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A SYSTEM OF FACTORS INFLUENCING FORMATION OF DEMAND FOR INSURANCE SERVICES

A market is a form of system of economic relations, which based upon good production and exchange, and a form of social connections between humans in the process of purchasing and selling goods and services. A market is a mechanism of connection of buyers (representatives, entities of demand) and sellers (representatives, entities of supply) of particular goods and services. It is also an area of relations between producers and consumers of goods and services. As for the insurance theory, it is worth mentioning that scientists frequently use concepts of «insurance market» and «market of insurance services». Some scientists suppose these terms to be coincident ones and others propose to determine some differences. We share the opinion of the latter and support conclusions of O. A. Hamankova, who considers an insurance market as a single formation being an area of exchange and distribution financial relations. These relations emerge between insurees regarding protection of their future interests and insurers (reinsurers), who provide such protection for a particular payment (an insurance premium) at the expense of monetary funds in the form of own or borrowed insurance capital. «The market of insurance services encompasses only those financial relations in the insurance market, which are relations of exchange and mediate purchasing and selling services on insurance protection. The very market of insurance services can be considered as a mechanism, which combines interests of demand carriers (insurance service consumers) and sup-

ply carriers (insurance companies) [1, p. 101]». The main elements of the insurance market mechanism are demand, supply, and an insurance tariff. Let us concentrate attention on peculiarities of demand in the field of corporate insurance and factors, which influence it.

It is generally known that an insurance service has the consumption value, which implemented in the form of insurance protection that assume the form of insurance cover, and the value, which expresses an insurance payment.

Consequently, demand for an insurance service is an amount of insurance services consumers can buy for a certain price (a tariff rate) during a particular period in a particular market.

Both physical persons (firms, enterprises) and legal entities (firms, enterprises) can form demand for insurance services. Not only does a price (a tariff rate) influence market demand for insurance services, but also many other factors. Let us determine non-price factors of company demand for insurance services. They are as follows:

– prices for other goods (P_a, P_b, \dots). It is worth mentioning that insurance is one of mechanisms of risk management. Alongside with them, there are others, which are of different efficiency as well as different prices. For instance, when a company estimates expediency of insurance service purchasing, it calculates own expenses and benefits. If expenses for other mechanisms of risk management (a contract with a security firm, formation of own medical service, etc.) will be lower, it will result in reduction of demand for insurance services;

– an amount of buyers in the market (n). The question is an amount of those companies and households, which potentially need certain insurance protection. For example, at the request of state authorities, n companies should organize, carry out, and pay for special medical examination for own staff. A service of medical insurance, which include a respective option, can be an alternative for this operation. A company can solve not only a standard issue of passing medical examination, but also extend a staff's employment package;

– monetary incomes of customers (I): increase of the latter certainly leads to increase of demand. In this context, a company evaluates the following aspects as important ones: what is a source of financing insurance payments; is there possibility of inclusion of a payment for an insurance service in an amount of gross expenses in order to minimize taxable profit. The latter operates an additional factor of demand for an insurance service. During a long period, the second aspect has caused demand for quasi-insurance. Transferring money to an insurance company in the form of insurance payment at a groundlessly excessive tariff and establishing serious limitations in determination of insurance risks and an order of calculation of paying insurance reimbursement in an insurance agreement are features of

quasi-insurance. Existence of such demand created respective supply. This resulted in division of the insurance service market into classical insurance and quasi-insurance (optimization insurance);

- tastes of consumers (T), which concern with their intentions regarding purchasing an insurance services that will enable to manage risks or to optimize tax payments with the use of certain types of insurance services;

- accumulated wealth (W), which, on the one hand, needs insurance protection and, on the other hand, can be a subject to mortgage, against which a loan is given. Consequently, this process is an additional incentive for increase of demand for services on property insurance. Subsequently, purchasing property can be an additional source of resources regarding purchasing an insurance service, e.g. a service of personal insurance or insurance of responsibility;

- expectations of companies regarding the change of a risk situation (the change of destructive consequences of natural disasters, a human economic activity, etc.) that increase or decrease demand;

- a state economic policy, e.g., a taxation policy, which can propose certain preferences for payers of insurance payments. Concluding the above-mentioned information, we can indicate that an influence of various factors on market demand for insurance services can be expressed in the form of a demand function:

$$Q_D = f(P_a, P_b, \dots, I, T, W, n, \dots).$$

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INSTITUTIONALIZATION OF POPULATION INCOMES IN UKRAINE UPON THE PATTERN OF COUNTRIES WITH LEGAL ECONOMY

Types of institutionalization of population incomes can make positive as well as negative influence on generation, distribution, and redistribution of incomes. Institutionalization of incomes, which has formed in Ukraine, frequently does not stimulate those individuals, who create the value, but stimulate those being better