

THE IMPORTANCE OF PERSONAL INSURANCE IN INCREASING THE SOCIAL PROTECTION OF THE POPULATION IN UZBEKISTAN

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Abstract: The article highlighted the current state of personal insurance, its relevance and importance. In addition, the relevance of the social protection of the state in today's globalization process, the need for medical insurance of the population is increasing day by day, providing full insurance services that meet the global requirements and best practices of the insurance market. The importance of medical insurance and its problems today are highlighted. The article presents the differences between voluntary and mandatory medical insurance, its important aspects, and its current status in the world and in our country. A comparative analysis was made based on world data, and the reforms and indicators implemented in the field in today's New Uzbekistan are presented. The increased demand for insurance during the COVID-19 pandemic, especially the importance of medical insurance in the social life of the state, was specially recognized.

Keywords: personal insurance • management efficiency • insurance culture • COVID-19 • social protection • GDP

INTRODUCTION

Today, the private insurance sector of Uzbekistan remains a very important area, however, no in-depth analysis has been conducted in the sector. The importance of personal insurance is explained by its compensation of losses related to the growth of population savings, human health and income, as well as medical expenses.

The International Labor Organization, UNICEF, and the World Bank evaluated Uzbekistan's social protection system Based on the Core Diagnostic instrument(CODI)and concluded that in 2018, half of the country's population and a third of the low-income population did not have social protection.In addition, according to the research of the World Bank, it was predicted that 450-840 thousand people will fall into poverty due to the pandemic [9]. During the past period, a number of normative documents aimed at strengthening the social protection of the population were adopted in the Republic of Uzbekistan, several joint programs aimed at the social protection of the population were developed and launched together with UN agencies. In particular, in recent years, special emphasis has been placed on the medical field in social protection. In the development strategy of New Uzbekistan for the period of 2022-2026, special attention is paid to the health of the population, in particular to the medical insurance of the population, which means that the importance of social protection in the country is high.

In the world experience, there is a form of social security in the form of state social protection and private insurance at the expense of own funds, and the increase in the level of private insurance provides relief to the state social security.

The management of the personal insurance sector is the guarantee of the social and economic development of the country, which is the guarantee of the development of insurance services, formation of the population's demand for personal insurance protection and strengthening of measures aimed at meeting it. Based on this opinion, it is important to develop types of personal insurance, including disease insurance and medical insurance aimed at protecting the health of the population, and determines the relevance of the topic. The aim of this research is to increase the knowledge of the population about personal insurance.

LITERATURE REVIEW

The legal foundations of the development of insurance services in our country, solutions to issues related to management issues, as well as directions for the development of insurance are covered in the scientific works of Uzbekistan scientists such as T. Iminov[1], M. Khamidulin [2], Kh. Shinnaev[3], Kh. Boev[4], N. Iminova[5]. The functions of personal insurance, its social importance, theoretical and practical aspects of insurance were conducted by A. Arkhipov [6], T. Fedorova[7], N. Kabantseva [8], Yu. Tarasaova [9] scientific research is of great importance.

DATA AND METHODOLOGY

In the process of preparation of the scientific article, mainly experimental research was used, as well as statistical data was analyzed, using the information provided in the manual and textbook published by local and foreign scholars of the Ministry of Finance of the Republic of Uzbekistan. Based on the results of the analysis, conclusions and recommendations for evaluating the effectiveness of life insurance were developed.

RESULTS AND DISCUSSION

To date, quality and effective social protection of the country's citizens has been considered an important component of the country's socio-economic policy management and one of its priority goals. Improving the standard of living of citizens is related to its social protection and health. In market relations, along with all services, medical services are performed on the basis of commodity-money relations. Therefore, the ability of a person to receive any health and life protection services depends on his ability to pay. According to UN data for 2021, "only 46.9% of the world's population is provided with at least one type of paid services in the social protection system, and the remaining 55% (that is, about 4.1 billion people) do not have the ability to pay for it. More than 1,900 social protection measures have been implemented by 211 countries especially during the COVID-19 Pandemic [10].

About 39% of the implemented measures were directed towards groups in need of social protection, and 26% were provided for the purpose of income security and protection against unemployment. However, only 96 countries have unemployment protection schemes. Globally, in 2020, only 43.1 percent of the workforce was legally covered by unemployment benefits, and only 18.6 percent of the unemployed worldwide actually received unemployment benefits." According to the World Health Organization, "in 2021, more than 930 million people in the world will spend at least 10% of their income on medical services." [11].

In the course of the economic development of medical services, various financing mechanisms for such highly socially important problems have been developed, but in the field of social protection of the population, it does not provide a sufficient opportunity to improve the health of the low-income population.

In particular, during the pandemic that started in 2019, a number of measures were implemented to solve such existing problems. In particular, in France, the test for COVID-19 and the treatment in case of its diagnosis were covered by the national health insurance fund. During this period, a total of 2 billion euros from the country's budget was spent to eliminate the situation caused by the coronavirus.

In the case of Spain, a mandatory health insurance system was introduced in the country, and the costs related to the country's citizens were reimbursed through this system. During the epidemic, the Ministry of Health of the country allocated funds in the amount of 1 billion euros to medical institutions. From it, 557.4 million euros were directed to private hospitals to cover patients' medical expenses. In general, 50-90% of the medical expenses of the patients with the coronavirus disease were covered by the mandatory health insurance funds [12].

As you can see, in the environment of the outbreak of the coronavirus crisis worldwide, the state's social burden has increased, and many private hospitals and treatment centers have been temporarily expropriated. This practice was also observed in Uzbekistan, where free medical services for patients with coronavirus in any hospital, even a private one, were financed by the state. Of course, while we observed the situation during the pandemic, we think that transferring the burden of state social protection, which is mainly related to medical expenses, to private insurance and popularizing insurance services is an important task not only for insurance companies, but for the entire country.

Compulsory and voluntary types of insurance are widespread in the world, and compulsory health insurance in the social protection of the population is seen as a mechanism of social security in many developed countries. During our research, we were convinced that there is no recommendation for a single model of mandatory medical insurance in world practice. Each country creates a mandatory health insurance system based on its social protection system. In this regard, changes related to medical insurance in the social protection system of Uzbekistan are important. In particular, in order to improve social protection, with the Decree of the President of the Republic of Uzbekistan "On comprehensive measures for the fundamental improvement of the healthcare system of the Republic of Uzbekistan" in the "Concept of the development of the healthcare system of the Republic of Uzbekistan in 2019-2025", the establishment of the State Medical Insurance Fund is the first step for development of this system. In particular, in the decision No. PQ-4890 of November 12, 2020, "On measures to introduce a new model of health care system organization and state medical insurance mechanisms in Syrdarya region", Sh. Mirziyoev said on this issue, "Increasing the quality, efficiency and popularity of medical care for the population, expanding the scope of primary medical and sanitary care, gradually introducing a medical insurance system in the field, creating a modern competitive environment in the market of medical services, on this basis guaranteed and high-

quality medical care for the population "expanding the possibilities of receiving".in order to ensure its implementation, from July 1, 2021 to the end of 2022, a task was given to introduce the state medical insurance system on a pilot basis in the Syrdarya region. Currently, a roadmap for the implementation of this concept is being developed and implemented. Today, this practice is being implemented in 3 cities and 8 districts of Sirdayo, and a total of 54 billion soums have been allocated for this pilot project, and contracts have been signed with a total of 27 medical institutions to participate in the project.

We have seen that the introduction of compulsory insurance is aimed at social protection of the population related to medical expenses. At the same time, in world practice, we can see the popularization of life insurance and medical insurance against certain diseases, which are voluntarily carried out by a person. Usually, such types of insurance cover long-term incapacity for work due to an illness, cost overruns, the need for disability care and care, and lifetime annuity payments. In world practice, it can be observed that medical insurance and life insurance against diseases, including cancer, stroke and similar types of insurance against serious diseases, are carried out on a voluntary basis. these types of insurance are carried out in the fields of life and non-life insurance.

In general, health insurance premiums in the non-life insurance sector in the world insurance market increased by 3.7% compared to last year. US insurance market revenue, which accounts for more than 80% of global health insurance revenue, increased 3.1%. In the emerging Asian insurance market, health insurance premiums increased by 13.8% due to increased awareness of health measures following last year's Covid-19 pandemic. This was a particularly significant increase, with India increasing by 22.4% and China increasing by 10.6%. [13]

Also, when the survey was conducted, many people say that the threat to their lives has increased due to the pandemic. In the life insurance line, insurance operating profitability was higher in the USA, Canada, Italy, France, Germany and Japan, and was represented by the increase in the volume of blu insurance premiums. While investment interest rates have increased over 2020, they remain low relative to equities. In terms of underwriting, US insurers suffered above-average losses in health and disability insurance. (Although overall life insurance profitability improved in G8 markets in 2021, there are market-specific differences. Operating profitability improved in the US, Canada, Italy, France, Germany, and Japan, but declined in Australia and the UK. In the US, profitability improvement was mainly driven by favourable markets and strong premium growth.

Investments, particularly alternative investments, outperformed. Interest rates increased off their 2020 lows, however, they remained below the interest rates of maturing 5- to 10-year securities. On the underwriting side, US life insurers incurred above-average losses in individual and group life, accident & health, and short-term disability business. [13])

In the insurance market of Uzbekistan, it is envisaged to implement types of insurance that provide for the payment of insurance coverage or monetary compensation in connection with the medical expenses of the insured persons, illness

or health failure, as well as long-term life insurance types that provide for the payment of the insured amount in case of loss of working capacity due to severe injury due to illness. Currently, such types of insurance offered to the population are mainly the voluntary type of collective health insurance and oncology insurance, which has become prominent in recent years.

From the analysis in the table, it is clear that when comparing the types of voluntary health insurance of the population to the world market, Uzbekistan's insurance market accounts for only 2.13% of total personal insurance income, this figure is about 40% on average in the world market. From this, it is known that medical insurance is not popular in the insurance market of the Republic (Figure 1).

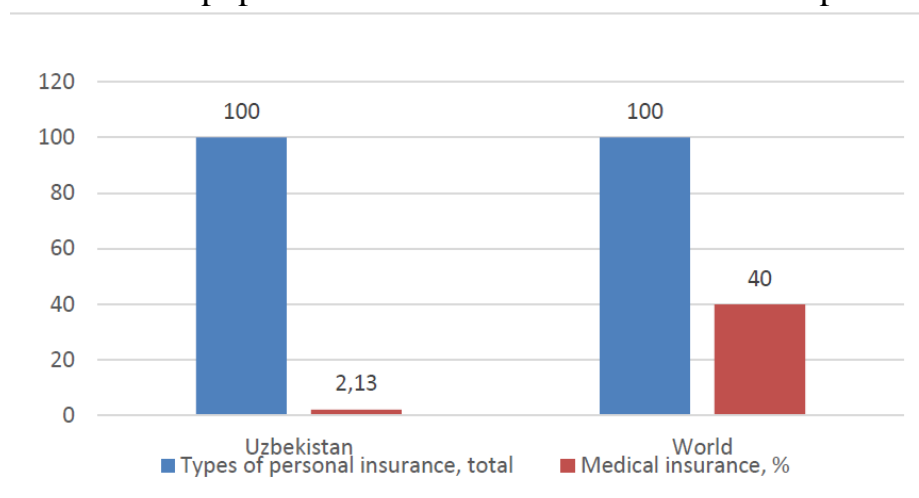


Figure 1. Share of medical insurance premiums in personal insurance premiums, %.

Considering insurance coverage, the amount of medical insurance coverage per capita in Uzbekistan is 0.10 US dollars. This means that it is urgent to increase the efficiency of personal insurance management, in particular, to fulfill the tasks of forming and satisfying the needs of customers, and to make effective use of the potential of this sector for Uzbekistan, which has a population of many millions, by popularizing insurance (Table 1).

Table 1. Status of sickness and medical insurance revenues and payments in the personal insurance sector of Uzbekistan.

01.01.2022	Amount of insurance premiums, million soms	Insurance coverage, million soms	Insurance coverage per capita, soms
Disease insurance, including types of medical insurance	31 467	35 383	1010
Long-term health insurance	70	-	-

Table 1 illustrates how Status of sickness and medical insurance revenues and payments in the personal insurance sector of Uzbekistan. From this illustration it can be concluded that insurance coverage per capita was 1010 soums in 01.01.2022.

CONCLUSION

We believe that this is a very urgent issue for Uzbekistan, where the importance of social protection in politics is high, and increasing the importance of medical insurance among the population should be a priority task. In this regard, we believe that it is possible to develop medical insurance and health insurance, which are considered an important social mechanism in the life of the country, by implementing measures aimed at wide promotion of medical insurance into practice by the government, in particular, introducing incentive mechanisms, revitalizing the activities of the school of actuaries in ensuring the profitability of insurance products.

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