

**LIABILITY INSURANCE IN THE REPUBLIC OF BELARUS: FACTORS
OF LOW DEVELOPMENT AND ACTIVITIES FOR IMPROVEMENT****NATALIA KRASEVICH, IRYNA PAZDNIAKOVA****Polotsk State University, Belarus**

The article presents the concept and object of liability insurance. Factors and negative moments that adversely affect the insurance market of the Republic of Belarus are singled out, as well as measures are proposed to ensure the dynamic development of liability insurance.

Insurance plays an increasingly important role in provision the well-being of every family and every person. Commercial insurance, which is carried out by insurance companies, complements social insurance, which is organized by the state. Thanks to insurance, a person can save their property, provide themselves with money in case of illness and disability, get an additional pension and create financial guarantees for the family in case of their departure from life.

Nowadays, liability insurance is an independent sphere of insurance activity. The object of insurance is the liability of the insured under the law or by virtue of a contractual obligation to third parties for causing harm to them (meaning harm caused to the person or property of third parties). Due to arising insurance legal relations, the insurer assumes the risk of liability for obligations arising from the harm caused by the insured (physical or legal person) life, health or property of third parties [1].

Despite the fact that developed insurance markets have a positive impact on economic development, the level of distribution of insurance services in Belarus is quite low.

Despite the constant development over the past years, the insurance market is still relatively small with a limited number of insurance services. It should be noted that the low level of distribution of insurance services is inherent in many countries of the post-Soviet space. However the level of distribution of insurance services is three times less in Belarus (0.63%) than in Ukraine (2.01%), and it's almost five times lower than in Russia (2.77%). The index of insurance density (premium per person) is also small. The Belarusian insurance market is going through hard times and this is due, first of all, to the general economic situation in the country, to the unsustainable financial situation of most groups of potential insurers, and to the insufficiently active state policy in the field of insurance over the past few years. The share of insurance contributions collected in GDP in 2014-2016 was about 0.6-0.8%. At the same time, this index is within 3-4% in Ukraine and Russia, and it reaches 8-10% in Western Europe [2].

We can distinguish four factors that are associated with a cautious attitude of the population towards insurance, which have a negative impact on the development of the insurance market:

- failure to comply with insurance contracts concluded before 1992 by the State Insurance, and lack of compensation under these contracts. Compensation of outstanding insurance contracts concluded before 1992, to date, will require 300 trillion. rub. This situation undermines public confidence in the insurance system. In Russia and Ukraine, payments are made under similar contracts, which has a positive effect on the increase in the population's demand for insurance services;

- low standard of living;

- high inflation expectations. A high level of inflation in Belarus leads to an increase in demand for long-term insurance in hard currency. However, the lack of attractive insurance schemes in Belarus and the growing demand for hard currency insurance are met by illegal intermediaries of foreign companies, as well as by the desire to export money abroad, with the subsequent conclusion of contracts

- the presence network marketing companies in the field of life insurance. The emergence of multi-level financial pyramids or network marketing companies also have a negative impact on the development of population demand for insurance services [3].

Along with the above factors, the following negative points can be singled out in the implementation of insurance activities, using the example of the BRUSP« Belgosstrakh »:

- increasing of the average payment of insurance compensation (collateral) for liability insurance;

- the insurance premium is many times higher than the insurance payment, and for some voluntary types of liability insurance there are no payments over a long period. This adversely affects the development of voluntary liability insurance. The fact is that in this case, the insured does not have an incentive to insure liability: they will not receive even the amount of the contribution paid in any case;

- weak work of insurance agents with customers;
- decrease in the productivity of insurance agents;
- weak advertising activity in the field of insurance. The result of this is the ignorance of the insured about the existing types of insurance services. To change this situation, it is necessary to expand advertising activities, use modern means, for example, the Internet.

To increase the effectiveness of insurance companies in the implementation of liability insurance, it is advisable to carry out a number of measures to increase insurance premiums for this type of insurance and improve the quality of rendering insurance services. These activities should ensure the dynamic development of the liability insurance types. It is necessary:

1. To give due attention to the development of such prospective types of liability insurance as compulsory insurance of civil liability of the carrier to passengers, voluntary insurance of civil liability of living quarters owners. Activation of these types will significantly increase the amount of insurance premiums. The systematic development of these services will provide the insurance company with an increase in reputation in the insurance market of the region, will help to differentiate the insurance portfolio and expand the range of policyholders.

2. Such type of insurance as professional liability insurance, is poorly developed in the insurance market of the Republic of Belarus. Not all managers understand its necessity and benefits, but, having saved on insurance, they lose much larger sums. The competition in this segment of the insurance market is not yet great. However, interest in this type of insurance is gradually increasing. This is because of the availability of such a policy gives a competitive advantage, increases the credibility of professionals in the eyes of customers. Insurers conclude professional liability insurance contracts with legal entities and individual entrepreneurs who have the right to engage in professional activities in accordance with the legislation of the Republic of Belarus in the interests of third parties with a view to recovering the damage caused to them by the insured's professional activities. Such insurance allows you to shift responsibility for mistakes made in the course of professional activity to the insurance company. All this confirms the expediency of developing this type of insurance in the insurance market of the Republic.

3. The introduction of a system of labor competition between agents and specialists, which provides for the awarding of the latter as a result of the conclusion of the largest number of contracts.

4. Increasing professionalism of insurance workers. You can not minimize the importance of this factor, because it includes insurance agents and specialists who conclude insurance contracts, so they must be able to convince the insured of the profitability and importance for them of using certain types of insurance services.

Thus, the implementation of these measures will allow insurance organizations to increase the volume of insurance premium payments on liability insurance, expand the range of clients, take a more stable position in the insurance market of the region, improve the quality of insurance services for insured interests, and increase the level of insurance culture of the population and subjects management.

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