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## **DEVELOPMENT OF INCLUSIVE INSURANCE IN UKRAINE AND THE WORLD: CHALLENGES AND WAYS TO IMPROVE**

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## **РОЗВИТОК ІНКЛЮЗИВНОГО СТРАХУВАННЯ В УКРАЇНІ ТА СВІТІ: ВИКЛИКИ ТА ШЛЯХИ ВДОСКОНАЛЕННЯ**

*Inclusive insurance is an important tool for providing financial protection for low-income and vulnerable populations, contributing to their financial inclusion and economic sustainability. Its development allows not only to reduce the level of social inequality, but also to create conditions for long-term economic growth. Today, the issues of affordable insurance are actively addressed not only*

*in the leading European countries, but also in developing countries, where there is a high level of financial vulnerability of the population.*

*Analyzing the current state of inclusive insurance in Ukraine, it can be noted that there are numerous barriers that hinder its development. Among the key challenges are low financial literacy and public awareness, which limits the demand for insurance products, problems with the availability of insurance services, in rural areas, limited sales channels and a complex regulatory environment, which complicates the activities of insurance companies. Additional obstacles are created by economic instability, the consequences of the full-scale invasion of the Russian Federation, as well as the cultural preferences of Ukrainians regarding the use of informal risk management mechanisms. An important challenge remains the lack of specialized insurance products for socially vulnerable groups, insufficient reliability of data for effective risk assessment, as well as limited cooperation between government agencies, insurance companies and international partners.*

*Despite these barriers, there are significant opportunities to expand inclusive insurance through government support, digital technology, microinsurance development, and strategic partnerships with international organizations. Innovative financial instruments, such as online platforms, mobile applications and automated risk assessment systems, can significantly simplify access to insurance products and increase their efficiency.*

*This article analyzes the current state of inclusive insurance in Ukraine, identifies key barriers to its development and offers practical solutions to improve the availability of insurance services and strengthen the financial stability of the population. Responding to these challenges, Ukraine has the potential to transform the insurance market through innovative approaches, effective public policies and partnerships with international financial institutions, which will contribute to increasing the level of social protection and financial inclusion.*

*Інклюзивне страхування є важливим інструментом забезпечення фінансового захисту для малозабезпечених та вразливих верств населення, сприяючи їхній фінансовій інклюзії та економічній стійкості. Його розвиток дозволяє не лише знизити рівень соціальної нерівності, а й створити умови для довгострокового економічного зростання. На сьогодні питання доступного страхування активно вирішуються не лише у провідних країнах Європи, а й у державах, що розвиваються, де існує високий рівень фінансової уразливості населення.*

*Аналізуючи сучасний стан інклюзивного страхування в Україні, можна відзначити наявність численних бар'єрів, що гальмують його розвиток. Серед ключових викликів – низька фінансова грамотність та обізнаність населення, що обмежує попит на страхові продукти, проблеми доступності страхових послуг, зокрема у сільській місцевості, обмежені канали збуту та складне регуляторне середовище, що ускладнює діяльність страхових компаній. Додаткові переешкоди створюють економічна нестабільність, наслідки повномасштабного вторгнення РФ, а також культурні преференції українців щодо використання неформальних механізмів управління ризиками. Важливим викликом залишається відсутність спеціалізованих страхових продуктів для соціально вразливих груп, недостатня достовірність даних для ефективного оцінювання ризиків, а також обмежена співпраця між державними органами, страховими компаніями та міжнародними партнерами.*

*Незважаючи на ці бар'єри, існують значні можливості для розширення інклюзивного страхування завдяки державній підтримці, впровадженню цифрових технологій, розвитку мікрострахування та стратегічному партнерству із міжнародними організаціями. Інноваційні фінансові інструменти, такі як онлайн-платформи, мобільні додатки та автоматизовані системи оцінки ризиків, здатні значно спростити доступ до страхових продуктів та підвищити їхню ефективність.*

*У цій статті проаналізовано сучасний стан інклюзивного страхування в Україні, визначено ключові бар'єри на шляху його розвитку та запропоновано практичні рішення для покращення доступності страхових послуг та зміцнення фінансової стійкості населення. Реагуючи на ці виклики, Україна має потенціал для трансформації страхового ринку через інноваційні підходи, ефективну державну політику та партнерство з*

*міжнародними фінансовими структурами, що сприятиме підвищенню рівня соціального захисту та фінансової інклюзії.*

**Keywords:** *insurance market, insurance service, insurance product, insurance inclusiveness, digital literacy, financial awareness, financial exclusion, financial inclusion.*

**Ключові слова:** *страховий ринок, страхова послуга, страховий продукт, інклюзивність страхування, цифрова грамотність, фінансова обізнаність, фінансове виключення, фінансова інклюзія.*

**Problem statement.** Despite the growing recognition of inclusive insurance as a vital tool for financial inclusion and risk reduction, its development in Ukraine remains extremely limited. A large part of the population, especially low-income households, rural communities and vulnerable groups, do not have access to affordable and individual insurance products. This gap is compounded by low financial literacy, widespread distrust of insurance companies, and limited distribution channels, especially in remote and conflict-affected regions. In addition, the lack of innovative, customer-oriented products and the high cost of reaching underserved segments of the population further hinder the implementation of inclusive insurance. The full-scale invasion of Ukraine and macroeconomic instability further complicate efforts to expand outreach. As a result, millions of Ukrainians remain vulnerable to financial shocks from health emergencies, agricultural losses, and other risks, perpetuating cycles of poverty and economic vulnerability. Addressing these challenges is critical to unlocking the potential of inclusive insurance as a mechanism to promote resilience, reduce poverty and promote sustainable development in Ukraine.

**Analysis of recent research and publications.** Recent research and publications on inclusive insurance highlight its growing importance as a tool for financial inclusion and risk mitigation, particularly in developing and transitional economies. Studies emphasize the role of inclusive insurance in reducing poverty, enhancing resilience, and supporting sustainable development goals (SDGs).

However, the focus on Ukraine remains limited, with most literature concentrating on global trends or regions with more established inclusive insurance markets, such as Sub-Saharan Africa and Southeast Asia [1-3]. In the Ukrainian scientific discourse, the issue of inclusive insurance is actively considered in the works of Chvertko L. A., Kornienko T. O., Vinnytska O. A., Tymkiv A. O., Sydor G. V. [4-6]. Researchers note the low level of financial literacy, insufficient development of microinsurance, and public distrust of insurance companies as the main barriers to expanding inclusive insurance services. The works emphasize the need to reform the regulatory environment and adapt the world experience to Ukrainian realities.

**Formulation of the objectives of the article.** The topic of the study of inclusive insurance in Ukraine is extremely relevant given its potential to solve critical socio-economic problems and promote sustainable development. Ukraine, with its large rural population and large agricultural sector, faces widespread vulnerability to risks such as health emergencies, crop failures and natural disasters. These risks are exacerbated by low financial literacy, limited access to official financial services, as well as a full-scale invasion of Ukraine, which has led to the displacement of millions of people and increased economic instability. Inclusive insurance offers a way to mitigate these risks by providing affordable and affordable financial protection for low-income and underserved populations. However, the current low penetration rate of insurance products, especially in rural areas and areas affected by a full-scale invasion, highlights a significant gap in the country's financial ecosystem. Closing this gap is essential for reducing poverty, increasing economic resilience, and promoting financial inclusion. In addition, the development of inclusive insurance is aligned with the Global Sustainable Development Goals (SDGs), especially those related to poverty alleviation, health and well-being, and the fight against climate change. By exploring barriers to inclusive insurance in Ukraine and identifying potential solutions, this research contributes to a broader understanding of how financial inclusion can be advanced in post-conflict, post-war, and transition economies. It also provides actionable insights for policymakers, insurers, and development organizations looking to

design and implement effective inclusive insurance programs. In a world that increasingly focuses on sustainability and equity, this research is timely and critical, offering a roadmap for using inclusive insurance as a tool to expand social and economic opportunities in Ukraine and beyond.

**The purpose of this research** is to analyze the challenges and opportunities in developing inclusive insurance in Ukraine, with the aim of identifying strategies to expand access, enhance financial resilience, and promote sustainable economic growth for low-income and vulnerable populations.

**Presentation of the main material.** Inclusive insurance refers to insurance products and services that are designed to be accessible, affordable, and relevant to low-income individuals, underserved communities, and vulnerable populations. These products are tailored to meet the specific needs of people who are typically excluded from traditional insurance markets due to factors such as low income, informal employment, or lack of financial literacy. Inclusive insurance aims to provide protection against risks such as illness, accidents, natural disasters, and crop failure, enabling these individuals to manage risks and recover from adverse events without falling deeper into poverty.

It is also worth noting that inclusive insurance has a certain role, among which it is worth highlighting the following:

1. **Risk Mitigation for Vulnerable Populations.** Inclusive insurance plays a critical role in protecting low-income and underserved populations from financial shocks caused by unforeseen events. By providing a safety net, it helps prevent individuals and families from falling into poverty due to unexpected expenses, such as medical bills or loss of income.

2. **Enhancing Economic Resilience.** Access to insurance enables individuals and small businesses to take calculated risks, such as investing in agriculture, education, or entrepreneurship, without fear of catastrophic losses. This fosters economic growth and stability at both the individual and community levels.

3. **Promoting Savings and Investment.** Inclusive insurance encourages financial planning and savings by providing a sense of security. When people feel

protected against risks, they are more likely to save and invest in their futures, contributing to long-term financial inclusion.

4. **Supporting Social and Economic Development.** By reducing vulnerability to risks, inclusive insurance contributes to broader social and economic development goals. It helps stabilize incomes, improve health outcomes, and support sustainable livelihoods, particularly in rural and marginalized communities.

5. **Bridging the Gap in Financial Services.** Inclusive insurance complements other financial services, such as microcredit and savings accounts, by addressing the risk management needs of low-income populations. It fills a critical gap in the financial ecosystem, making it more inclusive and comprehensive.

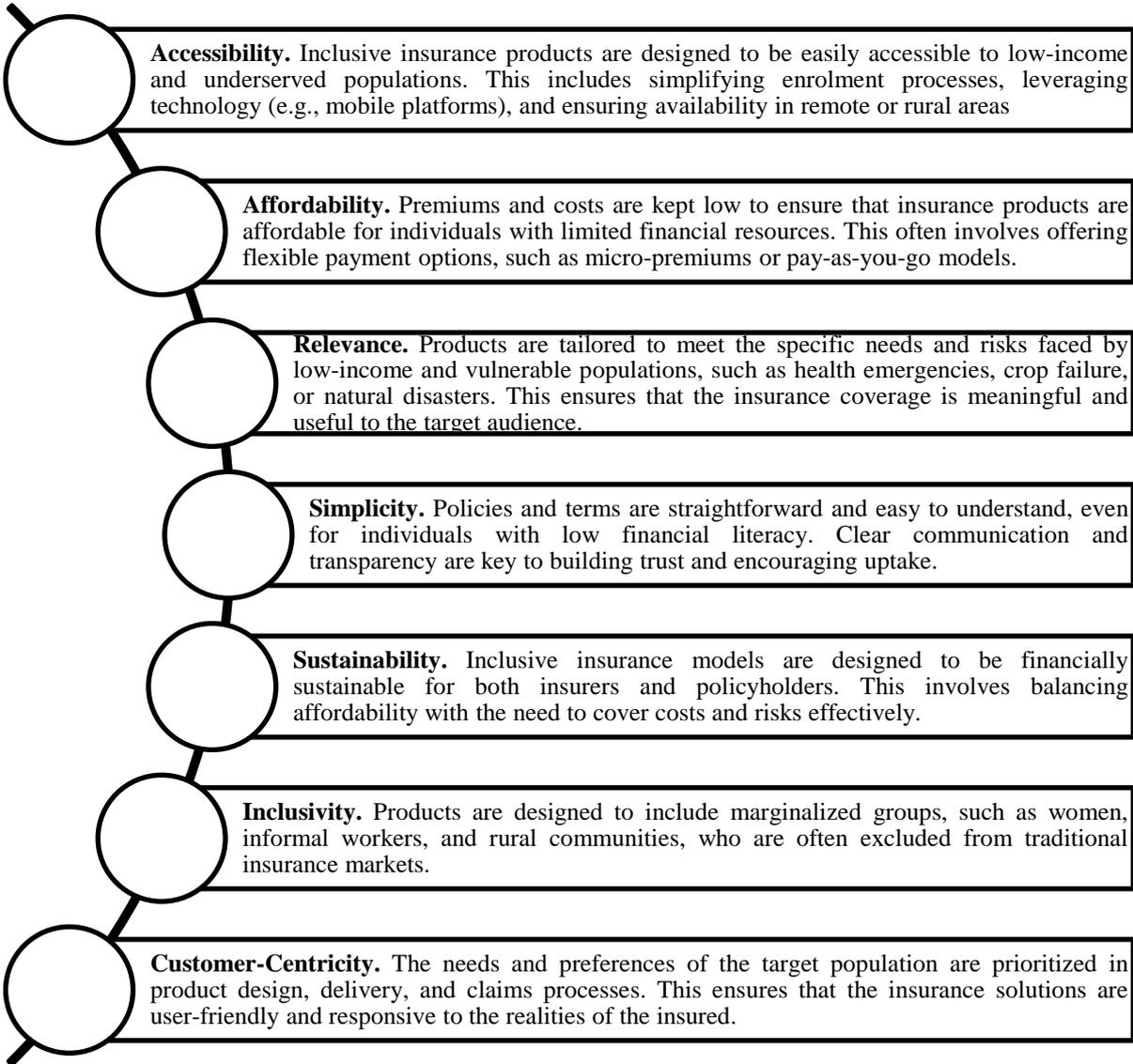
6. **Empowering Women and Marginalized Groups.** Inclusive insurance often targets women and other marginalized groups who face higher levels of financial exclusion. By providing them with access to insurance, it empowers them to participate more actively in economic activities and improves their overall financial well-being.

7. **Encouraging Innovation in Insurance Products.** The focus on inclusivity drives innovation in the insurance sector, leading to the development of flexible, low-cost, and easy-to-understand products. These innovations often leverage technology, such as mobile platforms, to reach underserved populations more effectively.

Like any economic category, inclusive insurance is based on certain principles and performs certain functions. Figs. 1 and 2 show the category data.

It is also worth noting that inclusive insurance has emerged as a powerful tool for promoting financial inclusion and reducing vulnerability among low-income and underserved populations worldwide. By providing affordable, accessible, and tailored insurance products, it addresses the unique risks faced by individuals and communities who are often excluded from traditional financial systems. Over the past few decades, the global community has witnessed a growing recognition of the transformative potential of inclusive insurance in

fostering economic resilience, reducing poverty, and supporting sustainable development.



**Fig.1. Basic Principles of Inclusive Insurance**

Inclusive insurance in Ukraine is still in its early stages of development, but there is growing recognition of its potential to address the financial protection needs of low-income and vulnerable populations. The country has a significant portion of its population living in rural areas, with many engaged in agriculture or informal employment, making them particularly susceptible to risks such as crop failure, health emergencies, and natural disasters. However, the penetration of insurance products, especially those tailored to underserved communities, remains low.

-  **Risk Protection.** The primary function of inclusive insurance is to provide financial protection against specific risks, such as illness, accidents, death, crop failure, or natural disasters. This helps individuals and families avoid falling into poverty due to unexpected events.
-  **Poverty Reduction.** By mitigating the financial impact of adverse events, inclusive insurance helps prevent vulnerable populations from slipping deeper into poverty. It provides a safety net that supports recovery and resilience.
-  **Economic Empowerment.** Inclusive insurance enables individuals and small businesses to take calculated risks, such as investing in agriculture, education, or entrepreneurship, without fear of catastrophic losses. This fosters economic growth and stability.
-  **Social Protection.** Inclusive insurance complements social safety nets by providing additional layers of protection for low-income and vulnerable populations. It helps bridge gaps in public welfare systems.
-  **Financial Inclusion.** By integrating insurance with other financial services, such as savings, credit, and payments, inclusive insurance contributes to a more comprehensive financial ecosystem. It encourages the use of formal financial services among underserved populations.
-  **Resilience Building.** Inclusive insurance helps individuals and communities build resilience against shocks and stresses. By providing a mechanism to recover from losses, it supports long-term stability and development.
-  **Encouraging Savings and Investment.** When people feel protected against risks, they are more likely to save and invest in their futures. Inclusive insurance fosters a culture of financial planning and security.
-  **Promoting Innovation.** The need to serve low-income and underserved populations drives innovation in product design, delivery, and distribution. For example, mobile-based insurance platforms and parametric insurance products are often developed to meet the unique needs of these markets.
-  **Empowering Marginalized Groups.** Inclusive insurance often targets women, informal workers, and rural communities, empowering them to participate more actively in economic activities and improve their financial well-being.
-  **Supporting Sustainable Development.** By reducing vulnerability and promoting economic stability, inclusive insurance contributes to broader sustainable development goals, such as poverty alleviation, health improvement, and climate resilience.

**Fig.2. Functions of Inclusive Insurance**

Across different regions, innovative approaches and partnerships have been developed to implement inclusive insurance products, leveraging technology, community-based models, and cross-sector collaborations. These efforts have demonstrated that inclusive insurance is not only a viable business opportunity but also a critical mechanism for achieving social and economic equity. As we explore global experiences in implementing inclusive insurance products (table 1), it becomes evident that these initiatives have the potential to create lasting impact, empowering millions to navigate risks and build a more secure future.

**Table 1. Global experience in the implementation and use of inclusive insurance**

Country/Organization Name	Experience
Poland	Implementation of digital platforms for agricultural and small business insurance
Hungary	Development of microinsurance products for socially disadvantaged groups of the population
Czech Republic	Using Blockchain Technologies to Increase Transparency of Insurance Processes
Slovakia	Innovative products for insurance of people with disabilities
Bulgaria	Mobile Apps for Affordable Insurance in Rural Areas
Romania	Partnering with Fintech Companies to Create Flexible Insurance Products
Croatia	Health insurance using telemedicine services
Lithuania	Implementation of inclusive insurance products for migrants and refugees
Latvia	Digitalization of insurance services for the elderly
Estonia	AI-powered insurance services to automate processes
Germany	Creation of environmentally friendly insurance products
France	Development of social security programs for the unemployed and self-employed
Italy	Inclusive insurance products for small businesses and startups
Spain	Microinsurance for rural communities with a focus on the agricultural sector
Sweden	Creation of gender-sensitive insurance products

According to the National Commission for the State Regulation of Financial Services Markets of Ukraine, the insurance penetration rate in Ukraine was

approximately 1.5% of GDP in 2022, significantly lower than the European average of around 8%, reflecting limited uptake of insurance products among the general population, including low-income groups. Agriculture, a critical sector contributing about 10% of GDP, remains underinsured, with only 10-15% of agricultural land covered as of 2022, leaving farmers vulnerable to climate-related risks like droughts and floods. Microinsurance, essential for inclusive insurance, is underdeveloped, accounting for less than 1% of total insurance premiums, highlighting the need for affordable, targeted products. Health insurance coverage is also limited, with only about 5% of the population having access to private health plans, leaving many, especially in rural areas, without financial protection against health risks. According to the World Bank's Global Findex Database (2021), only 65% of adults have access to formal financial services, with even lower insurance uptake in rural areas due to limited financial literacy and awareness. Key challenges include low trust in insurers, limited distribution channels, and the impact of the ongoing conflict in eastern Ukraine, which exacerbates risks and economic instability for affected populations. Addressing these barriers through innovation, education, and partnerships is crucial to expanding inclusive insurance in Ukraine [7,8].

The development of inclusive insurance in Ukraine faces several significant challenges and barriers, which hinder its potential to provide financial protection to low-income and vulnerable populations. These challenges stem from structural, economic, social, and regulatory factors. Table 2 shows is an analysis of the key barriers.

So, considering the analysis, it is worth noting that in the context of modern economic challenges, Ukraine, like other countries of the world, needs to improve the system of inclusive insurance. This is necessary to ensure sustainable development and protect the population. The proposed recommendations for improving inclusive insurance should consider the interests of all market participants and are critical for the sustainable development of both the global and

Ukrainian economies [9]. Thus, fig. 3 offers recommendations for improving the practice of inclusive insurance in Ukrainian conditions.

**Table 2. Challenges and barriers to the development of inclusive insurance in Ukraine**

Challenge Category	Specific Barriers	Description
1. Low Financial Literacy and Awareness	Limited Understanding of Insurance	Many Ukrainians, particularly in rural areas, lack a clear understanding of how insurance works and its benefits, resulting in low demand for insurance products.
	Misconceptions and Mistrust	Historical issues with financial scams and unreliable financial services have led to widespread mistrust of insurance providers. Many view insurance as an unnecessary expense or a risky investment.
2. Affordability Issues	Low-Income Levels	A significant portion of the population, especially in rural and conflict-affected regions, lives on low incomes, making it difficult to afford even low-cost insurance premiums.
	High Cost of Distribution	Reaching underserved populations, particularly in remote areas, often involves high operational costs for insurers, making inclusive insurance products financially unviable.
3. Limited Distribution Channels	Lack of Infrastructure	Rural areas often lack physical infrastructure, such as bank branches or insurance offices, needed to distribute insurance products effectively.
	Underdeveloped Digital Platforms	While mobile and digital technologies offer potential for reaching underserved populations, the adoption of digital financial services in Ukraine is still relatively low, particularly among older and rural populations.
4. Regulatory and Policy Barriers	Complex Regulatory Environment	The insurance sector in Ukraine is subject to complex regulations that discourage innovation and the development of tailored products for low-income groups.
	Limited Government Support	While there have been some initiatives, such as subsidized agricultural insurance programs, broader government support for inclusive insurance is still lacking. More proactive policies and incentives are needed.
5. Economic Instability and Conflict	Ongoing Conflict in Eastern Ukraine	The war in eastern Ukraine has created significant economic instability, displaced populations and increasing risks for insurers, making it difficult to expand insurance coverage in affected regions.
	Macroeconomic Challenges	High inflation, currency volatility, and economic uncertainty have made it challenging for insurers to design affordable and sustainable products.

Continued table 2

Challenge Category	Specific Barriers	Description
6. Cultural and Behavioral Barriers	Preference for Informal Risk-Sharing	Many Ukrainians, especially in rural areas, rely on informal risk-sharing mechanisms, such as community support or savings groups, rather than formal insurance products.
	Short-Term Focus	Low-income households often prioritize immediate financial needs over long-term risk management, making it difficult to convince them of the value of insurance.
7. Lack of Tailored Products	Limited Product Innovation	Many insurance products in Ukraine are not designed to meet the specific needs of low-income and vulnerable populations, such as smallholder farmers facing unique agricultural risks.
	Complex Products	Existing insurance products are often complex and difficult to understand, further discouraging uptake among low-literacy populations.
8. Data and Risk Assessment Challenges	Lack of Reliable Data	Insurers often struggle to access accurate data on the risks faced by low-income populations, making it difficult to design appropriate products and set premiums.
	High Risk Exposure	Underserved populations often face higher and more unpredictable risks, such as those related to climate change or health emergencies, which can make insurance products more expensive or difficult to underwrite.
9. Limited Collaboration and Partnerships	Weak Linkages Between Stakeholders	There is a lack of collaboration between insurers, government agencies, NGOs, and microfinance institutions, which could otherwise help develop and distribute inclusive insurance products more effectively.
	Insufficient Role of Insurtech	While Insurtech has the potential to revolutionize inclusive insurance, its adoption in Ukraine remains limited due to regulatory hurdles and low digital penetration in rural areas.

Thus, it can be noted that insurance regulators play a key role in creating a favourable environment for the development of inclusive insurance. Their main tasks include.

1. Creating a supportive environment:

– information and educational activities – conducting campaigns to raise awareness among all participants of the insurance market about the principles and benefits of inclusive insurance;

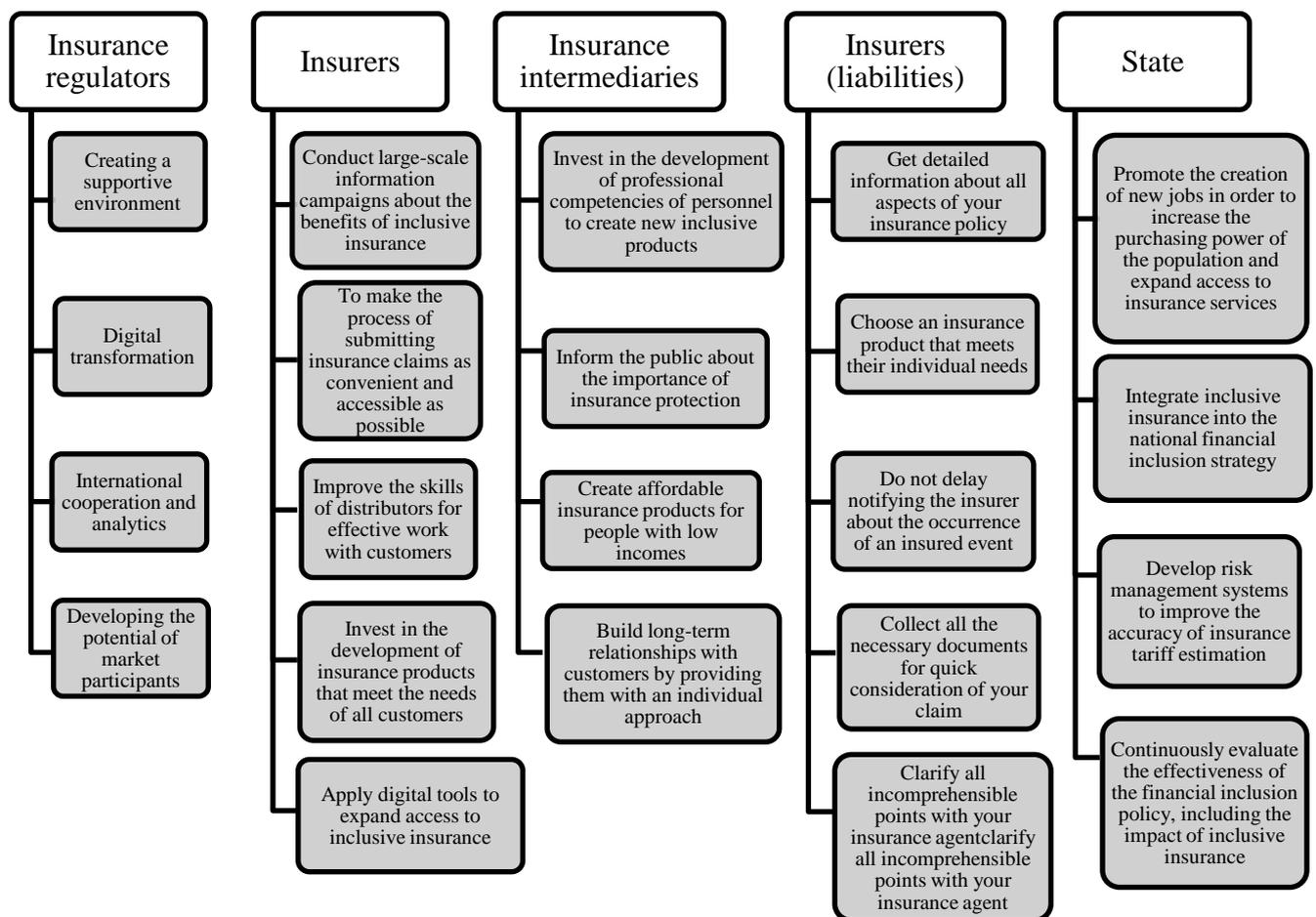
– regulatory support – ensuring compliance with the legislation on compulsory insurance, creating favourable conditions for the development of innovative insurance products and services;

– consumer protection – development of effective complaint handling mechanisms, creation of claims management instructions, as well as ensuring transparency and competition in the insurance market.

## 2. Digital transformation:

– creation of digital tools – development of online platforms for interacting with customers, filing complaints and obtaining information about insurance products;

– supporting technological innovation – encouraging the use of new technologies to expand access to insurance services and reduce their cost.



**Fig.3. Recommendations for improving the practice of inclusive insurance in Ukrainian conditions**

### 3. International cooperation and analytics:

- cooperation with government agencies – coordination of efforts with other government agencies to implement national financial inclusion strategies;
- data analysis and policy development – using data to assess the effectiveness of regulatory measures and develop new policies aimed at developing inclusive insurance.

### 4. Developing the potential of market participants:

- providing technical assistance – providing insurers, intermediaries and distributors with the necessary knowledge and resources to develop and sell inclusive insurance products;
- revision of the regulatory framework – regular review and updating of regulatory legal acts, taking into account changes in the insurance market and technological trends.

### Key principles of inclusive insurance regulation:

- proportionality – ensuring a balance between financial accessibility, integrity and stability of the insurance market;
- consumer protection – empowerment of consumers of insurance services;
- innovation – creating a favorable environment for the development of new technologies and products.

The role of regulators in the development of inclusive insurance is important, but insufficient. For the successful implementation of inclusive products, the joint work of all market participants is necessary. Insurers, as key players, should actively work on the development and promotion of such products, as well as increase the financial literacy of the population. Let us define the following recommendations for the effective activity of insurers in the insurance market.

1. Conduct large-scale information campaigns about the benefits of inclusive insurance.
2. To make the process of submitting insurance claims as convenient and accessible as possible.

3. Improve the skills of distributors for effective work with customers.
4. Guarantee timely and fair payments for insured events.
5. Collaborate with reliable partners who are customer-oriented.
6. Implement social projects to strengthen the company's image.
7. Invest in the development of insurance products that meet the needs of all customers.
8. Apply digital tools to expand access to inclusive insurance.
9. Use customer reviews to promote inclusive insurance.
10. Create insurance products that meet the needs of all segments of the population.
11. Make the terms of contracts as transparent as possible for customers.
12. Ensure a high level of professionalism and ethics among employees.

Partnerships between insurers and insurance intermediaries are key to the development of inclusive insurance. Insurance intermediaries, as direct consultants to clients, should actively promote the spread of inclusive insurance products.

1. Invest in the development of professional competencies of personnel to create new inclusive products.
2. Collaborate with partners to develop inclusive insurance in all markets.
3. Apply digital solutions to build effective partnerships.
4. Build long-term relationships with customers by providing them with an individual approach.
5. Simplify the procedures for registration and consideration of insured events.
6. Create affordable insurance products for people with low incomes.
7. Inform the public about the importance of insurance protection.
8. To promote inclusive insurance among vulnerable segments of the population.
9. Collaborate with partners to expand access to inclusive insurance.
10. Provide uniform standards for inclusive insurance products.

The effectiveness of inclusive insurance depends on how responsibly policyholders perform their duties, such as timely payment of insurance premiums and notification of insured events:

- receive detailed information about all aspects of your insurance policy;
- take care of the continuous operation of your insurance policy;
- choose an insurance product that meets their individual needs;
- carefully read the terms of your insurance contract;
- collect all the necessary documents for quick consideration of your claim;
- clarify all incomprehensible points with your insurance agent;
- organizations must ensure that their members have access to quality insurance;
- do not delay notifying the insurer about the occurrence of an insured event.

For the successful development of inclusive insurance, the active participation of the state is necessary, which consists in creating an appropriate legislative and regulatory environment. The participation of the state should consist of the following aspects:

- promote the creation of new jobs in order to increase the purchasing power of the population and expand access to insurance services;
- introduce tax incentives to attract investment in the economy;
- support farmers by subsidizing agricultural insurance;
- ensure the availability of health insurance for the entire population;
- integrate inclusive insurance into the national financial inclusion strategy;
- continuously evaluate the effectiveness of the financial inclusion policy, in particular the impact of inclusive insurance;
- develop risk management systems to improve the accuracy of insurance tariff estimation;
- harmonize national insurance legislation with international standards.

Partnerships with banks, mobile operators and other organizations are key to expanding access to insurance services for vulnerable segments of the population. These partners must:

- 1) invest in the development of professional skills of sales and service personnel;
- 2) comply with all legal regulations when distributing inclusive insurance products;
- 3) apply modern technologies to improve the process of selling insurance products;
- 4) conclude clear agreements with partners that determine the responsibility of each party;
- 5) ensure strict compliance with relevant data protection laws governing the distribution of insurance products and services.

Inclusive insurance is a key tool for ensuring financial inclusion and social justice, especially in the face of today's economic challenges. Its successful implementation requires coordinated work by all stakeholders – from insurance regulators to governments and distribution partners.

Insurance regulators create a foundation for market regulation and increasing confidence, insurers ensure the development and sale of relevant products, intermediaries act as a link between the market and customers, and insurers, in turn, are obliged to be aware of their rights and obligations. The government, in turn, should support economically disadvantaged segments of the population and create favourable conditions for the development of insurance.

The implementation of such recommendations will contribute not only to improving the quality of insurance services, but also to expanding the financial capabilities of citizens, reducing risks for business and overall economic growth. Inclusive insurance has the potential to become an important component of the sustainable development of society, guaranteeing the protection of the most vulnerable groups of the population.

**Conclusions.** Inclusive insurance has enormous potential to transform the lives of low-income and vulnerable groups in Ukraine, providing them with tools to manage risk, increase resilience and participate more fully in the economy. However, as demonstrated in this article, the development of inclusive insurance in

Ukraine faces significant challenges, including low financial literacy, accessibility issues, limited distribution channels, and a complex regulatory environment. The military invasion of Ukraine and wider macroeconomic instability further exacerbate these barriers, leaving millions of Ukrainians vulnerable to financial shocks and perpetuating cycles of poverty.

Despite these challenges, there are clear opportunities for growth and innovation in the inclusive insurance sector. The Ukrainian government, insurers, and development organizations can draw on global best practices, such as leveraging technology, fostering public-private partnerships, and designing tailored products, to address the unique needs of underserved populations. Initiatives like subsidized agricultural insurance programs and the adoption of digital platforms for microinsurance distribution offer promising pathways to expand coverage and enhance accessibility.

Moreover, increasing financial literacy and awareness about the benefits of insurance is critical to building trust and driving demand among low-income households. Collaborative efforts between insurers, NGOs, and microfinance institutions can help bridge the gap in financial services and create a more inclusive ecosystem. The role of insurtech, though still underdeveloped in Ukraine, presents a significant opportunity to revolutionize the way insurance products are designed, distributed, and managed.

Inclusive insurance is not just a financial product; it is a mechanism for social and economic empowerment. By addressing the barriers outlined in this article and seizing the opportunities for innovation and collaboration, Ukraine can unlock the transformative potential of inclusive insurance to reduce poverty, enhance resilience, and promote sustainable development. This will require a concerted effort from all stakeholders—policymakers, insurers, technology providers, and civil society – to create an enabling environment that prioritizes the needs of the most vulnerable.

Ultimately, the success of inclusive insurance in Ukraine will depend on its ability to adapt to the unique challenges and realities of the country while

remaining grounded in the principles of accessibility, affordability, and relevance. By doing so, Ukraine can pave the way for a more inclusive and resilient future, where no one is left behind in the face of life's uncertainties. This article serves as a call to action for all stakeholders to prioritize inclusive insurance as a key component of Ukraine's financial inclusion strategy and a cornerstone of its path toward sustainable development.

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