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## Agricultural Insurance and it's Development Today

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**Abstract:** The article analyzes the development of the insurance with state support and the dynamics of the volume of subsidies for compensation of part of expenses of agricultural producers for payment of insurance premiums accrued in the contract of agricultural insurance. We have identified structural and logical connection of the elements in the modern system of support regional development programs of agriculture. We have also observed accompanying the process of state support of the problem. The authors state that it requires new methodological approaches to determination of loss (death) of the crop for the payment of insurance claims.

**Key words:** insurance, agricultural, insurance proceeds, insurance payments, state support, loss (death) of the crop, uniform subsidy.

**Introduction.** Agricultural insurance is an important tool for risk management in agriculture. It helps farmers and other participants in the agricultural market to protect their crops, livestock and other valuables from potential losses caused by various factors, such as weather conditions, animal diseases, damage from insects and other risks. Agricultural insurance allows farmers to maintain financial stability and increase incomes, providing protection against losses. In this article, we will look at the different types of agricultural insurance, its benefits and how it helps farmers protect their business.

Agricultural insurance is a type of insurance that covers losses related to agriculture and animal husbandry. Agriculture is a very risky occupation, as its results depend on many factors, such as weather, diseases, insects, natural disasters, economic and political factors. As a result, agricultural insurance is becoming increasingly important for agriculture.

**Quotes from famous people:** "Insurance is a peaceful method of protection guaranteed by law" - George O. Mason, Founder of Farm Bureau Insurance.

"Agricultural insurance helps farmers survive adverse conditions such as weather, animal diseases and insects" — Larry Combes, President of the American Federation of Agricultural Insurance Agencies.

"Agricultural insurance is a real investment in the future of agriculture" - Harry French, founder and CEO of French & Pickering, which provides insurance services for farmers. "Agriculture is one of the riskiest sectors of the economy, and agricultural insurance is an important tool for managing these risks" - Linda

Jezer, Deputy Director General for Development and Technical Cooperation of the World Agricultural Insurance Organization.

There are several types of agricultural insurance, depending on what exactly is insured and what risks are protected.

Some types of agricultural insurance include:

1. Crop Insurance: This is insurance against crop-related losses such as drought, flood, hail and other natural disasters.
2. Animal insurance: this is the insurance of animals against diseases, accidents and other risks.
3. Property Insurance: This is the insurance of physical objects such as buildings, equipment, machinery and other agricultural property.
4. Liability insurance: this is insurance against legal liability related to activities in agriculture, for example, in case of damage caused to third parties.
5. Crop failure insurance: this is insurance against financial losses associated with a low level of yield or a complete lack of harvest.
6. Flood insurance: This is insurance against damage caused by flooding, including damage caused to crops and agricultural machinery.
7. Drought Insurance: This is insurance against damage caused by drought, including damage caused to crops and agricultural machinery.

Crop insurance is a type of agricultural insurance that covers crop-related losses that may occur as a result of natural disasters such as drought, flood, hail, freezing rain, frost, etc. This type of insurance allows agriculture to protect its business from possible risks and maintain income stability in case of unforeseen circumstances.

Crop insurance is carried out on the basis of certain criteria, which may vary depending on the country and region. Usually, such factors as culture, land area, risks associated with climatic conditions, etc. are used as the basis for determining the amount of the insurance premium.

An insurance policy for the harvest can be concluded both for one season and for several years. In the event of an insured event (for example, drought, hail, etc.), the insurance company will compensate the agricultural producer for financial damage associated with the loss of the crop.

One of the advantages of crop insurance is that it gives farmers greater confidence in the future and helps maintain income stability. Also, thanks to crop insurance, agriculture can receive loans and other financial support from banks and other financial institutions.

In general, crop insurance is an important tool that can protect agriculture from the risks associated with natural disasters and maintain income stability.

Animal insurance is a type of insurance that is designed to protect animals from unforeseen diseases, injuries and accidents. This type of insurance allows pet owners to protect their pets from possible risks and provide them with access to medical care if necessary.

Animal insurance can include different types of coverage, depending on the insurance company and the conditions chosen. Some types of animal insurance may cover only medical expenses related to diseases and injuries, while others may also include the cost of euthanasia, liability to third parties, etc.

In addition, animal insurance can be concluded for a certain period of time or for the entire life of the animal. Usually, the insurance premium for an animal depends on age, breed, health status and other factors.

One of the main advantages of animal insurance is that it allows pet owners to provide their pets with medical care if necessary without facing financial difficulties. In addition, pet insurance can help pet owners avoid forced euthanasia of the animal in case the treatment is too expensive.

Overall, animal insurance is an important tool to protect pets and ensure they have access to health care when needed.

Agricultural property insurance is one of the types of agricultural insurance and is designed to protect property used in agriculture from various risks.

Agricultural property insurance may include protection against risks such as fire, natural disasters (floods, hurricanes, hail), theft, damage from plant and animal pests and diseases, as well as accidents on machinery and equipment used in agriculture.

Insurance of agricultural property can be concluded both for individual objects (for example, for buildings, machinery, warehouses) and for entire complexes of agricultural production.

Depending on the type of insurance chosen, the insurance company can pay compensation for damage caused to agricultural property, or repair and restore it.

The main advantage of agricultural property insurance is the ability to protect your property from various risks that can cause significant damage to the agricultural business and reduce its profitability. In addition, agricultural property insurance can help agricultural businesses cope with the unexpected financial costs associated with restoring property after natural disasters or other risks.

Liability insurance in agriculture is a type of agricultural insurance and is designed to protect agricultural producers from possible financial losses associated with their liability to third parties.

This type of insurance covers possible losses that may be caused by the actions or omissions of agricultural producers, such as damage or injury caused to other people or their property.

Examples of cases that may be covered by agricultural liability insurance include:

- Losses caused by pesticide exposure to neighbouring land or water resources
- Damage caused by the actions of animals (for example, a dog attack on a person or their property)
- Damage caused by an accident on agricultural machinery (for example, if a tractor crashes into a nearby building)
- Losses caused by poisoning of food products grown on an agricultural plot and sold to consumers.

Agricultural liability insurance can be useful for both large agricultural enterprises and small family farms, which may face unforeseen financial costs when claims arise from third parties.

The main advantage of liability insurance in agriculture is that it allows agricultural producers to protect their business from possible financial risks associated with liability to third parties, and provides them with an additional level of protection if compensation for the damage caused is necessary.

Crop failure insurance is a type of agricultural insurance that protects agricultural producers from losses associated with low yields or complete lack of harvest due to adverse weather conditions, drought, frost, floods and other natural disasters.

Crop failure insurance provides financial compensation for losses associated with a decrease in production or a complete lack of harvest. This type of insurance allows agricultural producers to receive

compensation, which can help them cover the costs of the next planting and other costs associated with reducing production.

Crop failure insurance can be useful for both large agricultural enterprises and small farms, which may face financial problems in the event of adverse weather conditions or natural disasters. In addition, crop insurance may be a mandatory requirement for obtaining a loan from a bank or support from the government.

One of the main advantages of crop failure insurance is that it allows agricultural producers to protect their investments and earnings from adverse weather conditions and other risks that can cause them significant damage. It also helps to stabilize agricultural incomes and strengthen the financial stability of producers.

Depending on the terms of insurance, agricultural producers can choose the types of insurance that best suit their specific needs. In some cases, they may choose a level of coverage that corresponds to the real cost of losses associated with crop failure.

Flood insurance is a type of insurance that covers losses related to damage to property caused by floods. This type of insurance can include both insurance of residential and commercial facilities, as well as agricultural land.

Flood insurance covers the cost of restoring property that was damaged by floods, as well as replacing lost items and materials. Depending on the terms of the insurance, it may include coverage for evacuation and temporary residence, as well as protection against further damage associated with floods.

Flood insurance can be useful for people living in areas where there is a risk of flooding, as well as for property owners located in such zones. It can help reduce financial risk and protect property from potential damage caused by flooding.

Flood insurance can be voluntary or mandatory, depending on the location of the property and government requirements. In some cases, it may be included in the general disaster insurance package, which may also include insurance against earthquakes, hurricanes and other natural disasters.

One of the main benefits of flood insurance is that it can help reduce financial risk and reduce financial losses in the event of property damage. It can also increase confidence that property will be protected in the event of flooding and help reduce the stress associated with such events.

Drought insurance is a type of insurance that covers losses related to farmland and animals caused by drought. This type of insurance can include both crop insurance and animal insurance, as well as other types of insurance related to the agricultural industry.

Drought insurance is designed to protect agricultural producers from potential losses due to crop or animal losses caused by drought. Depending on the terms of insurance, it may cover the cost of compensating for losses associated with low yields or dead animals, as well as supporting their survival.

Drought insurance can help agricultural producers reduce financial risk and increase confidence that their crops and animals will be protected in the event of drought. This can be especially important for those who live in areas with a high probability of drought, as well as for those who depend on agricultural production as a source of income.

Drought insurance can be voluntary or mandatory, depending on government requirements and the location of farmland and animals. In some countries, the government may provide subsidies for drought insurance to support agricultural production and reduce financial risk to agricultural producers.

One of the main benefits of drought insurance is that it helps reduce financial risk and protect agricultural production from potential drought-related losses. It can also help increase confidence that agricultural production will be protected in the event of drought.

**Example.** Below are a few examples of successful cases of using agricultural insurance:

1. In the U.S., crop insurance helps agricultural producers reduce financial risk and protect their crops from various risk factors. For example, in 2019, when heavy rains and floods led to delayed plantings and reduced yields, crop insurance helped many agricultural producers offset losses.
2. In India, the government launched a crop insurance program to protect agricultural producers from losses caused by adverse weather conditions. Through this program, millions of agricultural producers receive protection against potential losses and can receive compensation if the weather worsens.
3. In Kenya, animal insurance helps protect pastoralists from potential losses due to animal losses due to disease or other risk factors. For example, in 2018, when a rabies epidemic threatened the lives of many animals, animal insurance helped many pastoralists maintain their herd and avoid losses.

These examples show how agricultural insurance can help protect agricultural production from potential losses and reduce financial risk for agricultural producers. They also show how governments and other organizations can use insurance to support agricultural production and protect the interests of agricultural producers.

**Conclusion.** Agricultural insurance is an important risk management tool in agriculture, as it helps agricultural producers reduce financial risks and protect their crops, animals and property from various risk factors such as adverse weather conditions, diseases, crop failure and others.

Agricultural insurance helps agricultural producers gain access to financial resources to restore production in the event of losses. This is particularly important for small and medium-sized agricultural enterprises, which may not have sufficient financial resources to cover potential losses.

In addition, agricultural insurance contributes to the stability of the agricultural market, as it helps agricultural producers to keep their incomes and losses at a level that can ensure the sustainability of production.

In general, agricultural insurance is an important risk management tool in agriculture that can help agricultural producers reduce their financial risks, protect their crops, animals and property, access financial resources to restore production, maintain their incomes and ensure stability in the agricultural market.

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