

The logo of the Association of Professional Participants of the Insurance Market of Uzbekistan (IAU) is a shield-shaped emblem. It features a background of intricate, colorful Islamic geometric patterns in shades of blue, gold, and red. Overlaid on this is a semi-transparent olive-green shield. Inside the green shield, the acronym 'IAU' is written in large, bold, white capital letters. Above 'IAU' is the English name 'Association of Professional Participants of the Insurance Market of Uzbekistan' and below it is the Uzbek name 'O'zbekiston Sug'urta Bozorining Professional Ishtirokchilik Uyushmasi' in a smaller white font.

Association of
Professional Participants of the
Insurance Market of Uzbekistan

IAU

O'zbekiston Sug'urta Bozorining
Professional Ishtirokchilik
Uyushmasi

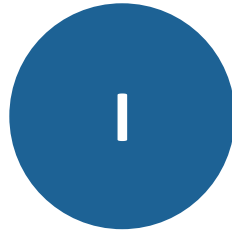
The background of the right page is a light gray with a large, stylized, swirling graphic element. This element is composed of several overlapping, curved segments in shades of light blue and light green. Each segment contains a faint, repeating pattern of traditional Islamic architectural motifs, such as arches and geometric designs.

Uzbekistan insurance market trends and regional cooperation opportunities

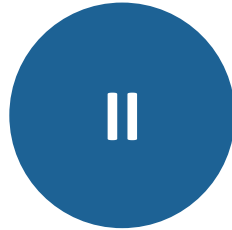
INTERNATIONAL INSURANCE
SUMMIT OF TÜRKİYE:

24 May 2022

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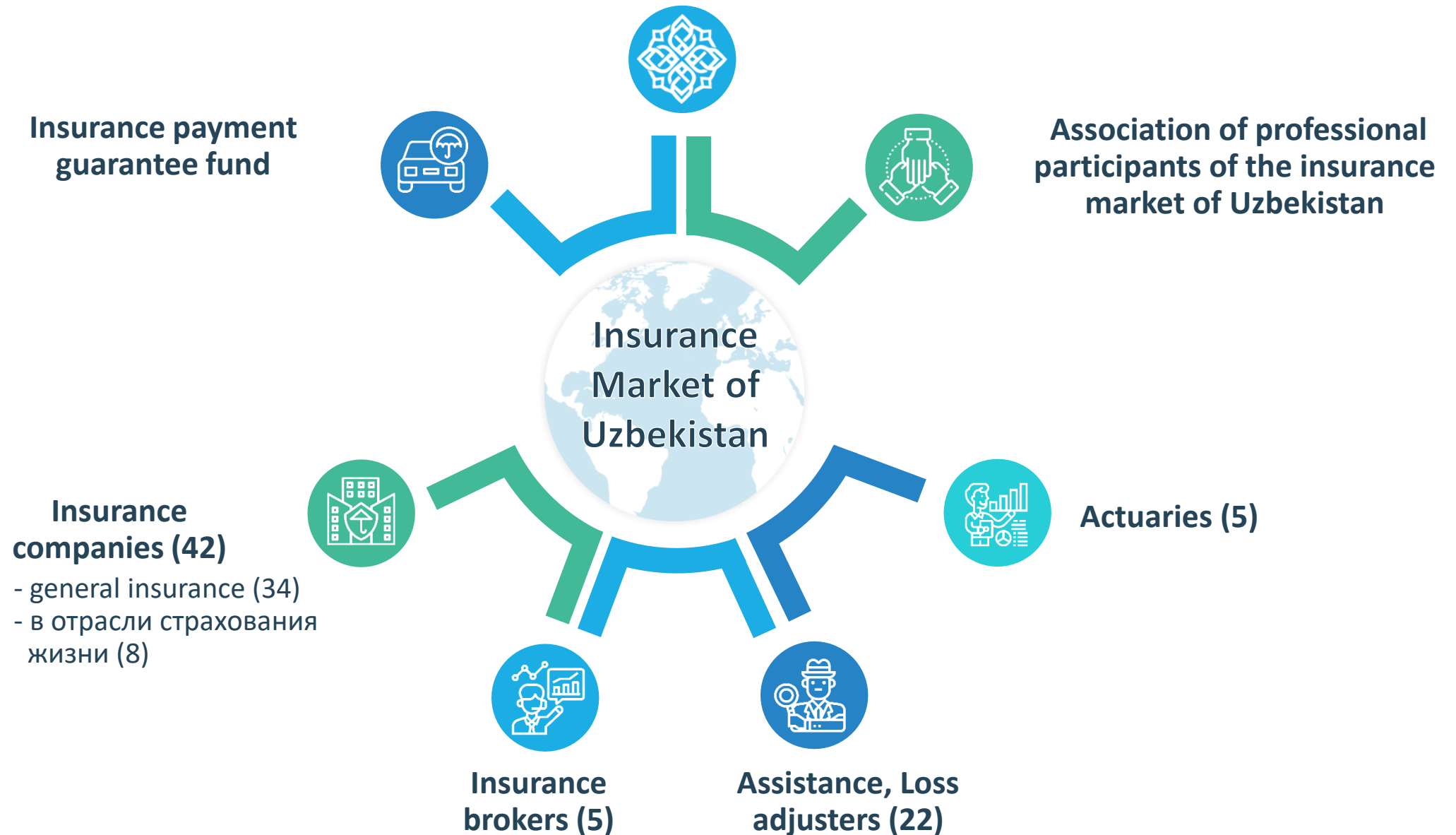
Review of Uzbekistan insurance market



**Association of
Professional Participants of the
Insurance Market of Uzbekistan**

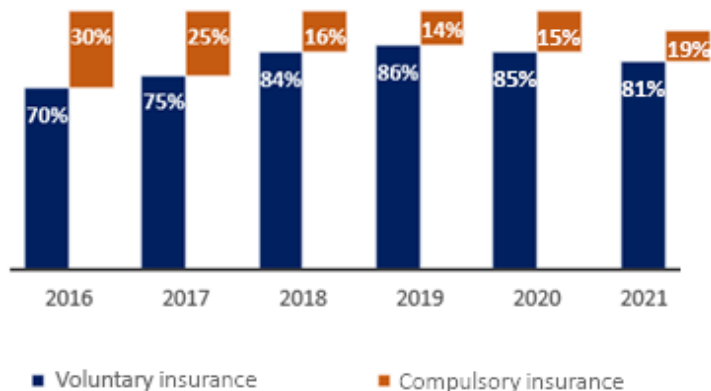
Professional Participants of the Insurance Market

IMDA of the Finance Ministry

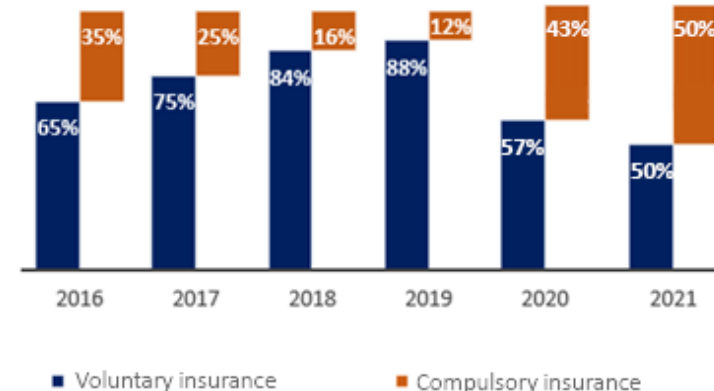


Insurance premiums and claims paid

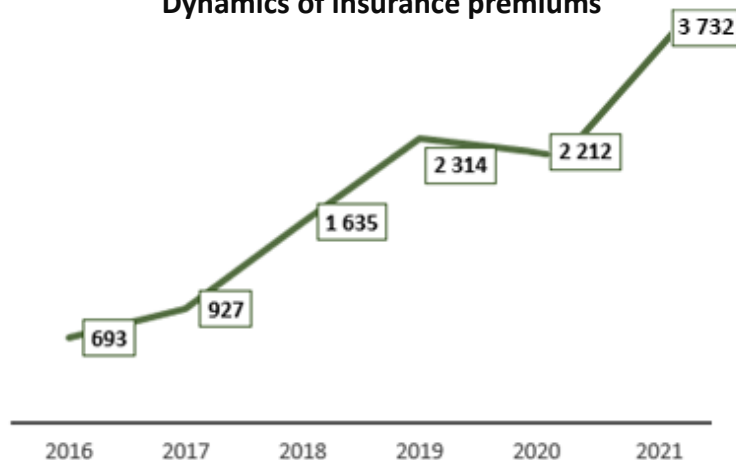
Distribution of insurance premiums



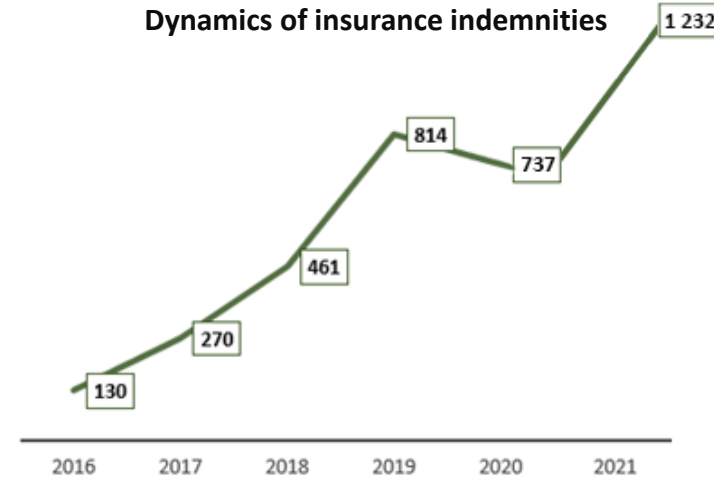
Distribution of insurance indemnities



Dynamics of insurance premiums

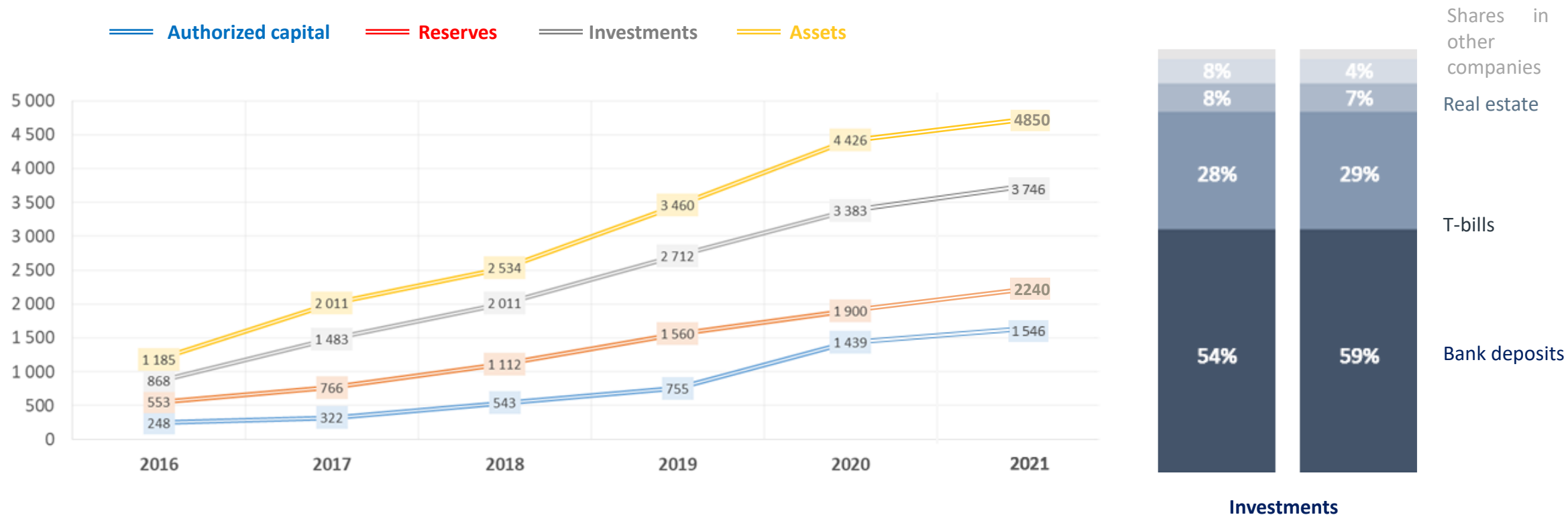


Dynamics of insurance indemnities



In 2016-2019, the growth of insurance premiums amounted to an average of +50%. In 2020, a decrease of 6% compared to 2019 was due to the introduction of quarantine regulations, the lack of remote work of some companies, and a decrease in the income of the population during the quarantine. In 2021, the volume of collected insurance premiums increased by 68.6% compared to 2020, the figure exceeded 3.7 trillion UZS.

Financial indicators (billion soum)



Investment activity from 2016 to 2020 increased by +187%. At the same time, deposits increased 4.6 times, real estate - 6.2 times, loans - 5.8 times. In 2021, the total investment amounted to 3.746 trillion UZS.

Global trends effect on insurance market



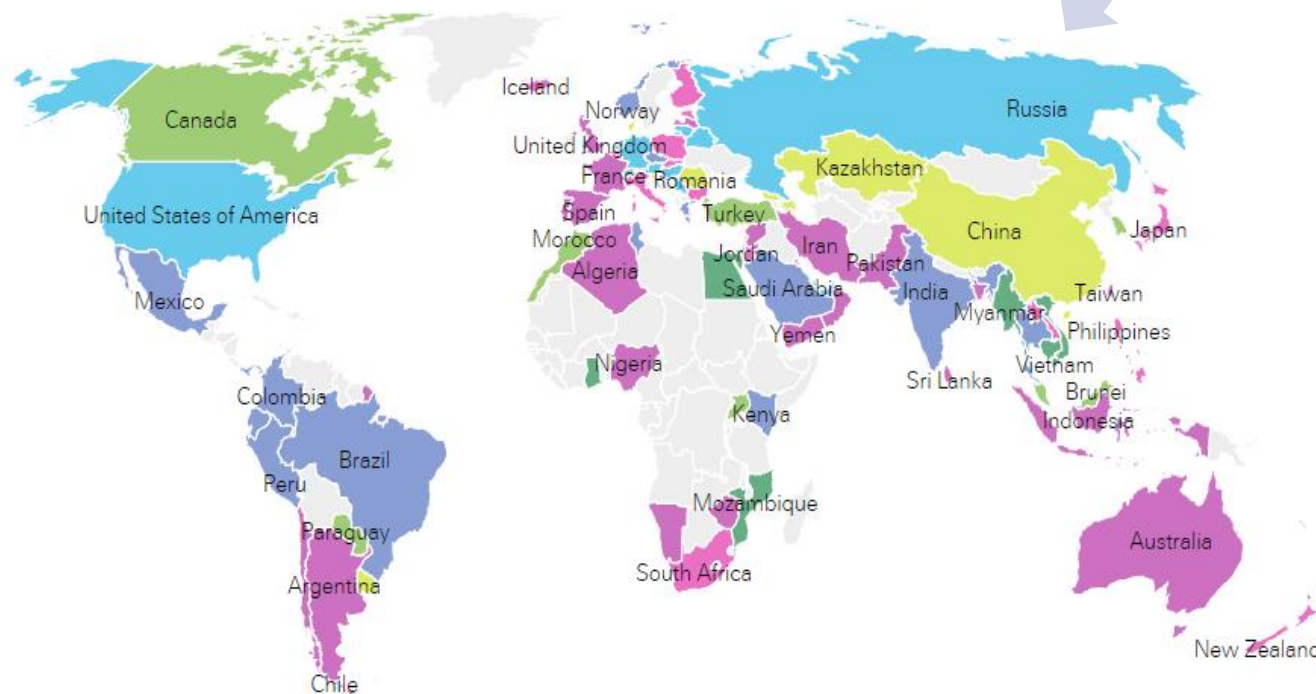
**Association of
Professional Participants of the
Insurance Market of Uzbekistan**

Real insurance premium growth rates

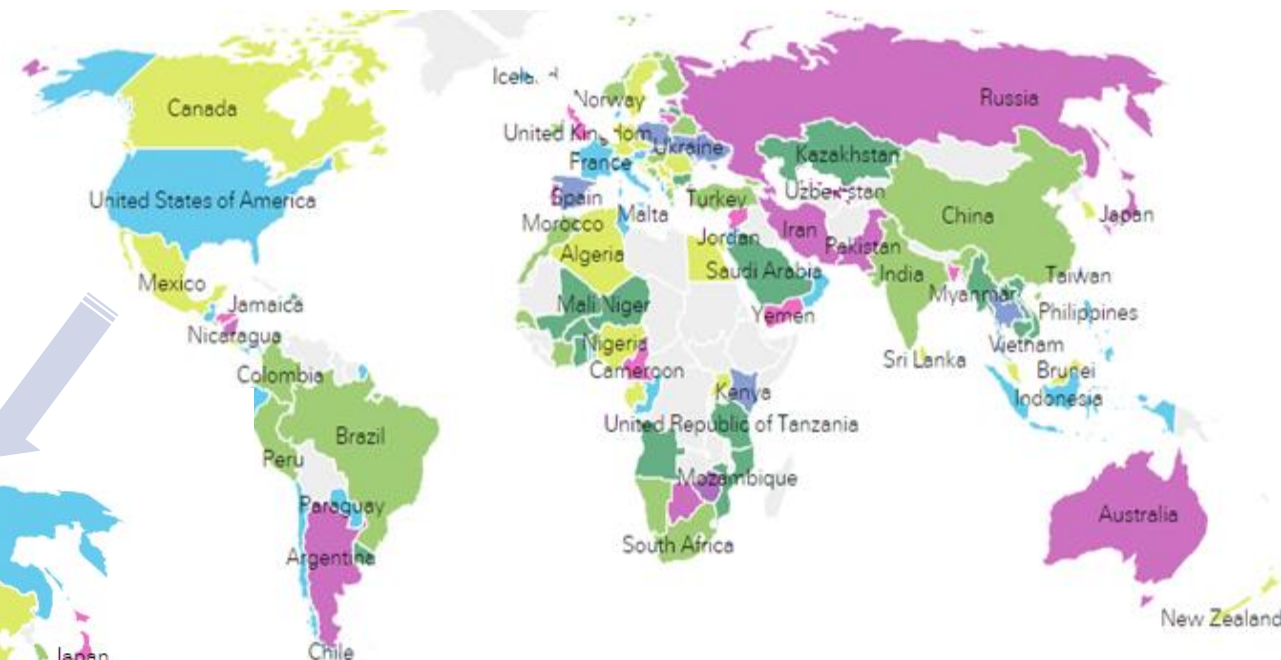
Source: Swiss Re Institut, sigma explorer

The COVID-19 pandemic, the quarantine restrictions imposed in connection with it and the downturn in business activity caused by these factors had a negative impact on the growth of the insurance market in many countries. Until the end of 2019, the insurance market of Uzbekistan showed high growth rates of premiums.

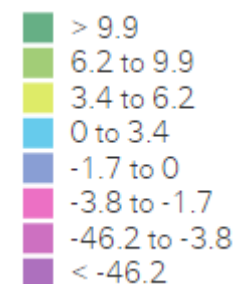
Insurance premium growth rates in 2020



Insurance premium growth rates in 2019



*Insurance premium growth rates in %
adjusted for inflation*



Loss ratio and Insurance penetration rate

Insurance
premiums

2020
2,2 billion soum
=
208 M\$

IPR*
Uzbekistan = **0,4%**
World = 2,9%

Insurance
claims

2020
0,7 billion soum
=
70 M\$

Loss ratio**
(Non Life)
Uzbekistan = **31%**
World = 60-70%

| Insurance penetration (% GDP) | | | | | | | | | | |
|-------------------------------|--------------------|------------------|----------|-------------|-----------------|-------------|--------------------|-------------|-------------|-------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| | <i>Time period</i> | <i>Countries</i> | <i>N</i> | <i>Mean</i> | <i>Std Dev.</i> | <i>Min.</i> | <i>Percentiles</i> | | | <i>Max.</i> |
| | | | | | | | <i>25th</i> | <i>50th</i> | <i>75th</i> | |
| Total | 1996-2016 | 180 | 3462 | 2.87 | 2.89 | 0.00 | 0.77 | 1.74 | 4.14 | 16.54 |
| Non-life | 1996-2016 | 180 | 3462 | 1.64 | 1.53 | 0.00 | 0.60 | 1.27 | 2.03 | 10.18 |
| Life | 1996-2016 | 180 | 3462 | 1.23 | 1.85 | 0.00 | 0.07 | 0.39 | 1.61 | 10.74 |

Source: World Bank, "Beyond the S-curve Insurance Penetration, Institutional Quality and Financial Market Development", June 2019

The level of insurance penetration rate in Uzbekistan is much lower than in other countries.

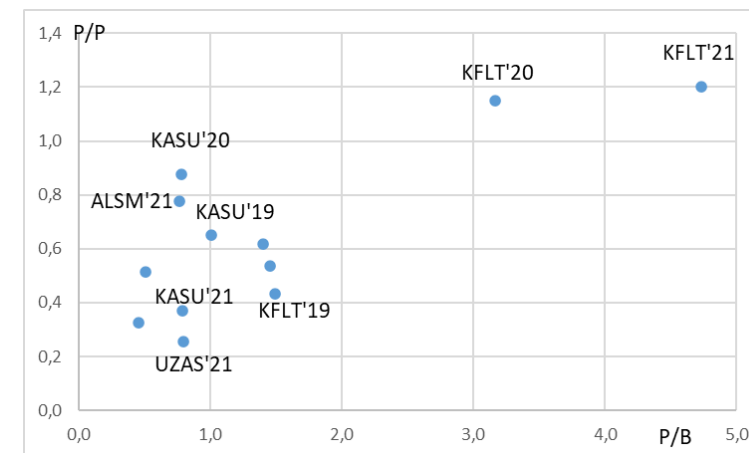
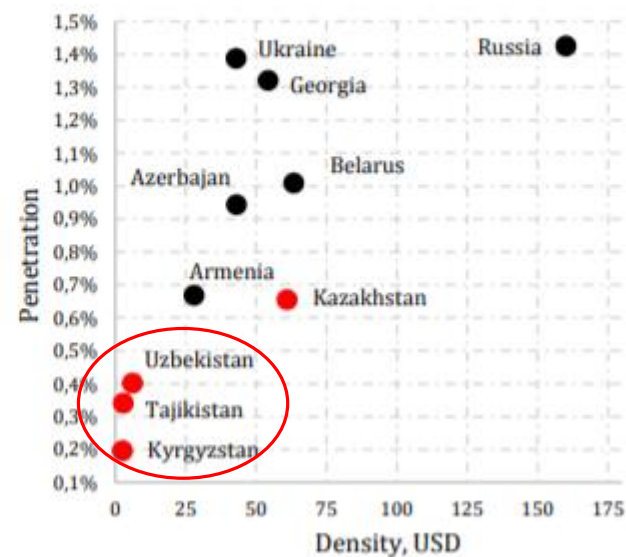
- The volume of insurance premiums in 2020 reached \$208 million, which is **0.4%** of GDP. The global average IPR is around **3%**.
- The loss ratio of general insurance is **31%**. In world practice, this figure averages **60-70%**.

Level of insurance penetration and density

Central Asia Insurance Sector Metrics 2018

| | Penetration, % | Density, USD | GWP, USD m | Claims to GWP, % |
|------------|----------------|--------------|------------|------------------|
| Kazakhstan | 0,65 | 61,1 | 1116 | 24,7 |
| Uzbekistan | 0,40 | 6,2 | 202,7 | 28,2 |
| Tajikistan | 0,34 | 2,8 | 25,5 | 4,5 |
| Kyrgyzstan | 0,20 | 2,5 | 15,9 | 11,6 |

Penetration and density in 2018

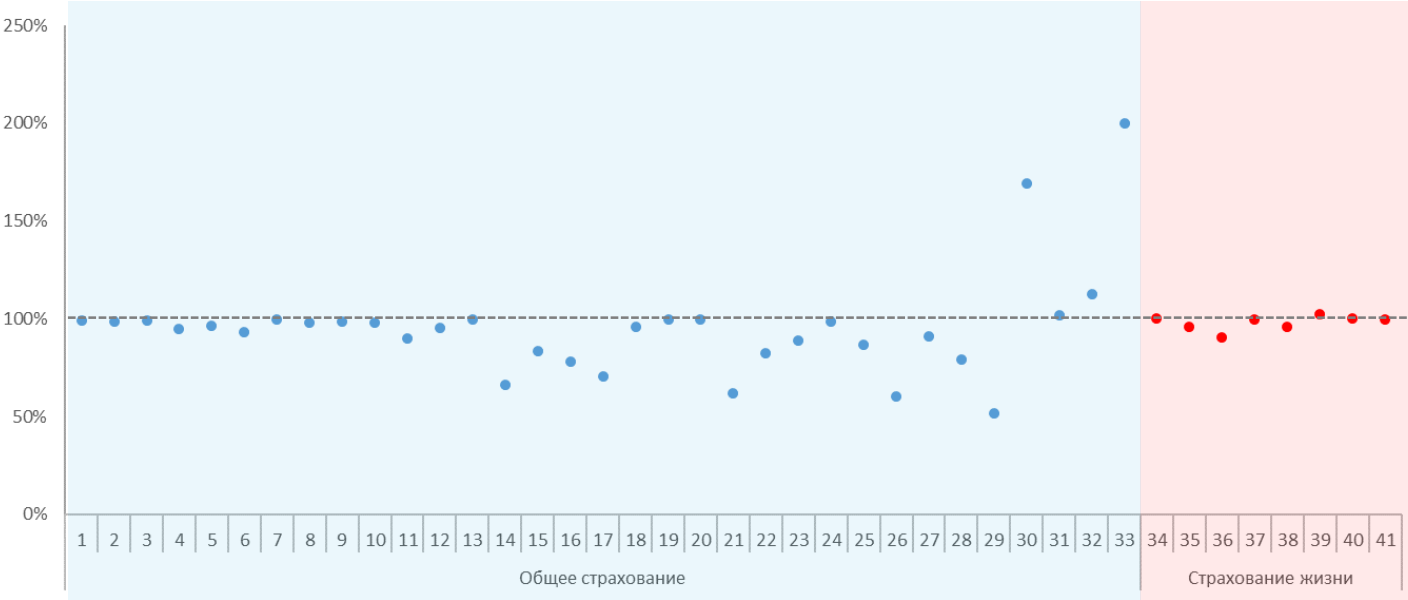
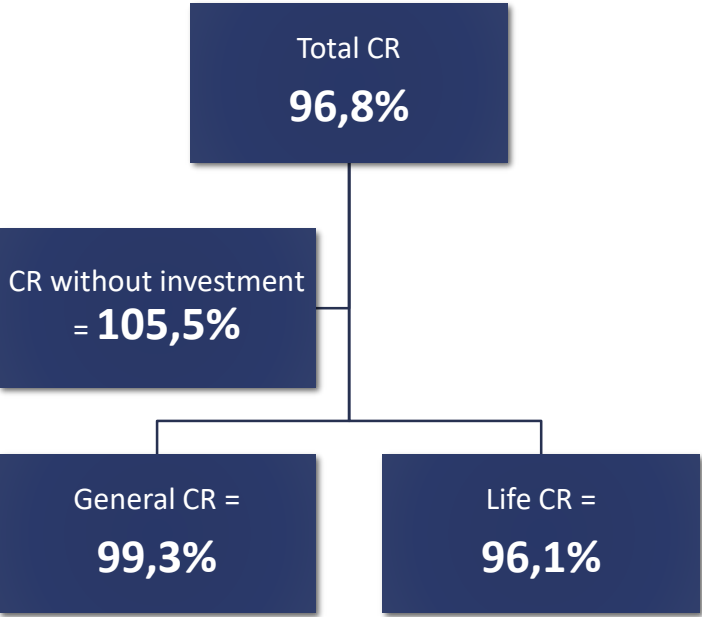


Listed Uzbek insurance companies

Source: Tashkent Stock Exchange, April 2021

- Insurance premiums in 2020 are 0.4% of Uzbekistan's GDP. In Kazakhstan, this figure reached up to 0.7%.
- The ratio of insurance premiums per capita in Uzbekistan in 2018 was 6 dollars. In Kazakhstan, this figure is 61 dollars.

Combined Ratio (CR)



Average Combined ratio for 3rd quarter 2021 in Uzbekistan

The average combined loss ratio of insurance companies for the 3rd quarter of 2021 was **96.8%**.
Excluding investment activity results, this ratio exceeds 105%.

**The main directions for
cooperation among
Insurance Associations of
Turkic countries**



**Association of
Professional Participants of the
Insurance Market of Uzbekistan**



Sharing TÜRKİYE's best practice among Turkic countries



Broaden reinsurance cooperation among Turkic countries



Development and expansion of insurance market infrastructure



Cooperation among rating agencies and mutual recognition of financial strength ratings



Improving the system of talent management and training



Encouraging investments in the insurance sector



Regional policy and advocacy work with GOV to promote insurance sector growth and business enabling environment

Thank you!