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Improving Agricultural Insurance Services

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Annotation: *To improve agricultural insurance, it is proposed to attract a wide range of agricultural producers to the system of insurance of the results of their activities. The implementation of the developed recommendations will serve the development of the agricultural insurance system and increase the stability and efficiency of agricultural production.*

Keywords: *agricultural insurance, agricultural risks, insurance policies.*

Crop insurance is most sought after by agricultural producers for a number of reasons. First, the amount of damage caused by natural disasters can be significant and in some cases can reach the full capital value of the producer's property. This, in turn, can lead to a partial or complete stoppage of the activity of the agricultural entity. Secondly, this type of insurance is supported by the state due to its high cost and absolute necessity for agricultural producers. Therefore, the basic terms of crop insurance are determined and regulated by the state.

The experience of introducing the modern Uzbek model of agricultural insurance shows a new stage in the development of relations between the state and insurance companies: joint structures and systems are being created to solve socially important state tasks.

By the Decree of the Republic of Uzbekistan, a state institution - the Agency for State Support of Insurance in the Field of Agro-Industry Production was established under the Ministry of Agriculture, according ¹to which: providing information on insurance activities in the field of agro-industry production; summarizing insurance experience in the field of agro-industrial production, developing proposals for improving this activity and using new mechanisms and forms of state support for insurance in the field of agro-industrial production ².

Based on the Law of the Republic of Uzbekistan "On Agriculture" dated 01.04.2021 No. ORQ-680 and the Decree of the President of the Republic of Uzbekistan, dated 23.10.2019 No. PF-5853 "On approval of the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030", implementation, the establishment of a principled new system of agricultural insurance, will allow to ease the burden of agricultural producers, who will actually pay only 50% of the total insurance under the new scheme. As state support, the remaining 50% of the insurance is carried out by transferring to the address

¹ <https://lex.uz/docs/-5260791>

² <https://lex.uz/docs/-4410875>

of the insurer upon the application of the agricultural producer. According to the forecasts of the Ministry of Agriculture of the Republic of Uzbekistan, the adoption of this law will further increase the share of insured cropland to 80%, reduce the risk of non-payment of insurance compensation to agricultural producers in the event of bankruptcy, and also help save individual insurance companies and the state budget in emergency situations.

According to insurance market analysts, the radical innovation is:

1. According to the new law, the agricultural producer pays only 50% of the calculated insurance premium. The remaining 50% will be transferred to the account of the insurance organization by the management body of the agro-industrial complex of the constituent entity of the Republic of Uzbekistan.
2. The agricultural insurance plan is developed annually on the basis of the proposals of constituent entities of the Republic of Uzbekistan and the association of insurers. This plan must be coordinated with the responsible state ministries and agencies and includes a list of insurance objects and marginal rates for calculating the amount of subsidies.
3. From January 1, 2021, in order to simplify the procedures for concluding a contract and paying insurance compensation, unified insurance standards were established: model insurance rules, standard model insurance contract, indemnity, standard of insurance documents (inspection reports, certificates, etc.).

The adoption and successful implementation of this law will serve to form an effective system of agricultural insurance implemented with state support, increase the financial stability of agricultural producers, thereby ensuring the food security of our country.

The limitation of the new law is that the insurance supported by the state is carried out only for the risk of death (death) of agricultural crops, perennial crops and farm animals. Loss (death) is defined as a 30% or more decrease in the actual yield compared to the planned one, and for perennial plantations, a loss of their viability in more than 40% of the planted area.

In addition, the new law does not provide for the participation of private auxiliary farms and agricultural consumer cooperatives in the system of "insurer-insured" relations. Due to the fact that one of the main obstacles to the development of the agricultural insurance system is the difficult financial and economic situation of most potential insurers, the most important task of the state today is the development and implementation of measures aimed at ensuring the existence of risks in agriculture.

In addition, this measure will help to increase the insurance coverage of arable land, which solves the main task of the development and adoption of this law, which is to reduce the financial burden of the state in terms of eliminating the consequences, taking into account emergency situations and covering its costs.

Thus, agricultural insurance can become one of the main means of reducing risks in crop cultivation and increasing its stability. This type of insurance is not initially focused on obtaining high income and is very risky for the insurers and very expensive for the farms themselves. Therefore, the state should play a decisive role here.

The following can be proposed as directions for improving the agricultural insurance system:

- 1) graded reduction of the tariff rate based on the observance of agricultural operations in the cultivation of grain crops;
- 2) making changes to the procedure for subsidizing a part of the insurance price by the state;
- 3) attracting local budgets to cover expenses;

- 4) development of mutual insurance companies;
- 5) to increase the minimum amount of authorized capital of insurance organizations in order to ensure the reliability and financial stability of the insurance system;
- 6) development of the network of agricultural consumer insurance cooperatives;
- 7) creation of crop reserve funds as one of the prospective directions of self-insurance and compensation of losses in unfavorable situations.

The implementation of these measures will serve to develop the agricultural insurance system, which in turn will increase the stability and efficiency of agricultural production.

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