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Domestic Travel Insurance

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ABSTRACT: The article considers the types of insurance of tourism services, the need for their popularization and further development in the domestic tourism market, as well as the main types of insurance services provided to tourists in Uzbekistan

Keywords: classification of tourism, domestic tourism, insurance of tourists in Uzbekistan

Introduction.

Modern tourism is a branch of the world economy that is unaware of the recession, affecting the development and stabilization of households in many regions. Tourism is one of the main sectors of the economy of many developed and developing countries of the world. When visiting various countries, a tourist is more often than local residents exposed to adverse risk factors. On average, an insured event occurs for every 50 tourist. The expansion of the tourist services market is facilitated by paid vacations for employees, business trips, an increase in the standard of living and pension provision for citizens of various states, a number of demographic factors (an increase in the number of single adults, childless families, working women).

Travel services are classified according to the following criteria, namely: by purpose, landscape and geographical features, mode of travel, method of equipment, form of organization, age, social status.

In 2019, one could observe the progressive development of the entire tourism sector of the country as a whole. In particular, there was a growth trend in a number of indicators: At the end of the year, the growth in the number of arriving foreign tourists almost doubled. The measures taken to support and protect the private sector contributed to an increase in the number of tourism organizations by 75 percent in 2019. The export of tourism services is also growing similarly, which also almost doubled. The aforementioned trends and quantitative results also affect the development of tourist infrastructure

facilities, for example, in 2018, new 142 accommodation facilities with a room stock of 1,745 units and 4,121 beds began operating, reaching their total number to 914 units. In general, the State policy in the field of tourism is aimed at the formation of the tourism industry for the accelerated and comprehensive development of regions and their infrastructure, increasing jobs, ensuring the diversification and accelerated development of regions, increasing incomes, the level and quality of life of the population, improving the image and investment attractiveness of the country for international arena.

Main part

The number of arriving foreign visitors to Uzbekistan is growing rapidly every year. So, in 2019, 5 889.9 thousand foreign tourist visitors entered the Republic of Uzbekistan. This figure is 89.9 percent more than in 2018, when the number of arrivals was 5,300.0 thousand people. In turn, during 2018 the number of foreign visitors amounted to 5,346 thousand people and exceeded the indicators of the same period in 2017 by a percentage.¹

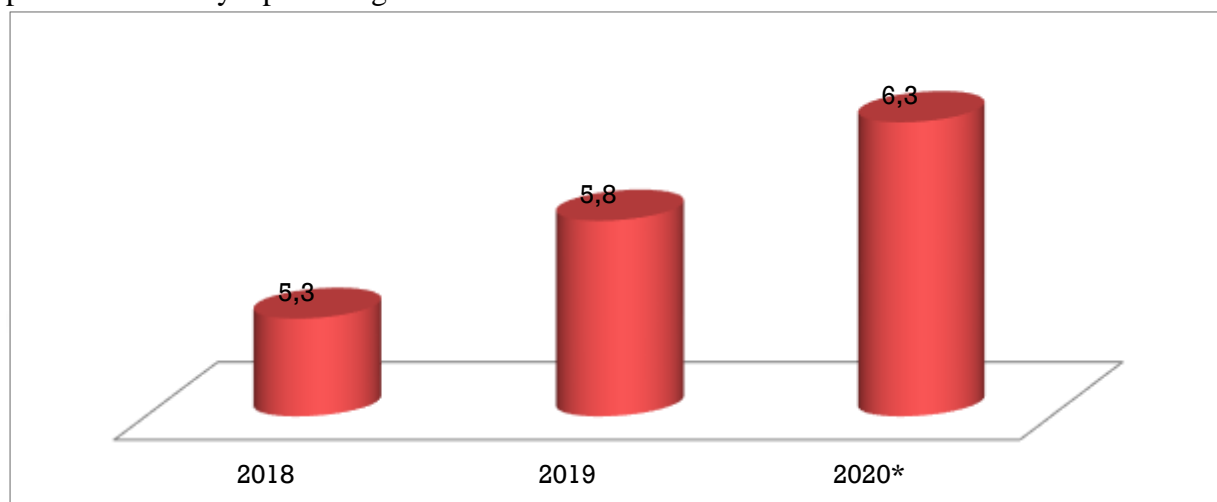


Figure 1. The number of arriving visitors (2018 -2020 million people)

According to the purpose, tourism is divided into recreational and business. Recreational, in turn, includes the following subspecies: wellness (balneological, mud, climatic resorts), excursion and educational (visiting theaters, museums, national parks, national reserves, ethnic), ecological (one-day excursions), pilgrimage (travel to holy places), sports (mountain, equestrian, cycling), active (fishing, hunting tours, river rafting), extreme (speleotourism, diving). Business tourism includes travel for professional, commercial interests, business trips. According to the mode of travel, tourism is divided into pedestrian and transport, according to the form of organization - independent and organized, according to age - into children, adolescents, youth, adults, according to social status - into family, disabled.

In Uzbekistan, the tourism industry also demonstrates a fairly high rate of development. Thus, the number of tourist trips of the population abroad in 2018 amounted to 8,594 thousand, which is 40 percent more than in 2017. The leading positions are taken by independent trips. Tourism activity in Uzbekistan is regulated by the Law on Tourism. "It defines the principles of state policy in tourism activities,

¹ www.uzbektourism.uz.

relations between entities and participants of the tourism market, the procedure for using tourism resources in Uzbekistan.

The legislation of the Republic of Uzbekistan defines the following types of tourism: domestic, inbound, outbound, international, social, and amateur. Within the framework of the message of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the parliament, it was noted that the transformation of the tourism industry into a strategic sector of the economy remains a priority task. One of the most important tasks facing the Government is to ensure the growth of the flow of tourists to our country up to 7.5 million people this year. As you know, a number of reputable foreign publications named Uzbekistan among the countries that you should definitely visit in 2020. We must effectively take advantage of this high attention and trust, "the head of state said. Foreign policy and economic factors have forced many tour operators to reorient themselves to the provision of domestic tourism services. Moreover, Uzbekistan has enough attractive and unique places for travelers with different preferences and material capabilities. According to Uztourism, the volume of domestic tourism in 2018 increased by 95 percent compared to 2019 and amounted to 14,700.0 (thousand) people. The number of tour operators providing travel to Uzbekistan increased by 54 percent in 2018 compared to 2017, and in 2019 the growth was recorded at 78 percent. The attractiveness of domestic tourism lies in the speed of paperwork, savings in travel costs, and the absence of long-term adaptation to the climatic conditions of the resort area. However, when going on the road, you need to think about the safety of your trip. The most qualified assistance can be provided by an insurance company (Figure 2).

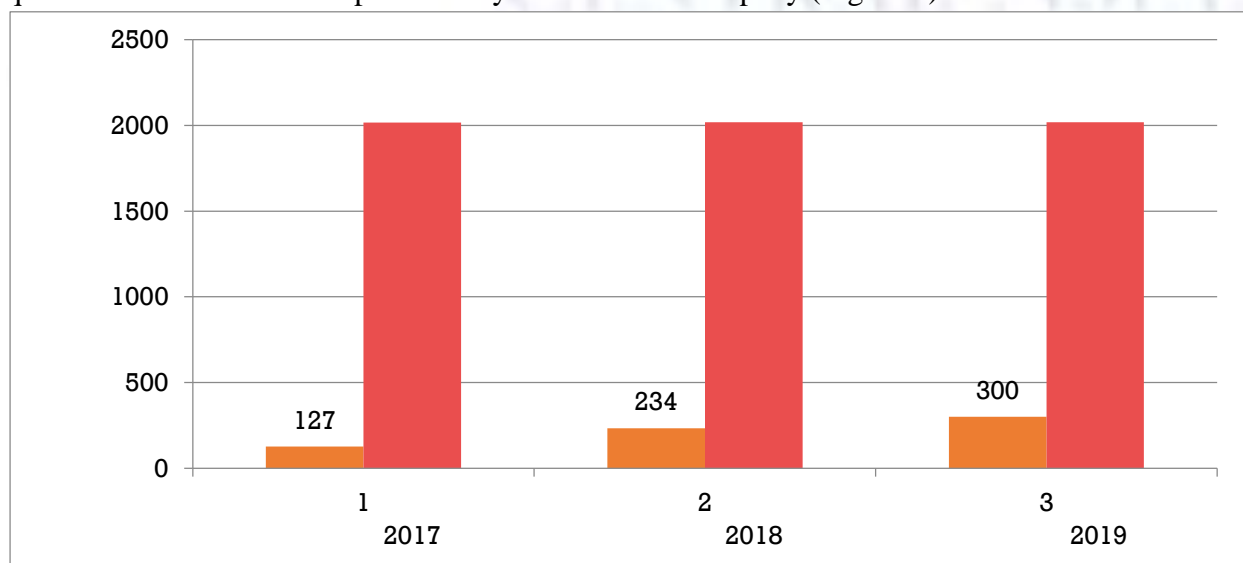


Figure 2. The number of new tour operators created (pieces).

Insurance organizations in the Republic of Uzbekistan offer the following main types of tourist insurance:

- voluntary medical insurance. An insured event is a sudden illness, death, bodily injury as a result of an accident during the trip. The sum insured covers the costs of inpatient treatment, the cost of medicines, transportation of the insured to a medical institution, transportation costs due to the need for inpatient treatment.

- property insurance. An insured event is considered to be damage, destruction, loss of personal property and luggage during the trip. The sum insured is determined individually, but the limit is limited by the insurer itself;

- civil liability insurance. An insured event is the infliction of property or physical damage to third parties, property damage to the environment. The insured amount is limited by the insurer. The amount of damage must be confirmed by documents and conclusions of the competent authorities (hydrometeorological services, law enforcement agencies, medical institutions, social security authorities).

In addition to the main types, insurance organizations also offer insurance for additional risks, such as:

- risks associated with extreme sports. An insured event is an event that occurs as a result of playing sports.

- insurance of expenses related to trip cancellation. An insured event is an illness that prevents travel, death, urgent hospitalization of the insured person, his or her spouse, close relative, damage to the insured's property, litigation with the participation of the insured person during the insurance period, summons to the military commissariat to fulfill military duty.

Also, insurers in the context of property insurance and liability insurance offer:

- document insurance;
- insurance of tourist property in the hotel;
- apartment insurance for the period of vacation or business trip;
- travel interruption insurance;
- civil liability insurance for the duration of the trip;
- civil liability insurance of the air carrier for flight delays, route changes, delayed delivery of a passenger to the destination;
- insurance of liability for damage to property of third parties, for example, hotels, restaurants.

The conclusion of the contract is formalized by the issuance of the policy. Its cost will depend on the insurance program (at the option of the insured), the sum insured, the distance of the trip, the territory of stay, the age of the insured (insured), additional risks.

Insurance companies provide their services for both international and domestic tourism. The greatest demand for insurance is observed for tourists traveling abroad. Without a formalized insurance policy, a tourist will not be able to travel to a place of rest or on a business trip. Although trips in Uzbekistan are no different from foreign ones: traveling citizens face the same risks as abroad. Insurance of tourists in Uzbekistan has been practiced for a long time. However, domestic tourists rarely purchase a policy to travel around the country. This is due to a number of reasons. Some insurers reduce the list of risks and the amount of insurance coverage to a minimum due to unfair competition between tour operators. Travel companies are also seeking to reduce the cost of services through an insurance policy. In addition, not every tourist, due to certain difficulties, will be able to use the compulsory health insurance policy. The level of awareness among tourists regarding the risks associated with travel and business travel, as well as the possibilities and benefits of insurance, is low. In the insurance of domestic tourism, legal and information assistance is practically not used (support for tourists in administrative and civil offenses, providing information on the most convenient travel routes in cities, attractions, etc.).

Often, tour operators offer economy class insurance, and the higher quality and diversified insurance products offered by most insurance companies remain essentially unclaimed.

Conclusions

For the development of the domestic tourism insurance market, it is necessary to strengthen measures to popularize the types of insurance of domestic tourists in Uzbekistan, to break down into subspecies and set its own amount of financial support for each of them. It is necessary to carry out a rigid concretization of the sphere of tourist services, which will make the industry attractive for large insurance companies, as well as remove responsibility from insurance organizations for the deliberate actions of tour operators.

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