

## DIGITALIZATION AS AN EFFECTIVE INSTRUMENT FOR THE DEVELOPMENT OF MOTOR VEHICLE RISK INSURANCE

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**Abstract.** *The article examines the importance of digitalization as a strategic priority for the development of motor insurance in Ukraine. The focus is placed on the transformation of insurance companies into digital organizations oriented toward customers and innovative solutions. Modern digitalization tools are analyzed, including electronic policies, mobile applications, online services, automated systems based on AI and Big Data, telematics devices, cloud technologies, and integration with the state application Diia. The advantages of digital transformation are identified, in particular improved convenience and accessibility of insurance services, reduced processing time, transparency of procedures, and decreased risk of fraud. Special attention is paid to the key challenges of digitalization: the need to ensure cybersecurity, financial costs of innovation, problems of digital literacy among the population, and regulatory constraints. It is concluded that the effective integration of digital technologies into motor insurance will increase insurers' competitiveness, contribute to the formation of a customer-oriented service model, and accelerate the modernization of the national financial sector.*

**Key words:** *digitalization, motor insurance, electronic policy, mobile applications, online services, digital transformation, Big Data, artificial intelligence, telematics devices, cloud technologies, cybersecurity.*

The article examines digitalization as a strategic driver of motor insurance development in Ukraine, emphasizing the transformation of insurance companies into customer-oriented digital organizations. It analyzes contemporary digital tools, including electronic policies, mobile applications, online services, AI- and Big Data-based automated systems, telematics devices, cloud platforms, and integration with the state application Diia. The study highlights the benefits of digital transformation, such as improved accessibility and convenience of insurance services, reduced processing time, enhanced transparency, and lower fraud risk. Digitalization also allows insurers to optimize operational processes, develop data-driven products, and improve risk assessment through advanced analytics. At the same time, the article addresses significant challenges, including cybersecurity requirements, financial costs for implementing innovations, limited digital literacy among the population, and regulatory constraints. The research underscores the necessity of

creating fully digital, innovative insurance organizations capable of providing differentiated services and integrating into digital ecosystems. Effective implementation of these technologies is expected to enhance the competitiveness of insurance companies, foster client-centered service models, and accelerate the modernization of the national financial sector. The article concludes that leveraging digital solutions strategically in motor insurance is essential for the sustainable growth of the Ukrainian insurance market and the improvement of customer experience.

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