

OPPORTUNITIES TO USE POSITIVE EXPERIENCES IN ENSURING THE FINANCIAL STABILITY OF FOREIGN INSURANCE COMPANIES

Khakberdiyev Bekzod Uktamovich

PhD., Head of the Faculty of Distance and 2nd Higher
Education of the Tashkent State University of Economics

ORCID: 0009-0003-4580-4520

In foreign countries, extensive research is being conducted on the development of the insurance market infrastructure, ensuring the financial stability of insurance companies using scientific approaches and econometric instruments, and increasing the efficiency of companies based on the characteristics of the industry and sector. Today, it is relevant to conduct research aimed at assessing the effectiveness of insurance companies through multiplicative coefficients, determining the quantitative level of financial stability, and improving financial stability based on international standards and mechanisms. In our country, measures are being taken to further increase the importance of insurance companies in ensuring economic development, gradually increase their share in GDP, and further improve their participation in the securities market, as stipulated in the Regulation on "Investment Activities of Insurers and Reinsurers". Also, the introduction of modern insurance services through diversification of insurance services and the effective organization of active participation of the population in these processes are of great importance in ensuring the financial stability of insurance companies.

In the insurance market of developed countries, the United States and European countries are actively supporting technological innovations in the insurance market. Artificial intelligence, big data (Big Data) and blockchain technologies are widely used in these countries. These technologies allow insurance companies to effectively manage large volumes of data, analyze customer behavior and provide personalized insurance products [1].

In the UK, digital insurance platforms and AI-based robo-advisors are helping to improve the quality of service in the insurance sector. These solutions allow customers to quickly obtain information about insurance

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 30th January 2025

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

products, get advice on insurance policies and, if necessary, quickly and easily file claims [2].

The growth of mobile technologies in the Indian insurance market is noteworthy. Providing insurance services through mobile applications plays an important role in providing insurance products to a wide segment of the population. In various regions of India, a large portion of the population is first introduced to and uses insurance through mobile apps [3].

In China, a country with comprehensive development, the life insurance industry is growing and introducing a variety of insurance products. These offerings cover critical illness and medical expenses targeted at specific consumer segments. Life insurance policies are constantly being improved with clear and detailed coverage specifications, competitive market dynamics, and regulatory requirements. Annual life insurance premiums were 3.4 trillion yuan (\$530 billion) in 2022, up from 1 trillion yuan (\$161 billion) in 2012 [4].

World experience shows that the privatization of state property, the steady development of entrepreneurial activity indicate an increase in the demand for insurance in compensation for losses associated with production activities and the interests of citizens, an increase in income by attracting free funds for investment through the involvement of new insurance objects and entities in insurance relations.

In developed countries of the world, the activities of insurers are manifested in various organizational forms, namely, joint-stock companies; state and mixed insurance organizations; private entrepreneurship and associations; cooperative insurance organizations; joint ventures; auto insurers in parallel forms. In different countries, various organizational and legal forms are used in practice when creating insurance companies. Joint-stock companies operate in the USA and Germany, mutual insurance companies in France, and insurance associations in Great Britain.

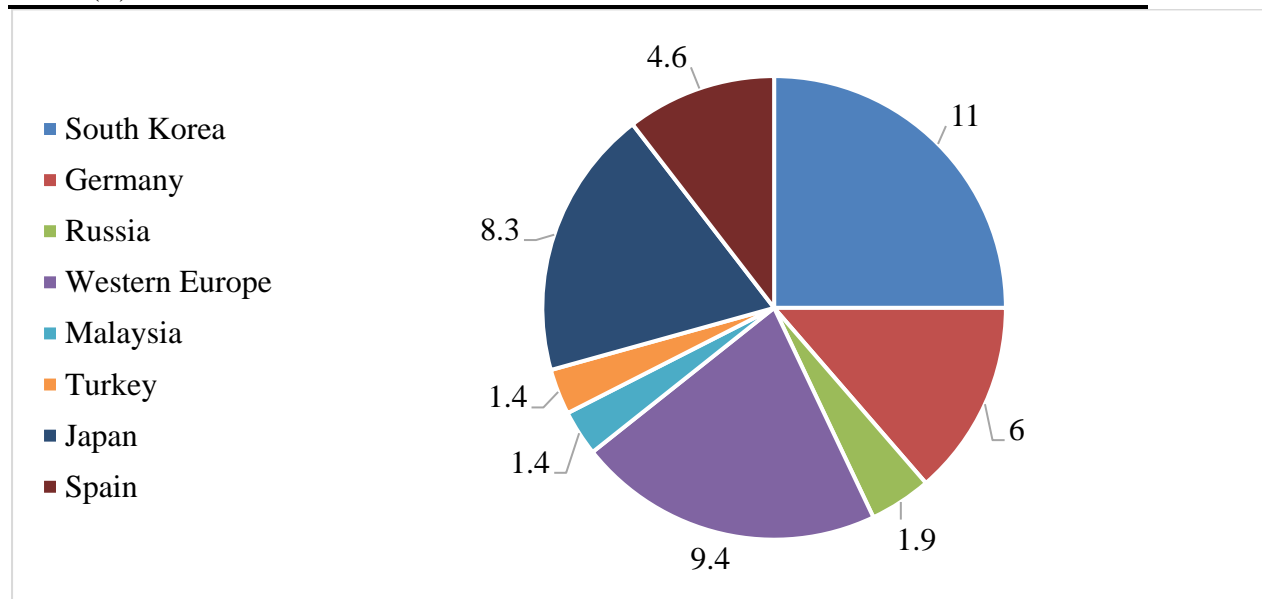


Figure 1. Share of the insurance market in GDP of developed countries (as of 2023) [5]

The share of the insurance sector in the gross domestic product of our country is only 0.4 percent. For comparison, this figure is 11 percent in South Korea, 6 percent in Germany, and 1.5 percent in Russia. One of the main reasons for this is the lack of attractiveness of insurance services. For example, although 887 billion soums of insurance premiums were collected in the general insurance network over the past six months, the amount of insurance coverage paid to clients during this period amounted to only 11 percent of the premium. In the world, this figure is on average 50-60 percent. Strong competition in the insurance market forces insurance companies operating in this market to constantly work on themselves, conduct marketing research to maintain their competitive position, study the experience of advanced insurance companies in all respects inside and outside the country and apply it to their activities, widely use actuarial calculations to ensure optimal tariff rates, effectively use investment and other sources of income that allow reducing tariff rates, use various types of additional services and bonuses in order to attract more potential policyholders and retain existing policyholders, and develop and implement insurance contracts that take into account the interests of the policyholder more. The increase in the number of insurance companies in the national market that have made such actions the content of their activities will



E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 30th January 2025

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

ultimately lead to an increase in the number of insured persons, a significant increase in the amount of insurance premiums collected, and an increase in trust in insurance companies among insured persons. Today, with the intensification of globalization processes in the world and the expansion of mutual relations between countries in trade, tourism, and other areas, insurance services are becoming increasingly relevant.

Based on the experience of developed countries, the following suggestions and recommendations have been formulated to further improve the insurance market of Uzbekistan and increase its financial stability:

1. Attracting foreign insurance providers can bring much-needed experience, advanced products, and capital to the Uzbek market. The government should create a favorable environment for foreign direct investment in the insurance sector, focusing on the development of life insurance. This may include offering tax incentives, regulatory benefits, or joint ventures with local firms.
2. Public-private partnerships play a crucial role in strengthening insurance. The government should cooperate with private insurers and international organizations to develop innovative products in the insurance market, provide subsidies or tax breaks for low-income families, and introduce joint initiatives aimed at promoting financial inclusion.
3. It is necessary to conduct comprehensive information and propaganda work among the population, explaining the importance of insurance services. This can help form a positive attitude of citizens towards insurance and increase demand for insurance.
4. It is necessary to simplify insurance services and expand their use by introducing digital technologies and online services. This will increase access to insurance for each segment of the population. Also, insurance companies can improve interaction with customers, automate processes and quickly analyze data by creating or updating modern IT infrastructure and databases. This requires updating software, using cloud computing services and integrating systems based on artificial intelligence.

E- Global Congress

Hosted online from Dubai, U. A. E., E - Conference.

Date: 30th January 2025

Website: <https://eglobalcongress.com/index.php/egc>

ISSN (E): 2836-3612

List of used literature:

1. Johnson, S. (2020). Innovations in the insurance sector: The American and European perspective. *Journal of Insurance Technology*, 45(2), 158-174.
2. Smith, J. (2021). Digital transformation in the UK insurance market. *European Journal of Insurance Regulation*, 34(1), 22-37.
3. Patel, R. (2022). Mobile technologies transforming the insurance landscape in India. *Indian Journal of FinTech and Insurance*, 12(3), 200-216.
4. Liu Y. Development of the rural health insurance system in China //Health policy and planning. - 2004. - T. 19. – no. 3. - S. 159-165.
5. Prepared by the author based on information from the official website of the Organization for Economic Cooperation and Development - <https://www.oecd.org/>