

## Application of the synergistic approach in the prudential regulation of insurance market

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Prudential and macro-prudential regulation is gradually being implemented in Ukraine to ensure financial stability. However, a protracted economic crisis in Ukraine negatively impacts on the ability of the insurance market to perform the insurance contracts liabilities. Topical is the search for new approaches to prudential regulation.

Most of the research to ensure the stability of the insurance market uses deterministic approach. It simplifies reality and makes it impossible to exactly forecast the future behavior of a complex system.

The aim of article is to justification of theoretical basis and to development of practical recommendations for prudential regulation of the insurance market in crisis by a synergistic approach.

Prudential regulation of the insurance market is the process of development and implementation of public authorities the legal, organizational and regulatory- supervisory measures to prevent the insolvency of insurers and the crisis in the insurance market. The regulatory influences of the state may be directed on the insurance market as a whole, as well as elements of the market, particularly for its participants (insurance companies, intermediaries, insurance consumers and professional associations).

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companies, intermediaries, insurance consumers and professional associations).

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Synergetics - is the multidisciplinary scientific direction that studies the general laws of processes of emergence, formation, development and entropy of complex systems and mechanisms of self-organization. The insurance market is a complex system that allows to explore its and to develop measures for its regulation using the synergistic approach.

The crisis from position of synergetic - is the bifurcation point in the development of complex system. Approximation to this point is dangerous. At such moments of imbalance is required a special methodology of anti-crisis management. The author proposes to separate from the common regulation, when the insurance market operates and develops as a complete system, anti-crisis regulation, when the insurance market is in a state of chaos.

The basic idea in crisis management is

the implementation of agreed actions on the structural components of the system for its evolution in the desired direction. The "soft" regulatory impact of prudential regulation can be a state guarantees of return the insurance reserves from "problem" banks, establishing the requirements for limit costs of insurance companies, the introduction of a fair tax treatment of insurance operations, the establishing an effective guarantee fund

of insurance payments, stimulating of mergers and acquisitions of insurers, organizing of publication of objective assessments (services quality indexes) of insurers.

Synergetics proves that the anti-crisis measures of regulatory actions should be elected and implemented by state regulator especially reasonably and cautiously and be directed, first of all, on the formation of the self-organization market mechanisms.