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## **CRISIS MANAGEMENT OF COMPANY IN TERMS OF ECONOMIC INSTABILITY IN THE CASE OF INSURANCE COMPANY**

Instability and crisis in the economy has a negative impact on all spheres of social and economic life of the country. Currently, the problem of bankruptcies that occur in recent years more and more often is relevant, since people who have lost jobs, a budget without receiving taxes, and the economy of Ukraine as a whole suffer from the liquidation of a large number of enterprises.

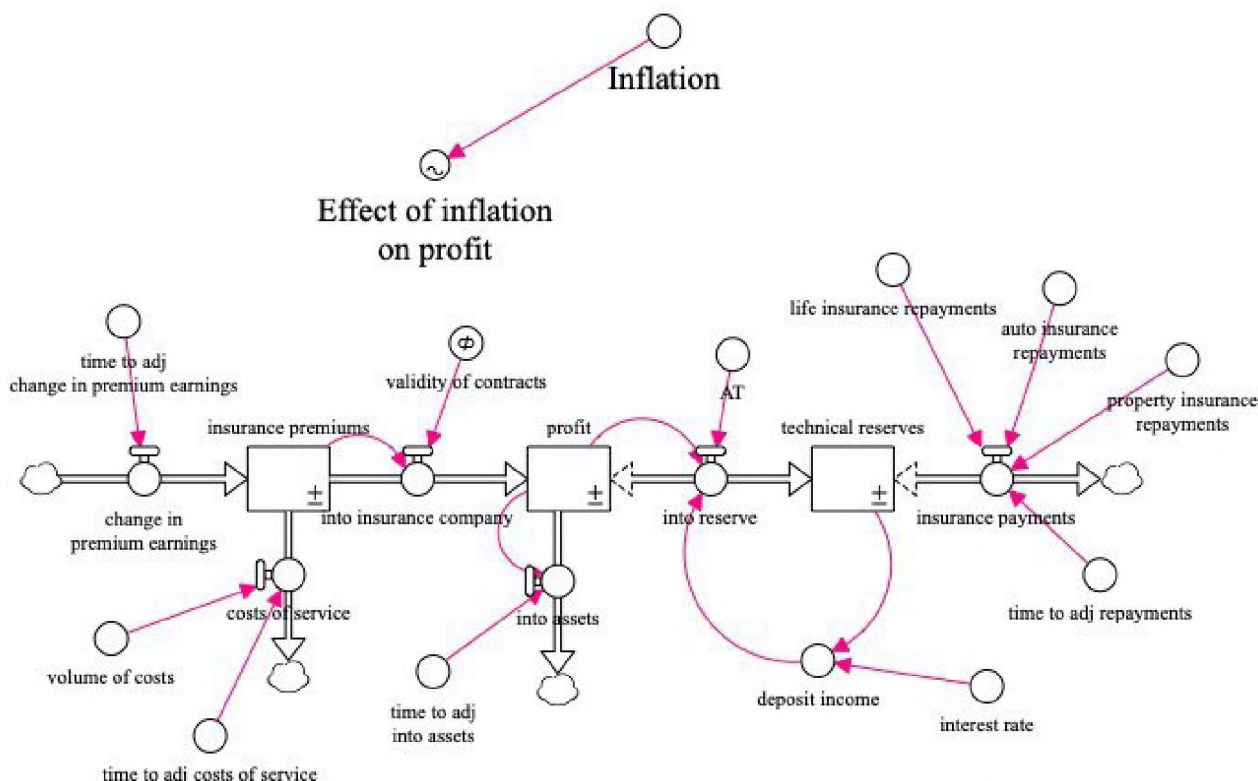
The study of the problem of crisis management in foreign-oriented enterprises is relevant, since this is due to the fact that in modern conditions these situations are becoming more frequent, and their consequences are becoming increasingly large-scale.

Insurance companies are among the main participants in the financial market, providing unique services and implementing important functions, including protection, saving and investment. In the unstable economic conditions of Ukraine, the threat of a financial crisis is an important issue for enterprises of all industries, including insurance companies. At present, the relevance of managing one's own capital, in particular, the company's profit, is increasing more and more due to the intensification of enterprises' competitive struggle for investors' and shareholders' capital. In this regard, it is necessary to study the internal and external factors affecting the financial results of organizations [1].

Analyzing the current state of the insurance market, we can observe the negative tendency in the dynamics of aggregated business indicators of insurance companies. The main problems are: instability in changing profits of insurance companies, decrease in the level of insurance premiums, increase in the level of payments, etc. The main reason for the decrease in insurance premiums in Ukraine (and as a consequence - decrease in profits) was the deterioration of the socio-economic situation. The main indicator of economic instability in Ukraine is an increase in the price level (inflation) [2].

Modeling profit of insurance company in Ukraine due to the methods of system dynamics can help to analyze the problem of changing profits depending on the changes in the main factors that have a significant impact on it (graph 1) [3].

The main idea of the model is focused on Profit of the insurance company "PZU Ukraine" and key indicators that effect it. Profit is a fund that remains at the disposal of the insurance company. The main factor that have impact on Profit is Infaltion that has a direct influence. Similarly, the level of Profit depends on the level of Insurance payments.



**Graph 1. The simplified view of the Profit model**

The model represents the changes in profit depending on changes in key indicators. This model represents the simplified view of reality, that's why the main factor that is observed is inflation.

The main purpose of analysis in this model is to explore the effect of the Inflation and Insurance Premiums on the Profit. The main indicator of economic instability in Ukraine is an increase in the price level (inflation).

In the course of analyze the system that was constructed showed a direct relationship between the analyzed indicators. The modeling results are match with historical data of profit. In the process of building and exploring the model was analyzed the impact on the profit of such factors as inflation as a main external factor.

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