



ADVANTAGES OF DIGITALIZATION OF COMPULSORY INSURANCE SERVICES

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Abstract

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The relevance of the topic is due to the need to determine the specifics of insurance in the digital economy, as well as to conduct research to assess the practical application of new digital technologies in the national insurance market. Theoretical justification of changes in the insurance category in the conditions of digitalization of the economy and the study of the practical implementation of digital technologies in the insurance market. The results of a study on the demand by insurance companies for new digital technologies for business processes are considered and explained. Digital risks are classified, the features of the implementation of the risks of artificial intelligence and the Internet of Things are shown. The prospects of using digital technologies by insurers in the near future are being evaluated. The results of the study can be used by insurance companies to assess the competitive environment in terms of the use of digital technologies and in the process of strategic planning, as well as by government agencies to assess the state of affairs and prospects for the participation of the insurance market in the formation of the digital economy.

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INTRODUCTION

Today, Uzbekistan is taking steps to develop digital technology. So, on February 17, 2021, a resolution of the President of the Republic of Uzbekistan "On measures to create conditions for the accelerated implementation of artificial intelligence technologies" was adopted.

The document laid the legal foundation for the further development of AI technologies, and defined its main directions. In accordance with the Strategy "Digital Uzbekistan - 2030", as well as in order to create favorable conditions for the accelerated introduction of artificial intelligence technologies and their widespread use in the country, ensuring the availability and high quality of digital data, training qualified personnel in this area, the Resolution approved



the Program of Measures for study and implementation of artificial intelligence technologies in 2021-2022.

According to the Decree of the President of the Republic of Uzbekistan " On measures for the widespread introduction of the digital economy and e-government " dated April 28, 2020 PP-4699, by 2023 it is planned to double the share of the digital economy in GDP. The economic development strategy is based on such factors as the development of industry, e-commerce, services and agriculture, the strengthening of entrepreneurship, the provision of financial resources.

MAIN DISCUSSION

On November 12, 2020, the President of the Republic of Uzbekistan signed Decree No. PP-4890 " On measures to introduce a new model for organizing the healthcare system and mechanisms of state medical insurance in the Syrdarya region ." In accordance with this document, from June 1, 2021, a pilot project will start in the Syrdarya region of Uzbekistan to introduce a new model of healthcare organization - the transition to universal state insurance and the creation of "electronic polyclinics" with a database for each patient.

Summing up, we note that the President of Uzbekistan Sh. Mirziyoyev signed a decree on comprehensive measures to radically improve the healthcare system of the Republic of Uzbekistan, which provides for the phased introduction of state medical insurance.

The widespread use of digital technology in this process will serve as a solid basis for the formation of a transparent and reliable health insurance for all participants and will have a beneficial effect on protecting public health.

In recent years, significant progress has been made in Uzbekistan in the digitalization of CCS MTC.

The implementation of online auto insurance required coordinated work on the part of many government agencies, departments and the insurance market. Automation of the business process of concluding an insurance contract became possible due to the integration of databases of state bodies. If for the client this is the conclusion of an insurance contract in one click, then the internal process consists of reconciling the personal data of the car owner with the database of the Ministry of Justice of the Republic of Uzbekistan, for the car - with the database of the Ministry of Internal Affairs of the Republic of Uzbekistan, automatic individual calculation of the insurance premium, generating a unique number and issuing an electronic policy after payment by the client of the insurance premium.

The digitalization of the most massive type of insurance - compulsory auto insurance, has undoubtedly simplified the procedure for concluding an agreement and increased the geographical accessibility of this service. The population has the opportunity to conclude insurance contracts remotely 24/7/365. All data on insurance are in the Unified Insurance Database in real time (on the website of the Fund for Guaranteeing Payments for Compulsory Insurance of Civil Liability of Vehicle Owners www.tkj.uz). State bodies have the opportunity to exercise their control functions through this database. For example, traffic cops can check for insurance online without stopping the car through their tablets.



For the information systems of insurers and the Unified Insurance Database, requirements are established for the maximum level of protection of information, personal data and cybersecurity.

The next stage in the development of online insurance will be the introduction of online settlement of insurance claims. This will greatly simplify and make transparent the procedure for obtaining insurance payments.

The population will be able to apply for a payment, generate and send a package of documents, receive an insurance payment remotely, without visiting the office of the insurer.

As with the conclusion of an insurance contract in a remote format, the key operator for online payments will be the Unified Insurance Database, which will ensure the coordination and automation of the business process and will record all stages of the process of settling an insured event. This innovation will require further integration with government databases to gain access to digital services, documents and information.

Thus, in the near future, digitalization of the full cycle of insurance services will be ensured from the conclusion of a compulsory auto insurance contract to the receipt of an insurance payment. This is especially true during a pandemic, when there is an urgent need to receive services remotely, regardless of the region and location of the insured.

It should be noted that the implementation of the online settlement is provided for in legislative initiatives that are currently being considered in the Oliy Majlis. Today, the Unified Insurance Database is the key operator of the insurance market digitalization process. This database is an information technology platform for both the implementation of online insurance services and the collection of data across the entire insurance sector.

The database provides for the organization of the conclusion of compulsory insurance contracts, interaction with state databases, accumulation of statistics necessary for analytics and calculations, and other functions.

Since 2008, the Unified Insurance Database has been compiling statistics on compulsory auto insurance. You need to understand that for the digitalization of the entire insurance cycle, complete statistics are needed not only for insurance contracts, but also for insured events.

Given the progressive growth of digitalization of the industry, constant modernization and development of the functionality of the Unified Insurance Database is necessary. The directions of development of the Unified Insurance Database are focused on Insurtech (Insurance Technologies), RegTech (Regulatory Technology), SupTech (Supervisory Technology) events.

For example, the Insurtech upgrade will allow insurers to apply new technologies to create electronic platforms, new online services, reduce costs, and also to prevent fraud in the insurance industry.

It is important for the Agency to ensure the protection of the rights and interests of consumers of insurance services at the proper level, and the improvement of existing methods of supervision and regulation. This requires the introduction of SupTech technologies, which



will be an additional tool for timely response and solving problems to maintain the financial stability of insurers.

The use of RegTech technologies will reduce transaction costs for data collection, processing and analysis, and will ensure the optimization of regulatory compliance processes both on the part of the regulator and on the part of insurers.

The application of digital technologies in the insurance industry is transforming the way the insurance sector develops and regulates. It radically changes the existing standards and services of insurance organizations in accordance with global trends.

Increasing the level of digitalization as an effective tool for competition will further improve the quality of insurance products and services provided. New technological solutions will be a key driver for increasing the financial and geographic accessibility of insurance services for the population and businesses.

On 10/23/2021, Uzbekistan adopted a presidential decree “On additional measures to digitalize the insurance market and develop the life insurance sector”.

According to the document, from July 1, 2022, it will be allowed to carry out all types (classes) of insurance in electronic form.

Also, from January 1, 2023, the practice of issuing insurance policies on paper forms for all types of compulsory insurance is cancelled. From January 1, 2022 to January 1, 2025, the tax rate for income tax, calculated in terms of this activity of insurance organizations in the field of life insurance, will be reduced by 50 percent.

Funds sent by the employer in the period from January 1, 2022 to January 1, 2024 to legal entities licensed to carry out insurance activities in Uzbekistan, on the basis of accident and medical insurance contracts concluded by type of insurance for their employees, are not considered as total income of individuals.

The document says that until June 1, 2022, on the basis of a unified information system for compulsory civil liability insurance of vehicle owners, a unified automated information system for registering all insurance policies and monitoring their turnover will be introduced.

Registration of insurance contracts through the Unified Information System is mandatory for insurance organizations. In addition, inflation-linked government securities will be issued from July 1, 2022. In the near future, another important technological shift will take place in auto insurance - the automation of damage assessment in case of an accident.

That is, artificial intelligence will be able to estimate the cost of the upcoming repair by photographic fixation. This will happen remotely and automatically. This means that the driver will be able to receive the insurance payment in just a couple of hours after the accident.

It is worth noting that, on the one hand, digitalization leads to the acceleration and simplification of business processes, and this is very convenient for the consumer. On the other hand, this can lead to a decrease in business profitability. However, this is not a problem for insurance companies. Most often, the insurer does not act on its own, but as part of the financial ecosystem.



However, everything changes if the insurer does not act on its own, but as part of the consumer ecosystem. We analyze a lot of data about the behavior of our customers. This information enters the ecosystem and intelligently configures related services for each user. These can be banking products or non-financial services in general.

For the user, this is always more profitable than the standard conditions. The client is less and less outside the ecosystem. This is also beneficial for the insurer: related services significantly increase the number of positive contacts, which are very rare in the classical scheme. So, the client with such a company will remain for a long time. Prospects for the development of digitalization of the insurance market.

The sales potential of digital insurance is huge, and the digitalization of insurance business operations is in full swing. The main modern world trends include the transition from the development of standardized insurance products to the creation of individual insurance programs using available information from social networks, medical organizations, etc.

CONCLUSION

Consumer preferences around the world are transforming, and insurers are looking for new growth points. For example, in Europe and the US, there is an approach using telematics or "smart" insurance, which allows careful car enthusiasts to save on insurance, and insurers to better manage risks. "Smart" technologies are used abroad not only in motor insurance, but also in real estate insurance ("smart" home), personal insurance using gadgets for remote assessment of the client's health.

It should be taken into account that digitalization entails, in addition to improving the quality of services and expanding the range of insurance services provided, increasing the degree of vulnerability of the country's insurance market to external and internal cyber threats.

First of all, it is the presence of vulnerabilities in the system, the possibility of data leakage, dishonest and fraudulent actions as a result of cyber attacks.

But, despite all the risks, digitalization is the future. Technology is changing customer preferences and shaping a new insurance culture.

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