

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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L. S. Seliverstova, Doctor of Economic Sciences, Associate Professor**Л. С. Селіверстова**, д. е. н., доцент**CURRENT TRENDS IN INSURANCE MARKET IN UKRAINE****СУЧАСНІ ТЕНДЕНЦІЇ РОЗВИТКУ СТРАХОВОГО РИНКУ В УКРАЇНІ**

Urgency of the research. Formation of the developed insurance market of Ukraine will provide favorable conditions for market transformation and sustainable development of the national and global economy and international relationship, which determines the relevance of the research topic.

Target setting. Insurance industry of Ukraine stays in the process of gradual integration into the world market, that's why the questions of the current insurance market and search for areas of improvement are not explained well enough and needs to be studied deeply.

Actual scientific researches and issues analysis. The questions of the development of theory and practice of insurance market formation were analysed and researched by such scientists as V. D. Basylevych, O. D. Vasylyk, M. V. Mnich, T. A. Oral, N. V. Tkachenko, D. O. Tishchenko, A. F. Filonyuk, L. Shirinyan.

Uninvestigated parts of general matters defining. Insurance industry of Ukraine stays in the process of gradual integration into the world market, that's why the questions of the current insurance market and search for areas of improvement are not explained well enough and needs to be studied deeply.

The research objective. As the result of the research, there will be the deep analysis of current trends in the insurance market of Ukraine and identified areas of improvement of its functioning.

The statement of basic materials. The article reviewed and analyzed the current state of the insurance market of Ukraine and key indicators for the insurance activity during 2015-2016. The key problem of the insurance market and the problems that hinder its development are defined, the directions of its improvement and further development are suggested.

Conclusions. Nowadays, the Ukraine's insurance market is under development, so has both definite advantages and numerous disadvantages: growth of the insurance market stay behind the growth of the economy and its part of GDP is insignificant. But the Ukrainian insurance market has huge resources for its development.

Keywords: insurance market; insurance companies; insurance premiums; insurance.

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Urgency of the research. In the current economic conditions insurance market plays one of the main roles in providing the protection of the entrepreneurs and legal bodies' property interests and long-term investment in the real economy of Ukraine.

Актуальність теми дослідження. Формування розвинутого ринку страхових послуг в Україні забезпечить сприятливі умови для ринкової трансформації та стабільний розвиток національної економіки, розвитку світової економіки та міжнародних відносин, що й обумовлює актуальність теми дослідження.

Постановка проблеми. Ринок страхових послуг в Україні перебуває на етапі поступової інтеграції у світовий ринок тому, питання сучасного розвитку ринку страхових послуг та пошук напрямів його вдосконалення висвітлено недостатньо та потребує поглибленого вивчення.

Аналіз останніх досліджень і публікацій. Питання розвитку теорії й практики формування страхового ринку у своїх працях досліджували такі вітчизняні вчені, як Базилевич В. Д., Василик О. Д., Мних М. В., Ротова Т. А., Ткаченко Н. В., Тищенко Д. О., Філонюк О. Ф., Шірінян Л.

Виділення недосліджених частин загальної проблеми. Ринок страхових послуг в Україні перебуває на етапі поступової інтеграції у світовий ринок тому, питання сучасного розвитку ринку страхових послуг та пошук напрямів його вдосконалення висвітлено недостатньо та потребує поглибленого вивчення.

Постановка завдання. В результаті дослідження буде проведено поглиблений аналіз сучасних тенденцій розвитку страхового ринку України та визначено напрями вдосконалення його функціонування

Викладення основного матеріалу. В статті розглянуто та проаналізовано сучасний стан страхового ринку України та основні показники страхової діяльності за 2015-2016 роки. Визначено ключові проблеми діяльності страхового ринку та проблеми, що стримують його розвиток, запропоновано напрями його вдосконалення та подальшого розвитку.

Висновки відповідно до статті. На сьогодні страховий ринок України знаходиться на етапі розвитку та має певні переваги та значну кількість недоліків: темпи росту страхового ринку відстають від темпів росту економіки, а його частка в ВВП країни незначна. Але український страховий ринок має потужний потенціал для розвитку.

Ключові слова: страховий ринок; страхові компанії; страхові премії; страхування.

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In recent years the development of insurance business in Ukraine is being accompanied by improvement of the regulatory framework, the introduction of new insurance products, the using of measures to enhance the reliability of insurance companies and insurance intermediaries [6, p. 235].

One of the most important problems of the Ukrainian insurance market is the legal providing system and government regulation of insurance activity that need to be improved, whereas the current legislation of Ukraine is not completed. In addition, there is no clear vision of the strategic development of the domestic insurance market and its individual components. Formation of the developed insurance market of Ukraine will provide favorable conditions for market transformation and sustainable development of the national and global economy and international relationship, which determines the relevance of the research topic.

Target setting. Ukrainian insurance industry is on the second place by the level of capitalization among other non-bank financial markets. The development of the insurance market, as an integral part of the Ukrainian financial market, depends on the list expanding of insurance products and services, increasing their competitiveness, increasing requirements to order the creation of insurance companies, further integration into international structures, the involvement of the insurance market to solve the most important economic issues about the development of the country.

Actual scientific researches and issues analysis. The questions of the development of theory and practice of insurance market formation were analysed and researched by such scientists as V. D. Basylevych, O. D. Vasylyk, M. V. Mnich, T. A. Oral, N. V. Tkachenko [6], D. O. Tishchenko, [7] A. F. Filonyuk [8], L. Shirinyan. But the current crisis of the market economy and the necessity to exit the insurance market at the global level has caused an urgent need to develop the advanced proposals related to the development of the insurance market and its regulation.

Uninvestigated parts of general matters defining. Insurance industry of Ukraine stays in the process of gradual integration into the world market, that's why the questions of the current insurance market and search for areas of improvement are not explained well enough and needs to be studied deeply.

The research objective. As the result of the research, there will be the deep analysis of current trends in the insurance market of Ukraine and identified areas of improvement of its functioning.

The statement of basic materials. The insurance market is extremely complicated multi-level system that consists of a number of interrelated and interdependent subsystems, such as insurance products, rates, sales organization and creating demand, infrastructure and so on.

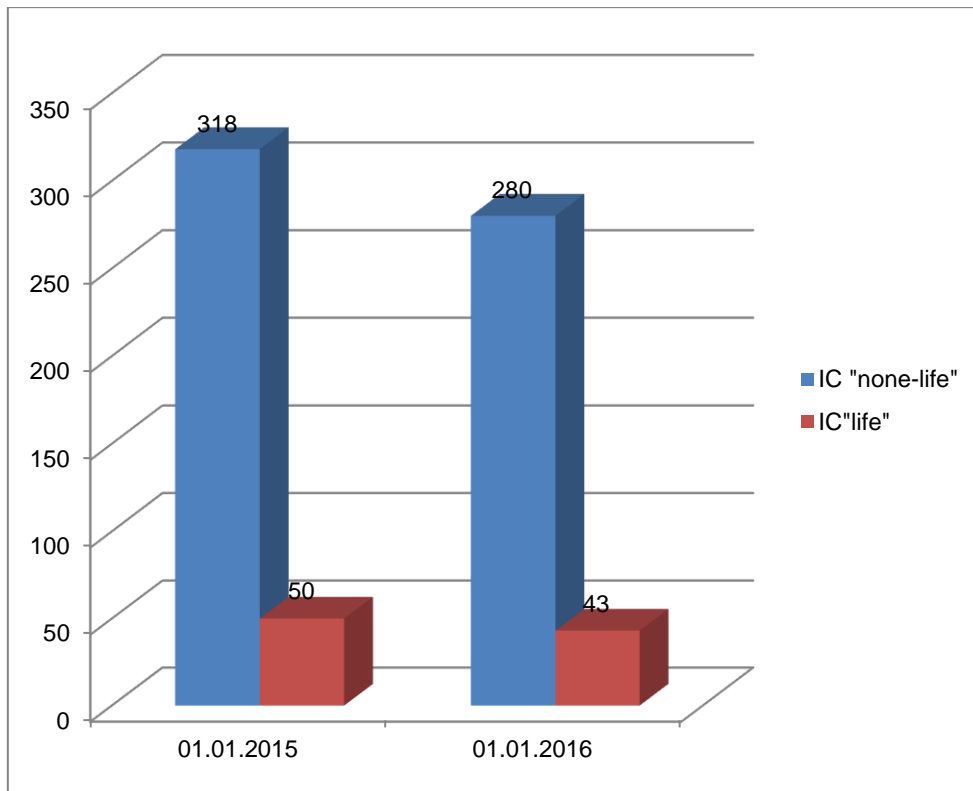
Insurance market is a special sphere of monetary relations, where the object of sale serves a specific service - insurance protection, emerging supply and demand for it [8, p. 73].

According to the National Commission for State Regulation of Financial Services Markets, the total number of insurance companies as of 30.09.2016 amounted to 323, including insurance companies "life" 1 - 43 companies, insurance companies, "non-life" - 280 companies. As of 09.30.2015 - 368 companies, including insurance companies "life" - 50 companies, insurance companies, "non-life" - 318 companies [1]. Changes in the number of insurance companies in Ukraine are shown in Pic. 1.

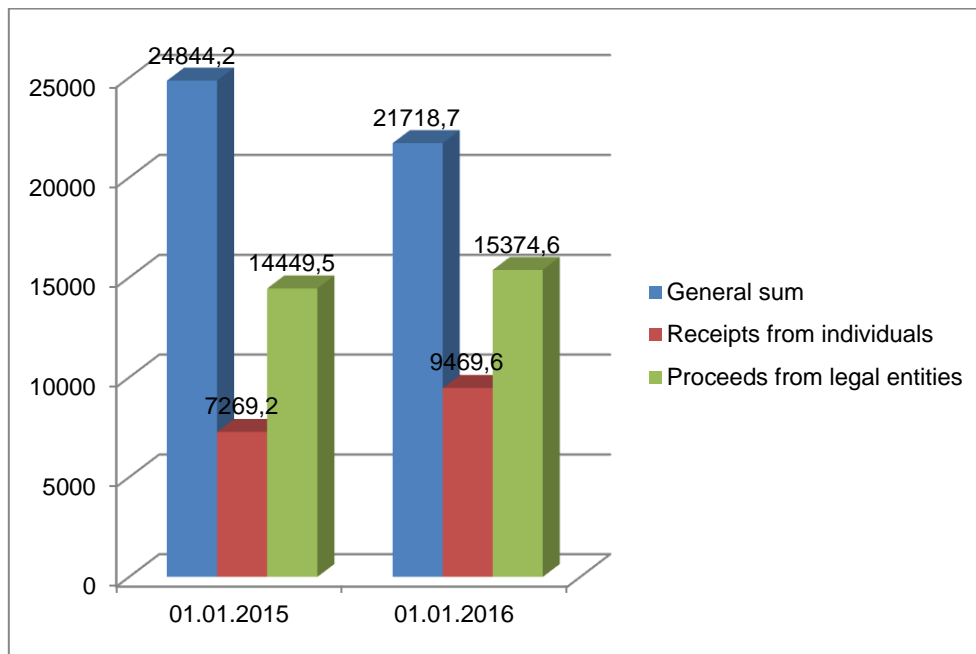
There is a tendency to reduce the number of insurance companies, for example, in 9 months of 2016 compared to the same period in 2015, there was a decrease by 45 insurance companies.

Gross premiums received by insurers for insurance and reinsurance risks from insurers and reinsurers for 9 months of 2016 amounted to 24 844.2 million. UAH, Including 9 469.6 million. UAH. (38.1%) - submitted by individuals; 15 374 600 000 USD. (61.9%) - received from the entities [5]. In comparison with 9 months of 2015 to 3 125.5 million. UAH. or 14.4% of revenues increased gross premiums (Pic. 2), the amount of net premiums written increased by 2 842.0 mln. UAH., that is 17.0%.

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Pic. 1. Graphical interpretation of the number of insurance companies in Ukraine



Pic. 2. Graphical interpretation of gross premiums received by insurers, mln UAH

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The increase in gross premiums touched almost all types of insurance, for instance: motor insurance (CASCO, MTPL, "Green Card") (an increase of gross premiums at 1 085.6 million. UAH. - 19.0%); life insurance (increase in gross premiums at 483.9 million. UAH. -32.2%); health insurance (increase in gross premiums at 317.3 million. UAH., that is 21.5%); insurance third party liability (increase in gross premiums at 267.0 mln. UAH., or 26.6%); and risks of natural phenomena (increase in gross premiums at 263.2 million. UAH. -18.4%); property insurance (increase in gross premiums at 243.0 mln. UAH. -9.5%), accident insurance (increase in gross premiums at 221.3 million. UAH. - 59.0%); medical expenses insurance (increase in gross premiums at 209.5 million. UAH. -58.7%); credit insurance (increase in gross premiums at 189.8 million. UAH. -64.6%); cargo and luggage (increase in gross premiums at 123.3 million. UAH. - 4.6%) [5]. Dynamics of the structure of net premiums for 9 months 2015-2016 is shown at Pic. 3.

The data shows that during 9 months of 2016 there was a significant level of competition in the market of insurance other than life insurance, while the life insurance at the market monopolization seemed available enough.

Redistribution in the structure of net premiums as on 30.09.2016 was held for the following types of insurance as life insurance from 9.0% to 10.1% compared to the same period of 2015, credit insurance from 1.3% to 2.3 %, accident insurance from 1.8% to 2.8%, medical expenses insurance from 2.1% up to 2.7%.

Thus, there was a decreasing process in the structure of net premiums for the following types of insurance: insurance of financial risks from 10.8% to 8.0%, cargo and baggage from 7.2% to 4.8%.

The amount of companies which formed insurance reserves for September 30, 2016 amounted to 19.5 billion USD. This is 12.9% more than at the end of the third quarter 2015. Provisions for life insurance companies amounted to 7.5 billion USD, technical reserves to other insurers - 12 billion USD, respectively, 20.9% and 0.08% over the same period last year.

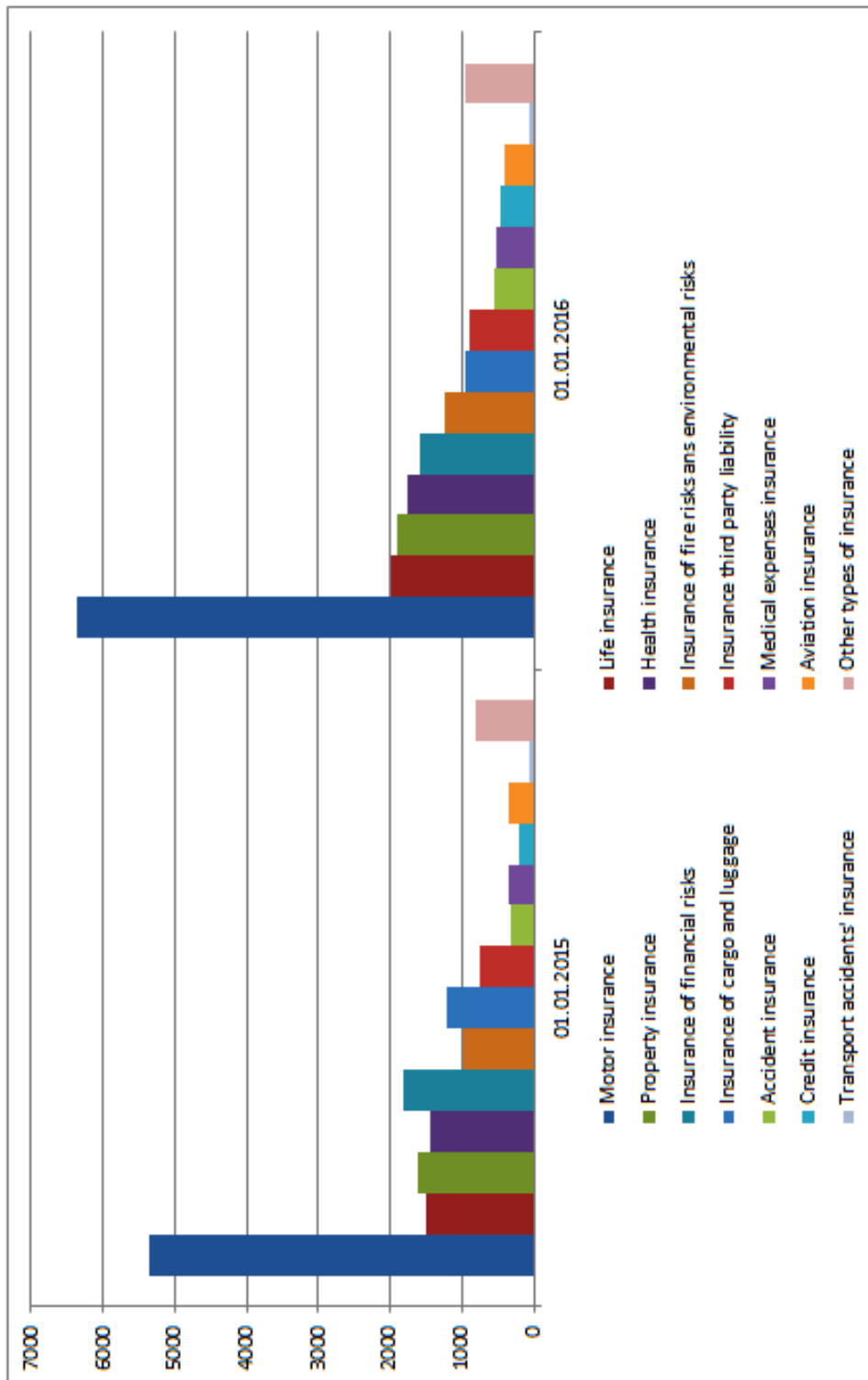
As a result of Natskomfinposluh attempts to improve the reliability of placement of insurance companies' reserves, their structure unbelievably changed. The largest share in reserves of life insurance companies (IC 43) belongs to the government securities (47.3%) - in the reporting period it increased from 2.2 times to 3.5 billion. The share of bank deposits in reserves of life insurance companies (40.4%) decreased from 8.8% to 3.5 billion. Significantly, the share of corporate securities - shares (0.3%) and bonds (1.4%) in the reserves for life insurance - by 93.1% and 69.1% to 20.4 million and 101.3 million UAH accordingly, especially by removing "junk securities". In contrast, the share of claims to reinsurers (2.7%) to 107.7% to UAH 197.1 million [2].

Total assets of insurance companies as for September, the 30, 2016 amounted to 55.4 billion USD. This figure has decreased comparing to the previous year up to 8.6% - whereas it was 60.6 billion USD. Despite the reduction of their quantity, life insurance companies increased their assets - from 9.5 billion to 10.7 billion, or 13.3%. Thus, a characteristic feature of the balance and, furthermore, the assets in the life insurance sector, is that 70% of the assets of insurers are providing life insurance reserves and in almost all companies these assets meet the quality and diversification of established Natskomfinposluh. [2]

Consequently, the current insurance market of Ukraine in its development is characterized by certain disadvantages and some achievements, including the shortcomings of the insurance market include:

- Imperfect system of legal support and state regulation of insurance;
- The absence of domestic market development of insurance service strategy and what it consists of;
- The lack of qualified experts of insurance business;
- A decrease in demand for insurance companies due to the deteriorating financial condition of the population;
- The lack of reliable long-term instruments and safeguards and return of investment;

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Pic. 3. The graphical interpretation of structure of net premiums during 9 months 2015-2016, mln UAH

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- Inability (under the law) to deposit insurance reserves in hard currency, leading to impairment of insurance reserves, due to the instability of the currency;
- The lack of confidence of individuals and entities to the insurance companies;
- The lack of quality and timely statistical information, and the lack of detailed information and analytical materials on the status, and problems of formation of the insurance market of Ukraine.

The positive trends of the insurance market include:

- Strengthening of the insurance market by bringing players who do not meet the solvency and reliability;
- Assets of insurance companies that remain in the insurance market of Ukraine, to meet the quality and diversification of established Natskomfinposluh;
- Improvement of insurance culture among managers and the public.

Ukraine stays far behind in the process of bringing the regulation of insurance activities in line with international standards. As the liberalization shoes, the Ukrainian insurance market is the closest to the national type. In the process of market liberalization, there are lots of stages, leading conservative on the open market. According to this periodization, Ukraine is in the process of limited liberalization nowadays. So, nowadays, the Ukraine's insurance market is under development, so has both definite advantages and numerous disadvantages: growth of the insurance market stay behind the growth of the economy and its part of GDP is insignificant. But the Ukrainian insurance market has huge resources for its development.

Conclusions. The scientific research allows to state that Ukraine's insurance market is an effective means of redistribution of funds that were previously collected for further investment in the development of the economy.

Analysis of the integration processes in the insurance market of Ukraine suggests the insufficient degree of development and the need for further liberalization, designed to facilitate the integration of international financial center.

In Ukraine, as in the global insurance market, there is a process of increasing the capitalization of national insurers merge insurance, banking and industrial capital. Trade liberalization insurance services' entering Ukrainian insurers in foreign markets, but the presence of national insurance capital is negligible to them.

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