



Article

## Ensuring Financial Stability Through The Digitization of The Insurance Sector

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**Abstract:** . In this article, the impact of digitalization in financial stability in insurance sector of Uzbekistan are discussed. The report provides insights into important market trends the industry cycle, shrinking number of insurers against expanding value of their authorized capital, modifications in insurance agents and brokers, etc. According to the study, the adoption of the IoT platform with modern-day digital technologies like artificial intelligence, big data analytics, blockchain, and IoT system helps to automate processes and boost the operational efficiency of insurance companies through valuable aids in process automation, better risk management, improved customer services personalization, wider & more effective investment activities, and other methods. The second part of the article presents the potential of digital transformation by analyzing the changes in total premiums, claims payments and investment volumes in the insurance market of Uzbekistan. The results illustrate the importance of embracing innovative technologies in improving financial stability and customer satisfaction in the insurance sector.

**Keywords:** insurance, digitalization, financial stability, innovative technologies, investment, service quality.

**Citation:** Abdimo'minova, S. T. Ensuring Financial Stability Through The Digitization Of The Insurance Sector. American Journal of Economics and Business Management 2025, 8(11), 5839-5850

Received: 10<sup>th</sup> Aug 2025  
Revised: 16<sup>th</sup> Sep 2025  
Accepted: 24<sup>th</sup> Oct 2025  
Published: 29<sup>th</sup> Nov 2025



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### 1. Introduction

Over the past few decades, this sector has quickly become one of the key and strategic sectors of the national and world economy. They have tremendously bolstered its roles as an essential institutional mechanism that provides financial security, contributes to stability and reduces economic vulnerabilities in society! In such an environment, the increasing complexity of economic processes, the growing competition in global financial markets, the increased technological interpenetration, and the rapid pace of digital transformation made it necessary for insurance companies to fundamentally restructure their internal and external activities. It seeks to enhance the efficiency and transparency by moving to a people-centric, seamless delivery of services.

Emergence of the new advanced technological solutions from digital platforms and artificial intelligence systems, to big data, blockchain and IoT opens new perspectives for the insurance companies in terms of new services and better products. Such technologies allow the insurers to gain better understanding of customer behavior, more accurately identify risk profiles and deliver customized and optimized insurance products.

Digitalization presents with its own key strategic benefits for insurance organizations, such as automating internal processes, cutting down costs, optimizing processes, and allocating resources efficiently. Digital transformation transforms the customer

experience, ensuring fast, transparent and high-quality delivery of services. It also improves the design of bespoke insurance products and their higher customization with the customers.

By utilizing artificial intelligence and big data analytics, businesses can analyze and assess their customers on multiple levels, including customer behavior, financial capabilities, needs and risk profiles. Such instruments allow you to identify risks earlier, improve risk management and therefore, use more efficient pricing policies. As a result, insurance companies gain the power to predict, plan strategically, and utilize resources optimally. Moreover, digital transformation helps insurers are quick to react to market changes and will reap significant advantages in time to market for new digital services.

This also adds many layers around insurance contracts for risk of fraud & incorrect claims which brings us to the other value add of blockchain the reliability, transparency, and immutability of them. On the other hand, IoT devices and real-time data collection systems enable the delivery of automated insurance services, the creation of customized solutions, and the significant improvement of service quality. In this way, digital transformation reinforces the bond between companies and customers in addition to improving the quality of service and increasing the potential for customized insurance protection.

In summary, the technological transformation serves to seamlessly improve processes on the internal end but on the global scale, better positions the insurance companies for a stronger, more competitive, and more sustainable future.

#### **Literature Review**

Insurance is a product which did not appeared recently, as the economists T. Malikov and Kh. According to Shennaev notes, even in the primeval time, the relations of insurance existed. History shows that in primitive communal time under clan and tribe life, people normally kept their stock of food as a means of defence against the unpredictable and unavoidable. Natural disasters floods, droughts were sometimes viewed as the workings of divine judgment on the nation. However, already in this period there was the setting of reserves to cover bad debts arising from the occurrence of fortuitous events those not under human control [1].

As early as 1792–1750 BC, merchants of trade caravans were cited in the ancient Babylonian Code of Hammurabi agreeing mutual obligations before embarking on their trips [2], according to the Russian scholar M. Ivanov. Under the agreements, if any property of the caravan members was lost, stolen, or plundered by bandits, the loss was compensated by the other members of the caravan.

Despite the fact that thousands of years have passed since the dawn of human civilization, one of the fundamental principles of insurance (the creation of reserves to cover damages arising from individual events) has not changed to this day.

In his works, N. Beknozov and U. Turg'unov also stated that specific forms of insurance appeared in some countries already in the Middle Ages. In 18th century Europe the insurance services of small-scale industry, transport services and international trade increased considerably. From the very beginning insurance essentially only covered the vessel and its cargo, but compulsory insurance for passengers and crewmembers quickly followed. Gradually, insurance has spread throughout most of economic activities and all group of people engaged in the given area [3].

According to some sources, the first insurance contract dates back to the 14th century and was concluded in England, the first fire insurance society in Russia appeared in 1827, and in Italy in 1393 notaries issued an average of 80 insurance policies per week. In addition, Venice has passed the first Marine Insurance Code in 1466 [4]. According to some legal sources, codification of insurance law commenced in Russia in 1879 [5].

The English term "*insurance*" originates from the words "*in*" (inside) and "*sure*" (secure, reliable), meaning "*in safe hands.*" Hence, an insured object is considered reliably protected and free from concern [6].

Today, in Uzbekistan, as the country advances step-by-step toward building an open market economy, a just society, and a strong democratic state governed by the rule of law, insurance plays a distinctive role as one of the essential elements of economic

infrastructure. Insurance supports the continuity of ongoing economic reforms and protects the population from unforeseen events. As U. Aitbaev rightly emphasizes, the insurance market provides material support for safeguarding nearly all forms of property from natural disasters and for compensating damages arising from various calamities [7]. This raises an important question: **What is “insurance”?** How is it defined in academic literature, in legislation, and particularly in the national laws of foreign countries? To what extent do these definitions capture the essence of insurance relations? It is evident that legal scholars, economists, national legislation, and foreign legal systems offer diverse conceptual approaches to defining insurance. Therefore, developing a clear and unified definition that accurately reflects its legal essence is essential for preventing ambiguities and potential inconsistencies.

As M. Yusupov points out, “insurance in its economic essence is the creation and distribution of a monetary fund formed from compulsory payments of interested legal entities and citizens and operated by a special institution (the insurer). According to E. Hojiev, insurance is the coverage of possible losses by paying a membership fee to a specialized institution. T. Umarov defines insurance as the protection of the interests of legal entities and individuals in the form of compensation in full or in part at the expense of insurance funds formed from insurance premiums when an insured event occurs. Along similar lines, M. Yo’ldoshev and Y. Tursunov define the concept of insurance as “an entrepreneurial action of protecting against insured events that occurs in accordance with the contract by means of monetary compensation from previously collected insurance premiums received from that insured if the insured events actually occur” [8].

Russian scholars L. N. Klochenko and K. I. Pilov describe insurance as “a means of protecting enterprises and the population from losses, a source of investment for the economy, and a foundation for the stability and financial security of society” [9].

In Uzbekistan’s national legislation, *insurance activity* refers to the activities carried out by professional participants of the insurance market in connection with the implementation of insurance. While the term *insurance service* encompasses the range of services provided by these professional participants, *insurance activity* also includes the processes related to organizing insurance and carrying out professional operations in accordance with established procedures [10].

## 2. Materials and Methods

The methodological foundation of this research is based on analytical approaches used to study the digitalization of the insurance sector. In addition to these approaches, the study employed methods such as analysis, synthesis, classification, comparison, graphical interpretation, and economic–statistical techniques, along with a comprehensive systemic approach.

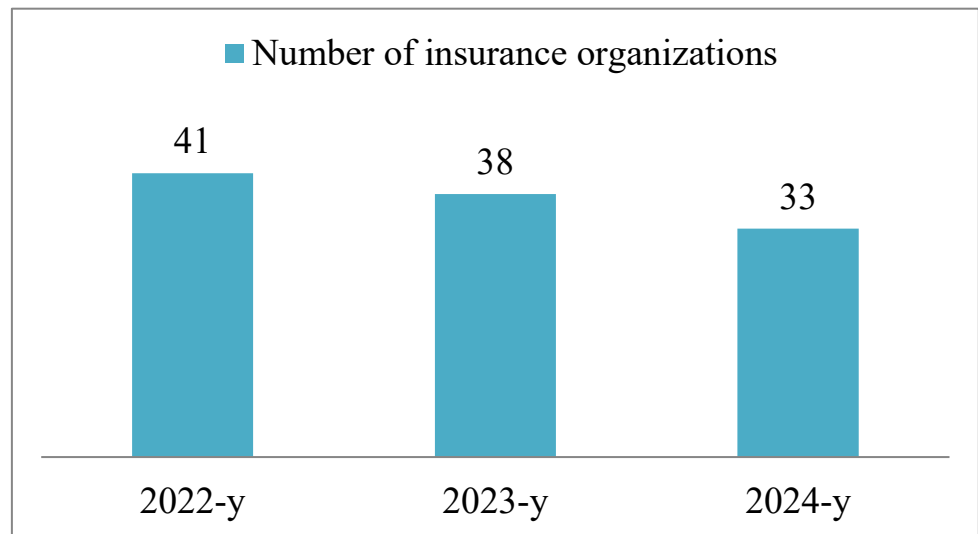
The conclusions and recommendations developed during the research are grounded in both practical and scientific findings related to the digital transformation of the insurance industry.

## 3. Results and Discussion

The development trends of Uzbekistan’s insurance market over the past three years reveal notable shifts and highlight the need for strategic transformation across several key areas. Between 2022 and 2024, the number of insurance organizations declined significantly. Specifically, while 41 insurance companies operated in the market in 2022, this number decreased to 38 in 2023 and further to 33 in 2024.

A similar downward trend is observed in the number of companies providing life insurance services, which decreased from 8 in 2022 to 5 in 2024. This dynamic indicates intensified consolidation processes within the market, where only companies with strong financial stability and high competitiveness in service delivery continue their operations. Such tendencies also reflect the effectiveness of measures aimed at promoting healthy competition and regulating the insurance sector.

The reduction in the number of companies signifies a form of natural market selection, demonstrating that entities lacking sufficient capital resources or failing to adopt digital technologies have been forced to exit the market (Figure 1).



**Figure 1.** Dynamics of the Number of Insurance Organizations in the Republic of Uzbekistan

On the other hand, as shown in the table below, the total authorized capital of insurance organizations has increased significantly. In 2022, the authorized capital amounted to 1.884 trillion UZS, rising to 2.298 trillion UZS in 2023 and reaching 2.964 trillion UZS in 2024, clearly indicating improvements in financial stability and capitalization levels. This growth can be explained by several factors.

First, by enhancing its capital base, insurance companies broaden their financial base, which they can then use to launch high-value insurance policies, manage risks better and all important but complex financial exposures. Third, the improvement of the authorized capital will increase the investment strength of the subjects of the market, and will be an additional regulator in ensuring the stability and supervision of the insurance market [11]. Moreover, an increasing capital base keeps companies in a good position to invest in the latest digital technologies like artificial intelligence, big data analytics, and blockchain integration which in the long run improves service quality and a more personalized approach in serving customer needs (Table 1).

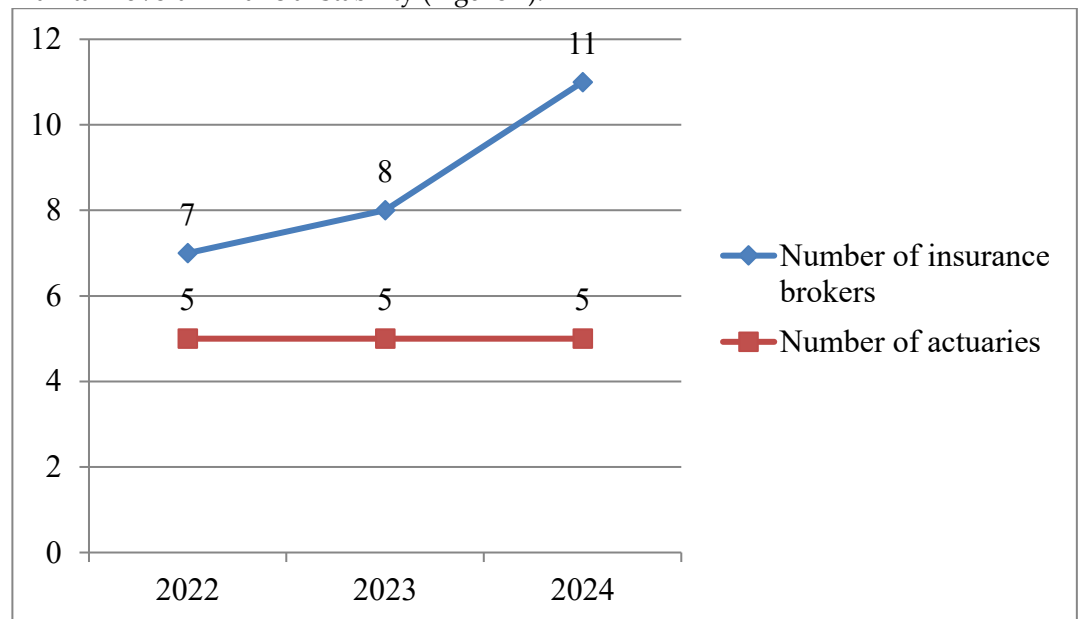
**Table 1.** Analysis of the Number of Insurance Organizations and Authorized Capital in the Republic of Uzbekistan

Indicators	2022	2023	2024
Number of insurance organizations	41	38	33
including life insurance	8	7	5
Total authorized capital of insurance organizations (in million UZS)	1 884 111	2 298 572	2 963 695
Number of insurance brokers	7	8	11
Number of actuaries	5	5	5
Number of insurance agents	9 155	4 736	4 804
Including legal entities	2 625	1 711	1 704

Number of insurance organizations that are members of the Guarantee Fund for Insurance Payouts	25	26	25
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Changes in the number of insurance brokers and actuaries also reflect important trends in the market. While 7 insurance brokers operated in 2022, their number increased to 11 by 2024. This growth indicates rising demand for brokerage services and the expansion of insurance service delivery through intermediaries. Brokers play a crucial role in maintaining direct communication with clients, assisting them in selecting complex insurance products, assessing risks, and establishing a reliable mechanism between the client and the company.

At the same time, the number of actuaries has remained stable at 5 specialists. This indicator reflects the professional capacity available in the market for scientifically assessing risks and optimizing pricing policies [12]. The presence of actuaries enables companies to accurately forecast insurance risks, develop investment portfolios, and maintain overall financial stability (Figure 2).



**Figure 2.** Analysis of the Number of Insurance Brokers and Actuaries in the Republic of Uzbekistan

The number of insurance agents has shown a significant decline in recent years. While 9,155 agents were operating in 2022, this figure dropped to 4,736 in 2023 and slightly increased to 4,804 in 2024. Among these, the number of agents working through legal entities also decreased from 2,625 to 1,704. This trend is largely explained by the expansion of digital technologies, remote services, and online policy issuance. The reduction in the number of agents is associated with strategic shifts aimed at optimizing costs, automating service delivery processes, and improving the overall customer experience. At the same time, this process contributes to improving the quality of the agency network, attracting professionally qualified personnel, and strengthening personalized customer service.

In addition, the number of insurance organizations that are members of the Guarantee Fund for Insurance Payouts remained stable between 2022 and 2024, fluctuating between 25 and 26 organizations. This stability reflects the mechanisms ensuring financial safety and the reliability of insurance services in the market. The Guarantee Fund supports the stable operation of the market and ensures that insurance companies fulfill their obligations on time, serving as an additional source of confidence for both clients and investors.

Over the past three years, Uzbekistan's insurance market has been steadily developing in the direction of enhancing competitiveness, strengthening financial stability, and improving service quality through digital technologies. The decline in the number of

companies, the growth of authorized capital, the optimization of the agency network, and the expansion of brokerage activities all contribute to strategic goals such as improving service quality, ensuring financial security, and personalizing customer needs [13]. Accordingly, the insurance market is progressing not only toward increasing financial stability but also toward enhancing the customer experience through modern technologies and innovative services.

Current state of the market: the reduction of the number of companies, the increase of authorized capital, the optimization of the agency going into the practice, the demand for digital transformation is growing. Through the digitalization process, insurances can automate internal processes and internal workings, reduce costs, and bring a more personalized approach towards customers. Artificial intelligence and big data analytics are used to develop the risk profile of a customer, tailor the insurance policy to the customer, and to improve the quality of service; while blockchain technology improves transparency and depends on that, this ultimately reduces the probability of fraud. Therefore, digital transformation enhances the stability of the insurance market in Uzbekistan, increases its global competitiveness and provides for effective, transparent and tailored interactions with customers.

During 2022–2024, Uzbekistan’s insurance market has demonstrated stable and remarkable growth. Total insurance premiums amounted to 6,231,726 million UZS in 2022, increasing to 8,059,726 million UZS in 2023 and reaching 9,770,107 million UZS in 2024. The steady growth of these indicators clearly reflects the financial stability of insurance companies, the expansion of market activities, and the strengthening of strategic development prospects.

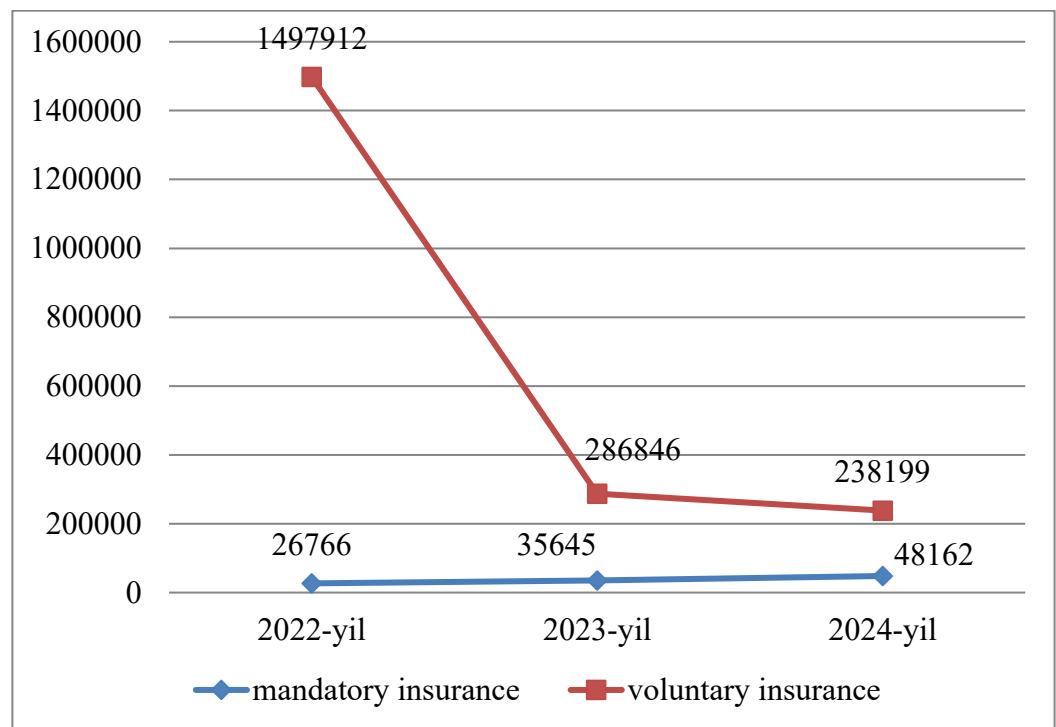
The volume of premiums collected by organizations in the general insurance segment has also increased significantly: from 4,707,047 million UZS in 2022 to 7,737,236 million UZS in 2023, and further to 9,483,746 million UZS in 2024 (Table 2).

**Table 2.** Analysis of Total and Life Insurance Premiums in the Insurance Market of the Republic of Uzbekistan (2022–2024, in million UZS)

Indicators	2022	2023	2024
Total insurance premiums	6 231 726	8 059 726	9 770 107
Insurance organizations in the general insurance sector, including:			
mandatory insurance	491 276	632 427	664 719
voluntary insurance	4 215 771	7 104 809	8 819 027
Insurance organizations in the life insurance sector, including:			
mandatory insurance	26 766	35 645	48 162
voluntary insurance	1 497 912	286 846	238 199

The primary driver of this growth is the rapid expansion of the voluntary insurance segment. The volume of voluntary insurance premiums, which amounted to 4,215,771 million UZS in 2022, nearly doubled to reach 8,819,027 million UZS in 2024. Meanwhile, the mandatory insurance segment has demonstrated a slower yet steady increase, rising from 491,276 million UZS to 664,719 million UZS over the same period.

These trends compel insurance companies to introduce new products, allocate financial and operational resources more efficiently, and deeply analyze customer needs to offer tailored services [14]. In this regard, the growth of the insurance market not only strengthens financial stability but also expands opportunities for strategic planning and the adoption of digital technologies within insurance companies (Figure 3).



**Figure 3.** Insurance Organizations in the Life Insurance Sector, in Million UZS

In the life insurance segment, a complex and contrasting trend has been observed. While total premiums amounted to 1,524,679 million UZS in 2022, they sharply declined to 322,491 million UZS in 2023 and further decreased to 286,362 million UZS in 2024. The most substantial reduction occurred in the voluntary life insurance segment, where premiums dropped from 1,497,912 million UZS in 2022 to 238,199 million UZS in 2024. Meanwhile, the mandatory life insurance segment demonstrated small but steady and consistent growth, increasing from 26,766 million UZS to 48,162 million UZS.

These trends indicate a decline in the attractiveness of voluntary life insurance products, while mandatory insurance mechanisms continue to operate steadily and effectively. Under such conditions, insurance companies have the opportunity to revitalize the life insurance segment through digital transformation, process automation, and the introduction of personalized and customized services. This approach not only enhances competitiveness but also strengthens long-term and trustworthy relationships with clients, in addition to supporting the development of new products aligned with market needs.

The investment activities of insurers in the Republic of Uzbekistan represent one of the important and strategic segments of the national financial market. The premiums collected by insurance companies are used not only to cover insurance risks, meet customer claims, and ensure financial stability but also to support economic development through the creation of diversified investment portfolios. Investment activities enable insurers to manage their funds efficiently, participate as reliable instruments in economic development processes, increase capital, and develop strategies suited to evolving market conditions. From this perspective, insurers' investment activities are considered a key factor not only in maintaining internal financial stability but also in strengthening the country's financial system and overall economic resilience.

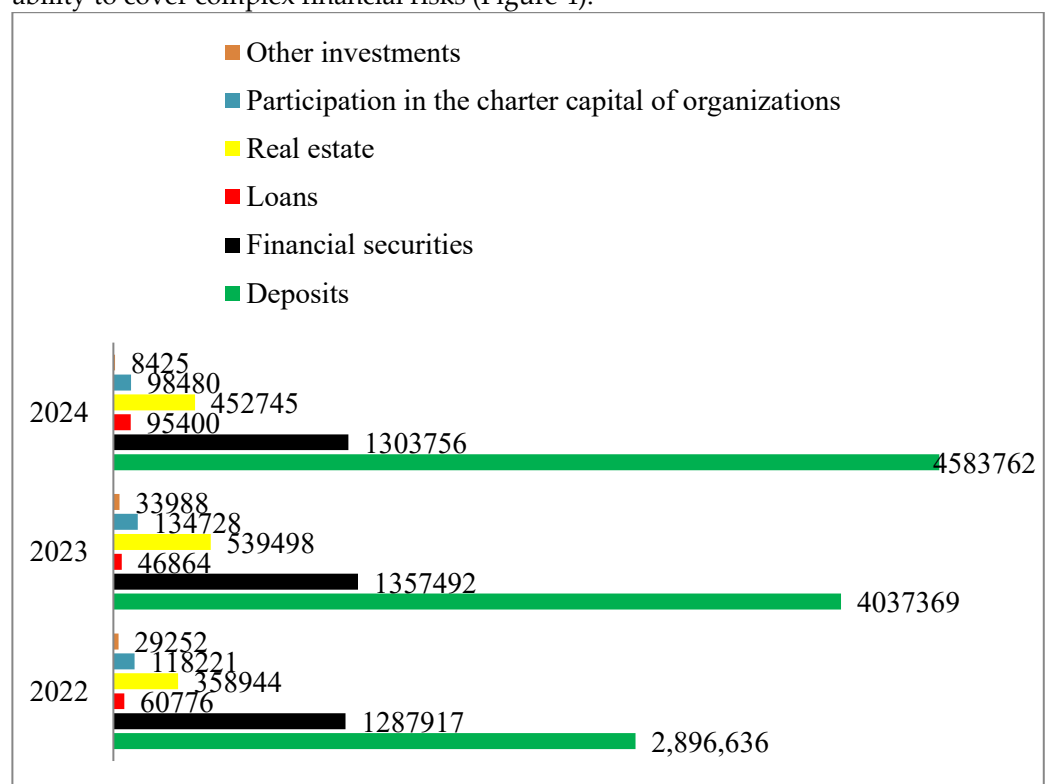
Investment activity of insurers in Uzbekistan experienced stable growth from 2022 to 2024. In 2022, the total volume of investments was 4,751,745 million UZS, to which 6,149,938 million UZS in 2023-increased by 1.4 times, and to 6,542,569 million UZS in 2024. The growth is a testament not only to the increase in the financial stability of these insurance companies but also to those increasing internal and external investment capacities of these insurance companies. A rise in the volume of investment allows insurers to reduce risks, launch high-value insurance products, diversify capital, and secure steady economic growth in the long run. This trend, in turn, shows the contribution of insurance

companies to the development of the national financial market and guarantees these financial institutions' long-term participation in the financing of various sectors of the economy through investments in promising instruments and portfolios (Table 3).

**Table 3.** (2022–2024 period, million UZS)

Name of indicator	2022	2023	2024
Total investments, including:	4 751 745	6 149 938	6 542 569

Between 2022 and 2024, a significant increase and diversification were observed in the investment portfolios of insurers in the Republic of Uzbekistan. This process has substantially expanded the financial stability of companies, their long-term development strategies, and their capacity to manage risks effectively. The total volume of investments amounted to 4,751,745 million UZS in 2022, rising to 6,149,938 million UZS in 2023 and reaching 6,542,569 million UZS in 2024, demonstrating consistent and stable growth rates. This growth strengthens insurers' financial base, expands their capital, and enhances their ability to cover complex financial risks (Figure 4).



**Figure 4.** Investment Activities of Insurers in the Republic of Uzbekistan (for 2022–2024, in million UZS)

A detailed analysis of the investment structure shows that deposits account for the largest share, rising from 2,896,636 million UZS in 2022 to 4,583,762 million UZS in 2024 [15]. This trend reflects the strategic approach of companies aimed at maximizing liquidity, proactively managing risks, and strengthening financial stability. At the same time, investments in securities increased from 1,287,917 million UZS in 2022 to 1,357,492 million UZS in 2023, followed by a slight decline to 1,303,756 million UZS in 2024. This indicates that insurers pursue an adaptive, diversified, and long-term investment policy aligned with market conditions.

Investments in loans initially amounted to 60,776 million UZS in 2022, dropped slightly to 46,864 million UZS in 2023, and then increased sharply to 95,400 million UZS in 2024. This dynamic reflects shifts in demand for debt instruments and strategic financial tools, as well as the insurers' efforts to optimize their investment strategies.

Real estate investments grew from 358,944 million UZS in 2022 to 539,498 million UZS in 2023, but then declined to 452,745 million UZS in 2024. This pattern illustrates insurers' strategies to diversify assets, establish stable long-term income sources, and adapt to changing market conditions. Meanwhile, participation in the charter capital of other organizations and other investment categories remain relatively small, yet they contribute to strengthening strategic partnerships, expanding additional investment opportunities, and enhancing financial diversification.

Importantly, digital technologies and innovative tools—such as artificial intelligence, big data analytics, and blockchain—have significantly supported insurers' investment activities. These technologies enable deeper risk assessment, improve portfolio performance, support faster decision-making, and allow real-time evaluation of market opportunities. Thus, digitalization serves as a direct driver of investment growth, enabling insurance companies not only to ensure financial stability but also to adapt to market conditions, diversify services, and create innovative products through digital transformation.

The insurance sector is one of the key industries ensuring national economic stability and plays an important role in the country's financial system. The digitalization of insurance services in Uzbekistan allows, on the one hand, for faster processes, greater efficiency, and increased transparency, and on the other hand, for offering modern, convenient, and user-friendly services to clients while enabling more effective management of insurance companies' operations. Digital technologies including artificial intelligence, blockchain, and online platforms make it possible to automate insurance policies, claims, payouts, and financial reporting, introducing innovative approaches to the sector. Moreover, digitalization optimizes internal workflows, promotes efficient use of resources, and expands interactive communication with clients.

From this perspective, the digitalization of insurance operations in Uzbekistan is crucial not only for the sustainable development of the national economy but also for transforming the insurance market into a modern, competitive system, improving the quality of financial services, and enhancing the population's insurance culture.

As seen in the table below, total insurance payouts were 2,596,926 million UZS in 2022, decreased to 2,022,054 million UZS in 2023 and after that an increase to 2,204,537 million UZS in 2024 signalling a start of an upward trend again. It reflects both the cyclical dips that are seen when economic activity declines during some years, as well as showing the enhancement of risk management systems across the sector. The steady growth achieved in insurance payouts in 2024 was also supported by the online policy launch and some more introduction of customer-friendly electronic services due to the digitalisation of the insurance services. In general, the structure of total payouts corroborates that the insurance market of Uzbekistan is changing to a development-oriented system, but it is also responsive to changing external environment.

The general insurance sector shows a remarkable positive trend. Payouts in this segment amounted to 1,098,782 million UZS in 2022 (compared to 1,568,461 million UZS in 2023 and 2,073,119 million UZS in 2024). The voluntary insurance payouts showed the highest growth (+86.67%), doubling in three years from 865,969 million UZS to 1,714,503 million UZS. This growth reflects increasing consumer awareness towards the need for safeguarding property, vehicles, and health along with the efforts of insurance companies actively introducing novel products, and services (Table 4).

**Table 4.** Analysis of Insurance Payouts by Insurance Segments in the Republic of Uzbekistan (for 2022–2024, in million UZS)

Indicators	2022	2023	2024
Total insurance payouts	2 596 926	2 022 054	2 204 537

Insurance organizations in the general insurance sector, including:	1 098 782	1 568 461	2 073 119
mandatory insurance	232 813	236 691	358 616
voluntary insurance	865 969	1 331 770	1 714 503
Insurance organizations in the life insurance sector, including:	1 498 144	453 594	131 418
mandatory insurance	9 332	12 658	14 684
voluntary insurance	1 488 812	440 935	116 733

The growth in compulsory insurance has also been positive, rising from 232,813 million UZS to 358,616 million UZS. This indicates that state-regulated insurance types are developing steadily and that the importance of compulsory insurance within the economy is increasing. However, the opposite trend is observed in the life insurance sector. While insurance payouts in this segment amounted to 1,498,144 million UZS in 2022, they declined to 453,594 million UZS in 2023 and further dropped to 131,418 million UZS in 2024.

This decline reflects a decrease in demand for life insurance, limited financial capacity of the population, and low confidence in long-term insurance products. Nevertheless, payouts under compulsory life insurance have shown modest but positive growth, increasing from 9,332 million UZS to 14,684 million UZS. This demonstrates the consistent development of compulsory insurance systems related to employment and labor activity (Table 5).

**Table 5.** Analysis of Insurance Liabilities in the Republic of Uzbekistan (for 2022–2024, in million UZS)

Indicators	2022	2023	2024
Total insurance liabilities	2 103 037 634	2 341 558 450	2 702 074 132
Insurance organizations in the general insurance sector, including:			
mandatory insurance	382 807 327	513 915 918	485 310 430
voluntary insurance	1 718 942 160	1 811 556 059	2 189 301 689
Insurance organizations in the life insurance sector, including:			
mandatory insurance	94 793	113 892	108 217
voluntary insurance	1 193 355	15 972 581	27 353 795

The total value of the liabilities in 2022 exceeded 2.1 trln UZS, and in 2023 it grew to 2.34 trln UZS and 2024 over 2.7 trln UZS. The growth in size of insurance operations is reflected not only in these numbers, the nature of the financial liabilities taken on by companies has also become more durable and more sustainable. This is a source of remarkable growth in which there are increasing demands for insurance services throughout the country,

Innovative insurance products are being developed and put into practice, and Citizen and enterprise believes have a stronger stance on the stability policies of the government.

Some indicators offer in the general insurance sector show that this segment still represents the cornerstone of the national insurance system. The value of general insurance liabilities was just above 2.1 trillion UZS in 2022 but increased to 2.67 trillion UZS by 2024. The steady increase in voluntary insurance liabilities reflects a need among a broader layer of the population to insure properties, vehicles, and economic activities. Liabilities in this area up by almost half a trillion UZS from 2022 to 2024. On the other hand, the compulsory insurance market has grown dramatically to 513.9 billion UZS in 2023, before somewhat falling back the next year. This trend relates to better insurance mechanisms in some industries and a change in risk behaviour. The high proportion of general insurance liabilities demonstrates that the segment remains a major component of the national insurance system and delivers critical financial protection across the economy, RGA added.

The life insurance sector, on the other hand, has entered a period of notable expansion in recent years. In 2022, liabilities in this segment amounted to around 1.2 billion UZS; in 2023 they exceeded 16 billion UZS; and in 2024 they surpassed 27 billion UZS. This sharp increase indicates that life insurance services are gradually gaining popularity and that interest in long-term financial protection and savings-based insurance products is growing among the population. Voluntary life insurance is the most active and rapidly growing segment in this direction, largely due to the introduction of new investment-linked life insurance products and the extensive implementation of digital services by insurance companies. Growth in compulsory life insurance has been more stable, reflecting institutional development within the system and the strengthening of safety guarantees in the labor market.

Overall, the upward trend in insurance liabilities demonstrates that Uzbekistan's insurance system is becoming more financially resilient, while increasing competition in the market is contributing to improved service quality and the emergence of new, modern insurance solutions.

#### 4. Conclusion

For the insurance sector in Uzbekistan, digitalization is a real breakpoint, changing the fundamentals of the system and increasing the overall stability of finance. Streamlining processes through the use of digital tools provides an area of speed, transparency and trust which reduces tons of paperwork, minimizes human errors, and delivers faster services. Using tools such as electronic policies, automated platforms and centralized databases enables insurers to keep real time tabs on money flows and customer requests.

Through secure digital records backed by blockchain, these technologies prevent fraud and guarantee that contracts are both protected and easy to check. Simultaneously, AI and Big Data is providing companies the ability to better assess risks, forecast claims, and customize products to meet the needs of each individual client.

These innovations help in streamlining the operations of the internal sector while also increasing the global competitiveness of the sector. In turn, this steers Uzbekistan to a more versatile, transparent, and consumer-oriented insurance system that serves individuals and corporations.

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