

ISSUES OF IMPLEMENTATION OF INTERNATIONAL STANDARDS OF AGRICULTURAL
INSURANCE

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Abstract

This article outlines the experience of foreign countries and the mechanism of insurance in the agricultural sector, as well as recommendations regarding existing issues in this sector and the improvement of the insurance mechanism.

Keywords

Insurance Amount (combined). Insurance Contract, Insurable Value, Insurance Compensation, Insured Risks, Insurance Premium, Insurance Amount. Subsidy

The experience of foreign countries on agricultural insurance shows that this sector is mainly based on the mechanism of state support.

International practice shows the need to develop effective models of agricultural risk insurance in the form of public-private partnership (PPP). Today, five types of this model can be distinguished in international practice. These are: a) the USA; b) Canada, Israel; c) Spain, Turkey; d) Austria, Switzerland and e) Germany[4,17]

Among these models, the Spanish and Turkish models are working effectively.

It is based on the experience of these countries, which has been formed over many years through effective cooperation between the public and private sectors. In Spain, an effective system has been established through the specialized organization Agroseguro (which includes 27 insurance companies), and in Turkey, through TARSIM (15 insurance companies).

The objectives of the Insurance Fund (Association) established on the basis of public-private partnership are to reduce the cost of insurance, increase the scope of insurance through subsidies; protect farmers from catastrophic risks; and ensure the continuous and planned development of the agricultural insurance system . Currently, an effective agricultural insurance system has been introduced in the Republic of Azerbaijan, one of the CIS countries, based on the Turkish model.

In the practice of foreign countries, the type of loan insurance is almost not used, and the practice of future crop insurance is widely introduced, mainly as a guarantee of loan funds.

Including: Spain . Seguros Agrarios Combinados in Spain in 1978 A national agroinsurance program has been established, this program is specifically designed for Agroseguro is carried out by public-private partnership (today 27 insurance companies insurance association that includes

The company manages all the signed insurance contracts, assesses the losses caused by the insurance contracts and pays the insurance indemnities. More than 100 insurance products for agricultural producers within this company is offered. Farmers are actively involved in production.

more than 70 percent of farmers , 90 percent of agricultural crops and 70 percent of animals insured. The Spanish government subsidizes agricultural crop and livestock insurance. Average subsidies 53 percent of the total volume of insurance premiums level. 40-45 percent of them by the central government and 10-15 percent - subsidized by regional governments. Catastrophic losses are paid primarily to farms that insure their crops or livestock. All risks are reinsured through a state reinsurance company .

Turkey . In 2005, based on an agreement between state and private insurance companies, the Agricultural Insurance Association (PUL) was established, which is managed by TARSIM .

The main purpose of creating money increasing the role of the state in the development of the country's agricultural insurance system , as well as further expanding the support of the agricultural sector by the state, the form of subsidizing insurance products entering the field of agroinsurance through Farmers pay premiums directly to TARSIM and state subsidies (50-66 %) Transferred to TARSIM. Insurance payments insurance companies that are part of TARSIM carried out by Another function of TARSIM is reinsurance of risks .

It should be noted that due to the characteristics of the production of agricultural products in the country, the coverage of agricultural insurance is higher than 45 percent in some regions, and higher than 5 percent in some places . The main agricultural crops to be insured in Turkey include: wheat, tomatoes, olives and grapes . The list of crops that agricultural producers can insure includes 36 products .

2002 , the Republic of Azerbaijan adopted a law on subsidies in the agricultural sector. This law provides for the subsidization of insurance premiums for agricultural insurance.

In 2016, the Ministry of Agriculture developed the Roadmap for Agricultural Insurance Reform.

this , agricultural insurance was transferred from a commercial form to a non-commercial form.

2020 , the Non-Commercial Agricultural Insurance Agency "Agrarian Insurance Fund" was established. This fund conducts and regulates state policy in agricultural insurance.

- Currently, there are 7 insurance companies operating as intermediary insurance companies engaged in agricultural insurance, and they only perform the role of intermediaries, that is, they conclude insurance contracts with farmers on behalf of the Agrarian Insurance Fund and receive a 15 percent brokerage fee from the insurance premiums received.

These 7 insurance companies have established a Management Company on the basis of equal founders, which promotes the conclusion of insurance contracts with clients and monitors the correct conclusion of contracts.

Agricultural insurance in Uzbekistan is mainly implemented by the specialized joint-stock company "Uzagrosugurta".

Dynamics of the number of insurance contracts concluded for agricultural insurance in 2019-2023.

Indicator	2019	2020	2021	2022	2023	2023 compared to 2022 (+; -)
Number of insurance contracts (pieces)	1 164	14,030	217	458	698	240
Insurance premiums (million soums)	3,809.7	40.9	7.3	4.8	2655.5	-939.3
Insurance compensation (million soums)	4 644.2	39.8	7.9	0.7	983.1	5977.6
Damage Rate %	8.9	80.6	6	6	0	-156.6

As can be seen from the table, although the number of insurance contracts concluded for the insurance of agricultural crops in 2023 increased compared to the previous year, a decreasing trend was observed from 2019 to 2022. Also, the volume of paid insurance compensations has decreased sharply. In 2019, 64.6 billion soums of damage caused to agricultural crops as a result of natural disasters were covered, and in 2022, only 983.1 million soums of insurance compensation was paid.[3,11]

on April 14, 2025, is of great importance. According to this law, it is envisaged to allocate funds from the State Budget of the Republic of Uzbekistan to cover 50 percent of the costs of paying insurance premiums to agricultural entities for insuring agricultural crops, but not more than 4 percent of the insurance amount. This, in turn, creates an opportunity to insure agricultural entities against various natural disasters.

Therefore, it is appropriate to implement the following in order to increase the role of the insurance mechanism in the sustainable development of the agricultural sector in the conditions of climate change.

- to ensure subsidization of agricultural insurance in accordance with simple and transparent rules, which are the same for all insurance companies operating in the market;
- funding of transfer of actuarial accounts;
- formation of a healthy competitive environment between insurance infrastructure objects;
- support the development of new, non-traditional insurance products;
- financing of training of manufacturers and insurance specialists;
- development of the national system of monitoring weather conditions;



- development of standard rules for monitoring crop condition and damage assessment.

Implementation of the above recommendations will serve to increase the scope and quality of insurance services in the agricultural sector.

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