expansion of production scale. The shortage of natural resources and price increase have prompted them to turn to the development and utilization of recyclable resources, and their demand for recyclable resources is also growing because of the low labor price. It is precisely because of the above two factors that a large number of recyclable resources are exported from developed countries to newly industrialized countries.

Newly industrialized countries export industrial products to developed countries, and after consumption and use, developed countries re-export recyclable resources to newly industrialized countries. This way of material flow forms an international circular economy, and trade acts as the media of material circulation.

However, in this process, due to various factors, environmental damage and environmental pollution make this international material cycle not go smoothly. First of all, a large number of non-recyclable garbage trade has caused the importing countries to suffer greatly, such as electronic garbage, various domestic garbage, toxic and harmful industrial waste and so on. Secondly, recycling recyclable resources may also cause environmental damage and pollution. In addition, reuse those used second-hand products, which may have a negative impact on the environment because of their high energy consumption. Finally, countries with harsh environmental conditions may reject products made from renewable resources because they think their processing and production processes are not environmentally friendly.

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Voitenko Oleksii
Gramiak Roman
West Ukrainian National University
Ternopil

IDENTIFYING COMPETITIVE ADVANTAGE IN THE INSURANCE INDUSTRY THROUGH VALUE UNBUNDLING

A comprehensive analysis of the US life and annuity insurance industry post-2008 Global Financial Crisis (GFC) reveals that while US equity markets have experienced significant growth, public insurers have largely been left behind. The expectation of federal interest rate hikes provides a near-term tailwind, yet the long-term challenges facing insurers remain constant. These include earnings sensitivity to external factors and opaque risks that investors are hard-pressed to underwrite. Moreover, the emergence of private capital-backed platforms has placed increased competitive pressure on the industry [1], [2].

To remain competitive, insurers must understand current market dynamics and trends, as well as the necessary steps to become distinctive. This includes the unbundling of the value chain, which has already begun, as insurers make deliberate choices, build new capabilities, and shift their business models [4]. Unbundling will also bring changes in the industry's competitive landscape, requiring insurers to think beyond a zero-sum approach and pursue collaborative partnerships with different stakeholders. Moreover, our research suggests that the top 20 percent of life insurers capture 97 percent of the economic value within the industry [3].

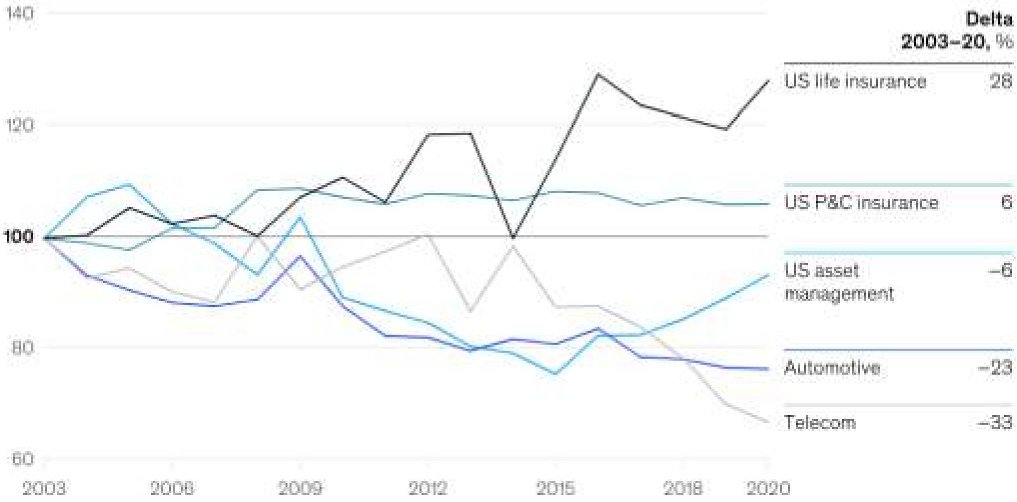

Exhibit 1.Cost efficiency evolution by industry, % of total SG&A expenses and revenues [1].

Insurers must first assess their businesses to determine the parts of the value chain where they are most distinctive. Subsequently, they must leverage their distinctive capabilities to maximize value from those parts of the value chain. Finally, they must reengage with stakeholders to bring them along on their unbundling journey.

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