

**Pavlenko O.**, PhD, Associate Professor, Associate Professor of Finance and Banking, Dnipro State Agrarian and Economic University, Dnipro, Ukraine

## **INSURANCE AS A METHOD OF FINANCIAL SECURITY OF AGRICULTURAL PRODUCERS: CURRENT TRENDS AND WORLD EXPERIENCE**

**Introduction.** The main problems of agrarian producers activity are investigated in the article, it is analyzed the crop area, the volume of their commodity production, financial results, and profitability from operating activities, the main indicators of the insurance market.

**Purpose.** The aim of the article is determination of insurance as a method of support of financial security of agrarian commodity producers and also providing of them break-even activity by insurance defence of risks that arise up in agriculture.

**Results.** The author presents the legislative regulation of insurance in agriculture of Ukraine, the economic mechanism and peculiarities of insurance of agricultural production. In the economic mechanism of insurance coverage of agrarian production in Ukraine, the main constituent element is the creation and use of an insurance fund at the expense of voluntary or mandatory insurance premiums of insurers in order to recover unforeseen losses in the

economic mechanism of insurance coverage of agrarian production in Ukraine. The role of the state with the support of insurers, insurance associations are determined, establishment of strengthened control and supervision of insurance activities in the agrarian sector, since this particular fate of the economy has advantages over other spheres of production. The systems of creation of insurance funds and the order of guarantee insurance coverage in foreign countries, which offer insurance programs with participation and state support, are reviewed. The methods of insurance for groups of property of agrarian producers, in which there will be a reliable insurance coverage of unforeseen risks, are established.

**Conclusions.** The conducted research has shown the necessity of creation of an effective system of insurance coverage of agrarian producers in order to ensure their financial reliability in the conditions of integration development of the insurance market.

**Keywords:** *insurance, insurance coverage, insurance risks, insurance market, financial security, farming, agriculture.*

### **References:**

1. Aleksandrova, M. M. (2011), "Foreign experience in the formation and development of insurance systems for agricultural crops", *International collection of scientific works*, vol. 2 (20), pp. 18-28.
2. Alesherova, Y. (2013), "Agricultural risk insurance: problem solving", *Bulletin of the Taras Shevchenko National University of Kyiv. Economics*, no. 135, pp. 39-41.
3. Borisova, V. A. (2017), "Insurance as a means of preventing the risks of agrarian producers", *Accounting and finance of agroindustrial complex*. [Online], available at: [http://www. magazine. faaf. org. ua/ strahuvannya-yak-zasib-zapobigannya-rizikiv-agrarnih-virobnikiv.html](http://www.magazine.faaf.org.ua/strahuvannya-yak-zasib-zapobigannya-rizikiv-agrarnih-virobnikiv.html).
4. Gutko, L. M. (2009), "Experience of state support for insurance of agricultural production risks", *Economy of agroindustrial complex*, no. 10, pp. 147-152.
5. The Verkhovna Rada of Ukraine (1996), "About insurance", available at: [http:// zakon. rada. gov. ua/ go/ 85/ 96](http://zakon.rada.gov.ua/go/85/96) (Accessed 29 Marth 2018).
6. Financial Market of Ukraine (2010), *Kontseptualni zasady strakhuvannya ryzykiv u silskomu gospodarstvi* [Conceptual Principles of Agricultural Insurance Risks], Ukraine.
7. Koval, O. A. (2009), "Development of insurance activity in the agrarian sector of the economy of Ukraine", *Stock market*, no. 4, pp.18-22.
8. The official website of Forinschur Insurance [Online], available at: <http://forinsurer.com/hotnews/15/09/10/32900>.

9. The official website of the Main Department of Statistics in the Dnipropetrovsk region. [Online], available at: <http://www.dneprstat.gov.ua>.

10. Plastun, V. L. (2008), "Insurance of Risks of Agricultural Enterprises", *Bulletin of Sumy National Agrarian University. Series "Economics and Management"*, no. 12/1 (33), pp. 58-62.

11. Prokopchuk, O. T. Ulyanych, Y. V. and Bečko, V. P. (2014), "Peculiarities of agrarian risk insurance countries of the world", *Economy Problems Ukraine*, no. 3 (153), pp. 46-53.

12. Sholoyko, A. (2013), "World experience of state support of agriculture through insurance programs", *Bulletin of the Taras Shevchenko National University of Kyiv. Economics*, no. 135, pp. 41-43.



*This work is licensed under a Creative Commons Attribution 4.0 International License*