



Use of Insurance Services in Digitalize the Activity of Insurance Intermediaries

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Abstract: *The article examines the impact of digital technologies on the insurance market, including the internetization and individualization of insurance activities. The purpose of the research was to analyze digital insurance and the process of digitalization of the insurance market based on the practical activities of national and foreign insurers on the implementation of digital technologies, including using general scientific approaches and research methods. The article examines such concepts as "digital insurance" and "digitalization of insurance activities", and identifies the problems and prospects of further use of digital technologies in the insurance market. The article concludes that the introduction of new technologies of the digital economy affects insurance technology, but does not change its economic nature.*

Keywords: *insurance market, insurance business, digital economy, digital insurance, digitization of insurance activities, insurance, artificial intelligence, blockchain, Internet, BigData, Internet of Things.*

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Introduction

In today's insurance market, information technology is the driving force that allows insurance companies to successfully interact with increasingly demanding and impatient customers. Consumers, being well versed in technological innovations and actively using them in everyday life, expect an appropriate technological level of service from insurers as well.

Today, the share of insurers in the insurance market that use Internet solutions in the process of selling insurance products is steadily approaching 100%. 3/4 of insurance companies provide their customers with the opportunity to purchase an insurance policy on the site. Insurance companies plan to introduce new IT products or improve existing processes in the company in the coming years. The lifting of the ban on the sale of electronic policies by intermediaries, the emergence of marketplaces

and the introduction of new IT solutions by insurers will accelerate the development of electronic insurance.

The expected lifting of the ban on the sale of e-policies by intermediaries, the emergence of financial marketplaces and the introduction of new high-tech solutions by insurers will further accelerate the development of the e-insurance segment. 80% of survey participants are going to introduce new IT products or improve existing processes in the company in the coming years. 40% of respondents will focus their efforts on developing and improving the system of interaction with the client, namely the website, Personal Account and mobile application in terms of the possibility for the insured to receive a full range of services, from the purchase of policies to the settlement of insured events.

On April 28, 2020, the President of Uzbekistan signed the Decree "On measures for the widespread introduction of the digital economy and e-government". Thus, the share of the digital economy in the GDP of Uzbekistan is planned to double by 2023, and the volume of electronic public services to be increased to 60% by 2022.

On October 23, 2021, the President of Uzbekistan signed Decree PP-5265 "On additional measures to digitalize the insurance market and develop the life insurance sector". To ensure the fulfillment of the tasks set in PP-5265, starting from July 1, 2022, all types (classes) of insurance are carried out in electronic form, insurance policies for all types of insurance are registered in the Unified Automated Information System maintained by the Insurance Market Development Agency under the Ministry of Finance together with the Insurance Payments Guarantee Fund and starting from January 1, 2023, the practice of issuing insurance policies for all types of compulsory insurance on paper forms has been canceled. [1]

In addition, digitalization will allow the creation of electronic platforms - marketplaces, offering the entire range of insurance services, which will increase customer awareness of insurance products, and in the process of competition, insurance companies will be able to expand the line of insurance products that take into account the individual interests of customers.

In addition, we note that at the moment over 60% of payments for accumulative products are made through payment systems integrated into the service resources of insurance companies.

The increase in output as a result of the introduction of automated and computerized production methods at the turn of the XX-XXI centuries. causes technological changes occurring in the organization of the insurance business.

Throughout its history, insurance has undergone several fundamental technological innovations, in particular the introduction of actuarial calculations, which has become the basis of modern insurance business; the use of the labor of insurance agents, which laid the foundation for mass insurance; the use of computers that have simplified the implementation of many business processes in insurance, etc.

Therefore, digital insurance is a way to meet the traditional or specific (digitalization generated) need for insurance protection through digital technologies.

To determine the place and role of insurance in the digital economy, a theoretical substantiation of the concept of "digital insurance" is needed, which can be considered from two sides.

Firstly, digital insurance may mean part of the economic relations due to the presence of insurance interests of organizations and citizens and their satisfaction through digital technologies. In

other words, digital insurance is a way to implement insurance protection based on digital technologies.

Secondly, the active development of digital technologies in the emerging digital economy is causing new risks. Part of the risks of the digital economy is minimized through the use of insurance mechanisms. Therefore, digital insurance is understood as a way to meet the needs of policyholders in specific insurance protection, due to random adverse events occurring mainly in the digital economy and accompanying the use of technological equipment, which is the material basis for the implementation of economic relations. Previously, these insurance services were referred to as e-commerce insurance, cyber risk insurance, electronic and computer crime insurance, etc., but the term "digital insurance" can combine them. Similar processes have already taken place in the insurance market, for example, phone insurance has become the basis for the subsequent development of electronic equipment insurance, which is now considered not as an independent insurance product, but as an addition to property insurance.

The digital economy is characterized by the introduction of a fairly wide range of innovative technologies, such as artificial intelligence, big data, process robotization, the Internet of Things, virtual and augmented reality, and many others. Some of them are widely used around the world by insurance companies that are updating their business models and investing in new promising areas of development, while others at this stage of their development cannot be applied in the insurance market in order to improve the quality of insurance services. For some innovative technologies, the implementation costs will be higher than the possible positive effects, for others (for example, virtual and augmented reality), there are currently no areas of application in the insurance industry. Let us consider in more detail the leading innovative technologies, which may not be widely implemented in the national insurance market, but their potential for use by insurance companies at all stages of the life cycle of an insurance contract is quite high.

Artificial intelligence (AI) is the science and technology of creating a system (including a computer one) that has the ability to learn, adapt and work in dynamic and uncertain conditions. It has penetrated deeply into modern software products and often does not separate from other computer technologies. AI is a powerful data processing tool and can find solutions to complex problems faster and more efficiently than traditional algorithms.

Big data technologies (BigData) are tools and methods for processing and interpreting huge amounts of data, both structured and unstructured. Thus, BigData is understood not only as the data itself, but also its processing, as well as the analytical aspect. The source of big data in relation to insurance can be both data from various devices, as well as data received from third parties, from social networks and other services.

The Internet of Things (IoT) is a system of special devices and technologies that allow these devices to interact with each other, as well as receive and transmit information about ongoing processes and phenomena to the external environment. [3]

Blockchain is a continuous chain of blocks containing information and linked to each other in such a way that there is no possibility to make changes to the information. The advantage of storing data in this way is that the data registry is distributed across many servers rather than being stored on just one. In practice, blockchain technology is most often used as a digital register of completed transactions, transactions, completed contracts. [4]

In addition to the listed innovative technologies, the insurance market actively uses software interfaces, all kinds of mobile applications, etc., which simplify the exchange of information both within the insurance company and when it interacts with intermediaries and customers and stimulate the distribution of the product through online channels. These technologies have been implemented by many insurers for appropriate information support of various stages of the life cycle of an insurance contract: verification of data of policyholders at the stage of conclusion of the contract and insurance payment; the opportunity to expand the client base and cross-sell insurance products; online payment of the insurance premium becomes available for policyholders; it is possible to track the progress of the settlement of the insured event.

The national insurance market, along with the global one, uses modern innovative developments and digital technologies to improve the level and quality of the organization of its business processes. For policyholders, innovative technologies significantly simplify the process of concluding a contract, first of all, make the insurer available around the clock to conclude a contract, allow you to quickly receive advice, notify about the occurrence of an insured event without a visit to the office of the insurance company, etc. In the near future, digital technologies will not only simplify interaction between the insurer and the policyholder, but also increase the demand for insurance products. This will be possible, among other things, by improving the quality of service delivery when using innovations.

There are certain problems and factors hindering their development in the digitalization of the insurance industry. At the same time, the causes of these problems can be the insurance companies themselves, insurers, insufficient development of the regulatory framework, competition, etc.

Even despite this, it can be said that today the insurance market is in the process of transition to a qualitatively new stage of development, and within three to five years it will undergo strong changes for the better. And this is only possible thanks to the introduction of new digital technologies into the economy and, in particular, into the insurance industry, which will affect insurance technology, while the economic essence of insurance will remain unchanged. The development of the insurance market in Uzbekistan is increasingly digital, which affects insurance technologies, but does not change its economic essence, depends on the introduction of new types of economy. As a result of the use of digital technologies in insurance activities:

- increasing the efficiency and profitability of insurance activities;
- convergence of mutual and commercial insurance is implemented;
- socialization of insurance relations is carried out;
- new insurance services and products appear;
- the labor market in the insurance sector will change;
- changing behavior patterns of policyholders when choosing insurance services using digital technologies of insurance companies. This is useful for the level of recommendation of their services in the digital technology used, and not for the selection of the first buyer of the competition.
- the use of digital technologies by insurers in business processes leads to the emergence of digital factors for the competitiveness of insurance programs in the areas of communication with policyholders, maintenance of an insurance contract, and compensation for losses.

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