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TRENDS OF DEVELOPMENT OF LIFE INSURANCE IN UKRAINE

Abstract. Essence of life insurance and its function are discussed. Economic maintenance of life insurance and features of realization of this type of insurance are defined.

Life insurance is a type of personal insurance that provides for the insurer's obligation to make an insurance payment in accordance with the insurance contract in case of death of the insured person, as well as, if it is provided for in the insurance contract, in case of survival of the insured person before the expiration of the insurance contract and (or) achievement by the insured person of the age specified by the contract.

The feature of the category of life insurance is that it is a complex economic one the relationship between the insurance company and the insured, the insured person, the beneficiaries and heirs. In the process of contract implementation, risk and savings functions are combined.

Life insurance companies perform a compensatory function, that is, correct the asymmetry that arose in socioeconomic processes, through financial compensation for losses or lost personal income. In modern conditions, the amount of the profitability of the policy accumulative life insurance in some cases can compete with profitability bank deposits of reliable banks, though a significant drawback is the lack of a guarantee fund [2, p. 132].

The effective activities of insurance companies providing life insurance services is not possible in the conditions of the unstable state of the national and world economy, and the low level of financial market development and its instability not only reduces the effectiveness of insurance, but even leads to the inappropriate application of it [3, p. 106].

The life insurance sector may contribute to economic growth by its very mechanism of savings mobilization and thereby performing an intermediation role in the economy. This ensures that capital is provided to deficient units who are in need of capital to finance their working capital requirements and invest in technology thereby resulting in an increase in output. In this way, it could be argued that life insurance development spurs financial development [1].

In Ukraine at this stage of the development of the insurance market there is a wide range of factors that is a barrier to the development of life insurance in Ukraine and for its release to the European one level. Among such factors we can distinguish the following: the imperfection of domestic regulatory and legal framework, economic and political instability, high inflation rates, fluctuations of the national currency, lack of insurance culture, low income level among the population and trust in insurance and insurance companies is an imperfect level insurance services for the population and the availability of insurance services, an imperfect system insurance company risk management and tools for their prevention, absence guarantees of saving of invested funds, insufficient efficiency level of operational and strategic management of insurance companies, high level of monopoly in the market etc.

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