

UDC 368:005.336.4(100+477)

<https://doi.org/10.26661/2414-0287-2020-3-47-25>**EXPERIENCE OF DEVELOPED COUNTRIES ABOUT INSURANCE MARKET DEVELOPMENT****Cherep A.V., Rybakova D.Y.***Zaporizhzhia National University*  
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**Key words:**

protection, insurance market of Ukraine, insurer, security, external protection.

The current stage of development of the world economy and international relations, Ukraine's accession to the system of world economic relations necessitates the development of the insurance market, taking into account world experience and national peculiarities. The article deals with the problems of formation and further development of the insurance market for countries with economies in transition, in particular, for Ukraine, where there are dramatic changes in the economic system. The activity of the insurance markets of the USA, Poland, Great Britain, Germany, Switzerland and Japan is analyzed. It is revealed that the formation of a developed insurance market in Ukraine, taking into account the tendencies and features of the development of insurance markets of developed countries, influences the stable development of the national economy, the development of the world economy, international relations and the provision of favorable conditions for market transformation. A number of proposals to implement international insurance standards in Ukraine are substantiated.

**ДОСВІД РОЗВИНЕНИХ КРАЇН СВІТУ, ЩОДО РОЗВИТКУ СТРАХОВОГО РИНКУ****Череп А.В., Рыбакова Д.Є.***Запорізький національний університет*  
*Україна, 69600, м. Запоріжжя, вул. Жуковського, 66***Ключові слова:**

страхування, страховий ринок України, страховик, страхувальник, іноземний досвід страхування.

Сучасний етап розвитку світової економіки та міжнародних відносин, входження України до системи світових господарських зв'язків зумовлюють необхідність розвитку страхового ринку з урахуванням світового досвіду та національних особливостей. У статті розглянуто проблеми формування та подальшого розвитку страхового ринку для країн із перехідною економікою, зокрема, для України, де відбуваються кардинальні зміни в економічній системі. Висвітлено досвід організації страхових відносин у розвинутих країнах світу, можливості його застосування для подальшого розвитку ринку страхування України. Проаналізовано діяльність страхових ринків США, Польщі, Великої Британії, Німеччини, Швейцарії та Японії. Виявлено, що формування розвинутого ринку страхових послуг в Україні з урахуванням тенденцій і особливостей розвитку страхових ринків розвинених країн впливає на стабільний розвиток національної економіки, розвиток світової економіки, міжнародних відносин та забезпечення сприятливих умов для ринкової трансформації. Обґрунтовано низку пропозицій щодо впровадження міжнародних стандартів страхування в Україні.

**Statement of the problem**

The current stage of development of the world economy and international relations, Ukraine's accession to the system of the world economic relations necessitate the development of the insurance market, taking into account the world experience and national peculiarities. Particularly urgent is the problem of formation and further development of the insurance market for countries with economies in transition, in particular, for Ukraine, where there are dramatic changes in the economic system. The processes of market transformation of the national economy necessitate the carrying out of scientific research of the international insurance market and the development of ways of effective use of the world experience in the field of insurance for the further development of the insurance market of Ukraine,

which will ensure successful implementation of economic reforms, stable development of the national economy, further integration into the world economy.

**Analysis of recent studies and publications**

In Ukraine, there is not enough research on the insurance markets in transition economies. Particularly this topic was addressed by such scholars and practitioners as V. Basilevich [1], O.I. Baranovsky [2], N. Vnukov [3]. Among the well-known Ukrainian researchers on this issue it is worth mentioning the works of O.M. Zalotov [4], S. Osadets [5], A. Podderyogin [6], A.F. Filoniuk [7], and others. The questions of functioning of insurance markets of the countries of Eastern Europe, France and Japan are devoted to the works of domestic scientists A. Mnykh [8], M. Mnyh [9] and V. Furman [10]. At the same time,

insufficient attention has been paid to the insurance markets of countries considered to be the founders of the insurance business (USA, UK, etc.). Therefore, there is a need to consider the experience of the organization and features of the functioning of the insurance markets of the United States, Great Britain, Germany and Switzerland.

#### **Objectives of the article**

The objective of the article is to consider the insurance markets of foreign countries, the peculiarities of their construction in order to implement international insurance standards in Ukraine.

#### **The main material of the research**

The insurance market is one of the most dynamic segments of the economy and can potentially become an important part of its financial and investment mechanism. Insurance, as an important element of modern life, has not yet become a factor in ensuring the sustainability of business and the confidence of society in the future. The volume of insurance operations remains scanty. Real long-term life insurance, retirement insurance, business risk insurance account for a small proportion of sectoral insurance.

Insurance markets of developed countries have already undergone a period of extensive growth, and their development due to excess demand for insurance services over their supply is generally impossible. Unlike the markets of developed countries, the insurance markets of transition economies, to which Ukraine belongs, are still in the process of being formed. In these countries, the insurance functions are partially fulfilled, which is caused by the restriction of property rights, the presence of unscrupulous owners, the underdeveloped system of state regulation of national insurance markets of such countries, the lack of effective economic incentives for the development of insurance activities.

In industrialized countries, the insurance market is one of the strategic sectors of the economy and is a catalyst for its economic development. This is because, first, the insurance process itself is an important element of the economic environment; secondly, the social side of insurance processes contributes to improve the standard of living of the population by providing reliable insurance protection; thirdly, insurance in its advanced forms enhances investment potential and contributes to the nation's wealth, which is especially relevant for the Ukrainian economy today.

Basic approaches to insurance in foreign countries are reduced to its significant role in various fields of production and financial-credit system.

Of the number of infrastructure participants operating solely in the Polish insurance market, the first thing to note is the Insured's Glossary, the Insurance Guarantee Fund and the Insurance Education Foundation (Fund). The first two exist as mandatory institutions under insurance law. The Insured's Glossary operates under the Law on Insurance Supervision and the Insured's Glossary [11]. Its main responsibility is to consider complaints and statements of insured persons regarding the actions of insurance companies and private pension funds, as well as the examination of draft legal documents related to the activity of the insurance market. The insured's vocabulary and its apparatus are funded by contributions from insurance companies and open non-governmental

pension funds. For insurance companies, the contribution rate is 0.01% of the amount of gross payments collected, for non-government pension funds it is 0.01% of the amount of contributions paid.

Another important infrastructure element of the Polish insurance market is the Insurance Guarantee Fund. Its existence is foreseen by the law "On compulsory insurance, the Insurance Guarantee Fund and the Polish Transport Insurers Bureau" [12]. This fund has two main and a number of additional tasks. The first main task of the Fund is to pay compensation under compulsory civil liability insurance and compulsory farmers' liability insurance for cases that have occurred in Poland. The second main task of the fund is to pay damages in case of bankruptcy of insurance companies. An additional function of the Insurance Guarantee Fund is to provide return financial assistance to insurance companies which, as a result of transformations, have accepted insurance portfolios with compulsory civil liability insurance of vehicle owners and compulsory insurance of farmers' liability from other companies, and who are temporarily short of funds to implement insurance payments. In addition, this fund maintains a register of compulsory motor third party liability insurance contracts. Members of the fund automatically become all insurance companies that conclude compulsory civil liability insurance of vehicle owners and compulsory insurance of farmers' liability. Life insurance companies become members of this fund only when bankruptcy is declared and subject to payment of a certain contribution.

As for US insurance, there is no one state-only insurance system. Each state has its own insurance legislation. In this case, insurance companies have broad powers in the development of their own insurance policy, determining the size of payments, the practice of deduction and compensation for losses, which is a specific feature of the US insurance market.

The activities of all US insurers are carefully analyzed by the three consulting organizations A.m.best, Moody S, Stan-dart & poors, which issue catalogs of their work on a quarterly basis. They publish the official ratings of insurance companies on the reliability for the client and data on their solvency status. The main indicators analyzed are: financial position, claims and level of service, security and loss prevention, organization flexibility, cost of services. The level of losses, income and the rate of return on investments, and the level of accounts receivable are considered to be the main criteria for the effectiveness of the insurer.

Consider the features of the insurance market in the UK. By some indicators, the English insurance market is still unmatched in the world. British insurance companies operate in 43 countries. Almost a tenth of all insurance premiums in the world are credited to British insurance companies [13].

The institutional structure of the UK insurance market is represented by joint stock companies, mutual insurance companies, branches and representative offices of foreign insurance organizations. According to EU directives, insurance companies are not allowed to engage in any other type of business.

The special structure of the English insurance market is the system of protection of insurers, as well as the corresponding insurance fund, formed at the expense of insurance organizations. The level of contributions to the compensation fund is based on the amount of insurance net premium collected by the insurer under insurance contracts. In case of bankruptcy of an insurance organization, the funds of the compensation fund will be used to compensate in whole or in part for their losses under compulsory insurance contracts [14].

The German insurance market has several features. First, there is a close relationship between the insurance business and large industrial capital, widespread mutual participation in capital and management. Secondly, the insurance market is under strict state control. The third and most important feature of the German market is bank insurance (banking), where an insurance organization deals not only with insurance but also with the provision of banking services. Germany is a real-world reinsurance center, used by insurance companies in many developed countries.

The Swiss insurance market is characterized by a close interconnection of national and foreign capital. Insurance organizations are often multinational corporations with widely represented foreign interests. Swiss insurance organizations are characterized by active investment in the capital market. More than 50% of all assets of insurance companies are placed in the form of loans and investments in bonds.

In developed countries, institutions have been established to service and control the insurance business.

An important element of the insurer training system is the high school. In the West, this type of education is quite common and there is a network of educational institutions. In the US, it is a New York College of Insurance that holds an important place in the world of higher education. In England - The Chartered insurance institute (London), in France - Ecole de assurance (Paris). New York College 4-5 years of study: Bachelor's and Master's degrees in finance and business management with a specialization in insurance or a bachelor's degree in actuarial science. In Italy The La Sapienza University of Rome trains Bachelor of Statistics and Actuarial and Bachelor of Laws in four years. In Switzerland, only actuarial specialists are trained in four German-speaking and two French-speaking universities [15].

So, today the most developed insurance markets in the US and the UK. Factors such as perfect legal framework and age experience, the presence of sound financially independent and competitive insurance companies, and their high professional level contributed to this. This ensures their successful functioning both domestically and globally. Such a line of activity of insurance companies as attracting foreign capital is of particular importance in the development of national insurance markets, therefore it is necessary to pay considerable attention to regulating access to the insurance markets of Ukraine. The access of foreign insurers to the national markets facilitates the inflow of foreign capital into other industries, as foreign companies have long been involved in various risk insurance. Therefore, the arrival of foreign

insurers is a necessary signal for other investors, which indicates a favorable economic climate in the country.

Due to the fact that one of the trends in the development of the world insurance market is the use of modern information technologies, in particular, the online sale of insurance products, it is possible to offer Ukrainian insurance companies to use the same technologies in their activities. This will increase the number of insurers at the expense of the ease of the insurance process and lower prices than normal sales. There is also a proposal to create local insurance zones or even a single insurance system. But for this purpose, in the related spheres of socio-economic and political life, we observe an insufficiently high level of integration, which, according to experts, contradicts regional integration processes. But the example of fierce competition in the world market of the major insurance centers - Western Europe, North America and Southeast Asia and their integration in order to create regional insurance blocks. Therefore, it can be argued that integration processes in Ukraine in the sphere of insurance are possible. The fastest way to join Ukraine in the insurance blocs is to enter the European Union, because within its limits the formation of a unified Western European insurance system is underway. The presence of numerous uninsured objects, the growth of the insurance culture, the need to protect the property interests of individuals and legal entities, the expansion of consumer lending, mortgages, the enhancement of management culture in domestic insurance companies will contribute to maintaining high rates of development of the insurance industry in Ukraine.

### Conclusions

The most important element of the productive forces are the country's labor resources. The quality of labor resources significantly affects the pace and quality of economic growth. The management of the country's labor resources is a central problem in the management of social reproduction, because the functioning of the main productive force is a decisive factor in the economic development of the country and social progress in general.

Examining the dynamics of the average annual number of employees, it was found that over the past decade there has been a significant reduction in the average annual number of employees both in Ukraine as a whole and at the studied enterprise. Analysis of the efficiency of labor resources showed that in recent years the average number of employees has not increased, so the increase in marketable products was due to increased productivity.

Studying the issues of material incentives, we concluded that the existing system of material incentives does not meet the requirements of changed economic conditions and has a weak incentive effect on the performance of the employee. According to the results of the study, the author identified the main conditions for improving the material incentives for hired labor.

Thus, ways to increase the efficiency of labor resources and their impact on the results of production and economic activities of enterprises will be able to significantly increase the profitability of production and in the future will have a positive impact on the economy as a whole.

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