

Fundamental Principles for Developing the Concept of Competitiveness of Insurance Companies

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Abstract: *Developing a concept for the competitiveness of insurance companies is a pressing issue in the context of high competition in financial markets. The article discusses the basic principles of forming an effective strategy that ensures sustainable development of insurance organizations. The abstract emphasizes the importance of a systematic approach and strategic vision to improve the competitiveness of insurance companies. Successful implementation of these principles allows organizations to strengthen their market positions, attract new customers and increase the level of trust.*

Keywords: *insurance agent, globalization, strategy, competitiveness, policy, investment.*

Introduction

The relevance of the topic is one of the main imperatives of the country's development; it is impossible to claim large-scale and long-term success in the development of the domestic economy in the era of increasing globalization.

It cannot be said that over the past years nothing has been done in the area of strategic development to develop the role of insurance companies and assess their impact on the economy. In order to examine this issue in detail, let us turn to the strategic socio-economic development of the country adopted in the republic.

The document that defines the long-term development strategy is the "Uzbekistan Strategy 2030", adopted in 2025, which serves as the basis for all state policy documents. Its initial stage was the implementation of the strategy for the development of the Republic and regional strategic plans for 2024-2025. At the beginning of 2024, the government developed a draft development strategy for the republic for 2017-2021, which defines the next stage of the implementation of the long-term development strategy of Uzbekistan.

At the same time, the search for an optimal scheme for state strategic development is extremely contradictory.

Literature Review

According to H. Umarov, effective government regulation plays an important role in the development of the insurance market. This especially concerns the introduction of mutual insurance and strengthening the role of insurance intermediaries, which contributes to increasing the competitiveness of companies [1].

I. Abdurakhmanov emphasizes that in order to increase the competitiveness of insurance companies, it is important to use modern marketing technologies, improve prudential control, introduce digital technologies and implement Islamic insurance models. [2].

K. Kuldoshev notes that in order to increase the competitiveness of insurance companies, it is important to implement digital technologies, ensure financial stability, create innovative products and develop international cooperation [3].

S.V. Petrov believes that competitiveness can be quantitatively measured using financial stability coefficients, customer confidence level and quality of insurance products. Flexible pricing strategies and service diversification are important [4].

Tests and results

On the one hand, it is based on the logic of strengthening the market economy and reducing direct government intervention. For this purpose, it is permissible to develop indicative planning approaches intended to inform insurance companies of their intentions and expected values of the most important economic indicators. On the other hand, indicative plans have a number of fundamental shortcomings that make them a practically useless document for the state and insurance companies. The most significant ones include conceptual amorphousness: the domestic indicative intention has no theoretical basis, and it lacks a general design for a model for the development of insurance companies and their competitiveness. Hence the conceptual contradictions; the problem of duplication; unreliability of forecasts; unreliability of decisions taken on provision. At least there was no shortage of concepts for the country's strategic development: the competitiveness of insurance companies. The analysis of the state of enterprises on the topic of research into competitiveness policy requires the adoption of the concept of competitiveness not only of the subjects of the republic, but also of its economic entities.

The concept of their competitiveness, in our opinion, should be based on the following principles:

- This concept, in order to have practical value, must be based on an analysis of not only internal but also external factors that influence the competitiveness of insurance companies;

To do this, it must first of all proceed from the realities of both the national and global economies and be oriented toward a comprehensive study of the leading development trends, which will make it possible to find the reality of the proposed measures (from the point of view of the state and capabilities of the country's economy and conclusions made on the basis of an analysis of foreign experience) and the ability to foresee future problems and opportunities (based on an analysis of both positive and negative experience of industrial development of the country and trends in domestic development).

It is undeniable that the key trend in the development of insurance companies is the increasing pace of economic globalization. Modern Western theories have given a serious generalization of the experience of globalization, as well as its social consequences, which, it seems, should be taken into account in the concept and programs for developing the competitiveness of insurance companies.

Thus, one of the most important elements of its material base is highlighted by researchers as deepening the analysis of the state of competition and insurance operations; insurance can ensure and increase the volume of world trade faster than GDP (in 2000, respectively, by 4.5% and 2.5%), the volume of innovative production can grow at an even faster pace; the role of exports and imports will also grow (in the USA over the past 40 years, the share of imports has grown from 7 to 15% of GDP) [5]. This is indirectly confirmed by the enormous interest in this issue - in 2000, more than 200 monographs on globalization issues were published worldwide, which cannot be said about insurance.

A review of economists' views on issues of deepening integration and competitiveness of insurance companies. It is important to realize that the issue of globalization not only does not bypass countries with transitional economies that have taken a course toward deepening integration into the global economy, but even the opposite. Of fundamental importance for the construction of a domestic model of competitiveness is the accounting of the stage of insurance of participants, as well as the stimulation of the transition to the next stages.

In accordance with the theory of competitive advantage, it is erroneous to attempt to consider the role and methods of regulating insurance relations in isolation from the stage of development of competition in the country.

Here we need to start by defining where we are? That is, at what stage of development of competition and insurance is Uzbekistan at this stage?

It is difficult to agree with the opinion of some authors that, in fact, there is a “transition to an innovative type of development” [6]. When, by all indications, the country is only on the threshold of an investment strategy According to M. Porter, a reliable indicator of the beginning of the innovation stage is the achievement of competitive success in a large number of engineering industries, a sign of further progress at this stage is the achievement of success in numerous business categories and the sphere of business services, the development of which can be carried out only in the presence of highly developed domestic demand, presented by firms that occupy leading positions in a wide range of industries [7].

Unfortunately, we cannot confirm any of this in relation to Kazakhstan. Nevertheless, it should be recognized that the question of the possibility of the domestic economy to immediately make a “leap” to the stage of innovations, bypassing the stage of investments, is undoubtedly important, and therefore the author considers it necessary to analyze the possibility of a detailed development of events in the country based on the theory of competitive advantage of countries by M. Porter.

Let's start with the fact that Michael Porter himself, who completed his research in the late 1980s, at that time identified only one country that was at the innovation stage and did not show clear signs of passing the investment stage. This is Italy, moreover, in Italy all attempts at an investment model of development have failed. But, as the author notes, the theory of competitive advantages, the ability of the economy to avoid the investment stage and nevertheless develop successfully, requires the presence in the historical past of the country of long periods of industrial activity that left a mark on the national education system, production skills, qualifications of the workforce, etc. The presence of these conditions, as well as accumulated wealth and an initially higher standard of living than in Asia, allowed Italy to go through such a unique path of development, which is not typical for the economies of Japan and Korea, which were developing at about the same time. [7].

The author does not believe that Uzbekistan has such characteristics, and realizing the cost of a mistake in this matter (after all, the future of the entire national economy is at stake), suggests that it would be more appropriate to build a concept for the development of Uzbekistan's competitiveness on the basis of the safest strategy for the transition to the investment stage and its accelerated passage (positive experience in implementing such a strategy has already been accumulated by world practice), rather than take risks by inventing your own unique path of development..

The framework of this principle includes the already discussed need to adjust measures of state influence depending on the stage of development of competitiveness of the national economy. In general, the dependence is as follows: the higher the stage of development of competitiveness and insurance of its participants of the country, the less assistance the state should provide to its enterprises directly (protectionism, subsidies, etc.) and the more attention should be paid to the development of determinants (developed parameters of factors, demand, protection of competition, etc.).

The priority role of insurance relations, first of all domestic ones, should be aimed at developing the competitiveness of developing enterprises. Coordination of interests of the state, insurance companies, enterprises and their employees in the process of increasing competitiveness.

As is known, insurance companies and their activities in the context of innovative development are unique, which means that they represent state programs that orient and mobilize economic entities to fulfill national objectives set in these programs. This is ensured by the fact that they reflect the interests of all. For example, in Japan, "the leading role in achieving national consensus belongs to the Economic

Council, which is an important forum where representatives of different opinions gather not only for negotiations and discussions, but also for the purpose of finding common interests within the framework of economic policy developed by its "secretariat", where a significant role is given to protecting the interests of all participants in production (services).

The involvement of the majority of the population in the process of increasing the country's competitiveness is achieved in developed countries through the "invisible revolution" in relation to property predicted by the famous expert on globalization P. Drucker back in the 1970s, that is, through a large-scale program of corporatization of domestic firms, which, in addition, solves the problem of a lack of equity capital for investment. For example, in the USA, more than 50% of households own shares mainly through pension and investment funds. [8].

Since large insurance companies always play an active role, exerting a decisive influence on the content of regulation of financial relations in the country (by means of an organization similar to the Economic Council or simply through direct lobbying of their interests in the legislative body of the country), it becomes so important to bring to the heads of enterprises and companies practical conclusions of the theory of international competitiveness and insurance. This can be achieved both by serving this competition with the heads of enterprises and companies and by means of creating an organization similar to the Economic Council in Japan.

Whatever the peculiarities of economic development, one should not ignore world experience. As always, serious analysis requires consideration and analysis of foreign models of competitiveness development and insurance (taking into account that part of it that arose before the emergence of the competitiveness theory itself) and insurance, but without mechanical transfer to Uzbekistan, but selectively.

And the first criterion of turnover should be an approach from the position of analyzing the compliance of the stage of development of competitiveness and insurance in the country chosen as an example of the proposed reforms, with the stage of development of competitiveness and insurance.

And finally, one more aspect of the problem of developing the concept of competitiveness in insurance and the mechanism for its development and implementation of state financial policy in the field of competitiveness and insurance.

Conclusion

Developing the idea that the development of competitiveness and insurance in the Republic of Uzbekistan is a process that requires constant regulation, it is easy to come to the understanding that the speed of decision-making on insurance plays an important role in this process. And this, in turn, directly depends on the organizational and institutional support of state regulation of competitiveness and the degree of insurance of the enterprise should ensure the growth of production (services) and the share of the country's exports. The ideal combination of interests in the context of competition and insurance should be built on the basis of protecting the commercial interests of its direct participants in financing regulatory economic, legal and customs conditions.

The idea of the need to develop a new concept aimed at investment development in the long term should justify the competitiveness of enterprises and their security protection by using insurance instruments. The latter is primarily intended to protect primarily the material event caused by the risk.

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