
DEVELOPMENT PROSPECTS OF MICROINSURANCE IN UZBEKISTAN

SHODIMUROD TUKHTAMISHEV

Abstract

Keywords: insurance, microinsurance, innovation, finance, financial market, insurance market, social stability, economic growth.

The scientific-theoretical aspects of the development of microinsurance at the current stage of development of the economy of Uzbekistan are researched, and the issues of innovative development of the microinsurance market are covered in detail in the article. Also, the characteristics of the sufficient development of this type of insurance in our country are expressed in this article.

Copyright © 2023 International Journals of Multidisciplinary Research Academy. All rights reserved.

Author correspondence:

SHODIMUROD TUKHTAMISHEV

Independent researcher, Tashkent Institute of Finance, Tashkent, Uzbekistan

E-mail: tukhtamishev_sh@mail.ru

INTRODUCTION

The modern insurance system has been rising to a new stage of development in recent years. In the analysis of the main indicators of the insurance market of our country, the issues of increasing entrepreneurial activity among individuals in this segment of the financial services market, increasing insurance payments, increasing the level of capitalization of insurance companies and strengthening state control over the activities of insurance companies were considered, but the issue of microinsurance was not sufficiently studied. From this point of view, we can recognize the development of micro insurance system as one of the most pressing problems of today.

LITERATURE REVIEW

Mirabazalov explained the economic nature of microinsurance, its place in the socio-economic life of the country, as well as its social function in eliminating poverty and social inequality. Economic models of microinsurance implementation in the world are analyzed. The main lines of development of microinsurance in the national insurance system, its economic effect for the state and business are analyzed, as well as the lines of future development are researched [1]. also Maslennikova (2016) we can see the practical approach of microinsurance, that is, according to the researcher's opinion, microinsurance focused on the needs and opportunities of low-income groups allows to provide them with insurance

protection that is practically unattainable within the framework of traditional commercial insurance. In a broad sense, microinsurance can be considered as a separate activity of an insurance company to provide microinsurance products. Microinsurance in the narrow sense –it is a unique group of insurance products aimed at the underprivileged population in terms of risks assumed for insurance, sums insured and insurance premiums, sales methods, underwriting and pricing.

According to Churchill and Matul (2012), microinsurance -it is argued that it is a financial mechanism for insuring low-income people against certain risks in exchange for regular payments proportional to the probability and cost of the risk. Semenova (2014) concludes in her research that microinsurance is the application of insurance mechanisms at the level of "micro" (lower than national level insurance) for certain categories of society's population. Maslennikova (2013) interprets microinsurance as follows, that is, microinsurance -explains that it is a risk transfer mechanism, characterized by low premiums and low insurance limits, aimed at low-income people who are not covered by conventional insurance schemes. Ovchinnikova According to (2011), microinsurance makes a significant contribution to the field of social security, and emphasizes that it is an important tool that allows the poor to protect their financial, social and economic interests, and provides practical help in reducing poverty. Basanta (2014) conducted research on microinsurance and formulated the following results: its uniqueness is reflected in its social functions, as well as its use has a positive effect on society, namely: removing financial barriers for the purchase of insurance products for low-income residents; limiting the increase in the number of low-income residents, providing them with insurance protection; reducing the negative consequences of social risks . Maslennikova, Korovin, Maslennikov (2014) emphasize the following, as a result of their analysis, microinsurance is a part of microfinance, and it is a part of low-income citizens who want to provide themselves with insurance protection. is aimed at their needs, where traditional insurance protection is expensive for them. Microinsurance is a new type of insurance services, which means that the methodological and scientific basis of studying this situation is not perfect. It differs from traditional insurance in terms of pricing, underwriting and sales methods. In this regard, there is considerable risk for companies entering this new market. However, today, microinsurance is rapidly developing in international practice. [1]

RESEARCH METHODOLOGY

This article uses methods such as verbal interpretation, observation, induction and deduction, and scientific abstraction of the scientific-theoretical and practical foundations of microinsurance development.

ANALYSIS AND RESULTS

At the modern stage of economic development of new Uzbekistan, the issue of ensuring financial security is considered a necessary condition. In the third priority direction of the new Development Strategy of Uzbekistan for 2022-2026, called "rapid development of the national economy and ensuring high growth rates", "by ensuring stable high growth rates in economic sectors, in the next five years, the gross domestic product per capita - 1.6 times and 2030 One of the main goals is to increase per capita income from 4,000 US dollars per year and to "create a basis for entering the ranks of countries with higher than average income". Based on this goal, to ensure macroeconomic stability and gradually reduce the annual inflation rate to 5% until 2023, reduce the state budget deficit and ensure that it does not exceed 3% of the GDP from 2023, allocate at least 5% of the budget of each district to the "Citizens' Budget" within the framework of the program, the tasks of organizing spending on solving the most urgent problems based on the proposals of the population and ensuring that the amount of newly attracted external debt per year does not exceed 4.5 billion US dollars in the management of the State debt are strictly defined.

Also, in order to increase financial resources in the economy, increase the turnover of the stock market from 200 million US dollars to 7 billion US dollars in the next 5 years, and in this regard, gradually liberalize the movement of capital in our country and privatize large enterprises and their shares (shares), including through the stock exchange . and completing the transformation processes in commercial banks with a state share, the tasks of bringing the share of the private sector in bank assets to 60 percent by the end of 2026 have been set [2].

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

As in any field of activity, syg'yrtla innovation continues along with the creation, implementation and dissemination of innovations that define the essence of syg'yrtla activity. Currently, innovation is becoming a necessary condition for the development of any field of activity of any organization, which is why the health care business is even more mysterious . On the contrary, health care organizations are much more important than other types of activities, due to the specific characteristics of the health care service, the

dynamically changing conditions of the health care providers' activities, and the dynamics of the health care service delivery environment.

Innovative directions contribute more and more to expanding the scope of healthcare activities, as a result of which there is a tendency to use innovative approaches more effectively in all areas of healthcare, and increasing the attractiveness and demand for innovative healthcare products creates favorable conditions and, in turn, improves the financial performance of healthcare organizations. .

The innovative development of the company's organizations is manifested in a quick and adaptive attitude to the emergence of innovations in various areas related to the activity of the company, the rapid use of new technologies in the work, striving to make changes to all elements of the internal organizational environment, paying attention to innovations, the ability to form relationships, and the external business environment. By signs constitute the main content of the innovation-oriented development of the healthcare organization.

Since the search, use, consumption and production of innovations is not a simple goal, the process should be subordinated to achieving the strategic and tactical goals of the organization's development. From the point of view, innovation works as a condition and means of achieving the organization's goals (increasing competitiveness, achieving stable and dynamic economic growth, improving financial and economic indicators).

The following circumstances are important in order to methodologically justify the characteristics of the activity of the innovative company and the orientation of the microcompany to the innovative development:

1.The formation and development of a modern post-industrial society based on knowledge and innovation in various fields is of great importance in creating conditions for the sustainable development of the national economy, and determines the objective requirements for the creation and distribution of innovative solutions in all fields of professional health organizations.

2.Modern trends of innovative development create a basis for changing the management system of health organizations, years should reflect the increasing importance of innovations and encourage health organizations to innovate activities of the health business, which is mainly focused on innovative development;

3.The innovation-oriented development of health organizations is accompanied by a significant increase in the risk component, because in addition to health risks due to the specific nature of health care activities, there are risks associated with the health

organization's innovative activities, and the years of innovation-oriented development put new demands on the quality and safety management of the health care company's activities.

4. The continuous development and improvement of management science coincides with the emergence of new socio-economic events and processes that form new management objects, management of independent areas of management, risk management, innovation management, management of innovation-oriented development of the health organization; In addition, the fields are significantly developing under the influence of new results of management science and the emergence of best management practices.

The content of innovative micro-health activities in relation to health care is to create, distribute and use innovations at various stages of the health care process, to expand the types of health care services provided by health care; improving the support of health products ; development of health services sales channels; syg'yрта management, including shy jymla, improvement of innovative risk management system.

Taking into account that health care activity is associated with high level of risks, it should be noted that the risks in the field of innovative health care activities are related not only to significant health risk, but also to the risk of innovative decisions related to the success of the health care organization. In this regard, taking into account the content of innovative health activities, in our opinion, it is necessary to highlight the objectively formed requirements for the organization of business process management.

The innovation-oriented development of health organizations is explained by the continuous improvement of the theory and practice of financial management. In the current conditions of the development of integration processes in the field of health care, not only within the borders of the national market, the goals of health care organizations have changed, the forms and methods of achieving business goals, and the means of support have also changed. By syg'yрта cannot affect the quality change in the management system of health organizations.

Along with Shy, the development of management theory and practice was largely ensured by the expansion of the openness of the economy of Uzbekistan, which, along with new technologies and management tools, facilitated the entry of foreign companies into the domestic market. Along with Shy, many local health care companies are establishing active relationships with foreign partners using best practices and modern management tools. Thus, the development of integrated processes contributes to the spread of the latest

innovations in the field of financial management, risk management and innovative management in the activities of healthcare organizations.

Unfortunately, many local health organizations face the challenge of lack of reliable risk management tools in the context of innovative development, which can effectively begin to develop internal economic and organizational mechanisms, taking into account competition, uncertainty and increased risks. Myanmar is especially relevant in the context of global trends in the development of management systems and tools for business processes, innovations, risks, and investments.

At the same time, it is necessary to improve the internal organizational structure of the health organization. The main goals of the company are financial stability and stable operation of the insurance organization, while at the same time innovative development of the company's insurance business is a necessary condition.

Management of the innovation-oriented development of the healthcare organization with a high level of responsibility includes the unity of the systems of general management and risk management of the innovative healthcare activities of the healthcare organization. The work system becomes a necessary direction of management of health care activities with the goals, tasks, functions and methods related to the specific aspects of innovative health care activities. At the same time, such differentiation is a logical development of the general and financial management of the medical organization, both conceptually and practically.

Business measures aimed at the development of microinsurance include:

- increasing the efficiency of activities, including reducing the cost of microinsurance products by reducing the costs of providing microinsurance services;
- development of agency and brokerage sales channels, cross-sales, sales through microfinance organizations, sales through public and religious organizations, etc.;
- development of mutual insurance societies;
- establishment of specialized microinsurance organizations;
- promotion of microinsurance;
- formation of personnel capacity in the field of microinsurance, improvement of personnel qualifications.

Thus, the joint measures of the state and business include increasing the demand for microinsurance services due to:

- increase the insurance culture of the population;
- development of microinsurance.

The goals of microinsurance formation and development are as follows:

- 1) profiteering by insurance companies;
- 2) fulfillment of their tasks by socially oriented non-profit organizations;

3) improving the social protection system with Uzbekistan by developing microinsurance in order to improve the quality of life of the population by providing the opportunity to purchase microinsurance products and to improve the mechanisms of protection of the poor sections of the population;

4) development of the insurance market by developing new lines of activity of insurance companies and creating new microinsurance products.

Development criteria allow for initial, current and future monitoring of the achievement of goals, as well as quick identification of problems and factors in the development of microinsurance. These criteria represent a set of quantitative and qualitative indicators that determine the level of achievement of goals. These include:

1) the number of concluded microinsurance contracts and the average sum insured for them;

2) the share of premiums and payments under microinsurance contracts in the total volume of premiums and payments for a certain period;

3) the number of insurance companies providing microinsurance services;

The development of microinsurance will be beneficial for the state for the following reasons:

a new element of the social protection system will appear, that is, with the help of the insurance system, which will allow the effective management of the risks of low-income households. It reduces part of the state's responsibility, reduces the costs of social assistance of the state and local budgets;

social tension decreases;

human development index increases;

the negative dynamics of the emergence of low-income households will decrease.

For policyholders (especially low-income ones), microinsurance is beneficial for a number of reasons:

low-income households will have an effective protection system against significant risks by purchasing microinsurance products;

with the help of microinsurance, they will be able to manage risks independently, without depending on the government or informal elements of the social protection system.

The development of microinsurance is also beneficial for the development of the entire integrated insurance market for the following reasons:

miuroinsurance is a new promising direction of insurance activity. For insurance companies, this allows them to diversify their activities and get additional profits;

microinsurance can be seen as a field for innovation. The specifics of this activity force insurance companies to look for ways to reduce the price of microinsurance products, which can later be applied to traditional insurance types;

microinsurance is a type of social responsibility of business, the implementation of which will not fail to have a positive effect on the image of the insurance company. Microinsurance and traditional insurance products operate within the same market, but do not replace each other. The insurance market as a system of economic relations includes a number of high-level systems that directly or indirectly determine its development opportunities and trends. Therefore, the development vector of the national insurance market should be evaluated from the point of view of its compatibility with the development goals of the "risk management" and "socio-economic", "social protection systems" macrosystem. By introducing microinsurance (including for the poor) products aimed at increasing the insurance capacity and opportunities, the positive impact of the insurance market on these macrosystems will be enhanced. It is unacceptable for the state to use coercive measures for the development of microinsurance in the national insurance market [1].

CONCLUSION

At the level of regulation of insurance relations, the development of microinsurance processes, the balanced use of economic-legal and control methods allow to support the development of the national insurance system. Thus, the main factor for the successful development of the microinsurance system is the increase in financial literacy aimed at the knowledge of insurance in the general public and especially in our people. In this regard, it is necessary to popularize knowledge about microinsurance and to revive research and development in this regard. In turn, the development of microinsurance serves the social interests of the country's population and helps the underprivileged as a means of social support and is an important aspect of the poverty reduction mechanism.

REFERNECES

1. MirabazalovM. Analysis of the mechanism of action of microinsurance .Journal of Finance and Banking 1 (2022), pp. 100-101.

2. Decree No. PF-60 of the President of the Republic of Uzbekistan dated January 28, 2022 "On the Development Strategy of New Uzbekistan for 2022-2026"

APPENDIX 1

3. International Monetary Fund (2019). Financial Soundness Indicators Compilation Guide. Washington DC, US.
4. Asian Development Bank. (2015) Indicators of financial soundness for financial sector stability: A tale of three asian countries. Mandaluyong City, Philippines.
5. Allayarov, Sh. (2019) "On the interdependence of the concepts of" tax culture "and" tax discipline "// International Finance and Accounting: Vol. 2019: Iss. 6, Article 14. Available at: <https://uzjournals.edu.uz / interfinance / vol2019 / iss6 / 14>
6. Allayarov, Sh. PhD. (2020) Combination of fiscal and stimulating functions of the tax system to ensure financial and economic security // American journal of economics and business management ISSN: 2576-5973, Vol. 3, No.1, Jan-Feb 2020, pp. 64-69.
7. Allayarov, Sh. PhD. (2020) Faktor investigation of tax discipline for financial security // ACADEMICA: An International Multidisciplinary Research Journal. <https://saarj.com>.ISSN: 2249-7137, Vol. 10, Issue 11, November 2020, Impact Factor: SJIF 2020 = 7.13, pp.2343-2348.
8. Allayarov, Sh. PhD. (2020) Strengthening tax discipline in the tax security system: features and current problems // South Asian Journal of Marketing & Management Research (SAJMMR). <https://saarj.com>. ISSN: 2249-877X, Vol. 10, Issue 11, November 2020, Impact Factor: SJIF 2020 = 7.11, pp. 124-128
9. G. Shamborovskyi, M.Shelukhin, AllayarovSh, Y.Khaustova, S. Breus. (2020) Efficiency of functioning and development of exhibition activity in international entrepreneurship // Academy of Entrepreneurship Journal (Print ISSN: 1087-9595; Online ISSN: 1528-2686) Volume 26, Special Issue 4, 2020 pp. 1-7.
10. Dabla-Norris, E., Misch, F., Cleary, D. and Khwaja, M. (2017). Tax Administration and Firm Performance: New Data and Evidence for Emerging Market and Developing Economies. IMF Working Papers. WP-17/95., Deloitte and Touch (2013). European Tax Survey: The Benefits and Stability. Deloitte Publications., Schuberth, H. (2014). Tax Policies and Financial Stability: Lessons from the Crisis. DOI: 10.7551 / mitpress / 9780262018340.003.0006