



МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
СУМСЬКИЙ ДЕРЖАВНИЙ УНІВЕРСИТЕТ
КАФЕДРА ІНОЗЕМНИХ МОВ
ЛІНГВІСТИЧНИЙ НАВЧАЛЬНО-МЕТОДИЧНИЙ ЦЕНТР

МАТЕРІАЛИ

XIV ВСЕУКРАЇНСЬКОЇ НАУКОВО-ПРАКТИЧНОЇ КОНФЕРЕНЦІЇ СТУДЕНТІВ, АСПІРАНТАВ ТА ВИКЛАДАЧІВ ЛІНГВІСТИЧНОГО НАВЧАЛЬНО-МЕТОДИЧНОГО ЦЕНТРУ КАФЕДРИ ІНОЗЕМНИХ МОВ

«TO MAKE THE WORLD SMARTER AND SAFER»

26 березня 2020 року



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(вул. Римського-Корсакова, 2, м. Суми, Сумська обл., 40007)

Суми
2020

SECTION 2 ECOLOGY, LAW AND ECONOMICS

CURRENT STATUS AND TENDENCIES OF INSURANCE COMPANIES INVESTMENT ACTIVITY DEVELOPMENT

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Today, insurance is very important for society, as it is a remedy that minimizes the negative impact of various adverse events in public life and takes preventative measures or the complete elimination of undesirable consequences of these risks. In addition, insurance companies play a significant role in the inflow of investments into the national economy, because they have attracted financial resources as insurance contributions for a long time. This can be a source of investment under certain conditions [1].

The investment activity of business entities is important for the development of any country's economy. So insurance companies are one of the largest institutional investors in market economies. Specialized non-bank financial institutions, including insurance companies, accumulate significant financial resources of the population and economic entities over a long period, which allows them to make long-term investments. The insurer's investment policy must be designed to guarantee maximum investment reliability and return, while maintaining liquidity through the diversification of assets. Thus, in 2018, the total assets of the EU insurance industry amounted to 7.7 trillion \$US or about 51% of the total financial assets of non-bank financial institutions.

An interesting trend is the change in the amount of insurance premiums in the whole world in 2008-2018.

Over the last ten years, the total amount of insurance premiums around the world has been steadily increasing, which testifies to the development of the insurance industry in the world. Europe has the highest share of insurance premiums, with North America historically ranked second, characterized by a steady increase in premiums. The same trend is typical for Asian countries, where in 2008-2018 the amount of insurance premiums almost doubled.

Comparing an estimate of the ratio of insurance premiums with GDP in Europe, we can say that the most developed insurance market is in France, where the amount of insurance premiums in 2018 exceeded the country's GDP by 5.9%. The UK possesses the second place in Europe, where the amount of insurance premiums accounted for 85.7% of the country's GDP. Ukraine is now an outsider in this indicator, since the above mentioned ratio has not exceeded even 3% of GDP in recent years, which indicates a weak development of the insurance business in Ukraine [2].

France is the undisputed leader among European countries in terms of investment portfolio size, and the amount of such portfolio of French insurance companies is constantly growing. Great Britain is in the second place, Germany - third, and Italy fourth, respectively. All of these countries are characterized by an increase in the amount of the investment portfolio, like in the whole Europe.

It is worth noting that, based on the analysis of insurance companies investment portfolio structure in Europe and Ukraine in 2018, it was revealed that among the directions of investing European companies the most demanded are corporate bonds (44.04%), and in Ukrainian – bank deposits and government securities of paper (42.61% and 26.64% respectively). This means that the sources of investment of insurance reserves become more conservative every year, that is, the main purpose of investing them for an insurance company is to save money from inflation. Investing is quite risky, because the value and return on

investment can change under the influence of many types of risks – inflation, currency, interest rate, credit, political, etc. [3].

Therefore, it should be emphasized that nowadays the issue of improving the approaches to state regulation and supervision in accordance with European practice (adaptation of the requirements of the EU Solvency II Directive), macroeconomic stabilization and increasing the standard of living of the population are urgent today , creation of conditions for intensification of investment activity of insurers, studying and introduction of world experience are urgent to significantly improve the place of Ukraine among European countries in terms of investment activity.

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