

Increasing the Efficiency of Insurance in the Era of Digital and Internet Technologies

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Abstract: The article is devoted to the study of the use of digital and Internet technologies in the insurance industry, which provide new opportunities in insurance for both policyholders and insurers. The development strategy of the New Uzbekistan provides for accelerated digitalization of the republic's economy, which leads to a change in the main categories and principles and systems of economic and financial relations, redistribution of the role and importance of individual subjects of these relations.

Keywords: Internet insurance, digital technologies, digitalization in insurance, efficiency, modern world.



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Introduction. Digital technologies are becoming increasingly important in the world. Their development in recent years has led to huge changes. Firstly, digital technologies have shortened and simplified production cycles. Secondly, new technologies have expanded analytics and made its processing more accessible, which has allowed the transition from standardization to individual offers and unique experiences. Currently, almost all companies in all industries are faced with the need for transformation, since new technologies, innovations and consumer behavior models are radically changing previous, established business models.

The process of digitalization of the economy has a significant impact on the activities of insurers. Radical changes in technologies, primarily in the field of the Internet, digital, mobile and social platforms, lead to significant changes in customer preferences, their behavior patterns and decision-making [2]. Thanks to the rapid development of digital technologies in the last decade, consumers have found themselves in a more advantageous position, they have learned to use large amounts of information, independently find what they need, when they need it, at the price that suits them. In response to changing consumer behavior patterns, service providers are urgently implementing new technologies to collect and process big data, which will allow them to better understand consumers and regain lost ground. The strategy of sellers is changing, becoming more active, companies are trying to lead the client to a purchasing decision themselves. For the insurance industry, the study of risks and their distribution is key, which makes it necessary to precede the study of the economic consequences of digitalization in insurance with the study of modern risks that are most relevant for businesses and the population today.

Currently, scientists are working on digitalization issues in various fields in response to the demands of the time; scientific research is being actively carried out in the financial sector. Domestic scientists M.Sh. Uktamova and N.R. Avazov emphasize that digitalization was one of the first to be introduced in the financial services market; the pandemic contributed to a sharp impetus in the growth of digitalization [1]. Foreign scientists, such as A.A. Tsyganov, D.V. Bryzgalov, give the following definition of digital insurance: “Digital insurance is a way to meet a traditional or specific (generated by digitalization) need for insurance coverage through digital technologies” [2]. Thus, Yu. Klapkov, M. Eling, M. Lehmann study the essence of new terms: “digitalization”, “digitization”, “digital technologies”, “virtualization”, and how these processes affect the formation of the insurance market [3, 4]. O. Bonnert, A. Fritzsche, S. Gregor emphasize that modern digital technologies will increase the dynamics of the main indicators of the insurance market due to transparency, lower operating costs and a wider online audience [5]. Despite the fact that digitalization issues are actively discussed in scientific circles, especially abroad, the issues of digital technologies used by domestic insurers and the trends they form in the insurance market as a whole remain insufficiently studied in Uzbekistan.

Materials and methods. The study is based on a systems approach, which allowed us to identify general trends in digitalization in the insurance market. The abstract logical method was used for theoretical generalizations, defining basic concepts and categories, and drawing conclusions. Analysis and synthesis methods were used to determine the structure of individual elements of innovative technologies in the activities of insurers. Comparative analysis allowed us to study and compare the official websites of domestic insurance companies. These methods helped in the study of digital and innovative technologies, which allows us to see the positive and negative aspects of this area.

Research results. In the insurance industry, there is only one approach to the concept of digitalization. As a rule, scientists understand this concept as digital insurance as a way to meet the unique needs of policyholders for insurance coverage, mainly through the use of technological tools necessary for the implementation of economic relations and random adverse events that arise in the digital economy [3]. For domestic insurance companies, innovations are not only a criterion for assessing competitiveness, but also a condition for survival in the market. At the same time, the main task of innovations is to increase the flexibility of insurance products, adapt to the modern market and increase the profitability of the insurer. In this article, digitalization will be understood not only as the process of digitizing information and distributing it through modern telecommunication channels, but also the process of introducing new telecommunication technologies to improve customer service of an insurance organization. After all, the ultimate goal of digitalization is to improve the service of a certain category of consumers of certain services.

Today, the following modern innovative and digital technologies are used in the global insurance market, as shown in Table 1.

№	Technology	Mechanism of use and application in the insurance market
1.	Websites	A collection of web pages available on the Internet, united by content and navigation under a single domain name. The sites host individual elements of digital technologies: an insurance calculator, online payment, an insurance services store, links to mobile applications
2.	Social networks	An Internet program that helps individuals communicate and establish connections with each other using a set of tools.
3.	Chatbots	A computer program that is developed on the basis of neural networks and conducts a conversation using

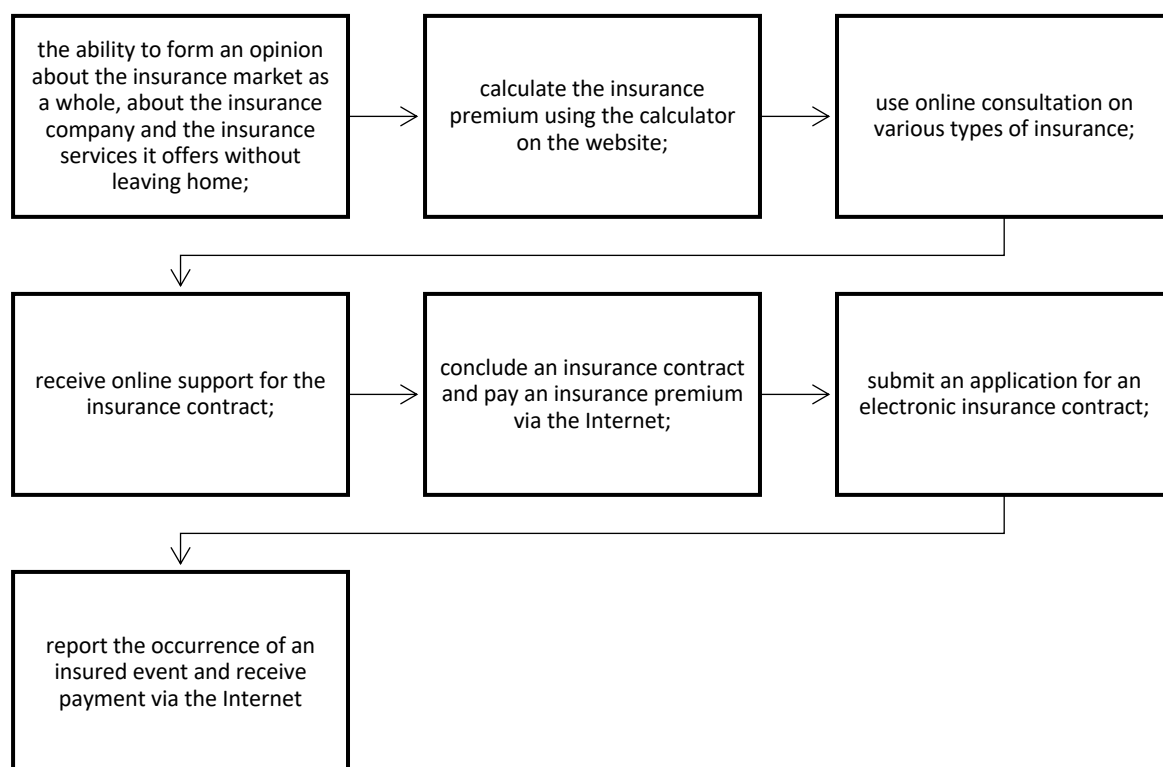
		auditory or text methods.
4.	Web forums	An application for organizing communication between site visitors; the term corresponds to the content of the original concept of "forum"; a forum offers a set of sections for discussion; the forum's work consists of users creating topics in sections and then discussing them within these topics; a single topic is, in fact, a thematic guest book.
5.	Video telephony	A technology that provides the ability to receive and transmit audio and video signals to users in different places for communication between them in real time.
6.	Video hosting.	A service that provides services for hosting video materials on a specific topic.
7.	Cloud technologies	Services that include the provision of disk space for hosting information on a server and providing the ability to store your data, share with them if necessary, and jointly edit and process information.
8.	Automated systems for checking the authenticity of insurance policies	Computer programs with a large database that allow you to check the authenticity of an insurance contract and its validity period.
9.	Telematics	A technical device whose main task is to generate information about the driver's driving style. This information is transmitted online to the insurance company, which may result in an offer of an individual insurance rate.

Table 1. Modern innovative and digital technologies in the insurance market

Thus, based on Table 1, it can be noted that today, out of nine innovative and digital technologies, domestic insurance companies use only two or three of them. This indicates weak involvement in the digitalization of insurance companies.

Also, when conducting the study, information posted on the official websites of insurance companies of Uzbekistan as of August 1, 2023 was used. One of the first aspects of digitalization in the insurance market was the creation and strong filling of official websites of insurance companies with information. Let us determine the share of insurance companies in the domestic insurance market that have official websites.

There is an idea of Internet insurance as selling insurance products via the Internet. Of course, Internet insurance has a number of undeniable advantages that have already been appreciated by consumers of insurance services, namely:



The development of Internet insurance in Uzbekistan lags behind economically developed countries. If in countries with developed economies direct insurance appeared about 30 years ago, but in Uzbekistan only 10 years ago. For example, in the UK the share of Internet insurance reaches about 30%. In the EEC countries the dynamics of Internet insurance growth averages 15-20% per year. In the USA and Canada, along with regular insurance companies, a large number of insurance brokers are presented on the Internet, offering the client the opportunity to select the necessary company and product for the purpose of its subsequent purchase. At the moment, many American insurance companies presented on the Internet provide the full range of services necessary for the purchase and maintenance of an insurance policy. The company's clients can visit personalized pages in order to check the status of the insurance contract, to make the next insurance premium or to file a claim for an insured event. The leaders in Internet sales are car insurance policies - 20% of the total number of sales [2].

A modern insurance company should be agile, quickly respond to new conditions, changing customer requests; able to adapt, accumulate positive experience, process negative experience; harmoniously developed, find a balance between the accumulation of new knowledge and its practical application [5]. The company's mechanism must be self-adjusting. In such a flexible company, the strategic concept, business model and associated elements are adjusted as soon as the business environment changes. The company is not an unchanging mechanism for transmitting information from top to bottom through the authorities; it changes, responding to incoming information. If the company is reconfigured regularly, then its reconfiguration is done without risky, one-time shocks. For companies that have developed self-adjustment algorithms, the problem of choice remains important: to do the same as before, or to reorient. A flexible approach is needed in company management, based on an organizational structure that has the necessary personnel, tools and processes.

Conclusion. In the era of digital transformation, traditional office companies are being replaced by platform companies, and approaches to building business processes are being formed. Mobile technologies, social networks, cloud services, integrated devices, big data and various analytical tools affect the potential of human capital. Companies use digital innovations to radically revise

the functioning and competitive advantages of their organizations, increase labor productivity, benefit the client, and increase profits. However, despite the fact that many companies come up with innovative initiatives, most of them are not able to cause the really necessary radical transformation that modern business so needs. Insurance companies are interested in basic innovations of the digital economy.

In order to simplify processes and mechanisms, they actively use technologies such as automation, chat bots, cloud data processing, technologies with elements of artificial intelligence. Satisfying the needs of policyholders, whose expectations have changed due to the digitalization of the economy, is the goal of insurance companies. Consumers need ease of use, round-the-clock access and fast delivery; clear and understandable information about the insurance service. For the insurer, this means increased profits in the short term, as transaction costs are reduced when promoting goods in the cost structure. In the long term, insurers are guaranteed the introduction of innovative insurance products. Successful insurers, without warning, very actively enter new areas, create new opportunities for the implementation of insurance services. The main task is to be the first to create a liquid market in their industry. The winner is the one who is the first to create conditions for mutually beneficial transactions between suppliers and clients.

Thus, we can say that the insurance market in Uzbekistan is in the process of transition to a qualitatively new stage of development. Uzbek insurance legislation is specific and, despite this, the direction of development of the Uzbek insurance market corresponds to global trends. Further improvement of the regulatory framework of the insurance services market is necessary to create a legal basis for full-fledged Internet insurance. Of course, every new day will bring new digital technologies. The time is not far off when not only virtual banks but also virtual insurance companies will appear. The latter will expand the range of transactions that can be performed through mobile applications. In addition to the positive aspects, digitalization also brings new threats, because digitalization promotes openness of the insurance market, which requires the formation of a system of protection against cyber risks. Therefore, further research will concern the study of risks in the field of digital insurance.

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