



## THE ECONOMIC ESSENCE, FUNCTIONS AND ROLE OF INSURANCE IN MARKET RELATIONS

Tugizova Malika Sokhib kizi

Tashkent State University of Economics., Uzbekistan  
3rd Year Student of Faculty of Finance and accounting  
E-mail: malikatugizova47@gmail.com

### Abstract:

The improvement of market relations is a process that is accompanied by the decision-making of economic infrastructure. Insurance activities, as an integral part of economic infrastructure, on the one hand, provide social security, and on the other hand, also take on the protection of the interests of the subjects of the economy on the basis of awareness of various insurance risks through contractual obligations and the mechanism of tariffs.

**Keywords:** insurance, insurance risk, insurance premium, insurer, intermediary, insurance compensation, insurance policy.

The improvement of market relations is a process that is accompanied by the decision-making of economic infrastructure. Insurance activities, as an integral part of economic infrastructure, on the one hand, provide social security, and on the other hand, also take on the protection of the interests of the subjects of the economy on the basis of awareness of various insurance risks through contractual obligations and the mechanism of tariffs.

Insurance activities have emerged and developed as a necessary means of protecting the interests of individuals and legal entities, compensating for the possible losses that they may suffer from the occurrence of risks. Such an understandable necessity-on the basis of Clear insurance interests, and insurance relations arose.

Insurance relations, regardless of what their organizational forms are, are the process of creating and using an insurance fund. It should be noted that insurance relations are complex and comprehensive financial and monetary economic relations, for the occurrence of which it is also important that there is a complex of interconnected conditions.

In the process of nationalization and privatization of property, a multi-axis economy is being formed. The presence of the possibility of various risks in the process of the development of entrepreneurship in Uzbekistan, as well as the contradictions that can manifest themselves in social life, has positively changed the attitudes of subjects towards insurance activities, in particular, the transfer of risks.

Insurance activities have become the most important element of market relations. Insurance activities are understood as the activities of professional participants in the insurance market associated with the implementation of insurance. This is exactly what business entities do today... without an insurance system, it is impossible to work effectively, engage in investment activities, or get a loan.



At this point, the presence of a system of special redistribution relations, according to the forms of ownership, aimed at the goal of creating the possibility of ensuring continuity in production (performance of work, Service), serves the prosperity of the subjects of the economy. In this process, their interests arise, such as ownership of property, its use, and the receipt of income.

Currently, the formation and development of demand-level risk transfer in insurance activities in our country and its study on a scientific basis are of significant socio-economic importance. In particular, the freedoms of the subjects of the economy are expanding, and the assimilation by them of new types of product production (performance of work, Service) is gaining the need for research and improvement of the scientific and theoretical foundations of risk transfer in insurance activities. In order to more fully reveal the socio-economic essence of insurance, it is advisable to study approaches to this issue in the scientific literature. It noted that it is an "insurance-service industry", based on which it can be noted that in the following years the "theory of the economy of services" is deciding in international economic terminology.

1-table The main indicators of the activity of insurance organizations in the republic for 2021

Specification name	Number of contracts concluded (in units)	Insurance sum, mln. Soum	Insurance premium revenue, mln. Soum	Insurance payments, mln. Soum
<b>Total</b>	<b>6841354</b>	<b>1159259682,6</b>	<b>3147105,9</b>	<b>1222412,1</b>
<i>including:</i>				
<b>Voluntary insurance</b>	<b>2964211</b>	<b>822717689,9</b>	<b>2701251,6</b>	<b>1033750,0</b>
<b>Life Insurance Network Total</b>	<b>39268</b>	<b>1553547,6</b>	<b>696274,8</b>	<b>609253,5</b>
<b>General insurance network</b>	<b>2924943</b>	<b>821164142,3</b>	<b>2004976,8</b>	<b>424496,4</b>
<i>including:</i>				
<b>Precautionary insurance against accidents</b>	<b>1264085</b>	<b>37212882,8</b>	<b>39800,3</b>	<b>6273,1</b>
<b>Preventive health insurance</b>	<b>86977</b>	<b>52627910,4</b>	<b>50918,9</b>	<b>40744,1</b>
<b>Insurance of ground vehicles</b>	<b>241658</b>	<b>28868348,2</b>	<b>356980,6</b>	<b>59889,6</b>
<b>Insurance of rolling stock</b>	<b>1266</b>	<b>2632759,6</b>	<b>5143,0</b>	<b>2012,2</b>
<b>Aviation insurance</b>	<b>87</b>	<b>46859068,5</b>	<b>84996,7</b>	<b>1486,3</b>
<b>Marine insurance</b>	<b>17</b>	<b>16792,5</b>	<b>370,7</b>	<b>-</b>
<b>Insurance of property on the road</b>	<b>47380</b>	<b>52509042,1</b>	<b>78396,2</b>	<b>1169,1</b>
<b>Property from fire and natural disasters insurance</b>	<b>201106</b>	<b>125436728,7</b>	<b>202221,0</b>	<b>7563,3</b>
<b>Property damage insurance</b>	<b>283494</b>	<b>188148420,1</b>	<b>213276,4</b>	<b>24296,7</b>
<b>Motor civil liability insurance</b>	<b>8949</b>	<b>622495,0</b>	<b>1457,6</b>	<b>334,9</b>
<b>Liability insurance under aviation insurance</b>	<b>7</b>	<b>21837758,6</b>	<b>3002,4</b>	<b>-</b>
<b>Liability under marine insurance insurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General civil liability insurance</b>	<b>36570</b>	<b>121332184,4</b>	<b>214733,9</b>	<b>17235,0</b>
<b>Credit insurance</b>	<b>737762</b>	<b>97239758,9</b>	<b>635588,4</b>	<b>250660,6</b>
<b>Insurance of guarantee (guarantees).</b>	<b>5783</b>	<b>3288303,9</b>	<b>8617,9</b>	<b>227,6</b>

<sup>1</sup>Source: stat.uz



From the point of view of its essence in insurance activities, it is the concept of "service" that is fundamental. The "service" offered by the insurer in itself does not initially reflect materiality, that is, it only "sells a promise" to its client. From this point of view, in international trade, it is "an activity that is not visible" to him a classification is also given as. Evidence confirming the conclusion of the contract to the insurer - "polis" as a document only given. The insurance contract provides that the insurer is provided with a monetary payment (in some cases in the form of property) of the equivalent value of the damage that the insurer may see, according to the event of the insurance. The execution of the contract is carried out within a certain period interval recorded in it.

In our country, there is a constant presence of risks in the process of gradual formation and development of market Relations, an increase in the level of economic independence, freedom of the subjects of the economy at a high level. They are engaged in the redistribution of risks that can harm their interests and are constantly repeated, that is, insurance with a special service that is specific.

"Insurance refers to the protection of their interests by paying insurance compensation (insurance money) to these individuals in accordance with the insurance contract in the event of a certain event (insurance event) at the expense of monetary funds formed from insurance premiums paid by legal entities or individuals"<sup>3</sup>.

The economic nature of insurance is reflected in its functions. Along with economic categories such as finance, credit, insurance also performs a number of functions. It should be noted that in the economic literature, the functions of insurance are interpreted in several ways. For example, the textbook "Finance", published under prof. V.M. Rodionova's leadership, shows that insurance performs two functions. These functions include: redistribution and control function, prof. H.R.Sobirov notes that insurance performs the following functions: "risk; warning; investment; savings; information".

The same points can be said about the information function. Informing insurers about insurance organizations does not mean that there is an information function of this insurance. Information that is part of the commercial secret of insurance organizations is not given as information at all. The specificity of the information function to insurance has not found much evidence.

In our opinion, insurance performs the following functions:

- \* Function related to the organization of the insurance fund.
- \* Function related to the use of the insurance fund.
- Control function.

The above-mentioned functions are constant in insurance activities and are invariable under any circumstances. To carry out insurance activities, of course, the insurance organization must have a fund of sufficient funds. If the insurer does not establish a monetary fund, i.e. an insurance fund, its financial situation may be complicated. The funds of the established insurance fund are of a strictly targeted nature, which is used only to provide coverage when insurance events occur. The funds of the insurance fund cannot be used for other purposes. Insurance Fund funds cannot be withdrawn and taxed by the state.



## References:

1. Boeva J.B. Property and personal insurance. Tutorial. - T.: TDIU publishing. -2003-30b.
2. Kushoshev.Q.M. Insurance market. Tutorial.- T.; "Tashkent-economy" - 2011y.-124 PP.
3. Shennaev X.M. What insurance gives you. - T.: Publishing house" Center for science and technology", 2003.-106 b.
4. Shakhov V.V. Strahovanie.Uchebnik dlya vuzov.-M."Yuniti", 2001. 311 P.
5. Mahmudova L. Insurance case. Tutorial.- T.: Taqi, 2004.
6. Sobirov H. Insurance: 100 questions and answers. - T.: "Labor", 1998. - 160 b
7. Khojaev Y. Insurance in foreign economic activity. Tutorial.- T.: Tax Academy, 2005.
8. Ikromov O.G', Shennaev H.M. Insurance services market in Uzbekistan: development trends and prospects.// "Finance" Magazine, Issue 1, 2011.