

Vasylyshyn K.R. The Economic Indicators of Functioning of Environmental Insurance Market in Ukraine

Annotation

Attention is paid to the need for reimbursement losses caused by man-made and natural threats. The necessity of the study of economic indicators of the environmental insurance market in Ukraine has been substantiated. The kinds of environmental insurance under the Law of Ukraine "About insurance" are analyzed. A share of the insurance premiums of environmental insurance on the insurance market has been calculated. The basic economic indicators of functioning of environmental insurance market, including growth of insurance bonuses and payments and the level of insurance payments were analyzed.

Keywords: environmental insurance, environmental insurance market, insurance bonus, insurance payment, level of insurance payments.

Summary

Relevance of research. In recent decades, a number of natural and man-made threats that cause damage to life and health of citizens, their property and environment, is growing. The urgency of the issue of environmental safety, which is impossible without effective functioning of the environmental insurance market is growing.

The purpose of research – to analyze the economic indicators of functioning of environmental insurance market in Ukraine and to offer to increase limits of insurance payments in case of accidents on the objects of increased danger.

Results of research. Describing the environmental insurance market in 2014, we note that in the structure of the insurance premiums by type of insurance the largest share of insurance premiums of environmental insurance in the market belongs to insurance against fire risks and risks of natural disasters – 8,6 % and the lowest – to insurance of the exporter responsibility and the person responsible for the disposal (removal) of hazardous waste regarding compensation of damage that may be caused to human health, property and the environment during the transboundary movement and disposal of hazardous waste (0,0001 %). The share of premiums for compulsory environmental insurance in the market is only 0,7 %, which demonstrates the need for the formation of compulsory environmental insurance market.

Today, the level of insurance payments in the event of a natural disaster in Ukraine does not exceed 2 %, and in the case of man-made accidents – 3 % of the damage. In the EU this indicator are 70 and 85 % accordingly.

The most common and stable type of voluntary insurance against natural catastrophes is insurance against fire risks and risks of natural disasters. Insurance premiums and payments on this type of insurance in 2014 compared to 2005 were increased by 2 and 9 times respectively. Thus, despite the high risk of insurance against fire risks and risks of natural disasters, this type is one of the most profitable for insurance companies in Ukraine.

Conclusions.

1. Basic indicators of functioning of environmental insurance market in Ukraine show that the voluntary environmental insurance market today is being better developed than the compulsory.

2. The share of compulsory environmental insurance in the market and the level of insurance payments are 0,7 % and 2 % respectively, while voluntary insurance against fire risks and risks of natural disasters – 8,6 % and 8,4 % appropriately.
3. Subjects of increased danger are not interested in insurance against environmental risks and insurance payments are not sufficient for reimbursement of losses. Therefore, it is needed to increase the limit of insurance payments in case of accidents on the objects of increased danger in Ukraine.
4. A situation when the insurance companies have the lowest insurance payments, therefore forming insurance reserves, is typical in the environmental insurance market.
5. List of types of environmental insurance can not be considered as efficient, because there are new emerging environmental risks due to globalization, technological progress and climate change.