

## The Development of Insurance as an Important Area of Social Protection

***Khoshimjon Urinboyevich Khaydarov***

*Fergana State University, department of Finance, candidate of economic sciences, associated professor*

**Abstract:** The article deals with the issues of insurance, which is a specific non-commercial form of insurance and features in the republic, the level of its development, current problems of insurance, segments, place in the social protection of citizens, participation in the financial market and their role in insurance activities. In addition, the article discusses the need to introduce new approaches to the insurance activities of Uzbekistan, its advantages, and based on the experience of foreign countries, suggestions and recommendations are given.

**Keywords:** Insurance services, reinsurance, social protection, insurance market, insurance premium, insurance segments, insurance policy, insurance companies, agents, insurer, policyholder.

**Introduction.** The transition of the Republic of Uzbekistan to a market form of functioning of the economy was accompanied by fundamental changes in the previously existing way of managing. In a transitional economy, the solution of the most important social and economic problems is largely intended to promote the development of insurance as one of the most important components of the financial sector of the economy of developed countries. Insurance companies of Uzbekistan increased the volume of collected insurance premiums in 2021 by 68.6% compared to 2020. The figure exceeded 3.7 trillion soums. Premiums in the life insurance segment increased by more than 2nd place from (334.4 to 717 billion) or the growth amounted to 2.4 times at the end of 2021. In the total premium portfolio, this area occupies about 19%, and in terms of insurance payments, the sector is the leader - 616.3 billion soums. This direction is a significant contribution to the social protection of the population. Below are tables that illustrate the main indicators of the insurance activity of the republic.

Structure of the insurance market	01.01.2020	01.01.2021	% change
Number of insurance companies	36	40	111%
including life insurance	8	8	100%
Total authorized capital of insurance organizations (in million soums)	755220	1439187	191%
Number of insurance brokers	5	5	100%
Number of actuaries	5	5	100%
Number of insurance agents	8657	8900	103%
including legal entities	2388	2639	111%
Number of insurance organizations that are members of the Payment Guarantee Fund	17	19	112%

Name of the indicator	01.01.2020		01.01.2021		% change
	million in soums	Total in % in relation to	% change	Total in % in relation to	
Total investment, including:	2 711 933	100%	3 382 685	100%	125%
Deposits	1 424 281	52,5%	1 818 925	53,8%	128%
Securities	848 574	31,3%	958 552	28,3%	113%
Credits	20 609	0,8%	42 054	1,2%	204%
Real estate	230 300	8,5%	285 320	8,4%	124%
Participation in the statutory fund of organizations	183 306	6,8%	272 143	8,0%	148%
Other investments	4 864	0,2%	5 691	0,2%	117%

**Problems.** However, the share of insurance in Uzbekistan's GDP is still only about 0.5% (Kazakhstan 3%, Russia 2%, South Korea 18%). There are significant budget expenditures for the elimination of the consequences of natural disasters, the provision of social support to citizens. With a high level of development of insurance, budget expenditures both for the elimination of natural disasters and for the social protection of the population will significantly decrease. Insurance is an important direction in the economic and social life of society, which will protect both legal entities and individuals from various natural disasters and events, as well as accidents, injuries and disability of the population.

The government of Uzbekistan expects the contribution of the insurance sector to GDP to rise to 0.8% in 2022. It is planned to achieve the goal due to the wide coverage of insurance segments and the development of new areas in this area of activity.

In October 2021, the President of the Republic of Uzbekistan signed a resolution "On additional measures to digitalize the insurance market and develop the life insurance sector" The tax incentives announced in this document in the life insurance segment, both in terms of income tax of the insurance company and in terms of income tax, allow accelerate the development of long-term life insurance and will contribute to the expansion of the list of services.

Since the independence of the Republic of Uzbekistan, one of the important strategic tasks has been the transition to market relations, which has become necessary to accelerate the formation of a modern and stable national insurance market that can become a real tool for protecting the interests of the state, citizens and business entities, regardless of ownership.

The history of insurance development shows that market mechanisms for regulating the insurance market by themselves are not sufficient for the stable development of insurance relations aimed at supporting insurance organizations and maintaining confidence in the insurance system as a whole, as well as the appropriate level of protection of the interests of consumers of insurance services, where legal entities and individuals act. economic entities, as well as the general population.

In order to form and develop insurance relations in the republic, an important role is played by the creation of a national insurance system based on the adoption of conceptual directions for the phased adoption of measures to improve the insurance market in the republic.

To solve these problems, the basis is the improvement of legal legislation. The new Law on Insurance Activities was adopted on November 23, 2021 under No. ZRU-730.

In the current light, the Decree of the President of the Republic of Uzbekistan dated April 10, 2007 618 " On measures for further reform, development of the insurance services market, which sets the task of

creating insurance organizations providing life insurance and developing life, disability and health insurance, as well as other types of insurance".

It is also necessary for the development of the insurance market to improve and stimulate the tax system for insurance organizations for their efficient operation and competitiveness among them. This, in turn, will allow insurance organizations to improve solvency, provide equipment with modern material and technical means, training and retraining of insurance specialists. So, for example, in the 2022 academic year at the Faculty of Economics of the Department of Finance, Fergana State University admitted students in the specialty 'Insurance Business' for the first time, which will allow training bachelor specialists for insurance organizations.

In insurance bodies, a special role and place is played by uniform unified forms of accounting, accounting principles and a chart of accounts, which would take into account the specifics of insurance activities and ensure the necessary transparency in the activities of insurance companies. All these accounting and reporting principles, in our opinion, should comply with international standards, which will allow us to compare and analyze the level of development and introduce progressive forms of developed countries, where it has a wide coverage of insurance services.

Public reliable, transparent information on the financial condition of an organization and the publication of international experience in the insurance business will allow policyholders to study the benefits of insurance services provided by insurers, and this, in turn, will increase competition between insurance organizations.

Since 2021, an experiment has been underway to introduce compulsory medical insurance in the Surkhandarya region, in 2023 they will be introduced in Karakalpakstan, Tashkent, Samarkand, Navoi and Fergana regions, and from 2025 throughout the country.

**Conclusions.** The study of the state of development of insurance in the republic allows us to draw conclusions on the further improvement of legislation in the field of insurance, aimed at creating a legal basis for expanding the coverage of insurance services in the field of housing, property, life insurance of citizens and compulsory medical insurance. Form tax incentives for insurance companies providing insurance services in these segments of insurance products.

## References:

1. Закон о страховой деятельности. ЗРУ №730
2. Закон об обязательном страховании гражданской ответственности. ЗРУ №770
3. Постановление президента Республики Узбекистана "О дополнительных мерах по цифровизации страхового рынка и развитию сферы страхования жизни".
4. И.Х. Абдурахмонов учебное пособие: "Суғурта назарияси ва амалиёти". – Т: "Iqtisod-Moliya", 2017.
5. Х.Хайдаров. Роль страховых компаний республике в осуществлении социальной защиты населения как одна из основных стратегических направлений в сфере их деятельности. «Ҳаракатлар стратегиясини амалга оширишда ижтимоий ишни ўрни ва самарадорлиги» мавзусидаги Республика илмий-амалий анжуман материаллари. –ФДУ, 2019 йил
6. Х.Хайдаров. Теоритический и практический аспекты экономике. «Ижтимоий ривожланиш жараёнларда инновацион ислохотларни олиб боришнинг муҳим тамойиллари». – Фарғона ш. 2021 йил.

7. Yekimov, S., Sobirov, B., Turdibekov, K., Aimova, M., & Goncharenko, M. (2022). Using the Digital Ecosystem in Tourism Clusters in Green Tourism. In International conference Ecosystems without borders (pp. 105-111). Springer, Cham.
8. Sobirov, B., Yekimov, S., Sitkovska, A., Iushchenko, L., & Dmytrenko, R. (2022). Using Digital Ecosystems in Agriculture. In International conference Ecosystems without borders (pp. 171-176). Springer, Cham.
9. Ahrorov, Z. O., & Sobirov, B. B. (2021). The Prospects Of The Development Of Extreme Tourism In Uzbekistan. *Asian Journal of Management, Entrepreneurship and Social Science*, 1(1), 146-152.
10. Tashmanov, E. B. (2016). Modernization of Processes Control Methods for Digital Image Processing. *Computer Science and Information Technology*, 4(4), 135-138.
11. Tashmanov, E. B., Saidboyev, B. J., & Kamilov, M. A. (2020). Processing of video information in unmanned aerial vehicles. *J. Crit. Rev.*, 7(15), 1714-1720.