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## ISSUES OF INNOVATIVE DEVELOPMENT OF INSURANCE IN UZBEKISTAN

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### Abstract

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#### **Keywords:**

*insurance,  
insurance product,  
insurance service,  
innovative  
insurance activity,  
digital insurance,  
insurance culture*

*This article discusses the innovative activities of insurance companies in the sale of insurance products and the use of new technologies in the context of digitalization of the economy. The concepts of insurance products and insurance services were defined, their existing classification according to their innovative features was supplemented, which in turn allowed them to be further improved in the introduction of a customer-oriented model of insurance business.*

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### INTRODUCTION

The development of the insurance market depends on its penetration into the population, the acceleration of insurance operations, the quality and scope of insurance services provided by insurers, the stability of economic processes in the country, the insurance culture and income of the population, as well as confidence in the insurance institution. Improvement of traditional insurance services and the introduction of new mechanisms to protect the interests of insurers, competitive insurance products can contribute to the rapid development of the insurance industry. The formation of a successful model of insurance business development is largely determined by the introduction of modern innovative insurance technologies and products

One of the problems hindering the development of insurance on an innovative basis is the insufficient skill of the insured in making decisions about the use of insurance products as an effective means of accumulating and protecting their funds.

It should be noted that the search for innovative solutions for the development of the insurance market depends on the innovative approaches of companies to provide insurance products in the digital economy.

## LITERATURE REVIEW

Numerous studies show that the innovative development of the insurance industry is to increase the level of necessity, necessity, consumption of insurance products provided by insurance companies (Zubets and Lebedeva (2013), Kozlov (2010), Savvina (2014), Shinkarenko (2009)). It emphasizes that it is important for the company to focus on the customer, not the product, and to prioritize its needs, and on this basis, customer-oriented activities should become the main activity of the company.

Client-oriented activity implies high requirements for the quality and composition of insurance products. At this point, if we analyze the definitions of insurance products and insurance services, we can see that there are many views on this issue, some of them.

In some scientific works there is a sufficient interpretation of these concepts (Savvina (2014), Sadikova (2014)). However, a customer-oriented approach that requires innovative approaches to insurance has not been fully followed in existing interpretations of the insurance product.

In addition, a number of scholars note the similarity of these concepts, for example, Ulyanova (2017) interprets the insurance service as "the amount of benefits that the insured receives during the term of the insurance product", ie the insurance service includes the insurance product.

In some studies (Galaguzha (2012)) an insurance product is considered as a set of services, i.e. a set of services provided by an insurance company to the insured when concluding an insurance contract or insurance terms.

In Gomellya and Mironkina (2013) and Tulenti (2000), from a marketing point of view, insurance products and insurance services are used together as a whole.

Foreign experts focus on the material (documentary) formation of the insurance product Kotler (2006) in the form of a contract regulated by law or on a voluntary basis.

According to Sadikova and Korobeynikova (2014), an insurance product is a "need to satisfy current and future insurance claims in the insurance interests of the participants in an insurance contract" and an insurance service is "the consumption of an insurance product by an insured to pay insurance indemnity or indemnity".

Efimov (2011) also considers the insurance service as "a set of tangible and intangible services, which includes not only insurance coverage as a result of insurance, but also a number of other benefits".

In the opinion of most authors who interpret the insurance product as a broader concept, it is true that the essence and content of insurance reflects the protection of property interests of the insured as a system of protective relations by providing certain guarantees for certain products and related types of insurance, services and their sale.

## RESEARCH METHODOLOGY

In the course of the research, the theoretical foundations of the concepts of insurance products and insurance services were studied, models of innovative development of insurance activities were analyzed, as well as logical thinking, scientific observation, systematic approaches were used.

## ANALYSIS AND DISCUSSION OF RESULTS

It should be noted that in modern research, insurance products and services are interpreted only from the point of view of an insurance company that wants to get the maximum benefit.

From the point of view of a modern customer-oriented insurance model, it is expedient to study the insurance product taking into account the individual needs and desires of the insured.

Insured product is a service that provides comprehensive protection of the property interests of the insured, specified in the contract and supported by the relevant guarantees of the insurance company in the event of an insured event, through conventional and digital sales channels.

The current classification of insurance products involves the systematization of insurance products from the position of the insurance company, firstly, according to consumer demand, and secondly, in terms of maximizing the income of the insurance company. An innovative approach to the organization of insurance activities defines an approach that takes into account the interests of the insured, his needs for insurance protection.

**Table 1**

**Classification of insurance products**

Classification property	Types of insurance products
<b>Depending on consumer demand</b>	Standard
	Choice of the insured
	Inert
	Random
	Strategic
<b>Depending on the income of the insurance organization</b>	Sales leaders
	Template products
	Future products
<b>Depending on the level of innovation</b>	New insurance products
	Recycled new products
	New products in terms of sales
	Products from other segments of the financial market

At the same time, it should be noted that the concept of innovation falls more on the offer of an insurance product that allows to maximize the property interests of the insured. When claiming damages for insurance services, using mobile applications to report the insured event, by sending documents confirming the insured event (photo), you can enter QR codes to identify the insured person, and more. Accordingly, based on the position of the insured, we form an additional classification that reflects the characteristics of the innovation of the insurance product (Table 1)

The proposed classification of insurance products not only identifies needs, but also enhances the financial sustainability of the insurance business and maximizes profits by introducing innovations in the national insurance market and developing personalized insurance products for consumers, taking into account modern trends in ensuring the

property interests of policyholders allows you to determine the direction of activation of insurance companies

The customer-oriented insurance business model should not only provide innovative product sales channels, but also allow policyholders to take advantage of traditional approaches to purchasing insurance products. This is due to the fact that today there are barriers to overcome over time: low level of trust in insurance companies and digital services (subjective), internet speed and lack of stable mobile communication in some places (technical), unwillingness of the majority of middle-aged and older people to work in the digital environment regional disproportion of insurance (organizational).

The generalization of the experience of foreign countries and the introduction of innovations in insurance companies based on the needs of consumers in insurance should be carried out in three directions (Table 2)

**Table 2**

**Innovative areas of activity of the insurance company, taking into account the behavior of consumers**

Areas and types of innovative activities				
<b>1. Introduction of new products</b>				
<b>Modification of the core of the insurance product</b>		Replacing the shell of the insurance product		New targeted offers
<b>New insurance product</b>	New risks for target groups	The new structure of the insurance product	New design of insurance product	New offers based on the information of the Insured on social networks
<b>2. Application of new technologies</b>				
<b>Digital technologies</b>			<i>Internet of Things (IoT)</i>	
<b>Tele technologies</b>	blockchain	Big Data	Online technologies	Creating a smart look of the insurance object
<b>3. New channels for the sale of insurance products</b>				
<b>Internet sales</b>	Mobile phones, tablets, smartphones			aggregates

Thus, the changing needs of consumers, the emergence of new sales channels and the digitalization of the economy are radically changing the perceptions of insurance products and their composition.

Today, to maintain the financial stability of insurance companies requires the development of new insurance products and services, increasing the attractiveness of existing ones, the introduction of innovative approaches to encourage repurchase and loyalty to a particular brand. At the same time, it requires a detailed study of the wishes and desires of consumers and their consideration.

Current and effective innovations in the field of insurance are new technologies and sales channels, active use of digital technologies and remote processing systems. In the near future, we will be able to monitor the practice of using artificial intelligence and biometric technologies abroad.

Thus, if we analyze the directions of introduction and development of innovations in the national insurance market, in the near future the individual (individual) offers of

insurance companies in attracting policyholders will increase. Accordingly, attention should be paid to Big Data technologies designed to shape individual offers to potential insurers. Second, the use of blockchain technology allows you to integrate different resources (for example, universal electronic insurance card), which allows the insured to keep all documents in one place (policy, passport and tax passport, various certificates, medical card, etc.) and one of them multiple use and identification of the insured person not only speeds up the insurance process, but also simplifies the claim settlement process, as well as prevents fraud due to the transparency of transactions.

Acquisition of products in the banking sector and the Internet of Things (IoT) can serve to reduce insurance risks, which can be achieved by improving the insurance underwriting by implementing individual approaches to one insured person.

It is necessary to accelerate the work on informing and attracting potential insurers who are not aware of new products and sales channels through advertising and marketing activities. In this case, the problem of increasing the financial literacy and insurance culture of the population remains relevant. Developing the skills needed to make competent and informed decisions in the field of insurance requires insurance companies to conduct special seminars, roundtables, personal meetings with citizens and active advocacy.

The introduction of a customer-oriented model requires extensive use of CRM - customer relationship management system, which opens up a wide range of opportunities to ensure not only customer value, but also customer loyalty, insurance portfolio management and innovative areas of insurance business.

## CONCLUSIONS

It is important to study the innovative processes in the insurance market, accelerate their implementation and increase their efficiency, in order to properly organize these processes, it is necessary to work in the following areas:

1) Innovative activity of insurance companies involves the transition to a customer-oriented insurance business model, the digitization of the insurance business, the introduction of innovative products, the use of Internet technologies in sales of insurance products, new sales channels and new methods of reviewing and covering insurance claims.

2) Taking into account that the main factors hindering the innovative development of insurance have been identified, the acceleration of work in these areas, they include:

– Objective organizational and technical (Internet speed, access and quality, mobile communication, customer access to smartphones, availability of tablets and mobile devices for the use of digital technologies);

– Subjective (limited innovative offers of insurance companies, low level of trust in the insurance company, financial literacy and financial decision-making skills of the population, unformed insurance culture, loyalty of the insured to traditional products and sales channels).

3) Further development of the insurance market is largely associated with the activation of digital services aimed at purchasing insurance products and providing individual proposals for resolving insurance claims. Including blockchain technologies, Big Data, depends on the use of tele technologies.

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