

Creation And Improvement of New Insurance Products in Cooperation With Commercial Banks and Insurance Companies

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Abstract: This article sets out recommendations for identifying the key issues and characteristics of bank insurance, and for its further development in the republic. To ensure the mutual integration of banks and insurance companies in our republic, the specifics of bank insurance were studied and analysed. Foreign and domestic bank insurance practices have been generalised. The problems and prospects of developing banking insurance in the Republic have been identified, and recommendations for its further development have been made.

Key words: commercial banks, bank insurance, insurance companies, insurance products, insurance market, credit organisations, insurers.



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INTRODUCTION

One of the most important achievements of Uzbekistan's independent development was the formation of an insurance market environment and the elimination of the state's monopoly on insurance. Over the past years, the domestic insurance market has undergone significant structural, legal and other changes related to its development and improvement. Today, insurance in the Republic of Uzbekistan is one of the most dynamically developing areas of domestic business, the volume of insurance operations in the market is growing from year to year, insurance companies are playing an increasingly important role in the economy of the republic.

On May 12, 2020, Decree of the President of the Republic of Uzbekistan No. PF-5992 "On the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025" was adopted.

The decree approved the strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025, the roadmap for reforming the banking system of the Republic of Uzbekistan, as well as targets for the implementation of the strategy.

This strategy was developed by the Central Bank and the Ministry of Finance in cooperation with the World Bank, taking into account the main conclusions and recommendations from the study of the current state of the country's banking system, as well as the experience of foreign countries in the transformation of the financial sector, international organizations and trends in finance.

The strategy specifically focuses on the problem and current issues that currently exist in the banking system.

Today, in developed countries, insurance companies make extensive use of the potential of credit institutions to effectively organize sales channels. As a result of such cooperation, insurance premiums will increase, banks will receive additional income, and the cost of insurance products will decrease. "In international practice, depending on the level of development of sales channels, an average of 55-60 percent of insurance premiums are collected by insurance companies (62 percent in France, 68 percent in Spain, 77 percent in Italy, 38.5 percent in Belgium, 41 percent in India, 37.1 percent in Russia, 25 percent in China). banks" [1]. Therefore, the introduction and development of insurance services in commercial banks is considered relevant.

The most important direction for the development of the country's financial infrastructure is the development of bank insurance, one of the most important components of the banking system in economically developed countries and beyond. The model of bank insurance in world practice has existed since the 1920s and in some countries has been quite successfully developed over the decades by a number of universal banks.

The concept of bancassurance is the integration of banks and insurance companies in order to coordinate sales, combine insurance and banking products, their distribution channels or access to the same customer base, as well as access to the partner's internal financial resources. In different countries, bank insurance is arranged in different ways, depending on the demographic, economic and legal climate and traditions. There is no common experience of organizing bank insurance for all

countries. At the same time, it should be noted that the distribution of insurance policies through banks has acquired a very significant role in the total sales of insurance companies, especially in life insurance, where such a share in European countries is up to 70 percent. In the Asian region, the share of bank sales in the total insurance premium volume looks more modest. However, over the past 10 years, this share has grown significantly and stands at 20%.

Bank insurance is the most profitable for both banks and insurance companies in the case of their joint provision of services. This is due to the fact that in this case, both sides become financial supermarkets and receive maximum profit.

However, currently in Uzbekistan, bank insurance has not received significant development due to the presence of various kinds of problems.

In this regard, serious comprehensive studies of the development directions and implementation mechanisms of bank insurance in Uzbekistan are required.

Further development of the financial market of Uzbekistan, provision of high-quality financial services to the population, support for the activities of insurance companies to introduce modern technologies for the sale of insurance products, as well as activation of insurance brokers, improvement of the system of insurance agents, introduction of bank insurance mechanisms, in general, the insurance market is professional, new technologies are being introduced into the industry in order to increase the volume of insurance sales products by increasing the role of its participants. At the same time, at the current stage of reforms, it is necessary to ensure stable economic growth, provide high-quality financial services to the population, and strengthen the role of the insurance market in the republic.

PF-5308 of the President of the Republic of Uzbekistan dated January 22, 2018 "On the state program for the implementation of the Strategy of Action on five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the "Year of Support for Active Entrepreneurship, Innovative Ideas and Technologies", 2019 Resolution No. PF-5635 dated January 17 "On the State Program for the implementation of the Strategy of Action on five priority areas of development of the Republic of Uzbekistan in the Year of active investment and Social Development for 2017-2021", PC dated August 2, 2019 4412-number "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development" Decision This dissertation research also applies to this area, to a certain extent it serves the implementation of tasks defined in other regulatory documents.

A review of the literature on the topic

As a separate economic category, the concept of "bank insurance" has received wider coverage in scientific papers and economic approaches of foreign and domestic economists.

A scientific article on CyberLeninka analyzes the causes and necessity of bank risk insurance, as well as the problems of developing this area in Russia. It is emphasized that insurance is an important element of the banking risk management system, allowing banks to increase their resilience to external and internal threats [2].

N.A. Amosova's dissertation examines the theoretical and methodological foundations of banking insurance in a transitive economy, as well as international and Russian experience in this field. Special attention is paid to risk management tools, mandatory deposit insurance and the development of a concept for insurance protection of banking activities. The paper highlights blocks of proposals for the development of the banking insurance system, as well as analyzes current trends and problems [3].

O.D. Averchenko's monograph is devoted to the mechanisms of integration interaction between banks and insurance companies, which makes it possible to consider banking insurance as an important area of the financial market and a factor in increasing the stability of both sides [4].

A number of papers consider the issues of assessing the solvency of insurance organizations, including those used in bank insurance, as well as the introduction of European standards (for example, Solvency II) and risk-oriented approaches to analyzing the financial condition of insurance companies [5].

Research methodology.

The article uses methods of scientific observation, analysis and synthesis, as well as examines the scientific views of economic scientists on the development of the banking and insurance industries of the country using the method of theoretical and scientific abstraction. We also used separate recommendations from international insurance unions and the World Bank, reflected in regulatory legal acts that affect the development of the country's banking and insurance system.

Analysis and discussion of the results.

The real changes taking place today in all spheres of the economic and political life of the republic create objective conditions for the growth of the insurance sector, which is one of the components of the financial system of the economy. The insurance market is one of the important segments of the economy, and its role in the socio-economic development of the country is difficult to assess. The prospects for the development of the traditional insurance market and its impact on economic growth are well known. Today, this is one of the strategic factors for the effective functioning and successful development of financial and economic relations in our country. In a market economy, the activities of each business entity face various risks that require insurance coverage.

In the modern world, every business entity, every member of society has their own health, life and property. He must take care of his own safety. In this case, only a properly organized, regulated insurance market can guarantee the protection of property and personal interests.

In general, the number of insurance companies specializing in life insurance and the volume of services they provide have increased, which is the main factor in the growth of insurance premiums collected in the insurance market over the past two years.

When analyzing the world's bank insurance market, we see that life insurance companies play a significant role in the development of bank insurance. The activity of life insurance companies is an investment activity. This insurance sector is more developed than the general insurance sector in most developed countries. Life insurance companies are a kind of financial resource created for banks to increase their working capital and attract additional funds.

There are factors affecting every branch of the economy. Increasing or decreasing these factors can have a positive or negative impact on a particular network.

The Ministry of Finance of the Republic of Uzbekistan cooperates on an ongoing basis with the International Association of Insurance Supervision, which is a member of insurance supervisory authorities in more than 140 countries around the world. The experience of the insurance market in developed countries shows that they are effective not only in insurance-related transactions, but also in banking-related transactions. Financial institutions work together.

The field of captive insurance in our country has also been actively developing in recent years. Captive insurance is an insurance company established within a financial institution or corporation to insure only its own risks. Banks in our country have also established subsidiary insurance companies.

Every move has its pros and cons. By creating these insurance companies, a monopoly in this area is also being created. Because the founding bank advises its clients to use the services of its insurance company, thereby depriving customers of the opportunity to choose. Based on this, it is advisable to act using the norms established in this activity.

Conclusions and suggestions.

This article examines the main features of bank insurance in domestic insurance companies and abroad, and identifies the most significant problems that arise during its implementation. The research has led to the following conclusions:

1. Based on the analysis of the available information, we have proposed a definition of the risk inherent in banking: the risk of banking is the threat that the bank will incur losses in the form of additional expenses, or receive income below the projected.
2. The concept of bancassurance is to integrate banks and insurance companies in order to achieve a synergistic effect from coordinating sales, combining insurance and banking products, sharing distribution channels and reaching the same customer base.
3. To date, Uzbekistan has established a fairly efficient system of regulatory and legal regulation of insurance in general, which includes general legislation, special insurance legislation and a set of subordinate and departmental regulatory documents. The widespread use of bank insurance in Uzbekistan, as is widely practiced abroad, is hindered by the fact that Article 4. "Operations of banks" The Law of the Republic of Uzbekistan "On Banks and banking activities" defines that banks do not have the right to directly engage in production activities, trading and insurance activities, except in cases provided for by law." In this regard, domestic insurance legislation should be improved in accordance with international banking insurance practice, taking into account the specifics of Uzbekistan's development, in order to ensure effective regulation of bank insurance.
4. The degree of development of the insurance market reflects the country's economic growth opportunities. By contributing to the redistribution of risks between economic entities and compensation for losses through accumulation, insurance makes it possible to increase the efficiency of the economy as a whole, and therefore the development of the national insurance system is one of the important strategic tasks in the field of further development of the market infrastructure. The insurance market of the republic is in the process of further development and reform. The state policy aimed at its support, modernization and development gives certain positive results. The main task of insurance companies in Uzbekistan in the near future remains to better meet the existing needs of individuals and legal entities in high-quality insurance protection. The domestic insurance market is much younger than the insurance markets of leading Western countries, many of which have existed for more than 100 years and, as a result, no more than 10% of risks are insured in the country, while that in most developed countries is at least 90-95%. In this regard, there is every reason to believe that the insurance market of Uzbekistan has significant potential for growth.
5. In Uzbekistan, most types of banking insurance have not yet been widely developed, which is due both to the lack of stable demand for it from potential policyholders and to the unpreparedness of many insurers for its implementation. Operations on many types of banking insurance are carried out by a limited number of insurers, which is due to their specifics.
6. Risk management and insurance are components of the modern concept of economic security and stability of banking business abroad. Bank insurance is one of the standard products for banks in the global market. The availability of such coverage is usually put forward as one of the standard conditions when opening, for example, international bank credit lines or establishing correspondent relations. Currently, the almost complete absence of bank insurance in the domestic market significantly hinders the effective development of cooperation between domestic and large Western banks. The widespread introduction of such insurance coverage in banks in Uzbekistan, in addition to increasing the reliability and stability of this sector of the financial and credit system, will certainly make a significant contribution to the integration of the domestic banking system into the international one.
7. Today, the main problems of further development of bank insurance in the republic are related to the practical lack of a unified regulatory framework that would define the basic requirements for bank insurance in general, the rights and obligations of the parties and the basic conditions for banking, common terms and definitions, additional benefits provided exclusively for insurers engaged exclusively in banking insurance.
8. In the legal field of Uzbekistan, the real form of the highest stage of development of bank insurance is the creation or joint ownership of a large system bank and a large universal insurance company, which are part of the same financial and industrial group that carries out the convergence of sales channels of banking and insurance products.

Higher chances of successful implementation of the bank insurance model appear when a global task is being solved within the framework of a financial and industrial group - the creation of a financial supermarket with the participation of universal and investment banks, investment funds, as well as a universal insurance company and a specialized bank insurance company, the strategy and business lines of which complement each other.

Summarizing the above, we can give a number of practical recommendations.:

- training of insurance specialists within the framework of higher and postgraduate education, who, in addition to basic insurance training, have in-depth knowledge of the organization of bank insurance, assessment of the level of risk and maximum possible loss, conclusion and maintenance of contracts, as well as settlement of claims in the field of bank insurance;
- organization of internships and training seminars for bank insurance specialists abroad in leading insurance and reinsurance companies for advanced training and extended training;
- continuous improvement of the rules of bank insurance, regulation of tariff policy in the domestic insurance market, taking into account the specifics of this type of insurance. These activities can be carried out, for example, through the Association of Professional Participants in the Insurance Market of Uzbekistan as an association that develops and approves standard insurance rules.;
- organization of effective interaction of domestic insurance companies with leading foreign insurers and reinsurers in the implementation of bank insurance in order to obtain advice and organize reinsurance of banking risks;
- Popularization of types of bank insurance among potential policyholders.

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