

INSURANCE RISKS IN THE ACTIVITY OF BUSINESS SUBJECTS AND ISSUES OF THEIR REDUCTION

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Abstract

The article presents risks in small business and private entrepreneurship activities, their types, assessment criteria and reduction issues.

Keywords: entrepreneurship, natural risks, insurance tariffs, insurance event, insurance coverage, tariff rate.

Introduction

An important issue of effective use of insurance services in business activities is the reduction of insurance-related risks. For this, an entrepreneur needs to know the information about the insurance market well and choose an alternative insurance contract suitable for each decision. In the insurance of business risks, the insurance company provides insurance protection against the risks of loss of income expected as a result of the entrepreneur's breach of obligations by partner enterprises or changes in the conditions of activity beyond the entrepreneur's control. In practice, the price of insurance coverage paid for insurance is determined separately for each type of insurance event and risk. The insurance premium is calculated based on the type of activity of the insured, and the amount of insurance is based on the current period of the insurance contract and the annual tariff rates specified in the insurance money.

A property insurance policy is used to protect the interests of the insured against damage caused by property damage or total destruction. If the property is damaged, costs such as construction materials needed to restore it, and labor paid to workers involved in repairs are covered. The insurance period for cargo insurance begins at the time of sending the cargo to the destination. In this case, cargo is insured against damage during transportation, temporary storage, re-transportation, temporary or permanent storage in places intended for loading. This type of insurance is intended for goods transported by all means of transport available in the world, and the bill of lading, transportation costs, and the expected profit after the sale of the product, which has reached the destination, are the object of insurance.

Insurance risks in cargo insurance include general accident: hurricane, flood, earthquake, volcanic eruption or lightning strike, explosion or fire, etc. such as road traffic accident, crash or crash of an air carrier, collision of ships, other carriers, or damage to part or all of the cargo as a result of collision with any solid objects.

In order to study our theoretical information in connection with practice, we will dwell on the insurance services provided to entrepreneurs by the insurance company "Uzbekinvest". "Uzbekinvest" company has developed a number of insurance products aimed at protecting the activities of entrepreneurs, craftsmen, individual entrepreneurs, farmers and their property interests. On the basis of the President's Decision "On measures to improve the system of purchasing and using fruits and vegetables, potatoes and rice products", new insurance products are being offered to entrepreneurs. One of them is the insurance product "Insurance of



transportation of fruits, vegetables, agricultural products" for the purpose of insuring the mistakes of business entities in delivering their products to the buyer. Under this insurance product, it is intended to compensate customers for damages caused by natural disasters, road traffic accidents, loading and unloading of goods. Another insurance product is "Insurance of business failures of producers of agricultural products", which provides for the protection of property interests of a legal entity or an individual entrepreneur operating in the field of agriculture. In this case, the insured is compensated for damages caused by his partner's non-fulfillment of obligations, ie non-payment, non-delivery of products, delivery of low-quality products, etc.

Another type of service developed based on the demands and needs of entrepreneurs, the insurance product "Insurance of property stored in a refrigerator" provides compensation for the damage caused to the owners of agricultural products during their storage in refrigerators. By studying the indicators of the insurance activity of business entities by region, it can be observed that the share of regions in the composition of gross insurance premiums is different, and there have been no significant changes in the share of the Republic of Karakalpakstan and regions in the composition of insurance premiums collected at the national level during the last 10 years. In 2020, the share of Tashkent city in the total insurance premiums collected in the republic decreased by 5.8% compared to 2012, but by 2022, the share of the region remains 10.1% higher than in the base period of comparison. In our opinion, this situation can be explained by the large number of small businesses and private business entities in the region, the stability of their financial situation, and the high solvency of business entities.

In addition to the above, several factors affect this situation. In particular, the head office of all insurance companies operating in our republic is located in Tashkent, and their branches operate in the regions. Currently, there is not a single independent insurance company in the regions. However, the composition and structural structures of insurance companies in countries with a developed market economy are the opposite.

Factors such as natural and economic conditions of regions, financial capabilities of business entities are not taken into account when setting insurance rates. The analysis shows that there are regions in which factors such as drought, excess precipitation, strong winds, landslides, floods, rain, hail, lightning, overheating in the summer months, and the proximity of underground water affect the business entities we are researching, in particular does not fail to have a negative impact on the activities of farmers and farms. We can observe such cases in regions of the region with high insurance risks, in particular, in Yangikurgan, Chortoq, Kosonsoy, Mingbulok and Pop districts. It is noteworthy that the share of business entities in these districts in the gross regional product of the region is only a small amount. In our opinion, in order to effectively solve this issue, establishing the practice of setting insurance tariffs taking into account the specific characteristics of regions serves as financial support to business entities.

The next place in the share of insurance premiums by region is occupied by Tashkent region, while the smallest indicator corresponds to the share of Syrdarya region. It can be concluded that the competition in the field of insurance services provided by insurance companies in Tashkent to small businesses and private entrepreneurs cannot be compared with the regions.



The reason is that, as we mentioned above, the number of small business and private business entities and their financial capabilities are much higher than in the regions.

Insurance risks in business entities whose main activity is related to the cultivation of agricultural products are different from risks in other sectors and industries, and they are directly affected by such factors as the weather becoming hot or cold, which is not typical for the region, the amount of precipitation is high and vice versa. Studying and analyzing them is one of the important issues in our research.

Table 1 Criteria for assessing insurance risks under the influence of natural disasters in business entities

No	Natural events name	Characteristics and criteria of natural phenomena	A stratified effect indicators
1.	Strong wind	The maximum wind speed is 15 - 24 m/s	1-5 6-10 11-14 15-20 21-24 25 and above
2.	Gale (strong wind)	The wind will increase sharply for a short period (for several minutes, but not less than 1 minute) to 15 - 24 m/s	1-5 6-10 11-14 15-20 21-24 25 and above
3 .	Snowstorm (chain)	- 1000 m of meteorological distance visibility, duration of not less than 3 hours . worsening up to	
4 .	Fog	The duration of meteorological remote visibility is not less than 3 hours Deterioration up to 50 - 1000 meters	
5 .	Heavy rain (rain with snow)	The amount of precipitation is 15-29 m.m. in 12 hours and less.	
6 .	Heavy snow	- 19 m in 12 hours or less . m	
7 .	Hail	The diameter is 6 - 19 m . Hail with m	1-5 6-10 11-15 16-19 20 and above
8.	Hot weather _	C or higher for five or more days from May to September	Hot summer weather

In the above table, in addition to economic risks, the insurance risk assessment criteria for natural risks (strong wind, strong wind, blizzard (severe), fog, heavy rain (with rain and snow), heavy snow, hail, hot weather) are presented in business entities. a scale of differentiated indicators of the impact of natural risks on business entities producing agricultural products is presented. This scale helps business entities to analyze risk processes and operate effectively. Based on the information in the table, as a result of the conducted research, we suggest to group the areas with high natural risks as follows.

N	Criterion of natural phenomena	Cities and districts		Cities and districts
		Number	Percentage	
1.	High (9 and above)	4	33.3	Namangan city, Uychi, Namangan, Kosonsoy
2.	Average (5-8)	6	58.0	Torakurgan, Uchkurgan, Pop, Chortoq, Chust, Yangikurgan
3.	Low (4 or less)	2	16.6	Norin, Mingbulok

According to it, we group natural risks in business activity on the basis of 3 criteria, because in the table above, natural risks are grouped under 8 names, according to the criterion we propose, they are presented in more detail in the section of districts, that is, in Namangan city, Uychi, Namangan and Kosonsoy districts of the region, 9 and above it is high, average (5-8) in Torakorgon, Uchkorgon, Pop, Chortoq, Chust, Yangikorgon districts and low (4 and less) in Norin and Minbulok districts. This is an important factor in more accurate identification and study of natural risks.

Summarizing the above considerations and the results of the analysis, we can say that the activities of business entities depend on various regional risks, from which business entities try to avoid using different ways and methods, but among them, protection through insurance protection has a special place and is an important factor in maintaining their financial capabilities. serves as

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