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DOI: <https://doi.org/10.15517/psm.v22i2.61131>  
Volume 22, number 2, Art. Scit. January - June 2025



# Población y Salud en Mesoamérica

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### How to cite this article:

Blazhynska, T., Kudin, V., Onyshchenko, A., Khorvatova, O., & Lisovska, Y. (2025). Strengthening the verification system for industrial accident victims in Ukraine: a comparative analysis with EU models and socioeconomic implication. *Revista Población y Salud de Mesoamérica*. 22(2). <https://doi.org/10.15517/psm.v22i2.61131>



ISSN-1659-0201 <http://ccp.ucr.ac.cr/revista/>

Revista electrónica semestral  
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## Strengthening the verification system for industrial accident victims in Ukraine: a comparative analysis with EU models and socioeconomic implication

### *Refuerzo del sistema de verificación de las víctimas de accidentes industriales en Ucrania: análisis comparativo con los modelos de la UE e implicaciones socioeconómicas*

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**Abstract:** The purpose of this study is to analyze Ukraine's system for verifying state insurance payments to victims of industrial accidents, assess its effectiveness, and compare it with verification models in the European Union. The research highlights significant inefficiencies in Ukraine's current framework, including fragmented databases, delayed payments, and potential misuse of insurance funds. By contrasting this system with best practices in Germany, France, Italy, Spain, and Austria, the study identifies key deficiencies and provides policy recommendations for improvement. The findings reveal that Ukraine lacks real-time verification, automated fraud detection, and centralized data integration, leading to financial losses and delays in compensating victims. These inefficiencies place a significant burden on the state budget and pension funds, reducing the effectiveness of social protection programs and negatively impacting economic stability. In contrast, EU countries implement structured, multi-tiered verification systems, leveraging automated cross-checks, digital identity tracking, and transparent monitoring mechanisms. The study also explores the economic and social impact of ineffective verification, demonstrating how misallocated pension funds contribute to financial instability and reduced quality of life for affected workers. Using a mixed-method approach, the research combines official government data, legislative analysis, and case studies from regional pension offices to evaluate verification accuracy and fraud detection rates. The study concludes with recommendations for enhancing Ukraine's verification process, including preventive verification, interagency database integration, and increased transparency to align with EU standards. These reforms are essential for ensuring fair compensation for victims, strengthening financial oversight, and improving social security systems in Ukraine while reducing the economic strain on public finances.

**Keywords:** Insurance verification, industrial accidents, fraud prevention, social security, pension funds, EU comparison

**Resumen:** El objetivo de este estudio es analizar el sistema ucraniano de verificación de los pagos del seguro estatal a las víctimas de accidentes laborales, evaluar su eficacia y compararlo con los modelos de verificación de la Unión Europea. La investigación pone de manifiesto importantes ineficiencias en el marco actual de Ucrania, como la fragmentación de las bases de datos, los retrasos en los pagos y el posible uso indebido de los fondos del seguro. Al contrastar este sistema con las mejores prácticas de Alemania, Francia, Italia, España y Austria, el estudio identifica las principales deficiencias y ofrece recomendaciones políticas para mejorarlo. Los resultados revelan que Ucrania carece de verificación en tiempo real, detección automática de fraudes e integración centralizada de datos, lo que provoca pérdidas financieras y retrasos en la indemnización de las víctimas. Estas ineficiencias suponen una importante carga para el presupuesto estatal y los fondos de pensiones, lo que reduce la eficacia de los programas de protección social y repercute negativamente en la estabilidad económica. Por el contrario, los países de la UE aplican sistemas de verificación estructurados y de varios niveles, que aprovechan las comprobaciones cruzadas automatizadas, el seguimiento de la identidad digital y los mecanismos de supervisión transparentes. El estudio también explora el impacto económico y social de una verificación ineficaz, demostrando cómo los fondos de pensiones mal asignados contribuyen a la inestabilidad financiera y a la reducción de la calidad de vida de los trabajadores afectados. Utilizando un enfoque de métodos mixtos, la investigación combina datos oficiales del gobierno, análisis legislativos y estudios de casos de las oficinas regionales de pensiones para evaluar la precisión de la verificación y las tasas de detección del fraude. El estudio concluye con recomendaciones para mejorar el proceso de verificación de Ucrania, incluida la verificación preventiva, la integración de bases de datos interinstitucionales y una mayor transparencia para ajustarse a las normas de la UE. Estas reformas son esenciales para garantizar una indemnización justa a las víctimas, reforzar la supervisión financiera y mejorar los sistemas de seguridad social en Ucrania, reduciendo al mismo tiempo la presión económica sobre las finanzas públicas.

**Palabras clave:** Verificación de seguros, accidentes laborales, prevención del fraude, seguridad social, fondos de pensiones, comparación UE

**Received:** 18 Jul, 2024 | **Corrected:** 06 Feb, 2025 | **Accepted:** 13 Feb, 2025

## 1. Introduction

The verification of state payments to victims of industrial accidents is a critical component of social insurance systems worldwide. Effective verification ensures that financial resources are allocated efficiently, fraud is minimized, and victims receive fair compensation. In Ukraine, verification procedures remain fragmented, inconsistently applied, and prone to inefficiencies, leading to delays in payments and potential misuse of insurance funds. This issue is particularly relevant in the context of Ukraine's ongoing economic challenges and social security reforms, making the need for a transparent and efficient verification system more urgent than ever.

The purpose of this study is to analyze Ukraine's verification framework for industrial accident victims, identify key deficiencies, and compare its effectiveness with established EU models. Unlike many EU countries that utilize centralized, automated, and real-time verification methods, Ukraine's system relies heavily on manual checks and disconnected registries, increasing the risk of errors and fraudulent claims.

This study addresses several critical gaps in the current research. The role of verification in preventing fraud, ensuring financial stability, and supporting social welfare; how the misuse of insurance funds impacts economic development, worker protection, and quality of life; a detailed evaluation of verification systems in Germany, France, Italy, Spain, and Austria, highlighting best practices that could be adapted for Ukraine, and verification accuracy, fraud detection, and efficiency gaps in Ukraine's insurance system based on official data and regional case studies.

The paper also evaluates the consequences of illegal payments, including budget misallocation, financial strain on the Pension Fund, and reduced trust in public institutions. By drawing insights from EU models, the research proposes practical reforms to modernize Ukraine's verification system, enhance transparency, and ensure the fair distribution of insurance payments.

## 2. Materials and methods

This study adopts a comparative and analytical approach to evaluate the effectiveness of Ukraine's insurance verification system for industrial accident victims in contrast to EU countries. The research methodology consists of several key elements.

The study employs qualitative and quantitative methods, including document analysis, official government data review, and expert consultations. The research is structured around two primary components. First, a comparative analysis examines verification procedures in Germany, France, Italy, Austria, and Spain, focusing on legal frameworks, technological integration, and institutional practices. Second, a case study of Ukraine evaluates the efficiency of the country's verification system by analyzing data from the Pension Fund of Ukraine, the Ministry of Justice, the Ministry of Finance, and Social Insurance institutions. Data sources include official legislative documents such as laws

and verification policies, government reports from the Pension Fund, Ministry of Finance, and Ministry of Justice, responses from regional Pension Fund offices regarding verification practices, and EU insurance system reports.

The study focuses on individuals affected by industrial accidents in Ukraine between January 2023 and April 2024. The selection criteria include victims who applied for insurance payments during this period, cases where verification errors such as delays, rejections, or fraud were reported, and regional Pension Fund departments that actively conducted verifications. To ensure a balanced comparison, EU countries with diverse verification models were chosen. Germany and France represent highly structured and preventive verification systems, while Spain and Italy showcase mixed public-private models.

**Table 1**

Stages of accessing insurance payments & bottlenecks

No.	Action	Content	Subjects of the stage implementation	Identified difficulties
1	Accident investigation	The employer investigates the circumstances of an industrial accident	Employer	Delays in reporting incidents, lack of cooperation from employers
2	Submitting an application	The victim submits an application for compensation, including medical documentation and witness statements.	Victim, Pension Fund of Ukraine	Lack of documentation, errors in submission, bureaucratic delays
3	Verification and documentation	The responsible organization reviews documents, including medical records and proof of injury.	Pension Fund of Ukraine	Slow verification due to lack of centralized database integration
4	Expert evaluation	Some cases require a specialized assessment of disability percentage and damages.	Medical Commission Expert	Backlogs in medical evaluations, inconsistent assessments
5	Decision making and payment	After verification, a decision is made on the compensation amount and payments are issued.	Pension Fund of Ukraine	Delays in fund disbursement, lack of real-time processing

Source: developed by the authors

A key objective is to determine the percentage of incorrectly verified applications. To achieve this, the study analyzes the number of applications rejected due to verification failures, cases of fraudulent claims identified during the verification process, and discrepancies between state registries and submitted claims. Table 1 provides an updated summary of Ukraine's verification process, highlighting key bottlenecks and inefficiencies. The analysis also includes a review of EU fraud detection mechanisms, such as automated tax ID checks in Germany, sector-based technical committees in France, and centralized tracking systems in Spain.

The most significant difficulties occur at Stage 3 (Verification and Documentation) and Stage 5 (Decision Making and Payment) due to manual verification processes, lack of database integration, and bureaucratic inefficiencies. These issues result in delays and inconsistencies in compensation payments.

While the study provides an in-depth analysis of verification systems, certain limitations exist. One challenge is the lack of publicly available fraud statistics in Ukraine, making it difficult to quantify the full extent of verification errors. Additionally, there is limited access to real-time verification databases in some EU countries, restricting the ability to conduct a fully comprehensive comparison. Lastly, verification practices vary significantly across different regions in Ukraine, affecting the consistency of findings. Despite these limitations, the study offers a comprehensive assessment of how Ukraine's insurance verification system compares to EU standards and identifies key areas for improvement.

## 3. Results

### 3.1 Germany

Occupational accident insurance (Unfallversicherung) is carried out in the form of a compulsory state insurance (gesetzliche Unfallversicherung GUV), which provides financial support in the event of: injury at work, on the way to and from work, occupational disease. Does not apply in the employee's free time, on vacation and abroad. There is no possibility of choice, as insurance is provided automatically under conditions of full verification of the employee (exclusively during working hours, on working days) (Lückenbach et al., 2023; Department of Communications, 2023).

In this case, the verification of persons is carried out using the following means: The assignment of a taxpayer identification number. All employees receive a "taxpayer identification number" at the beginning of their employment. This 11-digit number is used for income tax purposes and is valid for life. Children born in Germany also receive a letter with their personal tax number within three months of birth, which is required for various purposes, such as applying for child benefits.

There is a comparison and exchange of codes with all possible electronic registries and databases, including tax authorities, social services, large employer databases, and migration services. Social benefits in Germany, including those related to work-related injuries, are granted under several basic conditions. These include permanent residence in Germany (which can apply to foreigners with

permanent residence), participation in the insurance system as an insured person, adherence to conditions set by legal acts regulating specific types of assistance, and submission of an application for assistance to the responsible state body.

In the event of a work-related injury, the injured employee or their family must immediately notify their employer and the relevant insurance organization. The insurance organization then conducts a thorough investigation into the circumstances of the accident, gathering evidence, interviewing witnesses, and analyzing medical records. Insurance experts determine the degree of disability and estimate compensation amounts based on established tariffs, while also confirming the connection between the injury and the victim's professional activity. Insurance payments cover medical expenses, rehabilitation, and monetary compensation, depending on the severity of the injury and disability. In general, the system is aimed at a thorough and objective assessment of each individual case to ensure proper assistance to injured workers and is the best among EU countries (Luo et al., 2022).

### 3.2 France

In France, the social insurance system for workplace accidents consists of two parts: organization and prevention costs, and appointment and payments to victims of industrial accidents. A special and crucial role in France is played by a multi-stage and well-developed system of accident prevention at work. The Supreme Council for the Prevention of Industrial Accidents and Occupational Diseases develops the policy of preventive measures and the policy of insurance against industrial accidents. In addition, 9 technical committees have been organized to work on the types of economic activities of the insured (metallurgy, construction, transport, food industry, chemical and plastics industry, non-food trade, services, banks, administrative institutions, healthcare, etc.) (International Renaissance Foundation, 2014).

At the regional level, regional technical committees, which are also formed on the basis of equal representation of employers' associations and workers' unions, participate in the work of the Management Committee of each regional health insurance fund, which organizes insurance against industrial accidents and occupational diseases (Insurance Top, 2024a).

The regional technical committees operate sickness insurance funds that pay Compensation in connection with accidents and occupational diseases is provided to injured persons or their dependent family members in the form of expenses for medical care, the purchase of medicines, and hospitalization. It also includes temporary disability benefits (payments), pensions in cases of permanent disability or one-time compensation, and pensions for dependents of the deceased paid in fatal accidents.

Verification interconnects: the insured person, the employer, the fund body, the technical committee (scope of prevention), and personal data of the insurance fund. Payments are organized by regional social insurance bodies, whose activities are controlled by state health insurance funds. The French

system of insurance against industrial accidents and occupational diseases includes various insurance mechanisms operating at three levels: primary funds, regional funds, and a national fund.

In addition, France has special insurance bodies that cover certain categories of workers, such as miners, sailors, and agricultural workers. Some private and public enterprises and organizations have the right to manage their own compensation for occupational injuries and diseases under the supervision of the Ministry of Health and Social Security.

In France, there are four regimes of insurance against industrial accidents and occupational diseases: the civil servants' regime, covering about 5 million people; the agricultural workers regime, covering about 2 million people; the general regime, which provides for approximately 18 million people; and the special regime, which includes lawyers, businessmen, doctors, aviation workers, nuclear power plant employees, and others, with a total coverage of about 1 million people. The National Health Insurance Fund for Employees regulates the procedure for setting insurance tariffs and implementing preventive measures.

The French system is characterized by several principles of organization, including the presumption of employer liability for the consequences of occupational injuries, a fixed amount of compensation paid to the injured employee, and a strong focus on the prevention of occupational risks. Occupational risk levels are assessed on a scale of 800 classes.

Establishing the fact of an occupational disease follows a detailed procedure, based on the so-called tables of occupational diseases. These tables include a description of more than 100 types of occupational diseases and their symptoms, a list of jobs that can cause certain occupational diseases, the maximum period of liability that determines the time between the end of the harmful effect and the manifestation of disease symptoms, and the minimum period of exposure for employees to a particular risk for certain types of occupational diseases (Forinsurer, 2024).

### 3.3 Italy

In 2008, Legislative Decree No. 81/2008 assigned the responsibility for information, support and advice on workplace health and safety to the National Institute for Insurance against Occupational Accidents and Diseases (INAIL), which has offices throughout the country (International Labour Organisation, 2005).

The said institute provides training, information, and support on prevention issues. It maintains relationships with organizations operating in the industry and promotes a "culture of prevention" through the distribution of products such as brochures, leaflets, CDs, and videos. The institute also promotes prevention by financing programs that help structures and organizations comply with safety standards, especially for small and medium-sized firms and enterprises in the agricultural and craft sectors, as well as projects to inform and train workers.

Additionally, it guarantees financial assistance, medical care, sanatorium treatment, and a stay at a resort for all injured workers or those who have suffered an occupational disease. Assistance is provided even if the employer has not taken measures to insure the employee, thus applying the principle of automatic assistance.

The "loss occurrence" concept for (professional) liability insurance is preferred by the Italian Civil Code. This approach does not care when a claim is filed; coverage is triggered by an occurrence that results in loss or damage during the policy period. On the other hand, regardless of when the harm happened, the "claims-made" policy, which was primarily adopted in common law systems during the 1980s, mandates that the claim be submitted and reported during the policy period in order to get coverage. Unlike the occurrence-based approach, which may result in claims years after the policy expires, this model confines claims to the policy period, which helps insurers control long-tail damages and analyze their exposure more precisely (Marano & Siri, 2021; Insurance Top, 2024b).

### 3.4 Austria

All employees and individual entrepreneurs are subject to compulsory insurance. Their verification involves assigning a personal code that identifies the individual entitled to receive benefits, provided they have paid the necessary contributions, in the event of an accident. These benefits include outpatient and inpatient treatment, medical rehabilitation services, payment for medicines, assistance with the purchase of auxiliary equipment, and preventive examinations. The peculiarity of insurance in Austria is that children, spouses, registered partners and cohabitants in families with children receive insurance free of charge together with the main insured.

The organization of victim verification is legally entrusted to a single body called the Competent Supervisory Authority for the day-to-day operation of insurance institutions, appointed by the Austrian Ministry of Labor, which is responsible for the insurance institutions for agricultural workers, including the self-employed, railway workers, civil servants, and the General Accident Insurance Office for all industrial workers. Each institution (which is unique to Austria) has its own rehabilitation center that provides medical, vocational and social rehabilitation for victims of work-related injuries (Georgiev, 2017).

Transparency is valued in all areas of law, but it is especially important in insurance law. Transparency should be maintained in state procedures like public contract awarding and legislation. This rule applies to dealings amongst private citizens, legal subjects, and public authorities. Contracts should be easy to read and comprehend, and customers should be provided with sufficient information pertinent to their own circumstances. Through bridging gaps between parties in a legal relationship gap that may result from disparities in expertise, information, financial resources, or market position—transparency seeks to make processes understandable. Fairness and clarity in legal and administrative procedures are ensured when there is sufficient transparency, which helps to reduce these disparities (Wöss, 2019; Insurance Top, 2024c).



### 3.5 Spain

In Spain, each individual is assigned an individual number. The Social Security Number (NUSS) is a number that identifies a person in his/her relationship with the Social Security Service and will serve as a means of verification and receipt of pensions, subsidies, or benefits in the future.

The Social Security Service in Spain is a state system of protection for people in situations of illness, disability, unemployment, industrial accidents, etc. Royal Legislative Decree 8/2015 of October 30, 2015, which approved the consolidated text of the General Social Security Law, establishes in Article 156 that the contribution corresponding to contingencies related to work-related accidents and occupational diseases shall be made by applying the types of contributions established for each type of economic activity.

With regard to the financial system, Article 259 states that the financial system of the General Social Security Regime will be the same as provided for in Article 110, with the specifics relating to occupational accidents and diseases set out in the article: Article 260, concerning the specific rules relating to industrial accidents and occupational diseases, establishes that mutual insurance companies cooperating with the Social Security Service and, if necessary, responsible companies, shall be compensated by the General Social Security Administration up to the limit of their respective liability, the current value of the capital costs of pensions, under this Law caused by permanent disability or death due to an industrial accident or occupational disease.

The Ministry of Employment and Social Security shall approve the mortality tables and the interest rate applicable to the determination of the above values. With regard to the protection against industrial accidents and occupational diseases referred to in this article, the Ministry of Labor and Social Security may establish the obligation of mutual companies cooperating with Social Security to reinsure with the General Treasury of Social Security a percentage of the risks assumed. This shall be determined, in no case less than 10 percent and not more than 30 percent (International Labour Organisation, 2006).

For these purposes, only the periodic benefits derived from the risks of permanent disability, death and survival assumed by them in respect of their covered employees will be included in the mandatory reinsurance coverage, with said general service corresponding as compensation to the percentage of fees paid by the associated companies for the following contingencies as determined by the Ministry of Employment and Social Security. With respect to excess losses not reinsured in accordance with the preceding paragraph, the mutual companies will make appropriate deposits or, if desired, arrange reinsurance in addition to the previous ones, on the terms and conditions set forth (Ukrspain, 2024).

The Ministry of Labor and Social Protection may order the replacement of the obligations set forth in this section by the application of another system of compensation for the results of the management of protection against industrial accidents and occupational diseases. Mutual insurance

companies cooperating with the Social Security Service or, where appropriate, companies responsible for benefits shall contribute capital to the General Treasury of Social Security in the amount necessary to generate a certain temporary income for twenty-five years of 30 percent of the wages of employees who died as an indirect or direct result of an industrial accident or occupational disease, leaving no family member entitled to a pension (David-Cummins et al., 2004).

### 3.6 Comparison of EU and Ukraine insurance verification systems

Summarizing the key differences in the process of verification of insurance payments to victims of industrial accidents in the EU countries, the comparison in the context of the listed countries is provided in Table 2.

**Table 2**

Differences in the verification of insurance payments in different countries

Aspect	Germany	France	Italy	Spain
Reporting a case	Employer and insurance organization	The employer and the insurance fund	Employer and INAIL	Employer and insurance organization
Collecting evidence	Witnesses, medical records, inspection of the site	Witnesses, medical records, photos/videos	Witnesses, medical records, inspection of the site	Witnesses, medical records, inspection of the site
Connecting with work	Examination of the cause and effect relationship	Examination of the cause and effect relationship	Examination of the cause and effect relationship	Witnesses, medical records, inspection of the site
Medical examination	Independent medical experts	Independent medical experts	INAIL experts	Independent medical experts
Determination of compensation	In accordance with industry tariffs	In accordance with the law	In accordance with INAIL regulations	In accordance with the law
Appeal against the decision	Court of Social Insurance	Specialized court/authority	Court procedure	Administrative/judicial procedure
Verification process	Strict procedure for verification and assessment of losses, depending on the type of insurance and type of work.	The compensation may depend on the degree of fault of the employer and the severity of the injuries	Medical documentation and witness statements are usually required to confirm injuries.	May require an expert assessment and determination of the cause of damage for verification

Source: developed by the authors

This summary allows us to carry over into the discussion on how this information can be used to benefit and improve the insurance system in Ukraine. A closer examination of EU insurance verification systems highlights key differences that Ukraine can learn from. While Ukraine's verification process is still largely manual and fragmented, EU countries use automated verification, centralized databases, and real-time cross-checking mechanisms to ensure accuracy and prevent fraud.

For example, Germany's Unfallversicherung system integrates tax and employment data at the moment of claim submission, ensuring full verification before any payments are made. In contrast, France's multi-tiered verification relies on collaboration between regional health insurance funds and technical committees, with a strong emphasis on prevention and risk assessment. Italy's INAIL system further extends verification by automatically assisting workers even when employers fail to register them, ensuring no worker is left without coverage.

In Ukraine, the lack of real-time verification and the failure to integrate key databases (such as the Centralized Register of Victims of Industrial Accidents) result in delayed payments and potential fraudulent claims. Unlike Spain, where the Social Security Number (NUSS) serves as a universal identifier linking all insurance-related transactions, Ukraine's verification still relies on multiple uncoordinated registries. Additionally, Ukraine lacks publicly available statistical data on fraudulent claims and verification errors, making it difficult to assess the full extent of the problem. In EU countries, annual reports on fraud prevention and verification efficiency are published to ensure accountability and continuous improvement.

Addressing these gaps requires Ukraine to adopt preventive verification, real-time data integration, and a more transparent system of tracking fraudulent payments. By implementing automated cross-checks, similar to Germany and France, Ukraine could significantly reduce financial losses and ensure that victims receive compensation more efficiently.

## 4. Discussion

Inefficiencies in Ukraine's verification system not only delay payments and lead to fraudulent claims but also place a considerable financial burden on the national economy. The misuse of pension funds through erroneous or fraudulent claims diverts resources from other essential social programs, including healthcare, education, and labor market development. Inadequate verification processes result in excessive expenditures on incorrect payments, increasing public debt and reducing the financial sustainability of the Pension Fund of Ukraine. In contrast, EU countries employ strict fraud detection mechanisms and preventive verification, significantly reducing unnecessary spending. By modernizing Ukraine's verification system, the government can reallocate resources more effectively, improving social protection mechanisms while ensuring a more stable economic environment (Prokhorovska et al., 2023).

While this study primarily relies on secondary data, incorporating primary data collection methods, such as surveys of insurance claimants or interviews with government officials, could provide deeper insights into the practical challenges faced by victims in the claims process. Primary data would allow for a more precise evaluation of processing delays, claimant satisfaction, and the actual financial impact on victims. Future research could focus on case studies of affected individuals, analyzing how delays or inefficiencies influence their economic stability and quality of life (Silchenko et al., 2023). This would broaden the discussion on how Ukraine's verification system can be improved from both a policy and a human impact perspective (Seliverstova, 2017).

In Ukraine, various types of social security have been developed, including pension insurance, temporary disability insurance, unemployment insurance, and insurance against industrial accidents and occupational hazards. The mandatory state pension insurance is the most extensive, covering old-age, disability, and survivor's pensions. The Social Security Fund handles illness-related security, reimbursing insured persons for lost earnings due to diseases and motherhood, paying around UAH 2 billion monthly. Managed jointly by the state, employers, and insured persons, Ukraine's social security system has evolved significantly since the 1990s, transitioning from Soviet-era policies to a more independent, insurance-based system (Wöss, 2019). Key stages include the adoption of the 1996 Constitution and the 1994 Concept of social security, which outlined four main forms of social security: pension, health, unemployment, and occupational hazard insurance. The Concept emphasized medical care and treatment funded by health insurance and the eradication of Soviet norms, focusing on the social protection of war veterans, repressed persons, and those affected by the Chernobyl disaster (Silchenko et al., 2023).

Formally, the Ministry of Finance is responsible for conducting verification in Ukraine. In fact, the main competence of the Ministry of Finance of Ukraine is to formulate and implement the financial policy of the state, as well as to control the financial activities of state bodies, management of budgetary resources and other aspects of financial management of the country. The process of verification of payments to injured workers in Ukraine typically involves the participation of various authorities, such as the State Emergency Service of Ukraine (SES), the State Labor Inspectorate (SLI), insurance companies and others, which are responsible for monitoring and compensating for accidents and incidents at work (International Labour Organisation, 1985).

Thus, the responsibility for verification of payments to victims of industrial accidents usually lies with specialized institutions and services directly responsible for occupational safety and social protection of employees. In accordance with the Law of Ukraine No. 324-IX "On Verification and Monitoring of State Payments" dated December 3, 2019, verification is a set of measures to collect and verify the accuracy of information determined by law for the purpose of appointing, accruing and/or making state payments and affects the determination of the right to receive and the amount of such payments, as well as the identification of data discrepancies in automated information systems, registers, databases (Shkolnyk, 2019).

The criteria for verifying work-related injury payments may vary depending on the specific legal, social, and economic conditions in each country. However, general verification criteria can be summarized as follows: The identification of the victim involves verifying the victim's personal data to confirm their identity and determine eligibility for compensation. Confirmation of the event requires verifying that an accident at work or another event resulted in injury or loss to the victim (Cummins, 2004). A medical examination involves evaluating medical data and documents to confirm the severity of the victim's injuries or degree of disability. In some cases, confirmation of the culprit is needed to determine the responsibility of a particular person, company, or organization for the accident. Legal analysis involves checking the compliance of the case with legislation on insurance payments or other forms of compensation. Documentary evidence requires the collection and analysis of necessary documents confirming the facts and circumstances of the case. Social analysis involves considering the social and economic needs of the victim and their family when deciding on compensation. Finally, a control and verification system is established to ensure the accuracy and transparency of the verification process. These criteria can be applied separately or in combination, depending on the specific circumstances and requirements of the verification process in each situation (Shkolnyk et al., 2019)

One of the most important elements in the verification chain, as the authority for assigning and providing insurance payments to victims of industrial accidents since 2024, is the Pension Fund of Ukraine (Verkhovna Rada of Ukraine, 2011). For example, information exchange and cooperation may take place between the Pension Fund, which provides pension benefits, and the Ministry of Justice of Ukraine, which is involved in legal regulation and control in the state. Usually, information exchange between these bodies may take place in order to confirm the legal status of a person, establish the fact of his/her disability or other circumstances that may affect the payment of pension benefits. The Ministry of Justice may provide the Pension Fund with information on the legal status of the enterprise or organization where the event that led to the workplace accident occurred. Also, if the disability was established by a court decision or a decision of an administrative body, the Ministry of Justice may provide the Pension Fund with the following information.

Thus, information exchange and cooperation between the Pension Fund and the Ministry of Justice may be important to ensure the legal validity and effectiveness of verification of payments to victims of work-related injuries. In the event of the death of a recipient of funds, the Ministry of Justice may be obliged to notify the Pension Fund of this event, especially if the death may affect the payment of pension or other social benefits (Verkhovna Rada of Ukraine, 2023).

The mechanism of such notification may include the following steps: First, the Ministry of Justice registers the fact of death in the relevant register. After the death is registered, the Ministry of Justice can send relevant information to the Pension Fund, indicating the death and the name of the deceased person. Based on this information, the Pension Fund may review the payments and decide to suspend or reallocate funds, taking into account the law and the rights of heirs or other legal successors of the deceased person. The pension fund may also notify the family or heirs of the deceased person about actions to be taken regarding further pension payments or other social

benefits (. Thus, the Ministry of Justice can play an important role in notifying the Pension Fund of the death of a recipient to ensure that this information is processed correctly and that social benefits are paid in accordance with the law. The means of exchanging such information is, in particular, the form of a protocol on the exchange of information.

Protocols for information exchange between the Ministry of Justice and the Pension Fund may be established at the level of legislation or regulations governing the activities of these bodies (Verkhovna Rada of Ukraine, 2022). Such protocols may define procedures for information exchange, including notification forms, deadlines for providing information, requirements for data confidentiality and security, and other requirements for processing and transferring information.

In this regard, special procedures or agreements may be developed between the Ministry of Justice and the Pension Fund, which define the mechanisms of information exchange and interaction between these bodies in cases of death of the recipient of funds. These procedures must clearly define the purpose for which the information will be exchanged between the authorities, specify what type of information will be transmitted and received by each authority, and describe the procedures and forms of notification, as well as the timeframes for providing information. The protocols should also set out requirements for ensuring the confidentiality and security of personal data during the process of information exchange, clarify which party is responsible for the correctness, completeness, and timeliness of the information provided, and outline the mechanisms for resolving disputes or conflicts that may arise in the process of information exchange. These protocols may be developed and approved by the competent authorities based on legislation and relevant regulations (Darid, 2024).

Starting from January 1, 2023, when the Social Insurance Fund of Ukraine merged with the Pension Fund of Ukraine under the Law, the need to digitize the system of insurance against industrial accidents and interconnect the existing electronic databases of various departments, institutions, organizations, and funds with each other arose. Specifically, the register of insured persons in the Pension Fund of Ukraine needs to be interconnected with the register of natural persons-citizens of Ukraine maintained by the State Tax Service, the register of electronic sick leave certificates for confirming temporary disability maintained by the Pension Fund of Ukraine, the register of prescriptions (introduced in Ukraine on April 1, 2023), which confirms temporary disability and the prescription of appropriate medicines, maintained by the Ministry of Health, the electronic register of disabled persons, which is compared with the recipients of disability pensions and suspension of temporary disability payments once a disability group is established, maintained by the Social Protection Fund for Disabled Persons of Ukraine and the Ministry of Social Policy of Ukraine (Myrgorod-Karpova & Koroshchenko, 2020). Additionally, it should be connected with the registers of pension recipients to avoid duplication (receiving both old-age pensions and monthly insurance payments due to disability caused by an occupational injury from two sources), and with registers of individuals and civil status act records, such as birth and death registration, maintained by the Ministry of Justice of Ukraine, to exclude deceased individuals from the registers based on the information entered into the civil status acts system.

However, the most important electronic registry remains the Centralized Register of Victims of Industrial Accidents or Occupational Diseases, which was formed and maintained until 2017 by the Social Insurance Fund for Industrial Accidents, from 2017 to 2022 by the Social Insurance Fund of Ukraine and was to be transferred during the implementation of the Law to the legal successor, the Pension Fund of Ukraine (Mykhailovska et al., 2020).

This register contains complete information about the victims of industrial accidents: individual tax number, surname, name and patronymic, place of work, date and circumstances of the accident, number and date of the H-1 Act on industrial accidents, an extract from the conclusion of the medical and sanitary expert commission on the percentage of disability. To ensure a unified approach to the comparison of electronic databases, information platforms, and full verification of victims, on June 15, 2023, the Ministry of Finance of Ukraine approved the "Methodology for Verification of Insurance Payments" (hereinafter referred to as the Methodology) (Verkhovna Rada of Ukraine, 2023).

This methodology provides for verification by comparing data on the insured person/victim, their family members (hereinafter referred to as recipients) provided by the Pension Fund of Ukraine and information provided by information providers, and that data on recipients is generated by the Pension Fund of Ukraine from its information systems.

According to clause 2 of the Methodology, the insurance payments subject to verification include payments, in particular, to persons who are recipients of payments from an industrial accident and occupational disease that caused disability, from the state budget and other sources not prohibited by law. These payments include a monthly insurance payment of lost wages (or the corresponding part thereof) depending on the degree of loss of professional ability to work, an insurance payment of a one-time benefit to the victim (or their family members and persons who were dependent on the deceased) in established cases, an insurance payment to a child born with a disability as a result of an injury at work or an occupational disease of its mother during pregnancy, insurance costs for vocational rehabilitation and social assistance, and temporary disability benefits due to an industrial accident or occupational disease. Additionally, the methodology incorporates the information base of the Ministry of Internal Affairs of Ukraine.

Thus, clause 3 of the Methodology provides that: "The data received from the Ministry of Internal Affairs of Ukraine is information from the functional subsystems of the unified information system of the Ministry of Internal Affairs of Ukraine (hereinafter - UIS MIA). Electronic information interaction between the body that verifies and monitors state payments and the central executive authorities, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Internal Affairs of Ukraine, which are subjects of the UIS of the Ministry of Internal Affairs, is carried out by means of the UIS of the Ministry of Internal Affairs." (Verkhovna Rada of Ukraine, 2022)

In order to analyze the necessary registers and information bases provided for by the methodology, the author analyzed the completeness of the approved verification, which is set in Table 3 (See end of article).

Based on the analysis, it can be concluded that the Methodology is imperfect and that incomplete verification is being introduced in Ukraine when awarding insurance payments. Of particular concern is the fact that there is no provision for the use of the Centralized Register of Victims of Occupational Accidents or Diseases, which has contained all information on all victims since 1999. As a result, the absence of such verification may lead to unlawful assignment of insurance payments and/or delayed payments to those victims who are eligible for assignment but lack certain documents. In the course of this study, the author paid special attention to the Pension Fund of Ukraine's Information System on Persons Who Receive Insurance Payments (item 10 of Table 2). To study the real state of this information system, on March 01, 02, 2024, the author made electronic requests to the Main Departments of the Pension Fund of Ukraine in the regions and in Kyiv, which are listed in Table 4.

**Table 4**

Indicators of insurance claims verification

Full Name	Location	No. of Insured Persons	No. of Recipients	Verification Conducted	Average Processing Time (Days)
Pension Fund (Kherson Oblast)	Kherson	103,389	2,186	Yes	25-40 days
Pension Fund (Odesa Oblast)	Odesa	778,800	3,459	Partial	20-45 days
Pension Fund (Rivne Oblast)	Rivne	Data Not Provided	Data Not Provided	No verification Conducted	N/A

Source: developed by the authors

Processing times in Ukraine range from 25 to 45 days, which is significantly longer than in EU countries where automated verification speeds up approvals. Rivne Oblast does not conduct verification at all, indicating severe gaps in implementation. Odesa's verification is only partial, meaning not all cases go through complete verification before payment.

In particular, letter No. 4350-3655/B-09/8-1700/24 of March 29, 2024, from the Main Department of the Pension Fund of Ukraine in Rivne region reported that: "A register of victims of industrial accidents and occupational diseases has not been created in the region. There is no information on the recipients of insurance payments (temporary disability benefits due to an industrial accident or occupational disease) in the Rivne region. The Main Department of the Pension Fund of Ukraine in Rivne region did not conduct verification forms for the above-mentioned Google items".

## 5. Conclusions

The current state of verification in the Pension Fund of Ukraine for awarding insurance payments to victims of industrial accidents significantly differs from EU standards. The verification process remains imperfect, lacking transparency, efficiency, and full-scale integration of available data sources. This



results in delayed payments, fraudulent claims, and financial inefficiencies within the system, ultimately weakening the stability of Ukraine's social insurance and pension systems.

From a theoretical perspective, the verification of insurance payments is crucial in ensuring economic sustainability, social equity, and legal compliance. The misuse or inefficiency of pension funds directly impacts the national budget, diverting resources away from critical social programs and increasing the strain on government finances. Strengthening verification mechanisms would not only reduce unnecessary state expenditures but also improve economic efficiency by ensuring that financial resources are allocated appropriately.

Beyond financial concerns, inadequate verification impacts social welfare. Work-related injuries and occupational diseases create long-term burdens on workers and their families, often leading to financial hardship and reduced quality of life. Insufficient compensation or delays in payments exacerbate social inequality and hinder economic development. Proper verification mechanisms are essential to ensuring that victims receive fair compensation and support for rehabilitation, which, in turn, promotes workforce reintegration and reduces the strain on social assistance programs.

To align with EU standards, Ukraine must implement preventive verification at the moment of injury reporting, ensuring that claims are assessed immediately and accurately. Furthermore, enhancing data integration across different government agencies—such as tax authorities, healthcare institutions, and employment services—would minimize errors and prevent fraudulent claims. Lessons from EU countries, particularly Germany and France, show that automated data exchange and multi-level verification can significantly improve efficiency and reduce financial losses. A stronger verification system will not only enhance financial management within the Pension Fund of Ukraine but also improve overall economic stability by reducing fraud-related expenditures. Strengthening verification will lead to better financial planning, reduced state debt, and a more resilient economy, ensuring that funds reach those who truly need them.

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## Tables

**Table 3**

Analysis of verification required by law and the need to compare information bases

№	Name of the registry that contains the information	The need for comparison	A note on the provision of the Methodology
1	The State Register of Individuals - Taxpayers (hereinafter referred to as the SRI), which is maintained by the State Tax Service of Ukraine	regarding the authenticity of the registration number of the taxpayer's account card; availability of income accrued to an individual by a tax agent or income received by self-employed persons, as well as the annual income declared by an individual in a tax return on property and income; date of hiring / dismissal of an employee)	Provided
2	the centralized data bank on disability issues, which is held by the Ministry of Social Policy of Ukraine (regarding the presence of disability)	compares with recipients of disability pensions and suspends temporary disability payments from the date of disability group determination and, if the duration of temporary disability is more than 4 months, makes decisions on the determination of disability group, which is maintained by the Social Protection Fund for the Disabled of Ukraine and the Ministry of Social Policy of Ukraine	Provided
3	the register of insured persons of the State Register of Compulsory State Social Insurance, which is held by the Pension Fund of Ukraine	availability of information on salary (income, financial support); receipt of pensions; being on unpaid leave, sabbatical leave, additional leave in connection with studies; non-belonging of the person to the insured persons in the system of compulsory state social insurance; date of employment and date of dismissal	Provided
4	The state electronic database on education owned by the Ministry of Education and Science of Ukraine	regarding full-time education in vocational ("vocational technical"), professional pre-university, higher education institutions	Provided
5	Unified information and analytical system of the central executive body that implements the state policy in the field of	Regarding persons registered with the employment service as unemployed who are recipients of insurance payments from the	Provided

	employment and labor migration, owned by the State Employment Center	Compulsory State Social Insurance Fund of Ukraine for Unemployment	
6	The Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations, which is kept by the Ministry of Justice of Ukraine	state registration of a legal entity or individual entrepreneur	Provided
7	The Unified State Register of Court Decisions, which is kept by the State Judicial Administration of Ukraine	regarding electronic copies of court decisions that have entered into force, except in cases where such court decisions have limited access or the requirement for protection of which is established by law, issued in cases of adoption by citizens of Ukraine residing in Ukraine; adoption by citizens of Ukraine residing outside the territory of Ukraine and foreigners	Provided
8	An integrated interagency information and communication system for the control of persons, vehicles and cargo crossing the state border of Ukraine, managed by the Administration of the State Border Guard Service of Ukraine	in relation to persons who have crossed the state border of Ukraine	Provided
9	Unified state demographic register managed by the State Migration Service of Ukraine	information on the validity of Ukrainian passports, documents confirming the right to permanent or temporary residence in Ukraine; information on the series (if any), number, date of issue of the Ukrainian passport and the name of the authorized entity that issued it (number, date of issue of the Ukrainian passport in the form of a card and the code of the authorized entity that issued it), and for foreigners and stateless persons - details of the foreigner's passport document and/or document confirming the right to permanent or temporary residence in Ukraine and information on the execution of documents for traveling abroad for permanent residence or staying abroad for permanent residence); a unique record	Provided

		number in the Unified State Demographic Register.	
10	Information system of the Pension Fund of Ukraine	in respect of persons who are recipients of insurance payments	Provided
11	The State Register of Civil Status Acts of Citizens, which is kept by the Ministry of Justice of Ukraine	on the birth and origin, marriage, divorce of the recipient and death of an individual;	Provided
12	Register of electronic disability certificates managed by the Pension Fund of Ukraine	Regarding the availability of documentary evidence of the fact of incapacity for work, which is confirmed by a sick leave certificate	Not provided
13	Prescription register	Confirms temporary disability and prescription of appropriate medicines to employees subject to temporary disability, which is maintained by the Ministry of Health	Not provided
14	Centralized register of victims of accidents or occupational diseases at work	A registry containing complete information about victims, electronic files of victims, data on assignments and payments since 1999	Not provided
15	Unified register of internally displaced persons maintained by the Ministry of Social Policy of Ukraine	Contains information about internally displaced persons, which significantly affects the place of payment and document verification	Not provided
16	Unified state register of vehicles	Information needs to be verified, in particular, on those cars paid for by public funds for disabled people from industrial accidents	Not provided
17	Registries of the eHealth sector of the Ministry of Health	Contains information on all cases of injuries and appointments with doctors	Not provided

Source: developed by the authors

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