



Transformation of Uzbekistan's Insurance Market: A Path to Increased Trust and Efficiency

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Abstract: This article provides an assessment of the existing conditions within Uzbekistan's insurance sector, highlighting key issues and obstacles. It addresses the prevalent lack of trust among the public regarding insurance services, inadequate appreciation of insurance's significance, challenges with compulsory insurance, and insufficient risk coverage. Furthermore, the paper explores strategies aimed at enhancing regulatory frameworks, promoting digitalization, and bolstering oversight of insurance entities. Additionally, it discusses initiatives aimed at enhancing personnel training quality and fostering insurance literacy through educational endeavors.

Keywords: insurance sector, Uzbekistan, public trust, mandatory insurance, digital transformation, regulatory measures, educational initiatives.

1. Introduction

The insurance market of Uzbekistan is on the way to significant changes aimed at improving its efficiency and increasing public confidence in insurance services. Despite a significant increase in the number of insured persons and the volume of concluded contracts in recent years, the industry is facing a number of challenges and problems that require a comprehensive approach to their solution.

In recent years, the insurance market of Uzbekistan has undergone significant changes. It remained comparatively young and had just begun its path to development. However, despite the increase in the number of insured properties and the amount of insurance premiums, the sector faces a low level of public confidence. Many people do not realize the essence and importance of insurance, which creates obstacles for the further growth of the market.

Key challenges include low penetration of insurance services, lack of attractiveness of insurance products, problems with compulsory insurance, and insufficient coverage of the importance of insurance in society. To effectively overcome these problems, it is necessary to carry out systemic reforms and introduce innovative approaches. According to research by Litvinova et al., insurance services must be developed in order to increase their practical importance [1]. Furthermore, Chen et al. emphasize the benefits of higher insurance coverage rates in granting low-income people access to expensive medical care [2]. These results highlight how crucial it is to increase insurance coverage in order to provide access to necessary care.

Moreover, the study on environmental insurance in Russia identifies unsolved legal and economic problems, such as high insurance prices and restricted access to reinsurance markets, that impede the effectiveness of mandatory insurance [3]. Improving the efficacy of insurance schemes requires addressing these issues through

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changes. Also, Orlicki's research indicates that customer demand is pushing insurance firms to improve customer service, pointing to a move in the direction of more approachable and user-focused insurance products [4].

Regarding health insurance, Zhou et al.'s study examines the differences in coverage across genders in China and highlights the need for focused interventions, particularly for marginalized populations [5]. A study by Qian also draws attention to issues related to public health and primary care accessibility in China, highlighting areas that need improvement in order to provide better healthcare services [6]. These revelations highlight how crucial it is to implement comprehensive insurance changes in order to alleviate inequities and improve healthcare accessible.

In this article, we will consider the current state of the insurance market in Uzbekistan, its main problems and challenges, as well as plans and prospects for reforms aimed at improving the situation and developing the industry.

2. Method

The present investigation employs a mixed-methods approach, integrating qualitative and quantitative research techniques, to examine the evolution of the insurance sector in Uzbekistan and its consequences for enhancing trust and efficacy.

An assessment of the legislative and regulatory structure controlling Uzbekistan's insurance industry is part of the qualitative analysis. Studying the development of insurance laws, rules, and policies that try to improve market efficiency and trust is part of this. The research also looks at incentive and support programs put in place by the government to encourage stability and expansion in the insurance industry.

The statistical information pertaining to the Uzbek insurance market serves as the foundation for the quantitative analysis. This contains information on the amount of insurance premiums collected, the quantity of policies issued, and the general performance of the nation's insurance providers. The study's objective is to find patterns and trends in the data that illustrate how the market is changing and how it is affecting efficiency and trust.

The report juxtaposes Uzbekistan's insurance industry change with global experiences in order to offer a more comprehensive viewpoint. For this reason, official sources of data are used, including reports from international organizations including the International Monetary Fund (IMF) and the World Bank. In order to improve efficiency and confidence in Uzbekistan's insurance sector, this comparative research identifies best practices and lessons gained from other nations.

In general, the utilization of mixed-methods approach enables a thorough evaluation of the evolution of the insurance market in Uzbekistan, offering significant perspectives on strategies to boost confidence and effectiveness within the industry.

3. Results and Discussion

3.1. Analysis of current problems and challenges

Despite a significant increase in the number of insured objects and the volume of concluded contracts in recent years, the insurance market of Uzbekistan faces the problem of low public confidence in insurance services. One of the main reasons for this problem is the lack of public awareness of the benefits of insurance and its role in ensuring financial security [7].

Many people are not aware of the risks that may arise in life and therefore do not see the need to purchase insurance policies. The lack of understanding of the importance of insurance leads many citizens to consider it only an unnecessary expense rather than an investment in protecting their future [8].

To solve this problem, it is necessary to conduct large-scale information campaigns

aimed at raising public awareness of the benefits of insurance. It's important to provide people with clear information about how insurance can help them protect their health, property, and financial well-being in the event of unexpected events.

Another serious problem faced by the insurance market in Uzbekistan is the lack of coverage of the importance of insurance and its role in the social and economic protection of the population. Many citizens do not realize that insurance helps to reduce risks and provides financial protection in case of unforeseen situations [9].

The lack of information on how insurance can help cope with financial hardship in the event of illness, accident or loss of property makes it less attractive to the public. As a result, many citizens remain uninsured or buy insurance policies for only minimal amounts [10].

To address this problem, it is necessary to increase public awareness of the importance of insurance as a tool for financial protection. This can be done through educational activities, the creation of information campaigns and the active involvement of the public in the discussion of insurance and its role in ensuring social and economic stability.

The low level of insurance culture is a serious challenge for the insurance market of Uzbekistan. Insurance culture is defined as the population's understanding and confidence in the need for insurance, as well as the level of awareness of insurance products and services [9].

Currently, the majority of Uzbek citizens have limited knowledge about insurance and its capabilities [11]. Many don't understand how insurance can help them protect their property, health, and financial well-being. This leads to the fact that many citizens do not see the need to purchase insurance policies and remain uninsured.

In order to solve the problem of the low level of insurance culture, it is necessary to conduct large-scale educational campaigns aimed at raising public awareness of the importance of insurance and its role in protecting against financial risks. It is important to provide citizens with accessible and understandable information about various types of insurance, their benefits and conditions [12].

One of the main problems of the insurance market of Uzbekistan is insufficient coverage of risks by compulsory types of insurance [13]. Despite the availability of compulsory types of insurance, such as Motor Third Party Liability Insurance (MTPL), many citizens remain uninsured due to high rates and limited understanding of the importance of insurance.

In addition, there is the problem of insufficient coverage of risks, when the sum insured or the terms of insurance do not meet the real needs of the insured persons.

To solve these problems, it is necessary to revise the tariffs and conditions of compulsory insurance in order to make it more affordable for the population. It is also important to conduct educational campaigns aimed at raising awareness of the importance of insurance and the rights of insured persons.

3.2. *Reform plan and implementation*

In the current conditions of information technology development and digitalization, the integration of databases plays a key role for effective monitoring of the insurance status in Uzbekistan [14]. Integration of insurance policy and policyholder databases with the databases of other government agencies, such as tax and customs committees, the Ministry of Employment and Poverty Reduction, the Ministry of Economy and Finance, the Ministry of Internal Affairs, as well as with the databases of insurance companies, is a necessary step to ensure effective control and monitoring of insurance [15].

The integration of databases will automate the processes of checking the status of insurance, identify persons whose policy has expired, as well as warn about the need to renew it or conclude a new policy [16]. This will help to reduce the number of uninsured citizens and facilities, as well as ensure more effective risk management both at the level

of the individual citizen and at the level of the entire insurance market.

Automation of monitoring and data processing systems is an important direction in the development of the insurance market of Uzbekistan. The introduction of modern information technologies and software products will significantly improve the processes of managing data on insurance policies, policyholders and insured events [17].

Automated monitoring systems will make it possible to quickly detect and respond to violations of standards and the rights of consumers of insurance services, as well as improve the quality of control over the activities of insurance companies. This helps to reduce risks for policyholders and increase confidence in the insurance market as a whole [12].

Moreover, the automation of monitoring and data processing systems will significantly reduce the time spent on administrative procedures, improve the quality and reliability of information, as well as increase the efficiency of management decision-making in the insurance industry.

Uzbekistan sets itself the task of strengthening the regulation and control over the activities of insurance organizations in order to ensure the stability and reliability of the insurance market [13]. This includes the introduction of stricter regulations and rules to be followed by insurance companies, as well as improved controls over their activities.

It is planned to strengthen the monitoring of the financial condition of insurance companies, their financial indicators and compliance with the standards established by law. This will make it possible to identify and prevent financial risks in a timely manner, as well as to protect the interests of policyholders and insured persons.

In addition, it is planned to introduce automated systems for monitoring the activities of insurance organizations, which will make it possible to identify violations of norms and standards, as well as promptly respond to them. This contributes to increasing the transparency and efficiency of insurance market management.

To ensure the sustainable development of the insurance market of Uzbekistan, it is necessary to improve the quality of personnel training and develop an insurance culture among the population [18]. This includes the implementation of educational programs and activities aimed at improving the level of knowledge and professional skills of specialists in the field of insurance [19].

It is planned to revise the state standards of higher education and educational programs in order to reduce the duration of training in the field of insurance and improve their adaptation to modern challenges and market requirements. A system of short-term training courses for insurance workers will also be organized with the involvement of foreign teachers and university specialists.

An important step is also to carry out information and educational work among the population in order to increase their insurance literacy and awareness of the importance of insurance as a means of social and economic protection. This will increase public confidence in insurance services and expand their use to protect their own interests and property.

3.3. *Development prospects and expected results*

The implementation of the above measures and reforms in the insurance industry of Uzbekistan is expected to lead to a number of significant changes [20]:

- 1) **Improving insurance services and increasing public confidence.** Increasing the transparency and efficiency of insurance companies, as well as strengthening control over their activities, contributes to improving the quality of insurance services provided. This will allow the population to feel more protected and confident in the event of insured events.
- 2) **Increasing the availability of insurance.** Strengthening regulation and control over insurance companies, as well as the development of educational programs and an information campaign on the importance of insurance, contributes to expanding the availability of insurance services for the general public. This will allow more people

- to protect their property and interests.
- 3) **Improving the efficiency of the insurance market.** The introduction of automated systems for monitoring and data processing, as well as strengthening control over the activities of insurance companies, contributes to improving the efficiency of the insurance market. This will make it possible to quickly identify and eliminate violations, as well as prevent financial risks.
 - 4) **Developing professional personnel.** Improving the quality of training of specialists in the field of insurance and the development of insurance culture among the population contributes to the development of professionalism in the industry. This will improve the level of service provided to insurance companies and provide better protection of the interests of policyholders.
 - 5) **Improving control and monitoring of insurance events.** The integration of databases and the introduction of automated monitoring systems will effectively control the status of insurance and promptly respond to insurance events. This will help prevent fraud and ensure faster and fairer payment of insurance claims.

The expected changes in the insurance industry after the implementation of these reforms imply a more stable and efficient operation of the market, which will ultimately lead to an improvement in the living conditions and well-being of the population of Uzbekistan.

The introduction of reforms in the insurance industry of Uzbekistan has the potential to significantly increase the level of public confidence in insurance services. Low trust is due not only to a lack of understanding of the essence and importance of insurance, but also to a number of systemic problems, such as insufficient coverage of the role of insurance in social and economic protection, a low level of insurance culture, as well as problems with compulsory insurance and insufficient risk coverage [13].

As part of the reforms, it is envisaged to strengthen regulation and control over the activities of insurance organizations, which contributes to improving the quality of services provided and increasing the reliability of insurers. The introduction of automated monitoring and data processing systems will make it possible to quickly identify violations and ensure more transparent market operation, which contributes to increasing public confidence.

In addition, strengthening control over compulsory insurance and expanding the availability of insurance services for the population and entrepreneurs contributes to the formation of a positive attitude towards insurance. Integration of databases for effective monitoring of insurance status allows you to respond quickly to changes and ensure faster and fairer payment of insurance claims, which strengthens confidence in the insurance system as a whole [20].

After the implementation of reforms, insurance services will become more attractive for the population and entrepreneurs in Uzbekistan. Improving the quality of services provided, increasing the availability of insurance, as well as increasing confidence in the insurance system contribute to an increase in demand for insurance services.

The prospects for increasing the attractiveness of insurance services are also associated with the development of digitalization and automation of processes in the insurance sector. The introduction of automated monitoring and data processing systems allows you to reduce the time and financial costs of issuing insurance policies and considering insurance claims, which makes the insurance process more convenient and attractive for customers [21,22].

Another important aspect of increasing the attractiveness of insurance services is raising public awareness of the importance of insurance and its role in social and economic protection. Educational programs and information campaigns contribute to improving the insurance literacy of the population, which contributes to the formation of a positive attitude to insurance and an increase in demand for insurance services.

4. Conclusion

In conclusion, it should be emphasized that reforms in the insurance industry of Uzbekistan are aimed at eliminating systemic problems and improving the efficiency of the insurance market. Despite the presence of challenges and problems, the implementation of measures to strengthen regulation, digitalization and improve the quality of service by insurers creates favorable conditions for the development of the industry.

Successful implementation of the proposed measures, such as database integration, automation of processes, strengthening control and training of personnel, contributes to increasing public confidence in insurance services and increasing their attractiveness for a wide range of consumers.

It is important to emphasize that insurance plays an important role in providing social and economic protection of the population and entrepreneurs from various risks and accidents. Therefore, active work to increase the insurance culture and awareness of insurance products is of strategic importance for the development of society and the country's economy.

In general, the implementation of reforms and the adoption of targeted measures to improve the insurance market of Uzbekistan are an important step towards improving the well-being of the population and strengthening the country's financial stability.

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