

Current trends in the formation and development of insurance marketing in Ukraine

Tetiana V. Kniazieva¹ | Anna V. Shevchenko² |
Anna V. Shevchenko² | Oleg M. Yaroshenko³ |
Mykola I. Inshyn⁴ | Oleksandr A. Yakovlyev⁵

¹Department of International Economics, Faculty of Economics and Business Administration, National Aviation University, Kyiv, Ukraine

²Department of Marketing, Faculty of Economics and Business Administration, National Aviation University, Kyiv, Ukraine

³Department of Labor Law, Yaroslav Mudryi National Law University, Kharkiv, Ukraine

⁴Department of Labor and Social Security Law, Taras Shevchenko National University of Kyiv, Kyiv, Ukraine

⁵Department of Labor Law, Yaroslav Mudryi National Law University, Kharkiv, Ukraine

Correspondence

Tetiana V. Kniazieva, Department of International Economics, Faculty of Economics and Business Administration, National Aviation University, 1 Lubomyr Husar Ave., 03058 Kyiv, Ukraine.
Email: kniazieva8025@sci-univ.com

Abstract

The relevance of the article due to the fact that the insurance industry of Ukraine at the present stage is developing in the global financial, economic and CORONA crisis, which deepens a number of unresolved problems: increases the risk of insurance companies, reduces demand for insurance products; distrust of insurance on the part of potential insurers has increased, increasing competition between insurers for the sphere of influence and customers. The purpose of the articles is to prepare theoretical foundations and develop practical recommendations for the introduction and improvement of the use of modern insurance management in the activities of Ukrainian insurers. The result of this studying is deepening and improvement of modern theory in insurance marketing, and development of practical recommendations for improving the efficiency and competitiveness of Ukrainian insurers.

1 | INTRODUCTION

Insurance marketing is a relatively new philosophy in the insurance business. In world practice, there are four stages of formation and development of insurance marketing, in particular, these are: origin (early 60's of the twentieth century), formation (mid 80's of the twentieth century), development (early 90's of the twentieth century), improvement (late 90s of the twentieth century) (World insurance: riding out the 2020 pandemic storm, 2020). Today, Ukraine is in its third stage of insurance marketing development, which began in 2000. It was due to a significant increase in competition between Ukrainian insurers. The scientific work (Zwier, 2021) proposed a dualistic approach to defining the essence of insurance marketing, which “organically combines two interrelated goals. It is, on the one hand, a tool of competition, and on the other hand—a means of adapting production to consumer needs. Therefore, insurance marketing can be interpreted as a means of competition, taking into account all needs.”

Ukrainian researchers (Miloshevych & Pashkova, 2019; Tsytko et al., 2019) proposed to interpret insurance marketing on the basis of defining the functions and mechanisms of formation of the insurance product and the provision of insurance services by the insurance company. “The complex of insurance marketing, as well as marketing in general, includes:

1. Conducting marketing research, segmentation and positioning on their results.
2. Development of new or adaptation of existing insurance products (services) taking into account market requirements.
3. Formation of competitive prices (tariffs) for insurance products.
4. Formation of an effective system of sales (distribution) of insurance products, management of this system.
5. Implementation of measures to promote insurance products.”

Insurance marketing is defined as a set of integrated actions carried out by the insurer and aimed at the formation of insurance services in terms of market and national economy (Deloitte, 2020). A comprehensive approach to identifying the essence of insurance marketing has been proposed by foreign scholars (Shih et al., 2019): “Marketing in insurance is a policy of insurer, which aims to replace part of the purchasing power of society in the effective search for offers of insurance services for a specific purpose and maximum socio-economic benefits for the insurer and the insured through rational management, design and production and construction of insurance services with preliminary market research, situation assessment and sales opportunities.”

Thus, in Ukrainian and foreign scientific works (Yaroshenko et al., 2018; Yaroshenko et al., 2020), the definition of the essence of the concept of “insurance marketing” is based on the following approaches: as a system of interaction between the insurer and the insured, which is aimed at mutual consideration of their interests; as activities for the sale and promotion of insurance services from insurer to insured; as a component of the management of the insurance company, which aims to meet the potential demand for the insurance product; as a means of competition through a detailed market analysis and taking into account the needs of the insured; as a set of actions aimed at maximizing the insurer's profit by taking full account of the needs of policyholders.

Also noteworthy is the approach to identifying the essence of insurance marketing through the definition of its functions. It is through in-depth study of the functions of insurance

marketing that a more accurate definition of its conceptual meaning is possible. Theoretical analysis and generalization of scientific work on determining the functional purpose of insurance marketing (Kostyuchenko et al., 2019; Onopriienko & Volkova, 2019) allowed to distinguish its main functions (Table 1).

Insurance is known to perform a social function, such as: protection of victims of accidents on roads, compulsory civil liability insurance of vehicle owners, professional insurance responsibilities and others. The implementation of the social function of insurance marketing is especially relevant in today's difficult conditions for the population of Ukraine and is embodied in the development and implementation of an insurance product that protects the life, health, and well-being of the population.

Ukrainian insurers have a need to implement innovative developments and technologies in insurance activities, which provides "automation and optimization of processes of interaction with customers, the use of the Internet as a new promising sales channel (online insurance system); use of modern technologies of mass sale of insurance products and ensuring automation of the process of accounting for insurance cases" (Zaburmekha, 2014). Thus, modern insurance marketing has an innovative function. Without the introduction of modern technologies and methods in marketing research, the creation of the latest insurance product, which is adequate to the needs and realities of life, the national insurance business will not be able to effectively develop and be competitive.

TABLE 1 Basis functions of insurance marketing

Name of the function	Ways to implement them
Insurance marketing investigation	<ul style="list-style-type: none"> - Analysis of quantitative and qualitative parameters of the market and its forecast - Market segmentation analysis - Diagnostics of market risk
Insurance product research	<ul style="list-style-type: none"> - Study of the presence of a potential insured - Informing the insured about the benefits of the insurance product
Formation of demand for insurance service	<ul style="list-style-type: none"> - Use of advertisement - Tariff differentiation - Combination of insurances services with other types of legal or trade services
Study of motivation of a potential insured	<ul style="list-style-type: none"> - Use of special testing system, questionnaires, surveys
Satisfaction of insurance interest	<ul style="list-style-type: none"> - Introduction of high-level insurance culture - Improvement of insurer's image - Flexible tariff policy
Analysis of forms and channels of insurance product promotion	<ul style="list-style-type: none"> - Optimal use of insured and noninsured intermediaries - Use of innovation technologies
Study of competitors and competition in the market	<ul style="list-style-type: none"> - Identification of strong weak sides of competitors - Preparation of special information file of competitor: financial indicators, tariffs, services, specialties of management

Source: summarized and compiled by authors.

Summarizing, we propose to interpret insurance marketing as a comprehensive, integrated tool for analysis, conquest, retention and satisfaction of the needs of a certain segment of the insurance market and potential client-insurer. The work uses methods: dialectical, historical, and logical, to substantiate the theoretical provisions of the work; method of scientific abstraction of objects and processes, to clarify the conceptual apparatus of insurance marketing; quantitative and qualitative analysis, sampling and comparison, to assess the dynamics of the insurance market; extrapolations, when projecting foreign experience on Ukrainian practice. The work is written on the basis of Ukrainian and foreign scientific publications, statistics on the development of the insurance market in Ukraine, Poland, France, Germany, and some other leading countries. Materials on the impact of the CORONA crisis on the insurance industry in Ukraine and Europe were also used.

2 | IMPLEMENTATION OF NEW INSURANCE MARKETING INSTRUMENTS IN THE UKRAINIAN INSURANCE MARKET

Important for the assessment of current trends in the formation and development of insurance marketing are the principles on which marketers rely in their activities. In the work of a Ukrainian researchers (Fesenko & Yaremchenko, 2019) it is stated that “practical marketing of an insurer should be based on the following basic principles: deep and comprehensive study of the state of market and competition in the insurance market, consumer requirements; flexible response to requests from policyholders; influence on the formation of consumer demand in the interests of production; implementation of innovations.”

Based on the principles of practical insurance marketing, it is logical to set before the marketing department the following main tasks: ensuring the required level of profitability of the insurer; ensuring the competitiveness of the company; promoting a permanent positive image of the insurer; maximum satisfaction of the insured's demand for quality insurance service; creating conditions for effective cooperation between the insurer, insurance and noninsurance intermediaries; solving a set of commercial and organizational problems of the insurance company. The tasks of insurance marketing, in turn, determine the marketing strategy of the insurance company, which is most adequate to exogenous and endogenous factors influencing the activities of the insurer. The scheme of the logical relationship between the principles of insurance marketing, the tasks and the chosen marketing strategy is presented in Figure 1.

Marketing strategy is a complex concept and includes product strategy, pricing strategy, sales strategy and promotion. The effectiveness of insurance marketing depends on how the



FIGURE 1 The logical relationships between principles, objectives and marketing strategy for the insurer. *Source:* compiled by authors

insurer's marketing strategy is balanced in terms of the relationship and interdependence between its constituent elements. Signs of the optimal marketing strategy of the insurance company are the amount of profit or financial result, the company's image in the market, the constant demand for insurance services when using the full range of marketing tools. In the scientific literature (Born & Bujakowski, 2021) much attention is paid to the classification of marketing instruments, but significant changes in the political and economic situation in Ukraine, the emergence of new, little-studied risks require revision of theoretical and practical aspects of these tools. We propose to identify the tools of marketing strategy by its constituent elements (Table 2).

The main marketing strategy is product strategy, one of the instruments of which is a comprehensive, thorough analysis of the insurance market. The main indicators of the Ukrainian insurance market are presented in Table 3.

Crisis phenomena in the economy of Ukraine, CORONA-crisis have had a significant negative impact on the development of the national insurance market. The modern insurance sector of Ukraine's economy needs deep reform. As of the end of 2019, 48 companies were removed from the state register of insurers. At the same time, the analysis of the main indicators of market development (2018–2019) shows its structural and segmental deformation: the life insurance sector in the market structure occupies only 10.6%. The effective development of the life insurance market is hampered by the difficult demographic situation in the country, low incomes and purchasing power of the majority of the population, socio-psychological factors, still underdeveloped insurance culture and more.

One of the main negative factors that hinders the effective development of the Ukrainian insurance market is the inversion type of its formation, which is based on inert market reform and is the use of shadow schemes in insurance and reinsurance, distortion of supply and demand. Therefore, today the product strategy of domestic insurers provides for the need for a comprehensive analysis of the dynamics of key market indicators, its geographical and segmental prospects, the study of the competitive environment. "Thus, the selection of optimal methods for modeling and forecasting the main indicators of the market of insurance services, its structure will identify and solve its current problems and propose adequate measures to overcome the crisis" (Mamonova & Pozdniakova, 2019).

TABLE 2 Instruments of the marketing strategy

Elements of strategy marketing	Names of instruments
Product strategy	<ul style="list-style-type: none"> – Analysis of insurance services' market – Marker segmentation – Analysis of competitor market – Production and implementation of innovative insurance product
Price strategy	<ul style="list-style-type: none"> – Formation of a competitive price or the insurance product (flexible tariff, discounts, bonuses, promotions).
Sales and promotion strategy	<ul style="list-style-type: none"> – Use of the office method – Use of insurance and noninsurance intermediaries – Use of the internet and innovation technologies – Use of advertisement and PR-technologies – Training and advanced training of employees

Source: compiled by authors.

TABLE 3 The main indicators of the Ukrainian insurance market, from 2018 to 2019

<i>Number of insures companies</i>		<i>As of 31.12.2018</i>		<i>As of 31.12.2019</i>		<i>Increase</i>	
Number							
Total, including:		281	233			-48	
Nonlife		251	210			-41	
Life		30	23			-7	
<i>Gross premiums written by type of insurance (millions, UAH)</i>							
Types of insurance	Volumes	Structure (%)			Growth rates (%)		
		Gross	Clear	Gross	Clear	Gross	Clear
		2018	2019	2018	2019	2018	2019
Life insurance		3906.1	4624.0	3906.1	4624.0	7.9	11.3
Type of insurance different from life insurance		45,461.4	48,377.2	30,518.2	34,962.0	92.1	91.3
<i>Payment of insurance by type of insurance (millions, UAH)</i>							
Life insurance		704.9	575.9	704.9	575.9	5.5	4.0
Type of insurance different from life insurance		12,158.5	13,762.4	11,727.7	13,464.6	94.5	96.0
						94.3	95.9
						88.7	88.3
						11.3	11.7
						18.4	18.4
						6.4	14.6
						5.7	4.1
						-18.3	-18.3
						13.2	14.8

Source: compiled by authors according to the data of National committee of financial services (2019).

The tool for implementing a marketing strategy is the development and implementation of an innovative insurance product. In the current crisis situation in the country, insurance risks have significantly increased: loss of business and jobs, increased financial risks, due to the pandemic, the risk of loss of health and even life has increased. A comprehensive study of changes in supply and demand for insurance services is the main task of insurance marketing. Ukrainian insurers “need to focus on expanding the range of insurance products. Try to optimize the insurance portfolio, the amount of own maintenance, expenses, make adequate management decisions” (Pozdniakova, 2010).

The introduction of its own innovative developments of insurance products in the market is very important for the insurer and determines the nature of its marketing strategy. For example, voluntary health insurance under the program “Stop Coronavirus” is offered by such insurance companies as IC PROVIDNA, ARX, Universalna, INGO, Alfa-Insurance and some others. The package of insurance services includes online consultations of doctors 24/7, the sum insured under the contract up to UAH 50,000, the insurance premium from UAH 225 to UAH 2500 depending on the type of insurance package and the term of the contract.

In property insurance and financial risk insurance, insurers significantly increase service at the expense of the Assistance service. With the help of the Assistance card, the following additional services are provided to the insured: assistance in an accident, wheel change, fuel delivery, purchase of tickets, hotel reservation, taxi call, search for medicines, and more. However, today full-fledged insurance marketing is used only by those companies that hold key positions in the industry: “Oranta,” “INGO Ukraine,” “PZU Ukraine,” “ASKA,” “IFD Capital,” “Garant-AUTO,” PROVIDNA, Universalna, “Alpha Insurance,” and others.

An important component of insurance marketing is price marketing, as the price of the insurance product depends on the tariff for the insurance service, demand for it from a potential policyholder, profitability, and competitiveness of the insurer. The choice and formation of the pricing strategy of the insurance company depends on a number of factors: the structure, quality and balance of the insurance portfolio; segmentation and positioning of insurance service as innovative; cost and life cycle of the insurance service.

The pricing strategy of the insurer should take into account the interests of both policyholders and the insurance company. Therefore, today Ukrainian insurers need to solve a set of complex tasks: to ensure the optimal price-quality ratio of the insurance product; to introduce a high-quality, flexible model of customer service, which provides not only the process of providing insurance services, but also insurance payments. The fulfillment of its obligations by the insurer on time and in full, is crucial for the image, reputation and formation of demand for insurance services.

As Ukraine has chosen the European vector of development, there is a need to approximate the national practice of requirements for the solvency of insurers to European standards. In early 2000, the European Parliament launched the so-called Lamfalussy process (Polinkevych et al., 2021), which is to move to new solvency requirements for insurers—the Solvency II regulatory package. The European Commission Services, together with EU member states, has launched the Solvency II project, which provides for a fundamental overhaul of insolvency requirements for insurers. The Solvency II project is based on the principles of assessing and managing all risks that affect the level of solvency of the insurer, thus ensuring the efficient operation of the company, regardless of the impact of short-term changes in the market (Hampleton, 2020).

According to the EU Directive—Solvency II, the authorized capital of the insurer must be at least 2.2 million euros for insurance companies engaged in nonlife insurance and 3.2 million

euros—for insurance companies—life (Directive 2009/138/EU, 2019). The main task of implementing the requirements of Solvency II is to increase the competitiveness and financial security of insurers. The gradual introduction of a qualitatively new level of solvency management of domestic insurers will help increase their efficiency and competitiveness. Therefore, the use of pricing strategy tools in insurance marketing should take into account the latest requirements for the solvency of the insurer.

In modern conditions of the emergence of new, little-studied risks, competition in the insurance market is growing rapidly, the effective activities of the insurer increasingly depend on the chosen strategy of marketing and promotion of insurance services. Today in Ukraine the most common method is the direct sale of insurance services, which is considered inefficient and expensive. The use of brokers in the sale of insurance services in Ukraine is poorly developed due to many factors: opacity of the Ukrainian insurance market; the insurer's lack of interest in the services of an insurance broker due to the high cost of brokerage services; lack of professional brokers; insufficiently regulated legal framework for the activities of brokers in the insurance market.

The next method is the sale and promotion of insurance services through banking institutions, as a result of the introduction into national practice of the concept of financial supermarkets and the interpenetration of insurance and banking business. Alternative channels for marketing and promotion of insurance services are also various financial institutions; post office, direct mail advertising, telemarketing, real estate agencies, service stations and gas stations, electronic service via the Internet, and so forth. For the first time, the introduction of digitalization in the field of insurance took place in motor insurance, in particular when concluding contracts of compulsory civil liability insurance of vehicle owners. The number of concluded contracts for 9 months of 2020 amounted to 2.2 million electronic policies, which is 193% more than for the same period last year. Convenience, ease of registration, saving time, and money of policyholders contributed to increased sales of policies for this type of insurance. The European Insurance Alliance Insurance Company has introduced a chatbot in Telegram messenger for insured persons who have concluded a voluntary health insurance contract (UNIAN, 2020).

“Digitalization in the system of commercial insurance allows to increase the efficiency and speed of all stages, starting with the creation of an insurance product and ending with the settlement of claims under the insurance contract. Digital insurance helps to reduce acquisition costs, increase the level of insurance culture, optimize the processes of interaction and relationship between the insurer and the insured” (Mamonova & Pozdniakova, 2019). The strategy of promotion and sale of insurance services should be based on a high level of service of the insurer. The insurer must fully meet the needs of policyholders, using such tools as reducing the cost of organizing the insurance process, the introduction of an innovative insurance product, the use of flexible rates, discounts, bonuses, promotions.

3 | FOREIGN EXPERIENCE OF USING INSURANCE MARKETING TO DEAL WITH THE RESULTS OF CORONA-CRISIS' IMPACT

The CORONA crisis had a significant negative impact on the Ukrainian and the global insurance market. Therefore, today's marketing policy and strategy need further improvement and implementation of the latest methods and tools. Analysis of the latest global trends in the

impact of COVID-19 on the economies of the world revealed the existing problems and the need to introduce not only innovative marketing, but also the need for the world to move to a new way of life.

Restrictions imposed to combat the COVID-19 pandemic have had a significant impact on financial and economic activity around the world. For example, European countries and the United States have faced many difficulties in areas such as retail, restaurant, hotel and tourism, banking, financial services, including insurance, and others. A significant reduction in public spending, such as household goods, appliances, travel, and so forth, is from 50% to 100%. In the economies of the world's leading countries (G7), the impact of the COVID-19 pandemic is greater on consumer spending than on total GDP. Consumer spending has reduced domestic production by about one-fifth (OECD, 2020).

The Organization for Economic Co-operation and Development, based in France, predicts that for each month of quarantine, annual GDP growth will fall by 2% (The Economic Times, 2020). The sharp decline of the economies of the world's leading countries could lead to a deep recession in the world economy. Unemployment in the world has already risen from 3.9% to 6% and is expected to grow further. The CORONA crisis threatens the social equality of the population, as young people, women, and people with lower qualifications are at greater risk (McCulloch, 2020). It is expected that the recovery of the world economy is possible no earlier than 2023. However, in the tourism and insurance sectors, such recovery may be slower. In the United States, losses in the travel sector are estimated to be 5–6 times greater than after the September 11, 2001 terrorist attacks (Oliver, 2020).

Thus, the indicative economic indicators of the impact of the CORONA crisis on the world economy and its individual industries are: significant loss of income of businesses and individuals, rising unemployment, a sharp decline in purchasing power and demand for goods and services, partial or complete loss of productivity, uncertainty during the pandemic. Before insurance and insurance marketing, there are now new, hitherto unseen challenges that need to be addressed urgently.

The experience of the Polish insurance market development and the latest marketing tools used to support the industry and the population during the pandemic are useful for Ukraine. At the end of the third quarter of 2020, Polish policyholders were paid insurance indemnity in the amount of PLN 29.5 billion, including: PLN 12.8 billion under life insurance contracts, PLN 10.7 billion—for car insurance, PLN 6 billion—for other types of insurance. To support the economy, Polish insurers have invested PLN 85 billion in assets, bonds and other fixed-income securities. During the three quarters of 2020, Polish insurers paid PLN 46.5 billion in insurance premiums, which is slightly less than in the previous 2019. In the first three quarters of 2020, Polish insurers earned a net profit of 5.2 billion, but this is 13% less than in the same period last year. Polish insurers paid more than PLN 1.1 billion in income tax during this period (Pradzinski, 2020).

The marketing policy and strategy of Polish insurers are aimed at actively protecting legal and physical policyholders from the negative effects of the pandemic. In April 2020, the Financial Supervision Commission of Poland developed 14 recommendations for policyholders in a difficult financial situation, namely: vehicle owners, borrowers and owners of savings and investment policies, more than four thousand tour operators, several thousand businesses, who are directly involved in the fight against COVID-19. In November 2020, 18 insurance companies in Poland (Allianz, Aviva, Axa, Compensa, Credit Agricole Ubezpieczenia, Ergo Hestia, Generali, Interrisk, Metlife, PKO Ubezpieczenia, PZU Group, Saltus, TUW, Uniq, Unum, Vienna Life, Warta, Wiener) decided to finance an additional call center for the Main Sanitary

Inspectorate of Poland (Pradzinski, 2020). Raising customer awareness of the nature of COVID-19, opportunities and methods of protection against the pandemic and its negative consequences contributed to an increase in contracts and insurance premiums for life insurance and health insurance contracts.

No less important and useful for Ukraine is the experience of the French insurance market and its marketing policy in the fight against the CORONA crisis. According to the French Insurance Federation, insurance premiums under life insurance contracts in 2019 reached 144.6 billion euros, which is 3.2% more than in the same period in 2018. The volume of insurance premiums under AXA France insurance contracts in 2019 increased by 4% and amounted to 26.2 billion euros, of which: 7.1 billion euros—under property insurance contracts and accident insurance; 14.3 billion euros (+ 5%)—life insurance and pension insurance; health care (+ 6%)—4.6 billion euros. In 2019, the Allianz Group, as the second largest company, received revenue of 142 billion euros, which is 7.6% more than in the corresponding period of 2018. Allianz Group received insurance premiums of 4.6 billion euros (+1.8%) under nonlife insurance contracts (Premiers résultats 2019 de l'assurance française, 2020). Despite the positive indicators, the growth rate of insurance premiums under insurance contracts is insignificant.

The negative impact of the CORONA crisis on French business has made the insurance industry one of the highest priorities. French insurers continue to play a significant role in protecting businesses and individuals from modern shocks and losses. The experience of operating in the latest conditions of the pandemic has shown the need for in-depth reform of the existing insurance system and its state regulation. In addition, French insurers emphasize the need to increase the effectiveness of cooperation with insurance and noninsurance intermediaries by increasing funding and developing new requirements for this cooperation. The focus of insurance activity in France should be based on enhanced support for customers, partners, and the country's economy and in line with its social values (Hervé, 2020).

The CORONA crisis has significantly affected the growth of risks in all spheres of life, including insurance. To quickly ensure the liquidity of companies affected by the CORONA crisis, the Bavarian government has initiated the introduction of the insurance product "business closure insurance." This proposal applied to the hotel and restaurant business. The German Insurance Association has committed to reimburse approximately half of the customer's losses, which are calculated according to the model—the average value. Another part of the business losses is compensated by state benefits. According to official estimates, operating costs in the catering and hotel business were reduced by an average of 70%. The Bavarian initiative was supported by numerous organizations and insurance companies, including Allianz, Gothaer, Haftpflichtkasse, VVAG, Nurnberger, Signal-Iduna, and others. Some companies have expressed a desire to join the initiative in the short term, Generali Deutschland has set up a fund of 30 million euros to support its customers.

The generalization of the above foreign experience allowed to substantiate the directions of improving the tools of modern insurance marketing, namely: intensification of cooperation with policyholders on their awareness and support; comprehensive increase in the level of requirements for the insurance product; introduction of the latest insurance products; expanding opportunities for cooperation between the insurer and the insured, insurance and noninsurance intermediaries through the active use of modern methods and technologies; creation of customer support funds; intensification and increase of financing of employee training; strengthening the social orientation of the insurance product and others.

4 | CONCLUSIONS

Theoretical generalization of scientific work on the definition of the essential characteristic of the concept of “insurance marketing” revealed the necessity of clarifying and improvement of it. There are some arguments, that the definition of the essential of the concept of “insurance marketing” is mostly identified though full study of its functions. This contributed to defined additional functions of insurance marketing: social and innovative. Such classification provides formation of new ways to define the concept of the “insurance marketing” and is actual to defined its role in today’s crisis. It is substantiated that insurance marketing should be understanding as a complex, integral instrument of analysis, conquest, retention and satisfaction of the needs of a certain segment of the insurance market and potential client-insurer.

It is determined that to assess the current trends in the formation and development of insurance marketing, it is necessary to investigate the functional and logical relationship between the principles, objectives of insurance marketing and marketing strategy. This approach allowed us to establish that the basis of an effective marketing strategy is the harmonization of the relationship between the insurer and the insured and is the logical embodiment of the tasks set before it. The question of classification of marketing tools is thoroughly researched in the Ukrainian scientific literature. However, the current crisis in the economy of Ukraine, the emergence of new, insufficiently studied risks requires further development of research on these tools. It is proposed to identify the tools of marketing strategy by its constituent elements, which contributed to the improvement of their classification and its adaptation to modern realities in the insurance market.

It was argued that the main negative factor, which slows down effective development of domestic insurance market, is the investing type of its formulation and development. Exacerbation of modern insurance risks of property loss, increasing financial risks, health risks and even life due to the global pandemic requires the introduction of innovative insurance products and technologies that will meet the demand for popular insurance services, while reducing their cost and tariff.

It is also noted that today it is important to position the market in terms of offering its own, unique insurance product with a long-life cycle. The introduction of innovative insurance products in the market is especially relevant for the domestic insurer and determines the nature of its marketing strategy. The innovative direction of the product marketing strategy helps to intensify the process of selling insurance services, increase the volume of insurance premiums and income of the insurer, and thus increases its efficiency and competitiveness. At the same time, it is concluded that today domestic insurers are quite inert to implement the latest technologies and methods in their practice. Elements of innovative insurance marketing are used by a small number of domestic insurers, often those who occupy key positions in the industry.

It was concluded that one of the main and most relevant elements of insurance marketing is price marketing, as the choice of pricing strategy of the insurance company depends on the positioning of its insurance service in terms of price-quality, availability, and demand. The domestic insurer faced the difficult task of introducing the latest insurance product using innovative technologies, at the same time, at an affordable price for the majority of the population. Given the European choice of development of Ukraine, further development of theoretical and practical principles of pricing strategy of insurance companies, in particular, it is proposed when using the tools of pricing strategy in insurance marketing to take into account the latest requirements for solvency and capital of the insurer.

It is determined that in modern conditions of new, little-studied risks, competition in the national insurance market has increased, so the effective activities of insurers largely depend on the chosen strategy of marketing and promotion of insurance services. The choice of marketing strategy and promotion of insurance services is influenced by a number of factors, the definition of which requires further development in terms of their relevance. These main factors include: the formation of an adequate insurance rate; ability to offer an innovative insurance product using modern technologies; image and potential opportunities of the insurer in the market of insurance services; mobility and speed of reaction to endogenous and exogenous changes; intensification of cooperation with other institutions and the use of alternative sales channels.

Studies of foreign literature about the influence of coronavirus on the development of insurance sphere and ways to overcome its consequences contributed to the isolation of proposals to mitigate the negative effects of the pandemic and increase the efficiency of Ukrainian insurers. In particular, it was proposed to implement into the Ukrainian practice such methods and tools of insurance marketing: to intensify informative activity of insurers and market regulator on the essence of COVID-19 and possibilities of insurance protection against pandemic; introduce the latest innovative insurance products and increase the requirements for their quality, accessibility, transparency and social orientation; to intensify the introduction of modern methods and technologies in insurance practice; to create a business and customer support fund by insurers; intensify and increase funding for employee training and others.

To sum up, the insurance marketing is playing the special role in the modern world, as on the basis of adequate to modern challenges marketing strategy of the insurer the effective marketing policy which promotes, on the one hand, increase of profitability and competitiveness of the insurer in the market, on the other—provides effective insurance protection both to legal entities and physical persons is formed.

ACKNOWLEDGMENTS

None declared.

AUTHOR CONTRIBUTIONS

Tetiana V. Kniazieva, Anna V. Shevchenko, Oleg M. Yaroshenko, Mykola I. Inshyn, and Oleksandr A. Yakovlyev contributed equally to the experimentation. Tetiana V. Kniazieva, Anna V. Shevchenko, and Oleg M. Yaroshenko wrote and edited the article. Mykola I. Inshyn and Oleksandr A. Yakovlyev equally designed and conducted the experiment. Tetiana V. Kniazieva and Oleg M. Yaroshenko studied scientific literature about the topic. All authors read and approved the final manuscript.

REFERENCES

- Born, P., & Bujakowski, D. (2021). Economic transition and insurance market development: Evidence from post-communist European countries. *GENEVA Risk and Insurance Review in Press*. <https://doi.org/10.1057/s10713-021-00066-3>
- Deloitte. (2020). *Impact of COVID-19 on the insurance sector*. <https://www2.deloitte.com/ie/en/pages/covid-19/articles/impact-COVID-19-insurance-industry.html>
- Directive 2009/138/EU of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II). (2009). <http://nfp.gov.ua/content/direktivi-es.html>
- Fesenko, N. V., & Yaremchenko, L. M. (2019). Status and prospects of the insurance market of Ukraine in the context of globalization. *Economy and State*, 8, 28–34.

- Hampton. (2020). *Insurtech M&A overview 2H 2020*. <https://forinsurer.com/files/file00697.pdf>
- Hervé, G. (2020). *Crise du COVID-19: le secteur de l'assurance doit relever son niveau. d'exigence*. <https://www.journaldunet.com/management/direction-generale/1494123-crise-du-covid-19-le-secteur-de-l-assurance-doit-relever-son-niveau-d-exigence/>
- Kostyuchenko, O. E., Kolesnik, T. V., Bilous, Z. V., & Tavolzhanskyi, O. V. (2019). Robotization of manufacturing process: Economic and social problems and legal ways of their solution. *Financial and Credit Activity: Problems of Theory and Practice*, 3(30), 454–462.
- Mamonova, A., & Pozdniakova, L. (2019). *Use of digital technologies in commercial insurance*, II National Scientific and Methodological Conference Digital Economy (pp. 276–279). Kyiv: KNEU. http://dspace.wunu.edu.ua/bitstream/316497/37482/1/%D0%A6%D0%B8%D1%84%D1%80%D0%BE%D0%B2%D0%B0_%D0%B5%D0%BA%D0%BE%D0%BD%D0%BE%D0%BC%D1%96%D0%BA%D0%B0_2019.pdf
- McCulloch, A. (2020). Coronavirus: Five years of employment growth reversed in one month. *Personnel Today*. <https://www.personneltoday.com/hr/coronavirus-five-years-of-employment-growth-reversed-in-one-month/>
- Miloshevych, N. V., & Pashkova, A. V. (2019). Current realities and trends of development of insurance companies in Ukraine. *Market Infrastructure*, 38, 360–366.
- National committee of financial services. (2019). *Information on the state and development of the insurance market of Ukraine*. <https://www.nfp.gov.ua/ua/Informatsia-pro-stan-i-rozvytok-strakhovoho-ryнку-Ukrainy.html>
- OECD. (2020). *Evaluating the initial impact of COVID-19 containment measures on economic activity*. https://read.oecd-ilibrary.org/view/?ref=126_126496-evgsi2gmqj&title=Evaluating_the_initial_impact_of_COVID-19_containment_measures_on_economic_activity
- Oliver, L. (2020). It could take three years for the US economy to recover from COVID-19. *World Economic Forum*. <https://www.weforum.org/agenda/2020/03/economic-impact-covid-19/>
- Onoprienko, I., & Volkova, E. (2019). Marketing as a tool for activating insurance services. *Eastern Europe: Economics, Business and Management*, 6(23), 173–179.
- Polinkevych, O., Khovrak, I., Trynchuk, V., Klapkiv, Y., & Volynets, I. (2021). Business risk management in times of crises and pandemics. *Montenegrin Journal of Economics*, 3(17), 117–128.
- Pozdniakova, L. O. (2010). Problems of development of the insurance market of Ukraine and ways of their solution in modern conditions. *Current Problems of Economy*, 6(108), 250–254.
- Pradzinski, J. G. (2020). *Najwazniejsze dane dotyczace rynku ubezpieczen po III kw*. <https://piu.org.pl/30-mld-zl-odszkodowan-dla-poszkodowanych/>
- Premiers résultats 2019 de l'assurance française. (2020). <https://www.asquarepartners.com/premiers-resultats-2019-de-l-assurance-francaise/>
- Shih, S.-F., Li, C.-Y., & Lin, M.-C. (2019). The diversified insurance marketing channels driven development of consumer behaviour. In *ICEME 2019: Proceedings of the 2019 10th International Conference on E-business, Management and Economics* (Beijing, July 2019) (pp. 253–258), Beijing: Association for Computing Machinery.
- The Economic Times. (2020). *Coronavirus impact: Evidence mounts that the global recession is already here*. <https://economictimes.indiatimes.com/news/economy/indicators/coronavirus-impact-evidence-mounts-that-the-global-recession-is-already-here/articleshow/75042725.cms?fbclid=IwAR0qHmYxi5UKtCdKuVuASw0tdiSUsls-27qRbAQVoRhuEpeBAW6uMxGYZkQ>
- Tsytko, V., Aliexsieieva, K. I., Venger, I. A., Tavolzhanskyi, O. V., Galunets, N. I., & Klyuchnik, A. V. (2019). Information policy of the enterprise as the basis for the reproduction of human potential in the structure of public social interaction. *Journal of Advanced Research in Law and Economics*, 10(6), 1664–1672.
- UNIAN. (2020). *Because of the coronavirus, insurers are launching a health insurance chatbot in Telegram*. <https://www.unian.ua/insurance/yevopeyskiy-strahoviy-zapustiv-v-telegram-dly-zastrehovanih-iz-dms-novini-ykrajini-ta-svitu-11198960.html>
- World insurance: Riding out the 2020 pandemic storm. (2020). <https://forinsurer.com/files/file00684.pdf>
- Yaroshenko, O. M., Moskalenko, O. V., Sliusar, A. M., & Vapnyarchuk, N. M. (2018). Commercial secret as an object of labour relations: Foreign and international experience. *Journal of Legal, Ethical and Regulatory Issues*, 21(1), 1–10. <https://www.abacademies.org/articles/Commercial-secret-as-an-object-of-labour-relations-foreign-and-international-experience-1544-0044-21-S1-253.pdf>

- Yaroshenko, O. M., Vapnyarchuk, N. M., Burnyagina, Y. M., Kozachok-Trush, N. V., & Mohilevskyi, L. V. (2020). Professional development of employees as the way to innovative country integration. *Journal of Advanced Research in Law and Economics*, *11*(2), 683–695.
- Zaburmekha, E. M. (2014). Marketing of insurance innovations. *Bulletin of the National University "Lviv Polytechnic". Logistics*, *811*, 137–141.
- Zwier, S. (2021). Insurance-based marketing (IBM): A prevalent marketing strategy. *Journal of Financial Services Marketing*, *26*, 160–168. <https://doi.org/10.1057/s41264-021-00090-4>

How to cite this article: Kniazieva, T. V., Shevchenko, A. V., Shevchenko, A. V., Yaroshenko, O. M., Inshyn, M. I., & Yakovlyev, O. A. (2021). Current trends in the formation and development of insurance marketing in Ukraine. *Risk Management and Insurance Review*, *24*, 279–292. <https://doi.org/10.1111/rmir.12185>