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Country : Uzbekistan

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“O‘ZBEKINVEST HAYOT”
INSURANCE COMPANY

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UZBEKISTAN FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	448,978 km ²		Statistics Bureau
Climate/Weather	Tashkent	Average Yearly Temp.: 14.5 °C Annual Rainfall: 1,500 mm	Statistics Bureau (2013)
Population	29,503 (Thousand)		Statistics Bureau (2013)
Young Population (0-14)	7,464 (Thousand, 25.3%)		
Productive Population (15-64)	20,652 (Thousand, 70.0%)		
Elderly Population (Over 65)	1,387 (Thousand, 4.7%)		
# of Households and Ave.ppl/h.h	7,214 (Thousand) / 4.1 ppl		Statistics Bureau (2012)
Average Life Expectancy	Male: 70,7 / Female: 75.5		Statistics Bureau (2012)
Total Fertility Rate (*)	1.80		Statistics Bureau (2012)
GDP (Nominal GDP)	61,720 (USD Billion)		Economic Bureau (2013)
GDP per Capita	2,016 (USD Thousand)		Economic Bureau (2013)
Social Security Program	Pension, Health care, Social insurance, Obligatory insurance of civil liability of the employer and Annuity insurance (Old-age / Survivor / Accidental/Death)		
Remarks	<ul style="list-style-type: none"> ▪ Economic recovery and flourishing after the Soviet Union ▪ Construction of state of the art buildings throughout Uzbekistan 		

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2012 LIFE INSURANCE INDUSTRY FAST FACTS

		(Thousand Policies, US\$ Million)		(Policies, US\$)			
		New Business		Policy In-Force		Average Policy per Person	
Type	# of Policies	S	# of Policies	S	# of Policies	S	
Individual / Group	564	2 651,51 (Thousand)	-	-	-	-	

		(US\$ Million)	
Criteria	Data/Stats		
# of Life Insurers	2		
Net Premium Income	2 651,51 (Thousand)		
Payment of Insurance Claim	1 814 ,74 (Thousand)		
Main Products	Accumulative type of Life insurance, Whole Life, Medical, Term,		
Distribution Channel	Tied-Agents	7 000 people	

*Calculated based on the exchange rate of UZS 2272.02=US\$1 (2014.4.17).

Challenges of Uzbekistan's Life Insurance Industry

❑ Lack of a sufficient number of insurance companies.

The problem is the lack of a sufficient number of insurance companies. As has been noted to date in the Uzbek market operates only two life insurance companies. Naturally, the two companies cannot ensure normal development and expansion of the industry in the country. The main reasons for the dearth of life insurance companies in Uzbekistan are high requirements to ensure solvency of the main one of which is a large amount of authorized capital. However, taking into account that the activity of life insurance at an early stage makes it profitable results, and can show the growth and profitability of the activities of its founders only after a few years, domestic companies with difficulty go to the institution of life insurance companies..

❑ Inadequate encompassing of population with life insurance.

Very little part of society members get life insurance and a limited number of individuals have trust on it. As we know, there are 2 ways of getting life insurance. First one, team insurance, in which an organization in order to protect social well-being of its employees creates life insurance contract using its own capital. Second type is individual life insurance where individuals get insured using their own funds. Nowadays in our country, majority of life insurance contracts are with companies, whereas the number of contracts with physical individuals is still small. Therefore, what insurance organizations need to do is to undertake large scale promotion of life insurance services for individual insurers.

❑ Scarcity of appropriate technical support.

Providing business process relevant technical support is a critical component of any organization of the production process as well, especially given the specificity of life insurance where the insurance contract concluded for the long term, this requirement becomes even more important. However, the organization of such technical support is a complex and costly process, which today has a significant burden on insurer's life, just starting out and have not yet received, given the peculiarity of this type of activity, a sufficient level of profitability.