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CONSUMER'S CONDUCT IN THE INSURANCE MARKET IN EASTERN EUROPE

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Abstract. *Consumer behavior on the insurance market in each of the countries of Eastern Europe is in direct proportion with the situation on the insurance market of the country. Stability of insurance companies and solvency of these countries citizens to purchase insurance services.*

Key words: *consumer, insurance services, insurance institutions, stability, the insurance culture.*

Financial market products is a specific market that recently have developed very unusually in Eastern Europe. It depends on many factors, which include, firstly: globalization, use of information technology in sales, capital relationships and financial crises, currency unstable in some countries. These factors form the modern financial market products by creating many new opportunities, but they are also linked with occurrence of certain risks. This dynamics of continuous changes requires financial institutions to find new solutions, working to attract consumers. Thus, we can use these methods which are successfully proven in dynamic developed markets. Of course, they require appropriate adaptation to local conditions of financial institutions.

The problem of conduct applies to all aspects of the client's live, which requires not only knowledge of financial principles as a separate unit - the customer in the market, but also ways of responding to index, certain conduct in certain situations, but also to study the effect of different conditions and opportunities for purposeful formation of

human preferences [1]. Taking into consideration the specificity of the insurance market, the internal conditions include the following:

- psychological (emotions, status, personality);
- demographic (age, sex, education).

External conditions in countries of Eastern Europe have a greater impact on consumer's conduct in the insurance market, these factors include:

- economic (bonuses, tax service, sales places, advertising);
- socio-cultural (family, group, recommendations, culture).

A characteristic feature associated with the need to purchase insurance service is its economic nature. Thus, the economic factor is based on the consumer's conduct in the insurance market. The most important element is the income from the point of view of the economy as a whole and in terms of personal household or individual. In addition, these factors include the amount of insurance payments and offer insurance services, truth to accomplish the obligation channels of insurance products.

The issue of customer conduct has a very important significance in the functioning of a market economy. The process of transforming and adapting the economies of Eastern Europe to the EU standards, combined with the dynamic development of the insurance market of the Czech Republic and Poland. And quite cyclical development of the insurance market of Belarus and the Russian Federation and sustainable development of the insurance market of Ukraine significantly affect the customer's conduct in this market. This development has a direct impact on customers in the needs and expectations of an insurance product that change patterns of conduct and decision making. Of insurance companies is becoming increasingly important to analyze the conduct and decisions of the insurance market.

The reason is, first of all, a lot of competition, which makes harder to attract new customers and retain for a longer period of current customers. Insurance companies that offer the same services that compete for the same customers. The client's conduct in the insurance market is an integral part of the market customer's conduct and closely related to each other.

The insurance client decides buy or doesn't buy insurance service. The analysis of consumer's conduct in this market is to consider proposals, decisions, needs the requirements relating to the provision of financial security of yourself and family at the time of arising of unfavourable event of accidental order. In general, this means that the client should determine its own need for insurance protection, to collect information and decide on the choice of insurance company and the relevant services of the insurance company [2].

Therefore, the subject of interest is the conduct of individual buyer to the market, which we understood as a set of actions the customer regarding the preparation of decisions on the choice of insurance services directly select and purchase.

Thus, the behavior of the customer in the insurance market consists of three stages: the need arise, the decision to purchase and conduct in the actions of insurance protection. Step consumption of insurance services, arise only in the part of the purchased insurance products, because in the absence of the insured event during the period of insurance coverage to cover losses not an issue.

The first phase is a realization of the necessity of insurance services, determination of this need and the capability of fun. Decision to purchase is often associated with contact with an agent or broker to obtain information about opportunities to meet the needs of the appropriate service and its cost is the second phase.

The third phase associated with customer's maintaining contact where customer's conduct is associated with a sense of satisfaction or dissatisfaction of the service. A very important part of the decision making process is the conduct of the customer after purchase - from it depends the consumer's conduct in the future [3].

Specificity of customer's conduct in Eastern Europe is largely related to the environment, internal and external. There is a significant gap in the quality of life and income levels or stability of currencies and financial institutions of some countries. The client operates in some surroundings in which he tries to adapt, but on which he affects by his conduct. For customer conduct in the insurance market the important sense have conditions that strongly influence on the decision making process when buying.

Among the factors that shape the conduct of the client is very large, but their power of influence varies. In countries that are new members of the EU at the base of choice is competition and price services, in Ukraine the biggest fear is actually the stability of financial institutions and considerable distrust it as a partner. According to the information of 30 September 2016, the number of the insurance companies in Ukraine decreased by 12.2% formed 323 units in one year. The most negative is a significant percentage of liquidated life insurance companies which in theory have very little chance of bankruptcy during the growth of the market. Over the last year was eliminated -11.9% of companies that provide services to insurance risk their number was 280 insurers [4]. Such statistics in the type of business should be licensing and regulation of its financial activities by separate supervisor - "National Commission for State Regulation of Financial Services Markets of Ukraine" shows the actual decline of the industry and explains why the current conduct of insurance services in Ukraine.

Not much better is the situation in the insurance market of the Russian Federation where the same period about 13% of the companies were liquidated, and for the last 2 years this figure has exceeded 100 companies. At the same time in Poland on September 30, 2016 the insurance market registered 60 insurance companies, where 27 is the company's life insurance and 32 companies risk insurance and one company reinsurance similar number of companies working in 2015, although the companies involved life insurance was 28 and 31 risk insurance company [5]. Stability

also shows Belarus insurance market where on 01 January 2017 registered 23 insurance companies, and the dynamics demonstrates the elimination of one every few years [6].

Similar trend is just one aspect of the conditions and factors that affect consumer's conduct in the insurance market, and they are closely related to each other. In the literature these terms are sometimes used as synonym, and it is not quite appropriate. After all, the conditions should be defined as the phenomenon that allow or promote a particular event or state of affairs, but also increase the chance of its occurrence. Factors are causes, changes of a phenomenon. Based on this interpretation, we can conclude that the conditions shape the environment in which the customer decides, while factors influence on these decisions.

Similar trends peculiar to the insurance market of Ukraine and Russia form the negative stereotypes of the consumer's conduct. These stereotypes can be positive, negative and neutral. It is naturally, the most dangerous negative stereotypes insurance because they lead to the formation of negative bias due to lack of life experience, lack of full availability or false, random, unverified information unnecessary emotional perception and manipulation of everyday consciousness of individuals. Stereotypes are certain beliefs that influence on the consumer's conduct, especially if they are negative.

According to the markets in some Eastern Europe negative insurance stereotypes are the defining elements of the model of consumer conduct in the insurance market, forming its consciousness [7]. In the future, personal insurance stereotypes have the ability to transform into social (group) and can be certain cliches of vital functions. According negative information about an insurer bankruptcy or disadvantages of insurance companies, they create barriers and lack of substantiated evidence to denial of payment insurance indemnity to insurers by dishonest insurance carriers. In future it is show on the financial results of other insurance carriers, and even if the business is successful in more developed countries, the decrease in interest in insurance products and sustainable market of insurance service.

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ASSESSMENT OF KEY IMBALANCES IN THE PUBLIC SECTOR OF UKRAINE AND WAYS OF OVERCOMING THEM

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Abstract. *The article we determine and describe the characteristic of available budgetary imbalances in Ukraine and discuss the role of government in overcoming them. Reasoned further steps to build a new model of fiscal policy and propose practical recommendations to resolve identified problems.*

Keywords: *public sector, assessment of imbalances, taxes, budget revenues, gross domestic product (GDP), fiscal policy.*

Relevance of research. In modern conditions of difficult transformation process in Ukraine caused by total macroeconomic crisis (financial, structural, political, social, market, competition), particularly acute problem is the timely provision of sufficient tax revenues to the state budget. The solution to this extremely important issue largely depends on the extent to which fiscal policy would be efficient, which aims to ensure the growth of state budget revenues, science-based approach to their distribution and use, thereby increasing the level of public confidence in the fiscal administration.

Analysis of recent research and publications. Modern problems to ensure implementation of the fiscal policy, forming financial resources of the state and directions for their use are widely reflected in scientific works of famous Ukrainian scientists, economists, financiers V. Andrushchenko, L. Barannik, A. Vasylyk, V. Vishnevskyy, V. Kravchenko, A. Krysovaty, M. Kucheriavenko, L. Lysyak, I. Luty, A. Myarkovskyy, A. Nechay, V. Oparin, K. Pavlyuk, Y. Pasichnyk, A. Sokolovska, V. Sutorminova, V. Fedosov and other.

The article's objective is to assess the major imbalances in the public sector of Ukraine, find ways to overcome them and identify priority areas of development of public sector.

Presenting main material. The success of structural reforms aimed at restoring sustained economic growth, modernization of the state's economy and the increasing welfare of citizens are largely driven by effective mechanisms of fiscal policy. Unfortunately, in 2014 intensified imbalances in the public sector, due to a decrease in GDP and the temporary loss control of part of the country, combined with a sharp increase in budget expenditures, that determined by the need of increasing funding for defense and devaluation of the currency. The pressure on the budget system will