



PROBLEMS OF INNOVATIVE DEVELOPMENT OF THE INSURANCE SYSTEM IN THE DIGITAL ECONOMY

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Abstract

Keywords: Insurance, insurance market, innovative insurance market, insurance market digitization, individual insurance.

In the analysis of key indicators of the insurance market of Uzbekistan , the issues of increasing business activity among individuals in this segment of the financial services market, increasing insurance premiums, increasing the level of capitalization of insurance companies and strengthening state control over insurance companies .

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INTRODUCTION

The current stage of development of the Uzbek economy is of particular importance due to its rapid stability in all areas. In this regard, as in other areas, the insurance market requires innovative development, accelerated implementation and dissemination of digitalization.

It should be noted that the new development strategy of Uzbekistan for 2022-2026 states: "Measures to further improve the investment climate in the country and increase its attractiveness, to attract \$ 120 billion over the next five years, including \$ 70 billion in foreign investment" [1]. So, in this regard, it is necessary to improve the modern digital insurance mechanism in attracting foreign investment. At present, innovation and digitalization are becoming a prerequisite for the development of the insurance market, which makes it necessary to bring the insurance business to the stage of innovative development through digitalization. Of course, the news of insurance companies is much more important than other types of activities, due to the specific characteristics of the insurance service, the dynamically changing conditions of insurance companies and the dynamics of the distribution of insurance services.

Innovative directions are increasingly contributing to the expansion of insurance activities, resulting in a more effective use of innovative approaches in all areas of insurance activities, which creates favorable conditions for increasing the attractiveness and demand for innovative insurance products and, in turn, improves the financial performance of insurance companies.



LITERATURE REVIEW

There are various approaches in the scientific and economic literature to cover the socio-economic nature of insurance and the insurance market as a category, including Article 3 of the Law of the Republic of Uzbekistan "On Insurance Activity" dated November 23, 2021. relations related to the protection of the interests of individuals and legal entities related to the establishment and use of trust funds to compensate for damages, compensation and other payments "[2].

Uzbek economists have also made a comparative analysis of scientific theoretical views on insurance and insurance activities, as well as theoretical views and approaches to insurance activities in developed countries [3].

It should be noted that the development of the insurance market in the country is closely linked with the tax system [4,5], in this regard, we consider it appropriate to pay special attention to the study of the concepts of tax discipline and tax culture [6,7,8,9].

RESEARCH METHODOLOGY

This article uses methods such as verbal interpretation, statistical observation, induction and deduction, scientific abstraction of the scientific and theoretical foundations of the development of the insurance system in the context of digitalization of the economy.

ANALYSIS AND RESULTS

Assessing the prospects for the development of the insurance market requires identifying its strengths and weaknesses, opportunities and threats.

Below we will look at some of the strengths of the insurance market. As can be seen from Table 1, the strengths of the insurance market are: the introduction of compulsory types of insurance, the rapid development of branches in the regions, the opening of sales offices and loss management, the formation of a network of agencies. However, from an institutional point of view, the insurance system cannot be recognized as effective, in which there are inconsistencies in development (priority of auto insurance), for example, low confidence in insurance.

It is noted that the revision of strategic development plans at the micro level or at the level of individual insurance companies, the introduction of risk management in the practice of the subjects of the insurance system.

The insurance market also acts as an intermediary. Because it has a specific task - to persuade the customer to buy an insurance product. Abroad, almost every possible object is insured and insurance statistics are collected for it. This allows for a more accurate assessment of risks . In Uzbekistan, there is a problem of lack of statistics on each object, in fact, the object is reinsured every time, and the level of prolongation in the market is low. But in the context of an innovative economy, there is a need to reconsider the agency policy and the policy of selling insurance products in general.

In recent years, the number of private insurance companies in the insurance market is growing. Large financial groups are opening their own insurance companies and making a profit from it.



Table 1

Insurance market SWOT analysis matrix

Strengths	Weaknesses
existence of a practically formed infrastructure of individual insurance	Low capitalization of the insurance market
The establishment of a corporate insurance system for large businesses and its high profitability	The level of customer focus is low compared to developed countries
Establishment of cooperation with credit institutions and banks	high acquisition costs
Insurance consolidation and reorganization of business	Low level of public confidence in insurance companies
Lessons from the global financial crisis	Inadequate staff qualifications
Opportunities	Threats
insurance system in GDP	Lack of stability in global financial markets
Insurance strengthening state participation in market development	Insurance low efficiency of control over companies, and lack of control over insurance intermediaries
Insurance reform of the market system _	Dumping
Increasing the investment attractiveness of some insurers	Fraud and changing the " optimization " scheme

It should be noted that the most attractive segments of bank insurance (life and health insurance of borrowers, insurance against loss of work of debtors, collateral of legal entities, insurance of bank risks) are among the largest insurers - subsidiaries of the largest banks.

In general, the market should allow the development of infrastructure services. At the same time, it seems necessary for all insurers to fight fraud, to take into account policies and losses, to prepare a report, to create a common database. This will help to gather the necessary statistics to improve the quality of underwriting in the market, which will allow the gradual development of the market.

Despite the fact that the resource potential of the economy plays a leading role in shaping the financial and economic potential of the insurance market, institutional changes have a significant impact not only on its formation, but also on its implementation. It should be noted that these changes open up new opportunities for development, increase existing opportunities, but at the same time lead to threats and, accordingly, complicate the process of modernization of the insurance market, hindering the development of its promising directions.

The low level of capitalization of insurance companies has a negative impact on the financial stability of the insurance company. One way to solve this problem is to regulate the entry of foreign insurance companies into the domestic market .

attracts capital in the first place . For example, 48 % of the total assets and 73.5 % of the capital of the insurance market in Poland are managed by foreign investors . Paul Sha is currently one of the leaders in the insurance market of Eastern and Central European countries.



Further development of the activities of foreign investors in the national insurance market will be carried out in the country with prudent policies and regulatory support.

The purpose of the development of the insurance market of Uzbekistan increasing the level of insurance protection of property interests of individuals and legal entities, the formation of effective market mechanisms for attracting investment resources to the national economy by ensuring the effective functioning of the insurance services market, taking into account international experience. However, the lack of modern technologies in managing the development of the national insurance market complicates the implementation of strategic goals of the state in this sector of the economy.

The analysis allows to highlight the following basic conceptual provisions of the policy of state regulation of insurance relations:

targeted approach to strategic management of the insurance market in the development of the national economy;

application of short-term planning in conjunction with strategic plans for the development of the insurance market;

reduction of regional disparities in the development of the national insurance system;

application of management technologies;

Improving the legal framework for the regulation of insurance relations in accordance with changes in the field of insurance relations.

CONCLUSION

Active feature of development is the active involvement of insurers as institutional investors due to the increase in assets of insurance companies. If the state pursues an effective policy of legal regulation of investment participation of insurers, as a result, the activity of insurance companies as intermediaries in the investment market will increase. In this regard, the development of long-term types of insurance, which by its nature is a source of long-term investment, is a positive development.

At the level of regulation of insurance relations, the development of processes of self-regulation of insurance relations, the balanced application of economic-legal and control methods will contribute to the development of the national insurance system. Thus, a key factor in the successful development of the national insurance system is the formation of a modern market infrastructure, of which it is an important part. In this regard, it will be important for the insurance company to conduct financial engineering of business processes.

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