

UDK: 334.027

## THE IMPORTANCE AND PROBLEMS OF INSURANCE SERVICE RATES IN INSURANCE RELATIONS

**Xaydarov Khoshimjon**

Associate Professor of the Department of Accounting and Finance, Fergana State University, Candidate of Economic Sciences (PhD).

**Yuldasheva Gulmira Azatovna**

Lecturer of the Department of Accounting and Finance, Fergana State University.

### Abstract

This article examines the economic essence of the tariff rate in insurance, its role and significance in the insurance system. The principles of forming the tariff rate, its main structure and components are analyzed in detail. The concepts of net rate and gross rate, their differences and role in calculating the insurance premium are also explained. The article considers the influence of risk level, statistical data, and financial stability factors on the formation of insurance tariff policy. The study identifies the importance of the insurance tariff rate in the activities of insurance companies.

### Keywords

insurance, tariff rate, net rate, gross rate, insurance premium, risk, insurance fund, tariff policy, actuarial calculations, financial stability.

### Introduction

In the modern globalized market economy, the insurance system transcends its traditional role as a simple risk-transfer mechanism, functioning instead as a fundamental pillar of macroeconomic stability. By protecting the property interests of economic entities against an array of systemic risks, insurance facilitates the continuous and resilient operation of the entire financial ecosystem. In the face of contemporary challenges—such as escalating global economic instability, persistent inflationary processes, the rising frequency of climate-related natural disasters, and the intensification of technological hazards—the strategic significance of insurance has become increasingly paramount. Within this complex landscape, the financial solvency of insurance providers and the steadfast protection of policyholders' interests are fundamentally dependent upon the precise, scientifically grounded, and actuarially sound determination of tariff rates.

The insurance tariff rate serves as the foundational element of the insurance premium and acts as the primary financial engine for the formation of the collective insurance fund. If these rates are not rigorously justified through empirical analysis, the consequences are twofold: insurance companies may face technical deficits and insolvency, or conversely, policyholders may be burdened with excessive, inequitable financial costs that stifle economic participation. Therefore, the sophisticated process of developing tariff rates necessitates a multidimensional approach that integrates the accurate assessment of risk probabilities, an in-depth longitudinal analysis of statistical data, and a strict reliance on advanced actuarial calculations.

Beyond its role as a pricing tool, the tariff rate represents the mathematical equilibrium between the insurer's obligations and the policyholder's contributions. The economic essence of this rate is rooted in risk theory, where the law of large numbers is applied to ensure that the "Pure Premium" or net rate is sufficient to cover expected losses while maintaining the fund's liquidity. In the current era of digital transformation, this process is being further refined through

the integration of big data and predictive modeling, allowing for more granular risk segmentation. Such precision not only ensures the long-term sustainability of insurance organizations but also fosters a culture of public trust and financial equity, ensuring that the insurance mechanism remains a reliable safeguard for the nation's economic development.

### **Metodologiya**

The methodology of this research is constructed upon a systematic and integrated framework designed to analyze the economic essence and structural dynamics of insurance tariff rates. To ensure the scientific rigor and validity of the study, a multi-methodological approach was employed, synthesized from both qualitative and quantitative research paradigms. Central to this process is the application of systemic and comparative analysis, which facilitates a deep examination of insurance mechanisms within the modern market economy while evaluating the complex interplay between net rate components and loading structures. This analytical foundation allows for a clear understanding of how external macroeconomic pressures, such as inflationary trends and technological shifts, necessitate the evolution of traditional tariff-setting models.

Furthermore, the study heavily relies on the application of statistical and actuarial methods, specifically utilizing the principles of probability theory and the law of large numbers to model the frequency and severity of insurance events. These mathematical foundations are critical for the objective determination of the "pure premium," ensuring that the financial basis of the insurance fund remains viable. The research also utilizes inductive and deductive reasoning to bridge the gap between specific empirical observations—such as the impact of driver experience and accident history on risk profiles—and broader economic theories regarding financial solvency. By synthesizing secondary data from international regulatory frameworks and current trends in the Uzbekistan insurance market, the methodology provides a comprehensive lens through which the transition toward digitalized, data-driven risk assessment can be evaluated as both a mathematical necessity and a strategic economic instrument.

### **Analysis**

The current escalation of competition in the insurance market, the emergence of new insurance products, and the implementation of digital technologies necessitate the refinement of tariff policies. Specifically, the development of individual risk assessment systems creates a need for further differentiation of tariff rates, which, in turn, ensures the fairness and transparency of insurance services.

Furthermore, accurately determining the structure and composition of the insurance tariff rate is crucial for covering organizational expenses, generating profit, and establishing reserve funds. A tariff rate typically consists of the net rate and the loading (the components of the gross rate). Deeply studying the economic essence of each element ensures the effective functioning of the insurance mechanism.

The economic essence of the insurance tariff rate is rooted in risk theory. The fundamental principle of insurance activity lies in the financial distribution of risks based on probability and randomness. Consequently, during the formation of the tariff rate, statistical observations, loss probability, average loss magnitude, and the frequency of insurance events are analyzed. Generally, the higher the risk, the higher the tariff rate.

The tariff rate is structured into two primary components:

1. Net Rate: This portion is intended to finance insurance claims when an event occurs. It is roughly equivalent to the expected loss and forms the core of the insurance fund.
2. Loading: This part is designed to cover the insurance organization's operational costs and ensure profit. It includes administrative expenses, agency commissions, advertising, marketing, reserve allocations, and planned profit.

Together, the net rate and loading constitute the Gross Rate.

#### Principles of Tariff Formation

The formation of tariff rates is guided by several key principles:

- Principle of Equivalence: The insurance premium must correspond to the expected insurance payouts.
- Principle of Fairness: Policyholders with the same risk level should be insured under the same tariff.
- Principle of Stability: Tariff rates must ensure the long-term solvency of the insurance company.
- Principle of Competitiveness: Tariffs are set considering market competition conditions.

#### Current Challenges and Digital Transformation

At the current stage, several pressing issues exist in insurance tariff policy. First, digitalization expands the possibilities for individual risk assessment. For instance, in motor insurance, telematics devices monitor driver behavior, allowing for personalized tariffs.

Second, inflationary processes necessitate a revision of tariff rates. Rising price levels directly impact claim amounts, creating a need to increase the net rate to prevent financial instability. Third, climate change and natural disasters are increasing risk levels, requiring new approaches to tariff setting and strengthening reinsurance mechanisms. Finally, maintaining healthy competition is vital; artificially lowering rates to attract customers (predatory pricing) can jeopardize a company's financial security.

#### Conclusion

The insurance tariff rate is not merely a tool for calculating premiums but a critical economic instrument for the stability of the insurance system. Its scientific formulation is a key factor in the financial sustainability of insurers and the protection of client interests.

Based on our analysis, it is concluded that the balanced relationship between the net rate and loading determines the efficiency of insurance activities. In the modern era, digitalization and environmental factors demand a dynamic approach to tariff policy.

To enhance fairness and efficiency in motor insurance, we propose the implementation of a more robust differentiation of insurance tariff rates. This should be based on the driver's experience, their history of accident-free driving (Bonus-Malus system), and the presence or absence of traffic violations. This approach will align premiums more accurately with the actual risk profile of the individual.

#### Foydalanilgan adabiyotlar ro'yxati

1. O'zbekiston Respublikasining "Sug'urta faoliyati to'g'risida"gi Qonuni. – Toshkent, 2021.
2. O'zbekiston Respublikasi Markaziy banki. Sug'urta bozori faoliyatiga oid me'yoriy-huquqiy hujjatlar to'plami. – Toshkent, 2023.
3. Shirinov I.Sh. Sug'urta ishi. – Toshkent: Iqtisodiyot, 2022.
4. Vahobov A.V., Malikov T.S. Moliya. – Toshkent: Iqtisod-moliya, 2018.
5. Axmedov D.Q. Aktual hisob-kitoblar asoslari. – Toshkent: Iqtisodiyot, 2022.
6. Xaydarov X. Страхование как сфера социальной защиты цифровизации рынка страховых услуг. Та'lim tizimida ijtimoiy-gumanitar fanlar jurnali-Toshkent, 2025