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THE ANALYSIS OF THE PRESENT MARKET OF MOTOR VEHICLE VOLUNTARY INSURANCE IN UKRAINE

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Summary. The article is devoted to the modern trends, problems and prospects of development of voluntary vehicle insurance in the context of restructuring and development of the insurance system of motor transport.

Key words: *vehicle insurance, CASCO insurance, insurance portfolio, insurance product, insurance risk, fraud in vehicle insurance.*

The experience of developed countries shows the motor vehicle insurance is a strategic important insurance sector. It reduces the consequences of traffic accidents, creates an additional mechanism to protect creditor interests, ensures the development of other related types of insurance (home property, casualty, etc.). Partly it releases State in dealing with social problems arising from traffic accidents, thefts or vehicle damages.

The Ukrainian hull insurance (CASCO) market in current market conditions was shaping actively during recent years. But its development can't be considered consistent and dynamic. The reasons are a fragile socio-economic situation and the result of cultural and historical traditions of the Ukrainian society.

The aim of the article is to investigate current trends, problems and prospects of voluntary insurance of motor vehicles. Its development causes the formation of large insurance field.

Motor vehicle insurance includes two types of insurance products offered by the owners of vehicles: hull insurance (CASCO) and liability insurance.

Hull insurance is done on a voluntary basis and contains a set of risks associated directly with the car, and covers losses arising in the event of damage, destruction or loss of complete machine (in whole or in its individual parts), accidents (collisions, impacts, etc.), fire, spontaneous combustion, natural disasters, car theft and damage during the stealing, theft of parts, broken glass and other unlawful acts of foreigners. However, most insurance companies give

customers the right to choose between full insurance (includes all these risks) and its individual programs (partial insurance). For example, you can not only insure the car in case of accident, but of all the risks associated with natural disasters. The risk of "car theft" insurance is more complicated. If a private insurance company agrees to insure the car from theft risk, the cost of such insurance coverage is very high, and the franchise will be considerable. Typically insurers prefer to sell this risk in a package with other risks.

Hull Insurance Program (CASCO) is most popular insurance product today. Hull insurance policy is the first life insurance agreements for most people. The reason is not enough people in Ukraine will voluntarily insure their property. However buying a car on credit provides mandatory insurance, because this car is pledged.

Some reasons that prevent the market recovery of voluntary motor insurance: the poor economic situation, prospective client unwillingness to spend money on insurance coverage, a small insurance culture, reducing confidence in insurance companies, low solvency of potential policyholders, the guarantee mechanisms absence in the insurance market such as existing Bank Guarantee Fund, low liability insurers for the quality of services provided.

The tasks of strengthening the fight against insurance fraud become relevant. For example experts estimate that losses from fraud insurers reach \$ 400 million per year. Some large companies claim for benefits fraudsters to account for up to 10 % on car insurance fees (in Ukraine 80 % of all cases of insur-

ance fraud – for hull insurance). At the same time we must emphasize there are insurance companies carry out fraudulent activities to their clients.

Hull insurance development prospects are associated with future growth of individuals and legal entities demand for insurance product. The reasons are

the increasing numbers of vehicles, customer awareness of the need to insurance vehicle protect, further increase the solvency of vehicle owners, the promotional activities intensification of insurance companies, the new insurance products development at voluntary motor vehicle insurance, etc.

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