

# “Forming the life insurance companies’ reputation in Ukrainian realities”

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# FORMING THE LIFE INSURANCE COMPANIES' REPUTATION IN UKRAINIAN REALITIES

## Abstract

Insurers' understanding of reputation importance is a key factor of their successful performance at the market. It particularly concerns life insurance sector, which has a significant development potential in Ukraine.

The article aims at deepening scientific and practical essentials concerning the formation of life insurance companies' reputation in conditions of market competition aggravation and insurance market conjuncture volatility.

Based on ranking assessments used in Ukraine (Insurance Top, Mind, "My insurance agent" and the ranking of the corporate reputation management quality "REPUTATIONAL ACTIVists"), the need for ensuring the insurers' reputation stability in conditions of acute competition at the market was substantiated. The results of financial statements analysis and corporate governance reporting of insurance companies ASKA-LIFE, TAS, KD Life, PZU Ukraine, UNIQA Life, MetLife were presented. It was substantiated that, within studying the life insurance companies' reputation, along with main financial indicators, there is a need to analyze in details such indicators as insurance premiums and investment income for one insured from savings life insurance, average payments, current accounts payable, etc.

It was proved that for reputation capital development, it is worth strengthening the role of corporate social responsibility, and to consider insurance companies' assessment on the part of clients and employees who are brand advocates and affect the companies' reputation formation.

## Keywords

insurers, life insurance, reputation, market, rankings, corporate social responsibility

## JEL Classification

G20, G22, G30

## INTRODUCTION

The development of life insurance in Ukraine takes place in conditions of strengthening the integration processes of international nature, increasing the requirements for insurers, and increasing the competition. All this requires insurance companies to change the behavior model and focus on their reputation, which is main non-material asset, able to multiply the real capital. Developing and strengthening the reputation requires a systemic approach, which is based on considering the legal requirements, market demand, studying competitors' experience and implementing the obtained information into respective business processes, which accompany the insurance service. Reputation formation process is long, unstable, and costly. Especially it concerns life insurance companies whose business should have substantial financial foundation in the form of authorized capital, technical reserves, and reserves from life insurance. On one hand, these assets are financial and informational basis for their reputation at domestic market, and on the other hand, favor the development and distribution of new insurance products and attraction of new insurers. But it is worth realizing that each insurance company faces a range of reputation risks whose sources could be company's internal and external environment. That is why company's reputation is a long-standing fortune, which

requires quick and adequate reaction to changes of insurer's internal and external environment. In Ukraine, there are approximately 30 life insurance companies; each has personal experience and key factors of reputation formation. That is why the issue of life insurance company's reputation formation in view of specificity of the commodity itself and reputation constituents is extremely relevant.

## 1. LITERATURE REVIEW

New view on real nature of reputational risk was presented by Fitzsimmons and Atkins (2017) who emphasize the role of culture and behavior through the lens of enterprise's duties to clients and public. Reputation is especially important for senior management concerning specificity of behavioral, organizational, reputation risks and managing them based on reacting to market conjuncture changes, consumer challenges. The authors emphasize the need to form the understanding of how the risks, underlying every economic entity reputation, can be used for assessing and increasing the sustainability of this entity at the market. The authors show why the most valuable main leaders' competence is an ability to understand the people's behavior and how to manage the risks on the part of people effectively.

In the context of reputation capital theory development, one should note the scientific results, obtained by Derevianko (2018), which consist in systematizing the mechanisms of reputation management effect on business results by unifying them into the following groups: effect of reputation influence on enterprise resources; market effects, connected with action of mechanism "demand-supply" and change of enterprise functioning macroeconomic model; effects of increasing the business development sustainability in different conditions, caused by decreasing turbulence of functioning environment and establishing the long-term "agreements" with stakeholders.

Scientific statements of Klewes and Wreschniok (2010) show that in XXI century, business develops in conditions of asymmetric information, that is why reputation is a key factor in choosing the partners. At the same time, organizational structure takes an important position in this issue. Organizational structure development as a basis for creating the reputation capital can give the following benefits: attraction and retention of talented people, attraction and retention of clients

and market share, financial support and business growth, B2B reputation (Trottier, 2017).

Important theoretical and methodological and scientific and practical statements concern the empirical studies on reputation risks management in American and European insurance sector. Heidinger and Gatzert (2018) propose the empirical study on determinants and values of reputation risk management. Their results show that bigger firms, as well as firms located in Europe, being more aware of their reputation, are more likely to implement the reputation risks management program. The results of their scientific searches enabled to form the practical tips concerning the value of reputation risk management in companies of different size.

Reputation theory changes in the context of technological development. Technological developments increase the reputation risk, as it is simpler, cheaper, and quicker for people/companies to spread the news and be aware of news/changes at the market. According to Pretty (2018), valuable effect of reputation crisis doubled since social media appearance. Increasingly important is the fact that reputation capital management strategies cover in its scale cyber-risk and effect of new technologies.

Carter and Power (2012) analyzed the efforts of seventy-six insurers concerning reducing the reputation risk and costs, associated with reputation uncertainty, when capital is formed based on IPO. The authors studied the relationship between initial and long-term indicators of insurers' activity, which formed the capital, and list of reputation warrants. Besides, the scientists proved the strong relationship between franchise cost and reputation position of insurance companies.

In conditions of world economy internationalization, insurance companies' reputation become not only a fortune, but also a risk, which should be managed effectively. In turn, reputation risk can

threaten the company's profitability and even its existence. Company's management should define the priorities and regularly assess the reputation risk (EY, 2015).

In some studies, reputation risk is defined as a potential of increase or significant decrease of reputation non-material asset according to company's market value. Reputation events are critical events, which can significantly change the company's reputation value. These events can cause positive or negative change in insurance companies' reputation capital value. In insurance sector, there exists transmission effect, owing to which reputation consequences of events of one counteragents are passed to their partners. It concerns both positive and negative reputation events (Knight, 2013).

Insurer's reputation capital is strongly related to its CSR. Minor and Morgan (2011) propose new CSR justification: it acts as a powerful form of reputation insurance, when the firm suffers from negative events. For companies whose reputation is a key source of competitive advantages, understanding the relationship between CSR and reputation enables to solve the problem of "lost risks" – how to (partially) ensure against reputation risk. Companies, which harmonize their strategies with CSR, are to a large extent protected from reputation damage after negative events.

Specific peculiarity of insurance companies is that they care not only of their reputation, but also provide the reputation insurance services for their clients (both private individuals and big corporations). According to Sadlovska (2015), to protect their activity in the long term, insurance companies should implement the reputation management complex strategy, which should contain reputation risks management plan. At the same time, Shinichi, Schmit, and Rosenberg (2013) note that the volume of capital investment in company's development, size and age of company, share of managers can be a source of insurer's reputation losses through internal fraud.

Reputation is company's non-material asset, which is formed during a long time and, at the same time, is infirm at the market. Insurance companies' reputation capital has a range of peculiarities, as reputation of companies in this sector significantly

depends on a range of insurance event and obligations on them, which especially aggravate in conditions of country's economy cyclicity.

The article aims to deepen the scientific and practical foundations concerning the life insurance companies' reputation formation in conditions of market competition aggravation and insurance market conjuncture volatility.

## 2. METHODS

The study is based on interpreting the life insurance companies' reputation as stakeholders' expectations about certain behavior, certain actions, and specific results of performance, which comply with their vision. In this context, theoretical level of cognition is supplemented by the notion "reputation expectations", which is manifested through the system of criteria for assessing the results of the relationship between the insurer and different subjects of such relationship through the lens of their expectations. The relationship between the insurance company and other subjects is assessed according to qualitative and quantitative indicators. Quantitative indicators concern the official financial reporting, qualitative – stakeholders' impressions in the process of interaction with the insurer within their interests (receiving / providing the services, activity audit, joint projects, etc.).

When choosing the companies for the study, only life insurance companies were chosen, as using them as an example enables to assess the insured's reputation expectations in the long term in more detail. The companies, which are non-market and do not occupy the substantial market share, were omitted.

In order to specify the policyholder's expectations according to the study goals, insurers' official financial indicators were brought up as relative values, which enable to assess certain parameters for one insured – amount of premiums, investment income, amount of insurance premiums for one insured. The comparative analysis, which was used here, enabled to compare and assess the companies from the viewpoint of policyholders' interest in their services (premium for one insured) and profitability of services (investment income and

insurance premium for one insured), accounts payable in payments for insurance services, policyholders' claims settled, lawsuits, etc.

Financial indicators were compared with ranking results based on the rankings (Insurance Top, Mind, "REPUTATIONAL ACTIVists", "My insurance agent", etc.).

Apart from assessing the insurer's reputation from the viewpoint of the insured, the problem of employees' attitude towards the insurance company was partly analyzed, taking into account the indicators of accounts payable in labor remuneration and feedback of employees at specialized web-sites.

Economic and statistical method enabled to reveal certain patters in insurers' reputation formation, connected with results of their activity, and determine the main factors of influence on the change of their position in the ranking system.

### 3. RESULTS

Reputation is not a new notion for Ukrainian insurers. Back in 2008, the League of Insurance Organizations of Ukraine adopted the Charter for Social Responsibility and Business Reputation of

Insurance Market Actors – LIOU Members (2008). The Charter is based on principles of the rule of law, competition, stability, trust and members' obligations concerning: reducing the time of making a decision on insurance event and insurance claim payout according to agreement of mass types of insurance; justified definition of level of costs for doing business in order to avoid unprofitable activity; preventing the dumping of insurance tariffs or their unjustified increase; strengthening the monitoring of insurers' financial sustainability with ensuring the complete information about financial indicators; avoiding the unjustified statements, etc., i.e., the rules of doing break-even business and behavior with stakeholders were prescribed one more time. It is namely at these stages where insurer's reputation is formed. Reputation is how the policyholder, regulator, counteragents, investors, employees, other stakeholders see the insurer. Each party has its personal expectations concerning relationships with insurer and personal criteria for assessing the results of these relationships (Figure 1).

Herewith parties exchange the information and each deviation from expectations (reputation risk) strengthens or weakens insurer's reputation. Each party of relationships has personal views on interaction results and builds personal assessment of

Source: Developed by the authors.

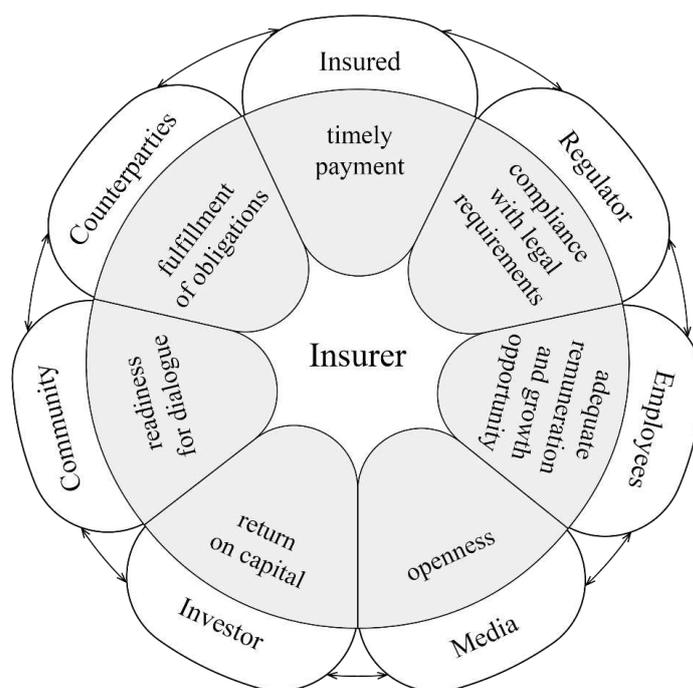


Figure 1. Kaleidoscope of reputation expectations

respective parameters, which are valuable namely for it. Herewith parties exchange the information, reputation itself is formed, reputation capital is increased. Within this study, the focus was on forming the insurer's reputation in the eyes of policyholder, as it is he/she who is main brand advocate, and partly analyzing the relationships between insurer and its employees.

For the study goals, life insurance companies were chosen, as savings insurance service has a range of characteristics, which enable to perceive the insurer's reputation parameters from different perspectives (Figure 1).

Non-material form of insurance products as a promise to pay sums insured in case of unobvious insurance event of non-material nature – life until certain age, illness, death, marriage, etc.; long time of agreement validity; contains investment constituent and performs saving functions; requires active participation of insurance agent or other company's representative when concluding the agreement; provides for paying regular insurance premiums, etc. In these conditions, relationships between insurer and policyholder are based on exclusive trust given the reputations of such specific services provider. As life insurance in Ukraine was not widespread, this market is of big interest for the study aims, as formation of insurer's business reputation with the aim to attract the policyholders is an integral element of its competitive strategy. Besides, according to 2018 data, Ukrainian life insurance market showed one of the highest levels of growth (22.2% taking into account inflation) in the world (Swiss Re Institute, 2019).

In order to form the life insurance company's reputation, the approaches are used, which enable to best reflect the service specificity and show company's reliability for current and potential clients. In conditions when significant part of Ukrainian households does not have free funds for investing in long-term savings life insurance programs, one of main factor of this market segment development is actors' information activity. Potential policyholder should obtain relevant information about specificity of work of this financial instrument and visualize the results of cooperation with insurer. In turn, clients and employees can become the best brand ambassadors. But it is neces-

sary to work on creating such "ambassadors".

In Ukraine, a range of rankings, which help to assess the insurance companies' activity (Insurance Top, Mind, "REPUTATIONAL ACTIVists", "My insurance agent", etc.), was developed. The rankings are based on either official data from insurers' reporting or experts' score. For the study aims, relative indicators were also added, which enable to assess certain insurance activity parameters in relation to insured person: insurance premiums, investment income for one insured from savings life insurance, average payments. Results obtained are compared with separate rankings in order to find the common factors.

The group of analyzed life insurance companies included those having excellent results during a long time (in this study – five years), implementing market strategies (are not captive) or made a breakthrough at the market during a short time.

For the analysis, it is important to understand whether the company receives consumers' attention, fulfills its obligations, and its activity on placing the insurance reserves is successful; consequently, the insured can expect for investment income.

According to indicator "insurance premiums for one insured during five-year period", UNIQA Life, which is subsidiary of Austrian insurer UNIQA Insurance Group and is included in International Association of Independent Insurance Companies INSUROPE NETWORK (Table 1), is a leader. This fact also leaves a mark on company's strategy and its reputation, as this network is a multinational pool, which provides for a range of benefits for multinational companies' employees. Financing mechanism that the pool is based on helps to reduce the cost of sums insured paid at the account of multinational dividends payment.

As UNIQA Group is one of leaders at Austrian life insurance market, in Ukraine, it also continues to implement the Group's strategy, directed towards implementing the innovative insurance products and technologies. Strategic union with Raiffeisen Bank also continued its existence in Ukraine, that is why lion's share of the insured comes namely on bancassurance channels (UNIQA, 2019a).

At the same time, investment income of UNIQA Life for one insured decreased compared to 2016 and against the background of other analysis' participants, it looks pretty modest (Table 2). But, in our opinion, it cannot serve as a restraining factor in choosing this insurer or assessing its reputation characteristics. The investment income amount depends on a range of factors, as well as sum insured and regular payments. Besides, there are market regulators in the form of bank deposit interest, government bonds, and other investment instruments, where the insurers can place the insurance reserves. If insurer's minimum investment income amount, so-called guaranteed income, is restrained by legislation at 4% per annum level, then additional income depends on structure of placed mathematical reserves and profitability of respective financial instruments.

**Table 1.** Insurance premiums for one insured from savings life insurance, UAH

Name of company	Year				
	2014	2015	2016	2017	2018
UNIQA Life	5,444	7,760	8,123	8,131	8,477
MetLife	4,189	4,778	5,290	5,976	7,075
PZU Ukraine	3,498	3,900	4,342	4,485	5,026
KD Life	3,652	4,120	4,099	4,868	4,832
ASKA-LIFE	154	981	1,645	2,200	3,393
TAS	2,013	2,118	2,139	2,789	2,733

**Table 2.** Investment income from savings life insurance for one insured, UAH

Name of company	Year				
	2014	2015	2016	2017	2018
ASKA-LIFE	733	9,340	7,343	8,696	7,706
TAS	1,636	2,464	2,896	2,279	2,214
KD Life	2,412	2,288	2,254	1,797	2,165
PZU Ukraine	1,382	1,504	1,524	1,572	1,680
UNIQA Life	1,184	1,838	2,265	1,360	1,351
MetLife	1,171	1,277	1,109	1,227	1,251

Slightly different strategic position is observed in ASKA-LIFE. Sharp increase of premiums for one insured from 2014 to 2018 shows aggressive attraction of policyholders with the help of developed agent network. ASKA-LIFE is included

in industrial and financial group System Capital Management (SCM) and several experts define it as captive. At the same time, studying the SCM policy gives ground to state that the company is market-oriented and has experience in functioning long before entering the industrial and financial group. Notwithstanding being included in the group, the company takes part in SCM tenders based on market competition principles. That is why, in this case, it is reasonable to talk about mutual exchange of experience between ASKA-LIFE and other group members, whose functioning is based on strategic planning, transparent reporting, and established business processes. Effective assets management enables to receive high investment income. As data from Table 2 show, starting from 2015, ASKA-LIFE is a leader in investment income payment for one insured.

Among the total of insurers, which is the basis of the study, one should note MetLife with the highest rates of insured number growth (Table A2 in Appendix A) and paid insurance premium for one person (Table 1). In 2015, the company was awarded for best results in EMEA region (countries of Europe, Middle East, and Africa) for high dynamics of business effectiveness key indicators. In 2019, insurance company became a winner of regular XIV all-Ukrainian contest "Insurance company of the year", which International Financial Club "Bankir (Banker)" organizes annually, and took the first place in nomination "Market leader in life insurance sector" (MetLife, 2019b).

Again, this fortune and increasing company's reputation are based on creating the comfortable working environment, simplifying the business processes, and restructuring the insurance portfolio in the direction of increasing the share of long-term savings insurance, actively using the so-called partner sales, sales through intermediaries, including bancassurance channels (Kisyk, 2016).

Other studied companies, PZU Ukraine, TAS, KD Life, are characterized by progressive pace of development and increasing main indicators (Tables 1, 2). KD Life witnessed the abrupt growth of insured number in 2018 (Table A2 in Appendix A). Other companies can also witness abrupt changes in insured number. So, decrease of insured by 70% in UNIQA in 2015 is connected with portfolio

optimization with changing the focus to savings insurance and decrease of other life insurance agreements. In 2015–2016, ASKA also witnessed the decrease of insured number by 24% and 22%, respectively, which is connected with political situation and events in the East of the country.

At the same time, one thinks that for reputation formation, indicators of new insurers inflow are very important. Of course, each company has its personal business cycles, competitive strategy, investment policy, and other attributes of business activity, which affect the main indicators. That is why this indicator is analyzed at runtime.

As was mentioned earlier, for several years now, MetLife occupies the advanced positions at life insurance market in terms of number of insured, as well as volumes of collected premiums (Table A3 in Appendix A). These and other achievements enabled it to occupy the first position in National ranking of insurance companies' corporate reputation management quality (REPUTATIONAL ACTIVists, 2019). Among the studied insurance companies, not all were included in this ranking. MetLife appeared there only in 2018. The ranking is built on experts' subjective evaluation according to such issues:

- reputation stability (systemic work with PR, quality services, management, employees' competence, positive reaction of target audience, etc.);
- CSR reputation capital (CSR projects availability, social responsibility in relation to staff, business partners, consumers, and other positive effects);
- media activity (openness to communication with representatives of all types of mass media, quality of distributed information messages, positive effect from media efforts);
- innovative approach (PR team authority, non-standard PR solutions, activity in new

media, positive effect from implemented innovations;

- anti-crisis sustainability (availability of anti-crisis management strategy, etc.).

For convenience of comparison, Table 3 summarizes the data for 2015–2019 and mentions only the companies' positions in the ranking without scores. Besides, one should bear in mind that brand names PZU Ukraine, ASKA-LIFE, and UNIQA Life refer to insurance groups, which unite the life insurance companies and risk insurance, i.e., ranking refers to insurance group as a whole.

**Table 3.** Results of National ranking of insurance companies' corporate reputation management quality

Name of company/group	2015	2016	2017	2018	2019
PZU Ukraine	1	2	6	5	
UNIQA Life	4	4	4	3	
TAS		6	5		
ASKA-LIFE		8			8
MetLife					1

*Note:* The table summarizes companies' position in the ranking.

From 2015 to 2018, PZU Ukraine and UNIQA Life were stably included in top 10 best companies. If for PZU Ukraine is characterized by dramatic change of ranking position every year, UNIQA Life is characterized by stable position in the ranking during this time. However, none of the companies was included in the ranking in 2019. Instead, MetLife was included there and immediately occupied the first position. Table 4 shows the detailed ranking results in order to understand the constituents of successful management of this company's corporate reputation.

The highest scores were for reputation stability and reputation capital. Retrospective analysis of MetLife's development, including at the Ukrainian

**Table 4.** Results of IC "MetLife" ranking for 2019 (score)

	2019					Total
	Reputation stability	CSR reputation capital	Media activity	Innovative approach	Anticrisis of the year	
MetLife	46.00	46.00	39.5	39.00	41	211.5

territory, shows that organization's activity is based on 150-year experience of parent company, which enables it to keep the leader positions for a long time and to stably hold more than 20% of Ukrainian life insurance market. As a whole, the company operates at the markets of more than 40 countries, with occupying the first positions in insurers' ranking in the half of the countries.

MetLife is a co-founder of international insurance pool MAXIS Global Benefits Network – the leading pool in corporate insurance, which operates in more than 100 countries. PSC “MetLife” is a member of Ukrainian Insurance Federation, American Chamber of Commerce and European Business Association (MetLife, 2019a).

Another moment that experts paid attention to and that became the basis for obtaining high scores in the ranking became the reputation capital of CSR, which by right occupied the important position in the context of forming the insurance companies' business reputation and developing the brand. 2018 regular CSR report shows that it is nature of insurance business that favors the long-term investment in order to fulfill the promises for next generations. In 2018, the company paid over USD 48 billion for respective investments in the sector of affordable housing, green energy, infrastructure. Of them, USD 1.2 billion were invested in the USA and USD 3 billion in other countries (MetLife, 2018).

One more significant indicator, which is of policyholders' interest and forms it brand loyalty, are insurance premiums. In life insurance, insurance premiums are paid in the amount of insurance sums, their parts or successive payments in the form of annuity. Table A1 in Appendix A shows the maximum and average insurance premiums in the studied companies.

A range of factors, such as sum insured, risks insured, affect the amount of insurance premiums. But one would like to note the stable high average premiums of such companies as PZU Ukraine, TAS, and MetLife.

When analyzing the insurance companies' rankings, it is worth noting one more project “Favorites of Success”, which is based on calculating the

complex ranking based on the results of three respondent groups' voting: consumer (concerned public) – 40%, experts (reputable specialists of this market direction) – 40%, celebrities (famous people) – 20% (Table 5). According to this ranking, it is PZU Ukraine that shows high results. Then goes MetLife. UNIQA Life and TAS are characterized by high level of results' volatility. Of course, every ranking contains the subjectivity factor; that is why, if one compares this ranking with companies' relative indicators (Tables 1, 2) and insured number, one concludes that really during this time, PZU Ukraine witnessed the increase of insured number, connected with its strategy. UNIQA Life and ASKA-LIFE had an outflow of policyholders, and TAS witnesses the decrease in growth rates. The largest premiums for one insured were in UNIQA Life and MetLife, PZU Ukraine was on third-fourth positions, according to this indicator. According to investment income for one insured, these companies occupied fourth-sixth positions. Thus, results of ranking based on expert evaluations depend on respondents, their personal attitude towards the insurer, and, in some cases, inaccurate information, which is taken into account.

**Table 5.** Results of voting according to integral assessment in the category “Insurance services: life insurance (savings program)”

Name of company	2016	2017	2018	2019
PZU Ukraine	4.86	4.83	4.998	3.46
MetLife	5.00	4.16	4.84	3.38
UNIQA Life	3.30	2.81	5.00	2.65
ASKA-LIFE	0.96	2.17	2.51	2.34
TAS	2.56	5.00	3.22	5.00

Quite influential brand advocates or influence agents are policyholders and companies' employees. In order to analyze their attitude to brand, the data about accounts payable in settlements with policyholders and labor remuneration, data about setting the complaints and the lawsuits of clients and employees evaluating the companies (Tables 6-9) were taken.

For both groups (policyholders, employees), settlements are a pain point and a focus of attention. As data in Table 6 show, the settlements of labor remuneration in PZU Ukraine and ASKA-LIFE are the pain points. Accounts payable in settlements with policyholders is insignificant and can-

not affect the insurer's reputation negatively and significantly.

**Table 6.** Current accounts payable (year-end), thousand UAH

Source: Built based on financial reporting (Forinshurer, 2016).

Companies	2014	2015	2016	2017	2018
<b>MetLife</b>					
in settlements with policyholders	3	10	10	16	19
in labor remuneration	0	0	0	0	0
<b>PZU Ukraine</b>					
in settlements with policyholders	36	0	0	0	0
in labor remuneration	0	374	469	620	698
<b>UNIQA Life</b>					
in settlements with policyholders	0	0	0	0	0
in labor remuneration	8	6	6	0	0
<b>ASKA-LIFE</b>					
in settlements with policyholders	37	69	23	45	29
in labor remuneration	93	180	206	181	241

Note: Data from TAS are absent.

The insurer's attention to policyholder's requirements is reflected by reviewing the complaints and setting the lawsuits. One opines that in this aspect, UNIQA Life's strategy is interesting. All the complaints were settled, and the lawsuits were absent. Thus, the company observes the principle that the client is always right. Vice versa, ASKA-LIFE quite rarely settles the clients' complaints. Instead, it moves the disputes in the legal channel and is a defendant in the court and, as a rule, wins.

**Table 8.** Ranking of insurance companies' PR activity "My insurance agent"

Source: My insurance agent (2019).

Ranking position	Name of company	Total	2019			Average score
			Positive	Negative	Neutral	
1	MetLife	152	26	17	3	6,5↑/10
2	TAS	33	3	7	0	3,8↑/10
3	UNIQA Life	27	5	3	0	5,2↑/10
4	PZU Ukraine	19	0	5	0	1,0↓/10
5	ASKA-LIFE	4	0	0	0	0
...						
10	KD Life	16	3	0	0	10↑

**Table 7.** Policyholders' complaints and lawsuits, units

Source: Built based on corporate governance reporting (MetLife, 2019; PZU Ukraine, 2019; UNIQA Life, 2019; ASKA-LIFE, 2019; TAS, 2019; KD Life, 2019).

Companies	2014	2015	2016	2017	2018
<b>PZU Ukraine</b>					
Complaints/settled	0	4/0	15/0	23/15	-
Lawsuits/settled	0	2/1	3/2	3/1	-
<b>UNIQA Life</b>					
Complaints/settled	0	52/52	46/46	32/32	2/2
Lawsuits/settled	0	0	0	0	0
<b>ASKA-LIFE</b>					
Complaints/settled	5/0	4/0	16/2	29/0	1/0
Lawsuits/settled	6/1	3/0	25/0	13/0	15/0

Note: Data from MetLife and TAS are absent.

This analysis can be complemented by the companies' ranking based on feedbacks of policyholders "My insurance agent". Ranking position is calculated based on the following criteria: assets, insurance reserves, reimbursement level, level of insurance premiums collected, according to key types of insurance. Besides, insurers' PR activity was evaluated based on feedbacks of policyholders and companies' responses to them (Table 8).

The highest level of policyholders' activity is observed in relation to MetLife. There takes place positive dynamics in terms of positive feedbacks. UNIQA Life, whose average score has increased,

**Table 9.** Assessment of employers by employees

Source: Built based on the data from OTrude (n.d.).

Name of company	Labor remuneration	Management	Workplace	Team	Career development	Total
UNIQA Life	4.1	4.1	4.1	4.3	4.1	4.2
PZU Ukraine	3.0	3.7	3.7	4.3	4.0	3.7
MetLife	3.7	3.7	2.7	3.7	3.0	3.3
ASKA-LIFE	2.5	2.1	3.1	2.2	1.8	2.3
TAS	1.0	2.0	2.0	3.5	1.0	1.9

occupies the next position in terms of communications with policyholders. Although KD Life was given 10 out of 10 score, 2019 was quite passive on the part of policyholders, and the ranking was calculated based on earlier data.

In order to evaluate the insurance companies on the part of their employees, data from the web-

site OTrude (n.d.) were used, where anyone can fill the respective questionnaire, which consists of five issues: labor remuneration, management, workplace, team, and career development (Table 9). Quite expected are UNIQA Life's results, because, as earlier analysis shows, it has personal vision of development prospects and working principles.

## CONCLUSION

Life insurance companies' reputation is strongly connected with parameters of main business processes and observing the insurance agreement provisions. It is important for company to explain the policyholder all the details of risk management process and bases for insurance premiums. When the policyholder sees that the mechanism works, he/she begins to play the role of brand advocate and carrier of positive information, which, in turn, affects the reputation formation positively.

Among the studied insurance companies, companies with foreign capital and rich history have better results. It again confirms the statement that reputation is accumulated during long time. On the other hand, it is important to timely pass the accumulated experience to new employees and to form the foundations of corporate culture, directed, first of all, towards increasing the employees' loyalty to the company. During the digital space formation and development, speed of information exchange among the stakeholders increases. Potential policyholder is interested in clients' and employees' feedbacks. He/she is interested in the activity of other potential policyholders or existing clients. Quite often the client chooses the "go with the tide" strategy and if company manages to keep the stream and ensure the proper service quality, it can confidently report about reputation capital increase.

Reputation is a valuable non-material asset, which is based on material assets. In life insurance, these assets are significant in volume, are the main element of insurance mechanism, and are the main instrument for insurer to fulfill its obligations. That is why one opines that insurer's reputation is strongly connected with ability to accumulate and manage the insurance reserves. During analysis, an effort was made to find how the policyholders attraction and insurance premiums increase tendencies are connected with forming the positive image of companies in the eyes of respondents (during the ranking formation and surveys) and the preconditions for studied companies to achieve the advanced positions were analyzed. Timely and fair payment of insurance settlement is a pain point in the system of insurer-policyholder relationships. In the system of relationship between insurer and other stakeholders, these pain points are different and form the system of reputation expectations – so-called kaleidoscope of reputation expectations, which can be a basis for future studies on insurer's reputation formation process in stakeholders' values system.

Reputation is an important factor to which attention should be drawn when forming the company's strategy. Reputation strategy, as well as goal-setting system on which it is based, should be the vector, which determines the insurer's development direction.

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## APPENDIX A

**Table A1.** Maximum and average insurance sums payment, UAH

Name of company	Year									
	2014		2015		2016		2017		2018	
	max	average	max	average	max	average	max	average	max	average
PZU Ukraine	1,009,400	8,143	1,176,000	53,091	867,300	22,800	999,700	29,875	354,300	17,985
ASKA-LIFE	618,000	5,701	943,000	7,885	2,327,000	9,269	1,489,000	10,601	608,000	13,467
KD Life	119,300	17,033	206,500	29,792	156,500	14,800	255,300	21,795	218,000	30,473
MetLife	11,149,000	28,346	935,000	22,151	830,000	19,549	7,698,000	24,309	1,480,000	12,117
TAS	546,000	38,670	1,946,000	49,457	2,065,000	34,264	1,873,000	24,461	2,555,000	26,638
UNIQA Life	323,000	11,341	2,592,000	11,747	236,000	8,618	3,724,000	18,314	8,108,000	101,889

**Table A2.** Number of insured, persons

Name of company	Year									
	2014	2015	Growth rate, %	2016	Growth rate, %	2017	Growth rate, %	2018	Growth rate, %	
PZU Ukraine	35,419	35,955	2	49,700	38	81,950	65	121,475	48	
ASKA-LIFE	255,819	195,629	-24	153,536	-22	243,995	59	269,200	10	
KD Life	808	2,330	188	1,149	-51	1,248	9	2,169	74	
MetLife	53,434	168,933	216	209,853	24	727,614	247	1,667,553	129	
TAS	59,776	82,861	39	103,906	25	122,890	18	128,600	5	
UNIQA Life	316,924	94,535	-70	82,698	-13	145,314	76	194,573	34	

**Table A3.** Insurance premiums, thousand UAH

Name of company	Insurance premiums, thousand UAH			Growth rate, %		Change, thousand UAH	
	2018	2017	2016	2018/2017	2017/2016	2018/2017	2017/2016
MetLife	951,721.0	748,464.0	621,024.0	27.16	20.52	203,257.0	127,440.0
UNIQA Life	668,366.0	450,920.0	279,659.0	48.22	61.24	217,446.0	171,261.0
TAS	502,033.0	442,104.9	285,857.0	13.56	54.66	59,928.1	156,247.9
ASKA-LIFE	500,897.0	296,491.0	180,837.0	68.94	63.95	204,406.0	115,654.0
PZU Ukraine	413,045.7	299,836.1	239,520.9	37.76	25.18	113,209.6	60,315.2
KD Life	37,236.0	31,707.0	24,442.0	17.44	29.72	5,529.0	7,265.0