

РОЗДІЛ 4. ФІНАНСИ, БАНКІВСЬКА СПРАВА,
СТРАХУВАННЯ ТА ФОНДОВИЙ РИНОКFINANCIAL AND MARKETING ASPECTS OF THE INSURANCE MARKET
OF UKRAINE DURING THE PERIOD OF MARTIAL LAWФІНАНСОВИЙ ТА МАРКЕТИНГОВИЙ АСПЕКТИ СТРАХОВОГО
РИНКУ УКРАЇНИ В ПЕРІОД ВОЄННОГО СТАНУ

The article is devoted to the study of modern trends in the development of the insurance market of Ukraine with an emphasis on the period of martial law. Identified the content and systematized approaches to interpretation of the essence of the concept of «insurance market». The regulatory basis for regulation of the insurance market has been developed. An analysis of the state and trends in the development of the insurance market was carried out, in particular: number of insurance companies and registered insurance contracts, structure gross income insurance payments (award, contributions), dynamics insurance premium and insurance payments, as well as costs for marketing insurers. It was revealed that in military conditions state approaches to analysis and the informativeness of the main indicators are transformed. The main directions of change have been determined marketing strategy of insurance companies. Systematized challenges faced by the insurance market during the period of martial law, attention is focused on search ways their neutralization

Key words: insurance market; insurer; marketing costs; insurance life; compulsory insurance; reinsurance; military state.

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Стаття присвячена дослідженню сучасних тенденцій розвитку страхового ринку України з акцентом на період дії воєнного стану. Виявлено зміст та систематизовано підходи до трактування сутності поняття «страховий ринок». Опрацьовано нормативне забезпечення регулювання страхового ринку. Проаналізовано функціонування страхового ринку України після запровадження воєнного стану, визначено основні тенденції та проблеми його орозовитку, а також окреслено першочергові питання, які потребують вирішення. Спираючись на досвід трансформації та адаптації своєї діяльності під час коронакризи, страхові компанії вкотре продемонстрували здатність повністю відновити функціонування ринку в умовах форс-мажорних обставин і вже пропонують сучасні страхові продукти з додатковим покриттям наслідків війни. Проведено аналіз стану та тенденцій розвитку страхового ринку, зокрема: кількості страхових компаній та зареєстрованих договорів страхування, структури валових надходжень страхування платежів (премій, внесків), динаміки страхових премій та страхових виплат, а також витрат на маркетинг страховиків. Виявлено, що в умовах воєнного стану підходи до аналізу та інформативність основних показників трансформуються. Визначено основні напрями зміни маркетингової стратегії страхових компаній. Систематизовано виклики, з яким стикнувся страховий ринок в період дії воєнного стану, акцентовано увагу на пошуку шляхів їх нейтралізації. Зроблено висновок, що у контексті воєнного стану в Україні, страховий ринок стикається з рядом викликів та можливостей. З одного боку, підвищений ризик для бізнесу та особистого майна створює підвищений попит на страхові послуги, зокрема на страхування майна та відповідальності. З іншого боку, зміни в політичному та правовому середовищі можуть призвести до нестабільності на ринку та вимагати швидких адаптацій з боку страхових компаній.

Ключові слова: страховий ринок; страхувальник; витрати на маркетинг; страхування життя; обов'язкове страхування; перестраховання; воєнний стан.

Setting task. IN modern conditions insurance there are important after all accumulation funds for further their using for compensation losses, caused by because of insurance events and also protects business from financial risks and provides social support Insurance market there are necessary an element economy countries and integral part of financial market states, and insurance companies – high-risk financial institutions. IN period actions military state uninterrupted functioning insurance market acquires special value, and overcoming emerging you- clicked insurance companies there are priority task Despite on thorough research and considering growing losses business and citizens as a result of military actions, a thorough one acquires special relevance

analysis dynamics development insurance market in conditions military state

Analysis the last ones of research and publications. Research various aspects development insurance market dedicated labor the following economist scientists: Martsenyuk O.V., Ruda O.L., Vdovenko L.O., Poleva O.L. and others.

The purpose of the article. The purpose of the research is to identify modern trends in the development of the financial and marketing aspect of the insurance market of Ukraine during the period of martial law.

Presentation of the main material. There is no national legislation definition term “insurance market”. In economic literature insurance the market is considered as a sphere of economic relations,

in the process of which the demand and supply for insurance services are formed and the act of their purchase and sale is carried out; a set of financial and economic relations, thanks to which is redistributed part national income and total social product through a special method of formation of an insurance fund monetary resources. A more complete definition is given in the work, where under insurance the market understand system economic and legal relations between buyers, sellers of insurance and reinsurance services and theirs intermediaries, in as a result whose is carried out mobilization, distribution and redistribution money funds.

Under insurance the market in articles we will understand economic and legal relations between subjects insurance market, which arise in process balancing demand and offers on insurance services

In the process of researching the peculiarities of regulation and conducting an assessment of the current state of the insurance market, we will make a sectoral division into the market of life insurance (life) and the market of general types of fear (non-life). Comparative characteristics of the “life” and “non-life” segments life given in table 1.

The new Law “On Insurance” radically changes the approach to regulation and supervision of the insurance market, will have a positive impact on his recovery and further development, provides such significant changes in functioning insurance market: transition from species insurance (43 mandatory species) to classes str hiding (grades 1–18 non-life, classes 19–23 life); Art of the State Register of Insurance Intermediaries (insurance and reinsurance brokers); creation of a centralized online database on contracts of fear requirements, which are mandatory according to the legislation of Ukraine, with the possibility control their arrangement and action; increasing the transparency and competitiveness of the insurance market due to the NBU’s supervision of the ownership structure of insurance companies and their observance of the prudential requirements established by law, in particular, regarding maintenance of solvency, capital adequacy and investment activities;

– introduction of unified approaches: to the accounting of contracts for financial and regulatory reporting, to calculation everyone species technical reserves, yes rel use of data for calculation, to data quality, documentation calculation process and received results

The main requirements of the NBU for the activities of insurance companies are listed on rice. 1. It should be noted that the minimum amount of authorized capital cannot be smaller by size minimum capital insurer, in particular:

– than UAH 48 million – implementation of direct insurance “life” activities and “non-life” (complicated species risks, in particular, classes 10–15), reinsurance;

– than UAH 32 million – carrying out direct insurance activities “non-life” (simple species risks).

For the period of martial law from March 21, 2022, it has been strengthened supervision of insurers, in particular, an operational information regime has been introduced (indicators cash flow) insurers NBU in cut segments “non-life” and “life” according to the following indicators: balance of funds on deposit in bank accounts, the balance of funds in current bank accounts, receipt of insurance premiums under insurance/incoming reinsurance contracts, income compensations insurance payments from reinsurers, payment of insurance indemnities, insurance payments under contracts of entry reinsurance, paid insurance premiums under original reinsurance contracts, problems with settlement insurance cases.

In ordinary conditions state insurance market, level its penetration in the economy and demand among customers are characterized volumes insurance premium and insurance payments in conditions military state approaches to analysis and informativeness of the main indicators are transformed. Apart from of the specified indicators, the indicators of operational activity, marketing costs acquire special informativeness in determining market stability, equal capitalization insurers (i.e amount own funds and insurance reserves).

Table 1

Comparative characteristic segments “life” and “non-life”

Sign	Segment “life”	Segment “non-life”
Term contracts	Mainly long-term	Close 1 year
Awards	are paid periodically question length actions contract	are paid one time
Payments	As one amount and periods really during certain term	One amount
Behavior consumers	Tied up to insurer, gap contract only with losses	They can replace the insurer after end term contract
Investment policy	Available long-term assets, naya he moderate appetite to risks	prevail short term, liquid and we risky investment

Source: systematized by the authors

Level penetration insurance condition on 01.01.2020 p. constituted 1.4% GDP, as of January 1, 2023 – 0.82% of GDP. In the Financial Sector Development Strategy of Ukraine until 2025, this indicator is planned at the level of no below 2% of GDP. At the end of the II quarter. 2023 in the State Register financial institutions, 115 insurance companies were registered, 12 of them segment “life”. During the first quarter 2020 – Q2. In 2023, the number of insurance companies almost halved (in particular, during the period of military of the state by 21%) as a result of the cancellation of the licenses of the NBU of the insurers for the fault insurance activity, due to lack of insurance obligations and action sneeze contracts insurance. That is, with market came out inactive companies or those, who did not work with citizens. A decrease in laying activity is observed new one’s contracts and, as consequence, “aging” insurance portfolio.

In terms of capitalization, the market of insurance services ranks second in non-banking financial market. Investigating the capital of insurers on is of particular importance in the conditions of martial law, since the main property capital there are absorption risks. Profits insurance companies generated mainly by score investments in OVDP (Table 2).

In the second quarter 2023 for 23% of the gross receipts of insurance payments (pre- mine, contributions) accounted for voluntary land transport insurance and other types of voluntary insurance, 18% – for civil insurance responsibility owners transport means (further – OSCPV) by internal contracts, 14% – medical insurance, on 11% – on segment “life” and OSCPV under international agreements (including “Green Card”). Due to the departure of citizens abroad, the amount of insurance under the “Green Card” has increased. The decrease in the amount of insurance compensation is explained decrease frequency declared cases with OSCPV, CASCO.

In 2022, the share of gross insurance premiums was 0.76% of GDP, for comparison in 2020 – 1.08%. A small share of personal insurance is explained features domestic insurance market, low the level of income of the population, the lack of employee insurance programs in most employers.

The biggest decline insurance market experienced in the ends and sq. 2022 year Already by the end of 2022, insurance companies were able to adapt to the new conditions functioning and the situation stabilized. According to the NBU, after leaving the market in II six months 2022 year insurers, What specialized on operations reinsurance, significantly decreased as the total volume of outgoing operations reinsurance within the country, the ratio between the outgoing reinsurance operations of residents and non-residents has changed in favor the latter: from 60%/40% (II quarter of 2021) to 85%/15% (II quarter of 2022). During the researched period, insurers’ marketing expenses increased by 80%. The most significant changes occurred in the quarter of 2022 – expenses have grown more than in 2 times and were directed on revitalization market, what was in stagnation.

Marketing activity of insurance companies during the military period state significantly decreased Big number planned marketing acts of domesticity was cancelled or postponed IN conditions necessity effective reaction on sudden changes behavior consumers, abbreviation budgets and instability marketing teams insurance companies actively changed marketing strategy The main one attention insurance companies concentrated on: operative analysts and monitoring situations; awareness of customers regarding changes in the product range, relocation offices in relatively safe zones, new opportunities; changing or improving communication channels with a focus on digital channels, in particular, creating additional Telegram channels, chatbots, updating official Internet sites, etc.; views grocery

Table 2

The main performance indicators of leading insurance companies by volume of assets according to I six months 2023 r., million hryvnias

Name institutions	Assets	Own capital	Obligation	Street hovi reserves	Clean financial result
PrJSC “MetLife”	6840	948	5892	5515	204
JSC “ARKS” SC	5146	2004	3142	2590	311
PrJSC “GRAVE UKRAINE Insurance life”	5146	326	4819	4576	21
JSC “SC “TAS” (private)	4358	238	4119	3933	21
PrJSC “SC “UNIKA”	4341	1508	2833	2378	235
STALEMATE “SC “USG”	3743	624	3120	2270	-20
JSC “SG “TAS” (private)	3350	838	2512	2142	69

Source: systematized by the authors

portfolios with taking into account needs consumers; search new ones grocery niche; entering new markets, taking into account the movement of insurance consumers services; reorientation strategies with magnification quantity customers to maintenance current numbers customers and magnification profit from everyone the client; diversification activities, in particular, invitation consultants and new ones partners for common benefit and survival business in general; magnification expenses on social projects, humanitarian help charitable funds.

In particular, the specialists of the JSC SC ARKS insurance company understand the change the cellar of consumers promptly updated the Travel product by adding the Telemedicine service (the ability to receive remote medical consultations), took off limitation by age, allowed purchase online or extension of the policy while already abroad. In addition, a new one was introduced product "Green map Autoconcierge", with possibility insurance Av car at leaving by border. WITH everyone purchased policy online 10% the company transfers to the "Return Alive" fund. For the purpose of communication and mutual support of consumers and employees the company introduced internal project "We working" and channel "ARX mutual support".

The VUSO insurance company created the CASCO "Patriot" product, which up to a certain limit covers damage received as a result of military operations (damage transport tool splinters, risk arrival rockets, others about facilities, mine detonation, direct fire). Insurance product "Bronezakhist" from ARKS JSC provides for insurance reimbursement upon receipt damage from the impact of shells, mines, bullets, the collapse of buildings, the consequences of fire, mining territories.

Therefore, to challenges with which bumped into insurance market in period actions martial law trace carry:

- strengthening regulatory requirements for insurers in order to prevent violation of critical financial regulations and restrictions on conducting risky activities. At the beginning of the introduction of martial law regulatory the requirements of the NBU were relaxed, which made it possible to stabilize the situation on the market, stand and to support stable work in as a result fixation signs on movements insurance companies requirements NBU was adapted and strenuously;

- coverage of war losses. Most contracts do not provide coverage for such losses. In general, in international practice, the number is insignificant of insurance companies offers its clients insurance and reinsurance military risks;

- implementation obligations by contracts voluntary medical insurance. NBU recommended use remote methods settlement insurance cases in the management regions fighting actions;

- insurance of Ukrainians who went abroad. The restriction has been lifted regarding the need for the insured to stay on the territory of Ukraine under the time of issuing the policy. Possibility to extend the validity of the insurance policy those who travel, and CASCO remotely by registering on the website and payment bank by card granting services telemedicine;

- from July 1, 2023, the NBU increased the amount of insurance sums under contracts OSCPV of owners of land vehicles. The maximum amount of compensation in in case of registration "euro protocol" – to 80 thousand UAH;

- difficulties in planning further actions.

It can be argued that during the period of martial law the main task the functioning of the insurance market is not fulfilled, as it provides for the financial protection of clients from events of an unpredictable nature, which lead to partial or complete loss of property, work capacity and health etc. Therefore, it is urgent to settle the issue of protection against military risks and build an effective mechanism for insurance of military risks. For this purpose, the NBU announced the creation of a comprehensive system of military insurance political risks in two stages

As we can see, there has been a decline in insurance activity in recent years market, What maybe be connected with general economic instability, as well as the impact of the war on long-term forecasts and insurance needs of the population and enterprises. Therefore, according to with analysis data, you can draw a conclusion about the general decrease in activity on the insurance market of Ukraine in the conditions of martial law, as well as about changes in the structure and competitive environment. Compared to European countries, Ukrainian insurance market is located on very at a low level and demonstrates unstable development dynamics due to the low solvency of the population and the unfavorable socio-economic climate in the country, which is caused by Russian aggression.

To ensure viability and recovery insurance industry after period war, as well as in order to provide insurance protection to citizens and businesses, it is necessary to implement systemic measures at the state level. These measures may include:

1. Reducing the tax burden on insurance companies through the repeal initiative double taxation in in the field of insurance before Supreme by council It is also recommended cancel payment 3% from all insurance payments, keeping only general tax on profit for everyone legal persons in the country.

2. Implementation of the possibility of preferential lending and installments with payment fear contributions, and also revision price through politics decrease solvent demand

3. Consideration of the possibility of introducing new species insurance, such as insurance Tuesday Rynnykh military risks, for example, damage from mine

explosions in fields and forests, as well as insurance in case of death or disability of citizens.

4. Partial exemption of insurance companies from additional guarantee contributions to the MTSU, which will be directed to payments to citizens injured in accidents.

Conclusions. In period actions military state insurance market experienced significant difficulties however could stand about What testify the main ones while signs of activity. It is assumed that the strengthening of regulation and supervision will contribute recovery and further development insurance market. Actual there are revision approaches insurance companies of opportunities digging such risks, adaptation conditions insurance products under features military state (coating risks from direct impact military actions and its consequences). In international practice for insurance and reinsurance military risks apply special conditions NBU has hard work of creation the mechanism of protection against military risks due to the formation of the state compensatory fund from involvement financing donors and insurers In the context of the martial law in Ukraine, the insurance market faces a number of challenges and opportunities. On the one hand, there is an increased risk to business and personal property creates increased demand on insurance services, in particular for property and liability insurance. On the other hand, changes in the political and legal environment can lead to instability in the market and require fast ones adaptations with side insurance companies. However, these challenges, in our opinion, also open up new opportunities for development. Insurance companies that are ready to actively adapt to changes can develop new products and strategies to minimize risks, which will allow them to function successfully in the conditions military state and to provide protection of interests their own customers Such way the insurance market of Ukraine under martial law requires not only a careful analysis of internal and external factors, but also flexibility and innovation to ensure stability and growth in difficult conditions.

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