This study investigated the impact of hedge accounting on the relationship between financial risk management and the performance of insurance companies. Using structural equation modeling, the research found that financial risk management significantly influences performance, while hedge accounting has no noticeable effect. Furthermore, hedge accounting does not moderate the connection between financial risk management and performance. The study emphasizes the importance of effective risk management for insurance companies, as it positively contributes to their financial success. It advises insurance executives to regularly evaluate their risk management strategies, particularly regarding exposure to credit, bankruptcy, and interest rate fluctuations. Additionally, insurance companies should prioritize capital adequacy and operational efficiency commensurate with their size. The report recommends implementing international best practice risk management frameworks, such as enterprise risk management, to meet international requirements and enhance global competitiveness.