

**ACADEMICIA**  
**An International  
Multidisciplinary  
Research Journal**  
(Double Blind Refereed & Peer Reviewed Journal)



DOI: **10.5958/2249-7137.2021.01309.4**

**INSURANCE AGENTS AND SIGNIFICANT ASPECTS OF IMPROVING  
THEIR ACTIVITY**

**Matiyazova S.R\***

\*Independent Researcher,  
Tashkent Institute of Finance,  
UZBEKISTAN

**ABSTRACT**

*This article considers essential peculiarities of the activity of insurance agents. Moreover, the article analyzes the ways to improve the activities of insurance agents under conditions of pandemics. The agreement of the agency may also specify the performance of other services and duties by the insurance agent. An insurance agent is a representative of a particular insurer who buys insurance products from a particular insurer. An insurance agent may also represent several insurers at once. Therefore, the maintenance of the position of insurance companies in the insurance market during the global pandemic and the successful implementation of insurance activities depends on the organization of the activities of comprehensive insurance agents.*

**KEYWORDS:** *Insurance Market, Insurance Agent, Insurance Premium, Insurance Cover, Insurance Services, Pandemics.*

**1. INTRODUCTION**

As a result of measures taken to create favourable conditions for further development of the insurance services market in the country, the volume of insurance services is growing steadily and the role of insurers in the country's economy is becoming increasingly important, which in turn increases the interest of legal persona and individuals in insurance products.

In particular, the Action Strategy for the five priority areas of further development of the Republic of Uzbekistan for 2017-2021 (Prescription, 2017) also considers the development of banking, finance and insurance companies as a special priority, the development of the insurance market and the introduction of modern insurance services. requires increasing the role of the insurance mechanism in protecting business entities from various risks.

It should be noted that the proper organization of the activities of insurance agents plays an important role in the development of the insurance market, ensuring the popularity of insurance services, reliable protection of a wide range of legal persona and individuals from various risks.

It is no secret that today's global pandemic is putting various sectors of the economy in a difficult position due to its global spread. Therefore, the maintenance of the position of insurance companies in the insurance market during the global pandemic and the successful implementation of insurance activities depends on the organization of the activities of comprehensive insurance agents. Because today the growing demand for the services of insurance agents, both by insurance companies and legal persona and individuals who are consumers of their products, requires the improvement of mechanisms for the sale of insurance services electronically through their remote services.

## **2. Main Part**

The main task of insurance agents is to serve customers on behalf of the insurer and by organizing the conclusion and execution of the insurance contract on his behalf. Also, insurance agents play an important role in increasing the insurance culture of the population, the formation of confidence in insurance institutions, as well as in an insurer.

Payment of insurance coverage to the insured through fast and quality service: on the one hand, there is a need to increase the reputation of the insurance company and attract new customers, on the other hand - to restore production faster in case of major disasters, which is important for macroeconomic stability.

As for the essence of the concept of the insurance agent and its activities, the Glossary (2018) stipulates that on behalf of the insurer and behalf of the insurer in the interests of the insurer and within the powers granted, the legalization of the insurance contract it is emphasized that the individual is an insurance agent.

Consequently, the insurance agent carries out its activities mainly on the terms of the agency agreement concluded between the insurer and him. An agency agreement is a civil-law contract that defines the relationship, liability and powers between the insurance agent and the insurer.

In general, an insurance agent is interested in selling as many insurance services as possible by engaging in the sale of insurance services provided by the insurer. Because the insurance agent receives a commission from the insurer in the amount of a certain percentage of the insurance premiums received for the insurance services sold. The agreement of the agency may also specify the performance of other services and duties by the insurance agent. An insurance agent is a representative of a particular insurer who buys insurance products from a particular insurer. An insurance agent may also represent several insurers at once. At the time of sale of insurance products, the insurance agent must provide the insured with a document confirming the authority of the insurer to conclude an insurance contract, confirming that he is an official representative of the insurer.

Mirsadikov (2010) focused on the organization and efficiency of insurance agents, arguing that the success of an insurance contract when selling insurance services through insurance agents depends on the skill of the insurance agent, which includes the following elements, including customer satisfaction and quality. given by: establish an initial connection; introduce the

company to the client; identifying customer needs; convincing the customer; explanation of insurance terms and calculation of the cost; quick and high-quality contract execution; improving customer relationships and maintaining customer relationships, in line with the above, is based on the fact that the customer's relationship with the company is formed under the influence of the information provided by the insurance agent to the customer.

Galaguza (2008) believes that the success of an insurance company depends in many ways on the proper organization of the activities of insurance agents. In particular, it outlined the key factors that affect the effective performance of an insurance agent. In particular, the insurance agent should not ignore the following six important factors to establish a mutually beneficial relationship with the client:

- Mutual goodwill. This quality is an important condition for establishing a good business relationship. Kindness, the commonality of interests, increases benevolence;
- Mutual respect of the parties. Another important condition for a strong trade relationship is the mutual respect of these partners;
- Mutual trust of the parties. The success of sales technology is characterized by mutual trust of partners, mutual openness, conscience, "clarity" of behaviour, orderliness and reliability;
- Mutual diligence. As a seller of insurance products, an agent should make every effort to have a good relationship with the client. Indeed, without the interest of the client, the agent cannot make any change in the path of the overall set goal. In other words, the insurance agent should be friendly to the client, and on top of that help to solve his problems, try to fulfil any of his wishes. Calmness and restraint, as well as modesty, form the basis of the success of trade relations. It should also be noted that the ability of the insurance agent to communicate with the customer, mutual interest in each other's business, such qualities as flexibility, nobility and independence is some of the necessary conditions for achieving a positive result in the sales process;
- Intensity of relations between the insurance company and the client. It is important to keep in mind that relationships only improve when both sides are in constant communication with each other. If an agent selling insurance products cannot find the opportunity to maintain regular good and strong communication with customers, then all attention and efforts should be focused on high-income customers;
- To be thoroughly educated. In the process of introducing his company to the client, the insurance agent should be able to instill confidence in the client in the insurance company by giving him full information about the achievements and positive aspects of the company.

From these considerations, it is clear that the insurance agent must have a thorough knowledge of the insurance industry, be able to present himself as a fully qualified specialist in a conversation with the client, otherwise it can ruin all relationships and negatively affect the image of the insurance company.

### **3. Analysis and discussion of results**

Today, insurance is one of the most important sectors that make up the financial infrastructure of a market economy, ensuring the continuity and stability of economic growth in the country. In this regard, it is clear that the economic and financial risks that are expected to occur in all

sectors of the economy due to the global pandemic will not bypass insurance companies. In particular, the expected risks in the banking system, which is the leading structure of the financial market, the decline in incomes, the relative decline in economic development, are expected to cause various financial difficulties for insurance companies that are professional participants in the insurance market. Therefore, we believe that it is necessary to develop measures to increase the efficiency and improve the activities of insurance agents who offer insurance services to insurance companies, ie directly sell insurance services. This is because only by increasing the efficiency of insurance agents will it be possible to achieve a relative easing of the financial difficulties that are expected to occur today. At the same time, the activities of insurance agents are mainly organized based on modern information technologies. It is necessary to develop a system of remote electronic sales, establish a network of insurance agents, reduce the dependence on the sale of insurance services only to large industrial enterprises or certain industries, and expand customer diversification. For example, dependence on bank credit insurance alone may lead to a decrease in insurance premiums thereupon a decrease in lending opportunities due to a possible shortage of resources in the banking system. To prevent such cases, it is necessary to increase the ability of insurance agents to offer and promote insurance services to the general public by expanding the provision of remote insurance services.

The insurance system plays a strategic role in the modern economy of Uzbekistan, which is why the insurance system has risen to the level of public policy, the insurance market is considered by public authorities as an integral part of the market infrastructure of the country. Indeed, the sustainability of business entities in the context of deepening economic reforms largely depends on the level of development of the insurance infrastructure.

In our analysis, we rely on the data of the insurance company 'Uzbekinvest', which is a leader in the insurance market of Uzbekistan. The development of insurance activity in this company is based on continuous research aimed at developing and introducing new insurance products and improving existing insurance products. This, in turn, will ensure the diversification of insurance services, expand the consumer segment and increase the company's competitiveness in the market. In this regard, the main principle of the Company is to provide a wide range of consumers with quality and reliable insurance services by improving service and introducing modern service methods.

Due to the strict observance of such a policy in the service, the company in 2019 will receive a total of 285.6 billion. UZS of insurance premiums were collected. At the same time, of course, the share of regional branches of the company was significant, their share in the insurance premium collection was 36% of the company's portfolio.

The accumulated insurance premiums on personal insurance increased by 2 times compared to 2018 and amounted to 23.0 billion UZS. Insurance premiums in excess of UZS were collected.

To expand the coverage of the population, since last year, the organization of work in the field of tourism, insurance of outbound and domestic tourists, the development of new insurance products, the definition of specific tasks and plans for the insurance of outbound tourists from March 2019 to the end of the year. 1.0 billion collected insurance premiums in excess of UZS. This insurance service is also expected to decline sharply due to the global pandemic.

In order to further improve the quality of insurance services in the company, to create convenience for the insured, we can say that the organization has a system of online sale of insurance products.

In particular, the company has sold 7,940 insurance policies since the sale online and received 429.3 million UZS of insurance premiums.

The share of voluntary insurance in the structure of the company's insurance premiums is high, and the effectiveness of the activities of insurance agents in the receipt of voluntary insurance premiums is obvious.

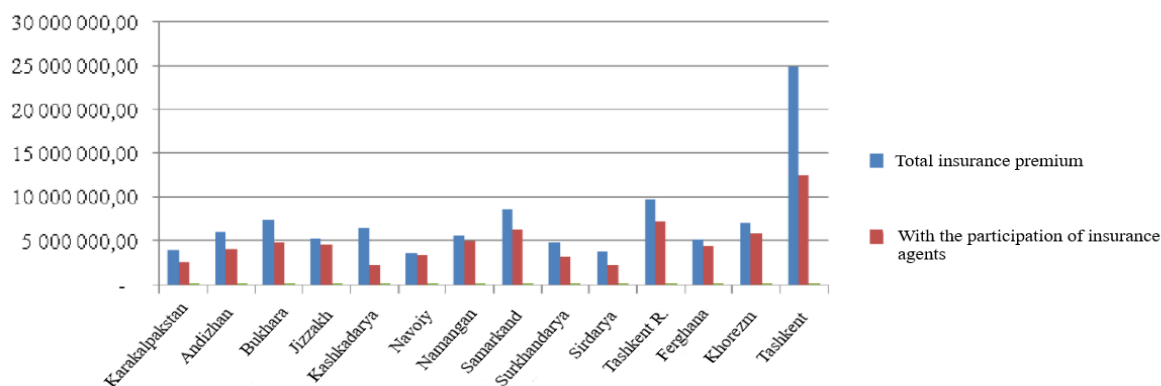
**TABLE 1 DYNAMICS OF VOLUNTARY TYPES OF INSURANCE OF 'UZBEKINVEST' EIIC**

Years	Insurance premium (million UZS)	Insurance liability (million UZS)	Number of contracts
2016	88 921,39	43 581 201,06	96212
2017	113 389,04	129 899 233,56	97384
2018	149 037, 45	82 721 317,46	206147
2019	252 197,85	41 49 031,44	279716

Source: "Uzbek invest" EIIC compiled by the author based on data.

In this table, we can see the dynamics of growth of insurance premium income for the period from 2016 to 2019 by type of voluntary insurance. In particular, in 2016, the Company received 88,921.39 million UZS of voluntary insurance premiums, and in 2019 it increased to 252,197.85 million UZS. These achievements can, of course, be explained by the fact that the activities of the company's insurance agents are effectively organized.

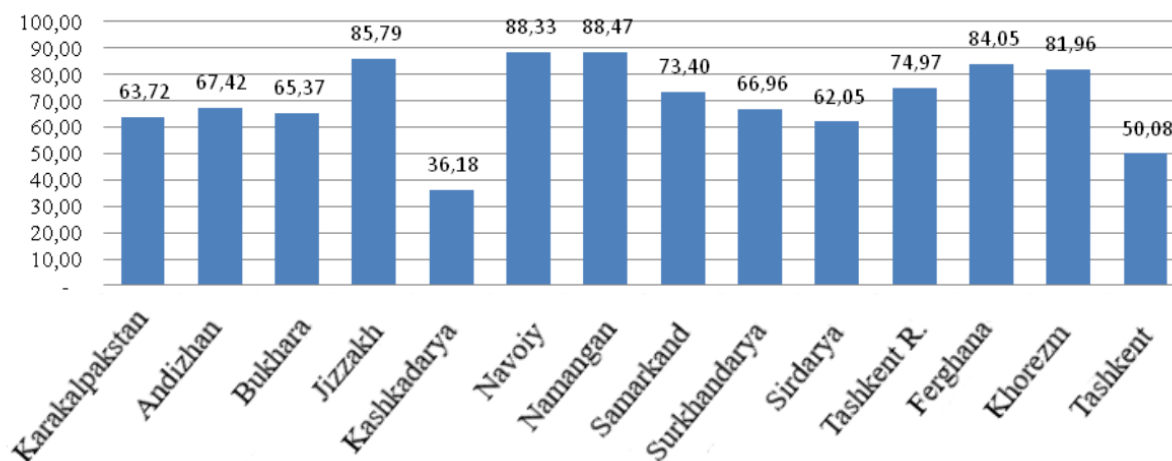
In the insurance market, as in any other market, it is a free competitive environment that ensures the quality of insurance services and their affordability, affordability and attractiveness. The competitive environment in the insurance market is large, to a certain extent, formed by the subjects of the insurance market infrastructure - insurance agents. In addition, insurance agents are an important component in the organization of the infrastructure of the insurance market, a set of activities that ensure the effective operation of insurance and provide services in this area.



**Figure 1. Dynamics of total insurance premiums and insurance premiums collected by insurance agents in 2019 'Uzbekinvest' EIIC.**

Source: Compiled by the author on the basis of data 'Uzbekinvest' EIIC

From the analysis of the data in Figure 1, we can see that insurance premiums with the participation of insurance agents have a significant share in the formation of insurance premiums of 'Uzbekinvest' EIIC. For example, in 2019, the Tashkent city administration paid 24.9 billion UZS in insurance premiums, of which about 12.5 billion UZS fell to the share of insurance agents. If we look at the share of insurance premiums made by insurance agents in the total insurance revenue by region, this is a much lower figure than in other provinces.



**Figure 2. Share of insurance agents in insurance premiums in 2019, %.**

Source: Compiled by the author on the basis of 'Uzbekinvest' EIIC.

The analysis of these data shows that the share of insurance agents in total insurance revenues is the highest in Namangan, Navoi and Jizzakh regions, at 88.47%, 88.33% and 85.79%, respectively. The lowest rates are in the Kashkadarya region (36.18%) and Tashkent (50.08%). This requires further development of the activities of insurance agents.

In addition to the above positive results, there are a number of problems in the activities of insurance agents in Uzbekistan that need to be addressed. In particular, the activities of insurance agents are insufficiently developed and they do not have sufficient knowledge in the field of insurance, the level of use of information technology in the activities of insurance agents and the low capacity of remote services of insurance agents.

Insufficient development of the insurance market of the country, low public confidence in insurance and insurance companies, underdevelopment of modern insurance services, insufficient regulation of electronic sales of insurance services also have a negative impact on the activities of insurance agents.

In order to prevent this, insurance companies need to invent new approaches to the organization of insurance agents and improve the financial mechanisms for the implementation of insurance agents, as well as the implementation of positive features of the implementation of insurance agents in foreign countries.

#### 4. CONCLUSIONS AND SUGGESTIONS

Summarizing the results of the above analysis, the results of research by foreign and domestic scientists, it can be concluded that without the correct and effective organization of insurance agents in the insurance market, without improving the financial mechanisms of remote insurance services, it is impossible to achieve the expected economic efficiency.

Therefore, in order to improve the activities of insurance agents, it is necessary to do the following:

- organization of regular training to increase the knowledge of insurance agents in order to improve the image of insurance companies and improve the quality of insurance services, as well as the issuance of quality certificates to them;
- Development and introduction of financial mechanisms for electronic remote sale of insurance products by insurance agents;
- Development of insurance glossary for insurance agents;
- strengthening the legal framework for the organization of a network of insurance agents in the insurance market;
- wide introduction of market mechanisms for the activities of insurance agents;
- Development and introduction of mechanisms to increase the efficiency of insurance agents and encourage their activities by insurance companies;
- It is necessary to improve the mechanisms of insurance agents and their legal framework in the development of the insurance market.

In general, in order to effectively organize the activities of insurance agents, it is possible to increase the efficiency of insurance companies, strengthen their position in the insurance market and further develop the insurance system of the country only by improving the financial mechanisms and strengthening the legal framework for remote insurance services.

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