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Professional Differences in Awareness and Understanding of Ind as 117 in India's Health Insurance Sector

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Abstract:
The research examined whether awareness and understanding of Ind AS 117 differed across the selected professional categories. Primary data were collected from 185 professionals across seven categories, and the construct was measured using eight five-point Likert statements. Descriptive statistics, Cronbach's alpha and one-way analysis of variance with post-hoc comparisons were applied. A significant difference was found among professional categories, $F(6, 178) = 2.935$, $p = 0.009$; therefore, the null hypothesis was rejected. Responses were favourable overall, although awareness and understanding were not uniform across the professional groups.

Keywords: Ind AS 117; professional awareness; insurance accounting; health insurance; professional differences

INTRODUCTION

Ind AS 117 changes the manner in which insurance contracts are recognised, measured, presented and disclosed. Its measurement framework brings together estimates of future cash flows, discounting, non-financial risk and, where applicable, a contractual service margin representing unearned profit. Understanding these components is important because insurance revenue and profit are no longer interpreted simply through premium receipts and claims paid. Palmborg et al. (2021) illustrate how technical choices within the IFRS 17 model affect financial position and performance over time. The first-year experience of European insurers also reveals variation in measurement options and disclosures, demonstrating the continuing role of professional judgement after formal adoption (ter Hoeven et al., 2024).

Awareness and understanding of Ind AS 117 may not be distributed uniformly across the professions involved in health insurance. Actuaries may engage more directly with cash-flow estimates, discount rates and risk adjustment; accounting and finance professionals may concentrate on recognition, presentation and reconciliations; auditors and compliance professionals may focus on evidence, controls and conformity; and information technology specialists may encounter the standard through data architecture and system requirements. Senior managers and consultants may view the same requirements from governance or advisory perspectives. Arce et al. (2023) show that diverse professional participants advanced different technical positions during the development of IFRS 17, indicating that occupational roles can shape attention to particular aspects of the standard.

Differences in awareness matter because Ind AS 117 implementation depends on coordinated decisions across these functions. Limited understanding in one area may affect data specifications, model validation, accounting entries, disclosure preparation or management interpretation. Owais and Dahiyat (2021) report weaknesses in readiness connected with understanding the scope and financial-statement implications of IFRS 17. Puławska (2025) likewise identifies actuarial assumptions, data quality, systems integration and communication as continuing implementation concerns.

However, limited evidence compares awareness and understanding simultaneously among accounting and finance professionals, actuaries, auditors, compliance professionals, consultants, information technology professionals and senior managers in India's health insurance sector.

Against this background, the present research examines whether awareness and understanding of Ind AS 117 differ across the selected professional categories.

REVIEW OF LITERATURE

Arce et al. (2023) examined stakeholder participation in the IFRS 17 standard-setting process. Their findings indicate that preparers, users and professional participants raised different issues and that the standard setter responded selectively to competing positions. The research establishes that occupational location can influence which technical matters receive attention. This provides a theoretical basis for expecting awareness of Ind AS 117 to vary among professional groups whose responsibilities differ.

Puławska (2025) provides direct evidence that perceptions of IFRS 17 implementation challenges vary according to the profession of the opinion setter. Annual cohorts, onerous contracts, discount-rate construction and the premium allocation approach did not carry equal importance for all participants. The study is particularly relevant because it connects professional background with the interpretation of technical requirements, although it does not test awareness differences among the seven categories represented in the present research.

Yousuf et al. (2021) documented the extensive judgement required in determining and subsequently measuring the contractual service margin. Their discussion covered contract boundaries, coverage units, loss components and differences among measurement approaches. The technical depth of these issues suggests that professionals working directly with actuarial models may develop a different understanding from those encountering Ind AS 117 mainly through governance, audit, compliance or systems responsibilities.

Palmborg et al. (2021) used actuarial modelling to explain how IFRS 17 measurements affect reported position and performance. The study shows that the relationship between economic experience and accounting profit cannot be interpreted without knowledge of fulfilment cash flows, risk adjustment and contractual service margin movements. It supports the view that functional exposure to measurement activities can shape the depth of professional understanding.

Arató and Martinek (2022) evaluated reserve-risk calculation models relevant to Solvency II and IFRS 17. Their work illustrates the specialised quantitative knowledge involved in assessing uncertainty and model quality. Such expertise is not distributed evenly across accounting, actuarial, audit, compliance, consultancy, technology and management roles. Differences in occupational training may therefore be reflected in respondents' awareness scores even when all groups participate in the same implementation programme.

Owais and Dahiyat (2021) identified gaps in insurers' understanding of IFRS 17 scope and financial-statement consequences. Their evidence confirms that awareness cannot be assumed merely because an organisation is preparing for adoption. Research has nevertheless given limited attention to simultaneous comparisons of Ind AS 117 awareness across the principal professional categories operating in Indian health insurance. The present paper addresses this gap through a seven-group comparison of knowledge relating to identification, measurement, grouping, risk adjustment, presentation and profit recognition.

RESEARCH METHODOLOGY

Research Objective

To examine whether awareness and understanding of Ind AS 117 differ across the selected professional categories.

Research Design

A cross-sectional descriptive and explanatory design was adopted. The descriptive analysis summarised the item and construct scores, while the comparative analysis tested the research hypothesis. A quantitative approach was appropriate because perceptions were measured numerically and analysed using inferential statistics.

Population and Sample

The target population comprised professionals with relevant exposure to insurance accounting, actuarial work, audit, compliance, consultancy, information technology or senior management in India's health insurance sector. Primary responses were obtained from 185 professionals: 41 accounting and finance professionals, 24 actuaries, 27 auditors, 23 compliance professionals, 25 consultants, 20 information technology professionals and 25 senior managers.

Research Variables

Professional Category was treated as the independent grouping variable, while Awareness and Understanding of Ind AS 117 was the dependent variable. Each respondent's score was calculated as the arithmetic mean of the eight items on the original 1-to-5 scale.

Instrument Development and Measurement

Awareness and Understanding of Ind AS 117 was assessed through eight statements. Responses were recorded on a five-point Likert scale ranging from 1 for Strongly Disagree to 5 for Strongly Agree.

Data Collection Procedure

Primary data were collected from 185 eligible professionals working in accounting and finance, actuarial, audit, compliance, consultancy, information technology and senior-management roles within India's health insurance sector.

Reliability Testing

Table 1.1: Reliability Testing

Construct	Items	Cronbach's alpha	Interpretation
Awareness and Understanding	**8**	**0.890**	**Good internal consistency**

The Cronbach's alpha value was 0.890, which exceeded the accepted threshold of 0.70 and indicated good internal consistency among the eight items.

Statistical Tools and Techniques

Frequencies, percentages, means and standard deviations described the Likert responses. Cronbach's alpha assessed internal consistency. One-way ANOVA compared the construct mean across seven professional categories. Levene's test examined homogeneity,

LIKERT-SCALE STATEMENT ANALYSIS

Table 1.2: Likert-Scale Statement Analysis

S. No.	Measurement dimension	D/SD %	Neutral %	A/SA %	Mean	SD
1	Familiarity with the principal requirements	30.81	24.32	44.86	3.222	1.255
2	Identification of insurance contracts	29.19	28.65	42.16	3.216	1.121
3	Understanding of prescribed measurement approaches	37.30	25.41	37.30	2.978	1.277
4	Awareness of contract-grouping requirements	36.76	24.86	38.38	3.070	1.290
5	Role of expected future cash flows in liability measurement	31.35	28.65	40.00	3.130	1.244
6	Purpose of the non-financial risk adjustment	35.14	28.11	36.76	3.038	1.199
7	Familiarity with presentation and disclosure requirements	30.27	22.70	47.03	3.254	1.275
8	Changes in the recognition of insurance revenue and profit	32.43	31.35	36.22	3.130	1.158

Findings from Likert-Scale Analysis

The awareness and understanding responses were generally favourable but not uniform, with an overall construct mean of 3.130. The strongest item was "I am familiar with the presentation and disclosure requirements of Ind AS 117." ($M = 3.254$), whereas "I understand the measurement approaches prescribed under Ind AS 117." received the lowest mean ($M = 2.978$). The spread across items shows that respondents distinguished between specific technical and organisational aspects rather than expressing one undifferentiated opinion.

HYPOTHESIS TESTING

H_{01}: There is no significant difference among respondents from different professional categories with regard to Awareness and Understanding of Ind AS 117.

Variables Used

For testing the hypothesis, Professional Category was used as the independent grouping variable, while Awareness and Understanding of Ind AS 117 was used as the dependent variable.

Statistical Test Applied
One-way ANOVA was applied to examine whether mean perceptions differed significantly across the seven professional categories.

Table 1.3: Descriptive Statistics by Professional Category

Professional category	N	Mean	SD
Accounting and finance professionals	41	3.293	0.969
Actuaries	24	3.630	0.974
Auditors	27	2.968	0.806
Compliance professionals	23	2.772	0.941
Consultants	25	2.840	0.709
IT professionals	20	2.969	0.874
Senior managers	25	3.305	0.928

Table 1.4: One-Way ANOVA

Levene F	Levene p	F	df	p
0.671	0.674	2.935	6, 178	0.009

Levene's test was not significant, $F(6, 178) = 0.671$, $p = 0.674$, supporting the equal-variance assumption. The professional-category effect was statistically significant, $F(6, 178) = 2.935$, $p = 0.009$.
Decision
The result was statistically significant at the 5 % level. H_{01} was therefore rejected.

OVERALL CONCLUSION
The ANOVA results confirmed that an overall average can conceal meaningful professional differences. Training and implementation support should therefore reflect the responsibilities and knowledge needs of each professional group.

SUGGESTIONS BASED ON FINDINGS
1. Awareness programmes should be differentiated by professional role because the overall ANOVA revealed meaningful variation among the seven groups.
2. Compliance professionals and consultants may require additional exposure to the measurement and grouping provisions where their mean scores trailed those of actuaries.
3. Actuarial expertise can be used in interdisciplinary workshops, but accounting and disclosure implications should remain accessible to non-actuarial participants.
4. Periodic knowledge reviews are preferable to one-time orientation because Ind AS 117 judgements connect several reporting periods and functions.

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