

TRENDS IN THE DEVELOPMENT OF INSURANCE COMPANIES IN THE SECURITIES MARKET IN UKRAINE AND IN THE WORLD

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Companies from life-insurance are important participants in the financial market, which ensure the attraction and accumulation of investment resources as a significant source of financing the country's economic growth. The market of insurance services is closely linked to the capital and securities market. Investment activity plays a significant role in improving the efficiency of functioning of any financial institute.

A ponderable contribution to research of the functioning and regulation of the insurance market of Ukraine made such figures as Borisov V. A., Gudz O. E., Gutko L. M., Demyanenko M. Ya., Mkhin M. V., Okhrimenko O. O., Vasylenko A. V., Gamankova O. O., Tkachenko N. V., Furman V. M., Zaruba O. D., Yermoshenko A. M., Mnykh M. V., Osadets S. S., Bazilevich V. D., Vnukova N. M., Alexandrova M. M., Tereshchenko O. O., Gorbach L. M. and a number of other researchers. The effectiveness of insurance companies in the securities market is reflected in the works of famous foreign scholars such as G. Alexander, J. Butler, L. Bevere, J. Bilhopt, D. Bland, K. Burrow, L. Geratevol, W. Heilman, J. Dixon, T. Copeland, G. Levy, A. Manes, R. Mayor, R. Merkin, A. Monty, J. Orini, H. Skipper, D. Farney, D. Hampton, W. Sharpe and others.

Investment activity is an important component of operations carried out by insurance companies. Without income from securities transactions, most Western insurers would not be able to meet their obligations to customers. Insurance companies form their investment portfolio from government securities that ensure the reliability of investments and liquidity, ie the ability to sell them at any time with minimal losses, as well as from corporate stocks and bonds, which bring the bulk of income from the placement of funds [1, 5].

On the modern stage of development domestic insurers do not examine investment activity as a basic source of profit that is reflected in not high results from the placement of assets: profitability of investments has long time remained below rate

of inflation. Therefore a question of forming of investment politics of insurance organizations of modern Ukraine is actual.

At present, the Anglo-Saxon financial system is based on the securities market and focuses on financing companies through the issuance of securities. In the United States, institutional investors not only channeled funds into the securities market, but were also centers of corporate bond market development. The total investment currently managed by insurance companies in Europe, Japan and the United States is several trillion dollars.

In the UK, the assets of insurance companies have increased so much in recent decades that their total value has become equal to the size of GDP. These funds were invested in the development of the stock market, which is one of the most liquid and complex financial centers in the world. In other countries of continental Europe, investment policy remains more focused on government bonds [2].

Investment opportunities of Ukrainian insurers in the securities market today are underused. The right of insurance companies to invest funds is enshrined in the Laws of Ukraine «On Insurance» and «On Investment Activity». But there is currently an unstable investment climate. The lack of development of fund market is explained by low economic development of country, political and economic instability, corruption in the public organs of power, by absence at greater part of population of country of free money, high level of mistrust to financial institutions etc [3].

Examining the peculiarities of investment activities of insurance companies in developed countries, we can point out that they play a very active role in the functioning of the securities market and capital market. To some extent, this was due to the fact that in these countries insurance companies were historically less limit rules in relation to adjusting of directions of investing of money.

Prerequisites for positive changes in the insurance market and increase the investment activity of insurers are to expand the base of elements for the placement of insurance reserves, reduce the share of non-emission securities, increase the share of market securities, change limits on corporate securities and shares.

Comparing the structure of assets accepted to cover insurance reserves of insurers, we can draw the following conclusion: the main share in the assets of Ukrainian insurers are cash and the share of reinsurers in reserves. While foreigners invest in bonds and stocks, thereby providing an inflow of investment resources into the economy and earning investment income for policyholders.

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