

**IMPROVING THE FINANCIAL MECHANISM OF SERVICES PROVIDED BY
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Abstract: The article provides an in-depth analysis of the current state of the insurance market in Uzbekistan, as well as the processes of its institutional and financial transformation. Based on statistical data, the level of capitalization of insurance organizations, the structure of the investment portfolio, and digitalization (Insurtech) trends in the sector are examined. A comparative analysis of the experience of developed countries such as Germany, the UK, and the USA in the field of prudential supervision and the "Solvency II" system is conducted. The author develops evidence-based proposals for ensuring the stability of the insurance market, introducing the institution of an insurance ombudsman, and diversifying investment activities based on "green" economy principles.

Keywords: Insurance market, financial mechanism, Solvency II, investment portfolio, capitalization, Insurtech, prudential supervision, reinsurance, insurance ombudsman, ESG standards.

In the modern global economic system, the insurance market plays a crucial institutional role in ensuring financial stability, managing uncertainties in economic activity, and mitigating the negative consequences of unexpected shocks. Sustaining stable economic development, protecting the property and personal interests of economic agents, as well as providing the society with high-quality socio-economic protection constitutes one of the strategic priority goals of any state [1]. At the current stage of world economic development, driven by the acceleration of globalization processes, the increasing complexity of international financial relations, and geopolitical instability, improving the financial mechanisms of insurance institutions and enhancing their transformational role in the economy has become an objective necessity. Specifically, amid the 2007–2009 global financial crisis and the 2023 banking sector turmoil in the US and Europe (including the crises involving major financial institutions such as Silicon Valley Bank, Credit Suisse, and Deutsche Bank), the irreplaceable role of insurance services in ensuring financial security and providing the economy with low-cost, long-term investment resources has achieved both scientific and practical validation [2].

In recent years, within the framework of deep transformation of the financial and capital markets in the Republic of Uzbekistan, special attention has been paid at the state level to modernizing the insurance sector. Under the "Uzbekistan – 2030" Strategy, approved by the Decree of the President of the Republic of Uzbekistan, several strategic objectives have been outlined, including ensuring macroeconomic stability, increasing the Gross Domestic Product (GDP) to 110 billion USD, establishing a free and healthy competitive environment in the banking and financial system, reducing poverty, and transitioning toward a "green" economy [4]. Achieving these high-level milestones requires attracting foreign direct investment, channeling massive financial resources accumulated as insurance reserves into the real sector of the economy, implementing innovative services (Insurtech), and elevating the financial literacy of both the population and business entities. In this complex process, modernizing the financial mechanism of services provided by insurance market participants (insurers, reinsurers, brokers, agents, adjusters, surveyors, and actuaries) in accordance with contemporary requirements stands as an urgent scientific and practical issue [7].

Although economic theory and legal literature lack a single, universally accepted, rigid definition of the term "financial mechanism," many scholars recognize it as an integral and primary driving force of the financial system [9]. According to the scientific conclusions of the foreign economist O. R. Romanenko, the financial mechanism is a critical component of the broader economic mechanism, comprising a set of financial incentives, instruments, leverage points, as well as forms and methods for regulating economic processes and financial-credit relations [9]. Another prominent economist, I. Lukasevich, evaluates financial management and the financial mechanism in his research as a management system aimed at generating and rationally utilizing financial resources to achieve the short-term and strategic goals of business entities [10]. Generally speaking, the financial mechanism is a combination of methods used for organizing financial relations, as well as creating, allocating, and efficiently utilizing financial resources [11]. When applied to insurance relations, the financial mechanism of insurance organizations represents a highly complex system of economic and legal relations. This system encompasses collecting insurance premiums, establishing adequate and reliable insurance technical reserves, diversifying and investing these reserves across various financial market segments (securities, bank deposits, real estate, and other financial instruments), and ensuring timely and full payment of claims (indemnities) to clients upon the occurrence of an insured event [13].

The macroeconomic, financial, and social role of insurance is continually subjected to fundamental research in global economics and jurisprudence. As noted by the classical economist and Nobel Laureate in Economics, P. Samuelson, there is no alternative mechanism capable of

replacing the institution of insurance in reducing objective uncertainty and systemic risks within a market economy, as well as efficiently redistributing them among economic agents [14]. Well-developed financial institutions directly serve to strengthen the stability of the economic system and reduce the overall level of volatility [14]. Another major international researcher, J.F. Outreville, in his fundamental paper titled "Life insurance markets in developing countries," conducted an in-depth analysis of the positive and negative factors influencing the development of the insurance market in developing states. He empirically proved that the volume of life insurance premiums is directly and tightly linked to the country's overall financial development level, the depth of its institutional framework, and demographic indicators [15]. His findings indicate that the sluggishness of the insurance market in developing countries is often explained by structural constraints within the financial system, institutional weaknesses, and, most importantly, low insurance culture and lack of public trust. Furthermore, international studies carried out by J. Mulhern, S. Manske, and R. Mancuso analyzed the specific legal regulatory features of the US insurance market—the largest and most developed in the world—and its integration with the capital market, demonstrating the vital importance of state prudential supervision at both federal and state levels [15].

Uzbek economists and legal scholars have also conducted significant research regarding the improvement of the national insurance market. Among local scientists, Kh.M. Shennayev, in his textbooks and monographs titled "The Insurance Market of Uzbekistan," provided a systematic analysis of the legal relations formed in the insurance market during the independence years, the supply and demand for services, actuarial pricing, and developing market infrastructure by expanding the operations of professional insurance market participants (insurance brokers, adjusters, surveyors, and assistance service providers) [7]. Q.M. Quldoshev scientifically illuminated the infrastructure of the insurance market, the role of intermediaries (agents, brokers), and the central role of investment activities in ensuring the financial stability of insurance companies [17].

O. Yuldashev and U.R. Khalikov, in their scientific papers, evaluated systemic and structural challenges in the insurance market, including the impact of tax policy and state-provided tax incentives on the financial stability of insurance companies using econometric modeling [15]. In particular, U.R. Khalikov proposed ensuring optimality in tax policy and accelerating legal reforms aligned with international standards as practical solutions for the sustainable development of the Uzbek insurance market [15]. Local researchers have suggested various alternative pathways to boost the solvency and financial stability of insurers. For instance, M. Yusupov developed modern criteria for evaluating the solvency and liquidity levels within the operations of

insurance companies [18]. Sh. Khasanov advocated for enhancing technological security and transaction speeds by introducing electronic policies, online services, and blockchain-based control into the insurance system [18]. B. Khojakulov proposed adopting advanced international capital adequacy standards into national practice, while O. Jurayev comprehensively covered the mechanisms of utilizing modern innovative financial instruments in managing insurers' assets [18]. A. Usmonov emphasized that aligning with the strict criteria of prestigious international rating agencies serves as the most critical tool for attracting foreign capital and reinsurance capacities to the national market [18].

From a legal regulation standpoint, several well-known local legal scholars, including O. Okyulov, N. Imomov, and M. Boltayev, have extensively investigated the civil-legal foundations of insurance contracts, legal mechanisms for protecting the property interests of the insured and third parties, and the establishment of a reliable regulatory framework for cyber-insurance, which has emerged as a recent trend [19]. Pointing out that enforcement mechanisms within national legislation are not sufficiently rapid in certain cases of contractual non-performance, they scientifically justified the necessity of establishing dedicated institutional structures, such as an "Insurance Ombudsman," to resolve disputes fairly and promptly [20]. Speaking of the regulatory and oversight role of the state, legal literature confirms that licensing insurance organizations and brokers, continuously monitoring their financial activities, overseeing minimal statutory capital requirements, and tracking solvency margins represent the primary regulatory drivers of the rapid development and stability of the insurance market in Uzbekistan [21].

The aforementioned scientific-theoretical views and legal analyses indicate that a unified, comprehensive, and systematic approach is required to improve the financial mechanism of the insurance market. Today, the main challenges preserving in the insurance market of Uzbekistan include the heavily skewed allocation of financial resources toward conservative bank deposits, the lack of diversification in the insurance intermediary network, and the incomplete deployment of innovative Insurtech solutions in policy sales and claims processing. Consequently, the primary objective of this study is to perform a deep analysis of the current financial and institutional state of the Uzbekistan insurance market, conduct a comparative study of prudential supervision and financial mechanisms in developed foreign countries, and, based on the findings, formulate scientifically grounded proposals aimed at practical implementation to enhance the economic and legal efficiency of national insurance services.

RESEARCH METHODS AND EMPIRICAL DATA

This study utilized a comprehensive set of methods widely applied in economics and jurisprudence, including the systems approach, logical reasoning, scientific abstraction,

comparative legal analysis, as well as statistical and economic-mathematical methods. The empirical and informational database of the study was anchored on the Decrees and Resolutions of the President of the Republic of Uzbekistan regulating the sector, specifically Resolution No. PP-5265 dated October 23, 2021, "On measures to digitalize the insurance market and develop the life insurance sector," as well as the strategic documents of the "Uzbekistan – 2030" Strategy [5].

To carry out the statistical analysis, official reports on the insurance market for the year-ends of 2022 and 2023 published on the open data portal by the National Agency for Perspective Projects of the Republic of Uzbekistan (NAPP) were thoroughly examined (covering insurance premiums, insurance payouts, statutory capital, the number of intermediaries, and the structural composition of the investment portfolio) [24]. The quantitative data collected was aggregated and processed using trend analysis and benchmarking methods, and subsequently illustrated in relevant tables. Alongside this, to study advanced international experience in optimizing financial mechanisms, the European Union's "Solvency II" Directive, reports from Germany's Federal Financial Supervisory Authority (BaFin), the UK's Prudential Regulation Authority (PRA), and US state-level regulatory norms were selected as objects of comparative legal analysis [26]. Using the literature review method, hypotheses put forward in the papers and monographs of leading local and international scholars were systemized.

RESEARCH RESULTS

As a result of the licensing and regulatory policy pursued by the National Agency for Perspective Projects (NAPP), profound institutional and financial changes are taking place in the financial and insurance markets in recent years [24]. The analysis of the registry of permits and official statistical indicators published by NAPP indicates that the insurance market is currently undergoing a period of aggressive transformation; due to the step-by-step tightening of minimal requirements regarding financial stability and statutory capital, primarily large, financially capable, and resilient participants are remaining in the market.

According to the statistical data compiled for the end of 2023, a total of 38 insurance organizations holding legal entity status operated in the Republic of Uzbekistan, 7 of which provided services based on licenses in the specialized life insurance branch, while the remainder operated in the general insurance sector [25]. Compared to the corresponding period of 2022, the number of insurance organizations in the market decreased from 41 to 38 (a decline of -7.3%), yet the overall financial volume of the sector, conversely, demonstrated sharp growth and consolidation dynamics [25].

Table 1: Key Macroeconomic Indicators of the Insurance Market of Uzbekistan (2022–2023)

Indicators	2022	2023	Change (%)
Number of insurance companies (units)	41	38	-7.3%
Total statutory capital (billion UZS)	1,850.5	2,257.6	+22.0%
Accumulated insurance premiums (billion UZS)	6,204.1	8,102.5	+30.6%
Total insurance payouts made (billion UZS)	1,210.3	1,654.8	+36.7%
Aggregate investment portfolio (billion UZS)	4,752.1	6,150.4	+29.4%
Total registered insurance agents (units)	9,155	4,736	-48.3%

Analyzing the figures presented above in depth, it is evident that the strict prudential requirements imposed by the state, notably the policy of gradually raising the minimum amount of statutory capital required to conduct insurance activities, yielded its direct expected results [7]. Although the number of insurance organizations in the market contracted, the total statutory capital at their disposal rose sharply by 22.0%, reaching nearly 2.3 trillion UZS [25]. This signifies an increase in market concentration and a reinforcement of the financial stability (capitalization) level of each individual private company. The fact that the volume of collected insurance premiums grew from 6.2 trillion UZS to 8.1 trillion UZS (a 30.6% increase) indicates that the demand for insurance protection among the population and business entities is expanding steadily [25].

The most notable aspect requiring analysis is the near-halving of the number of insurance agents (both physical and legal entities) within a single year (specifically down by 48.3%, from 9,155 to 4,736) [25]. This extraordinarily sharp decline is explained by the rapid and widespread implementation of innovative technologies, particularly Insurtech tools (online sales platforms, mobile applications, telegram bots, and smart contracts) by insurance organizations within the framework of the digital economy. Driven by the digital-focused resolutions of the President of the Republic of Uzbekistan and market demands, companies are partially abandoning traditional intermediary services that require expensive commission fees, quickly shifting toward direct interaction models with consumers through electronic commerce channels (B2C - Business to Consumer) [22].

Another vital pillar for insurance organizations to improve the financial mechanism of their services is the process of allocating (investing) special reserves formed out of collected insurance premiums into the financial market. Insurers play an immense role as institutional investors in the economy, trailing closely behind state and private banks.

Table 2: Structural Composition and Allocation of the Investment Portfolio of Insurance Companies (2022–2023)

Investment Instruments	2022 (billion UZS)	Share 2022 (%)	2023 (billion UZS)	Share 2023 (%)	Change (%)
Commercial Bank Deposits	2,985.4	62.8%	4,034.6	65.6%	+35.1%
Securities (Shares and Bonds)	1,287.8	27.1%	1,357.2	22.1%	+5.4%
Real Estate and Property	310.5	6.5%	455.1	7.4%	+46.5%
Other Financial Assets / Chartered Capital	168.4	3.6%	303.5	4.9%	+80.2%
Total Investment Portfolio	4,752.1	100.0%	6,150.4	100.0%	+29.4%

An in-depth analysis of the investment portfolio demonstrates that the volume of free financial resources held by insurance companies increased by 29.4%, reaching 6.15 trillion UZS in 2023 [25]. This is a massive figure, and the role of these funds in the economy is monumental. However, when the qualitative structural component of this vast portfolio is carefully analyzed, it reveals a highly passive and ultra-conservative character. As shown in the table, nearly 65.6 percent of total investments (amounting to over 4 trillion UZS of capital) is held directly in bank deposits as a source of passive income [25]. Conversely, although the volume of investments made into the securities market showed a quantitative increase of just 5.4%, their relative weight (share) in the total portfolio dropped from 27.1% to 22.1% [25].

This economic scenario is explained by a shortage of highly liquid and reliable financial instruments in the local capital market, coupled with an exceptionally low risk appetite among insurers, who prefer stable and risk-free guaranteed bank deposit interest rates. Modernizing the

financial mechanism of insurance services objectively demands fundamentally strengthening the institutional link between the stock market and the insurance market, specifically by aggressively expanding the volume of funds injected into corporate and government bonds, as well as innovative projects and "Green" bonds [30].

Another element underpinning the resilience of insurance organizations is risk management and reinsurance mechanisms. To guarantee the financial stability and solvency of companies, the institution of reinsurance—transferring assumed risks partially or fully to international and local reinsurers—is highly critical. Studies prove that reinsurance mechanisms significantly boost the overall economic efficiency of the system through channels such as capital relief, reduction of underwriting volatility, and strengthening counterparty risk management [32]. By passing on their largest and most complex risks to international financial markets, such as major transnational reinsurance hubs in London or Munich, Uzbekistan's insurance companies protect themselves reliably against systemic crises that could potentially occur in the domestic market.

DISCUSSION

The presented official statistical data, theoretical foundations from scientific literature, the existing national legislative framework, and the analysis of advanced experiences from developed countries clearly reveal that a comprehensive and complex chain of measures must be executed immediately to modernize the financial mechanism of services in the Uzbekistan insurance market.

Developed Countries' Experience: Practices of the European Union, Germany, the UK, and the USA

To outline the strategic conceptual directions for improving the financial mechanism in Uzbekistan, it is highly appropriate to analyze the rich historical and practical experience of countries where the insurance business is most advanced—namely Germany, the UK, and the USA.

Across the European Union, including the leading financial market of Germany, the "Solvency II" Directive serves as the single, core legal-economic foundation tightly regulating the financial mechanism and prudential norms of insurance participants [26]. The architecture of Solvency II rests upon three mutually reinforcing pillars. **The First Pillar** relates to financial resources and quantitative capital requirements, under which insurers must precisely calculate their SCR (Solvency Capital Requirement) and MCR (Minimum Capital Requirement) standards [27]. **The Second Pillar** entails qualitative governance and risk assessment processes, requiring the implementation of the ORSA (Own Risk and Solvency Assessment) mechanism, which dictates

that each company continuously and independently evaluates its internal economic risks [27]. **The Third Pillar** focuses on transparency and market discipline, making it mandatory for companies to publish transparent, publicly available Solvency and Financial Condition Reports (SFCR) [35].

Specifically, Germany's prestigious Federal Financial Supervisory Authority (BaFin) strictly oversees the insurance market based on prudential principles. The most notable aspect of German experience that can serve as a template for Uzbekistan is manifested in its legal rules governing investment portfolio management. There, insurers' investments are precisely classified and managed under Solvency II or Germany's specific national investment regulation known as "AnlV" (Anlageverordnung) [28]. Large international companies hold financial reserves proportionate to their risks using standard formulas or internally approved models within the Solvency II framework. This European model does not impose rigid and conservative percentage quotas like those previously existing in Uzbekistan; instead, it requires the formation of various adequate capital reserves depending on the nature of the risk being undertaken [28].

For instance, the capital charge for private equities in the German stock market varies according to the type of investment: Type 1 (licensed equities in the EEA or OECD markets require a 39% capital charge) and Type 2 (other higher-risk equities require a 49% charge), a method that allows for flawless risk hedging [28]. Most importantly, the "Long-Term Equity Treatment" (LTE) mechanism has been put into practice in Europe, whereby the capital requirement for long-term, large-scale strategic investments meeting certain strict criteria is drastically reduced to just 22% [28]. This practice is a highly effective economic-legal mechanism that incentivizes insurers to invest more actively in long-term macroeconomic and infrastructural projects. BaFin has also deeply integrated an additional reserve system known as ZZR (Zinszusatzreserve) into practice to cover companies' long-term guarantee-related costs without triggering crises [27].

Our observations indicate that the US insurance market, in terms of volume, represents the largest, most liquid, and highly diversified financial structure in the world [15]. As justified in the research of international legal scholars and economists like R. Mancuso and J. Mulhern, a key defining feature and financial mechanism of the US insurance market is that its governance and legal regulation are carried out in a decentralized manner, directly at the individual state level. The federal center steps in primarily to protect consumers globally, prevent financial crimes, and alleviate systemic crises when absolutely necessary [15]. Furthermore, because the "Guarantee Funds" system operates flawlessly in the US, even if a licensed insurer collapses into bankruptcy, the interests of ordinary citizens and clients remain firmly guaranteed financially via fund resources.

In the United Kingdom, these oversight functions and prudential norms are strictly executed by a single specialized body—the Prudential Regulation Authority (PRA) alongside the Financial Conduct Authority (FCA). British regulators are frontrunners who have highly harmonized the principles of Solvency II and IFRS 17 (Insurance Contracts) international financial reporting standards within their domestic market [27]. Moreover, the concept of market discipline reigns as a legal culture in the UK and European systems, making it mandatory for every company to publish its "Solvency and Financial Condition Reports" in an open, comprehensible format on its official portal for all consumers, independent analysts, and direct investors [35]. This open information process serves as the most powerful tool for ensuring trust and absolute transparency in the insurance market.

National Legislation, Legal Scholars' Perspectives, and Green Economy Integration

Returning to the research conducted within Uzbekistan, as emphasized by national legal scholars O. Okyulov, N. Imomov, and economist M. Boltayev, the legal mechanisms of services must be ensured through state and civil-legal relations to guarantee the quality of insurance contracts [19]. Due to the sheer complexity of insurance contracts, consumers who receive unjustified claim denials often find themselves deprived of finding a rapid, fair legal solution as seen in international practice. Therefore, establishing an "Insurance Ombudsman" institution in Uzbekistan with formal institutional and legal status to settle disputes pre-judicially will fundamentally shift public trust in insurance from its foundation [20].

Regarding the policy pursued by the state regulator (NAPP), tightening licensing requirements and conducting monitoring must not possess a purely punitive character, but should also carry an incentivizing effect [21]. As O. R. Romanenko noted in his definition, "financial incentives" are the guarantee for liberalizing the market [9]. According to the current indicators of the "Uzbekistan – 2030" Strategy, there is an essential need to significantly increase the share of the insurance sector in GDP, reduce poverty, and develop financial guarantee services within small business financing mechanisms [5].

In the arena of innovative services, as the analysis of the reduction in intermediaries (agents) triggered by the dawn of the Insurtech era shows [25], fully automating the financial mechanism gives rise to cyber-security risks [13]. For this reason, forming a robust legal regulatory base for "Cyber-insurance," alongside tying electronic policy circulation definitively to a single, secure blockchain system, will ensure both technological and financial integration [18].

Another factor of global significance is that Environmental, Social, and Governance (ESG) criteria have been deeply integrated into the capital markets of developed nations, becoming a pivotal metric in international financial relations [31]. Introducing securities practices based on similar ESG standards in Uzbekistan is giving momentum to updating the strategic legal and economic foundation of the sector. The agricultural insurance strategy developed by the Government of Uzbekistan puts forward Public-Private Partnership (PPP) mechanisms to provide assistance against objective ecological risks such as global warming, unexpected floods, or droughts [38]. In such a complex financial chain, not only do the farmer and the insurance company participate, but an innovative insurance-credit cluster (index insurance) is forged, comprising low-cost microcredit lines from international financial organizations (World Bank, ADB, JICA) and state subsidies [38]. This experience renders services both affordable for farmers and financially viable. Insurance companies can make an immense contribution to our country's ecological sustainability by channeling their reserves away from traditional sectors (hydrocarbons) and toward "Green" bonds and renewable energy projects [1].

CONCLUSION

Comprehensive improvement of the financial and legal mechanisms of services provided by insurance market participants is an inevitable, objective process tightly bound to ensuring the direct macroeconomic stability of Uzbekistan, actively shaping a non-banking capital market, and elevating the socio-economic protection and quality of life of citizens and entrepreneurs within the prospective goals of the "Uzbekistan – 2030" Strategy. Drawing upon in-depth scientific-theoretical analysis, views of international scholars, existing legal-regulatory gaps, and a comparative study of advanced European and US practices, the following scientifically grounded and practically significant proposals and recommendations have been formulated to align the financial mechanisms and efficiency of our republic's insurance services with international standards:

- 1. Fully Aligning Prudential Supervision and Capital Adequacy Requirements with International Standards.** Based on the experiences of Germany (BaFin) and the European Union, Uzbekistan must transition step-by-step to the principles of the "Solvency II" architecture. To this end, private models that quantitatively assess the level and nature of risks (ORSA - Own Risk and Solvency Assessment) and IFRS 17 (Insurance Contracts) financial reporting standards must be definitively integrated into local legislation. This will equip insurers with a mechanism to manage their capital and solvency based on real, objective market risks (risk-based capital) rather than artificial metrics.

2. Diversifying Investment Activities and Deeply Integrating with the Capital Market (Stock Market). As analyzed above, the fact that over 65 percent of assets sit idle in commercial bank deposits acts as a barrier to financial innovation. Regulatory support must be extended to channel insurance reserves into long-term, reliable government securities, corporate shares of prestigious private companies, and especially "Green Bonds." It is proposed to institutionalize incentive regimes in legislation—similar to LTE (Long-Term Equity) under Solvency II—to lower minimum capital requirements or provide special tax relief for insurance companies investing in strategic domestic infrastructure projects (construction, energy).

3. Establishing an "Insurance Ombudsman" and Strengthening Trust-Guarantee Mechanisms Legally to Boost Consumer Confidence. The core issue in developing states is the low baseline public trust in insurance (as concluded by J.F. Outreville). Therefore, it is vital to fully establish an independent institution ("Ombudsman") in Uzbekistan to fairly and impartially resolve disputed and contested insurance claims in a swift, pre-judicial manner, bypassing prolonged and overly bureaucratic court processes. Mandating the public disclosure of SFCR (Solvency and Financial Condition Reports) based on the UK model will generate financial transparency and market discipline.

4. Formulating the Legal Framework for Digitalization, Insurtech Technologies, and Cyber-Security (Cyber-Insurance). Taking into account the accelerating shift toward online systems and away from traditional intermediaries, the state must build a mechanism to transition to an innovative blockchain infrastructure, specifically a unified "Smart Contracts" system that ensures data security. Concurrently, a specialized cyber-insurance legal framework and financial protection mechanisms must be developed immediately to guard against the leakage of personal and corporate information.

5. Elevating the Capacity of Reinsurance Market Participants and Adapting to ESG Criteria. To pass on massive, systemic economic and ecological risks emerging within the country to global financial giants (reinsurers), licensing requirements, the acquisition of international ratings (such as Fitch, S&P), and cross-border capital flows must be streamlined to the maximum extent. Standardizing sophisticated index insurance services—composed of state budgetary subsidies, local insurance capacity, and low-cost resources from international donors via Public-Private Partnerships (PPP)—holds paramount importance especially in the agricultural insurance sector. To support Uzbekistan's prestige in the global community and its adaptation to climate change, ESG criteria must be inclusively and permanently embedded into the investment and underwriting policies of all insurers.

In conclusion, this proposed set of modernized, systemic approaches will serve to elevate the competitiveness of insurance participants in Uzbekistan's financial and investment markets, reinforce institutional solvency, and raise the quality of social and property services provided to citizens to an entirely new, qualitatively higher plane. In turn, these comprehensive economic-legal measures will serve as the most reliable foundation for strengthening the national economy's immunity against unexpected external macroeconomic risks and guaranteeing a sustainable, innovative "green" investment climate in Uzbekistan for many years to come.

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