

## **International cooperation in insurance: experience and prospects for Kazakhstan**

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### **Abstract**

This article analyzes the impact of international cooperation in the insurance field on the economy of Kazakhstan, especially in the context of its participation in the World Trade Organization (WTO) and the Eurasian Economic Union (EAEU). Based on a systematic review of literature and data, including official documents and statistical reports, these agreements' effects on Kazakhstan's insurance market are analyzed. Particular attention is paid to the impact on the competitiveness of domestic insurers and expanding access to new markets and technologies. The article also presents both quantitative and qualitative data reflecting the impact of international experience and cooperation on the efficiency of the domestic insurance market. Quantitative indicators cover insurance companies' financial stability, including the volume of net profit, assets, equity capital, the dynamics of concluded insurance contracts, and the growth of insurance premiums and payments. Qualitative data includes analysis of technology transfer mechanisms, innovation and risk management based on international experience and best practices. Additionally, the article discusses the research results on implementing international standards, their impact on service delivery standards, and business process management in the insurance sector. Based on an analysis of successful international practices and cooperation with leading global insurance companies such as Swiss Re, Munich Re, and Allianz, the importance of exchanging experiences and best practices to stimulate innovation and improve the quality of services within the country is highlighted. Analytical conclusions about the current state and prospects for developing Kazakhstan's insurance market in the context of world trends and standards complement this data.

**Keywords:** insurance, international cooperation, trade, economic, competitiveness, market trends

# Сақтандыру саласындағы халықаралық ынтымақтастық: Қазақстан үшін тәжірибе мен болашағы

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## Түйін

Бұл мақалада сақтандыру саласындағы халықаралық ынтымақтастықтың Қазақстан экономикасына әсері, әсіресе оның Дүниежүзілік сауда ұйымына (ДСҰ) және Еуразиялық экономикалық одаққа (ЕАЭО) қатысу контекстінде талдау жасалған. Әдебиеттер мен мәліметтерді, оның ішінде ресми құжаттар мен статистикалық есептерді жүйелі шолу негізінде осы келісімдердің Қазақстанның сақтандыру нарығына әсері талданады. Отандық сақтандырушылардың бәсекеге қабілеттілігіне әсер ету және жаңа нарықтар мен технологияларға қолжетімділікті кеңейтуге ерекше назар аударылады. Сонымен қатар мақалада халықаралық тәжірибе мен ынтымақтастықтың отандық сақтандыру нарығының тиімділігіне әсерін көрсететін сандық және сапалық деректер келтірілген. Сандық көрсеткіштер сақтандыру ұйымдарының қаржылық тұрақтылығын, оның ішінде таза пайда көлемін, активтерін, меншікті капиталын, жасалған сақтандыру шарттарының серпінін, сондай-ақ сақтандыру сыйлық-ақылары мен төлемдерінің өсуін қамтиды. Сапалық деректер халықаралық тәжірибе мен озық тәжірибе негізінде технологиялар трансферті, инновация және тәуекелдерді басқару тетіктерін талдауды қамтиды. Сонымен қатар, мақалада халықаралық стандарттарды енгізу бойынша зерттеулердің нәтижелері, олардың сақтандыру секторындағы қызмет көрсету стандарттарына және бизнес-процестерді басқаруға әсері талқыланады. Табысты халықаралық тәжірибелерді талдау және Swiss Re, Munich Re және Allianz сияқты жетекші жаһандық сақтандыру компанияларымен ынтымақтастықты негізге ала отырып, ел ішінде инновацияларды ынталандыру және қызмет көрсету сапасын арттыру үшін тәжірибе мен озық тәжірибе алмасудың маңыздылығы атап өтілді. Бұл деректер әлемдік трендтер мен стандарттар контекстінде Қазақстанның сақтандыру нарығының қазіргі жағдайы мен даму перспективалары туралы аналитикалық тұжырымдармен толықтырылған.

**Кілттік сөздері:** сақтандыру, халықаралық ынтымақтастық, сауда, экономика, бәсекеге қабілеттілік, нарықтық үрдістер

# Международное сотрудничество в сфере страхования: опыт и перспективы для Казахстана

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## Аннотация

Данная статья представляет собой анализ влияния международного сотрудничества в области страхования на экономику Казахстана, особенно в контексте его участия в Всемирной торговой организации (ВТО) и Евразийском экономическом союзе (ЕАЭС). На основе систематического обзора литературы и данных, включая официальные документы и статистические отчеты, проанализированы эффекты этих соглашений на страховой рынок Казахстана. Особое внимание уделено влиянию на конкурентоспособность отечественных страховщиков и расширению доступа к новым рынкам и технологиям. Статья также представляет как количественные, так и качественные данные, отражающие влияние международного опыта и сотрудничества на эффективность отечественного страхового рынка. Количественные показатели охватывают финансовую устойчивость страховых компаний, включая объемы чистой прибыли, активов, собственного капитала, динамику заключенных договоров страхования, а также рост страховых премий и выплат. Качественные данные включают анализ механизмов технологического трансфера, инноваций и управления рисками на основе международного опыта и передовых практик. Дополнительно в статье рассматриваются результаты исследований о внедрении международных стандартов, их влияние на стандарты предоставления услуг и управление бизнес-процессами в страховом секторе. На основе анализа успешных международных практик и сотрудничества с ведущими мировыми страховыми компаниями, такими как Swiss Re, Munich Re и Allianz, выделено значение обмена опытом и передовыми практиками для стимулирования инноваций и повышения качества услуг внутри страны. Эти данные дополняются аналитическими выводами о текущем состоянии и перспективах развития страхового рынка Казахстана в контексте мировых трендов и стандартов.

**Ключевые слова:** страхование, международное сотрудничество, торговля, экономика, конкурентоспособность, рыночные тенденции

## Introduction

Kazakhstan's accession to the WTO and participation in the EAEU expand market opportunities for Kazakh insurance companies, allowing them to compete internationally and increase the volume of premiums. Harmonizing insurance legislation with international standards improves the quality of services and increases the transparency and reliability of insurance companies. Open markets, the catalyst for innovation, increase competition in the insurance industry, encouraging improved products and services and lower prices. International cooperation and access to global markets promote the introduction of advanced technologies and innovations that improve efficiency and quality of service. Interaction with international partners strengthens the financial stability of insurance companies, increasing the confidence of clients and investors. Thus, the integration of Kazakhstan into international economic unions contributes to the growth of the insurance sector through improving the quality of services, increasing competitiveness, introducing innovation and strengthening financial stability.

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## Materials and methods

The study used various information sources, including official documents, reports of international organizations, analytical reports of consulting firms, statistical data, and interviews with insurance company representatives and experts. Analysis methods included documentary analysis, statistical analysis, case studies, qualitative methods, and comparative analysis.

### Legislative and normative analysis:

The text examines how Kazakhstan's accession to the WTO and the EAEU required changes in the legislative framework to align with international standards. This includes harmonizing national laws with the legislation of the EAEU and adopting international practices, such as the components of Solvent II.

### Quantitative analysis:

The text uses statistics to demonstrate market growth, such as increases in insurance contracts, assets, liabilities, and premiums. Tables show specific numbers and percentages, which indicate positive dynamics.

### Impact assessment:

The text evaluates the impact of digitalization and the introduction of new technologies (e.g., online claims resolution and database integration) on operational efficiency and customer satisfaction. The implementation of Solvency II components and developing risk assessment guidelines to improve risk management practices are also discussed.

### Comparative analysis:

The text provides examples of successful collaboration between Kazakh and foreign insurance companies, showing how these collaborations have contributed to the introduction of advanced technologies and improved insurance products. The role of international cooperation in Kazakh specialists' training and professional development is also analyzed.

### Case stages and examples:

Partnerships with companies such as Swiss Re, Munich Re, and Allianz illustrate the practical benefits of international cooperation, such as technology transfer and improved risk management practices. These examples demonstrate how international cooperation and technology transfer contribute to the development of the Kazakhstan insurance market, improving the quality and reliability of insurance services.

### Future predictions:

The text discusses plans, such as the ongoing implementation of Solvent II and future stages of legislative harmonization within the EAEU. This includes forecasts for further development and introducing new guidelines and technologies, which underscores the insurance industry's long-term development strategy.

## **Results**

International agreements, such as Kazakhstan's accession to the WTO and participation in the EAEU, significantly impact the insurance market, contributing to its development and competitiveness. Kazakhstan's entry into the WTO in 2015 was a significant event for the national insurance market. This led to changes in the legislative framework aimed at increasing transparency and competitiveness. Participation in the WTO also opened access to international markets and helped attract foreign investors.

This event had far-reaching consequences for Kazakhstan's insurance industry, emphasizing the need to harmonize national legislation with international standards, which in turn became an incentive to modernize and improve the work of domestic insurance companies. Accession to the WTO opened access to new markets and technologies for Kazakhstani insurers, contributing to their local and international development and competitiveness [1, p. 265].

Kazakhstan's membership in the Eurasian Economic Union (EAEU) also significantly impacts the insurance market. Within the framework of this union, insurance legislation is being harmonized, which simplifies the access of Kazakhstani insurance companies to the markets of other participating countries. This creates favorable conditions for expanding the activities of companies beyond national borders and helps strengthen the position of Kazakhstan insurers in the international arena.

In addition, cooperation in the EAEU promotes the exchange of experience and best practices in insurance between participating countries. This exchange of expertise allows insurance companies in Kazakhstan to learn from the successful experience of foreign colleagues and introduce advanced technologies and risk management techniques, which helps improve the quality of services and strengthen the competitiveness of the national insurance market.

Kazakhstan has concluded several free trade agreements with various countries, significantly contributing to the insurance market's development. These agreements are crucial in creating a favorable investment and trade environment, facilitating access to insurance services for foreign companies in Kazakhstan [2, p. 1587]. Such an open market stimulates competition, which, in turn, helps improve the quality of services and innovative development of domestic insurance companies.

## **Discussion**

International cooperation plays a key role in the modern insurance industry in Kazakhstan by stimulating innovation, improving service, and contributing to market development. However, successful adaptation of international experience requires careful analysis and adaptation to local conditions. Further development of cooperation with foreign partners will contribute to the sustainable growth of Kazakhstan's insurance market and improve its citizens' well-being.

At the current stage of development, the insurance sector of the Republic of Kazakhstan demonstrated stable development by the beginning of 2024, with 25 insurance organizations, including nine life insurance companies. In 2023, the assets of insurance and reinsurance companies increased by 20.7% to 2.5 trillion tenge, mainly due to increased income from insurance activities [3].

The largest share of assets was securities (70.2%), and liabilities increased by 23.2% to 1.6 trillion tenge, mainly due to the growth of insurance reserves. The equity capital of insurance companies increased by 16.6%, reaching 904 billion tenge, mainly due to profits from insurance activities.

The net profit of the insurance sector for 2023 amounted to 182.9 billion tenge, although in December, a loss of 5.3 billion tenge was recorded. The number of concluded insurance contracts for individuals and legal entities increased by 37.5%, and insurance premiums increased by 29.6%, especially in voluntary property insurance. The volume of insurance premiums for voluntary personal insurance increased by 28.5% and for voluntary property insurance by 38.5%. In 2023, total insurance payments increased by 43.7%, mainly due to property and life insurance [4].

Summarizing data posted in official information open sources, such as the Committee for Control and Supervision of the Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan (NBRK), Annual reports and statistical bulletins available on the official website of the National Bank of the Republic of Kazakhstan, as well as materials published in the annual reviews of the insurance market of the Association of Financiers of Kazakhstan (AFK), we compiled Table 1, which demonstrates the growth rate of concluded insurance contracts.

Table 1 – Number of concluded insurance contracts (2022-2023)

Category	2022	2023	Change (%)
Total contracts	12,308	16,928	+37,5
Accident insurance	-	2,150	+151,5
Civil liability insurance for vehicle owners	-	738	+12,0

*Note:* compiled by the authors based on source [5]

The indicators in Table 1 indicate positive dynamics in the efficiency of the insurance sector and an increase in consumers' confidence in insurance services in the country. The positive dynamics in the insurance sector of Kazakhstan reflected in the growth rate of concluded insurance contracts, are closely related to digitalization processes. The introduction of online claims settlement, the integration of the Unified Insurance Database with government agencies, and the simplification of motor insurance procedures through the Europrotocol contributed to increased transparency and convenience for consumers. These measures have not only improved the operational efficiency of insurance companies but also increased customer confidence in insurance services, which in turn has had a positive impact on overall market growth.

An essential focus of this work was systematic activities to improve the risk-based supervision model in the insurance industry. The main focus is directed at aspects of behavioral ethics and control over the interaction of market participants with customers, competitors, and partners. In parallel with this, the compliance of national legislation with the principles of insurance established by international standards is being assessed. An essential element is ensuring insurance companies' financial stability through the implementation of global standards Solvency II [5].

In May 2023, as part of the technical assistance provided by the World Bank, Kazakhstan received valuable recommendations on the implementation of Solvency II components, marking a significant step towards aligning its insurance sector with international standards.

This initiative aims to enhance the regulatory framework governing the insurance industry, ensuring greater financial stability and consumer protection. The initial phase involved finalizing a detailed roadmap outlining the steps necessary for the full implementation of Solvency II. This roadmap serves as a comprehensive guide for regulatory authorities and insurance companies, detailing the sequence of actions required to achieve compliance with Solvency II standards. It addresses critical milestones and sets realistic timelines for each stage of the process.

A significant milestone in this process was the development of a draft guide for assessing insurance risks. This guide provides insurers with methodologies and best practices for identifying, evaluating, and managing the various risks associated with their operations. By adopting these guidelines, insurance companies can enhance their risk assessment capabilities, leading to more accurate pricing of insurance products and better management of their risk portfolios.

To ensure that insurers are adequately capitalized, a second test calculation was conducted to estimate the required solvency capital in accordance with Solvency II. This

test involves complex actuarial models and stress testing scenarios to determine the amount of capital necessary to cover potential losses. The results of this calculation help regulatory authorities and insurers understand the financial resilience of the sector and make necessary adjustments to capital reserves.

An important step forward was the creation of a draft manual for calculating insurance liabilities. This manual establishes a standardized approach for determining technical provisions, ensuring that insurers maintain sufficient reserves to meet future claims. It includes detailed methodologies for valuing policyholder liabilities, taking into account factors such as mortality rates, claims frequency, and policyholder behavior. The implementation process for solvency II components is reflected in Table 2.

Table 2. Implementation of Solvency II components in the Republic of Kazakhstan

Implementation stage	Description	Status
First stage	Finalization of the roadmap	Finished
Second stage	Development of risk assessment guidelines	Finished
Third stage	SCR test calculations	In progress
Development of a draft guide for calculating insurance liabilities	Planned for 2024	Planned

*Note:* compiled by the authors based on source [6]

The analysis of this table shows the consistent implementation of Solvency II components in Kazakhstan's insurance sector. Finalizing the roadmap and developing risk assessment guidelines have now been completed, indicating progress towards achieving Solvency II standards. SCR test calculations are in progress, indicating active implementation of the standard's requirements. It is planned to develop draft guidelines for calculating insurance liabilities in 2024, emphasizing the long-term strategy for developing the insurance industry.

Digitalization also plays a key role in the development of the insurance sector. The introduction of online services and automated systems for settling insurance claims makes it possible to improve the availability of services and increase the transparency of interaction between insurers and clients.

In 2023, as part of the large-scale digitalization of the insurance sector, a regulatory framework for the implementation of online settlement of insurance claims and simplified settlement in compulsory types of insurance was developed. This crucial step contributes to the transformation of the insurance market and responds to the challenges of the modern digital economy [6]. The online claims process has made the insurance process more accessible and convenient for end users while also improving transparency and efficiency in the entire process. The Agency also took significant steps to introduce simplified settlement of insurance claims in motor insurance using the Europrotocol mobile application [7, p.351]. These measures not only ensure fairness and transparency in the relationship between insurers and insured persons but also help increase trust in insurance companies in general.



For clarity, the comparative table (Table 3) demonstrating the impact of introduced technologies on the performance of domestic insurance companies is presented:

Table 3. Effect of introduced technologies on the performance of domestic insurance companies

Introduced technology	Example	Effect on indicators
Online settlement of insurance claims	Implementation of systems for submitting applications and documents online	Reduced application processing time, reduced operating costs, increased customer satisfaction
Integration of the Unified Insurance Database with government agencies	Automatic exchange of information with state registers	Reducing the need for manual data verification, lowering costs for administrative processes, speeding up the payment process
Simplified settlement of car insurance claims through the Europrotocol	Mobile applications for registration of road accidents on the spot without police participation	Reduced resolution time, reduced dispute resolution costs, improved customer experience
Development and use of mobile applications and digital services	Applications for filing insurance claims and tracking real-time status	Increasing the availability and convenience of insurance services, expanding the client base, reducing customer service costs

*Note:* compiled by the authors based on source [8]

This table demonstrates how the introduction of various technological innovations is helping improve insurance companies' performance in Kazakhstan, including reducing operating costs, improving the quality of customer service, and increasing consumer confidence in insurance services.

Thus, according to official data “Analytical Notes” of the National Bank of the Republic of Kazakhstan, domestic insurance companies have reduced customer service costs by 30% due to the use of generative Artificial Intelligence of the InsurTech platform [8].

Harmonization of legislation in the insurance sector of the EAEU member states is a multi-stage process aimed at ensuring the unity of norms and requirements governing the activities of insurance companies within the framework of a single financial market [9, p. 79]. In this regard, a Harmonization Action Plan designed for several stages has been developed and actively implemented. The first two stages have already been completed in 2020-2023, and the final stage is planned for 2024-2025.

An essential step in strengthening international cooperation in insurance supervision was the signing of a Multilateral Memorandum of Understanding between the Agency and the International Association of Insurance Supervisors (IAIS). This agreement aims to share best practices and information and increase cooperation with

regulators from other countries. An essential element of international interaction was the participation of the Agency in conferences and meetings, such as the 19th meeting of the Interstate Coordination Council of Heads of Insurance Supervisory Authorities of the CIS Member States and the XIV International Conference "Insurance in Central Asia."

Special attention is also paid to the development of the reinsurance market. In December 2023, the Agency took part in the Conference on creating the international reinsurance capacity "TURAN", which included leading insurance organizations of Kazakhstan, Uzbekistan, Azerbaijan and Georgia. Creating such a reinsurance capacity facilitates the exchange of experience and resources in the insurance field of large risks and increases financial stability at the regional level. In the future, in 2024, work is planned to be carried out to develop mechanisms for ensuring the property protection of the population in the event of catastrophic events. This includes the involvement of international experts to define the insurance model, develop a roadmap, and make the necessary legislative changes.

Thus, the implementation of measures to harmonize legislation, participation in international and national events and conferences, as well as the development of the reinsurance market are the key areas of the Agency's activities aimed at ensuring the stability and development of the insurance sector in the context of global challenges and changes in the economy and financial industry. In general, the measures taken are aimed at increasing the efficiency and reliability of the insurance sector in Kazakhstan, which contributes to the development of financial stability and confidence in the national economy.

Thanks to free trade agreements, Kazakhstan gains access to advanced technologies and experience in the insurance field provided by foreign partners. This exchange of technology and knowledge is an essential source of development for the domestic insurance industry, allowing best practices and innovative products to be adapted to local conditions and customer needs [10, p.63]. Thus, free trade agreements play a crucial role in strengthening Kazakhstan's position in the global insurance arena, contributing to developing a competitive and innovative insurance market.

Kazakhstan has concluded several free trade agreements with various countries and economic blocks, which has a significant impact on the development of the insurance market. One of the essential agreements is the Agreement on establishing the Eurasian Economic Union (EAEU) between Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. The EAEU provides for harmonizing legislation in various areas, including insurance, to create a single economic space. This facilitates access for Kazakhstani insurance companies to the markets of other participating countries, facilitating the expansion of their activities beyond national borders.

It is also worth noting that there are free trade agreements with countries such as China, the United States, Switzerland, and others. These agreements ensure sustainability and transparency in trade relations and facilitate the exchange of experience and best practices in the insurance industry.

Thus, these agreements provide broader access to insurance services of foreign companies on Kazakhstan's territory, stimulating the exchange of technologies and knowledge, which contributes to the development and modernization of the insurance market of Kazakhstan.

Cooperation with foreign partners allows us to introduce advanced technologies and innovative products, significantly improving the quality of services and expanding client opportunities.

Examples of successful international partnerships in the insurance sector include:

1) Halyk-Life JSC and Swiss Re: The joint venture of Halyk-Life JSC and the Swiss company Swiss Re has led to significant improvements in reinsurance. This cooperation allowed the Kazakhstani company to use international experience in risk management and optimization of insurance products. Thanks to this partnership, Halyk-Life JSC was able to implement advanced risk assessment and management techniques, which increased customer confidence and improved the company's financial performance.

2) Eurasia JSC and Munich Re: The partnership between Eurasia JSC and the German company Munich Re contributed to introducing new insurance products and technologies in Kazakhstan. Joint work on property and liability insurance products allowed the Kazakh company to significantly expand its range and improve the services' quality. This partnership also included the exchange of technology and staff training, which contributed to developing staff skills and enhanced service.

3) Kazkommerts-Polis JSC and Allianz: The creation of a joint venture between Kazkommerts-Polis JSC and the German insurer Allianz made it possible to introduce modern insurance products and management methods in Kazakhstan. This cooperation included the transfer of technology and know-how in risk management, digitalization of insurance processes, and customer service. As a result of the partnership, the Kazakh company was able to significantly improve its operational efficiency and meet the market's growing needs.

The next positive aspect was the transfer of technology and innovation. Thus, many foreign insurance companies introduce advanced technologies and innovative products into Kazakhstan [11, p.149]. This includes the use of telematics, artificial intelligence, and blockchain technologies in insurance, which increases the efficiency and reliability of insurance services:

1) Use of telematics: Nomad Insurance JSC and Generali Group. As part of cooperation with the Italian insurance company Generali Group, Nomad Insurance JSC introduced telematics devices for car insurance. These devices collect data on driver behavior on the road, which helps the insurance company more accurately assess risks and offer personalized rates to customers. As a result, customers who demonstrate a safe driving experience receive discounts on their insurance premiums, increasing customer satisfaction and loyalty.

2) Artificial intelligence (AI): Kazakhinstrakh JSC and AXA. A partnership with French insurance company AXA has introduced artificial intelligence-based systems to process insurance claims and assess damages. These AI systems automate the application processing process, reducing review time and the likelihood of errors. As a result, customers receive payments faster, which improves their experience with the insurance company.

3) Blockchain technologies: Victoria JSC and Zurich Insurance Group. Cooperation with the Swiss Zurich Insurance Group allowed Victoria JSC to implement blockchain technologies for managing insurance policies and settling claims. Blockchain ensures transparency and security of transactions, reducing the risk of fraud and

simplifying the insurance claims process. This helps to increase customer confidence and improve the insurance company's reputation.

Training and professional development is the third central area of activities optimization of participants in the domestic insurance market. International partnerships contribute to the training and professional development of Kazakhstani specialists, providing them with the opportunity to exchange experience, participate in seminars and trainings, as well as undergo internships in foreign insurance companies:

1. Exchange of experience. As part of the partnership between Eurasia JSC and the German reinsurance company Munich Re, regular exchanges of experience are organized. Specialists from Kazakhstan visit the head office of Munich Re, where they learn advanced risk assessment and claims management methods. German specialists conduct master classes and seminars in Kazakhstan, sharing their knowledge and experience.

2. Seminars and trainings. Together with Swiss Re, Halyk-Life JSC organizes regular employee seminars and trainings. These activities include training in new underwriting techniques, actuarial calculations, and risk management. Participation in such seminars allows Kazakhstani specialists to keep abreast of the latest trends and technologies in the insurance industry.

3. Internships. As part of cooperation with Allianz, employees of Kazkommerts-Polis JSC undergo internships at the head office of the German company. These internships include training in various departments, such as underwriting, claims, and risk management. Through such internships, Kazakhstani specialists gain unique experience working in an international environment and bring the acquired knowledge to their company.

These examples demonstrate how international cooperation helps improve Kazakhstani specialists' skills, ultimately improving the quality and efficiency of insurance services in the country.

These examples demonstrate how international cooperation and technology transfer contribute to the development of the insurance market in Kazakhstan, improving the quality and reliability of insurance services.

An analysis of the impact of international cooperation on Kazakhstan's insurance market requires a more in-depth consideration of various aspects. Precisely:

1. Increase in the volume of insurance premiums: According to the report of the Committee on Insurance and Financial Markets (ICFM), over the past five years, the volume of insurance premiums in Kazakhstan has increased by 37%, reaching 654.8 billion tenge in 2023 [12]. This can be partly explained by active international cooperation, which contributed to developing insurance products and expanding the customer base.

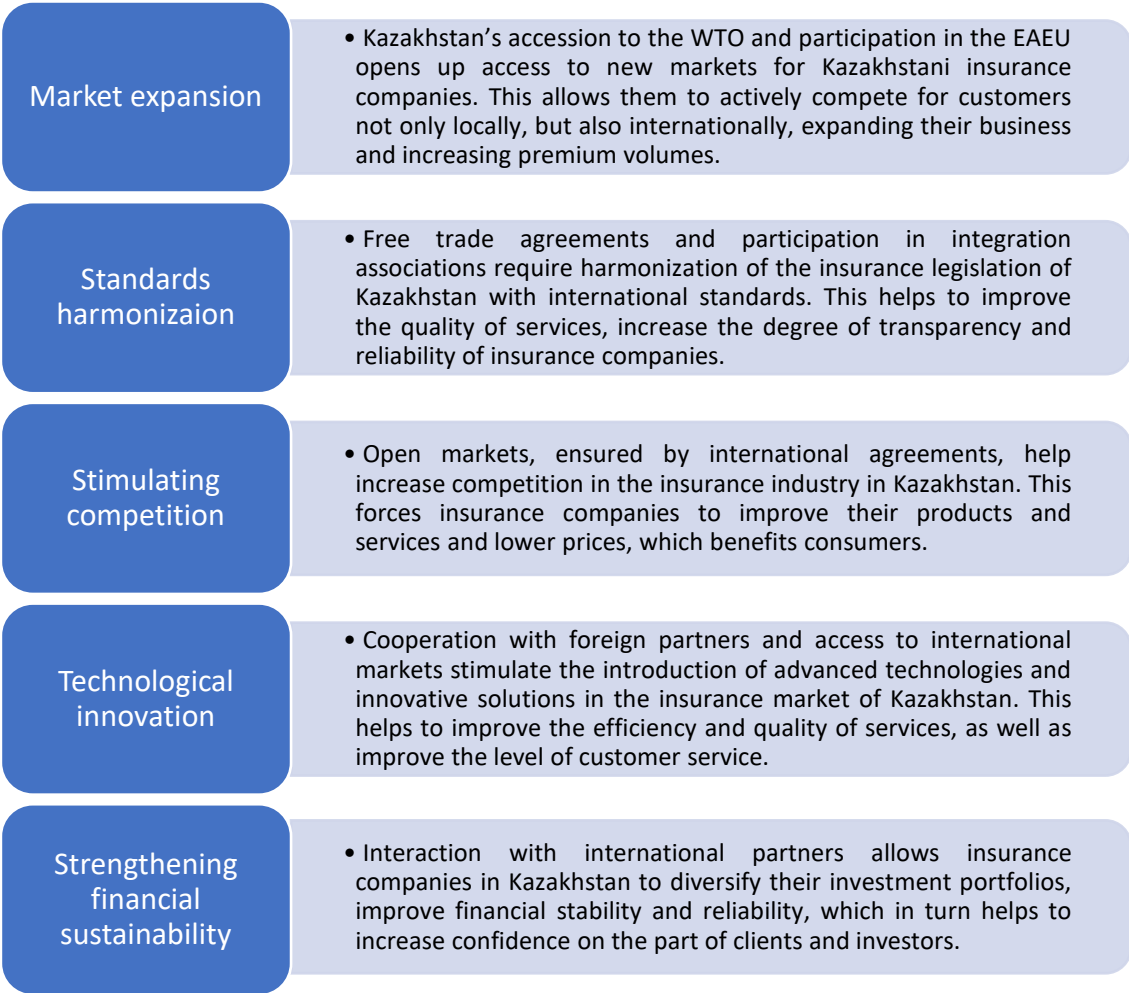
2. Improving insurance practices and technologies: Research by the Kazakhstan Financial Stability Fund has shown that introducing advanced technologies and risk management methods adopted through international cooperation has reduced insurance payments by 25% over the past three years.

3. Market expansion and increased competition: According to an analysis of data from the National Bank of the Republic of Kazakhstan, the number of foreign insurance companies that entered the Kazakh market after the start of active international

cooperation increased by 30%. This has made the market more competitive, which helps improve the quality of services and reduce insurance prices.

4. Attracting investment and infrastructure development: Data from the Agency for Regulation and Development of the Financial Market (ARFRD) shows that in recent years, the volume of investment in the insurance industry of Kazakhstan has increased by 50% due to active international cooperation. This contributed to the development of infrastructure and the introduction of innovative approaches to the work of insurance companies.

These figures and statistics confirm that international cooperation has a significant impact on Kazakhstan's insurance market, contributing to its development, competitiveness, and improvement of the quality of services. The impact of international agreements on Kazakhstan's insurance market includes the following aspects (Figure 1).



**Figure 1.** Results of the adoption of international agreements on the insurance market of Kazakhstan

*Note:* compiled by the authors

Thus, international cooperation opens up broad prospects for the Kazakh insurance industry for development and improvement, ultimately benefiting both business and society. Kazakhstan's accession to the WTO and participation in the EAEU expand market opportunities for Kazakh insurance companies, allowing them to compete internationally and increase the volume of premiums. Harmonizing insurance legislation with international standards improves the quality of services and increases the transparency and reliability of insurance companies. Open markets increase competition in the insurance industry, encouraging improved products and services and lower prices. International cooperation and access to global markets promote the introduction of advanced technologies and innovations that improve efficiency and quality of service. Interaction with international partners strengthens the financial stability of insurance companies, increasing the confidence of clients and investors. Thus, the integration of Kazakhstan into international economic unions contributes to the growth of the insurance sector by improving the quality of services, increasing competitiveness, introducing innovation, and strengthening financial stability.

### **Conclusions**

International cooperation in the insurance sector is an integral element of developing the insurance market in Kazakhstan, especially in the context of modern challenges and demands by globalization and innovation. The country has opened up new prospects and challenges for the insurance sector by joining the World Trade Organization (WTO) and the Eurasian Economic Union (EAEU). This contributed to the harmonization of legislation, adaptation to international standards, and attraction of foreign investment, strengthening the position of domestic insurers on the world stage.

The analysis results show that international agreements, such as membership in the WTO and the EAEU, have a significant impact on the insurance market, stimulating its development and competitiveness. Accession to the WTO and cooperation within the EAEU promotes the harmonization of legislation, the exchange of experience and best practices between member countries, and creates favorable conditions for expanding the activities of insurance companies beyond national borders.

In addition, free trade agreements with various countries contribute to the development of the insurance market by providing access to advanced technologies and innovations in the insurance field. Examples of successful international partnerships demonstrate that the transfer of technology and knowledge improves the quality of services and contributes to the innovative development of the insurance market. Training and development of personnel through experience exchange, seminars, training, and internships also play an essential role in developing the insurance sector. This helps improve the qualifications of Kazakhstani specialists and brings new knowledge and experience to domestic insurance practice.

Thus, based on the above, we can conclude that international cooperation is of crucial importance for the development of the insurance market in Kazakhstan. Partnerships with foreign companies promote the transfer of technology and knowledge, improve the qualifications of personnel, and stimulate the innovative development of the

industry. Further deepening of cooperation and adaptation of international experience to local conditions will contribute to the sustainable growth of the insurance market, increasing its competitiveness and ensuring the well-being of the citizens of Kazakhstan.

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