

PROSPECTS OF AGRICULTURAL INSURANCE SYSTEM DEVELOPMENT

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Abstract. *The article focuses on the scientific and theoretical aspects of the improvement of the insurance system and mechanism in the agriculture of our country based on an innovative approach. Proposals for the development of the insurance system have been made.*

Keywords: *insurance system, insurance market, agriculture, innovative approach, insurance event.*

INTRODUCTION

Determining the trends in the agricultural insurance system and introducing its innovative directions into the system is one of the main tasks in our country. The introduction of innovative directions is defined as the process of applying modern telecommunications and innovative technologies aimed at improving customer service for the insurance system, not only digitizing information and distributing it using modern telecommunication channels. In this regard, the rapid introduction of digital technologies as an important form of innovation to the economy of our country is of urgent importance.

It is not for nothing that the President of the Republic of Uzbekistan, Sh. Mirziyoyev, in his address to the supreme assembly dated January 25, 2020, emphasized that "Digital technologies do not only increase the quality of products and services, but also reduce excess costs."

METHODS AND LITERATURE ANALYSIS

Today, agriculture is the leading branch of our republic's economy, and more than 63% of the country's population lives in rural areas. About 22 percent of the gross domestic product, 1/3 of the employed population, more than half of the foreign exchange earnings, and more than 70 percent of the domestic goods turnover are accounted for by this sector.

During the years of independence, a number of successes were achieved as a result of the structural reforms implemented in the agriculture of our republic. This is reflected, first of all, in the creation of the legal basis for the transition to market relations, in the increase of the share of farms in the production of agricultural products, and in addition, in the stable growth of the volume of production of agricultural products.

One of the important factors and conditions for solving problems in agriculture is to further increase investment activity. In order to process agricultural products and export them as finished products, it is necessary not only to implement institutional changes, but also to introduce extensive investments in this area. Investments are an important factor in the sustainable development of agriculture, which forms the basis of expanded reproduction. Achieving efficiency in the field of agriculture, increasing labor productivity, reducing manual labor, reducing the cost of products, further improving the living standards of rural residents, in addition, developing the processing industry and increasing the opportunities to export agricultural products, the country's food the role and importance of investments is huge.

RESULTS

In recent years, a number of researches have been carried out on the wide development of insurance relations in agriculture, and a lot of attention has been paid to its practical aspects. Amendments and additions to the Resolution No. 206 of June 15, 2016 of the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the Regulation on the state order for the purchase of fresh fruit and vegetable products, potatoes, potato products and grapes". In accordance with the Resolution of the Cabinet of Ministers No. PQ-2717 dated January 6, 2017, special attention is being paid to the development and implementation of the electronic system for the construction of contracting agreements and their implementation, based on modern information and communication technologies. However, scientific justification of the nature and necessity of the development of the insurance system in agriculture, classification of the specific features of the development of the insurance system in agriculture and the factors affecting it, the development of the insurance system in agriculture. Based on the analysis of the current level of development, it is of urgent importance to prepare recommendations on ways to improve insurance mechanisms in agriculture.

Agricultural crop insurance offers a number of important advantages in the agricultural sector. These benefits are essential for increasing economic security and risk management for farmers and agribusinesses. Below are the main benefits of agricultural crop insurance:

1. Risk reduction: Insurance protects crops from natural disasters (drought, flood, storm, hail, frost) and diseases or pests. These types of risks can cause huge economic losses for farmers.

2. Sustainability and financial security: Insurance helps farmers to sustain their business. In case of losses, the compensation paid by the insurance company helps to restore the financial situation of the farmers.

3. Reliable financial plans: Insured farmers have more confidence in getting loans from banks and other financial institutions. Insurance reduces the risk of debt repayment to lenders, which can improve the terms of obtaining a loan.

4. Investment opportunities: Insurance gives farmers more opportunity to buy new technologies and equipment or expand production, because they are not afraid of facing large losses due to natural disasters or other risks.

5. Maintenance of crop quality and quantity: Crop insurance encourages farmers to maintain crop quality and quantity because they know that if losses occur, they will be compensated by the insurance company.

6. State Support: Some states may offer subsidies and other financial assistance programs to support agricultural insurance. This will reduce insurance costs and provide convenience to more farmers.

7. Job retention: Crop insurance helps farmers overcome economic hardships, thereby maintaining rural jobs and economic stability.

Insurance Process:

1. Choosing an Insurance Policy: Farmers should choose an insurance policy that suits them. In this process, they should compare different insurance companies and the services they offer.

2. Appraisal: Insurance company experts appraise the value of fruits and vegetables. This process often involves field visits and document reviews.

3. Policy Issuance: After the assessment, the insurance company and the farmer issue the insurance policy. This policy specifies the crops insured, their value, and the insurance coverage.

4. Insurance premium payment: The farmer pays the insurance premium. This payment is often made on an annual or seasonal basis.

Fruit and vegetable insurance is of great importance to farmers. This insurance protects them from various risks, provides financial stability and creates new investment opportunities for them. The correct implementation of the insurance process and the correct selection of insurance types fully support these advantages.

By offering a safety net for farmers, the agricultural insurance system ensures stability in the agrarian sector and contributes to food security and sustainable development. It aims to reduce the risks faced by farmers and prevent them from risking their lives in unexpected situations. An agricultural insurance system provides financial protection to farmers against losses due to unforeseen events such as natural disasters, pests or diseases.

ANALYSIS AND DISCUSSION

Agricultural insurance systems offer different types of policies to reduce risks for farmers. These policies include crop insurance, livestock insurance and income insurance. Crop insurance protects against crop loss due to natural disasters, while livestock insurance covers loss due to death or injury to animals. Income insurance protects against loss of income due to market fluctuations. Each type of policy has its own coverage options and requirements, giving farmers the flexibility to choose the best insurance solution for their individual needs. The agricultural insurance system includes various key actors that contribute to its overall effectiveness. These players include insurance companies, government agencies and farmers themselves. Each of these entities plays a critical role in ensuring the success and sustainability of the agricultural insurance system. Farmers are at the heart of the agricultural insurance system, relying on insurance to protect their lives against various risks such as crop failure, natural disasters and market fluctuations. Their active participation and understanding of the system is essential to its success. Insurance companies are responsible for creating and providing insurance products tailored to the specific needs of farmers. They use their financial stability and experience to offer competitive and reliable insurance coverage. State bodies play an important role in regulating and controlling the agricultural insurance system, ensuring its fair and efficient operation for all participants.

Introducing an agricultural insurance system comes with its fair share of challenges. One such problem is the lack of awareness and knowledge among farmers about the benefits and processes of agricultural insurance. In addition, the diversity and unpredictability of agricultural risks pose serious obstacles to the development of effective insurance policies. Factors such as climate change, natural disasters and pests can greatly affect the success of agricultural insurance. The administrative and operational complexity of implementing agricultural insurance requires streamlined processes and effective management to ensure the smooth operation and delivery of insurance services to farmers. Through government intervention, farmers are encouraged to use insurance to reduce risks and stabilize their income. This will ultimately strengthen the agricultural sector and ensure food security. The role of the state in the agricultural insurance system is very important. It provides financial assistance to farmers in case of crop failure or natural disasters.

The production of agricultural goods is characterized by its connection with high-level risks. Producers of agricultural goods face many risks in the production process. And of course, the existing risks will cause additional inconvenience and additional costs to the producers of

agricultural goods. Such risks include changes in the prices of goods and services, productivity, partial or complete loss of resources as a result of changes in state policy, various natural disasters, emergency situations. In turn, such risks significantly affect the income of producers of agricultural goods. Producers of agricultural goods face the following risks in the process of their production:

- production risks;
- market or price risks;
- financial risks;
- personal risks;
- institutional risks;
- the risk of non-fulfillment of contract terms;
- property risks.

Production risks are directly related to production and are damage caused by technological changes affecting the production process, weather and natural disasters. Sudden cooling or overheating of the weather, chronic rains, diseases, damage caused by plant pests, and various other natural disasters have a negative effect on the production process and destroy the intended harvest. and incur additional costs. Market or price-related risks are risks related to the increase in the prices of goods and services in the resource market, changes in export and import prices, changes in currency exchange rates, in which the producers of agricultural goods with the increase in the price level, additional unforeseen expenses will have to be incurred.

State joint-stock insurance company "Uzagrosugurta" provides insurance protection services to producers and residents in rural areas. With 189 regional offices, this company offers more than forty types of services. This is the insurance of the main funds of entrepreneurs, the harvest of agricultural crops and their replanting, the responsibility of enterprises to return preferential loans granted by commercial banks, etc. The high level of risk of agro-industrial production is directly related to weather conditions that affect the financial and economic situation of agricultural enterprises. This also affects the attraction of large amounts of investments. The availability of guaranteed insurance protection is important in the use of credit resources and increases the attractiveness of investing in this sector.

CONCLUSION

In conclusion, to effectively organize the agricultural insurance market based on digital technologies, automation, to take measures to ensure reliable storage and protection of information related to agricultural insurance companies and policyholders, it is desirable to create opportunities and conditions for legal entities and individuals to purchase agricultural insurance services through the global Internet network. It would be appropriate to develop a number of theoretical and practical measures for the future development of the insurance system in agriculture, namely:

- to study the impact of the agricultural insurance system on the financial condition of farms and to improve and implement incentive mechanisms of insurance;
- development of scientifically based recommendations on the main directions of using foreign experiences for the development of the insurance system in agriculture;
- preparation of scientifically based recommendations on improving organizational, economic and legal relations between agricultural enterprises and insurance organizations;

- it is necessary to ensure the timely and high-quality performance of the obligations specified in the contracts concluded with insurance organizations. In this case, it is necessary to organize work according to the principle of "Contract on time, payment on time";

- documents required in the event of an insurance event should be shortened and procedures should be simplified;

- the creation of a system that regularly informs farms about insurance, in order to make all insurance relations, for example, conclusion of a contract, provision of information and other processes easy and fast in the conditions of advanced information and communication, online the creation of the platform will be appropriate and will lead to good results.

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