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Analysis of the activity of the insurance company and prospects of its development on the market of insurance services (on the example of PJSC "Insurance Group "TAS")

■ **Abstract.** The relevance of the work lies in the need to ensure the effective operation and development of insurance companies on the insurance services market in the conditions of globalization and growing international competition. The purpose of the study was to define the essence and to do the analysis of insurance services for individuals and legal entities as well as the prospects for their development. The study used the method of analysis and synthesis, and the factor analysis of the overall profitability indicators was also carried out. The analysis of insurance services was carried out on the example of the activities of the insurance group "TAS". The main results of the study are presented in the analysis of the financial and economic indicators of the insurance group "TAS". The dynamics of insurance premiums, insurance payments and insurance reserves of the company under study, including those by type of insurance services, are analysed. The analysis proved that the insurance company "TAS" currently holds the leading positions on the Ukrainian insurance market in terms of insurance payments. The factors that positively influence the development of insurance and ensure its constant financing are considered. In order to determine the level of profitability on the insurance services market, the article analyses profitability indicators for the products of the insurance company "TAS" and tracks the impact of changes in the structure and volume of insurance products on these indicators. The article presents the structure of the insurance development cycle, which allows to define the goals of insurance services development and requires an assessment of the company's capabilities for their implementation. It is proved that the introduction of new insurance services will allow the insurance company "TAS" to ensure continuous and stable operation on the market. The practical significance of the research lies in the substantiated prospects for the development of insurance company services

■ **Keywords:** growth rate; provision of services; assessment of opportunities; dynamics of insurance premiums and payments; financial and economic indicators

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■ INTRODUCTION

The analysis of an insurance company work is an important part of the economic operation of the insurance market. As the final stage, it comprehensively covers all the other elements of the work. At the same time, it can be affirmed that the analysis of economic indicators allows for a correct assessment of the company and its divisions, identifies the cause of problems and available reserves, and can significantly improve the level of all economic work, making it a serious stimulus for development on the insurance services market.

The work of Yu.V. Aleskerova & V.O. Rachok (2020) states that the analysis of economic indicators becomes important in market reforms, when approaches to economic management and opportunities for further economic growth arise. Under these conditions, the analysis makes it possible to objectively assess the economic performance of companies and determine their position in the industry, the region and the country. This lays the foundation for the development of a system for analysing insurance companies' activities through insurance premiums, insurance payments, insurance reserves and other indicators.

The economic crisis in Ukraine calls for active analytical work as the analysis of companies' performance can identify and quantify the relationship between a company's productivity and its resources, profits and ownership. The analysis of the performance of economic indicators helps to use various funds economically and wisely.

In the study by O.D. Vovchak & L.M. Nadiievets (2015) it is determined that market relations require a thorough analysis of market conditions in order to define the principles of market mechanisms. In developed countries, this analysis reveals certain objective patterns and allows to plan the number of services based on consumer demand, which leads to a change in the positioning of services and then demand.

It should be added that the analysis of insurance companies requires both qualitative and quantitative assessment. The choice of appropriate indicators should fully express the nature and prospects of development on the insurance market (Horodnichenko, 2017).

Research on this issue is relevant and appropriate. The main goal of the work of A.P. Ivanova & L.P. Shapoval (2017) is to analyse the company's activities and its stability and protection of consumers from potential risks. Therefore, the use of the results of the analysis of insurance companies' activities as a basis for making promising decisions on further development in the insurance services market is a priority task of the research.

The object of the study is the services provided by an insurance company.

The purpose of this paper is to study the theoretical and methodological aspects of analysing the activities of an insurance company on the insurance services market. This will make it possible to develop recommendations regarding the prospects for the development of insurance companies on the insurance services market.

To achieve this goal, the article sets out and solves the following tasks: to analyse the insurance products of an insurance company; to analyse the use of resources on the insurance services market; to analyse the performance indicators of an insurance company; to substantiate the prospects for the development of insurance company services.

■ LITERATURE REVIEW

Yu.V. Horodnichenko (2017) examines the state of the insurance market in modern conditions, identifies its main problems and shortcomings and identifies ways to improve and increase the efficiency of the insurance market. He suggests: expanding the catalogue of insurance services, improving the procedure for collecting taxes on insurance activities, improving the procedure for establishing insurance companies, ensuring an optimal structure of relations between compulsory and voluntary insurance, and allowing the insurance market to participate in solving social insurance issues.

Yu.M. Klapkiv (2020), within the framework of the study of the institutional formation of the infrastructural components of the insurance services market, considers the organizational, methodological and legal framework for the formation of the insurance services market, the components of the system and the relationship between them and the financial aspects of the functioning of the institutional mechanism; highlights the importance of innovation and the digital economy for the insurance services market; studies the current realities of the insurance services market; based on the analysis of the transformation of insurance services, a carrier of its modernization is formed.

H. Kravchuk & T. Berezhna (2016) study the financial results of insurers, their formation and develop approaches to improving the performance of insurance companies by reducing the cost of insurance services, attracting new policyholders, increasing investment activity, regulating the legislative framework and taking into account foreign experience.

S.V. Kachula *et al.* (2021) analysed the formation of income and how, on the example of JSC "Insurance Group "TAS", the profits of insurance companies are distributed. They offered proposals for their growth in the current conditions in the direction of placement of part of the company's technical reserves on deposit accounts in reliable Ukrainian banks, which will allow to receive investment income and contribute to its further development, as well as to an increase in revenues and profits.

O.V. Korvat & N.K. Mamedov (2019) substantiate the theoretical provisions of insurance companies' revenue management in a rapidly changing market environment and propose the use of methods to eliminate gaps in the management of direct and feedback revenue. It should be noted, therefore, that they demonstrate the strategic importance of introducing digital innovations for revenue management in insurance.

O. Kneisler (2015) explores theoretical and practical methods of forming a system for managing financial flows of insurance companies, describes methods and stages of financial management of insurance companies, identifies problems in the context of financial resource flows and outlines activities to solve them.

Yu.A. Romanovska & Ya.A. Saienko (2018) analyse the main financial indicators of the insurance company "TAS", which determine the ability of the insurer to meet the standards of the European insurance market in order to attract all possible management models for the growth of profit indicators. This allows us to form competitive directions of development.

I.Yu. Rud & K.V. Kondratska (2019) study the theoretical aspects of defining the insurance market and its structure, analyse the state of the insurance market in terms of

insurance premiums and insurance payments, the number of insurance contracts concluded, the volume of revenues and the share of gross insurance premiums, insurance reserves, and insurers' assets in modern conditions, which results in the identification of the main problems of its competitive functioning and ways to improve the efficiency of functioning, the latest service quality standards in the context of using foreign insurance experience and introducing the latest insurance technologies.

O.S. Skrypova (2012), based on the analysis of the state and development of the insurance market of Ukraine, identifies the main problems that need to be solved in the management of insurance companies and the risks that need to be taken into account on the modern insurance market.

The works (Karapiperis *et al.*, 2015; Global insurance telematics..., 2013; Insurance telematics report..., 2014) investigated the auto insurance market, which is in a phase of active growth and is developing most rapidly in Europe and North America, where the vast majority of new auto insurance services are provided, in particular, those using telematics devices to track driving behavior. The research of G.L. Matviienko-Biliaieva *et al.* (2020) is aimed at the problem of reforming the logistics management system by introducing organizational models that maximize profits in the short term and increase capital in the long term.

T.V. Shtal *et al.* (2018) assess the impact of environmental factors on the logistics activities of enterprises and diagnose a high level of its dependence on these factors, which also significantly affect the state of financial, economic and legal support in market conditions.

D.V. Gubanya & V.A. Chebotaryov (2019), V.M. Yukhimenko (2017), O. Kneysler *et al.* (2019) analyse the state and peculiarities of the national insurance market and identify trends in its development.

Insurance provides reliable protection of the property interests of entrepreneurs and the public against potential risks, in the event of unforeseen circumstances and in order to solve social problems. This suggests that research on the analysis of an insurance company's activities and its development in the insurance services market is appropriate and relevant.

■ MATERIALS AND METHODS

The study examines the theoretical and methodological foundations of the insurance group's functioning and analyses the activities of the Ukrainian insurance company Pr-JSC "Insurance group "TAS". The analysis was conducted on the basis of the regulatory and legislative acts in force in Ukraine, works of foreign and Ukrainian leading scholars, public and financial information. The stages of the conceptual scheme of the study are shown in Figure 1.

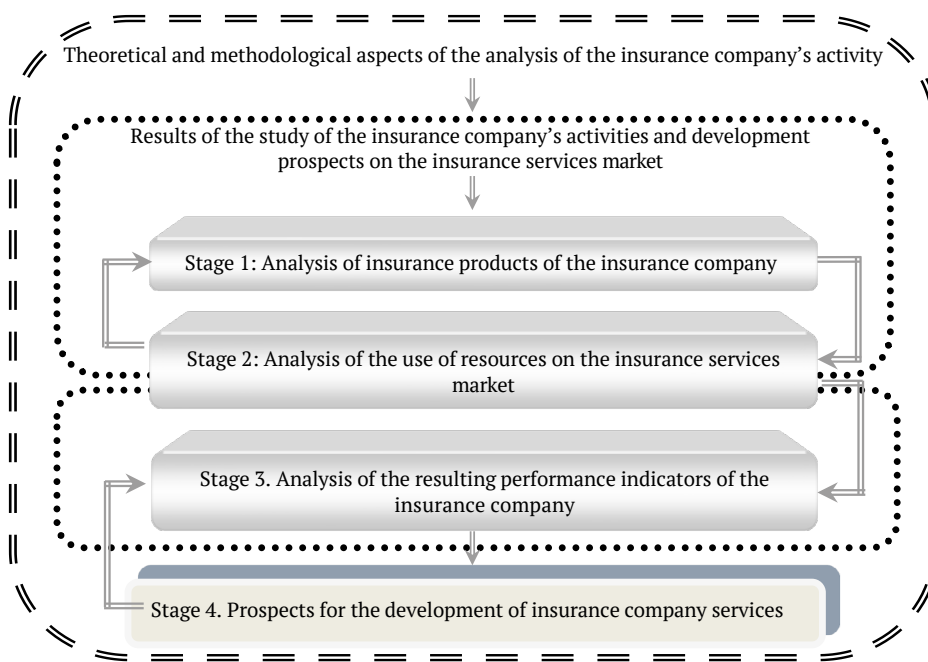


Figure 1. Conceptual scheme for modelling the analysis of insurance company activity and prospects for its development on the insurance market

Source: developed by the authors

At the first stage, the insurance products of the insurance group "TAS" were analysed.

The main insurance products for legal entities and individuals were reviewed. The product forms a comprehensive insurance plan, according to which each client – legal entity or individual – can cover their risks individually or in aggregate.

The second stage involved analysing the use of resources on the insurance market. The following indicators were analysed: insurance premiums, insurance payments,

and insurance reserves. It was also analysed the growth rate of the gross amount, the premium for sleeping base and chain substitutions.

The average annual growth rate is calculated by mean geometric or mean arithmetic progression:

$$T = \sqrt[n]{T1 \cdot T2 \cdot T3}, \quad (1)$$

where T – growth rate, %; T1 – base year growth rate, %; T2 – last year growth rate, %; T3 – base year growth rate, %.

After that, the article analyses the dynamics of insurance premiums by type of insurance services of the insurance group “TAS” and draws conclusions.

At the third stage, we analysed the performance indicators of the insurance company. The dynamics of the main financial and economic indicators of the company’s work were studied, which is important for a comprehensive analysis of the insurance company’s activities. In the course of research, the profitability and lucrativeness of insurance products were analysed and the impact of the following factors was identified:

- changes in the structure and scope of insurance products;
- changes in insurance products and other expenses.

To evaluate the profitability of different types of companies, we used general profitability indicators that describe the profitability of insurance products and services. The peculiarity of the listed profitability indicators was that a certain type of profit was used for the calculation for a specific case.

It was conducted a factor analysis using the chain substitution method, in 2020, compared to 2019, and identified the factors that influenced the change:

- profitability of the insurance service;
- sales profitability.

Calculations were made using the formulas (Romanovska & Pokynboroda, 2018):

1) indicator - the profitability of the insurance service was determined:

$$R_{serv} = \frac{\Pi_{act}}{B} \cdot 100\%, \quad (2)$$

where B – insurance company expenses, UAH thou.; Π_{act} – actual profit, UAH thou.

2) indicator – return on sales was determined by:

$$R_{ros} = \frac{\Pi_{net}}{C_{paym}} \cdot 100\%, \quad (3)$$

where C_{paym} – insurance payments, UAH thou.; Π_{net} – net profit, UAH thou.

3) indicator – the return on assets was determined by:

$$R_{act} = \frac{\Pi_{net}}{A} \cdot 100\%, \quad (4)$$

where A – average annual value of assets, UAH thou.

4) indicator– the return on equity was determined by:

$$R_{EC} = \frac{\Pi_{net}}{EC} \cdot 100\%, \quad (5)$$

where EC –equity capital of the insurance company, UAH thou.

The calculation of these profitability indicators was characterized by the fact that in each case a certain type of insurance company profit was used (Romanovska & Pokynboroda, 2018).

At the fourth stage, the prospects for the development of the insurance company’s services were determined.

■ RESULTS

■ **Results of stage 1 – Analysis of insurance products of PrJSC “Insurance Group “TAS”.** An insurance product is a complex concept that includes not only the formalization of written contractual relations but also:

- concluding insurance contracts, for example, understanding the client’s insurance terms and conditions in as much detail as possible and providing them with all the necessary information;
- providing customer support throughout the entire term of the insurance contract. Specialists keep in touch with clients, inform them about current company promotions, provide special bonuses and discounts;
- pre-sales customer service: expert advice, communication with insurance consultants who undergo special training, and information about the company’s activities;
- full support (in case of an insured event) and participation in the resolution of the insured event (company representatives visit the scene of the event, assist in the preparation of documents, etc.)

The main insurance products for legal entities and individuals are shown in Figure 2.

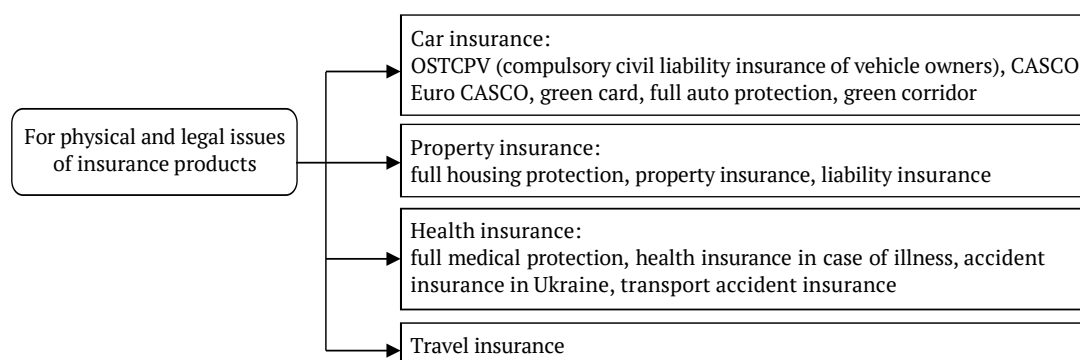


Figure 2. Insurance products for individuals and legal entities

Source: developed by the authors based on (Official website of the Insurance group..., n.d.)

The insurance group “TAS” is a universal insurance company that provides insurance products to consumers and covers all types of voluntary and compulsory insurance.

The product forms a comprehensive insurance plan, according to which each client – legal entity or individual – can

cover their risks individually or in aggregate. Insurance, in addition to its main consumer protection function (ensuring financial protection of the insured person against possible damage, property losses and losses), also performs its inherent functions: accumulation, investment and savings.

■ Results of Stage 2 – Analysis of resource utilization in the insurance market. Every economic phenomenon is determined more by a set of interrelated indicators than by a single indicator. Since a large number of different indicators are used in the analysis, they need to be grouped and systematized. At present, PJSC “Insurance Group “TAS” holds a leading position in the Ukrainian

insurance market in terms of insurance payments. The main work of the insurance group is focused on creating high-quality insurance products with competitive advantages for customers.

It is analysed the dynamics of insurance premiums, insurance reserves, insurance payments of PrJSC “Insurance Group “TAS” (Table 1).

Table 1. Analysis of indicators of insurance premiums, insurance payments and insurance reserves of PrJSC “Insurance Group “TAS”

Indicator	2018 year	2019 year	2020 year	Growth rate, %	
				2019/2018	2020/2019
1 Insurance premiums, UAH mln	1387,745	1815,100	2026,920	130.80	111.67
2 Insurance payments, UAH mln	545,449	726,963	887,598	133.27	122.10
3 Insurance reserves, UAH mln	1078,640	1380,602	1614,042	127.99	116.91

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The calculations of the analysis (Table 1) show that in 2020, compared to 2019, insurance premiums of the insurance group “TAS” increased by UAH 211,82 million or 11.67%. In 2019, compared to 2018, they increased by UAH 427,3 million, or 30.8%. In 2020, compared to 2019, insurance payments increased by UAH 160,635 million, or 22.10%, and in 2019, compared to 2018, by UAH 181,5 million,

or 33.27%. Insurance reserves increased by UAH 233,44 million or 16.91% in 2020 compared to 2019, and by UAH 301,9 million or 27.99% in 2019 compared to 2018, which had a positive impact on the development of the insurance industry and on ensuring constant funding, even in the event of an economic crisis. To visualize the dynamics of the indicators of PrJSC “Insurance Group “TAS”, see Figure 3.

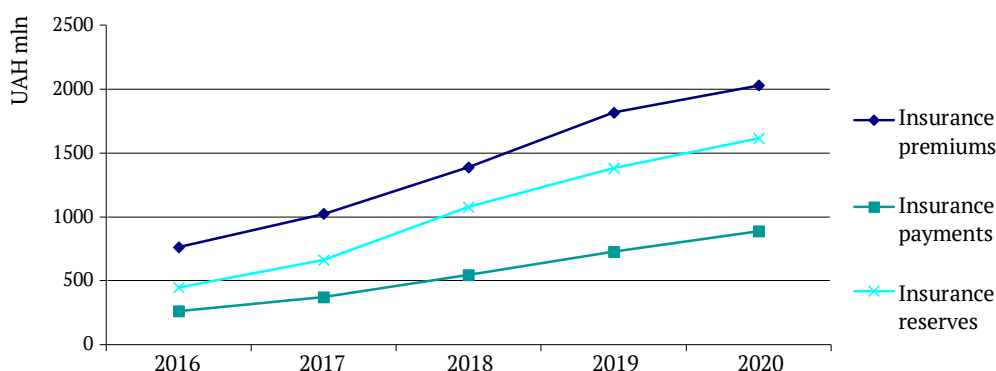


Figure 3. Analysis of the main financial indicators of the insurance group

Source: developed by the authors based on (Official website of the Insurance group..., n.d.)

The results of the analysis of the key financial indicators of the insurance group “TAS” show an increase in insurance premiums, insurance payments and insurance reserves. This indicates the regularity of dissemination of the results of its work, the effective development of insurance products in the insurance services market. The main activity of the insurance company PrJSC “Insurance Group

“TAS” is to provide high-quality services that would meet market demand. The growth rate of insurance services directly affects the amount of expenses, profit and profitability. Therefore, in order to analyse the work of an insurance company, it is necessary to study the dynamics of the gross amount, premiums, the results of calculating the basic and chain growth rates and growth (Table 2).

Table 2. Analysis of gross amount, premiums, UAH mln

Year	Insurance premiums	Growth rate, %	
		basic	chain
2018	1387,745	100.00	100.00
2019	1815,100	130.80	130.80
2020	2026,920	146.06	111.67

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The average annual growth rate over the past three years (Table 2) can be calculated using formula (1):

$$T = \sqrt[3]{1,1167 \cdot 1,3080 \cdot 1,00} = \sqrt[3]{1,46} = 1.21 = 121\%$$

$$T=121-100=21\%$$

Based on the above calculations, it can be concluded that over the past three years, the average annual growth rate of insurance premiums was 21%.

The analysis of the dynamics of insurance premiums by type of insurance services of the insurance group "TAS" is presented in Table 3.

Table 3. Analysis of insurance premiums and insurance payments by type of insurance services of the Insurance Group "TAS", UAH mln

Indicator	2018 year	2019 year	2020 year	Specific weight, 2020 year	Growth rate, %	
					2019/2018	2020/2019
1 Insurance premiums, incl.	1387,745	1815,100	2026,920	100,00	130.80	111.67
MTPL INSURANCE	481,152	604,504	716,401	35,35	130.80	111.67
Green card	273,007	367,407	267,320	13,19	125.64	118,51
CASCO	255,030	354,352	453,064	22,35	134.58	72.76
Property	39,161	41,400	44,061	2,17	138.95	127.86
Medicine	85,348	127,648	202,246	9,98	105.72	106.43
TTourism	78,953	90,500	84,125	4,15	149.56	158.44
Compliance is different	175,000	229,300	259,703	12,81	114.63	92.96
2 Insurance payments, incl.	545,449	726,963	887,598	100,00	131.03	113.26
MTPL INSURANCE	201,109	284,093	328,964	37,06	133.27	122.10
Green card	127,481	110,303	136,761	15,41	141.26	115.79
CASCO	127,864	192,732	269,489	30,36	86.53	123.99
Property	2,455	4,136	3,656	0,41	150.73	139.83
Medicine	53,583	73,922	113,585	12,80	168.47	88.40
Tourism	17,374	21,278	20,415	2,30	137.96	153.66
Compliance is different	15,583	40,499	14,728	1,66	122.47	95.94

Note: MTPL is compulsory motor third party liability insurance

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The calculations (Table 3) show that the insurance premiums of the insurance group "TAS" have changed as follows:

– for the insurance product MTPL: in 2020, compared to 2019, increased by UAH 111,897 million or 18.51%, and by UAH 235,25 million or 48.89%, compared to 2018;

– for the Green Card insurance product: in 2020, compared to 2019, they decreased by UAH 100,087 million or by 27.24%, compared to 2018 by UAH 5,687 million or by 2.08%;

– for the insurance product CASCO: in 2020, compared to 2019, increased by UAH 98,712 million or 27.86 %, compared to 2018 by UAH 198,034 million or 77.65 %

– for the insurance product Property (second risks): in 2020 compared to 2019 increased by UAH 2,661 million or 6.43%, compared to 2018 by UAH 4,900 million or 12.51%;

– for the insurance product Health: in 2020, compared to 2019, increased by UAH 74,598 million or 58.44%, compared to 2018 by UAH 116,898 million or 136.96%;

– for the insurance product Tourism: in 2020, compared to 2019, decreased by UAH 6,375 million or 7.04%, but increased by UAH 5,172 million or 6.55%, compared to 2018.

The increase in insurance premiums of the insurance group demonstrates the efficiency of the company's operations.

Analysis of the dynamics of insurance premiums by type of insurance services is shown in Figure 4.

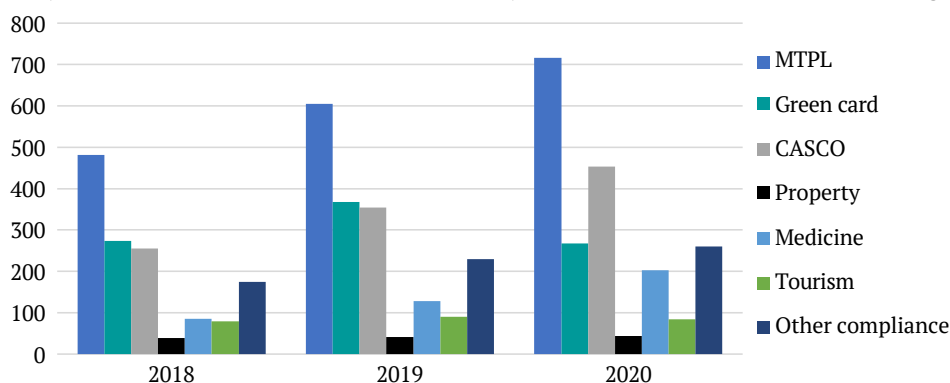


Figure 4. Analysis of the dynamics of insurance premiums by type of insurance services

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The calculations (Table 3) show that insurance payments by the insurance group “TAS” have changed as follows:

- for the insurance product MTPL: in 2020, compared to 2019, increased by UAH 44,871 million or 15.79%, compared to 2018 by UAH 127,855 million or 63.58%;
- for the Green Card insurance product: in 2020, compared to 2019, increased by UAH 26,458 million or 23.99%, compared to 2018 by UAH 9,28 million or 7.28%;
- under CASCO insurance product insurance product: in 2020, compared to 2019, increased by UAH 76,757 million or 39.83%, compared to 2018 by UAH 141,625 million or 110.76%;

- for the insurance product Property (second risks): in 2020, compared to 2019, decreased by UAH 0,48 million or 11.60%, but increased by UAH 1,20 million or 48.92% compared to 2018;
- for the insurance product Health: in 2020 compared to 2019 increased by UAH 39,663 million or 53.66%, compared to 2018 by UAH 60,002 million or 111.98%;
- for the insurance product Tourism: in 2020 compared to 2019 decreased by UAH 0,863 million or 4.06%, compared to 2018 by UAH 3,041 million or 17.50%.

The increase in insurance payments by the insurance group demonstrates the reliability of the company’s operations.

The analysis of the dynamics of insurance payments by type of insurance services is shown in Figure 5.

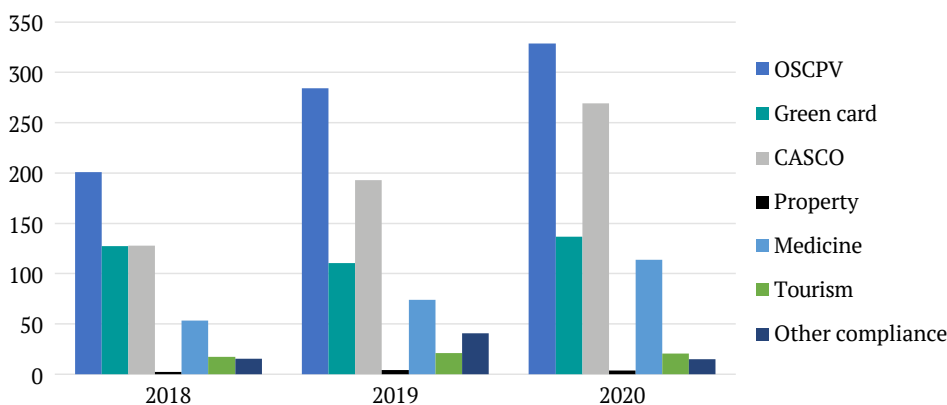


Figure 5. Analysis of the dynamics of insurance payments by type of insurance services

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The analysis of the structure by the share of insurance premiums and insurance payments by type of insurance

services of the insurance group “TAS” in 2020 (Table 3) is shown in Figure 6.

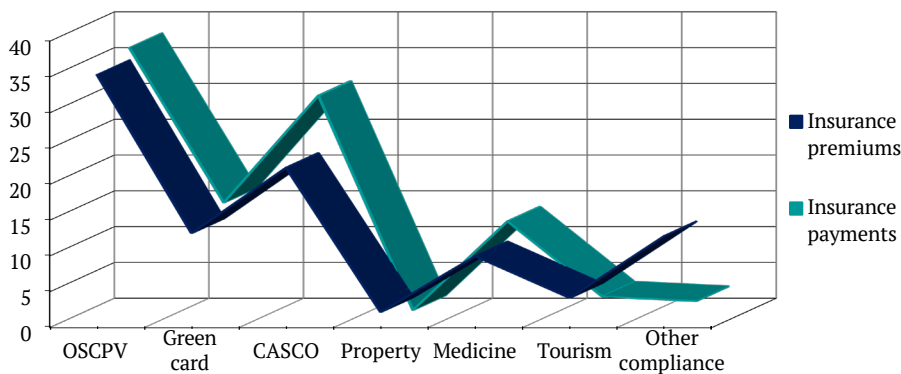


Figure 6. Structure by share of insurance premiums and insurance claims in 2020

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

In Table 3 there is the distribution of shares (share weight) of the main insurance products in the portfolio in 2020 (Table 3):

- policies for motor vehicle owners account for the largest share in the portfolio. In terms of insurance premiums, it amounts to 35.35%, and in terms of insurance payments – 37.06% of the total proceeds. In monetary terms, this amounted to UAH 716,401 million and UAH 328,964 million, respectively;
- Green Card policies accounted for almost 13.19% of the portfolio in terms of insurance premiums – UAH

267,320 million, and 15.41% in terms of insurance claims – UAH 136,761 million;

- CASCO insurance policies accounted for 22.35% of the portfolio in terms of insurance premiums and 3.36% in terms of insurance claims;
- for property insurance contracts, customers paid UAH 44,061 million in insurance premiums, which amounted to almost 2.17%, and UAH 3,656 million in insurance claims, which amounted to almost 0.41%, which is the smallest share in the portfolio;

– health insurance brought in UAH 202,246 million in premiums, which amounted to 9.98%, and 12.80% of total revenues;
– tourism accounted for 4.15% or UAH 84,125 million in insurance premiums and 2.30% or UAH 20,415 million in insurance claims.

■ **Results of Stage 3 – Analysis of the insurance company’s performance indicators.** Studying the dynamics of the main financial and economic indicators of the company is important for a comprehensive analysis of the insurance company’s activities (Table 4).

Table 4. Analysis of the dynamics of financial and economic indicators of the Insurance Group “TAS”, UAH mln

Indicator	2018 year	2019 year	2020 year	Growth rate, %	
				2019/2018	2020/2019
1 Insurance premiums	1387,745	1815,100	2026,920	130.80	111.67
2 Insurance payments	545,449	726,963	887,598	133.28	122.10
3 Insurance reserves	1078,700	1380,600	1614,042	127.99	116.91
4 Total cost of insurance services	1131,392	1397,235	1540,999	123.50	110.29
5 Average annual value of assets	1382,087	1856,102	2281,579	134.30	122.92
6 Equity capital	450,470	530,832	653,877	117.84	123.18
7 Gross profit	256,353	417,865	485,921	163.00	116.87
8 Financial result before taxation profit	41,933 4,153	166,568 108,281	219,772 137,012	397.22 2607.30	131.94 126.53

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

Every insurance company needs information about the profitability of its products. Therefore, this indicator is very important for insurance companies and allows them to determine that the products they produce and sell to the public are more profitable and profitable.

The profit margin can be used to calculate the efficiency of a company’s management of resources and income, revealing its long-term ability to maintain financial stability.

The given data (Table 4) show that in 2020, compared to 2019, the growth rate of insurance premiums increased and amounted to 111.67%, but it is less than in 2019, compared to 2018 by 18.93%. Insurance payments are increasing in the dynamics, but the growth rate of 2020 to 2019 is 11.18% less than the growth rate of 2019 to 2018. The growth rate of insurance reserves decreased by 11.08%. The total cost of services in 2019 increased by UAH 265,843 million, or 23.50%, compared to 2018. The growth rate was 123.50%. In 2020, compared to 2019, there was also an increase of UAH 143,764 million or 23.50%. The growth rate was 110.29%. The average annual value of assets increased by UAH 899,492 million or 65.08% from 2018 to 2020. Over the same period, equity increased by UAH 203,407 million, or 45.15%. Gross profit in 2019 increased by UAH 161,512 million compared to 2018, with a growth rate of 163.00%. Accordingly, in 2020, compared to 2019, the increase

amounted to UAH 68,056 million. The growth rate was 116.87%, but it is 46.13% lower than in 2019-2018. The financial result before tax also increased by UAH 53,204 million and UAH 124,635 million, respectively. Net financial result – profit in 2019 increased by UAH 104,128 million compared to 2018 and by UAH 28,713 million compared to 2020. The growth rate was 126.53%.

These factors have had a positive impact on the development of insurance and on ensuring its continuous financing.

The profitability of insurance products (services) is the ratio of actual profit to the insurance company’s expenses. In the general approach, profitability means determining the share of profit in available sources of equity capital by calculating the ratio of book profit to the cost of equity capital.

Regardless of the type and direction of economic activity, the following generalized indicators are used to analyse profitability: product profitability, production profitability, sales (turnover) profitability, assortment profitability, and return on equity. These are profitability indicators:

– on the one hand, they are used to assess the financial performance of insurance companies;

– secondly, these are indicators that characterize the aspect of an insurance company’s financial condition.

The profitability indicators for the insurance company’s products are presented by formulas (2-5) (Table 5).

Table 5. Analysis of profitability of Insurance Group “TAS”, %

Indicator	2018 year	2019 year	2020 year	The ratio of abs (±)	
				2019/2018	2020/2019
Profitability of insurance services	22,66	29,91	31,53	7.25	1.62
2. Return on sales	0,76	14,89	15,44	14.13	0.55
3. Return on assets	0,30	5,83	6,01	5.53	0.18
4. Return on equity	0,92	20,39	20,96	19.47	0.57

Source: developed by the authors based on (Official website of the Insurance Group..., n.d.)

The analysis of the profitability (Table 5) of insurance services of the insurance company “TAS” allows us to note an increase of 1.62% in 2020 compared to 2019, and

7.25% in comparison with 2019 to 2018. The company’s return on sales increased by 0.55% and 14.13%, respectively, which shows an increase in the return on investment. The

company's return on assets increased by 0.18% and 5.53%, respectively, as a result of the increase in profit in 2020. The return on equity of the company increased by 0.57% and 19.48%, respectively, which indicates an increase in the return on equity of the insurer.

Using the chain substitution method, the factors that influenced the change in the profitability of insurance services in 2020, compared to 2019, are identified:

the conditional profitability of an insurance service as the ratio of profit for 2020 to the cost of insurance services in 2019 was calculated:

– the increase in profit compared to 2019 leads to an increase in the profitability of the insurance service by:

$$\frac{485,921}{1397,235} \cdot 100 = 34.78\%.$$

– the influence of factors is determined:

1. the increase in the cost of insurance services leads to reduction in the profitability of insurance services by:

$$34,78 - 29,91 = 4.87\%;$$

2. the increase in the cost of insurance services causes a decrease in the profitability of the insurance service by:

$$31,53 - 34,78 = -3.25\%.$$

Thus, the overall deviation in the profitability of the insurance service amounted to:

$$4,87 - 3,25 = 1.62\%,$$

This corresponds to an increase in the profitability of the insurance service.

Using the chain substitution method, the factors that influenced the change in profitability of sales in 2020,

compared to 2019, were determined: the conditional profitability of sales was calculated as the ratio of net profit for 2020 to insurance payments in 2019:

$$\frac{137,012}{726,963} \cdot 100 = 18.85\%;$$

The influence of the factors is determined:

– the increase in profits compared to 2019 leads to an increase in the return on sales by:

$$18,85 - 14,89 = 3.96\%;$$

– an increase in insurance payments leads to a decrease in profitability of sales by:

$$15,44 - 18,85 = -3.41\%.$$

Thus, the total deviation of the return on sales amounted to:

$$3,96 - 3,41 = 0.55\%.$$

This corresponds to an increase in sales profitability. This change in the analysed profit and profitability indicators is a positive development in the company's operations.

■ Results of Stage 4 – Substantiation of the prospects for the development of the insurance company's services.

The choice of the direction of development prospects is one of the most important stages of economic decision-making, starting with the management of a business entity, which includes the selection of one of the alternative development options according to whether it meets the optimal criteria. The substantiation of development prospects begins with the structure of development of the insurance company's services (Fig. 7).

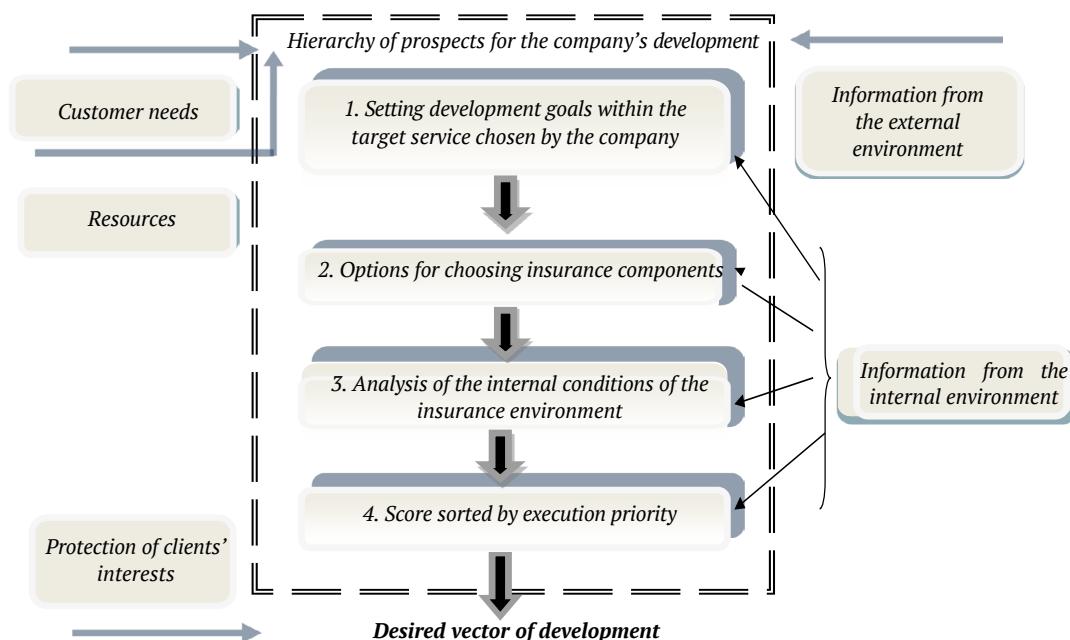


Figure 7. Structure of the insurance development cycle

Source: developed by the authors

The economic nature of management is associated with solving problem situations that may arise as a result

of achieving real and desired states. The way to resolve such situations is to develop solutions to eliminate the

difference between them. Therefore, it is important to minimize the difference between the optimal development trajectory and the actual development trajectory, which is aimed at selecting promising services and demonstrating the feasibility of their implementation from an economic point of view, which helps to formulate realistic, clear goals and objectives.

It will be determined the most appropriate services for the company's development.

The study proposes expanding the development directions of the insurance company PJSC "Insurance Group "TAS" at the expense of the car insurance market. It is developing, in an active phase of growth and is expected to accelerate over the next few years.

A promising area of development is the use of telematics devices to track driver behaviour. A telematics device is a special device attached to a car that is equipped with an accelerometer and gyroscope. The device reads the controllability from the car's equipment, i.e., data on travel time, the presence of dangerous actions, and shows the average speed. The scoring system converts the data into a secure system that is made available to the insurance company and the insured in a mobile application. The policyholder receives recommendations for improving driving safety, thereby reducing the likelihood of an accident.

This is a very relevant area for commercial fleets. With such device, consumers can pay lower premiums and improve driving quality, while insurers can attract safer, lower-risk drivers. These advantages encourage us to explore changes in the insurance market and quickly expand the plan availability. However, there are currently no results on the impact of this method of car insurance on premiums and claims. But it emphasizes the relevance of further research in the relevant area of auto insurance PJSC "Insurance Group "TAS" can implement the offer under the "Correct CASCO" contract, which is a unique product that has appeared on the Ukrainian insurance market.

Thus, it can be said that the proposed structure of the insurance development cycle (Fig. 7) is not limited to defining the goals of insurance service development, but it requires an assessment of the companies' capabilities for implementation. It can be seen that the set goals form a means of development that should ensure their realization, but the company can achieve the best results only through the components and elements of the company's internal and external environment.

■ DISCUSSION

In recent years, the insurance industry has not only managed to survive and maintain its position in the national economy, but also has a steady upward trend. In the insurance market of Ukraine, the insurance group "TAS" held an important position among other insurance companies and had a positive development trend: the company tended to improve its financial performance. The insurance market of Ukraine and the distribution of insurance companies by the main rating indicators were considered by D.V. Gubenyay & V.A. Chebotaryov (2019), V.M. Yukhumenko (2017), O. Kneysler et al. (2019).

The selection and demonstration of a system of indicators that reflects economic phenomena and processes are an important methodological issue in analysing a company.

The result of the analysis depends on the sufficiency and accuracy of the indicator reflecting the nature of the phenomenon under study. For example, I.P. Kosarieva et al. (2020) analysed the indicators of the company "TAS" by insurance premiums and insurance reserves. Given that they studied the indicators only for the first 9 months of 2019, the data are the same. The insurance group "TAS" was among the five leading companies in the country.

R.S. Grishko & N.M. Rubtsova (2019) considered an insurance product for individuals and legal entities in the field of auto insurance – CTP (compulsory motor third party liability insurance). The author analysed the dynamics of the main performance indicators in this area, identified problems and proposed measures to address them.

Yu.V. Horodnichenko (2017) calculated the main performance indicators of insurance companies in Ukraine and considered the dependence of development dynamics on the expansion of the list of insurance services, competitiveness, etc.

H. Kravchuk & T. Berezhna (2016) studied the essence of the category "financial results of insurers" and the algorithm of their formation. They noted that, based on the financial and economic indicators, the company adhered to the following areas of activity and principles of financial reporting: autonomy, continuity, full coverage, periodicity, consistency, prudence, compliance with reserves and a single currency. As in our study, the dynamics of changes in the structure of revenues was considered, but for 2012-2014.

The authors' proposals for the development of the insurance company's services (Official website of the Insurance..., n.d.) were based on the expediency of diversifying the investment portfolio by increasing the amount of technical reserves invested in bank deposits. In contrast to the above authors, we have proposed prospects for the development of services provided by the insurance company PJSC "Insurance Group "TAS" in the direction of determining the most appropriate services for the development of the company at the expense of the motor insurance market. This is a very relevant area for commercial fleets. But the study has certain limitations. For example, it is very difficult to evaluate the use of telematics devices from an economic point of view.

To summarize, the key to the successful development of the insurance group "TAS" is the continuous improvement of the company's operations, its focus on leading management methods and technologies, as well as the involvement of professional consultants and highly qualified specialists with diverse work experience and in-depth knowledge.

■ CONCLUSIONS

In accordance with the tasks set, and based on the results of the analysis, the research objective was achieved.

It was analysed insurance products. They were divided into car insurance, property insurance, health insurance, and travel insurance. The insurance group "TAS" provided products covering all types of voluntary and compulsory insurance. The article analyses the use of resources in the insurance market. The dynamics of insurance premiums, insurance payments, and insurance reserves were analysed. The amount of expenses, profit and profitability directly affected the growth rate of insurance services. Therefore, we analysed the gross amount and premiums. The results

show that insurance premiums have been increasing for three years. The average annual growth rate of insurance premiums during the study period was calculated and amounted to 21%.

The structure is analysed by the share of insurance premiums and insurance payments. This made it possible to note that the largest share in the portfolio is occupied by insurance products such as policies for motorists, and the smallest share is occupied by property insurance contracts. The average annual value of assets increased by UAH 899,492 million from 2018 to 2020. Equity capital increased by UAH 203,407 million over the same period. From this we can conclude that the property of the company "TAS", which was financed, has increased. Gross profit in 2019 increased by UAH 161,512 million compared to 2018, with a growth rate of 163.00%. In 2020, compared to 2019, gross profit increased by UAH 68,056 million, with a growth rate of 116.87%. Net financial result – profit during the period under review increased by UAH 132,859 million, and although the growth rate decreased, this indicates an increase in the company's profitability. The analysis of profitability indicators indicates the stable operation and development of the insurance company "TAS". The increase in profit and profitability indicators had a positive impact

on the development of insurance services of the analysed company. The research shows that these factors had a positive impact on the development of insurance and ensuring its continuous financing.

Based on the analysis of the insurance products of PrJSC "Insurance Group "TAS", the analysis of the use of resources in the insurance services market, the analysis of the insurance company's performance indicators and the results obtained, the article proposes promising areas for the development of the insurance company's services. Thus, the analysed company, PJSC Insurance Group "TAS", has a reputation of a financially strong company that flawlessly fulfils its obligations in the insurance market, has its own customer base and significant development prospects.

In the future, it is advisable to study the activities of the insurance company to improve driving safety and reduce the likelihood of accidents, as well as to analyse the use of innovation and investment potential.

■ CONFLICT OF INTEREST

The authors declare no conflicts of interest.

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Аналіз діяльності страхової компанії та перспективи її розвитку на ринку страхових послуг (на прикладі ПрАТ «Страхова група «ТАС»)

■ **Анотація.** Актуальність роботи полягає в забезпеченні ефективної діяльності та розвитку страхових компаній на ринку страхових послуг, які відбуваються в умовах глобалізації та зростанні міжнародної конкуренції. Мета дослідження роботи полягала у визначенні сутності та аналізу страхових послуг для фізичних та юридичних осіб та перспектив їх розвитку. В дослідженні було використано метод аналізу та синтезу, проведено факторний аналіз загальних показників рентабельності. Аналіз надання страхових послуг проводився на прикладі діяльності «Страхової групи «ТАС» – універсальної страхової компанії, яка надає споживачам страхові продукти та охоплює усі види добровільного та обов'язкового страхування. Основні результати дослідження представлено аналізом фінансово-економічних показників страхової групи «ТАС». Проаналізовано динаміку страхових премій, страхових виплат, страхових резервів досліджуваної компанії, у тому числі за видами страхових послуг. Аналіз довів, що зараз страхова компанія «ТАС» займає передові позиції на страховому ринку України по рівню страхових виплат. Розглянуто чинники, які позитивно впливають на розвиток страхування та забезпечення його постійного фінансування. З метою визначення рівня прибутковості на ринку страхових послуг проведено аналіз показників рентабельності для продуктів страхової компанії «ТАС» та відстежено вплив на ці показники змін у структурі та обсягах страхових продуктів. Представлено структуру циклу розвитку страхування, яка дозволяє визначити цілі розвитку страхових послуг та потребує оцінки можливостей компанії щодо їх реалізації. Доведено, що впровадження нових страхових послуг дозволить страховій компанії «ТАС» забезпечити безперервну і стабільну роботу на ринку. Практичне значення досліджень полягає в обґрунтованні перспектив розвитку надання послуг страхової компанії

■ **Ключові слова:** дослідження; надання послуг; оцінка можливостей; динаміка страхових премій та виплат; фінансово-економічні показники