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Article

Microinsurance in The Insurance Market of Uzbekistan: Dynamics and Analysis

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Abstract: This article examines the development of microinsurance as a strategic institution for protecting low-income groups and small businesses against financial shocks in the context of a transition economy and digital transformation. The study aims to empirically assess the evolution of the microinsurance segment, the level of market concentration, and the effectiveness of portfolio diversification against the backdrop of structural changes in the national insurance market. The methodology combines comparative analysis, time-series analysis, and economic-statistical methods, applied to macro-level insurance market indicators for 2021-2025 and to the microinsurance portfolio of Kafolat Insurance Company JSC for 2015-2025. The scientific novelty of the study lies in substantiating the adoption of InsurTech solutions to curb portfolio volatility and broaden social coverage, the application of parametric insurance mechanisms, and the diversification of the property microinsurance line.

Keywords: microinsurance, financial inclusion, insurance market concentration, portfolio diversification, underwriting policy, InsurTech, parametric insurance.

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1. Introduction

In modern economies, protecting low-income households and small and micro-enterprises from financial risks is one of the key prerequisites for sustainable development. Amid globalization and digital transformation, the traditional insurance market is unable to fully reach lower-income segments of the population for institutional and financial reasons. Microinsurance is therefore emerging as a strategic instrument not only for advancing financial inclusion but also for reducing poverty, mitigating social inequality, and stimulating private entrepreneurship. The need to develop a conceptual framework for this system in the course of Uzbekistan's ongoing socio-economic reforms underscores the relevance of this research.[1]

The world's population currently exceeds 8.2 billion people, and nearly 30 percent of them lack access to quality education and healthcare. In many of the countries where these people live, the state is unable to provide adequate support to citizens in need. The materialization of various socio-economic risks is one of the factors behind the growing number of low-income citizens and the deterioration of their quality of life. Microinsurance is not merely a form of insurance but a system with its own distinctive methods and approach. Its effectiveness rests on the following principles:

1. Accessibility. Insurance services should be delivered at convenient locations as close as possible to the population, including in rural areas.

2. Affordability. Insurance premiums should be set at a level the population can afford without adversely affecting day-to-day living expenses.
3. Simplicity. The terms of insurance contracts or public offers, as well as the procedure for obtaining coverage, should be simple and easy for policyholders to understand, free of complex legal terminology.[2]
4. Flexibility. Premium payment schedules should be aligned with the policyholder's income cycle (e.g., receipt of monthly wages or harvest income).

Insurance products developed by insurance companies based on these principles serve as a foundation for the development of microinsurance. The economic and social significance of the microinsurance market lies in the fact that it provides a low-cost, simplified, and easily accessible protection mechanism against unexpected financial losses for low- and middle-income segments of the population, as well as for small business entities. While traditional insurance products-often characterized by high premium rates and complex terms-are frequently inaccessible to low-income groups, microinsurance bridges this gap by integrating those excluded from financial services into a formal protection system. In this sense, microinsurance not only secures the economic stability of individuals or families but also serves as a vital institutional tool that strengthens social protection and financial inclusion on a national scale.[3]

Microinsurance creates opportunities to address the following important socio-economic challenges:

1. It increases the population's resilience to financial risks and protects households against unexpected shocks such as natural disasters, illness, and loss of income;
2. It substantially reduces the likelihood that low-income families will fall into poverty or sink deeper into it;
3. It protects small businesses from financial losses, thereby supporting business continuity and encouraging investment;
4. It helps reduce part of the social expenditure borne by the state budget by distributing risks through market mechanisms;
5. It raises the level of access to financial services (financial inclusion) and strengthens public trust in the formal financial system [4].

Thus, microinsurance differs substantially from traditional insurance in terms of its target audience, product structure, premium rates, and social functions. The key differences between the two are summarized in Table 1.

Table 1. Differences between microinsurance and traditional insurance[5]

Criterion	Traditional insurance	Microinsurance
Clients (policyholders)	Middle- and high-income groups	Low-income and socially vulnerable groups
Insurance premium	High (based on the value of the insured asset)	Very low (nominal amounts)
Contract terms	Complex, multi-page documentation	Very simple, 1-2 pages
Claims handling	Lengthy, with extensive documentation required	Fast, based on minimal documentation
Distribution channels	Professional agents and brokers	Mobile apps, websites, marketplaces
Risk assessment	Individual risk analysis	Group-based or standardized risk analysis

2. Materials and Methods

This study employed a set of quantitative and analytical methods to examine the current state of the microinsurance market, assess its development trends, and identify its interrelationships with socio-economic factors. At the initial stage, **the comparative analysis method** was applied to reveal the institutional features of the microinsurance

market. This method was used to compare, across countries, regions, and insurance companies, the level of microinsurance coverage, the dynamics of insurance premiums and claims paid, state support mechanisms, and the level of development of digital services. In addition, comparing the types of insurance products on offer and the extent to which the population uses them made it possible to identify international best practices and adapt them to national economic conditions.[6]

3. Results

In the Figure 1. insurance market of Uzbekistan, microinsurance is not treated as a separate category or line of business. Rather, it is one of the areas of insurance: a system within voluntary insurance that is developed under the existing insurance classes of both the general insurance and life insurance sectors. To understand the development of Uzbekistan's insurance market and the prospects facing insurance companies, it is first necessary to conduct a general and in-depth analysis of market indicators in recent years.[7]

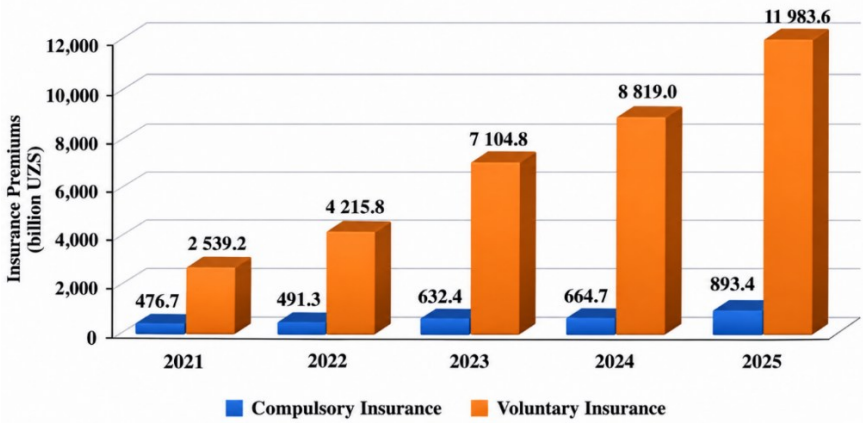


Figure 1. Insurance premiums collected in the general insurance sector by type of insurance, billion UZS

As Figure 1 shows, premiums collected under voluntary insurance in Uzbekistan's insurance market are considerably higher than those under compulsory insurance. Over the past five years, compulsory insurance accounted for 8.4 percent of total premiums collected, and voluntary insurance for 91.6 percent.

One of the main reasons for the low share of compulsory insurance in total premiums is the limited number of policyholders subject to it.

In voluntary insurance, by contrast, the large number of clients, high insurance liability limits, and the absence of geographical restrictions on reinsurance make substantial premium accumulation possible. This suggests that the opportunities for developing microinsurance are likewise not constrained; what matters is establishing a sound two-way relationship between the insurance company and the client. Premiums in the general insurance sector over the past five years are analyzed in detail in Table 2.[8]

Table 2. Insurance premiums in the general insurance sector by type of insurance

Year	Total (voluntary and compulsory)		Of which: voluntary			Of which: compulsory		
	Premiums, billion UZS	Growth, %	Premiums, billion UZS	Share, %	Growth, %	Premiums, billion UZS	Share, %	Growth, %
2021	3,015.8	160.5	2,539.2	84.2	164.7	476.7	15.8	141.0
2022	4,707.0	156.1	4,215.8	89.6	166.0	491.3	10.4	103.1
2023	7,737.2	164.4	7,104.8	91.8	168.5	632.4	8.2	128.7
2024	9,483.7	122.6	8,819.0	93.0	124.1	664.7	7.0	105.1
2025	12,877.0	135.8	11,983.6	93.1	135.9	893.4	6.9	134.4

Table 2 shows that voluntary insurance accounts for a very high share of premiums collected in the general insurance sector. In particular, its share of total premiums was 84.2 percent in 2021, 89.6 percent in 2022, and 93.1 percent at year-end 2025. The share of compulsory insurance correspondingly declined from 15.8 percent in 2021 to 6.9 percent at year-end 2025 [9].

These data indicate that attitudes of individuals and legal entities toward insurance in Uzbekistan are changing for the better. The low share of compulsory insurance does not imply that this segment is performing poorly or that clients distrust it: mathematically, when one segment grows faster, the share of the other segment in the total inevitably declines.

Increasing competition among insurance companies in Uzbekistan also contributes to the development of the sector and to improvements in the quality of services provided to clients.

An analysis of the positions of the top 10 insurance companies by premiums collected in 2025 shows the contribution that the market's leading players make to the development of the insurance market (Table 3).

Table 3. Top 10 insurance companies by premiums collected, 2025[10]

No.	Insurance company	Insurance premiums, billion UZS	Market share, %
1	"APEX INSURANCE" JSC	4,122.2	32.0
2	"O'ZBEKINVEST" EIIC JSC	1,614.1	12.5
3	"GROSS SUG'URTA KOMPANIYASI" JSC	861.1	6.7
4	"MY-INSURANCE" JSC	816.8	6.3
5	"KAPITAL SUG'URTA" JSC	668.2	5.2
6	"KAFOLAT SUG'URTA KOMPANIYASI" JSC	570.6	4.4
7	"ALFA INVEST SUG'URTA KOMPANIYASI" JSC	477.2	3.7
8	"O'ZAGROSUG'URTA" JSC	444.6	3.5
9	"KAFIL SUG'URTA" JSC	322.3	2.5
10	"IMPEX-INSURANCE" JSC	318.2	2.5
11	Other companies	2,661.6	20.7
	Total	12,877.0	100.0

The statistical data reveal a high degree of concentration and a marked structural imbalance in Uzbekistan's insurance market. The absolute market leader is APEX INSURANCE JSC, whose premiums of UZS 4,122.2 billion account for 32.0 percent of the total market. This one-third share reflects the company's high level of capitalization, diversified product range, and effective work with the corporate sector. The second-ranked O'zbekinvest Export-Import Insurance Company (UZS 1,614.1 billion, or 12.5%) stands out for its prominent role in insuring foreign economic activity and large investment projects. They are followed by Gross Sug'urta Kompaniyasi JSC (6.7%), My-Insurance JSC (6.3%), and Kapital Sug'urta JSC (5.2%), which operate steadily in the retail and corporate segments and shape the competitive environment. Overall, the combined market share of the top five companies amounts to 62.7 percent, confirming the predominance of an oligopolistic market structure [11].

While insurance premiums are one of the key development indicators for insurance companies, for policyholders the key indicator is insurance claims paid. Claims payments are the amounts reimbursed to policyholders upon the occurrence of an insured event, and they are the main criterion of the practical value and reliability of the insurance

system for society. The Table 4. ratio of claims paid to premiums (the loss ratio) is an important indicator for assessing an insurer's financial stability and its capacity to protect clients' interests. A high ratio strengthens public confidence in insurance, whereas an excessively low ratio may indicate that insurance products are not adequately performing their protective function. Therefore, in developing microinsurance, it is essential not only to increase premium collection but also to ensure that claims are paid in full and on time when insured events occur; this is a decisive condition for building trust in insurance among broad segments of the population and for sustaining market growth.

Table 4. Insurance claims paid in the general insurance sector by type of insurance

Year	Total (voluntary and compulsory)		*Of which:* voluntary			*Of which:* compulsory		
	Claims paid, billion UZS	Growth, %	Claims paid, billion UZS	Share, %	Growth, %	Claims paid, billion UZS	Share, %	Growth, %
2021	616.0	146.8	433.7	70.4	148.7	182.3	29.6	142.4
2022	1,098.8	178.4	866.0	78.8	199.7	232.8	21.2	127.7
2023	1,568.5	142.7	1,331.8	84.9	153.8	236.7	15.1	101.7
2024	2,073.1	132.2	1,714.5	82.7	128.7	358.6	17.3	151.5
2025	2,845.1	137.2	2,460.1	86.5	143.5	385.0	13.5	107.4

Table 4 shows that Uzbekistan's insurance market grew steadily in 2021-2025, with voluntary insurance as the main driver. Total claims paid increased 4.6-fold over the period, reaching UZS 2,845.1 billion in 2025. This reflects the expansion of insurance coverage and the strengthened capacity of insurers to meet their obligations.[12]

Over the period under review, voluntary insurance claims increased 5.7-fold (to UZS 2,460.1 billion), and their share in total claims rose from 70.4 percent to 86.5 percent. This trend reflects growing interest among households and businesses in managing financial risks independently, as well as an increase in competitive products on the market. Although the compulsory segment also grew in absolute terms (2.1-fold), its share in the total declined (from 29.6% to 13.5%) and its growth slowed, indicating that this segment is largely constrained by statutory requirements. Overall, qualitative structural changes are taking place in the insurance market, with voluntary insurance becoming dominant. This Table 5. points to a rising insurance culture among the population and growing trust in risk management mechanisms.

Table 5. Insurance claims paid by the top 10 companies in the general insurance sector, 2025[13]

No.	Insurance company	Claims paid, billion UZS	Market share, %
1	"APEX INSURANCE" JSC	868.5	30.5
2	"MY-INSURANCE" JSC	245.3	8.6
3	"GROSS SUG'URTA KOMPANIYASI" JSC	219.3	7.7
4	"KAPITAL SUG'URTA" JSC	210.3	7.4
5	"KAFOLAT SUG'URTA KOMPANIYASI" JSC	194.7	6.8
6	"TRUST-INSURANCE" JSC	180.1	6.3
7	"O'ZBEKINVEST" EIIC JSC	131.6	4.6
8	"ALSKOM" JSC	98.7	3.5
9	"SQB INSURANCE SUG'URTA KOMPANIYASI" JSC	91.4	3.2
10	"KAFIL SUG'URTA" JSC	72.2	2.5
11	Other companies	533.1	18.7

No.	Insurance company	Claims paid, billion UZS	Market share, %
Total		2,845.1	100.0

In 2021-2025, Uzbekistan's insurance market moved from extensive growth to a stage of intensive development. The increase in the share of voluntary insurance from 70.4 to 86.5 percent and the decline in the share of compulsory insurance from 29.6 to 13.5 percent confirm that insurance relations are increasingly shaped by market principles. Of the UZS 2,845.1 billion in total claims paid, the bulk is accounted for by large companies, with the top five companies' share of total claims (CR5) amounting to 61.0 percent. In particular, the absolute leader, APEX INSURANCE JSC, paid UZS 868.5 billion in claims (30.5%), while Kafolat Sug'urta Kompaniyasi JSC, the object of this study, secured a stable place among the top five with claims of UZS 194.7 billion (6.8%) [14].

The equality of Kafolat's share in the premium market (6.8%) and in claims paid (6.8%) indicates that its underwriting policy and loss ratio are in balance with the market average. However, small companies at the lower end of the market and the "Other companies" category (18.7%) show low activity in the retail and social segments. Accordingly, the company should develop microinsurance products and, alongside large corporate payouts, expand a targeted and rapid system of small micro-payouts (based on parametric methods) for households and dehqon farms. As the mass retail and microinsurance portfolio expands, the introduction of remote and digital technologies (online claims settlement via mobile applications) to reduce loss adjustment costs becomes an economic necessity.

Growth Table 6. in microinsurance premium volume has a positive effect on an insurer's liquidity, which in turn strengthens the company's solvency and financial stability.

Table 6. Dynamics of microinsurance premiums at Kafolat Insurance Company JSC[15]

Year	Microinsurance	
	Premiums, million UZS	Growth over previous year, %
2015	2,071.4	-
2016	2,125.4	102.6
2017	3,295.6	155.1
2018	5,095.1	154.6
2019	6,147.7	120.7
2020	2,760.7	44.9
2021	3,854.4	139.6
2022	2,218.5	57.6
2023	1,810.0	81.6
2024	1,674.0	92.5
2025	1,981.8	118.4

The Figure 2. dynamics of microinsurance activity at Kafolat Insurance Company JSC in 2015-2025 reveal the interplay between macroeconomic factors and internal underwriting policy through four main phases. First, during the "rapid growth" phase of 2015-2019, microinsurance premiums rose sharply and reached a historical peak in 2019, which can be attributed to the expansion of microcredit and an aggressive product policy. Second, the macroeconomic shocks and pandemic crisis of 2020-2021 led to a sharp contraction in receipts followed by a V-shaped recovery. Third, the stabilization of premium volumes in 2022-2025 reflects not a loss of market share but the company's shift toward a "flight to quality" and an intensive development model, abandoning contracts

with high loss ratios. Fourth, current-period indicators confirm that stability is being maintained once seasonal factors are taken into account. Overall, to curb portfolio volatility and ensure sustainable growth, it is advisable to introduce digital insurance technologies (InsurTech) widely and to refine products tailored to micro-businesses.[16]

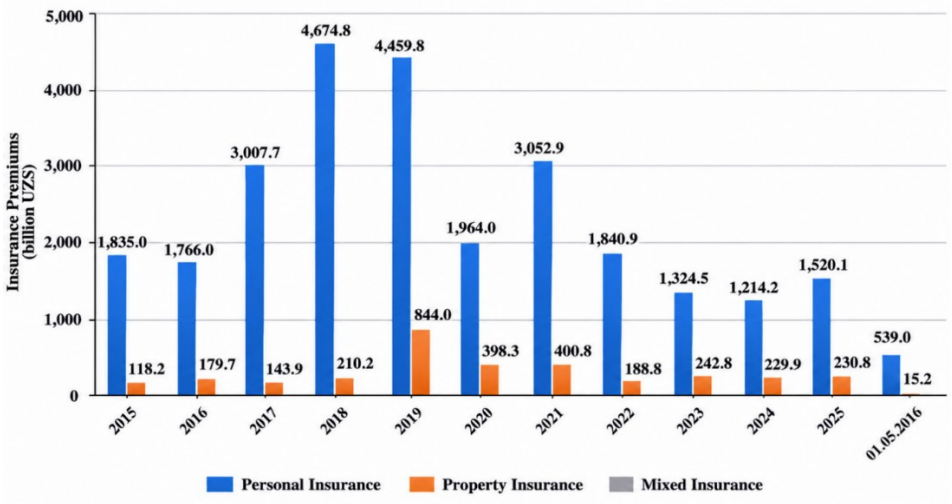


Figure 2. Microinsurance premiums at Kafolat Insurance Company JSC by line of business[17]

The degree of cross-line diversification of Kafolat Insurance Company JSC's microinsurance portfolio determines its adaptability to changing market conditions. Portfolio analysis reveals a distinct development trajectory for each of the three main lines in this segment. First, personal microinsurance (accident and health insurance) served as the main financial driver of the portfolio throughout the period under review; after a phase of extensive expansion (UZS 4,674.8 million in 2018), it stabilized as underwriting requirements were tightened, while retaining its absolutely dominant position. Second, property microinsurance was characterized by high volatility: following a record surge in 2019 (UZS 844.0 million), it settled into a balanced corridor of UZS 200-400 million and demonstrated internal stability even during the pandemic and crisis years. Third, mixed microinsurance contracted sharply, and from 2022 onward no premiums at all were recorded in this line [18].

Overall, the absolute dominance of personal insurance in the internal structure of the portfolio means that revenues depend on a single source. Diversifying the portfolio and reducing risk accumulation by developing property microinsurance will therefore be of strategic importance going forward, while the discontinuation of mixed insurance indicates a rational reallocation of resources toward more promising lines.

4. Discussion

The findings of this study reveal a significant transformation in Uzbekistan's insurance market, characterized by rapid premium growth, increasing dominance of voluntary insurance, and substantial market concentration. As presented in Table 2, total insurance premiums increased from UZS 3,015.8 billion in 2021 to UZS 12,877.0 billion in 2025, while the contribution of voluntary insurance rose from 84.2% to 93.1%. This development indicates the growing importance of market-oriented insurance mechanisms in the national financial system. However, the expansion of insurance premiums does not necessarily reflect proportional improvements in financial inclusion, particularly among low-income households and microenterprises. Biener and Eling [1] emphasize that the development of microinsurance depends on overcoming affordability constraints, information asymmetry, and administrative costs that limit the insurability of economically vulnerable groups. Similarly, Churchill [4] highlights the importance of accessible insurance products, simplified contractual arrangements, and efficient distribution channels in extending financial protection to underserved populations.

Therefore, the continued expansion of Uzbekistan's insurance market should be accompanied by institutional measures that translate overall market growth into broader microinsurance participation.

Market concentration represents another important dimension of microinsurance development. The results presented in Table 3 indicate that the five largest insurance companies controlled approximately 62.7% of total insurance premiums in 2025, with APEX INSURANCE JSC alone accounting for 32.0%. This concentration suggests that the competitive structure of the insurance market may influence the accessibility, affordability, and diversity of insurance products. Large insurers possess considerable financial resources and technological capabilities that can support the development of standardized microinsurance products. Nevertheless, strong market concentration may also encourage insurers to prioritize profitable corporate clients rather than low-income policyholders whose insurance needs involve relatively small premiums and higher transaction costs. Cole et al. [5] demonstrate that household insurance participation is influenced by financial constraints, trust, and understanding of insurance products, suggesting that expanding insurance supply alone may be insufficient to generate widespread adoption. Consequently, market development strategies should encourage both established insurers and smaller market participants to introduce affordable, transparent, and customer-oriented microinsurance solutions.

The analysis of insurance claims further demonstrates the importance of evaluating market development beyond premium accumulation. According to Table 4, total claims payments increased from UZS 616.0 billion in 2021 to UZS 2,845.1 billion in 2025, indicating an expansion in the monetary value of insurance compensation. Nevertheless, the growth of claims payments should be interpreted alongside changes in premium volumes, underwriting practices, and portfolio composition. The aggregate claims-to-premiums ratio was approximately 20.4% in 2021 and 22.1% in 2025, suggesting that the relationship between premium collection and compensation remained relatively stable despite substantial market expansion. For microinsurance, the effectiveness of financial protection depends not only on the amount of compensation provided but also on the timeliness, transparency, and accessibility of claims settlement procedures. Cai [2] demonstrates that insurance provision can influence household production and financial decisions, while Karlan et al. [9] establish the importance of relaxing risk constraints for productive economic activities. These findings support the argument that microinsurance development should prioritize reliable compensation mechanisms capable of strengthening household resilience and encouraging productive investment.

The microinsurance portfolio of Kafolat Insurance Company JSC provides further evidence that overall insurance market expansion does not automatically guarantee sustainable growth within individual microinsurance segments. As shown in Table 6, the company's microinsurance premiums increased from UZS 2,071.4 million in 2015 to a peak of UZS 6,147.7 million in 2019 before declining significantly in subsequent years. By 2025, premium income had reached UZS 1,981.8 million, representing a substantial reduction from its historical peak. These fluctuations demonstrate the vulnerability of microinsurance portfolios to changing economic conditions, household purchasing power, and institutional adjustments. The sharp contraction recorded in 2020 coincided with the COVID-19 pandemic, although the available descriptive data do not establish the extent of its causal contribution. The subsequent fluctuations also suggest that maintaining stable microinsurance demand requires greater attention to product affordability, income variability, and distribution efficiency. Fink et al. [6] identify the importance of seasonal liquidity constraints in rural economic activities, indicating that flexible premium payment mechanisms could improve the suitability of microinsurance products for households and small agricultural businesses with irregular income patterns.

Portfolio diversification emerges as a particularly important strategic issue in the case of Kafolat Insurance Company JSC. Figure 2 illustrates the persistent dominance of personal microinsurance, while property microinsurance exhibited considerable fluctuations and mixed microinsurance generated no recorded premiums from 2022 onward. This structural imbalance indicates that the company's microinsurance activities

remain highly dependent on a limited range of insurance products. Such dependence may increase exposure to changes in customer preferences, claims experience, and underwriting conditions within the dominant segment. Diversification through property microinsurance, agricultural risk protection, and simplified coverage for microenterprises could contribute to a more balanced portfolio. Carter et al. [3] discuss the potential of index-based weather insurance to improve risk protection in developing countries, while Skees [11] highlights the role of index insurance innovations in addressing the financial vulnerabilities of low-income populations. In Uzbekistan, appropriately designed parametric insurance products could provide an alternative mechanism for protecting small agricultural producers against measurable weather-related risks. However, their implementation would require reliable data, transparent payout triggers, and careful consideration of basis risk to ensure that compensation mechanisms correspond adequately to actual policyholder losses.

Digital transformation also offers opportunities to address operational inefficiencies that traditionally constrain the development of microinsurance. The relatively small premiums associated with microinsurance products make administrative expenses, customer acquisition costs, and claims-processing expenditures particularly important determinants of commercial sustainability. The integration of InsurTech solutions, including mobile applications, automated underwriting procedures, digital premium collection, and electronic claims settlement, could reduce transaction costs while improving accessibility for geographically dispersed populations. Nevertheless, technological innovation should be accompanied by adequate consumer protection, digital literacy initiatives, and transparent communication to prevent the exclusion of individuals with limited technological capabilities. The importance of trust and information in insurance participation is consistent with Giné et al. [8], who examine patterns of rainfall insurance adoption among rural households. Accordingly, the effectiveness of digital microinsurance depends on integrating technological efficiency with institutional credibility, accessible service delivery, and customer-centered product design.

Overall, the findings suggest that the sustainable development of microinsurance in Uzbekistan requires a coordinated strategy combining portfolio diversification, technological modernization, affordable product design, and effective risk management. The experience of Kafolat Insurance Company JSC demonstrates that a growing national insurance market can coexist with considerable volatility and structural concentration within individual microinsurance portfolios. This distinction highlights the importance of evaluating microinsurance performance through specific indicators of premium stability, product diversification, claims effectiveness, and financial accessibility rather than relying exclusively on aggregate insurance market growth. From a policy perspective, strengthening cooperation among insurance companies, financial institutions, digital service providers, and regulatory authorities could facilitate the development of inclusive insurance mechanisms. Future research should incorporate policyholder-level data, insurance penetration indicators, operational cost measures, and claims performance to assess more precisely how microinsurance contributes to household financial resilience and the long-term stability of Uzbekistan's insurance sector.

5. Conclusion

The empirical and statistical results of this study show that the development of the microinsurance market requires not merely quantitative, extensive growth but a transition to a qualitative (intensive) stage through the adoption of InsurTech technologies and portfolio diversification. The analysis revealed that microinsurance receipts have passed through three distinct stages-rapid growth in 2015-2019, a pandemic-induced recession in 2020, and stabilization after 2021-demonstrating that the market is highly elastic with respect to households' real ability to pay and to macroeconomic shocks. At the same time, cross-line analysis revealed a significant structural imbalance in the microinsurance system: personal insurance dominated absolutely, accounting for 71.1% to 94.6% of the

portfolio, while the share of property insurance remained low and mixed insurance exited the market entirely from 2022 onward. The coincidence of the historical peak in claims paid (UZS 1,009.3 million in 2019) with the peak in premiums (UZS 6,147.7 million) confirms the pattern of risk accumulation in the fulfilment of insurance obligations, while the steady decline in claims to UZS 90.0 million over 2022-2025 indicates that risk management policy was revised and financial stability was secured through portfolio deconcentration. The findings of this study enrich existing scientific knowledge in insurance theory, finance, and social protection from both theoretical and methodological perspectives. In particular, the study provides scientific grounds for viewing microinsurance not merely as a commercial instrument but as an effective institutional mechanism for protecting low-income groups from financial shocks, reducing the risk of poverty, and expanding financial inclusion. The approaches developed in this work for assessing cyclical development, portfolio concentration, and underwriting performance contribute to a deeper understanding of risk management mechanisms for low-income households. Furthermore, the theoretical examination of the integration of artificial intelligence, Big Data analytics, mobile technologies, and parametric insurance mechanisms into the architecture of microinsurance in the digital economy lays a solid foundation for future academic research in this field.

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