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**“Insurance system and types of insurance in our country: comparative analysis of the current status with the situation in developed countries”**

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**ABSTRACT**

**“INSURANCE SYSTEM AND TYPES OF INSURANCE IN OUR COUNTRY: COMPARATIVE ANALYSIS OF THE CURRENT STATUS WITH THE SITUATION IN DEVELOPED COUNTRIES”**

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This bachelor thesis deals with questions related to the insurance system and types of insurance, and answer the questions: “What are key problems faced in the practice of insurance relations in Azerbaijan?” and “How can these problems be solved?”

Insurance policy is a tool that serves to improve the living conditions of the citizens, being part of the state's social policy. Insurance system is an institution by which fatalities of a small number are compensated out of funds collected from the insured. Insurance companies pay back for financial losses arising out of occurrence of insured events. Actually, insurance is a safeguard against uncertainties, it provides financial recompense for losses suffered due to incident of unanticipated events.

The diploma paper concludes with the development perspectives of dynamic available problems in the field of insurance. As a result of the research, several theoretical provisions, including specific results aimed at improving the legislation and practice on the insurance are shown.

***Keywords:****insurance, insurance system, market economy, insurance contract, insurance companies, life insurance.*

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**INTRODUCTION**

The analysis of the insurance market is a specialized institution, but examines a business issues with extremely wide-ranging implications; it affects the stability of the whole economy of any country. An important key thing about this research is the increasing importance of the insurance – which is now a vital element for people in Azerbaijan and developed countries. The thesis will provide an organized research resource and also inform and motivate further studies into the legislation and practice of insurance relations.

All types of insurance is rationally negotiated to serve an indicated need, or that persons in general carefully analyze the risks. Insurance is sold by advertising, salesmen, development of alluring products and other devices that attract both to the rational and emotional sides of human being. An efficient insurance system has a significant importance both in meeting all necessities of individuals as well as legal entities.

Today, developed countries have advanced insurance system in which funds flow from people with fund surpluses to the ones that are in need of them by the aid of insurance companies. On the other hand, despite its recognized economic and social importance, financial issues often remain under-developed in developing countries mainly due to the lack of macroeconomic stability.

The literature about insurance system and insurance companies agrees upon the fact that macroeconomic instability is one of the main inhibiting factors on the growth of insurance relations. Macroeconomic stability is necessary for an insurance market to develop and to grow. High insurance fees negatively affect the demand for insurance loans by the natural and legal persons. However, rises in inflation and accordingly in the risk management creates an instable macroeconomic environment which negatively affects the number of insurance loans issued both due to the high fee for the insurers and low availability of funds for companies in such a situation.

The diploma paper summarizes comprehensively the definition and content of insurance relations, provides a review of insurance contracts from some developed and developing countries, and describes the situation of the insurance system in our country. Moreover, this study is different, because it empirically shows the relationships of insurance policy, types of insurance, consisting life and non-life parts and the total management of risks existed in various countries. The bachelor thesis consists of three chapters, including six paragraphs, and essentially is about theoretical aspects on the economic regulation of insurance relations, comparative analysis of the insurance system in the Republic of Azerbaijan and developed countries, as well as problems and development perspectives in the field of insurance.

The research objective should formulate a means to providing a solution to the available problems. As a starting point, all paragraphs compile a set of solution requirements. The research objective should work towards satisfying two solution requirements:

1. What are key problems faced in the practice of insurance relations in Azerbaijan?

2. “How can these problems be solved?

### **CHAPTER 1. GENERAL PROVISIONS ON THE ECONOMIC REGULATION OF INSURANCE RELATIONS**

**1.1. Insurance relations: definition, content and features**

### **What is insurance?**

### Insurance is an agreement, spoken to by an approach, wherein an individual or element gets budgetary security or repayment against misfortunes from an insurance agency. The organization pools customers' dangers to make installments increasingly moderate for the safeguarded.

### Insurance policies are utilized to support against the danger of money related misfortunes, both of all shapes and sizes, that may result from harm to the safeguarded or her property, or from risk for harm or damage caused to an outsider.

` **Seeing how insurance works** - there is a large number of various sorts of protection approaches accessible, and practically any individual or business can discover an insurance agency willing to safeguard them, at a cost. The most widely recognized sorts of individual protection approaches are auto, wellbeing, property holders, and life. Most people in the United States have in any event one of these kinds of protection, and vehicle protection is legally necessary.

Organizations require unique sorts of insurance policies that guarantee against explicit kinds of dangers looked by a specific business. For instance, a drive-through joint needs an approach that covers harm or damage that happens because of cooking with a profound fryer. An automobile vendor isn't liable to this kind of hazard however requires inclusion for harm or damage that could happen amid test drives. There are additionally protection arrangements accessible for quite certain requirements, for example, kidnap and ransom (K&R), therapeutic negligence, and expert risk protection, otherwise called mistakes and oversights protection.

**Historical development of insurance** - insurance in some structure is as old as chronicled society. Alleged bottomry contracts were referred to dealers of Babylon as right on time as 4000– 3000 BCE. Bottomry was likewise rehearsed by the Hindus in 600 BCE and was surely known in old Greece as right on time as the fourth century BCE. Under a bottomry contract, credits were conceded to dealers with the arrangement that if the shipment was lost adrift the advance did not need to be reimbursed. The enthusiasm on the advance secured the protection hazard. Antiquated Roman law perceived the bottomry contract in which an article of understanding was drawn up and reserves were stored with a moneychanger. Marine protection turned out to be exceptionally created in the fifteenth century.

In Rome there were also burial societies orders that paid funeral expenses of their individuals out of month to month contribution. The insurance contractalso grown early. It was known in old Greece and among other oceanic countries in business contact with Greece.

**England**

Fire insurance emerged a lot later, acquiring stimulus from the Great Fire of London in 1666. Various insurance agencies were begun in England after 1711, during the so-called bubble era. Huge numbers of them were false, pyramid schemes concerned for the most part with pitching their securities to the general population. All things considered, two significant and effective English insurance agencies were shaped amid this period - the London Assurance Corporation and the Royal Exchange Assurance Corporation. Their task denoted the start of present day property and liability insurance.

No discussion of the early improvement of insurance in Europe would be finished without reference to Lloyd's of London, the international insurance market. It started in the seventeenth century as a coffee housepatronized by shippers, brokers, and protection guarantors, step by step getting to be perceived as the in all likelihood spot to discover financiers for marine protection. Edward Lloyd provided his clients with transportation data assembled from the docks and different sources; this in the end developed into the production Lloyd's List, still in presence. Lloyd's was rearranged in 1769 as a formal gathering of financiers tolerating marine dangers. (The word guarantor is said to have gotten from the act of having each daring individual compose his name under the aggregate sum of hazard that he was happy to acknowledge at a predefined premium.) With the development of British ocean control, Lloyd's turned into the prevailing safety net provider of marine dangers, to which were later included fire and other property dangers. Today Lloyd's is a noteworthy reinsurer just as essential safety net provider, however it doesn't itself execute protection business; this is finished by the part financiers, who acknowledge protection all alone record and bear the full hazard in rivalry with one another.

**United States**

The main American insurance agency was sorted out by Benjamin Franklin in 1752 as the Philadelphia Contribution deliver. The main disaster insurance company in the American settlements was the Presbyterian Ministers' Fund, sorted out in 1759. By 1820 there were 17 stock life insurance companies in the province of New York alone. Huge numbers of the early property insurance agencies fizzled from theoretical ventures, poor administration, and deficient dissemination frameworks. Others bombed after the Great Chicago Fire in 1871 and the San Francisco quake and flame of 1906. There was minimal powerful guideline, and rate making was troublesome without agreeable improvement of sound measurements. Numerous issues additionally plague the disaster insurance business. In the period following the U.S. Common War, awful practices created: profits were pronounced that had not been earned, saves were deficient, publicizing claims were overstated, and places of business were raised that occasionally cost more than the all out resources of the organizations. Thirty-three life coverage organizations flopped somewhere in the range of 1870 and 1872, and another 48 somewhere in the range of 1873 and 1877.

**Russia**

Insurance in Russia was nationalized after the Russian Revolution of 1997. Domestic insurance in the Soviet Union was offered by a solitary office, Gosstrakh, and insurance on outside dangers by a friend organization, Ingosstrakh. Ingosstrakh keeps on guaranteeing outside possessed property in Russia and Russian-claimed property abroad. It acknowledges reinsurance from remote back up plans. Be that as it may, following the development toward a free market economy (perestroika) after 1985 and the separation of the Soviet Union in 1991, somewhere in the range of 230 new private back up plans were set up.

Gosstrakh offers both property and personal insurance. The previous inclusion is obligatory for government-owned property and for certain property of aggregate ranches. Voluntary property insurance is accessible for exclusive property. Individual inclusions, for example, life and accident insurance and annuities additionally are sold.

Prior to 1991, insurance against tort liability was not allowed, on the ground that such inclusion would enable careless people to escape from the money related outcomes of their conduct. In any case, with the appearance of a free market framework, it appears to be likely that liability insurance will wind up accessible in Russia.

**Eastern Europe**

After the separation of the Soviet Union, nations in eastern Europe created insurance systems of impressive assortment, running from very concentrated and state-controlled frameworks to Western-style ones. In view of later political and monetary changes in these nations, it appears to be likely that the pattern will be toward decentralized, Western-style frameworks.

A couple of speculations about insurance in eastern European nations might be made. Despite the fact that state insurancemonopolies are common, they are losing some business to private back up plans. Insurance of state-claimed property, which was viewed as pointless in communist states, has been built up in a few nations.

**Japan**

Insurance in Japan is for the most part in the hands of private undertaking, in spite of the fact that government insurance agencies compose crop, domesticated animals, forest fire, fishery, send out credit, mishap and wellbeing, and portion deals acknowledge insurance just as government managed savings. Private insurance agencies are controlled under different resolutions. Real classes of property insurance composed incorporate vehicle and specialists' remuneration (which are necessary), fire, and marine. Rates are constrained by willful rating agencies under government supervision, and Japanese law expects rates to be “sensible and nondiscriminatory”. Policy frames for the most part take after those of Western countries. Personal Insurance lines are also very much created in Japan and incorporate customary life, bunch life, and gathering annuities. Medical coverage, be that as it may, is fused into Japanese government managed savings.

Japan's quick industrialization after World War II was joined by an amazing development in the insurance business. Close to the finish of the twentieth century, Japan positioned number one on the planet in extra security in power. It represented around 25 percent of all insurance premiums gathered on the planet, positioning second behind the United States. The quantity of local back up plans is moderately little; remote safety net providers work in Japan yet represent under 3 percent of complete premiums gathered.

## **1.2. Formation of the insurance system and its development in the market economy**

## **Worldwide operations**

On account of the extraordinary extension in world exchange and the degree to which business firms make speculations outside their nations of origin, the market for protection on an overall scale extended quickly in the twentieth century. This improvement required an overall system of workplaces to give brokerage services, underwriting assistance, claims administration, etc. Most of the world's insurance businesses are amassed in Europe and North America. These organizations must administration an enormous piece of the insurance needs of the remainder of the world. The lawful and administrative obstacles that must be defeated so as to do as such are impressive.

In 1990 the 10 driving insurance advertises on the planet as far as the level of all out premiums gathered were the United States (35.6 percent); Japan (20.5 percent); the United Kingdom (7.5 percent); Germany (6.8 percent); France (5.5 percent); the Soviet Union (2.6 percent); Canada (2.3 percent); Italy (2.2 percent); South Korea (2.0 percent); and Oceania (1.8 percent).

Significant world patterns in insurance incorporate a steady development far from patriotism of protection, the improvement of overall protection projects to cover the activities of worldwide enterprises, expanding utilization of reinsurance, expanding use by partnerships of self-insurance programs managed by completely claimed insurance auxiliaries (hostage organizations), and expanding utilization of mergers among the two back up plans and brokerage firms.

The insurance sector can assume a basic job in money related and financial improvement in different ways. The division enables pool to hazard and diminishes the effect of enormous misfortunes on firms and family units - with a helpful effect on yield, venture, development, and rivalry. As money related middle people with long venture skylines, extra security organizations can add to the arrangement of long haul fund and increasingly compelling danger the executives. In addition, the insurance sector can likewise improve the effectiveness of different portions of the money related segment, for example, banking and bond markets, by upgrading the estimation of guarantee through property insurance and decreasing losses at default through credit certifications and improvements.

In fact, a developing literature finds that there is a causal connection between insurance sector advancement and financial development. In any case, there have been not many investigations that direct see what drives the improvement of the insurance segment. Of the literature that exists, most spotlights on the development of the existence part as estimated by disaster insurance premiums.

In “What Drives the Development of the Insurance Sector?”, Roberto Rocha, Rodney Lester, and I planned to fill this hole by examining both life and non-life coverage action in a gathering of 90 creating and created nations for period 2000-08. Specifically, we evaluated the joint effect of an expansive arrangement of potential determinants, including new factors that have not yet been tried. Table 1 gives an outline of past disaster insurance investigate, with dark boxes showing zones that were not considered in the paper demonstrated. As far as anyone is concerned, little research has been done on the insurance part outside of life insurance.

Our life insurance results affirm a portion of the past experimental research and include a couple of extra discoveries. We find that pay is a significant driver of life insurance, however that the measure of a nation's population and population density are additionally significant drivers. Past research had shockingly ignored these two factors, which demonstrate the significance of bigger customers, more profound hazard pools and scale economies, and simpler dissemination channels. We additionally find that swelling unequivocally obstructs the extra security segment's advancement, in accordance with past research. Our outcomes likewise affirm that a high youthful age reliance proportion drives the interest for insurance against mortality chance, while a high old reliance proportion drives the interest for protection against loss of salary at maturity. Further, we affirm that prevalence of a Muslim populace will in general ruin the improvement of the life insurance part as insurance may have horrible religious undertones. The outcomes likewise propose that an enormous government managed savings framework hinders improvement of the life insurance segment by halfway diminishing the requirement for insurance yet in addition by decreasing the dimension of extra cash net of charges and commitments. At last, our discoveries demonstrate that solid private possession and a sound legitimate structure advance the improvement of the existence division, as do well-working credit and security markets.

The non-life insurance sector results are to a great extent reliable with the life insurance discoveries. Specifically, salary is a significant driver and Muslim prevalence moderates the part's advancement. The outcomes additionally demonstrate the significance of institutional and market structure. As on account of life coverage, private responsibility for industry, a solid lawful structure and created credit markets advance the improvement of the non-life part. Moreover, we find distinctive extra impacts of individual vehicle penetration and exchange action, especially in little nations.

A portion of the insurance sector drivers are not inside the scope of strategy producers or must be affected over extensive stretch of time. Be that as it may, the outcomes show that strong approaches can add to the speeding up of the area's advancement. They appear, for instance, the significance of a stable macroeconomic system and low swelling for the division's advancement. The positive effect of private proprietorship on the division's development is another significant finding, as the state still assumes an overwhelming job in numerous nations. The insurance sector thrives under a strong lawful structure, and furthermore benefits fundamentally from created credit and security markets. At long last, religion assumes a significant job, recommending the requirement for more advancement in presenting insurance institutions and items increasingly orchestrated with religious convictions, for example, the instance of Takaful courses of action in Muslim nations.

**CHAPTER 2. DIVERSE INSURANCE SYSTEMS IN WORLD COUNTRIES AND THE INSURANCE POLICY OF OUR STATE**

**2.1. Insurance as a form of risk management all over the world**

**Insurance Risk Management** - is the evaluation and measurement of the probability and monetary effect of occasions that may happen in the client's reality that require repayment by the guarantor; and the capacity to spread the danger of these occasions happening crosswise over other insurance financier's in the market.Hazard Management work ordinarily includes the use of scientific and measurable demonstrating to decide suitable premium spread and the estimation of protection hazard to 'hold' versus 'circulate'.

PRM Value:

1. Arrangement of the valuing market technique and reinsurance courses of action to the association's hazard hunger just as streamlining the objectives of the association;
2. Helping customers to perceive chance occasions and changes to guarantee rates prior, in order to move towards a more market responsive, hazard based estimating approach which guarantees the proficient organization of capital and a decrease in outrageous hazard occasion misfortunes;
3. Upgrading the input instrument from cases capacity to guaranteeing and item advancement procedures to improve the exhibition and productivity of these procedures.

PRM Core services:

1. Upgraded Risk Strategies: Frameworks
2. Make the correct hazard methodologies to accomplish the endeavors key points and actualizes the ideal systems to guarantee chance is fittingly overseen.

Work Undertaken:

1. Appraisal, plan and execution of Insurance Strategies;
2. Appraisal, plan, execution of Insurance Risk Frameworks;
3. Appraisal, plan and execution of protection chance related hazard portfolios and evaluation strategies;
4. Evaluation, structure and usage of Insurance Risk Appetite Statements;
5. Cases Function KPI structure;
6. Item Sector Strategy Input;
7. Insurance Product Pricing;
8. Guaranteeing Function KPI structure;
9. Reinsurance Program Design.

Example :

* Set up an upgraded hazard system following a securing
* Improved Risk Performance
* Placing words vigorously – conveying hazard execution inside concurred resiliencies at the sharp end - for a long time.

Work Undertaken:

1. Insurance Risk Analysis – Trend investigation
2. Insurance Risk Analysis – Exposure Measurement
3. Insurance Risk Exposure Management
4. Hazard capital Reserving
5. Cases Result Analysis
6. Reinsurance Effectiveness
7. Insurance Risk Aggregation and fixation hazard estimation and the executives
8. Friend survey Actuarial Services
9. Review audit of liabilities, capital and so on
10. Insurance Needs Assessment or potentially Insurance Selection suggestions for non-protection customers
11. Hazard Management Software Systems - Insurance Risk Underwriting Software Design, Specifications, Testing, Review
12. Mergers and Acquisitions help

Example:

* Aided the advancement of an upgraded Risk Appetite process for a general safety net provider.
* Improved Risk Management Functions Capabilities.
* Make the ideal authoritative arrangements and furnishes the venture with the correct abilities and capacities to oversee hazard to accomplish vital points.

Work Undertaken:

1. Appraisal, structure and execution of Insurance Risk Management capacities
2. Cases Function – Assessment
3. Endorsing Function Assessment
4. Selected Actuary Services
5. Interval the board arrangements: Insurance Risk Officers and different experts
6. Example: Organization of an accomplished PwC Partner to act a between time CRO for the Wealth Business of a 'Major 4 Bank'.

**Managing Insurable Risks** -you can buy insurance for a wide range of things: to supplant lost profit in case of unexpected passing (extra security), to take care of the expenses of harm to your home (homeowners insurance), car (vehicle insurance), or even your recently acquired TV or hardware device (what we call gadget insurance). Medical coverage establishes a significant piece of our protection, however the unpredictability of that field blocks us from covering it here.

From a fund point of view, the means in dealing with these dangers are direct:

* Identify the hazard – in like manner words, what do you fear?
* Determine the amount of this hazard you can tolerate, and
* Insure the rest of the hazard

Here's somewhat more detail and a few remarks on these 3 stages.

1**. Identify the hazard** - the trap here is to put the hazard in dollars. On account of extra security, for example, spread out the normal pay that will be lost if the safeguarded were to kick the bucket. Dependable guidelines are convenient, yet there is not a viable alternative for spreading out the money streams.

2. **Determine the amount you can hold up under** - this progression is the one that is the wellspring of the vast majority of the oversights – you spend an excessive amount of cash in the event that you go out on a limb, and you can lose enormous in the event that you go out on a limb. The market will pay you to go for broke. The superior you pay for an insurable hazard needs to cover the normal misfortune, yet additionally the regulatory costs brought about by the insurance agency.

Through an incredible span you will take many, numerous dangers. Insofar as every one of the dangers is a reasonable sum – i.e., nobody occasion can “thump you out of the amusement” – you can anticipate that the huge number of dangers should average near the normal misfortune. By tolerating those dangers, you will keep the cash that would have been paid to take care of the authoritative expenses of the insurance agency.

Try to keep the dimension of each hazard at that “sensible sum” – on the off chance that you endure a gigantic misfortune, it is exceptionally hard to recuperate. The standard that we prescribe is to acknowledge hazard up to the point where it would influence your way of life if occasions conflict with you.

This progression gives a prompt application to the vast majority: don't purchase “gadget insurance”. For the greater part of us, our way of life won't be hindered if the new electronic device all of a sudden quits working. So oppose that business weight.

Talking about deals weight, you may think that it’s valuable to examine these standards with your insurance specialist. Numerous specialists expect that their customers wish to have “everything secured” so they continue to suggest inclusion that involves no hazard for the customer.

At long last, let us include a word about some mental parts of this progression. There is typically some solace in being “completely guaranteed”. Similarly, there is normally some agony in paying a misfortune despite the fact that it doesn't influence your prompt way of life and you trust that your way of life will be better over the long haul. For you, this blend of solace and potential torment might be great to the point that you would like to shoulder no hazard in these issues. That is OK – simply perceive that by maintaining a strategic distance from dangers that you could bear monetarily, you are bringing about money related expenses.

**2.2. Types of insurance: life and non-life insurances**

**What is the difference between Life and Non-life coverage?**

It is critical to know the contrast between Life and Non-Life insurance as one should realize which field they need to get in and pick their profession appropriately. To begin with, we will discuss Life Insurance. Life Insurance is an insurance spread that gives out a specific add up to the guaranteed or their assigned recipients upon a specific occasion, for example, passing of the person who is safeguarded. For our benefit and better understanding it won't not be right to express that Life Insurance is identified with a human life. It's essentially a long haul speculation and requires intermittent installments, either month to month or quarterly or every year. The dangers that are secured by Life Insurance incorporate – sudden passing, pay amid retirement, disease. The principle items for a similar comprises of – entire life, enrichment, term, restorative and wellbeing, life annuity plan.

Presently, we proceed onward to Non-Life Insurance, which is covers things separated from the things canvassed in Life Insurance. It is fundamentally a insurance approach to secure a person against misfortunes and harms other than those secured by Life insurance. The inclusion time frame for most non-life coverage approaches and plans is generally one year, whereby premiums are ordinarily paid on a one time premise. The dangers that are secured by non-disaster protection is property misfortune (stolen vehicle or consumed house), obligation emerging from harm brought about by a person to an outsider, incidental demise or damage. The fundamental results of non-extra security incorporates – engine insurance, fire/house proprietors/householders insurance, individual mishap insurance, therapeutic and medical coverage and travel insurance.

The Life and Non-life insurance Division of the Financial Supervisory Authority (FIN-FSA) is a piece of the Department of Insurance Supervision, which has generally speaking duty regarding prudential supervision of the insurance sector. The target of supervision is to guarantee that the substances have the monetary way to satisfy their commitments, for example, installment of insurance claims and benefits.

We oversee life and non-life coverage organizations' inside administration and hazard the board techniques. We survey endorsing dangers, for example, the estimation and sufficiency of specialized arrangements, just as speculation dangers.

Also, we oversee the precision of fiscal summary information of managed substances in the insurance segment as far as productivity and solvency. We take part in universal participation, including inside schools of managers, in our own field of ability.

Insurance is the impartial exchange of the danger of a misfortune, starting with one substance then onto the next in return for installment. It is a type of hazard the board basically used to support against the danger of an unforeseen, unsure misfortune[14]. The significance of insurance framework on the planet is exceptionally high. Since it shields individuals from misfortune, from peril. It is regularly proposed that risk sharing and hazard exchanges are a significant part of our cutting edge economies. Private insurance markets and social insurance programs have been instrumental in improving welfare after some time[4]. Insurance includes pooling assets from many safeguarded elements to pay for the misfortunes that some may acquire. The guaranteed elements are in this way shielded from hazard for an expense, with the charge being reliant upon the recurrence and seriousness of the occasion happening. Soas to be an insurable hazard, the hazard guaranteed against must meet certain qualities. Insurance as a monetary go-between is a business undertaking and a noteworthy piece of the budgetary administrations industry, however singular substances can likewise self-safeguard through setting aside extra cash for possible future misfortunes. Hazard which can be insured by privately owned businesses regularly shares seven basic attributes[5]:

1. **Huge number of comparable introduction units**: Since insurance works through pooling assets, most of insurance strategies are accommodated singular individuals from huge classes, enabling back up plans to profit by the law of huge numbers in which anticipated misfortunes are like the real misfortunes. Special cases incorporate Lloyd's of London, which is popular for safeguarding the life or strength of on-screen characters, sports figures, and different well known people. Be that as it may, all exposures will have specific contrasts, which may prompt distinctive premium rates.
2. **Definite loss**: The misfortune happens at a known time, in a known spot, and from a known reason. The exemplary model is demise of a guaranteed individual on an extra security strategy. Fire, car crashes, and specialist wounds may all effectively meet this foundation. Different kinds of misfortunes may just be positive in principle. Word related sickness, for example, may include delayed introduction to damaging conditions where no particular time, spot, or cause is recognizable. In a perfect world, the time, spot, and reason for a misfortune ought to be clear enough that a sensible individual, with adequate data, could objectively confirm each of the three components.
3. **Coincidental loss**: The occasion that establishes the trigger of a case ought to be happy, or if nothing else outside the control of the recipient of the insurance. The misfortune ought to be pure, as in it results from an occasion for which there is just the open door for expense. Occasions that contain theoretical components, for example, customary business hazards or notwithstanding obtaining a lottery ticket, are commonly not thought about insurable.
4. **Enormous loss**: The extent of the misfortune must be important from the viewpoint of the guaranteed. Insurance premiums need to take care of both the normal expense of misfortunes, in addition to the expense of issuing and directing the arrangement, changing misfortunes, and providing the capital expected to sensibly guarantee that the back up plan will most likely pay claims. For little misfortunes, these last expenses might be a few times the extent of the normal expense of misfortunes. There is not really any point in paying such costs except if the security offered has genuine incentive to a purchaser.
5. **Reasonable premium**: If the probability of a guaranteed occasion is so high, or the expense of the occasion so enormous, that the subsequent premium is huge with respect to the measure of security offered, at that point it isn't likely that the insurance will be bought, regardless of whether on offer. Besides, as the bookkeeping calling formally perceives in money related bookkeeping measures, the premium can't be large to the point that there is anything but a sensible shot of a noteworthy misfortune to the back up plan. On the off chance that there is no such possibility of misfortune, at that point the exchange may have the type of insurance, yet not the substance.
6. **Measurable loss**: There are two components that must be at any rate admirable, if not formally measurable: the likelihood of misfortune, and the orderly expense. Likelihood of misfortune is commonly an observational exercise, while cost has more to do with the capacity of a sensible individual possessing a duplicate of the insurance approach and a proof of misfortune related with a case displayed under that arrangement to make a sensibly unmistakable and target assessment of the measure of the misfortune recoverable because of the case.
7. **Constrained danger of catastrophically enormous losses:** Insurable misfortunes are preferably free and non-cataclysmic, implying that the misfortunes don't occur at the same time and individual misfortunes are not sufficiently serious to bankrupt the back up plan; safety net providers may want to restrain their introduction to a deficit from a solitary occasion to some little bit of their capital base. Capital compels back up plans' capacity to sell earthquake insurance just as wind insurance in tropical storm zones. In the United States, flood hazard is guaranteed by the national government. In business fire insurance, it is conceivable to discover single properties whose complete uncovered esteem is well in overabundance of any individual safety net provider's capital limitation. Such properties are commonly shared among a few back up plans, or are guaranteed by a solitary safety net provider who syndicates the hazard into the reinsurance showcase.

Insurance framework is the primary piece of administration part in created nations. Created nations have huge insurance markets. In these nations insurance premiums are exceptionally high. We can demonstrate the nations in the accompanying table which have enormous insurance advertise[6]**.**

**2.3. Comparative analysis of insurance systems available in the Republic of Azerbaijan and developed countries**

|  |  |  |
| --- | --- | --- |
| |  |  | | --- | --- | | |  | | --- | | **Table 1.**The countries with the large insurance markethttp://article.sapub.org/image/10.5923.j.m2economics.20150302.02_001.gif | | |

Economic classification insurance division, which is a piece of the budgetary framework, is the establishment and usage procedure of the focused on account subsidizes built up to take out the harm from the unsavory mishaps and crisis, to give money related help to the natives in the mishaps associated with their private lives. Insurance framework is a significant component of current financial relations. It incorporates budgetary relations which perform explicit capacities in economy. Insurance framework is identified with pay of misfortunes which securing property enthusiasm of guaranteed. Insurance is a fundamental piece of the administration division both in created and in creating nations[10].

The improvement of insurance in Azerbaijan passed 3 phases: before the October unrest in 1917; after the upset (1917-1990) and the cutting edge time frame since 1990. The insurance framework created in the nation autonomously after 1990. State Insurance Control under the Cabinet of Ministers of Azerbaijan Republic was established in 1991. The obligations of the association were to control the insurance system advertise in the nation, to safeguard the interests of the safety net provider, guaranteed, and the state, to practice efficient administration, to set up the important standardizing and authoritative records. The national insurance showcase in Azerbaijan was shaped in the mid 1992. In January 1993, Azerbaijan Parliament embraced the Law of Azerbaijan Republic “On the insurance” without precedent for Azerbaijan history. Presently, the protection advertise is in the phase of improvement. The insurance agencies offer in excess of 40 compulsory and willful protection frames. In any case, this isn't sufficient. Similarly in the created nations, in excess of 300 different protection administrations are provided[8].

Insurance is new field in Azerbaijan. Be that as it may, regardless of this factor, insurance system assumes significant job in nation economy. Since as far as ensuring individuals' property and wellbeing, arrangement unemployment, expanding welfare of people insurance on has explicit spot. There are in excess of 20 insurance agencies work in Azerbaijan. Three of them are life insurance organizations and rest are non life coverage organizations. We can indicate Azerbaijan insurance agencies in the accompanying table[12].

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | |  | | --- | | **Table 2.**Insurance companies in Azerbaijan  http://article.sapub.org/image/10.5923.j.m2economics.20150302.02_002.gif | | | |  | | --- | |  | | |

Insurance premiums which collected by the Azerbaijan insurance companies change year by year. We can show insurance premiums in Azerbaijan in the following table[11]:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | |  | | --- | | **Table 3.** Insurance premiums in Azerbaijan | | | |  | | --- | | http://article.sapub.org/image/10.5923.j.m2economics.20150302.02_003.gif | | |

We can see from table that, insurance premiums of some insurance agencies expanded however some of them diminished. Hence, some insurance agencies Nowadays the circumstance of insurance framework in Azerbaijan isn't tasteful. Since in created nations the offer of insurance framework in GDP is 15-20 %, yet this marker is 0.5-1 % in Azerbaijan[7]. It demonstrates that, insurance system in Azerbaijan has not grown yet. A few issues forestall insurance framework to create in Azerbaijan at present. We can indicate fundamental issues like that :

1. Misinformation of populace about insurance;
2. Management inadequacies in insurance field;
3. Existing imposing business model in insurance field;
4. Distrust of population to insurance;

5. Restriction contributing outside funding to insurance field by the legislature.

The insurance tariffs in Azerbaijan isn't acceptable in examination with created nations. Therefore, individuals don't want voluntary insurance. At the point when insurance occasion happens, most insurance agencies pay low insurance installment to safeguarded individuals. Consequently, there happens clashes among individuals and insurance agencies. Likewise, it impacts adversely to notoriety of insurance agencies. Other than that, current imposing business model in insurance segment impacts seriously all the insurance agencies. It additionally avert expanding insurance premiums. The general population's need data about insurance anticipate advancement deliberate insurance in Azerbaijan[7].

In any case, in spite of existing these issues in insurance division, a great deal of work have been done in insurance area. A ton of changes have been accomplished for effective activity of insurance agencies and advancement of insurance segment[3]. Measures taken by government for the effective task of insurance agencies and animating exercises for improving insurance advertise are principle models. The insurance system in Azerbaijan will create by most of these measures.

The significance of insurance framework in Azerbaijan is exceptionally high. Since this framework is one of the fundamental piece of administration segment in Azerbaijan. Be that as it may, insurance framework isn't tasteful in Azerbaijan these days. There exist a few issues in insurance segment. Uninformed dimension of populace on insurance administration, existing imposing business model in insurance part, fragmented authoritative base about insurance, low quality insurance administrations are the principle issues, which avoid advancement of insurance framework in Azerbaijan. These issues are not good enough for insurance framework in Azerbaijan. Since these sort of issues make doubt in individuals. In this manner, they don't trust insurance agencies and they would prefer not to utilize insurance items[13].

In spite of existing these issues, points of view from insurance framework is excessively high in not so distant future. Advancement of extra security, advancement of necessary insurance, improvement of insurance culture and increment in capitalization of insurance agencies are primary anticipated points of view in insurance sector. These following measures are too essential to even think about achieving advancement insurance system in Azerbaijan.

1. Using insurance routine with regards to created nations;

2. Increasing nature of insurance benefits by the insurance agencies;

3. Improving administrative base of insurance framework;

4. Taking improving exercises by the administration for insurance

agencies;

5. Applying of necessary medical coverage.

These measures is unreasonably significant for insurance market and insurance framework. On the off chance that these sort of measures will acknowledge, it will conceivable to accomplish improvement of insurance framework in Azerbaijan. Advancement of insurance framework will quicken Azerbaijan economy.

A bundle of administrations is being restored in Azerbaijan as a component of the work being done to apply the required medical coverage framework, director of the State Agency on Mandatory Health Insurance under the Azerbaijani Cabinet of Ministers, Zaur Aliyev, told Trend. Aliyev said that the essential bundle inside the pilot venture ought to be improved.

“Another variant of the bundle of administrations will be prepared for endorsement inside a couple of months”, he said. Aliyev focused on that the expense of the bundle of administrations ought to be reexamined.

“The primary issue is to compose the preliminary work in medical clinics”, he said. “This work is identified with data advances since it must be completely computerized to totally utilize the required medical coverage framework. For this situation, we can get data from centers in a convenient way and we can pay the clinics. I imagine that the formation of programming in emergency clinics and reconciliation into our framework is one of the need issues”.

Aliyev additionally focused on that directly, the emergency clinics of the pilot locale are working with such programming. “The emergency clinics are completely robotized in the pilot regions”, he said. “The whole enrollment framework is led through the program electronically. The organization intends to utilize this methodology in all medical clinics”.

Aliyev included that another issue inside the preliminary work is the association of collaboration and reconciliation with the relating structures. “The organization has started to hold dealings with the Ministry of Taxes regarding installments and will intently coordinate with this structure”, he said. “In the meantime, preparing is relied upon to be held. We will have numerous gatherings with the head doctors and specialists”.

“The majority of the previously mentioned work will be held for the current year”, he said. "The 2019 is a preliminary year for the office to utilize the required medical coverage framework in the nation”. “This year, all the preliminary work must finish for the emergency clinics to go to the compulsory medical coverage framework to be connected wherever from 2020”, Aliyev said.

### A pilot project on required medical coverage framework has been actualized in the nation since the finish of 2016. By and by, it covers Mingachevir city, just as the Yevlakh and Agdash locales of the nation. The State Agency on Mandatory Health Insurance propelled its movement in Azerbaijan in February 2016.

**CHAPTER 3. PROBLEMS AND DEVELOPMENT PERSPECTIVES IN THE FIELD OF INSURANCE**

**3.1. Current gaps in national and international legislations**

**Gap Insurance Basics**

• Gap insurance isn't a compulsory necessity of insurance or state laws when you purchase a vehicle.

• Gap insurance gives inclusion to the distinction between the amount you owe on your vehicle, and the amount it is worth (Actual Cash Value) at the season of a mishap, that causes an all out misfortune.

**When Is Gap Insurance Useful?**

When you have a insurance misfortune, the insurance agency will pay you the real money estimation of the vehicle; this turns into an issue when you owe more cash on the vehicle than the vehicle is value.

A gap insurance support takes care of the issue by paying out the distinction between the sum the insurance agency would regularly pay in a complete misfortune accident and the sum you owe on the vehicle. Gap insurance is discretionary inclusion.

**Gap Insurance Helps Avoid Getting Stuck Paying Money If You Have a Claim**

In the event that you have a complete loss of your vehicle, the insurance agency will just pay the genuine money esteem (ACV) of the vehicle at the season of misfortune. This can be an issue for you when the rate of deterioration of your vehicle, joined with the intrigue you are paying on your financing or rent abandons you in a circumstance where the estimation of the vehicle is worth not exactly the sum owed on the vehicle at the season of the all out misfortune or guarantee on your vehicle.

This is a striking issue in the initial couple of long periods of another vehicle buy.

**Emerging countries influenced by insurance gaps**

Common disaster misfortunes are on the ascent. Many developing and emerging nations are hit particularly hard. All things considered, great insurance projects can relieve the outcomes.

In ongoing decades, in general and safeguarded Nat feline misfortunes have expanded altogether for two reasons. Initially, the financial components included have changed. There has been a sharp ascent in uncovered qualities in high-chance territories essentially around the world, and especially so in creating and rising nations. This has implied developing aggregation dangers, particularly in locales to which state organizations and the insurance business have, before, paid little notice while breaking down misfortune potential.

Also, in various locales, climate related characteristic calamities have developed increasingly regular and progressively extreme as of late. We anticipate that this pattern should have an inexorably conspicuous influence in the changing danger scene.

**Most astounding losses of life in developing and emerging countries**

The data demonstrates that, around the world, in excess of two million individuals lost their lives in normal peril occasions somewhere in the range of 1980 and 2012 – most (60 %) because of climate and climatological occasions and the rest of the 40 % because of geophysical occasions. Albeit regular disasters happen all through the world, unfortunately that the likelihood of passing on in a characteristic fiasco is most prominent among those living in developing and emerging nations, paying little respect to geographic locale. For example, a tempest flood in Bangladesh asserted 300,000 lives in 1970, while a tremor in China slaughtered somewhere in the range of 242,000 individuals in 1976. Different instances of significant helpful catastrophes brought about by cataclysmic events incorporate the 2004 torrent in East Asia (220,000 fatalities), the tropical violent wind in Myanmar in 2008 (140,000) and the quake in Haiti in 2010 (222,000).

The circumstance is very unique in industrialized nations with solid economies. Tropical storm Katrina, in 2005 – the costliest common calamity to influence the USA for a long time – guaranteed somewhere in the range of 1,300 lives and the astoundingly solid seismic tremor and tidal wave that hit Japan in 2011 around 16,000. While even these figures are unreasonably high and the people in question and their families should under no circumstances be overlooked, they are far lower than regular fiasco fatalities in developing and emerging countries.

**Normal catastrophe fatalities were highest in developing and emerging nations in the period 1980– 2012**

In any case, a further worry notwithstanding the impact on the lives of individuals in emerging nations is that when the proportion of safeguarded misfortunes to by and large misfortunes in developing and emerging nations is analyzed, a gigantic gap in insurance spread is uncovered. As indicated by the World Bank's definition, this basically concerns low and low-to-medium pay economies (for example with Gross National Incomes (GNI) of not exactly US$ 1,026 and US$ 1,026– 4,035 separately). In the period 1980– 2012, they represented 10% of generally speaking misfortunes contrasted and a simple 1% of guaranteed misfortunes around the world. For each euro of decimation brought about by a characteristic disaster in Asia, all things considered just eight pennies was secured by insurance during this period, while the normal for a similar period was 40 pennies on the American mainland (North, Central and South America).

Because of the absence of insurance spread, recreation following a calamity might be deferred or even unimaginable in more unfortunate nations. This applies as a lot to people with regards to the state. In this manner, common calamities may unfavorably influence financial development in emerging and developing nations in the long term.

Logical investigations on environmental change impacts (for example the IPCC SREX report, 2011) show that this circumstance will additionally break down as rising air and sea temperatures cause progressively visit as well as increasingly outrageous barometrical conditions, for example, "too little water" (dry spell) or "an excess of water" (flooding). Given the multifaceted nature of such barometrical wonders, it is hard to anticipate the effect environmental change will have on a given nation. By the by, it is clear that debacle inclined developing and emerging nations think that it’s most hard to adjust to changes of this sort. They have a feeble financial base and couple of accessible choices for improving the general strength of their economies to exogenous stuns.

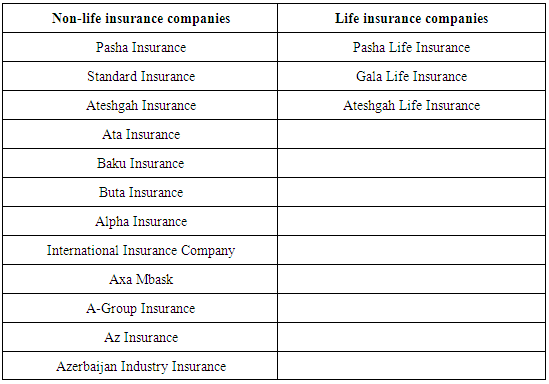
**Risk management reduces vulnerability** - as sketched out above, we expect increasingly continuous and progressively extreme common disasters, with emotional ramifications for developing and emerging nations, where insurance spread is a long way from satisfactory. What they need is powerful fiasco chance administration?

In industrialized, developing and emerging economies, disaster chance administration is best when it pursues a two-level system. In any case, this implies lessening the helplessness of people and material advantages for extraordinary barometrical and geophysical occasions, even before such occasions happen, by embracing long haul ex-bet chance alleviation systems. These methodologies manage issues, for example, land-use the executives in flood-inclined territories, construction laws in locales with introduction to windstorms or quakes and the improvement of data and cautioning frameworks exhorting private people and organizations on the most proficient method to decrease their defenselessness. The insurance business has the information and the mastery expected to help arrangement creators and supranational associations in these territories. Be that as it may, the political and social obligation regarding executing proper guidelines and guaranteeing they are followed lies with government

Seconds, far reaching hazard based financing components must be set up on a national scale to guarantee subsidizing is accessible to cover misfortunes brought about by a noteworthy occasion, for example, natural catastrophe. The most powerless populace bunches are likewise those with least access to moderate insurance spread by method for help to enable them to adjust to the monetary results of characteristic occasions in the short and the long haul. Because of their restricted assessment bases, high obligation and, best case scenario low Nat feline insurance thickness, numerous exceedingly uncovered developing and emerging nations havedeficient monetary assets. They can't depend entirely on benefactor help to completely recoup from the impacts of a disaster since help ordinarily covers a negligible division of the general misfortunes, and it is difficult to anticipate how much will be accessible and when with the fundamental conviction. Being reliant on a questionable wellspring of subsidizing following a debacle can intensify the results since remaking can begin neither promptly nor on the imperative scale.

New associations must be framed between governments, supra-national associations and the insurance business to give fitting ex-risk financing to managing the impacts of common fiascoes. Creative fiasco chance financing instruments should be created (based, for example, on national or global debacle misfortune pools) to guarantee quicker monetary recuperation from common danger occasions. They can close the hole between the general misfortunes and the safeguarded misfortunes.

**3.2. Key problems faced in the practice of insurance relations in our country and their solutions**



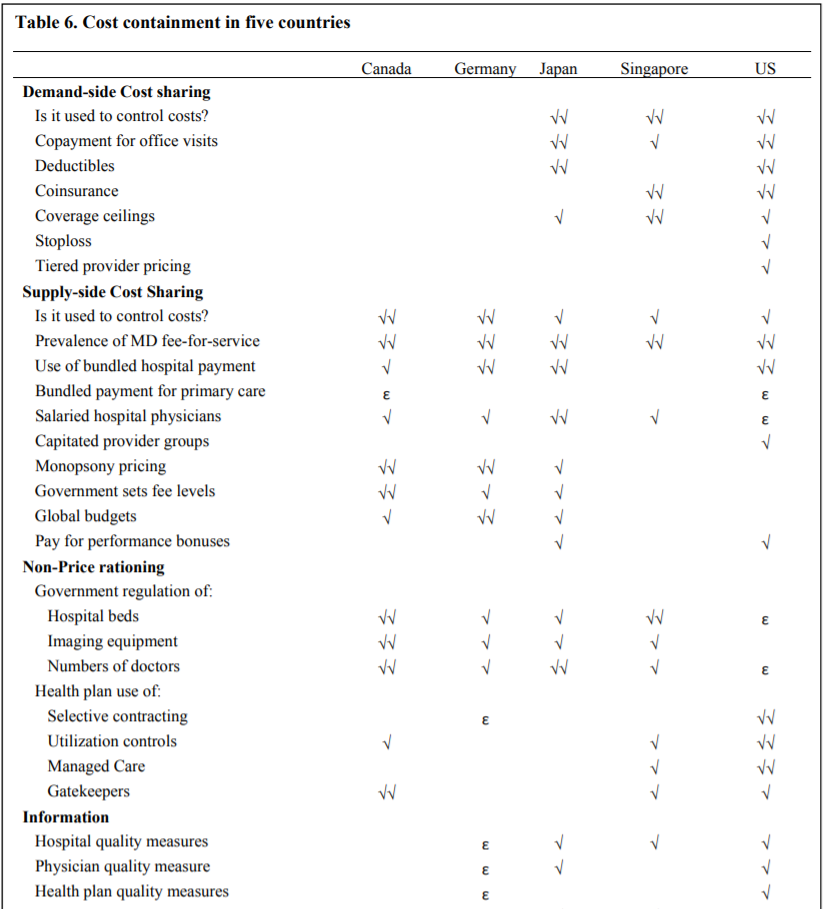
There is a colossal writing assessing and looking at medical coverage frameworks around the world,which this article endeavors to integrate while underlining frameworks in created nations. Our methodology is to give an outline of the measurements along which medical coverage frameworks vary and give quick examinations of different nations in unthinkable structure. To arrange our examination, we center our talk around inclusion for the biggest fragment of the population in every created nation: laborers under age 65 acquiring a pay or compensation, which we call the essential insurance system. We later touch on the highlights of uncommon projects to cover the older, poor people or uninsured, and those with costly, endless conditions. We do this not on the grounds that these gatherings are less significant, but instead on the grounds that unique projects are frequently used to create income and give administrations to these gatherings, and incorporating these projects in our exchange would include significant multifaceted nature.

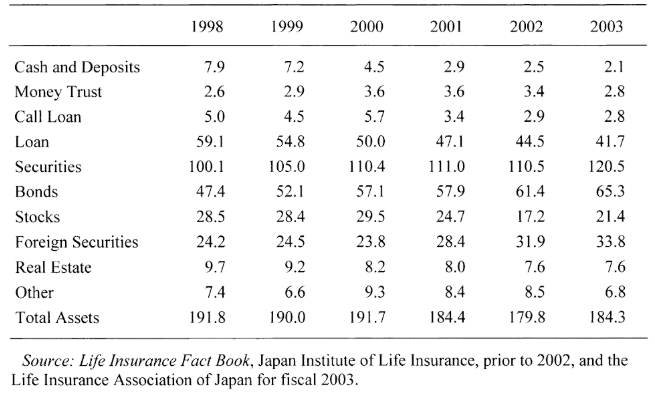
For a similar reason, we likewise center around essential insurance inclusion of ordinary medicinal consideration suppliers – office-based doctors, clinic based authorities, general emergency clinics, and drug stores – realizing that there are many particular protection programs for long haul care, claim to fame emergency clinics, casual suppliers, and certain revealed specialties.

A key component of our investigation is that we center around giving a wide structure to assessing various frameworks as opposed to promptly contrasting explicit nations. We at first recognize the option legally binding connections utilized in various insurance settings and the decisions accessible to each operator or chief. We at that point give a diagram of the elective measurements where social insurance frameworks are regularly analyzed, which incorporate the broadness of inclusion, income age, income redistribution crosswise over wellbeing plans, cost control systems, and specific and auxiliary protection.

All through the section, we utilize the medical coverage frameworks of Canada, Germany, Japan, Singapore, and the US. As appeared Table 1, protection frameworks in these five nations range a significant part of the decent variety displayed by medical coverage frameworks around the world. These nations incorporate both the most costly framework (US) and the most economical (Singapore), single payer just as various back up plan, government supported and boss supported insurance. In contrast to numerous examinations, we attempt to stress the general idea of the establishments used to give care instead of the points of interest of the institutional game plans.

Increasingly bound together talk of every nation is held until after we portray the measurements wherein social insurance frameworks can be thought about.





Insurance business in Finland is liable to permit. The administration stipends licenses to approved benefits insurance agencies that oversee income related annuity insurance. The Financial Supervisory Authority gifts licenses to other insurance agencies. The Financial Supervisory Authority likewise administers the exercises of protection organizations.

The licenses combine the division of insurance classes or gatherings of classifications: a mishap insurance agency may not likewise give life coverage, and vice versa, and mishap insurance and life coverage organizations may not manage statutory profit related annuity insurance. Finnish insurance enactment contains separate laws on insurance agencies, remote insurance agencies, approved annuity insurance agencies, insurance affiliations, protection specialists, and contracts.

There is likewise a scope of components for regulating the presentation of statutory protection plans.

The Finnish Center for Pensions oversees the satisfaction of business protection commitments to representatives.

* The Finnish Center for PensionsLink to an outer site

Protect issues of mishap insurance covering working environment mishaps and word related maladies. Institutions oversee business commitments to representatives in:

* Federation of Accident Insurance InstitutionsLink to an outer site
* Occupational Safety DistrictsLink to an outer site

Engine vehicle investigation laborers and the police direct engine obligation protection.

The Finnish Patient Insurance Center pays harms to patients if medicinal services experts do not have protection spread.

* Patient Insurance CentreLink to an outer site

Places for Economic Development, Transport and the Environment guarantee that organizations whose exercises might be a natural risk have ecological mishap protection.

* Centers for Economic Development, Transport and the Environment

Protection firms are summarily seen as foundations intended to drop or limit the antagonistic results of unexpected mishaps. In reality, insurance agencies are chance results guarantors. Since we leave in entirely flighty social orders that have a broad assortment of hazard directions, it is usually expected that an individual at a specific point in time will keep running into antagonistic circumstances that will jeopardize his or her life and property paying little mind to status, bore, training level, and class. Industrialized and developed social orders rely upon protection. This is a clarification why numerous organizations and enterprises in created countries do not sell or “go under” in such social orders.

Commonly, against this logical, a great many people expect that protection firms will be suitable and mainstream in social orders. In any case, this is not the situation since numerous protection organizations face troublesome difficulties that genuinely compromise their survivals and presences. This is basic in less created social orders where political and financial frameworks are yet to take shape. Social, financial, and political frameworks in such nations present horrendous issues to insurance agencies. A significant number of the social orders with hazardous conditions to protection part are Africa, Asia, Caribbean, and the Latin America.

Without a doubt, in the event that an individual has quite recently begun the matter of selling insurance, at that point the person must comprehend that having tough skin is something critical for the person in question to make due in the business. Today, every business changes somehow or another and the progressions can either be negative or positive. In any industry, there are different issues to be confronted. Here are the greatest difficulties for insurance agencies.

1. **Absence of trust** - this is a motivation behind why numerous people do not waste time with protection. Numerous protection firms neglect to pay cases, and they do not claim up to offering a few advantages. Accordingly, a great many people simply consider protection to be one of the superfluous costs. Numerous protection firms do close down because of money related difficulties and people who are the casualties of the misfortune do not mull over obtaining protection approaches.
2. **Rivalry** - today, there are numerous protection firms available and along these lines there is an escalated test for back up plans. Each organization searches for the most ideal method for selling their protection items in the most ideal manner and focuses on a specific gathering of people. Most protection organizations, particularly the new ones are the most questioned organizations. Truth be told, a great many people trust a portion of the current protection firms contrasted with the new organizations since the new undertakings are worked on a slender line among disappointment and achievement, and nobody will need to go out on a limb with the little among of cash that they have.
3. **Bungle** - as the proprietor of the protection business, one is exclusively in charge of all issues that his or her customers may have with respect to the administration of the protection business. Not all protection firms that are bungled can shroud their issues for a more extended time without the customers taking note. As time move, there will be a steady increment in the quantity of customers' protests, and on the off chance that his or her protection firm isn't straightforward, at that point the person will lose more clients. Additionally, awkward administration may cost the organization a great deal, especially in the event that they have poor correspondence with their customers.

On the off chance that a person's premiums are high, the individual in question ought not promote. They should search for a business opportunity for that approach as opposed to misleading the overall population or even structure systems whereby the customers cut on costs like giving no-test life coverage cites.

1. **Financial shakiness** - at the point when the nation's economy is down, all insurance agencies will be influenced. At such circumstances, the rates can be influenced with the end goal that the insurance agencies may be compelled to expand their rates, much the same as loan costs on layaway offices given by monetary establishments.

Obviously, no customer will value this, regardless of whether it is expressed plainly in the agreement that the protection rates may change every now and then. In this way, such circumstances may make a terrible picture for an organization since costumers can spread the data about an administration or item they were not content with quick.

1. **Frail labor** - non-experts run a considerable lot of the insurance agencies today. Actually, numerous individuals believe that the stuff to be a protection proficient is only some information of fiscal investigations with no specific preparing. In reality, this has significantly influenced the constancy and tasks of protection firms in this century.
2. Over the top politicization of the protection business - in actuality, governmental issues assume a huge job in insurance agencies' activities relying upon the strategic maneuver and figuring’s that are predominant in the working spaces of the protection firms. The premiums to pay, the results of hazard examinations, and the harms and advantages to pay rely upon political intrigue now and again. These are probably the greatest difficulties that are looked by insurance agencies. They incorporate blunder, financial flimsiness, absence of trust, and rivalry among others.



Lewis Roca Rothgerber Christie LLP has broad experience working with protection substances to comprehend complex issues and to structure and actualize extensive answers for those issues, including all parts of case, value-based and administrative administrations. Our profundity and involvement in speaking to the protection business is one of a kind among law offices. Our protection industry administrations are commonly put forward underneath, despite the fact that there is frequently significant cover among administrations in helping protection elements to create and execute arrangements.

* Litigation
* Insurance Litigation – Class Action, Coverage, Bad Faith and Claim Disputes
* ERISA Litigation
* Guaranty Associations and Insurance Insolvencies
* Regulatory and Government Relations
* Insurance Transactions
* Insurance Agreements, including presumption understandings, reinsurance and authoritative administrations
* Business Transactions, including mergers, acquisitions, divestitures, and other corporate work
* Captives
* Real Estate Services, including obtaining, divestiture, portfolio the executives, renting and other business land exchanges
* ERISA and Tax
* Affordable Care Act ("ACA")

Protection Litigation – Class Actions, Coverage, Bad Faith and Claim Disputes Lewis Roca Rothgerber Christie has broad experience speaking to back up plans and related controlled substances in complex business prosecution, including state and government courts all through the nation, assertions, intercessions, and regulatory hearings. A portion of our delegate experience incorporates:

* Advising back up plans on inclusion questions and shielding safety net providers in inclusion debates;
* Defending guarantors against dishonesty guarantee;
* Defending guarantors in class activities;
* Providing a resistance for insured’s under certain restricted conditions;
* Representing NOLHGA and Insurance Guaranty Associations in liquidation procedures also, related issues in state courts around the nation;
* Serving as advice for the Receiver of indebted safety net providers in Receivership Proceedings also, arraigning and guarding related issues;
* Litigating reinsurance questions including protection bankruptcies.

**ERISA Litigation -** with over 30 years of speaking to life, wellbeing, and inability back up plans, Lewis Roca Rothgerber Christie legal counselors have built up an unparalleled profundity of involvement in all perspectives of ERISA and inclusion based suit. We have effectively guarded cases all through the Eighth, Ninth and Tenth Circuits, both at the preliminary dimension and on bid. Through prosecution, too as composing and talking commitment, Lewis Roca Rothgerber Christie lawyers keep up-to date on quickly advancing government and state laws. We consistently counsel customers amid the case process and through prosecution on issues including:

* Claim organization;
* Underwriting;
* Plan language;
* Discovery;
* Rescission;
* Subrogation;
* Plan repayment;
* Federal acquisition;
* Tribal law and purview;
* Insurance operator issues;
* Trade privileged insights;
* Provider relations.

We speak to wellbeing back up plans and wellbeing plans, both self-supported and guaranteed, against person members just as against social insurance suppliers. Our customers profit by this abundance of experience since it results in productive suit. In expansion, our involved acquaintance with the business gives our lawyers a one of a kind vital viewpoint. We comprehend that our customers give benefits across the nation and that each case can have boundless ramifications. In the meantime, we have commonality with neighborhood Judges and Officers and associations with experienced arbiters that can encourage beneficial settlements when proper.For over 20 years, we have spoken to life and medical coverage insurance affiliations, as general guidance, helping them in all parts of their activities, including, however not constrained to multi-state bankruptcies, single-state bankruptcies, administration understandings, presumption understandings, reinsurance debates, safeguard and examiner suit, enactment, rules, guideline, inclusion questions, liquidation plans, trust understandings, plans of activity, protection what's more, security arrangements.. We speak to the accompanying protection surety affiliations either as general insight or for extraordinary activities:

* California Life and Health Insurance Guarantee Association;
* Life and Health Insurance Protection Association, in Colorado;
* Hawaii Life and Disability Insurance Guaranty Association;
* Idaho Life and Health Insurance Guaranty Association;
* Illinois Life and Health Insurance Guaranty Association;
* Illinois Health Maintenance Organization Guaranty Association;
* Maine Life and Health Insurance Guaranty Associations;
* Montana Life and Health Insurance Guaranty Association;
* Oregon Life and Health Insurance Guaranty Association;
* Wyoming Life and Health Insurance Guaranty Association.

**Protection Insolvencies** - notwithstanding our certification affiliation work, we fill in as insight to the National Organization of Life and Health Insurance Guaranty Associations (“NOLHGA”) speaking to NOLHGA and designated Task Forces regarding a few protection bankruptcies. Those administrations may incorporate working with controllers and beneficiaries, creating liquidation plans, selling trusts, administration understandings and suspicion understandings, looking for court endorsement, arranging and prosecuting questions with different leasers and reinsurers, and both guard and examiner suit. In this limit, we have filled in as NOLHGA Task Force Counsel on bankruptcies in various states counting Alabama, California, Delaware, Indiana, Pennsylvania, Texas and Wyoming. In constrained conditions, our firm has filled in as advice to Receivers or potentially Liquidators of ruined insurance agencies in Colorado and Hawaii regarding guarantors that issue approaches other than life and wellbeing (for instance, property and setback organizations, HMOs, or hazard maintenance gatherings)government Relations Lewis Roca Rothgerber Christie routinely speaks to customer interests before the Legislature, the Senator's Office and regulatory offices on a wide assortment of issues. The company's Government Relations bunch individuals likewise create, facilitate and execute procedures prior to administrative bodies. For any administration relations matter, we build up the correct group, at that point plan and actualize a plan to instruct key individuals in the network about the requirement for proper enactment and strategies, which will reinforce focused on open arrangement interests. Over the span of our portrayal, we endeavor to accomplish the accompanying:

* Establish a place of stature in the political network by structure associations with chiefs who have locale and obligation over issues influencing customer interests;
* Active portrayal amid the administrative session including getting ready, following and campaigning for administrative recommendations as expected to advance your interests;
* Attend suitable hearings and gatherings where your administrative objectives are tended to;
* Identify satisfactory results in administrative and administrative issues and consistently get to advance and prospects for progress;
* Develop chances to cooperate with partners having regular interests, to devise a planned procedure;
* Share our exhaustive information of the administrative procedure with you;
* Conduct standard gatherings to refresh you on the present status of our administration relations system.

**CONCLUSION and RECOMMENDATIONS**

In the modernized well advanced hi-tech approach to the customer every possible facilities and effort to build up the confidence of the rising policy holders towards. Insurance agencies, to finish each other nothing remains to suggest. In any case, a few suggestions that are strongly felt and very required for protects to continue in the market. These are as per the following:

1. More and more straightforwardness ought to be found out among back up plans and approach holders.
2. Particularly, in the developing blast in the insurance agency, each insurance agency ought to be client focused, and knowledgeable in the treatment of issue and complaints of the arrangement holders.
3. Each and each item propelled by the Insurance organization ought to be supportive of expanding need of strategy holders. IRDA ought to be increasingly more capable to the protection segment by deciding some standard.

It ought to be required to each back up plan to make increasingly dependable and receptive to the arrangement holders so far reaching comprehension might be created among approach holders. It might be valuable on the two sides.

In the wake of upgrading the all circumstance that supported various Pvt. Organizations related with worldwide in the Insurance Sector to give befitting challenge to the built up behemoth LIC in open segment, we come at the resolution that:

* There is intense challenge among the private insurance agencies on the dimension of new pattern of publicizing to quiet a noteworthy piece of Customers;
* LIC is not abandoned in the present race of commercial;
* The passage of the Pvt. Players in the Insurance Sector has extended the item fragment to meet the diverse dimension of the prerequisite of the clients. It has realized more noteworthy decision to the clients;
* Private guarantors have confined reach to the clients;
* LIC has immense market and firm hold on its conventional clients and imposing business model of disaster protection items.
* Bank confirmation - that enables life safety net providers to use on the hazard item through bank arrange, was embraced by private players. Nevertheless, LIC was additionally not abandoned as getting larger part stake in the company Bank.

IRDA is likewise assuming exceptionally far-reaching job by managing standards commanding to private players in this segment, expands the certainty dimension of the clients to the private players.

The entire family can be influenced by any part's absence of protection. On the off chance that anybody in the family is uninsured, the money related and enthusiastic prosperity of the whole unit is in danger, just as the wellbeing of the individuals who are uninsured.Employment-based and open protection programs leave holes in inclusion for some families. The families where a few or all individuals need protection excessively incorporate those with lower pay, a solitary parent, and racial and ethnic minorities.Purchasing health care coverage for uninsured relatives isn't down to earth for the greater part of these families due to their constrained wages and absence of assets.Uninsured families are less inclined to utilize any restorative administrations than are safeguarded families and the individuals who do, utilize less administrations by and large. At the point when uninsured families are influenced by ailment or damage, they are additionally bound to have high wellbeing costs in respect to income.Transitions through the span of a family's life identified with maturing, business, and conjugal status, for example, work changes, separation, retirement, or demise of the guaranteed part, may upset wellbeing inclusion. A considerable lot of the advances are unavoidable or flighty and result in loss of inclusion.

At the point when a strategy period closes, it is the point at which your approach is up for recharging. You can either pick to proceed with your arrangement and restore, or change to another protection bearer. That is except if your arrangement is being non-reestablished, at that point you should search for another protection transporter whether you need to or not. Most drivers won't need to stress over this result however: except if you are a poor driver with an exceptionally poor reputation, most insurance agencies will be anxious to keep your business.

It is dependably a smart thought to know your strategy period dates. It will make you mindful of when your installment is expected. It will likewise make you mindful of when to begin looking for a less expensive rate on the off chance that you plan on exchanging toward the finish of the approach time frame.

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