



SPECIFIC FEATURES OF ENSURING FINANCIAL SECURITY OF INSURANCE COMPANIES

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Article history:		Abstract:
Received:	24 th April 2025	<i>The article examines the economic content and importance of ensuring the financial security of insurance companies. The economic environment of the insurance industry, its sensitivity to changes, as well as the scientific and practical aspects of ensuring the stability of insurance companies through financial and statistical analysis are comparatively studied. Also, the financial security of insurance companies has a significant impact not only on the industry itself, but also on the national economy, therefore, this article develops proposals and recommendations aimed at strengthening the insurance system in the economies of countries.</i>
Accepted:	20 th May 2025	

Keywords: insurance, insurance companies, financial security, economic stability, risk management

INTRODUCTION

The insurance sector of Uzbekistan, as an important and strategic sector of the national economy, should pay great attention to ensuring sustainable development. The financial stability of insurance companies is considered the main condition for the effective implementation of their important activities, such as production, trade and social protection of the population. The insurance system plays an important role in ensuring stability, confidence and risk management mechanisms in the national economy, and, of course, has a long-term impact on strengthening the financial and economic situation of the country. A number of important decisions and legislative amendments have been adopted in Uzbekistan aimed at ensuring the financial stability of insurance companies. Today, the stability of the financial system is improved, mainly as a result of the growing relationship between large investors in financial markets and insurers, by insuring their financial risks. In modern insurance, the large number of participants in it, in addition to the fact that it protects against possible negative consequences in society, the accumulation of large capital in national insurance funds is important for the country's economy.

LITERATURE REVIEW

The importance of the activity of insurance companies in the development of the financial market is reflected in the following:

- Insurance companies ensure the financial stability of any financial market participant facing risk by compensating a part of the loss, reducing the amount of losses. At the same time, it protects the enterprise from situations that could lead to bankruptcy, as a

result, it prevents the reduction of state tax revenues and has a significant effect on improving the macroeconomic situation of the economy.

- By increasing the amount of money collected as insurance premiums, insurance companies will have the opportunity to finance large investment projects, thus having a positive effect on the country's economic growth.

- On the verge of starting a new international trade between business representatives who do not have sufficient mutual trust and long-term cooperation, in most cases, some types of insurance are resorted to in order to prevent possible risks. This ultimately encourages the development of international trade. Insurance companies can be important for the stability of financial systems mainly because they are large investors in financial markets, because there are growing links between insurers and banks and because insurers are safeguarding the financial stability of households and firms by insuring their risks.

RESEARCH METHODOLOGY

The insurance sector has traditionally been regarded as a relatively stable segment of the financial system. This is mainly because most insurers' balance sheets, unlike those of banks', are composed of relatively illiquid liabilities that protect insurers against the risk of rapid liquidity shortages that can and do confront banks. In addition, insurers are not generally seen to be a significant potential source of systemic risk. One of the main reasons for this view is that insurers are not interlinked to the same extent as banks are, for instance, in interbank markets and payment systems. Health insurance plays a significant role in reducing poverty in Uzbekistan. While the country has made



progress in providing healthcare to its citizens, the cost of medical treatment remains a barrier for many. Health insurance policies offer financial protection, ensuring that individuals and families do not face catastrophic healthcare expenses that can push them further into poverty. Government initiatives, such as the introduction of the Compulsory Health Insurance System in 2020, have expanded access to healthcare and reduced the financial burden on individuals. Health insurance is a crucial aspect of a country's healthcare system, aiming to provide financial protection to individuals and ensure access to quality medical services. This literature review explores the landscape of health insurance in Uzbekistan, focusing on its historical development, current status, challenges, and future prospects. The healthcare system in Uzbekistan has witnessed substantial changes in recent years, and health insurance has played a vital role in these transformations. Based on the resolution, the Strategy for the Development of the Insurance Market of the Republic of Uzbekistan was developed in accordance with the State Program for the Implementation of the Strategy of Actions in Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021 in the "Year of Science, Education and Digital Economy Development", approved by the Decree of the President of the Republic of Uzbekistan No. PF-5953 dated March 2, 2020, as well as taking into account the standards and recommendations of the International Association of Insurance Supervisors, and modern trends in international insurance markets. The Strategy is aimed at introducing modern methods of managing insurance activities, further supporting professional participants in the insurance market, strengthening the protection of the rights and legitimate interests of all subjects of insurance relations, and determines the goals, objectives, priorities and stages of its development of the insurance market of the Republic of Uzbekistan, and serves as the basis for the development of programs and complex measures in this area. The insurance system consists of commercial organizations that are professional participants in the insurance market. The insurance market includes life insurance and general insurance sectors.

The insurance market includes 43 insurance companies (36 of them are general insurance, 7 are life insurance), 5 insurance and reinsurance brokers, 22 assistants, adjusters and surveyors, 5 actuaries, and more than 9 thousand insurance agents.

In the first half of 2020, 958.3 billion soums of insurance premiums were collected, which is 76.5% compared to the same period last year.

The introduction of the Compulsory Health Insurance (CHI) system in 2020 marked a significant step towards universal healthcare coverage. Despite the progress, challenges persist in the implement. Digital banks place their main emphasis on modern technologies and a target audience that is accustomed to online banking services. The main sources of income for such banks are transaction fees, paid subscriptions to VIP or premium services, and commissions from third-party services (for example, an online store that integrates into a banking application and pays "rent" for being on the digital bank platform). Certain disadvantages of digital banks include their narrow target audience compared to the broad masses of citizens. For example, the vast majority of pensioners and older people who are not familiar with modern technologies will not be able to fully use the services of neobanks. Moreover, digital banks are mainly "tailored" for monetary transactions that occur within the network and in the absence of their own terminals, and sometimes even plastic cards (for the sake of virtual cards and electronic wallets). For some, this may be a decisive argument in favor of choosing traditional banks. Also factors slowing the spread of digital banks in Uzbekistan are an unadapted regulatory framework and insufficient technological capacity (data centers, experienced IT specialists, Internet coverage and speed). However, it must be said that it is a matter of time, education and resources before digital banks can turn these disadvantages to their advantage. Studies show that there are a number of problems in this area that are characteristic not only of our republic, but also of some countries. This is mainly due to the underdevelopment of effective communication between insurance companies and the population, low efficiency of service provision due to delays in responding to customer inquiries. In addition, the fact that the main share of insurance premiums - approximately 66% - falls on the city of Tashkent and the Tashkent region, and the high geographical location of the insurance market, can also be considered one of the existing problems. Companies with insufficiently organized risk management mechanisms should strengthen the skills of employees in risk management by attracting outsourcing companies with skills and experience in this practice. In addition, the introduction of an automated mechanism for managing financial risks based on international experience or their management based on digital technologies will serve to ensure financial stability and prevent interference by entities in these processes. If financial transactions are not regulated and there are no rules for them, then disagreements will certainly increase among people. That is why Allah Almighty took



this task upon Himself and explained the general teachings. Then, through our Prophet, peace be upon him, He established the details of these matters. In this way, Islamic rulings on trade and commerce were implemented in the lives of Muslims. The incorrect rulings formed in the pre-Islamic era on this subject began to be abolished one by one. Later, our citizens organized the rulings that emerged from the verses and hadiths on this subject, and made them easier and explained them as a help for Muslims who had not reached the level of ijtihad. It is no secret to anyone that various disagreements, wars, and disputes arise among people in financial transactions today. What should be done to reduce such unpleasant situations? In our opinion, after carefully studying the teachings shown in our Sharia, to them must be followed. History is the life school of all past generations. Live through history they learn and act on what is beneficial for them and themselves they are aware of harmful things and stay away from them.

CONCLUSION

The following are the difficulties and problems in the development of the insurance market:

1. The main indicators of the development of the insurance market - the share of insurance revenues in the gross domestic product (GDP) of 0.4% and insurance premiums collected per capita of 28 thousand soums - remain at a very low level.
2. Insurance is not used to ensure the continuity of the activities of enterprises and organizations in social protection and priority sectors of the economy. In particular, such mandatory types of insurance as compulsory medical insurance, compulsory agricultural insurance and compulsory property insurance introduced in the world, as well as the procedure for mutual insurance activities and insurance products supporting innovative projects, have not been introduced.
3. The high level of state participation in the general insurance sector negatively affects the efficiency of insurance organizations and the investment attractiveness of the sector. General insurance of state companies 20% share in premiums, 41% share in total assets and its share in the total authorized capital is 34 percent.
4. The coefficient of return on assets of state insurance organizations is 1.7 percent, the return on authorized capital is 6.5 percent, equity if the profitability is 2.5 percent and the rate of return on investment is 2.3 percent, and in non-state insurance organizations, these indicators are average. It is 6.6 percent, 22.3 percent, 16.6 percent and 13.0 percent.

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