
FORMATION OF THE LEGAL BASIS FOR THE USE OF THE INTERNET IN THE CONCLUSION OF INSURANCE CONTRACTS

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ABSTRACT: The globalization of the electronic economy has led to significant growth in the world market for business services. Recent advances in information technology and the Internet have changed the perception of business technology and usage boundaries. The rapid growth of information technology opens up new opportunities and creates new challenges for Internet insurance. The saturation of traditional commodity markets requires a constant search for new approaches to the consumer.

KEYWORDS: Insurance, Internet, contract, insured, insurer, insurance company, insurance services, insurance policy.

INTRODUCTION

In the modern world, any self-respecting company that works for its image has a corporate website. It is much more convenient for potential customers to find out about the goods and services they are interested in while sitting at the computer than by calling on the phone or visiting the company office. The number of services provided by various financial institutions on the Internet is constantly growing. After banks that provide remote account services to their customers using online banking, many insurance organizations are starting to pay more and more attention to the Internet and show their willingness to provide online insurance services.

The introduction of electronic document circulation and Internet insurance system is of urgent importance, along with further development of existing customer service systems in the world market and centralized management of newly established Internet insurance portals. Today, the relevance of internet insurance is related to the development and global spread of computer networks and their use in various fields. Computer networks have become the primary means of communication and business for millions of people.

THE MAIN RESULTS AND FINDINGS

Internet insurance means choosing an insurance product, calculating the rate and amount of insurance, signing the policy, concluding an insurance contract directly through the website of the insurance company or through an insurance intermediary, is to organize an insurance inspection and deliver a paper copy of the policy (if required by the insurance terms).

Many works on the topic of professional liability Internet insurance by foreign experts: G. Caprio, S. Cole, A. Demirgus-Kant, I. Kirtzner, A. Developed by Operkent. Their research provides a foundation for understanding Internet purchasing systems in individual countries, each of them is

characterized by a certain level of development of the financial services market and historical aspects of online commercial activity.

A review of Internet purchasing systems in foreign countries conducted by scholars of these countries allows us to observe the laws of operation of Internet insurance systems based on statistical and historical and political aspects. American researchers prefer data protection systems in already functioning Internet interaction complexes. Western European scientists study the US experience and create a unique model of Internet portals. The works of Eastern European scholars are dominated by theoretical information about the introduction of Internet purchasing systems and the consideration of foreign experience.

Internet insurance is one of the forms of purchasing activity of an insurance company, because the saturation of classic channels for the distribution of insurance services requires the creation and development of new, cost-effective and convenient mechanisms for interacting with customers. In order to comprehensively study the operation and development of Internet insurance systems in foreign countries, it is necessary to refer to the economic nature of this concept and the principles of its organization.

The current state of development of the insurance market is characterized by the rapid automation of business processes and the transition to cloud and Internet technologies. The use of the Internet as a new channel for the distribution of insurance products allows at the same time to facilitate their acquisition by customers and reduce the cost of purchasing insurance services for the insurance company. Reducing the costs of the insurance company through e-commerce does not affect the quality of services, and the customer receives the same economic benefits as in the traditional approach.

The main factor in turning the insurance market into a high-tech structure that requires more and more practical developments has been the rapid growth of the number of Internet users. Changes have begun in the effective model of building business processes. There have been fundamental changes in the behavior of individual consumers and in the insurance segment as a whole.

Insurance as a financial service has an intangible nature - it is considered an object suitable for sale without direct contact between the seller and the buyer. First, it applies to types of insurance that do not require the physical presence of the insurer's representative to assess the property interests to be insured. So, this is the place to talk about low insurance premiums, going about the types of insurance with fixed insurance rates and insurance premiums.

A comparative method was used to determine the characteristics of Internet insurance in foreign countries, this allowed the use of geographically diverse studies and a comprehensive picture of the phenomenon.

The development of Internet technologies is an undeniable stage in the development of modern society. Free access to a wide range of 3G and 4G networks from a variety of smart devices at high speeds means that consumers can perform all their daily tasks on the network anywhere and anytime with less time wasted. Such conditions give rise to many discussions about online commerce and its relation to conventional methods of distribution of goods and services.

Over the past three decades, direct sales have been dominated by the "robot", modern studies show the growing role of e-commerce in the capitalization structure of many companies, because live communication and contact with people are the main factors in increasing the volume of sales.

Service relations cannot completely deny the human factor, but in many cases reducing the time spent on routine administration and customer service operations for insurance companies as well, is also positive for their customers.

One of the reasons for the growth of the Internet insurance market in developed countries is the increased demand for self-service systems. Undoubtedly, the main examples that can be called Internet banking, self-service checkouts in supermarkets indicate that do-it-yourself "using the system" is becoming increasingly popular. The main reason for refusing additional staff and performing certain operations by the customer is the ability to avoid queues and the ability to perform individual operations at the time and place that is necessary and convenient for the customer.

Development of self-service in the field of insurance, more than one million BGL customers have been able to manage their insurance contracts online, according to data from Junction. A similar situation was observed in Ageas Insurance Solutions, which is considered the largest representative of the auto insurance industry. Its customers are able to self-service through the Auto Direct system, that is, they have switched to managing their contracts through the insurance company's website. Since the launch of this service, more than 97% of customers have gone paperless, switched to electronic document circulation.

It is unreasonable to ignore this level of demand for self-service systems. There is a special need to introduce Internet technologies in a price-sensitive market with large powerful players.

One of the most dynamic representatives of online insurance is car insurance in the UK, two-thirds of the market contracts over the Internet. In this sector, in the context of a gradual decrease in the level of premiums, the volume and efficiency of attracting customers comes to

the fore. In such circumstances, it is more effective to use websites that offer competitive pricing policies and self-service options.

User interface development has become one of the main tasks for insurance companies, because the general perception of the product depends on it. The latest self-service portals are designed with both the telephone and direct sales experience in mind. With each update, they feature increasingly sophisticated designs and functionality that meet both insurance company goals and consumer preferences.

Following the trends that started with the launch of iOS 7 and Windows 8, all the websites started using the interface in simple layouts, this makes them as easy as possible for self-service.

The benefits of self-service are becoming increasingly apparent. For customers, this is an opportunity to more conveniently exchange information and manage individual processes, that is, to meet the needs of the most demanding customers. Also, this principle of working with customers allows them to feel more actively involved, because it is possible to visit the insurance

company's "own office" at any time on its website or through a mobile application, and it is easier and more convenient than coming to the office and sometimes even calling.

A significant reduction in costs and increased efficiency for the insurance company or broker, including the costs of saving paper documents and speeding up individual business processes. In particular, submission of documents by clients in electronic form and automatically attaching to their personal records reduces the time spent on conducting business with clients and confirms the timeliness and completeness of the information provided, this can be a key factor in resolving individual conflicts.

85% of policyholders can complete more than 85% of transactions without asking for help from insurance company employees. This relieves insurance company employees from routine activities such as searching and managing documents and evidence in insurance cases. In such conditions, employees can deal with non-standard insurance cases, VIP customer service and development of individual insurance protection conditions.

Regulatory bodies are moving to electronic document circulation. Currently, state bodies are completely reforming the paper policy and switching to the electronic version of documents. To combat fraud, a centralized database has been created that allows checking the validity and legitimacy of each insurance policy.

Intrente technologies have undoubtedly opened a new page for the development of insurance fraud, but their use allows to speed up the verification of information obtained from other sources and databases from the client.

Individual players of the information and insurance market, such as IIL (Insurance Initiatives Limited) and LexisNexis, have started interactions with major software developers to

obtain a unified software product and database that can be implemented in online trading technologies of insurance companies and brokers.

Such a product allows you to get complete information about the customer in real time. Such verification allows the participants of the insurance market to eliminate potential fraudsters who demand compensation from insurance companies for non-existent losses or intentionally deliver them. A special functionality of this solution is to quickly formulate a tariff policy for honest customers and calculate additional rewards and bonuses for them.

Use of individual customer information by self-service systems, as well as insurance companies and brokers and creates a unique personalized online footprint that can be used for research. This information allows us to offer individual insurance solutions, additional options for existing contracts and enables the formation of constant customer requirements for the operation of online systems.

Recent developments and research allow insurance market representatives to access so-called "big data". Their research and systematization allows for a more complete picture of the behavioral aspects of the activities of each individual client and their groups, that is, it creates a potential opportunity to better meet customer requirements, improve existing ones, and develop

the newest products. According to researchers from Amazon and Spotify, information about already purchased goods allows customers to more effectively suggest the following possible purchases to complement or improve the operational features of their existing ones.

Developments in online insurance allow simulation and automation of typical business processes. Such changes allow to reduce labor costs for management of insurance cases and management of compensation processes, to reduce the number of mandatory contacts to the client with representatives of insurance structures, and to facilitate the management of their insurance policies.

To date, there are more than 4,800 insurance companies in the United States that have their own online presence.

According to recent studies, the annual Internet turnover of the global insurance market is \$ 800 million, which is 8-10% of the total Internet sales. Currently, 7% of insurance companies' revenues come from e-commerce. According to the forecasts of the audit firm PricewaterhouseCoopers, this indicator will reach 22% in 2023. And the share of insurers that communicate with their customers through the Internet and attract new ones will grow from 11 percent to 70 percent during this period. Taking into account the dynamics of coming to the Internet in general, this forecast is quite reasonable.

In the United States, in addition to the websites of individual companies, there are also specialized insurance portals. On the websites of the portals (www.insweb.com, Insure.com, insurance.com, lifeshopper.com, etc.) they collected information about the largest players in the insurance market. The user can compare the prices of different insurers for the same type of services, find out what is included in certain insurance services of a certain company. You can also familiarize yourself with the ratings of insurance companies compiled by the largest agencies and portal creators. An additional convenience for the client is the availability of "geographical distribution". A visitor to the portal can find out the best offers for any insurance applicable in their state.

There are also mini-portals that combine 2 to 10 companies operating in one or different sectors of the insurance market. These portals unite the project participants into one virtual insurance system, according to which the client can purchase the policy online. Thus, the customer is offered many different insurance products on one site. And usually, first the potential insured is asked to select the desired insurance program, and then the company. For example, such portals include: Universal portal for QuickenInsurance (combining Travelers, Electric Insurance, Reliance Direct and Ohio Casualty Groups) and eHealthInsurance (Kaiser Permanente, PacifiCare, Blue Cross/Blue Shield and Health Net).

Usually, it is recommended to register a visitor on the company's personal websites or mini-portals, that is, fill out the form with personal information and if one type of service is offered on the site, the information that can be used in the application will be provided for insurance.

Below are 2 companies that sell their services entirely online. Despite the fact that almost every

American insurance company has its own website, many of them prefer to offer their services through Internet brokers - insurance portals.

American International Group, Inc. A leading US-based international insurance organization and one of the largest underwriters of commercial and industrial insurance in the Americas. Its member companies provide various types of insurance in about 130 countries (including Russia and Ukraine). As of the end of 2022, AIG ranked first among all insurance and financial services organizations based in the United States and 17th among all American public corporations in terms of net profit. AIG's strong financial position is reflected by the highest credit rating (AAA) according to leading international rating agencies such as "Moody's" and "Standard & Poor's".

AIG's main Internet presence is the www.aig.com portal, which provides access to other company sites. The website www.aigcorporate.com has been established to describe general information about the Corporation and its divisions. Here the history of AIG is described in detail, news related to the company's activities are presented, the visitor can get acquainted with all the main annual financial statements, etc.

A special website - www.aigdirect.com (for US residents only) has been established for individuals and small businesses to sell their services online. It provides the following types of insurance: car insurance, property insurance, life insurance, accident insurance and travel insurance. For each type of insurance, a special section of the website has been created, which includes a description of the service, possible types of payment for it. Also, each department has a customer service center: answers to traditional questions, insurance glossary, expert advice and more. Each service has its own insurance calculator, where the buyer can calculate the amount of the insurance premium based not only on the insurance parameters, but also on the type of premium payment (one-time or in installments), the calculation interest rate, tax collection in a certain country, etc. The most complete and content-rich section is the section dedicated to car insurance, even practical driving tips, information on vehicle protection systems such as ABS, ESP, Air Bags and more. All this is presented in the form of high-quality video recordings.

The process of purchasing a policy for any type of insurance looks roughly the same. It is divided into 5-7 stages, during which the buyer must answer some questions or fill in the relevant web forms. First, the buyer's country of residence is determined. Then 4-5 forms are filled out, in which the buyer enters information about the conditions of the insurance program, the insurance object, the method of making payments, etc., necessary for him. The last step is to enter personal information about the customer: address, telephone, e-mail and plastic card number from which the insurance premium is collected. After that, the insurance policy is formed and mailed to the customer. In the process of applying for the purchase of an insurance policy, the buyer cannot calculate the amount of the insurance premium. Therefore, before submitting an application, he should calculate this amount on the insurance calculator.

It is also possible to request an insurance event on the website by filling out the appropriate questionnaire.

Internet insurance is a set of interacting elements that allow the distribution and management of

insurance contracts over the Internet. Developing such a system of interaction with customers has a number of advantages and disadvantages, in which the company will have the opportunity to expand its business by selling insurance services online. Each insurance company should independently choose the options and mechanisms for creating online insurance in order to improve its competitive position and eliminate possible shortcomings.

The combination of Internet insurance implementation options allows each company to choose such an algorithm of interaction with the client, which has the opportunity to use existing resources and requires reasonable investments of new ones. The ability to choose the algorithm of interaction with the client via the Internet removes the barrier to entry into the online insurance segment.

From the point of view of electronic insurance, the structure and conditions of insurance will be different. Insurance companies specializing in a certain type of insurance can be no less successful than universal insurance corporations, because business efficiency provides strong information support. Information highways will be the basis of future communications. The Internet has already become the main tool and source of the information highway. A change in the field of human business activity, called cyberspace, leads to a change in the purpose of the personal computer. From an additional tool, he became an authorized representative of the client of the insurance company. It is clear that the successful formation of a unified information space of insurance activity requires the compatibility of various highways.

CONCLUSION

The experience of foreign countries shows the need to develop Internet insurance, because the increase in the number of users and the increase in trust in online systems leads to a sharp increase in the flow of money on the Internet. The following can be pointed out as positive trends of Internet insurance activity in foreign countries: reduce customer service costs; expanding the territorial coverage of insurance products; improving insurance culture; create self-service opportunities; reduce the impact of the human factor. It describes the model of interaction between the insurer and customers on the Internet, and it is determined that the structure and conditions of insurance are different in the context of electronic insurance.

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