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## Car insurance in Ukraine\*

Taking into account growth of indexes of death rate, traumatism and damages of property as a result of transport accidents, in Ukraine is quickly developing the car insurance market. Legal regulation of this phenomenon is carried out by means of the Civil code of Ukraine, Laws of Ukraine "About insurance", "About obligatory insurance of civil liability of proprietors of the ground vehicles" and accepted according to them by-laws.

The essence of insurance is setting of risk of unforeseeable money charges from person who made damage on the insurance company.

In Ukraine nowadays depending on an object there are such types of car insurance:

1. The personal insurance

The life, health and capacity of driver, and also, usually, of passengers according to the number of seats in a vehicle is ensured against the accident.

2. Insurance of transport vehicle itself (or CASCO)

To insurance are subjected freight, passenger cars, special cars and other vehicles that belong to the physical or legal persons. Depending on the quantity of risks (and such can be the damages, eliminations, theft of vehicle transport, harm conditioned mostly by the damage or structural elimination of corps and machineries of vehicle transport) which are insured, there is "complete" and "partial" CASCO.

3. Insurance of responsibility.

This type of insurance is obligatory in Ukraine. Is insured civil responsibility of proprietor of auto, that is, if a proprietor will get in "DTP" (abbreviation from road-transport accident in Ukrainian), and caused harm to other person, then compensate this harm will an insurance company. Such insurance can be national or international (when a person has the "Green card", action of which spreads on approximately 42 countries).

The relations on insurance are designed by an agreement. Such contract in written form is concluded between an insurer (legal entity, that has a license for insurance activity) and the insured (physical or legal person) and usually enters into action from the moment of bringing of the first insurance payment. On the contract of insurance an insurer is obligated in the case of insurance case to pay to the second side or other person marked in an agreement, money sum, and the insured is obligated to

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\* According to the legislation valid on 01.03.2007

pay insurance payments and execute other conditions of the agreement. The conclusion of treaty in interests of the third person, insurance of one object by a few insurance companies and insurance companies that insure each other is also permitted by Ukrainian legislation.

The following are the substantial conditions of the agreement of insurance:

- subject of agreement (life and health, property, responsibility)
- insurance case
- size of insurance sum on which the insured object (by the legislation is set a minimum size in a size 25 500 hryvnias on one the victim for the damage of property, and 51 000 hryvnias at harm to the life and health. But also there is notion of "franshiza": it is part of losses, which is not compensated. For example, in the case of death of passenger of auto to his relatives is paid 100 % of the insurance sum but at the loss of capacity a person collects a definite percent from an insurance sum and during limited quantity of days, therefore getting only about 50 % of the sum).
- size of insurance payment and terms of its payment by the insured (in every case it is defined individually, depending on the type of vehicle, its age, cost, pattern of the use, the state of saving, work experience of driver, quantities of previous accidents).
- term of agreement
- other terms, what sides defined as substantial.

At entering into strahovogo contract of side are to be especially attentive and careful, as a market of insurance services in Ukraine only is only being formed, and, unfortunately, are possible cases of swindle. In the case of misunderstanding with the insurance company it is possible to address the State commission from the settlement of market of financial services.

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