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ANALYTICAL ASSESSMENT OF FINANCIAL REPORTING OF INSURANCE COMPANIES: THEORETICAL ASPECTS

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Abstract. *Successful activity of insurers depends largely on the trust of the insured, which increases with the availability and understandability of information about their activities, which is reflected in the financial statements, which is a source for analytical evaluation of the financial position of the insurance company on the basis of a system of indicators characterizing its financial stability, reliability and solvency, and enables stakeholders to make the right decisions.*

Keywords: *insurance companies, financial reporting, analysis of financial position, insurer's solvency, financial stability.*

The development of the domestic insurance market depends to a large extent on the confidence of the insured in the insurers, which grows with their reliability and solvency, as well as the accessibility and comprehensibility of information related to their activities for interested parties.

The main purpose of the organization of the insurer's finances is to achieve its stable financial position, which is the result of the interaction of all elements of the financial and economic activity of the insurance company and is characterized by a system of indicators that reflect the availability, placement and use of the

insurer's financial resources, are formed on the basis of accounting data and summarized in the financial statements and the reporting data of the insurer.

The insurer's reporting is an information base for the analysis of financial activity of the insurance company, the quality of which depends on the quality of presentation of the reporting information, which must meet certain requirements of national legislation and international practice.

Despite the large number of studies of problematic issues regarding the evaluation of the financial statements of insurers, there is no single approach

today, and the methodological analysis tool to assess the financial condition of an insurance and to forecast its activity on the basis of the financial statements requires further research.

Given the main directions of prudential supervision, the analysis of financial statements should be carried out in the following areas: the dynamic and structure of assets and liabilities of the insurance company; liquidity and solvency; financial stability; the structure and dynamics of the insurer's income,

expenses and financial result; profitability; cash flow; risks.

Search of modern methods of estimation of financial and economic activity of an insurance company on the basis of a system of indicators characterizing its financial stability, reliability and solvency will enable multifaceted analytical evaluation of financial statements of an insurance company to formulate reasoned analytical conclusions.

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