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Assessment of the financial stability of the Russian life insurance model

Оценка финансовой стабильности российской модели страхования жизни

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Abstract

Life insurance is one of the effective mechanisms of protection against social risks. This product can protect a person in case of disability, provide medical care, increase cash savings. In Russia, in the context of a decrease in the financial capabilities of the state, fragmentation and unsystematic decision-making in the field of life insurance regulation, fundamental changes are being made in the life insurance system. A natural consequence of this situation was a downward trend in some indicators of the development of the Russian life insurance model. The research purpose is to assess the financial stability of the life insurance model used in Russia. As a result of the study, the features of the Russian life insurance model were revealed and its strengths and weaknesses, challenges and threats were identified on the basis of a SWOT analysis; the main factors influencing the balance of financial flows of the Russian life insurance model were identified; an assessment of the financial stability of the Russian life insurance model was carried out.

Аннотация

Одним из эффективных механизмов защиты от социальных рисков выступает страхование жизни. Данный продукт способен обезопасить человека в случае потери трудоспособности, предоставить медицинскую помощь, приумножить денежные сбережения. В России в условиях снижения финансовых возможностей государства, разрозненности и бессистемности принятия решений в области регулирования страхования жизни проводятся кардинальные изменения в системе страхования жизни. Закономерным следствием такой ситуации явилась тенденция к ухудшению некоторых показателей развития российской модели страхования жизни. Целью данного исследования является оценка финансовой стабильности применяемой в России модели страхования жизни. В результате исследования выявлены особенности российской модели страхования жизни и определены на основе SWOT-анализа ее сильные и слабые стороны, вызовы и угрозы; определены основные факторы, влияющие на сбалансированность финансовых потоков российской модели страхования жизни; проведена оценка финансовой стабильности российской модели страхования жизни.

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Keywords: life insurance, state life insurance, private life insurance, pension insurance.

Ключевые слова: страхование жизни, государственное страхование жизни, частное страхование жизни, пенсионное страхование.

Introduction

The modern Russian life insurance model was developed in the 90s of the 20th century, when the country entered a period of fundamental market reforms. The formation of the Russian model is based on the experience of state compulsory pension insurance, carried out within the framework of social insurance, and the experience of Soviet voluntary life insurance, provided by the Gosstrakh Insurance Company. It should also be noted that by the beginning of the 90s, “70% of the population employed in production” had long-term life insurance contracts. (Anikeeva, 2012). Today, 98% of the Russian population is insured in the state life insurance system in terms of compulsory pension insurance, in the private life insurance system – no more than 15% (Rudometova & Kartamysheva, 2015).

The Russian experience is interesting in that in the context of a decrease in the financial capabilities of the state, fragmentation and unsystematic decision-making in the field of life insurance regulation in general, as well as the use of social non-budgetary funds of the state as an applied tool for conducting socio-economic policy, fundamental changes are being made in the system of the management of these processes. A natural consequence of this situation was a downward trend in some indicators of the development of the Russian life insurance model. Based on logic, any existing life insurance model can be transformed or modified over time in order to ensure balance, thereby acting as a natural stage in the process of self-organization and self-structuring of the system (Hemrit & Nakhli, 2021).

The research purpose is to assess the financial stability of the life insurance model used in Russia.

The following objectives should be met to achieve the purpose:

- 1) to identify the features of the Russian life insurance model and, based on a SWOT analysis, determine its strengths and weaknesses, challenges and threats in the context of system integration of its public and private levels;

- 2) to determine the main factors affecting the balance of financial flows of the Russian life insurance model;
- 3) to assess the financial stability of the Russian life insurance model.

Literature Review

Modern people live in a so-called risk society. A very important point is the search for tools that can minimize the dangers and threats from the outside. Life insurance is one of the effective mechanisms of protection against social risks. This product can protect a person in case of disability, provide medical care, increase cash savings. Life insurance allows insured citizens to be reimbursed for insurance losses in the event of an accident, such as illness, injury or death (Joulfaian, 2014). Insurance helps create a “cash cushion” in case something happens to a person. However, other advantages of life insurance can be identified: the possibility of saving for planned expenses (treatment or education of children) (Shi et al, 2015), saving for a future pension (Faust et al, 2012).

Life insurance is a mechanism by which a person can plan to continue earning income in the event of death, disability or old age. Life insurance in its general sense is used to refer to all forms of insurance designed to protect against loss of income due to inability to work, whether due to death, accident, illness or old age (Valentina-Daniela & Gheorghe, 2015).

With the undeniable importance of life insurance as a financial mechanism for the economy and the population, its possibilities in Russia remain unclaimed in full. Besides, world practice fully confirms the great importance of life insurance functions for national economies.

The global assets of insurance and pension companies amount to more than 100% of the total GDP of the countries worldwide (in the USA – more than 150%, in the UK – more than 200%, in the Netherlands – 300%), while 80% of insurance assets are concentrated in life insurance companies. Insurance premiums amount to 9% for pension insurance and 7.96% for life insurance in GDP in Germany, 11% and 3% of GDP, respectively – in the USA, 15% and 8% – in the UK. In 2019, the share of life

insurance premiums amounted to 46% of the total insurance premium worldwide, in the USA life insurance occupies 26%, in the European Union – more than 70% of the insurance market. In European countries, the average premium per capita in 2019 was EUR 3,110, including EUR 2,695 for life insurance (International Association of Insurance Supervisors, 2021).

In the Russian Federation, life insurance shows more limited results, but the prospects for its

growth, taking into account foreign experience, are significant. Figure 1 shows the dynamics of the assets of insurance companies specializing in life insurance, while its total value in the country's GDP for the analyzed period increased by 3.5 times and at the end of 2020 amounted to 7.4% (Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b).

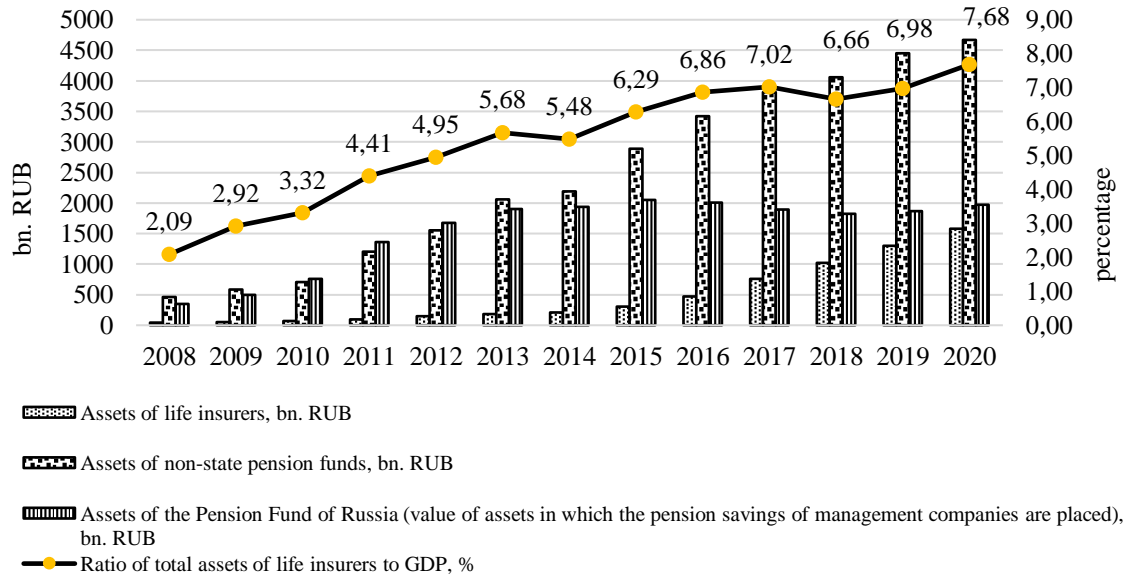


Figure 1. Dynamics of assets of insurers specializing in life insurance and its total value in GDP
Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

The values of the ratio of assets and equity to insurance premiums among Russian life insurers have different dynamics, for example, the Pension Fund of Russia (hereinafter referred to as “PFR”) have not generated the assets in a sufficient amount due to the fact that only since 2002 the transition to the funded pension system began and the use of a forced measure of its suspension since 2014 (the introduction of a “moratorium” on pension savings) (Figure 2). In turn, the short duration of the formation of

pension savings also affected the capitalization of non-state pension funds (hereinafter referred to as “NPFs”), showing a downward trend. Life insurers, on the contrary, showing a wave-like development trend, began to increase the level of capitalization since 2016. According to data for 2020, the ratio of the total assets of life insurers to the premiums received by them was 366.9%, which corresponds to the same indicator of life insurers in foreign developed countries in the early 2000s.

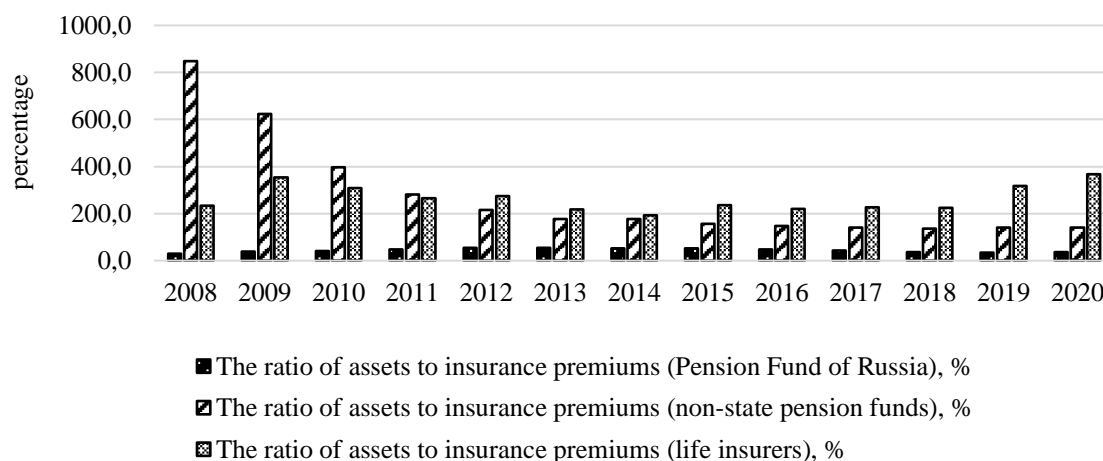


Figure 2. Dynamics of the ratio of life insurers' assets to insurance premiums, %
Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

Insurers' asset growth rates are cyclical, while in total terms they grow faster than the growth rates for liabilities, however, the instability of this dynamics has affected the reduction of equity capital and, accordingly, the decrease in the level of insurers' stability (reliability) in terms of the ability to cover assumed liabilities at the expense of own funds.

An economic indicator that makes it possible to assess the scale of insurers' activities is insurance density, which describes the ratio of insurance premiums to the total population. Figure 3 illustrates the density in the period of 2008-2020. It is worth mentioning that the density of insurance, especially in the segment of private life insurance, has increased significantly since 2012, which is associated with the start of sales of investment life insurance ("ILI").

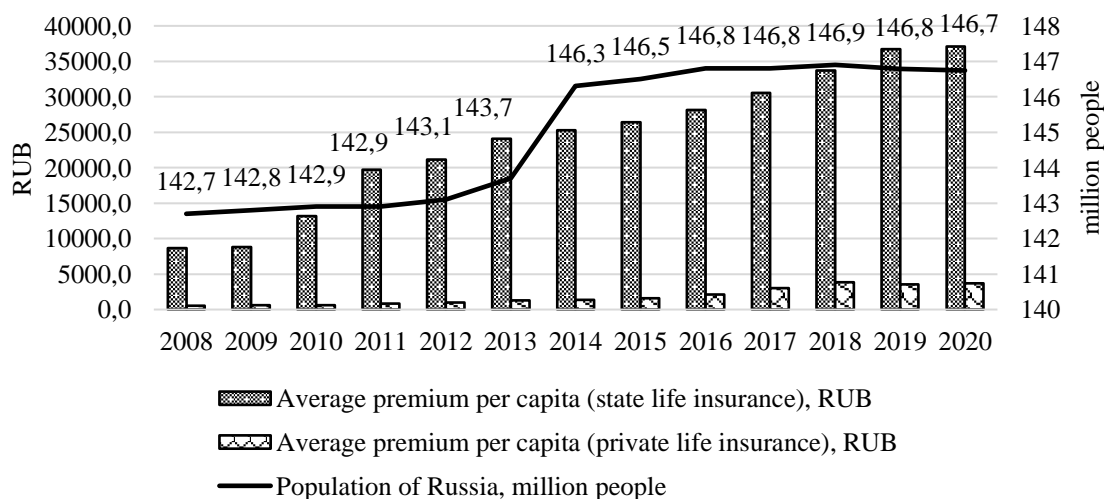


Figure 3. Density of public and private life insurance (insurance premiums per capita), RUB. Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

The ratio of total premiums to GDP, better known as insurance penetration, is one of the most commonly used indicators in insurance performance analysis. As shown in Figure 4, the penetration of state life insurance is much deeper than private insurance, which is explained by the widespread coverage by the compulsory pension insurance system (hereinafter referred to as

"CPI") in Russia and rather high insurance rates set by the state for policyholders. It should also be noted that in 2008 the share of voluntary life insurance (hereinafter referred to as "VLI") in the total amount of the average premium for private insurance per capita accounted for 24% (RUB 135.2 out of RUB 563), while by the end of 2020 – already 80% (or RUB 2,934.5 out of RUB

3,680). This indicator suggests that the population, when investing financial resources, is not ready to tie them to a specific goal and carry out financial planning for the long term. At the beginning of 2000, the population used to easily

enter into 20-30-year life insurance contracts, while at the end of 2020 the average duration of the concluded contract was reduced to 10 years (Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b).

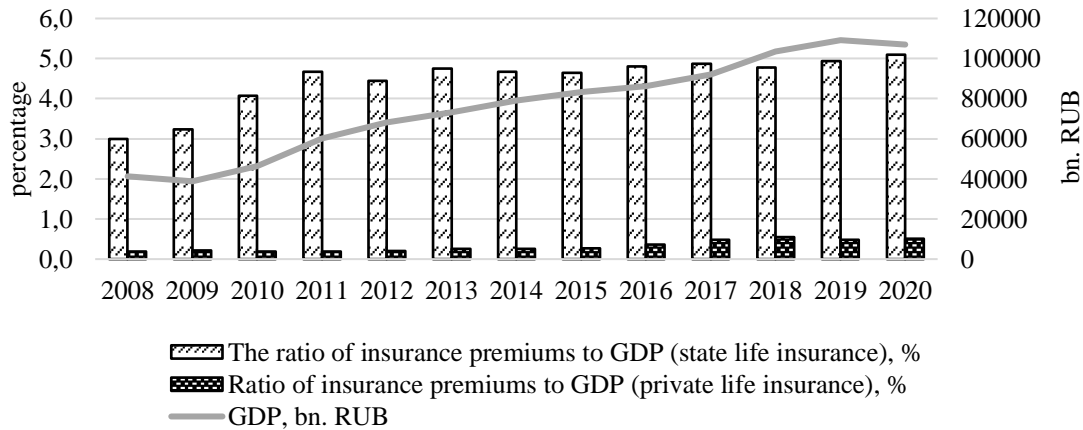


Figure 4. State and private life insurance penetration, %
Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

To identify trends in the life insurance development, it is more indicative to compare the

growth rates of total insurance premiums for life insurance and GDP (Figure 5).

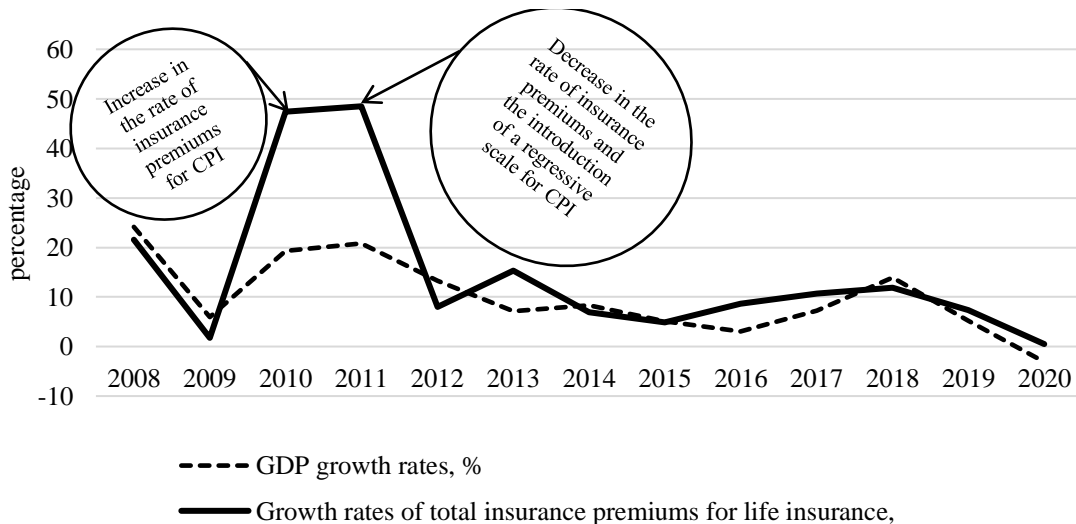


Figure 5. Dynamics of growth rates of total insurance premiums for life insurance and GDP, %
Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

Against the backdrop of a slowdown in the growth of insurance premiums for state life insurance, private life insurance began to develop actively (Figure 6), which was supported, on the one hand, by the transfer of citizens' pension savings by the PFR into trust management of the NPF, on the other hand, the government's policy

of stimulating the citizens' savings in long-term life insurance policies (in 2009, pension savings co-financing ("PSC") programs; the possibility since 2014 of investing maternity capital or its part to form a funded pension; introduction of tax incentives for personal income tax).

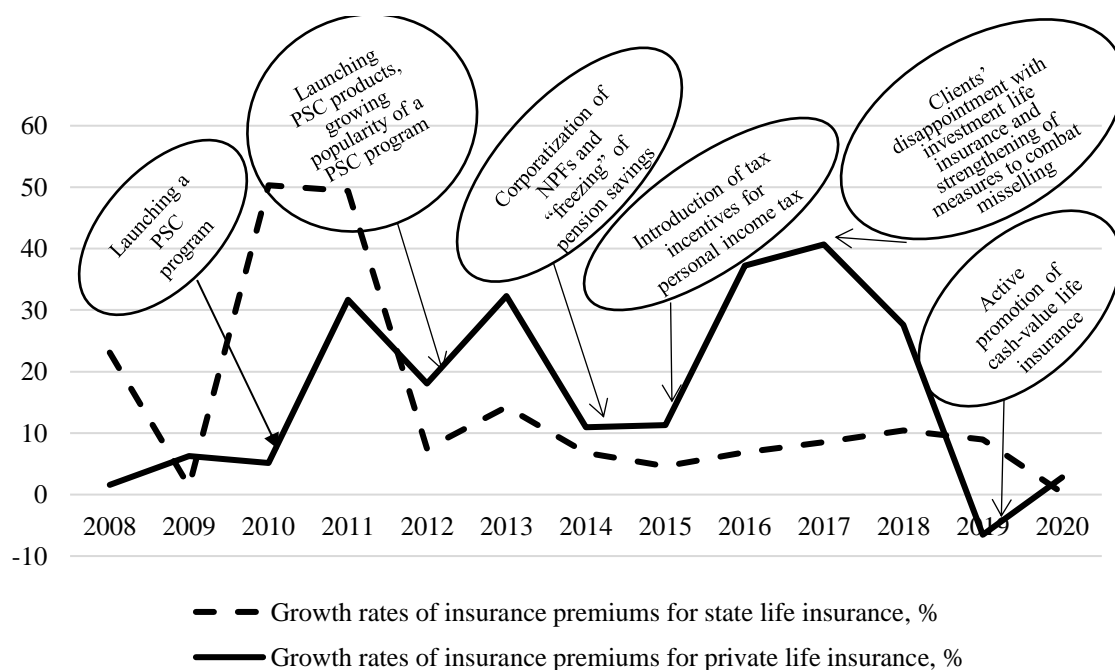


Figure 6. Dynamics of growth rates of insurance premiums for life insurance in the context of insurance protection levels, %

Source: Central Bank of the Russian Federation, 2021a; Central Bank of the Russian Federation, 2021b

The dynamics of growth rates of insurance premiums for private life insurance for the analyzed period was uneven due to the strong volatility of macroeconomic indicators. The high dependence of life insurance on the level of economic activity and income of the population and companies affects its pace of development.

Thus, the Russian life insurance model is characterized by positive development dynamics, however, these indicators are still insufficient to speak of a developed life insurance system in Russia.

Methodology

The article uses traditional methods of analysis: comparison and synthesis, as well as analytical and statistical methods to assess the financial stability of the Russian life insurance model, and the use of the logical method made it possible to determine the strategic vision for the further development of the Russian life insurance model. The data sources are Global insurance market report 2021 (International Association of

Insurance Supervisors, 2021), Review of key indicators of insurers 2020 (Central Bank of the Russian Federation, 2021a), Review of key indicators of non-state pension funds 2020 (Central Bank of the Russian Federation, 2021b).

Results and Discussion

As the analysis showed, life insurers in Russia are currently going through a difficult economic period, while each of them faces certain difficulties (Odinokova & Istomina, 2018; Odinokova, 2019) due to both high dependence on external factors and the imperfection of relations between organizations at different sublevels of life insurance. In addition, sanctions against Russia (Nusratullin et al, 2021b) and the COVID-19 pandemic (Nusratullin et al, 2021a) have a certain negative impact on the development of the life insurance system.

Assessing the prospects for the development of the Russian life insurance model requires identifying its strengths and weaknesses, opportunities and threats (Table 1).

Table 1.
 Matrix of SWOT-analysis of the Russian life insurance model.

Strengths	Weaknesses
<p>A range of insurance services offered, interesting in its composition and the nature of the process of relationships with participants in insurance relations.</p> <p>Establishment and coordination of partnerships between the PFR and the NPF, within which there is a redistribution of risk and the burden of paying pensions to insured persons.</p> <p>Consolidation, reorganization, corporatization of NPFs and their inclusion in the national system of guaranteeing the rights of insured persons.</p> <p>Lessons from crisis situations in the National Economy of 2008–2009, 2014</p> <p>Formation, functioning and development of the system of guaranteeing the rights of insured persons</p> <p>Formation and establishment of a corporate governance system for NGOs and insurance</p> <p>Consolidation of insurance companies specializing in voluntary life insurance and strengthening lobbying of their interests by self-regulation organizations of the Social Insurance Fund</p> <p>Development of a system of actuarial and special depositary control over insurers' activities</p> <p>Opportunities</p> <p>Low penetration of private life insurance</p> <p>Reforming the country's pension system and expanding the range of individual pension capital (IPC) operators, including both NPFs and life insurers</p> <p>The expediency of equalizing the rights of life insurers and NPFs both in the IPC formation and at the stage of pension payments</p> <p>Expansion of the system of guaranteeing the rights of insured persons to voluntary life insurance contracts</p> <p>Growth of functional and investment attractiveness of voluntary life insurance products</p> <p>Increased attention to the development of life insurance in general and, as a result, strengthening of state participation in the development of private life insurance</p> <p>Corporatization of the Pension Fund of the Russian Federation</p>	<p>Insufficient level of automation and lack of advanced technologies in the state life insurance system</p> <p>The disunity of the institutional interests of the PFR, NPFs and life insurers (LIs) due to the inconsistency of ongoing institutional reforms with their requirements</p> <p>Insurers' low customer orientation compared to developed countries</p> <p>Low efficiency of the life insurance system</p> <p>Persistently high level of operating costs of life insurers</p> <p>Undercapitalization of the life insurance model</p> <p>High costs of doing business</p> <p>Threats</p> <p>Imbalance of the CPI system in terms of the collection of insurance premiums and the payment of pensions to insured persons</p> <p>Ensuring a balanced budget of the PFR through transfer "injections" from the federal budget (or Growth of the transfer dependence of the PFR on the federal budget)</p> <p>Increased burden on the PFR budget due to the deteriorating demographic situation in the country and the implementation of the state policy of generous payments without the appropriate formation of insurance coverage</p> <p>Limited list of funding sources for covering the PFR budget deficit</p> <p>Volatility of the financial and other markets in the country and, as a result, excessive requirements for insurers' investment activities</p> <p>High concentration of organizations in the voluntary life insurance subsystem</p> <p>Imperfect legislation that allows for insurance fraud</p>

One of the strong positions of the Russian life insurance model is the almost formed infrastructure, which is represented by:

- 1) firstly, the main insurer – the Pension Fund of Russia, which provides almost 95% coverage of Russian citizens through the introduction and functioning of compulsory pension insurance in the country and fairly

- “generous” conditions for its implementation both in terms of total indicators and in terms of the list of insurance risks and conditions of their insurance coverage;
- 2) secondly, private insurers represented by two types – NPFs and insurance companies specializing in voluntary life insurance (hereinafter referred to as “ICLs”), which, as

part of their activities, supplement the presented range of insurance services of the PFR.

However, in the institutional aspect, this model cannot be unequivocally recognized as effective due to the imbalance of development (the advantage of state life insurance), the crisis of confidence and the high proportion of the population experiencing problems with the instability of financial resources (personal finances).

However, in the institutional aspect, this model cannot be explicitly recognized as effective due

to the imbalance of development (the advantage of state life insurance), the crisis of confidence and the high proportion of the population experiencing problems with the instability of financial resources (personal finances).

To assess the influence of various factors on the life insurance model, the authors will conduct a correlation-regression analysis. The main factors affecting the balance of financial flows in the Russian life insurance model were identified through the correlation analysis and are shown in Table 2.

Table 2.
The main factors affecting the balance of financial flows of the Russian life insurance model.

Targeted object	Factor rank	Correlation degree, %	Factor	Correlation degree, %	Factor rank	Targeted object
State life insurance	1	97.8	Per capita income of the population, RUB	88.9	2	Private life insurance
	2	95.9	GDP per capita at purchasing power parity in USD, RUB	86.8	3	
	4	-93.5	Gini coefficient	-92.0	1	
	5	-91.6	Income differentiation coefficient (fund ratio), times	-86.6	4	
	3	93.7	Life expectancy, years	85.3	5	
	6	81.1	Financial balance of enterprise performance	85.2	6	
	7	-68.3	Consumer Price Index (CPI), %	-70.1	7	
	8	-51.8	Increase in personal savings, bn. RUB	-54.2	8	
		No correlation	Consumer confidence index, %	No correlation		

For all the factors considered, both for the state and private levels of the life insurance models, correlations are the same (direct or inverse one). The revealed positive correlation indicates a direct relationship between the change in the factor and the targeted object (typical for per capita income of the population, GDP per capita at purchasing power parity (PPP) in USD, the financial balance of enterprise performance and life expectancy upon reaching retirement age).

In turn, a negative correlation indicates an inverse relationship between the change in the factor and the targeted object (typical for the Gini coefficient and income differentiation coefficient (fund ratio), the consumer price index (inflation) and the increase in personal savings).

High and noticeable correlation (in the ranking, the last (6-8) places are the same: direct correlation – the financial balance of enterprise performance; inverse correlation – the consumer

price index (CPI) and the increase in personal savings.

In terms of state life insurance, a very close relationship is observed in five indicators that are somehow strongly interconnected, therefore, they show a relationship in percentage from 91.6 to 97.8% as they decrease: the greatest dependence on (they react more sensitively to) per capita income of the population (97.8%), then on GDP per capita at PPP in USD (95.9%), then on life expectancy of the population (93.7%), while the dependence on these factors is direct (the larger the factor, the higher development rate of state life insurance). Further, there is an inverse dependence on the Gini coefficient (93.5%) and on the income differentiation coefficient (91.6%) (the higher the indicator, the lower the indicator of development of state life insurance). This dependence is due to the fact that state life insurance, based on the principle of generational solidarity, is somehow aimed at the equalizing nature of insurance payments.

As for the factors under consideration, private life insurance shows the closest correlation with the Gini coefficient (inverse correlation) – 92%. In the second and third places with a high dependence are the links with per capita income of the population (88.9%) and GDP per capita at PPP in USD, respectively, showing a direct dependence, then in the fourth place is the income differentiation coefficient (86.6 %), and it shows inverse correlation. Since the main insurers in private life insurance are the citizens themselves, then, as a result, there is also a greater dependence on their well-being (the Gini coefficient and per capita income of the population), which is confirmed by the correlation analysis.

Thus, state and private life insurance show dependence on the factors under consideration, but react differently to them, respectively, this should be taken into account by the state when implementing the policy of regulation of this area of activity.

Based on the analysis conducted, the following conclusions can be drawn:

The first level (state life insurance) of the life insurance model

- 1) is the basis of financial well-being for a significant part of Russian pensioners;
- 2) lacks its own sources of financing, as a result, it has become dependent on support from the federal budget, “the possibilities of which are far from limitless” (Sabitova et al, 2015);
- 3) there are no guarantees to ensure an acceptable level of pension provision for insured persons “in an adequate amount”. According to the Strategy for the Long-Term Development of the Pension System of the Russian Federation, by 2030, an old-age pension equal to 40% of lost earnings will be considered adequate in the country, and not lower than 2.5-3 pensioner subsistence minimums (Decree No. 2425-r, 2012);
- 4) the accumulative component of the CPI in the form in which it currently exists does not have a special impact on the financial situation of pensioners. The average funded pension in 2020 was RUB 1,031, and an urgent pension payment was RUB 1,894 (Pension Fund of the Russian Federation, 2021). Moreover, the variety of payments from pension savings (funded pension, fixed-term pension payment, lump sum payment) allows insurers to apply various

schemes aimed at not assigning a life-long funded pension to citizens, but paying pension savings at a time;

- 5) there is no mechanism to ensure the balance of financial flows in the event of a situation where there may be a significant excess of the amount of funded pension payments in relation to the total amount of initial pension contributions and income from investing pension savings due to the manifestation of insurance risk that comes with the uncertainty associated with life expectancy (survival risk); due to the imperfection of the legislation and constant changes made to it, it allows insurers to level their burden in fulfilling the liabilities assumed before the insured persons (for example, a six-month period for inheriting the amount of the funded pension); provides a narrow choice of strategies for managing the insurance protection of insured persons in the event of adverse events in their lives and defines a small list of tools for investing pension savings;

the second level (private life insurance) shows better development indicators, however:

- 1) insufficiently high capitalization of insurers;
- 2) strong dependence on external factors;
- 3) inefficient management with “internal” risks, as a result, the growth of the business of ICLs and NPFs is not accompanied by adequate capital growth: since 2008, the average ratio of own funds (equity capital) to liabilities for the main activity has decreased by 2021 for ICLs from 45 to 12.5% and for NPFs from 15.7 to 10.8% (Central Bank of the Russian Federation, 2021b);
- 4) an insignificant role of pension payments in the incomes of current pensioners (the average amount of insurance payments for NGOs is RUB 3,700, for voluntary pension insurance in ICLs – RUB 1,300 (Central Bank of the Russian Federation, 2021b).

Taking into account all of the above, the current Russian life insurance model is financially unsustainable, non-transparent and inefficient. This conclusion is confirmed by an assessment of the potential and reality of insurance of the most important risks for the life of the population, which is summarized in Figure 7.

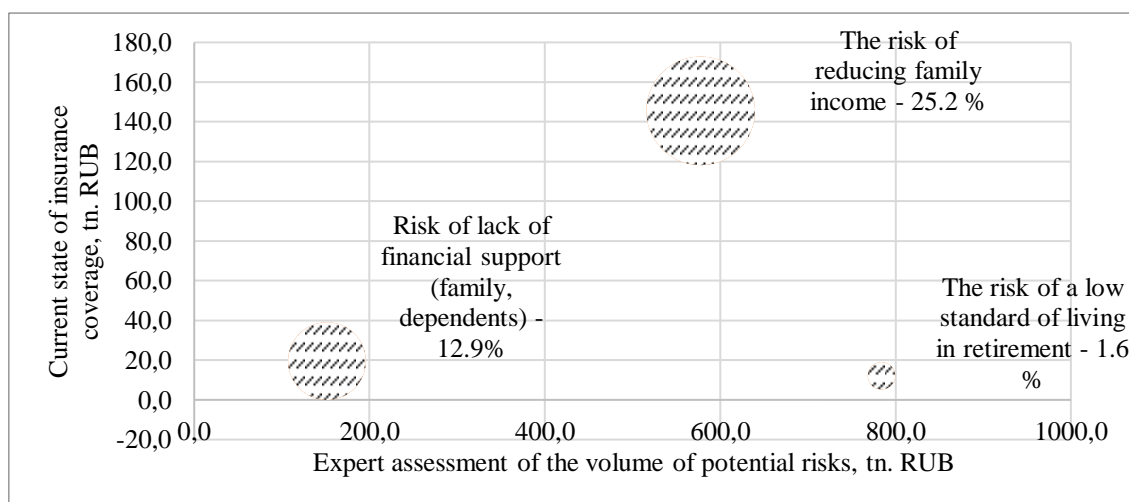


Figure 7. Coverage of potential risks by insurance.
Source: author's calculations

Thus, it can be seen that in Russia the level of funds allocated in the economy for pensions is rather low. All comparisons show that the average world level and the level of economies with the development similar to the Russian economy is about 10-11% of GDP, in Russia it amounts to 7.5% of GDP. Calculations show that at the current level of income of the population, in Russia there is no alternative to the mandatory solidarity pension system in the economy, i.e. attempts to develop the funded part of the pension at low wages are not possible.

In addition, the Russian life insurance model faces the following problems:

- the imperfection of the legislative and regulatory framework, which allows all its participants to use the asymmetry of information;
- low financial literacy and, as a result, the lack of an insurance culture;
- a significant proportion of the population with no opportunity to create savings;
- territorial asymmetry of the population's standard of living;
- citizens' inertia, which is expressed in an indifferent, unresponsive attitude to the creation of their pension and insurance savings;
- the lack of desire among many citizens to financially plan their lives for more than three years;
- citizens' paternalistic attitude;
- the lack of a single database among insurers (PFR, NPFs and life insurers), which would reflect data on policyholders, insured persons and beneficiaries;
- high transaction costs for insurers;
- citizens' low awareness;

- inefficient tax incentives for the population and organizations to create and manage savings in long-term insurance policies;
- limiting the insurers' possibilities in the field of investment policy;
- distrust of the population not only to NPFs and life insurers, but also to the PFR;
- low level of customer orientation and quality of insurance services.

The consequence of the identified problems is that the interaction of life insurers, NPFs and the PFR becomes difficult. In addition, there are various difficulties associated with the integration of individual business processes into common operational-strategic contours. Consequently, such problems do not allow to fulfill the potential of life insurance in Russia at the present stage of development.

Conclusions

Under the current conditions, it seems necessary to develop the Russian life insurance models, both in terms of its state sub-level by ensuring its long-term balance of financial flows and the private sub-level. The existing Russian life insurance model should guarantee a certain standard of living for the insured, be transparent, understandable and preferably profitable.

The strategic vision of the Russian life insurance model is as follows:

- 1) currently, the Russian life insurance model is in the process of transition from the divergence of state life insurance and private life insurance and their factorial influence on each other to system integration, within which measures are being sought and

- implemented to combine the efforts of its financial institutions in order to level risks of participants in the insurance protection system;
- 2) the Russian life insurance model is highly dependent on external factors and, in order to reduce this dependence it is necessary to intensify the processes of convergence between its financial institutions, thereby achieving greater financial stability and process stability;
 - 3) the state level of the Russian life insurance model provides protection against the risks associated with reaching retirement age, establishing disability and the death of the insured person; in this regard, other risks associated with the life cycle remain the responsibility of the insured person;
 - 4) despite the ongoing measures within the framework of the pension reform and due to their weak efficiency, the state level of the life insurance model will continue to follow the inertial development scenario;
 - 5) private life insurance, within which non-state pension funds and life insurers carry out their activities, is a small but the fastest growing level of the Russian model;
 - 6) the instability of internal processes introduces a certain instability into the model, which, being in balance, does not have a safety margin, since any small shock may upset the balance, which will eventually lead to the destruction of the system as such;
 - 7) the weakness of intra-system relationships due to the negative attitude of a fairly large proportion of the population towards NPFs and life insurers does not contribute to their goals in providing comprehensive insurance protection for the population, which, along with low financial literacy of citizens, weakens the potential of society;
 - 8) the low efficiency of some elements of the Russian life insurance model does not make it possible to turn it into a strategically important sector of the Russian economy, which ensures an increase in the economic stability of society, an increase in the social protection of citizens and a decrease in social tension in society through effective insurance protection of the property interests of citizens and business entities, attracting investment resources to the country's economy.

As the analysis has shown, currently each level of the Russian life insurance model functions separately and it is often reflected in the duplication of operations and competition for a solvent client. In such relationships, in order to

“survive”, both segments seek to draw over the financial resources of enterprises and citizens, while not always being interested in the party (the insured person) in whose interests they act. It is necessary to use an integrated approach to addressing life insurance issues in the process of human capital reproduction, which involves coordinating the processes related to cash flows at different levels and having one goal – to increase the duration and improve the quality of life of the Russian population, while these processes are not possible without active participation of its main participant – an individual whose interests are protected by the actions of the mentioned insurers.

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