



THE ROLE OF INSURANCE IN MANAGING AGRICULTURAL HAZARDS

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ABSTRACT	KEY WORDS
The agricultural sector is one of the most dangerous areas, so the economic activity of agricultural enterprises is always under the influence of risks. Typically, rural entrepreneurs avoid making decisions in situations of danger, except when high incomes are possible. It is widely known that high income is directly related to high risk levels. Therefore, there is a need to organize the proper management of hazardous, as well as high-income situations.	

Introduction

The agricultural sector, as well as the level of risk impact on the national economy, especially in times of crisis caused by negative trends (financial and economic rets, pandemics) occurring worldwide, has made it a pressing issue.

"Risk and uncertainty are two different terms that are important for any decision making. At the same time, risk can be identified as imperfect knowledge, and the likely outcomes are known, while uncertainty is the uncertainty of the results of possible events. It is difficult to imagine an industry where risk and uncertainty are more important than agriculture. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to support more than the industry. The farmer, on the other hand, remains in a climate of risk and uncertainty, and for him it is difficult to overcome these situations. Therefore, the introduction of risk management in their activities will be an important factor."

– In the context of objective availability of risk, the prerequisite for the successful operation of an enterprise is the formation of a risk management system that takes into account the existence of this risk and, on the one hand, is defined as a process of making and implementing management decisions that allow it to reduce its negative impact on the company, and on the other hand, the effective use of opportunities that arise for the growth and development of the business.

– "It is the art or science of creating abstract conditions for the activities of the production and economic departments or the life of an individual. In a narrow sense, risk management is the process of planning and implementing specific measures aimed at reducing economic risk. They have made management decisions to formulate and implement these measures to lower any unclosed losses."

– "In modern conditions, there are many other factors that determine the uncertainty of demand and offer, exchange rate volatility, inflation processes, the current state of each country's

economy, as well as a number of risks that businesses may face during their economic activities. There are the main ways to minimize risks: insurance; deviation; self-insurance; limiting; xedjdiring; franchise and others. All this allows the enterprise to carry out consistent, stable and financially independent activities in the market."

– "In his research work, D.V. Bunkovsky analyzed the problems of managing the risks of the enterprise. He studied various aspects of the formation of a risk management system in the enterprise. It has also formulated conclusions that the efficient use or optimal use or optimal use of risk management tools for a particular enterprise is due to its dependence on the industry and activities."

– "In V.N. Khokhlova's scientific work, the risk management process is divided into the following main stages:

– Analyze the nature of the risk, identify risk factors, evaluate risks by quality and quantitative indicators;

choosing their effectiveness by comparing methods of exposure to risk;

decision making;

exposure to risk (reduction, storage, transfer);

control over risk management outcomes".

"The risk management system in the business hierarchy should become part of the management system of a company aimed at shaping revenues and reducing costs, ensuring balance between them, that is, it should be integrated into the overall strategy of the enterprise, its plans and activities, and carried out jointly. It is necessary to take into account the availability of risk when developing the enterprise's strategy, otherwise it may slow economic development, as it is impossible to create an effective business activity without taking into account the impact of negative potential events."

"When developing the strategy of the current Enterprise, it is necessary to take into account the existence of risk, otherwise it may slow economic development, as it is impossible to create an effective business activity without taking into account the impact of negative potential events. In this regard, the development of a concept of risk management for enterprises in the non-governmental sector, taking into account existing practices for financial institutions and the peculiarities of agriculture, is a pressing issue."

Based on the aforementioned scientific and practical literature analysis, it is important to create a risk-status model and identify its elements in the initial process of evaluating risks. We tried to support the optimal formation of the risk management process of local businesses and entrepreneurial entities, as well as the formation of their own divisions and the creation of optimal options for their proper risk management.

We offer a six-step production detection type:

Defining goals and tasks.

Identification (identification) of risks.

Risk assessment.

Exposure to risks.

Monitoring and monitoring results.

The risk policy of the enterprise.

The first step in creating a risk management system should answer the following questions:

Why does an enterprise create a risk management system, what is the main objective of this, and what value factors will this affect?

"Which risk management system should you choose—centralized or decentralized, complex, or holistic?

How much are we willing to spend on creating the system?

Who uses this system in the enterprise?

Effective implementation of the first phase allows the following:

1. clearly describe the requirements for the final product of the system;
2. saving resources to create a system and focus on the most important areas of work;
3. achieving effective and fast results by affecting the most important points and the correct target direction."
4. risk management within the enterprise.
5. Based on the above analyses, we can note that there are common facets of agricultural risk management that are suitable for other industries, sectors. From this point of view, it is desirable to apply their pros to experiences in managing agricultural risks, studying the most advanced achievements in the existing area.
6. "During the study, the following were included in the main operating business processes that identify the operating risk group:
7. Technological process of production (processing, cultivation, feeding cattle, processing raw materials and producing finished products). These business processes are characterized by production risks associated with climatic conditions, the operation of production facilities, production safety, natural disasters, disruptions in production, and so on.
8. The process of supplying raw materials and materials (providing the production process with all that is needed). This economic activity is unique to a complex of risks associated with the lack of production resources, materials, disposable parts, and so on, or the delivery of some negative consequences.
9. The process of transportation of raw materials and finished products. The group of transport risks consists of risks associated with the types of transport used for transportation. Because the majority of agricultural products belong to the fast-breaking category, almost all agricultural enterprises face this risk group.