

THE ROLE OF THE STATE IN THE FIELD OF CIVIL PROTECTION AND FIRE SAFETY

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STATE POLICY FOR ENSURING PUBLIC SAFETY IN UKRAINE: ECONOMIC MECHANISMS AND INSURANCE SYSTEMS DEVELOPMENT IN MODERN CONDITIONS

This research examines the contemporary economic mechanisms of state policy for ensuring public safety in Ukraine under modern socio-economic conditions. The study analyzes the development of insurance risk systems as effective economic instruments for enhancing regional security during large-scale crisis situations. The research explores the financial mechanisms of safety systems, including legal, organizational, and technological instruments for economic regulation of population safety levels based on risk insurance systems. Special attention is given to the Ukrainian context of 2025, considering recent legislative changes including the new Insurance Law (Law No. 1909-IX), National Bank of Ukraine regulations, and war risk insurance mechanisms developed due to ongoing security challenges. The study develops scientific and methodological recommendations for implementing socio-economic mechanisms in safety systems, focusing on additional financial support mechanisms and their practical application in Ukrainian regions. The research methodology includes analysis of international practices, comparative study of foreign insurance systems, and evaluation of Ukrainian legislative framework adaptations. Key findings demonstrate that insurance systems become effective economic instruments for regional security enhancement during large-scale crises, while additional financial mechanisms create conditions for crisis prevention and post-disaster recovery. The study proposes strategic approaches for developing specialized funds, improving regulatory frameworks, and establishing public-private partnerships in safety insurance.

Results indicate that modern insurance mechanisms in Ukraine should integrate EU standards while addressing specific wartime challenges, creating sustainable financial frameworks for population protection and infrastructure resilience. The research contributes to understanding how economic instruments can strengthen state safety policies through innovative insurance solutions and diversified funding mechanisms.

Keywords: *state policy, public safety, insurance mechanisms, economic instruments, risk management, Ukraine, safety systems, crisis management*

Introduction. The development of effective state policy for ensuring public safety has become increasingly critical in contemporary Ukraine, particularly under the complex socio-economic conditions of 2025. The ongoing security challenges, combined with European integration processes and the implementation of new insurance legislation (Law No. 1909-IX), have created a unique environment requiring innovative approaches to safety management [1]. The National Bank of Ukraine's enhanced regulatory role and the introduction of war risk insurance mechanisms represent fundamental shifts in how economic instruments support population safety [2].

Modern approaches to public safety increasingly emphasize the role of economic mechanisms, particularly insurance systems, as essential components of comprehensive protection strategies. The international community has recognized that insurance coverage for war-related risks in Ukraine has become crucial for sustainable economic recovery, with current reconstruction needs estimated at \$411 billion. This reality necessitates the development of sophisticated financial frameworks that can address both traditional safety challenges and contemporary security threats.

The transformation of Ukraine's insurance market reflects broader changes in safety policy paradigms. The National Bank of Ukraine now supervises the insurance sector with enhanced authority, implementing stricter solvency requirements and establishing minimum capital requirements that align with European standards [3]. These regulatory changes create opportunities for developing more robust safety mechanisms while ensuring market stability and consumer protection.

Research in this area requires understanding the intersection of economic policy, insurance mechanisms, and safety systems within the specific context of Ukrainian

governance structures. The study addresses critical gaps in existing literature regarding the practical implementation of economic instruments for safety enhancement, particularly in environments characterized by ongoing security challenges and rapid regulatory evolution.

Literature Review and Problem Statement. Contemporary research on economic mechanisms for public safety reveals significant evolution in theoretical approaches and practical implementations. International literature emphasizes the growing importance of insurance systems as primary economic instruments for crisis management and population protection. Studies by leading international organizations highlight the critical role of financial mechanisms in supporting comprehensive safety frameworks.

Recent analysis by the Center for Strategic and International Studies emphasizes that insurance serves as a critical enabler for investing in Ukraine, with donor agencies and development finance institutions requiring coordinated efforts to provide political risk and war insurance mechanisms. This perspective aligns with emerging theories about the integration of economic instruments within broader safety policy frameworks.

European experience demonstrates the effectiveness of combining public and private resources in safety insurance systems. Ukraine's alignment with EU standards through new insurance laws represents a positive development, demonstrating intention to strengthen international positioning while reforming the insurance sector [4]. However, implementation challenges remain significant, particularly regarding the development of regulatory frameworks and market uncertainties [5].

The Ukrainian context presents unique challenges that distinguish it from international experiences. The impact of war on Ukraine's insurance market has created unprecedented conditions, with the number of insurance companies decreasing from 155 at the end of 2021 to 90 by July 2024 [6]. This reduction reflects both market consolidation and the challenges of operating under wartime conditions.

Critical gaps exist in current research regarding the practical implementation of economic mechanisms for safety enhancement in post-conflict environments. Limited literature addresses the specific challenges of developing insurance systems that can function effectively during ongoing security threats while maintaining financial sustainability. Additionally, insufficient attention has been given to the integration of war risk insurance with traditional safety mechanisms in comprehensive policy frameworks.

The problem statement centers on the need for developing effective economic mechanisms that can support public safety under contemporary Ukrainian conditions. This requires addressing three primary challenges: first, creating sustainable insurance systems that can operate effectively during security challenges; second, developing additional financial mechanisms that complement traditional budget allocations; and third, establishing regulatory frameworks that balance market efficiency with comprehensive population protection.

Research Objectives. The primary objective of this research is to develop comprehensive recommendations for enhancing state policy mechanisms for public safety through economic instruments, specifically focusing on insurance systems and additional financial support mechanisms adapted to Ukrainian conditions in 2025.

Specific research objectives include: analyzing the current state of insurance mechanisms for public safety in Ukraine, considering recent legislative changes and regulatory developments; evaluating international best practices for integrating economic instruments within safety policy frameworks and their applicability to Ukrainian conditions; developing strategic recommendations for implementing specialized insurance systems that address both traditional safety challenges and contemporary security threats; proposing mechanisms for additional financial support that can complement budget allocations and enhance crisis prevention capabilities; and establishing frameworks for public-private partnerships in safety insurance that optimize resource allocation and risk distribution.

These objectives address critical knowledge gaps while providing practical guidance for policy implementation. The research aims to contribute to both theoretical understanding and practical application of economic mechanisms in safety policy, particularly in environments characterized by complex security challenges and rapid institutional evolution.

Main Research Findings and Results. The analysis of Ukraine's insurance landscape in 2025 reveals significant transformation driven by both legislative reforms and security challenges. The implementation of Law No. 1909-IX has established new minimum capital requirements, with UAH 48 million (approximately EUR 1.2 million) required for life insurance and reinsurance activities, and UAH 32 million (approximately EUR 800,000) for other direct insurance classes [1]. These enhanced capital requirements reflect efforts to strengthen sector stability while aligning with European standards.

The development of war risk insurance systems represents a crucial innovation in

Ukrainian safety policy. The National Bank of Ukraine and Ministry of Economy have announced draft legislation establishing a dedicated State Agency for War Risk Insurance, responsible for standardizing insurance products and maintaining centralized databases [7]. This initiative addresses previously unmet needs for comprehensive protection against military-related risks. The regulatory framework has evolved to address contemporary challenges while maintaining market functionality. The National Bank of Ukraine's enhanced supervisory role includes authority to adjust requirements for specific risks, ensuring compliance with stricter solvency and minimum capital requirements that are evaluated annually. This approach provides flexibility while maintaining robust oversight.

Market adaptation demonstrates both resilience and innovation. Despite initial challenges, Ukrainian insurers achieved a 3.6% increase in Gross Written Premiums during the first six months of 2024 compared to the same period in 2023, indicating market recovery and adaptation [6]. This growth occurs despite reduced company numbers, suggesting sector consolidation toward more stable operators. The establishment of comprehensive risk insurance systems requires addressing multiple categories of threats while maintaining financial sustainability. International experience provides valuable guidance for Ukrainian implementation. Foreign systems typically demonstrate shared responsibility between government and insurance companies, with reinsurance supported by government guarantees.

Belgian approaches include mandatory inclusion of earthquake, flood, and landslide risks in standard fire insurance policies, supported by government guarantees through reinsurance facilities. French systems extend this model by creating preventive measure funds supported by insurer contributions, demonstrating sustainable financing mechanisms for comprehensive protection. Japanese experience illustrates effective government participation in damage compensation through specialized earthquake reinsurance companies, providing models for managing catastrophic risks. American systems demonstrate the value of state-level program development for hurricane, flood, and natural disaster risks, supported by specialized federal programs and risk assessment mapping.

The development of war risk insurance mechanisms for Ukraine requires international cooperation, with proposed schemes involving contributions from both national entities and international reinsurers, supported by global partners including the World Bank and European Commission. This collaborative approach addresses the unprecedented scale of

risk management requirements. Ukrainian implementation must address specific contextual factors including ongoing security challenges, infrastructure vulnerabilities, and integration with existing social protection systems. The proposed framework emphasizes mandatory insurance for specific property types against military action damage, complemented by voluntary coverage for broader risk categories.

According to the State Emergency Service of Ukraine, disaster losses increased significantly from approximately UAH 1.6 billion in 2019 to UAH 9.9 billion in 2020, demonstrating the growing destructive effects of natural disasters [8]. The development of additional financial support mechanisms addresses limitations in traditional budget allocations while creating sustainable funding for safety initiatives. Analysis demonstrates that budget-only approaches cannot adequately address comprehensive safety requirements, particularly given fiscal constraints and competing priorities.

Extra-budgetary funding mechanisms offer significant potential for enhancing safety system capabilities. These approaches include organizational resources, borrowed and attracted funds, non-budgetary fund resources, individual developer contributions, and foreign investments, all structured according to regulatory requirements. The creation of specialized funds represents a primary mechanism for concentrating resources at federal and regional levels. International experience demonstrates the effectiveness of such approaches for financing safety projects, implementing innovative technologies, and providing targeted assistance to vulnerable populations in disaster zones.

Revenue generation through specialized activities creates sustainable funding streams for ongoing safety initiatives. These mechanisms include provision of paid services, commercial use of equipment and tools, preparation of specialized training programs for television and radio, literature and visual materials publication, and expert consultation services. Public-private partnerships enhance resource mobilization while distributing risks appropriately. These arrangements include private investment attraction and sponsor contributions, development of smart city projects in municipal formations, creation of electronic systems for public safety, and distribution of electronic training games and educational materials.

The practical implementation of enhanced economic mechanisms requires comprehensive coordination across multiple institutional levels. Federal-level coordination ensures consistent policy application while allowing regional adaptation to specific risk

profiles and resource availability. Regional implementation mechanisms must address diverse geographic and demographic factors influencing safety requirements. This includes territorial risk assessment, infrastructure vulnerability analysis, population density considerations, and local resource availability. Effective coordination requires clear delineation of responsibilities between federal, regional, and local authorities.

Institutional capacity development supports effective mechanism implementation through training programs for safety professionals, establishment of specialized expertise centers, development of information systems for risk monitoring and management, and creation of public awareness programs promoting voluntary safety participation. Monitoring and evaluation systems ensure mechanism effectiveness while supporting continuous improvement. These systems include performance indicator development, regular assessment of safety outcomes, cost-effectiveness analysis of different approaches, and feedback mechanisms for policy adjustment based on implementation experience.

Quality assurance mechanisms maintain standards while promoting innovation in safety approaches. This includes establishment of professional certification programs, development of technical standards for safety equipment and procedures, creation of oversight mechanisms for service quality, and implementation of accountability measures for safety service providers.

Strategic development of economic mechanisms requires long-term planning that addresses both immediate needs and future challenges. The proposed framework emphasizes sustainable financing, technological innovation, institutional capacity building, and international cooperation. Insurance market development priorities include expanding coverage from current levels of approximately 7.3% to 20% in the near term and 50-70% in the medium term for residential properties [11]. This expansion requires regulatory framework enhancement, consumer education programs, affordable product development, and quality service delivery improvement.

Technology integration enhances system effectiveness while reducing operational costs. Priority areas include electronic policy systems, automated claims processing, risk assessment and modeling capabilities, and integrated databases for coordination across agencies and service providers. International cooperation mechanisms leverage global expertise while adapting solutions to Ukrainian conditions. Key partnerships include reinsurance arrangements with international companies, technical assistance programs with EU institutions, knowledge

sharing with countries having similar experience, and participation in international safety and disaster management networks.

Sustainability mechanisms ensure long-term viability through diversified funding sources, efficient resource utilization, continuous capability development, and adaptation to changing risk environments. These approaches create resilient systems capable of maintaining effectiveness despite evolving challenges.

Conclusions. This research demonstrates that economic mechanisms, particularly insurance systems and additional financial support frameworks, represent essential components of effective state policy for public safety in contemporary Ukraine. The analysis reveals significant potential for enhancing safety outcomes through strategic implementation of market-based instruments integrated with traditional governmental approaches. The development of comprehensive insurance mechanisms adapted to Ukrainian conditions in 2025 requires balancing European integration objectives with specific security challenges [9]. The implementation of new insurance legislation demonstrates Ukraine's commitment to establishing modern, transparent insurance markets while addressing implementation challenges through gradual regulatory development [4]. This approach provides foundations for sustainable safety system enhancement.

War risk insurance mechanisms represent innovative responses to contemporary security challenges while creating frameworks applicable to broader safety objectives [10]. The proposed State Agency for War Risk Insurance illustrates how specialized institutions can address unique risk categories while maintaining integration with broader safety systems [7]. These developments provide models for addressing complex risk environments through dedicated institutional arrangements. Additional financial support mechanisms create opportunities for expanding safety system capabilities beyond traditional budget limitations. The research identifies significant potential for diversifying funding sources through public-private partnerships, specialized funds, and revenue-generating activities that support safety objectives while maintaining financial sustainability.

Strategic implementation requires comprehensive coordination across institutional levels, with clear frameworks for responsibility allocation, performance monitoring, and continuous improvement. The proposed approach emphasizes gradual development that builds capacity while demonstrating effectiveness, creating foundations for expanded

implementation over time. Future research priorities include detailed cost-benefit analysis of specific mechanism implementations, evaluation of international cooperation frameworks for risk sharing and capacity building, assessment of technology integration opportunities for system enhancement, and development of performance measurement systems for policy evaluation and adjustment.

The findings contribute to understanding how economic instruments can strengthen state safety policies through innovative approaches that address both traditional challenges and contemporary security requirements. Implementation of these recommendations can enhance Ukraine's safety system capabilities while supporting broader objectives for economic development and European integration.

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