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## **DEVELOPMENT OF INSURANCE MARKET AND AGRICULTURAL INSURANCE PROCESS: ANALYSIS AND PROSPECTS**

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**Abstract:** The article analyzes the development of the insurance market of the country, the state of insurance services in the insurance market and the process of insurance of the agricultural sector based on statistical sources and provides conclusions. Also, proposals and recommendations have been developed to further increase the relevance and importance of insurance in the agricultural sector in the insurance market.

**Keywords:** insurance, insurance market, voluntary and compulsory insurance, insurance products, insurance premium, insurance liability, insurance indemnity, aggroinsurance, insurance reforms.

### **Introduction**

In today's highly competitive environment, the importance of the insurance market and its relevance is growing. To withstand competition, all types of businesses face a variety of risks and unforeseen natural disasters. These conditions have a negative impact on the financial stability of enterprises and their ability to maintain their position in the market. For this reason, in any case, insurance will emerge as a timely financial aid. Through insurance protection, enterprises are protected from various risks and prevent losses from economic crises and financial losses as a result of compensation for losses from natural disasters.

As a result of reforms in the development of the national insurance market, the Insurance Market Development Agency under the Ministry of Finance was established in our country on the basis of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated December 31, 2019 No 1060. This agency is the authorized state body for regulation and development of the insurance market, ensuring the protection of the rights and legitimate interests of all participants in the insurance relationship.

For this purpose, the research problem is to analyze the development trends of the national insurance market and assess the real situation, to study the importance of insurance services in the insurance market, as well as the dependence of the agricultural sector on losses due to various natural disasters and the importance of insurance in preventing these situations. further enhancement.

As a solution to the problem of this research and the need to study the insurance market and improve the insurance practice of the agricultural sector, it is worth mentioning the following:

- development of recommendations for improving the insurance market and the insurance system of the agricultural sector;
- assessment of the competitive environment between the insurance market and making recommendations on the formation of competition in insurance of the agricultural sector;
- Recommendations to increase the ability of farms and dehqan farms operating in the agricultural sector to compensate for financial losses caused by various man-made disasters;
- Development of recommendations for the formation of state support in cases related to the insurance of the agricultural sector in the national insurance market.

In order to achieve insurance protection of life and property, entrepreneurial activity, general civil liability, credit and other activities during the development of the national insurance market, to help agricultural enterprises to cover economic losses from various natural and man-made disasters as a result of insurance of the agricultural sector. serves as a financial support.

### **Literature review**

In his research on the reform and development of the insurance market in our country, Tora Arobiddin put forward his views on the new development of the insurance market, the medium and long-term development of the insurance industry, the access of national insurance companies to international financial markets and the development of insurance.

Together with, analyzing the state of development of the insurance market and the current state of reforms in the field, R. Sultanov in his research, based on the analysis of statistical data, made his recommendations for the development of the insurance market [4].

On the theoretical and methodological issues of insurance market and agricultural insurance Miranda PM, Meuwissen, Yann de May, Marcel van Asseldonk and other well-known scholars described in detail the priority development of the insurance market in Europe, in particular the diversity of services offered by agricultural insurance companies [5].

Well-known economists O.I. Kruger and T.A. Fedorova conducted their research on the example of the German insurance market, according to which the German insurance market is divided into three sectors: personal insurance, property insurance and insurance of valuables [6].

Furthermore, economists such as KM Kuldashev, IG Kenjaev, GT Khalikulova, focusing on the theoretical and practical issues of development of the insurance market in Uzbekistan, focused on the priority development of the industry [7,8,9].

### **Research methodology**

The main purpose of the study is to study the activities of the national insurance market and the current implementation of reforms in the insurance market, as well as to develop scientific and practical proposals and recommendations for the development of the sector based on the analysis of the insurance sector in the insurance market. Comparison, grouping, and empirical research methods were widely used in the study.

As a result of the research, an analytic study of the insurance market and the level of insurance in the agricultural sector was assessed. These scientific and practical recommendations can be used in the process of further improving the insurance market of the country, especially in the agricultural sector.

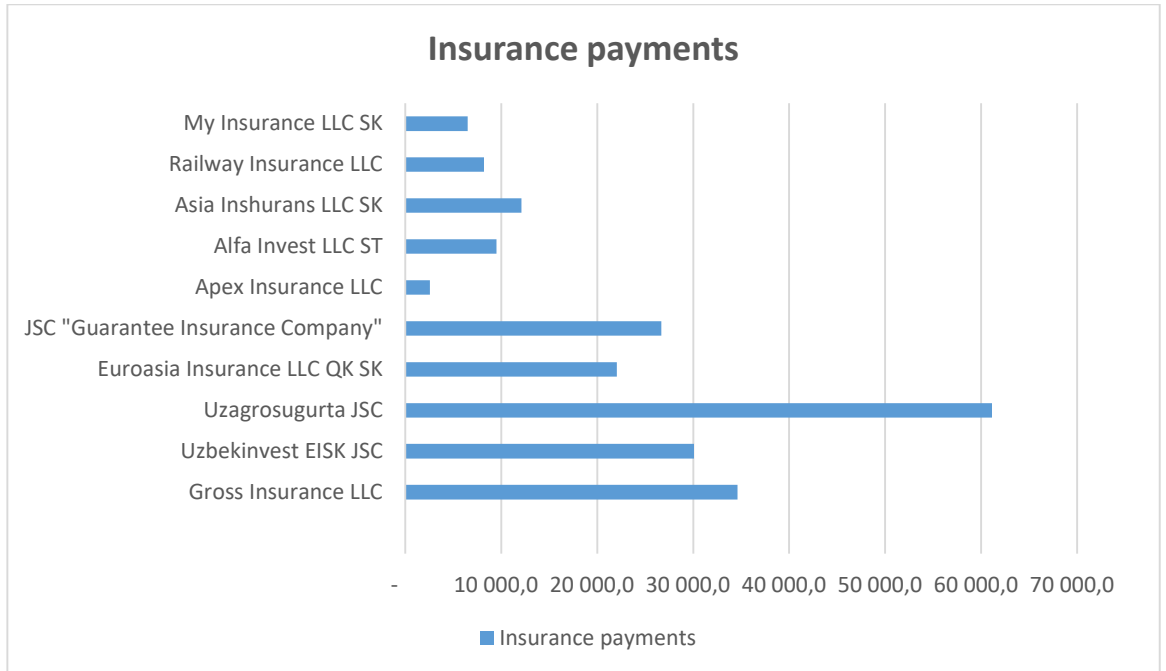
### **Analysis and results**

Ensuring the sustainable development of sectors of the economy in a highly competitive environment is one of the priorities to ensure the financial stability of all types of businesses. Today, business entities in various fields play an important role in employment, production and supply of consumer goods and the provision of various services. In this regard, the importance of insurance in protecting businesses from various risks. One of the most pressing issues today is the analysis of the state of development of the national insurance market, the analysis of the process of providing insurance services in the insurance market and the theoretical and practical study of insurance activities in the agricultural sector.

It is no secret, that, insurance activity in our country is an effective tool of economic and financial protection of the interests of the state, citizens and businesses. Today, one of the most important issues is the formation of a modern insurance system, improving the legal and regulatory framework in the field, increasing the effectiveness of financial and monetary policy, as well as increasing the reliability of insurance activities.

Some of the problems in the insurance market of the country need to be addressed: the main problems in the insurance relationship are the refusal to pay the sum insured, the lack of an innovative approach to the provision of insurance services, the definition of insurance obligations without mutual agreement with the insured, the exemption of the insurer. lack of leading management and qualified personnel in the field of insurance, lack of alternative methods of resolving insurance disputes, lack of free conclusion of insurance contracts with the insured. The presence of these problems in the insurance market directly exacerbates

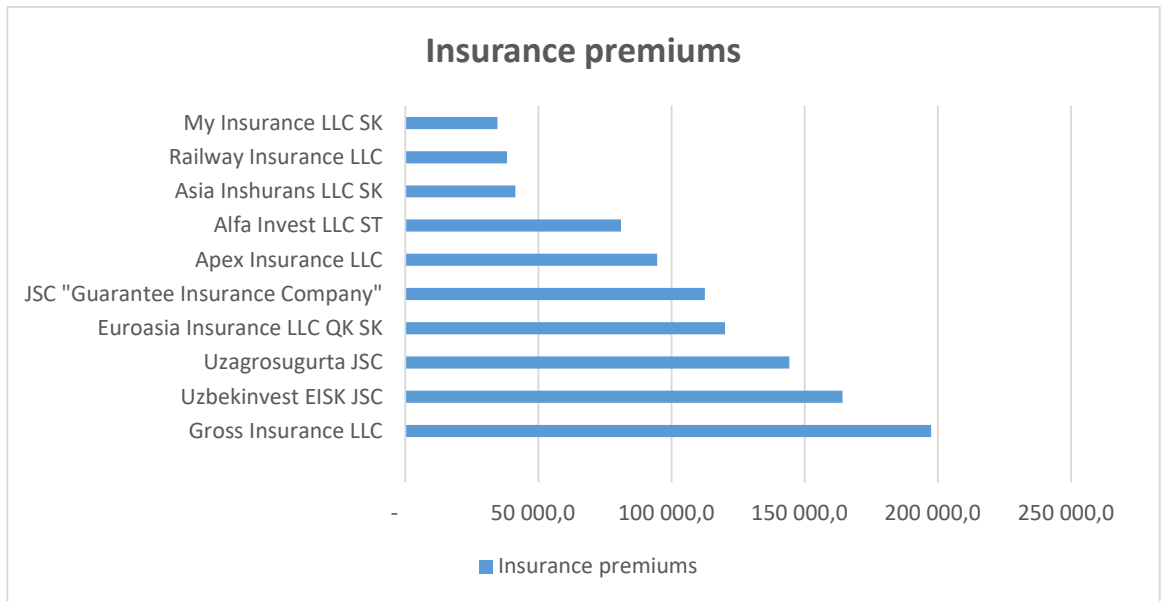
disagreements between insurers and policyholders and a sense of mistrust in insurance companies.



**Figure 1. Dynamics of insurance premium income by TOP-10 insurance companies in the insurance market of Uzbekistan (01.10.2020) [19]**

According to the Ministry of Finance of the Republic of Uzbekistan, for the first 9 months of 2020, more than 40 insurance companies were licensed, including 28 insurance companies specializing in general insurance, and 8 companies operating in the field of life insurance.

As of October 1, 2020, a total of 1,343,694.7 million soums of insurance premiums were collected by 28 companies engaged in general insurance activities, and insurance companies, which are mainly included in the TOP-10 list of insurance premiums, received insurance premiums. has been leading the market. Gross Insurance LLC, Uzbekinvest EISK JSC, Uzagrosugurta JSC, Euroasia Insurance JV and Kafolat Insurance Company JSC are leading in terms of insurance premium income.



**Figure 2. Dynamics of insurance coverage paid by TOP-10 insurance companies in the insurance market (01.10.2020) [19]**

Also, as of 01.10.2020, as a result of various natural disasters and unforeseen natural disasters in the country, companies engaged in general insurance activities paid a total of 262,591.0 million soums of insurance coverage. Uzagrosugurta JSC is a leader in the payment of insurance indemnities paid by TOP-10 insurance companies in the insurance market.

The country is located in a dangerous agricultural zone, in some cases due to water shortages, droughts, floods, various pests and other natural disasters, large losses have a serious impact on the activities of agricultural enterprises. It is a fact that agriculture is inextricably linked to the impact of natural disasters, which hinders its sustainable development.

Today, in any case, insurance protection and financial support of farmers and dehqan farms, which are directly representatives of the agricultural sector, is one of the strategic issues in the focus of the government.

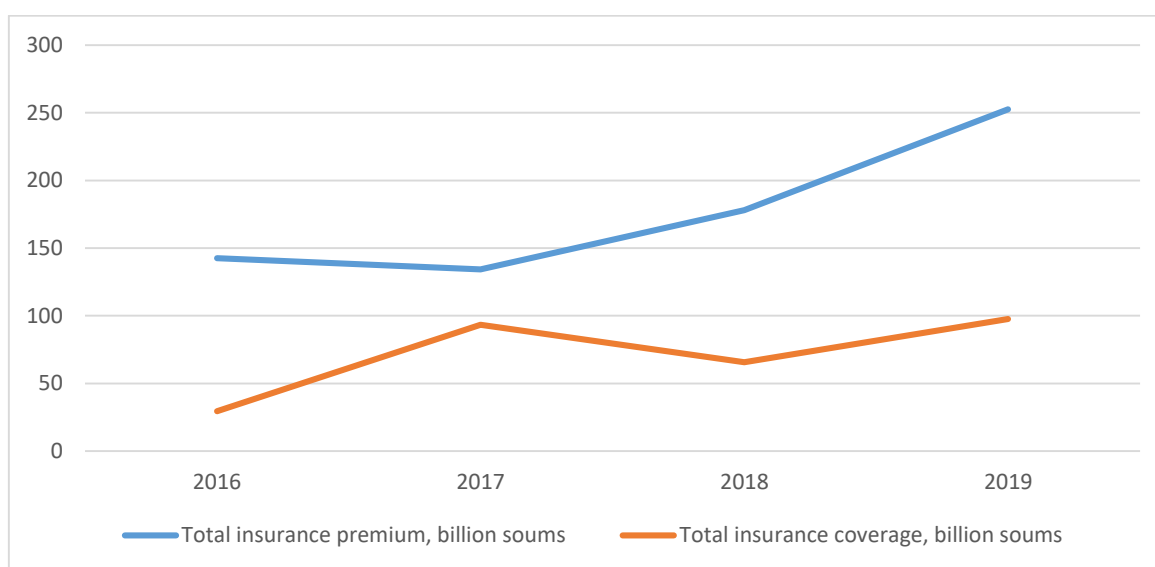
The lack of the expected yield in agriculture, the population of the country, along with consumption, affects all types of manufacturing enterprises. The uneven production of agricultural products also has an impact on the financial situation of the country's population. Today, insurance protection of the agricultural sector is one of the urgent tasks in the sustainable development of the agricultural sector. Today, the insurance of the agricultural sector is an effective tool to eliminate losses from natural disasters and prevent financial losses and improve their economic situation on the basis of ensuring the effective implementation of insurance.

Uzagrosugurta JSC insures the agricultural sector, and its main customers are farms, small businesses and private entrepreneurs, as well as the rural population.

JSC "Uzagrosugurta" carries out certain work to insure customers against accidents caused by various natural disasters and accidents.

One of the tasks of JSC "Uzagrosugurta" is to provide financial support to agricultural enterprises through the provision of insurance services.

During 2016-2019, the agricultural sector was insured against various natural disasters (for all types of insurance), in 2016, 142.6 billion soums of insurance premiums were collected, and in 2019, 252.6 billion soums of insurance premiums were collected. The volume of insurance premiums for insurance of agriculture against various natural disasters in 2019 increased by 1.7 times compared to 2016.



**Figure 3. Dynamics of insurance premiums and insurance coverage for insurance of the agricultural sector, billion soums [20].**

In order to cover the losses of the agricultural sector from natural disasters, JSC "Uzagrosugurta" in 2016 paid 29.4 billion soums of insurance coverage, in 2019 - 97.6 billion soums. In 2019, compared to 2016, it increased by 68.2 billion soums. It can be concluded from the analysis that the risk of natural disasters and natural disasters in the agricultural sector is increasing compared to previous years. Insurance indemnities paid to agricultural enterprises today not only cover their direct financial losses, but also protect them from bankruptcy. In addition to insuring the agricultural sector against various risks, Uzagrosugurta JSC concludes timely insurance contracts with agricultural enterprises, financially protects the interests of policyholders in the face of climate change, maximizes the use of insurance services and covers all types of natural and man-made risks. Issues such as risk loss prevention should be a constant focus.

### **Conclusions and Recommendations**

In conclusion, in developing the insurance market and ensuring the prospects of the insurance process in the agricultural sector, it is expedient to pay attention to the following:

- Development of a long-term development strategy for the development of the national insurance market;
- Ensuring the integration of national insurance companies with the global insurance market;
- Gaining public confidence by increasing the amount of insurance coverage paid by insurance companies in the insurance market;
- Development of differentiated insurance tariffs by insurance companies in the insurance market, taking into account the income of the population;
- development of types of insurance to reduce the damage of natural hazards and their financial support on the basis of identification of natural hazards;
- Development of new methodological recommendations for crop insurance of agricultural enterprises in the agricultural sector.

The implementation of the recommendations based on an innovative approach to research on the development of the national insurance market and the improvement of the insurance system of the agricultural sector will serve to ensure the sustainable development of the industry.

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