

GLOBAL TRENDS IN THE DEVELOPMENT OF THE INSURANCE MARKET: UKRAINIAN CONTEXT

Modern insurance is a critically important component of the global financial system, serving to redistribute risks in order to protect individuals and businesses. Globally, the key trends remain increased regulatory oversight and capital consolidation. In Ukraine, these processes are unfolding under extreme conditions caused by the war and high economic risks, which has led to a unique transformation of the market during the 2021–2025 period.

The leading trend in the Ukrainian market has been a sharp decline in the number of players: from 155 companies in 2021 to 62 by mid-2025. Despite this decline in numbers, the market's total assets grew from UAH 64.7 billion to UAH 81.6 billion, as shown in Fig. 1. This indicates a qualitative strengthening of the market and a concentration of capital in the hands of the most financially stable leaders, which is fully in line with the global trend toward greater financial reliability. As of July 2025, all active insurers have successfully met the new stringent solvency requirements (SCR and MCR), confirming their adaptability and transparency. Two main factors led to the decline in the number of insurers. First, many companies voluntarily surrendered their licenses and exited the market because they were unable to comply with the new, stricter legal requirements. Second, some players were forcibly removed from the Register by decision of the regulator due to violations of licensing conditions and insufficient financial stability.

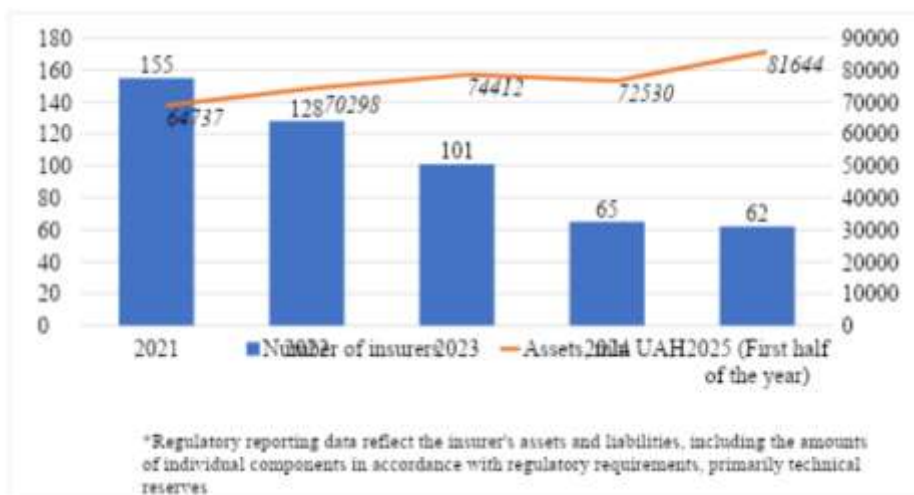


Fig. 1. Trends in the number of insurance companies and their assets in Ukraine for 2021–2025 [1; 2; 3; 4; 5]

Insurers' business models are clearly divided into two segments: non-life insurance and life insurance. On January 1, 2024, a new classification system was introduced, under which insurance is divided into 23 classes instead of more than 50 types. An analysis of insurance premiums for the first quarters of 2021–2025 shows that the domestic insurance market has significantly simplified its models and focused on mass-market products. The main trend has been the rapid growth of the auto insurance segment, which increased from 32% to 57%, indicating that auto insurance has become the primary source of revenue for companies. The personal insurance segment remained stable, holding 28–

30%, while the share of property insurance decreased from 38% to 15%. This decline in the corporate sector is linked to high military risks and the complexities of insuring industrial facilities, as a result of which the market has become critically dependent on serving car owners, who now account for more than half of the companies' revenue (Figure 2).

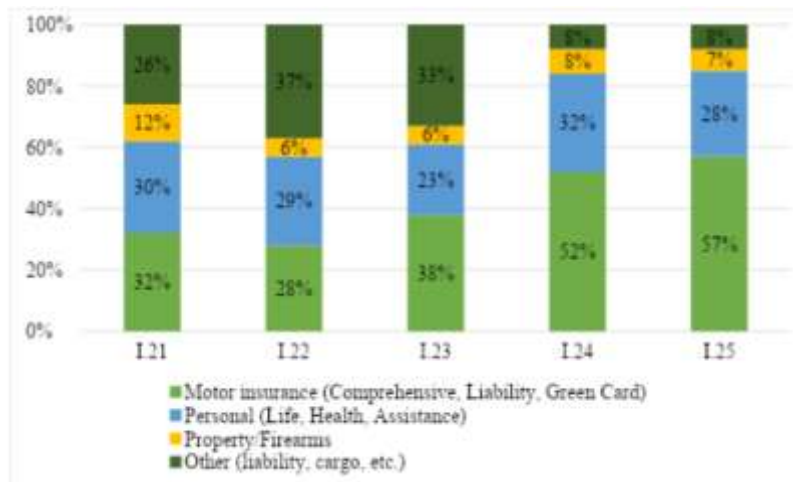


Fig. 2. Structure and trends in insurance premiums by major business lines, 2021–2025 [1; 2; 3; 4; 5]

An analysis of the structure and dynamics of Ukrainian insurance companies' assets over the period from 2021 to 2025 indicates a significant adaptation of financial strategies to today's constantly changing economic conditions. In the life insurance segment, there is a clear trend toward an increase in the share of bank deposits. As of the first half of 2025, this figure accounts for 50% of the companies' total assets. At the same time, there is a gradual decline in the share of bonds and other investments. While this share stood at 83% in 2021, it had decreased to 38% by 2025, as shown in Fig. 3. These changes reflect the evolution of investment strategies that insurance companies are employing in response to new challenges and opportunities in the market.

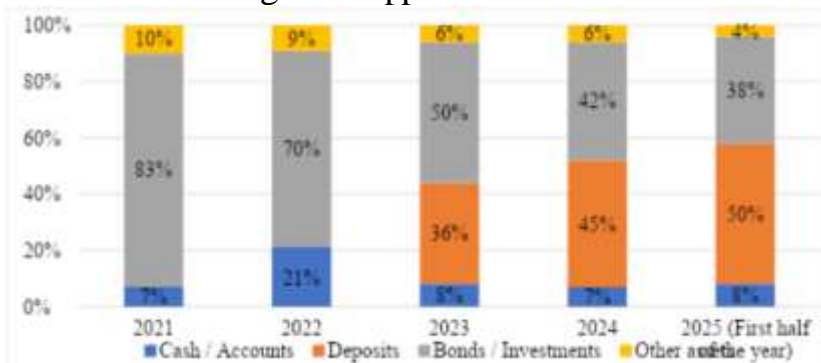


Fig. 3. Structure and trends in the assets of life insurers in Ukraine for 2021–2025 [1; 2; 3; 4; 5]

The analysis conducted leads to the following conclusions. The development of Ukraine's insurance market is taking place within the context of global trends. Institutional strengthening of the sector is achieved through capital consolidation. Unviable participants are leaving the market, which contributes to asset growth. Structural optimization of the market, with an emphasis on auto insurance, has become the main stabilizing factor. Insurers have shifted to conservative investment strategies, ensuring high asset liquidity. Such transformations indicate the sector's adaptation to extreme risks. The market is transitioning to operating according to the principles of transparency and European standards of financial stability. Currently, all active insurers fully meet solvency requirements.

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