

OCCUPATIONAL RISK INSURANCE ACCORDING TO BISMARCK'S MODEL OF SOCIAL SECURITY

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Compulsory accident insurance on the Bismarck model of social insurance provides a system of preventive measures to avoid accidents at work and occupational diseases, provide first aid to the accident victim, assist in restoring his ability to work, as well as financial assistance to him and his family.

A vivid representative of the O. Bismarck social insurance model is Germany. The peculiarity of this model is that the whole burden of paying contributions on occupational accident insurance and occupational diseases falls on employers. The establishment of insurance tariffs is based on the following principle: the higher is the risk of an insured event occurring in an enterprise, the higher is the insurance tariff. The German government creates economic incentives for employers who carry out workplace accident prevention measures at enterprises. There are five types of insurance premiums (primary and secondary) that are differentiated depending on the specifics of the business entities:

– primary (depending on the risk category, industry, class of professional risk due to changes in technology of production, effectiveness of preventive measures);

– secondary (depending on the number of accidents at the enterprise) [1].

The system of occupational accidents and occupational disease insurance in Germany is aimed to interest employers in reducing occupational risks in the workplace. A characteristic feature of this country is that the payment of compensation in case of occurrence of insurance cases, prevention of accidents at work and the decision of rehabilitation issues is carried out by one organization – a professional insurance company. The budget of the organization is separated from the state budget of the country. However, the government, in the name of the Ministry of Labour and the Ministry of Finance, has the right to carry out control over the activities of professional insurance companies. The implementation of all functions of social insurance by one management body, in our opinion, is a significant advantage of the German model of social insurance. Concentration of the whole complex of services

related to accidents in the hands of one organization allows insurers to effectively prevent occupational diseases and injuries at enterprises [2, p. 71].

If we talk about the system for calculating compensatory payments, then, according to the Bismarck model, they are calculated on the basis of earnings received by victims during the previous calendar year. There is a certain differentiation in the amount of payments: the minimum amount of compensation to the victim for lost earnings due to an accident at work cannot be less than 60% of the average wage in this industry (as of 2016 this amount was 17,000 Euros); the maximum amount of payments should not exceed the size of 5 minimum (as of 2016 this amount was 85,000 Euros).

The basis for compensation is the fact of injury or worsening of the health of the victim as a result of the performance of official duties. That is, in case of an accident, the employee does not have to prove the employer's guilt and his negligent attitude to ensuring the appropriate working conditions; he only has to apply to the appropriate body that will provide the payment. Provision of insurance payments is considered as a general principle and the issue of guilt in this case is out of the scope of the relationship «employee-employer». Insurance payments are made regardless of the formal confirmation of insurance relations.

The system of occupational accidents and occupational disease insurance in Germany stimulates their prevention. It frees the employer from liability at the onset of an insured event, but does not relieve the employer of responsibility for ensuring proper working conditions for hired workers. The close relationship between prevention, rehabilitation and cash compensation in this social insurance model is fundamental.

Considering Germany's example of organizing social insurance against accidents at work, typical signs of the O. Bismarck social insurance model can be distinguished (Fig. 1).

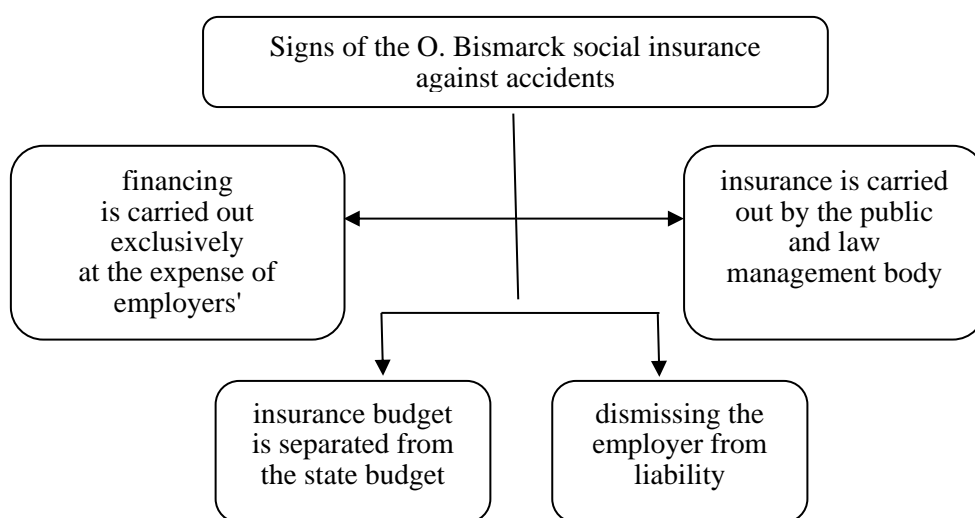


Fig. 1. Characteristic features of the O. Bismarck social insurance model against accidents at work*

Source: prepared by the author on the basis of [2; 3, p. 39; 4]

The basic principle of the Bismarck social insurance model is the comprehensive provision of social protection for victims in the workplace by replacing the employer's responsibility for the corresponding social and legal liability of the compulsory insurance system. The undeniable advantage of this model is that at a high level of compensation, which is inherent in social insurance systems, financed by taxes and tax payments, it lacks the inherent disadvantages of such systems, which is the absence of incentives for the implementation of measures for the prevention of accidents.

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THE STAGES OF DEVELOPMENT BY SOCIAL INSURANCE IN UKRAINE

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Most of the underdeveloped market economies, including Ukraine, are trying to build financial support for the social protection system on the basis of the guaranteed minimum income of the population. The existence of one or another of its models will depend on what stage of political and economic development is the state.

In the financing of social protection of the population in Ukraine were separate periods when one of the above-described models was used more actively than the other, and consequently, with these changes, the role of social insurance increased or decreased.

In the study of these stages we consider the period of duration from the end of the nineteenth century (the beginning of measures for social protection in