

Transforming Insurance Reporting: Challenges of IFRS 17 Implementation*

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Abstract

The new reporting standard, IFRS 17 – Insurance Contracts, replaces the previous IFRS 4 and introduces significant changes in how insurance companies measure, recognize, and report their insurance contracts. IFRS 4 had become partly outdated and inefficient, prompting the need for a more transparent, standardized approach. Key challenges of IFRS 17 include adjusting accounting policies for revenue, profit, and liability measurement, as well as assessing risk and reserves. Additional difficulties arise from the complexity of contract measurement, alignment with regulatory requirements, and technological upgrades needed for compliance. The implementation of IFRS 17 affects management, staff, and external users, enabling clearer, more transparent, and comparable reporting of insurance company performance.

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