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**Stages in the development of the legislation of the Republic of Kazakhstan in the field of insurance activity**

In this article, the author describes the main stages of development of insurance legislation in the Republic of Kazakhstan. It was stated that in ancient Rome laid the foundation of the insurance mechanism. Formation of the insurance legislation in the territory of present-day Kazakhstan has its origins in the Soviet period. Together with the stages of development of domestic insurance, described some features of the development of insurance activities in foreign countries. We used the works of local authors as Mynbaeva NB, and the authors of the Russian Federation and the Far East.

**Key words:** insurance activities, marine insurance, the establishment of insurance legislation.

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**Қазақстан Республикасында сақтандыру қызметі аясындағы заңнаманың қалыптасу және даму кезеңдері**

Берілген мақалада автор Қазақстан Республикасының сақтандыру заңнамасының даму кезеңдері қарастырылған. Мақалада сақтандыру механизмінің негізі ежелгі Римде қаланғандығы көрсетілді. Қазіргі Қазақстан территориясында сақтандыру заңнамасының қалыптасуы Совет кезеңімен байланысты. Отандық сақтандырудың даму кезеңдері мен қатар шетелдердегі сақтандыру қызметінің даму ерекшеліктері сипатталған. Мақалада Н.Б. Мынбаева сияқты отандық авторлардың еңбектері мен қатар Ресей мен қиыр шығыс авторларының еңбектері қолданған.

**Түйін сөздер:** сақтандыру қызметі, теңіз сақтандыру, сақтандыру заңнамасының қалыптасуы.

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**Этапы становления и развития законодательства Республики Казахстан в области страховой деятельности**

В данной статье автором рассмотрены основные этапы становления страхового законодательства в Республике Казахстан. Было указано, что еще в древнем Риме была заложена основа механизма страхования. становление страхового законодательства на территории современного Казахстана берет свое начало с Советского периода. Вместе с этапами развития отечественного страхования, были описаны некоторые особенности развития страховой деятельности в зарубежных странах. В работе были использованы труды как отечественных авторов Мынбаевой Н.Б., так и авторов Российской Федерации и дальнего востока.

**Ключевые слова:** страховая деятельность, морское страхование, становление страхового законодательства.

**STAGES IN THE  
DEVELOPMENT OF  
THE LEGISLATION  
OF THE REPUBLIC OF  
KAZAKHSTAN IN THE  
FIELD OF INSURANCE  
ACTIVITY**

Different views on how long the insurance exists were expressed in the scientific literature. Some scientists believe that insurance was used by the ancient Romans (text Titus Libya, Cicero and Suetonius), and created mutual and stock insurance companies in ancient Greece during the time of Alexander the Great. Other authors say that in pre-capitalist formations, insurance was absent and emerged only in the XIII century. [1, P. 30].

The first signs of insurance began to appear in the Middle Ages, when a special company for the development of financial offices was set up, this was subject to spending money upon the occurrence of predefined dangerous events [2, p. 34].

A. Manes noted that in the XI century there was a famous British Guild, which charged fees for the burial of their fellow members. In Denmark, the members of a guild made an agreement for the event if anyone of them was wrecked or taken prisoner [3, p. 38]. During this period, the first independent organizations were created, which classified risks and developed methods of genuine insurance on the basis of statistical data.

Thus, we assume that the first historical stage - the stage of formation and establishing of insurance - refers to the XIII-XIV centuries. At this stage, the basic principles and features of the organization and conduct of insurance business was shaped and defined, which contributed to the further development of insurance.

Since then, as a society was in need of compensation for harm from dangerous and sudden events, there was an objective need for new methods of organization of insurance business, namely the implementation of the insurance on the professional level, based on specific legal regulations. By this time, there was no way of registration of insurance relationships, the contract of insurance was extremely rare, and the standard form of insurance policy was not put into practice.

From this background a new historical stage of development of insurance began - the stage of legal regulation of Insurance Business framework [4, p. 82]. At this stage of development there were first insurance statutes that regulated marine insurance in Barcelona (1435), Venice (1468). In 1549 there was an insurance statute in the Netherlands, in 1601, in England, in 1681, in France, in 1727 in Prussia, and in 1734 in Hamburg. They all included, and determined the conditions

of insurance, mainly marine, since the Middle Ages, the most common method of trade was seaborne trade. However, it was against the most dangerous forms of trade due to natural and climatic events like storm, imperfections of shipbuilding, constant attacks and looting by pirates [5, p. 15].

In Russia, the first insurance was marine insurance. Catherine II was concerned about the development of Russian Maritime Trade, published in 1781, «Charter of merchant marine trade». Then the first «trade insurance office» for marine insurance was founded. Fire insurance began in Russia in the time of Catherine II too. In the Manifesto 1766 was published «On the establishment of the State Loan Bank,» it was allowed to take in pledge only the homes and property that had been insured. Special insurance Expedition was established as one of the structures of the bank. Personal Insurance in Russia began in 1836 with the establishment of the «Russian society is insured capital and income» [6 p. 53].

Without delving further into the history of the world of insurance, let's review the history and stages of development of insurance business in Kazakhstan. In our view, the stages of development of insurance business in the Republic of Kazakhstan are very well considered Mynbayeva N.B., which identifies six stages of development [7 p. 128-138]. This division Mynbayeva N.B. tied to a legislative consolidation of certain financial and legal norms in the period of Kazakhstan's independence. Mynbayeva N.B. related the first phase to the adoption of the Law of 3 July 1992 «On insurance in the Republic of Kazakhstan» [8].

At the same time, in our opinion, the consideration of the stages of development of insurance in Kazakhstan should begin with the Soviet period. Despite the fact that this period is not a stage in the development of insurance directly to independent Kazakhstan, the experience of the insurance legislation in Kazakhstan as part of the Soviet Union is very revealing and significant. No wonder, even now during the scientific study of the issues of insurance, modern scholars refer to the scientific developments of the scholars of the Soviet period. Because during this period, in our view, the basic and conceptual beginning insurance legislation of all union republics, including Kazakhstan, was laid.

Soviet period of the insurance legislation in Kazakhstan begins with the October Revolution of 1917, one of the components of the economic program of the Bolshevik Party was the idea of nationalizing banks and insurance, which was then implemented. In March 1918, Lenin signed a decree of the Council of People's Commissars «On the estab-

lishment of state control over all forms of insurance, except social» [6, p. 53]. In our view, this period should be considered as the first period of orderly development of the insurance legislation in Kazakhstan.

According to the Decree, all dividends of the insurance companies and mutual insurance companies, calculated for 1917, were forfeited to the State. In addition, due to the introduction of state control over insurance proceeds from insurance operations was progressive taxation to national needs, payers which were central government insurance companies. The joint-stock form of insurance was abolished. Personal insurance of citizens carried by savings banks National Bank of the Russian Socialist Federative Soviet Republic [9, p. 34].

The next step in the nationalization of general insurance business was the adoption of the Decree SNK RSFSR «On Insurance of the Russian Republic» dated November 28, 1918, the standards that insurance was declared a state monopoly in all its forms. All private insurance companies and the public were eliminated, only mutual insurance inventory of cooperative organizations remained. Long term life insurance is transferred to the jurisdiction of savings banks, and contracts entered into in excess of 10 000 rubles. There were canceled policyholders reserves accumulated contributions without any refunds [6, p. 53-60].

From 1918 to 1920, the decrees of the CNC 18 November 1919 and 18 December 1920 were adopted, they abolished the property insurance. In fact, the idea of insurance monopoly at the time was not put into practice, and even established a state insurance specialized organization, and the state used the preserved system of private and Zemsky insurance [6, p. 53-60].

The second step of the development of the Soviet security was announcement in 1925 of insurance of all types of state monopoly of the USSR. In effect at the time the sources of insurance law could be divided into six groups. The first group is the normative act issued by the central Union bodies of universal jurisdiction. Despite the fact that the insurance was not mentioned in the Constitution of the USSR, thanks to jurists, this area was referred to as the federal region and according to the solution of III session of the Central Executive Committee of the USSR's 1st convocation, insurance became the subject of the People's Commissariat of the USSR in the Soviet Union. And also in the NKF USSR comprise the Executive of the government insurance, which exercise state insurance monopoly in the Soviet Union and directed the activities of state insurance in all union republics [9, p. 34].

The second group is the normative acts, which were issued by the central authorities of the Union republics. A special place among the normative acts of the group took the orders of insurance, which regulate in detail the contractual insurance law. In the third and fourth groups, respectively, were normative acts issued by NKf Soviet Union and other People's Commissariat of the USSR as well as state insurance. The fifth group consists of normative acts issued by the local authorities.

The sixth group consists of foreign standards, or if I may say so, the international insurance law, which played the role of subsidiary source of law in marine insurance. This group includes the Hamburg general rules of marine insurance in 1867, on the basis of which to contract for marine insurance was created [16, p. 53-60].

The above system of insurance legislation lasted until September 18, 1925. The second phase associated with this date. The last normative acts of the first stage, which had all-Union importance is the Decree of the USSR People's Commissariat of «On the State Guarantee Insurance» of December 16, 1924. In September 18, 1925 the Central Executive Committee and the CPC approved the Regulation «On the State Insurance USSR» (hereinafter - the Regulation on state insurance), which established a state monopoly on the Soviet Union with the exception of insurance cooperatives.

Despite the presence of the regulatory framework, insurance was largely formal, which was due to the economic way of life of the people. Therefore, in 1934, the state went to increase the number of objects of compulsory insurance, increase insurance coverage. Furthermore, voluntary insurance of property of citizens was restored, abolished in 1931, and in April 4, 1940 the Supreme Soviet of the USSR adopted the law «On compulsory comprehensive insurance», which became a milestone in the development of compulsory property insurance.

As already noted, the Regulations on the State Insurance, centralized system of bodies headed by the Directorate of State Security in the Soviet Union, were established. In 1947, the foreign insurance of the USSR stand out from the State insurance of the Soviet Union (Fostateinsh). In 1958, part of the Soviet state insurance was transferred to the Ministry of Finance of the Union republics. In addition, there was not the norm in normative acts 1958, which enshrines the state insurance monopoly; it is actually evidence of its abolition, although it continued to exist, because the rule was not broken by any organization [6, p. 53-60].

From 1967 to 1991 the state insurance system of the USSR was the Union-Republican, led by the

USSR State Insurance Board under the supervision of the Ministry of Finance of the USSR [6, p.53-60]. Development of insurance law from 1925 to 1988, can be called as the period of the second phase. During this period, the USSR legislation established monopoly over the insurance business of the USSR, and later, this monopoly was abolished.

The next, is really a landmark event in the development of the insurance legislation, which gave a new turn in the improvement of the insurance system, it was the adoption of the Supreme Soviet of the USSR Law «On Cooperation in the USSR» of May 26, 1988. In accordance with the law monopolization of the insurance business began, cooperatives could insure their property and other property interests in public insurance, and create cooperative insurance companies. [6, p. 53-60]. The third stage of development of the insurance legislation lasted until 1992, when the newly independent Republic of Kazakhstan adopted a law «On insurance in the Republic of Kazakhstan».

After the collapse of the Soviet Union in 1991, state insurance companies were in bankruptcy. Kazakhstan became independent and began transition to a market economy, which required the conversion of basic economic relations in the society. Gradually the Constitution of Kazakhstan established private property; there were separate non-state entities, and private enterprises. Now, in condition of a market economy, the scope of financial relations was expanded. Today, financial science relates to finance, in a broad sense, not only the relationship of accumulation and use of funds of the budget system, state funds, public insurance, but also private insurance funds, credit institutions, organizations of production and non-production sphere, funds secondary financial market, international investment funds and financial and credit institutions. In this regard, in a market economy there were also qualitative changes of the state's role in regulating accumulation, redistribution, and use of centralized and decentralized funds of money. The state, as a domineering person intended to establish legal definitions, general rules of governing the new and updated financial relations in the rapidly progressing fields, including insurance, new approaches to public law regulation of financial relationships to implement its monetary policy.

Thus, the transition of the Republic of Kazakhstan to the market economy fundamentally changed the relationship between the state centralized insurance (reserve) funds, funds of businesses and self-insurance funds in favor of the latter. State insurance (reserve) funds are gradually losing its former dominant.

However, the problems of the transition period in the Kazakh economy create additional difficulties in the subjects of insurance relations.

The fourth stage in the development of insurance law was the development of insurance law in the Republic of Kazakhstan as a sovereign and independent state. This stage, primarily associated with the adoption of the Law of the Republic of Kazakhstan dated July 3, 1992, «On insurance in the Republic of Kazakhstan» [8].

As a result of the Act:

1) insurance was related to the form of business activity;

2) the basis for the formation of the regulatory framework of the insurance and the insurance business was established;

3) the creation of the domestic insurance market and its monopolization was provided by the economic, legal and other conditions for the development of insurance.

Law «On Insurance of the Republic of Kazakhstan» defined shape (mandatory and voluntary) and types (personal, property, non-property) of insurance. The law introduced a new, previously unknown to the socio-economic relations in Kazakhstan insurance institutes, «co-insurance» and «reinsurance».

The procedure for the establishment and registration of the insurer in accordance with this act did not have any special features (additional requirements), i.e. carried out in a general way, with the exception of requirements to the size of authorized capital. Statutory fund of the insurer (regardless of its ownership and organizational form) was not less than 100 thousand rubles. Such an approach ensured the interest of businesses and individuals to the creation of insurance companies. Within a few years the country added more than 700 insurers. As for the early formation of the national insurance market, the law allows for the possibility of foreign insurers to do business in Kazakhstan.

Also the rules of the law allowed insurers to conduct, in addition to insurance, any other business activity that is not prohibited by law, which contributed to overall economic capacity of insurers and increase their profitability. But free conduct other activities concealed the risk that the insurer could lose their insurance reserves and thus would put the interests of the policyholders at risk.

In addition to the above, the law contains provisions and rules to regulate the contractual relationship between the Participants of insurance relations, and the rules relating to the insurance contract.

Considering the goals and objectives of the organization of insurance in Kazakhstan, at that

time, we believe that the level of control established by the law was reasonable and logical. [7, p. 128-138].

Thus, in this period there were great changes which made possible the creation of the private insurance sector, conducting insurance business as business. Thus, such a reform of financial system led to the solving of problem of increasing a number of the participants, organizing domestic saving market.

Overall, in our view, it should be recognized that the first attempts in the period 1992-1993 failed due to the creation of financial bubbles, the low quality of regulation of credit institutions, the lack of modern technology of promotion to the saving market of qualitative financial services. Ultimately slumped mass investor confidence to domestic financial institutions and has shifted his interest to purchase foreign currency.

The fifth stage of organization and development of the insurance business and insurance market in Kazakhstan is associated with the release of the Presidential Decree of April 8, 1993 «On Amendments to the Law of the Republic of Kazakhstan dated July 3, 1992» On Insurance of the Republic of Kazakhstan». This decree introduced the rule of prohibiting foreign nationals and corporations, as well as joint ventures with foreign participation, to act as an insurer within the territory of Kazakhstan. This change was intended to protect the interests of national insurers, which, due to its weakness in both the financial aspect and the quality and variety of services offered insurance and were not able to compete with foreign insurers and reinsurers. Moreover, it was found that the foreign legal entities and legal entities with foreign participation, registered and operating in Kazakhstan, should be insured for compulsory insurance only in the domestic insurance companies.

The conditions of taxation of insurers to decrease the tax benefits provided earlier, have been changed. Now the insurers could only refer payments for compulsory insurance for the cost of production.

Fairly easy procedure for the formation of the insurance organization, does not provide any additional requirements based on the specifics of the insurance activity, with virtually unregulated and uncontrolled insurance market, predetermined occurrence «insurance boom» in the country, but it has established a fertile ground for all kinds of abuse.

Almost for all insurers are the main sources of income of the borrower's liability insurance for the non-payment loan and the short-term recurrent insurance [7, p. 128-138]. Thus, the stage was

marked as attempts by the state to clean up and streamline the insurance system in the Republic of Kazakhstan. In our opinion, the first aim of made changes is to increase public confidence in the domestic insurers.

Mynbayeva N.B. allocated the edition of Presidential Decree of 16 April 1994 «On the institutional arrangements for the formation and development of the insurance market» as separate step of the organization of insurance business and insurance market in Kazakhstan [10]. In her view, the decree initiated the formation of the prerequisites for the establishment and development of an integrated national insurance market, based on market principles. With the adoption of the decree, the institute of regulation of insurance activities and its oversight by the state was first introduced, this provided the opportunity to license and control the activities of insurers and reinsurers. The introduction of this institution was a very important measure, as it ended the chaos and confusion that prevailed in the area of insurance. It's impossible to create a full, sustainable and competitive insurance market without an effective system of insurance regulation, as evidenced by the world practice.

The decree provided for the laying of the authority to regulate the insurance activities to Insurance Department created within the Ministry of Finance of the Republic of Kazakhstan. The decree has specific requirements for the legal form of the insurer (reinsurer). Now these organizations can only be created in the form of joint stock companies. It provided for the establishment of a mutual insurance.

The right to conduct the insurance business could be obtained only after payment in cash of at least two million tenge of capital - by type of insurance and 20 million tenge - reinsurance, if the subject is the only reinsurance activity. The basic condition of licensing was to provide the Department of Insurance with constitutive documents, rules for insurance, information on managers and business plan for the first three years of operation, and other documents.

The decree provided not only the requirements for capitalization of insurance companies, but also the requirements for providing financial stability and solvency of insurers. Therefore, insurance companies were not engaged in other business activities, in exception of insurance activities, the limits on the maximum liability of the insurer under a separate contract of insurance were introduced.

For the purpose of licensing classification insurance was introduced. In particular, it provides

for the issuance of licenses for the three classes in the field of personal insurance, in seven classes - in the field of property insurance, in three classes - in the field of liability insurance, as well as reinsurance [7, p. 128-138].

In general, agreeing with Mynbayeva N.B. on the importance of the decree in the development of the insurance system in the Republic of Kazakhstan, we note that the Decree has made some significant changes in the legal regulations of the insurance business. However, they are not so global to assume them as the new stage in the development of the insurance law of the Republic of Kazakhstan.

The new stage of the organization of insurance business and insurance market in Kazakhstan is connected with the adoption of the Decree of the President of Kazakhstan, which has the force of law, from October 3, 1995 «On Insurance». The decree created the conditions for the development of fair and free competition in the insurance market among all insurers, through the partial opening of the market to foreign investment in the insurance sector. Level of regulation and supervision of insurance activities was raised to a higher level with the international experience in this field. In particular, the separation was carried out by insurers carrying out activities in the field of “life insurance” and “general insurance”, the ban on combining insurance activities in these sectors.

Especially, it is important to note that it provided a number of measures to strengthen the financial stability and solvency of insurers. In particular, did not only increase the size of requirements of the authorized capital of the insurer (not less than 40 thousand MCI), but also its quality (75% of authorized capital had to be paid in cash). In addition, receiving other requirements, in particular, the maximum amount of liability of the insurer, reinsurance, insurance reserves and the order of their placement. The status of authorized state supervisory authority was risen and its powers and functions expanded, now this functionality is part of an independent body - the State Insurance Supervision of the Republic of Kazakhstan.

The adoption of the Decree contributed to the progressive development of the domestic insurance market and played an important positive role in this stage [7, p. 128-138].

Adopted in this period, the Presidential Decree “On measures to further optimize the government” in June 30, 1998 № 3986, facilitated the transfer of functions and powers of state insurance supervision to the National Bank of Kazakhstan. Giving the National Bank the authority to regulate the insurance

allowed him to start a practical implementation of the reform of the insurance business in the country in order to create a full, well-functioning and credible national public insurance market.

Next, the seventh stage of the organization of insurance business and insurance market in Kazakhstan, in our opinion, is tied to the adoption of the Law of 18 December 2000 “On insurance activity”. Here we let disagree with Mynbayeva N.B., which at this stage as the cornerstone acts include not only the Law “On Insurance”, but the Civil Code of RK of July 1, 1999, containing a special, 40th, Chapter - “Insurance” [11]. In our opinion, the Civil Code determining the content and order of the insurance contract, but it’s not an act which is the basis for the allocation of the individual stages. As we pointed out earlier, the basis for allocation stage of development can only be based on the legislation that makes significant changes to the insurance system or consolidates at itself achievements of the previous period.

The Act of 18 December 2000 “On insurance activity” began to regulate the following issues, the organization of the insurance market in the Republic of Kazakhstan:

- Sectors, classes and types of insurance;
  - The legal status of professional participants of the insurance market, first time legally identified insurance intermediaries;
  - The establishment, reorganization and liquidation of insurance companies and reinsurance organizations;
  - Licensing of insurance and reinsurance;
  - The management and implementation of insurance supervision;
  - Financial penalties for professional participants the insurance market [12].

The law that introduced standards should have provided the verification of financial solvency of the founders, since the creation of the insurance company, minimizing the risk of reducing its solvency during the entire insurance business, and to establish an effective government oversight of the insurance market.

In order to regulate the licensing and ensure adequate capitalization of insurers separate insurance industries and classes were introduced.

Optimal limited share of foreign presence in the domestic insurance market. It’s defined the legal basis of the other subjects of the insurance market: insurance brokers, insurance agents, actuaries, auditors.

There were featured activities of insurance companies, life insurance and reinsurance activities in order to enhance the formation of the insurance

market. There were imposed requirements of rating for foreign reinsurers, a limit of reinsurance operations to ensure reliable reinsurance, stimulating the development of a national co-insurance and reinsurance market, diversification of the insurance portfolio of domestic insurers.

There were significantly expanded the authority of the Authority, including on the establishment of prudential and other norms and sanctions to insurers in cases of violation of the legislation of Kazakhstan [7, p. 128-138].

To the same period of insurance, in our view, the adoption of the Law “On State Regulation and Supervision of Financial Market and Financial Organizations” July 4, 2003, can be included [13].

The law describes the national insurance market as part of the financial market, insurance is of the type of financial services. Thus, it is safe to say that the release of the domestic insurance market to a new level should lead to an increase in the standards and methods of regulation of insurance activities, to the introduction of modern technology in the insurance industry, to the development of new financial instruments.

During the seventh period, in our view, insurance market, based on the principles of entrepreneurship and state supervision of insurance companies in the Republic of Kazakhstan was formed, it was based on protection of the interests of the state and insurers, which is fixed in the rules of insurance law [14, with. 138].

Current development in the Republic of Kazakhstan of insurance activity and insurance in general, is differing by the integration of existing commercial insurance business with the Islamic model of insurance. The period of the first steps of the principles of Islamic banking in Kazakhstan in 2008, was followed by a discussion of the gradual implementation of the norms of Islamic insurance in law.

In 2010, the concept of the Law of the Republic of Kazakhstan “On amendments and additions to some legislative acts of the Republic of Kazakhstan on issues of Islamic finance” was worked out. This concept considered the regulation of Islamic insurance in the Republic of Kazakhstan. It says that the current existing commercial insurance does not meet all the needs and demands of the population. Also, it was suggested that initiated within the framework of Kazakhstan’s financial system, the Islamic financial system will not function fully without the Islamic insurance in connection with the specific model of the Islamic financial system. However, since the process of making legal act regulating the Islamic model of insurance at the

legislative level, it has not come to its logical conclusion. We can point out only the fact that on 11 October 2012, in the Majilis of the Parliament of the Republic of Kazakhstan presented the project of Law “On amendments and additions to some legislative acts of Kazakhstan on issues of insurance and Islamic finance”, which aims to create a full-fledged Islamic financial system in Kazakhstan through the introduction of Islamic insurance, the creation of favorable conditions of Islamic banks, stability and financial system stability, that guarantee insurance payments, improving the system of compulsory insurance against accidents employee in the performance of job duties. To implement this goal, the project developed conceptual directions for Legal Support of Islamic insurance, to improve the legislation of Islamic banking, to resolve the current problems in the field of compulsory insurance and stability of the organization carrying out the guarantee of insurance payments.

Thus, Kazakhstan has gradually come close to complex insurance system that will contain a commercial form of insurance, and its alternative form of Islamic insurance.

Based on consideration of the stages of development of the insurance legislation in the Republic of Kazakhstan, we can do some basic conclusions. First, the initial stages of development of the insurance law, in periods when the Republic of Kazakhstan was part of the Soviet Union, were linked to the monopolization of the insurance sector.

Only after 1988, a few years before independence, the insurance activities became the subject of monopolization, which affected the progress of insurance in the Republic of Kazakhstan. Categorical changes in the development of insurance, ultimately, led to inhibition. Because by the time of the independence of Kazakhstan, the former Soviet republics of Kazakhstan, had little experience in the field of de-monopolize, market insurance.

Second, the significant changes and reforms of the legal regulation of the insurance business in the Republic of Kazakhstan were taken in connection with the adoption of the 1992 Law of the Republic of Kazakhstan “On insurance in the Republic of Kazakhstan”, in 1994, the Presidential Decree “On the organizational and legal measures to establish and development of the insurance market, “Law of the Republic of Kazakhstan” On insurance activity “. These regulations had contributed to the formation of the national insurance system, the formation of the legal framework for regulation and supervision of insurance activities and the creation of the domestic insurance market.

Third, since 2008, the first element of Islamic finance has emerged, it has not taken a lot of time. Kazakhstan has recognized the need for a full-fledged Islamic financial system in the national financial system. Creation of a comprehensive Islamic financial system through the adoption of a normative act establishing and regulating Islamic insurance activity will be a crucial step in this process.

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