

Master Thesis

Research on developing export credit
insurance in Uzbekistan through
comparative analysis with Korea
export credit insurance system

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The Graduate School of Hansung University

Major in International Trade and Economics

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Master Thesis

Advisor Professor DongWhan LEE

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Abstract

Recommendation to develop export credit
insurance in Uzbekistan through comparative
analysis with Korea export credit insurance
system

－ 한국 수출 보험제도와의 비교분석을 통한
우즈베키스탄 수출 보험제도 발전을 위한 연구 －

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As the development of the Uzbekistan economy allows exporting domestic products and services to foreign countries. Entrepreneurs export agricultural and industrial products to almost all countries of the world nowadays. However, various risks are manifested in the export process, and export credit insurance is being used to prevent these risks. It shows that the export credit insurance system and future reforms are necessary to build a solid foundation for

Uzbekistan's export growth. Coming up from this issue, this study explores Uzbekistan's export credit insurance system compared with Korea.

To investigate the historical, legal, and economic background of the emergence of export credit insurance in Uzbekistan, the reporting and existing material analysis and survey methods are used in this paper. The research topics are described in depth based on the comparative investigation of studies and articles and the international organizations' materials. In terms of comparison, as Korea's Export credit insurance market laid mainly on state agencies and government support, the experiences of these countries are tried to be understood. By comparing the Korean Export credit insurance system with Uzbekistan's, the differences were identified, experiences were studied, and recommendations were made for creating services in Uzbekistan that would satisfy the demands of international and local entrepreneurs.

【Keywords】 Economy, Insurance, Export credit insurance, Comparative analysis, Uzbekinvest, International trade, Uzbekistan export credit insurance, Korean export credit insurance, K-SURE.

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1. Introduction

Export credit insurance (ECI) safeguards a product or service exporter against nonpayment by a foreign buyer. In other words, ECI greatly minimizes the payment risks associated with doing business overseas by providing a conditional guarantee to the exporter that the insurance company will be paid payment if the overseas buyer is unable to pay. ECI generally covers commercial risks (such as the buyer's insolvency, bankruptcy, long-term defaults, or slow payment) and political risks (such as revolution, riots, war, and terrorism) that could lead to non-payment. In addition, currency inconvertibility, expropriation, and changes in import or export rules are all covered by ECI.

Essential Points Export Credit Insurance allows sellers to offer competitive open account terms to foreign importers while minimizing the risk of non-payment. Even eligible buyers could delay payment due to circumstances beyond their control. By reducing the risk of default, exporters can increase their export trade, build up market shares in emerging and developing states and compete more intensely in the world market. When foreign receivables are insured, lenders are ready to increase the exporter's borrowing capacity and offer more attractive financing terms. ECI does not cover the risk of physical loss or damage to the goods shipped to the buyer or the risks covered by sea, fire, accidents, or other types of insurance.

1.1 Objective and goals

The purpose of the study is to examine the condition of

Uzbekistan's Export credit insurance market, analyze achievements gained so far, and identify barriers and solutions to the export credit insurance process. Furthermore, the research paper covers comparison studies to hypothesize possible future horizons of Uzbekistan's export credit insurance system and find promising reforms. The comparison has been made by closely investigating Korea's Export credit insurance policies. In addition, this study is to determine the impact of export credit insurance of Uzbekistan on the developing economy of Uzbekistan. So by this research paper, the overall picture of Uzbekistan's Export credit insurance is aimed at figuring out.

1.2 Importance of research

Export promotion is a hot topic in both practice and theory when it comes to trade finance. As export is a robust sector for an economic boost, every nation seeks opportunities and sustainable growing methods to deal with economic activities in a foreign market. However, while conducting export, selling abroad engagement is most vulnerable because of the non-payment of buyers. If there are no fees to trade overseas, it can be difficult and expensive to recover, depending on the legal rules established by a particular importing country. So the solution is export credit insurance. With the help of export credit insurance, the export process of the country becomes risk-free of failure of payment both within and outside the buyer's control.

Considering the great significance of export credit insurance, this research paper, based on an in-depth investigation of Uzbekistan's Export credit insurance conditions, can serve as sufficient material for Uzbekistan's Export management and development department and further academic studies. Moreover, since the paper states existing

barriers and promising solutions of the system in Uzbekistan with comparison findings from Korea's experience, it helps to progress in the economy, mainly export and insurance dimensions. In addition, Currently, no source researches the Uzbek export credit insurance market. Therefore, this study is the first work done for the ECI of Uzbekistan and will serve as a basis for future research in this area. This paper addresses the following questions and provides vital answers discovered upon research.

What is the current state of export credit insurance in Uzbekistan?
What are the barriers and problematic issues of Export credit insurance in Uzbekistan?

What kind of solutions can be suggested to apply by analyzing the achievements of Export credit insurance policy of other countries (the case of Korea)?

1.3 Methodology

The research is conducted through reporting (web site articles, financial and government reports) and existing data (research journals) analysis and statistical materials analysis methods. A comparison is also used to gain insight into the differences between export insurance activities in different countries.

In the research work, using the comparative analysis method, the facts, figures, laws about the ECI of Uzbekistan and Korea were compared, analyzed, and came to a definite conclusion. In order to analyze statistically, it is used the data of the world bank dataset, which was collected from knoema.com¹⁾ and Berne Union, which The International Union of Credit and Investment Insurers is a not-for-

1) Knoema.com is the most comprehensive source of global decision-making data in the world.

profit association, representing the global export credit and investment insurance industry since 1934 reports.

The survey method is also used in this research work. The main reason for using this method is “The survey is a flexible research approach used to investigate a wide range of topics. Surveys often employ the questionnaire as a tool for data collection. This resource pack considers the use of surveys and questionnaires in health and social care research.”²⁾ In addition, using this method, a small sample can be generalized with data on the whole country's population. A survey was conducted using SNS to gain clarity on the study.

1.4 Terminology

There are many terms in the research work that covers export credit insurance. Therefore, to make it convenient and understandable to the reader, we decided to dedicate a separate chapter to these terms and give it at the beginning of the study. And the explanation of the words given below is taken from the Investopedia and alink2insurance web sites.

Accident	an unexpected event or circumstance without deliberate intent
Balance sheet	accounting statement showing the financial condition of a company at a particular date
Broker	an individual who receives commissions from the sale and service of insurance policies
Credit	individual or group policies that provide benefits to a debtor for full or partial

2) Mathers N, Fox N. and Hunn A. Surveys and Questionnaires. The NIHR RDS for the East Midlands / Yorkshire & the Humber, 2007

	repayment of debt associated with a specific loan or other credit transaction upon disability or involuntary unemployment of debtor, except in connection with first mortgage loans
Credit default	coverage purchased by manufacturers, merchants, educational institutions, or other providers of goods and services extending credit, for indemnification of losses or damages resulting from the nonpayment of debts owed to them for goods or services provided in the ordinary course of their business
Credit risk	part of the risk-based capital formula that addresses the collectability of a company's receivables and the risk of losing a provider or intermediary that has received advance capitation payments
Date of Issue	date when an insurance company issues a policy
Dividend	a refund of a portion of the premium paid by the insured from insurer surplus
Foreign Insurer	an insurance company selling policies in a state other than the state in which they are incorporated or domiciled
Gross Premium	the net premium for insurance plus commissions, operating and miscellaneous commissions
Health Insurance	a generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or illness,

Insurance	including related medical expenses an economic device transferring risk from an individual to a company and reducing
Insurer	the uncertainty of risk via pooling an insurer or reinsurer authorized to write property or casualty insurance under the laws of any state
Liability	a particular or probable future sacrifice of economic benefits arising from present obligations of a specific entity to transfer assets or provide services to other entities in the future as a result of a past transaction (s) or event(s). three essential characteristics: a) It embodies a present duty or responsibility to one or more other entities that entail settlement by probable future transfer or use of ass ets at a specified or determinable date, on the occurrence of a specified event or on-demand)The duty or responsibility obligates a particular entity, leaving it little or no discretion to avoid the future sacrifice; and c) The transaction or other event binding the entity has already happened.
Long Duration Contra cts	contracts, excluding financial guaranty contracts, mortgage guaranty contracts, and surety contracts, that fulfill both of the following conditions: (1) the contract

	term is greater than or equal to thirteen months and (2) the insurer can neither cancel nor increase the premium during the contract term
Loss	physical damage to property or bodily injury, Including loss of use or loss of income
Premium	Money charged for the insurance coverage reflects the expectation of loss
Premiums Net	is the amount calculated one of the interest and mortality tables used to calculate the reporting entity's statutory policy reserves
Reinsurer Risk	company assuming reinsurance risk uncertainty concerning the possibility of loss by a peril for which insurance is pursued
Risk aversion	The tendency of people to prefer outcomes with low uncertainty to those outcomes with high uncertainty
Term	per period which policy is in effect
Unpaid Losses	Claims are in the course of settlement. The term may also include claims that have been incurred but not reported

1.5 List of Abbreviation

Some abbreviations in this research paper are incomprehensible to readers, and we decided to comment on these abbreviations at the beginning of the research.

ECI	Export credit insurance
FCIA	The Foreign Credit Insurance Association
OECD	The Organisation for Economic Co-operation and

	Development
EXIAR	Export credit insurance Agency of Russia
GDP	Gross domestic product
ISO	International Organization for Standardization
AXA	French multinational insurance
EIIC JSC	Reorganization of the National Export–Import Insurance Company Uzbekinvest into Uzbekinvest Export–Import Insurance Company
ICIEC	Islamic Corporation for Investment and Export Credit Insurance
BCAR	Best’s Capital Adequacy Ratio
KEIC	Korea Export Insurance Corporation
FX	Foreign exchange
GOP	Group of Participants
L/C	Letter of credit
SME	Small and medium–sized enterprise
SNS	social networking service

2. Literature review

2.1 History of export credit insurance

The history of export credit insurance does not go back a long way but was formed in the early twentieth century. Dijk J provides more detailed information on export credit insurance, focusing on below. "In the development of export credit insurance, the United Kingdom has been a pioneer. In 1919 the British government set up insurance to cover political risks and commercial risks. In 1934, European countries, like The Netherlands, adopted some form of export credit insurance either in part or in total carried by the government (Dietrich 1935). That is the beginning of the export credit insurance that we know today. The United Kingdom has been experimenting with export credit insurance since 1919. The Export Credits Department within the Department of Overseas was opened officially on September 1919. Invoice value becomes the basis of the risk insured. Calculating the cost of risk was too difficult to calculate. The First Guarantee Scheme was set up in 1921. Before the first Scheme, the government has to find money to make the advances possible. In the first Scheme, the government guaranteed the bill. The facilities are used for financial credit and insurance, which is limited to 42,5% of the invoice value. The results of the Scheme are not good. They covered 6.305.629 pounds sterling, a tiny percentage of sterling. Due to the bad results, a Credit Insurance Committee investigated why the exporters ignored the facility made by the government. The report concludes that the demand for credit insurance exists and that the current credit insurance is not sufficient for the current demand. The Second Guarantee Scheme

was set up in 1926. Credit insurance is set at a 75% maximum guarantee instead of the previous 42,5% in the first Scheme for the exporter. The premiums in 1928 were 75 basis points for a 90 days payment term. Premiums are set at ten basis points for developed countries like France, Germany, Holland, Belgium, and Switzerland. The third Scheme is also known as The Credit Insurance Scheme is introduced in 1930. It allowed determining for each contract the risk insured, the premium, and the length of the credit. The premiums were estimated at 50 bases points to 150 basis points. In 1933 The Comprehensive Contract was introduced. This contract insured all losses excess of an agreed amount between the exporter and The Department who issued this contract. This is currently known as an excess of loss policy.”³⁾

The study of the history of Export credit insurance certainly does not occur without knowing US credit insurance history. “The U.S. export credit insurance Scheme started in 1962. The Export–Import Bank has offered different guarantees that are similar to credit insurance before 1962. The Foreign Credit Insurance Association (FCIA), which presents many insurers in The United States, is the administrating agency. The Export–Importank took care of the political risks and partly of the commercial risks. In 1964 the FCIA took all of the commercial risks but reinsured it at Export–Import Bank. An important reason to start this Scheme is that exporters could compete with foreign competitors. (Greene, 1965) FCIA receives premiums of \$23 million, 46 percent of the received premiums were paid out in claims in 1979. During the years the export credit insurance is made more attractive to exporters. The U.S. is interested in expanding exports due to deficits. Several rules

3) Dijk J. Export Credit Insurance: A literature review. WP N361473. Tilburg University, 2012

are changed to attract export credit insurance. The authority is decentralized to make rapid decisions to accept the credit risks of a foreign buyer. Coverage also extends to interest losses. This is especially the case for medium and long-term sales. (Hiszagh and Green, 1982) The rise of private credit insurers will now be discussed.”⁴⁾

It is known from history that Export credit insurance has reached its peak not only with the government's support but also with the development of the private sector. Private insurers can also deliver credit insurance. We can learn this from the following facts, of course. “Private credit insurance becomes important during the '90s in Europe as governments are only allowed to insure long credit risks with a minimum of two years. Private insurers are very indisposed to cover these large risks. There are three main players in short-term private credit insurance: Atradius, Euler Hermes, and Coface. In 2008, global trade credit insurance premiums revenue was EUR 5.3 billion. (Jones P.M., 2010) A credit insurance policy covers the risks of payment after the delivery of goods and services. The traditional short-term credit insurers, also known as the big three in the credit insurance market, usually cover a whole portfolio of debtors. Atradius, Coface, and Euler Hermes covered 87 percent of the world market in 2010: Euler Hermes (36%), Atradius (31%), and Coface (20%) (Van Der Veer, 2010). Atradius was set in August 2003, a merger between Gerling Credit and the Dutch credit insurer Nederlandsche Credietverzekering Maatschappij also known as NCM. Gerling Credit was the first private insurer, which offered credit insurance. In January 2008, Atradius merged with Crédito y Caución without changing the name.”⁵⁾

4) Dijk J. Export Credit Insurance: A literature review. WP N361473. Tilburg University, 2012

2.2 The emergence of the theory of export insurance

The theories discussed in this section are Theory of the Firm under Uncertainty and Risk transfer theory through insurance. The theoretical basis for Export credit insurance can be investigated through – Theory of the Firm Under Uncertainty. This paper also utilizes an idea of the firm under uncertainty that regards expected utility maximization as the firm's objective. “This theory can provide a convenient device for analyzing export credit insurance because of its explicit treatment of risk aversion (risk aversion is the tendency of people to prefer outcomes with low uncertainty to those outcomes with high tension, even if the average effect of the latter is equal to or higher in monetary value than the more certain outcome. Risk aversion explains the inclination to agree to a situation with a more predictable, but possibly lower payoff, rather than another problem with a highly unpredictable, but maybe higher payoff)⁶⁾ Since economics literature on insurance also utilizes the expected utility maximization approach, it is straight forward to set up the model for optimal insurance purchase by the exporting firm.⁷⁾

In addition, one of the relevant and essential theories for this research is the Risk transfer theory. “Risk transfer is a mechanism by which the financial consequences of an event are shifted from one party to another (Dickson, 1984). The most commonly used method of transferring risk or the primary approach to risk transfer is

5) Dijk J. Export Credit Insurance: A literature review. WP N361473. Tilburg University, 2012

6) Werner, Jan "Risk Aversion". The New Palgrave Dictionary of Economics. 2008, pp. 1-6

7) Hideki Funatsu, “Export Credit Insurance” The Journal of Risk and Insurance Vol. 53, No. 4 (Dec., 1986), pp. 679-69

through the insurance device. The concept behind insurance is that people exposed to similar risks come together and make equitable contributions to the formation of a pool of funds from where a few from the group who suffer loss are paid. Hence, insurance is a means of spreading an individual's risk across several people to make it more bearable for the individuals exposed to the risk (Vaughan & Vaughan, 2008). According to Dorfman (2009), insurance is one of the most exciting and vital transactions individuals and businesses make. This is because the availability of insurance enables risk-averse individuals and entrepreneurs to undertake higher risk, higher in return activities than they would do in the absence of insurance. Typically, insurance contracts involve small periodic payments in return for protection against uncertain but potentially severe losses. This results in an income soothing effect that helps avoid excessive and costly bankruptcies of firms (Skipper & Kwon, 2007).

The insurance device as a risk transfer mechanism has its foundation on various theories, including risk theory, the economic theory of insurance, expected utility theory, probability theory, and the risk pooling theory. Broadly, insurance is classified as either life insurance or a non-life insurance business (general insurance). Both categories are further sub-divided into different classes based on the nature of risks covered.”⁸⁾

2.3 Studies on export insurance

Export promotion is a much-debated issue of trade finance in both the practice and international trade theory. Free trade proponents

8) Cheruiyot Joel Rono, Challenges in The Uptake of Marine Cargo Insurance in Kenya, 2015

claim that export promotion undermines the multilateral system and distorts competition. In contrast, advocates of such agencies claim that the availability of independent official organizations strengthens the export position of export companies. (Abraham & Dewit, 2000) Although trade credit decision is complex (Ross & Pike, 1997), Auboin (2009) indicates that 80 to 90 percent of all exports rely on trade finance or credit. That much reliance on trade credit will create a dependency and have a potential disruptive role in the case of financial frictions in the global credit markets. Whether global markets are smooth or under stress, exporter firms utilize export credit insurance to protect themselves from the risk of a payment default. Imperfection in the credit market restrains exports mainly if the sectors rely strongly on external finance. (Manova, Wei, & Zhang, 2015).⁹⁾

The first scientific study on interstate comparative Export credit insurance was conducted by Samuel George Weinberthe g in the 1930s. He completed an Export credit insurance analysis of post-World War I European countries and the United States. He also chronologically outlined the Export credit insurance laws passed in those countries and the events that affected export insurance. He also covered topics such as the problems of export credit insurance, credit insurance, and credit guarantee, the nature, and function of insurance, credit insurance and the nature of the credit risk, dealing with the subjective elements of the risk, evaluating the credit risk, the form of the insurance contract, the cost of export credit insurance, export credit guarantees as a national problem, the place of credit guarantees in export promotion, the economic function of state guarantees in scientific work.

9) Ali Polat&Mehmet Yeşilyaprak, Export Credit Insurance and Export Performance: An Empirical Gravity Analysis for Turkey, July 5, 2017

Furthermore, one of the first scientists to do comparative research on Export credit insurance was Claude Clifford Lilly in the 1970s. He studied the comparative analysis of Export credit insurance of countries such as The United States, the Federal Republic of Germany, Japan, and The United Kingdom. It is focused on: coverages offered to the exporter, scope, and exclusions, short-term comprehensive, short-term political, medium-term comprehensive, the medium-term political, combined short term-medium term small business, exhibitors, and service coverages, master comprehensive and master political, non-acceptance, sales in foreign currency, pre-shipment, consignment, miscellaneous endorsements of export insurance.

Mark R. Green also researched this issue in his article “Export credit insurance — its role in expanding world trade” in the journal of risk and insurance, studied Export credit insurance from world war II to the 1970s. He provided information on export insurance, its impact on world trade, and the attitude of exporters to this type of insurance. “Garcia-Alonso, Levine, and Morga (2004) analyze the role played by export credit guarantees in encouraging exports to developing countries. They relate export credit to moral hazards and export quality in their theoretical attempt. Verifying the actual quality of the export product will limit its ability to encourage trade through ECGs. Their result suggests that export credit guarantees may encourage risk-averse firms to trade with countries that might have political risks. But, on the other hand, the scope for trade may also decrease as the credit guarantee may increase the incentive of firms to export low quality. That result suggests us an interesting policy answer that an excessive level of coverage will harm trade. What they also discuss is that trade is not necessarily encouraged by higher

insurance coverage.”¹⁰⁾

Ratikanta Barik read on computing and comparing the port credit insurance premium by option valuation and OECD method. Her research paper mentioned the foreign market risks mainly divided into three types: commercial, political, and economic. Commercial trouble arises from how each country conducts its business in tariffs, duties, and freight structure. The commercial risks include buyer insolvency, default on payment, repudiation of goods, or contract termination (Posner, 1997). Wars, revolutions, or civil disturbances in foreign countries are commonly recognized as political risks. This kind of risk often creates various problems for most exporters trying to conduct a profitable and stable business. Political risks also arise from foreign exchange conversion, transfer payment difficulties, insurrection, and cancellation of import or export permits and/or changes in policies or government regimes that impose new restrictions on or delay the execution of exporting contracts (Posner,1997). Any form of political risk can either reduce the market share or slow down (or even stop) the exporter's cash flow. According to Posner (1997), economic risks arise from the strengths and weaknesses of an importing country's economic conditions.¹¹⁾ And as for the conclusion of her research, she found out the premiums calculated using options valuation and the OECD techniques are identical. According to the canonical correlation coefficients, there is a substantial degree of association between them. By option valuation approach, the volatility of the debt service ratio is a far more critical indicator of a premium than the volatility of reserves throughout three months of import. Traders from

10) Ali Polat&Mehmet Yeşilyaprak, Export Credit Insurance and Export Performance: An Empirical Gravity Analysis for Turkey, July 5, 2017

11) Export credit insurance premium: OECD and option valuation methods comparison, Journal of Research Innovation and Management Science, 2015

countries with higher volatility in the resources over imports ratio, which shows liquidity, and the debt service ratio, which defines a country's financial state, must pay higher premiums for export credit insurance cover. Over three months of imports, the premium by debt service ratio is more steady than reserves. The OECD technique determines premiums based on the risk horizon and country risk assessments when the risk horizon lengthens, premium prices for export credit insurance climb, and vice versa. If the risk rating falls,

As for Russian scholars, studies of the Export credit insurance system can be analyzed by Prof. dr. Alexander Tsyganov, Prof. dr. Nadezda Kirillova's work of "Export Credit Insurance in the Russian Federation." They wrote an article on this topic, namely the study of the Export credit insurance Agency of Russia (EXIAR). It describes the results of the Agency's activities, its key financial indicators, possible procedures in EXIAR privatization, directions of engaging Russian exporters in the international market, and measures to improve the assessment and economic sustainability of EXIAR. This article was prepared in conformity with the results of the research conducted by the Insurance Department of the Financial University under the Government of The Russian Federation in 2014 at the expense of budget funds and in accordance with the state assignment. Voronina A.D., Elbuzarova A.G conducted research derived from Russia's Export credit insurance Agency (EXIAR). They mainly covered the issues of the Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation to improve the mechanism for ensuring export credits and investments against commercial and political risks," And how EXAR deals with the Export credit insurance internationally. In addition, they stated the information about the process of EXAR's export policy, namely on the concern of in 2012,

EXIAR launched a large-scale insurance activity, developed and introduced products for insurance of export credits, approved the Agency's Development Strategy for the period 2012-2014, and worked out the issues of legislative support for state guarantee support for the Agency's insurance activities.¹²⁾

V.P. Shuyskiy also investigated "Improving the support system export in Russia." In this study, the author mainly focused on creating the Agency for Insurance of Export Credits and Investments in Russia and the financial support for exporting the in-country. Yu.A. Spletuhov mainly did research investigation on Export credit insurance credits emphasizing foreign experience. According to the author, EXIAR—the primary state agent of export insurance—was founded only in 2011, and its expertise in conducting insurance operations is relatively small. Therefore, the study of foreign practice export credit insurance seems to be very relevant.

The insurance market and Export credit insurance of Uzbekistan have been studied in detail, which ECI can be found mainly in textbooks and articles. Namely, the book "Insurance Case" written by KH.Shennayev, I. Ochilov, S. Shirinov, I. Kenjayev describes insurance content, the principles of insurance operations, theoretical insurance issues, the procedure for state insurance control over insurance activities, financial, economic, and legal aspects of insurance and its branches. This scientific work also reflects the history of the development of insurance and its stages in Uzbekistan. In the book "Insurance market of Uzbekistan" written by K.H. Shennayev, the essence of the insurance market, the formation and development of the insurance market of Uzbekistan, the legal framework of the insurance market, the shape of supply and demand,

12) Voronina A.D., Elbuzarova A.G, Export credit insurance Agency of Russia (EXIAR), p-3-4

and prices in the insurance market, opinions on professional participants of the insurance market of Uzbekistan was recorded and used statistics as of January 1, 2013.

Besides, G.Khalikulova, I.Abdurakhmonov, KH. Shennayev's book "Foreign Economic Activity Insurance" focuses on the essence of foreign economic insurance, its types, classification of risks, trade cargo insurance in foreign economic activity, export credit insurance, investment risk insurance. So, by referring to the above-given literature reviews, this research paper provides studies emphasizing Export credit insurance in Uzbekistan.

There is a lot of literature, articles, research papers, and theses about the Korean ECI system, some of which I have studied. Such as Koung-Rae Lee and Seo-Young Lee's "The Impact of Export Insurance on Exports to ASEAN and India: The Experience of Korea" this study empirically shows the extent to which export insurance promotes Korean exports to research object countries under the New Southern States. The result of this investigation will impact the functioning of the export insurance for exports to these countries. Another one by Gilsang Woo, "Strategic renovation of long-term export credit management system in Korea", in his research, the researcher tried to highlight the following: export credit and economic development more clearly, essential functions of export credit agencies, about Korea EXIM bank and its development stages, the integration of capital market and export credit market in Asia, environment changes and new challenges since the Asian financial crisis and strategic renovation for 21 st century.

3. Overview of Export credit insurance of Uzbekistan

3.1 Insurance market in Uzbekistan

The development of Uzbekistan's insurance market is considered one of the critical factors of social development at the national level gradually changed radically and went through several stages. Starting with laws and government regulations, made based on the insurance policy, the first stage of the reform of the insurance market of the Republic (1991–1996) was associated with the entry of private insurance companies into the insurance market and the beginning of the process of transformation of the State Insurance (Gosstrax), with the emerging legal framework. In 1991, progressive laws of the time, such as the Law on Entrepreneurship in the Republic of Uzbekistan and the Law on Enterprises in the Republic of Uzbekistan, were adopted, which laid the foundation for the legalization of the reform of Uzbekistan's national economy. Prior to the enactment of the Civil Code of the Republic of Uzbekistan (Chapter 52 of the Code on Insurance) (March 1997), the Law "On Enterprises in the Republic of Uzbekistan" was adopted by the Republic of Uzbekistan. is seen as a unique economic constitution.

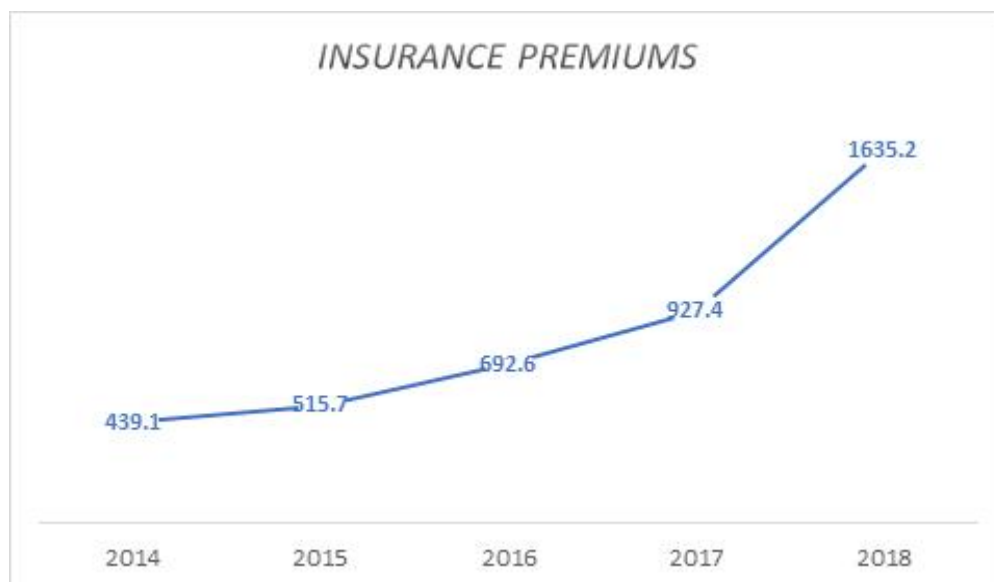
The Law of the Republic of Uzbekistan "On Insurance Activity" sets clear legal boundaries for participants in insurance relations, the composition of participants in insurance activities. Insurance is divided into two areas, life insurance (insurance of the interests of individuals related to life, health, ability to work, and financial security) an general insurance (personal, property insurance, liability insurance, and other types of insurance not related to life insurance).

In addition, areas of insurance are divided into types (classes) of insurance according to the general characteristics of insurance risks or their groups and related liabilities.

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 413 of November 27, 2002, marked a turning point in the insurance market of Uzbekistan. As a result, there are strict requirements for the minimum number of insurers for the first time. In addition, regulations on licensing insurance activities of insurers and insurance brokers, the classifier of insurance activities, have been approved. As a result, some decisions of the Republic of Uzbekistan government in insurance have lost their force, have been amended and supplemented to liberalize insurance activities, including compulsory insurance, the formation of competition in the insurance market. For the further development and enlarging the insurance market as well as to expand and strengthen international cooperation in the field of supervision and regulation of insurance activities, the Cabinet of Ministers of the Republic of Uzbekistan on September 8, 2008 No 202 a, approved the accession of the Ministry of Finance to the International Association of Insurance Supervisors. In turn, it creates a unique basis for the entry of international experience in insurance supervision in the Republic and the development of the insurance market.

Ministry of Finance of the Republic of Uzbekistan, at the end of 2018, there were 30 insurance companies in the insurance market. Of these, six were in the field of life insurance, and the remaining 24 were in the area of general insurance. In addition, there were 24 insurance brokers, assistants, adjutants,s and surveyors, and four actuaries who saw insurance premiums increase over the years (Figure 1).¹³⁾

[Figure 1. Dynamics of growth of insurance premiums (billion soums).]



Turning to the insurance market in Uzbekistan, 'It is getting clear that insurance is one of the rapidly growing industries in the Republic of Uzbekistan. However, insurance evolves not so fast as it shd to increase its potential in the overall economy. Insurance still makes little contribution to the national economic development. The percentage of the insurance sector has been accounting for 0.3-0.4 percent of GDP for 10-15 years.¹³⁾ It is several times as high as in the European countries, USA and Japan (8-12 percent). Unfortunately, despite a fast pace of growth, insurance cannot catch up with Uzbekistan's rapidly rising macroeconomic indicators. Insurance has

13) Source: Uzb. Rep. Website of the Ministry of Finance www.mf.uz.

14) Source: Uzb. Rep. Website of the Ministry of Finance www.mf.uz.

not yet occupied its niche in the Uzbek economy. People and businesses are reluctant to deal with insurance companies, having little confidence in them. The potential insured is not confident that they will receive insurance coverage on a timely basis in case of insurance events. This statement corroborates that insurance coverage of insurable events accounts for 18 percent of total insurance premiums collected by insurers for a year (Table 1).

[Table 1. The volume of collected insurance premiums and insurance payments in the insurance market of the Republic of Uzbekistan in 2008–2016.]

Indicator	2008	2009	2010	2011	2012	2013	2014	2015	2016
Insurance premiums collected, billion UZS	88	146.1	175.5	221.8	285.9	338.5	439.1	551.5	692.6
Insurance payments, billion UZS	15.5	20.7	27.6	45.1	46	66.9	74.6	99.8	130.5
Percentage of insurance payments	17.6	14.2	15.7	20.3	16.1	19.8	17	18.1	18.8

The government provides aid and tax incentives to the insurance sector. However, as I see it, insurance companies' performance, information on new products, strategic plans for relations with customers and market actors leave much to be desired. The insurance market experience is a high concentration of actors. In particular, over 55 percent of total insurance premiums are held by only five significant companies of Uzbekistan, and 76 percent in the case of 10 companies, respectively (Table 2).¹⁵⁾

[Table 2. The shares insurance companies]

Insurance company	Insurance market share, %
Uzagrosugurta	19.9
Uzbekinvest	14.5
Kafolat	10.5
ALSKOM	5.8
Asia Insurans	5.1
Alfa Invest	4.9
Kapital sugurta	4.9
Ozbekinvest Hayot	4
Teminyol-Sugurta	3.7
Agro invest sugurta	2.9

Source: Data of the State Insurance Supervision of the Republic of Uzbekistan¹⁶⁾

There were 8,700 insurance agents. And as for 2021, 40 insurance companies are operating in Uzbekistan. So in terms of the recent insurance market in Uzbekistan, I provide statistics of two years, namely, 2020–2021.

[Table 3. Structure of the insurance market]

Structure of the insurance market	2020–01–01	2021–01–01	change in%
Number of insurance companies	36	40	111%
Life insurance	8	8	100%

15) Kuldashv K.M. Insurance Market of Uzbekistan and Need for Mutual Insurance Companies. Digest Finance, 2018, vol. 23, iss. 2, pp. 221–229.

16) Kuldashv K.M. Insurance Market of Uzbekistan and Need for Mutual Insurance Companies. Digest Finance, 2018, vol. 23, iss. 2, pp. 221–229.

General authorized capital of insurance companies (in a million soums)	755,220	1,439,193	191%
Number of insurance brokers	5	5	100%
Number of actuaries	5	5	100%
Number of insurance agents	8,657	8,870	102%
including legal entities	2,388	2,637	110%
Number of insurance companies that are members of the Payment Guarantee Fund	17	19	112%

3.2. History and milestones of Export credit insurance in Uzbekistan

Uzbekistan's export credit insurance system, "Uzbekinvest" Export-Import insurance Company deals with international credit insurance activities. According to insurance business classification, it operates in "General Insurance" and provides services in all 17 insurance classes. It has 14 territorial branches in Tashkent city, in all regions of the republic in the Republic of Karakalpakstan, 200 distric divisions by the Republic, including 26 city divisions and more than 800 insurance agents.

"One of the specific steps in forming the financial system in Uzbekistan and the development of reliable protection against financial losses used in international practice is the establishment in 1994 of the national insurance company "Uzbekinvest." In order to stimulate export growth, provide insurance protection to Uzbek exporters, and

ensure the entry of domestic products into the international market of technologies, goods, and services, through integrated marketing methods, the company signed a decree of the President of the Republic of Uzbekistan on February 18, 1997, and reorganized into “Uzbekinvest” National Export–Import Insurance Company by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated February 28, 1997. The company's charter capital is set at \$60 million (by the founders: the Ministry of Finance of the Republic of Uzbekistan \$50 million and the National Bank for Foreign Economic Relations \$10 million).¹⁷⁾

The main task set by Uzbekinvest to the Government of the Republic is to provide foreign investors and national exporters with reliable insurance guarantees against risks that may arise in the process of investment and entrepreneurial activity:

providing comprehensive insurance protection for economic interests of the national sellers abroad against entrepreneurial, commercial, and political risks preventing foreign partners from fulfilling obligations taken;

providing insurance guarantees to commercial banks – residents of Republic of Uzbekistan – providing credits for financing export of goods, services, and technologies following international principles of ECI;

providing comprehensive insurance protection for property and individual interests of foreign investors investing into economy of the Republic of Uzbekistan;

developing direct cooperation with the international, foreign, and national state and private insurance companies and carrying out mutual insurance activity and reinsurance operations.

17) KH. Shenneyev “Insurance market of Uzbekistan” 2013.Tashkent.

Reorganized into Uzbekinvest National Export–Import Insurance Company with the status of the official state agent in export credit and investments insurance according to Decree of the President of the Republic of Uzbekistan number 1710 dated by 18th February 1997 and Resolution of the Cabinet of Ministers of the Republic of Uzbekistan Number–113 dated by 28th February 1997. Share capital of the company is 282.2 billion soums. (280 million USD). Shareholders of the Company are the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan (83.33%) JSC National Bank for Foreign Economic Affairs of the Republic of Uzbekistan (16.67%).

In order to fulfill these tasks, the company has been developing over the years and has achieved various successes. As the historical process of Uzbekinvest is analyzed, the most important events that the insurance company has been concerning are followings:

In April 1994, Uzbekinvest National Export–Import Insurance Company was established. In August 1994, Uzbekinvest International, an insurance company based in London (UK) with a charter capital of \$50 million, was found to ensure foreign investments against political risks in Uzbekistan. This year in November, a joint venture, "Uzbekinvest International" (London), was established to provide insurance protection against political risks to foreign investors.

The 90 years have been significant for Uzbekinvest, and there have been many historical developments. Such as in 1995–1996, a network of regional branches and representative offices was established in all regions of Uzbekistan, and In May 1997, "Uzbekinvest Sarmoyalari," an investment company, was established as part of the organization of professional management of the company's financial assets. There have also been several events in

February 1997, by the Decree of the President of the Republic of Uzbekistan, and the company was reorganized into the National Export–Import Insurance Company Uzbekinvest. In August 1997, Uzbekinvest Eximinform marketing agency was established, and in October 1997 – Uzbekinvest became a member of the Eastern European section of the International Union of Credit and Investment Insurers (Berne Union). In March 1998, an agreement was signed with the international assistant company ELVIA (Switzerland) to provide medical, technical, and legal assistance services in foreign countries. In October 1999, Uzbekinvest and the Ministry of Foreign Economic Relations of the Republic of Uzbekistan held an international conference on "Issues of assistance in providing export products."

The next decade was marked by significant changes and events in the history of Uzbekinvest. Such as in April 2000, Uzbekinvest Assistance was established to provide consulting services and timely quality medical, legal and technical assistance to the company's clients during the insurance period. Uzbekinvest organized and held a meeting of the International Union of Credit and Investment Insurers (Berne Union) of export and credit agencies of Central and Eastern European countries in May 2000. In September 2001, the Insurance Policy Sales Center for individuals was opened. Uzbekinvest EIMSK and Coris International (France) signed an agreement on mutual medical, technical and legal assistance in the CIS and Baltic countries. In November 2002, the "Insurance World" Insurance Business Training Center was opened, and Uzbekinvest received license SF № 00001 for insurance activities. A subsidiary of "Uzbekinvest Hayot" was established to develop long-term life insurance in 2003 and, The Cabinet of Ministers of the Republic of Uzbekistan, headed by the Complex of Foreign Economic Relations, with the support of the

marketing agency "Uzbekinvest Eximinform" and the consulting company "Certification Network MC GmbH" (Germany) conference was held. Uzbekinvest became the first company in the financial market to receive a certificate of compliance with the international quality management system ISO 9001 in 2000 and a certificate of international certification body RW TUV (Germany). The presence of such a certificate will increase the confidence and recognition of the leaders of the global insurance business, grow the company's share in the reinsurance market, integrate into the international insurance community. Uzbekinvest Hayot life insurance company was established with a charter capital of \$500,000. The purpose of the organization is to improve the support of social support to broad segments of the population and to develop the foundations of a new mechanism for the implementation of long-term and savings types of insurance following international standards and; an Uzbek-Polish business seminar was held in Warsaw within the framework of the third meeting of the Uzbek-Polish Intergovernmental Commission on Trade, Economic and Scientific-Technical Cooperation. Cooperation in foreign economic relations, including mechanisms for the use of export-import insurance of loans in foreign trade relations between Poland and Uzbekistan, was discussed.

In April 2004, Uzbekinvest was ten years old. As part of the exchange of experience and integration of the Republic of Uzbekistan into the world community, the Company organized and held a business forum "The role of insurance in creating a single system of incentives for foreign economic activity" to further improve and stimulate the system of foreign economic activity. Another important event of the business forum was the signing of the Code of Professional Ethics of Insurers by insurance companies of the republic at the initiative of

Uzbekinvest. The Code contained standards of best practice in civilized behavior in business. The Code was signed by 12 insurance companies of the Republic. In 2005, Uzbekinvest received license SF №00045 of the Ministry of Finance of the Republic of Uzbekistan, which provides the right to insure the costs associated with the insurance of rolling stock, marine insurance, liability insurance, and legal protection under marine insurance. From January 24 to February 14, 2006 – Uzbekinvest held seminars on "Insurance of export operations" in all regions of the country and Tashkent. The conference was attended by specialists of the Ministry of Foreign Economic Relations, Investments and Trade, commercial banks, representatives of the State Customs Committee and the Chamber of Commerce and Industry, and companies engaged in export–import operations. Following 2005 and 2006, the Company was awarded the highest rating uzA ++ "Highest financial reliability" among insurance companies of Uzbekistan. In October 2006, by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 22, 2006 No 203 "On measures to develop public relations of public and economic administration," the Information Service was established within the company and, in March 2007, the company transferred to SGS Tashkent Ltd. (Switzerland) has been issued a certificate by the international certification body confirming the compliance of the quality management system with the international standards ISO 9001: 2000. Receipt of this certificate reaffirmed the Company's commitment to improving quality and competitiveness and operating by the requirements and wishes of its customers. In 2007, The Company held a briefing for the media on the occasion of its 13th anniversary to strengthen the positive perception of the Company's image and reputation in the market and increase the role of insurance

and insurance culture. The briefing included a presentation on the company's various business lines of insurance and long-term types of insurance and, at an international seminar organized by the international certification body SGS (Switzerland) in Yalta, Uzbekinvest was awarded certificates of victory in two nominations: "Continuous improvement" and "Best SBT management," focusing on the company's quality in the national market. It reaffirmed its leadership position as a result of its management strategy. In June 2008, Akhbor-Rating Interbank Rating Company gave Uzbekinvest National Export-Import Insurance Company the highest rating on the national scale "UzA ++" with the highest level of solvency with positive prospects for 2007 and, according to the results of an independent analysis of the financial reliability of the insurance company by SAIPRO experts in 2007, Uzbekinvest was awarded the highest rating "UzA ++" among local insurance companies. At Dedeman Hotel, Uzbekinvest held a briefing for the media and its partners to explain the social significance of compulsory insurance, the conditions, and procedures for its implementation in the framework of the performance of the Law "On Compulsory Insurance of Civil Liability of Vehicle Owners." Following the requirements established by the legislation for the implementation of compulsory insurance, the compulsory insurance from October 22, 2008, and the new logo of "Uzbekinvest" and "Trust in insurance!" developed and introduced a new advertising direction (brand book) aimed at the main slogan and began to implement a new phase of the advertising campaign. The name for foreign partners will be abbreviated as UNIC and will be used in conjunction with the new logo, which will serve as a unifying name for one company – Uzbekinvest and UNIC.

In January 2009, Moody's Investors Services Ltd. (UK) assigned

Uzbekinvest BIM a global financial stability rating of B1 with a "Stable" outlook. Uzbekinvest became the first and only company to receive an international rating. According to Moody's, the main advantages of Uzbekinvest are the strong capitalization of the Company concerning the risks, the advantage of export-credit insurance, and a strong position in the domestic insurance market. In 2009, Akhbor-Rating and SAIPRO rating agencies updated the solvency rating of Uzbekinvest EIMSK on a national scale, reflecting the highest level of solvency of the insurance company with positive prospects and the highest level of financial reliability. Confirmed a stable "uzA ++" rating. In February 2010 – Uzbekinvest moved to a new office building at 2 A. Qodiriy Street. The convenient location of the company's office (close to Oloy Bazaar) and the location of its branches in the new building – the Tashkent city branch and a subsidiary of the insurance company Uzbekinvest Hayot – have increased the speed of providing insurance services to existing and potential customers and, Uzbekinvest EIMSK – 16 years in the insurance market! As one of the largest and most successful companies in the national insurance market throughout its history, Uzbekinvest has succeeded in building relationships with customers and has won the trust of thousands of customers and partners. Today, the company's customers are large industrial enterprises, organizations involved in foreign trade, transport and trade firms, banks, representative offices of foreign companies. Uzbekinvest was a two-time winner of the Golden Umbrella competition at the III International Insurance Forum organized by EIMSK SAIPRO, winning the nominations "Contribution to the development of insurance business" and "Best Insurance Company Manager in 2009" was Komil Khasanov, General Manager of the Export Risks and Investment

Insurance Department, and Saidolim Nasretidinov, Directors of the Tashkent City Branch of Uzbekinvest EIMSK, who served and mastered the work of the company during its heyday, became the winners of the competition in April 2010. This year, Uzbekinvest held a seminar on implementing the Republic of Uzbekistan "On compulsory insurance of civil liability of vehicle owners" and "On compulsory insurance of civil liability of employers." Deputies of the Oliy Majlis attended the seminar, the Ministry of Finance, the Ministry of Labor and Social Protection, the Traffic Safety Service of the Ministry of Internal Affairs, and several large and small organizations and working circles as the media.

Uzbekinvest Assistance Service Agency introduced a new call center based on IP-telephony on a standard platform. Its unique aspect is continuous customer service, reduction of human-related errors, and creating an automated database for each customer in February 2011; SGS (Switzerland), an international certification body, audited the Company following ISO (9001: 2008) International Management Quality Requirements. UzbekInvest participated in March 2011 in the Banking Forum organized by the Fund for Development and Reconstruction of the Republic of Uzbekistan, JV Uzbekneftegaz, and Kor GasChemical and also In April 2011 – Participated in the IV International Forum on Insurance in Tashkent. A briefing for media representatives was held on the occasion of the 17th anniversary of Uzbekinvest. New insurance branches of the Company were opened in Tashkent, Kashkadarya, Surkhandarya, and Syrdarya regions. Participated in the meeting of the Berne Union Prague Club in Phuket (Thailand) in May 2011 and, Moody's Investors Services Ltd. (UK) gave an international rating of financial stability of the insurer of level V1 with a forecast of "Stable" and, SAIPRO Rating Agency has

reaffirmed the company's financial reliability rating at “uzA ++” – “Excellent financial reliability” (highest on a national scale). A seminar on "The role of insurance in the provision of financial services to small business and private entrepreneurship" was organized to explain the benefits of using insurance protection mechanisms for small business and private entrepreneurship, as well as family businesses and an agreement on cooperation with K-SURE, was signed during the official visit of the Korean delegation to Uzbekistan. Also, a reinsurance contract was signed with KUKE (Poland). Yalta participated in the International Financial Forum with a presentation on "Practice of export–import risk insurance in Uzbekistan." A seminar on "Key features of the German model of insurance" was organized for national insurance companies in cooperation with the insurance company "People's Insurance" and the Association of Professional Participants of the Insurance Market. Participated in the International Cooperation Exchange and Industrial Fair. In cooperation with the State Inspectorate for Insurance Supervision under the Ministry of Finance of the Republic of Uzbekistan and the Life Insurance Development Fund "FALIA" (Japan), organized a seminar on "Strategy for improving and developing life insurance products." Bern Union attended a meeting of the Prague Club in Muscat (Oman). The Insurance Center was established to expand the volume and range of services provided to the population. New insurance products “My business,” “My health,” “My car,” “My house,” and “My family” were developed for the population in December 2011.

In 2012, The Company held a seminar on "The role of insurance in strengthening the family and society" and participated in a roundtable in Moscow on "The activities of export credit insurance

agencies in the CIS – a leading force in the development of economic relations between the countries." In addition, there was a presentation on the Company's activities and talks with export–credit agents from Russia, Kazakhstan, and Belarus, in September participating in the 5th meeting of the Uzbek–Polish Intergovernmental Commission on Economic Cooperation in Warsaw (Poland). In November, The Company held a press conference dedicated to the work carried out under the State Program "Year of the Family.". The inspection conducted by UZINFOSOM on the compliance of the company's new website with the established requirements, an expert opinion was obtained with a rating of 90.7% (high level) in December.

In February–April 2013, in the framework of the State Program "Year of Wellbeing and Prosperity" was held a campaign "Thousandth customer" among individuals – customers. The company participated in the seminar "Insurance and Business" with a presentation "Insurance of export operations," organized by "Tax Info" on the aspects of insurance in the business in March, and The National Press Center of Uzbekistan held a press conference on the results of the Company's activities in 2012 and the activities planned within the framework of the Year of Wellbeing and Prosperity and, the Company participated in the VI International Financial and Investment Forum in Tashkent and reached an agreement on cooperation with the participants of the forum (TRAST Re, SKALA, LANARD, UNITE Re, Malakut, etc.) and participated in the VI Republican Fair of Technological Ideas, Innovations, and Projects at Uzexpocenter, in the 32nd seminar organized by Korean Re in Seoul on essential issues of insurance business, in the meeting of the Prague Club in Prague, in the XIII International Yalta Financial Forum, in the XII meeting of

reinsurance experts in Moscow. SAIPRO Rating Agency reaffirmed the Company's financial reliability rating at "uzA ++" – "Excellent financial reliability" (highest on a national scale), and Moody's Investors Services Ltd. (UK) gave an international rating of financial stability of a B1 level insurer with a "Stable" outlook. Negotiations were held in Beijing to develop cooperation with participants of the Chinese insurance market, in Moscow with specialists of CJSC "Insurance Broker Malakut" and LLC "Insurance Broker Villis SNG." Uzbek–Korean Business Forum on Financial Market Development was organized in cooperation with the Ministry of Finance of the Republic of Uzbekistan and The National Press Center of Uzbekistan held a press conference on "Fulfillment of obligations, practice, and experience" in the framework of the State Program "Year of Prosperity." To ensure the implementation of the relevant items of the State Program "Year of the Healthy Child," the company has developed new insurance products such as "Healthy Child," "Mother and Child," and "Loving Parents" at affordable prices for the population.

In Seoul, the company's representatives studied the innovations of new Korean insurance products and held talks with the reinsurance company Korean Re in 2014; the Company was successfully audited by the International Certification Body SGS (Switzerland) following the requirements of the ISO (9001: 2008) International Standard Quality Management Procedure and SAIPRO Rating Agency reaffirmed the Company's financial reliability rating at "uzA ++" – "Excellent financial reliability" (highest on a national scale). And, Moody's Investors Services Ltd. (UK) gave a global financial stability rating of a B1 level insurer with a "Stable" outlook. In June 2014, Ksure Trade and Insurance Corporation (Korea) and Uzbekinvest signed a

memorandum of understanding. The Association of Investors and Expert Credit Insurers of the Berne Union took part in a regular meeting of members of the Prague Club in Ljubljana (Slovenia). Various conferences and exchanges of experience were held with Kazexportgarant, SID (Slovenia), KUKE Export Credit Corporation (Poland), EXIAR (Russia), EGAP (Czech Republic), ESIS SA (South Africa), and agreements were reached on the development of cooperation and Negotiations on the implementation of significant projects were held in Moscow with representatives of SOGAZ, Insurance Broker Villis SNG, and Insurance Broker Malakut. In addition, the Company participated in a training course on aviation insurance organized by reinsurance broker UnitedInsurancee Brokers Ltd in London (UK), in the VIII International Industrial Fair and Cooperation Exchange at Uzexpocenter, in a seminar on "Risk Management" organized by the FALIA Foundation in Yokohama (Japan), in the VII Republican Fair of Innovative Ideas, Technologies, and Projects.

In the conference hall of the Center for Advanced Training of Citizens' Self-Government Bodies under the Tashkent city administration was a presentation of a new insurance product – "Attention" developed by Uzbekinvest in the framework of the State Program "Year of Respect for the Elderly" in May 2015. In June 2015, To ensure the implementation of the statement of the fourth joint meeting of the Intergovernmental Commission on Bilateral Cooperation between the Republic of Uzbekistan and the Republic of Belarus, a reinsurance agreement was signed in June between Uzbekinvest and Beleximgarant Insurance Company.

The company was successfully audited by the International Certification Body SGS (Switzerland) for quality requirements of the

International Management Standard ISO (9001: 2008), Information and rating agency SAIPRO confirmed the company's rating "uzA ++" (Highest Financial Performance) for 2014, Moody's Investors Services Ltd. In addition, the international Rating Agency (UK) upgraded Uzbekinvest's global financial stability rating from B1 to Ba3 with a "stable" outlook. Thus, Uzbekinvest has become the only organization in the financial market of Uzbekistan that has received the highest international rating of Moody's. FALIA – Representatives of the Company participated in a seminar organized by the Japan Fund for Life Insurance Development in Yokohama (Japan) and in the conference organized by Uniglobal and in training courses organized by the Ministry of Economy of Japan and the Ministry of Commerce and Industry for export credit specialists in Tokyo and in London by United Insurance Brokers Reinsurance. Tokyo Marine & Nichido Fire Insurance So Ltd. Negotiations were held with representatives of the company to discuss the terms of insurance coverage for Mitsubishi Heavy Industries, the winner of the tender for the construction of a chemical complex in Navoi region in November 2015.

In November 2016, Moody's Investors Services Ltd. The international rating agency (UK) gave the company a BEST rating of global financial stability with a "Stable" outlook. At the same time, the company has become the only organization in the financial market of Uzbekistan with this prestigious rating.

In 2017–2018, 48 new regional insurance offices were opened, so now insurance services are provided to the population by 206 regional branches and 950 insurance agents.

In 2020, Uzbekinvest signed memorandums of understanding with the Islamic Corporation for Investment and Export Credit Insurance (ICIEC) and Export Credit Etihad Credit Insurance (UAE). In total,

the company has concluded more than 30 agreements and memorandums of cooperation and mutual understanding with export credit agencies of various countries, including EXIAR (Russia), NEXI (Japan), SINOSURE (China), KSure (Korea), UK Export Finance (Great Britain), COFACE (France), SACE (Italy) and others. The company has been a full member of the International Union of Credit and Investment Insurers – Berne Union since 1997, uniting 83 organizations from more than 70 countries in the development of international activities. Over the past period, cooperation agreements have been signed with 34 export-credit agencies of foreign countries.¹⁸⁾

3.3 Organization and legal framework

Compared with developed countries, the export credit insurance sector produces later in Uzbekistan. This is still in its infancy, especially since the laws and regulations on export credit insurance still have a lot of gaps. There are still very few legal norms in place that have clear rules for export credit insurance. From the point of view of foreign experience, they have one thing in common: export credit insurance is set according to the basic rules and grounds, regardless of the regime of export credit insurance of the business. For example, France issued a government order in 1946 in 1994; Italy's Law No. 277 of 1977; Hong Kong's 1966 Law on Hong Kong Export Credit Insurance Company; Korean Export Insurance Law "Implementation of the Law on Export Insurance" and "Rules for the Application of the Law on Export Insurance" in 1992 (Nannan Qu). All of these are laws and regulations for the development of export credit insurance. Uzbekistan has also created the legal norm of export

18) The above information is taken from Uzbekinvest website.

credit insurance in “foreign trade law” and “insurance law” and included export credit insurance in the legislative plan. Export credit insurance in Uzbekistan is organized on a legal basis by several laws and regulations, the cause of which is as follows. Export credit insurance in Uzbekistan is collected on a legal basis by several rules and regulations, the basis of which is as follows.

On February 18, 1997, the President of the Republic of Uzbekistan signed a decree on the establishment of the “Uzbekinvest export–import national insurance company” (President decree PF–1710). The presidential decree provides for the following: “In order to further stimulate export growth, provide insurance protection for Uzbek exporters, ensure the entry of domestically produced products into international markets of technology, goods, and services through integrated marketing:

1. The Ministry of Finance of the Republic of Uzbekistan, the Ministry of Foreign Economic Relations, and the National Bank for Foreign Economic Activity of the Republic of Uzbekistan to accept the proposal to transform the Uzbekinvest insurance company into the Uzbekinvest national export–insurance company.

According to the decree, the national export–insurance company Uzbekinvest is the successor of Uzbekinvest insurance company for all property and non–property rights and obligations.

2. To determine the following as the main directions of activity of the national export–import insurance company "Uzbekinvest": Ensuring insurance protection of national exporters of capital, technology, goods, and services from political, commercial, and entrepreneurial risks in international markets; Issuance of insurance guarantees to cover export credits allocated by commercial banks that are residents of the Republic of Uzbekistan to finance the export of

technologies, goods, and services;

Organization of complex marketing analysis and development of a strategy for effective entry of domestically produced products into international markets of technologies, goods, and services;

3. It should be noted that the charter capital of the national export–insurance company Uzbekinvest was set by the founders in the amount of 60 million US dollars, and the authorized capital is formed at the expense of:

A) From the own funds of the reorganized Uzbekinvest national export–insurance company in the amount of 30 million US dollars; Dividends from the joint venture Uzbekinvest International (London) in 1996–1997 and 10 million from the national export–import insurance company Uzbekinvest. From capitalizing its profits in the amount equal to USD;

the company's profit and the Ministry of Finance of the Republic of Uzbekistan 10 mln. Arises from the conversion of funds added in 1998 in the amount equal to USD;

B) 10 million sums from the National Bank for Foreign Economic Activity of the Republic of Uzbekistan. Establishment fee to be added in 1997 in the amount of USD.

5 . To determine that the Ministry of Finance of the Republic of Uzbekistan is the guarantor of the insurance obligations of the national export–import insurance company "Uzbekinvest" agreed with the Government of the Republic of Uzbekistan according to the international standards of the state export insurance.

6. To exempt Uzbekinvest National Export–Import Insurance Company and its regional subsidiaries from income tax and the property tax for five years, to determine that all tax–exempt funds will be directed to increase the company's authorized capital and its insurance (reserve)

fund.

7. Within a week, the Cabinet of Ministers to decide on the organization of the national export–insurance company "Uzbekinvest" activities."¹⁹⁾

On January 30, 2020, The Cabinet Of the Minister Of The Republic Of Uzbekistan has signed a resolution "On measures to improve further the activities of the National Export–Import Insurance Company "UZBEKINVEST" (The resolution VMQ–46).

The resolution provides for the following:

In pursuance of the Resolution of the President of the Republic of Uzbekistan dated May 24, 2019 No PP–4337 "On measures to expand export financing and insurance protection mechanisms," the Cabinet of Ministers decides:

1. To the Ministry of Finance of the Republic of Uzbekistan, Agency on the management of state assets, National bank of foreign economic activity, the Ministry of investments and foreign trade:

Reorganization of the National Export–Import Insurance Company Uzbekinvest into Uzbekinvest Export–Import Insurance Company JSC (referred to as Uzbekinvest EIIC JSC);

To approve proposals on the transfer of the shareholder's right on the block of the state shares (stakes) in the authorized capital of JSC "EIIC" Uzbekinvest "to the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan.

provision of comprehensive services to support exports with insurance, including buyer credit, short–term receivables, supplier credit, approved letter of credit, loan to replenish the exporter's working capital, export factoring, and other instruments of Export credit insurance support;

19) www.lex.uz

ensuring comprehensive insurance protection of direct and portfolio investments in the economy of the Republic of Uzbekistan by foreign and domestic investors;

Implementation of other types of insurance following the legislation of the Republic of Uzbekistan on insurance activities;

establishment of cooperation with export–credit agencies, insurance and reinsurance companies of foreign countries on the insurance of commercial and political risks;

development of partnership with international, foreign, and local insurance organizations, implementation of joint insurance and reinsurance operations.

3. To determine:

The authorized capital of Uzbekinvest EIIC JSC is formed due to the transfer of the residual value of the property of the reorganized national export–import insurance company Uzbekinvest;

Expenses related to the registration and maintenance of the rights to the state shareholding in the charter capital of Uzbekinvest EIIC JSC shall be borne by the Ministry of Investment and Foreign Trade of the Republic Uzbekistan.

4. To the Ministry of investments and foreign trade of the Republic of Uzbekistan in a month:

To approve the long–term development strategy of Uzbekinvest EIIC JSC;

To ensure the development and approval of the charter of JSC "Uzbekinvest" EIIC and its state registration.

5. To allow Uzbekinvest EIIC JSC to open current accounts in foreign banks following the established procedure and carry out operations on them, make insurance payments, insurance, and other operations related to investment activities to make payments on bank deposits.

6. Nomination of candidates for the positions of the head and deputy head of the executive body of JSC "Uzbekinvest" is carried out following the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated April 26, 2019 No 356 "On measures to improve the system of state assets management further".

7. To the Ministry of investments and foreign trade of the Republic of Uzbekistan, together with the Ministry of Justice, other interested ministries, and departments in a two-month term to bring the accepted regulatory legal acts into accord with this resolution.

8. To consider invalid some decisions of the Government of the Republic of Uzbekistan according to an appendix.

9. Control of execution of this resolution to assign to the Deputy Prime Minister of the Republic of Uzbekistan concerning investments and foreign economic relations and the Minister of acquisitions and foreign trade of the Republic of Uzbekistan to assign to Umurzakov S.U.²⁰⁾

Another important document, on June 22, 2020, the charter of Uzbekinvest EIIC JSC was adopted. This regulation consists of 15 chapters and provides detailed information on the goals, objectives, and subjects of the activity of Uzbekinvest JSC.

3.4. Simple current statistics related to Export credit insurance

Uzbekinvest has achieved high results over the past two years due to its active attention to the process of restructuring and development of the insurance market. In particular, in the last two years, the company's number of customers has exceeded 415 thousand, which is twice as much as in 2016.

20) www.lex.uz

The company's insurance portfolio increased by 163%, assets increased by 2.2 times, and amounted to 813 billion soums. Today, the formed insurance reserves amount to 146 billion soums. As a result of measures aimed at active involvement of the urban and rural population involuntary and compulsory types of insurance, insurance premiums for individuals in 2018 amounted to 26 billion soums or 3.7 times more than in 2016.

As a result of work on the development of retail insurance and the expansion of the geography of insurance coverage, especially in rural areas, in 2018 by insurance departments alone will exceed 37 billion soums or 1.9 times more than in 2017. times as many insurance premiums were collected. In this regard, rebranding and approval of the new logo played a vital role in developing new and current products for the population and businesses and in the promotion of advertising and marketing activities. At the same time, marketing campaigns are being held in all regions of the country. In addition, the company's image and insurance services are being actively promoted on the Internet and popular social networks. Furthermore, as part of the implementation of the concept of continuing education, comprehensive measures have been taken to train and retrain staff, and seminars have been organized to improve the skills of district and city specialists. In addition, internships and exchange of experience have been introduced at prestigious international training centers and major insurance companies in the European Union and Southeast Asia.

As for achievements in the sphere of export insurance, the expansion and increase of the scope of the Uzbekinvest insurance company can be identified.

Following the results of 2020, Uzbekinvest has strengthened its

leadership in the insurance market of Uzbekistan, collecting insurance premiums in the amount of 262 billion soums(USD 26 million). The customer base has grown by 138%, and more than 686,000 legal entities and individuals have expressed confidence in Uzbekinvest. In 2020, the company showed a sharp growth rate. As a result of the intensification of activities in the international reinsurance market, the volume of insurance premiums in this area of business increased 13 times compared to 2019. It amounted to 95 billion soums (USD 10 million). As a result, the share of international insurance in the company's portfolio increased from 3% to 37%. In 2020, the company paid 69.9 billion soums (USD 6.8 million) of insurance indemnities, 44.8 billion soums (USD 4.4 million) more than in the same period of 2019, or an increase of 2.8 times. To go deep in detail, 2020 was a breakthrough year for Uzbekinvest in gaining positions in the international insurance market. As a result, the Uzbekinvest insurance company has strengthened its role in the global insurance market and ensured a steady growth in key indicators.

Uzbekinvest demonstrated high dynamics in the international insurance market, ensured a steady growth in actual performance indicators, and retained one of the leading positions in the domestic insurance market.

Undoubtedly fulfilling the tasks assigned to the company, defined in the decrees of the President of the Republic of Uzbekistan "On measures to strengthen assistance and stimulation of exports" dated December 20, 2018, and "On measures to expand financing mechanisms and insurance protection of export activities" dated May 24, 2019, the company's obligations on the insurance of export operations under contracts concluded by national exporters with

foreign buyers from 28 countries amounted to USD 1.43 billion with an increase of 165% over the same period in 2019. At the same time, Uzbekinvest provided insurance coverage of 36% of all regional exports.²¹⁾

“The active entry of the company into Lloyd’s market (London) and other international insurance markets helped Uzbekinvest to assume obligations on inward reinsurance in the equivalent of \$1.5 billion. This achieved an increase of 256% over the previous year. As a result, the total amount of paid insurance claims under reinsurance contracts for 11 months of 2020 amounted to \$140 thousand.

Expansion of the company's activities and operations in the international reinsurance market made it possible to conclude 792 contracts. This is 14 times more than in the previous year. In addition, the geography of reinsurance has also expanded – by 12 countries more – compared to the same period last year with the acceptance of risks from 35 countries.

In this direction, the company cooperates with global, transnational insurance and reinsurance companies: Allianz SE (Germany), Zurich Insurance Group (Switzerland), Tokio Marine & Nichido Fire Insurance Co (Japan), AXA (France), People Insurance Company of China (China), Korean Reinsurance Company (Korea) and others.

Following the results of 11 months of 2020, within the framework of comprehensive insurance protection for investment projects implemented in Uzbekistan by foreign and domestic investors, 7768 insurance contracts were concluded in the amount of 22.5 billion soums (USD 22 million). Compared to the same period in 2019, the growth was 269%.

21) The above information is taken from Uzbekinvest website

Because of the organization of the company's practical activities, 84% of enterprises operating in free economic, small industrial, specialized pharmaceutical, and tourist zones in the republic's regions are covered by insurance coverage. A collection of 6.2 billion soums (USD 6 million) of insurance premiums was ensured, which is eight times more compared to the same period in 2019.

In turn, active work with representatives of small businesses and private entrepreneurship allowed the company to provide insurance coverage to more than 33,719 enterprises and to collect insurance premiums of 31.5 billion soums (USD 31 million) with an increase of 318%.²²⁾

As for international achievements, in 2021, LONDON–(BUSINESS WIRE)–AM Best has assigned a Financial Strength Rating of B (Fair) and a Long–Term Issuer Credit Rating of “bb” to Uzbekinvest Export–Import Insurance Company, JSC (Uzbekinvest) (Uzbekistan). The outlook assigned to these Credit Ratings (ratings) is stable. The ratings reflect Uzbekinvest’s balance sheet strength, which AM Best categorizes as very strong, as well as its marginal operating performance, limited business profile, and marginal enterprise risk management. Uzbekinvest’s balance sheet strength is underpinned by risk–adjusted capitalization, as measured by Best’s Capital Adequacy Ratio (BCAR), which is at the most substantial level due to relatively low underwriting leverage.²³⁾

Looking through the international partnership of Uzbekinvest, the partnership can be divided into two categories including: International reinsurance partners, International assistance partners. Currently, International reinsurance partners and International

22) Information is based on the December 10, 2020 issue of Gazeta.uz online press

23) www.ambest.com

assistance partners of Uzbekinvest are:

[Table 4. International reinsurance partners and International assistance partners.]

International reinsurance partners
UNITED INSURANCE BROKERS (GREAT BRITAIN)
WILLIS (GREAT BRITAIN)
ALLIANZ (GERMANY)
HDI-GERLING (GERMANY)
MARSH (CHINA)
SKALA (RUSSIA)
GLINSO (RUSSIA)
MALAKUT (RUSSIA)
ROSGOSSTRAH (RUSSIA)
SOCIÉTÉ DE COURTAGE (RUSSIA)
CONTINENTAL CASUALTY CO (USA)
AXA (FRANCE)
ZURICH (SWITZERLAND)
TOKIO MARINE (JAPAN)
International assistance partners
EUROP ASSISTANCE
Express Assist (Moscow)
REMED ASSISTANCE
CORIS INTERNATIONAL
GLOBAL VOYAGERS ASSISTANCE
ON-CALL INTERNATIONAL
ATHENS ASSISTANCE LTD.

3.5 Types of Export credit insurance of Uzbekistan

International business is a risk, so insurance coverage is more crucial than ever for exporters. It has been seen above that the ECI is still under development in Uzbekistan. As we all know, Uzbekinvest

is the monopolistic company in the field of export credit insurance sector in Uzbekistan, and it offers many tariffs to traders. In this chapter, I want to describe types of export credit insurance because of differences between all kinds and their roles in expanding world trade.

The Export credit insurance in Uzbekistan offered by Uzbekinvest company is divided into multiple types. They mainly help to reimburse the risk in part or entirely when their trade partners cannot pay. Below the types are described one by one based on the official material taken from the company's official website. Below is a list of services offered by uzbekinvest.

Supplier credit insurance is insurance against the risk of non-payment by the foreign buyer under the export contract for the delivered goods due to commercial and political risks. If payment is made after the shipment of the goods under the export contract, the exporter risks money and may not receive compensation for the goods. In this regard, it is necessary to protect the exporter when selling the goods on delayed payment. Insurance covers political and commercial risks arising in the foreign buyer's country or any third country through which goods are paid for or processed. The sum insured is determined in the contract amount according to the conditions of the deferment of payment. The reimbursement rate of the insurance policy is up to 100% of the loss amount. The insurance period corresponds to the period of validity of the export contract. A separate export contract can protect the insurance contract and all agreements included in the insurance's export portfolio. The insurance premium rate is determined depending on the requested insurance period, the grace period, country risk, the financial condition of the foreign buyer, and the type of collateral

available (guarantee). The insurance cost is compensated to the exporter 100% by the Export Promotion Agency under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan. To use the service, exporters should give to Uzbekinvest EIIC export contract, completed application form, foreign buyer's charter and certificate of registration, foreign buyer's balance sheet, and income statement for the last three years.

Insurance against non-fulfillment of obligations under the letter of credit by the foreign buyer's bank is against the risk of non-payment by foreign buyer's bank on a non-refundable letter of credit opened under an export contract. This type of insurance applies under payment terms under an export contract if the foreign buyer's bank has a non-refundable documentary letter of credit. For example, suppose the bank does not have a good rating, or the political situation in the buyer's country may worsen. In that case, it makes sense for the exporter to apply to an insurance company for an insurance policy. Insurance covers political and commercial risks arising in the foreign buyer's bank or in any third country through which payment is made. The insurance amount is set at the letter of credit issued in favor of the exporter. The percentage of compensation under the insurance contract is up to 100%. The insurance period corresponds to the period of validity of the export contract. The insurance premium rate is determined depending on the requested insurance period, the term and type of letter of credit, country risk, and the financial condition of the buyer's bank. In order to use the service, exporters should give to Uzbekinvest EIIC export contract, completed application form, foreign buyer's bank letter of credit.

Insurance of the credit for replenishment of the exporter's working

capital is against the risk of non-payment of the export credit by the exporter on loan issued by commercial banks of the Republic of Uzbekistan for export activity. This type of insurance applies when the exporter has concluded an export contract with a foreign buyer and lacks the funds to produce export products. The exporter applies to the commercial bank of the Republic of Uzbekistan for a loan for pre-export financing. The policy of non-refundable loan insurance is the guarantee of the loan issued. Insurance covers political and commercial risks arising in the foreign buyer's country and commercial risks of the exporter-borrower. The insurance amount is set at 50% of the loan amount and no more than 85% of the export contract amount. Therefore, the percentage of compensation under the insurance contract is up to 100%. The insurance period corresponds to the period of validity of the credit agreement. The insurance premium rate is determined depending on the requested insurance period, country risk, the financial condition of the foreign buyer and exporter, and the available security for the loan. The insurance cost is compensated to the exporter 100% by the Export Promotion Agency under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan. In order to use the service, exporters should give to Uzbekinvest EIIC export contract, completed application form, loan agreement, articles of association and registration certificates of a foreign buyer, foreign buyer's balance sheet and income statement for the last three years, exporter's articles of association and registration certificates, exporter's balance sheet and income statement for the previous three years.

Insurance of export credits of commercial banks of Uzbekistan on "Buyer credit" type is against the risk of non-payment by a foreign

bank due to commercial and political risks on loans provided by commercial banks of the Republic of Uzbekistan to a foreign bank for subsequent refinancing to a foreign buyer for payment under an export contract. This policy serves as a guarantee for the lending bank under the loan agreement. The insurer under the contract is a commercial resident bank of the Republic of Uzbekistan, which enters into a credit agreement with a foreign bank.

The subject of insurance is the payment obligations of a foreign borrower bank on repayment of the principal amount of the loan following the credit agreement. The insurance amount includes the principal debt of the foreign borrower. Insurance covers political and commercial risks arising in the foreign borrower's country or any third country through which the credit agreement is paid. The insurance amount is set at up to 100% of the loan amount. The percentage of compensation under the insurance contract is up to 100%. The insurance period corresponds to the period of validity of the credit agreement. In order to use the service, exporters should give to Uzbekinvest EIIC export contract, completed application form, loan agreement, charter and certificates of registration of a foreign borrower, balance sheet, and income statement of a foreign borrower for the last three years.

Export factoring insurance is against the risk of non-payment by the foreign buyer under the export contract, under which the bank has provided financing to the exporter under the concession of monetary requirements under the export contract. This type of insurance applies when the exporter has concluded an export contract with a foreign buyer in terms of credit or payment deferral. After shipment of the goods, the exporter may receive financing from the bank under the factoring contract, without waiting for payment of

the export contract, under the transfer of monetary requirements under the export contract. The insurer under the contract is the bank.

The subject of insurance is the foreign buyer's obligation to pay for the export contract, the monetary requirements on which the exporter transferred to the bank after shipment. Insurance covers political and commercial risks arising in the foreign buyer's country. The sum insured is up to 100% of the bank's financing amount. The percentage of compensation from the insurance contract is up to 100%. The insurance period corresponds to the period of validity of the factoring contract.

The insurance premium rate is determined depending on the requested insurance period, country risk, the financial condition of the foreign buyer, and available funding collateral. The insurance cost is compensated to the exporter 100% by the Export Promotion Agency under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan. In order to use the service, exporters should give to Uzbeinvest EHC export contract, completed application form, factoring agreement, articles of association and registration certificates of a foreign buyer, foreign buyer's balance sheet, and income statement for the last three years.

Insurance of advance payment is against the risk of failure by a foreign supplier to supply the imported goods or the refund of advance payment due to political and commercial risks. The importer applies this policy when following the terms of the import contract; the foreign supplier sends the goods after the advance payment. Since there is a risk of non-delivery of products and non-refundable advance payment, the importer can insure. The insurer under the insurance contract is the importer. The subject of insurance is the

obligation of the foreign supplier to supply the products if in accord with an agreement with the foreign supplier agreed to provide the products after payment of the advance payment. The insurance amount is set at 50% of the contract amount. Insurance covers political and commercial risks arising in the country of a foreign supplier or in any third country through which goods are delivered or delivered. The insurance policy refund rate is up to 100% of the loss amount. The insurance period corresponds to the period of validity of the import contract. The insurance premium rate is determined depending on the requested insurance period, delivery period, country risk, financial condition of the foreign supplier. In order to use the service, exporters should give to Uzbekinvest EIIC import contract, completed application form, charter and registration certificates of a foreign supplier, balance sheet, and income statement of a foreign supplier for the last three years.

Insurance against termination of the export contract is against the risk of foreign buyers terminating the export contract due to political risks. After concluding an export contract, the exporter produces products to order from a foreign buyer. During this period, political events may occur in the buyer's country, which will force the buyer to terminate the contract before shipment. The exporter has already made certain costs for producing the goods and cannot sell it and receive money for it. This problem is solved by the insurance company, providing insurance against the termination of the export contract. The insurer under the insurance contract is the exporter. The subject of insurance is the foreign buyer's obligation to purchase products under the export contract in the post-shipment period. The insurance amount is set at 100% of the contract amount. Insurance covers the political risks arising in the country of a foreign

supplier. The insurance policy refund rate is up to 100% of the loss amount. The insurance period corresponds to the period of validity of the export contract. The insurance premium rate is determined depending on the requested insurance period, delivery period, country risk. In order to use the service, exporters should give to Uzbekinvest EIIC export contract, completed application form. They are summarizing the above, Table 5 lists all the benefits of Uzbekinvest EIIC.

[Table 5. The services of Uzbekinvest EIIC²⁴⁾]

1	Supplier credit insurance
2	Insurance against non-fulfillment of obligations under the letter of credit by the foreign buyer's bank
3	Insurance of the credit for replenishment of the exporter's working capital
4	Insurance of export credits of commercial banks of Uzbekistan on "Buyer credit" type
5	Export factoring insurance
6	Insurance of advance payment
7	Insurance against termination of the export contract

24) The above information is taken from Uzbekinvest website.

4. Comparative Analysis between Korea and Uzbekistan Export credit insurance system

4. 1 Objective of Comparative analysis between Korea and Uzbekistan

The primary purpose of comparing the ECIs of the two countries is to find solutions to the obstacles and problems in the ECI system of Uzbekistan and to develop it as much as possible by analyzing the achievements and successes of the Korean ECI system and the strengths and weaknesses of the Uzbek ECI system. In particular, export of Korea, the Korean Export credit insurance system, its types and services, ECI legal framework, international relations, budgets, transactions, beneficiary companies are analyzed.

4.2 Export credit insurance in Korea

The Korea Trade Insurance Corporation (K-Sure) is the authority export credit agency of South Korea under the Ministry of Trade, Industry, and Energy. The abroad Investment Insurance offers inclusion to banks that give credits to Korean abroad engineers that require enormous scope and long haul financing. Korea Export Insurance Corporation (KEIC) adopted the new name – Korea Trade Insurance Corporation (K-SURE) on July 7, 2010, its 18th anniversary. In 1968, with the passage of this modification to Korea's Export Credit Insurance Act, K-SURE expanded its area of operations to include import transactions in addition to export and foreign investment transactions. K-SURE was created on the necessity to give full assistance to international transactions all over the world in order to keep up with the rising interdependence of commerce and

abroad investment. Korea will be able to safeguard better goods and natural resources that are crucial to the national economy thanks to K-import SURE's insurance plan, which launched its first product in the first half of 2011. A new corporate image (CI), visions, organization, internal pol, problems, and management philosophy accompanied the name change. K-SURE is currently pushing Korea towards a better future by offering comprehensive trade and investment support.

Korea Trade Insurance Corporation was founded in July 1992 under the Trade Insurance Act to encourage Korean firm trade and foreign investment with the goal of increasing national competitiveness. Their business scope as the Ministry of Trade, Industry, and Energy's official export credit agency is as follows:

Operation of various trade insurance programs to cover risks associated with the export and import of goods and services, overseas construction projects and investments, management of foreign exchange (FX) and interest rate fluctuations, export of cultural contents and services, and other international transactions. Credit search and credit data management, as well as debt recovery services, including the collection of foreign places receivables for Korea, are all provided by Proviso credit. Implementing ethical and creative management based on the principles of integrity, transparency, sharing, and communication in order to realize the objective of being a "public corporation trusted by the people of Korea" with a focus on customer satisfaction assurance. The Trade Insurance Fund is well-managed thanks to the National Assembly's approval of a trade insurance underwriting ceiling and an integrated risk management system.

It has created a variety of trade insurance products and

value-added services to aid in the development of Korean exports as well as international commerce on a greater scale, allowing it to deal with the ever-changing climate of proactive global trade. In December 2013, K-SURE had a total of 490 workers, with the main office in Seoul and 13 domestic branches, each with one local representative in Korea, as well as 14 representative offices.²⁵⁾

As for the history of K-Sure, a Korean export credit insurance company, The Export credit insurance Act was adopted and proclaimed and, Korean Reinsurance Company was consigned to operate the export credit business for the first time and secures a contribution of KRW 200 million for the Export credit insurance Fund in 1969. Later in 1977, Korea Exim Bank was consigned to operate the export credit business. In, the guidance authority of the export credit business was transferred from the Ministry of Commerce and Industry (current MOTIE) to the Ministry of Finance. the blanket coverage program for MLT progressive payment basis transactions and the blanket coverage program for export bond insurance was adopted. Incoverage program of export receivables insurance e was adopted. One of the most significant historical events, The Export Credit Information Center, was opened.

The Export Credit Guarantee Scheme is adopted, Korea Export credit insurance Corporation (KEIC) was established ST export credit insurance, Agro-fisheries Insurance, and Market development insurance launch, The Export credit insurance Act was revised in 1994, The FX Risk Consulting Center was opened in 1995, KEIC joins the OECD Export Credit Group (ECG) and Group of Participants (GOP) in 1996, the organization restructuring and performance evaluation were pursued corporation-wide innovation, Export credit

25) The above information is taken from the K-SURE website.

guarantee granted for export receivables for 30 partner businesses, Special support was awarded to support the collection of export receivables via export credit guarantee, The FX-denominated policy was adopted for export bond insurance, and The Export credit insurance Act was revised.

At the beginning of the new century, the company began to rise rapidly to the stage of development. Such as FX Risk Insurance was launched, The Export credit insurance Act was revised, The head office building was relocated, Reliability Insurance was launched The credit investigation business license was secured, The overseas debt collection business started. The program to support and develop overseas investment insurance was adopted, Knowledge Service Export credit insurance and The ST insurance e-trade program were launched in 2005. Overseas Business Financing Insurance and Overseas Natural Resource Development Fund were established, Jeju representative was dispatched. The Export credit insurance business recorded a high profit at KRW 113.4 billion (profit for four consecutive years), Cultural Contents Export credit insurance was launched. Comprehensive Overseas Resource Development Insurance and Export Claim Insurance and Agro-Fisheries Export Package Insurance and, Export Credit (Nego) Guarantee and, Commodity Price Fluctuation Risk Insurance and, SMEs Plus+ Insurance and, Carbon Insurance Wrap were launched. The CS proclamation ceremony was held to mark the beginning of a CS leading institution, and the Customer Center was opened, the Export Supplier Cash Settlement Guarantee and Export Financing Facility were launched, The “emergency export credit relief operation” plan was proclaimed. KEIC assumed the new name, K-SURE, in 2010.

The company has made great strides in the last decade, including

Trade Finance Magazine named K-SURE “2012 Best Asia ECA” in 2011 and K-SURE won Social Contribution Awards 2012”(voluntary sector) hosted by Chosun Biz, Trade Finance Magazine named K-SURE “2012 Best ECA Asia-Pacific”, K-SURE held its 20th-anniversary ceremony, The Anti-Corruption & Civil Rights Commission called K-SURE to have one of the best transparency policy in Korea in 2012. In Project Finance International Magazine named K-SURE “Global Multilateral of the year 20,12” and SMEs Plus+ Group Insurance was launched. Ship Finance Department had renamed the Marine Finance Department and relocated to the Marine Finance Center in Busan. K-SURE provided KRW 168 trillion in support of trade insurance, Support Center for Foreign Exchange Risk management was established. K-SURE won Presidential Citation for Job Creation, K-SURE ranked number one in Integrity of Public Institutions by Anti-Corruption & Civil Rights Commission, Adoption of Export Credit Guarantee (Purchase), Adoption of SpecialGuarantee based on export contract and Adoption of Online Direct Insurance/Guarantee, Adoption of Import Insurance (Global Supply Chain), K-SURE won Minister of Science and ICT Award by Korea Digital management Innovation Awards, Adoption of Export Credit Guarantee (Comprehensive Purchase), K-SURE won Prime Minister's Citation in the Anti-corruption category by the 7th Anti-Corruption & Civil Rights Day.²⁶⁾ The K-SURE company has grown fast and has been increasing the volume of its business year after year (Table 6).

26) The above information was prepared using the data on the official website of K-sure.

[Table 6. The business volume of K-Sure]

Date	Business volume
1969	KRW 200 million for the Export credit insurance Fund
1980	The Export credit insurance Fund was increased to KRW 12.6 billion
1991	The Export credit insurance Fund is increased to KRW 53.6 billion, KRW 5 billion as a unique contribution is added to the Export credit insurance Fund
1993	The Export credit insurance Fund is increased to KRW 104.3 billion. The export credit business volume exceeds KRW 3 trillion
1994	The Export credit insurance Fund is increased to KRW 159.3 billion, The Export credit insurance business volume exceeds KRW 4.5 trillion
1995	The Export credit insurance Fund is increased to KRW 241.7 billion, The Export credit insurance business volume exceeds KRW 10 trillion
1996	The Export credit insurance Fund is increased to KRW 352 billion
1997	The Export credit insurance Fund is increased to KRW 506.6 billion, The Export credit insurance business volume exceeds KRW 15 trillion;
1998	The export credit insurance business volume tops KRW 28.2 trillion
2004	Export credit insurance business volume records KRW 6.27 trillion; The business profit peaked at KRW 13.8 billion
2007	The company business volume records KRW 91.6 trillion
2011	K-SURE business volume records KRW 192 trillion
2012	K-SURE business volume records KRW 202 trillion

Another reason for K-SURE's great position and popularity in the country and around the world is its local and international affiliates (Table 7,8).

[Table 7. Branches of K-SURE in Korea]

Date	Name of branch
1992	Busan Branch
1994	Daegu Branch
1994	Gwangju Branch
1995	Incheon Branch
1998	Seoul Branch
1998	Jeonbuk Branch
1998	Guro Branch
1999	Ulsan Branch
2000	Chungbuk Branch
2002	Gyeonggi Branch
2003	Gyeongnam Branch
2005	Northern Gyeonggi Branch
2005	Gangwon Branch
2014	Guro Digital Branch

[Table 8. Representative offices of K-SURE²⁷⁾]

Date	Name of the representative office
1992	Los Angeles Representative Office
1993	Beijing Representative Office
1994	Sao Paulo Representative Office
2004	Shanghai Representative Office
2004	Hochiminh Representative Office
2006	New York Representative Office
2007	New Deli Representative Office
2009	Tokyo Representative Office
2009	Panama Representative Office
2016	Dubai Representative office
2016	Mexico City Representative office
2018	Chengdu Representative office
2019	Hanoi Representative office

27) The table was prepared using the data on the official website of K-sure.

4.3 Legal framework and types of Export credit insurance of K-SURE

The primary fundamental laws of Korea export credit insurance are the Trade Insurance Act and the Articles of Incorporation of Korea Trade Insurance Corporation, which in all respects comply with the rights of both local and international entrepreneurs, and these laws have been revised and improved over the years.

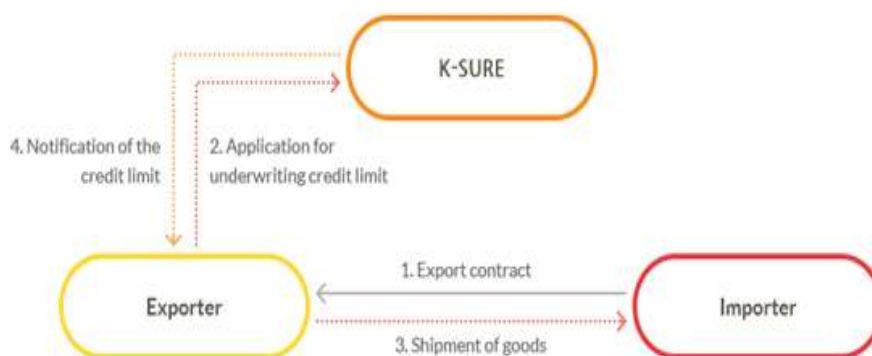
The legal basis for export credit insurance in Korea is the Trade Insurance act which was enacted on December 31, 1968, and amended January 1, 1970, December 30, 1972, December 31, 1976, December 5, 1978, March 27, 1981, March 6, 1993, August, August 3, 1994, 13 December 1997, May 24, 1999, December 28, 1999, September 29, 2003, December 31, 2004, January 3, 2007, December 27, 2007, February 29, 2008, April 1, 2009, April 5, 2010, March 23, 2010, April 5, 2013, January 6, 2013, January 27, 2016, March 21, 2017, March 20, 2018 as well as it consists 62 articles.

One of the other important laws is the Articles of Incorporation of Korea Trade Insurance Corporation, passed on June 18, 1992. This law has been repealed several times, in particular, November 5, 1994, January 31, 2000, June 22, 2001, April 12, 2004, December 26, 2006, October 1, 2007, June 22, 2010, August 26, 2014, January 1, 2015 has been improved by making changes and additions over the years, and currently, this law consists of 50 articles. This act consists of 7 parts: General Provision, Management Committee, Board of Directors, Executive Officers and Employees, Duties and Enforcement, Accounting and Supplementary Provisions. It describes the main tasks, goals, objectives, principles of K-SURE. K-SURE offers a variety of services to its customers. Conditionally, these services can be organized into short, medium, and long-term

export credit insurances, which will be discussed in more detail below.

Short-term Export Credit Insurance (General) protects an importer or an L/C issuing bank (policyholder) against non-payment risk in transactions with a payment duration of less than two years. Among the numerous export insurance systems, it is the most widely utilized. It promotes trust-based export transactions and is a safe management tool for limiting non-payment risk for exporters, resulting in a healthy expansion of exports. The service covers two types of risks such as commercial hazards include the incapacity of importers (or L/C issuing banks) to pay, payment delays, refusal to accept shipments, and so on; political hazards include war, difficulty in transferring funds in foreign currencies, and so forth.

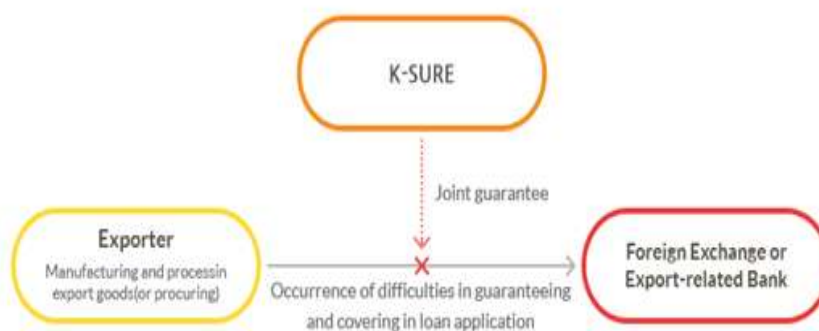
[Scheme 1. Short-term Export Credit Insurance (General).]



Pre-shipment Export Credit Guarantee is intended to help exporters in which exporters can deliver K-SURE's assurance as security

toward getting exchange financing. After marking trade contracts, exporters depend on homegrown unfamiliar trade or fare related banks to get advances (because of fare ensure given by an unknown monetary organization assigned by the shipper) to buy crude materials and production merchandise to be sent out, yet these banks, as a rule, require some sort of safety from exporters. Therefore, this plan benefits tiny and medium-sized exporters who experience issues in getting exchange financing from banks.

[Scheme 2. Pre-shipment Export Credit Guarantee.]



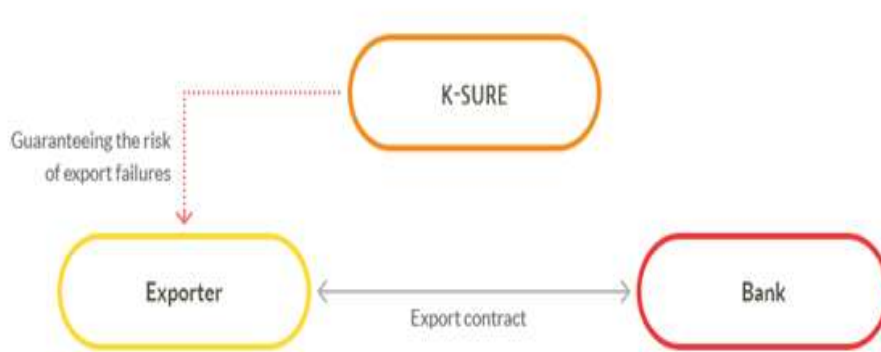
Post-shipment Export Credit Guarantee works as security for exporters getting trade continues ahead of schedule from F/X banks that buy send out continues from the exporter dependent on shipment reports including bills of business after the shipment of products. Unfamiliar trade banks pay exporters early dependent on K-SURE's assurance as security if shippers default on sending out proceeds.

[Scheme 3. Post-shipment Export Credit Guarantee.]



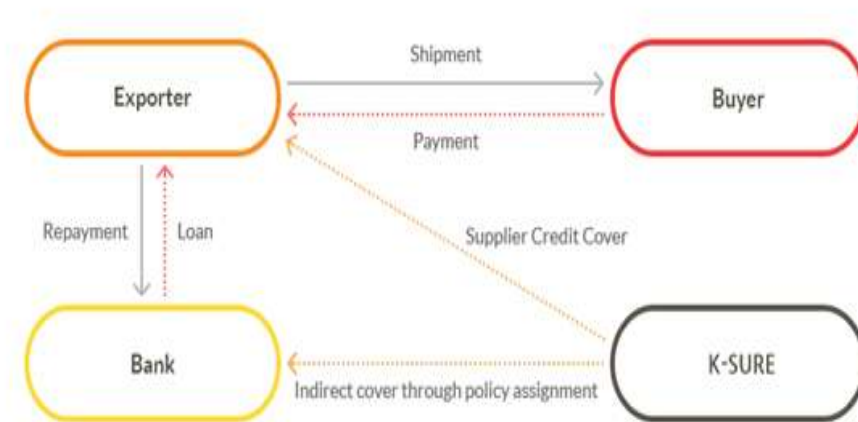
Medium and Long-term Export Credit Insurance(Pre-shipment) covers exporters' misfortunes when fare becomes inconceivable or when exporters can't get trade continues from shippers after closing fare contracts with settlement periods surpassing two years. The service covers two types of risks such as commercial risks: Importer's bankruptcy and political risks: Release or undoing of fare contracts because of wars, insurgencies, affirmation of ban by the bringing in-the country, measures postponing cash move, end of fare decreases by open importers.

[Scheme 4. Medium and Long-term Export Credit Insurance(Pre-shipment).]



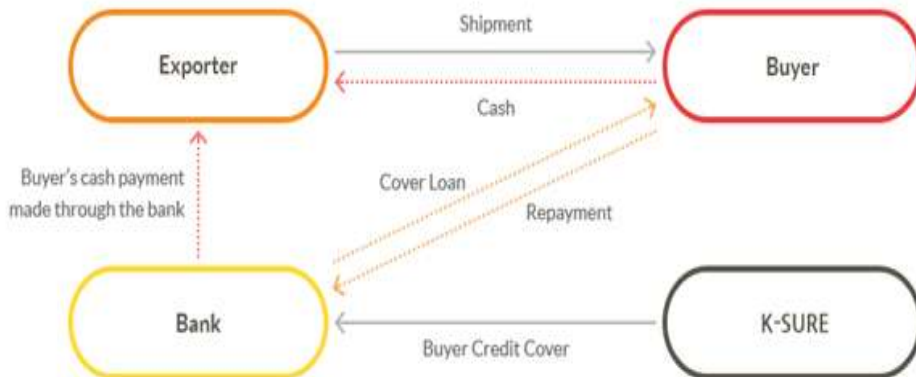
Medium and Long-term Export Credit Insurance(Supplier Credit) covers exporters from the default hazard of continuing by shippers for those exchanges surpassing two years. Fares in the EPC and shipbuilding enterprises include massive deals with a long reimbursement period and non-industrial nations that might be financially and politically unsound. Also, this item covers the political and business hazards within in the fare of merchandise to these creating countries. This product covers risks such as Country Risks according to the OECD Arrangement, When the policyholder does not fault as they occur outside the Republic of Korea, Importer's bankruptcy, Importer's payment incompetence due to debt freezing by the court in the importing country or debt rescheduling contract with debtors, Payment delays of over two months after the importer's payment date, etc.

[Scheme 5. Medium and Long-term Export Credit Insurance(Supplier Credit).]



Medium and Long-term Export Credit Insurance(Buyer Credit) covers monetary organizations at home or abroad, giving purchaser credits from the default hazard of fare continues by merchants or bringing in nations' financial establishments for those exchanges surpassing two years with a conceded installment basis. In addition, services cover political risks such as country risks according to OECD Arrangement, and when the policyholder does faulty as they occur outside the Republic of Korea and commercial risks such as financial contract counter party's bankruptcy, financial contract counter party's payment incompetence due to debt freezing by the court in the importing country or debt rescheduling contract with debtors, payment delays of over two months after the financial contract counter party's payment date.

[Scheme 6. Medium and Long-term Export Credit Insurance(Buyer Credit).]

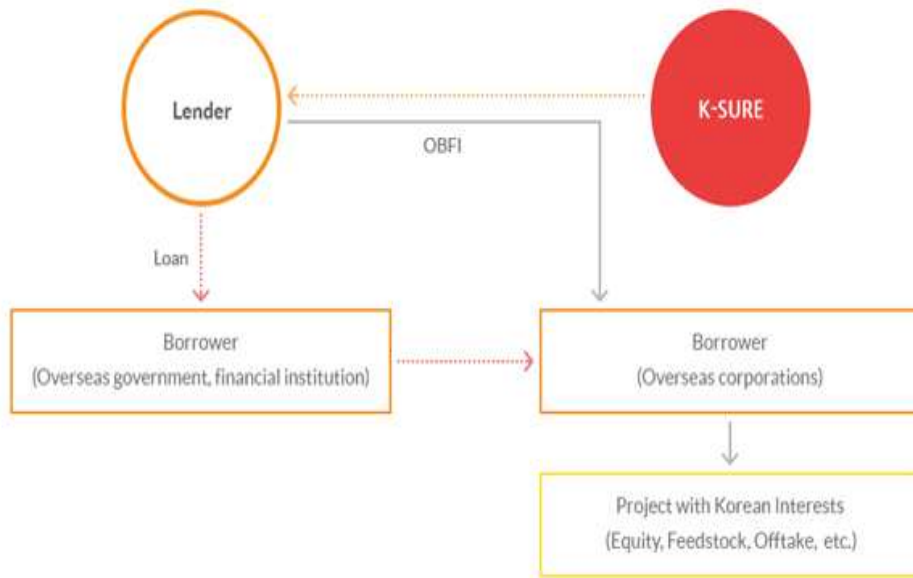


Interest Rate Risk Insurance covers monetary establishments covered under K-SURE's medium and long haul Export credit protection (buyer credit) and has broadened or will expand send out financing for those exchanges with an installment period surpassing two years. Korean organizations enter cutthroat global biddings to get orders for medium and long-end out exchanges, including the designing, development, and obtainment areas, including petrochemical and force age offices. The OECD has set a base loan fee plot called CIRRs (commercial interest reference rates) to forestall over-contest during this offering system. The issue is that customers favor these decent CIRRs over coasting rates frequently reached out by business banks, yet there are set several banks that can expand trade financing on a CIRRs premise. This insurance is intended to determine contrasts in interests among monetary agreement parties and permits organizations a simple admittance to trading financing. Under this service, K-SURE reimburses those

financial establishments for misfortunes and recover returns coming about because of fluctuating revenue rates. The insurance covers repayment of the difference in the interest rates and claim of the difference in the interest rates.

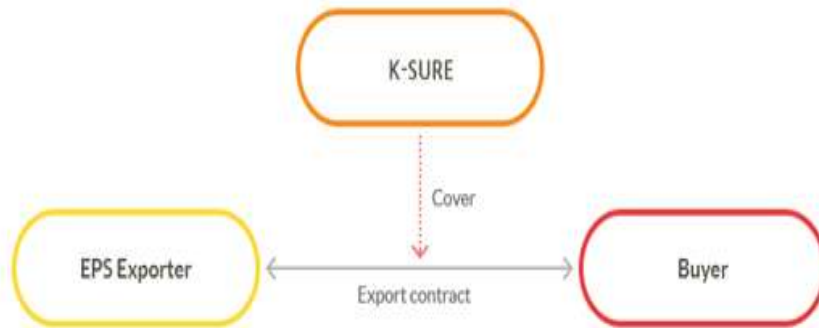
Overseas Business Credit Insurance is intended to help Korean organizations and monetary foundations take an interest in business exercises effectively. It repays the policyholders (banks for abroad organizations) for advance head and interests for those exchanges surpassing two years. Borrowers can be unfamiliar organizations, monetary foundations, and governments running tasks in which a Korean organization (or an abroad auxiliary of a Korean organization) participates as value financial backers, O&M workers for hire, feedstock providers, off-takers. So, the Korean exporters are not qualified for this item, yet all things being equal, they can be covered under medium and long haul Export credit protection (purchaser credit). OBF(Overseas Business Finance Insurance) is for loosened credits not straightforwardly attached to Korean exports.

[Scheme 7. Overseas Business Credit Insurance.]



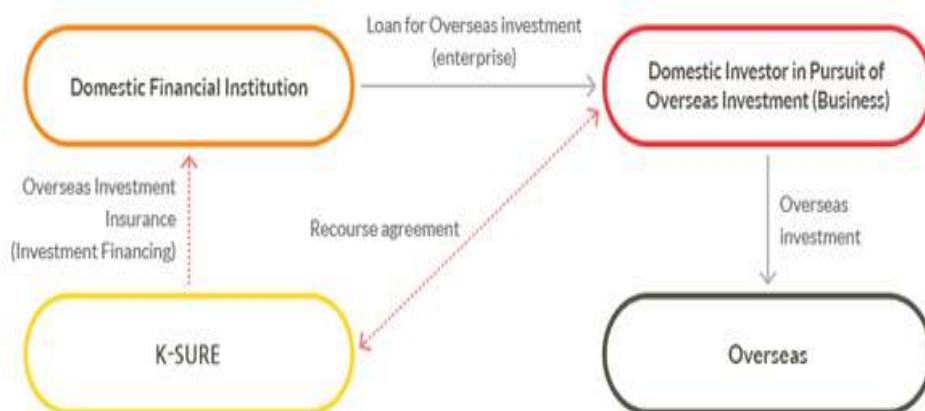
Overseas Construction Works Insurance covers losses caused by political or project owners' commercial risks that contractors pursue overseas construction projects. The policyholders may pay insurance premiums in installments because the payment could be provided on a milestone basis. The scope of coverage is contingent on the duration of risks based on the 1) shipment, 2) insurance of performance certificate, 3) payment by the construction project owner. The service cover risks such as construction and technology services: Political and commercial risks, construction equipment: Political risks (expropriation, wars, and money transfer).

[Scheme 8. Overseas Construction Works Insurance.]



Overseas Investment Insurance(Investment Financing) covers monetary foundations that broaden financing for Korean designers of abroad activities in the space of regular assets, property, M & M&A, and so on that typically require an enormous scope of long-haul financing. In addition, this service covers commercial risks: Bankruptcy of the main stakeholder of overseas developers, the bankruptcy of domestic developers and defaults, political risks: Wars, expropriation, failure to execute agreements, and irresistible risks, money transfer is, etc.

[Scheme 9. Overseas Investment Insurance(Investment Financing).]



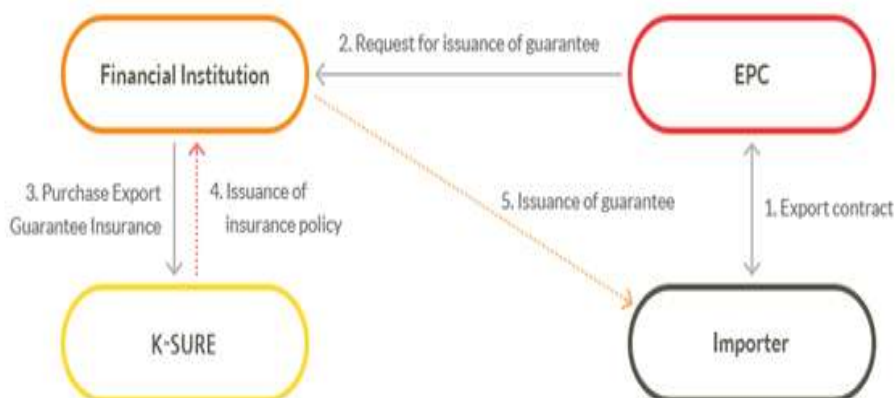
Overseas Investment Insurance covers abroad interest in stocks, properties, different rights, or credits, guarantee commitments, and so on to advance Korea's abroad investments. It covers the head, profits, and interests of abroad ventures and guarantees the sum to be paid in non-installment because of the accompanying reasons. The service covers risks such as expropriation risks (foreign governments' seizure of stocks, deprivation of claim rights to dividends (interest), freezing of accounts, deprivation of mineral rights or ownership rights owned by Korean investors), war risks (counterparty to the investment not being able to conduct business or use real estate due to losses suffered from war, revolt, insurgent, riot, upheaval, etc.), risks of failure to execute the agreement (in case that transfer of proceeds from selling stocks, loan settlement or dividends to Korea is not possible for more than two months due to foreign governments limiting or preventing transfer), money transfer

risks (in case conducting business becomes impossible due to foreign governments and others failing to perform major agreements (limited to those approved by K-SURE) by counterparties to insurable investments) and force majeure risks (in case conducting business becomes impossible due to force majeure such as typhoons, floods, earthquakes, tidal waves, strikes, nuclear accidents etc. or economic sanctions imposed by international organizations such as the UN or countries other than the counterparty nation to investment).

Export Bond Insurance covers misfortunes endured by monetary establishments on the off chance that exporters default on recovering their bank ensures given by economic foundations for send-out exchanges. During global sales, shippers present L/Cs for security for their installments to exporters, while merchants request bank provides from exporters as security for export presentation.

When the “calling” is based on the ground of the exporter’s default, when the “calling” belongs to any of the following categories. When the exporter stands in debt per the toe export contract, the exporter had not or cannot fulfill debt requirements due to reasons not attributable to the exporter’s fault, resulting in the exporter not fulfilling the applicable export contract.

[Scheme 10. Insurance for Financial institutions. When the policyholder is a guarantee-issuing financial institution.]



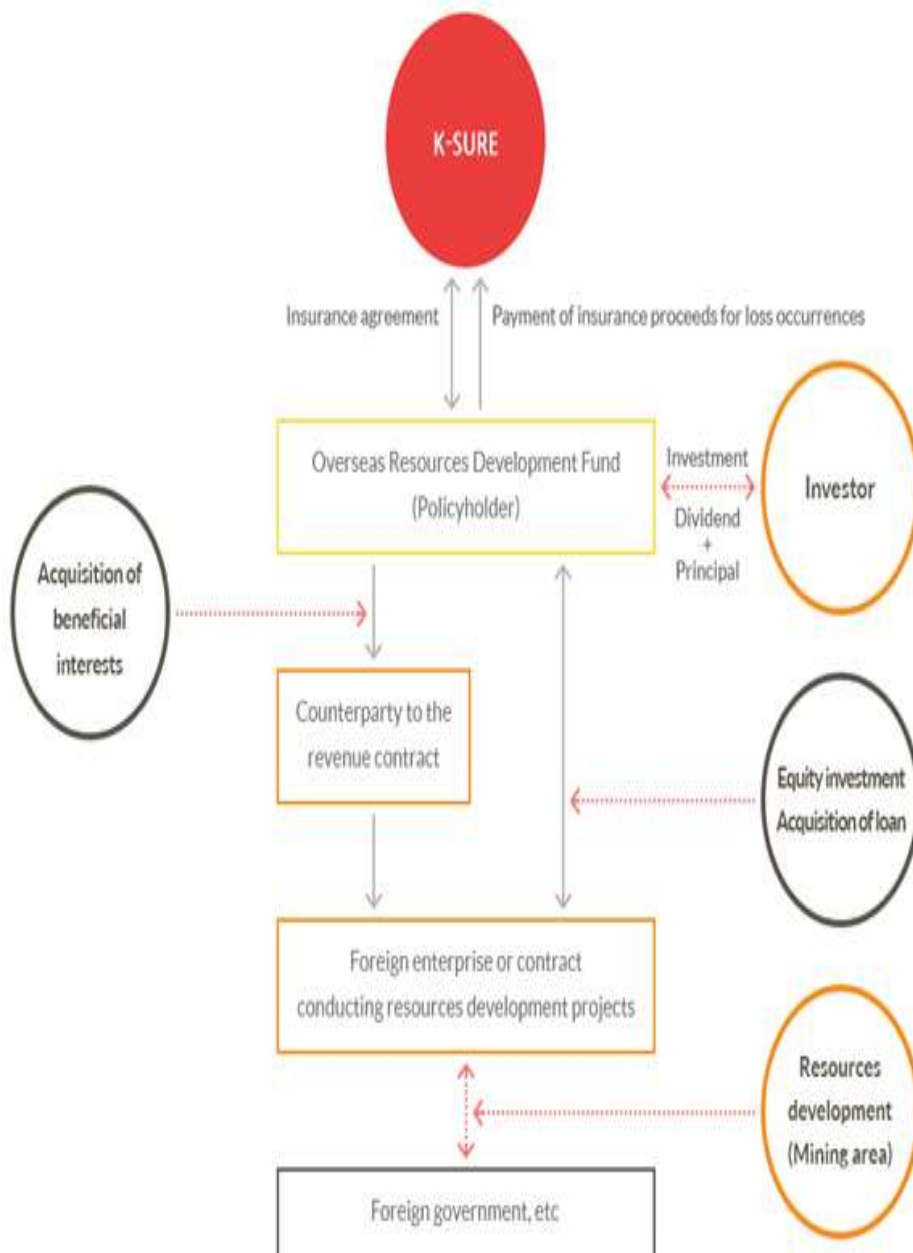
[Scheme 11. Insurance for Exporters. For export: When the policyholder is an exporting company, The contract "for exports" is an insurance contract where the financial institution is the insured.]



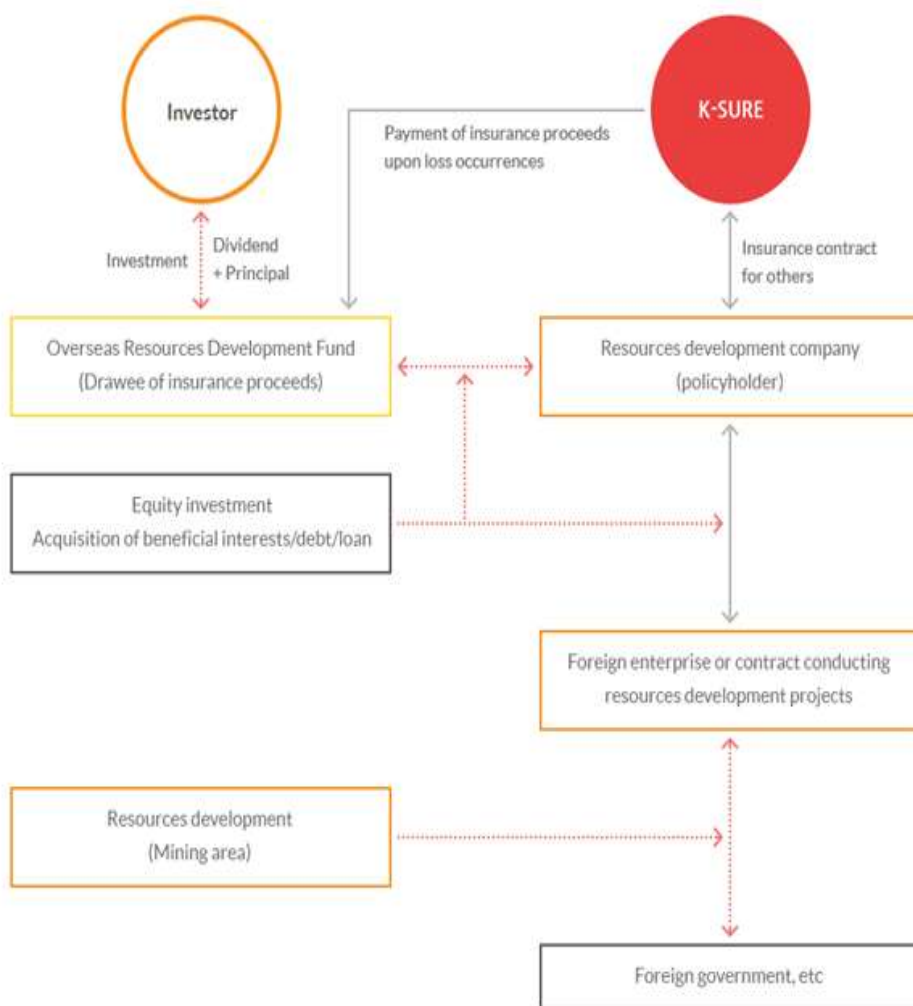
Overseas Natural Resources Development Fund Insurance is intended to some degree repay misfortunes to abroad financial backers because of political dangers (war, limits on the bringing home of money, and so on) and business chances (chapter 11 of elements getting venture, value vacillations in given assets, and so forth) A steady stockpile of support is imperative for the help to resource-poor Korea that relies upon imported energy assets for the monetary turn of events and abroad asset improvement is an absolute necessity for the country. Nonetheless, certain dangers are innate to asset advancement in foreign nations, which ordinarily include long-haul and large-scale speculations. This item adds to the public economy of Korea by assisting the country with stably getting vital assets.

The service covers risks such as Business Risks (Exploration failures): When the insured investment counterparty did not identify business feasibility or failed in the business, the counterparty or the policyholder's suspending or abandoning of the exploratory business for the whole mining areas stipulated on the contract, Business Risks: When losses of investment principals occur upon maturity of the investment period due to fluctuation of mineral prices and the production volume.

[Scheme 12. Transaction Structure for Buyer Credit.]



[Scheme 13. Insurance for Development company²⁸⁾.]



Foreign Exchange Risk Insurance(Forward) is designed to hedge the currency fluctuation risk for exporters. K-SURE indemnifies losses

28) All of the above Schemes downloaded from the K-sure official website.

or benefits gains from the foreign exchange where accounts receivables are paid in foreign currencies. The forward method especially helps SMEs with weak foreign exchange capabilities.²⁹⁾ In order to summarize the above information, K-Sure services are presented in table form (Table 9).

[Table 9 The services of K-SURE.]

1	Short-term Export Credit Insurance
	Pre-shipment Export Credit Guarantee
2	Post-shipment Export Credit Guarantee
3	Medium and Long-term Export Credit Insurance(Pre-shipment)
4	Medium and Long-term Export Credit Insurance(Supplier Credit)
5	Medium and Long-term Export Credit Insurance(Buyer Credit)
6	Interest Rate Risk Insurance
7	Overseas Business Credit Insurance
8	Overseas Construction Works Insurance
9	Overseas Investment Insurance(Investment Financing)
10	Overseas Investment Insurance
11	Export Bond Insurance
12	Overseas Natural Resources Development Fund Insurance
13	Foreign Exchange Risk Insurance(Forward)
14	Service Export Credit Insurance
15	Import Credit Search
16	Overseas Debt Collection Service

4.4 Comparative analysis between Korea and Uzbekistan

In this study, Uzbekistan and Korea are compared in terms of GDP, Exports, and ECI. We will try to make a detailed comparison of

29) The above information was prepared using the data on the official website of K-sure.

ECI, with a brief focus on GDP and Exports.

First, it is compared the GDP of the two countries. “Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific period.”³⁰⁾ To make the comparison convenient and accurate, the figures from 1991 to 2019 were taken from both countries. The table below shows that both countries did a significant increase in 2019 compared to 1991. In particular, we see that Uzbekistan increased its GDP by almost 4 times in 1991, from \$29,436,668,240 in 2019 to \$100,971,678,103. Correspondingly, Korea also increased its figures 5 times compared to 1991, from \$330,647,027,808 to 1,646,539,429,786.

30) www.investopedia.com

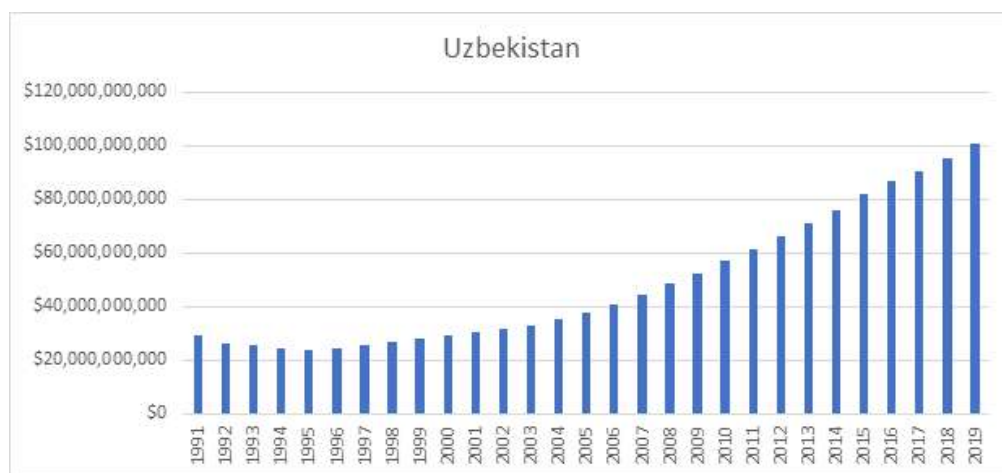
[Table 10. GDP of Uzbekistan and Korea between 1991 and 2019 (US dollar).³¹⁾]

Date	Uzbekistan	Korea
1991	\$29,436,668,240	\$330,647,027,808
1992	\$26,139,761,398	\$355,524,887,887
1993	\$25,539,923,580	\$392,665,694,219
1994	\$24,212,097,333	\$463,619,804,281
1995	\$23,994,187,860	\$566,580,978,641
1996	\$24,402,090,314	\$610,167,028,541
1997	\$25,670,997,997	\$569,755,042,937
1998	\$26,800,521,384	\$383,331,842,799
1999	\$27,979,743,923	\$497,514,054,592
2000	\$29,098,933,838	\$576,179,387,820
2001	\$30,408,385,861	\$547,656,286,965
2002	\$31,685,538,067	\$627,246,917,018
2003	\$33,024,722,217	\$702,714,874,851
2004	\$35,486,793,425	\$793,175,584,972
2005	\$37,957,970,018	\$934,901,101,762
2006	\$40,782,579,434	\$1,053,216,892,422
2007	\$44,647,917,521	\$1,172,614,134,912
2008	\$48,666,230,098	\$1,047,339,041,904
2009	\$52,608,194,736	\$943,941,876,219
2010	\$57,079,891,288	\$1,144,066,977,320
2011	\$61,523,463,522	\$1,253,223,016,450
2012	\$66,061,228,663	\$1,278,427,604,741
2013	\$71,071,690,457	\$1,370,795,179,109
2014	\$76,174,203,576	\$1,484,318,172,645
2015	\$81,847,409,755	\$1,465,773,245,547
2016	\$86,835,351,656	\$1,500,111,550,981
2017	\$90,709,537,891	\$1,623,901,466,309
2018	\$95,649,985,952	\$1,724,755,498,918
2019	\$100,971,678,103	\$1,646,539,429,786

31) World Bank national accounts data

If we look at Figure 2 below, we can see a decline in Uzbekistan's GDP from 1991 to 1995, which can be explained by Uzbekistan's economic and political difficulties and instability in the early years of independence. Over the years, GDP fell from \$29,436,668,240 to \$23,994,187,860. In 1996 and 2000, GDP increased, reaching the level of 1991. From 2000 to the present, Uzbekistan has seen a steady increase. Even the global economic crisis of 2008 did not have a negative hard GDP grew by 6% to \$48,666,230,098.

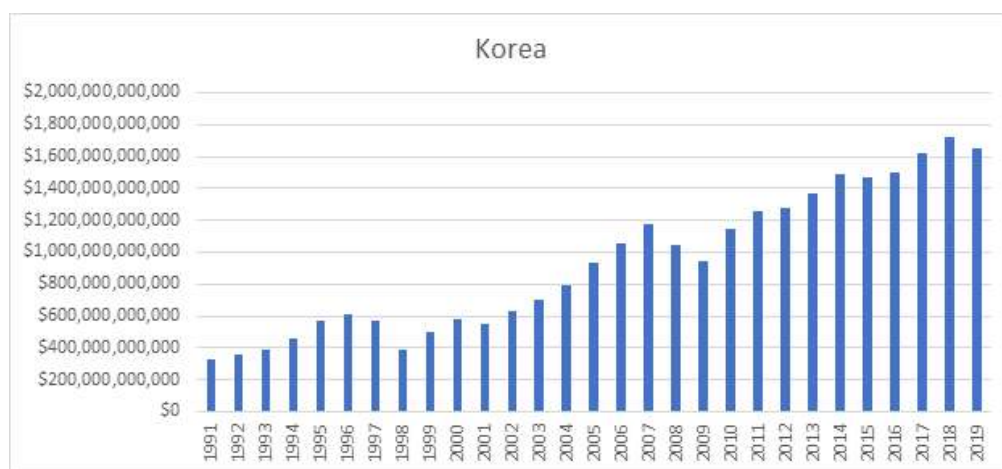
[Figure 2. GDP of Uzbekistan (from Table 10).]



The Korean economy has undergone rapid changes over the 28 years of monitoring(Figure 3). While there was an increase from \$330,647,027,808 to \$610,167,028,541 between 1991 and 1996, there was a decrease of \$569,755,042,937 and \$383,331,842,799 in 1997 and 1998, respectively. There was an almost recession in 1999 and 2002, and an increase until 2007. But the global economic crisis

has hit Korea hard. As a result, for 2 consecutive years, i.e., 2008 and 2009, there was a decrease of \$1,047,339,041,904 and \$943,941,876,219. Growth in the overall situation in 2010 and 2018, along with stagnation in 2014 and 2016. Korea's GDP in 2019 was down by almost 5% compared to 2018.

[Figure 3. GDP of Korea (from Table 10).]



As of 2019, an enormous difference between the two countries can be seen, with Uzbekistan's total GDP of \$100,971,678,103 and Korea's GDP of 1,646,539,429,786.

After analyzing the GDP indicators of the two countries, we look at their export potential and the changes. Available data from 1997 to 2019 for both countries were used to make the comparison convenient and accurate. As seen from the table below, in 2019, compared to 1991, the export performance of both countries increased significantly. Uzbekistan exported goods and services for a total of \$3,997,132,075 in 1997, compared to \$18,070,471,850 in 2019. In Korea, the indicators were also high, from \$161,499,999,562

to \$657,745,792,546, respectively.

[Table 11. Export of Uzbekistan and Korea from 1997 to 2019 (US dollar)³²⁾]

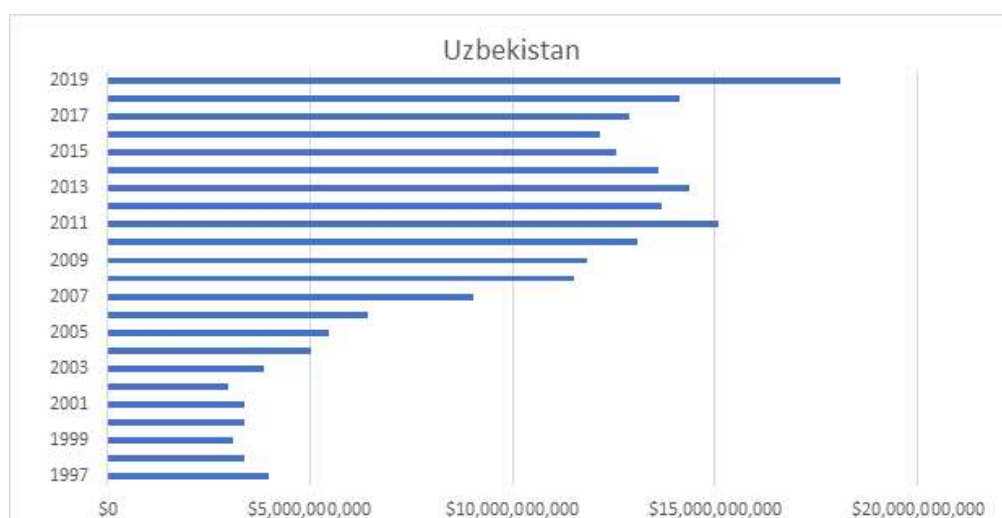
Date	Uzbekistan	Korea
1997	\$3,997,132,075	\$161,499,999,562
1998	\$3,382,144,369	\$151,556,688,256
1999	\$3,104,709,564	\$162,143,924,631
2000	\$3,393,714,865	\$195,550,495,929
2001	\$3,383,383,875	\$174,087,562,335
2002	\$2,995,507,327	\$186,748,684,146
2003	\$3,875,170,383	\$220,637,272,831
2004	\$5,027,333,203	\$291,526,423,130
2005	\$5,449,486,457	\$329,861,929,793
2006	\$6,433,323,346	\$375,223,459,030
2007	\$9,019,370,379	\$438,465,984,403
2008	\$11,523,523,440	\$498,972,064,099
2009	\$11,842,765,838	\$426,523,458,608
2010	\$13,094,224,047	\$538,898,299,079
2011	\$15,068,862,349	\$668,440,732,627
2012	\$13,688,989,108	\$691,553,284,792
2013	\$14,367,370,753	\$703,109,238,037
2014	\$13,593,687,933	\$709,970,472,153
2015	\$12,548,905,241	\$630,129,491,251
2016	\$12,166,506,407	\$602,034,532,033
2017	\$12,897,521,750	\$664,731,186,737
2018	\$14,131,219,202	\$719,452,277,596
2019	\$18,070,471,850	\$657,745,792,546

Uzbekistan's total exports declined from 1997 to 2002, decreasing \$2,995,507,327. A steady increase can be observed from 2002 to 2011, with the figure reaching \$15,068,862,349. But there was another downturn until the political and economic changes of 2016

32) World Bank national accounts data (from knoema.com)

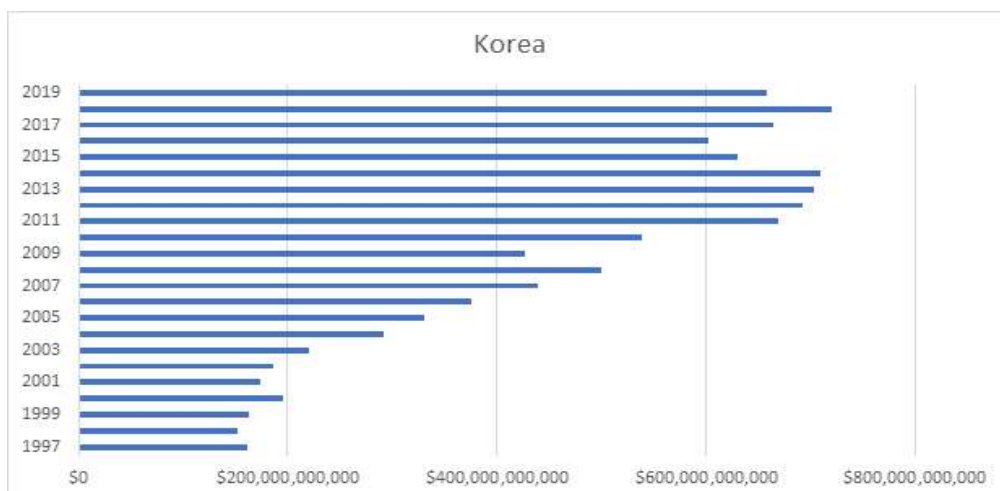
and fell to \$12,166,506,407. It reached \$18,070,471,850 in 2019 and continues to rise since 2017.(Figure 4)

[Figure 4. Total export of Uzbekistan (from Table 11).]



Instability can also be observed in Korean exports. Several declines have been observed in the 24 years, particularly in 1998, 2000, 2009, 2015, 2016, and 2018. In 2009, as a result of the global economic crisis, it decreased by 7% compared to 2008, from \$498,972,064,099 to \$426,523,458,608. But by 2014, exports had risen sharply to \$709,970,472,153, and even the increase in 2018 was \$719,452,277,596. It should be noted that Korean exports in 2019 showed almost the same result as in 2011 (Figure 5).

[Figure 5. Total export of Korea (from Table 11).]



As of 2019, we can see a considerable difference between the two countries, with Uzbekistan's total exports of \$18,070,471,850 and Korea's exports of \$657,745,792,546.

As mentioned above, this study focuses on the ECI analysis, its problems, and solutions to the shortcomings. Using available data from 2005 to 2020 for both countries to make the comparison convenient and accurate (Table 7), it has a complete picture of the ECI of Uzbekistan and Korea. However, the change has not been the same in both countries, with growth in Uzbekistan and stagnation in Korea.

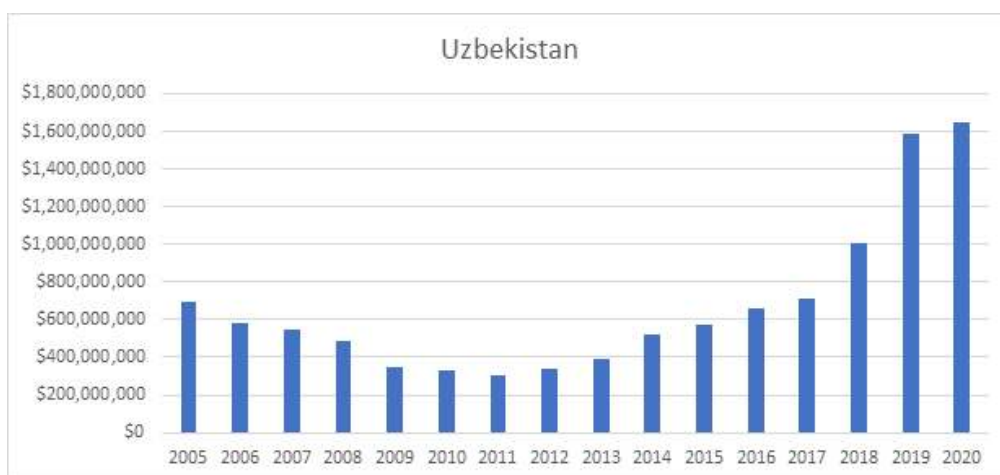
[Table 12. Export credit insurance (long, medium and short-term exposures)of Uzbekistan and Korea from 2005 to 2020 (US dollar).³³⁾]

DATE	Uzbekistan	Korea
2005	\$690,700,000	\$57,685,000,000
2006	\$583,400,000	\$64,237,000,000
2007	\$548,300,000	\$87,039,000,000
2008	\$487,800,000	\$107,148,000,000
2009	\$350,200,000	\$104,617,000,000
2010	\$328,800,000	\$113,048,000,000
2011	\$304,700,000	\$129,634,000,000
2012	\$340,600,000	\$140,136,000,000
2013	\$392,700,000	\$132,669,000,000
2014	\$517,600,000	\$129,734,000,000
2015	\$576,800,000	\$113,313,000,000
2016	\$656,700,000	\$109,234,000,000
2017	\$709,500,000	\$111,958,000,000
2018	\$1,005,900,000	\$124,618,000,000
2019	\$1,585,700,000	\$110,462,000,000
2020	\$1,646,300,000	\$107,159,000,000

33) Berne Union reports (The Berne Union is the international association for the export credit and investment insurance industry) – Total data includes medium/long-term (MLT) exposures and short-term (ST) exposures (from knoema.com)

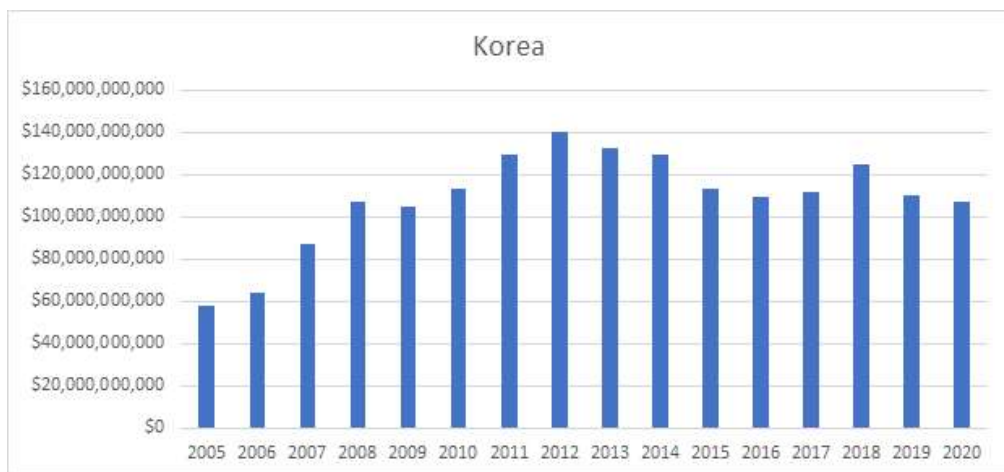
The Uzbek ECI is initially declining, from \$690,700,000 to \$304,700,000 between 2005 and 2011. Then you can see a steady increase until 2018 to \$1,005,900,000. However, in 2019 and 2020, the ECI indicators rose significantly to \$1585700000 and \$1646300000. To summarise, the ECI in Uzbekistan continues to develop (Figure 6).

[Figure 6. ECI of Uzbekistan(from Table 12).]



In Korea, the ECI is highly developed and ranks among the top ten countries in the world. ECI started to rise in 2005, by 2012, it had shown a very high figure of \$140136000000. However, there has been a decline till 2020, and in 2018, a slight increase was shown. It can be concluded that the rise in 2018 was stopped due to the pandemic situation in the world, which started in 2019 (Figure 7).

[Figure 7. ECI of Korea (from Table 12).]



5. Gap analysis and findings and recommendation

5.1 Gap analysis between Korea and Uzbekistan

There is a massive gap between the Uzbek ECI system and the Korean ECI system. It is well known that the Korean ECI system is one of the leading ECI systems globally and has maintained a top position in terms of reliability and customer satisfaction for many years. On the other hand, the ECI system in Uzbekistan is still new, evolving, and rapidly gaining customer trust. We will illustrate the gaps and reasons between these two states based on the chapters studied above.

The main reason for developing the Korean ECI system and the slow growth of the Uzbek ECI system is the allocation of funds by countries in this area. For example, in the year of Uzbekinvest's establishment, in 1994, its fund amounted to 60 million US dollars, while the Korean ECI system business volume exceeded KRW 4.5 trillion.

Another reason for the significant differences between the ECI systems of the two countries is the different laws across the sector. In particular, Korea adopted the Trade Insurance Act in 1968, which covers the ECI, and the Articles of Incorporation of Korea Trade Insurance Corporation in 1992, and so far has made 23 and 9 changes and additions, depending on changes in society the world. In 1994, the first law established Uzbekinvest in Uzbekistan, and in 1997 and 2020, decisions were made to reorganize and develop it. On June 26, 2020, the charter of Uzbekinvest EIIC consisting of 15 chapters was adopted.

Above it is given information about the services of the export credit insurance system of Uzbekistan and Korea. Accordingly, the ECI system of Uzbekistan has seven types of services, and in Korea – 16 kinds of ECI services. As a result, Korea's ECI service satisfied the requirements of foreign and domestic entrepreneurs and has become the world leader. On the other hand, the ECI system of Uzbekistan has not yet provided services that satisfy all the requirements.

One of the main reasons the two countries differ so much in the ECI system is that exports vary in quantity and composition. For example, the total export value in 2020 will be 107 billion US dollars in Korea, Uzbekistan only 1.5 billion US dollars, and Korea exports mainly manufactured products, while Uzbekistan exports raw materials and agricultural products. In particular, the indicators that will make up the bulk of Uzbekistan's exports in 2020 are as follows: “44% natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin, 9.04% cotton, 5.91% mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, 5.5% copper and articles thereof, 4.35% edible fruit and nuts; peel of citrus fruit or melons.”³⁴⁾

During the development stages of the ECI system in Korea, great attention was paid to studying the industry, identifying and correcting shortcomings. In particular, there are many scientific studies, articles, books, and scientific works available now. On the other hand, almost no scientific work has been done on the ECI system in Uzbekistan, and this is one of the areas that need to be studied and researched.

34) <https://trendeconomy.com/>

5.2. Survey through SNS

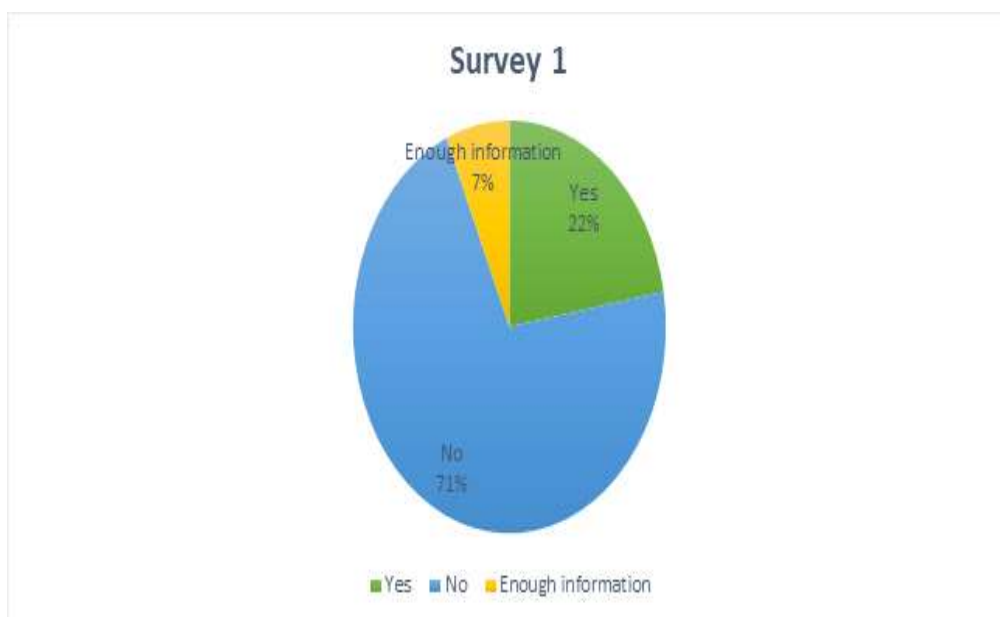
A unique survey was conducted through SNS, more precisely on “Telegram,” to find out what citizens think about Uzbekistan's export credit insurance, give them some insight into the ECI, and express their suggestions and wishes for changes in society. The survey was conducted in 2 phases and involved more than 1,000 people.

In the first stage, the focus was on determining the level of knowledge of the population of Uzbekistan about export credit insurance, and it showed the following results.

Do you know about Uzbekistan export credit insurance?

1. Yes
2. No
3. I have enough information.

[Figure 8. Survey 1 (Do you know about Uzbekistan export credit insurance?).]



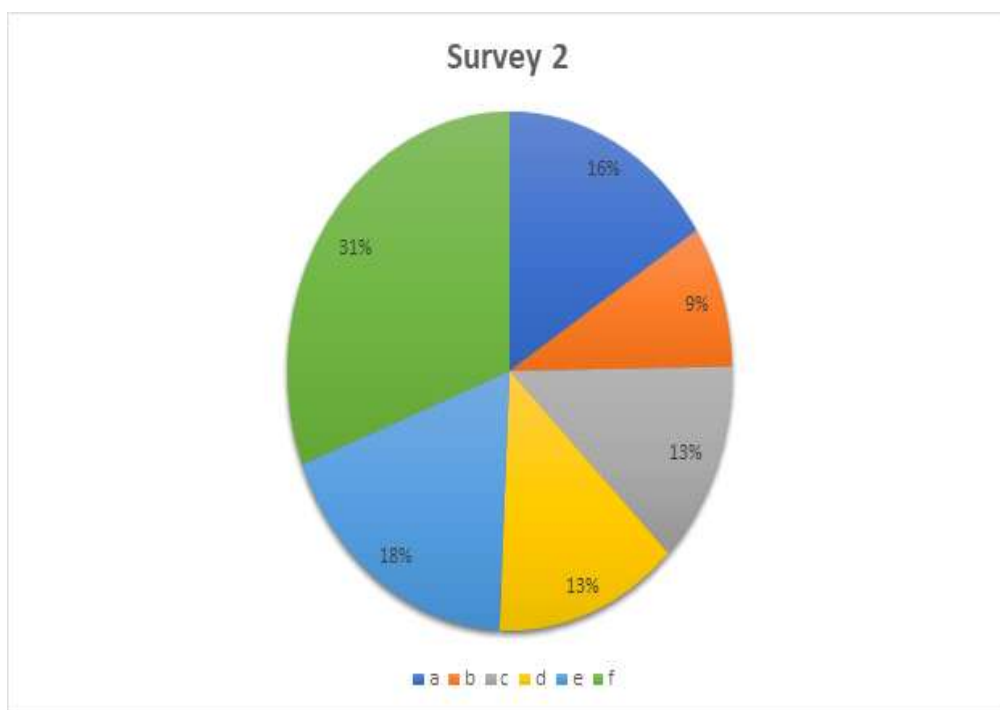
516 respondents took part in the survey and 115 votes or 22% "Yes," 367 votes or 71% "No" and 34 votes or 7% "I have enough information." Therefore, from the first survey, it can be concluded that the population still does not have enough information about the ECI.

The second survey was different from the first; it was not a question but a citizen's proposal and opinion. The survey was compiled as follows:

What would you suggest for the development of export credit insurance in Uzbekistan?

- a. Allocating more funds from the state budget;
- b. Amendments and additions to insurance laws;
- c. Staff training;
- d. Informing the public about ECI;
- e. Implementation of foreign experience;
- f. Increase the number of services and improve quality.

[Figure 9. Survey 2 (What would you suggest for the development of export credit insurance in Uzbekistan?)]



554 respondents took part in the second survey and 88 votes or 16% “a”, 49 votes or 9% “b,” 70 votes or 12% “c,” 74 votes or 13% “d,” 102 votes or 18% “e” and 177 votes or 31% “f”.

The results were very satisfactory and in line with the purpose of the following research work. In conclusion, the implementation of all of the above recommendations will accelerate the development of ECI. However, the above result also showed that increasing the number and improving the quality of services is a priority. The study of ECI systems in developed countries and the introduction of their experiences and achievements, while attracting large sums of money

to the ECI system, is the basis of development. In the second place, raising the population's awareness about ECI and staff training are interrelated issues, and the combination of the two is the key to success. Finally, although the ECI system is a new system for Uzbekistan, there are almost no legislative problems because officials have developed laws adapted to world standards.

5.3 Fact findings

Today, Uzbekistan is at the stage of development, and positive changes are taking place in all areas of the country. Similarly, many changes in the ECI system and solutions to existing problems can be seen. However, some problems remain unresolved. For example, one of the hot topic and vital problem in the Export credit insurance system of Uzbekistan is the monopolistic activity of Uzbekinvest company in the country. The fact that the only company in the country is engaged in export insurance inevitably leads entrepreneurs to lose their choice and can introduce any price using the current company's monopoly.

It has already been mentioned that a single export credit insurance company in Uzbekistan creates a monopoly in the market. But if we look at the experience of countries around the world, in some we can see several ECI companies, especially the United Kingdom, Italy, and in some only one, in particular, Russia, Japan, Korea. There is also a monopoly situation in the countries where ECI is a single company, but this does not harm exporters but protects their rights and compensates them if they suffer. In particular, the Korean company K-Sure ECI has been providing services since 1968 and is one of the leading insurance companies in the world. Now Uzbekinvest, the Uzbek ECI company, has been operating since

1994. Despite its monopoly position, there are no protests among entrepreneurs and exporters, compensating for the losses. On the other hand, Uzbekinvest, a state-owned company, has been reducing tariff rates from year to year in order to improve the conditions for entrepreneurs and exporters.

This is another obstacle to Uzbekistan's ECI development, not only the Uzbekistan export credit insurance system but the Uzbekistan insurance market does not have enough staff. According to a study conducted by the "Birja" (Stock exchange) newspaper, there is a shortage of staff in the ECI and the entire insurance system of Uzbekistan. "One of the main reasons for this is the limited number of employees of the insurance control inspection under the ministry, who mainly keep statistics. Due to insufficient information on insurance activities in the regions, the entire population is uninsured. The confidence and understanding of it are not fully formed. This has a negative impact on the growth of the share of the industry in GDP, the financial stability of companies. "³⁵⁾

According to research, the leading causes of this problem are insufficient universities and training courses in insurance in the country. In particular, the University of Finance has only an insurance faculty, which does not satisfy the demand for staff in insurance. In addition, students who study economics are taught a certain number of classes on the general insurance process. Due to lack of staff, these graduates are employed in the insurance industry, and their inexperience hinders the development of the insurance industry. "Experts do not fully and correctly explain the rights of customers in the insurance process. As a result, disputes arise after insurance cases, which have to be considered in court. The fact that office

35) <https://uzbekinvest.uz/uz/news/sugurta-bozoridagi-muammolar->

work system in the insurance process is often not conducted in the state language also creates problems in concluding and enforcing insurance contracts.”³⁶⁾

Insufficient information about ECI among entrepreneurs and the population and lousy publicity of ECI in the country is another big problem. At present, the people of Uzbekistan do not have enough information about export insurance and even the general insurance system, and even those who have information are skeptical about insurance.

5.4 Recommendation

From my research paper, I have some suggestions for the insurance company as to how they can cater needs of Uzbekistan exporters and how to include them in their coverage requirements, and how can awareness for the Export Credit insurance be spread amongst the exporters so that they can adapt and rely on the Credit Insurance for their International Business.

In the upper parts of the study, I have considered the advantages and disadvantages of export credit insurance in Uzbekistan. At the same time, the level of improvement of the Korean export credit insurance system was determined by analyzing the quality and reliability of its services and statistics. Based on these analyzes, we offer some recommendations for further development of the Uzbek export credit insurance system and the attraction of global investors, increasing the export potential of Uzbekistan.

1. Introduction of new insurance services and increasing their quality to raise the volume of domestic exports and provide comprehensive insurance protection of investment projects implemented by foreign

36) <https://uzbekinvest.uz/uz/news/sugurta-bozoridagi-muammolar->

and domestic investors in Uzbekistan. Currently, Uzbeinvest EIIC has seven types of export and import insurance services, which do not satisfy all the needs of foreign and local entrepreneurs. Therefore, it is necessary to use the Korean³⁷⁾ experience to improve services quality and introduce as many new services as possible.

2. To radically improve the knowledge and skills of employees at all levels, especially those working with the population. This will increase the quality of company services and the rapid development of insurance services. In addition, it is necessary to improve employees' skills in the case of contracts with insurance companies in developed foreign countries. "Apart from problems such as the regulatory ones and some financial problems, almost all of them could be solved if insurance professionals dealt with their work with more professionalism. The insurance professionals and particularly the insurers and the brokers, should have a perfect knowledge of the techniques of marine cargo insurance and the commercial and judicial practices related to it. Of course, this knowledge is acquired by attending specialized lectures on the subject, insurance being a very specialized business, but for those graduates who enter the profession without any specialization, some seminars could be organized for them by the whole body of the profession. This would be a great help to them and more so for their companies. As a matter of fact, attending seminars where all kinds of problems related to the profession are raised can be useful for those employees not very used to the practice of marine insurance. Even professionals with more knowledge should attend those seminars regularly in order to refresh their knowledge and to be in contact with other professionals to share their views and ideas."³⁸⁾ Furthermore, given the constant need for staff in

37) See Chapter 4.3 of this research paper

the insurance market of Uzbekistan, increase the number of students in the country's existing insurance field and create areas that will ideally teach the insurance system to other universities.

3. After gaining independence, Uzbekistan has made significant positive changes in the legislative system. It has also developed laws on the ECI system studied above and has made many changes up to date. However, there is still a need for sufficient laws and regulations to develop the ECI system. Therefore, legislators and officials in the ECI system need to establish acts to build the system further and amend existing laws in the coming days. There is also no separate set of rules for the ECI system. Only in 2020, the charter of Uzbekinvest EIIC JSC was adopted. There are two sets of rules for the Korean ECI system studied above: the Trade Insurance Act³⁹⁾ and the Articles of Incorporation of Korea Trade Insurance Corporation⁴⁰⁾.

4. Export companies should invest in credit insurance for the following reasons: trade expansion, expansion to new international markets; the downside is the reduction in debt reserves, compensation for non-payment by the client, protect the organization from an unexpected catastrophic event. "Since the late 1990s, private insurers have expanded significantly in this market, offering new capabilities and products. Private sector investment insurers (e.g., American International Group [AIG], Zurich Emerging Market Solutions, Sovereign Risk Insurance Limited, and Lloyd's of London) have shown a willingness to look at risk tenors ranging from 5-15 years, exceeding the private market's old 3-year limit on exposures to investors against political risk events in emerging markets. With the

38) Moune, Yvonne, "Marine cargo insurance: operational practice problems in Cameroon" (1991). World Maritime University Dissertations. 890

39) <https://www.ksure.or.kr/en/company/act.do>

40) <https://www.ksure.or.kr/en/company/articles.do>

substantial infusion of private capacity and skills, there has been more cooperation between private and public insurers in terms of coinsuring, reinsuring, and risk sharing in this area than in medium- and long-term export credit insurance."⁴¹⁾

5. Create systematic cooperation with export-credit agencies of foreign countries and Export-Import Bank, which are foreign trade partners of Uzbekistan, to provide insurance protection for exporters, insurance, and reinsurance of export credits. In addition, it is recommended to increase the number of company branches in foreign countries as much as possible. Establishing relations with international insurance companies and opening representative offices abroad can be applied from the Korean experience.⁴²⁾

6. All advanced insurance systems use high-level and modern technological programs globally. Therefore, Uzbekistan's export credit insurance system also needs modernization of information technology infrastructure, mainly introducing a current integrated business management system and AI. "The network would be connected and organized by e-mail or Internet exchange system and is highly efficient to share and centralize the information. The network channel would be a typically successful model of information globalization. Moreover, the perfect information exchange program among institutes, domestic or international, would be one of the core factors of win-win strategy in the century of globalization. This would strengthen the efficiency, transparency, and fairness regarding the international competition."⁴³⁾

In addition, it is possible to quickly develop an ECI system using AI,

41) <https://www.elibrary.imf.org/view/books/083/05003-9781589064355-en/ch02.xml#ch02fn10>

42) See Chapter 4.2 of this research paper

43) Gilsang Woo, "Strategic renovation of long-term export credit management system in Korea" Korean Development Institute 1999

which is mainly evident in the communication with customers. "Infusing AI throughout the insurance customer journey can significantly increase customer satisfaction and retention, according to the IBV report. Companies will benefit from increased speed, accuracy, and efficiency by starting with deep industry expertise and AI-based tools. Further, the increased productivity opens up more time for insurers to develop the personal connections customers are looking for when making insurance decisions.

A case in point is the IFFCO Tokio General Insurance Company, which needed to improve its claim processes after learning that up to 30% of its customers were not satisfied with assessing their claims. The insurer implemented an AI-based Claim Damage Assessment Tool (CDAT)⁴⁴⁾ that uses advanced computer vision and deep neural network-based techniques to assess vehicle damage from images customers upload using an app. By using AI, IFFCO Tokio General customer claims were settled from beginning to end in 15 minutes instead of 3 to 4 hours, and processing costs decreased by 30%." ⁴⁵⁾

7. At the same time, through the development of the insurance market, increasing consumer confidence in insurance, the introduction of foreign experience and achievements of information and communication technologies, the creation of the most optimal and attractive insurance services, the issuance of securities in the insurance industry adequate attention should be paid to current issues such as attracting investment, combating corruption and insurance fraud following international standards and principles, and solving problems by expanding insurance among the population and reducing advertising through newspapers, magazines, radio,

44) <https://www.ibm.com/blogs/services/2021/05/18/four-ways-insurance-companies-are-improving-their-customer-experience/>

45) www.ibm.com

television, and social networks. "It is the duty of the insurers or the brokers to give detailed information concerning the contract of insurance which they are going to conclude. Indeed, the fact that the assured does not know much about what is going on is a source of misunderstanding. Thus, by explaining everything to him, including the content of the contract, as different formalities to be performed in case of loss or damage occurs, they can avoid problems.⁴⁶⁾

This information should be delivered at the time of the conclusion of the contract, but this does not mean that the insurer or the broker after this conclusion should leave the assured on his own. In the case of any loss or damage, they, and more particularly the broker, should keep in close contact with the assured and should lead him in his search –for the different documents required by the insurer. The broker, in fact, should remind the assured of every step of the formalities procedure until the latter has got every single document needed for his claim. The broker's duty is to help the assured be satisfied and receive his compensation.

The insurer is the seller has more of an obligation with respect to information and advice vis-a-vis his client. This share of information and dialogue could have more positive results as far as the assured's opinion of the insurers goes. It could lead to more trust from the assured. As a matter of fact, the assured needs to see that the insurers care about their problems, and if the latter shows any concern by either communicating with them, informing them, or in short, by keeping in touch with them, this would be a cause for satisfaction and faith.⁴⁷⁾ To form a positive image of the company

46) Moune, Yvonne, "Marine cargo insurance: operational practice problems in Cameroon" (1991). World Maritime University Dissertations. 890

47) Moune, Yvonne, "Marine cargo insurance: operational practice problems in Cameroon"

among the people and entrepreneurs, this is necessary to improve the marketing strategy, promote profitable and current insurance products in the market of corporate clients and individuals, and the development and introduction of new, modern, modern insurance products. "Well-equipped staffs with insurance knowledge, experience as well as knowledge about laws applied to the marine section. These staff should be able to explain in detail about liabilities, interests as well as duties to their clients. Furthermore, they need to meet all requirements and can answer all questions and confusion of clients to avoid arising complaints and claims. In addition, they should consult ship-owners to minimize loss."⁴⁸⁾ Insurance will be developed among the republic's population by providing convenient and reliable insurance protection of types of insurance.

8. In order to develop the ECI system in Uzbekistan, it is necessary to attract funds⁴⁹⁾ to this system. When there are enough funds, new services will be introduced, the quality will be improved, staff training will be provided, modern technologies will be introduced, and the number of international and local branches will be increased.

In particular, a considerable amount of money has been allocated for the Korean ECI system with the establishment of the organization. "Korean Reinsurance Company is consigned to operate the export credit business for the first time and secures a contribution of KRW 200 million for the Export Insurance Fund in 1969."⁵⁰⁾ Currently, the total business volume is 165 trillion KRW.⁵¹⁾

(1991). World Maritime University Dissertations. 890

48) Ngo Thi Nhi Thuy, "Research on factors affecting efficiency of hull insurance in petrolimex joint stock insurance corporation (PJICO) " Vietnam National university, Hanoi, June 2017

49) See Survey 2 chapter 5.2 this research paper

50) <https://www.ksure.or.kr/en/company/history03.do>in

9. Another critical step is to study international experience and adapt it to the conditions of Uzbekistan. The insurance system can be overcome by learning and applying the knowledge of developed countries. Japan, Korea, the United States, the United Kingdom, Germany, and Russia have the highest level ECI system. "Great Britain, Canada, and South Korea, as subjects of international trade relations, represent different regions of the world and different economic systems. The state export insurance system of each country has its own national characteristics that are of scientific value for research."⁵²⁾

10. The state must create favorable conditions for export growth. When exports are high, insurance will change significantly. In addition, Uzbekistan is one of the largest suppliers of raw materials in the world market, indicating a strong demand for produced products in the market rather than raw materials. As a result, our export performance is low. The state must increase the number of private businesses and support entrepreneurs as much as possible. "Great Britain, Canada, and the Republic of Korea are full-fledged participants in international trade. Their involvement in world trade and the specificity of trade relations is also confirmed by the peculiarities of the national industrial potential and the system of state insurance of export credits. Without the support of national ECAs, such manufacturers as Magna (cars, Canada), Bombardier (aircraft, Canada), Rolls-Royce (engines, UK), Airbus (aircraft, EU), Samsung (consumer electronics, South Korea), Hyundai (mechanical engineering, South Korea) it would be more difficult to enter foreign markets, providing consumers

51) Annual report 2020 of K-SURE

52) Savelev Aleksey Aleksevich "State export insurance as factor in the development of international trade" Moscow 2012, Yaroslavl State University

with attractive payment terms for their products.

– from the point of view of the further development of international trade, the potential of Canada and South Korea is significant, despite the dominance of the USA and China in these regions. Canada, despite its participation in NAFTA, is currently deepening trade relations with Russia, the EU countries, and Latin America with the direct assistance of the national export credit agency. South Korea has a unique track record of rapidly developing and promoting innovative products to overseas markets."⁵³⁾ The examples also show that not only the ECI but also the state economy can be increased through the development of exports.

53) Savelev Aleksey Aleksevich “State export insurance as factor in the development of international trade” Moscow 2012, Yaroslavl State University

Conclusion

This study analyzed the effect of the Uzbekistan export insurance market on the export and development of the country compared with South Korea as for the research object countries. Comparative studies were conducted using data from 1991 to 2019 GDP, 1997 to 2019 Exports, and 2005 to 2020 ECI.

Export Credit insurance is known as a risk reduction tool. It covers the buyer's failure to meet its debt obligations, including long-term default or insolvency. In other words, export commercial credit insurance is a financial instrument that manages commercial and political risks that are not under the company's control. It also ensures the stability of the Balance Sheet, protects cash flows, and improves the cost of servicing credit and asset valuations in the same way.

A commercial credit insurance policy also allows businesses to look for new and larger customers who may feel safer lending more to existing customers or who may otherwise feel too risky. This significantly reduces the risk of entering new markets. Export houses should take a step towards credit insurance and trust insurance companies to cover their losses well if they have recorded a loss for one reason or another.

Uzbekistan is constantly moving towards development. However, it is gradually finding solutions to the economic, political, and social problems in society, achieving high results in a short period, and defining its place in the world.

The Uzbek export credit insurance system studied in this study is

also gradually developing. However, there are still enough problems in the ECI system, and no solutions have yet been found. Therefore, this research was conducted to address these shortcomings, re-examine the system, and present the situation to the general public.

In order to study and address the shortcomings of the Uzbek ECI system, the world's leading and most advanced Korean ECI system were studied, compared, and tried to use the advantages and disadvantages.

Uzbekiston insurance market was studied, and the results showed that the development of the insurance market and the results achieved are not desirable. ECI the degree of legality was studied, and it was found that the laws of Uzbekistan and Korea in the ECI system differ significantly from each other. In the Korean ECI system, the rules have been perfected to date and meet any legal requirements and satisfy the wishes of their customers. On the other hand, in the ECI system of Uzbekistan, the laws are much better than in previous years, but there are some shortcomings.

The quality and types of ECI services also vary in Uzbekistan and Korea. As studied above, assistance in the Uzbek ECI system has not yet reached a level that meets all the industry requirements. Just as the difference between these two countries' GDP and export value is vast, so are the ECI indicators and the working capital in this system.

The statistical analysis shows that the ECI system of Uzbekistan has been developing since 2011. Furthermore, it should be noted that the only Uzbekinvest EIIC in Uzbekistan has established contacts with insurance companies and agents in almost all countries of the world. In general, Uzbekistan's current state of the ECI system does

not give the expected results; however, if the recommendations are studied and implemented, it is close to reaching the stage of development in the near future.

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국 문 초 록

한국 수출 보험제도와외 비교분석을 통한 우즈베키스탄 수출 보험제도 발전을 위한 연구

한 성 대 학 교 대 학 원
국 제 무 역 경 제 학 과
국 제 무 역 경 제 학 전 공
수 크 를 러 래 크 모 뇨

우즈베키스탄은 경제 발전으로 국내 제품과 서비스를 외국에 수출할 수 있게 되었다. 기업인들은 오늘날 거의 모든 나라에 농산물과 공산품을 수출한다. 그러나 수출 과정에서 다양한 리스크가 나타나고 있으며, 이를 막기 위해 수출보험이 활용되고 있다. 우즈베키스탄의 수출 성장 기반을 탄탄히 다지기 위해서는 수출보험이 향후 개혁이 필요하다는 것을 보여준다. 이러한 문제로 보아 이 논문은 우즈베키스탄의 수출보험제도를 한국과 비교해서 살펴본다.

우즈베키스탄에서 수출보험이 출현하게 된 역사적, 법적, 경제적 배경을 조사하기 위해 이 논문에서는 현존하는 보고서와 분석 및 연구 방법들을 활용한다. 이 논문은 연구 및 논문들과 국제기구와의 자료 비교를 바탕으로 심도 있게 기술되어 있다. 한국의 수출보험 시장이 국가기관과 정부 지원 위주였던 만큼 비교분석적으로 각 국가의 경험을 이해하고 보려한

다. 이 논문은 우즈베키스탄과 한국 수출보험을 비교함으로써 그 차이를 먼저 파악하고, 과정을 연구하며, 우즈베키스탄에서 외투기업 및 현지 기업인들의 수요를 충족시킬 수 있는 서비스를 만들기 위한 방안을 제시한다.