

FOUNDATIONS FOR APPLYING GLOBAL PRACTICES IN LONG-TERM LIFE INSURANCE IN UZBEKISTAN

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Today, the insurance sector operates in various forms across the globe, influenced by the unique economic, social, and cultural conditions of each country. Insurance systems differ significantly based on these distinct factors. In particular, life insurance has seen extensive development, with the introduction of various models, including government-funded, private, and public-private partnership systems.

INTRODUCTION. The primary reasons Western governments were compelled to initiate practical reforms to enhance the regulatory framework for life insurance include their commitment to fulfilling obligations to their citizens, the high levels of public and municipal expenditures, and frequent occurrences of corruption-related incidents.

The diversity among participating countries, including the varying levels of life insurance coverage, stages of development, and the size of the public sector, required a specialized approach to drafting legislation for life insurance regulation within the European Union (EU). Currently, life insurance regulation in EU member states operates on three levels based on the scale and other factors: national laws, EU legislation, and international legal frameworks.

Every insurance system aims to meet citizens' healthcare needs, with a primary focus on expanding access to essential services based on state resources and the specific needs of the population. Public insurance systems prioritize universal coverage, ensuring that all individuals can access basic medical services. In contrast, private insurance systems are generally income-based, often offering more specialized services such as tailored medical

care or supplementary insurance packages that go beyond basic coverage. Public-private partnership systems combine both approaches, providing a broader range of services. Below, we present examples of insurance systems from several countries along with their unique characteristics.

1st table. Life Insurance Coverage by Country

Country	Life Insurance Coverage (%)	Belonging	Annual Share of Insurance Premiums (Per Capita)	Main insurance goods
USA	60%	Big private companies	\$400–\$500	Term Life Insurance, Universal Life Insurance, and Whole Life Insurance
Japan	80%	PPP	\$300–\$400	Term and Permanent Life Insurance
Great Britain	65%	Private sector	\$350	Term and Universal Life Insurance
Germany	55%	PPP	\$250–\$350	Permanent and Term Insurance, Pension Insurance
Canada	70%	Private sector	\$300	Term Life Insurance and Critical Illness Insurance
Australia	68%	Private sector	\$350	Universal Life Insurance and Critical Illness Insurance

1. Germany

Germany has an insurance system based on the Bismarck model, where insurance is mandatory and primarily funded by employers and employees. Citizens pay insurance premiums based on their income level, and the insurance services are financed through public funds. This system is aimed at ensuring equality and providing comprehensive services.

In Germany, the healthcare system is funded by a combination of public support and insurance premiums. Germany, with its long history of medical insurance, introduced its first mandatory social insurance system over a century ago. Today, Germany's insurance system is one of the most advanced in Europe.

2. France

France uses a mixed system of the Beveridge and Bismarck models. Insurance services are supported by financial contributions from employers, employees, and the government. Through the insurance system, citizens receive extensive healthcare services, with additional services covered by private insurance. France focuses on social equality and high-quality care when financing healthcare services.

Mandatory health insurance is only for workers, who contribute according to their income. This system offers comprehensive medical services, allowing citizens access to high-quality healthcare. Additionally, optional insurance provides extra medical services and special service packages.

3. Japan

Japan has a Bismarck-based insurance system. Medical insurance is mandatory and funded by both citizens and employers. This system ensures that the population has access to comprehensive and quality medical services. Insurance funds are based on income-related payments, with the government providing assistance to those in need.

4. United Kingdom

The UK's insurance system is based on the Beveridge model and is entirely funded by the government through the National Health Service (NHS). The NHS is funded through tax revenues and provides free healthcare services to all citizens. Additional private insurance services are available, allowing access to faster and extra services.

5. United States

The insurance system in the United States is primarily based on the private sector, with government-managed programs like Medicare and Medicaid.

- Medicare is a government program that provides healthcare for all Americans over the age of 65. It also covers some individuals with disabilities or special needs. The Medicare program is partially funded by a specific tax, which constitutes approximately 15% of the income of working Americans.

- Medicaid provides insurance coverage for low-income families, including women and children, and also finances care for the elderly in nursing homes. Medicaid is jointly funded by the federal and state governments. Currently, around 20% of the U.S. population remains uninsured.

6. Russia

Russia has a government-managed mandatory medical insurance system that ensures citizens have access to essential medical services for free. The system is primarily funded by employers, who contribute to insurance funds on behalf of their employees. These funds allow the government to offer a wide range of healthcare services. However, there are some limitations, as certain services or specialized treatments may not be fully covered under the standard health insurance plan, and additional private insurance may be required.

7. Switzerland

In Switzerland, all citizens, including seasonal workers and those who work less than three months, are provided mandatory medical insurance. New arrivals and newborns must also be covered within three months of arrival.

8. Australia

Medicare was established in Australia in 1984 to provide healthcare services to the entire population. Each Australian citizen is given a personal health card that grants them access to high-quality medical services. The Medicare system is funded mainly by employee wages and funds allocated from the government budget. Low-income citizens, students, and pensioners are exempt from paying premiums. Military personnel pay 0.2% of their income, while other citizens contribute 1.5%. The Medicare system covers 8% of Australia's healthcare costs.

9. Canada

Canada's healthcare system accounts for 9.5% of the GDP, which equates to approximately \$2,500 per capita. According to surveys, 72% of Canadians consider this form of insurance reasonable, as it allows them to choose services based on their needs (67%) and increases the responsibility of healthcare professionals (55%).

Special Legislation on Life Insurance

Special legal documents specifically related to life insurance are adopted to regulate life insurance relationships either generally or partially. In the future, legal regulations on state procurement will refer to special legal documents in this field.

In developed countries, mandatory health insurance is often funded by non-governmental insurance funds, which are mainly financed by contributions from employees, employers, and sometimes the government. These funds cover a broad range of healthcare services. To ensure wide coverage and high-quality care, premiums are usually income-based, paid by employees and employers in varying amounts. This system aims to distribute the financial burden fairly and ensures that everyone, regardless of income level, has access to necessary medical services.

Distribution of Mandatory Health Insurance Premiums in Foreign Countries

The distribution of mandatory health insurance premiums in foreign countries is shown in the following table.

2nd table. Distribution of Mandatory Health Insurance Premiums (as a percentage of salary)

Country	Workers	Employers	Independently Covered Expenses
Service-Based Mandatory Health Insurance			
Germany	6,70	6,70	Hospital Treatment and Medications
Netherlands	9,95	10,20	Unforeseen
Cost-Based Mandatory Health Insurance			
Belgium	4,70	6,20	Hospital Treatment and Medications
France	6,80	12,80	
Luxembourg	4,50	4,50	

3rd table. Medical Insurance in Western Europe

Country	Proportion of Insured People in the Population, %	Number of Insured Individuals, million people	Premium Amount, million euros	Premium per Insured Individual, euros

Austria	37,5	2,8	1337	483
England	25,5	14,5	2751	190
Germany	16,9	10,3	15080	1464
Netherlands	39,4	5,7	4244	738
Denmark	20,0	1,0	169	169
Spain	15,0	5,6	1210	214
France	18,0	10,0	5820	582

In foreign countries, compulsory health insurance plays an important role in the insurance market. This type of insurance was introduced to protect public health and ensure widespread access to medical services. The collected premiums play a crucial role in supporting the broader insurance market. In Western Europe, health insurance covers a large portion of the population, although the proportion of insured individuals and the average premiums vary by country. These differences are influenced by each country's healthcare system structure, funding sources, and economic conditions.

In the United Kingdom, the healthcare system is entirely publicly funded, and about 11% of the population opts for voluntary health insurance policies. The system operates based on three main types of payments: state insurance, general benefits, and optional benefits. The primary goal of this system is to encourage active participation from citizens (for example, providing unemployment benefits to actively job-seeking individuals), reduce social instability, and expand the range of choices available to citizens in various aspects of social life.

Based on the experiences of developed countries, it is clear that there is no universal model of compulsory health insurance. Each country has developed its system tailored to its organizational-legal framework, healthcare needs, and economic conditions. These systems vary significantly in terms of government participation in healthcare financing and the

balance of responsibility between the public and private sectors. Several factors, including a country's overall economic stability, financial condition of society, reliability and coverage of the insurance system, and social and cultural elements affecting the quality of services provided, play a role in the development of a healthcare insurance system. These factors are essential for the effective functioning and development of a health insurance system.

In the compulsory health insurance system, some population segments, such as the unemployed (pensioners, children, etc.), are funded by the government. In this case, funds collected from budget sources (i.e., taxes) are accumulated in a special state fund. These funds are allocated to insurance organizations that are authorized to implement the compulsory health insurance system.

In Germany, the social insurance system serves as the main mechanism for redistributing income. Nearly 90% of the population is covered by compulsory health insurance. Approximately 10% of individuals with high or very high income rely solely on voluntary health insurance services. Among those covered by compulsory health insurance, about 5% opt for additional insurance to choose different doctors, access more convenient services, or receive extra compensation in the case of illness.

Germany's healthcare system is financed from multiple sources: 60% from compulsory health insurance premiums, 10% from commercial insurance funds, 15% from the state budget, and the remaining 15% is paid by citizens using their personal funds. Voluntary health insurance has especially helped expand the possibilities of the compulsory (state) insurance system. Through this model, the population is offered high-quality and more extensive services beyond public services. For example, in the United States, many citizens seek private insurance in addition to compulsory insurance, enabling them to access faster and specialized healthcare services. This approach plays an important role in meeting the demand for medical services and ensuring the stability of the system.

In many foreign countries, the payment system for medical services and pricing are under government control and regulated as separate sectors. In these processes, conflicts of interest can arise, as insurers often pursue the interests of a small portion of the population. Therefore, strict restrictions are imposed on the negotiation process, price coordination, and cost management.

In some countries, government subsidies play an important role, while in others, employer or employee premiums serve as the primary source of funding. These changes are aimed at improving the efficiency of systems tailored to each country's healthcare and economic conditions.

Germany's health insurance system has extensive experience in this area and has been steadily developing for several decades. In particular, serious measures have been taken in Germany to protect the rights of the insured. According to German legislation, each practicing doctor is required to have professional liability insurance. This not only ensures high-quality medical care for patients but also plays an important role in protecting their rights.

If a patient suffers harm from a doctor, the injured party may have the right to receive significant compensation. The division of responsibility between compulsory and voluntary insurance varies from country to country. Conversely, in Germany and the Netherlands, the voluntary insurance system plays a more important role and can sometimes serve as a substitute for state insurance.

In developing countries, the management and financing models of healthcare systems, as well as the role of the state in protecting public health, vary. Based on the experience of these countries, compulsory health insurance plays a decisive role in increasing insurance culture and strengthening trust in health insurance products. This process contributes to strengthening public trust in insurance and creates a solid foundation for expanding the opportunities for voluntary health insurance. Thus, the insurance system becomes not only a key element in protecting citizens' health but also an essential element in ensuring broader economic stability.

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