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PROSPECTS FOR EXPANSION OF THE INSURANCE MARKET THROUGH THE PRISENCE OF FINANCIAL ACTIVATION OF SUSTAINABLE DEVELOPMENT IN THE REGION

Abstract. This article summarizes the arguments and counterarguments in the scientific discussion on the main prospects for expanding the insurance market through the lens of the financial activation of the sustainable development of the region. The main aim of the study is the theoretical foundations of the insurance market in the context of financial activation of the region's sustainable development. Systematization of literary sources and approaches to solving the problem of expanding the insurance market through the prism of financial activation of the region's sustainable development showed that the majority of Ukrainian scientists who dealt with this issue considered certain instruments of activating influence on the social, economic and environmental spheres of the regions. The urgency of solving this scientific problem lies in the fact that the domestic insurance market is at the stage of its formation, in many cases it does not allow to use it as an effective tool for implementing state policy. Considering that sustainable development and insurance as a subsystem of a common economic space exert mutual influence on each other, the lack of a theoretical and methodological substantiation of the strategy for the development of the insurance market negatively affects the consistency and consistency of the sustainable development of society. The study of the problem of the implementation of insurance activities in Ukraine in the article is carried out in the following logical sequence: determining the sustainable development of the region and its revitalization; research of the insurance market at the present stage of development; setting priorities for the development of the insurance market in terms of ensuring the sustainable development of the region. The object of the research is the sustainable development of the region and its activation, as well as the insurance market of Ukraine. The article presents the results of an empirical analysis of the insurance market of Ukraine, showed that the insurance market has a tendency to develop. The main directions of the integration of insurance activities in the system of sustainable development of the region from the standpoint of its activation are proposed. The study empirically confirms and theoretically proves that the existing prospects for expanding the insurance market through the prism of financial activation of the sustainable development of the region. The results of the study can be useful for practitioners, academics, students, anyone interested in the concept of sustainable development.

Keywords: activation of the region's sustainable development, activation tools of the insurance market, insurance payments, insurance premiums, insurance, glocalization, Covid-19.

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ПЕРСПЕКТИВИ РОЗШИРЕННЯ СТРАХОВОГО РИНКУ ЧЕРЕЗ ПРИЗМУ ФІНАНСОВОЇ АКТИВІЗАЦІЇ СТАЛОГО РОЗВИТКУ РЕГІОНУ

Анотація. Узагальнено аргументи і контраргументи в межах наукової дискусії з питання основних перспектив розширення страхового ринку через призму фінансової активізації сталого розвитку регіону. Основною метою проведеного дослідження є теоретичні засади страхового ринку в контексті фінансової активізації сталого розвитку регіону. Систематизація літературних джерел і підходів до розв'язання проблеми розширення страхового ринку через призму фінансової активізації сталого розвитку регіону засвідчила, що більшість вітчизняних учених, котрі займалися цим питанням, розглядали окремі інструменти стимулювального впливу на соціальну, економічну та екологічну сфери регіонів. Актуальність розв'язання цієї наукової проблеми полягає в тому, що вітчизняний страховий ринок перебуває на стадії свого формування, а це в багатьох ситуаціях не дозволяє застосовувати його як дієвий інструмент реалізації політики держави. Ураховуючи, що сталий розвиток і страхування як підсистеми загального економічного простору здійснюють взаємний вплив одна на одну, відсутність теоретико-методологічного обґрунтування стратегії розвитку страхового ринку негативно впливає на логічність і послідовність сталого розвитку суспільства. Досліджено питання проблеми реалізації страхової діяльності в Україні. Це здійснено в такій логічній послідовності: визначення сталого розвитку регіону і його активізації; дослідження страхового ринку на сучасному етапі розвитку; визначення пріоритетів розвитку страхового ринку щодо забезпечення сталого розвитку регіону. Об'єктом дослідження обрано сталий розвиток регіону та його активізація, а також страховий ринок України. Представлено результати емпіричного аналізу страхового ринку України, який засвідчив, що страховий ринок має тенденції до розвитку. Запропоновано основні напрями інтеграції страхової діяльності в систему сталого розвитку регіону з позицій його активізації. Дослідження емпірично підтверджує і теоретично доводить, що існують перспективи розширення страхового ринку через призму фінансової активізації сталого розвитку регіону. Результати проведеного дослідження можуть бути корисними для фінансистів-практиків, представників академічних кіл, студентів, усіх, хто цікавиться концепцією сталого розвитку.

Ключові слова: активізація сталого розвитку регіону, інструменти активізації, страховий ринок, страхові виплати, страхові премії, страхування, глокалізація, Covid-19.

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Introduction. The development of a market economy creates favorable opportunities for the need for a developed and well-functioning insurance market, since it is responsible for protecting the interests of the population and business entities. Insurance coverage of the population is a

significant motivator for activities in modern conditions of coronavirus infection. After all, loss of health, reduced income and loss of jobs have become life companions in the modern world of pandemic challenges and threats. Thanks to the insurance market, it becomes possible to increase the social protection of the population and business entities, reduces the significant burden on the state budget and local budgets in terms of compensation for unforeseen natural and man-made losses, and solves individual social security problems through the transfer of state social payments from budget funds to insurance payments.

Speaking, on the one hand, about the factor of the country's financial stability, the insurance market can simultaneously be a powerful tool for implementing the concept of sustainable development. It is this concept that is based on a harmonious and balanced combination of economic activities, social interests and activities aimed at protecting the environment. And more than ever, a balanced attitude to development from the standpoint of ensuring a full life for the modern generation with the possibility of the existence of future generations becomes more appropriate. Sustainable development provides a solution to the contradictions of the development of society in such a way that the change in the parameters of human security will not go beyond the catastrophic transformations for it in the tactical and strategic perspective.

Research analysis and problem statement. The overwhelming majority of domestic scientists, who dealt with this issue, considered separate instruments of activating influence on the social, economic and ecological spheres of the regions. But few have been able to develop conceptual approaches to the activating influence of insurance and the insurance market on the sustainable development of the region. Great progress in this matter was made by such scientists as Drexhage J. (2010), Gerasymchuk Z., (2008), Klarin T. (2018), Kozmenko O. V. (2009), Lester R. (2009), Marović B. (2009), Piljan I. (2015), Vakhovych I. (2017) and others. However, in this context, approaches are considered sufficiently weighty for enhancing the development of regions from different perspectives. But the questions of a theoretical study of the activating influence of insurance on the region's sustainable development are quite important at the present stage.

The main aim of the study is the theoretical foundations of the insurance market in the context of financial activation of the region's sustainable development. Also in the process of research, we must highlight the main areas in which insurance activities affect the sustainable development of the region.

Research results. Sustainable development is the process of ensuring the functioning of a territorial system with maintained parameters under certain conditions for a required period of time, leads to the harmonization and balance of production factors and an improvement in the quality of life of present and future generations under the circumstances, preservation and stage-by-stage reconstruction and restoration of ecological integrity.

Sustainable development of the region is a process of constant transformation of the qualitative and quantitative characteristics of the regional socio-ecological and economic (SEE) system. This process is aimed at achieving a dynamic balance between social processes, financial and economic relations and the diversity of the environment. In turn, this ensures the well-being of the present and future generations in compliance with the principles of balance, harmony, stability, competitiveness and security of the region [1].

Agenda 21 is a global agenda with sustainable development goals and action plans and resources for their implementation, set out in 40 chapters [2]. The document comprehensively contains guidelines for socio-economic development in accordance with environmental conservation. The document emphasizes the need for international cooperation and consensus between development and environmental protection, whereby governments play an important role in the adoption and implementation of policies, plans and programs, although the participation of all stakeholders is also required. Further, developed countries play a key role, in particular in providing financial resources to developing countries [3].

The implementation of the concept significantly depends on the degree of socio-economic development, lack of financial resources and technologies, as well as on the diversity of global political and socio-economic goals and interests [4].

A set of activating measures, primarily financial ones, will contribute to the achievement of the state of an equilibrium regional system and a way out of the unbalanced state of the regional socio-ecological-economic (SEE) system. This means that the object of activation is the sustainable development of the regions. Sustainable development is not the current state of the regional system and not even the national one. But sustainable development of the region is a prospect, priority, future positive state, and we must strive for this. It should be remembered that these are activating instruments that influence the desire of the regional system to achieve sustainable development and get out of the current unbalanced state of the regional system. It is clear that any regional system seeks to prevent equilibrium, however, through various factors (external and internal), initiatives to achieve sustainable development of the region can be stopped at the very beginning. Therefore, strengthening sustainable development is necessary: firstly, achieving sustainable development as a strategic goal (perspective 3—5 years); secondly, to achieve a dynamic balance of the regional SEE system (it changes, but does not go beyond critical limits); thirdly, in order to achieve an optimal balance of qualitative and quantitative characteristics of the regional SEE system, namely, to achieve a balanced sustainable development of the region (it is not so much an increase in statistical indicators, how much improvement in the quality of living space and environment); fourthly, to achieve interconnection between the social, economic and environmental spheres of the region, that is, to achieve harmony (search for those tangent points that will ensure the development of the future state today); fifthly, to maintain long-term positive parameters for the development of the regional system of Europe, especially its northern and the eastern territories, namely the achievement of stability and sustainable development of the region; sixth, to increase the region's potential to increase and use competitive advantages in the social, economic and environmental spheres of the region, that is, to achieve regional competitiveness (ensuring the preservation of competitive advantages in the face of pandemic challenges and glocalization processes); Seventh, in order to achieve the ability of the regional SEE system to reproduce and prevent the impact of destabilizing factors, namely, to achieve the security of sustainable development of the region (countering threats and the possibility of applying incentive preventive measures aimed at sustainable development).

We need to step up regional development and understand that the regional level is the link between the local and national levels, and now more and more often between the national and global levels. That is, it can be argued that this is the meso-level, which is responsible for the development of relatively large territorial entities. This is the largest number of investment and innovation funds attracted to the regions, since the regional system is the building platform of any state. It should be remembered that the stability of the system is, first of all, relations (connection), the mutual influence of the three main components of the sustainable development system (economy, society and the environment). You can influence the regional system by activating activities from the standpoint of socio-economic development, and the result will be the development of society and the economy, but environmental problems will remain unresolved, which is unacceptable. In this case, the approach to solving problems from the standpoint of sustainable development allows us to influence the system comprehensively, effectively, consistently and simultaneously, without choosing any of the components of the system or functional processes. That is why the object of activating influence within the framework of the study should be precisely the sustainable development of regional systems.

The object of activation is the sustainable development of regional socio-ecological and economic systems. Before achieving sustainable development in the region, the system must achieve a state of balance, harmony, balance, stability, competitiveness and security. The measure of achieving a dynamic state of equilibrium will be determined by a set of features. Each of the signs will be limitations, the exit or absence of which the system will not mean the achievement of sustainable development. However, the stimulation of the regional socio-ecological-economic system through the mechanism of the formation of motivation for the intra-regional self-organization of the system in order to achieve sustainable development of the region remains uncertain [5].

Indeed, when it comes to activating regional systems to achieve a system of equilibrium in the short term and sustainable development in the long term, we first understand the creation of internal motivation for the self-development of the region, that is, strengthening the desire of the regional system to achieve sustainable development. Motivation can arise under external influence on internal processes and phenomena characteristic of certain regions. However, motivation often arises as a conscious desire to achieve a strategic goal.

Let us find out in more detail the basic conditions for activation as a management function in the context of sustainable development of the region. A weighty concept in this sense is «motivation» and the terms associated with it. In a broad sense, motivation means the process of actively encouraging oneself and others to effective productive work and achieve their goals in front of each employee and organization as a whole. Motivation is primarily a type of management activity that provides a process of encouraging oneself (self-motivation) and subordinate employees (activation to action) to participate in activities aimed at fulfilling the mission, personal goals and objectives of the organization. That is, by motivating ourselves to perform a certain activity, we thereby ensure the implementation of effective work within the framework of the structure where we work (enterprise, institution or organization). In the context of sustainable regional development, motivation will be the process of activating internal regional incentives (aspirations) aimed at achieving sustainable development of the region. That is, each regional SEE system will have a set of those needs that need to be satisfied in order to get development in the near future. At the same time, each regional system will try with all its subjects (business, population, authorities and representatives of civil society) to satisfy their own needs inherent in each group.

Regionally, the activator acts as an external catalyst for the development of the regional SEE system, aimed at achieving a dynamic balance of the region, and then its sustainable development. First, it is necessary to ensure self-healing of the system under the influence of various unfavorable glocalization (external and internal) factors. Then it is possible to ensure a gradual movement towards sustainable development at the meso-level. A regional SEE system cannot exist without development activators; it depends on them. This dependence is especially growing at the stage of deterioration of the situation in one or several spheres of life (education, healthcare, social protection and security, culture, sports, construction, transport, etc.) simultaneously. In this case, activators will be both tangible (direct financial influence through investment instruments) and intangible (indirect influence through agreements, permits and regulations). Regional development activators, as opposed to motives, are deliberate, purposeful concrete measures that induce action. The action of the activator is associated not only with the direct impact on the activities of the financial and economic structures of the system at the meso-level, but also with the demonstration of a specific embodiment. In other words, activators influencing the regional system require highly effective results. Thus, the activator of the region provides for the attraction of globalization (external) influences on the regional system to achieve sustainable development of the region. In addition, strengthening the sustainable development of the region means the process of strengthening the incentives of the state and regional authorities to the regional socio-ecological and economic system, aimed at achieving sustainable development of the region.

The financial and economic sphere of the development of regional systems as a fundamental principle puts the achievement of wick economic growth indicators and the absence of fluctuations in the financial market. Under the influence of financial and economic needs, for example, lack of financial resources in the region, a corresponding financial interest of economic structures is formed. That is, we are looking for a certain financial method, instrument, method of satisfying economic necessity. Interest generates both an internal desire to satisfy an economic need within the framework of a regional system (economic motive), and an external one (an economic activator). Under the influence of activation and motivation, the subjects of sustainable development of the region are actively involved in achieving a specific tactical or strategic goal. However, the activity is not so easy to carry out, since on the way to achievement there are various glocalization obstacles: external (non-systemic) and internal (systemic). Therefore, sometimes it is necessary to wait for the implementation of active actions in the regional system to achieve economic goals

(receipt of funds). That is, financial activators and motives should act in relation to the subjects, and not only to the objects of sustainable development of the region. If the economic goal is achieved, the system automatically triggers the emergence of a new economic necessity aimed at qualitative or quantitative improvement of the parameters of the regional socio-ecological-economic dynamic system.

In accordance with the «Basic principles (strategy) of the state environmental policy of Ukraine for the period up to 2030», adopted in 2019, the main instruments for the implementation of the state environmental policy are economic and financial mechanisms, that is, those measures that will ensure stable financing of environmental protection activities and encouraging the development of environmental entrepreneurship, in particular the production, performance of work and the provision of services for environmental protection, as well as the creation of a tax, credit and investment climate to attract funds from international donors and private capital in environmental activities, the creation by business entities of environmental management systems, the introduction of environmental cleaner production, resource and energy saving technologies, expanded forest reproduction [6].

One of the elements of the financial market is the financial services market. In turn, this market is represented by the two most influential types of activities — banking services (lending, savings and cash settlement services) and insurance (voluntary and mandatory). Insurance in its purest form is a social good, and in some cases it can be classified as a public good (that is, it generates the desired externalities). In addition, insurance ensures the implementation of protection of the population and business entities from the negative impact of various types of factors, mainly creating damage in the future. Insurance companies, reciprocal interactions and cooperatives provide an opportunity for individuals and firms to protect themselves from rare but extreme losses at a price that is small compared to fear. They do this using the Law of Large Numbers and the Center Boundary Theorem, which ensure that a sufficiently large number of reasonably homogeneous risks will give good and highly predictable aggregate results after a roughly Gaussian distribution of losses [7].

It is also worth noting that insurance is a tool for the implementation of the concept of sustainable development of the region, the need to strengthen the use of which follows from their interdependence. But before considering the prospects for enhancing the sustainable development of the region through the action of an effective mechanism of the insurance market, it is worth noting certain shortcomings in the functioning of insurers and their provision of appropriate services to the population and business entities. Indeed, in Ukraine, insurance activities are accompanied by significant uncertainty and a large number of business risks, therefore, an increase in the efficiency of insurance activities is possible only if an effective state policy is carried out to regulate the insurance market. That is, an effective mechanism for the insurance market provides for the involvement of all entities interested in the development of the regional SEE system. The role of the state in these processes is important and responsible, because regulation of the insurance market is a condition for the success of not only insurers, but also timely receipt of insurance payments from them in the event of insured events in relation to the insured.

On the one hand, insurance companies operating in the financial market of the regional SEE system are interested in a stable economic, social and environmental environment, which is a prerequisite for their activities. Since the interests of an individual insurance company as a commercial structure are focused on maximizing profits at an acceptable level of risk, their participation in the functioning of the insurance market occurs only when there are favorable conditions, in particular, the sustainable development of society as a whole and the region in particular. In other words, ensuring the implementation of the concept of sustainable development affects the macroeconomic environment of the region, of which the insurance market is a part. In addition, ensuring sustainable development requires certain changes in the economic environment of the region, leading to the emergence and development of new forms of economic relations, including new types of insurance. That is, the sustainable development of the region is an important condition for the functioning of the insurance market in the region, and, consequently, insurance in

general. In general, it can be argued that the feasibility of effective insurance creates both a good basis for ensuring stable and safe conditions for the development of the region, and the presence of competitive and harmonious relations in the regional system presupposes a powerful development of the insurance market.

On the other hand, the stability and effectiveness of the implementation of the concept of sustainable development largely depends on the reliability of the insurance market and its effective functioning.

Insurance is one of the financial instruments for implementing the concept of sustainable development. Insurance not only forms a system of responsibility for possible losses to the environment, but also creates reserve funds to compensate for damage. In the face of pandemic threats and the spread of Covid-19 among all segments of the population, the need for insurance is especially urgent.

After all, it is then that funds are formed that will provide countermeasures to financial threats for those who are sick and are unable to fight the disease. In addition, the insurance industry is an important element of the financial and economic system of the region, in which a significant amount of financial resources are concentrated. Thus, insurance directly affects the sustainable development of the region.

At the present stage, under the influence of the global financial crisis, the following negative trends have developed in the Ukrainian economy:

- economic: «falls» of the stock market, low effective demand of individuals and legal entities, small volumes and imperfect capital structure of insurers, instability of the exchange rate, very low opportunities for domestic insurance companies to compensate for large losses, lack of reliable investment instruments for the long-term development of insurance reserves, the danger of further shadowing of the economy.
- organizational and legal: the lack of a targeted state policy in the field of insurance leads to unsystematic development; low level of state regulation and supervision of the insurance market, protectionism, which leads to monopolization of certain market segments and industry monopoly; lack of a sound concept for the development of the insurance market; the regulatory framework governing the development of insurance is imperfect, an unreasonably large number of compulsory types of insurance, the presence of «captive» organizations, which leads to a low level of payments and insurance coverage.
- functional: low profitability and unprofitableness of certain types of insurance, lack of medium- and long-term planning by the insurance company of its activities, low qualification of personnel, violations of the law, insurance fraud and the lack of coordinated measures to combat this, a small range of insurance services compared to foreign countries, offered to clients, suboptimal insurance portfolios, low technological efficiency of insurance operations, lack of positive traditions about customer experience, especially with new types of insurance.

A negative factor hindering the full development of the insurance market in Ukraine is the high concentration of insurance services in large cities with a population of one million and regional centers.

Most of the collected insurance premiums come from companies registered in Kyiv.

Studies have shown that one of the negative phenomena is the growth of various types of fraud and shady economic transactions, criminal activities. Now these negative processes have become not only local, but also global. That is, we can assert about glocalization processes. However, the forms of their manifestation are different in developed countries and countries that are just beginning to actively develop a market economic system, to which Ukraine belongs.

The dynamics of the main indicators of the development of the insurance market of Ukraine in 2015—2019 is presented in *Table*.

Table

**Dynamics of the main indicators of the development of the insurance market
of Ukraine in 2015—2019 pokax**

Indicators	Years				
	2015	2016	2017	2018	2019
Number of insurance companies, units	361	310	294	283	233
The number of contracts, except for contracts on compulsory insurance against accidents in transport, thousand units	109106,8	61272,8	70658,2	77495,0	80271,1
Gross life insurance premiums, mln. UAH	26767,3	35170,3	43431,8	49367,5	53001,2
Gross life insurance pyments, mln. UAH	491,6	418,3	556,3	704,9	575,9
The volume of formed insurance reserves, mln. UAH	15828,0	20936,7	22864,4	26975,6	29558,8
Total assets of insurers, mln. UAH	70261,2	56075,6	57381,0	63493,3	63866,8

Source: [8].

Insurance companies take on risk on behalf of their clients in exchange for compensation in the form of premiums. Insurance companies generate profits using the method of calculating insurance premiums, which are designed to be sufficient to pay the expected claims for compensation and receive a certain profit [9].

Insurance organizations act with full responsibility on legal issues. This means that they are responsible for its obligations to third parties with all of its assets. It should be noted that the shareholders who created the joint stock company are not liable for the obligations of the company. They can only bear risk in the amount of funds invested in institutions. Financial transactions are not understood by the term «organizational business» (revenue and sale of assets, loss coverage and distribution, taxes) [10].

Insurance companies today are an important macroeconomic regulator, because they perform the function of converting the savings of economic entities into investments. And this indicates the activating features of this type of market. The ability to transform savings into investments provides insurance of a high institutional status in the system of social reproduction. That is, it is precisely such a mechanism that contributes to balancing in places an unstable regional system, bringing all its components to an equilibrium state for a specific period of time. The effective functioning of the modern economy, the movement of free capital into promising sectors of the economy is practically impossible without the presence of an effective insurance company.

Powerful investors (both local and external) come to the insurance market of Ukraine as investors. Perhaps the time will come when there may be no room left in our market for domestic insurance companies that do not have a strategically successful partner. Despite this, there are two ways out of this situation: to become an investment attractive to a strategic partner; to achieve the market level of self-competitiveness at the expense of own funds and investments of domestic shareholders. It is the sign of competitiveness as one of the basic ones in the sustainable development of the region that should be the indicator by which the development can be tracked.

It is the investors who indicate the prospects for the insurance company. They see the strategy of business development systematically, from the point of view of business ideology. First of all, they will be interested in increasing the capitalization of the business, increasing the market investment attractiveness of the insurance company. Also, the emphasis will be placed on overcoming all negative manifestations of insurance activities and optimization of unprofitable insurance services.

The increase in business capitalization is achieved primarily by increasing the market share, providing high-quality customer service, helping to maintain loyal customers, as well as permanently attracting new customers. It is also critical to ensure business transparency through the use of modern management information technology.

Insurance is an effective method of risk management because the insurer's risk, spread across a large number of insurance policies, is only a small fraction of the insurer's risk. Therefore, the essence of insurance lies in the independence of individual risks and the distribution of risk

among a large number of policyholders. That is, the insurer uses arbitration in a certain way. However, instead of spatial or temporal arbitration, it uses risk arbitrage.

Despite all the positive and negative aspects of insurance, and realizing that insurance, acting as a subject in the relationship «insurance — sustainable development», we will highlight the main areas in which insurance activities affect the sustainable development of the region:

1. Forms a system of responsibility of business entities for possible harm as a result of violation of development stability. It is the use of an insurance institution as a regulatory mechanism, on the one hand, that it complies with insurance companies in the framework of insured events and the terms of the contract for possible harm, and on the other hand, forces insurers to take measures to prevent the occurrence of insured events.

2. Creates reserve funds to compensate for possible losses due to a violation of the sustainability of development. The state and enterprises that are responsible for the losses caused by the violation of sustainable development are often not ready for this — there are insufficient financial resources or they are absent. When using insurance, insurance companies create funds in advance to compensate for possible losses.

3. Provides economic security of recipients (subjects) who may suffer damage as a result of violation of the sustainability of development. The desire to avoid insurance payments will force insurance companies to monitor the activities of potential violators of sustainable development. This will reduce the likelihood of certain adverse events occurring. At the same time, in the event of adverse events, it is an insured event, the insurance company compensates for the damage to economic entities. The influence of these factors in the end will lead to an increase in the economic security of business entities.

Thanks to the insurance of an individual address, financial flows are not distributed on the way from the payer to the addressee, but are used for real needs.

Insurance is also one of the components of the financial, social, economic and environmental security of the state in the context of sustainable development. Since insurance is quite diverse in terms of types and objects of use, it is used in all major sectors of the economy, the development of which affects the implementation of the concept of sustainable development. So, through a direct impact on various sectors of the economy, insurance indirectly affects the implementation of the concept of sustainable development in the country [11].

Insurance provides the fastest (in comparison with other economic instruments) compensation for losses from violations of sustainability (especially when joint liability is applied and insurers join efforts). Insurance companies have significant reserves of liquid financial resources, and using reinsurance opportunities, financial opportunities increase and risks are redistributed. Since insurance relations are the subject of business contracts, where both the boundaries of the financial responsibility of each of the parties and the deadlines for fulfilling obligations are clearly defined, the necessary conditions are created for the prompt compensation of losses caused by the insured event.

As a unique sector of the market, professionally associated with the management of various risks (economic, social, environmental), insurance activity contributes to the development of research on the impact on socio-demographic, financial, economic, environmental and other risks of violation of the sustainability of development, the formation of a statistical and factual base. In a market economy, especially in the Ukrainian economy, when there are not enough financial resources for fundamental research, insurance companies can act as customers for research on the social and environmental components of society's development. To this they are prompted by the economic need to assess the possible size of losses, the likelihood of their occurrence and the cost of neutralizing or counteracting, without which it is impossible to determine either the insurance rate or the insurance premium.

As a socio-economic institution of insurance, it leads to special relations developing in society and indirectly affects the stability of the socio-economic and environmental development of the country, which ultimately is a necessary condition for the implementation of the strategy for sustainable development of regional SEE systems. Insurance is an important area of both economic

and social relations, which are the foundation of modern society. In fact, it is insurance that solves a number of government tasks (pensions, medicine, environmental control and neutralization of negative externalities). To date, the lack of measures in insurance has caused problems with financing the treatment of coronavirus infection. An effective insurance company ensures the stable development of society and the economy, and is a prerequisite for sustainable development.

The growth of insurance capital leads to the fact that insurance companies are quietly turning into specialized lending institutions, which play an important role in indirect financial support for the implementation of investment projects, social events and environmental programs. Financial resources of insurance companies are used by them not only as reserves for compensation of insurance claims, but they are also actively investing in various areas. Insurance companies have long been one of the largest players in the global investment market.

Insurance contributes to the effectiveness of the self-regulation mechanism for the sustainable development of regional SEE systems. The best way to implement the concept of sustainable development is not necessarily government regulation, but the creation of conditions under which business entities will be interested in sustainable development (security, competitiveness, balance, balance, stability). That is, with the help of self-regulation of the market mechanism, sustainable development of society will take place, and insurance will act as a completely market mechanism of regulation.

As the direction of using resources (labor, capital) to prevent destructive disasters or such losses that occur regardless of human activity and social conditions as a result of the action of the natural forces of nature and society (biological and chemical), insurance by function refers not only to such obvious stages of the reproduction process as distribution and exchange, but also to a certain extent ensures production (economy) and consumption (society), that is, forms a fundamental basis for the implementation of the concept and sustainable development.

Conclusions. Summarizing the main properties of insurance, it can be argued that insurance activity today is an activating factor in the formation of sustainable development of the region. Therefore, today it is very important to ensure the development of the insurance market in Ukraine for the full-fledged socio-ecological and economic development of dynamic regional systems.

Acting as one of the means of ensuring economic freedom and individual rights in a market economy, insurance implements the basic principles of the philosophy of sustainable development. Insurance is a completely market mechanism, the result of the evolution of market relations. Using the services of voluntary insurance, companies independently decide whether to insure their risks or not. At the same time, in the context of aggravation of various challenges, in particular those caused by pandemic risks, insurance is becoming one of the key financial instruments for countering the imbalance of the dynamic system at the meso-level. At the same time, it is thanks to compensation to insurance companies in the event of insurance claims that the negative impact on the environment is leveled, thereby ensuring the human right to a clean environment.

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