

a sector of the grey market. It is a factor of the following tendencies: further activation of the grey market and criminalization of the national economy; expansion of corruption, since a bribe and nepotism are the main instruments of solution of problems of its customers; coalescence of government officials and the underworld. A law consultant of a particular official, who provides some quasi-consulting law services, factually is a link that connects potential subjects of corruption actions.

3. Expansion of unlawful acts of business entities. If a business is more and more supported by the law quasi-consulting, its activity falls outside the scope of law and assumes underground and criminal characteristics. We should not expect a real contribution to overcoming the current social and economic crisis in Ukraine from such a business.

4. The increase of legal nihilism and the loss of legal culture. Experience of the unlawful solution of problems frustrates respect for the law, forms negative attitude to its creators and protectors, i.e., government and law enforcement agencies, jurists and law services firms, and forms sub-culture of unlawful behavior.

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PECULIARITIES AND DIRECTIONS OF THE UKRAINIAN INSURANCE MARKET TOWARD DEVELOPMENT OF THE LEGAL ECONOMY

*L. V. Nechyporuk, Doctor of Economic Sciences, professor,
Yaroslav Mudryi National Law University*

Unlike western countries, Ukraine and other post-soviet countries accomplish formation of the legal economy in a particular manner, which consists in inverse nature of economic transformation. The peculiarities of the insurance market formation as a system of multi-level financial relations are also stipulated by the inverse nature of transformational changes. In contrast to a classical type of an insurance market, these changes are characterized by disturbance of internal logics of development and the change of sequence of economic transformations (from prevalence of a public form of ownership to a variety of ownership forms in the insurance industry; from the governmental monopoly to development of competitive relations in the insurance market; from directive and planned pricing to free pricing for insurance services). Under conditions of a classical type of insurance market formation, the mentioned transformations are carried out in the reverse order.

For a long time, the inverse nature of the insurance market formation was affected by the following factors: a) expansion of pseudo-insurance operations used for tax optimization and shadow financial schemes (including, deriving capital overseas) rather than providing insurance protection; 2) the influence of transaction costs on a tariff policy of insurance companies. These costs comprise *visible transaction costs* (search and information costs; costs of bargaining and attaching ownership rights of insurance relations parties; costs of ownership rights protection) and *hidden transaction costs* (costs of using wrongful or distorted information, which lead to financial losses, the loss of invested assets, and reduction of demand for insurance services). Scientists recognize a set of factors conducing to increase of transaction costs in the Ukrainian insurance market. They consists of an ineffective governmental policy in the insurance field (including an administrative and bureaucratic system of creation and licensing insurance companies; collection and submission of documents in the process of receiving an insurance reimbursement); a low level of confidence in fulfillment of obligations on the part of insurance companies; instable money circulation and an instable exchange rate, which result in devaluation of insurers' assets; high value of economic information; weakness of realization of ownership rights and insurance legislation, which impede to impose a responsibility on an insurer; absence of guarantees of legal protection of insurees.

In general, a set of problems requiring immediate solution is inherent to the domestic insurance market. The problems include: imperfectness of normative and legal regulation stipulated by non-conformity of the current legislation with requirements of European standards; a risk of further shadow economy expansion; non-transparency of public regulation in the insurance industry; insufficiency of capital of domestic insurers, which restrains insurance of large-scale risks in the energetic, ecological, and financial industries and cease development of medical and agricultural insurance; an extremely low level of development of the life insurance market and other types of personal insurance; imperfectness of normative and legal frameworks of the activity of insurance agents, actuaries, and accident commissioners.

Prospects of development of the insurance market are affected by effectiveness of the governmental regulatory policy, functionality of normative and legal acts aimed at formation of an effective mechanism of governmental regulation and supervision, reduction of activity losses caused by surplus and ineffective governmental regulation, providing competition in the market, prevention of the activity of unfair companies, conformity with contemporary processes of reformation and deregulation of the Ukrainian economy.

There is a set of governmental measures, which influence the insurance market in order to provide conducive conditions of its further development, increase of

investing attractiveness, and restoring trust of insurance services consumers. The list of measures consists of:

1) deregulation and growth of governmental supervision effectiveness, which primarily consists in: a) cancellation of ineffective norms, optimization of license terms and processes of obtaining necessary permits, elimination of bureaucratic restrictions emerging in the process of foundation and execution of the activity of insurance services rendering, which should occur on the basis of principles and goals of governmental regulation and supervision in accordance with international standards IAIS; b) providing implementation of a prudential supervision system and transition to a supervision system based on risk evaluation due to conduction of evaluation, measurements, and restriction of liquidity risks of insurers, taking into account their role and share in the market, strengthening requirements regarding disclosure of information and enhancement of insurers' responsibility for violation of rules of their activity;

2) protection of interests of insurance services consumers and restoring trust in insurers through regulation of matters of pass-due indebtedness and exclusion of non-solvent insurance companies from the market; improvement of a tariff policy directed towards transition to free pricing, formation of organizational and normative preconditions for implementation of a system of «direct regulation» and «an electronic policy» (at least, for particular insurance services);

3) determination of priorities of the regulatory influence on insurance market development, which conduce to implementation of norms and practices of the EU in the following areas: life insurance; compulsory insurance of civil and legal responsibility of vehicles' owners; agricultural insurance; insurance of real estate against natural and industrial disasters on the part of legal entities and individuals; insurance of export.

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ORGANIZING FINANCIAL SECURITY MANAGEMENT OF THE INTEGRATED STRUCTURE OF A BUSINESS ON PRINCIPLES OF CONTROLLING

A. A. Pylypenko, Doctor of Economic Sciences, professor, head of Economics Department, Simon Kuznets Kharkiv National University of Economics

Expansion of corporatization and emergence of various integrated unions of enterprises are one of the leading tendencies of the world economy. Subsequently, processes of financial integration leading to gradual formation of a single financial