

Insurance Market in the Republic of Uzbekistan

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Abstract

Activity in the market conditions is accompanied by various kinds of risks. Therefore, the nature and functions of insurance are fundamentally changing, its importance as an effective, rational, economical and affordable means of protecting the property interests of business entities, producers of goods and services, as well as citizens is increasing.

Keywords: *functions of insurance, interests of business entities, producers of goods and services, market of insurance services.*

Relevance of the topic: The insurance services market is one of the necessary elements of the market infrastructure, closely related to the market for means of production, consumer goods, the market for capital and securities, labor and labor. In developed economies, the insurance business has the widest scope, providing entrepreneurs with reliable protection of their interests from the adverse effects of various kinds of man-made accidents, financial risks, criminogenic factors, natural and other disasters.

The transition to market relations, the formation of a multi-structural economic system based on various forms of ownership create objective prerequisites for the active introduction of insurance into the sphere of the economy as one of the guarantors of ensuring the financial stability of economic entities.

The development of entrepreneurial activity of citizens leads to the emergence of producers of means and objects of production, which also require insurance protection.

So, in the conditions of the market, accompanied by various risks, the importance of insurance as an important means of protecting the property interests of legal entities and individuals is increasing. More and more new subjects are involved in the sphere of insurance, both from the side of persons offering insurance services, and from the side of recipients, users of these services. That is why it is necessary to study the functioning of the insurance market, as well as all its features.

The purpose of the study is to study the theoretical foundations of the functioning of insurance markets, identify problems in their development and develop ways to improve them.

In accordance with the goal of the study, the following **tasks** are solved that determine the structure of the work:

- to study the theoretical foundations of the functioning of insurance markets;
- to reveal the essence, necessity, tasks and significance of insurance markets;
- consider the formation and development of the insurance market in the Republic of Uzbekistan;
- study the legislative framework for the development of the insurance market in the Republic of Uzbekistan;

- analyze the functioning of the insurance market in the Republic of Uzbekistan;
- analyze the financial and economic environment of the insurance market;
- analyze the insurance services provided in the Republic of Uzbekistan;
- consider the dynamics of indicators of the insurance market of the Republic of Uzbekistan;
- develop the main directions for improving the insurance market in the Republic of Uzbekistan;
- consider the main directions for improving the regulatory framework of insurance activities in the Republic of Uzbekistan;
- identify the problems of development of the insurance market in the Republic of Uzbekistan and develop ways to solve them.

The object of the study is the activity of national insurance companies in the country's insurance market.

The subject of the study is the study of the formation and determination of the features of the development of the insurance services market in the Republic of Uzbekistan.

The theoretical basis of the study was the Laws of the Republic of Uzbekistan, Resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, Decrees and scientific works of the President I. A. Karimov, scientific research of foreign and domestic scientists, materials from periodicals, statistical materials of the Ministry of Finance, other financial bodies, insurance companies of the Republic of Uzbekistan, concerning the organization and development of the insurance market.

The methodological basis of the study is such statistical methods as: analysis and synthesis, grouping of statistical data, methods of variation and correlation.

The practical significance of the study lies in the fact that the proposals for improving the insurance market, developed in the course of the study, can be used in practice to improve the activities of insurance companies. In addition, students can use the research materials when developing course projects, as well as when teaching such disciplines as “Finance”, “Insurance business”, “State budget”, “Enterprise finance”, “Organization and financing of investments”, “Financial management” and other.

Insurance as an economic category is characterized by the following features:

- 1) closed redistributive relations between participants in insurance, associated with the distribution of the amount of damage between all participants;
- 2) formation of a target insurance fund at the expense of payments by insurers and subsequent insurance payments to insurers in the event of insured events;
- 3) dependence of the size of the insurance payment (contribution) on the number of participants in the creation of the insurance fund;
- 4) making a profit both from the insurance activity itself and from investment activity.

The main features that characterize the formation and development of the modern market of insurance services are:

- 1) consolidation and increase in the size of capital and assets of insurance companies;
- 2) a significant increase in the volume of insurance operations;
- 3) variety of types of insurance;
- 4) conducting operations on compulsory insurance;
- 5) development of reinsurance operations;

- 6) creation of a developed system of insurance intermediaries;
- 7) development of a system of state supervision over the activities of insurance companies;
- 8) the transformation of insurance companies into the largest investors, accumulating and placing a significant part of financial resources;
- 9) the expansion of insurance beyond national borders, the acquisition of an international character and, as a natural result of this process, the globalization of the insurance market.

The insurance market is a special socio-economic environment, a certain area of monetary relations, where the object of purchase and sale is insurance protection, and supply and demand for it is formed.

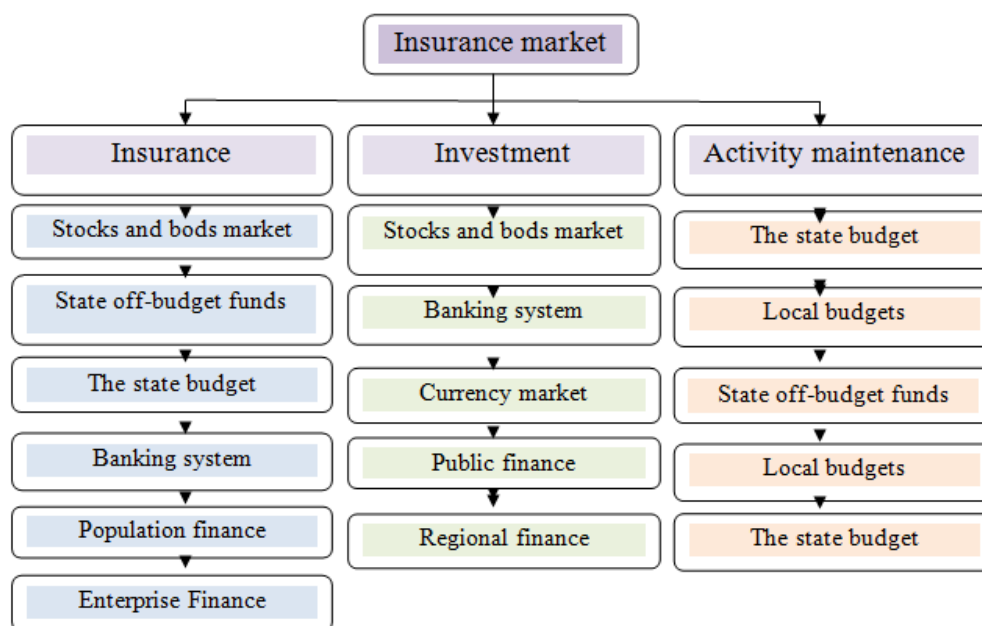
The insurance market can also be considered:

- as a form of organization of monetary relations for the formation and distribution of the insurance fund to ensure the insurance protection of the company;
- as a set of insurance companies (insurers) that are involved in the provision of relevant insurance services.

The objective basis for the development of the insurance market is the need arising in the process of reproduction to ensure the continuity of financial and economic activities and the provision of financial assistance in the event of unforeseen adverse events. The functioning of the insurance market takes place within the framework of the financial system both on a partnership basis and on a competitive basis.

The position in the insurance market is determined by the action of many factors, the most important of which are the risk situation, the solvency of insurers, the size of the insurance rate, the volume and structure of the supply of insurance services. The conditions for the implementation of insurance services that are developing in a particular region at a given time are called the conditions of the insurance market, which characterizes, first of all, the degree of balance between the demand and supply of insurance services and, depending on this, can be favorable or unfavorable for both the insurer and the insured.

Figure 1. Place of the insurance market in the financial system



The foundations of the insurance market are: a free market economy, a variety of forms of ownership, free pricing - the calculation of tariff rates, the presence of competition, freedom of choice, the development and implementation of new types of insurance services, and so on.

Mandatory conditions for the existence of the insurance market:

- the presence of a public need for insurance services - the formation of demand;
- Availability of insurers capable of satisfying this need - formation of a proposal.

In a broad sense, the insurance market is the totality of economic relations regarding the purchase and sale of an insurance product. The market provides an organic link between the insurer and the policyholder. In this regard, the market of the insurer and the market of the insured are distinguished. The functioning insurance market is a complex, integrated system that includes various structural units.

Conclusion.

The insurance market can be characterized as the ratio of insurance organizations of different organizational and legal forms (joint-stock, mutual, unitary) to the total number of insurers. Using this approach, it is possible to determine the share of specialized reinsurance companies, companies with foreign capital, the number of brokerage organizations, unions and associations of insurance market participants in the insurance market.

In turn, each of the markets can be divided into separate segments, for example, the accident insurance market, the home contents insurance market, and so on.

The insurance market as a set of insurance organizations is a complex multi-factor dynamic system - a group of regularly interacting and interdependent individual components that form a single whole. The insurance system interacts with its environment through external relations that characterize both the influence of the environment on the system and the impact of the system on the environment.

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