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Organisational Readiness for Ind AS 117: An Empirical Study of Perceived Implementation Effectiveness in India's Health Insurance Sector

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Abstract:
Ind AS 117 changes how insurance contracts are measured and reported and brings accounting, actuarial, data and technology work into the same reporting process. This study examines whether organisational readiness influences professionals' perceptions of implementation effectiveness in India's health insurance sector. Primary data were collected from 185 professionals across seven occupational categories. Organisational readiness and perceived implementation effectiveness were each measured through eight five-point Likert statements. Descriptive statistics, Cronbach's alpha, Pearson correlation and simple linear regression were applied. Organisational readiness had a positive association with perceived implementation effectiveness ($r = 0.518$, $R^2 = 0.268$, $F(1, 183) = 67.079$, $p < .001$), and the null hypothesis was rejected. Although respondents generally viewed the expected reporting benefits favourably, their assessments of systems, training, resources and other readiness areas varied. The results highlight the practical importance of coordinated organisational preparation. Because the study is cross-sectional and perception-based, the findings should not be interpreted as proof of causation or as a measurement of realised financial-statement effects.

Keywords: Ind AS 117; organisational readiness; implementation effectiveness; health insurance sector; financial reporting.

INTRODUCTION

The implementation of Ind AS 117 requires insurers to translate a complex insurance-accounting model into operational processes capable of producing reliable financial information. The standard substantially corresponds to IFRS 17 and uses current fulfilment cash flows, an adjustment for non-financial risk and, where applicable, a contractual service margin to measure groups of insurance contracts. These requirements connect actuarial estimates, accounting judgements, policy and claims data, information systems and disclosure processes. Palmborg et al. (2021) explain how the measurement model affects the emergence of financial position and performance, while ter Hoeven et al. (2024) show that its first-year application by European insurers involved material choices in measurement, presentation and disclosure.

Organisational readiness refers to the capability to convert these requirements into a controlled and repeatable reporting process. It includes a clear implementation plan, visible support from senior management, appropriately skilled personnel, training, capable information systems, accessible data, cross-functional coordination and sufficient financial and human resources. Readiness is therefore broader than the technical knowledge held by an accounting department. Wahyuni et al. (2025) show that IFRS 17 adoption depends on interaction among regulators, professional bodies, preparers and consultants. Similarly, Owais and Dahiyat (2021) identify data, systems, monitoring methods and understanding of financial-statement effects as prominent areas of limited preparedness.

Readiness may determine whether the intended benefits of Ind AS 117 move beyond expectation. Reliable grouping of contracts and measurement of liabilities depend on granular data, sound model governance and reconciliation between actuarial and accounting records. Systems must also retain earlier assumptions and support disclosure over successive reporting periods. For this reason, Puławska (2025) treats IFRS 17 implementation as an organisational undertaking as well as a technical one, particularly in relation to data quality, assumptions, systems integration and communication. Differences in accounting policies and disclosures after first-time application add another point: readiness cannot end with system installation (ter Hoeven et al., 2024).

Research in individual national markets has documented both preparedness and the institutional work surrounding IFRS 17 (Owais & Dahiyat, 2021; Wahyuni et al., 2025). Evidence from reporting after adoption is more cautious, as usefulness did not improve automatically (Byun & Han, 2025). Yet little empirical attention has been given to the connection between organisational readiness and professionals' perceptions of implementation effectiveness in India's health insurance sector. The setting has particular demands. Health insurers handle large volumes of policy and claims information while dealing with uncertain claim costs, medical inflation and continuing settlement processes.

The present research therefore examines whether organisational readiness influences the perceived effectiveness of Ind AS 117 implementation in the Indian health insurance sector. Planning, management support, personnel capability, training, systems, data availability, coordination and resource allocation represent readiness. Perceived effectiveness is considered through transparency, comparability, liability representation, profit reporting, recognition of loss-making contract groups, managerial usefulness and information quality. These are professional perceptions. They do not constitute an audit of organisational preparedness or evidence of realised post-implementation financial outcomes.

REVIEW OF LITERATURE

Puławska (2025) drew on the experience of 68 practitioners, experts, researchers and educators who had followed or worked with IFRS 17 implementation. Their concerns were spread across several areas rather than one isolated difficulty. Annual cohorts attracted the greatest attention, followed by onerous contracts, discount-rate choices, the premium allocation approach, risk adjustment, first-time application, information-system changes and the relationship between IFRS 9 and IFRS 17. Experience reduced some concerns, although the premium allocation approach, risk adjustment and initial application remained troublesome. Readiness, in this account, continues after a project begins because insurers must keep learning, altering systems and resolving practical questions during implementation.

The usefulness of reported information was the focus of Byun and Han (2025). For listed Korean insurers, they compared the association of earnings per share and book value per share with stock prices before and

after IFRS 17 took effect. Value relevance did not improve significantly under the new standard. Insurance service profit had no significant association with share prices, while the contractual service margin showed a negative relationship. A technically stronger standard, then, does not necessarily make the reported information more useful to users. Complexity and actuarial judgement still matter, leaving open the question of whether better-prepared organisations are more likely to regard implementation as effective.

(Wahyuni et al., 2025) traced the adoption of IFRS 17 in Malaysia's Islamic insurance sector. The study was based on documentary material and interviews with 12 participants involved in standard-setting, insurance preparation or consultancy. What emerged was not a process led by one institution. Regulators, government agencies, professional groups and insurers each contributed to adoption. Takaful practice also raised questions that could not be resolved simply by consulting the standard. This aspect of the Malaysian experience is especially relevant to organisational readiness. Support from management, specialist knowledge and cooperation across professional and institutional boundaries were needed while accounting decisions were being developed; they were not matters that could be left until those decisions had already been made.

Evidence from actual first-year reporting is provided by ter Hoeven et al. (2024), who reviewed the 2023 annual reports of 24 large European insurance groups. Although the principal disclosures appeared, practice differed across insurers. Transition methods, risk-adjustment detail, cohort treatment and the presentation of performance measures were not uniform, and reported changes in equity varied considerably. A common framework therefore did not produce a common reporting outcome. The differences reflect decisions about data, models, assumptions, controls and disclosure. Consistent management of those decisions gives a more useful indication of implementation effectiveness than formal compliance by itself.

(Alhawtmeh, 2023) studied Jordanian insurance companies to determine whether IFRS 17 could improve accounting measurement, disclosure and the quality of financial reports. Questionnaire responses from accounting and finance personnel were analysed statistically. Respondents generally associated the standard with better measurement of insurance contracts and more informative disclosure. Even so, those benefits depended on whether insurers understood the new basis of measurement and could incorporate it into their reporting work. The findings connect the expected outcome with the organisation's capacity to deliver it. Planning, trained personnel and workable reporting arrangements are therefore relevant when professionals judge whether implementation has been effective.

(Signorelli et al., 2022) dealt with one of the technically difficult areas of IFRS 17: the risk adjustment for non-financial risk. They proposed a direct method that estimates the adjustment separately for remaining coverage and incurred claims and then assigns it to the appropriate liability. The method may improve consistency, but it also shows what lies behind a single figure in the financial statements - actuarial judgement, suitable data and careful allocation. Accounting and actuarial teams cannot deal with this work in isolation from each other. For an insurer, technical methods of this kind become usable only when staff capability, systems and data flows are already in place.

(Owais & Dahiyat, 2021) asked professionals in Jordanian insurance companies whether their organisations were ready for IFRS 17. The response was largely unfavourable. Weak preparation was evident in the understanding of the standard's scope, its likely effect on financial statements and the monitoring procedures needed during implementation. Data caused the greatest difficulty. System changes, first-time application, measurement results and presentation followed closely. This evidence is

particularly close to the concern of the present paper because readiness was observed through everyday organisational requirements rather than through awareness of the standard alone. A company may know that IFRS 17 is important and still lack the people, information and working arrangements needed to apply it well.

Yousuf et al. (2021) examined the contractual service margin from the perspective of life insurance. The working party brought together specialists from different fields and considered its initial and subsequent measurement under the general measurement model and variable fee approach, as well as reinsurance and the accounting choices available to insurers. Their discussion shows why profit reporting under IFRS 17 requires more than actuarial calculations. Changes in assumptions must be followed over time, the calculations need to be traceable, and accounting choices may alter the pattern reported. Insurers consequently need reliable historical information, reconciled accounting records and employees who understand the judgements involved. Preparedness in these areas affects confidence in the resulting figures.

Palmborg et al. (2021) used mathematical analysis to explain the development of an insurer's financial position and performance under IFRS 17. Fulfilment cash flows, risk adjustment and the contractual service margin were connected with insurance revenue, expenses and the timing of profit. Their analysis clarified that profit is recognised as insurance service is provided, while changing assumptions may affect liabilities and reported performance. Applying this orderly framework nevertheless involves extensive calculations and reconciliations. Actuarial models and accounting records must exchange accurate data, and reviewers must be able to understand the resulting figures. Systems, professional skill and coordination therefore influence reporting even though they do not appear separately in the financial statements.

Taken together, the literature describes several demands arising from IFRS 17. Readiness and implementation difficulties receive attention in some studies; others deal with technical measurement or information reported after adoption. The connection between organisational preparation and professionals' assessment of implementation effectiveness remains less established. Evidence is particularly limited for India's health insurance sector, where policy and claims information crosses accounting, actuarial and technology functions. This study considers whether planning, management support, skills, training, systems, data, coordination and resources are associated with perceived improvements in transparency, comparability, liability measurement, profit reporting and information quality under Ind AS 117.

RESEARCH METHODOLOGY

Research Objective

To assess the influence of organisational readiness on the perceived effectiveness of Ind AS 117 implementations in the Indian health insurance sector.

Research Design

A quantitative cross-sectional design was adopted. Descriptive analysis was used to summarise the item and construct scores, while correlation and regression examined the approved relationship between organisational readiness and perceived implementation effectiveness. This design was suitable because professional perceptions were measured numerically at a single point in time.

Population and Sample

The target population comprised professionals with relevant experience in insurance accounting, actuarial work, auditing, compliance, consultancy, information technology or senior management within India's health insurance sector. The final sample consisted of 185 respondents: 41 accounting and finance professionals, 24 actuaries, 27 auditors, 23 compliance professionals, 25 consultants, 20 information technology professionals and 25 senior managers. Purposive sampling was used because respondents needed sufficient knowledge of insurance reporting or Ind AS 117.

Research Variables

Organisational Readiness for Ind AS 117 was treated as the independent variable, while Perceived Implementation Effectiveness was the dependent variable. A construct score was calculated for each respondent by averaging the eight relevant items on the original 1 to 5 scale.

Instrument Development and Measurement

The common questionnaire contained 24 statements divided equally among Awareness and Understanding, Organisational Readiness and Perceived Implementation Effectiveness. This paper used the 16 statements relating to readiness and implementation effectiveness. Responses ranged from 1, Strongly Disagree, to 5, Strongly Agree. All statements followed the same direction, so reverse coding was not required.

Data Collection Procedure

Primary data were collected from 185 eligible professionals working in accounting and finance, actuarial services, auditing, compliance, consulting, information technology and senior management. The structured questionnaire was administered in printed or electronic form, depending on respondent accessibility. Participation was voluntary, and respondents were informed that their answers would be used only for academic analysis. Completed questionnaires were screened before coding to ensure that the responses were suitable for the study.

Reliability Testing

Table 1.1: Reliability Testing

Construct	Items	Cronbach's alpha	Interpretation
Organisational Readiness	8	0.899	Good internal consistency
Perceived Implementation Effectiveness	8	0.891	Good internal consistency

Cronbach's alpha was 0.899 for Organisational Readiness and 0.891 for Perceived Implementation Effectiveness. Both values exceeded 0.70 and indicated good internal consistency for the responses included in the study.

Statistical Tools and Techniques

Frequencies, percentages, means and standard deviations described the Likert responses. Cronbach's alpha assessed internal consistency. Pearson correlation measured the direction and strength of association, and

simple linear regression tested the predictive relationship. Hypothesis decisions were made at the 5 per cent significance level.

LIKERT-SCALE STATEMENT ANALYSIS

Table 1.2: Likert-Scale Statement Analysis

S. No.	Likert statement	D/SD %	Neutral %	A/SA %	Mean	SD
1	My organisation has developed a clear implementation plan for Ind AS 117.	36.76	22.70	40.54	3.049	1.312
2	Senior management provides adequate support for the implementation of Ind AS 117.	34.05	22.16	43.78	3.184	1.339
3	My organisation has personnel with the necessary knowledge to implement Ind AS 117.	32.97	24.32	42.70	3.195	1.266
4	Relevant employees receive adequate training on Ind AS 117 requirements.	38.38	23.24	38.38	3.000	1.260
5	Existing information systems are capable of supporting Ind AS 117 reporting requirements.	38.38	27.03	34.59	2.930	1.269
6	The data required for Ind AS 117 measurement are readily available within my organisation.	35.14	28.65	36.22	3.005	1.245
7	Accounting, actuarial and information technology teams coordinate effectively for implementation.	31.89	23.24	44.86	3.227	1.328
8	My organisation has allocated adequate resources for implementing Ind AS 117.	38.38	28.11	33.51	2.968	1.322
9	Implementation of Ind AS 117 can improve the transparency of insurance financial statements.	23.78	19.46	56.76	3.535	1.225
10	Ind AS 117 can improve the comparability of financial results among health insurance companies.	22.16	21.62	56.22	3.514	1.198
11	Ind AS 117 can provide a clearer representation of insurance contract liabilities.	25.41	25.95	48.65	3.384	1.255
12	Ind AS 117 can improve the reporting of profit arising from health insurance contracts.	25.41	27.57	47.03	3.357	1.230
13	Ind AS 117 can improve the identification and reporting of loss-making groups of insurance contracts.	21.62	24.32	54.05	3.519	1.157

S. No.	Likert statement	D/SD %	Neutral %	A/SA %	Mean	SD
14	Ind AS 117 can provide management with more useful information for evaluating insurance performance.	22.16	21.08	56.76	3.557	1.146
15	Ind AS 117 can improve the quality of information available to users of financial statements.	20.00	23.24	56.76	3.638	1.266
16	Overall, Ind AS 117 can improve the effectiveness of financial reporting in the health insurance sector.	17.30	26.49	56.22	3.643	1.203

Findings from Likert-Scale Analysis

Organisational readiness produced an overall mean of 3.070, indicating a mixed but slightly favourable assessment. Coordination among accounting, actuarial and information technology teams received the highest mean (M = 3.227). Existing information systems received the lowest mean (M = 2.930). Respondents therefore appeared more confident about cooperation among teams than about the systems available to support the new reporting requirements.

Perceived implementation effectiveness received a more favourable overall mean of 3.518. The broad statement that Ind AS 117 can improve financial reporting in the health insurance sector recorded the highest mean (M = 3.643). Confidence was comparatively lower regarding its effect on profit reporting (M = 3.357). The responses suggest general support for the standard's expected benefits, while also showing caution about particular reporting outcomes.

HYPOTHESIS TESTING

H0: There is no significant influence of organisational readiness on the perceived effectiveness of Ind AS 117 implementation in India's health insurance sector.

Variables Used

For testing the hypothesis, Organisational Readiness for Ind AS 117 was used as the independent variable, while Perceived Implementation Effectiveness was used as the dependent variable.

Statistical Test Applied

Pearson correlation was used to measure the direction and strength of the association between the two construct scores. Simple linear regression then examined whether organisational readiness predicted perceived implementation effectiveness.

Table 1.3: Correlation and Regression Results

R	R^2	Adjusted R^2	B	Std. Error	t	F	p
0.518	0.268	0.264	0.478	0.058	8.190	67.079	< .001

Organisational readiness and perceived implementation effectiveness were positively correlated ($r = 0.518$, $p < .001$). The regression model was statistically significant, $F(1, 183) = 67.079$, $p < .001$, and explained 26.8 per cent of the variation in implementation-effectiveness scores. The positive coefficient ($B = 0.478$, $SE = 0.058$, $t = 8.190$) indicates that effectiveness scores tended to increase as readiness improved. The estimated equation was: Perceived Implementation Effectiveness = 2.051 + 0.478(Organisational Readiness for Ind AS 117). The result represents a predictive association and does not establish causation.

Decision

The result was statistically significant at the 5 per cent level. Accordingly, H02, the null hypothesis, was rejected.

Finding

Professionals who reported stronger organisational readiness generally gave more favourable assessments of implementation effectiveness. The result suggests that planning, people, systems, data, coordination and resources matter when the expected reporting benefits of Ind AS 117 are evaluated.

Hypothesis Conclusion

The analysis indicates a significant positive influence of Organisational Readiness for Ind AS 117 on Perceived Implementation Effectiveness. This should be understood as a predictive relationship rather than proof of causation.

OVERALL CONCLUSION

Organisational readiness was positively related to perceived implementation effectiveness. Respondents who reported stronger planning, management support, staff capability, training, systems, data availability, coordination and resources also tended to view the reporting benefits of Ind AS 117 more favourably. Readiness accounted for 26.8 per cent of the variation in effectiveness scores, indicating that regulatory conditions and other implementation factors may also shape professional perceptions. The cross-sectional design supports an association between the variables but does not by itself establish a causal effect.

SUGGESTIONS BASED ON FINDINGS

1. Information systems require early review, particularly where policy, claims, actuarial and accounting data cannot be combined without repeated manual correction. The assessment may show that focused improvements to older systems are sufficient and that complete replacement is unnecessary.
2. A separate budget should be kept for Ind AS 117 implementation. This would prevent essential work such as data cleaning, model development and system testing from being postponed because of routine expenditure.
3. Since coordination among accounting, actuarial and technology teams was already comparatively strong, insurers should use this advantage by deciding who will be responsible for the data, assumptions, accounting entries and final reconciliation.
4. The same training may not be useful for every employee. Accountants require greater attention to presentation and reconciliation, while actuarial and technology personnel need guidance related to measurement models and data requirements. Some sessions, however, should bring these groups together because their work is closely connected.

5. Management support should be reflected in actual arrangements, particularly the availability of adequate staff, actuarial expertise and sufficient time for system testing and correction of incomplete information.
6. Before beginning external reporting, an insurer may test the complete process on a limited group of health insurance contracts. This trial can reveal differences between policy data, actuarial calculations and accounting records at a stage when corrections are still manageable.

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