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BANKRUPTCY EXAMINATION OF INSURANCE ORGANIZATIONS USING PJSC «UIC «GARANT-AVTO» AS AN EXAMPLE

Insurance provides a central role in ensuring the smooth functioning of the economy. The composition of the insurer's assets and liabilities are the outcome of main factors of providing solvency. The current conditions of insurers activities require impartial and comprehensive analysis of the insurance processes, such as cash flow planning, substantiation of investment projects, adequate reserving etc. The successful operation of the insurance company largely depends on its financial situation and solvency.

The paper devotes to research of the probability of bankruptcy of insurance organizations based on early warning models of financial instability. The study provides a diagnostics of the financial condition using a particular insurance organization as an example and financial reporting data as well as makes an appropriate conclusions.

The paper similarly demonstrates the results of research on examining of bankruptcy probability at insurance organizations.

The study also examines compliance with legal requirements of bankruptcy prediction for insurance organizations using indicators of bankruptcy prediction. The similar approach is used in many countries with developed insurance markets. These indicators help to disclosure a financial condition of the particular insurer complexly based on the early warning tests. These tests are used in many developed countries with some differences in measurements quantity. But they are pretty convenient and very effective tool during long time.

This work argues for taking timely measures to the threat of bankruptcy of the insurance organizations by the insurance supervisor. Taking into account a difficult economic situation in Ukraine, the issue of insurance organizations' bankruptcy forecasting should be a priority task of the domestic insurance market and the national regulator of financial services.