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ROLE OF ASSISTANCE AND INSURANCE COMPANIES WHILE PROVIDING TRAVEL, HEALTH AND TRANSPORTATION SERVICES

ABSTRACT

Introduction. In the article, the theoretical bases (principles) of insurance assistance are investigated. The formation prerequisites of interaction of assistance and insurance companies are analyzed. The necessity of assistance companies activities in the insurance market while providing tourism, health and transportation services is grounded.

Purpose. The aim of the investigation is to substantiate the theoretical and organizational principles of the insurance and assistance companies cooperation.

Method (methodology) of the work is based on the methodology of insurance assistance, assistance companies in the insurance market in providing travel, medical and motor transport services.

Results. We note that the necessity for activities of the assistance companies at the insurance market is undeniable today. The cooperation of assistance and insurance companies will continue to grow, as it enables the insurer to develop competitive and attractive insurance products to potential policyholders, to provide legal support, regulation of consequences and financial aspects of the insurance cases in various fields of the insurance, travel insurance, including health, motor vehicle and so on.

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РОЛЬ АСИСТАНСЬКИХ ТА СТРАХОВИХ КОМПАНІЙ ПІД ЧАС НАДАННЯ ТУРИСТИЧНИХ ПОСЛУГ, ПОСЛУГ З ОХОРОНИ ЗДОРОВ'Я ТА ТРАНСПОРТНИХ ПОСЛУГ

АНОТАЦІЯ

Вступ. У статті досліджено теоретичні основи (принципи) страхової допомоги. Проаналізовано передумови формування взаємодії асистентної та страхової компаній. Обґрунтовано необхідність діяльності асистентських компаній на страховому ринку при наданні туристичних, оздоровчих та транспортних послуг.

Мета. Метою дослідження є обґрунтування теоретичних та організаційних засад співпраці страхових та асистентських компаній. Методика (методика) роботи базується на методиці надання страхової допомоги, допомоги компаніям на страховому ринку при наданні туристичних, медичних та автотранспортних послуг.

Результати. Зазначимо, що необхідність діяльності асистентних компаній на страховому ринку сьогодні є незаперечною. Співпраця асистентських і страхових компаній і надалі розвиватиметься, оскільки це дає можливість страховику розробляти конкурентоспроможні та привабливі страхові продукти для потенційних страхувальників, надавати юридичний супровід, регулювання наслідків та фінансових аспектів страхових випадків у різних сферах страхування, страхування подорожей, включаючи медичне страхування, автотранспорт тощо.

Камінський Б., Камінська О. Роль асистентських та страхових компаній під час надання туристичних послуг, послуг з охорони здоров'я та транспортних послуг. *Економічний аналіз*. 2021. Том 31. № 4. С. 19-25.

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Ключові слова: допомога; допоміжні компанії; додаткові послуги; страхування; страхова допомога.

Introduction

The global financial crisis has made significant adjustments in the insurance relationship. However, despite the difficult economic conditions, the insurance market continues to develop. Creation of an effective system of interest protection of citizens, entrepreneurs, state, the support for social stability can not be achieved without effective functioning of the insurance market with a wide range of industries and types of insurance. The variety of insurance objects and risks that are included into the scope of insurance coverage, the combination of possible variants of the insurance providing taking into account the needs of specific insurers – all this creates a wide variety of insurance services that can be offered to the potential policyholders by the insurers in the market.

In recent years, the insurers have been developing the comprehensive programs of auto insurance, property insurance of individuals and legal entities, health insurance, accident insurance, designed for people with high and middle income. These programs largely account for the majority of potential risks, including protection in case of a terrorist act, injuries received during sport exercises, during business trips, travelling and so on. Along with this the demands of customers concerning the quality of insurance services and the speed of insurance contracts service are constantly increasing, that's why the insurance companies carry out a series of measures on improving the process of their providing. The usage of the assistance service is extremely relevant in the above mentioned context. The insurance products together with the usage of assistance services enable the policyholders not only to acquire an effective insurance coverage, but also to get the necessary assistance at any time and in any place. Under present circumstances, the insurance theory faces new challenges associated with the necessity of studying, generalizing and scientific interpretation of

the processes which occur in the insurance market of Ukraine.

Analysis of recent researches and publications. Today, the problem of insurance assistance development is actively illuminated in the national literature, indicating the scientific interest in it. Thus, A. Zalyetov, A. Zimin, N. Mashyna, A. Ohrimenko, Y. Shumelda and other national scholars and experts have contributed to the developments of this issue.

However, in modern economic researches very little attention is paid to the investigation of insurance assistance services development that adversely affects the practical aspects of their functioning. The problems of the peculiarities and efficiency of the interaction between the insurance and assistance companies are little investigated. All this leads to the urgency of mentioned problem and determines the purpose and objectives of our study.

The purpose of the article

The aim of the investigation is to substantiate the theoretical and organizational principles of the insurance and assistance companies cooperation.

The main material

The organized development of assistance as a kind of activity started in France as a result of the demand of American businessmen and tourists for the additional services when travelling in Europe. The emergence of the idea of assistance is quite interesting and it is generally described in the literature [1, p. 102; 2, p. 22].

It should be stressed that in the early 1960s of the twentieth century in France the first assistance companies appeared, in particular the systematization of these companies' activities and classification of their services as insurance ones took place in the 1980s of the twentieth century under the influence of the European Union directives. During the 1970s and 1980s of the last century the entire Western and Central

Europe was covered with a network of such companies, and most of them were created by the insurers or were in cooperation with them.

Despite the fact that the history of assistance development in the world has been lasting only for four decades, in developed countries it has become an indispensable companion of the insurance. Today, we can see the interaction between the assistant and insurance companies, and its goal is to improve the insurance programs for achieving high competitive positions in the market.

Typically, the process of launching the assistance services in Ukraine had two sides: on the one hand, they were initiated by Ukrainian insurers, on the other hand by foreign insurers and assistance companies, which were preparing to enter the Ukrainian insurance market. During 1991-1995 the selling of insurance policies of the assistance has increased and this is a reason to confirm the appearance of the assistance services segment in the insurance market of Ukraine.

We remind that exactly during 1994 – 2005 in Ukraine the providing of the internal assistance services and the cooperation with foreign assistance began. However, despite this, in the specialized insurance literature the assistance services as an object of scientific research are mentioned only in the early XXI century (2001-2005). Thus, the theoretical and organizational principles of the assistant and insurance companies' interaction require a detailed examination to ensure the effective insurance protection.

In today's insurance literature in economic dictionaries and encyclopedias, as well as in the articles in economic periodicals, theory and practice of insurance, there is a broad definition of assistance; it is described from different points of view [3, 6]. Sharing the scholars' opinion, on the one hand, the insurance assistance is the kind of insurance that provides necessary medical, technical, legal and organizational assistance in the context of insurance protection to the persons insured during their staying outside

the place or country of residence, on the other hand, it is a kind of activity that obliges the insurer to assist the assistance policyholders by receiving the awards, and to meet these obligations the insurer enters into the contracts about the cooperation with the assistance companies.

The interest in the assistance companies' services appeared at the stage of formation of the market of citizens' insurance, who travel abroad. The assistance companies are classified as universal international and national highly specialized. Ukrainian insurers, fulfilling their obligations according to the contracts of tourists' insurance, cooperate with the international assistance companies such as: "CORIS", "FranceSecure", "MegaAssistance" (France), "Elwia-Assistance" (Switzerland), "KALITPTUS" (Turkey), "MercurAssistans" (Germany), "AlarmCentreofMercur" (Austria), "ALBUR" (Czech Republic) and others. Gradually, the necessity of damages regulation in the road transport and voluntary health insurance has led to the need for national assistance companies. Today in Ukraine there are several dozens of such companies, especially their number has increased in recent years. For example, in Ukraine there are such national companies as: "Alfa-Assistance", "Assist-Ukraine", "Garant-Assistance", "April Assistance Ukraine (Coris Ukraine)", "Savitar Group", "Daedalus Service" "SOS Service Ukraine" "Ukrainian Relief Service" "UKRASSIST", «ECLIS», «Universalassistance» and so on. The Ukrainian representative office of international service company CORISInternational has the largest share – about 90% at the market of assistance services, which has been operating at the national market since 1994.

The assistance companies enable the insurers to focus on the management of insurance operations and financial flows, passing the processes of losses settlement to the specialized agencies. Thereby the assistance activities allow the insurance companies to provide the operative assistance to the insured persons, to settle

the financial aspects of insurance incidents in various fields of insurance, including health, motor transport and so on. The collaboration with the assistance company is a means of improving the competitiveness of the insurance products for the insurance organization, and increasing of their attractiveness to the prospective policyholders. Close work with a specialized service company improves service quality and also continuous the development and improvement of a customer service system.

It must be noted that it is not profitable for the insurance companies to create the appropriate services in their structures, as the service functions are not the functions of the insurer. But the main functions of the insurance companies are to collect the insurance premiums for the formation of reserves, directed to fulfill the obligations of the insurer – payment of the insurance compensation to their customers [4, p. 35].

Thus, the creation and holding of the special unit containing highly skilled doctors, emergency commissioners, technical equipment, special software in the insurer's structure is a high-cost for the company's budget. The financial costs of the insurer are not always justified. The risk of an insurance event is of probable nature and the unit employees will not be fully occupied in all cases. However, regardless of this, the material costs for maintaining of this staff will be provided by the insurer. It is worth considering that there are some additional costs for training, salaries, travelling, providing mobile communications. Especially difficult process for the insurer is to establish a regional network of physicians and emergency commissioners throughout Ukraine. Therefore, an effective solution to these problems is the involvement of universal (special) assistance companies.

Providing of an operational assistance to the insured persons is the main type of activity of the assistance companies, that gives the possibility to work with several insurers that are in need of the appropriate services. Foreign insurers appreciated the

advantages of working with the assistance companies long ago, which assume the obligations from the accompaniment of the insurance contracts. The international experience suggests that the division of functions between the specialized assistance companies significantly improves the quality of services [5].

Considering the international assistance companies, we note that they have turned in strong financial institutions that have an extensive system of representative offices throughout the world. According to the principles of work with the clients the international assistance companies can be divided into two categories. First category companies develop independent alarm-centers, provide a wide range of phones almost throughout the entire country. The second category companies provide 2-3 telephone numbers to a customer, by the help of which you can connect with the alarm-center and get help anywhere in the world. Historically there is a division of the assistance companies into medical and technical, but it is conditional, since in most cases such services as "assistance" of technical and medical direction complement each other and are included into a single package of services [5, p. 75].

Depending on the organizational and legal forms the national assistance companies are formed according to such norms: as the assistance unit in the structure of the insurance company, as a separate legal entity and multiassistance. The benefits of the assistance unit formation within the insurer's structure are a close relationship and mutual understanding between the seller of an insurance product that monitors the client, and a node that assists, high quality of customer service, quick response to the needs that are changing. Regarding the disadvantages of these organizational and legal forms, it is not profitable for the insurance companies to form the appropriate services in their structures, because the service functions are not the functions of the insurer. It is especially difficult for the insurer

to establish a regional network of physicians and emergency commissioners throughout Ukraine. Therefore, an effective solution to these problems is the involvement of independent assistance companies [6, p. 402].

The creation of an assistance company as a separate legal entity enables to get a medical license, which allows attracting the required doctors to work as specialists, rather than as insurance experts, consultants and others. The assistance companies of this type serve several insurance companies at the same time. However, there are cases of creation of the assistance companies for the service of customers of a specific insurer. The disadvantage of this collaboration is the adaption to the requirements of the insurers and the developed programs of insurance; and this requires constant changes of the rules of assistance services.

According to Cherednychenko M. the benefits of the external assistance are largely dependent on the level of autonomy, i.e. independence of the assistant. Generally a destructive idea is that the insurance company should always play the "first violin" and the assistant should "follow it" and work in a manual mode. It can be accepted in many kinds of assistances, besides medical. In case of medical assistance the assistance company is forced to solve a large number of vital issues and therefore should work in more independent mode, but according to the rules previously agreed with the insurer. We can agree that the costs for the internal assistance are lower than those for external one, but in practice it turns out that the risks associated with the quality of service are lower at the external assistance. For example, when the losses of the insurer begin to rise, the internal assistance as its unit also receives the task to reduce the costs; it always leads to worsening of the quality of contracts service. The worsening of the insurer's financial condition doesn't effect the external assistance, because the relationship with it is formed on the basis of the prices, fixed in the contract about

cooperation or assistance services providing. This is the main condition for the assistance autonomy. M. Cherednychenko considers that its effect is deeper distribution of business processes while customer service. Typically, the employees of customer service centers (alarm centers) of the internal assistants have no medical training and therefore perform technical functions – receive primary applications of the insured, register the insured at a particular doctor's, may arrange for delivery the ordered medicines and subsequently transfer the patient to the doctor. At foreign assistance the primary applications are taken by the doctors, who clarify the symptoms, or rather diagnose the disease during the telephone communication with the insured and can therefore address a "narrow" expert to the insured person, provide hospitalization and prepare a place for it, and take other measures to provide quality services and save life of the insured [7].

The assistance company is rather a complex mechanism where, apart from round the clock dispatching service, there are other equally important services: logistics and computer departments, financial and administrative departments, and also sales department including marketing. For the coordinated work of such a mechanism highly skilled personnel is required. Personnel service and specialist service center deal with these issues.

The emergence of assistance companies and the specialization of some of them in determination and elimination of losses makes it possible to improve the governance structures of the insurance organizations. Since the end of the last century the European insurance companies began to use the so-called outsourcing structure of governance that provides the ability to perform several operations with the companies or organizations, which are not part of the insurance company. The introduction of such a structure requires the existence of the service companies that do

not always operate at new insurance markets [8, p. 114].

The important component of using the assistance services is to control the quality of services provided to the insured person: checking the adequacy of treatment, checking the bills and also controlling of the prices reasonableness for services, excluding the possibility of insurance fraud.

Compared with rather developed market for financial services, the Ukrainian market of assistance services is in the stage of formation. The growth of the assistance market in post-crisis period was caused by the interest of the insurance companies and car importers in such services. However, the car owners use these services very rarely, repairing their cars on their own in case of breakdown. That's why, it should be noted that the assistance market development

depends on the insurance market development, as about 90% of all services the assistance companies provide to the customers of the insurance companies.

Conclusions and prospects for further research

In summary, we note that the necessity for activities of the assistance companies at the insurance market is undeniable today. The cooperation of assistance and insurance companies will continue to grow, as it enables the insurer to develop competitive and attractive insurance products to potential policyholders, to provide legal support, regulation of consequences and financial aspects of the insurance cases in various fields of the insurance, travel insurance, including health, motor vehicle and so on.

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