

DIGITALISATION IN INSURANCE COMPANIES

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To maintain the stable operation of insurance companies, it is necessary to develop new and improve existing sales channels of insurance products. Helping to expand the insurance market today is to use the information and computer technologies potential [2, p.102].

Transferring some of the organizational aspects of the insurance business to the Internet provides insurance companies, their potential and real customers with new opportunities.

Table 1. Advantages of insurance activity digitalization

Advantages for the insured	Advantages for the insurance company
Reduce time and effort	Accelerates the sales process and reduces its costs
Simplicity and universality of payment methods (bank transfer, payment cards, electronic money)	Reduces the number of staff
Improves the quality of insurance services	Costs of operations in the virtual office is much lower
Opportunity to get a general idea of the insurance market, the insurer and its services	Accelerates the transfer of information to electronic databases
Lack of meeting and communication with representatives of the insurance company	Reduces the likelihood of fraud and increases the security of insurance transactions
Receiving the full information on the general and financial condition of the company	Opportunity to increase sales of insurance products through open access to customers from around the world
There is no risk of losing the electronic policy, because at any moment the owner will be able to print a copy, and its legal force will be checked in a public database.	Ability to serve customers at a qualitatively new level

However, in addition to its advantages, there are also disadvantages of using digitalization of insurance activities for both customers and insurance companies.

Table 2. Disadvantages of digitalization of insurance activities

Disadvantages for the insured	Disadvantages for the insurance company
The need to understand the intricacies and nuances of working with the site	Limited budget
A much smaller number of insurance products are posted on the Internet	Lack of understanding of the importance of automation in the management of the insurance company
Impossibility to insure in online transport and real estate that are pledged	Lack of ready-made solutions for insurance companies
Due to a server or site failure service may be not available at the time	Lack of understanding of the insurance market specifics by IT service providers
A small selection of insurance companies that provide online services	Lack of information on insurance market automation
Lack of a competent person who explains all the terms of insurance	Lack of successful experience in implementing IT systems in the insurance market
Impossibility of full acquaintance with all conditions of the contract	Cyber risks

Therefore, it can be concluded that the use of online insurance systems has significant advantages. The most important of them are reducing time, increasing the choice, simplicity and versatility of payment methods, the ability to review the status of your contract and change it, get complete information about the general condition of the company [1, p. 103].

Insurance companies also have significant benefits, such as reduced staff costs, increased opportunities to promote services, increased sales of insurance products through open access to customers, get complete information about the general condition of the company. As world practice shows, as a result of the introduction of policy sales via the Internet, insurers can reduce their costs by about 9-12%.

Thus, digitalization is important in the activities of insurance companies in Ukraine. However, today it is necessary to overcome a number of problems that prevent insurance companies from using all the possibilities of IT for their activities.

References

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