

ДРОБЯЗКО

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ОЦІНЮВАННЯ РОЗВИТКУ СТРАХОВОГО РИНКУ ЯК ДЕТЕРМІНАНТИ
ЕКОНОМІЧНОЇ БЕЗПЕКИ ПІДПРИЄМСТВ СФЕРИ СТРАХУВАННЯ ПІД
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розвитку людини "Україна"ASSESSMENT OF THE INSURANCE MARKET DEVELOPMENT AS A
DETERMINANT OF ECONOMIC SECURITY OF INSURANCE SECTOR
ENTERPRISES UNDER THE INFLUENCE OF EXTERNAL AND INTERNAL
THREATS**DROBYAZKO Svitlana Ihorivna** – Candidate of Economic Sciences, Associate Professor, Professor of the department, Open International University of Human Development "Ukraine"

The study of the basic approaches to assessing the level of economic security of enterprises enables to state that each of the methods we have reviewed has certain limitations in the use, and therefore does not allow to fully and precisely determine the existing situation. Indicator and resource-functional approaches to assessing the economic security level have become the most widespread. In this case, assessing the economic security is reduced to the assessment of the quality of enterprises by comparing the value of the indicators calculated for a certain given time with the values of previous moments or critical ones. However, it should be noted that there is currently no single unified approach to defining the limits of economic security indicators. The level of effectiveness of each particular mathematical method (model) is determined by the extent to which the totality of observed phenomena meets the criteria of completeness, compactness, consistency and explicitness. At the same time, this totality is reflected in correlations, which are processed by certain hypotheses. The qualitative analysis of the economic security state of enterprises precedes the quantitative one and consists in the classification of all possible threats to activities, factors that determine them, forecasting possible negative consequences of the implementation of these threats, determining ways to reduce their level.

For a more complete description of the economic security state of enterprises, the quantitative analysis is also required. The results of the quantitative assessment will allow comparing levels of economic security in time and space, analyzing the trend of their changes, quantifying the impact of various factors on the level of economic security and the causal link between the determinants and the level of economic security. However, one needs an appropriate tool in order to assess the level of economic security.

The SWOT analysis of the conditions for the insurance market development made it possible to identify the advantages, opportunities, disadvantages and threats of the market development, which will further influence the use of strengths, prevent the existing problems and develop alternative scenarios for its development. The factors of strengths and weaknesses for SWOT analysis have been selected from the dispersion of the specific impact factors of the method of paired comparison on the basis of the multidimensional scale.

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У статті досліджено розвиток страхового ринку як детермінанти економічної безпеки підприємств сфери страхування під впливом зовнішніх та внутрішніх загроз на основі ситуаційного аналіз – SWOT-аналізу. Метою статті є визначення внутрішніх та зовнішніх загроз умов розвитку страхового ринку в Україні з метою забезпечення економічної безпеки підприємств страхового сектору. Дослідження основних підходів до оцінки рівня економічної безпеки підприємств дозволяє стверджувати, що кожна із розглянутих нами методик має певні обмеження у використанні, а тому не дає можливості повно і точно визначити існуюче становище. Найбільшого поширення набули індикаторний та ресурсно-функціональний підходи до оцінки рівня економічної безпеки.

При цьому, оцінювання економічної безпеки зводиться до оцінки якості діяльності підприємств на основі порівняння значення показників, досягнутих до деякого фіксованого моменту часу зі значеннями попередніх моментів або критичних. Однак необхідно зазначити, що нині відсутній єдиний уніфікований підхід до визначення граничних значень індикаторів економічної безпеки. Рівень ефективності кожного конкретного математичного методу (моделі) визначається тим, наскільки сукупність спостережених явищ, зафіксованої у взаємозв'язках з операціоналізуючими їх відношення гіпотезами, відповідає критеріям повноти, компактності, несуперечливості та експліцитності. Якісний аналіз стану економічної безпеки підприємств передує кількісному і полягає в класифікації всіх можливих загроз діяльності, чинників, що їх зумовлюють, прогнозуванні можливих негативних наслідків реалізації цих загроз, визначенні шляхів зниження їх рівня.

Доведено, що фактори у матриці SWOT-аналізу, обов'язково перевіряють на наявність ефекту синергії (взаємного впливу), внаслідок чого вони можуть бути посилені або ослаблені. Проаналізовані недоліки та переваги застосованої методики. Визначені аспекти сильних та слабких сторін умов розвитку страхового ринку як детермінанти економічної безпеки підприємств.

Keywords: economic security, SWOT analysis, development, insurance market, matrix modeling**Ключові слова:** економічна безпека, SWOT-аналіз, розвиток, страховий ринок, матричне моделювання

INTRODUCTION

Diagnosing the state of economic security is a difficult task. This is due to a number of unresolved issues of a theoretical and conceptual nature, such as ambiguous understanding of the concept of "economic security", the

development of a unified, scientific classification of threats to economic security at the microlevel, the development of clear and complete algorithms for the creation and operation of an economic security system, the basis of which should be the methodology of level assessment, scientific principles and a well-worked mechanism for

managing the state of economic security.

In order to characterize the state of economic security, it is necessary to carry out qualitative and quantitative analysis of it. Timely measures depend on this in order to confront threats and dangers aimed at maintaining the stable functioning of enterprises, ensuring protection of the interests of owners.

THE PURPOSE of the PAPER is to determine the internal and external threats to the conditions of the insurance market development in Ukraine in order to ensure the economic security of the insurance sector enterprises.

RESEARCH METHODS

The methodological and informational basis of the study is professional papers, materials of periodicals, and Internet resources. The situational analysis, namely the *SWOT* analysis has been used.

RESULTS

One of the research tools of economic security is the *SWOT*-analysis [1-3]: *Strengths, Weaknesses, Opportunities, Threats*. The theory and practice have accumulated experience of its application not only to the insurance market, but also to other financial markets. In particular, P.A. Balasanov, using the *SWOT* analysis technology to assess the macro and microenvironment of financial intermediaries in the Ukrainian stock market, formed a coherent picture of its micro and macroenvironment [5-7]. This gives a chance to form a common platform for an effective analysis of financial companies, helping to timely identify threats in order to prevent a crisis, and knowledge of the financial position provides opportunities for the efficient use of their resources.

The *SWOT* matrix makes it possible to draw conclusions about the potential of organization forms of insurance activity and to justify recommendations for strategies for ensuring their development by combining different combinations of strengths and weaknesses, opportunities and threats [8-10]. The process of *SWOT* analysis of organization forms of insurance activity is conducted in such a sequence. Initially, strengths (comparable with market opportunities) and weaknesses (directions for overcoming them) of the organization form are identified, as well as identifying potential threats (development of measures for their neutralization) and opportunities (identifying competitive advantages and forming strategic priorities). The result of the *SWOT* analysis is the correlation matrix of strengths and weaknesses, opportunities and threats of the organization form of insurance activities.

The use of marketing methods in today's market conditions is a key to consolidating their own competitive positions in the insurance market, and today the comprehensive study of existing innovative marketing management methods remains relevant. The study will be able to variously assess marketing activities and formulate more precise and qualitative recommendations for its adjustment.

The *SWOT* analysis of the conditions for the insurance market development enabled to identify the advantages, opportunities, disadvantages and threats of the market development, which will further influence the use of strengths, prevent the existing problems and develop alternative scenarios for its development. The factors of strengths and weaknesses for *SWOT* analysis have been

selected from the dispersion of the specific impact factors of the method of paired comparison on the basis of the multidimensional scale.

The strengths of the insurance market, according to the results of the preliminary analysis, have been determined: financial stability and reliability; wide range of services provided; high level of service; servicing different population groups; informing the population about the activity of the insurance market; increase of insurance premiums; development of new programs; branches and representative offices in other cities; flexible pricing.

The weaknesses of the insurance market of Ukraine are as follows: increase of insurance payments; weak promotion program of services; lack of marketing research; insignificant coverage of the territory; non-operational response to market changes.

The factors that are defined as opportunities of the insurance market are: work with legal entities; cooperation with foreign insurance companies; borrowing the experience of foreign colleagues; charitable work; large number of insured persons; flexible system of discounts and privileges; desire of the population to be protected.

The factors that threaten the insurance market in relation to its development are as follows: admission of foreign insurance companies to the Ukrainian insurance market; general economic crisis; loss of foreign investors; weak legislative regulation; increase in prices for services; lowering the solvency of the population; high tariffs.

The results of *SWOT* analysis of the conditions for the insurance market development are given in Table 1.

The factors that make up the *SWOT* matrix are necessarily checked for the presence of a synergy effect (mutual influence), which can be strengthened or weakened.

The next stage of the analysis is the establishment of links between "strengths" and "weaknesses", "threats" and "opportunities" that can later be used to formulate strategies for the insurance market development. Consideration of only pair factors significantly simplifies the implementation of the method in practice, but somewhat reduces its effectiveness. In addition, factors may be independent (not having a pair factor), which is also sufficiently widespread.

The issue of returning bad debts has become today particularly relevant in the security of insurance business. An important feature in determining the problem of debt is the delay in payment term. Therefore, the study proposes a classification of credit debt by methods of working with them, according to the term of delay. The content of work with problem debts is aimed at non-conflict relations between institutions with debtors and other entities, taking into account the interests of all parties of debt relations. The basis for repaying debts is the rapid release of institutions from the burden of bad debts through active negotiations, compromise solutions, transfer or sale of debts to other entities. The complex nature of the proposals aimed at preserving the interests of the insurance industry in the procedure for the recovery of bad debts will not enable to break the relations between the institution and its clients and will provide better repayment of debts through the application of various methods of work with debt. The accent is transferred from the debtor to the debt, and the result is achieved through the joint work of the debtor and the institution.

Table 1

The *SWOT* matrix of the conditions for the insurance market development as a determinant of economic security of enterprises [author's development]

Opportunities	Threats
desire of the population to be protected; large number of insured persons; cooperation with foreign insurance companies; borrowing the experience of foreign colleagues; work with legal entities; flexible system of discounts and privileges; use the risk reinsurance scheme; extensive network of insurance companies; expansion of the insurer's insurance field depending on the level of financial, economic and organizational support of the activity; provision of insurance services to insurers depending on their level of solvency.	high tariffs; general economic crisis; lowering the solvency of the population; weak legislative regulation; loss of foreign investors; increase in prices for services; monopolization of individual segments of the insurance market; use of schemes of insurance fraud; violation of the terms of insurance contracts for the calculation and payment of insurance indemnity.
Strengths	Weaknesses
flexible pricing; public awareness about the activity of the insurance market; wide range of services provided; increase of insurance premiums; servicing different population groups; development of new programs; available opportunities for capitalization of activities in the financial market; high level of standardization of insurance services.	opacity of the insurer's cash flows for the insured; the main purpose of the insurer's activity is to receive profits; selective approach to insurance of potential risks; lack of marketing research; small coverage of the territory; non-operational response to market changes; increase of insurance payments; weak promotion program of services.

CONCLUSIONS

It is necessary to determine not only factors, namely threats and opportunities, but also to assess them from the standpoint of the importance and level of influence on the insurance market development. The selection of the most influential factors of the environment (opportunities and threats) can be made using the J. Wilson matrix, which shows the correlation between the probability of intensification and the power of influence of the factor.

Despite the obvious advantages, the given method has significant limitations that need to be taken into account in its practical application: "opportunities" can become "threats" and vice versa; the analysis is based on the use of information, which is usually obtained expertly, hence it has significant errors and certain subjectivity; during the analysis, only those factors are selected that are directly related to the insurance market and are essential etc.

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