

## INSURANCE PROTECTION TO AGRICULTURAL PRODUCTION

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*Анотація.* В роботі визначені основні аспекти та проблеми розвитку страхування сільськогосподарського виробництва в Україні.

*Ключові слова:* страхування, страховий захист, сільськогосподарське виробництво, сільськогосподарський ризик.

*Summary.* The paper identifies the key aspects of security and development problems of agricultural production in Ukraine.

*Keywords:* insurance, insurance protection, agricultural production, agricultural risk.

**Introduction.** Today and always is agriculture sector of the economy that provides food security. At the same time, agricultural production takes place in high natural risks, the effect of which, in many cases it is impossible to control. In addition, farmers are faced with such a risk as price fluctuations, changes in productivity, inconsistent government policies. It is clear that such natural hazards like drought, hail, flood, can lead to very serious production losses. In many countries, the state actively intervenes in the situation, trying in this way to reduce the problems associated with agricultural risks. It should form an effective market risk management mechanism that would satisfy both the needs of farmers and the capacity of the state. This question is relevant.

**Results.** Some countries have opted for a purely public agricultural insurance when the state assumes all risks related to agricultural insurance, creating an insurance company, and in fact, entering into competition in financial services from the private sector. This approach is highly inefficient, resulting in the rejection of

these practices and move to a system where agricultural insurance is provided on a partnership between government and the private sector.

The partnership between the private and the public sector allows the state to minimize the cost of agricultural insurance and focus on the state management function purely agricultural production, supporting through subsidizing agricultural insurance premiums in the production of agricultural products a priority. In addition, the involvement of the private sector in the implementation of the program provides competitive segment of agricultural insurance and increases the responsibility of the private sector. In this state, without diverting resources to administer insurance programs, the creation of an extensive network of branches, where farmers must apply at the conclusion of insurance contracts in the case of damage, as well as the contents of a large staff of highly skilled underwriters, surveyors, surveyors losses, etc. ensures the performance of their direct functions to create the legal framework for the development of agricultural insurance, the regulation of insurance companies and maximize efficient use of agricultural insurance as a tool for the implementation of agrarian politics [2].

The state is interested in getting to play in agricultural production to provide insurance protection for their farmers and stabilize their income over time, usually supported agricultural insurance. One way this support is the use of various subsidies and other financial support to agricultural insurance [1].

Over the past 5 years the practice of subsidizing insurance for agricultural products was not formed database that have characterized the structure and scope of the insurance market for future integration into a single system.

We can say that today the world in all forms of existence insurance of agricultural production, there is no positive experience of the system of mandatory crop insurance. In fact, a system of mandatory crop insurance provides for levy of the best hosts for the worst. And in this situation the best hosts attempt to create a situation in which they would be compensated [3].

**Conclusions.** Agricultural insurance market developing agricultural insurance services become more efficient. If producers interested in improving their income

and protect against loss of their production, it is necessary to insure quality. You must have a transparent mechanism of insurance of agricultural products, including the right choice of insurance company, knowledge of their rights and responsibilities, adherence to established procedures in the insurance case.

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