

REVIEW

by Prof. Dr. Silvia Trifonova Trifonova-Pramatarova,

University of National and World Economy (UNWE), Sofia

of dissertation for awarding the educational and scientific degree “**doctor**” in the Area of higher education 3. Social, economic and legal sciences,

Professional field 3.8. Economics,

Doctoral Program “Finance, Insurance and Assurance”, Higher School of Insurance and Finance (VUZF University), Sofia

Author: doctoral student Stefan Petrov Stefanov

Topic: “Prerequisites for the successful development of bancassurance in Bulgaria and its transformation into a leading channel for the distribution of insurance products”

1. General description of the submitted materials

By Order № 523/18.10.2023 of the Rector of the Higher School of Insurance and Finance (VUZF), Prof. Doctor of Law Boris Velchev, I have been appointed as a member of the scientific jury to ensure the procedure for the defence of a dissertation on “Prerequisites for the successful development of bancassurance in Bulgaria and its transformation into a leading channel for the distribution of insurance products” for the acquisition of educational and scientific degree “doctor” in the area of higher education 3. Social, economic and legal sciences, professional field 3.8. Economics, doctoral program “Finance, Insurance and Assurance”.

The materials submitted by the VUZF University include all necessary documents for the procedure, namely: CV in English, dissertation, abstract in Bulgarian and in English, summaries of scientific publications, copies of scientific publications, reference for the fulfilment of the national minimum requirements for obtaining a doctoral degree in a professional field 3.8. Economics, order for a scientific jury. However, the doctoral student needs greater precision in the preparation and presentation of the above-mentioned materials.

2. Brief biographical information of the doctoral student

Stefan Stefanov graduated with a bachelor’s degree at the University of National and World Economy (UNWE), specialty “Insurance and Social Activities” in 1994 and a master’s degree in the same specialty at the UNWE in 2011. In 2015, he completed online training at the University of Pennsylvania in the specialty “Gamification”.

Stefan Stefanov has extensive practical experience in the field of insurance. In the period 2001-2001, he worked as a sales and marketing director of Savings and Cooperative Pension Insurance Company “Rodina”, Sofia, in 2002-2003 – project team leader at AIG Life (Bulgaria), Sofia, in 2003 - 2006 – Head of the “Alternative Distribution Channels” Department at HVB Bank Biochim, Sofia, in 2006-2009 – CEO and SMO of KD Life Insurance Company, Sofia, in 2010-2013 – Director of the Business Operations Center of an Insurance Company UNIQA, Sofia, in 2013-2017 – advisor to the Board of Directors of the European Health Insurance Fund, Sofia, from 2013 to now – business and management consultant, etc.

3. Relevance of the topic and appropriateness of the set goals and tasks

The modern development of bancassurance in Bulgaria is a topic of indisputable relevance, as the doctoral student has focused specifically on researching the prerequisites and factors for its transformation into a leading channel for the distribution of insurance products. This topic arouses increasing interest among the scientific and professional field, as evidence of this is that in May 2023 the first analytical report of its kind in Bulgaria was published on the topic “Insurance in Bulgaria – economic footprint and development challenges”, prepared by the Institute for Market Economy for the Association of Bulgarian Insurers. This report outlined areas for expanding insurance coverage. In connection with this, I believe that the doctoral student has correctly focused on researching the areas in the sphere of bancassurance in Bulgaria, in which there is an unrealized capacity for development, which would lead to the improvement of public welfare.

4. Knowledge of the problem

The doctoral student is well acquainted with the issues of the dissertation research, which is evident from the clearly formulated object and subject of the research, research thesis and working hypotheses, and goal and tasks of the research.

The object of research is the distribution channel of insurance products implemented through commercial banks, i.e. bancassurance.

The subject of research are the prerequisites for the successful development of bancassurance and the possibility of its transformation into the main channel for the distribution of insurance products and its effective application in the Bulgarian reality at the present time.

The research thesis of the dissertation is defined as follows: “It is possible to find the necessary prerequisites for the development of bancassurance in Bulgaria, in the presence of which the offer of insurance products and services by commercial banks can lead to their transformation into a main distribution channel on the Bulgarian insurance market, both in the field of life insurance and in the field of pension and health insurance”.

Four working hypotheses are also defined which are as follows:

1. Commercial banks can become the main/leading channel for the distribution of insurance products in Bulgaria, according to senior managers and managers directly responsible for bancassurance in Bulgarian insurance companies;

2. Insurance companies purposefully work in this direction, as commercial banks can be significantly more loyal and long-term partners of insurers compared to established agency networks or insurance brokers;

3. The preferences of potential customers of commercial banks and insurance companies in Bulgaria will increase in the direction of the bancassurance channel, due to its advantages, and these preferences will help to establish commercial banks as a leading distributor of insurance products in our country;

4. Commercial banks are the main channel for the distribution of insurance products, and in their capacity as insurance intermediaries are responsible for the conclusion of the largest number of insurance policies compared to other insurance intermediaries and the direct sales of insurance companies in a large part of the EU member states.

The aim of the dissertation is to study the creation and development of bancassurance and the possibility of mutually beneficial cooperation between insurance companies and commercial banks, both internationally and on the Bulgarian market, respectively the advantages, disadvantages and risks for commercial banks, insurance companies and users of this type of service. In order to achieve the set goal, 9 research tasks are set in the dissertation.

5. Research methodology

Formal-logical methods, methods of empirical research and theoretical knowledge, as well as special scientific methods were used to develop the dissertation. Among the formal-logical methodological tools, the following are used: historical-logical approach, systematic approach, review of literary sources and normative acts on the research problems, comparative analysis, descriptive method, method of analysis and synthesis, method of induction and deduction, etc. .

From the group of empirical research methods, the following are used in the dissertation: analysis of statistical data, in-depth interview method with managers in insurance companies, survey method through a questionnaire prepared by the author, distributed among natural persons – clients of commercial banks in Bulgaria, statistical and econometric methods, etc. The statistical processing of the primary information was carried out with the software products MS Office Excel 2019, SPSS, Q-research software and Google Forms.

6. Characteristics and evaluation of the dissertation

Stefan Stefanov's dissertation has a total volume of 228 pages. It is structured in an introduction, an exposition in three chapters, a conclusion and a bibliography.

This is the first time I've ever seen a dissertation that has an introduction and another introduction at the same time! They are synonyms in Bulgarian and a PhD student should know this!

Moreover, in the content of the dissertation it is indicated that there are appendices after the bibliography, but in reality there are none!

8 figures and 82 tables are presented. The list of information sources includes a total of 118 sources, including 62 in Bulgarian and 56 in foreign languages.

The first chapter of the dissertation "Theoretical Foundations of Bancassurance" explores the nature of bancassurance. A literary review of the specialized scientific literature on the subject was made in order to derive the necessary prerequisites leading to the establishment of a possibility for the transformation of banks into the main distribution channel of the insurance sector. A theoretical and practical analysis of the insurance market, insurance products and services, insurance intermediaries on the market and their characteristics has also been made. The main models and forms of insurance mediation and their influence on the development of bancassurance as theory and practice in Bulgaria are analyzed.

The second chapter of the dissertation "Prerequisites for the development of bancassurance in Bulgaria" examines bancassurance as a distribution channel and identifies the possibilities for the distribution of insurance products through commercial banks. The opportunities offered by bancassurance to insurance companies as partners to insurance brokers and insurance agents are examined. The types of banking products and services suitable for the integration of activities between commercial banks and insurance companies, as well as the possibilities of joint offering and distribution of insurance products and services through banks, have been investigated. The reasons and factors leading to the successful implementation of bancassurance opportunities and cooperation between commercial banks and insurance companies, as well as the benefits, risks and effects of this mediation, are presented.

In the third chapter of the dissertation "Qualitative and empirical studies on the potential for the development of bancassurance in Bulgaria" an empirical analysis and assessment of the possibilities for the successful development of bancassurance and its transformation into the main sales channel of the Bulgarian insurance market is carried out. The doctoral student conducted his own survey of senior management and managers directly responsible for bancassurance of the leading insurance companies in Bulgaria and users of banking and insurance products and services in the country in order to track, analyzed and made conclusions and recommendations about the behaviour of users of banking and insurance products. Emphasis is placed on insurance products that are offered on the basis of joint activity, integration and cooperation between commercial banks and insurance companies in Bulgaria. The necessary prerequisites for the transformation of

bancassurance into the main distribution channel of the Bulgarian insurance market, as well as the main benefits of such an undertaking, and the most suitable model and set of insurance products for its realization are indicated.

7. Scientific contributions and significance of research results for science and practice

The contributions of the doctoral student's dissertation are indicated in the submitted abstract on pp. 48-49. But they are also presented in the introduction of the dissertation work on pp. 21-22, which is neither correct nor usual practice for such works.

The doctoral student presented a total of 7 scientific contributions, but some of them are more of the nature of the results of the conducted research.

I can summarize the scientific and scientific-applied contributions of Stefan Stefanov's dissertation as follows:

1. A complete description of the insurance market, intermediaries, products and services, and the main models and forms of insurance intermediation and their influence on the development of bancassurance has been made.
2. A systematization of the necessary basic prerequisites has been made, leading to the establishment of the possibility of turning the banks into a distribution channel of the insurance sector.
3. The types of banking products and services suitable for the integration of activities between commercial banks and insurance companies have been identified, as well as the possibilities for joint offering and distribution of insurance products and services through banks.
4. A statistical analysis of the application of the concept of actively offering insurance products through the bancassurance channel was made based on a survey conducted among bank-active users – individuals.
5. Useful recommendations have been formulated for the managers of commercial banks and insurance companies, and for the responsible regulatory authorities in Bulgaria.

8. Evaluation of the publications on the dissertation

The doctoral student has presented 4 scientific publications on the topic of the dissertation, one of which is in print. From p. 49 of the author's reference, where the publications are indicated, it is not clear whether they represent independent scientific publications or are co-authored. This is clear from the presented copies of the publications and from the doctoral student's reference for the fulfilment of the minimum national requirements for acquiring the educational and scientific degree "doctor" in professional field 3.8. Economics. All publications are independent and are in the form of reports only.

Publications on the topic of Stefan Stefanov's dissertation include 4 reports, including:

1. Report on the topic “Challenges to insurance in Bulgaria 2021-2023”, Conference Proceedings, National student and doctoral conference on the topic “Economic challenges to Bulgaria (2021-2023) – sustainability and risks”, VUZF, 04/03/2021, ISBN 978-619-7622-05-8, pp. 376-386.
2. Report on the topic “Strategies for increasing the share of Bulgarian insurance in the country’s economy”, Conference Proceedings, Round Table “Strategic Management and Regulation of Business Processes in the State”, VUZF, 31.03.2022, “Saint Gregory the Theologian” Publishing House, Sofia, 2022, ISBN 978-619-7622-42-3, pp. 114-124.
3. Report on the topic “Digitalization, automation and robotization in the insurance and financial sphere in Bulgaria”, Conference Proceedings, Second national student and doctoral conference on the topic “Code digital: economy, education and social relations”, VUZF, 15.04.2022, “Saint Gregory the Theologian” Publishing House, Sofia, 2022, ISBN 978-619-7622-30-0, pp. 164-175.
4. Report on the topic “Results of a survey conducted to determine the prerequisites for the successful development of bancassurance and the possibility of its transformation into the main channel for the distribution of insurance products in Bulgaria”, Conference Proceedings, Third National Student and Doctoral Conference “The Joining of Bulgaria in the Eurozone – challenges and opportunities”, VUZF, 04/07/2023, “Saint Gregory the Theologian” Publishing House, Sofia, 2023 (submitted for printing).

9. Assessment of compliance with national minimum requirements

The reference of the doctoral student on the fulfilment of the minimum national requirements for acquiring educational and scientific degree “doctor” in professional field 3.8. Economics shows that shows that the PhD candidate has a total of 90 points.

10. Personal participation of the candidate

I believe that the dissertation is the work of the doctoral student himself.

11. Abstract

The abstract corresponds to the content of the dissertation.

12. Critical remarks and recommendations

I have the following critical comments and recommendations:

1. The research thesis of the dissertation is formulated evasively. Is it possible to find or have the necessary prerequisites for the development of bancassurance in Bulgaria been found? A definite answer must be given to this question.

The thesis needs reformulation. A thesis is something that is proven with the dissertation research, not something that is predicted or expected. For this purpose, working hypotheses, such as are available, are formulated in the dissertation.

I quote, the thesis is: “It is possible to find the necessary prerequisites for the development of bancassurance in Bulgaria, in the presence of which the offer of insurance products and services by commercial banks can lead to their transformation into the main distribution channel of the Bulgarian insurance market, both in the field of life insurance and in the field of pension and health insurance.”

2. The contributions of the dissertation are also formulated too conditionally and most of them are of the nature of the results of the research done.

In addition, the following cannot be defined as a contribution: “The dissertation can serve as a basis for subsequent studies in the field of bancassurance, in the field of financial intermediation and the integration between commercial banks and insurance companies”.

3. Contributions are listed in the introduction of the dissertation, which is neither correct nor common practice for such works. It’s the first time I’ve seen contributions listed as a requisite in the introduction of a dissertation. Moreover, only after they have been stated, the First Chapter of the dissertation follows, and the reader is not at all clear how and whether the goals and tasks of the work were achieved, and whether the hypotheses were confirmed or rejected, let alone understand what the contributions of dissertation.
4. This is the first time I’ve seen a dissertation that has an introduction and another one at the same time! They are synonyms in Bulgarian and a PhD student should know this!
5. Although the content of the dissertation states that there are appendices after the bibliography, in reality there are none. More precision is needed in the preparation and presentation of the dissertation.
6. In the materials of the procedure, an official note about the publication under seal is not presented.
7. The list of publications on the topic of the doctoral student's dissertation and p. 49 of the author’s abstract do not indicate whether the doctoral student’s publications are individual or co-authored. Both references need to be refined.

Only from the reference of fulfilment of the national minimum requirements for obtaining a doctoral degree in a professional field 3.8. Economics, and from the submitted copies of the publications, it is clear that the publications on the topic of the PhD student’s dissertation are individual. It would be good if the information that the doctoral student presented in all materials for the competition were uniform.

8. All publications on the topic of the doctoral student’s dissertation are individual; therefore I recommend that the doctoral student focus on activating joint publication activity.
9. All publications of the doctoral student are only in the form of reports to conferences, therefore I recommend the doctoral student to start publishing articles and other forms of publications,

and to participate in other scientific conferences, not only those organized by the VUZF University.

10. The bibliography of the dissertation is not presented correctly. The style of all cited sources is different. This speaks to the PhD student's unfinished business. Apparently the sources cited were copied from various other sources and the PhD student didn't even bother to format them.
11. The entire dissertation and the doctoral student's abstract need editing by a specialist – spelling, punctuation, vocabulary. There are many errors of this nature. Complete and incomplete articles are not known at all by the PhD student.
12. Tables and figures need formatting. There are some that are huge, for example Figure 1 on page 106, Figure 2 on page 107, Table 75 on page 207. It would be good if they were all about the same size.

13. Personal impressions

I do not know the doctoral student and I have no personal impressions of him. My review is based solely on the materials presented.

CONCLUSION

The dissertation on the topic “Prerequisites for the successful development of bancassurance in Bulgaria and its transformation into a leading channel for the distribution of insurance products”, authored by Stefan Petrov Stefanov, is a thorough study of this issue, which has scientific value for theory and practice. The presented materials are in accordance with the requirements of the Law on the Development of the Academic Staff in the Republic of Bulgaria (ZRASRB), the Regulations for the Implementation of the ZRASRB and the Regulations for the Admission and Training of Doctoral Students at the VUZF.

Based on this, I give a *positive assessment* of the conducted research, presented by the above-reviewed dissertation, abstract, achieved results and contributions, and I propose to the respected members of the scientific jury *to award* Stefan Petrov Stefanov the educational and scientific degree “doctor” in the area of higher education 3. Social, economic and legal sciences, professional field 3.8. Economics, doctoral program “Finance, Insurance and Assurance”, VUZF University, Sofia.

13.11.2023

Sofia

Reviewer:

(Prof. Dr. Silvia Trifonova-Pramatarova)