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DEFINITION AND FEATURES OF CLASSIFICATION OF CATASTROPHIC RISKS IN THE THEORY OF INSURANCE

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Summary. The author investigates the nature of catastrophic risks from the standpoint of the theory of insurance, systematizes their particular classification, determines the specific characteristics of catastrophic risks and conceptual foundations of their realization.

Key words: *risk, insurance, catastrophic risk, accidents, damage accumulation.*

It is possible to say with a confidence that in a modern society the danger of damage arising falls within the different subjects and persons, and its consequences are financial and non-financial. Every human and economical unit must consider with the origin of risks which will not be able to predict or counteract.

Most scientists pay attention to the general characteristics of the category of "risk". They do not analyze this notion depending on the scope and size in the case of its realization. We take it into consideration and see the necessity to define the basic dominants of the notion of catastrophic risks in the theory of insurance.

Thus we can analyze the catastrophic risk, through the simultaneous existence of two factors, dividing into two basic categories: natural disasters and catastrophes caused by human activity related to the development of civilization and technology.

According to the definition used by U.S. government institutions (such as FEMA, NASA, NOAA, USAID), the catastrophic risks are unexpected natural phenomenon of unusual sizes which threaten human life and activities.

The catastrophic risks are divided into two groups: natural and technological – where the risk of event caused by human and technology (so-called technological disaster) is the basis. This approach is widely used by insurers and reinsurance companies in the whole world, including the leaders of the industry, such as Swiss Re and Munich Re [13].

This approach appears with the classification of natural disaster risk. So, catastrophic risks are divided into:

- Clean risks realization of which provides spending, and their failure means the absence of spending;
- Static risks take place regardless of progress and development of civilization and technology;
- Financial and non-financial, depending on the nature of the loss;
- Personal and property;
- Uncertain to the fact of realization or time of realization, and also to the possible results;
- Fundamental but at the same time particular, e. g. terrorist attack on the World Trade Center in New York, September 11, 2001.

The basis of research is catastrophic financial and property risks which show up concrete measuring losses in a financial form.

Beginning from 2012 domestic legislation directly identifies «disaster risks in the agriculture», as the emergency situations of technogenic and natural character, large aggregate or scales of display of natural disaster (drought, hail, frosts, floods etc.) and human activity in the process of creation of material wealth's (accident, fires etc.) which cause losses in the considerable sizes.

Therefore, disaster risk (catastrophic risk) can be defines as the possibility of origin of natural disasters caused by forces of nature, that have unexpected character. It is often difficult to predict place and size of damage that does not depend on human being. The proposed definition of the term "risk" refers to the notion of the catastrophe.

Catastrophic risk is the possibility of arising an emergency situation of technological or natural character with the realization of large-scale or accumulation totality of disaster through the manifestation

of the elemental forces of nature or human activity in the creation process or consumption of material wealth's.

Summarizing the above said we should underline that all human activities (civilization or economical) are always associated with the availability of risk. The

difference lies in intensity and size (depending on project realization).

Thus, in 2002 the domestic scientist M. Klapkiv defined the modern industrial society as a society of risk management.

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