

**ACTIVITIES OF INSURANCE COMPANIES IN UKRAINE  
IN THE CONTEXT OF MODERN CHALLENGES**

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DOI: <https://doi.org/10.30525/978-9934-26-297-5-11>

**Abstract.** Insurance companies operate in an increasingly challenging environment that requires them to adapt to changing conditions, develop new products and services, improve their technologies and processes, and ensure high quality customer service. *The purpose* of the study is to analyze the activities of insurance companies in Ukraine in the context of current challenges and to develop ways of adapting to them. The solution of such research problems determines the logic of the presentation of the studied material in the paper: to reveal the essence and outline the types of insurance companies; to identify the current challenges facing insurance companies and to determine their consequences for the activities of insurance companies; to analyze the peculiarities of adaptation of insurance companies in Ukraine to modern challenges; to provide recommendations for insurance companies to effectively adapt to the current challenges facing Ukrainian insurance companies and to increase the level of customer confidence. *The methodology* of the study is based on the use of abstract and systemic methods, methods of analysis and synthesis. In order to determine the peculiarities of adaptation of insurance companies in Ukraine to modern challenges in the context of expanding the range of products, a study was conducted on the availability of insurance products covering military risks. The following main filters were applied to the sample of research objects: insurance companies that provide insurance services in the field of insurance other than life insurance; insurance companies that are among the top 10 insurers in terms of insurance premiums, according

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to the rating provided by FORINSURER. In order to achieve the research objective, the following data collection methods were used: data collection from open sources – official websites of the insurance companies included in the research sample and official pages in social networks; data collection by phone calls to the insurance companies' helplines; data collection by communication in insurance companies' chatbots. As a *result* of the study, it was determined that the definition of insurance companies should focus on the legal aspect. It is noted that there are different types of insurance companies in the world and currently there is no uniform approach to their classification. It is concluded that insurance companies face many modern challenges that can have a dual impact on their activities. In particular, the modern challenges include technological, natural and climatic, epidemic and pandemic, and military and political. However, all of them influence the offer of insurance services by insurers and act as drivers for the development of new types of insurance products and improvement of existing ones. The article shows that insurance companies in Ukraine, despite the difficult operating conditions, are adapting to new challenges: they are expanding their product lines, changing approaches to selling insurance services and communicating with customers, etc. In particular, the study on the availability of insurance products covering military risks in insurance companies in Ukraine showed positive results in this area. It is determined that the adaptation of insurance companies in Ukraine to modern challenges is carried out with the strong support of the regulator. In the article the authors make recommendations to insurance companies in Ukraine in order to effectively adapt to modern challenges, namely military ones, and to increase the level of trust of clients.

### **1. Introduction**

Insurance companies play an important role in protecting the financial interests of their customers in the event of adverse events. In recent years, there have been many such events that have had a serious impact on households, the corporate sector and the financial sector. Today's challenges include the COVID-19 pandemic, natural disasters, cyber-attacks, the war in Ukraine, and others.

In such an environment, insurance companies have a great responsibility to ensure the financial stability of their customers and to

mitigate risks to individuals, businesses and the economy as a whole. To do this, insurers must constantly adapt to changing conditions, develop new products and services, improve their technology and processes, and ensure high quality customer service. As such, insurance companies are major players in the financial market and play an important role in ensuring the stability and growth of the economy. Thus, the topic of insurance companies' activities in the face of modern challenges is very relevant and timely.

The purpose of the study is to analyze the activities of insurance companies in Ukraine in the context of current challenges and to develop ways of adapting to them.

Objectives of the study:

- to reveal the essence and outline the types of insurance companies;
- to identify the current challenges facing insurance companies and to determine their impact on the activities of insurance companies;
- to analyze the peculiarities of adaptation of insurance companies in Ukraine to modern challenges;
- to propose recommendations for insurance companies to effectively adapt to the current challenges facing Ukrainian insurance companies and increase customer confidence.

Methodology of the research. In order to determine the peculiarities of adaptation of insurance companies in Ukraine to modern challenges in the context of expanding the range of products, a study was conducted on the availability of insurance products covering war risks. The following main filters were applied to the sample of research objects:

1. Insurance companies that offer insurance services in the field of insurance other than life insurance.
2. Insurance companies that are among the TOP-10 insurers in terms of insurance premiums, according to the rating provided by FORINSURER.

The following data collection methods were used to achieve the research objective:

- data collection from open sources – official websites of insurance companies included in the study sample and official pages in social networks;
- data collection through phone calls to insurance companies' helplines;
- data collection through communication in chatbots of insurance companies.

**2. The nature and types of insurance companies**

First of all, it is worth clarifying the essence of the term "insurance company".

It is worth noting the official definition of an insurance company provided by the Law of Ukraine "On Insurance". According to it, insurance companies are financial institutions established in the form of joint-stock, full, limited or additional liability companies in accordance with the Law of Ukraine "On Business Associations" and have obtained a license to conduct insurance activities in accordance with the established procedure [1].

As for the scientific approach to the definition of the concept of "insurance company", it is worth considering the views of leading domestic scientists on this issue (Table 1).

Table 1

**Common definitions of an insurance company**

Author	Definition
V.D. Bazylevych	is a legal entity (joint-stock, full, limited or additional liability company) that has obtained a license to conduct insurance activities in accordance with the established procedure
S.S. Osadets	is a legally registered entity that assumes the obligations of the insurer and is licensed to do so
N.V. Tkachenko	is a legal entity that is specially created to carry out insurance activities and has obtained a license to carry out insurance activities in accordance with the established procedure
V.M. Sheludko	are financial intermediaries that make payments to their clients upon the occurrence of certain events specified in the insurance contract (insurance policy)
O.D. Vovchak	are insurance (insurance market) entities that, pursuant to a license, undertake to compensate the insured or other insurance market participants for damage caused by an insured event or to pay the insured sum for a certain fee
V.I. Plysa	is a legal entity that attracts funds from insurers for certain obligations and pays a certain amount of money in the event of an insured event

*Source: compiled by the authors on the basis of [2; 3; 4; 5; 6; 7]*

Having analyzed the definitions given in the table and a number of definitions of other scientists, it is possible to observe both common positions and the presence of certain differences and different emphases in defining

the concept of an insurance company. Thus, an insurance company is usually defined as a legal entity that has obtained a license to conduct insurance activities in accordance with the established procedure [2; 4; 7]. At the same time, only some scholars emphasize in their definitions that insurance companies belong to financial institutions, in particular, Ya.P. Shumelda notes that "an insurance company is a financial institution..." [8], and V.M. Sheludko – that "insurance companies are financial institutions..." [5]. In the opinion of the authors of this paper, when defining an insurance company, it is advisable to speak of a financial institution, since the latter concept is more precise and a financial institution is, in fact, a legal entity.

At the same time, only a few scholars emphasize the legal aspect of the definition, i.e., obtaining a license [2; 3; 4; 6]. This is also emphasized in the official definition of an insurance company. The authors believe that this clarification is quite appropriate when defining insurance companies. However, the authors believe that limiting the definition to this statement alone does not give a sufficient idea of the nature of insurance companies.

It is worth noting the position of scholars who point out that insurance companies "...make payments to their clients" [5; 6; 7]. However, it is necessary to mention that sometimes no reference is made to insurance premiums. The authors fully support the opinion of researchers who in their definitions refer to the creation and use of the insurance fund by insurers [2].

In defining insurance companies, it is appropriate to focus on the legal aspect of obtaining a license, the affiliation of insurers with financial institutions, and their purpose, which is to provide insurance coverage through the creation and use of insurance funds. Thus, insurance companies are financial institutions that have obtained a license to conduct insurance activities in accordance with the established procedure and whose main purpose is to provide insurance coverage through the creation and use of insurance funds.

There are different types of insurance companies in the world, and there is currently no single approach to classifying them.

The practice of developed countries demonstrates the expediency of dividing insurers according to the nature of their work. A number of scholars adhere to a similar division, dividing insurance companies by the nature (specificity) of their work [3; 4; 6; 9; 10]. Based on this criterion, all insurers can be divided into three groups: insurance companies that provide

long-term funded insurance, i.e., life insurance (life insurance companies); insurance companies that provide other types of insurance, such as general insurance (non-life insurance companies); and insurance companies that provide reinsurance services exclusively (reinsurance companies).

It should be noted that in countries where there is no reinsurance license, it is difficult to identify reinsurance companies, since companies that have obtained a license for a certain type of insurance can also conduct the corresponding reinsurance. If reinsurance activities are licensed in the country, it is clear which companies are engaged in such activities. The activities of life and non-life insurance companies are separated and the respective types of insurance are licensed separately. As a general rule, insurers licensed for life insurance are not allowed to engage in other types of insurance.

It is also advisable to divide insurers according to ownership and organizational (legal) form, i.e., the way the company is established and organized.

Thus, depending on the form of ownership, insurance companies are divided into two types [2; 3; 6]: state insurance companies and private insurance companies. State insurance companies are a public law form of organization of the insurance fund established by the state. State insurance companies are established by the state or by nationalizing joint-stock insurance companies and returning their property to state ownership [1]. In most cases, if the name of an insurance company contains the words "state" or "national", the sole owner of such insurer is the state.

Many countries have a combination of public and private insurance. For example, in the United States "there are no state-owned insurance companies" [11]. The vast majority of Ukrainian insurance companies are private (non-state), although some of them have a state share in the form of a contribution to the authorized capital of state enterprises or organizations.

Prior to the adoption of the new Law of Ukraine "On Insurance", insurance companies could be established in the form of joint-stock, full, limited or additional liability companies, taking into account the specifics of the Commercial Code of Ukraine [1]. At present, in many countries of the world, including Ukraine, the insurance market is based on companies established in the form of joint stock companies.

In general, joint stock companies are a form of capital pooling through the issuance of shares in the amount of consolidated capital. At the same

time, joint stock companies can be of two types: a public joint stock company (shares of this joint stock company are not sold on the securities market, but are distributed among its founders); a private joint stock company (shares are freely traded on the securities market) [12].

Some scholars divide insurance companies according to the type of services they provide [4; 13]. On this basis, insurance companies are divided into specialized and universal insurance companies. Specialized insurance companies are those insurance companies that specialize only in a certain type (certain related types) of insurance for which they are licensed. That is, such companies provide services only for a specific type of insurance. In turn, universal insurance companies provide services for different types of insurance (from different insurance branches).

It should be noted that the scientific literature contains references to captive insurance companies, but these companies are not usually distinguished as one of the types when providing a classification of insurers. A captive insurance company is a joint-stock insurance company that serves wholly or mainly the corporate insurance interests of its founders, as well as independently operating units that are part of multidisciplinary concerns or major financial and industrial groups.

Currently, the NBU proposes to distinguish types of business models for insurance companies, according to which companies will be subject to different intensity of supervision and frequency of inspections. These are universal, retail, corporate, reinsurance, and captive business models for non-life insurers, and universal, retail, corporate, and captive business models for life insurers. The following approach is appropriate for classifying insurance companies.

In the scientific literature, insurance companies are divided into large, medium and small insurance companies based on the size (value) of the authorized capital and the volume of insurance premiums, as well as other organizational and economic indicators that determine the position of insurance companies in the market [4; 6]. According to the authors, this division is rather arbitrary, as there are no reasonable criteria for dividing insurance companies according to this classification. In addition, the classification of insurance companies according to a single criterion (indicator) does not reflect a comprehensive assessment of a particular company.

It is believed that the size of an insurance company can be taken into account in determining its significance and importance. Thus, according to their importance for the insurance system, insurance companies can be divided into the following types: systemically important insurance companies; systemically significant insurance companies; "insignificant" insurance companies [14]. The first two types of insurance companies are important for the insurance system, and problems in their operation can have a negative impact on the functioning and development of the entire system. "Insignificant" insurance companies are ordinary insurance companies that individually do not have a significant impact on the functioning and development of the insurance system.

In this regard, the NBU's approach set out in the Regulation on establishing criteria for assessing the degree of risk from the activities of non-banking financial services market participants, their social importance, which determine the frequency of scheduled inspections, and the procedure for their application, is noteworthy [15]. In assessing the level of risk and social importance of non-bank financial services market participants, the NBU uses a risk-based approach and takes into account the principle of proportionality. It identifies four groups of socially significant insurers based on five key criteria.

The authors also believe that it is advisable to divide insurance companies according to the origin of capital. On this basis, insurance companies can be divided into the following types: insurance companies with no foreign capital (only domestic capital), insurance companies with partial foreign capital, and insurance companies with 100% foreign capital.

An insurance company with foreign capital is an insurance company with partial or full participation of foreign investors in its authorized capital. According to the Law of Ukraine "On Insurance", an insurance company with foreign capital is a financial institution in which at least one foreign investor holds at least 10% of the capital [1]. In general, a foreign-invested insurance company can be established on the basis of ownership by a foreign company as a subsidiary or by a foreign investor acquiring (in whole or in part) an existing domestic insurance company.

Some scholars also suggest classifying insurers by service area into local, regional, national, and transnational (international) [3; 6]. Similar types of insurance companies by service area are also identified by N.V. Tkachenko [4].

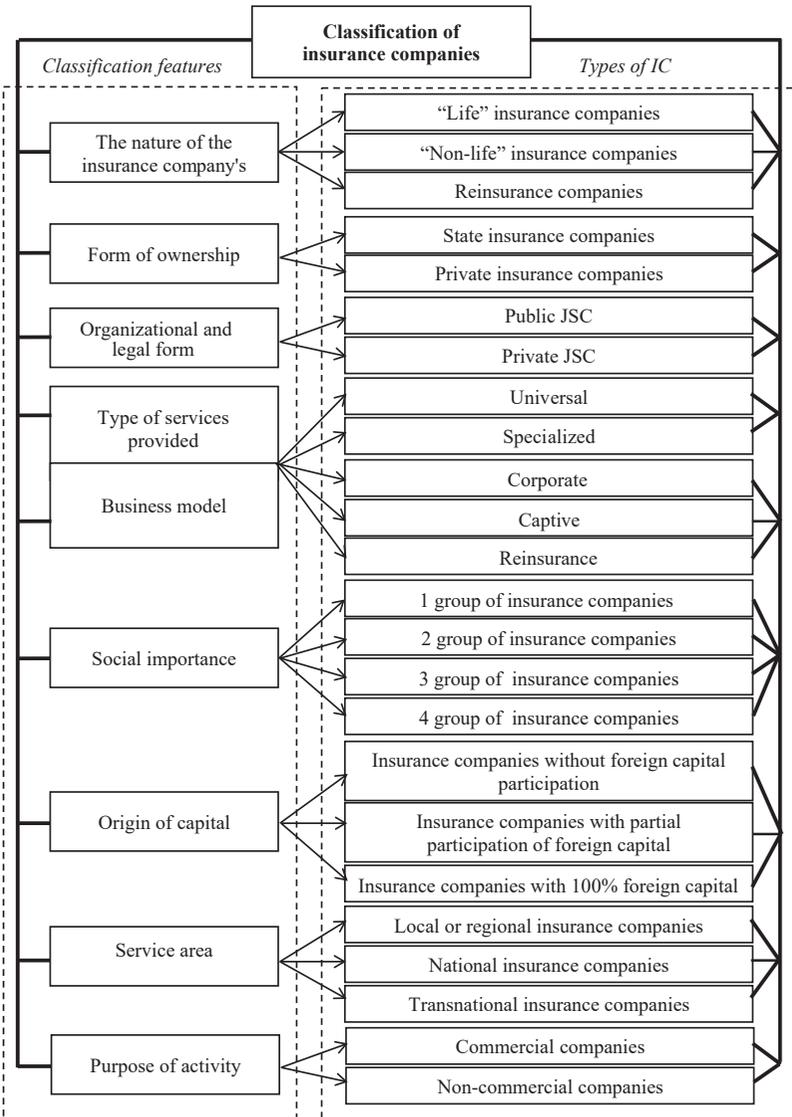
At the same time, the authors agree with the opinion that "due to the lack of statistics on contracts concluded by each company within a certain territory (region), it is difficult to separate insurers operating only within a certain region or city" [6]. For example, in the United States, if a license is issued to allow an insurer to operate in a particular state, it is possible to clearly define the territory in which a particular insurer operates. In the vast majority of countries, insurance licenses are issued to insurance companies without any territorial restrictions, i.e., insurers are allowed to operate throughout the country.

Furthermore, the authors agree with the opinion of scientists who divide insurance companies according to the purpose of their activity [9; 13], distinguishing between companies whose purpose is to make profit (commercial) and companies whose purpose is to provide quality services to the insured (they can be called non-commercial). At the same time, insurance companies whose main goal is to make a profit are ordinary commercial insurance companies that have obtained a license to conduct insurance business. Insurance companies that aim to provide high quality services to their insureds are mostly organized as mutual insurance companies.

The authors believe that in order to better organize the set of existing types of insurance companies, it is advisable to classify them according to certain criteria: the nature of the insurance company's work, form of ownership, organizational and legal form of business, type of services offered, business model, social importance, origin of capital, service area, and purpose of activity.

The general classification of insurance companies is shown in Figure 1.

The primary purpose of insurance companies is to "produce" insurance coverage by providing insurance services. In addition, insurance companies play an important role in accumulating financial resources and channeling them into investments. At the same time, insurance companies can fulfill their purpose by carrying out their activities (operational, financial, and other), i.e. by performing their own business processes.



**Figure 1. Generalized classification of insurance companies**

Source: authors' development [14; 15; 16]

### **3. Modern challenges and their impact on the activities of insurance companies**

The modern world, with its constant changes and instability, creates challenges for businesses, including insurance companies. Insurance companies today face many modern challenges that can affect their operations. Among them are:

1) Technological. Technology has a dual impact on the way insurance companies operate. On the one hand, it enables insurance service providers such as insurance companies to reduce costs and gain remote access to consumers, leading to greater financial inclusion. On the other hand, rapid technological developments are leading to the emergence of new risks, such as cyber risks. As a result, insurers need to adapt their insurance products and develop new ones. In addition, technology is opening the door to the insurance market for new players: mobile operators, e-commerce platforms, messengers, social networks and other technology giants, which encourages insurers to innovate in order to maintain a competitive position in the market [17].

2) Natural and climatic. First, an increase in the frequency and intensity of natural catastrophes, such as floods, hurricanes, earthquakes and forest fires, can lead to higher insurance claims and losses for insurance companies. Second, climate change and environmental degradation affect insurers' investment activities. For example, insurance companies are paying more attention to green investment projects. In addition, climate risks, which top the list of risks identified in the World Economic Forum's 2023 report [18], are also reflected in the insurance services offered by insurers.

3) Epidemics and pandemics. This could lead to increased demand for life, health and accident insurance services. For example, the spread of diseases such as COVID-19 has created a demand for services that cover the risks of COVID-19, prompting insurance companies to respond immediately and develop new insurance products or add new options to existing products to meet the needs of their customers.

4) Military and political. Government instability, wars, and conflicts can lead to the destruction of property and infrastructure, which can pose a significant risk to insurance companies. In particular, Ukrainian insurance companies faced such challenges in 2022–2023. Along with this, the impact, as in the situations described above, is observed in the product range.

#### 4. Peculiarities of adaptation of insurance companies in Ukraine to modern challenges

At present, 128 insurance companies operate in the Ukrainian insurance market. It is worth noting that the number of such providers tends to decrease (Table 1). This trend is typical for both non-life and life insurance companies.

Table 1

#### Dynamics of the number of insurance companies in 2012–2022

Period	Number of insurance companies			Absolute changes for the period		
	Total	Life insurance	For types of insurance other than life insurance	Total	Life insurance	For types of insurance other than life insurance
2012	414	62	352			
2013	407	62	345	-7	0	-7
2014	382	57	325	-25	-5	-20
2015	361	49	312	-21	-8	-13
2016	310	39	271	-51	-10	-41
2017	294	33	261	-16	-6	-10
2018	281	30	251	-13	-3	-10
2019	233	23	210	-48	-7	-41
2020	210	20	190	-23	-3	-20
2021	155	13	142	-55	-7	-48
2022	128	12	116	-27	-1	-26

Source: compiled by the authors according to [19]

This is due to a number of factors. First and foremost, it is due to stricter regulatory requirements. It is worth noting that with the transfer of insurance supervision functions to the National Bank of Ukraine, approaches to the regulation of a number of non-bank financial institutions have changed. Insurance companies are not an exception. For example, solvency requirements have been increased and changes to insurance company reporting requirements are underway. The purpose of the latter is to ensure proper disclosure of information about insurers' activities in accordance

with international reporting standards and supervisory requirements and international best practices, taking into account EU directives; to optimize the regulatory burden on insurers; to ensure supervision based on a risk-based approach, taking into account the insurer's business model; to improve information support for non-banking financial services market participants in terms of reporting, in particular in terms of disclosure of open data and data on the state of the insurance market and improvement of cooperation between regulators New indicators of regulatory reporting by insurers [20].

Another driver of the decline in the number of insurers is shocks. First it was COVID-19, and from February 24, 2022 it was war. Unfortunately, not all companies managed to overcome the challenges they faced in their operations under such conditions. These include the inability to operate in regions where active hostilities are taking place, deterioration of customer solvency, lack of staff, loss of access to documentation, etc.

Finally, voluntary withdrawal from the market by refusing to obtain a license due to inactivity.

In this way, the insurance market is cleansed of unreliable insurers, which on the one hand ensures its stable functioning and on the other hand protects the interests of insurance consumers to a certain extent. The largest insurance companies in the first tier of social importance, accounting for 58% of insurance premiums and 97% of insurance liabilities, have a high level of solvency (11 non-life insurers and 7 life insurers) [22].

However, despite the termination of operations by inactive insurers, the segment's assets grew, indicating that such insurers were not active and important players in the market.

There are still players in both sectors that continue to provide quality services. In particular, according to FORINSURER, the leaders among "risky" insurers in terms of insurance premiums are such insurance companies as ARX, UNIQA, TAS IG, USG, etc. [23]. Among life insurers, the leading positions are occupied by METLIFE, TAS, UNIQA LIFE, PZU UKRAINE LIFE INSURANCE, and ARX LIFE [24].

It is worth noting that today, despite the difficult circumstances, insurance companies are adapting to new challenges. The business models of insurance companies change from year to year. Thus, in the context of the pandemic, about 20 companies in 2020 had significant changes in the structure of insurance types, customer categories and types of activities

compared to 2019. Many insurers have developed insurance products that cover COVID-19-related risks or have added a COVID-19 option to their existing health insurance products. With the start of the full-scale invasion, the demand for insurance services decreased significantly, as did the demand for many other services in the financial market. Finally, economic activity has declined and insureds – individuals and businesses – have lost income. Certain types of insurance, such as aviation, were discontinued due to restrictions on the industry. As a result, companies whose portfolios were dominated by these risks were most affected. However, some types of insurance actually increased, such as "Green Card" [25].

Despite the fact that the "Green Card" has become a driver of support for the insurance business, insurers are diversifying their portfolios and making every effort to maintain their operations and retain customers. For example, the insurance company ARX has actually removed age restrictions on travel insurance and added telemedicine services [26]. The response to insuring new risks for the Ukrainian market, such as military risks, which were positioned as an exception before the full-scale invasion, was also relatively quick. According to a study of the top 10 insurance companies in Ukraine (according to FORINSURER magazine at the time of the study), which was conducted in September-October 2022, the market leaders offer such products in terms of the availability of products covering war risks. As a rule, they add an additional option to the existing ones. Most of the insurers surveyed offer this option in CASCO products (Table 2). At the time of the survey, some insurers were planning to introduce such products in the near future.

Insuring investors against war risks is particularly important. However, such an initiative is only possible in cooperation with international partners. For example, "an agreement has already been reached with the Multilateral Investment Guarantee Agency, which is part of the World Bank Group, to insure military risks for \$30 million. By purchasing an insurance policy, investors will be able to receive up to 90% compensation for their potential losses" [37].

It is worth noting that such offerings by insurers have many limitations, as the consequences of war risks are quite unprofitable. In addition, the emergence of war risk insurance products is more a market response to consumer demand for protection than a move to make a profit for insurers.

Table 2

## Availability of insurance products covering war risks by insurance companies

№	Name of the company	Type of insurance service	Insurance product name	Method of obtaining information*	War risks are not covered
1	USG [27]			Website, e-mail	+
2	UNIOA [28]			Telegram chatbot	+
3	ARX [29]	Accident insurance	Armor protection	Website <a href="https://arx.com.ua/producty/accident-insurance?utm_source=eSputnik-promo&amp;utm_medium=email&amp;utm_campaign=promo_bron_18.10.22&amp;utm_content=1551353855&amp;utm_term=promo_bron_18.10.22">https://arx.com.ua/producty/accident-insurance?utm_source=eSputnik-promo&amp;utm_medium=email&amp;utm_campaign=promo_bron_18.10.22&amp;utm_content=1551353855&amp;utm_term=promo_bron_18.10.22</a>	
4	TAS IG [30]	Motor vehicle insurance	PRAVYLNE KASKO	Call center	
5	VUSO [31]	Motor vehicle insurance	KASKO Patriot	Website <a href="https://sales.vuso.ua/uk/kasko?admittad_uid=75047191b11d6825c7d77ad298bf8cd">https://sales.vuso.ua/uk/kasko?admittad_uid=75047191b11d6825c7d77ad298bf8cd</a>	
6	ARSENAL INSURANCE [32]			Telegram chatbot	+
7	PZU UKRAINE [33]	Motor vehicle insurance	KASKO	Call center	
8	KNIAZHA [34]	Accident insurance	Option "Military risks"	Call center	
9	ALFA STRAKHUVANNYA [35]	Медичне страхування	Option "Military operations"	Call center	
10	PROVIDNA [36]	Motor vehicle insurance	KASKO (10% compensation in case of war risks)	Call center	

Source: compiled by the authors based on their own research conducted in September-October 2022<sup>1</sup>

<sup>1</sup> The study was complicated by the fact that information about a particular insurance company was obtained from different sources, which varied. At the same time, the information provided by different agents in a call center could be radically different.

In general, some stabilization of the market has been largely supported by the regulator. The National Bank of Ukraine, as the regulator of the non-bank financial sector, has made a number of regulatory relaxations for the market. Certain violations resulting from the hostilities, such as non-compliance with regulations and failure to file reports, were not sanctioned.

Thus, despite the regulator's risk mitigation measures, the insurance sector remained rather weak for a long time, largely due to the negative impact of previous shocks. Under martial law, the main task of insurance companies, as providers of non-banking financial services, is to maintain operations. It should be noted that in order to achieve this, insurers need to:

- diversify their portfolios. After all, as the practice of Ukrainian insurance companies shows, those insurers that had diversified portfolios suffered less;
- establish a system of sales and customer service through remote channels. At the same time, insurers that provided remote services through online sales channels had an advantage [25].
- update their business models to reflect the current environment and, if necessary, adjust them to take into account the realization of a number of risks.

## **5. Conclusions**

The following conclusions have been drawn from the study of the peculiarities of the functioning of insurance companies in the context of modern challenges:

1) It has been established that the definition of insurance companies should focus on the legal aspect. Thus, insurance companies are financial institutions that have obtained a license to conduct insurance activities in accordance with the established procedure and whose main purpose is to provide insurance coverage through the creation and use of insurance funds. It is noted that there are different types of insurance companies in the world and there is currently no uniform approach to their classification.

2) It is noted that insurance companies face many modern challenges that can have a dual impact on their activities. In particular, modern challenges include technological, natural and climatic, epidemic and pandemic, military and political. At the same time, they all affect the insurance services offered by insurers and act as drivers for the development of new types of insurance products and the improvement of existing ones.

3) It was found that despite the difficult operating conditions, insurance companies in Ukraine are adapting to new challenges: expanding product lines, changing approaches to selling insurance services and communicating with customers, etc. For example, many insurers have developed insurance products that cover COVID-19-related risks or have added a corresponding option to existing health insurance products. Similar changes are taking place in wartime. In particular, a study conducted on the availability of insurance products covering war risks in insurance companies in Ukraine showed positive results in this area. It has been established that the adaptation of insurance companies in Ukraine to modern challenges is taking place with the strong support of the regulator – the National Bank of Ukraine, which has made a number of regulatory relaxations for the market during the war.

4) The article offers recommendations for insurance companies in Ukraine to effectively adapt to modern challenges, namely military ones, and to increase the level of customer confidence: to diversify their portfolios; to create a system of sales and customer service through remote channels; to update their business models in the light of current conditions. These recommendations are based on the fact that under martial law, the main task of insurance companies, as providers of non-banking financial services, is to maintain operations.

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