurance of vehicle owners and will be available for purchase from March 1, 2021.

"E-polis" has the following advantages :

1. First of all, time and money are saved. This is enough to connect to the internet to buy an insurance policy, the insurance company is not required to go to, as well as the opportunity to pay online . In addition, the cost of the policy is expected to be slightly lower than the current types of insurance.

2. There is no need to worry about losing an electronic document, i.e. a policy. After the policy, " -polis" the insurer at any time to check their mobile device or download. To do this, the SMS notification number or e-mail address is sufficient.

3. "E-polis" registration fraud ka met (in the form of paper to a minimum the possibility of purchase of the policy likely to be fooled by the insurance agent).

4. Only a few, or almost one insurance company headquarters are in remote areas for guests to choose the best insurance company, and that any insurance company with the participation of the agents directly contract with the opportunity arise and sug'urta reward system created an electronic calculator provided information is automatic based on.

At the same time, insurance companies in staff salaries as well as agents to mediate rights costs declined significantly. Therefore, the application of this system in the framework of voluntary types of insurance also gives effective results, i.e. the improvement of innovative activities of insurance companies, including the expansion of insurance, simplification of the insurance process, saving operating costs.

4. Indeed, the reduction of the cost burden of insurers will inevitably be reflected in its financial results. In the context of modernizing the economy, they are striving to create innovations that not only reach out to customers in a comprehensive way and increase their interest, but also strengthen their financial position and increase their competitiveness. In the course of the research, we suggested that insurance companies can also create innovations by introducing new qualities to traditional insurance products, in particular, the application of the procedure for collecting collateral from customers in the insurance of liability for late payment of customs duties. It is known that customs duties are levied on imported goods entering the country from abroad. Insurance companies are responsible for insuring liability for delays in these payments, with the insured being the owner of the imported goods. It was proposed to introduce a procedure for collecting collateral from customers when concluding insurance contracts due to the high incidence of insurance events in this type of insurance, i.e. the frequent non-payment of customs duties, which adversely affects the financial condition of the insurer. Any client who pledges at the time of insurance will try to pay their

obligation on time, and this has paid off. In return for the collateral, the insured clients were able to pay customs duties on time, which had a positive impact on the financial results of the insurance company. The incidence of insured events, i.e. non-payment of customs duties on time, decreased by 5 % in 2020 compared to 2019.

Discussion

1. Insurance companies around the world are taking certain steps to improve their operations by attracting more policyholders and applying various innovations to increase their competitiveness. Today, taking into account the specifics of the domestic insurance market and there is an objective need to improve the quality of organization of insurance activities, increase the efficiency of insurance activities on the basis of its innovative development, which allows maximum use of investments.

2. The insurance activity of insurance companies transition to a customer-oriented business model, digitalizing of insurance business, new products, sales of insurance products, the introduction of digital technology and the use of new channels and new ways to satisfy insurance claims envisaged. The dissertation proposed innovations aimed not only at serving the interests of the insured, but also to ensure the financial stability of insurance companies.

3. Among the factors hindering the active application of innovations in the field of insurance in Uzbekistan are: underdeveloped insurance market infrastructure, underdeveloped research, lack of marketing opportunities, limited innovation offers by insurers, low confidence in the insurance company, financial literacy and financial decisions, lack of acceptance authority, lack of insurance literacy, overuse of traditional insurance products and trade channels by the insured, etc. In our opinion, innovations in the field should be mainly aimed at increasing the scope of insurance services, their efficiency, full compliance of insurance products with

customer demand, shortening service life, increasing the profitability of insurance companies and expanding their business.

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