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FINANCIAL STABILITY OF ECONOMY AS A MAIN FACTOR OF STABILIZATION OF THE INSURANCE MARKET

Abstract. In this article, the author considers the financial stability of insurance companies as a factor in ensuring stabilization of the insurance market. Acting as a guarantor for the obligations assumed to policyholders in the event of insured events, insurance companies first of all need to be financially stable.

Keywords: financial stability, solvency, insurance market, compulsory insurance.

In the modern world, the modern insurance market in a volatile economic situation is periodically prone to crises, which indicates the need to maintain a stable financial situation for insurance companies.

Before moving on to financial stability, it is worth considering such an indicator of insurance organizations as solvency. The solvency of the insurer or reinsurer is an objective indicator of its current financial condition by forecasting in the future [1, c. 34].

There is also another definition of the solvency of a company, which fully characterizes this indicator: "By the solvency of an insurance (reinsurance) company, it is understood by its ability to timely and fully fulfill its financial obligations. An indicator of the solvency of an insurance (reinsurance) company is its compliance with regulatory ratios between obligations and assets, taking into account their liquidity. [2, c. 135].

Today we can talk about insurance as a strategic segment of the economy, since insurance:

- provides a significant reduction in the burden on budget expenditures of various levels;
- supports the socio-economic stability of society, being one of the main elements of social protection;
- acts as a source of domestic long-term investment in the country's economy;
- optimizes the activities of economic entities due to which there is a centralization and reduction of compensation funds and is involved in the restoration and updating of fixed assets;
- acts as a guarantor in compensation for compensatory damages.

First of all, we will consider such an aspect as reducing the burden on the budget. Compulsory insurance is one of the effective market mechanisms to increase the level of social protection of the population, which can significantly reduce the budget burden on social needs. [3].

Today this issue is most relevant, since 2020, medical insurance has entered the ranks of compulsory types of insurance in the Republic of Kazakhstan. Compulsory health insurance plays an important role in the social protection of the population. It has long been precisely on the development of health insurance that the healthcare system of foreign countries is built. For this reason, Kazakhstan entered it into the list of obligatory. Equally important are such types of insurance as insurance of annuities, pensions, allowances and other payments of the socially unprotected population of the country. In the case of stimulation of the above types of insurance, the state reduces the social burden on extrabudgetary funds. A sufficient level of development of socially directed products will allow the state to limit the size of socially directed payments to a minimum level, thereby avoiding social explosions among the population. To eliminate the consequences is not only to prevent a natural disaster, since even with the highest quality risk management it is impossible to prevent natural disasters. The main task is the ability to manage risks. Every year in Kazakhstan, damage from natural disasters is increasing, but insurance coverage is not provided at the proper level. Traffic accidents, dangerous industrial accidents, fires, droughts and other disasters are inevitable. The total cost of covering these incidents falls on the state budget. The largest share of these costs is not compensated, and there is no funding for these activities.

And also, the development of insurance in Kazakhstan, namely the types of compulsory insurance, will allow the market to move forward, improve insurance services and the quality of customer service.

At present, the insurance market of Kazakhstan needs to create an effective system for providing such types of insurance as medical, pension and social. According to the author, insurance tools can contribute to the creation of effective medical, social and pension systems. Undoubtedly, the system of providing medical care within the framework of compulsory medical insurance requires serious reform. According to the author, it is possible to increase the efficiency of using invested funds using real insurance as an economic mechanism for compensation for accidental damage, with the help of which budget funds will be released that will be used to develop the material base of the health care system. It is worth noting that the only link in the system that controls the quality of the medical services provided and defends the interests of the insured is a medical organization.

According to the situation described above, an increase in the quality of life and an increase in the well-being of the population can be achieved if insurance instruments in the social security system are improved.

Speaking about insurance as a source of long-term investments, it is worth noting that long-term life insurance in foreign countries is one of the key resources of domestic investment that ensures the independence of national economic systems. Insurance organizations concentrate significant financial resources and pursue an active investment policy, which indicates the important role of insurance companies in the economy. Thereby, the passive money resources received from the insured are transformed into active investments operating in the market. Once, V.K. Reicher noted that "by collecting

and accumulating colossal funds, bourgeois insurance nourishes the banking system with its deposits and makes it possible to use insurance capital extensively and for a long time by turning them into stock values for the state's needs" [4, c. 367].

It should be noted that the accumulation of insurance reserves is increasing every year and over the past 5 years this indicator showed an increase of 51%, increased from 376 billion tenge (2015) to 570 billion tenge (2019). Today it's difficult to talk about the potential development of investment activity in the insurance market of Kazakhstan, since a significant lag is observed in comparison with the indicators of foreign countries. However, if we take into account world practice, we can expect that in the near future the accumulation of insurance reserves will reach an appropriate level. Also an important indicator in the investment activity of insurance reserves is the amount of equity. To date, there has been a significant increase in this indicator. In total, for 2019, the total equity of insurance companies amounted to 553 billion, which is 36% more than in 2015 - 406 billion.

Entities interested in financial sustainability information:

- the state (carries out supervisory functions), o insurers (assess competitors, assess the financial stability of potential partners, etc.); o financial manager (monitors financial stability in order to make timely decisions to achieve the goals and objectives; make an independent assessment of the financial situation, evaluating their competitive advantages)
- the insured and the insured (the main participants in guarantee payments);
- counterparties (creditors) for operations other than insurance.

In practice, insurance companies in the implementation of measures to improve financial stability most often face the following problems:

- identification of factors that can have a significant impact on the financial performance of the insurance organization, which, in turn, also requires analysis of the level of influence of the identified factors;
- creating a qualitative model for analyzing the financial stability of insurance companies with establishing the relationship of financial flows, as well as their quantitative assessment;
- development of particularly effective means of increasing the financial stability of insurance companies, their economic and economic-mathematical justification, using planning methods, forecasting the subsequent development of financial activities of insurance companies.

Thus, the proper functioning of the insurance market in Kazakhstan requires insurance companies to be reliable, stable and have high financial potential. Summing up, increasing the financial stability of the insurance company is necessary due to the fact that they act as a market stabilizer, in the macroeconomic aspect, as well as a social guarantor of citizens. In turn, the dependence of insurance organizations on risk factors creates the need for constant monitoring of maintaining financial stability.

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