

Tourism Services Insurance Practice: Current Problems And Perspectives

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Abstract. *The article presents the importance of the insurance industry in the organization of tourist services in Uzbekistan, the existing legal framework and their analysis, as well as the practice of insurance in comparison with foreign experience. Existing problems on this topic and directions for their solution are shown.*

Keywords: tourist, tourist service, insurance, insurance market.

1. Introduction

Today, tourism is one of the fastest growing industries in the world and a great benefit to the state. In our country, special attention is paid to this area, and all measures are being taken to ensure the efficient use of tourist facilities, improve the quality of services provided, increase the flow of tourists visiting our country. This, of course, requires the creation of the necessary infrastructure for the development of domestic and foreign tourism in our country and the provision of services to tourists at the international level. At the same time, insurance services are of special importance in the industry. In this regard, the national insurance company Uzbekinvest is expanding insurance services aimed at protecting the property and personal interests of travel agencies, tour operators, hotel owners, local and foreign tourists.

If we talk about the changes and innovations in the insurance market of our country, in the first period of independence in our country there was only one state insurance company. It also operated as a state institution. Today, there are more than 30 insurance companies of various forms of ownership. Their 1170 branches located in the Republic of Karakalpakstan, regions and the city of Tashkent offer more than 130 insurance services to individuals and legal entities [1].

2. Methodology

Insurance services cover all sectors of society and the population. In this regard, in pursuance of the Resolution of the President of the Republic of Uzbekistan dated August 2, 2019 No PP-4412 "On measures to reform the insurance market and its rapid development", as well as the activities of the Insurance Market Development Agency under the Ministry of Finance. The decision of the Cabinet of Ministers was adopted in order to effectively organize [2]. Insurance covers all sectors of the country, in particular, tourism is one of the most important sectors of the economy. Therefore, in recent years, special attention has been paid to the development of tourism in our country, the effective use of tourist facilities, improving the quality of services provided, increasing the flow of tourists visiting our country. As a result of these efforts, the flow of tourists to our country is growing, in particular, in 2016, more than 2 million tourists visited Uzbekistan, in 2018 this figure exceeded 5 million [3]. Further development of domestic and foreign tourism requires the creation of the necessary infrastructure and the provision of services to tourists at the level of international standards. Insurance is also one of these services. Based on this need, the largest insurance companies in the country, such as Uzbekinvest National Insurance Company, Uzagrosugurta JSC, Gross Insurance JV LLC [4], will discuss issues of further development of insurance in the tourism sector, develop proposals for joint solution of existing problems and travel companies, tour operators, hotel owners, organize various master classes and seminars on the ground in order to familiarize industry representatives with insurance services aimed at protecting the property and personal interests of local and foreign tourists. Personal insurance of tourists in our country is a special form of insurance, which protects the property interests of tourists when they are on a tourist trip. In general, personal insurance of tourists is a dangerous type of insurance, the main feature (importance) of which is its short-term nature, as well as the large amount of losses that can occur in the case of insurance.

Basically, personal insurance for tourists includes accident insurance, illness insurance, death or casualty insurance. If he is asked about this before traveling to Germany, France, America and other countries, he can already contact the insurance company to find out if he is insured. Take, for example, the experience of the insurance company Inco in the French Ski Resort. More than \$ 17,000 was spent on transporting tourists from the mountain to the hospital in a critical condition as a result of a fractured femur, a special operation, postoperative recovery process, transportation to the airport, and then transported home under special supervision in a special vehicle. Were it not for the insurance companies, the suffering tourist would have been in an economic, financial downturn. For him, it cost only \$ 15, as the mountain goat enthusiast had insured his 2-week trip. (All expenses were paid by the insurance company). Every tourist who goes on a trip should first learn what insurance is. It should also not accept insurance as a useless commodity. Currently in the Republic [5]. Voluntary service is usually provided when an insured tourist accidentally falls ill or is injured during a trip abroad. However, if a person goes abroad for a certain period of time (more than 2-3 months, it is necessary to properly assess the inconvenience that he or his family may fall into, and then arrange additional assistance. Medical care for foreign nationals - paid and expensive. A simple example would be a foreign insurance company that spends at least \$ 15,000 on a four-day hospital stay, necessary diagnoses and examinations to remove a blindfold, if the tourist's

unplanned expenses are taken into account: (hotel accommodation, food, transportation and other expenses) this amount is close to the 1 week service of the tour group.

For example, the Russian insurance market is very active now, the demand for tourist insurance is very high, and even recently there has been some specific competition in this sector of the market [5]. In particular, the company has recently developed a number of new services. In particular, insurance of unforeseen expenses of tour operators in connection with the cancellation of travel, insurance of unforeseen expenses of tour operators in connection with the bankruptcy of foreign counterparties, insurance of unforeseen expenses related to the change or cancellation of flights, as well as luggage insurance. If we look at these types of services in detail, their content becomes clear. For example, an insurance company insures the unforeseen expenses of tour operators in connection with the cancellation of the type of tourism by the traveler.

As for the insurance of unforeseen expenses related to the bankruptcy of a foreign counterparty, the company is unable to fulfill its obligations due to the complete loss of solvency of the tour operator's contractors (contract partners). reimburses losses incurred on payments made for expenses. In addition, tour operators are required by the company to insure against unforeseen expenses related to the cancellation or cancellation of the flight due to natural disasters, weather conditions, internal regulations of the airline and other reasons. undertakes to pay damages for hotel, transportation, transfer and other expenses.

According to the terms of insurance of tourist luggage (property), the company insures the luggage against natural disasters, in particular, fires, hurricanes, floods, earthquakes, floods, landslides, etc., as well as illegal actions of third parties (theft). , aggression, robbery, intentional damage, etc.) and damage to luggage as a result of traffic accidents or an accident with the insured is an insured event. Therefore, under the contract, the company is guaranteed compensation for damage to the traveler's luggage, ie property. Currently, 14 regional branches and 190 divisions of Uzbekinvest provide services on the above types of insurance. In addition, local branches provide services to customers on more than 160 insurance products.

Insurance services are one of the means of protecting the economy from various financial risks. However, the role of these services in the country's financial market is not yet large. Although the insurance premiums collected by insurance companies in the first six months of this year increased by 1.5 times compared to the same period last year, insurance revenues amounted to 50,000 soums per capita. The share of this sector in the GDP of Uzbekistan is only 0.4%. For comparison, the figure is 11 percent in South Korea, 6 percent in Germany and 1.5 percent in Russia. One of the main reasons for this is that insurance services are not attractive enough. For example, while 887 billion soums of insurance premiums were collected in the general insurance network in the last six months, the amount of insurance coverage paid to customers during this period accounted for only 11% of the premiums. In the world, this figure is on average 50-60%. Therefore, it is proposed to abolish the State Insurance Inspectorate under the Ministry of Finance and establish an insurance market development agency [1].

Officials are tasked to develop a strategy for medium and long-term development of the insurance industry, to increase the amount of insurance premiums per capita by 3 times by 2022, and the share of the industry in GDP by 2 times. First of all, the need to increase the confidence of the population and entrepreneurs in insurance was stressed. The Ministry of Finance and the Antimonopoly Committee have been instructed to reduce the time and documents for consideration of insurance claims, to introduce a system of fair assessment of the insured event and prompt payment of payments. Tasks were given to expand the mechanisms to support the investment activities of insurance companies. In particular, the tasks of encouraging insurance companies to engage in leasing activities and improving the taxation system for leasing services have been identified.

It was noted that it is important to cover the economy with insurance services. The Ministry of Finance and the Ministry of Investment and Foreign Trade were instructed to introduce mechanisms for state subsidies for part of the cost of insurance of agricultural exports. Specific tasks have also been set to ensure the access of national insurance companies to international financial markets, to obtain international ratings through the introduction of advanced corporate governance.

3. Conclusion

Attention was also paid to the training of modern personnel in the field of insurance, training of specialists in prestigious foreign universities and advanced training in leading companies. Speaking about the introduction of compulsory health insurance in Uzbekistan, the head of state stressed the need to carefully prepare for it, to form a minimum social package of medical services. In general, personal insurance of tourists is a risky type of insurance, the main feature (importance) of which is its short-term nature, as well as the large amount of losses that can occur in the case of insurance. Basically, personal insurance for tourists includes accident insurance, illness insurance, death or casualty insurance.

Unfortunately, many of our citizens ask, "What if this is the case or not?" He does not even think of insuring himself in advance when he goes on tourist trips, because he is not satisfied with the services of unsatisfactory insurance. In our country, too, we consider it appropriate to strengthen ties with foreign travel insurance companies in the insurance of tourists. We believe that the use of foreign experience in the transition to a modern market economy will be of great benefit to both our tourists and insurance companies.

4. References

1. Resolution of the President of the Republic of Uzbekistan dated August 2, 2019 PP-4412 "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development."

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