

A COMPARATIVE ANALYSIS OF INSURANCE BUSINESS DEVELOPMENT IN FOREIGN COUNTRIES AND UKRAINE

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ABSTRACT

This article studies the modern tendencies of insurance business development in foreign countries and Ukraine. It suggests estimating the level of insurance business development in the countries by using the calculation of indices with their integral index calculated. Analytical calculations enable one to rank the countries in compliance with the speed of insurance business development.

Keywords: insurance business, integral index of development, risks, insurance companies, insurance premiums volume, reinsurance

PROBLEM DEFINITION

At present, while significant economic and social reforms are accelerating, the role and purpose of an insurance company in the world economy are being greatly reinforced.

The major countries driving the forces of the global insurance business are: Great Britain (where the companies in the insurance business insure large risks); Germany (where the companies in the insurance business are characterized by a high level of financial stability); the USA (where the insurance business, because of its large scale, greatly influences the insurance business of other countries); and Japan (which has very few companies in the insurance business, yet most of them are large). Today, in some of the developing countries, especially the ones which became the members of the European Union (EU) in 2004, the insurance business has made significant progress. The EU countries are as follows: Poland, Slovakia, and the Czech Republic. Each country has developed its own policies and its own rate of speed in developing its insurance business as well as calculating different estimation indices. Constant volatility, brought about by various factors such as the effects of the financial and economic crisis of 2008-2010, tend to undermine the key tendencies of functioning in the insurance business. Therefore, the authors stress the necessity to develop new approaches towards assessing insurance business in the Ukraine and other foreign countries.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

The analysis of insurance business development is an important subject area for many Ukrainian and foreign researchers. Important Ukrainian researchers are

O. Zaliotov, O. Sliusarenko, and R. Pukala (Zaliotov, O., 2004). These researchers study Eastern European and CIS insurance markets and they use primarily the index of "insurance premium volume" to compare markets. (Adamchuk, N., 2004) discusses in her article, "World insurance market under globalization process", the differences and the problems of the insurance business on the global, national and regional levels. Discussing the problems of licensing, taxation, and the state control of insurance business, the author gives a comparative description based on the index "volume of collected insurance premiums".

The collective book written by American researchers J. David Cummins and Bertrand Venard, *Handbook of international insurance: between global dynamics and local*, (Cummins and Venard, 2007) considers world tendencies towards developing insurance business in general, in the European market, and the authors specify differences in the following countries: the USA, Japan, Great Britain, France, Germany, Italy, Canada, the Netherlands, Spain, Ireland, China, India, South Africa, and Brazil. The authors believe that the countries of Southern and Eastern Asia exercise a strong influence on the development of world insurance business. As a result, these countries tend to create an interest for scientific research.

International organizations use the analysis of insurance business development based on the indices: collected insurance premiums collected insurance premiums per person, and the insurance premium volume in relation to the GDP of a country. The calculation of these indices determines the country's rank in the world insurance business (World Insurance, 2010).

Currently, a number of studies are investigating the description of insurance regulations in various countries:

the USA and the countries of the European Union. The studies are discovering the differences in insurance regulations. (Eling M., Klein R., and Scmit J., 2009) direct their close attention to the study of insurance companies' solvency, historical aspects of regulation in the USA, quantitative and qualitative requirements to the insurance capital, and the tools of insurance supervision that certain agencies use. This study also analyzes the implementation of new criteria to business solvency in the European Union countries.

It is noted that these studies do not comprehensively estimate the development of insurance business because they did not include considering a range of indices and calculating the integral index. Furthermore, the all-encompassing research, which requires a high degree of completeness, concludes that there is a need for a separate analysis and estimation under separate indices.

THE PURPOSE OF THE ARTICLE AND MAJOR ISSUES

This article aims to substantiate new methodological approaches towards assessing the development of an insurance business in a country. The following objectives have been set: to detect and compare main trends in the development of insurance business in foreign countries and the Ukraine; to estimate the development of insurance business in countries selected for research using designated indices, and to determine the integral value.

PRESENTATION OF KEY RESEARCH FINDINGS

Currently, some of the distinguishing characteristics of the global insurance business are the processes of globalization, integration, and consolidation. The participation of each country in these processes is the result of the continuous historic development of the national and world economy. As a result, the functioning of insurance business in foreign countries and the Ukraine is marked by following trends:

1. The global amount of insurance premiums is increasing annually: in 2006 – 3, 723, 412 million dollars, 2007 – 4, 060, 870 million dollars, 2008 – 4, 269, 737 million dollars, 2010 – 4, 338, 964 million dollars, 2011 – 4, 596, 687 million dollars (World insurance in 2006-2011, Swiss Re). The continental centers of the global insurance business development are North America (in 2008 the global insurance premium volume amounted to 31.52%, in 2009 – 30.46%, in 2010 – 29.54%, in 2011 – 28.85%), Europe (in 2008 – 41.06%, in 2009 – 39.61%, in 2010 – 37.35%, in 2011 – 35.93%) and Asia (in 2008 - 21.86%, in 2009 – 24.33%, in 2010 – 26.76%, in 2011 – 28.24%). The number of insurance premiums received by life insurance companies is very important in the structure of insurance premiums. Thus, their percentage amounted to: in Great Britain, in 2008 – 76%, in 2010 – 70%, in 2011 – 66%; in France, in 2008 – 66%, in 2010 – 69%, in 2011 –

64%; and in Japan, in 2008 – 78%, in 2010 – 79%, in 2011 – 80%.

The correlation between the received insurance premiums according to the types of insurance risks and life insurance is almost the same in the USA, where in 2008 the percentage of life insurance premiums was 47%, in 2010 – 43%, in 2011 – 45%. Accordingly, the percentage of life insurance premiums in Germany was in 2008 – 46%, in 2010 - 48%, and in 2011- 46%. Life insurance companies have taken the first place among the ten global leaders in received insurance premiums.

In the Ukraine the situation differs: in 2006 4.9 % of the insurance premium volume fell on life insurance, on risk insurance – 95.1 %; in 2007 4.6 % – on life insurance, 95.4 % – on risk insurance; in 2009 4.05 % – on life insurance, on risk insurance – 95.95 % of all insurance premiums, in 2010 – respectively 3.9% and 96.1 %; and in 2011 – 5.9% and 94.1 %.

2. The increase in the concentration of the capital is due to some mergers and takeovers of insurance companies and reinsurance companies. These actions lead to the formation of transnational insurance business structures. It can be confirmed by the following data: from 1990 to 1997, the total number of insurance companies in the European Union decreased by 1283 companies (Hmyz, 2007). During 1998-2004 the share of 12 global insurance groups, which performed operations in international markets, has increased from 20% to 28%. In 2009 the biggest five mergers and takeovers took place in the European insurance market and amounted to 6.5 billion euros (European insurance, 2011). Today, the expansion of transnational insurance groups (“Allianz”, “AXA”, “Generali”, “SEB”, “ING”) occur in the Czech Republic, Hungary, Slovakia, Romania, and other EU countries. In these countries the market of endowment insurance is operated by the well-known insurance companies of the world.

3. There is a change in the demand for traditional insurance services and its combination with financial services. Insurance companies with narrow specialization are being gradually forced from the markets and are merged with large universal insurance companies. Therefore, new insurance services are being offered to meet the individual needs of the customers. These new insurance services are in the areas of politics, war, terrorism risk insurance, credit guarantee insurance, information insurance, etc.

4. Merger and takeover processes in the reinsurance business, which appear to be essential components in the global business, minimize the risks of the insurance company becoming insolvent as a result of natural disasters or other unexpected events, which cause substantial losses. European reinsurers are the leaders in global insurance business. 60% of all the collected premiums go to 10 companies (Sugrov D., 2011). Usually investments are invested by reinsurers into short-term, high-quality liquid assets. As territorial

diversification of reinsurance increases, the expansion of the geography of risk redistribution helps to stabilize the industry. In addition, alternative reinsurance is becoming more popular. This is because of the risk limitation of the reinsurer, investment income, and the duration of the reinsurance contract.

During the financial-economic crisis of 2008-2010, the reinsurance business in countries with poor market economies has maintained its profitability and has not appealed for any financial help from governments and has required no additional capital infusion. Due to a high capitalization ratio, the total capital of the reinsurers in early 2011 amounted to 321 billion dollars. The authorized share capital of the 40 biggest reinsurers has increased by 28 billion dollars, which is an increase over 10% when compared to 2009 numbers (Snezhko, 2012). The existence of the high-quality risk management system allowed the reinsurance companies to fulfill their obligations with respect to huge catastrophe losses.

In the Ukraine, reinsurance is usually practiced by universal insurance companies which offer insurance and reinsurance services. Some of these companies perform the function of an intermediary for foreign insurance companies because of the shortage of capital and necessary financial resources. These authors estimate that in 2009 real domestic reinsurance capacity amounted to 62.5 million dollars and in 2010-2011 about 63.2 million dollars.

5. The owners of insurance business companies in the countries with the developed market economies are active participants in the insurance investment market. Life insurance companies have investments which amount to 70% of all insurance investments. The average revenue earned from these investments made in developed countries averages 20-30%; whereas in countries with transitional economies, earned revenues from insurance investments averages 3-10%. The investments of the European investors in the insurance business are significant in their amounts and these amounts are increasing annually. In 2001 the number of insurance investments amounted to 4,993 billion euros, in 2003 – 5,362 billion euros, in 2006 – 6,945 billion euros, in 2009 – 6,976 billion euros, in 2010 – 7,445 billion euros, in 2011 – 7,700 billion euros. Life insurance companies own nearly 80% of the total investments. In Great Britain, Germany, and France the investors in the insurance business are considered to be the key players in the investment market (European insurance-key facts, 2012).

Some crucial differences exist in the investment activity of the companies in the insurance business, because of specific features of national financial markets. Thus, in the countries where the market of corporate securities is developing with remarkable rapidity, insurance companies invest in the market instruments. Meanwhile, in other countries where there is no such market, the preference is given to the state securities or other investment instruments. Special

investment departments are created within the organizational structure of insurance companies. These departments handle the administration of the portfolio. In European countries, and the EU countries in particular, insurance companies mainly invest in securities. In 2011, 33% of the investments were made in stock shares and 41% in debt securities. The percentage of investment in mortgage loans 2011 was 11.5%. In addition, in 2001 5% of insurance investments were made in construction projects. Deposit investments, however, had smaller investment percentages. In 2011 deposit investments were only 2% (European insurance-key facts, 2012).

In the Ukraine, the investment opportunities of insurance companies are hardly used. Insurance companies do not practice active investing. The investing is second-rate. If investing is put into effect, then it is only for a short time into quick, low-income instruments. Financial insurance investments are the popular choice. The majority of investments are in fund instruments and bank deposits. By investing money in bank deposits, an insurance company does not need professional intermediaries. This type of investment is quick because the conditions of all deposit agreements are standard. Most importantly, a bank is a gainful partner in the financial market because the insurance services it offers. Credit risk insurance is a major area of investment. Only 45% of the fund market is used by the insurance companies of the Ukraine for investment. For the most part, insurance companies buy and sell simple nominal shares in the unorganized market. Professional investors are not used the insurance companies do not follow the requirements of investing.

6. The number of natural and industrial disasters has recently increased in the last several years. The quantity of losses caused by different catastrophes throughout the last two decades is striking and is still increasing. It is worth noting that from 1949 to 1999 the total expenses of insurance companies for losses from hurricanes amounted to 87.8 billion dollars. But, 45.7 billion dollars have been paid throughout the last 11 years. In 2009 the total pay-out for insured losses was about 62 billion dollars, and insurance expenses were – 26 billion dollars. However, the biggest losses that the global economy has ever sustained were registered in 2008. The amount of total insured losses was 268 billion dollars and insurance expenses were 52.5 billion dollars. In 2010 the total insured losses amounted to about 218 billion dollars with insurance expenses being 43 billion dollars. In 2011 insurance companies covered 115 billion dollars for the losses incurred from natural disasters. The total amount of losses was 370 billion dollars (Natural catastrophes, 2011).

The above figures attest the insufficient usage of insurance for minimizing the risks of natural disasters. As a result, in 2009 the gap between the total losses and insurance covered losses amounted to 36 billion dollars. In 2010 the gap was 175 billion dollars. There has been

an increase in the number of hurricanes and earthquakes which have caused a great amount of casualties and property losses. During 2010 over 304,000 people died in these natural catastrophes. This is considered to be the biggest number of casualties since 1976 (Natural catastrophes, 2011). The increase in these natural disasters reinforces the need for the protective functions of the insurance business. This situation requires the establishment of new strategic goals towards the evaluation and administration of risks from the companies in the insurance business in order to make accommodations to the growing danger.

The amount of insurance expenses in the developed countries is higher than in the developing countries. Experts state that in 2009, 30% of natural losses were insured in the developed countries, but in the developing countries it was only 5%. In the Ukraine only 2% of natural losses are covered by insurance companies and the rest of these losses are funded from the state budget.

An analysis will describe the processes involved in the insurance business at the current stage of development. To get a better understanding of the industry, we will conduct a quantitative analysis of the operating of insurance business using a newly developed approach.

In the majority of scientific studies, the quantitative estimation of development of the insurance business uses the following range of indices: 1) collected insurance premiums (the size of insurance portfolio depends on the size of the insurance business in the country); 2) collected insurance premiums per person (the index of insurance density, which determines the volume of insurance premiums per one person in a country. The minimum value amounts to at least 140 dollars per person); 3) insurance premium volume as a percentage of GDP of the country (characterizes the influence of the insurance business on the development of a country's economy. The threshold value of index is 8-12 % of GDP). On every index the countries leaders and the countries operating outside the parameters of the indices are determined. These extended descriptions are given by Swiss Re every year.

Undoubtedly, such analysis gives an idea about the scale of the development of the insurance business in a country in every index. However, the complex estimation of the insurance business of a country both on the basis of described indices and the use of other indexes, which are just as important, is lacking. In our opinion, while doing research it is necessary to take into account not only the basic indices that mainly characterize the presence of insurance services in a country, but also consider other indices that estimate the amount of activity insurance companies of a country. We believe that the indices that are to be considered when estimating the development of the insurance business in a country must use these parameters to characterize the insurance companies:

1) Transparency: the honest activity of insurance business entities in a country is confirmed by high values in the following indices:

- the level of insurance compensation (determines an amount of insurance compensation in the collection of insurance premiums. This is a basic factor that allows the estimation of the activity of insurance business companies from the position of their adherence to honest rules of doing business).

- the insurance compensation per one person (characterizes to what degree insurance companies meet their obligations to their clients).

2) Financial security, solvency of insurance business companies are confirmed by such indices as:

- the coefficient of maintenance (determines what percentage of the clients' losses are on the insurance policy which remains the responsibility of the insurance business company, and what percentage is sold to a reinsurance company).

- the average amount of assets for one insurance business company (characterizes the potential and financial opportunities of the insurance business in relation to the separate assets of a country).

- the percentage share of insurance assets in relation to the GDP of a country (refers to specific amount of insurance assets compared to the GDP of a country and determines their role in the country's economy).

Considering all these factors, we suggest carrying out the analysis of the development of the insurance business of any country by using all of the marked indices. We will calculate the integral estimation of insurance business development for 2009-2011 for the following countries: the USA, Japan, Germany, France, Canada, Sweden, Switzerland, South Korea, Ireland, Italy, Spain, the Netherlands, Portugal, Turkey, Poland, the Czech Republic, Hungary, Slovenia, Slovakia, and the Ukraine.

For purposes of estimation we will choose the following indices: X_j (their values are presented in table 1):

X_1 – collected insurance premiums;

X_2 – collected insurance premiums per person;

X_3 – insurance premium volume compared to the GDP of the country;

X_4 – the level of insurance compensation;

X_5 – the level of insurance compensation per one person;

X_6 – the coefficient of maintenance;

X_7 – the average amount of assets per one insurance business company;

X_8 – the share of insurance assets in the GDP of a country.

To calculate the integral index of insurance business development of a country we will apply the

formula as follows:

$$I_i = \sum_{j=1}^8 \frac{X_{ji} - \mu_j}{\sigma_j}, \quad (1)$$

I_i = the integral index of insurance business development of i -th country;

X_{ji} = j -th index of insurance business development of i -th country;

i = the value of the index of insurance business development for a selected country,

$$i=1, \dots, 20;$$

μ_j = the mean value of j -th index of insurance business development;

σ_j = the mean-square value of j -th index of insurance business development.

The mean value of the index of insurance business development μ_j is calculated by using the formula:

$$\mu_j = \frac{1}{n} \sum_{j=1}^n X_{ji}. \quad (2)$$

The mean-square value of j -th index of insurance business development σ_j is calculated by using the formula:

$$\sigma_j^2 = \frac{1}{n} \sum_{i=1}^n X_{ji}^2 - \mu_j^2. \quad (3)$$

By using the Excel program, we will compute the calculations for selected countries between 2009-2011. Calculated results are presented in table 2.

For the received factual values of the integral index the scale of estimation is suggested as follows:

5 points – is the lowest value of the index for a certain country;

100 points – is the highest value of the index.

In reference to the value of integral index, every country is estimated within the range 5 to 100 points. These studies calculated the integral index of insurance business development and the values for 2009-2010 are presented on Figure 1.

The calculated values of the integral index of insurance business development of the studied countries during the analyzed time period for certain countries have an identical value. For other countries, the integral index is different on an annual basis. This is because, in our opinion, the integral index depends on time, specific political, socio-economic situations, and other factors of influence in a country.

As a result, in 2009 leading countries in the development of insurance business were: Japan (100 points), Switzerland (95 points), France (90 points), Ireland (85 points), the Netherlands (80 points),

Germany (75 points), the USA (70 points). In measuring the development of insurance business by the index, "insurance premiums volume", the leading countries were: the USA, Japan, Great Britain, France, and Germany. Using the index, "insurance premiums volume per one person", the leading countries were: the Netherlands, Switzerland, Denmark, Luxembourg, and Great Britain.

In 2010 the leading countries, according to the undertaken study, were: Japan (100 points), Ireland (95 - points) Switzerland (90 points), France (85 points), the Netherlands (80 points), the USA (75 points). In 2011 the integral index of the insurance business development was the highest for Japan. Countries that improved their positions in 2011 were: the USA, Switzerland, Sweden, France, the Netherlands, Germany, and Canada. High values of the integral index of business insurance development of these countries can be explained by the high values of separate indices of the insurance business development and their annual increase.

Countries that went through transformational modifications of their economies, rapid development is a distinctive feature for the insurance business of Slovenia, the Czech Republic, Poland, and Hungary. In the Ukraine development of the insurance business is characterized by low indices which define its weakness in the world insurance business.

CONCLUSIONS AND RECOMMENDATIONS

The obtained quantitative data for the world insurance business development using all of the indexes confirms the scale, power, efficiency, and accuracy in countries with a developed economy. In countries that are develop new economies, the insurance business has a large potential for further growth. These countries are under the influence of permanent structural changes. In the beginning there will be privatization of businesses. Then there will be processes of globalization, growing competition among insurance business structures, and the inception of new legislative and normal legal laws. Processes of merging, absorption and penetration in other countries are actively taking place. Polish insurance companies are competing in markets of the Ukraine and Lithuania and Czech insurance companies are doing business in Slovakia.

The completion of a complex research initiative of the insurance business using specific indices contributes to an effective and objective analytical study during a selected period of time. This study provides accurate information for the acceptance of reasonable admini-

Table 1. Indices of insurance business development in separate countries of the world 2009-2011

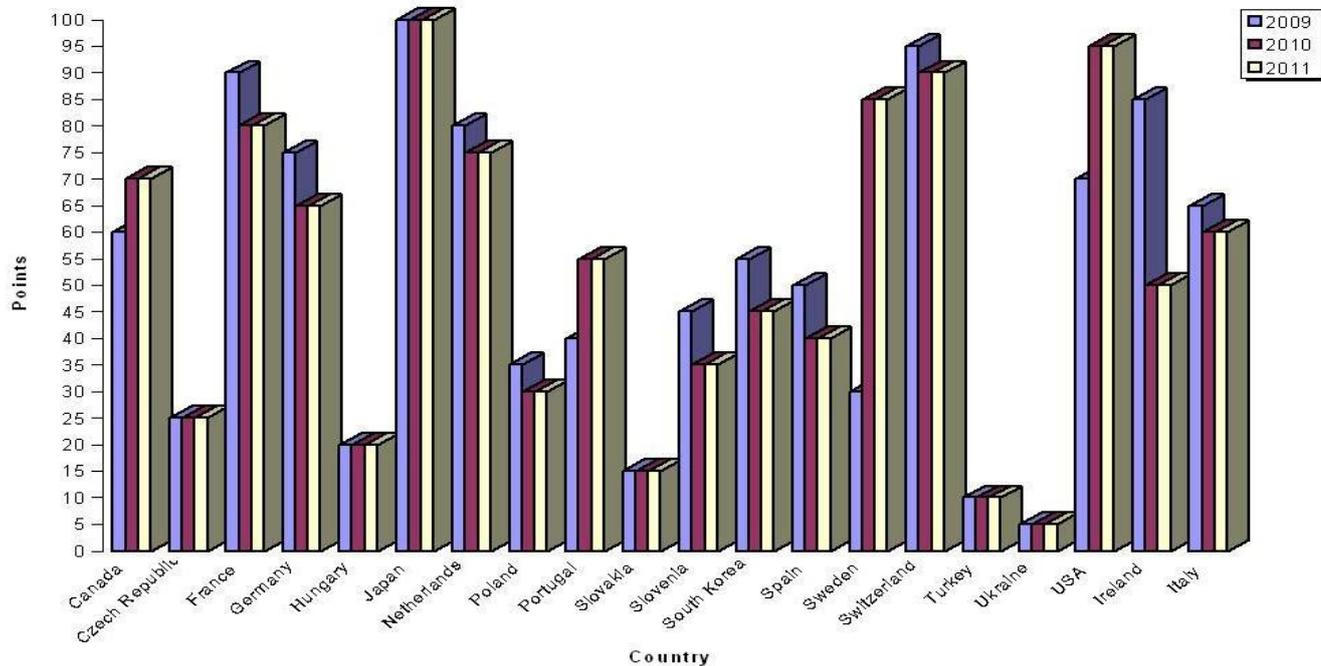
Indices	Years	Canada	Germany	France	Italy	Spain	Netherlands	Turkey	Poland	Portugal	Czech Republic
The level of insurance compensation, %	2009	82	90	69	71	80	46	75	79	77	54
	2010	77	75	69	72	80	52	67	69	76	54
	2011	73	76	66	77	75	46	59	65	93	55
Of insurance compensation per one person, дол.	2009	2425,61	2614,11	3021,59	2010,60	1436,28	3017,46	78,57	340,14	1475,12	393,65
	2010	2628,93	2210,65	2973,64	2068,56	1325,28	3035,19	81,62	319,17	1565,30	410,29
	2011	2587,18	2290,78	2778,90	2038,43	1296,17	3070,91	80,52	323,42	1437,34	459,65
The coefficient of own maintenance, %	2009	78,37	88,13	91,66	95,4	91,96	92,42	73,92	95,32	51,02	83,2
	2010	78,89	86,34	91,44	95,86	92,42	91,28	76,88	93,74	93,46	83,37
	2011	75,17	85,78	89,95	95,48	94,32	86,15	74,89	93,26	91,05	91,46
Collected insurance premiums, млн дол.	2009	98840	238366	283070	169360	82 775	108144	7853	16286	20312	7328
	2010	115521	239817	280082	174347	76082	97057	9220	17763	21780	7914
	2011	121213	245162	273112	160514	79987	110931	10051	19107	16313	8764
Collected insurance premiums per person, дол.	2009	2941,67	2914,01	4388,68	2813,29	1803,38	6554,18	104,99	429,71	1916,23	725,54
	2010	3407,70	2931,75	4315,59	2886,54	1650,37	5846,81	121,64	465,00	2054,72	753,71
	2011	3533,91	3000,76	4188,83	2644,38	1727,58	6642,57	136,38	500,18	1538,96	834,67
Insurance premium volume to GDP of the country, %	2009	7	7	11	8	6	14	1	4	9	4
	2010	7	7	11	8	5	12	1	4	10	4
	2011	7	7	10	7	5	13	1	4	7	4
The share of insurance assets in GDP of a country, %	2009	45	48	86	37	23	69	3	10	35	11
	2010	44	48	91	38	22	67	3	10	34	11
	2011	73	47	92	37	23	70	3	10	30	11
The average amount of assets per one insurance business entity, млн дол.	2009	2220,07	3295,53	5995,31	3232,64	1115,86	1945,13	392,95	675,15	938,45	392,84
	2010	2633,90	3325,40	6158,29	3211,73	1099,05	2005,98	422,60	764,14	936,47	392,24
	2011	4969,77	3310,46	6076,80	3408,19	1253,94	2369,75	401,53	667,57	918,39	456,90

Table 1. Indices of insurance business development in separate countries of the world 2009-2011(Continued)

Indices	Years	Hungary	Ukraine	South Korea	USA	Japan	Switzerland	Sweden	Ireland	Slovenia	Slovakia
The level of insurance compensation, %	2009	63	33	57	57	85	84	24	69	68	52
	2010	73	26	56	58	75	75	43	74	65	59
	2011	65	32	48	92	79	77	45	20	63	58
Of insurance compensation per one person, дол.	2009	252,76	18,92	1081,34	3775,9	3370	5317,3	860	6819,3	978,5	271,1
	2010	290,36	16,89	1315,04	3744	3272	4937,5	1748,4	7926,7	862,4	285,2
	2011	257,52	21,86	1275,55	11826,7	3277,1	6156,7	1978,8	1833,6	897,6	310,6
The coefficient of own maintenance, %	2009	84,09	57	92,87	70,1	93,94	93,17	52,32	90,02	86,46	87,53
	2010	84,03	52	93,8	73,88	94,08	91,84	92,61	89,03	87,28	86,88
	2011	82,92	74	93,33	73,98	93,3	92,96	92,94	86,73	87,24	85,53
Collected insurance premiums, млн дол.	2009	3986	2624	91963	1139746	505956	48470	32768	44598	2895	2794
	2010	3999	2463	114422	1166142	557439	52118	38218	47901	2775	2608
	2011	3964	3084	130383	1204677	655408	63576	42111	41987	3008	2869
Collected insurance premiums per person, дол.	2009	398,60	57,42	1888,36	3710	3979	6257,6	3540	4515,7	1420	516,8
	2010	399,90	54,25	2339,92	3758,9	4390,2	6633,7	4081,7	4296,6	1352,7	480,5
	2011	396,40	68,23	2660,88	3846	5169	8012	4455	4449	1464	528
Insurance premium volume to GDP of the country, %	2009	3	2	10	8,0	9,9	9,8	8,2	8,9	6,0	3,1
	2010	3	2	11	8,0	10,10	9,9	8,4	9,2	5,9	3,0
	2011	3	2	12	8,1	11,0	10,0	7,9	9,1	6,8	2,9
The share of insurance assets in GDP of a country, %	2009	9	4	39	32	73	81	81	84	16	11
	2010	9	4	43	33	72	74	79	86	15	9
	2011	8	4	0	34	75	72	86	91	14	9
The average amount of assets per one insurance business entity, млн дол.	2009	241,95	11,97	6625,47	979,5	40514	1838	1532	699	354	251
	2010	230,19	12,51	8195,82	1037,8	43460	1813	1743	745	360	237
	2011	238,89	13,68	7410,65	1097	48394	2192	2124	814	377	236

Table 2. The value of the integral index of insurance business development in separate countries of the world, 2009-2011

Country	The value of the integral index		
	2009	2010	2011
Canada	0,945	0,774	1,821
Germany	2,696	1,582	1,111
France	6,025	5,952	3,954
Italy	1,646	1,920	0,312
Spain	-0,601	-0,937	-2,038
Netherlands	5,053	3826	3,357
Turkey	-6,427	-7,164	-6,300
Poland	-3,117	-3,769	-4,510
Portugal	-2,561	0,945	-0,497
Czech Republic	-5,291	-5,794	-4,893
Hungary	-5,358	-4,946	-5,048
Ukraine	-9,870	-12,570	-7,595
South Korea	0,424	1,230	-0,946
USA	3,779	3,288	9,138
Japan	11,170	10,980	10,060
Switzerland	7,332	6,444	5,865
Sweden	-3,580	0,730	5,154
Ireland	5,839	6,505	-0,502
Slovenia	-2,790	-3,310	-3,077
Slovakia	-5,584	-5,685	-5,363

**Figure 1.** The numerical value of the integral index of insurance business development in separate countries of the world 2009-2011

strative decisions at the basic level of a single insurance business company. This study also provides accurate information for the forming of associations of insurance companies, for state authorities, the determination of basic tendencies and features of development, and factors of influence that specify directions and mechanisms of government control.

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