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Solvency requirements for insurers: Ukrainian practices and international experience

Olena Novosolova*
PhD in Economic Sciences, Associate Professor
Kherson National Technical University
29016, 11 Instytutska Str., Khmelnytskyi, Ukraine
https://orcid.org/0000-0002-5225-6353

Abstract. The relevance of the study was due to the transformation of approaches to regulating the solvency of insurers in the world's leading economies and the need to adapt the Ukrainian insurance supervision system to international standards. Countries with developed insurance markets use capital assessment models based on economic value, risk-oriented management and transparency of reporting. The aim of the study was to conduct a comparative analysis of solvency regulation systems for insurers in the European Union, Great Britain, the United States, Japan and Ukraine, as well as to identify the key elements and tools that ensure the financial stability of insurance companies. The study used methods of comparative analysis, logical generalisation, deduction, a systematic approach and regulatory interpretation. It examined the three-component structure of the Solvency II system, in particular the qualitative and quantitative capital requirements, risk management requirements and transparency of reporting. Innovations in the assessment of insurers' solvency in Ukraine were characterised: the phased implementation of Solvency II standards, new criteria for determining regulatory capital, Solvency Capital Requirement calculations and minimum capital. The updated system of solvency requirements in the United Kingdom, Solvency UK, which is a modification of Solvency II and aimed to simplify regulatory pressure and stimulate investment, was analysed. The essence of the risk-based approach in the United States and the role of capital calculation models taking into account the specific risks of each type of insurance were revealed. It was noted that the American regulatory model is more decentralised, as regulation is carried out at the state and federal government levels. Special attention was paid to the reform of the solvency system in Japan, where an economic valuation model based on economic value will be introduced in 2025. It is similar to the European model, but takes into account the national characteristics of the market. The practical value of the work lies in the formation of methodological principles for improving the Ukrainian insurance supervision system, taking into account international experience, which will contribute to increasing the transparency, stability and investment attractiveness of the domestic insurance market

Keywords: assessment models; Solvency II; Solvency UK; solvency capital; minimum capital requirements; risk-oriented capital; insurance supervision

INTRODUCTION

The insurance market is an important element in the mechanism of compensation for material losses, ensuring social protection of citizens and accumulation of investment resources. A necessary prerequisite for the effective functioning of the insurance market is the reliability and solvency of insurers, who are capable of fulfilling their financial obligations in a timely and complete manner at any given moment. V. Dranus *et al.* (2023) studied theoretical approaches to determining the solvency of an insurer by comparing the characteristics of "solvency", "financial stability" and "financial reliability" of an insurer. The researchers noted that "solvency" is a criterion for assessing the financial condition of a company in the short term, and the financial security of solvency is the insurer's capital in liquid form. I. Abernikhina & I. Sokyrynska (2020) systematised approaches to indicators for assessing the solvency of

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*Corresponding author

an insurance organisation and showed the interconnection between the concepts of "liquidity" and "solvency" of an insurer. O. Klepíkova *et al.* (2019) studied the possibilities of using simulation modelling to assess the financial stability and solvency of an insurance company.

Ukraine's European integration aspirations have determined the direction of development of Ukrainian legislation in the field of insurance. Requirements for insurers to maintain solvency margins in European Union countries were introduced as early as the 1970s. With the further development of the European insurance market, the solvency requirements for insurers were modernised – Directive 2002/12/EC (2002). The fundamental document of the European Union (hereinafter – EU) containing common rules to facilitate the activities of insurance companies is Directive 2009/138/EC (2009). S. Mukhtarov *et al.* (2022) concluded that Solvency II requirements shift investors' attention to solvency information rather than the profits of European insurance companies, unlike Solvency D.K. Nguyen & D.-T. Vo (2020) investigated the relationship between the implementation of enterprise risk management (ERM) and the solvency of insurers in the European Union (hereinafter – EU) and empirically evaluated the impact of various factors on the level of solvency. A. Garayeta *et al.* (2022) and L. González *et al.* (2022) conducted a qualitative analysis of solvency regulation systems for insurers in six jurisdictions, including the EU and the US, to assess their compatibility and the possibility of introducing a unified global model. E. Siopi *et al.* (2023) identified the most important variables that influence the solvency capital requirement of an insurance company and allow it to be predicted. Y. Tyuleneva & T. Antoshko (2019) compared the principles of Solvency I and Solvency II, examined the specifics of implementing Solvency I in the Ukrainian legal field, and described the mechanisms for implementing Solvency II and the likely difficulties in implementing this approach in the activities of domestic insurance companies.

Law of Ukraine No. 1909-IX (2025) takes into account the provisions of Solvency II. The legislative act also sets out requirements for ensuring the solvency of insurers, which is achieved "by complying with solvency capital and minimum capital requirements." Given the social importance of the development of insurance relations, the insurance market regulator, the National Bank of Ukraine (hereinafter referred to as the NBU), pays particular attention to the issue of ensuring the solvency of insurance companies. Resolution of the Board of the National Bank of Ukraine No. 201 (2023) specifies the procedure for assessing solvency and regulates the methodology for assessing assets and liabilities for the purposes of calculating the regulatory capital of insurance companies. A. Abaieva (2022) conducted a critical analysis of the institutional and legal framework for the financial stability of Ukrainian insurers for compliance with Solvency II, and also determined the impact of innovations on the effectiveness of state regulation of insurance activities. H. Kulina (2024) analysed the main criteria put forward in the field of ensuring the solvency of insurers and identified problematic aspects related to the implementation of innovations. The aim of the article was to systematise the key features of approaches to regulating the solvency of insurers in leading countries in order to identify potential directions for adapting the Ukrainian insurance supervision system.

MATERIALS AND METHODS

The study was based on an examination of the approaches taken by the EU, the United Kingdom, the United States, Japan and Ukraine to regulating the solvency of insurers. A comparative approach to requirements was used in the course of the work. The main object of comparative analysis was legislative acts, directives, regulatory documents and statistical reports of relevant supervisory authorities that establish the legal framework and methodological basis for the system of regulating the solvency of insurers in different countries, in particular, the European Union (Directive 2009/138/EC, 2009), the United Kingdom (Solvency UK regime), the United States of America (Risk-Based Capital – RBC model) and Japan (Solvency Margin Ratio and Economic Value-based Solvency Ratio – ESR). To ensure the accuracy and reliability of the data, the following criteria for selecting sources were established in the study: relevance (given the rapid changes in regulatory policy, regulatory documents valid as of 2025 were used); authority (the information base consists of official sources – state regulatory bodies and leading insurance associations); representativeness and completeness of information (the analysis covers the world's leading insurance markets with different regulatory models; for each jurisdiction, key documents reflecting approaches and practices of solvency regulation, as well as threshold values of quantitative indicators and qualitative requirements, were considered).

The methodological basis of the study consists of the following approaches: systematic analysis, which made it possible to identify the structure, functions and features of each of the solvency assessment models; comparative legal method, used to identify differences and similarities between the European model (Solvency II), its adaptation in the United Kingdom (Solvency UK), the American RBC system and Japanese approaches; quantitative analysis, which was used to study the formulas for calculating key indicators (Solvency Capital Requirement (SCR), Minimum Capital Requirement (MCR), Solvency Margin Ratio (SMR), RBC Ratio, ESR).

The information content of the study is based on official publications of supervisory authorities (European Insurance and Occupational Pensions Authority (EIOPA), Prudential Regulation Authority (PRA), National Association of Insurance Commissioners (NAIC), Financial Services Agency (FSA) of Japan), national legislation (Law of Ukraine No. 1909-IX, 2025), documents of insurance associations, industry reports and methodological recommendations, as well as own summarisation and processing of regulatory parameters. To analyse current regulatory practice in Ukraine, a regulatory mapping method was used, which shows the stages of introducing Solvency II approaches into Ukrainian practice: from a simplified

model (2024) to a basic one (2027), and also identifies the criteria for insurers to move to full regulatory supervision.

RESULTS AND DISCUSSION

The Solvency II concept consists of three "pillars" (components): Pillar I – quantitative requirements (assessment of assets and liabilities and capital requirements); Pillar II – qualitative requirements (requirements for management, risk management, assessment of own risks and solvency (ORSA)); Pillar III – requirements for supervisory reporting and public disclosure. Solvency II establishes qualitative and quantitative requirements for the calculation of technical provisions and solvency capital requirements (SCR) using either a standard formula provided by the regulator or an internal model developed by the insurance company. SCR is the capital required to ensure that an insurance company can meet its obligations over the next 12 months with a probability of at least 99.5%. In addition to SCR, it is necessary to calculate the minimum capital requirement (MCR), which is the threshold below which capital must not fall. The MCR must correspond to an 85% probability of adequacy over one year and is between 25% and 45% of the SCR.

The solvency requirements for insurers in Ukraine have been significantly updated with the entry into force of the new version of Law of Ukraine No. 1909-IX (2025), the provisions of which are based on Directive 2009/138/EC (2009). Ukraine plans to introduce Solvency II in stages, with a simplified approach to assessing the solvency of insurers coming into effect on 1 January 2024 and a basic approach on 1 January 2027. Table 1 provides a comparative analysis of the requirements of Solvency II and Ukrainian legislation.

Table 1. Solvency requirements under Solvency II and in Ukraine

Criterion	Solvency II (EU)	Ukraine (2024-2027)
Model type	Risk-based approach based on three pillars	Phased implementation: simplified (from 2024) → basic (from 2027)
SCR	Determined either by the standard EIOPA formula or an internal model; covers 99.5% of risks over a one-year horizon	Calculated using an adapted standard formula similar to Solvency II
MCR	Determined as 25-45% of SCR; has an 85% probability of adequacy; there are minimum absolute limits	MCR = 1/3 SCR, but not less than UAH 32 million (non-life) or UAH 48 million (life and complex non-life)
Minimum absolute SCR/MCR thresholds	MCR: €2.5-3.7 million depending on class; SCR – no absolute limit set	MCR: determined in hryvnia; no absolute SCR limit
Risk assessment models	Internal models may be used with the regulator's approval	Internal models are not provided for in the simplified approach; in the basic approach, they are possible with the prospect of implementation
Use of standard formula	The main model for most insurers	The basic model for all companies at the simplified approach stage
Exceptions for small insurers	Not applicable if: direct insurance: premiums < €5.4 million, reserves < €26.6 million, reinsurance: premiums < €0.6 million/10%, technical reserves < €2.7 million/10%	Small companies may remain on the simplified approach
ORSA requirements	Mandatory	Provided for in the basic approach from 2027
Capital quality (structure)	Division into three tiers of capital (Tier 1-3), with restrictions on the use of lower-quality capital	Similar to Solvency II structure
Thresholds for transition to basic approach	In the EU – automatically, unless the insurer falls under the exceptions	Activities in at least one of the following insurance classes: 10, 11, 12, 13, 14, 15 and fulfilment of at least one of the following conditions: direct insurance: premiums > UAH 200 million reserves > UAH 700 million reinsurance: premiums > 10%/UAH 20 million technical reserves 10% / UAH 70 million
Regulator	EIOPA + national regulators	National Bank of Ukraine
Date of full implementation	2016 (EU), with continuous updates	Expected completion of the basic stage – 1 January 2027

Source: created by the author

In the United Kingdom, the system for regulating the solvency of insurers is based on Solvency UK rules, which are largely similar to the European Solvency II model, which was implemented in British law even before the country left the EU. The Solvency UK regulations came into full effect on 31 December 2024. The Prudential Regulation Authority (PRA) is the body responsible for supervising the financial stability and solvency of insurers in the United Kingdom. The new system modifies Solvency II and is designed to simplify requirements and reduce regulatory pressure, stimulate investment and ensure market competitiveness (Table 2).

Table 2. Key differences between Solvency UK and Solvency II

Element	Solvency II (EU)	Solvency UK (United Kingdom)
Regulatory structure	European (European Insurance and Occupational Pensions Authority (EIOPA) + national regulators)	British (PRA, Bank of England)
Risk margin	Higher (often criticised for overestimating reserves)	Reduced by ~ 65% (for life insurers), incentive for growth
Investment restrictions	Strict requirements for asset types	Greater flexibility – easier investment in infrastructure
Reporting requirements	Very detailed reporting	Reduced reporting, especially for smaller companies
Approach to internal models	High level of audits and require detailed approval	Simplification and faster model approval
ORSA, SFCR, RSR, QRTs principles	Mandatory for all full participants	Retained, but simplified reporting possible for small companies
System objective	Harmonisation of EU markets, protection of policyholders	Investment incentives, flexibility, proportionality, stability
Group supervision	The EU regulates at the insurance group level through EIOPA	PRA applies group supervision, but without supranational intervention
Gross premium threshold	€5,400,000 per year (gross, before reinsurance)	£25,000,000 per year
Technical provisions threshold	€26,600,000 (gross, before reinsurance)	£50,000,000
Threshold for reinsurers	€600,000 gross insurance premiums or €2,700,000 technical reserves	£2,500,000 gross insurance premiums or £5,000,000 technical reserves

Source: created by the author

Similar to Solvency II in the United Kingdom, insurers determine the MCR and SCR. In accordance with Solvency UK requirements, minimum absolute limits for the MCR have been established, which came into effect on 31 December 2024 (Table 3). In addition, the MCR must be no less than 25% and no more than 45% of the SCR.

Table 3. Absolute minimum MCR limits (as of 2025)

Type of insurer	Absolute minimum limit MCR (£)
General insurers (excluding classes 10-15)	£2,400,000
General insurers (classes 10-15)	£3,500,000
Life insurers	£3,500,000
Pure reinsurers	£3,500,000
Pure captive reinsurers	£1,200,000

Source: created by the author

No minimum absolute limits were set for SCR. Instead, the PRA defines SCR as the amount of capital needed to cover unexpected losses over the next 12 months with a 99.5% probability. In the United Kingdom, a wide range of measures are applied to insurers who violate Solvency UK requirements, from financial penalties to licence revocation, in order to ensure the stability of the financial system and protect consumer interests.

One of the most powerful insurance markets has formed in the United States of America, with American companies receiving more than USD 1.54 trillion in insurance premiums in 2023 (Rudden, 2025). It should be noted that in the United States, the regulation of insurance companies is divided between the states and the federal government. Each of the 50 states has its own laws governing the activities of insurers. For example, states are responsible for regulating insurance rates, licensing insurance companies and brokers, hiring financial experts to audit insurers, and providing support to consumers of services within the state. State insurance regulators are members of the National Association of Insurance Commissioners (NAIC) (n.d.), an organisation that standardises the regulation of insurance activities.

The federal government has fairly limited powers to regulate insurance activities, although after the 2008 financial crisis, the regulation of the financial stability of insurance companies was added to its jurisdiction. Law of the United States No. 111-203 (2010) created two supervisory boards under the Department of the Treasury - the Financial Stability Oversight Council (FSOC) and the Federal Insurance Office – to monitor the stability of the insurance industry. The FSOC has the power to designate certain insurance companies as Systemically Important Financial Institutions (SIFIs) so that they can be regulated by the Federal Reserve System (Morozova, 2021). SIFIs are subject to enhanced financial supervision – they must meet higher capital requirements, undergo stress tests, and submit bankruptcy plans for review. Although six insurers were initially classified as systemically important, they were all subsequently removed from the list.

The regulation of insurers' solvency in the United States differs significantly from the European model and is based on the determination of risk-based capital (RBC) – a method of measuring the minimum amount of capital required to maintain the insurer's operations, taking into account the size and risks of its insurance portfolio. This model was introduced in the United States in 1994. Separate RBC models were developed for each of the main types of insurance (e.g., life and health insurance, property and casualty insurance, health insurance). The RBC standard for insurance companies engaged in life and property/casualty (P/C) insurance is based on the National Association of Insurance Commissioners (2012). Similarly, the RBC standard for health insurers is the National Association of Insurance Commissioners (2011). The laws set out methods for calculating the minimum amount of capital.

The risk factors for RBC formulas focus on three main areas: asset risk, underwriting risk, and other risks. The emphasis on risks varies depending on the type of insurance. For example, for life insurers, the calculation formula includes five risk groups: risks related to affiliated persons, asset risks, insurance risks (underwriting), interest rate risks, and business risks (Scherer & Stahl, 2021). In the United States, an RBC ratio of over 200% is considered an acceptable level of Risk-Based Capital (RBC) for insurers. It is calculated using formula (1):

$$\text{RBC Ratio} = \text{Total Adjusted Capital} / \text{Authorised Control Level RBC} \times 100, \quad (1)$$

where Total Adjusted Capital (TAC) – the insurer's actual capital; Authorised Control Level (ACL RBC) – the minimum capital that the regulator considers sufficient, taking into account the risks (Risk-Based Capital Requirement Analysis, n.d.). Depending on the RBC value obtained, there are four levels of action that can be taken against the company (Table 4).

Table 4. Key RBC thresholds and corresponding regulator actions

RBC Ratio (%)	Category	Regulator actions
> 200%	Satisfactory Level	No action. The insurer is considered stable.
150%-200%	Company Action Level	The company submits a plan to strengthen its capital.
100%-150%	Regulatory Action Level	The regulator may intervene and demand action.
70%-100%	Authorised Control Level	The regulator has the right to take control of the company.
< 70%	Mandatory Control Level	The regulator is obliged to take measures (liquidation, reorganisation, etc.).

Source: created by the author based on Federal Reserve System (n.d.)

Japan accounts for 5% of the global market with insurance premiums of $363 billion in 2024, second only to the United States, China and the United Kingdom in terms of share of the global insurance market (Chaplin & Smethurst, 2025). In Japan, solvency requirements for insurers are regulated by the Financial Services Agency (FSA), which has the authority to monitor and analyse the economic solvency of insurers, including reviewing their risk assessment and capital management models. Since 1996, the main tool for monitoring solvency has been the Solvency Margin Ratio (SMR). It is calculated using formula (2):

$$\text{Solvency Margin Ratio} = \text{Qualifying Capital Resources} / (\text{Required Capital} \times ½) \times 100, \quad (2)$$

where Qualifying Capital Resources – capital resources that meet the requirements; Required Capital – the regulatory capital required to cover potential insurance, investment and operational risks (Resolution of the Board of the National Bank of Ukraine, 2023).

Insurance companies in Japan are required to maintain a solvency margin ratio (SMR) of at least 200%. If the solvency margin ratio falls below 200%, the FSA must take early response measures based on the provisions of Article 132 of the Insurance Business Act (Law of Japan No. 105, 1995). The purpose of early response is to ensure the reliable and proper operation of the insurance company and to protect policyholders. Measures range from the submission and implementation of corrective plans to the partial or complete suspension of the insurer's activities for a certain period. In addition, Japanese insurers must have at least 1 billion Japanese yen (USD 6.7 million) in share capital (for joint-stock companies); or the total amount of kikin (funds belonging to mutual insurance companies, equivalent to the capital of joint-stock companies), including the kikin redemption reserve in the case of a mutual company.

From 1 April 2025, Japan has introduced a new system for regulating the solvency of insurers based on an economically sound solvency ratio – the Economic Value-based Solvency Ratio (ESR). It is calculated using formula (3):

$$\text{ESR} = \text{Available Capital} / \text{Required Capital (SCR) (EC)} \times 100, \quad (3)$$

where Available Capital – the insurer's available capital calculated at economic (market) value; Required Capital (SCR or EC) – the capital required to cover the aggregate risk; SCR (Solvency Capital Requirement) – the capital requirement that takes into account standard risks (insurance, market, credit, operational, etc.); EC (Economic Capital) – economic capital determined by the company based on an internal risk assessment model (Requirements for Ensuring Solvency..., 2024).

The new solvency requirements system is similar to Solvency II. Japan's new rules are designed to be broadly consistent with ICS, but with minor adjustments. For example, the coefficient for calculating life insurance and

other types of insurance risks will be calibrated to take into account the characteristics of Japanese insurance companies – many Japanese insurers are small or medium-sized, while the coefficient in the Insurance Capital Standard (ICS) calculation is based on data collected mainly from large international insurance groups (The regulation of insurance in Japan, 2024). The introduction of ESR aims to improve the accuracy of assessing the solvency of insurers, improve risk management and ensure greater transparency for consumers and investors (Li *et al*., 2021).

The study shows that international systems for regulating the solvency of insurers are based on different conceptual approaches, but they share a common goal - to ensure the stability of the insurance sector and protect consumer interests. The European Solvency II model, which is the standard for regulation in the EU and has been adapted in the United Kingdom (Solvency UK), is based on a risk-oriented approach with a high level of detail, internal control and transparency. In particular, the three-component structure (quantitative requirements, qualitative management and transparent reporting) provides a comprehensive assessment of the financial stability of insurers.

In turn, the Risk-Based Capital (RBC) model, which is used in the United States, demonstrates a different approach to regulation, which focuses on the minimum acceptable capital, taking into account the specific risks characteristic of each type of insurance (Rudden, 2025). Despite its simpler structure, the American model also has effective supervisory mechanisms through the gradation of regulatory intervention levels depending on the size of the RBC ratio.

The introduction in Japan in 2025 of a new economically sound solvency ratio (ESR) system reflects a global trend towards harmonising insurance supervision in line with international standards, in particular the Insurance Capital Standard (ICS). The transition from Solvency Margin Ratio to ESR means abandoning simplified regulatory approaches in favour of a more accurate, economic assessment of risks and capital (Asadi & Al Janabi, 2020).

The analysis shows that the implementation of the three "pillars" (quantitative and qualitative requirements, reporting) is a common international practice that provides a comprehensive assessment of the financial stability of insurance companies. A comparison of the provisions of Ukrainian legislation with the Solvency II standards reveals both positive developments and potential challenges in the implementation of European practices. In this context, the conclusions of Y. Tyuleneva & T. Antoshko (2019) warning about the potential difficulties of implementing Solvency II in Ukraine were relevant. In particular, this concerns the shortage of qualified actuaries, the complexity of adapting international financial reporting standards (IFRS) to national provisions, and the limited resources of insurers for developing internal assessment models.

As H. Kulina (2024) rightly points out, the implementation of new legislation must be accompanied by the development of human capital, digital technologies and changes in insurers' investment policy approaches. Only under such conditions will the reforms have a systemic rather than a declarative impact on the financial stability of the industry. L. Morozova (2021) comes to similar conclusions, emphasising that although Ukrainian legislation is formally oriented towards the European model, actual solvency standards remain lower due to the weak development of the insurance market and the economy as a whole. Thus, there is a need for flexible adaptation of European approaches to national realities.

In the context of Ukrainian practice, where Solvency II is only just being introduced, the conclusions of E. Siopi *et al.* (2023) are of considerable importance. The researchers' study shows that the main determinants of solvency are: the level of reinvestment, long-term investments, cash and claims expenses, with long-term investments proving to be the most influential. Thus, insurance companies should focus not only on formal compliance with regulations, but also on internal investment strategies, liquidity management and control of claims settlement costs. The conclusion regarding the negative impact of excessive cash holdings on solvency deserves particular attention: cash that does not generate profit undermines the insurer's ability to cover future risks (Klapkiv, 2017; Alieksieiev *et al*., 2019; Nikolaieva, 2023).

A comparison with the results of A. Garayeta *et al.* (2022) allows for broadening the discussion in the context of global trends. In their research, the authors conducted a qualitative analysis of solvency assessment systems and found significant progress in harmonising models in different countries based on risk-oriented management principles. Thus, the Solvency II model is most consistent with the criteria of sustainable development in the areas of risk management, corporate control and transparency. Notably, the study also emphasises the importance of the environmental and social components in new solvency assessment systems. Although these aspects are not yet taken into account in the Ukrainian model, the prospects for their inclusion, for example through ESG investment criteria, are a logical solution in the further implementation of the full Solvency II model.

In the context of the global transformation of the insurance regulation and supervision system, it is important to take into account not only financial risks, but also the implementation of the principles of responsible management and sustainable development. The results of the study by M. Brogi *et al.* (2022) confirm the relevance of this approach: the implementation of ESG management (environmental, social and governance responsibility) by insurance companies correlates significantly with the size, profitability and solvency of the insurer. Therefore, large, profitable and financially stable companies are more likely to implement ESG policies. This is consistent with the logic of Solvency II, where more complex requirements apply to large market participants who have sufficient resources to implement internal models, ORSA and other elements of the system.

The Ukrainian model of phased implementation of Solvency II creates conditions for the gradual adaptation

of insurers to these standards, taking into account the scale of their activities. However, as in the study by M. Brogi *et al.* (2022), the question remains open as to whether small companies will be able to effectively implement ESG risk management requirements, given their limited resources. This points to the need to introduce simplified requirements for smaller companies.

CONCLUSIONS

The study found that modern models of solvency regulation for insurers in leading countries around the world, despite certain national characteristics, tend to implement risk-oriented approaches that involve not only a quantitative assessment of capital adequacy, but also increased requirements for risk management and transparency. The European Solvency II model, as well as the British Solvency UK system adapted to it, provide for a comprehensive evaluation of solvency, including internal models, ORSA requirements and extended reporting. The American RBC model is more adaptable to regional supervision and features an effective system of regulatory intervention through capital thresholds. Japan, which has long used the Solvency Margin Ratio, will also switch to an economic value-based solvency ratio (ESR) from 2025, reflecting the global convergence of approaches to insurance sector supervision.

Ukraine, in turn, is in the process of gradually implementing the provisions of Solvency II, which is not simply a copy of European legislation, but a profound structural reform that requires adaptation of the regulatory framework, institutional restructuring of the supervisory system, and improvement of the professional capacity of market participants. As of 2024, a simplified approach to solvency assessment has come into force in Ukraine, which provides for the establishment of requirements for regulatory capital and solvency capital of insurers. The further transition to a full basic approach is planned for 2027. This phased approach is entirely justified, as it avoids excessive pressure on the market and provides an adaptation period for companies. Ukraine has already completed the first stage of Solvency II implementation, but in practice, there are still numerous challenges related to the implementation of the second and third pillars (Pillar II and Pillar III), as well as the actualisation of ESG management practices.

The main problems that exist on the path to Solvency II implementation in Ukraine are: insufficient human resources (shortage of qualified actuaries, risk managers, financial monitoring and audit specialists); technical and digital unpreparedness of market participants: low process automation in many companies, which complicates the implementation of ORSA and QRTs tools; financial insolvency of insurers (a significant number of companies do not have sufficient capital to meet the new MCR/SCR requirements, especially in the small and medium-sized insurer segment); the need to strengthen the institutional infrastructure for supervision (ensuring the capacity of the National Bank of Ukraine as the insurance regulator to carry out risk-based supervision).

The results obtained confirm the need to harmonise the Ukrainian solvency assessment system with international approaches, in particular in terms of refining the methods for calculating SCR and MCR, introducing internal models, and improving the quality of corporate governance. Prospects for further research include analysing the effectiveness of the changes implemented in Ukrainian insurance during the transition period until 2027, developing methodologies for a standard SCR formula for the Ukrainian insurance market, and studying the impact of the new regulatory environment on the investment behaviour of insurers.

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CONFLICT OF INTEREST

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Вимоги до платоспроможності страховиків: українські практики та міжнародний досвід

Олена Новосьолова
Кандидат економічних наук, доцент
Херсонський національний технічний університет
29016, вул. Інститутська, 11, м. Хмельницький, Україна
https://orcid.org/0000-0002-5225-6353

Анотація. Актуальність дослідження обумовлена трансформацією підходів до регулювання платоспроможності страховиків у провідних економіках світу та необхідністю адаптації української системи страхового нагляду до міжнародних стандартів. У країнах із розвиненими страховими ринками використовуються моделі оцінки капіталу, що базуються на економічній вартості, ризик-орієнтованому управлінні та прозорості звітності. Метою роботи був порівняльний аналіз систем регулювання платоспроможності страховиків у країнах Європейського Союзу, Великій Британії, США, Японії та України, а також виявлення ключових елементів та інструментів, що забезпечують фінансову стійкість страхових компаній. У дослідженні застосовано методи компаративного аналізу, логічного узагальнення, дедукції, системного підходу та нормативно-правової інтерпретації. Досліджено трикомпонентну структуру системи Solvency II, зокрема якісні та кількісні вимоги до капіталу, вимоги до управління ризиками, а також прозорість звітності. Охарактеризовано новації до оцінки платоспроможності страховиків в Україні: поетапне впровадження стандартів Solvency II, нові критерії до визначення регулятивного капіталу, розрахунків Solvency Capital Requirement та мінімального капіталу. Проаналізовано оновлену систему вимог до платоспроможності у Великій Британії – Solvency UK, яка є модифікацією Solvency II, та спрямована на спрощення регуляторного тиску та стимулювання інвестицій. Розкрито сутність ризик-орієнтованого підходу у США та роль моделей розрахунку капіталу з урахуванням специфіки ризиків кожного виду страхування. Зазначено, що американська модель регулювання є більш децентралізованою, оскільки регулювання здійснюється на рівні штатів та федерального уряду. Окрема увага приділена реформі системи платоспроможності в Японії, де з 2025 року запроваджується економічна модель оцінки на основі економічної вартості, вона є схожою на європейську модель, але з урахуванням національних особливостей ринку. Практична цінність роботи полягає у формуванні методичних засад для вдосконалення української системи страхового нагляду із урахуванням міжнародного досвіду, що сприятиме підвищенню прозорості, стійкості та інвестиційної привабливості вітчизняного страхового ринку

Ключові слова: моделі оцінки; Solvency II; Solvency UK; капітал платоспроможності; мінімальні вимоги до капіталу; ризик-орієнтований капітал; страховий нагляд