

THE NEED FOR INSURANCE DURING MATERNITY IN BULGARIA

Nikolay Ninov¹ and Valentina Ninova²

¹Assoc. Prof., PhD

D.A. Tsenov Academy of Economics – Svishtov, Bulgaria, n.ninov@uni-svishtov.bg

²Assist. Prof., PhD

D. A. Tsenov Academy of Economics – Svishtov, Bulgaria, v.ninova@uni-svishtov.bg

Abstract

The negative demographic trend over the last more than two decades in the Republic of Bulgaria raises the question of the reasons for the falling birth rate in the country. Some of these reasons led to the negative natural growth are purely negative. Some couples give up the opportunity for second and following children due to the fact that, growing them is related to newly created additional, often significant family budget expenses. An alternative to overcome the situation concerning the demographic decline in the country is the use of economic incentives to young families for child's birth and childcare. Payments to which parents are entitled under the social security system (in case they are insured persons) and the social assistance system (in case they are uninsured persons) unfortunately are of small size that does not allow full satisfaction of newly emerging needs. In the process of clarifying this type of payment, it is logical to conclude that it is necessary to develop the potential of additional activities such as insurance. In this connection, maternity insurance is characterised and its advantages are presented. The idea is that, thanks to its introduction by insurance companies in Bulgaria, the socio-economic condition of the families could be improved and hence to achieve partial solution of the demographic problems in the country.

Keywords: insurance, insurance product, maternity.

1. INTRODUCTION

Maternity has many specific features that differentiate it from the traditionally perceived understanding of the essence and nature of the known insurance risks. The most important feature of the maternity is that it is a natural state, only inherent to the woman, in connection with the realisation of her reproductive function. It is a natural physiological process and it is not associated with the occurrence of a disease (unless it is followed by complications and pathological changes in the woman's body) but with the newly developed state of incapacity. The latter, considered as a condition, does not occur as soon as the pregnancy is established, but in the advanced stage of pregnancy, shortly before and for a certain period after the birth itself. In this regard, it is quite possible to predict the time of the occurrence of incapacity for work, because the approximate moment of birth could be established. Taking the immediate care of the child from the moment of his/her birth to strengthen his/her general condition, implies the inability to work and respectively to leave the workplace for a certain period after birth. This, on the other hand, also links maternity with a period in which, although there is a state of incapacity, adverse consequences of economic nature are taken into account.

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In this regard, the subject of this research is maternity, seen as an extremely significant moment for each couple, which at the same time results in an increase in expenses while reducing the parent's income. The object of the study is to clarify the benefits of maternity insurance as an alternative to financially compensate the lower income which the parent receives in the form of social insurance payment (in case the parent is insured) and in the form of social assistance (in case the parent is uninsured) until the child reaches a certain age.

The topicality of the theme is determined by combinations of the issues related to: the ongoing negative demographic processes in Bulgaria; the relationship – performing a reproductive function – raising a child (up to two years of age) in the context of the increased expenses for this purpose; low rates of social security payments and social benefits for parents.

Maternity social insurance includes the provision of natural payments (in the form of medical care) and cash payments (lump sum/element of family payments for children/cash benefits and payments for nursing a child). There is an analogy between the provision of medical care and sickness benefits from the social insurance:

Medical supervision and care by a medical specialist during the period before, during and after birth, as well as hospitalization is required if necessary;

The duration of the provision of medical care is linked to the duration of the provision of benefits (normally six weeks before and after birth);

The provision of medical care is linked to the status of the woman as an insured person under any requirement to have experience of certain duration.

Maternity benefit is the most significant and meaningful payment provided by maternity social insurance. Its purpose is to compensate the adverse economic consequences caused by the absence of the mother from her workplace both because of the incapacity immediately before and after the birth, and because of the need to raise the child at his/her earliest age and to cover new costs incurred in this regard. The right to receive compensation is linked to the status of the woman being insured, and the requirement for experience with a specific duration is nearly always obligatory in order to prevent abuse of social security funds due to the possibility to predict the occurrence of insurance case.

Maternity benefits compensating for loss of earnings as a result of the occurrence of incapacity for work are generally defined as dependent and are usually presented as pregnancy and childbirth benefits. They are defined by analogy of cash benefits in disease risk and substitution rates are among the highest in Social Security. Cash benefits compensating lost income due to inability to exercise employment because of child raising (represented as childcare benefits used after the right to use cash benefits in pregnancy and childbirth) are defined as independent payments, the amount of which is the same for all beneficiaries.

In Bulgaria, the order for granting and paying the maternity cash benefits is regulated in Chapter Four "Benefits", Section II "Maternity Benefits" and Section IV "Granting and Calculation of the Cash Benefits and Aids" of the Social Insurance Code (1) (SIC) and in the Ordinance on Benefits and Allowances from the State Social Security Fund (2) (OBASSSF). When the maternity risk occurs, the State Social Insurance in Bulgaria provides the following benefits:

- Cash benefit in case of pregnancy and childbirth for a period of 410 calendar days;
- Cash benefit amounting to 50 per cent of the benefit in case of pregnancy and childbirth for a period of 410 calendar days when the leave for pregnancy and childbirth is not used;
- Cash benefit for childbirth and adoption of a child up to 5 years of age for up to 15 calendar days;
- Cash benefit for childbirth, after the child reaches the age of 6 months, for the remainder of the 410 calendar days;
- Cash benefit for raising a child up to the age of 2 years of the child;
- Cash benefit amounting to 50 per cent of the benefit for raising a child by the time the child reaches the age of 2 when the leave for a child's raising is not used;
- Cash benefit in case of childbirth in the event of serious illness of the mother/adoptive mother or at the death of the mother/adoptive mother and/or the father/adoptive father of the child;

- Cash benefit for 2 to 5-year old child adoption who are paid to the adoptive mother/adoptive father who herself or himself adopted a child, for a period of 365 calendar days from the date of the adoption of the child but not later than the age of 5;
- Cash benefit for 2 to 5-year old child adoption after the expiry of six months from the date of the child adoption for the remaining of 365 days but not later than the age of 5, which are paid to the insured adoptive father when he is married to the adoptive mother.

Persons who are eligible for cash benefits in case of pregnancy and childbirth, for raising a child and adopting a child from 2 to 5 years of age are those who are insured for general disease and maternity with contributions to the General Disease and Maternity Fund of the State Social Insurance (SSI).

To acquire the right for benefits in case of pregnancy and childbirth, the following conditions must be met:

- At the beginning of the leave persons need to have been insured for general illness and maternity;
- To have been insured for general illness and maternity for at least 12 months at the beginning of their period of leave. These 12 months may have been continuous or non-continuous and the persons do not need to have been employed by one and the same employer;
- The type of leave concerned is allowed.

According to the current texts of the Social Insurance Code, cash benefits for pregnancy and childbirth are calculated per day and they amount to 90% of the average gross daily salary or the average daily insurable income on which contributions have been paid or are due, and for self-insured persons – the contributions for general illness and maternity are considered, over the last 24 months before the beginning of the leave for pregnancy and childbirth. Daily cash benefits cannot exceed the person's average net daily remuneration for the period on which the compensation is calculated and it cannot be less than the minimum monthly salary established for the country and is determined by the order of Art.41, paragraphs 2 - 5 of the Social Insurance Code.

Upon acquisition of the right to cash benefit in case of pregnancy and childbirth for the second and following child during the period of payment of a cash benefit for pregnancy and childbirth or for raising a child, the benefit is determined in the amount for the previous child if this is more favorable to the insured person. When the person is insured on more than one basis, the total amount of daily cash benefit cannot be less than the minimum daily salary established for the country.

In order to get a clearer idea whether the duration of maternity and the amount of benefits during this period deviate significantly from the practice of other countries around the world, and especially EU Member States, we will present and analyze data on:

The duration of maternity leave (in weeks);

The amount of the benefit during maternity leave (as a percentage of the income earned before the birth)

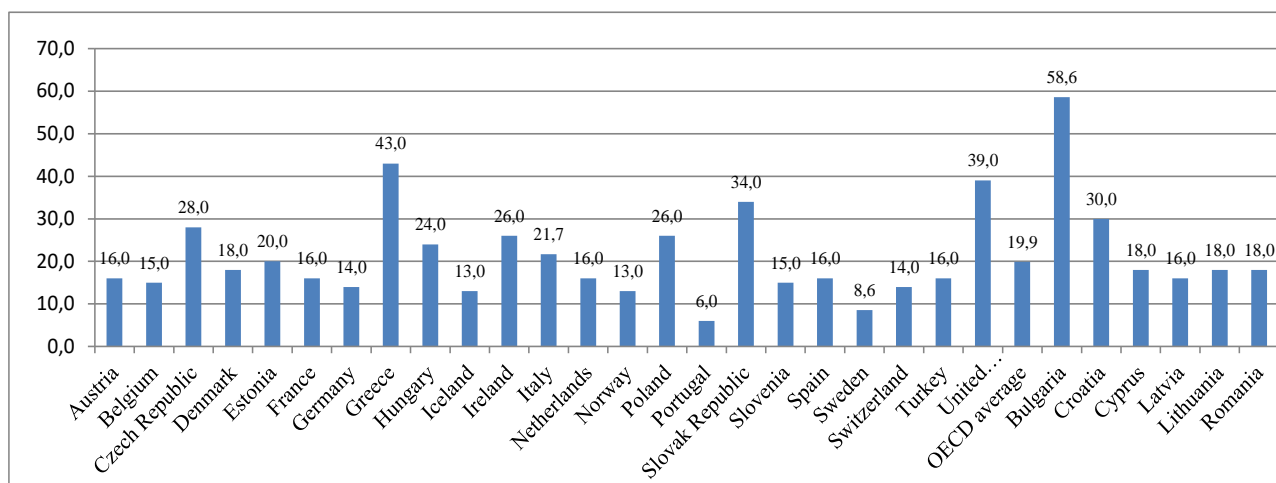


Fig. 1. Duration of maternity leave (in weeks)

The analysis of data published in a study (3) by the Organization for Economic Cooperation and Development (OECD) reported that Bulgaria ranks first among all countries surveyed on the length of paid

leave for pregnancy and childbirth (see Fig. 1). With a duration of 410 calendar days, which turned into weeks of approximately 58.6 weeks, the Republic of Bulgaria takes the absolute top position. The number of weeks in Bulgaria compared to the average for the OECD countries – 17.7 weeks, is more than three times higher. The second country according to the duration of leave for pregnancy and childbirth is Greece (43 weeks), followed by the United Kingdom (39 weeks). At the same time, the shortest duration of maternity leave has Sweden (8 weeks) and Portugal (6 weeks).

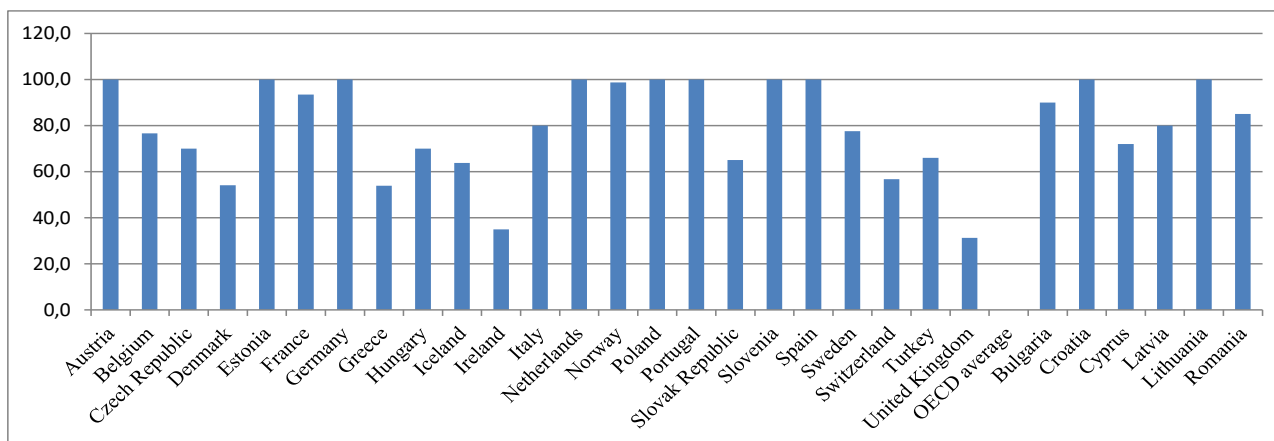


Fig. 2. Amount of compensation during maternity leave (as a percentage of the income earned before birth)

From the data on the amount of compensation during maternity leave (as a percentage of the income earned before birth) (see Fig. 2) we can conclude that:

- The average amount of maternity benefit in OECD countries is 79% of the income earned before birth.
- In Bulgaria, maternity benefit (which is 90% of the average gross daily salary or the average daily-insured income on which contributions have been paid or due) is granted with the longest possible maternity leave, where in Greece and the UK, although the leave is long, the amount of the benefit is one of the lowest, respectively 53% and 31%. At the same time, in Austria, Estonia, Germany, the Netherlands and other countries, where mothers receive 100% of their income earned before birth, significantly shorter average maternity leave is recorded.
- While Bulgaria is at one extreme (high maternity benefit and relatively long period of maternity leave), in the USA, for instance, there is no mandatory length of the leave and the amount of benefit paid during that period.

The long leave due to pregnancy and childbirth in the Republic of Bulgaria can be qualified as a unique exception in the world practice. Those who criticize the duration of the period for receiving cash benefits in case of pregnancy and childbirth of 58.6 weeks or 410 days argue most often that the duration of maternity and labor activity of women is weakening and even becoming negative after the number of days exceeded a certain limit. The study (4), focusing on “the effect of relevant legislation on the number of hours worked per week, pay levels and vertical segregation of employment in 16 European countries for the period 1970 to 2010” results in a fixation of the optimum duration of the paid maternity leave (which also includes the number of days for raising a child) of about 28 weeks or 198 days. Having in mind the logic and the concept of maternity leave, namely – the mother’s recovery from birth and raising the child until his/her strengthening, at the same time – taking into account possible negative effects on a payment, the access to higher qualified positions, growing up in hierarchy, the loss of competitiveness of mothers who take advantage of longer paid leave, it is obvious that a balance must be sought in the interests of the parties concerned. It is a fact that in our country, women who exercise their right to balance personal and professional life, taking parental leave, face stigma when returning to the labor market, resulting in less favorable working conditions and secure contracts for them. At EU level, the focus is not on the controversy about whether or not to have a leave, but rather on how it should be fixed to have optimal positive effects both for parents who have taken this important step and for the economy of the country.

Table 1 presents the data on average cash benefits in case of pregnancy and childbirth for a period from 2012 to 2016, published by the National Social Security Institute (6).

Table 1: Average cash benefits received during pregnancy and birth by men, women and total (Source: National Social Insurance Institute).

Year	Men	Women	Total
2012	BGN 276.05	BGN 391.88	BGN 388.12
2013	BGN 286.50	BGN 398.04	BGN 394.09
2014	BGN 310.06	BGN 424.87	BGN 420.46
2015	BGN 333.45	BGN 456.41	BGN 451.44
2016	BGN 347.85	BGN 481.90	BGN 476.10

A detailed analysis of these data outlines a trend of continuous growth in terms of the average amount of benefits received by men in case of pregnancy and childbirth. The aggregate data on the country average (see, Fig. 3) indicate that the average value of money received by one person increased from BGN 388.12 in 2012 to BGN 476.10 in 2016. The increase in 2013 compared to 2012 – BGN 5.97 is the least and the increase in 2015 compared to 2014 – BGN 30.98 is the largest. In 2014, the increase of the total cash benefit for the country compared to the previous 2013 is by BGN 26.37 and in 2016, this increase is by BGN 24.66 compared to the previous 2015.

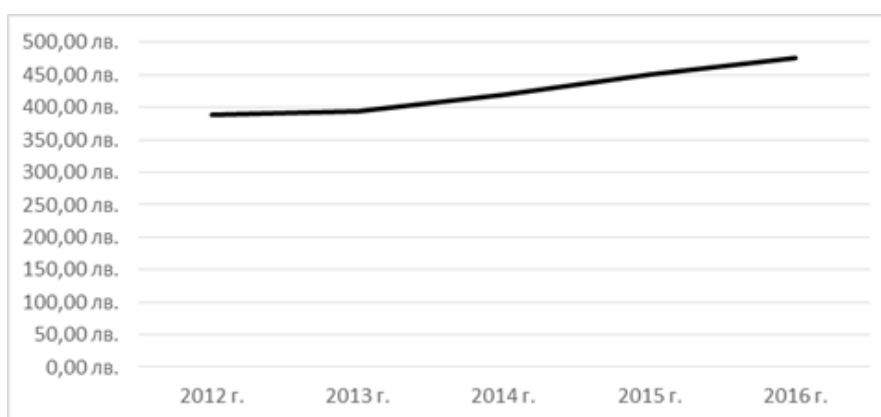


Fig. 3. Average cash benefit received in case of pregnancy and childbirth

Source: National Social Security Institute.

Regarding the published statistics on benefits for child raising up to the age of 2 paid by NSSI in the period from 2012 to 2016, the data outline similar trends.

Table 2: Average cash benefits received in raising a child by men, women and total (Source: National Social Security Institute).

Year	Men	Women	Total
2012	BGN 218.08	BGN 205.25	BGN 205.41
2013	BGN 248.13	BGN 234.88	BGN 235.04
2014	BGN 309.50	BGN 293.61	BGN 293.83
2015	BGN 307.10	BGN 294.95	BGN 295.12
2016	BGN 305.91	BGN 294.54	BGN 294.69

The lowest value of that benefit is BGN 205.41 in 2012 and its highest value is BGN 295.12 in 2015. The growth is up to 2015. The increase is by BGN 29.63 in 2013 compared to 2012 (by the same amount increase the benefit that women received in the same year). In the next 2014, the increase is the biggest for the period – by BGN 58.79 and in 2015, it is only by BGN 1.29. Reduction in the average total benefit for the country is observed in 2016 compared to 2015 when it is by - BGN 0.43. Despite the decline in 2016, the overall 5-year period of analysis shows an increase in the average benefit in case of raising a child for the country (see Fig. 4).

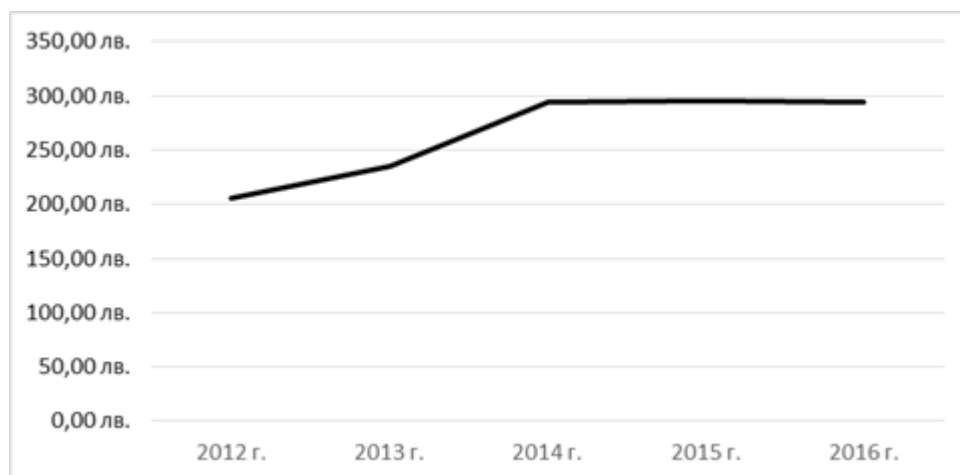


Fig. 4. Average cash benefits received in case of raising a child

(Source: National Social Security Institute).

Regarding the question about the amount of benefits, the latter is rather a consequence of the low amount of salaries in Bulgaria which form the basis and hence the amount of benefits received by mothers. Yet there is also an exception and it is not a function of low salaries but it is a result of a political decision. We refer the amount of cash benefit for raising a child up to age of 2. Years ago, the same was tied to the minimum salary and it was periodically updated. As a result of a political decision, all social payments were “untied” from the minimum salary so its increase does not automatically lead to an increase in the state’s social spending. Over the years some attempts have been made to implement the idea – the amount of benefit in case of raising a child from one to two years old should be tight to the minimum wage. These attempts were not accepted as a proposal by the legislature and the executive authority with a basic argument – a lack of free resource for this purpose. As a result, the amount of cash benefit for raising a child up to age of 2 is significantly “lagging” from the minimum salary which reached BGN 510 and nowadays this benefit amounts BGN 380. This brings it closer to the yearly updated poverty line on a proposal by the Council of Ministers, which for 2018 is set at BGN 321. This amount is impossible to fulfill its function – as a substitute for the income temporarily lost by the mother.

The lack of adequate updating and linking the amount of cash benefit for raising a child from one to two years old with a key parameter such as minimum salary, minimum or average social insurance income results in discouraging the young parents, delay of reproductive function and an increase in social tension as whole. At the same time, it contradicts to the organizational, financial and normative nature of social security payments, which provokes the search for new organizational alternatives to maternity benefits.

When a pregnant woman is insured for general illness and maternity but she does not receive cash benefit in case of pregnancy and child birth due to the fact that she does not have the accumulated statutory insured length of service, a one-off social benefit is paid in an amount proportional to the number of days from the beginning of the leave for pregnancy and birth to acquisition of the necessary insured length of service under article 48a of the Social Insurance Code, but for no more than 45 days. In addition to the prerequisite of not being entitled to benefit for pregnancy and childbirth under the Social Insurance Code, the one-off cash payment in pregnancy provided by the social assistance system requires pregnant woman applying for it to declare income per family member less than BGN 450. The allowance is paid for the period of 45 days prior to the defined term of birth. This allowance is part of the so-called family allowances for children provided by the Agency for Social Assistance (7) in case of pregnancy, childbirth and raising of children to persons and families regulated by the Family Allowances Act (8) and by Regulations for its implementation.

The second type of allowance granted for this purpose is the one-off allowance for the birth of a living child. It is paid regardless of the family income, but only on condition that the child is not left to the specialized institution. The amount of the allowance is determined annually by the Ministry of Labor and Social Policy and is determined by the order of the children born by the mother. For the birth of twins, one of which is the mother's second child, the allowance is paid for each twin child in the size of the second child. If the child has a permanent disability of 50 or more than 50 percent until the age of 2, the mother is paid an additional one-off allowance.

The monthly allowance for raising a child up to one-year child's age is the third type of allowance provided by the Bulgarian social assistance system. It is provided in cash and/or in the form social investments of the mother (adoptive mother) whose income per family member is less than or equal to BGN 450. The additional conditions to be met by the mother (adoptive mother) are:

- She is not insured and does not receive benefit in case of pregnancy childbirth and raising of a child under the Social Insurance Code;
- The child is not in a specialized institution for children of full state support;
- The child should live permanently in the country.

The allowance can also be provided to a single adoptive father or foster family if they meet the above conditions. Monthly allowances for raising a child with permanent disabilities are provided in cash and/or in the form of social investment up to the child's two years of age regardless of family income.

Although family allowances for children are considered, a key instrument of the policy for improving the welfare of Bulgarian children and families provided by National Social Assistance System their sizes are extremely low:

- The amount of one-off cash benefit for pregnancy (according to Article 5a (1) provided under the Act for Family Benefits for Children) for 2018 is BGN 150;
- The amount of one-off cash benefit for the birth of a live child (according to Article 6 (1) provided under the Act for Family Benefits for Children) for 2018 is as follows:
 1. For the first child – BGN 250;
 2. For the second child – BGN 600;
 3. For the third child – BGN 300;
 4. For the fourth and each following child – BGN 200;
- The amount of monthly benefits for raising a child up to his/her one year age (according to Article 8 (1) provided under the Act for Family Benefits for Children) for 2018 is BGN 100.

The lack of adequate updating and linking the amount of cash benefit for raising a child up to one year old with a key parameter such as poverty line, minimum salary or other, results in discouraging the young parents (mostly uninsured who are the real recipients of social benefits for children), delay of reproductive function and an increase in social tension as whole. In other words, there is an analogous result and consequences, as it has already been illustrated in the cases of insured persons – mothers raising children up to 2 years of age. This fact could be perceived as another good reason to provoke the search for new organizational alternatives to social benefits – aimed at families raising small children.

In summary, we can conclude that provided by the system of social security and social assistance in Bulgaria, maternity benefits and family allowances for children unfortunately do not justify the expectations and attitudes of young parents and do not have the desired socio-economic effect. This, in turn, has a disincentive effect on their reproductive attitudes, which exacerbates the already negative demographic picture and worsens the parameters of the birth rate in our country.

The birth of a child, on the one hand, is a natural physiological process for the woman and on the other hand, the process poses a risk to her life and health. It is accompanied by the probability for pathological abnormalities. If we disregard this probability, the birth of a child is more appropriate not to be qualified as "risk" but as "the eventuality" (9). However, as we have already mentioned, maternity in social security theory is also perceived as "social insurance risk" or "risk of labor" (10).

In general, insurers take responsibility for events that result in unfavorable consequences for insured persons. In this study, we will consider the maternity as favorable event in a moral and emotional aspect,

and at the same time as a negative event in a financial aspect as it is accompanied by an increase in household's expenses.

The above considerations underline the need to carry out activities, which further alleviate financially the couples and families in which a child/children were born or adopted and the subsequent period of their early childhood occurred. One of these alternatives is the offering insurance products. These insurance products may include the periods covering maternity (presented above in the statement).

Several, still a small number of insurance companies in Bulgaria offer cover for maternity. For some of them, it is presented in the form of additional cover to basic insurance, such as health insurance or life insurance. The inclusion of insurance coverage can compensate expenses related to pregnancy and childbirth. As presented above in the exposition, maternity covers three stages, and pregnancy and birth are two of them. For some of the maternity insurance coverage, insurers set limits of their responsibility for a possible insurance payment under the terms of insurance contract.

On the other hand, in order for an insurance company to offer as a separate product the insurance "Maternity", it is necessary to have a legal basis for the issue of a license to insurance companies for such insurance product. At present, the legislation in Bulgaria does not include the coverage of this specific risk, or rather to the payment by the insurer.

In Art.105 of the current Insurance Code, in force since 1st January 2016, it is written that sex cannot be taken into account as a factor in determining the amount of insurance indemnity and costs related to pregnancy and maternity cannot affect it. In Art.116 (2) it is stated that costs may not result in differences in determining the premiums. In fact, pregnancy and birth are natural physiological processes, which concern only women. The cash benefits for pregnancy and childbirth under the state social insurance are also paid to men. The question is whether insurers will also adopt and apply this framework in an insurance practice. Anyway, in order for maternity insurance to be offered as a separate one, some legislative changes are needed.

In the context of demographic crises and relatively low incomes during maternity, maternity insurance could be offered to overcome the emerging situation in the demographic state of the country.

The alternatives for organizing and subsequently offering this insurance are as follows:

Maternity insurance should be organized and offered similarly to child insurance, i.e. parents have to insure their children in childhood. Thus, insurance will guarantee payment to the insured person during the period of maternity;

Maternity insurance should be organized as a separate insurance, which should be taken out by adult persons. A particular feature of this type of insurance is that insurers will require suspensive period for entry into force of the insurer's liability that is longer than nine months;

Maternity insurance should take the form of a clause (additional cover) for a basic insurance, which has been already concluded. It would be appropriate, the maternity cover to be an additional cover either to life insurance or to a health insurance, which has been already taken out. At present, some of the insurers that offer maternity cover as an additional one, put suspensive period within ten months (11).

The insurers may not require the insured persons to be insured against this specific risk (covered eventuality) through compulsory social insurance. In order to conclude an insurance contract under maternity insurance, the insurer may require that the woman is not pregnant and is within the age range specified in the terms of the contract at the date of the application for the insurance. To be sure, the insurer must require a declaration even medical examination by a trusted doctor or clinic.

It would be right that insurance is targeted at women. As mentioned above, motherhood covers three periods – prenatal, childbirth and postnatal. Insurance companies can arrange insurance by offering different coverage in the form of clauses to the insurance contract. For instance:

- Clause "A" – pregnancy – here the insurer can take responsibility for all health risks that accompany this process for both the woman and the fetus. In the event of any of the risks mentioned in the contract, the insurance company will compensate for the expenses occurred under the terms of the contract.
- Clause "B" – birth – this process is also related to the probability of the risk to life and health of both the woman and the child. Therefore, insurers can take responsibility and financially compensate the couple or the family for the occurrence of a risk specified in the clause.

- Clause “C” – postnatal – at this stage of maternity, there is also risk to women’s health. For this reason, the insurer may include in the insurance cover any costs associated with the rehabilitation of the woman after the birth of a child/children.
- Clause “D” – raising a child (until the age stipulated in the contract). The insurer may determine to what age of the child (for instance 1, 2 or 3 years old) payments to one of the parents will be made. Payments can be made at regular intervals in the form of rent payments. They may also be paid once, according to the amount of the sum insured, specified in the insurance contract.

Applicant for insurance may not want full coverage under the Maternity Insurance, but only the inclusion of separate clauses in the insurance contract. The insurance may be long-term (for instance between 3 and 20 years), provided that the insured person (woman) does not exceed the age specified as upper limit in general terms. Offering the insurance as long-term is even more appropriate if it is organized in the form of child insurance. If it is similar to life insurance, it is also advisable to offer it as long-term insurance. It is also important insurers to indicate in general terms the so-called “suspensive period”.

The sum insured and the tariff are values to be taken into account when determining the amount of insurance premium.

For the way the amount of sum insured will be determined, there are two following options:

The insurer may set limits for the relevant contract clauses. These clause can be complaint with the three maternity periods, namely prenatal, childbirth and postnatal, and the limits to be linked to household’s income or the average labor income for the country;

To indicate individually the amount of the sum insured from the insured person (as is the case with the majority of insurance policies in personal insurance).

In determining the size of insurance premium, insurers would have to take into account the woman’s age, term of the insurance contract, the types of cover, included in the insurance contract and the amount of sum insured, according to the insurance company’s tariff. The age is one of the factors determining the probability of woman’s pregnancy. This will give a certain degree of response to the insurer, what is the probability of insurance event occurring and what is the probability of a following insurance payment.

It is also possible an installment plan of a single insurance premium. Regarding the method of installment plan of a single insurance premium, the term of insurance policy, whether it is long-term (between 3 and 20 years or more), is important (Terziev, Georgiev, 2018a, str. 177-187; Terziev, Georgiev, 2018b, str. 188-193; Terziev, Banabakova, Georgiev, 2018c, pp. 935-944; Terziev, Banabakova, Georgiev, 2018d, pp. 973-980; Terziev, Banabakova, Georgiev, 2018e, pp. 1275-1281; Terziev, Banabakova, Georgiev, 2018f, , str.93-98; Terziev, Banabakova, Georgiev, 2018g, str. 99-104; Terziev, Banabakova, Georgiev, 2018h, str. 104-109; Terziev, Banabakova, Georgiev, 2018i, str. 110-115; Terziev, Banabakova, Georgiev, 2018j, str. 116-121; Terziev, Banabakova, Georgiev, 2018k, str. 122-127; Terziev, Banabakova, Georgiev, 2018l, str. 127-131; Terziev, Banabakova, Georgiev, 2018m, str. 132-137; Terziev, Banabakova, Georgiev, 2018n, str. 137-142; Terziev, Arabska, 2017a; Terziev., Arabska, 2017b; Terziev., Arabska, 2017c; Terziev, 2017e, Terziev, 2017f; Terziev, 2017g; Terziev, Arabska, 2017h; Terziev, Nichev, Simeonov, 2017i).

3. CONCLUSION

The existing negative demographic trend in Bulgaria puts society to the need for demand and subsequent supply of new alternatives for our country, related to guarantee of additional financial funds in maternity. Despite the length of maternity leave provided by the social security system and the amount of benefit, these funds prove to be insufficient for parents to meet emerging needs in relation to the new family member. In this context, this paper focuses on fundamentally new product for the Bulgarian insurance practice. Maternity Insurance has the potential to meet the needs of our society related to guarantee financial funds for the favorable event – birth or adoption of a child, as well as raising of a child until he/she reaches a certain age. For the realization of this insurance product on the insurance market in our country, legislative changes will be needed in the field of insurance. This insurance product will also provide an opportunity for insurance companies in Bulgaria to diversify their portfolio and expand their business scope.

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