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WAYS TO ENHANCE THE EFFICIENCY OF INVESTMENT ACTIVITIES OF INSURANCE COMPANIES IN UZBEKISTAN

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Abstract. This paper analyzes the current state of investment activities of insurance companies in Uzbekistan based on official statistical data from 2025–2026. Changes in the volume and composition of investment portfolios are examined, and the shares of deposits, securities, real estate, and other investment avenues are evaluated. Practical proposals have been developed to improve the efficiency of insurance companies' investment activities by strengthening portfolio diversification, aligning assets and liabilities, comprehensively assessing risk-return-liquidity criteria, and fostering professional investment management.

Keywords: insurance company, investment activity, investment portfolio, investment efficiency, deposit, securities, real estate, diversification, risk, liquidity.

Annotatsiya. Ushbu tezisda O‘zbekistonda sug‘urta kompaniyalari investitsion faoliyatining amaldagi holati 2025–2026-yillar rasmiy statistik ma’lumotlari asosida tahlil qilingan. Investitsiya portfeli hajmi va tarkibidagi o‘zgarishlar, depozitlar, qimmatli qog‘ozlar, ko‘chmas mulk hamda boshqa investitsiya yo‘nalishlarining ulushi baholangan. Sug‘urta kompaniyalari investitsion faoliyati samaradorligini oshirish uchun portfel diversifikatsiyasini kuchaytirish, aktiv va majburiyatlarni muvofiqlashtirish, risk–daromadlilik–likvidlik mezonlarini kompleks baholash va professional investitsiya boshqaruvini rivojlantirish bo‘yicha amaliy takliflar ishlab chiqilgan.

Kalit so‘zlar: sug‘urta kompaniyasi, investitsion faoliyat, investitsiya portfeli, investitsiya samaradorligi, depozit, qimmatli qog‘ozlar, ko‘chmas mulk, diversifikatsiya, risk, likvidlik.

INTRODUCTION

Channeling the financial resources generated by insurance companies into the economy as investments plays a crucial role in the development of the financial market and the expansion of long-term investment sources. For an insurer, investment activity serves not only as an additional source of income but also as a factor that strengthens the ability to meet insurance obligations in a timely manner.

The development of the insurance market in Uzbekistan is leading to an increase in the volume of investment resources held by insurance organizations. According to data from the National Agency for Perspective Projects (NAPP) of the Republic of Uzbekistan, as of July 1, 2026, the total investments of insurance organizations amounted to 10,740.2 billion soums, representing a 28.8 percent increase compared to the 8,340.2 billion soums recorded during the same period in 2025 [2].

While the growth in investment volume is a positive development, quantitative growth alone is insufficient for evaluating the effectiveness of investment activities. Factors such as portfolio composition, asset profitability and liquidity, risk distribution, and alignment with insurance obligations must also be taken into account. In this regard, analyzing structural changes in the investment portfolios of insurance companies and identifying ways to enhance their performance is a matter of current importance.

CURRENT STATE OF INSURANCE COMPANIES' INVESTMENT PORTFOLIOS

Official statistical data from ILMA for the second quarter of 2026 indicate that significant quantitative and structural changes have occurred in the investment portfolios of insurance organizations [2].

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Table 1

Changes in the investment portfolios of insurance organizations in 2025–2026

Investment type	01.07.2025, mlrd so'm	Portion, %	01.07.2026, mlrd so'm	Changing,%
All investment	8 340,2	100,0	10 740,2	+28,8
Deposits	5 079,5	60,9	6 991,2	+37,6
Securities	1 389,9	16,7	1 524,9	+9,7
Loans	49,8	0,6	38,1	–23,5
Real estate	1 557,3	18,7	1 773,3	+13,9
Participation in the authorized capital of organizations	105,9	1,3	78,7	–25,7
Other investment	157,9	1,9	333,8	+111,4

Source: Compiled by the author based on data from the National Agency for Perspective Projects (NAPP) of the Republic of Uzbekistan [2].

According to the data in the table, total investments grew by 28.8% as of July 1, 2026. Deposits accounted for the largest share, amounting to 6,991.2 billion soums, or 65.1% of the total portfolio. In the corresponding period of 2025, the share of deposits stood at 60.9%. Thus, alongside a 37.6% increase in the volume of deposits, their share in the portfolio rose by 4.2 percentage points.

Investments in securities reached 1,524.9 billion soums, an increase of 9.7%. However, their share in the total portfolio declined from 16.7% to 14.2%. Although investments in real estate grew by 13.9%, their share fell from 18.7% to 16.5%. Meanwhile, the volume of other investments surged by 111.4%.

These changes indicate that, amidst the rapid growth of the investment portfolio, the dominance of deposits within the portfolio's composition is intensifying. Deposits are considered relatively liquid and easily manageable assets; however, concentrating a large portion of investment resources in a single asset class can limit opportunities for portfolio diversification.

KEY FACTORS INFLUENCING INVESTMENT PERFORMANCE

It is not appropriate to evaluate the performance of insurance companies' investment activities solely based on the growth of investment volume. Performance is determined by the balance between investment return, risk, liquidity, portfolio diversification, and the maturity of insurance liabilities.

Table 2

Key directions for enhancing the efficiency of investment activities

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Current situation or problem	Area of improvement	Expected result
High share of deposits	Diversifying the portfolio through securities and other suitable instruments.	Reduction of concentration risk
Evaluating portfolio performance primarily through volume	Joint assessment of profitability, risk, and liquidity indicators	Improvement in the quality of investment decisions
Risk of asset-liability maturity mismatch	Strengthening the asset and liability management system	Strengthening of liquidity and solvency
Lack of sufficient professional analysis	Developing investment and risk management competencies	Increasing portfolio management efficiency
Limited use of market instruments	Gradually expanding the use of capital market instruments	Expansion of long-term investment opportunities

Source: Developed by the author.

WAYS TO ENHANCE THE EFFICIENCY OF INSURANCE COMPANIES' INVESTMENT ACTIVITIES

First, it is necessary to strengthen the diversification of investment portfolios. Rather than drastically reducing the share of deposits, it is advisable to expand the use of securities and other liquid, reliable instruments, taking into account the nature of insurance obligations and risk limits.

Second, a comprehensive system for evaluating the efficiency of investment activities must be implemented. Such a system should collectively encompass investment profitability, portfolio liquidity, risk levels, the diversification coefficient, and the matching of asset and liability maturities.

Third, Asset-Liability Management (ALM) principles need to be more deeply integrated into investment policy. This enables the alignment of the maturities and liquidity of investment assets with the expected cash flows associated with insurance payouts.

Fourth, it is essential to develop professional investment management and risk management systems within insurance companies. Making investment decisions based on the regular analysis of market conditions, asset quality, expected returns, and risk indicators contributes to qualitative improvements in the portfolio. Fifth, it is necessary to regularly monitor investment performance and evaluate the contribution of each investment instrument to the portfolio's overall efficiency. This enables the timely identification of inefficient or excessively risky assets and the optimization of the portfolio's composition.

Investment resources → valuation of assets and liabilities → risk-return-liquidity analysis → diversified portfolio → monitoring and rebalancing → investment income → financial stability

CONCLUSION

The growth of the investment potential of insurance organizations in Uzbekistan creates a significant opportunity to strengthen their role in the financial market. The fact that total investments reached 10.7 trillion soums—growing at an annual rate of 28.8%—demonstrates the quantitative acceleration of this process [2].

At the same time, the fact that deposits account for 65.1% of the total investment portfolio highlights the urgent need to improve the portfolio's quality. Although the volume of securities has increased, their share in the portfolio has declined to 14.2%. Consequently, it is essential to align the growth of investment volume with effective diversification, liquidity management, and risk management. To enhance the efficiency of investment activities, it is advisable for insurance companies to diversify their portfolios, utilize comprehensive performance indicators, align assets and liabilities, develop professional investment management, and regularly monitor their investment

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portfolios. Implementing these measures will help stabilize investment income, mitigate risks, and strengthen the financial stability of insurance companies.

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