

FUNDAMENTALS OF INSURANCE SERVICES MARKET DEVELOPMENT

*Yuldoshova Aziza**is an assistant lecturer at**Tashkent State University of Economics**yuldoshova.aziza20@gmail.com*

Abstract. The market of insurance services is a set of economic relations related to the sale of insurance services. Insurers, reinsurers, insurance brokers, and agents are professional participants in the insurance services market.

Key words. insurance, insurance market, insurance service, insurance protection, state budget, bank, financial institutions, stock market, investment, deposit, finance, production, competition.

Introduction. Comprehensive reforms in the Republic of Uzbekistan and the abolition of the state monopoly in the insurance sector will increase the market for insurance services. It created conditions for the formation of the insurance services market, which is territorially divided into international, regional, and national insurance services markets. The international insurance services market covers international insurance services provided by insurance organizations of some relatively developed countries. For example, the American insurance company 'AIG' (American International Group) operates in over 100 countries, including the Republic of Uzbekistan. The regional insurance services market is the insurance services market of countries that are geographically, trade-economically, and culturally close to each other. An example of this is the European Union regional insurance services market. The insurance services market operating within the territory of individual states is referred to as the national insurance market. In recent years, the national and regional insurance services market has become the market for international insurance services. The process of integration is being observed.

Insurance services are related to life insurance, depending on the specialization within a specific field of insurance. The market of insurance services is divided into the market of general insurance services, except for life insurance. For example, in the USA, Japan, and some countries of the European Union, the market for insurance services related to life insurance is quite developed.

More than 20 insurance organizations operate in the insurance market of Uzbekistan. The largest insurance companies include "Uzbekinvest," a national export-import insurance company, "Uzagrosugurta," a state joint-stock insurance company, and "Madad," an insurance agency.

One of the characteristics of the insurance market of Uzbekistan is the specialization of existing insurance organizations in various sectors of the economy. For example, the state-owned insurance company "Uzagrosugurta" provides insurance protection for the agricultural production sector and the population; "Kafolat" provides insurance services to legal entities and individuals in cities; "Uzbekinvest," an export-import national insurance company, provides insurance protection for export-import operations; "Birja-savdosugurta" provides cargo insurance; "ALSKOM," the insurance organization, specializes in providing insurance services

to the communications and telecommunications sectors; and the "ISHONCH" insurance organization specializes in insurance protection of property interests of commercial banks. The market of insurance services is regulated by the state in all countries of the world. Its purpose is to protect the legal interests of the parties involved in insurance relations.

Method. The insurance market is an integral part of the country's financial market, the subject of sale and purchase of which is an insurance product. The consumer characteristics of these products are very specific and different from other financial market products. Their uniqueness comes from the essence of insurance. The universality of insurance determines the direct connection of the insurance market with the finances of enterprises and the finances of the population. The banking system, state budget and other financial institutions, and insurance relations are carried out within it.

In these relationships, the respective financial institutions serve as both insurers and consumers of the insurance product. A special relationship is formed between the insurance market, state budgets, and extra-budgetary funds concerning the establishment of compulsory insurance.

A stable financial relations market has securities, the banking system, the currency market, and state and regional finance, where insurance organizations place insurance reserves and other investment resources.

The activity of the insurance market is carried out within the framework of the country's financial system, both on the basis of partnerships and in a competitive environment. There is free competition among different financial institutions for the funds of the population and business entities. If the insurance market offers, for example, life insurance products, banks offer deposits, the stock market offers securities, etc.

The role of the insurance market depends on two conditions. On the one hand, there is an objective need for insurance protection in the socio-economic system of society, which leads to the formation of the insurance market. On the other hand, the monetary form of establishing an insurance fund to provide insurance protection connects this market with the general financial market.

The role of the insurance market in the financial system is determined by the role of various financial institutions in the financing of insurance coverage, as well as the importance of insurance companies as facilities for the placement of investment resources and services for insurance, investment, and other types of activities.

The universality of insurance determines the direct connection of the insurance market with enterprise finance, population finance, the banking system, the state budget, and other financial institutions where insurance relations are implemented.

In such a relationship, the respective financial institutions act as insurers and consumers of the insurance product. A special relationship is formed between the insurance market and the state budget and state extra-budgetary funds in connection with the establishment of compulsory insurance.

The insurance market maintains stable financial relationships with the stock market, banking system, foreign exchange market, and state and regional finances, where insurance organizations place insurance reserves and other investment resources.

Analysis and Result. The activity of the insurance market is carried out within the framework of the financial system, both on the basis of partnerships and in a competitive environment. This applies to the competition between different financial institutions for free funds of the

population and business entities. If the insurance market offers, for example, life insurance products, then banks offer deposits, the stock market offers securities, etc.

The insurance market performs a number of interrelated functions: compensation (return), accumulation, distribution, prevention, and investment.

1) The main function of the insurance market is the compensatory function, with the help of which the insurance institution exists. The content of the function is expressed in the provision of insurance protection in the form of compensation for damages in the event of unpleasant events that are the object of insurance for legal entities and individuals.

2) The accumulation or accumulation function is provided by life insurance and allows to accumulate a predetermined sum insured under the concluded insurance contract.

3) The distributive function of the insurance market implements the mechanism of insurance protection. The essence of the function is expressed in the formation of the target use insurance fund. Formation of the insurance fund is carried out in the system of insurance payments and insurance reserves that ensure insurance stability.

4) The preventive function of the insurance market is not directly related to the implementation of insurance activities. This function is for warning. insurance event and loss mitigation. Implementation of the prevention function is ensured by financing measures to prevent or reduce the negative consequences of accidents and natural disasters. Appropriate funds are taken from the Prevention Fund. The implementation of preventive functions helps to increase the financial stability of insurers and is an important factor in ensuring the continuity of the process of social reproduction.

5) The investment function of the insurance market is carried out by placing temporarily free funds in securities, bank deposits, real estate, etc. With the development of the insurance market, the role of the investment function increases. Attention is drawn to a number of foreign economists who describe insurance companies as institutional investors whose main task in social production is to attract capital through insurance. II. Ukrainian insurance market

Insurance arose and developed as a conscious, objective need of man and society to protect against accidental risks. The need for insurance protection is universal; it covers all stages of social reproduction, all parts of the socio-economic system of society, all economic entities, and the entire population. The insurance market not only contributes to the development of social reproduction but also actively affects financial flows in the national economy through the insurance fund.

The insurance market is a complex, developing intersystem system; its links are insurance organizations, insureds, insurance products, insurance intermediaries, professional assessors of insurance risks and losses, associations of insurers, including associations of insurers, and the system of its state regulation.

Insurance organizations are the institutional basis of the insurance market and are an economically isolated segment of the insurance market, which completely isolates its resources and performs insurance and other activities. manifests itself in independence. Insurance organizations are formed according to their affiliation, the nature of insurance operations, and the field of service.

Summary. It is necessary to improve the relevant norms in the Civil Code...

In particular:

1) It is known that in our republic electronic document circulation is also developing in the field of civil relations, but the legal basis for the use of the information and communication system in

the insurance sector has not been created; as a result, such favorable opportunities are not being used.

For example, in Article 961 of the Civil Code "Form of Insurance Contract," it is stated that the policyholder can submit only a written or oral application. It is also possible to submit only the insurance policy (certificate, receipt) signed by the insurer. However, these processes can also be created by email.

Such a situation can be seen in Article 930, i.e., in the norm on delivery of insurance rules to the insured. Various methods can be used to communicate insurance policies to policyholders, and one such option is through the Internet.

But this possibility is limited in the current version of this article.

Also, Article 951 of the Code stipulates that informing the insurer of the occurrence of an insurance event must be carried out in the manner specified in the contract. However, it is appropriate to provide additional options that can be used by any available method of warning.

2) Article 929 of the Civil Code contains the important conditions of the insurance contract, and it is indicated that when concluding a property insurance contract, an agreement should be reached between the insured and the insurer on the validity period of the contract. . However, in the relationship between the insurer and the insured, the period of insurance is important, not the validity period of the contract, because the insured has the obligation to pay insurance compensation during the period of insurance. Therefore, it is appropriate to change the validity period of the contract to the insurance period.

3) In the third part of Article 942, "Insurance Premium and Insurance Contributions," of the Civil Code, in the cases stipulated by the law, the amount of the insurance premium is determined in accordance with the insurance tariffs introduced or regulated by the state insurance control bodies. shown.

Here there is state intervention; it is considered appropriate that the state does not interfere in pricing issues in the activities of business entities and that these relations are regulated by agreement of the parties.

4) Article 946 of the Civil Code requires the consent of the insurer when replacing (reorganizing) the insured. However, during the transfer of property ownership, the property itself does not change, the subject of the contract does not change, and the interests of the insurer are not affected at all. Therefore, the requirement to obtain the consent of the insurer is unreasonable.

5) In the fourth part of Article 948 of the Civil Code, "Premature cancellation of the insurance contract," "In case the insured (beneficiary) cancels the insurance contract before the term, the insurance paid to the insurer bonus is non-refundable, unless otherwise stipulated in the contract. However, in order to ensure fair reimbursement of the parties' expenses, it is appropriate to determine that the insurer will be entitled to a portion of the insurance premium in proportion to the period of coverage.

6) The fifth part of Article 952 of the Civil Code, "Reduction of damage caused by an insurance event," states, "Insurer's exemption from compensation for damage caused by the insured's deliberate failure to take measures to reduce possible damage." That is, according to the current version, the insurer can provide insurance compensation, and the insurer is obliged to take measures for this, but the measure can justify not seeing. Such an obligation should be determined not by law but by the agreement of the parties.

7) The current Civil Code contains provisions that cause disputes in the payment of insurance compensation. For example, in the first part of Article 953, "Consequences of the occurrence of an insurance event due to the fault of the policyholder, beneficiary, or insured person," if the insurance event is caused by the intent of the policyholder, beneficiary, or insured person. In the event of an accident, the insurer will be exempt from paying insurance compensation or insurance money. The concept of malice here can cause various disputes and disagreements in the payment of insurance compensation in practice. Therefore, it is appropriate to edit the concept of intent in this part as "intent aimed at the occurrence of an insured event."

Also, the application of the norm on the exemption of the insurer from the obligation to pay compensation with the second part of this article causes in many cases unjustified refusal to pay insurance compensation by the insurer. Although these matters should be at the discretion of the parties to the contract, it is desirable for the parties to do so on the basis of equal rights.

8) Similarly, see the possibility of the insurer's unjustified refusal to pay the insurance sum and insurance compensation in the norms of Article 955, "Cases of refusal to pay insurance compensation or insurance money" possible.

Also, in the third part of this article, it is indicated that the refusal of the insurer to pay the insurance compensation or the insurance money can be challenged only by filing a lawsuit in court. However, there are now alternative methods of dispute resolution (mediation, etc.). Use of these features is limited by law.

9) In addition, in reinsurance, disputes often arise between the insurer and the reinsurer regarding the payment of insurance compensation. In order to eliminate such unpleasant situations and protect the interests of national insurers, Article 959 of the Civil Code stipulates that the reinsurer has no right to refuse to pay insurance compensation under the reinsurance contract in accordance with the provisions of the main insurance contract. It is appropriate to enter.

According to the 10-year special edition of the "Global Mutual Market Share 10" report published by the International Cooperative and Mutual Insurance Federation (ICMIF), the mutual and cooperative insurance market is the 10th largest after the global financial crisis.

(2007-2017) is the fastest-growing part of the global insurance industry. For example, in the 10 years since the beginning of the financial crisis, mutual insurance premiums have increased by 30% compared to the growth of general insurance (17%).

The phrase double insurance in Article 960 of the current Civil Code does not reflect the full meaning of the concept of mutual insurance. This article limits the possibilities of bilateral insurance companies and does not contribute to the development of their activities. Because mutual insurance is not only between two parties but usually between several persons. Therefore, it is appropriate to name the concept of double insurance as "mutual insurance."

There are only 3 bilateral insurance companies operating in Uzbekistan.

11) Article 961 of the Civil Code stipulates that compulsory state insurance shall be carried out directly by state insurance organizations or other state organizations (insurers) specified in it on the basis of legal documents on insurance. However, it is necessary to allow compulsory state insurance to be carried out by insurance organizations of any ownership and organizational legal form.

In conclusion, it can be said that the formation of the regulatory legal framework for state regulation and control of insurance activities in the republic at a level that meets international

requirements is one of the priorities for our country, and the active participation of the state and relevant bodies is required in the process of implementing the given proposals.

References:

1. Abdukhalilovna MN DIRECTIONS FOR THE DEVELOPMENT OF GENERAL INSURANCE IN UZBEKISTAN //Gospodarka i Innowacje. - 2023. - T. 34. - S. 229-236.
2. Kholboev A. INSURANCE INFORMATION RISKS (CYBER INSURANCE). International Finance and Accounting. 2021; 2021 (2):12.
3. Makhkambaevich BT, Tursunbayevna YN About Some Questions Optimization Of Business Process In Insurance Activity Related To Global Trends // Solid State Technology 63 (4), 5048-5058
4. Matiyazova SR THE PROCESS OF FORMATION OF INNOVATIVE ENVIRONMENT IN COMPETITIVE CONDITIONS IN THE INSURANCE MARKET // Oriental Journal of Economics, Finance and Management. - 2022 - T. 2. – no. 1. - S. 7-11.
5. Matiyazova SR Activities and insurance brokers in Uzbekistan development features //American Journal of Economics and Business Management. - 2020. - T. 3. – no. 2. - S. 9-16.
6. Mavrulova NA Strategic development of the insurance market in Uzbekistan //American Journal of Economics and Business Management. - 2020 - T. 3. – no. 2. - S. 1-8.
7. Yuldashev, OT (2023). Development of the Insurance Market in the Conditions of Digitalization. INTERNATIONAL JOURNAL OF BUSINESS DIPLOMACY AND ECONOMY , 2 (5), 224-229.
8. Rajabbayovna MS DIGITALIZATION OF ACTIVITIES OF INSURANCE INTERMEDIARIES IN THE PROVISION OF INSURANCE SERVICES //JOURNAL OF ECONOMY, TOURISM AND SERVICE. - 2023. - T. 2. – no. 5. - S. 8-12.
9. Shennaev KM Regulation of investment activities of insurers //Asian Journal of Multidimensional Research. - 2020. - T. 9. – no. 11. - S. 55-59.
10. Shennaev KM The main directions of protection of insurance consumers in the current situation //SAARJ Journal on Banking & Insurance Research – 2020. – T . 9. – no. 6. - S. 32-37.
11. Shennaev KM, Matiyazova SR The Impact of the Covid-19 Pandemic on the Insurance Market //International Journal of Psychosocial Rehabilitation. - 2020. - T. 24. – no. 4. - S. 6502-6509.
12. Sanobar M. Insurance agents development prospects case of insurance market of Uzbekistan // ACADEMICIA: An International Multidisciplinary Research Journal – 2019. – T . 9. – no. 4. - S. 156-162.
13. Tashmurzaevich, YO (2020). Developing the Underwriting Process in Life Insurance. European Journal of Business and Management Research , 5 (6). <https://doi.org/10.24018/ejbmr.2020.5.6.657>
14. Toshmurzaevich YO Prospects for development of investment life insurance in Uzbekistan // ACADEMICIA: An International Multidisciplinary Research Journal. - 2021. - T. 11. – no. 10. - S. 97-101.
15. Tursunbayeva YN Improvement of methodological bases of business processes in insurance activity // SAARJ Journal on Banking & Insurance Research 8 (2), 4-8.

16. AYYolbaev 2021. INSURANCE AS A PROMISING MECHANISM OF INFORMATION PROTECTION. Archive of Conferences . (Dec. 2021), 39-40.
17. Yakubova N. TRADITIONS AND PROSPECTS OF DEVELOPMENT OF THE WORLD INSURANCE MARKET // International Finance and Accounting 2018 (4), 36.
18. Yakubova NT THE ROLE OF INSURANCE BUSINESS IN INSURANCE ACTIVITY // Journal of Management Value & Ethics, 111.
19. Yakubova NT Efficiency in Business Processes in Insurance Activities // INTERNATIONAL JOURNAL OF BUSINESS DIPLOMACY AND ECONOMY. - 2023. - T. - No. 5. - S. 44-48.
20. Yakubova NT Improvement of Business Processes in Insurance Activity in the Conditions of Innovative Development of the Economy // EUROPEAN JOURNAL OF BUSINESS STARTUPS AND OPEN SOCIETY. - 2023. - T. - No. 5. - S. 88-91.