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Insurance Contracts: Decoding the special case of partial implementation of Insurance Accounting Standard Ind AS 117 in India

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Abstract
Insurance contracts globally are accounted for as per IFRS 17 and in India the equivalent accounting standard is Ind AS 117, which represents a significant transformation in accounting for insurance contracts. Accounting for insurance contracts is applicable not only for insurance companies but also for non-insurance companies (as they also may have insurance contracts). However, the implementation of Ind AS 117 was initially notified for all companies in August 2024 as being effective from April 1, 2024 but subsequently on September 28, 2024, it was deferred only for insurance companies (to April 1, 2027). Interestingly, it was still made effective for non-Insurance companies (for their insurance contracts). The existing (global) research studies the issues around implementation of IFRS 17 globally but there is very little, if any, study on Indian scenario partly because it is a new standard. This paper fills the research gap by being (one of the) first paper to study the Indian scenario on partial implementation of Ind AS 117. The study employed 144 respondents for primary data survey, which included 72 responses from 12 insurance companies and 72 responses from 25 non-insurance companies. Using appropriate statistical and econometric tools, I find that the decision to defer the implementation for insurance companies was primarily because of operative complexity, unavailability of data, actuarial readiness, restrictions in IT framework and level of industry preparedness. For non-insurance companies, I find that Ind AS 117 requires accounting judgements, changes in accounting basis and raises disclosure requirements and compliance costs.
Keywords: IFRS 17, Ind AS 117, Insurance contracts, Insurance Companies, Deferment, Non-Insurance Companies, India

Section 1: Introduction

The implementation of IFRS globally in last two decades has resulted in greater transparency (Degeorge, Li and Shivakumar, 2016; Osasere and Ilaboya, 2018 and Yurisandi and Puspitasari, 2015) and as a result of the alignment of Ind AS with IFRS, the Indian accounting landscape has experienced substantial improvements (Kumar, S., 2025). For Insurance contracts, globally IFRS 17 was implemented in countries that follow IFRS from 1st Jan, 2023 and for India, the equivalent accounting standard which was notified subsequently is Ind AS 117. Accounting for insurance contracts is applicable not only for insurance companies but also for non-insurance companies (as they also have insurance contracts). However, the implementation of Ind AS 117 was initially notified for all

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companies on 12th, August 2024 as being effective from April 1, 2024 but subsequently on 28th September 2024, it was deferred only for insurance companies (to April 1, 2027). Interestingly, it was still made effective for non-Insurance companies (for their insurance contracts) as the standard also had indirect yet substantial inferences for non-insurance companies pertaining to their insurance contracts. Ind AS 117 on Insurance Contracts presents a standardized and principle-oriented approach for presentation, recognition, measurement and disclosure of insurance contracts. The standard norms substitute former fragmented accounting procedures and highlight three approaches (General model, premium allocation approach, variable fee approach), contractual service margin and explicit risk adjustment. Notwithstanding its conceptual robustness, the enforcement of Ind AS 117 was deferred for Indian insurance companies after consultations and discussions involving regulatory bodies such as IRDAI (body regulating insurance industry), ICAI (body regulating accounting standards), industry bodies and other stakeholders. The deferment was possibly motivated by fears relating to actuarial readiness, capability of IT infrastructure, data accessibility and overall industry readiness and this is one of the subjects of this study.

As a concept, insurance is a legally binding agreement under which first party, often called the insurer or the issuer assumes insurance risk, either in full or in part, from another party called the insured, or the policyholder by committing to compensate them in case a designated uncertain future occurrence (the insured event) negatively impacts the policyholder. The purpose of IFRS 17 is to regulate insurance accounting worldwide to enhance transparency and provide different stakeholders and users of accounting with all the required information which they need to understand the financial position of insurers, their performance and their risk exposure. The definition of "insurance contract" under the previous standard Ind AS 104 has been retained. But, if a contract qualifies as an "insurance contract" under Ind AS 117, then it will be applicable and it will even override provisions of Ind AS 115 on revenue recognition and Ind AS 109 on financial instruments. So, it has very important implications for those contracts which are covered within the scope of this standard.

IFRS 17 establishes a complete framework for measurement, identification, presentation, recognition, and disclosure of insurance contracts within financial statements (Vishnani et. al., 2021) of insurance and non-insurance companies. These companies indicate a substantial effect of IFRS 17 implementation on their reports. Given the pivotal function of insurance sector and the significant impact of IFRS 17 on it, numerous experts have conducted deeper examinations of this standard. Nevertheless, the majority of research has concentrated on particular aspects of IFRS 17 implementation, overlooking a comprehensive analysis of the overall experiences encountered by different stakeholders and organizations (Hannibal, 2018; Guillot et. al., 2020; Palmborg et. al., 2021; Yousuf et. al., 2021; and Signorelli et. al., 2022). Despite the standard's text being accessible for evaluation for five years, insurance businesses continue to voice apprehensions regarding its application, notwithstanding the numerous research and interpretations offered (Kumar, 2025). In order to fill this research gap (De Nichilo, 2022) and (Palmborg et. al., 2021) and even more so in the Indian context where Ind AS 117 is only recently implemented with very few studies examining its implementation in India, the aim of this paper is to highlight the significant issues related to deferment and experience of implementation process of Ind AS 117 for insurance contracts for

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different companies observed by market participants. Although Ind AS 117 is primarily applicable to insurance companies, but its execution also impacts non-insurance companies pertaining to their insurance contracts, e.g., firms who engage in insurance contracts for employee reimbursements, risk transfer provisions, warranties and assets protection etc. (Lal, 2025). This paper therefore examines both the deferment and the wider implications of Ind AS 117 in India.

The rest of this paper is organized as follows. Section 2 briefly explains the concept of Ind AS 117 on Insurance contracts. Section 3 briefly reviews the literature on IFRS adoption and IFRS 17. Section 4 discusses the objectives of the research which also lead to the hypothesis. Section 5 discusses the research methodology. Section 6 analyses the data and interprets the results. Section 7 discusses the findings while Section 8 concludes the discussion.

Section 2: Concept of Ind AS 117 on Insurance Contracts

Ind AS 117 deals with the key issues that firms encounter in recognizing, measuring, disclosing and presenting insurance contracts in their financial statements. Its main objective is to ensure that insurance and non-insurance companies deliver fair, comparable as well as objective evidence about insurance contracts, reflecting their factual financial influence over the time (Lal, 2025). In simple terms, the concept of Ind AS 117 clarifies how insurance-oriented responsibilities and profits should be documented and presented, so that operators of financial statements can undoubtedly understand risk exposure of a particular entity, future cash flows of an entity and its financial performance (Kumar, 2025). The key features of the standard are:

- The definition of "insurance contract" has been retained from the previous accounting standard on the topic, viz. Ind AS 104.
- However, the accounting for insurance contract has changed in this new standard. It substitutes previous disjointed accounting practices related to insurance contracts.
- It requires that insurance contracts be measured on the basis of current estimations of future cash flows, instead of historical or oversimplified methods.
- The idea of CSM (Contractual Service Margin) is also introduced, which denotes unearned profit that is earned as insurance services are being provided.
- To sum up, it requires broadly 3 approaches to measuring insurance contracts viz.
    I. General Model
    II. Premium Allocation Approach
    III. Variable Fee approach (for insurance contracts having direct participation features)
- Ind AS 117 also enhances requirements of disclosure to ensure greater transparency for stakeholders, controllers and other investors.
- Finally, if a contract qualifies as an "insurance contract" under Ind AS 117, then it will be applicable and it will even override provisions of Ind AS 115 on revenue recognition and Ind AS 109 on financial instruments. So, it has very important implications for those contracts which are covered within the scope of this standard.

  The objective of this study is not to explain the details of accounting related to Ind AS as the accounting bodies and the Big 4 accounting firms as well as others have anyways come up

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with explanatory notes on accounting for the same and readers may refer to those papers and notes for the purpose of accounting.

Applicability of Ind AS 117

- It is applicable to all Indian insurance companies, including life and general insurers, who are highly affected by the provisions of the standard.
- Ind AS 117 is also applicable to non-insurance companies and impacts non-insurance companies that hold contracts of insurance or contracts with insurance like attributes (warranties, assurances and insurance contracts for employee benefit etc.).

Ind AS 117 is mainly converged with IFRS 17 and it is prepared to associate with international best practices towards Indian financial reporting, though it is slightly modified considering local industrial conditions and domestic governance norms. It's a wide-ranging accounting standard which regulates the insurance contracts workings which ultimately aims to improve reliability of Indian financial reporting and comparability.

Section 3: Review of Literature

IFRS 17 adoption has recently seen many studies on different aspects across varied domains (Andrioaia and Grosu, 2023). IFRS 17 implementation creates a rigorous process with multiple recurring issues as has been mentioned in earlier studies. The process of IFRS implementation is quite expensive, burdensome and complex (Jermakowicz et. al., 2006). Similarly, Morris et. al. (2014) observed that restricted expected benefits as well as specific accounting concerns are also major issues. The advantages of IFRS adoption differ by firm and country and many studies have already surveyed the literature on these aspects (De George, Li and Shivakumar, 2016; Agana et. al., 2023). Other factors, along with the standards themselves, may influence the mandatory or voluntary adoption of these standards (De George, Li and Shivakumar, 2016) and their study points to increased transparency as a result of IFRS adoption.

Alhawtmeh (2023) finds positive impact of disclosures and accounting measurements, in analysing the effect of IFRS 17 in the context of insurance industry in Jordan. Furthermore, he highlights the complex role of IFRS 17 in enhancing the reliability and transparency of financial reporting as well as standardizing accounting practices. In another study, Arce et. al. (2023) noted the decision of IASB (2020) vis a vis IFRS 17 to establish standard setting allied with shareholders' interests and also considering interests of various groups. Additionally, the due process protected the (IASB, 2020) from constituent and political pressure, maintaining its legitimacy.

Insurance companies have also stated various issues about how IFRS 17 may impact company's financial statements, as the standardized and appropriate applicability may result in many issues. Studies by Big 4 accounting firms on IFRS 17 including PWC (2019) and KPMG (2017) support this view as also the studies of De Nichilo (2022) and Owais et. al. (2021).

Andrioaia and Grosu (2023) further suggest that adoption of IFRS 17 needs significant amendments in processes, accounting systems as well as strategies in insurance companies, which might be critical and having various challenges but it will boost comparability and transparency as well. Furthermore, implementation of IFRS 17 in Ghana's life insurance industries is replete with both challenges and advantages (Ansong, 2024). The study further finds that complete adoption of IFRS 17 comes with

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multiple challenges, consisting of management of data, technological investments, actuarial assumptions, employee trainings, proper communication with stakeholders and collaboration within the Ghana's insurance companies. Despite of all such challenges, IFRS 17 benefits are substantial. Addition to this increasing comparability as well as transparency, IFRS 17 can enable well informed decisions about business, enhancing investors' confidence and reinforce regulatory oversight (Ansong, 2024). However, the literature shows challenges associated with the same too (Therond and Froment, 2020; Palmborg et. al., 2021; IASB, 2020; Barker, 2010; Nurunnabi, 2018 and De Nichilo, 2022).

Likewise further problems are related to PAA in IFRS 17 (Therond and Froment, 2020) as it has always been a concern of discussion owing to its implementation related to cash-flow matched contracts. The norms significantly have deviations from existing insurance accounting norms, as it leads to a necessity for rationalized values in place of historical costs (Yanik et. al., 2017). As mentioned earlier that implementation cost includes training to professionals and IT set up is important too (Yousuf et. al., 2021; Sharma et. al., 2017; Emekaponuzo et. al., 2017; Weaver et. al., 2015; Jermakowicz et. al., 2006; Burnett et. al., 2010). Thus, implementation in initial phase might require supplementary provisions related to non-financial risks too (Boumezoued et. al., 2020; Signorelli et. al., 2022). The other set of difficulties pertain to insurance companies having to apply financial instruments as per Ind AS 104 and recognition of risk adjustments and disclosure of insurance liabilities in the balance sheet. (Pucci et. al., 2023; IASB, 2021)

This paper discloses a valuable insight to understand the implementation of IFRS regulations, within insurance companies. The prior research also highlights agency role and actors' interests and institution change role in shaping the implementation of IFRS (Guerreiro et. al., 2021; Wysocki, 2011; Dacin et. al., 2002). Certainly, certain problems associated with the IFRS 17 implementation may diminish in importance over the time, as the relevance of regulatory implementation concerns may evolve over time (Pierson, 2000; Dacin et. al., 2002). From the viewpoint of institutional theory, functioning of the institutions and changes in institutional practices might reduce or eliminate many obstacles as well as implementation issues of IFRS 17. Nevertheless, certain issues might retain their importance, or new challenges may emerge, presenting ongoing issues for institutions. (Dacin et. al., 2002).

Section 4: Objectives and Hypothesis

Objectives of research

1. To examine the reasons why the implementation of Ind AS 117 was deferred for Insurance Companies in India
2. To examine the impact of implementation of Ind AS 117 on insurance contracts of non-insurance companies in India.

Hypothesis of research

Hypothesis Based on Ob.1

- H_{01}: The challenges of implementation of Ind AS 117 for insurance companies in India do not significantly influence the deferment of Ind AS 117.

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- H_{11}: The challenges of implementation of Ind AS 117 for insurance companies in India significantly influences the deferment of Ind AS 117.

Hypothesis Based on Ob.2

- H_{02}: The implementation of Ind AS 117 has no significant impact on insurance contracts for non-insurance companies in India.
- H_{12}: The implementation of Ind AS 117 has a significant impact on insurance contracts for non-insurance companies in India.

Section 5: Research Methodology

The study adopts an analytical and descriptive based research design to analyze the implementation-related facets of Ind AS 117. The closed ended structured questionnaire was prepared separately for both insurance as well as non-insurance companies, associated with the corresponding research objectives. In this study, the survey respondents were asked to identify deferment issues related to implementation of Ind AS 117 as observed by the participants. Similarly, to ensure primary data reliability, a set of questionnaires were distributed among professionals in selected organizations. To signify whether the collected specific information related to Ind AS 117 implementation is valid or not, I performed validity test for different variables.

To assess both objectives efficiently, the data were gathered separately from both insurance companies as well as non-insurance companies, which helped in the comparative analysis. As per above table, an aggregate of 144 (72 from insurance companies and another 72 from non-insurance companies) valid responses were gathered from professionals including Audit Managers (AM), Auditors (Aud.), Compliance Executives (CE) etc. A total of 182 set of questionnaires were prepared, of which 144 valid and complete filled responses were acknowledged, which results an overall (RR) response rate is 79.12%. Overall, 90 questionnaires were dispersed among professionals working with insurance companies, resulting in an aggregate of 72 valid responses. In the same way, 92 questionnaires were dispersed among professionals of non-insurance companies, of which 72 valid responses were found, showing a response rate of almost 80%.

From the viewpoint of methodology, a response rate (RR) between 60% to 70% is usually considered satisfactory for structural and accounting research, although (RR) response rates greater than 75% are usually considered as strong and implying an active and high respondent participation. Such revealing (RR) response rate might be qualified to the targeted population using purposive sampling method, follow-up communications and the significance of the study topic to the proficient roles of the contributors and also confirming that only persons with satisfactory knowledge of accountancy, insurance agreements and financial statements were included in this research. This limited the sample size to just below 150 but still it is a large enough sample for both insurance companies and non-insurance companies and the conclusions drawn are statistically reliable as evidenced in various statistical and econometric tests performed for the analysis.

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Table 1 below shows the tools and techniques for sample design.

Table 1: Tool and Techniques for Sample Design

Particulars	Description
Ins._Comp.	12
Non-Ins._Comp.	25
Respondents in Total (Res._Tot)	144 (72 each from Insurance V/s Non-Insurance Companies)
Respondents Profile (Res._Pro)	Audit Managers (AM), Auditors (Aud.), Compliance Executives (CE)
Techniques for Sampling (Sam_Tech)	Adopted Purposive Sampling Method
Tools for Data Collection (T_Data_Coll)	Adopted Structured Questionnaire Method
Measurement Scale Adopted (M_Scale)	Adopted Five-Point Likert Scale Method

All responses confirmed well-adjusted representation and survey size qualified for a comparison between the two research objectives. Subsequently, the collected data are considered appropriate for the usage of advanced statistical methods such as descriptive statistical analysis, regression test, CFA and SEM. Statistical examination for both Objective 1 and Objective 2 were conducted individually for each group but it was followed by a comparative analysis too. The closed ended structured questionnaire was prepared separately for both insurance as well as non-insurance companies, associated with the corresponding research objectives. All the items were measured by using a 05-point Likert scale method which is ranging from *SD (1)* to *SA (5)*. The gathered sampled data were evaluated by using SPSS software and AMOS to confirm robustness and results validity.

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Figure 1 shows the research model.

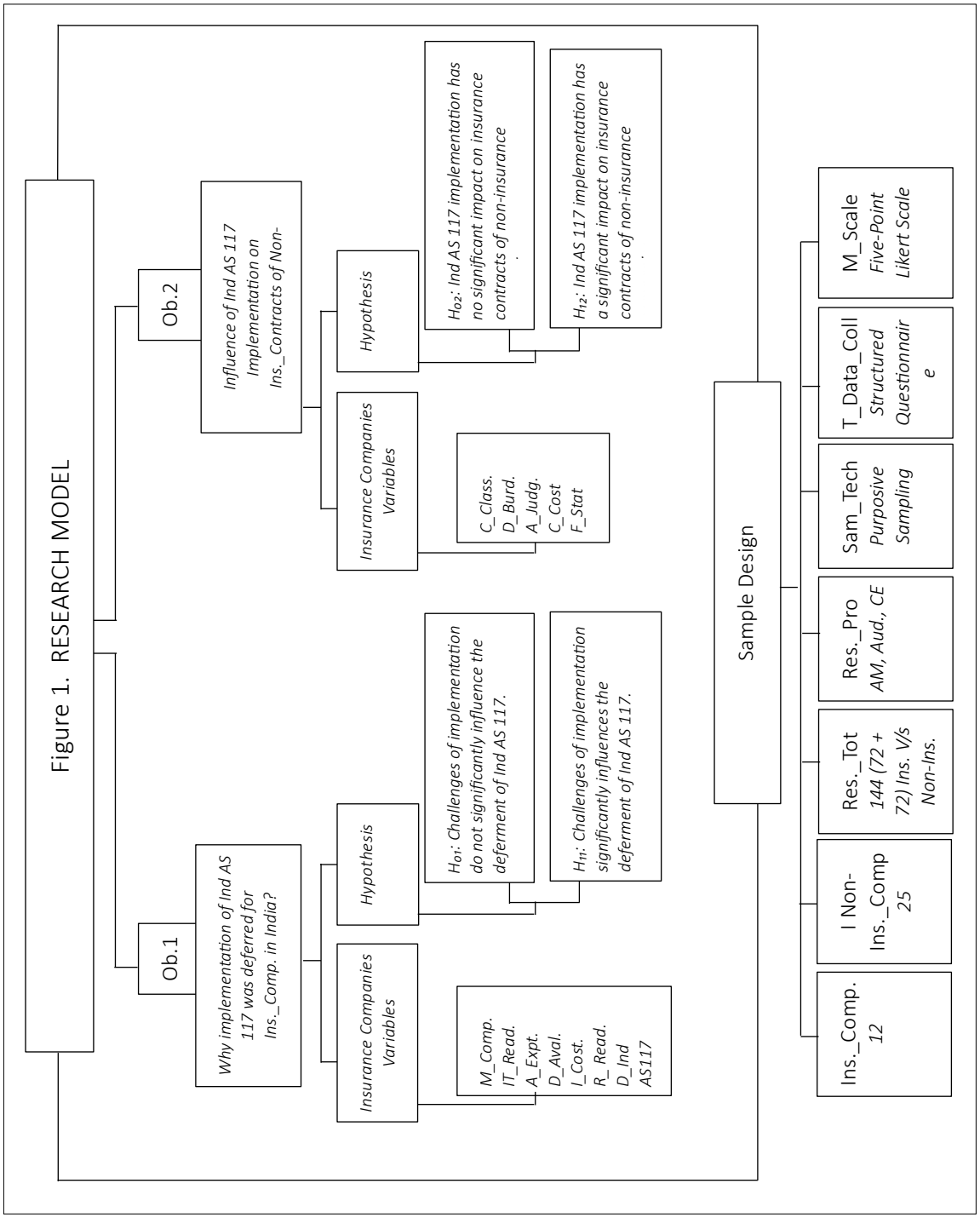

Figure 1: Research Model

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Section 6: Data Analysis and Results Interpretation

Table 2 below enlists the variables for objective 1 of the study pertaining to insurance companies.

Table 2: Ob.1 (Insurance Companies) Variables Description

Code Specification and Variable Names	Description of Variables
M_Comp. (Measurement_Complexity)	Difficulty facing in complex risk adjustment, valuation and CSM
IT_Read. (IT_Readiness)	System competence and integration
A_Expt. (Actuarial_Expertise)	Accessibility of skilled and actuarial professional expertise
D_Aval. (Data_Availability)	Historical data completeness and quality
I_Cost. (Implementation_Cost)	Implementation cost of consultants, training and IT
R_ Read. (Regulatory_Readiness)	Preparedness as per industry
D_Ind AS117 (Ind AS 117_Deferment)	Dependent Variable for deferment

Table 3 below enlists the variables for objective 2 of the study pertaining to non-insurance companies.

Table 3: Ob.2 (Non-Insurance Companies) Variables Description

Code Classification and Variable Names	Description of Variables
C_Class. (Contract_Classification)	Difficulty in recognizing insurance contract components
D_Burd. (Disclosure_Burden)	Augmented disclosure necessities
A_Judg. (Accounting_Judgment)	Assessment and expert decision
C_Cost (Compliance_Cost/Expense)	Managerial and amenability problem
F_Stat (Financial Statement_Effect)	Consequence on profit and disclosures

Reliability test (Cronbach alpha) is used to check the reliability of all the constructs. As indicated from table 4 below, ranges in between 0.790 to 0.880 are usually considered indicative of high internal consistency. The overall scale value is 0.870 which indicates that this Cronbach alpha instrument is reliable and the constructs are good indicators of the sampled variables. Therefore, constructs are highly reliable & suitable for further hypothetical testing and statistical analysis.

Table 4: Cronbach's Alpha (Reliability Analysis)

Construct (s)	Item (s)	Alpha Value
M_Comp.	3	0.841
IT_Read.	3	0.8600
A_Expt.	3	0.812
D_Aval.	3	0.790
I_Cost.	2	0.832
R_ Read.	2	0.880

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Influence (Non_Insurance)	5	0.850
Overall Scale	24	0.870

Table 5 below highlights the descriptive statistics of insurance companies where mean values, standard deviation, lower limits and upper limits of different variables are calculated. In above table, all variables have high mean values (with UL showcasing the maximum scale value), which ultimately indicates that there is a strong agreement among sampled respondents that all these factors are critically influencing the decision to defer Ind AS 117 for insurance companies.

Table 5: Descriptive Statistics for Insurance Companies Heading to Ob.1

(N = 72)

Variables Taken	Mean Values	Std. Dev.	Low._Limit (LL)	Upp._Limit (UL)	Ranking
M_Comp.	4.423	0.611	3.811	5.000	#1
IT_Read.	4.312	0.650	3.660	5.000	#2
A_Expt.	4.260	0.680	3.580	5.000	#3
D_Aval.	4.180	0.721	3.460	5.000	#4
I_Cost.	4.101	0.741	3.360	5.000	#5
R_ Read.	4.050	0.770	3.280	5.000	#6

Table 6 below highlights the descriptive statistics of non-insurance companies where mean values, standard deviation, lower limits and upper limits of different variables are calculated. In above table, all variables have high mean values (with UL showcasing the maximum scale value), which ultimately indicates that there is a strong agreement among sampled respondents that all these factors are critically influencing the aspects under study for non-insurance companies.

Table 6: Descriptive Statistics for Non-Insurance Companies Heading to Ob.2

(N = 72)

Variables Taken	Mean Values	Std. Dev.	Low._Limit (LL)	Upp._Limit (UL)	Ranking
D_Burd.	4.280	0.641	3.641	5.000	#1
A_Judg.	4.212	0.690	3.522	5.000	#2
C_Cost	4.150	0.711	3.442	5.000	#3
C_Class.	4.090	0.731	3.360	5.000	#4
F_Stat	4.022	0.760	3.260	5.000	#5

Table 7 below shows the result of t-test value for objective 1 (test value is 3) and it indicates that there is statistically significant differences in all variables and the p values are all 0.000 which ultimately highlights that sampled variables are highly significant. This test result implies that respondents' perceptions related to M_Comp., IT_Read., A_Expt., D_Aval., I_Cost. & R_ Read are statistically significant. Hence, all indicated factors strongly support the analysis related to Objective 1.

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Table 7: t-Test Results for Ob. 1 (Test Value = 3)

Variable (s)	T_Value	P_Value
M_Comp.	18.211	0.000
IT_Read.	17.442	0.000
A_Expt.	16.870	0.000
D_Aval.	15.631	0.000
I_Cost.	14.980	0.000
R_ Read.	14.112	0.000

Table 8 below shows the result of t-test value for objective 2 (test value is 3) and it indicates that there is statistically significant differences in all variables and the p values are all 0.000 which ultimately highlights that sampled variables are highly significant. This test result implies that respondents' perceptions related to C_Class., D_Burd., A_Judg., C_Cost & F_Stat are all statistically significant. Hence, all indicated factors strongly support the analysis related to Objective 2.

Table 8: One-Sample t-Test Results for Ob. 2 (Test Value = 3)

Variable (s)	T_Value	P_Value
C_Class.	12.841	0.000
D_Burd.	16.121	0.000
A_Judg.	14.760	0.000
C_Cost	13.911	0.000
F_Stat	11.680	0.000

Table 9 below shows that all standardized factor loadings exceeded the threshold acceptable limit of 0.70, which highlights that Confirmatory Factor Analysis (CFA) results (which assess how strongly the observed variables fit the constructs) are along expected lines. Furthermore, variance explained ranges in between 46.41% to 57.32% (which is generally considered as significant construct validity) and also eigen values are greater than 1 which shows adequate construct validity. Hence, overall, results suggest that all the constructs of both non-insurance companies and insurance companies are valid.

Table 9: AMOS Results (Confirmatory Factor Analysis)

Construct (s)	Item (s)	Standard Factor Loadings	Eigenvalue	Variance_ Explained (V.E. in %)
M_Comp.	M_Comp.1	0.821	3.121	52.601
	M_Comp.2	0.790		
	M_Comp.3	0.841		
IT_Read.	IT_Read.1	0.860	2.941	49.803
	IT_Read.2	0.832		

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	IT_Read.3	0.880		
A_Expt.	A_Expt.1	0.813	2.713	46.410
	A_Expt.2	0.780		
	A_Expt.3	0.841		
Influence on Non-Ins._Comp.	D_Burd.	0.870	3.450	57.321
	A_Judg.	0.821		
	C_Cost.	0.790		
	C_Class.	0.760		
	F_Stat.	0.802		

As stated in table 10 below, the composite reliability (CR) values exceed 0.70 limit, rather they are all higher than 0.85 which is indicative of the fact that constructs are reliable. Similarly, average variance extracted (AVE) values exceed 0.50 limit, which is again indicative of strong convergent validity. Likewise, (Average Variance extracted) AVE is greater than MSV and this also establishes discriminant validity.

Table 10: CFA Validity and Reliability Measures

Construct (s)	CR	AVE	MSV
M_Comp.	0.870	0.690	0.421
IT_Read.	0.890	0.721	0.450
A_Expt.	0.850	0.660	0.411
Influence (Non-Insurance)	0.912	0.741	0.480

Table 11 below indicates model fit indices (CFA) and all values meet the threshold criteria which is indicative of model fit overall. The χ^2/df ratio highlights that the value is within the acceptable limit. Whereas RMSEA value is low & TLI, CFI & GFI values are above the threshold which is indicative of the fact that all measurements of this model are statistically sound.

Table 11: Model Fit Indices (CFA)

Fit Index	Value	Threshold
χ^2/df	2.111	≤ 3.000
CFI	0.932	≥ 0.900
TLI	0.921	≥ 0.900
RMSEA	0.061	≤ 0.080
GFI	0.911	≥ 0.900

Table 12 and 13 results indicate through SEM Path Coefficients (Objective 1) that all paths are statistically significant and having positive standardized coefficients which indicates that Ind AS 117 impact is high and many difficulties exist in implementing the same. IT_Read (having value of β =

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0.3321) and M_Comp (having value of β = 0.3901) appear as the strongest predictors. Thus, null hypothesis of Objective 1 is rejected in favour of the alternate hypothesis as results suggest that technical as well as organizational factors significantly influence challenges of implementation of Ind AS 117.

Table 12: SEM Path Coefficients (Objective 1)

Path	Standardized β	p-value
M_Comp. → D_Ind AS117	0.3901	0.0000
IT_Read. → D_Ind AS117	0.3321	0.0000
A_Expt. → D_Ind AS117	0.2902	0.0010
D_Aval. → D_Ind AS117	0.2501	0.0020
I_Cost. → D_Ind AS117	0.2210	0.0040
R_Read. → D_Ind AS117	0.2031	0.0090

Along with aforementioned results, Table 13 results indicate through SEM Path Coefficients (Objective 2) that all paths are statistically significant and having positive standardized coefficients which suggests that Ind AS 117 impact is high and many issues exist in the process of implementing Ind AS 117 for non-insurance companies. A_Judg. (having values of β = 0.3411) and D_Burd. (having values of β = 0.4120) appear as the strongest predictors. Thus, null hypothesis 2 is rejected in favour of alternate hypothesis and results suggest that technical as well as organizational factors significantly influence implementation of Ind AS 117 for non-Insurance companies too pertaining to their insurance contracts.

Table 13: SEM Path Coefficients (Objective 2)

Path	Standardized (β)	P_Value
D_Burd. → Influence	0.412	0.0000
A_Judg. → Influence	0.341	0.0000
C_Cost. → Influence	0.280	0.0020
C_Class. → Influence	0.231	0.0050
F_Stat. → Influence	0.212	0.0110

Table 14 shows the comparative analysis between insurance and non-insurance companies.

Table 14: Comparative Analysis – Insurance vs. Non-Insurance Companies

Dimension	Ob. 1: Insurance Companies	Ob. 2: Non-Insurance Companies
Impact	In Insurance companies, many issues exist in implementation which resulted in deferral of implementation of Ind AS 117	In non-insurance companies, accounting judgements, disclosure requirements and indirect accounting impacts are key issues.

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Major Leading Factors	Measurement complexity in insurance companies	Disclosure requirement in non-insurance companies
Technical Complexity Norms	There is high technical complexity, three different valuation approaches and different actuarial models in insurance companies	In non-insurance companies, the requirements are moderate; being applicable only for insurance contracts but professional judgements needed to assess whether contracts fall in the scope of Ind AS 117
Dependent on IT System	Transition to an IT system capable of handling the data requirements is quite critical and inevitable in insurance companies	In non-insurance companies, relatively less changes in IT systems are needed to implement Ind AS 117 pertaining to insurance contracts
Cost Implications and Investment	Initially, it requires high capital investment in insurance companies	Relatively lower cost occurrence in non-insurance companies as Ind AS 117 pertains only to insurance contracts and not all transactions
Regulatory requirements	Regulatory requirements are very high in insurance companies (specially sector-specific)	Regulatory requirements (pertaining to insurance contracts) are low due to cross-sector regulatory impact in non-insurance companies
SEM Path β Value Strength	SEM outcomes indicate strong strength in insurance companies	SEM outcomes indicate moderate to robust strength in non-insurance companies
Execution Risk	Systematic execution risk influencing insurer stability in insurance companies	In non-insurance companies, accounting judgements, reporting and risk related to compliance exists

The above comparative table analysis of insurance and non-insurance companies highlights a structural difference between the two research objectives. Insurance companies face actuarial complexity initially driven by direct as well as systemic issues, IT related data integration and architecture, which, inter alia, led to deferment of implementation of Ind AS 117. On the other hand, non-insurance companies face indirect but substantial implications, principally higher disclosure requirements, accounting related judgments and compliance costs. SEM analysis outcomes further authenticate that although execution barriers lead Objective 1 but reporting and amenability consequences dominate Objective 2. This dissimilarity underlines the dual-track governing tactic where for insurers, concentrating on profound technical readiness is important while for non-insurance companies, assessing the scope of applicability, accounting judgements and disclosure burden are important factors.

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Section 7: Findings

1. The study finds that measurement complexity and valuation models under Ind AS 117 is one of the more complex reasons for deferment of Ind AS 117 for insurance companies. The responses strongly agreed that the General Measurement Model (GMM), Contractual Service Margin (CSM) as well as risk modification techniques necessitate advanced actuarial analysis and judgements for which the insurers in India needed more time to implement at the initial stage of notification of the standard.
2. The second important factor that emerged was insufficient IT infrastructure set up and system readiness. Indian Insurance companies showed that prevailing legacy systems were incapable of handling contractual-level database along with integration of real-time actuarial accounting as was mandated under Ind AS 117.
3. Another finding is that shortage of technical expertise including on actuarial accounting is one of the major contributors to the deferment decision. Several insurers stated a lack of trained professionals with joint expertise in real-time actuarial accounting and knowledge of data analytics which is required for implementation of Ind AS 117.
4. The other important constraint identified is availability of data and quality issues regarding historical data. Respondents emphasized that there were several difficulties in recovering consistent historical data of cash flow, policy related information and assumptions mandatory for changeover and comparative reporting.
5. The research outcomes suggest that overall, the occurrence of high cost of implementation, including investment in actuarial tools, IT enabled systems, lack of adequate expert training and external consultants, resulted in significant burden on insurers.
6. Regulatory and industry specific readiness (or lack thereof) was also found to be a substantial cause of deferment. The coordinated adoption and application across the insurance sector in India, including from actuarial governing bodies, auditors as well as compliance regulators was crucial to avoid discrepancies and reporting distortions and these steps required some more time which necessitated deferment of implementation of Ind AS 117.
7. The results of regression test highlights that complexity in measurement, IT readiness and actuarial expertise requirement were major issues in the deferment decision, which further indicates that the deferment decision was a well thought out and risk-mitigating action.
8. Ind AS 117 substantially boosts disclosure related burden and accounting judgment related decisions as well as impacts on financial statements (for non-insurance companies).
9. Non-insurance companies are required to assess which contracts of theirs fall within the purview of insurance contract and thereby under Ind AS 117 and this is a costly and time-consuming exercise requiring accounting judgement.
10. SEM analysis also showed that there is strong and statistically significant positive causal relationships which was pertinent for both objectives.

Section 8: Conclusion

The decision to defer implementation of Ind AS 117 for insurance companies was a planned and practical regulatory decision taken by regulatory authorities in India. It was driven by the fact that

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insurance companies in India need adequate time to set up IT enabled systems, data structuring and actuarial capabilities. Concurrently, the research findings highlight that Ind AS 117 has substantial indirect impacts on non-insurance companies because of increased compliance costs, disclosure requirements and need for professional accounting and actuarial judgements. A proper and well-planned implementation requires regulatory support and guidance as well as professional training, more so in the initial phase.

The comparative set of evidences for both insurance and non-insurance companies leads to the conclusion that Ind AS 117 is not just an insurance contract related transformation but almost a mini reform requiring multiple changes in the accounting system and the IT system. Since the impact is clearly much more for insurance companies, so to that extent, deferring the implementation for them is a sensible alleviating decision. However, regulators must simultaneously address the carryover impacts on non-insurance companies. A well-planned implementation strategy supported by industry specific professional guidance is quite necessary to achieve fair and consistent financial reporting system in India.

This study examines the experience in the Indian context and that too of the partial application of an accounting standard and future research must evaluate whether companies from diverse countries validate fluctuating compliance levels with IFRS 17. Consequently, it is suggested that future works explore the influence of IFRS 17 application on financial reporting system in different countries and also the usage of different models viz. General Model, PAA model etc.

Governing bodies as well as skilled organizations must consider such findings when preparing training programs, giving application guidance and evolving supportive and systematic IT set-up. However, an important limitation of this research is that this study emphasized on the preliminary implementation for non-insurance sector while the implementation of Ind AS 117 for insurance sector is yet to start. As an outcome, the lasting effects and challenges of the standard even for the non-insurance sector remain unmapped as this study reflects only its short term effects and longer-term effects need to be studied.

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