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ASSESSMENT AND EFFICIENCY OF INSURANCE IN AGRICULTURE

The absence of well-functioning insurance system of agrorisks, despite a considerable interest in its use by agricultural producers, makes them depend on the market spontaneity and nature. Therefore, it is advisable to assess the level of crop insurance and its effectiveness.

The purpose of this article is to assess the current state of insurance in agriculture, identify the main problems of subsidy instrument and areas of improvement and development prospects.

Research methods. Economic methods, as well as the method of comparison are used for the scientific solution of the article target goal.

Research results. Under the influence of various factors, a small number of insurance companies are engaged in insurance of crop production against natural climatic risks. On February 9, 2012 the Ukrainian parliament adopted the Law of Ukraine "On peculiarities of insurance of agricultural produce with state support". This law restores the instrument of back up insurance; licensed insurers are entitled to insure agricultural product. Insurance companies must use only standard insurance products under the new program of state support for insurance of agricultural products.

Conclusions. The Law of Ukraine "On peculiarities of insurance of agricultural produce with state support" contradicts to the principle of voluntariness, and the funds to reduce the price of the cost of the insurance premium are not allocated in the budget.

The trust among participants of agricultural insurance market is not enough for agricultural producers because the state does not provide any warranty for the implementation of its obligations by the insurance company.

It is important to introduce a new mechanism of providing insurance subsidies to agricultural producers by subsidizing a part of the cost of insurance premium, where the state display a real concern for the insurance of agricultural production by providing a certain amount.

Key words: agriculture, subsidies, insurance products, subsidy instrument, level of insurance.