Volume 2, Issue 6, June - 2024 ISSN (E): 2938-3811

COMPLEX ASSESSMENT OF FINANCIAL STABILITY OF INSURANCE MARKET SUBJECTS

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Abstract
This article covers the factors affecting the financial stability of insurance companies and the stages of their management. Also, the scientific-theoretical views of economists who studied the concept of "financial stability" are widely covered. In addition, the classification of the types of financial stability of insurance companies and the classification of indicators according to the criteria for evaluating the financial condition are highlighted. In addition, the article provides conclusions and suggestions on the factors affecting the financial stability of insurance companies and the stages of their management.

Keywords: insurance companies, financial stability, types of financial stability, evaluator criteria, management stages.

Introduction

In world practice, as a result of the globalization of economic risks and the emergence of various crises, the influence of the national economy on macroeconomic and financial stability requires improvement of the mechanism of the existing financial system of states, in particular, the insurance system and the activities of insurance companies. In this regard, in countries around the world and in international relations, not a single activity is carried out without insurance services. In developed countries, accumulated funds from insurance services account for 8-12 percent of the country's gross domestic product. In international relations, one of the indicators characterizing the level of financial stability of insurance companies is "accumulated insurance premiums, which are assessed by the possibility of accumulating investment funds in large quantities." This, in turn, expands the investment opportunities of insurance companies and strengthens the financial stability of insurers.

In international practice, a comprehensive study is carried out to determine areas for ensuring the financial stability of insurance companies. The basis of these studies is the characteristics of factors directly related to the financial stability of insurance companies, and it is divided into microeconomic and macroeconomic factors. Microeconomic factors are associated with insurance, investment and other activities of insurance companies, and macroeconomic factors include industry, internal and external economic factors. Despite the above, today in international practice one of the main issues is conducting research aimed at ensuring the financial stability of insurance organizations.

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The implementation of large-scale reforms to ensure the financial stability of insurance companies in Uzbekistan remains one of the most pressing problems. In particular, one of the priority tasks is "... expanding the volume of insurance, leasing and other types of financial services through the introduction of new types and improving quality"[1]. In order to ensure the implementation of these tasks, the task was determined to develop a medium- and long-term strategy for the development of the insurance industry, increasing the volume of insurance premiums per capita three times by 2022, and doubling the industry's share in the gross domestic product. This, in turn, is important in ensuring the financial sustainability of insurance companies.

Review of literature on the subject

The same idea economist J. Also put forward by Chant, that is, according to him, financial instability is a situation that harms or threatens economic activity in financial markets, while financial stability is the opposite. A fourth approach to determining financial stability is risk assessment and management. Western economist and practitioner JG Shinazi believes that the financial system is stable only if economic resources, financial risks, their assessment and management are effectively distributed. Through this definition, the author focuses on the assessment of risks and their management, which is considered an important aspect of achieving financial stability [2]. It should be noted that the concept of "financial stability" is a broader concept than the concept of "solvency", and it should also be noted that indicators of solvency change over time faster than indicators of financial stability.

Economist A. V. Grachev considers "financial stability" from the point of view of accumulating resources to fulfill his financial obligations for a specified period and connects it with solvency. However, this interpretation of the economic nature of "financial stability", in our opinion, creates the problem of choosing between the accumulation of resources and the reinvestment of profits. In particular, accumulation becomes a loss of investment. It can be interpreted in this way in the analysis of financial stability and the mechanism of its rapid management. But such an approach to understanding its essence in solving issues of strategic management of financial stability contributes to the incorrect distribution of funds and the accumulation of funds without considering the possibility of their alternative investment [3].

Also, "financial stability" means the harmonious functioning of important elements that make up the structure of the financial system. Agreeing with the opinions expressed by scientists above, we think that it is appropriate to consider some approaches to the concept of "financial stability" by economists of our country. According to N.Khasanov and S.Najbiddinov, financial stability is based on the assessment of the ratio of own and debt funds in assets, the rate of accumulation of own funds, the ratio of long-term and short-term liabilities of the enterprise, and the extent to which working capital is provided with own funds [4].

According to A.Vahobov, N.Ishankulov and A.Ibrahimov, effective formation, distribution and use of financial resources represent the essence of financial stability[5]. According to the scientist A.U. Burkhanov, who has conducted scientific research on the scientific and practical problems of ensuring the financial stability of enterprises in our country, financial stability is a

Web of Scientists and Scholars: Journal of Multidisciplinary Research

Volume 2, Issue 6, June - 2024 **ISSN (E):** 2938-3811

complex indicator of the activity of enterprises based on the simultaneous development of profit and debt repayment, the ability of the enterprise to finance its activities, and the rate of turnover of resources [6].

Research Methodology

The article used research methods such as scientific observation, systematic approach, and induction and deduction. Based on the analysis of existing methods and approaches in the world, a proposal for improving the insurance system in Uzbekistan was developed.

Analysis and Results

When explaining the economic importance of the financial stability of insurance companies, it is necessary to pay attention to the specific stages of the company's development period. Because the demand for the "level" of financial stability is determined separately at each stage of the period of economic development of companies. In our opinion, it is appropriate to classify the types of financial stability of insurance companies according to their specific characteristics (Table 1) [7].

Although the classification features offered by us are specific to insurance companies, they also have other important aspects. These aspects are expected to change depending on the size of insurance reserves and the amount of financial resources of the companies. If we define financial stability from the point of view that the development of the economy has a cyclical nature, financial stability is understood as the ability of the company to maintain the amount and size of its financial resources and solvency during the above periods when the economic period or development stage changes.

Table 1 Classification of types of financial stability of insurance companies

№	Indicators of classification of financial stability	Financial stability of insurance companies
1.	On the level of financial stability	types
		Absolutely
		Normative (normal)
		Unstable (pre-crisis situation)
2.	According to the time period to be analyzed	Crisis situation
		Short term
		Medium term
3.	According to the entity that assesses financial stability	Long term
		Internal (company employees, founders and internal audit)
4.	According to the stage of development of the company	External (contractors of the company, financial and credit organizations, financial intermediaries, state bodies, rating agencies, external audit, other individuals and legal entities, etc.)
		Financial stability at the stage of entering the insurance market
		Financial stability in the growth phase
		Financial stability in the development stage
5.	According to the stages of the period of economic development	Financial stability in times of recession
		Financial stability in the conditions of the highest development
		Financial stability in a downturn
		Financial stability in times of crisis

The analysis of the literature devoted to researching the problem of financial stability of the insurance organization allows us to determine that the starting point in determining the nature of financial stability is solvency - "the ability of the insurance company to meet its monetary obligations based on law or contract on time" .

The insurance mechanism has the peculiarity of probability. The development and implementation of an effective insurance mechanism will depend on the insurance policy developed by the qualified personnel of the insurance company. Therefore, a well-designed insurance policy will ensure the longevity and sustainability of the insurance company, from a financial point of view.

The insurance policy developed by the insurance company can be analyzed by financial indicators for the year, the state of receivables and payables, the dynamics of cash flows and private capital. We can see these analyzes using the table data (Table 2).

Table 2 Dynamics of financial results (income) of Kafolat-sugurta JSC (million soums)

Indicators	Years					Magnification (+) or decrease (-) in 2023 compared to 2019, in%
	2019	2020	2021	2022	2023	
Income from the provision of insurance services	28 544,8	36 244,3	47 949,4	58 628,7	79913,2	280,0
Income from reinsurance to cover losses	1 413,1	3 169,7	4 857,7	8 440,9	6741,1	477,0
Income from commission premiums, bonuses and fees from reinsurance	2 703,9	5 174,9	7 468,1	2 963,6	1303,4	-51,8
Net revenue from the provision of insurance services	32 661,8	44 589,0	60 275,1	70 033,2	87957,7	269,3
Gross profit from the provision of insurance services	15 899,3	21 056,5	28 278,4	29 465,9	34905,0	219,5
Other income from financial activities	146	408,2	1 206,6	1 389,3	1897,1	1299,4
Income from financial activities	4 557,8	5 963,7	4 794,9	8 391,2	16773,7	368,0
Profit before income tax	3 075,4	3 063,2	3 567,4	4 306,1	4310,9	140,2
Net profit of the reporting period	2 531,7	2 605,1	3 080,4	3 525,0	4060,4	160,4

When analyzing the data in table.2, it became known that there was a significant increase in income from reinsurance to cover losses, a decrease in income from commission premiums, bonuses and fees, as well as a sharp increase in other income from core activities. The increase in net profit for the reporting period is relatively low, since all indicators except one exceed it at a high level, this indicates that the increase in costs for the provision of insurance services has reduced the efficiency of the organization of work in the insurance company.

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Conclusion and Suggestions

In order for the insurance company to operate in the same manner, it is necessary to ensure that the condition of equivalence is fulfilled for each type of insurance. It is necessary to constantly analyze the authorized capital, private capital, free assets, insurance reserves and insurance portfolios of the insurance company. It is necessary to improve the instruments for rating the financial stability of insurance companies based on world practice, and to publish the rating indicators of insurance companies in an understandable form to the general public.

It is necessary to consistently study the economic and financial activities of insurance organizations and evaluate their activities, and to develop actuarial activities. In determining the financial stability of insurance companies, it is necessary to use the experiences of foreign countries, in particular, to study the constructive experiences of the Central and Eastern countries of Europe, which are members of the European Union, to introduce Solvency II standards into the insurance market of our country.

If the conclusions, suggestions and recommendations presented above are applied in practice, the level of financial stability of insurance organizations will be strengthened and, in addition to ensuring their solvency, it will serve to increase the competitiveness of insurers.

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