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THE EDUCATION AND MARKET PARADOX OF THE INSURANCE STAFF

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ABSTRACT

The relevance of the study is due to the development of the Russian insurance market, and, accordingly, changes in the insurance staff qualifying requirements. In modern Russian Federation three main complex factors determine this change: technological, organizational, juristic development of the insurance market, development of the educational system and new realness of the labour market. Since 2012 – 2015 the labour market innovations are concern with the professional standards, but especially in the insurance market their implementation is too hard compare another financial and industry sectors. The second factor is new forms of education results, content and structure development of educational system: for example, Master Program “Insurance Business” received the first certificate of professional public accreditation among all Russian educational organizations and programs (this is once more paradox, considering a low demand for the profession). Finally, of course, the insurance market, which defines the functional content and requirements for specialists. In this regard, the article is aimed at the confirmation of the objectivity changes in requirements for insurance staff, identification the opportunities, the development proposals of the insurance staff profession, the main changes in the requirements for specialists.

KEY WORDS: Russian insurance labor market, insurance education, professional qualification, insurance staff, professional standards

INTRODUCTION

There is a paradoxical situation at the Russian insurance market: the high demand for professional staff and the low prestige of the profession in society. This is partly due to social stereotypes of perception of insurance staff and attitudes towards them, which were formed in the Soviet Union. Obsessive, unattractive, narrowly educated type of agent was maintained and exploited in literature, cinema, fixing in the minds of people the unattractiveness (not unreasonable) of the profession. Over the years of development of insurance business in Russia in the format of market relations, much has changed in the insurance technologies, and in the content of insurance products, business processes, finances, respectively, and the requirements of the profession. In modern Russia, the insurer's profession can be obtained in the system of secondary vocational or higher education at the undergraduate and graduate levels. Some insurance competencies are included in educational programs third level - highly qualified personnel in graduate school.

The relevance of the work is related to the fact that the complication of the Russian insurance market: its qualitative, structural composition, technology, products, regulatory framework, business processes does not entail an increase in demand for front representatives of insurance organizations - staff, sellers of insurance services. Moreover, new technologies: digitalization, remote business processes of signing contracts and settling losses, increasing requirements for their operators, reduce at least the quantitative need for insurance staff. Another technological factor in reducing demand is the development and implementation of telematics innovations in the insurance industry.

The main interest's conflicts in the insurance staff preparation are:

- serious high level of the insurance education;
- high quality competitions of masters and specialists;
- high demand of insurance specialists;
- low supply and not strong competition among applicants.

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In this regard, the article is aimed at the confirmation of the objectivity changes in requirements for insurance staff, identification the opportunities, the development proposals of the insurance profession, the main changes in the requirements for specialists.

The leading method for investigating this problem is the principle of the system theory: feedback, the method of comparative analysis, the works of Russian scientists and leading practitioners of insurance theory, insurance market, educational system, system of financial competencies, their compliance with the insurance and labour market, employers requirements. [Eskindarov, M.A. (2012)], [Tsyganov, A.A. (2016,2018)], [Kirillova, N.V. (2016 - 2018)].

The article presents the results of a theoretical analysis of the problems of changes in the content of the harmonization educational process, insurance and labour markets, the main determining factors of this process, identify the main directions of development of the profession, as well as methodological support of occupations and requirements for sellers of insurance products in the insurance market.

CONTENT AND CHANGING REQUIREMENTS FOR THE PROFESSION OF INSURANCE

Partly a negative attitude towards the profession is manifested since the times of soviet insurance staff, who visited apartments in search of clients, and the insurers did not have a very positive image during the recovery of the insurance market in Russia throw the 90s, when insurance was used ac-

ording to the so-called grey schemes. Now the uncertainty of the requirements and their excessive variability led to a lack of a holistic perception of the insurer's profession in Russian society, and a decrease in the prestige of the profession. The problems of content and changing requirements for the profession of an insurance agent were studied from the point of educational and qualification programs, as well as from the view of the necessity for development, adapt and introduce professional standards. There were reviewed and worked out by universities, insurance participants in the educational process, scientific research and publications, at scientific conferences (Porfiryev, 2010; Gryzenkova, Kirillova, Tsyganov, 2016; Zlobin, 2014; Kirillova, Tsyganov, 2016, 2018; Kirillova, 2017; Tsyganov, Bryzgalov, 2016;).

The development of professional standards leads to the relevance of research and development for professional public accreditation of educational programs; should be harmonized with the development of educational standards and become the basis of professional and public accreditation of educational programs in terms of compliance of educational competencies with generalized work functions, knowledge and skills that are necessary for an employer from specialists of a particular level of qualification. They are worked out by universities, participants of insurance activities in educational process, scientific developments and publications, at scientific conferences (Eskindarov, Silvestrov, 2006; Poposki, 2009; Pukala, 2013, 2016; Lisowski, 2014; Tsyganov, 2014, 2018; Gryzenkova, 2014; Kirillova, 2016, 2017; Gryzenkova, Kirillova, Tsyganov, 2018). Innovative insurance technologies and the revealed paradox of inconsistencies in content, quality, and the need for insurance staff to the real demand for education and profession should not become an obstacle to the development of the industry, the front office of which is represented by sellers of insurance products.

PARADOX

In Russia, the overwhelming majority of the population has a necessity in the higher education. At the same time, the possibility of obtaining a profession outside the formal system of higher education reduces the value of obtaining a profile higher insurance education. The professional community has formed its own requirements for the competencies of employees in the insurance industry, which are summarized in the professional standards "Insurance Specialist" and "Insurance Broker", but these requirements are still recommendatory and have not received wide distribution. (Kirillova, Tsyganov,

2015; Gryzenkova, Kirillova, Tsyganov, 2018; Kirillova, 2016; Tsyganov, 2014; Eskinarov, 2012).

Nevertheless, the insurance profession is massive, even with a significant reduction in the number of insurers (from about 700 in 2009 to 246 in 2017), the number of employees and insurance staff tended to increase until 2015 inclusive, and most of the time fluctuated around 200 thousand employees in the insurance industry (table 1, figure 1).

Table 1 – The number of insurers, employees and insurance staff in Russia

Indicator	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Registered insurance organizations	693	600	514	431	402	395	360	297	246	199	178
Branches of insurance organizations	5213	4567	4332	5081	5180	4803	4863	3973	3886	3479	3829
Average amount of insurers employees, th. pers.	28.7	29.4	35.1	12.94	131.3	125.4	160.8	115.1	105.5	106.0	114.8
Average number of insurance staff - individuals, thousand pers.	196.5	177.3	163.7	27.24	181.0	168.7	223.2	151.5	140	118.9	153.4

Source: authors, based on the base of CB, Rosstat

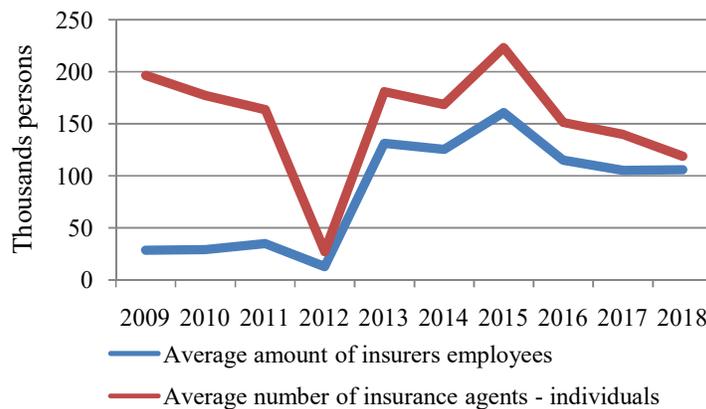


Figure 1 - Employees of the Russian insurance system

Source: on the base of Rosstat

In recent years, the impact of automation and digitalization on business processes has increased, which affects the number of employees in the industry. There are new types of insurance, work on which is much more difficult and requires greater professional knowledge than is available for insurance staff who have undergone traditional training, acquainting in details only with classic typical insurance products.

For 2009 - 2019 in the Russian insurance market the share of life insurance in total premiums has changed significantly. It is more correct to determine the share of life insurance from 2012, in order to ensure comparability of data (until 2012, in Russia, total insurance premiums took into account payments for compulsory health insurance, and then they were excluded from this statistical indicator), which for the period 2012-2019 increased from 6.5% to 25.8% (Table 2).

Table 2 –Insurance, including voluntary and life insurance in Russia

Indicator	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Insurance premiums, bln.rub. (since 2012 excluding OMI)	979	1036	1269	811	901	983	1033	1190	1284	1488	1480
Insurance share in GDP, %	1.2	1.2	1.2	1.2	1.4	1.4	1.2	1.2	1.2	1.4	1.4

Insurance premium per capita, th.rub.	5.7	6.3	6.7	7.0	8.1	8.7	5.7	6.3	6.7	8.4	10.1
Insurance premiums, voluntary insurance, billion rub.	420	451	545	654	734	805	785	930	1036	1228	1243
Life insurance premiums, bln. rub.	16.5	21.3	34.6	52.8	84.9	109.1	129.3	215.9	331.7	452.3	409.3
Life insurance share in total insurance premiums, %	isn't stat. database			6.5	9.4	11.1	12.5	18.1	25.8	36.8	32.9

At the same time, the main channel for the implementation of life insurance contracts in 2012–2019. Was and remains the banking sector, and in the early 2000s. Almost all realized life insurance contracts were concluded with the help of insurance staff. This also affected the decline in interest in the insurance agent profession.

Density and depth of insurance in Russia in 2009-2019 unchanged, given the small size of these indicators, indicating stagnation in the development of the insurance market, with the exception of the life insurance segment (Table 2). Constant financial indicators of the insurance market amid a reduction in the number of workers directly employed in the insurance industry serve to increase the intensity of labour and workload for each specialist; with insurers.

After analysing the literature and practices of the insurance business becomes evident the objective growth factors of the demand for insurance knowledge, professional qualifications of the insurance agencies. Currently, insurance specialists are needed in credit institutions, in industry, in transport, in all sectors where insurance programs are formed. It also forms the requirements for the curriculum, creating a basis for the emergence of interdisciplinary subjects, a significant number of elective subjects for the formation of an individual student's learning path, which makes it possible to feel

more confident in a predetermined branch of the economy after graduating from a technical college or university.

In all cases, an insurance specialist should know and understand the basic laws of economics, management and finance, especially risk management, be able to assess risks and make decisions about their insurance and reinsurance. He will also need knowledge of financial mathematics, the ability to create sufficient insurance reserves and place them in the most efficient way, organizational skills and knowledge of management, allowing to manage staff and sales. Knowledge of a foreign language is important for insurers, since the manifestations of globalization on the insurance market were seen much earlier than in many other industries, this is due to the conclusion of contracts with reinsurers that can be deployed in almost all countries of the world.

The involvement of modern business in insurance relationships creates the need to include the subject of "Insurance" in the curriculum of profiles and master's programs related to economics, finance and management, which is faced with the traditional difficulties associated with the lack of academic load for graduating departments and curriculum development, not oriented only on the needs of society and the economy, but more on the capabilities of a particular department. At different levels of vocational education, a set of professional competencies acquired during training will differ, but one feature will remain in all cases: quality teaching of the insurance business is always based on the principles of comprehensiveness, interdisciplinary approach and focus on real practice, and serious legal training. This is due to the peculiarities of the work, because the insurer should be able to work with different risks - from volcanic eruptions and floods until a liability of credit loan, with different insurers - from elderly owners of small garden plots to owners of billions of dollars.

A practice-oriented approach is characteristic of modern education and Russian insurance education is no exception, for high-quality training important regular meetings of students with teachers - practitioners, involvement of interested specialists in regular lectures and seminars, which are effectively implemented, for example, formation basic departments by leaders of enterprises in the university.

In the modern insurance companies graduates of different universities work, so in agricultural insurance specialists with agricultural education are needed, in maritime insurance - sailors and shipbuilders, insurance technical

risks - engineers, etc. These specialists work as experts or underwriters if they acquire additional professional competencies during their work. There is a precedent when the theatre director found himself as the head of the school of insurance staff of one of the largest Russian insurance companies, and at the initial stage of his career he taught novices skills to the actor and sales technology. Several popular actors worked as insurance specialists for VIP clients. These examples illustrate another feature of training in the insurance business: the demand for advanced training and professional retraining programs for employees of insurance companies who do not have specialized education.

The necessity to combine knowledge of economics and finance with the knowledge of the characteristics of the subject of insurance makes the actual network form of the implementation of educational programs, when the same strengths of several educational and scientific institutions can be used in one program. In the future, it is possible the emergence of programs that combine the efforts of a technical university with financial, economic or managerial, which will allow the formation of unique professional competences demanded by the labour market. This opportunity is provided for modern edition of the Russian education laws.

At present, a successful specialist working in insurance should be able and willing to learn, as new risks appear, we learn new things about already known phenomena and, accordingly, insurance technologies are improved. For example, the emergence of nanotechnology and GMO products may bring new risks and threats, the possibility of insuring which is now being discussed.

When training insurers at any level of education, training in information technologies is important, which help in financial calculations, contacts with consumers, and work in an information society, the basis of which has become these technologies. Modern insurance technologies are increasingly integrated into the information environment, use the Internet to enter into and maintain an insurance contract.

Modern practice of training insurance staff directly in insurance companies has significant drawbacks and limitations:

1. The short duration of the training course does not allow to give and consolidate knowledge of the majority of professional competencies that are acquired later in the course of work, which causes fair criticism of policyholders.

2. The focus on insurance products of a specific insurer significantly reduces the potential insurance agent's potential and may distort its knowledge when the lack of a proposal for an insurance product existing in Russia is not due to its lack of availability of this insurance company, but the fundamental impossibility of insuring this risk is declared risks in Russia.

3. The low level of vocational guidance, when the courses are accepted by almost everyone, but in the profession in the very first months of work on the newly acquired specialty, no more than 10% of those who completed the course remain, as well as the absence of an effective screening mechanism for potential scammers practiced by some insurers, does not always give an objective result, and its absence does not save from the presence of potential or real criminal intent from a candidate for insurance staff).

4. Lack of uniform generally accepted qualification requirements.

The presence of a system of selection and subsequent group training for some large insurers is accompanied by a further individualized approach to the agent after it is consolidated in the company, and by helping it in self-development, which creates a certain particular effect.

Taking into account the development of insurance and, especially, technologies for the implementation of insurance services, potential sellers of insurance products must have a significantly higher cultural level and knowledge to become successful. You need to know and be able to significantly more than is required from a successful insurance agent in the 1990s, today the agent competes not only with another agent, but with the bank or the insurance company itself on the internet.

The current practice of training insurance staff in insurance companies is not very effective. A good result is considered if every tenth in the insurance industry remains. At the same time, the knowledge of insurance is obtained rather fragmentary and aimed mostly at sales of insurance products, to which particular attention is paid to the characteristics of consumer qualities during training. Insurance staff often have difficulty with questions of policyholders and cannot give them a qualified answer or are misleading, often without highlighting the essential terms of an insurance contract.

The involvement of modern business in insurance relationships creates the need to include the subject of "Insurance" in the curriculum of profiles and master's programs related to economics, finance and management, which is faced with the traditional difficulties associated with the lack of academic load for graduating departments and curriculum development, not oriented only on the needs of society and the economy, but more on the capabilities of a particular department.

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A practice-oriented approach is characteristic of modern education and Russian insurance education is no exception, for high-quality training important regular meetings of students with teachers - practitioners, involvement of interested specialists in regular lectures and seminars, which are effectively implemented, for example, in the case of the formation the basic departments, leading enterprises in the university, the conclusion of contracts with reinsurers that can be deployed in almost all countries of the world.

RECOMMENDATIONS

Professional competence is the most important and necessary element of a career, but today's graduate, who intends to make a career in insurance, must have many qualities, including professionalism, curiosity, communication skills, willingness to learn, work in a team. Only in this case, we can talk about the need and sufficiency of knowledge acquired during training.

Taking into account the development of insurance and, especially, technologies for the implementation of insurance services, potential sellers of insurance products must have a significantly higher cultural level and knowledge to become successful. You should know and be able to do much more than what was required of a successful insurance agent in the 1990s; today, an agent competes not only with another agent, but also with the bank or the insurance company itself on the Internet.

The involvement of most financial institutions in world economic relations and the globalization of the high-tech medical services market actualize specialized language training for insurance specialists, which creates a demand for special business foreign (usually English) courses with an increased share of professional communication in insurance, finance, economics, successful life practices and health.

To successfully grow the business, an agent have to become a financial advisor and personal financial planner, who can advise the consumer, rather than just writing a policy. The growing requirements for the competence of insurance staff, the ever-growing requirements of legislation to protect the rights of consumers of financial services, the emergence of new insurance products and services, and the public's perception of higher education as compulsory make preparation for insurance.

Growing requirements against the background of reducing the number of classic insurance staff and preserving the scope of activities should give an interest to the profession of a financial consultant, form its positive image in Russian society.

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