

# DIRECTIONS FOR DEVELOPMENT OF THE INSURANCE SECTOR IN THE REPUBLIC OF MOLDOVA

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*The present study aims to analyze the insurance market situation globally and in the Republic of Moldova, with a focus on the trends in the country's insurance sector. The methodology employed involves a detailed investigation of national legislation and the application of international regulatory practices in the insurance field, accompanied by an analysis of the effects reflected in the core indicators of the sector. The empirical analysis is based on data derived from reports and statistics pertaining to the domestic insurance market. The obtained results reveal that the lack of appropriate culture and behavior among customers in the insurance domain represents a major hindrance for the population of the Republic of Moldova in accessing insurance service. This situation is primarily due to the inadequate promotion of insurance products, limited awareness regarding their utility and importance, and a low financial literacy. Additionally, constraints in the domestic insurance market encompass several aspects, such as the absence of efficient financial instruments for placing insurance reserves, underdeveloped market and the lack of a developed capital market, frequent changes in the legal and regulatory framework, low capitalization levels of insurance companies, restrictions on competition in certain sectors, and imperfect legal and organizational support for state insurance supervision. Based on these findings, it is recommended to implement a set of measures to stimulate the development of the insurance sector in the Republic of Moldova. These measures include the implementation of an incentives system that would encourage voluntary and life insurance uptake, promoting life insurance packages that offer savings options as an alternative to pension funds, revising the current model of medical insurance to strengthen the function of healthcare services quality control, developing online sales services as the primary means of marketing, ensuring the reliability and sustainability of the insurance system, improving the corporate governance of insurance companies through increased transparency, and enhancing the regulatory framework to enable the digital development of the insurance sector. The stability and resilience of the insurance sector are essential for the economy, and the implementation of the mentioned measures will contribute to the sustainability of businesses and the well-being of the population, as well as the overall development of the insurance sector.*

**Keywords:** Insurance, Insurance Companies, Financial Literacy, Economic Development

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