

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

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**FORMATION OF AN INSURANCE MARKET SECURITY STRATEGY****ФОРМУВАННЯ СТРАТЕГІЇ ЗАБЕЗПЕЧЕННЯ БЕЗПЕКИ СТРАХОВОГО РИНКУ**

**Urgency of the research.** The insurance market security is a necessary condition for the state's economic growth and an important factor of qualitative changes in Ukraine's economy, its active integration and interaction with the world economic space.

**Target setting.** Ensuring the the insurance market security requires a holistic approach that will facilitate development and implementation of strategic imperative of insurance market security development.

**Actual scientific researches and issues analysis.** Theoretical and applied aspects of insurance market security ensuring are studied in the works of such scholars as: O. Baranovskyi, O. Derkach, A. Yermoshenko, V. Marhasova, S. Onyshko, N. Tkachenko

**Uninvestigated parts of general matters defining.** Currently there is no strategy to ensure insurance market security and the tool base for its implementation, as a result of which its balanced performance is slowed down.

**The research objective.** The development of scientific views on the formation of insurance market security strategy under modern conditions.

**The statement of basic materials.** The author covered the issues of dialectical interrelation between the components of the strategy and highlighted the importance of the embedded strategy of insurance market security ensuring in the state's strategic course to provide economic security. With the purpose of a detailed presentation of the formation of the insurance market security ensuring strategy, an algorithm is presented for the formation and implementation of insurance market security ensuring strategy.

**Conclusions.** Proposed approaches to the formation of the insurance solution safety ensuring strategy will allow for an informed strategy choice, which is especially important in the context of economic, social and political instability of the insurance market.

**Keywords:** insurance market; system; insurance market security; state regulation of insurance market security, forecasting; programming.

**Актуальність теми дослідження.** Безпека страхового ринку є необхідною умовою економічного зростання держави та важливим фактором якісних змін в економіці України, її активної інтеграції та взаємодії зі світовим економічним простором.

**Постановка проблеми.** Забезпечення безпеки страхового ринку потребує цілісного підходу, що сприятиме розробці та реалізації стратегічних імперативів безпечного розвитку страхового ринку.

**Аналіз останніх досліджень і публікацій.** Теоретичні та прикладні аспекти забезпечення безпеки страхового ринку досліджено в працях таких учених як: О. Барановський, О. Деркач, А. Єрмошенко, В. Маргасова, С. Онишко Н. Ткаченко та інших.

**Виділення недосліджених частин загальної проблеми.** Насьогодні не існує стратегії забезпечення безпеки страхового ринку та інструментальної бази для її реалізації, внаслідок чого уповільнюється його збалансоване відтворення.

**Постановка завдання.** Розвиток наукових поглядів щодо формування стратегії забезпечення безпеки страхового ринку в сучасних умовах.

**Виклад основного матеріалу.** Автором висвітлено питання діалектичного взаємозв'язку між компонентами стратегування та наголошено на важливості вбудованості стратегії забезпечення безпеки страхового ринку в стратегічний курс держави щодо забезпечення економічної безпеки. З метою розгорнутого представлення формування стратегії забезпечення безпеки страхового ринку наведено алгоритм формування та реалізації стратегії забезпечення безпеки страхового ринку.

**Висновки.** Запропоновані підходи до формування стратегії забезпечення безпеки страхового рішення дозволять здійснити обґрунтований вибір стратегії, що особливо важливо в умовах економічної, соціальної та політичної нестабільності функціонування страхового ринку.

**Ключові слова:** страховий ринок; система; безпека страхового ринку; державне регулювання безпеки страхового ринку; прогнозування; програмування.

**Urgency of the research.** Under conditions of cardinal historical and globalization changes, the implementation of an effective state policy on the insurance market development is achieved through the development of a system for ensuring its security, modeling and forecasting the prospects for functioning, scientific understanding of systemic transformations in the state actualizing the need to reform the country's financial system. An important generalizing result of the insurance market security system that allows to increase the level of validity of the long-term tasks of its upward development is the construction of a strategy to ensure insurance market security based on the assessment of trends in the priority indicators, depending on the degree of influence of external and internal factors on their operation effectiveness.

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**Actual scientific researches and issues analysis.** Theoretical and applied aspects of insurance market security ensuring are studied in the works of such scholars as: L. Alekseienco, I. Babets, V. Baranova, O. Baranovskiyi, A. Bozhenko, O. Hamankova, O. Derkach, A. Yermoshenko, M. Yermoshenko, O. Zhabynets, A. Kyrychenko, O. Kravchenko, V. Marhasova, S. Onyshko, N. Nahaichuk, O. Ruban, N. Tkachenko, T. Yavorska. Noting the importance of the scientific heritage of scholars, which is essential in the development of modern theoretical concepts of insurance market security, it should be noted that this issue remains relevant and requires further research.

**The objective of** the article is to generalize and deepen scientific views on the formation of the insurance market security strategy under modern conditions.

**The statement of basic materials.** The insurance market security ensuring strategy represents the main directions and activities of the insurance market entities aimed at identifying threats, forming an action plan for their prevention, neutralization or elimination of consequences. Including: 1) assessing the security level and the insurance market state; 2) developing options for strategic decisions and choosing the best one; 3) organization and motivation for implementation; 4) control and regulation. The insurance market security ensuring strategy should provide for the development and enhancement of internal and external capacity.

Understanding the dialectical relationship between the strategy components makes it possible to explain the content of the strategy for insurance market security ensuring and to identify the prospects for its implementation in practice.

The object of this strategy is the insurance market. The initial task of strategic planning is the correct construction of a "strategic space", since the strategy requires embeddedness in the economic relations system from its object. The totality of all strategy structures available for the activity of an object can be treated as a system of elements of strategic space with which it needs to interact, herewith each such participant takes its strategic position and may have and has its own strategy.

The subject of the strategy can be only those individuals or legal entities that have their own strategic position, strategic management, resources for strategic actions. The result of implementing the insurance market security ensuring its development trajectory, the basis for monitoring achievements, the foundation of synergies, and the starting point for the upward development of the domestic insurance market.

With the purpose of a detailed presentation of the formation of insurance market security ensuring strategy, we have developed a step-by-step algorithm (Fig. 1). The structure of any strategy should be considered in terms of form and content. By the form "strategy" is a management document, and in terms of content, it is a model of actions, a system toolkit for achieving the set goals.

The development of any strategy, including the insurance market security ensuring, strategy is based on the use of two main approaches: intuitive and consistently rational. The first relies on intuition, the second, consistently rational one, is the template of strategy description and requires a certain internal structure. Intuitive strategy involves management decisions based on generally accepted positions and personal judgments, and not on qualitatively quantitative assessments. This approach carries the risk of making erroneous strategic decisions to manage complex systems. We note that with any approach, the strategy content and form must be adequate to each other, since there is a dialectical connection between them.

In this context, it is worth noting that the solution of the stated goals and objectives by this strategy is possible only if it meets the following requirements:

- Integration of the strategy to ensure the safety of the insurance market in the strategic course of the state to ensure economic security;
- Elements of the insurance market's security policy should function on the basis of interconnection, a common goal and logic, be aimed at achieving unified targets that meet the interests of the participants in the insurance market;
- The continuity of the process of adjusting the developed strategy and management tools improving;
- Development of mechanisms, programs of unified mechanisms to counter threats to the insurance market security;

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- The strategy should be realistic and correspond to the actual and future insurance market characteristics, as well as the available opportunities for its implementation.

Graphical representation of the algorithm for the formation and implementation of the insurance market security strategy is shown in Fig. 1, allowing to trace the logic of interaction and the features of the components of this strategy.

The substantive content of the insurance market security ensuring strategy takes place through the established sequence of filling the required forms. The prerequisite for structuring the insurance market security ensuring strategy is the formation of a goal tree, that is, the decomposition of the overall strategic objective into interrelated sub goals and tasks. Goals are placed before the managed system as a whole, in front of its strategic subsystems, as well as in front of specific performers. They must relate to the mission of the strategy object and meet the principles of goal-setting: concreteness, attainability, measurability, and timelines. In the process of goal setting, a hierarchy of goals is formed, in which the final and intermediate goals are determined, as well as their subordination. The formation of targets is realized through elements of strategic planning: analysis of the insurance market and its development trends; Justification of the goal of building a strategy as the main direction of management activity; tasks determination; alignment of the main goal and tasks with their implementation mechanism.

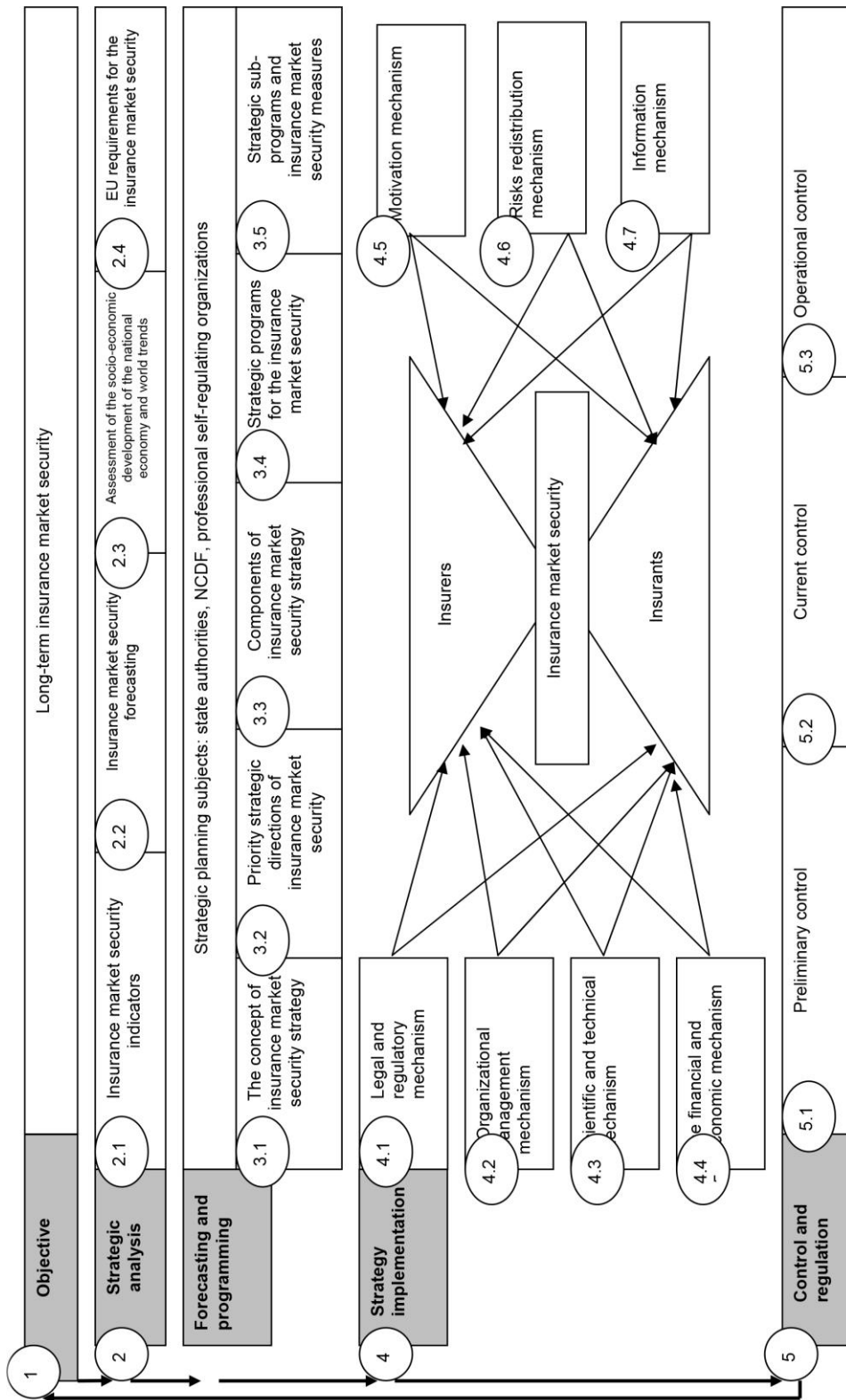
- conducting strategic analysis creates the basis for solving the following issues:
- calculation of the insurance market state indicators and its environment;
- system analysis of the collected information array on the level of insurance market security and the parameters that determine it;
- negative and positive trends in socio-economic development are established and forecasts are being developed;
- recommendations on strategic directions for the insurance market ensuring are developed and justified.

Strategic analysis realizes a complex system for identifying the parameters of the emergence and transformation of negative impacts, their analytical assessment, the establishment of cause-effect relationships between the sources of the emergence of destructive factors and components of threats to the insurance market security. Thus, the base is formed not only to predict possible negative impacts, but also to justify management decisions on the choice of strategies for neutralizing them.

An essential and necessary component of the insurance market security strategy is forecasting and programming development, that serve as a tool for minimizing uncertainty. The main task of forecasting is to display a complete picture of the insurance market, build a quantitative safety-level trajectory, assess the sufficiency of counter means to threats and identify points of management impact, provide information support for planning and justifying strategic decisions. Forecasting is an indispensable condition for programming, it involves the development of specific program documents with subsequent detailed elaboration in subprograms and activities that contain forecasts, intermediate and final targets, tasks, implementation and coordination mechanisms.

Traditionally, the principles of programming the development of a complex system include system and complexity. Moreover, with programming principles of the insurance market security, we consider it appropriate to include adaptability, balance of interests, hierarchy, effectiveness, target certainty. These principles can be supplemented by the following: ensuring the full implementation of the potential opportunities of the insurance market; Flexible response to future changes to maximize the effectiveness of management actions. At the same time, we propose to consider the programming of insurance market security as a priority function of managing the insurance market development, implemented through programmatic and analytical activities.

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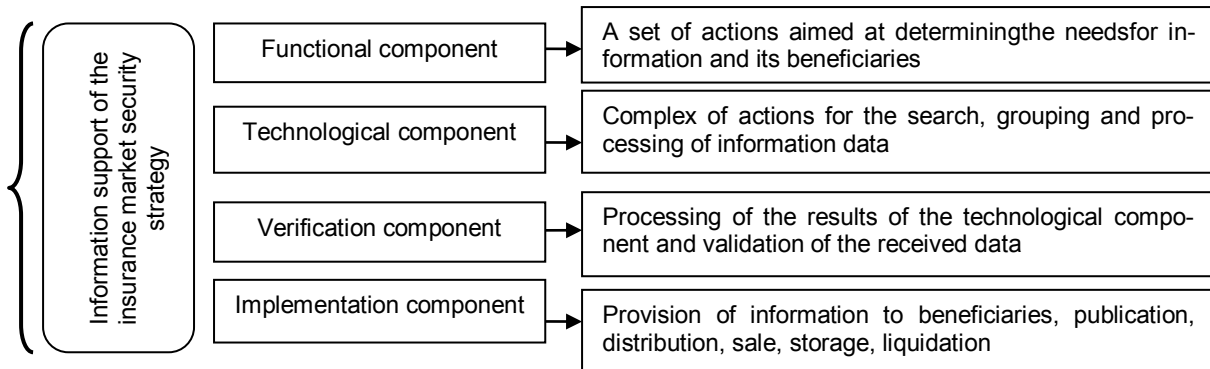


**Fig. 1. Algorithm for the formation and implementation of the insurance market security ensuring strategy**  
Source: developed by the author

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It should be noted that qualitative programming and forecasting of insurance market security is impossible without the formation of reliable information support on the basis of advanced technologies for the search, collection, storage, processing, provision and dissemination of information. Under the informational provision of the insurance market security strategy, we mean the totality of the processes performed to obtain and use information resources by the subjects of this strategy to implement their targets. The theoretical design of information support for the developed strategy is presented in Fig. 2.

Under the mechanisms for implementing the strategy to ensure the security of the insurance market, we mean a set of methods and levers that provide counteraction to threats. Among the basic elements of the implementation of the insurance market security strategy are: regulatory, organizational, managerial, scientific and technical, financial and economic, motivational, information mechanisms, as well as a mechanism for redistributing risks. The interaction of the above-mentioned mechanisms for implementing the insurance market security strategy involves the prevention of duplication of functions, the correlation with threats to the insurance market security and the concentration of the impact force on preventing the influence of any destructive factor, and the continuous improvement of preventive tools to build the management capacity of safe development of the insurance market.



**Fig. 2. Four-component model of formation of an information resource for insurance market security ensuring strategy**

Source: developed by the author

At the last stage, the insurance market security strategy is monitored and edited for efficiency (or ineffectiveness), which is determined by the synergetic effect of qualitative and quantitative factors in the format of insurance market security parameters and upstream development potential. Achievement of the set targets is possible provided that a strategy for insurance market security ensuring is developed and implemented in practice on the relevant sections (Tab. 1).

The efficiency and effectiveness of the developed insurance market security ensuring strategy can be assessed from the position of achieving the set goals and obtaining on this basis economic effects for the financial system as a whole and in the part of the insurance market (Fig. 3). The algorithm of ensuring effective insurance market security strategy according to the developed approach is proposed to be built on the basis of the procedure for assessing the security level of the insurance market, taking into account the management impact and environmental factors. In order to ensure the effectiveness of this process, it is advisable to apply the scenario approach, which involves considering several alternative options for the possible development of the situation, considering the baseline scenarios.



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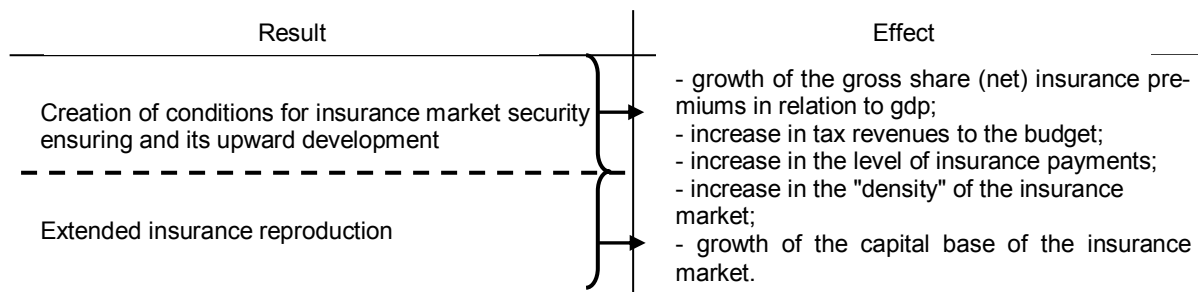
Table 1

**Components of Ukraine`s insurance market security ensuring strategy**

Sections	The content of tasks and activities in accordance with the Concept of Insurance Market Security
Substantiation	substantiation of the need to develop the insurance market security ensuring strategy, the main goal, place, role in implementing the strategy for ensuring financial (economic, national) security of the state are defined and the feasibility of creating an information and methodology platform for clarifying the content of this doctrinal document in the context of ensuring the state security is determined
Goals and objectives	the key goals and objectives of the insurance market security policy, alignment with goals and objectives of the state`s economic security ensuring strategy and the insurance market development condition (security, critical safety, hazards)
Long-term trends in the development of the insurance market	description of the insurance market development scenario in the long term; diagnostics and ranking of threats to the insurance market security and the financial system as a whole; determination of strategic dominants of the insurance market security strategy; determination of threshold values of the insurance market safety level
Strategy Choice	the content of the strategy in accordance with the insurance market development stage: a) security; b) critical safety; c) in danger; determining the time frame for the strategy implementation; the formation of a program for the strategy implementation; choice of means and resources for implementing the insurance market security strategy
Competences of the state on counteraction to threats of insurance market security	the identified ones are: the main strategic economic guidance; identification of the strategy implementation stages; improvement of the regulatory environment; substantiation of instructive and methodological documentation aimed at implementing the chosen strategy; distribution of competencies and interaction of subjects to ensure the insurance market security; coordination of activities in the areas of strategy implementation, including reforms
Monitoring of insurance market security strategy effectiveness	current diagnostics of the implementation efficiency of insurance market security development ensuring strategy in accordance with certain characterizing indicators; current adjustment of the selected strategy. the role of the concept in solving problems in the sphere of insurance market security is justified, the expediency of adjusting the toolkit of methods for compiling state programs is proved
Control of the insurance market security ensuring strategy implementation, insurance market security ensuring, target indicators of the strategy implementation effectiveness	Basic principles and comprehensive characterizing tools for assessing insurance market security, determining the effectiveness of the implementation of the insurance market security ensuring strategy. The appendices contain specific targets for the implementation of the insurance market security strategy and a comparative analytical performance with the planned values.

*Source: developed and substantiated by the author*

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**Fig. 3. Results and long-term effects of the insurance market security strategy implementation**

Source: developed by the author

**Conclusions.** The use of the proposed approach to the development and adoption of strategic decisions on the choice of scenarios for the safe development of the insurance market will strengthen the foundation for its upward development. The choice of the strategy is justified, which is especially important under the conditions of economic, social and political instability of the insurance market functioning state, since primary decisions make stronger influence than the subsequent ones. Therefore, the insurance market security ensuring strategy should be developed for a long-term period and take into account a wide range of influence factors.

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