

UZBEKISTAN

Insurance Market Overview

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(1) UZBEKISTAN: General Information

Region	Central Asia	UN membership date	02 March 1992	
Population (000, 2024)	36 362 ^a	Surface area (km ²)	448 969 ^b	
Pop. density (per km ² , 2024)	85.5 ^a	Sex ratio (m per 100 f)	101.8 ^a	
Capital city	Tashkent	National currency	Uzbekistan Sum (UZS)	
Capital city pop. (000, 2024)	2 490.3 ^c	Exchange rate (per US\$)	12 340.0 ^{d,e}	
Economic indicators	2015	2020	2024	
GDP: Gross domestic product (million current US\$)	86 196	60 225	80 392 ^b	
GDP growth rate (annual %, const. 2015 prices)	7.2	2.0	5.7 ^b	
GDP per capita (current US\$)	2 785.1	1 796.3	2 321.6 ^b	
Economy: Agriculture (% of Gross Value Added) ^{f,g}	31.8	26.8	25.2 ^b	
Economy: Industry (% of Gross Value Added) ^{g,h}	24.5	33.4	33.4 ^b	
Economy: Services and other activity (% of GVA) ^{g,i}	43.7	39.7	41.5 ^b	
Employment in agriculture (% of employed) ^j	27.5	26.9	25.9 ^b	
Employment in industry (% of employed) ^j	22.9	23.7	24.2 ^b	
Employment in services & other sectors (% of employed) ^j	49.6	49.4	49.9 ^b	
Unemployment rate (% of labour force)	5.2	5.3	4.3 ^j	
Labour force participation rate (female/male pop. %)	40.9 / 73.4 ⁱ	39.5 / 72.2	39.8 / 72.7 ⁱ	
CPI: Consumer Price Index (2010=100) ^{k,l}	...	173	235 ^e	
Agricultural production index (2014-2016=100)	101	105	113 ^b	
International trade: exports (million current US\$)	5 052 ^j	13 281	19 649 ^{i,e}	
International trade: imports (million current US\$)	20 016 ^j	20 020	35 515 ^{i,e}	
International trade: balance (million current US\$)	- 14 963 ^j	- 6 740	- 15 866 ^{i,e}	
Balance of payments, current account (million US\$)	896	- 3 028	- 7 788 ^e	
Major trading partners				2023
Export partners (% of exports) ^j	Areas nes ^m	29.9	Russian Federation 17.0	China 11.5
Import partners (% of imports) ^j	China	22.4	Russian Federation 21.4	Kazakhstan 11.4
Social indicators	2015	2020	2024	
Population growth rate (average annual %)	1.7	1.9	1.9 ^a	
Urban population (% of total population)	50.8	50.4 ^c	...	
Urban population growth rate (average annual %)	1.5 ⁿ	
Fertility rate, total (live births per woman)	2.6	3.1	3.5 ^a	
Life expectancy at birth (females/males, years)	74.2 / 68.5	74.5 / 68.6	75.5 / 69.6 ^a	
Population age distribution (0-14/60+ years old, %) ^o	28.3 / 7.5	29.7 / 8.6	31.1 / 9.5 ^a	
International migrant stock (000/% of total pop.)	1 170.9 / 3.8 ^p	1 162.0 / 3.5 ^p	... / ...	
Refugees and others of concern to the UNHCR (000)	86.8	92.8	38.4 ^e	
Under five mortality rate (per 1000 live births)	20.1	15.0	14.8 ^a	
Health: Current expenditure (% of GDP)	4.7	6.8	7.7 ^q	
Health: Physicians (per 1 000 pop.)	2.4	2.8	2.8 ^q	
Education: Government expenditure (% of GDP)	5.5 ⁱ	4.9	4.6 ^q	
Education: Primary gross enrol. ratio (f/m per 100 pop.)	97.7 / 98.7	99.2 / 99.8	94.2 / 94.5 ^e	
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	92.7 / 93.5	98.3 / 98.9	99.5 / 99.9 ^e	
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	90.6 / 91.3	79.2 / 76.9	65.5 / 67.3 ^e	
Intentional homicide rate (per 100 000 pop.)	1.6	1.3	1.4 ^q	
Seats held by women in the National Parliament (%)	16.0	32.0 ^r	34.6 ^r	
Environment and infrastructure indicators	2015	2020	2024	
Individuals using the Internet (per 100 inhabitants)	42.8 ^j	71.1 ^s	83.9 ^{s,b}	
Research & Development expenditure (% of GDP)	0.2	0.1	0.2 ^b	
Threatened species (number)	54	62	74 ^e	
Forested area (% of land area)	8.1	8.4	8.4 ^q	
CO2 emission estimates (million tons/tons per capita)	100.2 / 3.2	104.1 / 3.1	114.8 / 3.4 ^q	
Energy production, primary (Petajoules)	2 058	1 730	2 042 ^q	
Energy supply per capita (Gigajoules)	56	54	59 ^q	
Tourist/visitor arrivals at national borders (000)	1 918	1 504	5 233 ^b	
Important sites for terrestrial biodiversity protected (%)	13.2	19.4	20.5 ^e	
Pop. using safely mgd. drinking water (urban/rural, %)	87.7 / 56.5	88.6 / 66.8	88.8 / 70.7 ^b	
Pop. using safely mgd. sanitation (urban/rural, %)	64.2 / 84.4	63.6 / 85.5	63.4 / 85.9 ^b	
Net Official Development Assist. received (% of GNI)	0.52	2.45	1.67 ^q	

^a Projected est. (medium fertility variant) ^b 2022. ^c 2019. ^d UN operational exchange rate. ^e 2023. ^f Exc. irrigation canals and landscaping care. ^g Data classified according to ISIC Rev. 4. ^h Exc. publishing activities. ⁱ Inc. irrigation canals. ^j Inc. publishing activities and landscape care. ^k Exc. repair of personal and household goods. ^l Estimate. ^m Calculated by the UN Statistics Division from national indices. ⁿ Base: 2016 = 100. ^o Areas not elsewhere specified. ^p Data refers to a 5-year period preceding the reference year. ^q Calculated by the UN Statistics Division. ^r Including refugees. ^s 2021. ^t Data at 1 January of the reporting year. ^u Population aged 10 years and over

1- COUNTRY RISK

▪ **Economic Risk**

Growth and Inflation: Uzbekistan has demonstrated robust economic growth, with GDP expanding by 6% in 2022 and projected to maintain similar growth rates through 2025. Inflation has been a concern, averaging 11.4% in 2022, but is expected to moderate to 9% by 2025.

Fiscal and Current Account Balances: The fiscal deficit was 4% of GDP in 2022, with projections indicating a slight improvement to 3.5% by 2025. The current account deficit widened to 3.2% of GDP in 2022 and is anticipated to reach 6% by 2025.

External Debt: External debt levels have risen, reaching moderate levels of less than 65% of GDP in 2022. This increase reflects the country's efforts to open its economy, leading to a deterioration in the current account balance.

External Risks: The economy faces external risks, including potential spillovers from geopolitical tensions, commodity price volatility, and global economic slowdowns.

- **Political Risk:** While Uzbekistan has implemented reforms under President Shavkat Mirziyoyev, concerns persist regarding governance and political stability. The recent assassination attempt on a prominent political figure in Tashkent highlights potential internal conflicts within the ruling elite, raising questions about the country's political environment.
- **Regulatory Risk:** Despite legislative efforts to improve the investment climate, challenges remain. The dominance of state-owned enterprises and banks can distort competition, and issues such as low-quality banking regulation, weak corporate governance, and a slow pace of privatization present regulatory risks for investors.
- **Trade & Investment Risk:** Uzbekistan's economy is largely cash-based, reflecting low trust in the banking sector and a significant informal economy. This environment poses challenges for foreign investors, including risks related to currency convertibility and profit repatriation.
- **Social Risk:** Social risks in Uzbekistan include issues such as limited political freedoms and human rights concerns. The absence of genuine political opposition, as evidenced by recent elections where parties loyal to the president secured all parliamentary seats, indicates restricted political pluralism and potential social discontent.



2- NATURAL HAZARDS RISKS

Uzbekistan is susceptible to various natural hazards, including:

- **Floods:** The country experiences seasonal flooding, particularly affecting the agricultural sector.
- **Drought:** Uzbekistan ranks among the top 20 countries globally in terms of vulnerability to drought, with increasing frequency due to its arid climate and high temperatures.
- **Landslides:** The nation is prone to landslides, especially in mountainous regions, posing risks to communities and infrastructure.
- **Extreme Heat:** Rising temperatures and heatwaves are becoming more common, impacting public health and agriculture.
- **Cyclones:** The risk of cyclones in Uzbekistan is very low.
- **Earthquakes:** Uzbekistan is located in a seismically active zone, with a history of significant earthquakes causing substantial damage.
- **Wildfires:** The country is at high risk for wildfires, particularly during periods of severe drought.

(II) UZBEKISTAN: Insurance Market

KEY HIGHLIGHTS

- *The National Agency of Perspective Projects (NAPP) assumed the task of insurance supervision since September 2023 instead of The State Inspectorate for Insurance Supervision under the Ministry of Finance.*
- *Composite insurance is not permitted in the Uzbek insurance industry*
- *FDI is not permitted in the Uzbek insurance industry*
- *Non-admitted insurance is prohibited in Uzbekistan*
- *Key classes of compulsory insurance include motor third-party liability insurance, professional indemnity cover for auditors, notaries, and customs officers' liability and employer's liability insurance*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

➤ Historical Landmarks

- 19th c:** Some insurance was probably transacted by Russian companies during the Tsarist period, but no trace of this remains.
- 1921:** The Soviet state insurance company Gosstrakh was established, initially to insure agricultural property, crop and livestock, and foreign trade.
- 1940:** Agricultural property, crop and livestock insurance was made compulsory for collective farms.
- 1947:** The foreign currency insurer Ingosstrakh was established as a share company owned by the Ministry of Finance.
- 1958:** Gosstrakh was decentralised into separate bodies that became part of the finance ministry of each republic of the USSR.
- 1968:** The Inter-Republic Agricultural Reserve Fund was established. Voluntary supplementary insurance for collective farms was abolished.
- 1976:** Agricultural property, crop and livestock insurance for state farms on a compulsory basis was introduced.
- 1989:** The law on co-operatives permitted the establishment of the first co-operative insurers, later transformed into joint stock companies. The insurance of state property was permitted. Ingosstrakh opened its first office in Tashkent.
- 1990-91:** Private sector insurance companies grew rapidly and Gosstrakh USSR was broken up into independent national companies.
- 1993:** The first Uzbek law on insurance was enacted. Ingosstrakh closed its Tashkent office.
- 1995:** The foreign currency insurer Uzbek Ingosstrakh was established as a share company owned by the Ministry of Finance. AIG opened a joint venture in Tashkent. Uzbekinvest International Insurance Co opened in London as a joint venture with AIG to underwrite political risk insurance for foreign investments in Uzbekistan.
- 1998:** Gosstrakhnadzor was set up as the supervisory authority for insurance.
- 1999:** The insurance law was amended: the first regulations were issued.
- 2002:** By a presidential resolution of 30 January, insurers were exempted from profits tax for three years provided the savings were used for certain specified purposes.
A new insurance law and regulations were enacted dividing the market into life and non-life sectors and introducing EU classifications of insurance.
- 2006:** Insurers' exemption from profits tax was extended for a further three years. The first specialised reinsurance company, Transinsurance Re, was formed.
- 2007:** Agents, brokers, surveyors, adjusters, assistance providers and actuaries were defined as professional participants in the insurance market by amendment to the insurance law of 2002.
- The Association of Professional Participants in the Insurance Market was formed in June 2007.

Membership of the association is not compulsory, and not all insurers belong to it, although the majority of the leading companies have joined. The association is funded by the membership.

2008: The Uzbek insurance supervisor, Gosstrakhnadzor, joined the International Association of Insurance Supervisors (IAIS). Compulsory Motor Third Party Liability (MTPL) became law, and a motor guarantee fund was created.

2009: Compulsory employers' liability became law. Insurers' exemption from profits tax was extended for a further three years, to 2012.

2010: Increases in minimum capital became effective from 1 January.

2012: In July, the first of two staged increases in statutory minimum capital requirements introduced by legislation dated May 2011 was applied. Insurers' exemption from profits tax ended.

2013: The only specialised reinsurance company, Transinsurance Plus, was closed.

2014: The second round of the staged increases in minimum capital introduced by legislation dated May 2011 came into effect.

2015: Compulsory carriers' liability insurance was introduced.

2017: Foreign exchange policy liberalised. Minimum capital requirements restated in local currency.

Insurers permitted to purchase foreign currency without limitation when procuring reinsurance.

- Presidential Decree No 5197 dated 29 September 2017 repealed Resolution No PP-1544 On Additional Measures for the Further Strengthening of Insurers' Financial Stability and introduced the restated capital requirement for a reinsurer in Appendix No 2 of Resolution of the President No 618 dated 10 April 2007 as UZS 30bn (USD 3.79mn) (the equivalent of USD 3.70mn using the official exchange rate of 5 September 2017 established by the Central Bank).

2018: In 2018 the project On measures to reform and ensure accelerated development of the insurance market of the Republic of Uzbekistan was announced under the umbrella of Presidential Decree No UP-4947 of 7 February 2017 Action strategy for the further development of the Republic of Uzbekistan.

- In October 2018 there were 28 locally registered insurance companies, of which 24 are non-life. Several major insurers are either majority state-owned or have a government shareholding.

2019: Two non-life companies have recently established life companies. The state-owned non-life company Kafolat established Kafolat Hayot which was licensed from 22 November 2018; and the privately-owned non-life company Euroasia Insurance established Euroasia-Life which was licensed from 5 November 2018. In addition, on 5 April 2019 the non-life insurance company PSB Insurance was licensed. PSB Insurance is owned by the bank Uzpromstroybank and will offer property, motor, liability, credit, financial risks, aviation and marine insurance. The total number of insurance companies operating in Uzbekistan in April 2019 had increased to 31, with 25 non-life companies and 6 life companies.

2023: - In September 2023, regulatory oversight was transferred to a new supervisory body, the **National Agency of Perspective Projects (NAPP)**, which is directly accountable to the president.

- At the end of 2023, there were 34 non-life insurers and 8 life insurers operating in the market. In non-life insurance, APEX INSURANCE ranked first, pushing last year's leader O'ZBEKINVEST to second place. KAFOLAT SUG'URTA KOMPANIYASI closes the top-3 in the segment. The life insurance ranking was headed by APEX LIFE INSURANCE, and the former leader, NEW LIFE SUG'URTA KOMPANIYASI, moved down to third place.

2024: - The National Agency for Prospective Projects (NAPP) of the Republic of Uzbekistan reported that work is underway to revise the MTPL tariffs established back in 2019.

- The National Agency for Prospective Projects (NAPP) of the Republic of Uzbekistan reported that from August 1, 2024, electronic registration of insurance contracts, as well as issuance of insurance policies for four types of compulsory insurance, was launched through the portal of the Unified Information System service. NAPP in its Unified Information System provides 4 types of compulsory insurance contracts:

* employer's civil liability;

* carriers' civil liability;

* civil liability for causing harm to life, health and (or) property and environment of other persons in the event of an accident at a hazardous industrial facility;

* technical capabilities for drafting compulsory construction risk insurance contracts have been created.

- Increasing regulatory risks for Uzbek insurers, especially smaller firms, as capital requirements rise. Since September 2023, the regulator has revoked licenses from 8 insurance companies, including life insurance firms, and temporarily suspended licenses for 9 others.

- In 2024, the government introduced a state health insurance mechanism in Tashkent that will provide free medical services and medicines.

- The United Nations Development Programme (UNDP) in cooperation with the National Agency of Perspective Projects of the Republic of Uzbekistan, organised a roundtable discussion and presented an analytical report on the topic 'Baseline review on Takaful (insurance) system and implementation recommendation'.

- On October 24, 2024, a roundtable in Uzbekistan—organized by the National Agency of Perspective Projects with IFC and Moody's—focused on introducing mortgage securities. Key stakeholders, including the Central Bank and financial institutions, discussed residential mortgage-backed securities (RMBS) and a draft capital market law. The event highlighted securitization's role in boosting housing finance, supporting bank lending, and aligning with global markets. Experts also examined risk assessment methods, concluding with recommendations to strengthen the legal and regulatory framework.

- According to National Agency for Prospective Projects (NAPP) data, as of 1 October 2024, there were 35 insurance companies operating in Uzbekistan, 7 fewer than in the same period of last year. Of these, 5 companies specialized in life insurance, a decrease of 3 companies year-on-year.

2025: A ranking system for insurance companies is being implemented in Uzbekistan. The goal of the new ranking is to help consumers choose reliable insurance organizations. The evaluation considers the quality of services provided, the financial stability of companies, compliance with legislation, and the timeliness of payments. To compile the ranking, 19 key indicators are used, including the processing of insurance claims, international ratings, financial stability, the introduction of innovative products, and potential violations of legislation.

- Uzbekistan has taken a significant step in integrating its insurance sector into the global financial system by engaging with the International Association of Insurance Supervisors (IAIS) for the first time. During a visit by the National Agency for Advanced Projects (NAAP), discussions focused on adopting international regulatory standards, including the Solvency II framework, and securing technical assistance to enhance oversight and resilience in Uzbekistan's insurance market. This collaboration aims to improve service quality, strengthen risk management, build public trust, and support the sustainable development and stability of the national insurance industry.

The ranking will be updated monthly (by the 10th) and posted on the official NAPP website, which will help make the insurance services market more transparent and increase its competitiveness.

- On April 4, 2025, a collaborative initiative involving the Insurance Development Forum (IDF), United Nations Development Programme (UNDP), German Government, and Uzbekistan's Ministry of Agriculture launched new agricultural insurance products tailored for smallholder horticulture farmers in Uzbekistan. Covering six key crops across five regions, the government subsidizes 50% of the premium cost to enhance accessibility. This scheme aims to mitigate climate-related risks, offering protection against events like frost for crops such as cherries, grapes, and apricots. Local insurers Uzagrosugurta and Semurg are distributing these policies, supported by capacity-building efforts for stakeholders. The initiative underscores the importance of public-private partnerships in enhancing climate resilience for vulnerable farming communities.

➤ **Insurance Market Supervision:**

– **Supervisory authority:**

The **National agency of perspective projects of the Republic of Uzbekistan (NAPP)** is a state institution responsible for regulation, licensing, and permitting procedures in the sphere of crypto-assets turnover, capital market, insurance, e-commerce, lotteries and gambling activities.



The Agency is a state institution with the right of legal entity and in its activities is accountable to the President of the Republic of Uzbekistan.

The main tasks of the Agency are as follows:

- Development and implementation of a unified state policy in the spheres of crypto-assets turnover, capital market and insurance, e-commerce, the organization of lotteries, risk-based games on the Internet and betting activities;
- Ensuring the observance of the rights and legitimate interests of in the spheres of crypto-assets turnover and capital market;
- Implementing control over the activities of professional participants of the insurance market aimed at ensuring the protection of the rights and legitimate interests of participants in insurance relations;
- Participation in the development and implementation of measures to combat the legalization of proceeds from criminal activity, the financing of terrorism and the financing of proliferation of weapons of mass destruction;
- Initiating and facilitating the promotion of projects for the implementation of distributed data registry technology and other latest technologies in public administration and various areas of socio-economic development.

➤ **Key Insurance Legislations:**

The key insurance Laws in Uzbekistan are as follows:

1. Law of the Republic of Uzbekistan on insurance activity from 05.04.2002 (as amended)
2. Law of the Republic of Uzbekistan on compulsory insurance of civil liability of the employer No. 210 dated 04.16.2009
3. Law of the Republic of Uzbekistan on Compulsory Insurance of Civil Liability of Vehicle Owners No. 155 dated April 21, 2008 (as amended)

❖ *For decrees and regulations ([Click here](#))*



➤ **Insurance Association**

- **Insurance Association of Uzbekistan:** The Association of Professional Participants of the Insurance Market of Uzbekistan was established in 2007 in accordance with the Resolution of the President of the Republic of Uzbekistan.



The main tasks are as follows:

- study of the insurance market situation, development of proposals to ensure its greater transparency, development of competition, increase in volume, expansion of the range and improvement of the quality of insurance services;
- assistance to potential foreign investors in investing funds in the insurance sector of the Republic of Uzbekistan;
- implementation of active explanatory work among the population of the republic on insurance issues;
- improvement of the system of training and retraining of personnel for insurance, development of standards of professional ethics for professional participants of the insurance market.

➤ **Company Registration and Operating Requirements:**

- Article 11 of the insurance law provides that the state registration of insurers, reinsurers and insurance brokers shall be carried out by regulator.
- A licence is issued either for non-life or life insurance, or reinsurance exclusively. Composites are not permitted. Insurers must apply for the individual classes of either non-life or life insurance that they propose to transact, and some classes have certain conditions attaching to them such as the requirement for a country-wide network of branches for several compulsory classes, membership of the guarantee fund for motor, and membership of the pool for carriers' liability.
- PA and healthcare (sickness) are considered as non-life classes in Uzbekistan.



- Insurers (and reinsurers) have to be established as commercial organisations (Civil Code, Article 925).
- Holding company structures including both life and non-life insurers are permitted.

➤ **Capital Requirements**

The minimum authorized capital for insurance companies operating:

- Non-life insurers - UZS 7.5bn (USD 947,207)
- Insurers writing compulsory classes - UZS 15bn (USD 1.89mn)
- Exclusively for reinsurance - UZS 30bn (USD 3.79mn).



➤ **Foreign Ownership**

- Article 27 of the insurance law states that foreign insurance and reinsurance organisations may participate as founders of Uzbek insurance companies. All discriminatory provisions have therefore been removed from the law. While there are at least three insurance companies with foreign equity participation, a wholly owned foreign insurer has yet to be licensed.
- Branches of foreign legal entities are not, however, permitted.

➤ **Compulsory Insurances**

List of key compulsory insurances:

- *Motor third party liability.*
- *Employers' liability.*
- *Carriers' third party liability (death, bodily injury and property damage of passengers).*
- *Third party and environmental liability for accidents at hazardous production facilities.*
- *Professional liability for the following: valuers, customs clearing agents, financial services consultants, auditors, real estate agents and notaries.*
- *Third party liability for hazardous cargo transportation.*
- *Ecological insurance.*
- *Contractors' all risks for objects built with state funds or under state guarantee.*
- *Insurance of items taken as loan pledges.*
- *Insurance of leased equipment.*
- *Insurance of property offered as security.*
- *Insurance of mortgaged property.*
- *Insurance of risks under concessionaires' contracts.*
- *Insurance of valuables in the post.*
- *Tourist insurance.*
- *Export contract insurance.*
- *Life and health insurance for participants in clinical trials (required by trial sponsors in order to obtain a licence - not a legal requirement).*



➤ **Pools:**

- Employers' liability insurance pool.
- Carriers' liability pool.
- There is no state pool or catastrophe fund for earthquake hazard.
- There is no terrorist pool in the country.
- There is no pollution pool.



(B) UZBEKISTAN: Insurance Market Performance & Statistics



➤ UZBEK Insurance Market Main Indicators 2019-2023

		2019	2020	2021	2022	2023
GDP, current prices	UZS billion ¹	532,712.49	605,514.90	738,425.20	888,341.70	1,047,869.37
	EUR billion ⁴	50.14	47.36	60.40	74.26	76.31
GDP per capita, current prices	UZS ¹	16,018,779	17,859,057	21,367,150	25,185,964	29,087,364
	EUR ⁴	1,508	1,397	1,748	2,106	2,118
Unemployment rate	% of total labor force ¹	8.98	10.53	9.63	8.85	8.35
Population	Millions ¹	33.26	33.91	34.56	35.27	36.03
UZS/EUR exchange rate	End of period ²	10,624.70	12,786.03	12,224.88	11,961.85	13,731.82
Gross written premiums	UZS million ³	1,635,206.55	1,635,206.55	3,732,024.00	6,231,726.00	8,059,726.00
	EUR million ⁴	153.91	127.89	305.28	520.97	586.94
Paid claims	UZS million ³	813,510.42	735,110.36	1,235,061.05	2,596,926	2,022,054
	EUR million ⁴	76.57	57.49	101.03	217.10	147.25
Insurance penetration degree	% in GDP ⁴	0.31%	0.27%	0.51%	0.70%	0.77%
Insurance density	EUR/capita ⁴	4.63	3.77	8.83	14.77	16.29

¹ International Monetary Fund, World Economic Outlook Database, October 2023

² The Central Bank of the Republic of Uzbekistan

³ The Insurance Market Development Agency under the Ministry of Finance

⁴ XPRIMM calculations

➤ UZBEK Insurance Market portfolio as of December 31st, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2023	2022	Change	2023	2022	Change	2023	2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL	586.94	520.97	12.66	147.25	217.10	-32.17	100.00	100.00
Life insurance, including:	20.72	127.46	-83.75	32.08	125.24	-74.38	3.53	24.47
Compulsory	2.60	2.24	16.01	0.92	0.78	18.16	0.44	0.43
Voluntary	18.12	125.22	-85.53	31.16	124.46	-74.96	3.09	24.04
Non-Life insurance	566.22	393.50	43.89	115.17	91.86	25.38	96.47	75.53
Compulsory of which:	46.06	41.07	12.14	17.24	19.46	-11.44	7.85	7.88
employer's civil liability	16.07	13.10	22.63	5.31	5.44	-2.47	2.74	2.52
civil liability of vehicle owners	21.28	19.57	8.74	11.35	13.26	-14.41	3.63	3.76
Voluntary of which:	520.17	352.43	47.59	97.93	72.39	35.28	88.62	67.65
accidents	3.75	4.96	-24.47	0.63	0.37	69.85	0.64	0.95
illnesses	4.74	4.06	16.96	2.81	2.71	3.75	0.81	0.78
Motor Hull	87.99	50.55	74.07	6.70	4.80	39.55	14.99	9.70
cargo	8.97	9.38	-4.34	0.21	0.18	19.50	1.53	1.80
fire and natural disasters	0.12	0.20	-41.96	-	0.01	-	0.02	0.04
property damage	0.13	0.14	-8.71	-	-	-	0.02	0.03
GTP/L	14.59	7.12	104.99	1.47	7.92	-81.38	2.49	1.37
credit insurance	94.73	60.35	56.96	63.81	44.07	44.81	16.14	11.58

¹ EUR = 11,961.85 Som - UZS (December 31st, 2022)

¹ EUR = 13,731.82 Som - UZS (December 31st, 2023)

FY2023: GWP increased by 29%, while paid claims decreased by 22%

At the end of 2023, the insurance sector of Uzbekistan grew by 29% to UZS 8,059.726 billion (EUR 586.94 million), as data published by the National Agency for Prospective Projects of the Republic of Uzbekistan show.

Compared to 2022, the share of life insurance in the market portfolio fell by more than 20% - from 24.47% to 3.53%. On the other hand, the share of non-life insurance increased significantly and reached 96%. The driver of the decline in life insurance was voluntary insurance, which decreased by 83% at the end of the year.

It is worth noting that 88% of all market premiums are generated in voluntary non-life insurance, in which the main contribution is made by credit insurance and motor hull.

Insurers' paid claims decreased by 22% to UZS 2,022.054 billion (EUR 147.25 million), mainly due to a decrease in voluntary life insurance by 71%. The largest increase in paid claims was observed in insurance against accidents.

At the end of 2023, there were 34 non-life insurers and 8 life insurers operating in the market. In non-life insurance, APEX INSURANCE ranked first, pushing last year's leader O'ZBEKINVEST to second place. KAFOLAT SUG'URTA KOMPANIYASI closes the top-3 in the segment. The life insurance ranking was headed by APEX LIFE INSURANCE, and the former leader, NEW LIFE SUG'URTA KOMPANIYASI, moved down to third place.

UZBEK Insurance Market in 2024

FY2024: voluntary non-life insurance generates almost 91% of all premiums

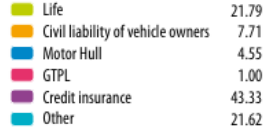
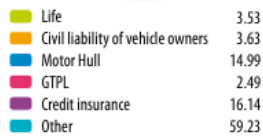
At the end of 2024, the insurance sector of Uzbekistan grew by 21.22% y-o-y and amounted to UZS 9.77 trillion (EUR 727.16 million), according to the data published by the National Agency of Prospective Projects (NAPP).

Almost 98% of all premiums came from non-life insurance, while life insurance accounted for only 2.45% of the market portfolio.

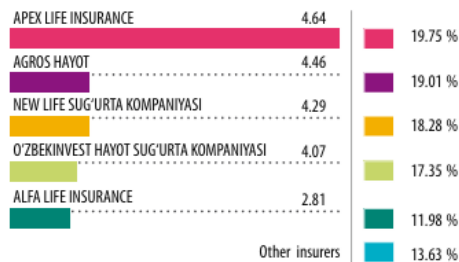
In the non-life insurance segment, voluntary insurance recorded significant growth (+24%), the largest classes of which are credit insurance and Motor Hull. Voluntary non-life insurance accounts for almost 91% of the total market volume. At the same time, compulsory insurance grew by only 5%.

Insurers' paid claims increased by 9%, reaching UZS 2.02 trillion (EUR 164.08 million). It is worth noting that in life insurance paid claims fell by almost 75% y-o-y, while in non-life insurance they grew by 32.42%.

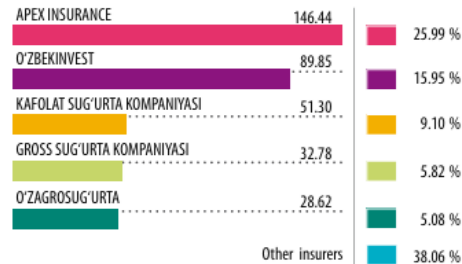
The leaders in terms of GWP in non-life insurance are Apex Insurance (UZS 2.75 trillion), O'zbekinvest (UZS 1.27 trillion) and Kafolat (UZS 738.65 billion). These three leaders remained unchanged. In life insurance, Apex Life Insurance continues to lead, occupying almost 78% of the segment.



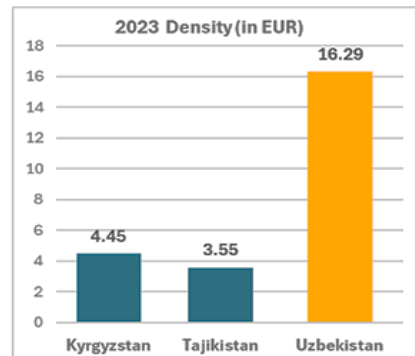
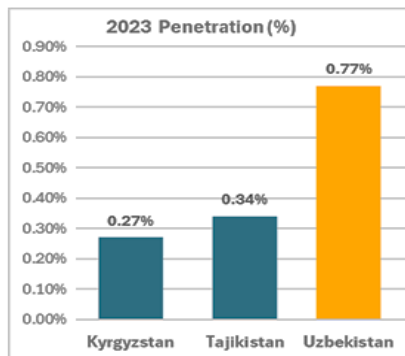
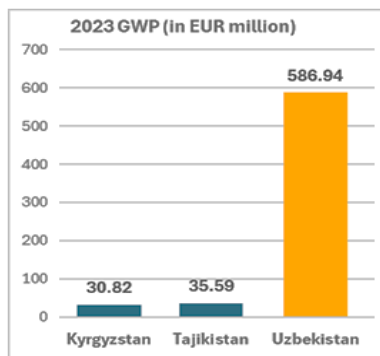
Top 5 Life insurance (GWP, EUR m)



Top 5 Non-life insurance (GWP, EUR m)



UZBEKISTAN: Insurance Market Regional Comparison



UZBEKISTAN: Insurance Market Outlook

Fitch Ratings Key View:



- Regulatory Oversight Fitch Ratings believes regulatory oversight of the Uzbek insurance sector has been limited in terms of transparency and effectiveness of enforcement. However, the quality of regulatory scrutiny is improving. In September 2023, oversight responsibilities were transferred to a new supervisory body, the National Agency of Perspective Projects (NAPP), which is directly accountable to the president. The NAPP is working on sector digitalisation and transparency, and has implemented a system of regulatory ratings focusing on claims, solvency margin, regulatory compliance and international ratings. The aim is to standardise oversight and enhance information on sector development and its susceptibility to financial risks. According to new legislation, by end-3Q29, local insurance companies engaged in reinsurance will need to have a minimum capital of UZS120 billion. Non-life insurance companies involved in compulsory insurance will require UZS100 billion, while providers of compulsory life insurance will need UZS50 billion. For companies engaged solely in voluntary non-life or life insurance, the minimum capital will rise to UZS60 billion and UZS35 billion, respectively. The growth will be gradual, but this represents a substantial increase and should ensure better loss absorption capabilities, particularly small and medium-sized insurers.
- Uzbek insurance sector should continue its double-digit growth on the back of the economic growth boosted by household consumption and programme of investments in energy generation and distribution, Fitch Ratings says in a new report. The growth should lead to a gradual improvement of the country's modest insurance penetration rates.
To maintain this growth, Uzbek insurers have become more active in the foreign reinsurance market through participation in non-life treaties, with the total assumed premiums grew by a sizeable 69% to UZS2.1 trillion in 2023 – almost equalling the sector's authorised capital.
Fitch believes that higher exposure to reinsurance business could create volatility for Uzbek insurers' underwriting profitability and result in unexpected losses as they are still developing their expertise and understanding of the international reinsurance market.
- Uzbekistan's industry profile and operating environment (IPOE) range sits lower than more mature insurance markets due to limited technical sophistication and financial market developments and affects Uzbek insurers' company profiles. All Fitch-rated Uzbek insurers focus on primary business in their domestic markets, although there is a trend for growing foreign reinsurance business. Fitch ranks the company profiles of Gross, Kafolat and Uzagrosugurta as 'Favourable' compared with other Uzbek insurers. SQB Insurance and INSON have 'Moderate' company profiles, mainly due to their small size by international standards. Uzagrosugurta's rating benefits from state ownership, while SQB Insurance's benefits from bank ownership.

Fitch Ratings Report – March 2024

GlobalData Key View:



- The key trends impacting the Uzbekistan insurance market are growing awareness of health insurance and agriculture insurance. In addition, the rising popularity of digitalization and reinsurance will propel the market's growth.
- The key segments in the Uzbekistan insurance market are life insurance and general insurance. The general insurance sector was the major contributor to the Uzbekistan GWP share in 2023. The key lines of business (LoB) within the general insurance market are property, motor, liability, financial lines, MAT, and general insurance PA&H, among other miscellaneous insurances. Financial lines LoB had the highest share in the general insurance industry GWP in 2023.
- The gross written premium (GWP) of the Uzbekistan insurance market was UZS8.1 trillion (\$686.8 million) in 2023. The market will achieve a CAGR of more than 20% during 2024-2028.

GlobalData Report – 24 July 2024

Statista Key View:



➤ INSURANCES

- The projected market size (gross written premium) of the Insurances market in Uzbekistan is expected to reach US\$3.82bn in 2025.
- Life insurances dominate the market with a projected market volume of US\$2.06bn in 2025.
- The average spending per capita in the Insurances market amounts to US\$105.60 in 2025.
- The gross written premium is anticipated to show an annual growth rate (CAGR 2025-2029) of 3.48%, resulting in a market volume of US\$4.38bn by 2029.
- In global comparison, the United States is expected to generate the highest gross written premium of US\$3,930.0bn in 2025.
- The insurance market in Uzbekistan is experiencing a surge in demand for life insurance policies due to the country's growing middle class and increasing awareness about financial security.

➤ LIFE INSURANCE

- The Life insurance market market in Uzbekistan is expected to see significant growth in the coming years.
- By 2025, the market size, measured by the gross written premium, is projected to reach US\$2.06bn.
- This indicates a strong potential for the Life insurance market sector in the country.
- Furthermore, the average spending per capita in the Life insurance market market is estimated to be US\$56.85 in 2025. This figure reflects the amount of money spent by individuals on Life insurance market policies, highlighting the importance of this market segment for the population of Uzbekistan.
- Looking ahead, the gross written premium is anticipated to exhibit an annual growth rate (CAGR 2025-2029) of 2.23%. This steady growth is expected to lead to a market volume of US\$2.25bn by 2029.
- These numbers demonstrate the positive trajectory of the Life insurance market in Uzbekistan.
- In global comparison, it is worth noting that the United States is expected to generate the highest gross written premium in 2025, reaching a staggering US\$1,339.0bn.
- Overall, the Life insurance market sector in Uzbekistan is poised for growth, with increasing market size and per capita spending. This presents ample opportunities for both insurers and consumers in the country.
- Uzbekistan's life insurance market is experiencing rapid growth as the country's middle class expands and demand for financial protection increases.

➤ NON-LIFE INSURANCES

- The projected market size (gross written premium) of the Non-life insurance market in Uzbekistan is expected to reach US\$1,764.00m in 2025.
- Furthermore, the average spending per capita in the Non-life insurance market is estimated to be US\$48.79 in 2025.
- Based on the forecasted data, the gross written premium is expected to experience an annual growth rate (CAGR 2025-2029) of 4.75%. This growth rate will contribute to a market volume of US\$2,124.00m by the year 2029.
- When compared globally, it is worth noting that the United States is anticipated to generate the highest gross written premium in the Non-life insurance market, reaching US\$2,591.0bn in 2025.
- Uzbekistan's non-life insurance market is experiencing steady growth due to increasing awareness and demand for coverage among its population.

Statista Market Insights | Recent update: Sep 2024

