

## **Role of households in development of finance insurance in Ukraine**

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Households accumulate substantial funds of financial resources, which are forms of savings. In highly developed market economies, they are able to boost economic activities and to specify its maximum efficiency and profitability. The most attractive tool of investment of own a fund among the population is a program of life and pensions, private pensions, and a variety of financial instruments. The main sources of financial resources of households are: income from employment and self-employed.

In developed households invest available funds in securities (37 %) and insurance and pension plans (32 %). In particular, the life insurance covered almost 90% of the population.

Ukraine needs more efficient use of internal investment potential of households in stable economic growth ensuring. For this, a set of measures should be performed to increase the role of households in terms of

sustainable development providing; there is a need to move from traditional insurance products to investment insurance. This should be preceded by active work on motivating people to save and change their cost structure. Requires improved risk management system in order to minimize transaction costs in conditions of instability of economic development and the growing influence of financial challenges and threats. It is advisable to complete the reform of the pension system with the intensification of non-state pension provision through the appropriate programmers of insurance enterprises. This will allow to strengthen the participation of households in financial market operations as individual investors, will enable transformation of their inactive financial resources into active investment capital, which will be the key to improving of the socio-economic situation in the country.