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Nadiya Bakalo, National University "Yuri Kondratyuk Poltava Polytechnic"
PhD, Associate Professor, Associate Professor of the Department of International Economic Relations and Tourism

Iryna Krekoten, National University "Yuri Kondratyuk Poltava Polytechnic"
Deputy Director of the Educational and Research Institute of Finance, Associate Professor of Finance, Banking and Taxation

Viktoriia Makhovka, National University "Yuri Kondratyuk Poltava Polytechnic"
PhD (Economics), Associate Professor of the Department of International Economic Relations and Tourism

СТРАХУВАННЯ В ТУРИЗМІ INSURANCE IN TOURISM

Анотація. Стаття присвячена визначенню страхування в туризмі, яке забезпечить туристу вирішити всі проблеми й одержати кваліфіковану медичну, юридичну чи адміністративну допомогу. Визначено було, що таке страхування, туристична страховка, страхування в туризмі. Доведено, що страхування в туристичній галузі використовуються для страхування від ризику фінансових втрат, як великих, так і малих, які можуть виникнути внаслідок нанесення шкоди страхувальника або його майна, або від відповідальності за шкоду заподіяну третій стороні. Розкрили основні категорії туристичного страхування, а саме: страхування від скасування або перерви поїздки, страхування багажу та особистих речей, медичне страхування, страхування від нещасних випадків, страхування нещасних випадків при польоті. Зазначено також було основні розділи туристичного страхового полісу. Під час пандемії стало важче подорожувати, тому потрібно розуміти вимоги різних країн, а також убезпечити себе від ризиків через хворобу. Захистити туристів від захворювання при наявності туристичної путівки, допомагають додаткові страховки від невіїзду та додаткових фінансових ризиків (таке страхування покриває всіх осіб, вказаних у заявці, або кількох заявках, якщо мова про одну родину). Було зроблено висновок про те, що страхування подорожей забезпечує певну безпеку та впевненість в тому, щоб туристи могли спокійно подорожувати. Страхування розроблено для покриття фінансових ризиків.

Abstract. *The article is devoted to the definition of insurance in tourism, which will ensure that the tourist solves all problems and receives qualified medical, legal or administrative assistance. It was determined what insurance is, travel insurance, insurance in tourism. It has been proven that insurance in the tourism industry is used to insure against the risk of financial losses, both large and small, that may arise from damage to the insured or his property, or from liability for damage caused to a third party. The main categories of travel insurance have been revealed, namely: insurance against trip cancellation or interruption, insurance for luggage and personal belongings, medical insurance, accident insurance, in-flight accident insurance. The main sections of the travel insurance policy were also mentioned. During the pandemic, it has become more difficult to travel, so you need to understand the requirements of different countries, as well as protect yourself from risks due to the disease. Additional insurances against no-show and additional financial risks help protect tourists from illness if they have a travel permit. It was concluded that travel insurance provides some security and confidence for tourists to travel with peace of mind. Insurance is designed to cover financial risks.*

Key words: *tourism industry, insurance, travel insurance, insurance in tourism, financial risks, property, pandemic, travel voucher*

Ключові слова: *туристична галузь, страхування, туристична страховка, страхування в туризмі, фінансові ризики, майно, пандемія, туристична путівка*

Formulation of the problem.

At the current stage of the development of the tourist services market, together with the satisfaction of a wide range of travel and recreation needs, poses a certain danger to the life of tourists. This should be attributed to the fact that the situation in certain countries-centers of tourist visits can be extremely turbulent. Various force majeure events, including natural disasters, accidents, disease outbreaks, deficiencies in the production and economic activity of the entities of the tourist infrastructure can seriously disrupt the balanced activity of the tourist complex, and accordingly, negatively affect the quality of tourists' rest. Insurance itself, as the most

important element of the system of formation of life safety in the tourism industry, contributes to the minimization of the risks of tourism enterprises, as well as the safety of international tourist trips.

Analysis of recent research and publications. The scientific problems of the study of the domestic insurance market are under the attention of such scientists as: O. D. Vovchak [1], K. G. Vobly [2] believe that insurance is a type of economic activity based on solidarity, with the aim of covering their future needs in the protection of interests in the event of insurance events and replenishment of these funds in the process of effective placement of temporarily free funds on

the financial market, according to V. A. Konoplytskyi [3], this is an activity that consists in accepting the risks of many subjects of insurance relations and making insurance payments, S. S. Osadets [4] claims that insurance is a two-way economic relationship, which consists in the fact that the insured, paying a monetary contribution, provides himself (or a third party) in the event of an event stipulated by the contract or the law, the amount paid by the insurer, which retains a certain amount of responsibility and to ensure it replenishes and effectively places reserves, takes preventive measures aimed at changing risk management, and if necessary reinsures part of its liability. Despite a significant amount of research and achievements on this issue, the development of insurance in the tourism industry requires further theoretical study and the development of applied recommendations adequate to modern trends and realities.

Formulation of the goals of the article (statement of the task). To analyze the features and significance of the insurance process, its features in the tourism industry, to investigate its impact on the activities of tourism enterprises.

Presentation of the main research material. It should be noted that in 2020, the domestic tourism industry faced a global challenge in its development - a severe crisis caused by the rapid spread of a new type of coronavirus, COVID-19, across the

planet. Currently, the ongoing war in Ukraine is causing significant destruction, damaging property and infrastructure, and causing a crisis in the economy. It is natural for individuals and legal entities to seek to avoid losses caused by external circumstances, including war, in advance. Tourism travel is closely related to insurance, as insurance helps tourists and tourism business owners avoid financial risks.

Insurance is a contract represented by a policy under which an individual or legal entity receives financial protection or indemnification from an insurance company. The company pools clients' risks to make benefits more affordable for the policyholder.

The basic principle of insurance is that a business entity decides to spend small periodic amounts of money to avoid a large unexpected loss. Basically, all policyholders pool their risks together [5]. Any losses they incur will be paid out of the deductibles they pay.

Travel insurance is, first of all, real protection against unplanned expenses during your stay abroad. Insurance in tourism is a system of relations between an insurance company and a tourist to protect his life and health and property interests in the event of insured events.

Insurance policies in the travel industry are used to insure against the risk of financial loss, both large and

small, which may arise from damage to the insured or his property, or against liability for damage or injury caused to a third party.

There are many types of insurance policies used by travel companies and tourists. The most common forms of insurance are (Fig. 1.):

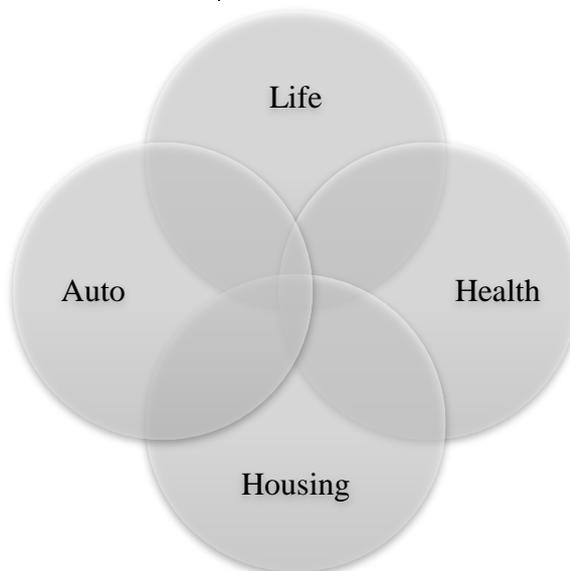


Fig. 1. The most common forms of insurance in the tourism industry [6]

In fig. 1. the most common forms of insurance in the tourism industry are given, but their list is much wider. Life insurance protects against the risk of death, especially insurance is relevant during active types of tourism.

Obtaining and maintaining adequate insurance coverage is an important part of the risk management process. Insurance transfers financial risks to a third party – an insurance company. Tour operators pay premiums, which are set by the insurer based on the risk covered. If the likelihood or uncertainty of claims is high, the premiums will be higher. There are a number of reasons why a travel company requires insurance: to

control the risk of the proposed activity; comply with legal requirements as required by industry partners, protect business and assets, and protect employees [7]. Insurance does not prevent accidents or make surgery safer. However, it does provide reasonable financial protection in the event of an accident.

The insurance that is right for a travel business will depend on many things, such as the nature of the business and whether or not there are employees. Insurance can be divided into three main categories: assets and income, liability and employees (Table 1).

Table 1

Categories of insurance in tourism [8]

Category	Value
Assets and income	<p>This category of insurance covers the risks of breakdown and damage to business assets such as vehicles, machinery, plant and equipment.</p> <p>It also includes risks to income, such as business interruptions due to illness of a key person or weather.</p>
Responsibility	<p>This category of insurance covers the risks of liabilities imposed by lawsuits and similar claims. It protects the insured in the event that he or she is sued for claims that are covered by the insurance policy. One of the most common forms of insurance in this category is public liability. Liability insurance in the amount of \$20,000 for tour operators and \$2,000 for travel agencies is standard in the tourism industry. The range of activities carried out by the enterprise must be specified in the insurance policy. In addition, if the travel company subcontracts any activity, it must ensure that the contractors have adequate liability insurance.</p>
Employees	<p>Workers' compensation insurance is mandatory for all employees. It's important to remember that sole proprietors and partners are not covered by workers' compensation insurance, but can get income protection insurance.</p>
Tourist insurance	<p>Travel insurance covers tourists against risks such as lost or stolen luggage, cancellation insurance (if tourists are unable to travel due to unexpected medical or personal reasons) and, most importantly, unexpected medical expenses abroad.</p>

A thorough and easy way to determine what type of insurance a particular business needs is to do a quick risk assessment. This will highlight potential problems and the type of insurance that covers them.

Travel insurance is a type of insurance that covers expenses and damages related to travel. This is useful protection for those traveling domestically or internationally.

The main categories of travel insurance include (Fig. 2):

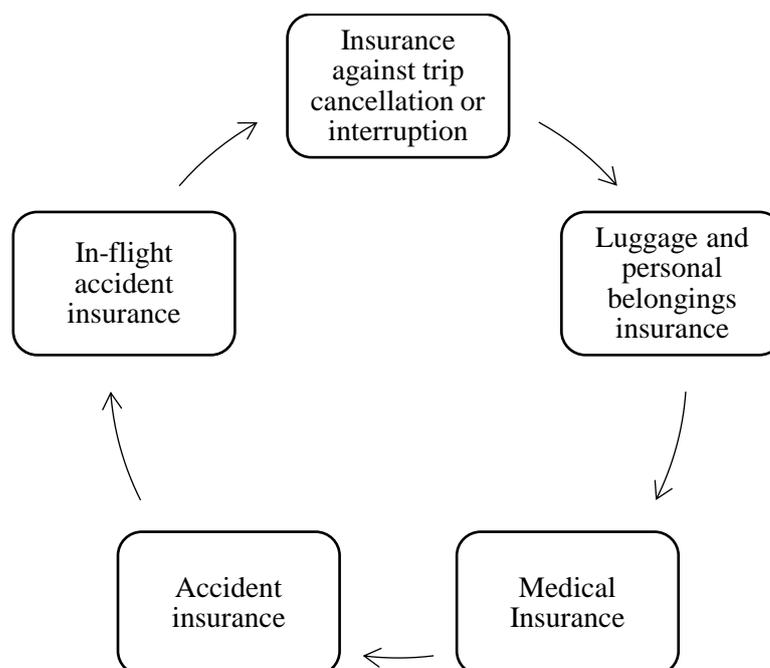


Fig. 2. Main categories of travel insurance [7]

Travel insurance, often sold as a package, can include several types of cover. The main categories of travel insurance include trip cancellation or interruption insurance, baggage and personal effects insurance, medical expenses coverage, and accidental death or plane crash insurance.

The turbulent path of the pandemic over the past two years has made the travel industry unpredictable. Trip cancellations and cancellations are now commonplace, while the need for medical care is now a real possibility [9]. Tourists have now accepted that when they book a holiday, there is a certain possibility that they may encounter these problems and have to file a claim.

As customers continue to seek peace of mind for their trips, market demand for travel insurance will continue to grow. However, the policy

must remain fair to consumers. Of course, travel insurance prices will rise or include additional premiums to help cover Covid-19 claims. As always, they need to be effectively communicated to consumers to ensure the prosperity of travel insurance [10]. Single trip insurance covers a round trip to one or more destinations.

Many companies that sell tickets or travel packages offer consumers the option of purchasing travel insurance, also known as traveler's insurance. Some travel policies cover damage to personal property, rental equipment such as rental cars, or even the cost of paying a ransom. Coverage often includes 24-hour emergency services such as replacement of lost passports, cash assistance and rebooking of canceled flights. In addition, some travel insurance policies may duplicate existing coverage from other providers

or provide protection for expenses that are reimbursed in other ways.

Trip cancellation insurance, sometimes called trip interruption insurance or trip delay insurance, reimburses the traveler for prepaid, non-refundable travel expenses. Providers differ in the acceptable reasons for cancellation and interruption and the amount of compensation [11]. The most common acceptable reasons are illness, death of close relatives, sudden business conflicts, and weather-related issues.

Baggage and personal effects insurance protects against lost, stolen, or damaged items while traveling. This may include coverage for travel to and from your destination. Most carriers, such as airlines, reimburse travelers if luggage is lost or destroyed through their fault. However, there may be limits on the amount of reimbursement. Thus, the protection of luggage and

personal belongings provides an additional level of protection.

The possibility of loss, theft or damage to luggage and personal belongings is a common problem when traveling. Many travel insurance policies only pay for items after all other available claims have been exhausted [12]. Homeowners or renters insurance may extend coverage outside of residence, and airlines and cruise lines are responsible for loss and damage to luggage in transit.

Before buying a policy, you should read the policy terms to see what exclusions, such as pre-existing medical conditions, apply and not assume that the new coverage fits your existing plan.

The two main types of travel medical insurance policies are short-term medical and basic medical coverage (Table 2).

Table 2

Types of travel medical insurance policies [13]

Type of medical policy	Characteristic
Short-term	Short-term policies can be for a term of one day to one year, depending on the policy chosen.
Basic	Basic health insurance is designed for travelers who plan to travel for longer periods of six months to one year or longer.

Health insurance can help pay for medical expenses, help you find doctors and medical facilities, and even help you get other services. As with other policies, coverage varies by price and provider. Some may include air

transportation to a medical facility, long stays in foreign hospitals, and medical evacuation to receive care. Emergency medical care may be unnecessary. Most insurance companies will pay "ordinary and

reasonable" hospital expenses if tourists become ill or injured while traveling, but few will pay for medical evacuation.

If an accident results in the death, disability or serious injury of a traveler or an accompanying family member, an accidental death and air crash policy pays benefits to the survivors. Accident insurance provides coverage for accidents and deaths that occur while flying on a licensed commercial airliner [2]. General exclusions apply, such as death by drug overdose, death by disease, etc.

Accidental death insurance may not be necessary if the tourist already has a life insurance policy. However, the benefits paid by travel insurance coverage can be in addition to those paid by an existing life insurance policy, leaving more money for the designated beneficiaries.

Travel insurance varies by provider in terms of cost, exclusions and coverage. A buyer should read all disclosure statements before purchasing insurance. Coverage is available for single, multiple and annual trips. Single trip cover protects one trip and is ideal for occasional travellers. Multiple trip coverage protects multiple trips that take place within a single year, but no single trip can exceed 30 days. Annual insurance is intended for frequent travelers.

Aviation accident insurance provides coverage for injuries sustained as a result of a plane crash.

Aviation accident insurance covers injuries sustained by pilots as well as travelers [14]. Although the probability of being injured while flying is low, the possibility of accidental death or injury is an insurable risk. Because the demand for aviation accident insurance is lower than for many other types of insurance, such as general liability insurance or life insurance, the number of insurance companies that offer this type of policy is relatively small.

Some insurance policies exclude injuries sustained while on board the aircraft, which ensures demand for coverage from travelers. For example, the aviation exclusion of a life insurance policy excludes injuries sustained while on board a small aircraft if it is deemed not to be part of a scheduled airline. The cost of travel insurance, like any other type of insurance, depends on the risk. Because older travelers are more at risk of health problems, the cost of travel insurance increases with age. However, this does not mean that travel insurance is not available to older travelers.

The following sections are usually indicated in the travel insurance policy [15]:

- actions of the insured person in the event of an insured event;
- contract term;
- list of insurance cases;
- exclusion from insured events and limitation of insurance in the case of medical expenses insurance;

exclusion from insured events and insurance limitations for accident insurance;

exclusion from insured events and limitation of insurance when insuring financial risks related to losses due to inability to travel;

a list of documents confirming the occurrence of an insured event and the amount of losses;

procedure and conditions for insurance payment;

the deadline for making a decision on making or refusing to make an insurance payment;

reasons for delay or refusal of insurance payment.

The travel insurance policy clearly states the conditions and actions that must be performed to receive financial compensation. Anything can happen to anyone at any time, even on a short-term international trip. If tourists are going on a short trip, travel insurance will be very low in cost and tourists should have even more reason to purchase it to protect themselves against unforeseen illnesses, injuries or accidents.

Planning a trip during a pandemic has become more difficult - you need to understand the requirements of different countries, as well as protect yourself from risks due to the disease. It will no longer be possible to simply put everything in a backpack and set off on your own without insurance and organized tours. On the other hand, if you prepare ahead

of time, nothing will harm your vacation. Standard health insurance covers treatment for the coronavirus and, if necessary, hospitalization. However, tourists often end up self-isolating in a hotel, which is not covered by basic insurance. It also happens that people cannot go on vacation at all because they were diagnosed with COVID-19 on the eve of their departure.

Additional insurances against no-show and additional financial risks help protect tourists from such situations. No-show insurance covers risks until the start of the tour (it can be a positive PCR test for coronavirus, other diseases that require admission to the hospital, or some other unexpected situations). In addition, it will protect if a tourist misses his plane due to a positive PCR test. Important: this insurance covers all persons specified in the application, or several applications if it is a family.

Issuing insurance companies often exclude coverage of current known events from new policies and may declare long-term exclusions for specific events, such as volcanic activity of an active volcano [15]. As travel insurance is a risk-based product, many policies will exclude events that may have far-reaching and poorly assessed risk, such as pandemics and endemics, acts of war and terrorism.

Domestic travel insurance is intended for customers traveling within the country. It provides cover in case of

disability and death, medical emergency, travel delay, personal liability and checked baggage lost or stolen [16]. Domestic travel insurance includes a guarantee that tourists do not have to spend anything on hospitalization and medical expenses to deal with unforeseen problems. Group travel insurance is a type of travel insurance policy that covers a group of people who are not related to each other as family and are traveling together to a distant country. This group of people may be members of an association who are going on an international trip to participate in any activity or business event or any other.

Conclusions. Therefore, booking travel always carries a certain

degree of uncertainty. Recently, traveling has become an important part of our lives. Whether for business, leisure or higher education abroad, large numbers of people travel regularly, even in times of pandemic and war. With this increase, the risks associated with travel have also increased. Travel insurance provides a safety net so that tourists can travel with confidence. Insurance is designed to cover large financial risks. Travelers may not need travel insurance for low-cost trips, but it can provide a sense of security when paying in advance for an expensive reservation, a major international trip, or traveling during an era of pandemics and military operations that can be unpredictable.

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