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**Does the Implementation of International Financial Reporting
Standard 17 "Insurance Contracts" Enhance Financial Reporting
Quality? Evidence from Palestine and Jordan.**

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202216658

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**This Dissertation Was Submitted in Partial Fulfillment of the
Requirements for the Doctor of Philosophy (Ph.D.) Degree in
Accounting and Finance**

Palestine, April/2026

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Dissertation Approval

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Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

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Dedication

This dissertation is dedicated to the loving memory of my late parents, whose values, sacrifices, and unwavering belief in education laid the foundation for all that I have achieved.

It is also dedicated to the memory of my late brother, Thabet (Abu-Zied), whose support and encouragement played a vital role in my educational and professional journey.

I dedicate this work to my brothers and sisters, Nafez, Abdul Naser, Etedal, late Husnieyeh's soul, Amal, and Entisar, for their constant support, encouragement, and sharing the challenges of life.

To my beloved, wonderful wife, Fatima, and my children, Malak, Ahmad, Kareem, Myrna, and Ali, your patience, love, and encouragement were my greatest source of strength and motivation. Without you, my happiness would not be complete.

I also dedicate this work to my dear friend Nidal (Abu-Jalal), in appreciation of a lifelong companionship and unwavering support.

To all of you, I dedicate this achievement.

Jamal Jamil Mohammad Hasan

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Abstract

This study aims to examine the impact of the implementation of International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" on Financial Reporting Quality (FRQ) in listed insurance companies in Palestine and Jordan. The study was conducted in early 2026, approximately three years after the effective date of IFRS 17. It focused on assessing whether IFRS 17 achieved its objectives of enhancing transparency and comparability in financial reporting.

The study adopts a quantitative empirical research design. Data were collected through a structured questionnaire distributed to a purposive sample of 294 professionals, including preparers of financial statements, external auditors, academics, and financial analysts. Financial reporting quality was examined through two key qualitative dimensions, transparency and comparability, consistent with the International Accounting Standards Board (IASB)'s Conceptual Framework. The analysis employed descriptive statistics, correlation analysis, multiple regression models, and Weighted Least Squares (WLS) to assess the relationship between IFRS 17 implementation and FRQ, and examine the effect of the controlling factor, years of experience of respondents.

The results indicate that IFRS 17 implementation has a statistically significant positive impact on financial reporting quality in both countries. Transparency showed noticeable improvement, while comparability emerged as the strongest dimension in both contexts. Although the level of IFRS 17 implementation was found to be similar in Palestine and Jordan, differences in financial reporting quality outcomes were observed. Professional experience had a positive effect on the relationship between IFRS 17 implementation and FRQ in Palestine, whereas no significant effect was found in Jordan.

The study recommends maintaining compliance with IFRS requirements, strengthening professional training, enhancing reporting systems, and improving institutional frameworks to support effective implementation of IFRS 17. Furthermore, the study suggests expanding research, such as examining the impact of IFRS 17 on the financial performance and risk management of insurance companies, as well as its impact on the non-insurance sector.

Keywords: Comparability, Emerging Markets, Financial Reporting Quality, IFRS 17, Transparency

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List of Definitions of Abbreviations

Abbreviations	Title
AAB	AAOIFI Accounting Board
AAOIFI	Auditing Organization for Islamic Financial Institutions
ANOVA	Analysis of Variance
APB	Accounting Principles Board
ASE	Amman Stock Exchange
BOPA	Board of Auditing Profession
CBJ	Central Bank of Jordan
CSM	Contractual Service Margin
DR	Discount Rates
DPF	Discretionary Participation Features
ESRB	European Systemic Risk Board
FAS	Financial Accounting Standard
FASB	Financial Accounting Standards Board
FRC	Financial Reporting Council
FRQ	Financial Reporting Quality

FS	Financial Statements
FVOCI	Fair Value through other Comprehensive Income
FVTPL	Fair Value through Profit and Loss
FCF	Fulfillment Cash Flows
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GM	General Model
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASC	International Accounting Standard Committee
IBNR	Incurred But Not Reported
IC	Insurance Contracts
IFRS	International Financial Reporting Standards
IFRSF	International Financial Reporting Standards Foundation
IR	Insurance Risk

JACPA	Jordanian Association of Certified Public Accountants
JIF	Jordan Insurance Federation
KMO	Kaiser Meyer Olkin
LA	Level of Aggregation
MENA	Middle East and North Africa
NAIC	National Association of Insurance Commissioners
NFR	Non-financial Risk
OCI	Other Comprehensive Income
OECD	Organization for Economic Co-operation and Development
OLS	Ordinary Least Squares
OS	Other Subsidies
PAA	Premium Allocation Approach
PACPA	Palestinian Association of Certified Public Accountants
PCMA	Palestinian Capital Market Authority
PEX	Palestine Exchange
PIC	Portfolio of Insurance Contracts

PIF	Participants' Investment Fund
PL	Profit or Loss
PTF	Participants' Takaful Fund
PV	Present Value
QFR	Quality of Financial Reporting
R ² (R-squared)	Coefficient of Determination
RANR	Risk Adjustment for Non-financial Risk
RC	Reinsurance Contract
SEC	Securities and Exchange Commission
SAP	Statutory Accounting Principles
SPSS	Statistical Package for the Social Sciences
TVM	Time Value of Money
UK	United Kingdom
US	United States
VFA	Variable Fee Approach
VIF	Variance Inflation Factor

Chapter One: Introduction

1.1 Research Background

The insurance sector is a key player in the global economy, exerting a substantial and positive influence on economic growth, stability, investments, and employment, as noted by Pearson (2002). Its impact extends to society as a whole. Reporting on the activities and performance of insurance companies is crucial to meet the information needs of investors, Financial Statement (FS) users, and other stakeholders. In Palestine and Jordan, insurance companies constitute a significant portion of the stock market, accounting for approximately 6.2% and 4%, respectively, as reported by the Palestine Exchange (PEX) and Amman Stock Exchange (ASE) at the end of 2024 (PEX, 2024; ASE, 2024).

Accounting standards have evolved starting in the early 20th century with the establishment of bodies including the Securities and Exchange Commission (SEC) and Financial Accounting Standards Board (FASB) in the US, which developed Generally Accepted Accounting Principles (GAAP). At the global level, the International Accounting Standards Board (IASB) was formed in 2001. Accounting standards were also developed through the International Financial Reporting Standards Foundation (IFRSF) with 19 of the International Financial Reporting Standards (IFRS) issued to date, following the issuance of 41 International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) before the IFRS Foundation's establishment.

Insurance accounting has also evolved in response to industry growth and the need for standardization. The IASB began addressing insurance contracts in the early 2000s. This led to the temporary IFRS 4 in 2004 and, after an extended development process, the comprehensive IFRS 17, which became effective in 2023.

The IASB provided a clear rationale for developing IFRS 17, as evidenced by the announcement of its introduction and the analysis sheet released by the IFRSF. This analysis sheet illustrates the specific deficiencies in IFRS 4, along with the anticipated improvements in IFRS 17 across two principal dimensions: The first dimension is enhancing transparency and providing useful information, and the second dimension is facilitating comparability and establishing a

consistent framework (IFRSF, 2017; Dufrasne, 2020). The new standard took effect for FS that became effective for the FS that begins on or after January 1, 2023. IFRS 17 was formulated with the explicit goal of addressing the weaknesses of its precursor, IFRS 4, which related to insurance contracts. Criticisms of IFRS 4 focused on its failure to provide users of the FS with sufficiently comparable and transparent information (Dufrasne, 2020). In pursuit of bolstering FRQ, IFRS 17 introduced substantial modifications in accounting treatment, recognition criteria, measurement methods, presentation standards, and disclosure requirements regarding IC within the FS of the entities. These changes were intended to create benefits by more accurately reflecting economic realities, strengthening long-term financial stability, and promoting comparability and transparency according to the IFRS 17 IC Effects Analysis document (IFRSF, 2017).

Financial Reporting Quality significantly benefits the stock markets and contributes to long-term financial stability. The IFRS Foundation, whose objective is to improve the FRQ, constantly issues standards, amends, or replaces them to continue enhancing the quality of reporting. In this context, IFRS 17 was introduced, replacing IFRS 4 (IFRSF, 2017).

The global standard setter, the IFRS Foundation, outlined the potential advantages of IFRS 17 in addressing deficiencies in insurance accounting practices permitted under IFRS 4.

Specifically, IFRS 17:

- a) Improves transparency by introducing transparent and consistent financial information on IC and its profitability; and
- b) Enhances comparability by eliminating the diversity in accounting for IC that existed under IFRS 4, thereby improving comparability among ICs, across industries, and among firms within the country and jurisdictions.

As the standard became effective for the annual FS for 2023, most countries in Europe and Asia, along with other regions, including the Middle East and North Africa (MENA), began implementation that year, such as Saudi Arabia, the UAE, Kuwait, Tunisia, Jordan, and Palestine initiated adoption in 2023. While some countries postponed their implementation due to the complexities and challenges associated with the standard, such as Syria. Countries that adopt their national standards have introduced new standards related to accounting practices for insurance contracts to ensure alignment with IFRS 17. However, the effective dates for some of these national standards are set for periods after the standard's effective date, such as 2024 or 2025, as is the case in Egypt. Currently, around 144 countries have adopted the standard (Atlas Magazine,

2023). In the MENA region, most regulators in countries such as Saudi Arabia, the UAE, Kuwait, Tunisia, Jordan, and Palestine initiated adoption in 2023. Practically, in Palestine and Jordan, all listed and unlisted insurance companies began implementing IFRS 17 in 2023 instead of IFRS 4.

Regulators of the insurance industry in both countries, Palestine and Jordan, specifically the Palestinian Capital Market Authority (PCMA) and the Central Bank of Jordan (CBJ), mandate that listed companies, as well as insurance companies, must use the complete set of IFRSs when developing their FS. They have made significant efforts to provide guidance to insurance companies and to maintain compliance with the adoption of IFRS. They have issued numerous emphases and guidelines before the effective date to assist these companies in preparing for implementation. Insurance companies in both countries faced challenges and collaborated with external auditors and consultants to establish systems for implementation and address obstacles such as the availability of necessary data for adoption, first-time implementation, systems, and presentation (Owais & Dahiyat, 2021).

In summary, the introduction of IFRS 17 aimed to establish a single set of high-quality standards for IC and to improve the quality of reporting for insurance companies by enhancing transparency and ensuring a comparable, consistent, and reliable standard at both the country and global levels. Regulators and the preparers of FS have made significant efforts and allocated resources to address the challenges related to the first-time implementation and the complexity of adopting the standard. This study examines whether, based on practical implementation, IFRS 17 “IC” has achieved its intended goals of improving the FRQ by evaluating evidence from the listed insurance companies in Palestine and Jordan.

The contributions of this study underscore the importance of implementing IFRS 17 in the MENA region, particularly in less developed markets such as Palestine and Jordan. By providing valuable insights and evidence, the research aims to assist regulators and stakeholders by focusing on enhancing the FRQ through increased transparency and consistency in FS. This, in turn, is expected to foster a more favorable investment climate in these countries, encouraging growth and development within the insurance sector and beyond. The findings will be instrumental in guiding future policy decisions and improving the overall financial landscape.

1.2 Significance of the Study

The insurance industry plays an important role in the economies of Palestine and Jordan. The value of listed insurance companies forms about 6.2% and 4% of the total value of the stock markets on PEX and ASE, respectively. This sector directly employs 2826 individuals in Jordan and 1774 in Palestine (PCMA, 2024; JIF, 2022). Users of FS continue to place a high priority on FRQ, with the IFRSF responsible for achieving the expected level of quality. Addressing IC has proven to be a significant challenge, prompting the IFRSF to dedicate more than two decades to addressing this issue. This study offers both theoretical and empirical significance as detailed below.

A- Empirical Significance:

1. Provides empirical evidence from two emerging economies, Palestine and Jordan, regarding the impact of IFRS 17 implementing the standard on the FRQ in the insurance sector.
2. Evaluates whether the implementation of IFRS 17 strengthens FRQ through improved comparability and transparency of insurance companies' FS compared to IFRS 4.
3. Provides insights into the practical benefits of IFRS 17 adoption compared to the previously used IFRS 4 in both countries, contributing to the debate on the standard's effectiveness and relevance.
4. Supports regulators, such as PCMA in Palestine and CBJ in Jordan, the audit practitioners and users of FS in understanding how the implementation of the standards, such as IFRS 17, leads to more decision-useful financial information and enhanced FRQ.

B- Theoretical Significance:

1. To the best of the researcher's knowledge, this study is the first empirical study assessing the impact of IFRS 17 in Palestine.

2. To the best of the researcher's knowledge, it is the first comparative study evaluating the impact of the adoption of IFRS 17 on the FRQ between Palestine and Jordan, providing cross-country insights.
3. The study contributes to the limited academic literature on the intersection of insurance accounting under IFRS 17 and FRQ.
4. There is a scarcity of studies conducted in this area, as previous studies in Jordan primarily focused on expectations of the standard's impact on quality before its actual adoption. This study moves beyond expectations to analyze post-adoption outcomes. AlHawtmeh (2023) emphasized the need for further advanced research on the standard's impact in enhancing reporting quality and addressing shortcomings.
5. This study is timely, coming over three years after IFRS 17 adoption, as preparers and auditors have had sufficient exposure to the standard to offer a proper assessment of its impact on the FRQ.

1.3 Problem Statement

According to local regulations in Palestine and Jordan, listed companies must comply with the IFRS for transparent and high-quality FS to foster a favorable investment environment. The adoption of global accounting standards, IFRS, provides higher quality and more information that is comprehensible to investors and stakeholders, thus improving the investment climate in the stock market. IFRS 17 introduces new accounting treatments, presentations, and disclosures of information for IC to improve the quality of information in the FS of insurance companies. Following extensive discussions with stakeholders, both the regulators of PEX and ASE decided to implement IFRS 17 from the effective date, despite the challenges encountered during the process, and issued clear regulations and instructions to adopt the standard. IFRS 17, being a relatively recent standard, lacks substantial research to evaluate its efficiency in achieving its objectives and enhancing FRQ compared to IFRS 4. Additionally, there is a scarcity of studies regarding the impact of adopting this standard in Palestine, as well as a shortage of comparative analyses on its influence on the FRQ for both Jordan and Palestine.

Given the objectives of IFRS 17 and the regulatory decision to adopt the standard in both countries, it is crucial to evaluate whether the implementation has indeed enhanced FRQ. Therefore, this study aims to evaluate the extent of achieving the standard's objectives.

1.4 Objectives of the Study

This study aims to examine the extent to which the implementation of IFRS 17, also known as IC, has effectively improved FRQ of insurance companies in Jordan and Palestine. More specifically, the study seeks to assess whether the standard successfully achieved its stated objectives of enhancing the transparency and comparability of financial information compared to IFRS 4, as outlined by IASB at the time of development of the standard, which came under two main titles:

- 1- Enhancing the transparency and usefulness of financial information, and
- 2- Improving comparability and promoting a consistent accounting framework for insurance contracts.

The study investigating these objectives focuses on gathering and analyzing the perspectives of key groups of professionals, including FS preparers, external auditors, academics, and financial analysts in both countries. The selection of Jordan and Palestine is based on their similar financial reporting frameworks and regulatory environments for listed insurance companies.

1.5 Questions of the Study

As per the review of IFRS 17 and previous related studies, this study uses the following questions to achieve its objectives:

Q1: Did the implementation of IFRS 17 “Insurance Contracts” enhance Financial Reporting Quality of insurance companies in Palestine and Jordan?

The above question is broken down into two sub-questions:

Q1a: Did the implementation of IFRS 17 “Insurance Contracts” Enhance the Transparency of Insurance companies' FS in Palestine and Jordan?

Q1b: Did the implementation of IFRS 17 “Insurance Contracts” Enhance the Comparability of Insurance companies' FS in Palestine and Jordan?

These questions are answered through designing a related questionnaire, targeting and collecting the opinions from four professional groups: FS preparers, external auditors, academics, and financial analysts. The questionnaire is developed based on the areas of comparison between the IFRS 4 and the IFRS 17 made by the IFRSF in justifying the reasons for introducing the IFRS 17, which is detailed in chapter two under Table (2.2). Those areas of comparison between the two standards were as follows:

A- Transparency:

- Information related to the value of insurance obligations.
- Information about profitability.

B- Comparability:

- Comparability among firms in the country and across jurisdictions
- Comparability among IC.
- Comparability among industries.

The detailed comparison is elaborated in Table 2.2 under section 2.15.

1.6 Hypotheses of the Study

As discussed above, the given questions of the study were used to achieve the objectives in examining whether the implementation of IFRS 17 (IC) has improved the FRQ of insurance companies in Palestine and Jordan. With a specific focus on whether the implementation of IFRS 17 successfully met its announced objectives of increasing the transparency and comparability of financial information compared to IFRS 4, the following main hypothesis of the study is used:

H1: Implementation of IFRS 17 “Insurance Contracts” has enhanced Financial Reporting Quality of insurance companies in Palestine and Jordan.

The above hypothesis is broken down into two sub-hypotheses:

H1a: The Implementation of IFRS 17 “Insurance Contracts” has significantly increased the transparency of insurance companies' FS in Palestine and Jordan.

H1b: Implementation of IFRS 17 “Insurance Contracts” has significantly increased the comparability of insurance companies' FS in Palestine and Jordan.

1.7 Limitations of the Study

This study faces the following limitations:

- 1- The study's timeframe for assessing the effect of IFRS 17, a new accounting standard, spans three years. While there is a lack of available research to review, the researcher believes that this adoption period provides adequate evidence on whether the standard improves FRQ. However, insurance companies have issued over twelve interim and annual reports since the start of 2023, which offered the targeted groups a strong understanding of the standard and its impact on FRQ.
- 2- The generalization of findings from the study relies on responses gathered from respondents who have three years of post-implementation experience. To address the limitation of obtaining reliable information from professionals with strong expertise in the subject matter, the researcher selected a larger, more diverse sample size. This sample comprises highly specialized professionals who are extensively engaged in the standard adoption process and analyzing the FS. This approach supports the reliability of the conclusions drawn. Additionally, the sample selection, which includes various groups from both countries within the industry, aims to provide a representative sample of the population, thereby facilitating the generalization of the study's findings.
- 3- The Palestinian economy's characteristics raise doubts about the generalization of the conclusions to developing economies as a whole. However, as the study covers Palestine and Jordan, both developing economies, it reinforces the applicability of its findings to other developing countries.
- 4- The business environment in Jordan and Palestine may differ in certain areas; however, the reporting framework of the insurance companies in both countries is similar. Both countries adopt IFRS and implement IFRS 17 as of the effective date.

In addition, this study faces some limits:

- 1- Limits related to the selected sample from specific categories whose opinions are obtained on the subject in both countries. The researcher selected the sample with sufficient experience to provide their insights and opinions.
- 2- Other factors, such as changes in the reporting and regulatory environment, may influence the enhancement of FRQ. This study focuses on the improvement of FRQ directly resulting from the implementation of IFRS 17 by addressing related questions about the areas impacted by the standard's implementation.
- 3- This study is limited to insurance companies. While the standard applies to all entities that issue IC, insurance contracts are the primary operations of insurance companies. Other non-insurance entities issue contracts that meet the criteria for IC, such as maintenance service contracts for vehicles and equipment (Deloitte, 2023). However, these contracts do not represent a significant portion of the companies' operations. The researcher could not find studies that focus on the effect of standard adoption on non-insurance companies, which could be a recommended topic for further research.

1.8 Practical and Conceptual Definitions

For a smooth understanding of the study, this section includes explanations of some terminology used throughout the study.

- 1.8.1 Accounting Standards:** The regulations or rules that govern the preparation of FS. It is being developed through a standard-setting process (Choi et al., 1992).
- 1.8.2 Comparability in Financial Statements:** It discusses the ability of users to compare the financial information of different companies to make informed decisions. According to IFRS, it is an important qualitative feature that FS should have.
- 1.8.3 Contractual Service Margin (CSM):** Is the recognized unearned profit by the company for the insurance services provided under the group of ICs (IFRSF, 2017).
- 1.8.4 Financial Reporting (FR):** The process of presenting financial information of an entity to various stakeholders, such as investors, creditors, and regulators. FR includes FS, disclosures, and footnotes that provide additional information (Mulford & Comiskey, 2005).

- 1.8.5 Fulfilment Cash Flows (FCF):** An explicit, objective estimate of the Present Value (PV) of the expected future cash outflows less the PV of the future cash inflows, those in fulfilling commitments in IC, including a risk adjustment for Non-Financial Risk (NFR) (IFRSF, 2017).
- 1.8.6 Insurance or Insurance Contracts (IC):** An agreement where an issuer takes on the insurance risk from a policyholder. In exchange, the issuer agrees to provide compensation if a specific uncertain future event negatively affects the policyholder. (Masci, 2011; IFRSF, 2017).
- 1.8.7 Insurance Risk (IR):** The non-financial risk, which is transferred from the policyholder to the issuer (IFRSF, 2017).
- 1.8.8 International Financial Reporting Standards (IFRS):** A set of accounting standards developed by the IASB that are used globally to guide entities in preparing and disclosing their FS. IFRS provides a common language for businesses to communicate financial information, ensuring consistency, transparency, and comparability in financial reporting (IFRSF, 2021).
- 1.8.9 Portfolio of Insurance Contracts (PIC):** Grouping the IC based on the similarities of risks to be managed together (IFRSF, 2017).
- 1.8.10 Quality of Financial Reporting (QFR) and Financial Reporting Quality (FRQ):** QFR refers to the accuracy, transparency, and reliability of financial information presented by entities in their FS (Ball et al., 2003). The term “Quality of Financial Reporting” (QFR) is a broader expression than “Financial Reporting Quality” (FRQ). In this study, the focus is specifically on the transparency of information and the comparability characteristics of the FS, thus primarily using the concept of FRQ.
- 1.8.11 Reinsurance Contract (RC):** An agreement entered into by an insurance company to transfer some of its risks and liabilities to another insurance company (IFRSF, 2017).
- 1.8.12 Risk Adjustment for Non-financial Risk (RANR):** The compensation is related to uncertainty in the amount and timing of the cash flows arising from NFR while fulfilling the commitment in IC (IFRSF, 2017).
- 1.8.13 Transparency in Financial Reporting:** According to FASB, it is defined as “the extent to which information provided in financial reports enables users to identify the underlying economic events that occurred during the reporting period.”

Chapter Two: Literature Review

This chapter elucidates the accounting theories relevant to the development of the standard, providing a concise overview of the global insurance industry along with a brief discussion of the industry in Palestine and Jordan. Additionally, this chapter includes a comprehensive understanding of IFRS 17, highlighting the scope, improvements, and requirements of the standard, comparing it to the superseded standard, IFRS 4. Furthermore, the chapter examines previous studies related to FRQ, IFRS 4, and IFRS 17, as well as the implications of adoption across various dimensions, with a focus on its impact on the FRQ.

2.1 Related Accounting Theories

To understand how IFRS 17 influences accounting practices in the insurance industry and how companies navigate these changes to meet compliance requirements, various theoretical frameworks can be examined. The adoption of IFRS 17 is linked to several accounting theories, especially regarding insurance accounting.

Positive Accounting Theory: IFRS 17 can be associated with Positive Accounting Theory, which focuses on explaining and predicting accounting practices as influenced by economic factors and individual motivations (Watts & Zimmerman, 1990). Examining the implementation of IFRS 17 through the lens of this theory can provide insights into how companies adapt to the standard's requirements concerning the recognition and measurement of IC.

Agency Theory: The standard is also linked to the Agency Theory, which explains the relationship between an entity's owners or stakeholders and the entity's management or accountants as agents (Watts & Zimmerman, 1983). The application of IFRS 17 may influence the agency relationships within insurance companies, as managers are required to provide transparent and accurate financial information regarding IC in compliance with the standard.

Signaling Theory: In addition, IFRS 17 is associated with signaling theory, which highlights the importance of financial reporting in delivering information about a company's financial performance and position to its stakeholders (Bergh et al., 2014). When companies adopt

globally recognized accounting standards such as IFRS 17, they signal their commitment to transparency, consistency, and comparability in their financial reporting.

Legitimacy Theory: The Company's commitment to transparency and comparability, in turn, can enhance its perceived legitimacy in the market and bolster its credibility with stakeholders, such as investors and regulators, aligning with legitimacy theory (Suchman, 1995).

2.2 Global Insurance Industry

The concept of insurance has ancient origins, with civilizations such as the Babylonians, Egyptians, Chinese, and Romans using ideas of mutual association to share, diversify, and spread risks, or to establish cooperatives. Its modern form emerged in Europe during the Middle Ages (Masci, 2011). In the following centuries, particularly during the seventeenth and eighteenth centuries, insurance underwent further evolution in Europe, mainly in Germany and Britain, coinciding with the expansion of economic activities and global trade (Eling & Luhnen, 2010). This development led to the proliferation of insurance companies worldwide. Today, the insurance sector is a cornerstone of the global economy, a fact consistently reinforced in existing literature (Masci, 2011; Ivan et al., 2015). The significance of insurance extends beyond individual risk management to encompass its role as a substantial contributor to national savings and overall economic stability. Various studies have analyzed the interconnections between insurance and economic development, underscoring its critical function in fostering financial growth and prosperity (Outreville, 2013).

The global insurance market is expected to exceed eight trillion USD in 2024 (Statista, 2024). The insurance industry is measured by the total of premiums compared with the Gross Domestic Product (GDP) of the country. The rate varies around the world from one country to another, while the rate of premiums compared to the GDP is higher in advanced economies; it is lower in less advanced countries. It exceeds 10% in countries such as the UK, France, the EU, the US, and some Asian countries (Organization for Economic Co-operation and Development (OECD), 2024).

2.3 The Insurance Sector in Palestine and Jordan

There are several studies on the insurance industry that cover the history and development of the sector in Palestine and Jordan, such as (Miani & Daradkah, 2007; Jaloudi & Bakir, 2019) for Jordan and (Abdeljawad, 2022; Jawad & Ayyash, 2019) in Palestine. These studies delve into the historical background, evolution, and structure of the insurance industry in both nations, along with examining various aspects of profitability, efficiency, and solvency for insurance firms. While numerous studies focused solely on either Palestine or Jordan, some, like the comprehensive research covering Palestine and Jordan by Hirzallah et al. (2024), evaluated technical efficiency across both countries within a single study. Hirzallah et al. (2024) found that firms listed on PEX, Palestine, were found more technically efficient than those listed on ASE, Jordan, and found non-life insurance firms were more efficient than “compound” firms (i.e., firms offering both life and non-life business) in both countries. In addition, some firm-level characteristics showed negative effects on efficiency, such as capital structure and firm size, while the market share and return on assets were found positively affect the technical efficiency.

The insurance industry has been known in Palestine since the first law was established in 1845 during the Ottoman rule (Wafa, 2023), as it has undergone many changes in regulations due to various ruling authorities, including the Ottoman era, British mandate, Jordanian authority, Israeli occupation, and finally, the Palestinian Authority (Abdeljawad, 2022). During the 1930s and 1940s, several local Palestinian insurance companies engaged in insurance activities under the British mandate in Palestine. Noteworthy among them was the establishment of Hassneh Insurance Company in 1932, along with various branches of foreign insurance firms. However, the insurance sector encountered substantial difficulties in the aftermath of historical events such as the 1948 partition of Palestine and the 1967 occupation of the remaining Palestinian territories. Amidst these challenges, only a limited number of companies managed to sustain operations in the Palestinian market. One of the resilient companies was Al-Arabeyeh Insurance Company, founded in 1944, and sustained its services until 2009. All the insurance companies currently operating in Palestine, actively involved in various insurance activities, were established after the year of 1992 after the foundation of the Palestinian Authority (Wafa, 2023; Al-Khateeb, 2016). Currently, the Palestinian Capital Market Authority (PCMA) licenses fourteen insurance companies, eight of which are listed on the Palestine Exchange (PEX). As of 12/9/2024, the total value of the listed insurance

companies is USD 254 million, accounting for over 6.2 percent of the total market value of listed firms on PEX. The total capital of listed insurance companies is USD 139 million (PEX, 2024), and the total annual premium is approximately USD 384 million for the year 2024, with a penetration rate of 3.51 percent (PCMA, 2024).

In Jordan, the insurance industry began developing in the 1940s, with the first regulatory framework established through the Insurance Regulatory Act No. 5 in 1965 (Jordan Insurance Federation (JIF), 2022). Over the years, additional regulations were introduced. On February 24, 2016, the Central Bank of Jordan (CBJ) assumed oversight of the insurance sector, implementing the necessary regulations following a Council of Ministers decision (CBJ, 2016). Currently, there are 20 insurance companies in Jordan (CBJ, 2024), of which 14 are listed on the Amman Stock Exchange (ASE, 2024). For the year 2024, these companies achieved a total turnover of approximately 991 million USD, with a capital of USD 376 million (JIF, 2024), with a penetration rate of 2.5 percent. The total value of listed insurance companies represents around four percent of the total capital in the stock market. The following Table (2.1) summarizes the main figures related to the insurance industry in Jordan and Palestine:

Table 2.1: Comparison of the Insurance Industry between Palestine and Jordan

Description	Jordan	Palestine
Currency, name, and rate to USD.	Jordanian Dinar (JD) (1 USD = 0.708 JD)	USD and JD are mostly used.
Total GDP in 2024.	\$53.43 billion	10.58 billion in 2024. Dropped from 14.77 billion in 2023, due to the Israeli war on Gaza (PCBS, 2024).
Number of insurance companies in 2025		20
Number of insurance listed companies in 2025		14
Number of insurance companies that provide Islamic insurance services, “Takaful”.		3
		4

Number of staff working in the insurance companies.	2826 (JIF, 2022)	1774 (PCMA, 2024)
The total annual premium for the year 2024, in million USD.		
	991	384
Penetration rate. Percentage of Premium to the GDP in 2024.	2.5%	3.51%
Capital of insurance companies at the end of 2024, in million USD.	376	139
Equity value of the listed insurance firms.	515	257
Value of traded stocks of insurance companies as of December 31, 2024, in million USD.	541	254
Percentage of the insurance companies' shares of the total stock market value as of 2024.	4% (3.18% for the year 2022) (CBJ, 2023)	6.2%
The regulator and supervisory body over the insurance sector.	PCMA	Central Bank of Jordan (CBJ)
Accounting standards have been adopted for the insurance companies.	IFRS	IFRS
Actual date of starting the implementation of IFRS 17.	The reporting year or period started on 1/1/2023 or later	The reporting year or period started on 1/1/2023 or later
Required Level of Adoption of IFRS 17.	Full adoption	Full adoption
Main insurance products.	General insurance, Life insurance, and Islamic insurance (Takaful).	General insurance, Life insurance, and Islamic insurance (Takaful).
The Islamic insurance (Takaful) percentage of the total insurance premium.	12.4 percent (CBJ, 2023)	Around 21 percent in 2024
The main effective laws and regulations affecting the reporting of listed Insurance companies.	Regulation of Insurance Operation Law No. 12 for the year 2021. The Financial Stocks Law No. 18 for the year 2017	Insurance Law No. 20 for the year 2005. Stocks Law No. 12 for the year 2004.

Source: Prepared by the researcher

2.4 History of Accounting Standards

Accounting standards have evolved to ensure consistency and transparency in financial reporting. The history of accounting standards dates back to the early 20th century, when the need for standardized financial reporting emerged. Various bodies were established in different countries to develop accounting principles. In the United States (US), the founding of the Securities and Exchange Commission (SEC) in 1934 marked a significant milestone in the evolution of accounting standards, leading to the creation of GAAP. The Accounting Principles Board (APB) was established in 1959 and remained in existence until 1973, when the Financial Accounting Standards Board (FASB) was created (Shenkir, 1975). FASB became one of the most influential organizations in developing accounting standards and became responsible for setting accounting standards in the US (Brian A. Rutherford, 2007). In the United Kingdom (UK), various accounting bodies were formed in the 19th century. The Financial Reporting Council (FRC), established in 1990, developed the UK GAAP.

On the global level, the International Accounting Standards Committee (IASC) issued the first International Accounting Standard IAS in 1975 (Camfferman & Zeff, 2015). In 2001, the International Accounting Standards Board (IASB) was formed, replacing the IASC and becoming the key player in developing accounting standards, known as International Financial Reporting Standards (IFRS), used by companies in over 140 countries (IFRSF 2025). The history of accounting standards is vast and complex, with numerous changes and updates made over the years to adapt to the evolving business landscape. Companies must stay informed about the latest accounting standards to ensure compliance and accuracy in financial reporting.

2.5 Evolution of Insurance Accounting

Accounting related to insurance activities goes back to the early 20th century, when the insurance industry began to grow rapidly, leading to the need for standardized accounting practices for the insurance operations. One of the earliest bodies, the National Association of Insurance Commissioners (NAIC), was established in 1871 in the US and has been providing support to assist the regulators in the states of the US in setting standards and regulations related to insurance, including the Statutory Accounting Principles (SAP) (NAIC, 2025). In the international context, the IASB began working on a standard project for Insurance Contracts (IC) in the early 2000s.

That project led to the issuance of IFRS 4 “Insurance Contracts” in 2004, to provide temporary guidance until a more comprehensive standard, i.e., IFRS 17 “Insurance Contracts” was issued in 2017 (IFRSF, 2017).

The evaluation history of accounting for insurance companies has presented a significant challenge for accounting standard-setting bodies in meeting the requirements of stakeholders. The IASB first raised this issue for deliberation in 2001 through the IFRSF, a public interest organization established to develop high-quality global standards via one of its independent standard-setting boards (IASB, 2001) and (IFRSF, 2004). In 2002, the Foundation decided to divide the project into two phases: a temporary standard phase followed by the development of a comprehensive standard as a second phase. The temporary standard was introduced under IFRS 4 in 2004, while in 2007, the Foundation began discussions on IFRS 17 to create a comprehensive standard for Insurance Contracts (IC). It required eighteen years of work, including the issuance of exposure drafts and amendments to processes, until the effective date of adoption in 2023.

Developing the accounting for IC came in consistent with the framework of stakeholder theory, and in the efforts to improve FRQ, focusing on improving the quality of financial reporting in the financial sector. In 2014, IASB issued the IFRS 9 “Financial Instruments”, targeting mainly enhancing the quality of reporting for the banking sector, and later in 2017, IASB issued IFRS 17 “Insurance Contracts” (IC) to improve the reporting in insurance companies (IFRSF, 2017). Since the 2008 global financial crisis, the focus has increased on connecting financial stability and the IFRS standards. The IFRSF began introducing the accounting changes in the financial instruments under IAS 39 and later IFRS 9 and IC under IFRS 17, promoting financial stability through transparency by giving the users of the FS with timely information, encouraging management to avoid unnecessary risks, and supporting decision-making. According to IFRSF, IFRS 17 will contribute to the financial stability through better consistent accounting, consistent principles in the recognition of revenues, and better transparency and lower cost of capital. These actions led to a better understanding of the insurance risks, enhancing comparability, increasing the understanding of the entity's financial performance and better comparability, and promoting the discipline in the market (IFRSF, 17).

2.6 Financial Reporting Quality (FRQ)

According to the conceptual framework for financial reporting issued by IASB, the standards contribute to transparency through enhancing the global comparability and quality of financial information, enabling investors and other stakeholders to make economic decisions (IFRSF, 2018).

Financial Reporting Quality (FRQ) refers to how well FS accurately and fairly represent an entity's financial position and performance. Key attributes of FRQ include relevance, reliability, comparability, consistency, and transparency. There has been extensive research on FRQ and its relationship with various factors, specifically the IFRS in different countries. For instance, George et al. (2016) concluded that adopting IFRS enhances the transparency and comparability of FS, thereby fostering investment. Similarly, Müller (2014) identified a positive impact of IFRS adoption across various European stock exchanges, including those in London, Paris, and Frankfurt. In developing nations, comparable findings have been reported; Mensah (2021) in Ghana and Ebaid (2022) in Saudi Arabia reached similar conclusions. Additionally, Pășcan (2015) studied the adoption of IFRS in Europe, contributing further to the discourse on this important topic.

Al-Khazaleh et al. (2025) conducted a study on the effects on the level of financial disclosures by insurance firms in Jordan and Palestine and found a significant influence of the liquidity and size of the insurance company on the risk management disclosures. This study is one of the examples in conducting, using Palestine and Jordan as evidence, particularly related to disclosures as part of reporting by listed insurance companies in both markets.

According to Ball et al. (2003) and Barth (2008), high-quality financial reporting is essential as it provides users with decision-relevant information that accurately reflects economic reality and allows for comparisons across different periods and organizations. This type of reporting enables users to evaluate an organization's financial health, make informed investment choices, and hold management accountable. Furthermore, Barth (2008) notes that companies adhering to the IAS demonstrate enhanced accounting quality. Additionally, Schipper (2005) emphasizes that FRQ correlates with the credibility and trustworthiness of FS. Organizations known for high-quality financial reporting are generally viewed as more reliable and less inclined to engage in deceptive practices. In conclusion, the caliber of financial reporting is vital for

sustaining investor confidence, facilitating efficient capital allocation, and fostering transparency and accountability in financial markets.

Numerous studies have examined the connection between the adoption of IFRS and the FRQ. Many of these studies emphasize the benefits of adopting IFRS in enhancing FRQ. Research conducted by Daske et al. (2008) indicated that the adoption of IFRS is linked to higher FRQ, as it promotes transparency, comparability, and accuracy in FS. Additionally, a study by Barth et al. (2008) analyzed the impact of IFRS adoption on earnings quality and found that firms reporting under IFRS demonstrate higher earnings quality compared to those using local accounting standards. Furthermore, Ball et al. (2016) highlighted the advantages of IFRS adoption in improving the provision of more relevant information in financial reporting, which, in turn, enhances the quality of financial information available to investors and other stakeholders. These findings provide empirical evidence supporting the positive relationship between IFRS adoption and FRQ. In another analysis, Ball (2016) investigated the effects of IFRS adoption on financial information quality in European countries, finding that adopting IFRS is associated with improved FRQ, particularly regarding transparency and comparability. In conclusion, academic research consistently supports the connection between IFRS adoption and FRQ. Studies have repeatedly shown improvements in transparency, comparability, and reliability of financial information following the implementation of IFRS (Daske et al., 2008; Nobes & Parker, 2010; Chen et al., 2010).

2.6.1 Transparency

According to the conceptual framework of the IFRS, the standards contribute to transparency by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions. It is the IFRSF and IASB's mission to develop standards that achieve transparency, accountability, and efficiency in markets around the globe (IASB, 2018). Transparency of FS refers to the quality of being easily understandable, clear, and accessible to users. This includes the disclosure of all relevant financial information, transactions, and data that are important for stakeholders to make informed decisions (Barth 2005). Brath (2005) also mentioned that transparency is not very well defined, and the study supports that transparency is a desirable feature of the FR. FASB (2009)

conceptual framework defines transparency in financial reporting as the extent to which information provided in financial reports enables users to identify the underlying economic events that occurred during the reporting period.

According to Palea and Luzzini (2012), transparency of FS can be achieved through the disclosure of comprehensive and relevant information regarding a company's financial position, performance, and cash flows. This includes details about the company's accounting policies, key financial indicators, and any potential risks and uncertainties that may affect its financial health.

Many studies were conducted related to transparency. Deumes and Niskanen (2017) highlighted the importance of transparency in financial reporting for ensuring market efficiency and reducing information asymmetry between companies and investors. By providing access to transparent financial information, companies can enhance their credibility and attract investment from stakeholders who require detailed and reliable data to make informed decisions. In conclusion, transparency of FS is an essential aspect of corporate governance and financial reporting, as it promotes trust, accountability, and market efficiency. By complying with best practices in financial disclosure and reporting, companies can demonstrate their commitment to transparency and build strong relationships with stakeholders (Palea, 2013).

In summary, transparency of FS is crucial for maintaining trust, enhancing credibility, and aiding stakeholders in making informed decisions based on accurate and reliable financial information.

2.6.2 Comparability

According to the IFRS conceptual framework, comparability is an important qualitative characteristic that FS should have to enable users of the FS to understand the differences and similarities among items (IASB, 2018). Comparability in accounting refers to the ability to compare financial information of different entities or periods in a meaningful way. Consistency is related to comparability as it focuses on adopting similar methods for similar items, to help in achieving the comparability objective. Comparability can be enhanced by making alike things look alike, and the unlike things look different (IASB, 2018). In order to ensure that the FS are consistent and can be compared to understand the trends and performance, several aspects of comparability can be considered:

1. Comparing Insurance Companies within the same Jurisdiction: By comparing the financial information of different insurance companies within the same jurisdiction, stakeholders can gain insights into the competitiveness and financial health of these companies. This helps investors make informed decisions and helps regulators monitor the industry effectively.

2. Comparing Insurance Companies with their peers in the same Jurisdiction: Comparing insurance companies with their peers in non-insurance companies issuing ICs in the same jurisdiction allows for benchmarking and understanding how each company performs relative to others in the industry. This can help identify areas of strength and weakness and drive performance improvements (Franco et al., 2011).

3. Comparing Entities within the Jurisdiction with Other Jurisdictions: Comparing entities within a jurisdiction with those in other jurisdictions can provide insights into how different business environments and accounting standards affect financial performance. This can help companies adapt to changing global dynamics and make strategic decisions.

4. Comparing Accounting Periods: Comparing financial information from one accounting period to another can help stakeholders understand trends, identify patterns, and assess the financial health of a company over time. This facilitates performance evaluation and forecasting.

Mary et al. (2018) emphasized the importance of comparability in financial reporting and concluded that companies implementing the higher comparability have increased capital market benefits after adopting IFRS than companies having less comparability. Furthermore, according to Daske and Gebhardt (2008), comparability in FS is essential for ensuring consistency and reliability in the assessment of financial performance and position across different companies and industries. Neel (2016) studied the relationship between the comparability in adoption of the IFRS and concluded that improvements in cross-country accounting comparability due to adoption of IFRS played an important role in the previously documented economic benefits. Moreover, Ball et al. (2003) argue that comparability is vital for investors, analysts, and other stakeholders to make informed decisions. Consistent application of IFRS ensures that companies' FS are prepared using uniform accounting policies, making it easier to evaluate and compare their financial performance.

In summary, the comparability of FS under IFRS positively affects the FRQ by making financial information more transparent, reliable, and relevant for decision-making.

The above discussion shows the importance of the FRQ, mainly comparability and transparency of financial information, which is proven to significantly benefit the stock markets

and contribute to long-term financial stability, and makes the FS more reliable to the users in decision-making. The IFRS Foundation, whose objective is to improve the FRQ, constantly issues standards, amends, or replaces them to continue enhancing the quality of reporting. In that context, improving the financial reporting for the ICs, which mainly affect the insurance companies, IFRS 17 was introduced, replacing IFRS 4 (IFRSF, 2017).

2.7 IFRS 4

The project of having a comprehensive standard on insurance contracts was initiated by the IASC and then carried over to the newly formed board, IASB, in 2001. The standard was issued later in 2004. The first standard related to the accounting of the IC, IFRS 4, became effective in 2006 (Deloitte, 2006) and was issued to reduce the differences in accounting practices of the IC. Companies could use different accounting policies for similar contracts. However, IFRS 4 did not require updating the obligations of the IC to reflect the changes in various factors, such as interest rates and risks.

The IFRS 4 defines the Insurance Contract (IC) as a contract whereby the issuer accepts the insurance risk from the policyholder. In essence, the issuer agrees to compensate the policyholder if a specified insured event occurs and results in an adverse impact on the policyholder. This definition laid the groundwork for subsequent guidance in IFRS 17, which further refines the accounting for insurance contracts (IFRS 17, Annex A, 2017).

The standard allowed the changes in accounting policies for IC in case the change leads to more relevant and reliable FS. It allowed using the policies of re-measuring the insurance liabilities consistently; furthermore, it allowed insurers to change the insurance liabilities accounting policies in relation to reclassification of the financial assets at Fair Value Through Profit and Loss (FVTPL) (IFRS 4, para. 45).

The standard IFRS 4 did not require accounting for embedded derivatives separately at FV; in addition, it required breaking down the deposit component of some IC. It also allowed for expanded presentation of IC in the business combination. The standard required disclosures of the information to help users understand the FS or to evaluate the nature or the extent of the risk arising from IC.

Although IFRS 4 was the first international accounting standard related to IC accounting, it introduced new forms of treatment, measurement, presentation, and disclosure, and reduced differences in practices of accounting for the IC. However, that standard did not meet the demand of the stakeholders and did not achieve sufficient comparability and transparency in accounting for the IC. Below are the explanations of the shortcomings of the IFRS 4, showing the need to introduce a new comprehensive standard.

Shortcomings of IFRS 4 and the need to introduce the new comprehensive standard

The 2021-IFRS handbook described IFRS 4 as a temporary standard until a new full standard is issued to overcome some issues from IFRS 4. The stakeholders criticized the standards for different shortcomings that affect the comparability and transparency of the information, such as:

- Allowing companies to use different accounting practices based on the contract and the company.
- Updating the estimates to reflect the existing market data is not required.
- The standard did not require updating the discount rate to reflect cash inflow.

To address the shortcomings of the previous accounting standard for IC, IFRS 4, IFRS 17 was introduced, as pointed out by the IFRSF. It replaced IFRS 4, with the two main objectives of improving comparability and increasing transparency, through developing a single set of high-quality standards. IFRS 17 has introduced new requirements, including the following:

- Introducing a unified treatment for the IC instead of the previous treatments permitted under IFRS 4, for the companies to use different accounting practices based on the contract and the company,
- Requirement for updating the estimates to reflect the existing market data, while IFRS 4 does not require updating the estimates relating to long-term contracts, and
- Requirements for updating the discount rate, which reflects the cash inflow.

2.8 IFRS 17 Introduction and Objectives

As discussed above, the need to issue the new standard according to the IFRS Foundation's "Effects Analysis" on IFRS 17 IC issued in May 2017 (IFRSF, 2017) indicated the intended

purposes of the new standard. IFRS 17 is more transparent, provides a more consistent framework, and offers information that is more useful compared to IFRS 4. IFRS 4 permitted the use of different accounting practices for the IC, leading to incomparable, irrelevant, or unclear information in the FS for users, even at the country level. It replaced IFRS 4 concerning the scope of IC accounting, recognition, measurement, presentation, and disclosures, intending to deliver information that is more relevant to FS users and provides a better assessment of the IC effects on cash flow and financial performance. The scope of the new standard encompasses the IC, including the IC and RC that the company holds. The standard requires grouping similar ICs based on expected probabilities of contracts, risk types, dates, and profitability (Dufrasne, 2020).

The introduction of the standard also aims to enhance the presentation of insurance companies' economic reality by enhancing comparability, both globally and locally, and improving financial information. The provision of timely information as mandated in the standard aims to benefit the stock markets by providing investors with clear insights into future profitability, risks, and obligations. This enhances the attractiveness of insurance companies for investment purposes. The standard ultimately contributes to financial stability by improving transparency and providing timely access to useful information. The Chairman of the IASB, Hoogervorst, declared at the IFRSF annual conference in Amsterdam in 2017, the importance of the standards in strengthening financial stability; the new IC Standard; and mentioned that IASB works to make FS a better channel of information between companies and the investors (IFRSF, 2017) and (European Systemic Risk Board (ESRB), 2021). The objective of the standard is to ensure that companies are providing information that is more relevant and faithful about the IC, to assist the users of FS in assessing the impact of the IC on the financial position, financial performance, and cash flows. (Deloitte, 2017).

Although IFRS 17 was issued in May 2017, its effective date was delayed due to the complexity and challenges associated with its adoption. This new standard finally became effective for FS with an accounting period starting on or after January 1, 2023, replacing IFRS 4. IFRS 17 outlines the treatment for recognizing, measuring, presenting, and disclosing insurance contracts. Additionally, further amendments to the standard were made in June 2020 to assist companies in implementing it.

2.9 Requirements of IFRS 17

According to IFRS 17, and to achieve the standard objectives in improving transparency, consistency, and comparability in the financial reporting of insurance contracts, the Standard introduced different requirements to achieve that objective. The requirements introduced are related to accounting treatments and FS presentation, as well as disclosures on the IC. Below is information on the scope and the requirements of the standard:

2.9.1 Scope of IFRS 17

Paragraph three types of contracts included in the scope of the standard are (IFRSF, 2017):

- Insurance Contracts (IC).
- Reinsurance Contracts (RC).
- Certain types of investment contracts, in case the entity also issues insurance contracts, and some other contracts that meet the definition of an insurance contract.

The standard applies to the IC regardless of the type of company. Although it affects the insurance companies significantly, it also affects other companies that have contracts that meet the conditions of the contracts identified in the scope, as explained further under section 2.10 and section 2.10.

2.9.2 Level of Aggregation (LA)

Paragraph 14 of the standard requires entities to identify PIC, which comprises contracts having similar risks and managed together (IFRS 2017, para. 14).

Each portfolio of IC is required to be divided into different groups (IFRS 2017, para. 16).

- Contracts initially recognized as a burden;
- Contracts initially recognized as not a burden;
- The remaining contracts in the portfolio, if any.

Contracts having differences in the issuance dates of more than one year are not part of the same group (IFRS 2017, para. 22).

2.9.3 Recognition

Paragraph 25 of the standard requires recognition of the group of ICs at the earlier date of (IFRS 2017, para. 25):

- a) the beginning of the coverage period of the group,
- b) at the due date of the first payment from a policyholder in the group, or
- c) when the group of contracts becomes a burden.

2.9.4 Measurement

Paragraph 32 of the standards states that PIC is required to be measured at the total of (IFRS 2017, para. 32):

- (a) The Fulfillment Cash Flows (“FCF”), which consist of the estimates of FCF, adjustment for the Time Value of Money (TVM), and the Non-Financial Risk (NFR) amendment.
- (b) The Contractual Service Margin (“CSM”).

2.9.5 Discount Rates (DR)

Paragraph 36 associated with DR relates to the estimation of cash flow requirements to (IFRS 2017, para. 36).

- (A) Reflect the (TVM), the cash flow features, and the liquidity features of the IC,
- (b) Be consistent with and comparable to market prices, and
- (c) Exclude the impact of factors that affect the comparable market prices and do not affect future cash flows of the IC

2.9.6 Risk Adjustment for Non-financial Risk (RANR)

Paragraph 37 requires adjustment of the estimation of the PVFCF to reflect the compensation related to the uncertainty of the amount and timing of future cash flows, which may be caused by the non-financial risk (IFRS 2017, para. 37).

2.9.7 Contractual Service Margin (CSM)

Paragraph 38 requires the company to recognize the CSM representing the unearned profit of the group of ICs, as it provides services in the future. Initially, it requires recognizing FC and measuring PIC at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from (IFRS 2017, para. 38):

- a) Initial recognition of the FCF amount,
- c) Cash flows from the PIC, and
- b) Derecognition of the assets or liabilities related to insurance acquisition cash flows.

2.9.8 Subsequent Measurement

Paragraph 40 of the standard states that a group of ICs at the end of each reporting period should measure the sum of: (IFRS 2017, para. 40).

- a) The liability for remaining coverage comprises:
 - The FCF related to future services, and
 - The CSM of the group on that date.
- b) The liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

2.9.9 Onerous contracts

The IC is considered onerous in the case that the total of the FCF is estimated to lead to a net outflow. As per paragraph 47, the company has to recognize a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the PIC equaling the FCF and the CSM of the zero-amount group (IFRS 2017, para. 47).

In case the group of IC becomes onerous (or more onerous) subsequently, it is required to recognize the excess in Profit or Loss (PL). While it is not allowed to increase CSM, and not to recognize revenue, unless reversing the onerous amount previously recognized in PL as service expense as per paragraph 49 of the standard (IFRS 2017, paras. 48-49).

2.9.10 Premium Allocation Approach (PAA)

It is allowed for the company to simplify the measurement of the liability for the remaining coverage of a PIC using the PAA in case (IFRS 2017, para. 53):

- (a) The company expects that this simplification will provide a reasonable estimation of the General Model (GM), or
- (b) The period of coverage in each IC in the group is one year or less.

2.9.11 Practical Expedients Available under the PAA

Paragraph 56 of the standards states that, in case ICs in the PIC have a significant financing component, it is required to discount the liability for the remaining coverage. However, it is not required in case, at initial recognition, the entity expects earlier that the time between the coverage and the due date of the premium is less than a year (IFRS 2017, para. 56).

In the case of applying PAA, the company can select to recognize the insurance acquisition cash flows as an expense at the time of occurrence; the entity expects earlier that the time between the coverage and the due date of the premium is less than a year (IFRS 2017, para. 59a).

2.9.12 Investment Contracts with a Discretionary Participation Feature (DPF)

An investment contract that includes a DPF is a financial instrument, and it does not include a transfer of significant insurance risk, subject to the scope of the standard, only if the issuer also issues IC. The Standard requirements are modified for such investment contracts (IFRS 2017, para. 71).

2.9.13 Reinsurance Contracts (RC) Held

Paragraphs 60-70 indicate that, when applying the IFRS 17 on the RC, the following requirements are amended:

- While estimating the (PVCF) for RC, the company has to use assumptions consistent with those used for related direct IC. The estimates include the risk of the reinsurer's non-performance (IFRS 2017, para. 63).
- The companies have to estimate the RANR to represent the transfer of risk from the holder of the RI to the reinsurer (IFRS 2017, para. 64). When initial recognition is made, the CSM is decided similarly to direct issued IC, except that the CSM represents net gain or loss on purchasing reinsurance. This net gain or loss is deferred, except when the net loss relates to events occurring before the RC date, and it has to be expensed immediately (IFRS 2017, para. 65).

The held RI is accounted for similarly to IC under the GM. Changes in the reinsurer's risk of non-performance are accounted for in profit or loss, and CSM is not adjusted (IFRS 2017, paras. 66-67).

2.9.14 Modification and Derecognition

Paragraph 72 of the standard states that the company has to derecognize the original ICs and to recognize the modified contract as a new contract if there is a substantial amendment to the IC (IFRS 2017, para. 72). The company has to derecognize IC when it is ended (IFRS 2017, para. 74).

2.9.15 Presentation in the Financial Position Statement

Paragraph 78 of the standard states that the company has to present separately in the statement of financial position, the carrying amount of groups of: (IFRS 2017, para. 78).

- IC issued that are assets;
- IC issued that are liabilities;
- IC held that are assets; and
- IC held that they are liabilities.

2.9.16 Recognition and Presentation of Financial Performance Statement

As per paragraph 80 of the standard, the insurer is required to disaggregate the amounts recognized in the financial performance statement into: (IFRS 2017, para. 80).

- (a) results of the insurance activities, consisting of insurance revenue and insurance service expenses; and
- (b) Insurance finance income or expenses.

Income or expenses from held RI have to be presented in the income statement separately from the expenses or income from issued IC (IFRS 2017, para. 82).

2.9.17 Result of Insurance Activities

As per paragraphs 83-85 of the standard, the insurer has to present in profit or loss, revenue arising from the PIC, and insurance service expenses arising from a PIC it issues, consisting of incurred claims and other IC service expenses. Revenue and insurance service expenses have to exclude investment components. The insurer company has to present premiums in the profit or loss in case information is not consistent with the presented revenue (IFRS 2017, paras. 83-85).

2.9.18 Insurance Finance Income or Expenses

As per paragraph 87, this type of income or expense consists of the change in the carrying amount of the PIC that may arise from: (IFRS 2017, para. 87).

- a) The effect of the TVM and changes in the TVM; and
- b) The impact of Changes in assumptions related to financial risk.

Paragraphs 88-90 provide alternatives for companies in adopting an accounting policy. The company may choose one of the following two policies:

- a) Include all insurance finance income or expense for the period in the Profit or Loss (PL), or
- b) Present the amounts in two parts: one portion in PL and the other in Other Comprehensive Income (OCI) (IFRS 2017, paras. 88-89).

Under the GM, dividing means presenting in PL an amount decided by a systematic allocation of the expected total insurance finance income or expenses throughout the group of

contracts. On derecognizing PIC, remaining amounts in OCI are reclassified to profit or loss (IFRS 2017, para. 91a).

Under the Variable Fee Approach (VFA), for direct IC, only where the entity holds the underlying items, disaggregation means presenting in PL as insurance finance income or expenses, an amount that removes the accounting mismatches with the finance income or expenses arising from the underlying items. On derecognition of PIC, the amounts previously recognized in OCI remain as they are in OCI (IFRS 2017, para. 91b).

2.9.19 Disclosures

As per paragraph 93, the insurer has to disclose qualitative as well as quantitative information about: (IFRS 2017, para. 93)

- a) The recognized amounts in its FS that arise from IC;
- b) The important judgements, and changes in the judgements, in implementing the Standard; and
- c) The nature and extent of IC risks.

2.10 Assessment of the IC under the IFRS 17

To assess whether a contract is defined as IC under the standard and subject to the standard requirements, the following chart explains the steps in reaching that decision (Deloitte, 2023).

Flowchart of IC Assessment:

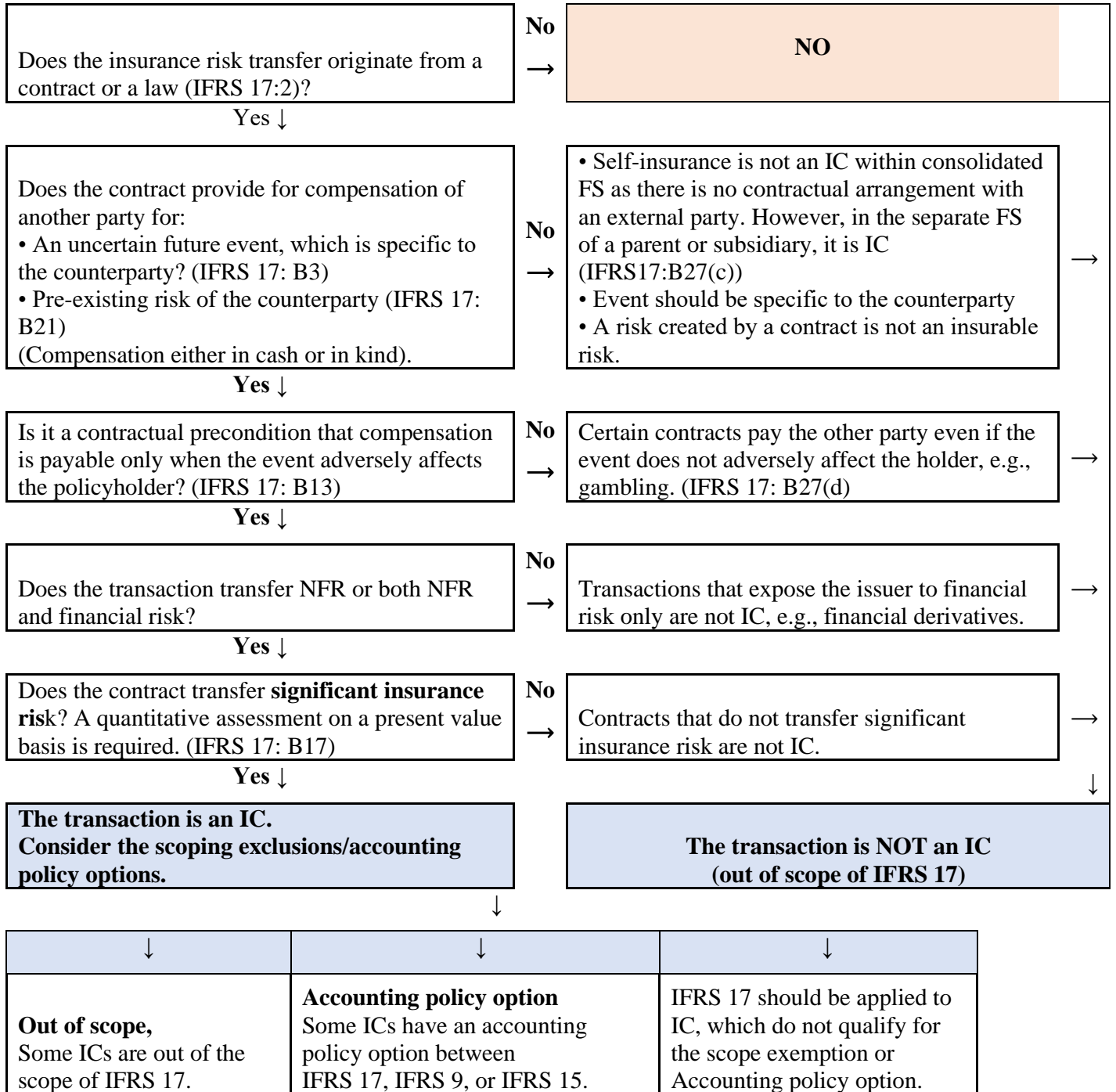


Fig 2.1: Flowchart of IC Assessment

Sources: (IFRSF, 2017)

2.11 Optional Treatments and Practices Allowed under IFRS 17

Although the standard has removed the variance in the application of the accounting policies related to ICs, a few options still exist. Accounting policy options under IFRS 17:

Policy Options Company Applied the Method Cash Flows for Insurance Acquisitions. When the coverage period within the IC group does not exceed one year, IFRS 17 permits the choice either to calculate cash flows for insurance acquisitions as incurred or to amortize them over the coverage period.

- Liabilities Remaining Coverage Adjusted to TVM. When the time between the provision of insurance services and the first installment due date does not exceed one year, the company is not required to make a TVM adjustment to the remaining coverage liabilities.
- The liabilities incurred claims are discounted for the TVM. When it is expected that the incurred claims, i.e., Other Subsidies (OS) and Incurred But Not Reported (IBNR) or a portion of them, are settled within one year from the date of their occurrence, the standard allows not discounting the liabilities incurred claims for the TVM.
- Insurance Finance Income/Cost. The standard allows recognition of the effect of discount rates on the cash flows of incurred claims for their expected settlement period, either directly in the income statement or in the statement of comprehensive income based on IC.
- Adjustments. The Standard allows for the recognition of the effect of NFR adjustments either in insurance service expenses (result of insurance service) or in insurance financing expenses, or to split it between these items.
- The Discount rate. The standard did not prescribe a specific method for calculating the discount rate; it has only provided general guidance. In Jordan, generally, it is calculated based on the European Insurance and Occupational Pensions Authority (EIOPA) rates,

with an option to increase up to 1.5% for other risks and considerations. In Palestine, as per the PCMA guidance, it is calculated based on the Israeli Government bond yields with an additional factor of 1% for the illiquidity premium adjustment. The mentioned regulators' guidance reduces the inconsistency in treatments among companies.

2.12 Adoption of the IFRS for Non-Insurers

The standard applies to insurance contracts regardless of the type of insurer, whether they are insurance companies, reinsurance companies, or any other entity in the industry. Determining whether a contract can be classified as IC is not straightforward. The process for assessing whether a contract qualifies as an IC is detailed in the flowchart under section 2.10. Therefore, companies need to examine both the standard's scope and any exceptions (Deloitte, 2023 & PWC, 2021). The definition of an IC focuses on its substance rather than its legal form; many contracts may lack a traditional legal structure but can still be classified as ICs according to the standard and must adhere to its requirements. Examples of contracts that are considered ICs and subject to the standard's requirements include:

- Service Contracts with a fixed fee, maintenance contracts that transfer insurance risk.
- Credit or loans with insurance coverage on death.
- Travel insurance.
- Bonds contracts that include compensation to the holder of the bond in case of failure of the other to perform the obligation in the contract.
- Prepaid funeral costs.
- Warranties for services or products issued by a non-manufacturer, dealer or retailer.
- Disability and medical cost insurance.
- Professional liability, legal expenses, civil liability or product liability insurance, which non-insurance companies can also issue.

The following contracts are not subject to the IFRS 17 as they are subject to other standards, even if they meet the definition of IC:

- Warranties issued by the manufacturer, dealer, or retailer in connection with the sale process. This type of warranty is subject to IFRS 15. If the warranty is not connected to the sale, then it is subject to IFRS 17.
- Staff assets or liabilities that are given by the entity to the staff for the staff's service or the staff's termination of services. This case is subject to IAS 19 or IFRS 2.
- Contractual rights or contingent liabilities, e.g., license fees or royalties, are subject to IFRS 15, IAS 28, or IFRS 16.

2.13 The Interaction between IFRS 17 and IFRS 9 (Financial Instruments)

The interaction between IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts) is a crucial factor for insurance companies that hold financial instruments. IFRS 9 requires financial instruments to be measured at either fair value, amortized cost, or Fair Value through Other Comprehensive Income (FVOCI). While IFRS 17 offers guidance on the recognition, measurement, presentation, and disclosure of IC. A significant aspect of the relationship between these two standards is the classification of financial instruments held by insurance companies. These companies must carefully evaluate whether their financial instruments, held as part of investment activities, fall under the scope of IFRS 9 or are governed by the requirements of IFRS 17. According to Chen et al. (2020), the interplay between IFRS 9 and IFRS 17 can lead to complex accounting implications for insurance companies, especially concerning the classification and measurement of instruments within their investment portfolios. The author stresses the importance for insurance companies to consider the relationship between the two standards thoroughly to ensure compliance and accurate financial reporting.

2.14 Adoption of the Standard by the Islamic Insurance Companies “Takaful”

Islamic insurance activities, known as “Takaful”, represent a significant portion of insurance operations in the MENA region, including Jordan and Palestine, where they hold a notable market share. In Palestine, four insurance companies are operating under the Takaful model out of 12 insurance providers (PCMA, 2024). In Jordan, three out of 20 companies offer

Takaful insurance services (CBJ, 2024). These companies must also ensure compliance with accounting standards set by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Accounting Board (AAB). In 2022, to align with IFRS 17, the AAB issued Financial Accounting Standard (FAS) 42, titled “Presentation and Disclosures in the FS of Takaful Institutions,” and FAS 43, “Accounting for Takaful: Recognition and Measurement.” These standards are part of a comprehensive revision project on Takaful accounting practices by AAOIFI (AAOIFI, 2023) and took effect for FS of Takaful entities for reporting periods beginning on or after January 1, 2025. FAS 42 aims to enhance the presentation and disclosure requirements for the FS of Takaful institutions, aligning them with global best practices and reflecting the institutions’ business models clearly and fairly. Meanwhile, FAS 43 outlines the principles for recognizing and measuring Takaful arrangements. Both standards apply to Takaful institutions and their managed Participants’ Takaful Fund (PTF) and Participants’ Investment Fund (PIF), encompassing various arrangements, including re-takaful, investment contracts with or without discretionary features, and ancillary transactions.

2.15 Comparison between IFRS 4 and IFRS 17

According to the effect sheet, the IFRSF, in comparing the specific weakness in IFRS 4 to what IFRS 17 is expected to overcome (IFRSF, 2017), issued an analysis.

Table 2.2: Comparison between IFRS 4 and IFRS 17

Area of difference or improvement	IFRS 4 Less Transparent	IFRS 17 More Transparent
Information related to the value of insurance obligations		
Updating the Measurement of IC	Measuring IC using out-of-date assumptions is possible.	All firms should measure ICs at their current value.
The TVM	The TVM, when measuring liabilities for incurred claims, is not always considered.	The standard requires reporting estimated future payments to settle incurred claims on a discounted basis.
The discount rate used in the measurement of the IC	The expected return on assets could be used as a discount rate to measure IC.	The only discount rate used reflects the features of the insurance cash flows to measure their IC.
Information about Profitability		
Consistency of information about current and future profits	It is not necessary to provide consistent or complete information about the sources of profit recognized from IC.	It is required to provide information about different components of current and future profitability arising from IC. Recognize revenue as they deliver insurance coverage.
Options for using non-GAAP measures	Many companies provide non-GAAP measures to supplement IFRS 4 information.	Companies and users of FS need to use fewer non-GAAP measures. Information about expected IC profits is required to be provided comparably by all companies.
Less Comparability		More Consistency
Comparability among Firms in the Country and across Jurisdictions		
Consistency in the accounting framework of all ICs	Accounting for IC varies significantly between companies operating in different countries.	Companies have to apply a consistent accounting framework for all ICs.
Comparability among IC		
Consistency of measurement of IC within the group, including subsidiaries	Some multinational companies consolidate their subsidiaries using non-uniform accounting policies for IC issued in different countries.	A multi-national company has to measure IC consistently within the group, increasing the comparability of its results by product and country.
Comparability among Industries		
Consistency of recognition of the revenues to reflect the insurance coverage period	Present cash or deposits received are considered revenue in some companies.	Revenue has to reflect the insurance coverage provided, excluding deposit components.

Source: IFRS 17 Effect Analysis, (IFRSF, 2017)

The above comparison areas issued by IFRSF were used in developing the questionnaire sentences.

2.16 Expected Improvements in IFRS 17

Compared to the previous standard, the IFRS 17 introduces new accounting treatment of the IC discussed under the standard requirements to achieve the desired improvements in the FRQ. The following can summarize the areas of improvement expected by different studies (KPMG, 2017).

Improvements in the requirements

Consistency and comparability: IFRS 17 aims to improve transparency and comparability of FS by providing a single, principles-based standard for IC accounting (KPMG, 2017). This reduces the diversity in practice that existed under IFRS 4.

1. Measurement of liabilities: IFRS 17 requires the measurement of IC liabilities using current values, incorporating all relevant cash flows and adjusting for risk over the coverage period. This enhances the relevance and accuracy of financial reporting.
2. Discount rate: IFRS 17 requires insurers to use updated discount rates that reflect the characteristics of the cash flows, thereby providing a more accurate reflection of the TVM.
3. Presentation of FS: IFRS 17 introduces new presentation requirements for IC, including separating insurance service revenue from investment income in the income statement. This improves the understanding of an insurer's financial performance.
4. Disclosure requirements: IFRS 17 includes extensive disclosure requirements that provide users of FS with more information about an insurer's risks, performance, and financial position. This enhances transparency and accountability.

Dufasne (2020) conducted a technical comparison between IFRS 17 and IFRS 4, focusing on measurement, recognition, derecognition, presentation, and disclosure. The findings concluded that IFRS 17 has made significant improvements over IFRS 4, with practical changes likely to have a widespread impact on the insurance sector and its professionals. According to Chambers and Buhler (2018), notable areas of improvement in IFRS 17 compared to previous standards include the introduction of a more principles-based approach to revenue recognition from IC and

the requirement to regularly update estimates of future cash flows. These changes contribute to a more accurate reflection of the profitability of IC over time. Overall, IFRS 17 represents a substantial advancement over IFRS 4 by providing a more robust and consistent framework for accounting for IC, effectively meeting the needs of stakeholders.

2.17 Challenges in adopting the IFRS 17

The adoption of IFRS 17 has indeed faced numerous challenges as various countries implemented this standard in the insurance industry. Many countries have committed to adopting IFRS 17 on the effective date, including the United Kingdom, Germany, and France, among others. These countries acknowledge the importance of aligning their financial reporting practices with international standards to improve transparency and comparability. However, some countries have decided to delay the adoption of IFRS 17 in the insurance sector due to the significant costs and efforts associated with implementing this standard. The complexity of the requirements, such as changes in accounting practices and data management, has posed challenges for insurance companies worldwide. As a result, certain countries, such as Australia and Canada, have deferred the adoption of IFRS 17 to allow insurers more time to prepare for the transition (PWC, 2021). It is worth noting that limited research has been conducted on the adoption of IFRS 17 in sectors other than insurance. While the standard primarily affects insurance companies, its adoption may have far-reaching implications for financial reporting across various industries. Overall, the journey of adopting IFRS 17 has been met with both commitment and apprehension from countries and companies worldwide. Through diligent preparation and collaboration, organizations can navigate the challenges posed by this standard and enhance the quality and transparency of their financial reporting practices.

As for IFRS 17, issued in 2017 and became effective at the beginning of 2023, some studies conducted before 2023 investigated the challenges and the readiness for first-time adoption, such as Qadri et al. (2019), in Indonesia, Al-Mashhadani (2020) in Iraq, and Dahiyat and Owais (2020) in Jordan. Those studies identified challenges in the adoption of the standard related to the availability of required data for the adoption, first-time implementation, systems, and presentation (Owais & Dahiyat, 2021). Al-Mashhadani (2020) also studied the challenges of implementing the standard in Iraq and concluded that there are significant differences in the concepts, the basis of

recognition, and the measurement of assets, liabilities, and revenues generated from the IC. Other professional firms, such as PWC, also conducted the IFRS 17 readiness survey for 2020 and concluded that over a third of insurance companies were still not involved to be ready for the implementation (PWC, 2020).

The challenges of the standard adoption identified by Dahiyat and Owais (2020) include:

1. Non-availability of the required data related to IC.
2. The need for Software systems; the effect of the standard on the actuarial, accounting, and contractual margin calculation systems.
3. Challenges related to first-time implementation, which are more related to adopting the newly introduced methods, such as the measurement approach and the calculation of the portfolio.
4. Challenges related to presentations, in presenting the required changes under the standard.

The researcher did not find studies relating to the challenges in the adoption of the standard by Palestinian insurance companies. However, the researcher believes the challenges are not much different from the challenges identified in other countries, such as Jordan, as mentioned above, in addition to the challenges related to the resources required, including the cost of systems and expertise, and building the capacity of their staff. Despite the challenges in both countries, Jordan and Palestine, the regulators issued early instructions to emphasize compliance with the full adoption of the standard on the effective date immediately.

The researcher believes that the challenges indicated support the argument to postpone the implementation, or cause a delay in the submission of the audited FS in the event determined by the regulator to comply with the effective date.

2.18 Impact of IFRS Adoption on the FRQ

Many academic studies expected implications of implementing the standard, particularly concerning FRQ (Alhawtmeh, 2023; Mignolet, 2017; Deloitte, 2022). Furthermore, adopting the standard is shown to affect the reported financial performance of these entities. Scholars, including Alhawtmeh (2023), have suggested further investigation into the effects of standard implementation on FRQ.

Various studies were conducted relating to IFRS's impact on the FRQ in specific regions and countries (Mensah, 2021; Pășcan, 2015; Chua et al., 2012), which concluded the positive impact of IFRS implementation on FRQ in stock markets compared to the national accounting standards. Some studies in different jurisdictions searched the effect of the IFRS 4 adoption on the improvement of the FRQ of the insurance companies, which was the first standard dealing with IC, effective in 2006. Istrate and Badea (2015) concluded that the implementation of IFRS 4 did not contribute to improving the FRQ in Romania. Other studies in different countries also found similar conclusions, such as Porzio et al. (2016). The researcher of this study believes that the conclusions of Istrate and Badea (2015) and Porzio et al. (2016) are more related to the shortcomings of the IFRS 4, and that was the reason for introducing a new complete standard dealing with IC, which creates the need to study the effect of adopting the new standard on the IC.

2.19 Studies Related to IFRS 17

As discussed above, different studies conducted before 2023 investigated the challenges and the readiness for first-time adoption, such as Qadri et al. (2019) in Indonesia, Al-Mashhadani, (2020) in Iraq, Dahiyat and Owais (2020) in Jordan, and PWC (2020). The researcher found a few studies related to the potential effects on the FRQ of insurance companies, such as Dahiyat and Oweis (2020) and Alhawtmeh (2023) in Jordan, who found a positive potential effect of the IFRS on the FRQ. Deloitte also conducted an Insurance Survey with the Economic Impact during 2022 in the EU and concluded that IFRS 17 is expected to have a material impact on the FS. Hamza et al. (2022) studied the impact and found a significant impact of the implementation on the relevance of financial reports and the establishment of credibility in the FS for insurance companies.

Longoni (2019) studied the relationship between the company's value and the implementation of the standard and stock returns around different events and concluded that IFRS 17 negatively affected the returns of the insurance companies, compared to insurance companies using U.S. GAAP. The researcher posits that the substantial expenses associated with implementation influence Longoni's (2019) conclusion regarding the inverse relationship between the companies' size. Additionally, it is worth noting that GAAP rules regarding IC accounting differ from those of IFRS 4. Concerning the effect of the IFRS 17 adoption on earnings, different studies investigated the effect in different countries. Müller (2021) also studied Earnings

Management and IFRS 17 adoption in Germany and found motivations behind earnings management strategies and their impact on reported earnings. Taylor (2022) investigated the market reactions to IFRS 17 adoption in the UK Insurance Industry by studying the impact on stock prices and measuring the market perception of the effect on earnings. The above studies provide sufficient insights into the ways the adoption of IFRS 17 may affect financial reporting and offer empirical evidence based on various geographical regions and contexts.

In reviewing the studies related to the effect of the adoption of the standard on the FRQ, the researcher found a few studies; however, mostly related to expectations of the adoption before the actual implementations in Jordan (Dahiyat & Oweis, 2021), which expected a positive impact of adopting IFRS 17 on the FRQ. A few studies investigated the impact on the quality after the implementation, which could be found in the countries that chose an early adoption of the standard. Dahiyat and Oweis (2021) anticipated that applying the standard would have a significant positive impact on the FRQ, mainly on the comparability and faithful representation of financial reports. Al-Najjar (2019) also concluded similar expectations in the study of the impact of adopting IFRS 17 on developing the measurement, recognition, presentation, and disclosures in insurance companies and the effect of the adoption on developing the reporting quality for insurance companies.

AlHawtmeh's (2023) study is based on a real application due to the timing in which it was published. Information that is more relevant helps in improving the transparency and quality of information. Although the timing of the study was immediately after the implementation date, the assessment of the impact might be clearer with a longer time of adoption. AlHawtmeh (2023) concluded the need to conduct further advanced research on the impact of adopting the standard in improving reporting quality and overcoming shortcomings.

The impact of IFRS 17 extends beyond insurance companies to include various types of companies that hold identifiable IC, as discussed in section 2.12. While much of the existing research has concentrated on how IFRS 17 affects insurance companies, there is also valuable insight into its implications for non-insurance entities to examine the effects of IFRS 17 on banks and non-insurance companies, which provide insurance services, as these institutions must adapt their financial reporting practices to comply with the new standard. While most IFRS 17 studies focus primarily on insurance companies, there remains limited scholarly attention on the standard's

impact on non-insurance entities, beyond general discussions by professional services firms (Deloitte, 2021; PWC, 2020).

Based on the standard background and previous studies reviewed, this study aims to assess whether the adoption of IFRS 17 enhanced the (FRQ) compared to IFRS 4, as announced by the IASB, considering the case of the Palestinian and Jordanian insurance companies. The researcher believes that it is more useful to study the effect on the quality based on the announced expectation of the IFRS Foundation.

2.20 Comparison of Some Previous Related Studies

Below is a summary of some of the studies related to IFRS 17 and its relation to FRQ:

Table 2.3: Comparison of Some Previous Related Studies

Researcher/s	Objectives of the research	Methodology used in the research	Main conclusion of the research	Comments from this researcher
(Bas & Yanik, 2017)	Examining the standard from the viewpoint of the insurance companies.	Qualitative interview.	The standard is expected to be beneficial for both investors and insurance companies.	The study was based on expectations before the actual adoption.
(Dahiyat & Owais, 2021)	Explore the expected effect of IFRS 17 on the FRQ.	Exploratory, descriptive, analytical approaches.	The study anticipated a positive effect of the adoption of the standard on FRQ.	The study was based on expectations before the actual adoption.
(Dufasne, 2020)	Comparison of IFRS 17 with IFRS 4 and the impact of the standard.	Qualitative descriptive approach.	IFRS 17 represents a significant improvement over IFRS 4.	The study was based on expectations before the actual adoption.
(Seyam et al., 2024)	Finding how the standard affects the insurance reserves and the impact of the standard on reserves management in Egypt.	Quantitative approach, through a Questionnaire to the experts.	The standard has led to better comparability and transparency, and improvement in the evaluation of insurance liabilities and reserves, as well as in the financial performance.	The study was based on expectations before the actual adoption.
(Hamza et al., 2024)	Identifying the expected impact of implementing the standard on the solvency and profitability of Jordan.	The descriptive analytical approach employs a questionnaire, considering the study population as all insurance	There exists a relationship between implementation of the standard and the profitability and solvency of a company. This connection suggests that adhering to established standards can positively	This is concentrating on the solvency and profitability, rather than on the quality.

		companies listed on the ASE.	influence financial performance and the ability to meet long-term obligations.	
(Mignolet, 2017)	Studying the expected effects of the standard adoption on the transparency of FS of insurance companies in Belgium.	Interviews with insurance professionals with questions.	Anticipated enhancement of transparency and comparability.	The study is still based on expectations before the actual adoption.
(Rajala, 2020)	Examining how IFRS 17 is expected to affect the transparency and comparability of insurance companies' FS in Finland.	The research used descriptive research methods to gather data. Information was collected through semi-structured interviews conducted with specialists.	The new standard is anticipated to enhance the transparency and comparability of FS for insurance companies. However, it is expected that the full realization of these benefits will take several years following the standard's implementation.	The study is still based on expectations before the actual adoption.
(Seyam et al., 2024)	Analyzing the IFRS 17 requirements in relation to the recognition, measurement, and disclosures of IC, and analyzing the expected impact on the measurement and accounting disclosure of insurance companies, identifying the challenge of IFRS 4 adoption in Egypt.	The research utilized a quantitative descriptive approach by distributing a questionnaire to groups of external auditors from insurance companies and academics. The questionnaire employed a 5-point Likert scale to gauge responses effectively.	It was found that the standard is expected to positively affect the measurement basis and disclosures in the FS, providing more accurate information and related disclosures.	Egypt has issued National Accounting Standard Number 50, aligning with IFRS 17. This standard will be effective in Egypt for the FS of 2025, meaning the study is still based on expectations before the actual adoption.
(AlHawtmeh, 2023)	Studying the impact of implementing the IFRS 17 on development of accounting measurement and disclosure to improve the FRQ when considering compliance with the requirements of implementing in Jordan.	The research utilized a descriptive approach, which involved designing a questionnaire that was distributed to various groups, such as preparers, external auditors, financial analysts, and academics.	The study identified the necessity for further research on how adopting IFRS 17 can enhance report quality and address challenges posed by existing laws.	The aim of this research was to examine the impact of adoption on quality. However, it is worth noting that the timeframe for this study, as indicated in AlHawtmeh (2023) research, is restricted to the short period of adoption, even prior to the issuance of annual audited FS. This limitation affects the reliability of the study's findings.

(Hasan, 2023)	Impact of the Egyptian Accounting standard 50, which was issued in alignment with IFRS 17, on the relevance of information and fair presentation of IC in Egypt.	Used a combination of Inductive and Deductive, including Designed questionnaires.	The implementation of the standard is anticipated to affect qualitative characteristics of FS and FRQ within insurance companies.	The study is still based on expectations before the actual adoption.
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Sources: Prepared by the researcher

Looking at the above studies, most of them conclude the importance of IFRS 17 related to insurance contracts in introducing unified treatments for insurance activities through the grouping of contracts, recognition, measurement, presentation, and disclosures of the IC. This positively affects the users of FS and enhances their reliability due to improved transparency of information, better understandability, and comparability of financial reports. It is worth mentioning that most of the above studies were based on expectations before the actual adoption, highlighting the need to conduct this study three years after the implementation of the standard.

2.21 Discussion and Compendium of Previous Studies

Accounting standards development has been strongly affected by various accounting theories, including agency theory, signaling theory, resource-based theory, and legitimacy theory (Scott, 2015). These theories provide a framework for understanding the rationale behind the establishment of accounting standards and their implications for financial reporting. Numerous studies have delved into the effects of implementing these standards on the quality of FS. Recent attention has been drawn towards the impact of the introduction of IFRS 17, which sets out new requirements for the treatment, classification, and presentation of IC to address deficiencies in previous accounting practices (IASB, 2017).

The main objective of these new requirements is to improve the comparability and transparency of financial information, thus enhancing the FRQ. Despite being issued in 2017 (IASB, 2017), the recent adoption of IFRS 17 in 2023 has sparked a wave of research aimed at evaluating the anticipated enhancements in financial reporting quality. Although many of the existing literature has focused on expectations and compliance with the standard, there is a noticeable dearth of studies after the adoption to validate the conclusion of the impact of the

adoption on the actual improvements in financial reporting quality. Most researchers' findings suggest that the implementation of IFRS 17 is expected to elevate the FRQ, although certain studies present conflicting conclusions. This discordance in results is often attributed to the historical reliance on GAAP rather than adherence to IFRS 4.

Furthermore, the majority of studies have concentrated on the implications of IFRS 17 for insurance companies, overlooking its effects on other entities that issue similar contracts. It is recommended that further research be conducted on the impacts of the adoption of IFRS 17 for the non-insurance companies.

For the studies, conducted examining the impact of implementation on quality, the effective date of the standard has started for the interim reports and annual reports issued in 2023 and thereafter. It is important to note that the timeframe for this study, as indicated in AlHawtmeh's (2023) research, is limited to the short period of adoption, before the issuance of annual audited FS. This limitation affects the reliability of the study's findings, indicating the need for further study after a sufficient time of adoption, as the researcher concluded.

While a few studies have examined the impact of IFRS 17 implementation in countries such as Jordan, no research has explored the effects on the FRQ for Palestinian insurance companies, nor have comparisons been made between the two economies. Given that the regulatory environment in Jordan is similar to that of Palestine, with comparable financial reporting frameworks, exploring these areas offers potential insights into the effectiveness of implementing IFRS 17 and its implications for FRQ.

That shows the need for importance and the need to conducting this study in Palestine and Jordan after three years of actual implementation of the standard, where both countries have decided to mandate the adoption despite the challenges of the adoption.

Chapter Three: Methodology

This chapter provides the methodological framework used to examine the effect of IFRS 17 implementation on FRQ of insurance companies in Palestine and Jordan, providing similar studies' approaches. This chapter illustrates the study model, empirical models, defines the variables' measurement, explains the study population, sampling strategy, and describes data collection instruments.

3.1 Study Approach

This study employed a descriptive analytical approach to examine the extent to which the implementation of IFRS 17 enhances Financial Reporting Quality (FRQ) regarding the transparency and comparability of financial information compared to IFRS 4, as announced by the IASB. This research focuses on insurance companies listed in Palestine and Jordan. It aims to describe the characteristics of FS by utilizing quantitative descriptive methods to address the research question through a carefully designed questionnaire. The study gathers perspectives of insights from key groups of professionals, insurance companies, accounting department staff, who are involved in preparing FS, external auditors who have sufficient experience in the audit of insurance companies, academics who are knowledgeable in the accounting standards, and financial analysts working on analyzing the FS in Palestine and Jordan.

Many studies have utilized a similar approach (Dahiyat & Owais, 2021; Alhawtmeh, 2023; Al-Najjar, 2019; Seyam et al., 2024). Al-Najjar (2019) investigated the effect of IFRS 17 adoption on overcoming the weaknesses in IFRS 4, aiming to enhance the reporting quality of insurance companies through a survey. A questionnaire was designed for the related sample, and statistical methods were employed. Dahiyat and Owais (2021) employed an explanatory descriptive approach and distributed questionnaires to a randomly selected sample of employees from insurance companies. AlHawtmeh (2023) used a questionnaire tool and considered the population as the faculty members of the accounting department, financial statements' preparers in the listed insurance companies, external auditors, and financial analysts. AlHawtmeh (2023) selected a random sample from each group of the population, similar to AL Najjar (2019).

Hamza et al. (2024) applied the descriptive analytical approach in the study of the expected impact of implementing the standard on the solvency margin and profitability, using a questionnaire as a tool. The study population consisted of all insurance companies listed on the ASE, considering the chief accountants and accountants in the insurance companies, and actuaries working for insurance companies as the study sample. Seyam et al. (2024) applied a descriptive analysis approach and employed a designed questionnaire to the groups of specialists.

To improve the explanatory power and validity of the empirical model, the researcher introduced respondents' experience as a control variable. This variable captures the professional or practical experience of the individuals responding to the questionnaire. The experience may influence their perceptions and judgment regarding the implementation level of IFRS 17 and FRQ.

3.2 Study Model

The study model is grounded in the IFRS Foundation's (2017) Effects Analysis for IFRS 17, which asserts that the standard enhances financial reporting through improvements in transparency and comparability. The model also draws on prior empirical research demonstrating that adoption of IFRS standards improves accounting quality (Barth et al., 2008).

The following figure (3.1) explains the conceptual model of the study, highlighting the relationship between the implementation level of IFRS 17 as the independent variable and Financial Reporting Quality (FRQ) as the dependent variable:

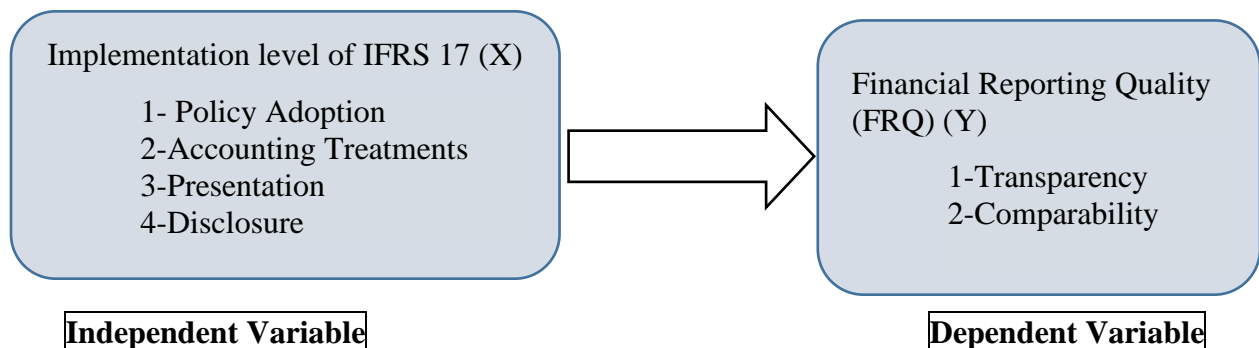


Fig 3.1: Study Model

3.2.1 Empirical Model

The main empirical model: The overall effect of IFRS 17 implementation on FRQ is modeled as:

$$FRQ_{it} = \beta_0 + \beta_1 IFRS17_{it} + \beta_2 Exp_{it} + \varepsilon_{it}$$

Where:

FRQ_{it} : level of Financial Reporting Quality for company i at time t (Dependent Variable).

$IFRS17_{it}$: Level of IFRS 17 implementation by company i at time t . (Independent Variable)

Exp_{it} : Respondent's years of experience (Control Variable)

β_0 : Intercept

β_1 : Coefficient capturing the impact of IFRS 17 implementation on FRQ

β_2 : Coefficient capturing the effect of respondents' experience on the FRQ (Control Variable)

ε_{it} : Random error term

For operationalization, the model can also be written as:

$$Y_{it} = \beta_0 + \beta_1 X_{it} + \beta_2 EXP_{it} + \varepsilon_{it}$$

Where:

Y = The level of Financial Reporting Quality (FRQ) (Dependent Variable).

X = The level of the IFRS 17 implementation (Independent Variable).

Other terms (EXP , β_0 , β_1 , β_2 , i , t , and ε) are as defined above.

Sub-models for the Dimension of FRQ:

Referring to IFRSF (2017), FRQ improvements under IFRS 17 occur across two principal dimensions:

1-Transparency

2-Comparability

Thus, two additional regression models are estimated:

1- Transparency model (Y1):

$$\text{Transparency}_{it} = \beta_0 + \beta_1 \text{IFRS17}_{it} + \beta_2 \text{Exp}_{it} + \varepsilon_{it}$$

Transparency: level of Transparency for company i at time t (Dependent Variable).

2- Comparability model (Y2):

$$\text{Comparability}_{it} = \beta_0 + \beta_1 \text{IFRS17}_{it} + \beta_2 \text{Exp}_{it} + \varepsilon_{it}$$

Comparability: level of Comparability for company i at time t (Dependent Variable).

3.2.2 The Study Variables

As discussed earlier, IASB anticipated that the implementation of the standard would affect the FRQ; this study evaluates whether the standard, IFRS 17, through its implementation, enhances FRQ. The implementation primarily involves adhering to the standard's requirements, encompassing adopting policies, using the required accounting treatments, presenting FS, and providing necessary disclosures. On the other hand, the assessment of targeted quality characteristics is divided into two main categories: transparency and comparability.

The new requirements introduced in the IFRS 17 differ from those in the IFRS 4, which were explained as reasons for introducing the new standard to achieve the objectives in improving the FRQ. Table (3.1) was developed based on the IFRS 17 IC Effects Analysis issued by IFRSF explained in Table (2.2). The sentences in the questionnaire were developed relying on the same table of differences between the two standards, which is explained later in this chapter.

The table below indicates the new requirements introduced in the IFRS 17 and states the variances from the IFRS 4, with the expected area of improvement.

Table 3.1: IFRS 17 Requirements Introduced and Expected Areas of Improvement

IFRS 17 Requirement to achieve the improvement item ⇒⇒	Area of expected improvement ⇒⇒	Characteristic improved financial information ⇒⇒	Goal of the Impact on Financial Reporting
Dependent Variable		Independent variables dimensions	Independent Variable
A-Transparency			
Information related to the value of Insurance Obligations			
1	All firms should measure ICs at their current value.	Updating the Measurement of IC.	Transparency improvement
2	The standard requires reporting estimated future payments to settle incurred claims on a discounted basis.	The TVM.	
3	The only discount rate used reflects the features of the insurance cash flows to measure their IC.	The discount rate used in the measurement of the IC.	
Information about profitability			
4	It is required to provide information about different components of current and future profitability arising from IC. Recognize revenue as they deliver insurance coverage.	Consistency of information about current and future profits.	Enhanced Financial Reporting Quality
5	Companies and users of FS need to use fewer non-GAAP measures. Information about expected IC profits is required to be provided comparably by all companies.	Options for using non-GAAP measures.	
B-Comparability			
Comparability among firms in the country and across jurisdictions			
6	Companies have to apply a consistent accounting framework for all ICs.	Consistency in the accounting framework of all ICs.	Comparability and consistency improvement
Comparability among IC			
7	A multinational company has to measure IC consistently within the group, improving comparability of its results by product and country.	Consistency of measurement of IC within the group, including subsidiaries.	
Comparability among industries			
8	Revenue has to reflect the insurance coverage provided, excluding deposit components.	Consistency of recognition of the revenues to reflect the insurance coverage period.	

Source: Prepared by the researcher based on the IFRS 17 effect analysis

3.2.2.1 Independent Variable: Implementation of IFRS 17

Implementation of the standard IFRS 17 represents the independent variable, which is assumed necessary to achieve the objectives and affect the FRQ characteristics, specifically transparency and comparability. The implementation of IFRS 17 is operationalized through 16 items representing dimensions of the core requirements of the standard, which can be grouped under the following main categories:

1. Adopting the Accounting Policies

Adopting the accounting policies required under the standard from different aspects, recognition, derecognition, classification, and measurement of insurance contracts.

2. Accounting Treatments

Implementing the required accounting treatments from different aspects, such as the use of discount rates, CSM, risk adjustment, and measurement models.

3. Presentation of the FS

As required by the standard presentation of IC liabilities, insurance revenue, and insurance service expenses in the financial position, income statement, and comprehensive income statements.

4. Disclosures Requirements

It is related to providing the required disclosure to the FS about the IC under the IFRS 17, such as future cash flows, risks, judgments, profitability, and assumptions.

Items in the questionnaire in assessing the implementation level of the standard in part one of section two were developed using the above items, as in IFRS 17 Effects Analysis (IFRSF, 2017)

Although the researcher reviewed a sample of 40% of the audited FSs of listed insurance companies on PEX and ASE for the years 2023 and 2024, focusing on the implementation of IFRS 17 requirements, the analysis covered 32 items related to policy adoption, presentation, and disclosures, which is shown in the Appendix (3). The audited FSs indicated that the companies are generally adhering to IFRS 17, with an overall implementation rate in both countries at around 80%. However, this study questionnaire included sentences to assess the level of implementation

from the perspective of professional groups, providing further evidence on the level of implementation of the standard.

3.2.2.2 Dependent Variable: Financial Reporting Quality (FRQ)

Financial Reporting Quality is the dependent variable of the study. These characteristics are expected to be the result of the implementation of the IFRS 17. The IFRS intended to improve the Transparency and Comparability of the financial information; each intended feature was expected to improve the FRQ. This study used the same features as announced by the IFRS under the IFRS 17 Effect analysis (IFRSF, 2017).

The second and third part of the second section of the questionnaire is designed to receive opinions of the sample on the impact of the implementation on the Transparency and Comparability of the FS, respectively. Questions were developed based on the IFRS 17 IC Effects analysis issued by IFRSF as explained above in Table (3.1) and Table (2.2).

1- Transparency: It measures whether the FS using the IFRS 17 leads to (IFRSF, 2017),

- The current valuation of the IC obligations,
- TVM,
- Risk Adjustments,
- Consistency and clear presentation of profitability for IC, and
- Ending the non-accepted accounting alternatives (IFRSF, 2017).

Fifteen sentences were included in the questionnaire under part two of section two as transparency indicators.

2- Comparability: This part is designed to assess the following areas of impact (IFRSF, 2017)

- Evaluate the accounting treatment entities across companies
- A unified measurement of IC among the subsidiaries and jurisdictions
- Consistency in recognition of revenues

Twelve sentences were included in the questionnaire under part three of section two as transparency indicators.

3.2.2.3 Control variable: Experience of the respondents

The respondents' experience is used as a control variable. This variable captures the professional or practical experience of the individuals responding to the questionnaire and assesses whether that affects the perspective and judgment of the respondents.

The first section of the questionnaire includes questions on the number of years of experience in the field.

3.3 Study Population and Sample

3.3.1 The Study Population

A population is defined as a complete group of units, such as individuals or firms, which share specific characteristics relevant to the research question. According to Creswell (2009), the population must consist of individuals capable of providing relevant information when surveys or interviews are used.

For this study, the population comprises all professionals in the insurance sector in Palestine and Jordan who are knowledgeable about insurance contracts, accounting and IFRS 17. This includes FS preparers, external auditors, financial analysts, and academics. These groups were selected since they possess the expertise necessary to provide valid insights regarding the implementation and effects of IFRS 17 on FRQ. Following previous research (Dahiyat & Owais, 2021; Alhawtmeh, 2023; Al-Najjar, 2019), the population is organized into four groups:

- 1- Preparers of FS: This group includes employees in the accounting and finance departments of the 22 listed insurance companies (eight in Palestine and fourteen in Jordan). They are directly involved in the preparation of FS, in which the implementation of IFRS 17 requires in-depth knowledge of IFRS 17. They understand the practical areas of the standard, the level of implementation, differences introduced, and the judgments made on FRQ. Assuming an average of six relevant employees per company (accountants, chief accountants, financial managers, and internal auditors), the estimated population size in this group is 132 individuals (48 in Palestine and 84 in Jordan).
- 2- External Auditors: Licensed auditors actively engaged in auditing the FS of companies and ensuring compliance with IFRS. They provide independent assessments of FS and

ensure compliance with IFRS, offering valuable perspectives on transparency and comparability. The total number of licensed auditors is 600 in Jordan (JACPA, 2025) and 257 in Palestine (BOPA, 2025).

- 3- Academics: This group comprises faculty members in accounting departments at accredited universities who teach IFRS or insurance accounting. Academics possess a theoretical and research-based understanding of accounting standards and financial reporting quality, providing expert assessments of broader theoretical implications. While some studies did not involve academics when assessing IFRS adoption effects (Mardini, 2012), the academics are not directly involved in the implementation and are considered users. This study includes them to cover theoretical perspectives (Dahiyat & Owais, 2021; Alhawtmeh, 2023; Al-Najjar, 2019).

To estimate the number of academics in the group, the researcher referred to a list of accredited universities on the websites of the Ministries Of Higher Education (MOHE) in both countries. In Jordan, there are 29 universities (MOHE, 2025), and in Palestine, there are 21 universities (MOHE, 2025). A reference was then made to the official websites of all universities, and a count of the number of academic staff in accounting departments in all universities was done. The result is 230 in Jordan and 149 in Palestine, giving 379 academics.

- 4- Financial Analysts: This group includes financial analysts, investment professionals in brokerage companies, and actuaries who work in and regularly analyze the FS of insurance companies. The financial analysts are primary users of FS; their perceptions are crucial for understanding how reporting quality affects decision-making, market efficiency, and capital allocation.

In Jordan, there are 47 active brokerage companies as of November 2025 (ASE, 2025). Each brokerage company employs at least one individual with analysis capacity (financial brokers, financial advisors, and investment managers). In addition, there are 17 actuarial licensed by CBJ as of 2025 (CBJ, 2025). In Palestine, 33 licensed financial professionals are working across 18 brokerage companies and six licensed actuaries (PCMA, 2025). Thus, the total population in this group is 103 individuals (39 in Palestine and 64 in Jordan).

From the above discussion, the total population for this study comprises 1471 professionals, distributed across the four groups and two countries, 493 in Palestine and 978 in Jordan.

3.3.2 Selecting the Sample

Since IFRS 17 is highly specialized, it is considered only for professionals having extensive knowledge about the recently issued standard. The study uses stratified purposive sampling, an appropriate method when participants must have specific technical knowledge (Palinkas et al., 2013).

Cochran's formula (Cochran, 1977) was used as a guiding benchmark to ensure the sample is of adequate size, although the final selection followed purposive principles in line with methodological guidance (Saunders et al., 2019). A total of 392 questionnaires were distributed, 154 in Palestine and 238 in Jordan.

The following steps were used in selecting the sample:

- 1- **Sample Size Calculation:** In calculating the sample size, the study applied Cochran's formula, assuming a confidence interval of 95% and a margin of error of 5%, with a minimum sample size under each group of 30 under each group within each country. A sample allocation was designed to give different weights to each group to represent the population at 30% for each of the two groups, FS preparers and the external auditors, and 20% for each of the two groups, academics, and financial analysts.
- 2- **Clustering by Country:** Divided the population into two clusters as per country, Jordan and Palestine.
- 3- **Stratification within Clusters:** Each cluster was further stratified into the four professional groups described above.
- 4- **Purposive Selection:** Applied the Purposive sampling as the study focuses on specialized knowledgeable individuals in insurance contract accounting and the IFRS 17. This approach enables the purposive selection of professionals with specialized knowledge on the topics under study (Palinkas et al., 2013). This method of selection ensures representation of:
 - FS preparers involved in developing the FS of the insurance companies,
 - External auditors who conducted audits on insurance companies,

- Academics teaching IFRS or related accounting standards, and
- Financial analysts with knowledge about the IFRS 17.

Sample Distribution

The sample is allocated proportionally based on population size, with a minimum of 30 participants per group per country, with the indicated percentage for each professional group. This approach ensures representativeness and reliable subgroup comparisons.

Table 3.2 below includes a summary of the population and the sample distribution among each professional group per country.

Table 3.2: The Study Population and Sample Disruption

No.	Target group	Population			Sample size			Weight	Rationale
		Palestine	Jordan	Total	Palestine	Jordan	Total		
1-	Financial statements preparers	48	84	132	44	76	120	30%	Directly involved in FS preparation; assess the practical implementation of IFRS 17.
2-	External auditors	257	600	857	45	75	120	30%	Experience in auditing insurance FS; ensure coverage of auditing perspective.
3-	Academics	149	230	379	35	41	76	20%	Provide theoretical insights and expert assessment of FRQ.
4-	Financial analysts	39	64	103	30	46	76	20%	Users of FS assess the impact of IFRS 17 on decision-making and market evaluation.
Total		493	978	1471	154	238	392	100%	
Percent to total		34%	66%	100%	39%	61%	100%		

Source: Prepared by the researcher

The table shows that 39% of the sample was distributed in Palestine, and 61% was distributed in Jordan, reflecting the relative distribution of professionals across the two countries.

The table also indicates the composition of the sample among the groups and the clusters. It shows that 30% of the total sample was distributed for each of two groups: the preparers of the FS, the external auditor, and 20% of the total sample was distributed for each of two groups: the academics, and the financial analysts. This was done to ensure fair presentation between professional groups in the analysis based on their presence in the population size. This approach allows each group (FS preparers, external auditors, academics, and financial analysts) to contribute to the analysis of IFRS 17's impact on FRQ, while still reflecting the actual distribution of professionals across Palestine and Jordan. The minimum sample size of 30 participants per group per country ensures adequate representation and reliability for statistical analysis.

This stratified purposive sampling technique ensures high coverage and enhances both representativeness and internal validity, allowing reliable comparisons across countries and professional subgroups (Teddlie & Yu, 2007).

3.4 Determining the Response Rate and the Questionnaire Validity

Determining the response rate, the validity of the returned responses, and analyzing the demographic features of the responses were conducted. In this study, questionnaires were extended to 392 individuals, out of which a sufficient number of responses were ensured to ensure that the rate of respondents provided is considered a sufficient basis for the analysis.

Returned questionnaires were screened for completeness and consistency. Response rates of 60–70% are considered acceptable in accounting research. Demographic data were analyzed to ensure balanced representation across countries and professional groups.

3.5 Honesty and Accuracy Test

The study used Cronbach's Alpha with ≥ 0.70 considered acceptable (Nunnally & Bernstein, 1994; Hair et al., 2019) to measure the stability of the internal consistency of all dimension items in the survey.

3.6 Process of the Study and Analysis

As this study relied on primary data collection, data were gathered using a well-designed and validated questionnaire. The questionnaires were distributed mainly through an online platform, using Google Forms, and the link was shared with the selected sample. The purpose of the research was clearly explained to all participants, and they were informed about confidentiality, use of information solely for research purposes and voluntary participation, following ethical research standards (Saunders et al., 2019).

3.6.1 Designing the Questionnaire

Based on the specified goals of the study, the structured questionnaire, which is included in Appendix (1), comprises two sections:

Section 1: Demographic Information: The first section focuses on collecting demographic information such as country, age, educational qualifications, professional qualifications, and years of experience, working position, the professional group, specialization, level of knowledge about IFRS, level of knowledge about IFRS 17, and participation in training on IFRS 17.

Section 2: Study Constructs: This section is used in collecting the views from the group of professionals in relation to their assessment of the implementation of the IFRS in Palestinian and Jordanian listed insurance companies and their opinions on the impact of the adoption on improving the transparency and comparability features of the FS.

The second section includes 43 questions across three parts as follows:

1- IFRS 17 Implementation (16 items)

The first part consists of 16 sentences focusing on assessing the level of implementation of the IFRS 17 by the listed insurance companies in Palestine and Jordan based on the standard requirements and the IFRS 2017 Effect Analysis (IFRSF, 2017).

Although insurance companies in both countries are obligated to adopt IFRS by regulations, and regulators to implement IFRS 17 issued clear instructions, the FS of insurance companies are subject to audit to ensure compliance of the FS with IFRS, and the regulators review the FS before issuing approval for disclosure by the insurance companies. However, sentences under this part represent additional evidence on the implementation of the insurance companies of the IFRS 17.

2- Transparency (15 items)

The second part consists of 15 sentences that concentrate on assessing the impact of the implementation of the standard on aspects of Transparency. The sentences under this part were developed according to areas of differences and intended improvements of the FRQ as stated in the IFRS 17 effect analysis (IFRSF 2017), which is explained under Table (2.2).

3- Comparability (12 items)

The third part consists of 12 sentences that concentrate on assessing the impact of the implementation of the standard on aspects of Comparability. The sentences under this part were also developed according to IFRS 17 effect analysis (IFRSF 2017), which is explained under Table (2.2).

The sentences under section two are designed to be answered using five options (1-Strongly Disagree, 2-Disagree, 3-No impact, 4-Agree, or 5-Strongly Agree), using a five-point Likert Scale (DeVellis, 2016). The Likert scale was used by other similar studies (Dahiyat & Owais, 2021; Alhawtmeh, 2023; Al-Najjar, 2019; Seyam et al., 2024). The questionnaire sentences were developed based on the IFRS requirements of the standard in relation to implementation dimensions.

3.6.2 Testing Study Questions

To test the validity and the suitability of the Questionnaire, specialized professionals and academics having extensive knowledge about standards and insurance accounting tested the validity and the suitability of the questions. The validators included seven PhD-holding academics in accounting, one actuarial (financial analyst), one external auditor, and one regulator from the PCMA. In addition, a pilot testing of the survey was also conducted with a small sample to validate the questionnaire, identifying any potential problems in the design, ensuring clarity, and improving the overall survey quality before the full-scale implementation. The researcher analyzed comments and feedback and refined the questionnaire to ensure item clarity and ensure content validity of the questions.

Reliability of the internal consistency was tested using Cronbach's Alpha to ensure the consistency of the participants' opinions.

Statistical analysis was used, including descriptive analysis, t-test, ANOVA, and Regression analysis using the Statistical Package for the Social Sciences (SPSS), to test and analyze the questions and conclude the findings.

3.6.3 Study Statistical techniques:

The study utilized SPSS to perform the necessary statistical tests in order to achieve the objectives of the study and answer the research questions. A variety of advanced statistical techniques were employed to analyze the data, including:

- Descriptive analysis to summarize the characteristics of the sample,
- Cronbach's Alpha reliability testing to assess the internal consistency of the questionnaire,
- Correlation analysis to examine the relationships between variables,
- Independent sample t-tests and ANOVA to test for significant differences between groups, and
- Multiple regression analysis to test the hypotheses and evaluate the impact of IFRS adoption on the FRQ of the insurance companies.

These techniques were widely used in accounting and IFRS research (Tabachnick & Fidell, 2019; Gujarati & Porter, 2009).

3.7 Study Tools

The study used the essential tools, including:

- A well-designed and validated questionnaire,
- SPSS software for statistical analysis,
- IFRS, financial reporting, and
- Reliable sources references in accounting and FRQ literature.

3.8 Summary

This chapter outlined the methodological framework employed to investigate the impact of IFRS 17 implementation on FRQ, focusing on the transparency and comparability of FS within insurance companies in Palestine and Jordan. The study used a rigorous conceptual model grounded in theory and literature of similar studies. It targeted four key professional groups: FS preparers, external auditors, financial analysts, and academics. The study applied a stratified purposive sample, ensuring the inclusion of highly knowledgeable professionals. The chapter presents the conceptual model, empirical models, and variables, with IFRS 17 implementation as the independent variable, FRQ as the dependent variable (with comparability and transparency as dimensions), and respondents' experience as a control variable. The use of reliability tests and advanced statistical techniques strengthens the methodological reliability and validity of the findings are presented in the subsequent chapters of the study.

Chapter Four: Results of the Study

4.1. Introduction

This chapter presents the empirical results of the statistical analysis conducted to test the study's hypotheses. It begins with reliability and validity assessments, followed by descriptive statistics and inferential tests, including regression, t-tests, and comparative analyses between Palestine and Jordan.

4.2. Testing the Reliability and Validity of the Study Instrument

4.2.1. Response rate

The following Table (4.1) indicates the response rate and the validity of the responses collected for the statistical analysis. Out of the 392 questionnaires distributed, 306 were returned, yielding a response rate of approximately 78%. After excluding 12 invalid responses, 294 questionnaires were deemed valid for statistical analysis. The high response rate, especially by preparers of FS, supports the reliability and representation of the sample to the population (Fincham, 2008). The reason for the high response rate is more related to the attention of the subject matter among the professionals, in addition to selecting the purposive sample targeting the professionals knowledgeable about the subject.

Table 4.1: Distributed Sample and Response Rate

Target group	Distributed Sample		Collected Sample & Response Rate		Invalid Sample	Recovered and Valid for Overall Analysis	
	No.	Percent	No.	Percent		No.	Percent
Financial Statements Preparers	120	30	118	98.3	4	114	38.8
External Auditors	120	30	85	70.0	4	81	27.6
Academics	76	20	52	68.4	2	50	17.0
Financial Analysts	76	20	51	67.1	2	49	16.7
Total (Overall Average)	392	100	306	78.1	12	294	100.0

Source: Prepared by the researcher

4.2.2. Internal Consistency Reliability (Cronbach's Alpha)

The internal consistency reliability of the study instrument was assessed using Cronbach's alpha coefficient, which is widely employed in accounting and social science research to evaluate the extent to which questionnaire items consistently measure the same underlying construct.

As reported in Table (4.2), the Cronbach's alpha coefficient for the questionnaire as a whole (43 items) reached 0.967, indicating an exceptionally high level of internal consistency. In methodological terms, alpha values exceeding 0.90 reflect excellent reliability, suggesting that the instrument provides stable and consistent measurements and is suitable for advanced statistical analysis.

At the dimensional level, all constructs exhibited similarly high reliability coefficients. The Alpha values ranged from 0.927 for the level of implementation of IFRS 17 to 0.952 for the comparability dimension, while the transparency dimension recorded a coefficient of 0.943. These results indicate that the items within each dimension are highly correlated and collectively measure their intended constructs with a high degree of consistency.

The convergence of the reliability coefficients across dimensions further suggests that the questionnaire items were coherently structured and that no dimension suffered from internal fragmentation or measurement instability. Accordingly, the high internal consistency achieved

across all dimensions provides strong empirical support for the reliability of the study instrument and confirms its appropriateness for subsequent hypotheses testing and multivariate statistical analyses.

Table 4.2: Cronbach’s Alpha Coefficients for All Questionnaire Dimensions

Dimension	Number of Items	Cronbach’s Alpha	Rank
Level of Implementation of IFRS 17	16	0.927	3
Transparency	15	0.943	2
Comparability	12	0.952	1

Source: Prepared by the researcher – Statistical analysis of the data

Although Alpha values above 0.95 may sometimes indicate item redundancy, item-total correlations confirmed that all items contributed meaningfully to their respective constructs.

4.2.3. Test of Data Suitability for Statistical Analysis

Before conducting multivariate statistical analyses, the suitability of the data for factor analysis was examined using the Kaiser Meyer Olkin (KMO), measuring the sampling adequacy and Bartlett’s Test of Sphericity, in line with established methodological guidelines in accounting and social science research (Hair et al., 2019; Field, 2018; Pallant, 2020).

The results indicate that the KMO value (0.777), exceeding the minimum recommended threshold of (0.60), thereby confirming that the sample size is adequate relative to the number of variables and that the correlation patterns among the variables are appropriate for factor analysis. Bartlett’s Test of Sphericity yielded a chi-square value of ($\chi^2 = 1732.376$) with 136 degrees of freedom and a statistically significant p-value (Sig. = 0.000 \leq 0.001), confirming the existence of sufficient correlations among the variables. This result confirms the presence of sufficient correlations among the variables to justify the application of factor analysis.

Exploratory Factor Analysis (EFA) was subsequently conducted using Principal Component Analysis (PCA) as the extraction method. The analysis extracted five factors with eigenvalues greater than one, which together explained 63.41% of the total variance. Moreover

the mean communalities value of 0.640 indicates that the extracted factors adequately represent the observed variables. Overall, these results confirm the suitability of the data for factor analysis and support the construct validity of the measurement instrument.

Table 4.3: Test of Data Suitability for Statistical Analysis

Statistical Indicator	Value
Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy	0.777
Bartlett's Test of Sphericity	
Chi-Square (χ^2)	1732.376
Degrees of Freedom (df)	136
Significance Level (Sig.)	***0.000
Number of Extracted Factors (Eigenvalue > 1)	5
Cumulative Percentage of Explained Variance (%)	%63.41
Mean Communalities	0.640

***Statistically significant at the level ($\alpha \leq 0.001$)

These results confirm both sampling adequacy and construct validity, supporting the use of aggregated composite scores for subsequent regression analysis.

To ensure the validity of the regression model, key assumptions were also tested. The independence of errors was supported by a mean residual close to zero (0.000), indicating unbiased and symmetrically distributed errors. Homoscedasticity was confirmed by the relatively constant dispersion of residuals, with standardized residuals largely falling within ± 3 (-3.51 to +3.09), suggesting stable error variance and the absence of significant outliers.

Moreover, as shown in the Table (4.4) below, multicollinearity was not a concern, as the tolerance value (0.477) exceeded the recommended minimum of 0.10 and the Variance Inflation Factor (VIF = 2.095) remained well below the conservative threshold of five.

Table 4.4: Collinearity Diagnostics

Indicator	Value	Interpretation
Tolerance	0.477	Above the minimum acceptable threshold (0.10), indicating no severe multicollinearity problem.
VIF	2.095	Below the critical value of 5, suggesting that multicollinearity among the independent variables is moderate and not concerning.

Source: Statistical analysis of the data

Collectively, these findings indicate that the principal regression assumptions were satisfactorily met, supporting the robustness and reliability of the estimated model.

4.3. Demographic Characteristics of the Study Sample

Demographic characteristics are of strategic importance, as they provide insight into the composition, diversity, and expertise of the respondents upon which the study’s findings are based. They also assist in assessing the extent to which the sample represents the target population and support the credibility and external validity of the results. The study obtained 294 valid responses from Palestine and Jordan, reflecting a high level of professional engagement with the research topic.

Table 4.5: Demographic Distribution of the Sample

No.	Characteristic	Total		Palestine		Jordan	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
1. Country	Palestine	104	35.37	104	35.37	-	-
	Jordan	190	64.62	-	-	190	64.62
2. Age /years	Less than 25 years	8	2.72	3	2.88	5	2.63
	25-34	55	18.70	21	20.19	34	17.89
	36-45	100	34.01	35	33.65	65	34.21
	Above 45	131	44.55	45	43.26	86	45.26
3. Educational Qualification	Bachelor's degree	174	59.18	61	58.65	113	59.47
	Master's degree	74	25.17	27	25.96	47	24.73
	Doctorate	46	15.64	16	15.38	30	15.78
4. Professional Group	Financial Statements Preparers	114	38.8	22	21.1	92	48.4
	External Auditors	81	27.6	40	48.5	41	23.6
	Financial Analysts	50	17.0	17	16.4	33	17.6
	Academics	49	16.7	25	24.0	24	12.6
5. Years of experience	Less than 5 years	17	5.8	7	6.7	10	5.3
	5-10	39	13.3	15	14.4	24	12.6
	10-14	94	32.0	32	30.8	62	32.6
	15-19	51	17.3	18	17.3	32	16.8
	Above 19 years	93	31.6	32	30.8	62	32.6
Total		294	100.00	104	100.00	190	100.00

Source: Prepared by the researcher – Statistical analysis of the data

4.3.1. Geographical Distribution

Table (4.5) presents the geographical distribution of the respondents, totaling 294 respondents, and shows a balanced distribution between the Palestinian and Jordanian environments. Participants from Jordan constituted 64.6% of the total valid sample with 190 respondents, and 35.4% from Palestine, with 104 respondents. This distribution reflects the relative size of the insurance sector in both countries, as the Jordanian market is larger in terms of the number of companies and professionals compared with the Palestinian market.

4.3.2. Distribution by Age Group

The data presented in Table (4.5) indicate a high level of professional maturity within the study sample, as approximately 78.6% of respondents are above 35 years, and the largest segment at 44.6% falls within the age group above 45 years of age. This age distribution suggests that the majority of respondents possess substantial professional experience, which is particularly relevant given the technical and judgment-intensive nature of IFRS 17. This is particularly important given the technical complexity of IFRS 17, which requires advanced professional judgment and practical expertise.

4.3.3. Distribution by Educational Qualification

The educational and academic level of respondents constitutes a necessary indicator and provides positive signals regarding the reliability of the responses, especially when dealing with accounting standards of an academically and technically complex nature, such as IFRS 17.

Table (4.5) also shows that the majority of the respondents (59.18%) hold a bachelor's degree, which is the basic qualification for professional practice in the accounting and insurance sectors. However, the most important result lies in the fact that 40.8% of the sample hold postgraduate degrees (Master's or PhD), which enhances the importance of the responses, as they come from groups with a very high academic and scientific background.

The relatively high proportion of respondents holding postgraduate degrees enhances the analytical depth of the responses and supports the study's examination of a technically complex accounting standard. Accordingly, the results of this study do not reflect random opinions, but rather the views of academics and professionals capable of providing an accurate assessment of the standard's impact on FRQ.

4.3.4. Distribution by Professional Group

The professional background of respondents is a key factor in achieving the objectives of this study. The sample includes professionals directly involved in preparing FS, auditing them, analyzing them for decision-making purposes, as well as academics with a theoretical background

in accounting standards and FRQ. The professional judgments of these groups form the empirical foundation of the study.

Table (4.5) shows that the majority of the respondents, at 38.8%, are the FS preparers who are working in the insurance companies and engaged in preparing the FS and compliance with IFRS 17. The second group, which forms 27.6%, is the external auditors, mostly working in large global audit firms with high experience in assuring the implementation of the standards, including IFRS 17, while developing the FS. The financial analysts and the academics composite of 17% and 16.7%, respectively, of the total sample. These groups represent the balance to present the users of the FS, as well as the theoretical aspects.

From a professional and academic perspective, the above four groups are the most related groups whose opinions are important to achieve the study objectives.

4.3.5. Distribution by Years of Professional Experience

Professional experience represents the most important variable in descriptive statistics and in field studies in accounting, in particular, as it functions as a filter to assess how realistic and applicable the results are.

The data in Table (4.5) reveal a high-quality experience structure within the study sample, as 80.9% of participants possess above nine years of professional experience, with nearly one-third of the sample, 31.7%, having above 19 years of experience.

From a cross-standard perspective, these respondents have experienced the transition from IFRS 4 to IFRS 17 and are therefore well positioned to assess changes in financial reporting quality.

4.3.6. Descriptive Statistics for Knowledge- and Training-Related Variables

The results in Table (4.5) reveal the level of knowledge of IFRS 17 as a standard, the mean was 3.37 with a standard deviation of 1.09, which is also a moderate level and very close to the familiarity variable, and falls within the medium range. The closeness of the standard deviation values (1.14 and 1.09) points to a relative homogeneity in the levels of knowledge and familiarity among the sample.

Regarding the number of respondents participating in training courses and sessions on IFRS 17, the mean was relatively low at 2.45, with a standard deviation of 1.14. This means most of the respondents received training courses. The observed divergence between training participation and knowledge levels suggests that respondents may have relied more heavily on self-directed learning and practical experience than on formal training programs. These observations lead to implications related to the formal training gap, self-development through actual practice, and filling the required knowledge and skills gap, which are discussed under Chapter Five of the study.

It was also observed that the similarity in standard deviation values indicates that knowledge levels do not differ between respondents in Palestine and Jordan. This suggests that the knowledge and training challenges are “cross-border challenges” faced by the insurance sector across the region, rather than issues tied to a specific geographical environment. In other words, geography does not appear to be a determining factor influencing the application of IFRS 17.

Table 4.6: Descriptive Statistics for Variables

Variable	No.	Minimum	Maximum	Mean	Std. Dev
Level of knowledge of IFRS	294	1.00	5.00	3.37	1.09
Number of participations in training courses on IFRS 17	294	1.00	5.00	2.45	1.14

Source: Prepared by the researcher – Statistical analysis of the data

4.4. Descriptive Statistics of the Study Variables (Analysis of General Trends)

This section presents the statistical description of the independent variable, namely the degree of IFRS 17 implementation, and the dependent variables representing the FRQ (transparency and comparability). The importance of these results lies in their ability to gauge the extent to which digital and accounting transformation has succeeded in the insurance environment.

4.4.1. Descriptive Analysis of Study Variables, by frequency of the survey items and percentage of responses

All IFRS 17 implementation, transparency, and comparability items table, showing frequency and percentage for each response category, is included in appendix (5). It presents the descriptive statistics for the integrated measures of IFRS 17 implementation, transparency, and comparability, based on responses from insurance sector professionals. The table reports frequencies and percentages across four response categories: Disagree, Neutral, Agree, and Strongly Agree.

1. IFRS 17 Implementation

The results indicate a high level of IFRS 17 implementation across all related dimensions, including adoption of accounting policies, implementation of accounting treatments, presentation of FS, disclosure requirements, and timing of adoption.

Overall, the vast majority of respondents expressed positive perceptions of IFRS 17 implementation, with combined “*Agree*” and “*Strongly Agree*” responses consistently exceeding 80% across most items. Disagreement was negligible, generally remaining below one percent, while neutral responses were limited, suggesting strong consensus among participants.

Specifically, items related to the “adoption of accounting policies” and “implementing accounting treatments” show strong agreement, indicating that insurers have largely aligned their internal accounting frameworks with IFRS 17 requirements. Similarly, responses related to the “presentation of financial statements” item reflect a substantial level of compliance, with agreement levels typically ranging between 58% and 68% and strong agreement reaching up to 36% for certain items.

With respect to the “disclosure requirements” item, respondents largely agreed that IFRS 17 has enhanced the adequacy and clarity of disclosures, although some items show moderately higher neutral responses, suggesting that disclosure practices may still be evolving. Finally, the “timing of adoption” items reveal that most respondents perceived the transition to IFRS 17 as appropriate and well managed, with particularly strong agreement observed for post-adoption readiness.

Overall, these findings suggest that IFRS 17 has been substantially implemented across the sampled organizations, with a high degree of acceptance and institutionalization.

2. Transparency

The transparency dimension demonstrates very strong positive perceptions, indicating that IFRS 17 has significantly enhanced the transparency of financial reporting in the insurance sector.

Across all transparency-related items, the majority of respondents selected either "*Agree*" or "*Strongly Agree*", with combined positive responses frequently exceeding 85%. Strong agreement is particularly prominent in several items, reaching over 50%, which reflects a strong conviction that IFRS 17 improves clarity, understandability, and openness of financial information.

Neutral responses were generally modest, although a small number of items recorded neutrality levels at around 20–32%, suggesting that while transparency improvements are widely recognized, their full impact may vary depending on organizational context or implementation maturity. Importantly, disagreement remains almost nonexistent across all transparency indicators.

These results provide strong empirical support for the assertion that IFRS 17 enhances financial reporting transparency, thereby improving stakeholders' access to relevant and decision-useful information.

3. Comparability

Findings related to comparability also indicate consistently positive outcomes following IFRS 17 adoption. The majority of respondents agreed or strongly agreed that IFRS 17 has improved both inter-firm and inter-period comparability of FS.

Across the comparability items, combined agreement levels generally range between 85% and 95%, with strong agreement frequently exceeding 50%. Neutral responses are minimal, and disagreement is virtually absent, highlighting a strong level of consensus among respondents.

These results suggest that IFRS 17 has successfully reduced inconsistencies in accounting treatments and reporting practices, thereby enabling more comparisons that are meaningful across insurance entities and over time.

In summary, the descriptive statistics of the study items by frequency and percentage of responses provide strong evidence of successful IFRS 17.

4.4.2. Descriptive Statistics for the Level of IFRS 17 Implementation and the FRQ Dimensions by mean and level

The results in Table (4.7) reveal high mean values for all study variables. The comparability variable recorded the highest mean at 4.45, with a standard deviation of 0.42 indicating that respondents perceive, to a very high degree, that the implementation of IFRS 17 has enhanced comparability in financial reports. This is followed by transparency, with a mean of 4.24 and a standard deviation of 0.34, and then the level of IFRS 17 implementation, with a mean of 4.10 and a standard deviation of 0.32.

Table 4.7: Basic Descriptive Statistics for the Main Study Variables, by Mean and Level

Variable	No.	Minimum	Maximum	Mean	S. D	Level	Rank
Degree of IFRS 17 implementation (ifrs_app_scor)	294	2.00	5.00	4.10	0.32	High	3
Transparency (trans_scor)	294	3.00	5.00	4.24	0.34	High	2
Comparability (comp_scor)	294	3.00	5.00	4.45	0.42	High	1

Source: Prepared by the researcher – Statistical analysis of the data

The relatively low standard deviations (ranging between 0.32 and 0.42) indicate a high degree of homogeneity in the responses of the respondents, reflecting broad agreement that the implementation of the standard has led to tangible improvements in FRQ. The fact that the values range between a moderate minimum (2.00-3.00) and a high maximum (5.00) suggests the absence of extreme outliers in the data. The relatively low standard deviations indicate a high degree of agreement among respondents, suggesting consistency in perceptions rather than statistical precision.

According to the results in Table (4.7), the following points become clear:

1- The Level of Implementation

The level of implementation is the lowest mean among them (4.10). Although IFRS 17 is complex and demanding, the level of implementation is still high. This result points to the presence of substantial compliance. The closeness of the means for the level of implementation and the quality of outputs (transparency and comparability) indicates a strong positive relationship. The more entities comply with the technical requirements of the standard, the more this is directly reflected in the FRQ.

2- Transparency

Transparency ranked second, with a mean of 4.24. This elevated level is attributed to the strict requirements of the standard regarding the separation of insurance components from investment components and the detailed disclosure of the CSM as unearned profit. These results confirm that financial reports have become more informative about risks, thereby reducing information asymmetry between management and investors.

3- Comparability

The “comparability” variable recorded the highest mean (4.45), which represents a “very high” level. This result reflects the success of IFRS 17 in achieving its core objective of “harmonizing the language of reporting”. After decades of divergence under IFRS 4 (which allowed for a variety of local practices), the new standard introduced unified measurement models (GMM, VFA, and PAA). This high level also indicates that respondents now perceive greater ease in conducting sectoral benchmarking between insurance companies in Palestine and Jordan, as well as between these markets and global markets.

In the following section, there is an assessment for each variable.

4.4.3. Assess the level of IFRS 17 implementation

In order to test the main questions, it is necessary first to test the level of IFRS 17 implementation (Independent Variable).

4.4.3.1. Level of Adoption of Accounting Policies under IFRS 17

Table 4.8 presents the level of adoption of accounting policies under IFRS 17 by listed insurance companies in Palestine and Jordan. The overall mean score reached 4.087, indicating a high level of commitment to adopting accounting policies related to cash flow estimates, discount rates, and NFR adjustments. The relatively low standard deviation reflects a high degree of consistency among respondents' perceptions. The highest mean was recorded for items related to discount rates and expected cash flows, while the lowest mean was related to updating NFR; however, it still fell within the high implementation level.

4.4.3.2. Level of Compliance with IFRS 17 Presentation Requirements

The table reflects the level of compliance with the presentation requirements of FS under IFRS 17. The mean score reached 4.142, indicating a high level of adherence to presentation requirements, particularly regarding the separate presentation of insurance and reinsurance contract assets and liabilities. The findings also reveal that separating insurance-related revenues and expenses enhances the clarity of FS. The highest mean was associated with the separation of insurance and non-insurance activities, which improves users' understanding of financial performance.

4.4.3.3. Level of Compliance with IFRS 17 Disclosure Requirements

The table shows the level of compliance with the disclosure requirements of IFRS 17, including both financial and non-financial disclosures. The overall mean score was 4.038, reflecting a high level of disclosure compliance among insurance companies. The results indicate

significant improvement in disclosures related to insurance contract assets, liabilities, and remaining coverage components. Although non-financial disclosures recorded the lowest mean among the items, they remained within a high compliance level, highlighting companies' awareness of transparency requirements.

4.4.3.4. Timing and Extent of IFRS 17 Implementation

The table examines the timing and extent of IFRS 17 adoption by insurance companies. The mean score reached 4.195, indicating that companies largely complied with the implementation of IFRS 17 starting from its effective date on January 1, 2023. The results confirm that most companies prepared their FSs in accordance with the standard within the required timeframe and as per the regulator's instructions. This reflects a high level of preparedness and institutional readiness among insurance companies in both Palestine and Jordan.

4.4.3.5. Overall Level of IFRS 17 Implementation

The overall results demonstrate that the total mean score for IFRS 17 implementation exceeded 4.00, indicating a high level of implementation among listed insurance companies in Palestine and Jordan. The highest mean was observed in the timing and extent of implementation, while the lowest mean was related to disclosure requirements, though it still fell within a high level. These findings confirm that insurance companies have successfully adopted IFRS 17 in terms of accounting policies, accounting treatments, FS presentation, and disclosure practices. The table also assesses the response level: Very High for a mean above 4.2, High for the mean (3.41-4.20), Medium for the mean (2.61-3.40), Low for the mean (1.81-2.60), and Very Low for the mean (1.00-1.80). In addition, it includes the rank of the group of sentences.

Table 4.8: Level of Implementation of IFRS 17 by the Listed Insurance Companies

Item No.	The sentence in assessing the implementation	No.	Min	Max	Mean	Std	Response	Rank
	Adopting the accounting policies in the Financial Statements (FS) under Standard No. 17	294	2.67	5.0	4.087	0.4180	High	3
1.1	Insurance companies adopt accounting policies in the FS, related to developing the assumptions of the cash flow forecasts for the insurance contract portfolios, which are expected to be paid, considering the time and certainty of the payments.	294	2.0	5.0	4.292	0.5381	Very High	
1.2	Insurance companies adopt specific accounting policies related to the discount rate (risk-free return) used in accordance with Standard No. 17.	294	2.0	5.0	4.292	0.6475	Very High	
1.3	Insurance companies adopt policies related to updating the non-financial risk according to actuarial assumptions and the company's history, which is allocated against the uncertainty of the amount and timing of the cash flow.	294	2.0	5.0	3.676	0.6354	High	
	Level of compliance with IFRS 17, implementing the accounting treatments	294	2.67	5.0	4.053	0.4630	High	4
1.4	Insurance companies implement the disclosed accounting treatments related to the recognition and measurement of insurance contracts as required under IFRS 17.	294	2.0	5.0	3.993	0.5782	Very High	
1.5	The insurance companies implement the accounting treatments related to Insurance Contracts Revenues and Expenses as required under IFRS 17.	294	2.0	5.0	4.081	0.5958	High	
1.6	The insurance companies implement the accounting treatments related to insurance	294	2.0	5.0	4.085	0.5630	High	

contracts, **Assets, and Liabilities**, as required under IFRS 17.

Level of Compliance with IFRS 17, Presentation of the Financial Statements Requirements		294	3.0	5.0	4.142	0.3637	High	2
1.7	The insurance companies present Assets and Liabilities of Insurance contracts in the Statement of Financial Position as required under IFRS 17 (by presenting either the assets or obligations of insurance contracts separately).	294	2.0	5.0	3.857	0.5542	High	
1.8	Insurance contracts' assets and liabilities are presented separately from reinsurance contract assets and liabilities in the Statement of Financial Position in accordance with the standard.	294	2.0	5.0	4.156	0.5627	High	
1.9	Insurance contracts revenues and expenses are presented in the Statement of Income as required by IFRS 17 (separating the revenues and expenses of insurance contracts from the reinsurance contracts).	294	2.0	5.0	4.248	0.5569	Very High	
1.10	Insurance contracts revenues and expenses are presented in the statement of income in accordance with the standard, separating insurance-related revenues and expenses from non-insurance revenues and expenses.	294	3.0	5.0	4.306	0.5677	Very High	
Level of compliance with IFRS 17, disclosures Requirements		294	2.5	5.0	4.038	0.4258	High	5
1.11	The FS of insurance companies include the required financial disclosures to the FS related to the adopted accounting policies.	294	2.0	5.0	3.853	0.6034	Very High	
1.12	The FS of insurance companies include the required financial disclosures related to the assets and liabilities of the insurance contracts and reinsurance contracts, with the breakdown of the remaining coverage commitments and cost of compensation obligations.	294	2.0	5.0	4.331	0.5579	Very High	

1.13	The FS of insurance companies include the required financial disclosures related to the net assets and liabilities of the insurance contracts and reinsurance contracts, as per the sector.	294	2.0	5.0	4.302	0.5785	Very High	
1.14	The FS include the required non-financial disclosures to the FS related to the insurance contracts under IFRS 17, such as the insurance contracts bearing non-insurance components (investment component or service component).	294	2.0	5.0	3.666	0.6745	High	
Timing of the adoption and overall implementation of IFRS 17		294	2.0	5.0	4.195	0.4618	High	1
1.15	Currently, the listed insurance companies fully implement the IFRS 17 in developing their FS.	294	2.0	5.0	3.874	0.5552	High	
1.16	The insurance companies have adopted IFRS 17 since the effective date of January 1, 2023, and have developed their FS using the standard.	294	2.0	5.0	4.517	0.6594	Very High	
Total for the IFRS 17 implementation		294	2.94	4.94	4.10	0.32	High	

Source: The Researcher's own work – statistical analysis of the data.

As the table above illustrates, the mean scores of the first domain are the level of IFRS 17 implementation by the Palestinian and Jordanian companies. The mean score of the total domain is (4.10), which indicates the high level of implementation, in which the lowest mean score was for the paragraph “Level of compliance with IFRS 17, disclosures Requirements” (Mean=4.038=/High Level), and the highest mean was for the paragraph “Timing and overall implementation” (Mean=4.195/close to Very High Level).

4.4.4. The impact on Financial Reporting Quality

The main question of the study was: Did the implementation of IFRS 17 “Insurance Contracts” enhance Financial Reporting Quality of insurance companies in Palestine and Jordan? And the Sub-question (a) of the main one was: Did the implementation of IFRS 17 “Insurance

Contracts” Enhance the Transparency of Insurance companies' FS in Palestine and Jordan? The following section deals with answering this sub-question.

4.4.4.1. The impact of IFRS 17 Implementation on Transparency

Table (4.9) illustrates the impact of IFRS 17 implementation on the transparency of financial reporting in insurance companies. The overall mean score for the transparency dimension was 4.2397, indicating that the implementation of IFRS 17 significantly enhanced the transparency of financial information. The findings show that the use of updated assumptions, improved disclosure practices, and the separation of revenues and expenses is associated with higher-quality financial information. The highest mean score was associated with disclosures related to insurance contract obligation components, demonstrating a notable improvement in transparency compared to IFRS 4.

Table 4.9: The Impact of IFRS 17 Implementation on Transparency

2 Component Two: Assessing the Impact of IFRS 17 Implementation on Transparency of Information in the FS of the Insurance Companies.							
	The sentence for assessing the impact of implementation on Transparency	No.	Mi n	Ma x	Mean	Std	Resp onse
2.1	The use of updated assumptions regarding the expected cash flow improves the measurement of the value of insurance contracts and reflects any economic disparity between the current values of assets and liabilities.	294	2.0	5.0	4.393	0.6027	Very High
2.2	The use of the updated time value of money in estimating future payments improves the measurement of the insurance contracts' obligations.	294	2.0	5.0	4.513	0.5941	Very High
2.3	Using updated assumptions about the discount rate as of the reporting date better reflects the company's expectations regarding the settlement of insurance contract liabilities.	294	3.0	5.0	4.449	0.5805	Very High
2.4	Using updated assumptions about non-financial risks as of the reporting date helps better reflect the company's expectations regarding the settlement of insurance contract liabilities and reveals any economic variance between the present value of assets and liabilities.	294	3.0	5.0	3.918	0.5665	High
2.5	The use of the updated time value of money in estimating the future payments improves the measurement of the insurance contract's value and leads to a fairer presentation of the costs of compensation.	294	3.0	5.0	4.578	0.5533	Very High
2.6	Using a discount rate that reflects the characteristics of the company's cash flows to measure insurance contracts makes the FS reflect the risks arising from insurance liabilities that are not economically matched by assets with equivalent risk and duration.	294	3.0	5.0	3.989	0.4921	Very High
2.7	Providing information about the different components of current and future profitability arising from insurance contracts (recognizing revenue in parallel with the provision of insurance services) improves the quality of information about profitability.	294	3.0	5.0	4.268	0.5657	Very High

2.8	Providing information about the expected insurance contracts' profits in a comparable manner improves the information on the profitability of the insurance company.	294	2.0	5.0	3.942	0.661	High
2.9	Segregation of revenues and expenses items related to the insurance contracts from the other revenues and expenses improves the information about the profitability.	294	2.0	5.0	3.765	0.6474	High
2.10	Recognizing revenues in proportion to the period of insurance coverage provided (excluding deposits), similar to other sectors, enhances the understandability of profit or loss for companies issuing insurance contracts. Therefore, improves the understandability of different sectors for ordinary investors.	294	3.0	5.0	4.159	0.5337	High
2.11	Disclosure of changes in the carrying amount of insurance contracts resulting from cash flows (recognized income or loss) enhances the transparency of information regarding profitability.	294	3.0	5.0	4.483	0.5941	Very High
2.12	Disclosing the insurance contracts' obligations components improves the transparency of information on the insurance contracts' liabilities.	294	2.0	5.0	4.511	0.5649	Very High
2.13	Grouping the Insurance contracts based on the similarities of risks, profitability, and period of issuance to be managed together improves the information on the company's profitability portfolio.	294	2.0	5.0	4.102	0.6041	High
2.14	Disclosing the insurance risks and the financial risks improves the quality of information provided to the users about the nature and the timing of the cash flow.	294	2.0	5.0	4.037	0.6318	High
2.15	Overall, the Implementation of IFRS 17 has improved transparency and provided more useful financial information to users compared to IFRS 4.	294	2.0	5.0	4.472	0.6380	Very High
Total impact on Transparency		294	3.0	5.0	4.2397	0.3384	Very High

Source: The Researcher's own work – statistical analysis of the data

As the table above illustrates, the mean scores of the second domain are the impact of IFRS 17 implementation on Transparency. The mean score of the total domain is (4.24) which

indicates the very high impact of implementation on transparency. The lowest mean score was for the paragraph “Segregation of revenues and expenses of insurance activities from non-insurance activities” (Mean=4.038=High Level), and the highest mean was for the paragraph “The use of the updated time value of money in estimating the future payments” (Mean=4.578/Very High Level).

4.4.4.2. Impact of IFRS 17 implementation on the comparability

Sub-question (b) of the main one: *Did the implementation of IFRS 17 “Insurance Contracts” Enhance the Comparability of Insurance Companies' FS in Palestine and Jordan?*

Table (4.10) presents the impact of IFRS 17 implementation on the comparability and consistency of FS among insurance companies. The overall mean score for the comparability dimension reached 4.4473, indicating a very high level of improvement in comparability across companies and reporting periods. The results reveal that the unification of accounting frameworks, presentation formats, and disclosure requirements reduced accounting differences among companies. Additionally, separating insurance and non-insurance activities enhanced financial clarity, enabling investors and analysts to make more informed comparisons and decisions.

Table 4.10: The Impact of IFRS Implementation on Comparability

3 Component Three: Measuring the impact on Comparability in the FS of Insurance Companies							
	The sentence for assessing the impact of implementation on comparability	No.	Min	Max	Mean	Std	Response
3.1	Consistency through the use of a unified accounting framework for all insurance contracts eliminates many accounting differences among insurance companies, enabling investors and analysts to better identify the economic similarities, differences, and risks among companies issuing insurance contracts.	294	2.0	5.0	4.578	0.5655	Very High
3.2	Recognizing revenue in proportion to the period of insurance coverage provided (excluding deposits), similar to other sectors, enhances the comparability from one period to another.	294	2.0	5.0	4.547	0.5748	Very High
3.3	Consistency in measuring insurance contracts across multinational companies within the same group enhances the comparability of results by product and by geographic region.	294	2.0	5.0	4.476	0.5822	Very High
3.4	The implementation of IFRS 17 has unified the presentation of the statement of financial position for insurance contract items across all companies that issue insurance contracts, which improves the comparability across the sector.	294	2.0	5.0	4.295	0.5394	Very High
3.5	The implementation of IFRS 17 has unified the presentation of the income statement for insurance contract items across all companies that issue insurance contracts, which improves the comparability across the sector.	294	2.0	5.0	4.534	0.5577	Very High
3.6	The implementation of IFRS 17 has unified the format of disclosures in the FS for all companies that issue insurance contracts and improved the comparability among companies.	294	3.0	5.0	4.469	0.5700	Very High
3.7	Consistency of presentation of FS and disclosures within the group of multinational companies	294	3.0	5.0	4.568	0.5785	Very High

	increase the comparability of the results by product and geographical area.						
3.8	Segregation of revenues and expenses items related to the insurance contracts from the other non-insurance revenues and expenses improves the comparability among companies across the sector.	294	2.0	5.0	4.571	0.5783	Very High
3.9	Segregation of revenues and expenses items related to the insurance contracts from the reinsurance contract operation improves the comparability among companies.	294	3.0	5.0	4.084	0.5833	High
3.10	The unification of the disclosure framework in FS regarding the valuation methods and accounting policies related to insurance contracts improves the comparability of information across all companies.	294	2.0	5.0	4.517	0.5646	Very High
3.11	Presenting the total assets and total liabilities of the issued insurance contracts, separate from the Assets and Liabilities of Reinsurance contracts, improves the comparability in the insurance sector.	294	3.0	5.0	4.275	0.4980	Very High
3.12	Overall, the Implementation of IFRS 17 improved comparability and consistency of the financial information to users compared to IFRS 4.	294	3.0	5.0	4.445	0.6032	Very High
Total impact on Comparability		294	3.0	5.0	4.4473	0.4196	Very High

Source: The Researcher's own work – statistical analysis of the data

As the table above illustrates, the mean scores of the second domain are the impact of IFRS 17 implementation on Comparability. The mean score of the total domain is (4.45) which indicates the very high impact of implementation on comparability of FS. The lowest mean score was for the paragraph “impact of consistency through the use of a unified accounting” (Mean=4.57=/Very High Level), and the highest mean was for the paragraph “Segregation of revenues and expenses items related to the insurance contracts from the reinsurance contract operation” (Mean=4.084/Very High Level).

4.4.5. Correlation Analysis among IFRS 17 Implementation, Transparency, and Comparability

Correlation analysis is one of the key statistical techniques used to understand the nature and strength of the relationships between the study variables.

The correlation results reported in Table (4.11) reveal several important and statistically significant findings.

Table 4.11: Pearson Correlation Coefficients

Variable	Ifrs-imp_scor	Trans_scor	Comp_scor
IFRS17-Imp-scor	1.000		
Trans_scor	0.491**	1.000	
Comp_scor	0.452**	0.723**	1.000

Significance at the 0.01 level (two-tailed) **,

Source: The Researcher's own work – statistical analysis of the data.

First, there is a positive, moderately strong correlation between the level of IFRS 17 implementation and transparency ($r = 0.491$, $p < 0.01$), indicating that higher levels of standard implementation are associated with greater transparency in financial reporting. This relationship is statistically significant at the 0.01 level, which underscores its robustness.

Second, the results show a positive, moderate correlation between the level of IFRS 17 implementation and comparability ($r = 0.452$, $p < 0.01$). Although this coefficient is slightly lower than the correlation with transparency, it remains statistically significant and substantively meaningful.

Third, and most importantly, the table reports a very strong positive correlation between transparency and comparability ($r = 0.723$, $p < 0.01$), which is the highest coefficient in the correlation matrix. This suggests that these two dimensions of FRQ are closely interrelated and that improvements in one dimension are often accompanied by improvements in the other.

Overall, these results support the rationale for employing multiple regression analysis. The correlation coefficients are not so high as to raise concerns about multicollinearity among the independent variables, yet they do indicate statistically meaningful relationships with more detailed examination through regression modelling.

4.4.6. Pearson Correlation Analysis (Inter-Variable Relationships)

Pearson correlation analysis was conducted to examine the strength and direction of the relationships among the study variables. As shown in Table (4.11), the level of IFRS 17 implementation is positively and significantly correlated with transparency ($r = 0.491$, $p < 0.01$) and comparability ($r = 0.452$, $p < 0.01$). In addition, a strong positive correlation is observed between transparency and comparability ($r = 0.723$, $p < 0.01$). All correlations were found statistically significant at the 1% level.

4.4.7. Comparison of Mean Scores between Palestine and Jordan

Table (4.12) shows clear differences in the mean scores of the transparency and comparability variables between the two countries. For the level of IFRS 17 implementation, the means are very close: Jordan records a mean of 4.10 compared with 4.08 for Palestine, a negligible difference of 0.02, indicating a highly similar level of implementation in both jurisdictions. The standard deviation in Jordan (0.30) is lower than in Palestine (0.35), suggesting a higher degree of homogeneity in the responses of Jordanian participants.

Table 4.12: Comparison of Means and Standard Deviations of the Main Study Variables

Variable	No. (Palestine)	Mean (Palestine)	Std. Dev. (Palestine)	No. (Jordan)	Mean (Jordan)	Std. Div. (Jordan)
IFRS 17 Implementation	104	4.08	0.35	190	4.10	0.30
Transparency	104	4.10	0.36	190	4.31	0.32
Comparability	104	4.21	0.44	190	4.58	0.37

Source: The Researcher's own work – statistical analysis of the data

For transparency, there is a more noticeable difference: Jordan's mean is 4.31 versus 4.10 for Palestine, with a gap of 0.21. This difference may reflect variations in the regulatory environment or in the level of understanding and implementation of transparency requirements under the new standard.

The largest and most evident gap appears in comparability, where Jordan scores 4.58 compared with 4.21 for Palestine, a relatively substantial difference of 0.37. This big divergence may be attributable to several factors, including the larger size and longer history of the Jordanian insurance market, the greater number of companies, and a more mature application of international accounting standards, all of which help to facilitate meaningful cross-company comparisons.

These observed mean differences warrant further statistical examination through correlation and inferential testing, which is addressed in the following subsections.

4.4.8. Correlation Analysis between the Geographical Variable and the Study Dimensions

To examine the association between geographical location (Palestine versus Jordan) and the main study variables, a correlation analysis was conducted using the country variable as a dichotomous indicator. The correlations reflect associations rather than causal relationships.

Table 4.13: Correlation Coefficients of Country and the Main Study Dimensions

Variable	No.	Correlation with Country	Sig. (tailed-2)
IFRS 17 Implementation	294	0.026	0.662
Transparency	294	0.297	0.000
Comparability	294	0.423	0.000

Source: The Researcher's own work - Statistical analysis of the data

As shown in Table (4.13), there is no statistically significant relationship between country and the level of IFRS 17 implementation ($r = 0.026$, $p = 0.662$), indicating that implementation levels are similar across both jurisdictions.

In contrast, statistically significant positive correlations are observed between country and transparency ($r = 0.297$, $p < 0.000$) and between country and comparability ($r = 0.423$, $p < 0.000$). These results suggest that respondents in Jordan report higher perceived levels of transparency and comparability compared with those in Palestine.

Overall, the findings indicate that while geographical location does not influence the level of IFRS 17 implementation, it is associated with differences in FRQ dimensions. These relationships are further examined using inferential testing in the following subsection.

4.4.9. Testing for Significant Differences between the Palestinian and Jordanian Environments (Independent Samples t-test)

To examine whether there are statistically significant differences between Palestine and Jordan in the main study variables, an Independent Samples t-test was conducted.

The t-test results reported in Table (4.14) corroborate and clarify the earlier observations from the analysis of means and correlations:

First, for the level of IFRS 17 implementation, there is no statistically significant difference between Palestine and Jordan ($t = -0.438$, $\text{Sig.} = 0.662 > 0.05$). The negative t-value indicates that

Jordan's mean is slightly higher, but the difference is not statistically meaningful. This finding confirms that both countries are progressing at a similar pace in implementing the standard, and that differences in regulatory environment or market size have not materially affected the level of IFRS 17 implementation.

Table 4.14: Results of the Independent Samples t-test between Palestine and Jordan

Variable	Mean (Palestine)	Mean (Jordan)	t-value	Sig. (tailed-2)	Decision
IFRS 17 Implementation	4.08	4.10	0.438-	0.662	No significant difference
Transparency	4.10	4.31	5.323-	0.000	Significant difference
Comparability	4.21	4.58	7.987-	0.000	Significant difference

Source: The Researcher's own work – Statistical analysis of the data

Second, there is a clear and statistically significant difference in transparency between the two countries ($t = -5.323$, $\text{Sig.} = 0.000 < 0.001$) in favor of Jordan (4.31) compared with Palestine (4.10). The relatively large negative t-value and the very low p-value indicate that this difference is not random but reflects a substantive divergence in perceived transparency levels. Although the mean difference (0.21) may appear numerically modest on a 1–5 scale, it is statistically significant and practically relevant. It suggests that respondents in Jordan perceive IFRS 17 as having enhanced transparency to a greater extent than the respondents in Palestine have. It is likely due to factors such as a more mature regulatory environment, more effective supervisory mechanisms, and stronger compliance with disclosure requirements.

Third, there is a statistically significant and relatively large difference in comparability ($t = -7.987$, $\text{Sig.} = 0.000 < 0.001$), again in favor of Jordan (4.58) compared with Palestine (4.21). This is the largest difference among the three variables in terms of absolute t-value and points to comparability as the most pronounced point of divergence between the two markets. The mean difference of 0.37 is relatively substantial and can be explained by several factors, including Jordan's larger and more developed insurance market, the greater number of listed insurers, longer experience with IFRS, and higher quality of professional training and expertise.

Overall, these findings suggest that while implementation levels are comparable across the two countries, perceived improvements in reporting quality, particularly comparability, are greater in Jordan. The implications of these differences are discussed further in Chapter Five.

4.4.10. Institutional and Contextual Role of the country in Interpretation of IFRS 17 Implementation Differences and FRQ

The preceding analyses consistently demonstrate convergence between Palestine and Jordan in the procedural implementation of IFRS 17, with no statistically significant differences in technical compliance. This similarity indicates that regulatory requirements and supervisory pressures have led insurance companies in both countries to implement IFRS 17 in a broadly uniform manner, establishing a common baseline of implementation.

Despite this convergence, significant differences emerge in FRQ outcomes. Jordan records higher levels of transparency and comparability, and both the inferential tests and correlation results confirm that geographical location is associated with stronger FRQ perceptions. These findings suggest that formal compliance with IFRS 17 alone is insufficient to guarantee equivalent improvements in FRQ outcomes.

Further interaction and variance analyses reinforce this interpretation by showing that the strength of the relationship between FRQ dimensions and IFRS 17 implementation varies across countries. Transparency contributes more strongly to implementation in Jordan, while its effect is weaker in Palestine, and additional unexplained country-level variance indicates the influence of broader institutional and environmental factors. The combined effects of transparency and comparability also differ by context, demonstrating that improvements in FRQ are not uniform across jurisdictions.

Overall, the results highlight that IFRS 17 provides a necessary technical foundation, but the extent to which its benefits are realized depends largely on local regulatory effectiveness, market maturity, and institutional capacity. Accordingly, the impact of international accounting standards, including IFRS 17, should be interpreted within their specific contextual environments. These implications are discussed further in Chapter Five.

4.5. Testing the Study Hypotheses and the Study Model

This section empirically tests the study hypotheses by examining the impact of IFRS 17 implementation on Financial Reporting Quality (FRQ) in insurance companies operating in Palestine and Jordan. The analysis proceeds in three stages: testing the main hypothesis using an aggregate FRQ measure, testing sub-hypotheses by disaggregating FRQ into transparency and comparability, and examining the effect of professional experience on the relation across different institutional contexts.

4.5.1. Testing the Main Hypothesis

H1: Implementation of IFRS 17 “Insurance Contracts” has enhanced Financial Reporting Quality of insurance companies in Palestine and Jordan.

To test this hypothesis, a regression model was specified linking the level of IFRS 17 implementation to overall FRQ, while controlling for years of professional experience. FRQ was measured as a weighted composite index encompassing transparency (15 items) and comparability (12 items), reflecting the dual objectives explicitly emphasized by the IASB in IFRS 17.

The empirical model (number 1) is operationalized as follows:

$$FRQ_{it} = \beta_0 + \beta_1 IFRS17_{it} + \beta_2 Experience_{it} + \varepsilon_{it}$$

Where:

- FRQ: Financial Reporting Quality for company i at time t
- IFRS17: Level of IFRS 17 implementation
- Experience: Years of respondent experience
- β_0 : Constant, β_1 and β_2 : Regression coefficients, ε : Error term

The model was estimated using Ordinary Least Squares (OLS) across three samples: the full sample (n = 294), which includes the Palestinian sample (n = 104), and the Jordanian sample (n = 190), after confirming that all relevant statistical assumptions were satisfied. OLS was selected due to its robustness in estimating linear relationships between IFRS 17 implementation and FRQ, while controlling for individual experience.

A- Main Hypothesis Test Results for the Total Sample

- Adjusted $R^2 = 0.252$, $F = 50.12$, $p < 0.001$
- IFRS 17: $\beta = 0.509$, $t = 10.01$, $p < 0.001$ → strong positive effect on FRQ
- Experience: $\beta = -0.065$, $p = 0.203$ → not significant

The results for the total sample indicate that the model explains a meaningful proportion of variation in FRQ (Adjusted $R^2 = 25.2\%$). While this explanatory power may appear moderate, it is substantively strong within the context of accounting field studies, where FRQ is shaped by multiple institutional, regulatory, and organizational factors beyond the accounting standard itself.

Table 4.15: Regression Analysis Results for H1 – Total Sample

Model Summary	Value
R^2	0.257
Adjusted R^2	0.252
F-statistic	50.12
Sig.	0.000
Std. Error of Estimate	0.300

Source: Prepared by the researcher based on SPSS output

Table 4.16: Regression Coefficients for H1, Total Sample

Variable	B	Std. Error	Beta	t	Sig.
Constant	2.127	0.228	-	9.31	0.000
IFRS 17 Implementation	0.554	0.055	0.509	10.01	0.000
Years of Experience	0.018-	0.014	0.065-	1.28-	0.203

Source: Prepared by the researcher based on SPSS output

More importantly, IFRS 17 implementation exhibits a strong and highly significant positive effect on FRQ ($\beta = 0.509$, $p < 0.001$). Substantively, this indicates that a one-standard-deviation increase in implementation intensity is associated with approximately a half-standard-deviation improvement in FRQ. This finding provides robust empirical evidence that IFRS 17 functions not merely as a formal compliance requirement, but as an effective mechanism for enhancing the informational FRQ.

In summary, the empirical findings support the acceptance of the main hypothesis (H1), indicating that the implementation of IFRS 17 “Insurance Contracts” has enhanced the financial

reporting quality of insurance companies in Palestine and Jordan. The magnitude and role of experience differ by institutional context, highlighting the importance of contextual factors in interpreting the impact of accounting standards.

B- Effect of years of experience on the First Hypothesis

Years of experience demonstrated differential effects across analytical models. In the aggregate model, measuring overall FRQ ($\beta = 0.065$, $p = 0.203$). However, experience had a significant positive impact on FRQ in Palestine ($\beta = 0.218$, $p = 0.005$), particularly enhancing transparency ($\beta = 0.185$, $p = 0.021$) and comparability ($\beta = 0.241$, $p = 0.002$). In contrast, experience showed no significant effect in Jordan, indicating that in less mature institutional environments, individual expertise is a key driver of FRQ, whereas in more developed markets, standardized procedures and institutional support reduce reliance on individual experience.

C- Main Hypothesis Test Results – Palestinian Sample

In Palestine ($n = 104$), the results differ notably from the total sample. The regression model explained 42.9% of FRQ variance (Adjusted $R^2 = 0.429$, $F = 39.25$, $p < 0.001$). IFRS 17 implementation showed a strong positive effect on FRQ ($\beta = 0.604$, $p < 0.001$), while years of experience also contributed positively ($\beta = 0.218$, $p = 0.005$), reflecting the importance of professional expertise in a less mature institutional environment.

The results support Hypothesis (H1) for the Palestinian sample, indicating that the implementation of IFRS 17 has significantly enhanced the FRQ of insurance companies in Palestine.

Table 4.17: Regression Analysis Results for H1, Palestine

Model Summary	Value
R ²	0.440
Adjusted R ²	0.429
F-statistic	39.25
Sig.	0.000
Std .Error of Estimate	0.326

Source: Prepared by the researcher based on SPSS output

Table 4.18: Regression Coefficient for H1, Palestine

Variable	B	Std . Error	Beta	t	Sig.
Constant	1.476	0.305	-	4.84	0.000
IFRS 17 Implementation	0.580	0.072	0.604	8.02	0.000
Years of Experience	0.075	0.026	0.218	2.90	0.005

Source: Prepared by the researcher based on SPSS output

D- Main Hypothesis Test Results – Jordanian Sample

In Jordan (n = 190), the model explained 13.1% of FRQ variance (Adjusted R² = 0.131, F = 15.21, p < 0.001). IFRS 17 implementation remained significant ($\beta = 0.374$, p < 0.001), but years of experience had no effect ($\beta = -0.097$, p = 0.158), consistent with Jordan's more developed market and institutional support.

The results support Hypothesis (H1) for the Jordanian sample, indicating that the implementation of IFRS 17 has significantly enhanced the Financial Reporting Quality of insurance companies in Jordan.

In other words, Standard 17 in Jordan was not a "revolution" as much as it was a "development" of an already existing quality system. Therefore, its relative impact ($\beta = 0.374$) appears weaker than in Palestine, although it remains strong and statistically significant (p < 0.001). Jordanian companies that were already providing high-financial reporting quality under IFRS 4 benefited from IFRS 17 to a relatively lesser degree compared to their Palestinian counterparts, who were starting from a lower baseline.

Table 4.19: Regression Analysis Results for H1, Jordan

Model Summary	Value
R ²	0.140
Adjusted R ²	0.131
F-statistic	15.21
Sig.	0.000
Std .Error of Estimate	0.224

Source: Prepared by the researcher based on SPSS output

Table 4.20: Regression Coefficients for H1, Jordan

Variable	B	Std . Error	Beta	t	Sig.
Constant	2.811	0.307	-	9.15	0.000
IFRS 17 Implementation	0.412	0.075	0.374	5.47	0.000
Years of Experience	0.021-	0.015	0.097-	1.42-	0.158

Source: Prepared by the researcher based on SPSS output

Years of experience, again, showed no statistical significance ($p = 0.158$), unlike in Palestine. This is entirely consistent with institutional logic: in an advanced environment, systems and institutional procedures replace individual experience. Jordanian companies rely on sophisticated accounting software, specialized work teams, and partnerships with major audit firms. In this context, individual experience dissolves into collective structure and ceases to be a differentiating determinant.

E- Comprehensive Comparison between Both Environments

The horizontal comparison reveals clear patterns.

- The standard 17 enhanced FRQ in both countries, though the magnitude varies by institutional context: strongest in Palestine, where the standard represented a

"qualitative leap," and relatively weaker in Jordan, where it was a "developmental step" within a continuous trajectory.

- Individual experience plays a role in less institutionally mature environments (Palestine), while its importance diminishes in advanced environments that rely on collective systems and procedures (Jordan).

The table below summarizes the comparison of H1 test results by country and the total sample.

Table 4.21: Comparison of H1 Results by Country and Across the Sample

Indicator	Total Sample	Palestine	Jordan
Adjusted R²	%25.2	%42.9	%13.1
IFRS 17 Impact (Beta)	**0.509	***0.604	***0.374
IFRS 17 Significance	0.000	0.000	0.000
Experience Impact (Beta)	0.065-	*0.218	0.097-
Experience Significance	0.203	0.005	0.158
Std. Error	0.300	0.326	0.224

** ,p < 0.001, * ,p < 0.01

Source: Prepared by the researcher

4.5.2. Testing Sub-Hypotheses: Disaggregating Financial Reporting Quality (FRQ)

While Model 1 demonstrated that Standard 17 improves overall FRQ, the deeper question remains through which channels this improvement is achieved. Does the improvement occur uniformly across all quality dimensions, and whether certain dimensions are more responsive than others?

To answer this question, FRQ was disaggregated into its two fundamental components (transparency and comparability) and tested each component separately. This disaggregation is not merely technical but also theoretical, drawing on the Effects Analysis issued by the IFRS Foundation, which clearly identified that Standard 17 was designed to achieve two distinct

objectives: enhancing transparency (through detailed disclosure of assumptions and risks) and improving comparability (through standardizing measurement treatments).

The Sub-Models are operationalized as follows:

a- Sub-Model 1a – Transparency:

$$Transparency_{it} = \beta_0 + \beta_1 IFRS17_{it} + \beta_2 Experience_{it} + \varepsilon_{it}$$

b- Sub-Model 1b – Comparability:

$$Comparability_{it} = \beta_0 + \beta_1 IFRS17_{it} + \beta_2 Experience_{it} + \varepsilon_{it}$$

These two sub-models are structurally identical to Model 1 but target different dependent variables. Transparency was measured through 15 items covering the disclosure quality of actuarial assumptions, risk margins, and future cash flows. Comparability was measured through 12 items assessing the standardization of accounting treatments across companies and times. The pooled regression analyses for both sub-models revealed strong and consistent support for IFRS 17's impact on both dimensions of FRQ, though with notable differences in explanatory power and the role of professional experience.

4.5.2.1. First Sub-Hypothesis H1a Test Results

H1a: The Implementation of IFRS 17 “Insurance Contracts” has significantly increased the transparency of insurance companies' FS in Palestine and Jordan.

A. Result of the total sample

For Transparency (Sub-Model, 1a), in the total sample (n = 294), the combined model achieved an adjusted R² of 23.3%, with IFRS 17 implementation demonstrating a highly significant positive effect ($\beta = 0.491$, $p < 0.001$). This indicates that the standard has substantially enhanced disclosure quality regarding actuarial assumptions, the CSM, risk adjustments, and the separation of insurance and investment components. Years of experience did not show a significant

effect at the aggregate level ($\beta = -0.054$, $p = 0.296$), suggesting that the standard's structured disclosure requirements enable transparency improvements regardless of individual experience levels when both markets are combined.

Accordingly, Sub-Hypothesis (H1a), which states, “*the implementation of IFRS 17 ‘Insurance Contracts’ has significantly increased the transparency of insurance companies’ financial statements in Palestine and Jordan,*” is accepted. This conclusion is supported by strong and consistent statistical evidence, with results demonstrating a high level of significance ($p < 0.001$) across all sampled observations.

The picture here is familiar but not identical. Standard 17 clearly improves transparency across all samples, but to varying degrees among countries.

B. Palestine

In Palestine ($n = 104$), the strongest impact ($\beta = 0.568$) reflects the reality that the standard imposed a qualitative leap in disclosure culture. Palestinian companies, which previously sufficed with general disclosures, are now obligated to detail their actuarial assumptions and CSM components. This transformation was not smooth, but it was effective.

The results support Sub-Hypothesis (H1a) for the Palestinian sample, indicating that the implementation of IFRS 17 has significantly enhanced the transparency of insurance companies’ financial statements in Palestine.

C. Jordan

In Jordan ($n = 190$), the impact is relatively weaker ($\beta = 0.333$), not because the standard failed, but because transparency was already advanced. The Central Bank of Jordan required companies, even under Standard 4, to provide detailed disclosures about technical provisions and discount rate assumptions. Standard 17, therefore, improved transparency but did not “invent” it from scratch.

Sub-Hypothesis H1b is also supported for Jordan, indicating that the implementation of IFRS 17 has significantly enhanced the transparency of insurance companies’ financial statements in Jordan.

Experience, again, shows significance only in Palestine ($\beta = 0.185$, $p = 0.021$), reflecting that in less developed environments, the expert accountants are critical for translating complex disclosure requirements into actionable reports. In Jordan, automated systems handle this task.

Table 4.22: Testing IFRS 17 Implementation Impact on Transparency – Three Samples

Sample	Adj. R ²	Standard Beta	Standard Sig.	Experience Beta	Experience Sig.
Total (n=294)	0.233	**0.491	0.000	0.054-	0.296
Palestine (n=104)	0.367	**0.568	0.000	*0.185	0.021
Jordan (n=190)	0.105	**0.333	0.000	0.117-	0.092

** $p < 0.001$, * $p < 0.05$

Source: Prepared by the researcher based on SPSS output

4.5.2.2. Second Sub-Hypothesis H1b, Test Results:

H1b: Implementation of IFRS 17 “Insurance Contracts” has significantly increased the comparability of insurance companies' FS in Palestine and Jordan.

A. Result of the Total Sample

For the total sample (n =294), the pooled regression analysis for both countries demonstrated that comparability represents one of the most successful outcomes of IFRS 17 implementation. The combined model achieved an adjusted R² of 19.9%, with IFRS 17 implementation showing a highly significant positive effect ($\beta = 0.454$, $p < 0.001$). This indicates that the standard has successfully achieved its core design objective of eliminating accounting diversity through standardized measurement models (GMM, VFA, and PAA) and uniform presentation and disclosure requirements.

At the aggregate level, years of experience did not show a significant effect ($\beta = -0.067$, $p = 0.207$), suggesting that the standard's impact on comparability operates independently of

individual professional experience when both countries are considered together. This aggregate mask highlights important contextual differences between the two markets, where experience plays vastly different roles depending on the institutional maturity and support infrastructure available.

The combined results confirm that FS have become tangibly more comparable across intra-country, cross-border, and cross-sector dimensions, with a mean comparability score of 4.45, the highest among all study dimensions, validating the IASB's primary objective for the standard.

Therefore, Sub-Hypothesis (H1b) is accepted, indicating that the implementation of IFRS 17 “Insurance Contracts” has significantly increased the comparability of insurance companies’ financial statements in Palestine and Jordan, based on strong statistical significance across all samples ($p < 0.001$).

B. Palestine

In Palestine ($n = 104$), Comparability is similar to the previous, with more details. The adjusted R^2 jumps to 43.5%, the highest figure recorded across all models. This means Standard 17 succeeded in standardizing accounting practices. Palestinian companies, before the standard, applied radically different approaches: some used the earned premiums method, others deferred revenues, and yet others did not separate investment components from insurance. Today, all apply the same three models (GMM, VFA, and PAA) under the same conditions.

Notably, experience in Palestine recorded its highest impact ($\beta = 0.241$, $p = 0.002$). This is perfectly logical: implementing complex measurement models, especially the GMM, requires high analytical capabilities available only to the most experienced accountants. Unlike Jordan, which relied on specialized software to facilitate this task, in Palestine, reliance was more on human expertise.

The results support Sub-Hypothesis (H1b) for the Palestinian sample, indicating that the implementation of IFRS 17 has significantly enhanced the comparability of insurance companies’ financial statements in Palestine.

Table 4.23: Testing IFRS 17 Implementation Impact on Comparability – Three Samples

Sample	Adj .R ²	Standard Beta	Standard Sig.	Experience Beta	Experience Sig.
Total (n=29)	0.199	***0.454	0.000	0.067-	0.207
Palestine (n=104)	0.435	***0.598	0.000	**0.241	0.002
Jordan (n=190)	0.087	***0.314	0.000	0.055-	0.436

*** ,p < 0.001, ** p < 0.01

Source: Prepared by the researcher based on SPSS output

C. Jordan

In Jordan (n = 190), despite a significant impact ($\beta = 0.314$), explanatory power is modest (8.7%). The reason is clear: comparability was already advanced due to stringent oversight and an active capital market. Jordanian companies were subject to unified accounting standards and external audits by international firms, limiting variation in practices. Standard 17 reinforced this standardization but did not revolutionize it.

Experience was not significant ($\beta = -0.055$, $p = 0.436$), consistent with the advanced institutional environment. Sub-Hypothesis H1b is supported for Jordan as well.

4.5.3. Summary of Hypothesis Testing

This section synthesizes the empirical findings presented above and provides an integrated assessment of the study's hypotheses. The main Hypothesis H1, as well as the two sub-hypotheses, H1a and H1b, are fully supported. Both the aggregate results, as well as the country-specific analyses for Palestine and Jordan, support the hypothesis that IFRS 17 implementation has enhanced FRQ. Therefore, the standard has successfully achieved its core objectives of improving transparency and comparability at the regional level, although the mechanisms through which these improvements occur differ across institutional contexts.

Across the full sample and within each country sub-sample, all hypothesized relationships are empirically supported. IFRS 17 implementation exhibits a statistically significant positive

effect on overall FRQ, as well as on its key dimensions of transparency and comparability. However, the magnitude of these effects varies between Palestine and Jordan, reflecting differences in institutional maturity, market structure, and supporting infrastructure.

In Palestine, IFRS 17 represents a substantial structural shift in financial reporting practices, with individual professional experience playing a critical role in enabling effective implementation. In contrast, in Jordan, the standard primarily facilitates incremental improvement, as established institutional systems, regulatory oversight, and technological infrastructure reduce reliance on individual experience while ensuring consistent implementation outcomes.

Importantly, these findings indicate that the successful implementation of international accounting standards extends beyond formal compliance. While IFRS 17 has demonstrably improved FRQ in both contexts, its maximum effectiveness depends on the presence of supportive institutional conditions, including technical infrastructure, human capital development, and qualitative regulatory oversight. Accordingly, the implementation of international standards should be viewed not as an endpoint, but as part of a broader, long-term process of institutional and professional capacity building, particularly in emerging markets.

Table 4.24: Summary of All Hypothesis Test Results

Hypothesis	Model	Sample	Result	Beta	Sig.
H1: IFRS17 \Rightarrow FRQ	Model 1	Total	Accepted	0.509	0.000
		Palestine	Accepted	0.604	0.000
		Jordan	Accepted	0.374	0.000
H1a: IFRS17 \Rightarrow Transparency	Model 1a	Total	Accepted	0.491	0.000
		Palestine	Accepted	0.568	0.000
		Jordan	Accepted	0.333	0.000
H1b: IFRS17 \Rightarrow Comparability	Model 1b	Total	Accepted	0.454	0.000
		Palestine	Accepted	0.598	0.000
		Jordan	Accepted	0.314	0.000

Source: Prepared by the researcher – Summary of regression analysis results

Overall, IFRS 17 has proven to be an effective instrument for enhancing FRQ, with its ultimate impact shaped by institutional capacity and resource availability.

4.5.4. The Effect of the Level of Experience on the IFRS 17 Implementation Impact on FRQ

Although professional experience was included as a control variable, its effect on FRQ exhibits notable variation across contexts.

4.5.4.1. The Effect of Experience on Overall FRQ

A- Aggregate-level results

At the aggregate level, years of experience demonstrated no positive effect on overall impact on FRQ ($\beta = -0.065$, $p = 0.203$). This result indicates a meaningful positive association between professional experience and enhanced reporting outcomes under IFRS 17, after controlling for the standard's implementation effect. However, these aggregate results mask important contextual differences between the two markets.

B- Palestine

In Palestine, experience appears to play a more significant role, as evidenced by its significant effects on both transparency and comparability dimensions. This reflects an institutional reality where formal training infrastructure, specialized software, and technical support systems are still developing, making individual professional expertise a critical compensatory mechanism.

C- Jordan

In Jordan, the effect of experience is substantially diminished or absent, suggesting that the mature institutional environment, characterized by stringent regulatory oversight, the presence of international audit firms, standardized training programs, and advanced technological systems, reduce reliance on individual experience levels.

The positive aggregate effect validates the notion that foundational accounting knowledge, professional judgment capabilities, and cumulative exposure to complex technical requirements continue to provide advantages in implementing IFRS 17, despite the standard's introduction of novel concepts unfamiliar to practitioners previously operating under IFRS 4.

4.5.4.2. The Effect of Experience on Transparency

The effect of professional experience on transparency outcomes reveals pronounced contextual divergence between the two markets:

A- Aggregate-level results

At the aggregate level, years of experience did not show a statistically significant effect on transparency ($\beta = -0.054$, $p = 0.296$). This non-significant aggregate result reflects the offsetting effects of experience across heterogeneous institutional settings, rather than the absence of an underlying relationship. The result hides the opposing patterns observed in each country individually.

B- Palestine

In Palestine, experience emerged as a significant positive predictor of transparency ($\beta = 0.185$, $p = 0.021$), with the model achieving an adjusted R^2 of 36.7%. This finding indicates that experienced accountants in Palestine are better equipped to translate the complex disclosure requirements of IFRS 17 into actionable reporting.

C- Jordan

In Jordan, experience showed no significant effect on transparency ($\beta = -0.117$, $p = 0.092$), with the model achieving only a modest adjusted R^2 of 10.5% as standardized disclosure systems and institutional guidance ensure high transparency regardless of individual experience.

This pattern underscores that in developing markets, professional experience serves as a substitute for institutional infrastructure, whereas in mature markets, institutional mechanisms substitute for individual experience.

4.5.4.3. The Effect of Experience on Comparability

The impact of professional experience on comparability demonstrates the most pronounced contextual variation observed across all dimensions:

A- Aggregate-level results

At the aggregate level, years of experience did not show a statistically significant effect on comparability ($\beta = -0.067$, $p = 0.207$).

B- Palestine

In Palestine, experience recorded its highest and significant impact across all models ($\beta = 0.241$, $p = 0.002$), with the comparability model achieving the study's highest adjusted R^2 of 43.5%. This exceptionally strong effect reflects the technical complexity involved in implementing IFRS 17's measurement models, particularly the GMM, where human judgment remains critical. In Palestine's developing institutional context, specialized actuarial software is limited, and formal training programs are emerging. These tasks rely heavily on the analytical capabilities and professional judgment of experienced accountants.

C- Jordan

In Jordan, experience showed **no significant effect** on comparability ($\beta = -0.055$, $p = 0.436$), with the model achieving only a modest adjusted R^2 of 8.7%. This finding is consistent with the advanced institutional infrastructure and widespread availability of technical support systems.

4.6. Comprehensive Comparative Analysis and Context Interpretation

Although cross-country comparison was not a primary objective of this study, a contextual comparison between Palestine and Jordan provides valuable insights into how institutional environments shape financial reporting outcomes under IFRS 17.

4.6.1. Horizontal Comparison: Financial Reporting Quality across Countries

Table (4.25) summarizes the key differences between the two institutional environments. Reported IFRS 17 implementation levels are virtually identical between Palestine and Jordan (4.09 versus 4.10, $p = 0.770$), suggesting comparable levels of procedural implementation in both countries. This indicates that firms in both contexts responded similarly to the formal requirements of the standard. However, procedural implementation alone does not necessarily translate into equivalent qualitative outcomes.

Despite similar implementation levels, Jordan significantly outperforms Palestine in transparency (4.31 versus 4.11, $p < 0.001$) and by a larger margin in comparability (4.58 versus 4.21, $p < 0.001$). These differences are unlikely to be coincidental and appear closely associated with variations in market depth and institutional maturity. The Jordanian insurance market - comprising 24 listed insurance companies, a long-established central regulatory authority, and the extensive presence of international audit firms - operates within a competitive environment that incentivizes FRQ. In this context, disclosure quality is driven not only by compliance requirements but also by investor expectations and peer comparability pressures

By contrast, the Palestinian insurance market is characterized by a smaller number of listed companies (eight listed companies), a relatively young capital market authority, and limited access to specialized consulting services, and remains in a foundational development phase. While compliance with IFRS 17 is evident, institutional depth and supporting infrastructure are still evolving.

Table 4.25: Comparison of Means and Standard Deviations between Palestine and Jordan

Variable	Palestine (n=104)	Jordan (n=190)	Difference	t-value	Sig.
IFRS 17 Implementation	(0.45) 4.09	(0.22) 4.10	0.01-	0.29-	0.770
Transparency	(0.45) 4.11	(0.23) 4.31	0.21-	5.21-	***0.000
Comparability	(0.45) 4.21	(0.34) 4.58	0.37-	7.88-	***0.000
FRQ	(0.43) 4.15	(0.24) 4.43	0.28-	7.08-	***0.000
Years of Experience	(1.26) 4.08	(1.11) 3.27	0.80+	5.64+	***0.000

$p < 0.001$ *** Numbers in parentheses represent standard deviations.

Source: Prepared by the researcher based on an independent samples t-test

Most notable findings in Table (4.25) are the difference in years of experience (4.08 versus 3.27, $p < 0.001$). Palestinian respondents are significantly more experienced, which may help explain why experience was a significant factor in Palestine but not in Jordan. In an environment lacking sophisticated systems, Palestinian companies were forced to rely on their most experienced staff to implement the standard, while Jordanian companies benefited from the advanced automated systems, and consulting partnerships handled the task regardless of individual experience.

4.6.2. Contextual Interpretation: Differences Interpretation

The preceding results are not merely numbers but mirrors reflecting different economic and institutional environments. Three main factors explain the variations between Palestine and Jordan:

A- Market Size and Depth

The Jordanian market includes 14 listed insurance companies with total annual revenues of around one billion USD, compared to eight Palestinian companies with around 40% of the revenues of Jordanian listed companies. This size creates a critical mass that justifies investment in technical and human infrastructure. Jordanian companies invested substantial financial resources in specialized actuarial software, while some Palestinian companies continue to rely on non-integrated systems and manually adapted spreadsheets with the existing accounting systems.

B- Regulatory Environment

The Central Bank of Jordan has maintained a specialized insurance supervision department for decades and issued detailed instructions for implementing IFRS 17 two years before the deadline. While PCMA, despite its reaction being before the effective date of the standard, was later than the CBJ reaction efforts, it is still building its regulatory capacities in relation to the insurance sector, as well as other areas. The difference lies in the historical accumulation of regulations and practice.

C- Professional and Consultancy Availability

Jordan hosts full-service branches of large international audit firms that provide extensive actuarial and IFRS 17 consulting services to insurance companies. In Palestine, the limited market size, coupled with geopolitical and economic constraints, restricts the presence of both international and specialized national audit firms. Most of the insurance companies in Palestine rely on actuaries from outside Palestine due to the limited number of actuaries in Palestine. This limitation affects the depth and sophistication of implementation support available to local insurers.

In summary, Uniform Implementation Does Not Mean Uniform Results. The most important conclusion from this comparative analysis is that compliance with the international accounting standards is insufficient to guarantee equal quality. Palestine and Jordan implemented the same standard with the same degree of procedural commitment, but outcomes differed. These findings challenge the implicit assumption in international accounting literature that international standards work in a "one-size-fits-all" manner.

Reality is more complex. Standard 17, like any international standard, requires a "host environment" to realize its full potential. In a resource-rich, institutionally mature environment supported by stringent oversight, the standard unleashes substantial improvements. In a resource-limited, recently regulated environment, the standard achieves tangible progress but remains below its potential.

This interpretation does not diminish the value of the Palestinian experience and achievement but places it in its proper context. The qualitative leap Palestine achieved, from Standard 4 to Standard 17, may be greater than the gradual improvement Jordan experienced. However, the starting point each country departs from determines the distance it travels.

4.7. Inferential Analysis of the Results and Strategic Implications

Building on the descriptive and multivariate analyses presented earlier in this chapter, this section synthesizes the inferential findings derived from hypothesis testing and advanced statistical models. The objective is to identify the underlying patterns and explanatory mechanisms governing IFRS 17 implementation and FRQ across the Palestinian and Jordanian contexts.

4.7.1. Variation in Quality Drivers

The study demonstrates that the application of IFRS 17 is not a rigid, one-size-fits-all model, but rather interacts with the local institutional and professional environments. In Palestine, the outcome of the comparability emerged as the only statistically significant driver, reflecting Palestinian insurers' desire to obtain international legitimacy and align with external markets. In Jordan, by contrast, transparency and comparability operated jointly and in harmony, indicating a higher level of maturity in internalizing the multiple objectives of IFRS 17.

4.7.2. Compliance versus the FRQ

This is arguably the most prominent result of the research. Although both countries exhibit similar levels of technical implementation (compliance with instructions), Jordan significantly outperforms Palestine in terms of output quality (transparency and comparability). This demonstrates that the mere application of the standard does not automatically guarantee quality; rather, a supportive institutional environment, professional infrastructure, and market depth are necessary to unlock the latent benefits embedded in IFRS 17.

4.7.3. Integration of FRQ dimensions

The inferential results confirm that transparency and comparability are not isolated dimensions ($r = 0.723$), but are characterized by exceptional integration and interdependence. This linkage reinforces the soundness of the study's conceptual model and indicates that any regulatory effort to enhance transparency improves comparability, thereby increasing the overall informational value of financial reports.

4.7.4. Human and cognitive factors

Through the Weighted Least Squares (WLS) models, the study shows that quality is not achieved solely by administrative decision, but through investment in human resources. The jump in explanatory power after introducing training variables confirms that individual competence is the mediating factor that transforms the static text of the standard into high-quality financial data. This finding highlights the critical role of applied expertise rather than passive familiarity with the standard.

Implications:

- **Developing markets:** Investment in professional training, continuous learning programs, and experience-sharing mechanisms is critical to complement limited technological and institutional infrastructure.
- **Mature markets:** Focus should be on maintaining institutional systems, software solutions, and standardized guidance to ensure consistent FRQ outcomes regardless of individual experience.
- **Standard setters:** Implementation success depends on recognizing how institutional support mechanisms can complement professional expertise in diverse contexts.

4.7.5. Methodological Reliability

The robustness of the findings is reinforced by the high internal consistency of the research instrument (Cronbach's Alpha = 0.967) and the strong professional profile of the respondents, the majority of whom possess more than nine years of relevant experience. These characteristics enhance the credibility of the inferential conclusions and support their use as a reliable empirical basis for further theoretical interpretation.

4.7.6. Contextual Specificity of IFRS 17 Outcomes

The country-specific analysis highlights that IFRS 17 implementation outcomes are contextually dependent:

- **Palestine:** The standard represents a substantial structural shift, with individual experience critical to implementation success ($R^2 = 0.405$).
- **Jordan:** Implementation quality is more balanced across transparency, comparability, and institutional factors, with lower explanatory power ($R^2 = 0.131$).
- The three-way interaction between country, transparency, and comparability underscores that IFRS standards do not operate uniformly across environments.

4.7.7. Key Strategic Inferences

Based on the empirical results, the main strategic insights are:

1. Procedural compliance alone is insufficient. High-quality financial reporting requires institutional support, professional competence, and market maturity.
2. Applied competence is critical. Practice-oriented training to achieve effective implementation must complement technical familiarity with IFRS 17.
3. Institutional and human mechanisms are substitutes or complements. In developing markets, individual expertise drives outcomes; in mature markets, institutional frameworks and technology reduce reliance on personal experience.
4. Integrated FRQ dimensions enhance outcomes. Improvements in transparency inherently support comparability, increasing overall reporting quality.
5. Policy implications for regulators and standard setters. Implementation support should be context-specific, providing technical guidance, professional training, and infrastructure support tailored to the institutional maturity of the market.

In summary, IFRS 17 implementation enhances financial FRQ in both Palestine and Jordan, but its impact is shaped by context. In Palestine, professional expertise drives transparency and comparability, compensating for developing institutional support, while in Jordan, mature regulatory and technological systems ensure consistent outcomes with less reliance on individual

experience. These findings show that effective IFRS 17 adoption extends beyond compliance, requiring applied competence, supportive infrastructure, and tailored strategies. Successful implementation depends on aligning standards with professional capacity and institutional maturity, emphasizing the importance of training, guidance, and context-sensitive approaches to maximize financial reporting quality across diverse markets.

4.8. Comparison of the Current Study's Results with Previous Studies

In this section, the results of the statistical analysis of the current study are compared with the existing literature that has examined the impact of IFRS 17 on FRQ. By comparing the findings of this study with those of prior research, points of convergence and divergence can be identified, and these differences can be interpreted in light of varying temporal, geographical, and methodological contexts. This, in turn, enhances the overall understanding of the standard's impact on insurance environments in emerging markets.

This comparison is particularly important because the current study is among the few conducted after the actual implementation of IFRS 17 (post-implementation). It relies on real-world data collected from practitioners and experts who have experienced the application of IFRS 17 for a full three-year period, unlike most previous studies that were based on pre-implementation expectations. This temporal difference gives the present study additional value in validating earlier expectations and providing empirical evidence on the actual impact of the IFRS 17.

4.8.1. Convergence with Studies Predicting a Positive Effect of the Standard

The findings of this study broadly align with the general trend in prior research that predicted a positive impact of IFRS 17 implementation on the FRQ. The study found that the implementation of IFRS 17 has indeed improved the FRQ in both Palestine and Jordan, albeit through different mechanisms, varying magnitudes, and heterogeneous effects. This is consistent with the expectations of many researchers who have examined the standard.

The findings of the current study converge with the Jordanian study by Dahiyat and Owais (2021). The study was conducted before the actual implementation of IFRS 17 and anticipated its

positive effect on FRQ. The results of the present study confirm these expectations, as the main hypothesis was fully supported, demonstrating that both transparency and comparability have improved significantly in Jordan. This convergence strengthens the credibility of theoretically based expectations and confirms that the objectives announced by the IASB have been realized in practice. The key difference, however, is that the current study provides concrete empirical evidence after three full years of application, whereas Dahiyat and Owais (2021) relied on ex-ante expectations.

The present study's findings also align with those of AlHawtmeh (2023). Although AlHawtmeh's research was conducted shortly after IFRS 17 came into force in Jordan, its early timing (before the issuance of the first audited annual reports) limited the strength of its conclusions. The current study agrees with the general conclusion of that research regarding the positive impact of IFRS 17, but it adds greater depth and reliability thanks to the longer observation window (three years), which allowed practitioners to fully internalize the standard and to assess its real effect. Furthermore, the comparative dimension between Palestine and Jordan, which reveals dynamics and aspects not addressed in AlHawtmeh's work, distinguishes the current study.

At the international level, the results are consistent with Mignolet (2017), conducted in Belgium, which anticipated improvements in transparency and comparability. The present study confirms these expectations: strong correlation coefficients ($r = 0.723$ between transparency and comparability) show that the two dimensions operate in a complementary manner. However, the current research also uncovers an important divergence from the European study: in emerging markets such as Palestine and Jordan, the relative weight of each dimension varies according to the maturity of the institutional environment. This aspect was not captured in the European study, which effectively assumed a homogeneous institutional setting.

Another European study by Rajala (2020), conducted in Finland, also aligns with the current findings. Rajala reported that the full benefits of IFRS 17 might take several years to materialize. The results of this study partially support that observation: after three years of implementation, Jordan, the more mature market, has achieved higher levels of transparency and comparability than Palestine, indicating that institutional maturity accelerates the realization of benefits. This confirms that time alone is not sufficient; it must be accompanied by a supportive environment in order to achieve the standard's full impact.

4.8.2. Differentiation from Previous Studies: Unique Contributions of the Current Research

Despite general convergence with earlier research, the current study offers several distinctive contributions, in addition to results that have not been addressed with sufficient depth in the existing literature.

1. Discovering Different Mechanisms for Achieving Quality Improvement: Differential Mechanisms

The study demonstrates that reporting quality is not achieved through a uniform mechanism across environments. In Palestine, comparability emerged as the sole significant driver, whereas in Jordan, transparency and comparability operated jointly. This finding challenges the implicit assumption in much of the literature that IFRS 17 functions identically across markets and can be interpreted through the lens of institutional theory.

2. Distinguishing between Implementation and Quality Improvement: Compliance versus Quality Gap

Another key result, insufficiently highlighted in earlier studies, is the gap between procedural compliance and output quality. This result constitutes an important theoretical contribution. It provides empirical evidence that mere adherence to the standard (formal compliance) does not guarantee the achievement of substantive quality improvement. Rather, the surrounding institutional environment (market size, depth of technical systems, audit expertise, accounting culture) may play a decisive role in “activating” the standard and transforming it from a formal obligation into a genuine enhancement of FRQ. Previous studies did not address this gap with the same empirical clarity.

3. The Role of Practical training versus Theoretical knowledge

A further unique and important contribution of this study is the demonstration that practical training ($p = 0.023$) is the most critical factor in successful implementation, while theoretical knowledge of the standard was not alone significant ($p = 0.142$). This constitutes a novel addition to the literature, as most prior studies focused on implementation challenges (Dahiyat & Owais, 2020) without clearly distinguishing between different types of knowledge required.

This result has decisive practical implications: it indicates that awareness campaigns and the dissemination of educational materials alone are insufficient. Investment in intensive, hands-on training on complex measurement models and actuarial assumptions is the true key to achieving high-quality financial reporting. In contrast, earlier studies did not examine this distinction with the depth and statistical rigor presented here.

4. Complex Interaction Effects between Variables: (Interaction Effects)

The current study employed ANOVA and three-way interaction analysis (Triple Interaction = 2.678) to show that the relationship between transparency and comparability is not linear and fixed, but varies according to country context. This level of advanced analysis was not adopted in previous research, which largely relied on simple linear regression models.

This advanced approach represents a methodological contribution. It demonstrates that studying the impact of accounting standards must move beyond simple linear models to more complex frameworks that explicitly incorporate contextual interactions. Practically, this implies that strategies to improve FRQ must be tailor-made for each environment, rather than following a single one-size-fits-all approach.

4.8.3. Comparison with Studies on Challenges and Preparedness

Earlier studies conducted before IFRS 17 implementation focused primarily on preparedness and implementation challenges. For example, Qadri et al. (2019) identified data and system constraints in Indonesia, while Dahiyat and Owais (2020) highlighted similar challenges in Jordan.

The current study shows that, although such challenges initially existed, they did not prevent subsequent improvements in FRQ after three years of implementation. This suggests that early obstacles represent transitional difficulties rather than permanent barriers, particularly in environments with sufficient institutional capacity.

4.8.4. Comparison with International Studies (Advanced Markets)

It is important to compare the findings of this study with results from research conducted in advanced markets to understand similarities and differences.

Comparison with European markets.

European studies (Mignolet, 2017; Rajala, 2020) anticipated improvements in transparency and comparability, which is exactly what the current study confirms. However, in advanced markets, strong infrastructure (sophisticated IT systems, advisory support from Big Four firms, stringent supervision) has facilitated smooth implementation. By contrast, in emerging markets such as Palestine and Jordan, companies have had to rely much more on self-learning and individual efforts, leading to greater variation in the levels of quality actually achieved.

Unlike Longoni (2019), which examined market performance effects, the present study focuses on FRQ. The findings suggested that while short-term costs may be significant, longer-term quality improvements are realized, opening avenues for future research linking quality outcomes to financial performance.

4.8.5. Alignment with IASB's Stated Objectives

One of the most important aspects of comparison is the extent to which the results align with the objectives announced by the IASB in issuing IFRS 17.

- **First objective: Enhancing transparency**

Achieved at a statistically significant level, with high mean values and strong correlations with the implementation of IFRS 17.

- **Second objective: Enhancing comparability**

Achieved, even more strongly, emerging as the dominant driver in Palestine and a key contributor in Jordan.

Accordingly, the results of the current study are broadly consistent with the IASB's stated objectives, confirming that IFRS 17 has achieved its main goals in the emerging markets of

Palestine and Jordan, despite the varying degrees influenced by differences in institutional environments.

4.8.6. Comparison with Arab and Regional Studies

The findings align with regional studies such as Al-Najjar (2019), Seyam et al. (2024), and Hamza et al. (2024), all of which predicted or observed positive impacts of IFRS 17. The current study extends this literature by providing post-implementation evidence, a comparative perspective, and a focus on FRQ rather than financial performance alone.

4.8.7. Gaps Addressed in the Literature by the Current Study

Through the above discussion and comparisons with prior research, the current study addresses several important gaps, which can be summarized as follows:

- 1- Lack of post-implementation empirical evidence.
- 2- Lack of comparative studies between similar emerging-market environments.
- 3- Limitations of advanced interaction analysis.
- 4- Non-distinction between theoretical knowledge and practical training.
- 5- Absence of empirical research on the Palestinian insurance market.

4.8.8. Integration with the Literature

In light of the comparison with previous studies, it can be said that the results of the current research both complement and strengthen the existing literature, while also providing unique contributions that enrich academic and practical understanding of the impact of IFRS 17:

- **Overall convergence:** The study's findings are consistent with the general trend in prior literature regarding the positive impact of IFRS 17 on FRQ. They support the validity of the

IASB's stated objectives and confirm that the standard achieves its aims even in emerging markets.

- **Differentiation and benefit:** The study is distinguished by revealing different mechanisms for achieving quality improvement, the gap between compliance and quality, the critical role of practical training, and the presence of interaction effects between variables. These contributions represent a qualitative addition to the accounting literature.
- **Closing gaps:** The study successfully addresses key gaps related to the lack of post-implementation studies, the absence of comparative analyses between similar environments, the scarcity of advanced analytical approaches, and the lack of focus on the Palestinian market.
- **Theoretical implications:** The results confirm that international standards are not “rigid templates” that function identically everywhere, but tools that interact with local institutional environments to produce heterogeneous outcomes. This calls for a reconsideration of theoretical models that assume a uniform impact of international standards.
- **Practical implications:** The study provides clear evidence to regulators (PCMA in Palestine and CBJ in Jordan) that formal compliance with the standard is not sufficient; investment in a supportive institutional environment (IT systems, practical training, and qualitative supervision) is essential to realize the full benefits of IFRS 17. It also underscores the need to design context-specific strategies rather than applying a uniform approach.

In conclusion, this study represents an important bridge between earlier theoretical expectations and the practical reality of IFRS 17 implementation. It adds robust empirical evidence to the accounting literature on international standards in emerging markets, opens new avenues for future research, and offers practical guidance for policymakers and practitioners in the region. The findings both reinforce and extend existing literature. While confirming the positive impact of IFRS 17 on FRQ, the study demonstrates that international standards interact with local institutional environments to produce heterogeneous outcomes. This challenges uniform implementation assumptions and underscores the importance of contextualized regulatory strategies.

Chapter Five: Conclusions' Discussion and Recommendations

5.1. Introduction

This chapter presents the conclusions and key findings of the study regarding the impact of the implementation of IFRS 17 “Insurance Contracts” on Financial Reporting Quality (FRQ) in insurance companies listed in Palestine and Jordan. The chapter synthesizes the empirical results derived from the statistical analyses conducted in the previous chapter and links them to the study’s objectives, research questions, hypotheses, theoretical framework, and prior literature. In addition, practical and policy implications are discussed, followed by study limitations, recommendations, and directions for future research.

5.2. Overall Conclusions of the Study

The overarching conclusion of this study is that the implementation of IFRS 17 has had a positive and statistically significant impact on the FRQ in insurance companies listed in Palestine and Jordan. This impact is primarily manifested through improvements in transparency and comparability, which represent two fundamental qualitative characteristics of high FRQ under the IASB Conceptual Framework.

Empirical results show that both countries achieved high formal compliance with IFRS 17, applying appropriate accounting policies, measurement principles, presentation standards, and disclosures. This compliance provided a basis for assessing the standard’s effect on transparency and comparability.

However, procedural compliance alone did not ensure equivalent FRQ. Jordan consistently achieved higher transparency and comparability due to stronger institutional, regulatory, and professional infrastructures. Human capital, particularly professional experience and practical training, plays a decisive role, especially in Palestine, where experience is essential for applying complex measurement models. In Jordan, institutional and technological support reduces reliance on individual expertise, highlighting the contextual moderation of IFRS 17’s effectiveness. The role of professional experience differs across markets: in Palestine, experienced accountants are crucial for applying complex measurement models and achieving comparability, whereas in

Jordan, institutional and technological support reduces reliance on individual expertise. This confirms that IFRS 17's effectiveness is moderated by human capital and contextual factors.

Despite concerns about complexity and implementation costs, the study shows that with adequate expertise, training, and system readiness, IFRS 17 enhances FRQ and strengthens investor trust. The findings indicate that IFRS 17 is not self-executing but effective within a supportive institutional environment.

Taken together, these conclusions suggest that IFRS 17 functions not as a self-executing solution, but as a framework whose impact is conditioned by the surrounding institutional environment.

5.3. Theoretical Contributions

This study makes several theoretical contributions to the accounting and financial reporting literature. First, it extends the IFRS implementation and FRQ literature by providing empirical evidence from emerging market contexts, specifically Palestine and Jordan, which remain underrepresented in prior research. Second, the study contributes to the understanding of how the implementation of IFRS 17 influences key FRQ characteristics, namely transparency and comparability. By linking accounting standards implementation to perceived FRQ through the perspectives of FS preparers, auditors, academics, and analysts, the study offers new behavioral and institutional insights into the mechanisms through which accounting reforms affect reporting outcomes.

5.4. Methodological Contributions

Methodologically, the study demonstrates the usefulness of combining perception-based survey measures with multivariate statistical techniques, including reliability analysis, exploratory factor analysis, and multiple regression modeling, to assess the impact of accounting standards implementation. This integrated approach provides a practical framework for evaluating regulatory effects in environments where archival or market-based data may be limited, thereby offering a replicable model for future accounting research in developing and emerging economies.

5.5. Answers to the Study Questions

Main Study Question:

Did the implementation of IFRS 17 “Insurance Contracts” enhance Financial Reporting Quality of insurance companies in Palestine and Jordan?

The findings provide strong empirical evidence that IFRS 17 has enhanced FRQ in both countries. Improvements were observed in transparency and comparability of financial reporting, indicating that the transition from IFRS 4 to IFRS 17 represents a substantive qualitative advancement rather than a purely technical change.

The enhancement of FRQ was not uniform across the two markets, but the overall direction of impact was clearly positive in both contexts. This confirms that IFRS 17 is capable of achieving its stated objectives even in emerging markets, if sufficient professional and institutional support is available.

To address this comprehensive question, it was divided into two sub-questions focusing on the pivotal dimensions of financial reporting quality: transparency and comparability, as detailed below:

A- Transparency

Sub-question (a): Did the implementation of IFRS 17 “Insurance Contracts” Enhance the Transparency of Insurance companies' FS in Palestine and Jordan?

The study concludes that IFRS 17 significantly improved the transparency of insurance companies' FS. Transparency improvements were reflected in clearer measurement bases, enhanced disclosure of assumptions, improved presentation of insurance liabilities, and greater visibility of profitability components such as the CSM.

At the aggregate level, transparency exhibited a strong and statistically significant association with IFRS 17 implementation. However, country-specific analysis revealed important contextual distinctions.

- In Jordan, transparency emerged as an independent and statistically significant contributor to FRQ. This outcome reflects the presence of a mature regulatory framework, established supervisory practices, and advanced reporting systems that enable firms to exploit the disclosure requirements of IFRS 17.

- In Palestine, transparency improvements were evident in absolute terms, but transparency did not retain independent explanatory power once comparability was considered. This suggests that transparency is perceived as inseparable from comparability in less mature institutional settings.

Substantively, IFRS 17 enhanced transparency through several mechanisms, including current value measurement, explicit risk adjustment disclosures, disaggregation of insurance and investment components, and detailed explanations of profit emergence over time. These changes significantly reduce information asymmetry between management and external users.

Transparency and comparability are interdependent; improvements in one dimension reinforce the other, highlighting the need for regulatory strategies that address both simultaneously to maximize FRQ.

B- Comparability

Sub-question (b): Did the implementation of IFRS 17 “Insurance Contracts” Enhance the Comparability of Insurance companies' FS in Palestine and Jordan?

Comparability represents the most pronounced and consistent outcome of IFRS 17 implementation. The findings indicate that IFRS 17 successfully reduced accounting diversity and established a unified reporting framework across insurance companies, both within and across national borders.

Comparability emerged as the strongest driver of FRQ, particularly in Palestine, where it constituted the sole statistically significant predictor. This result reflects the strategic importance of international legitimacy and alignment with global reporting practices in smaller and less mature markets.

In Jordan, comparability also played a significant role, though its effect was complemented by transparency within a broader institutional ecosystem. The superior comparability outcomes achieved in Jordan further highlight the role of regulatory enforcement, audit quality, and market competition in enhancing reporting practices.

Overall, the study concludes that IFRS 17 has effectively created a “common accounting language” for insurance contracts, facilitating benchmarking, regulatory oversight, and cross-border investment analysis.

5.6. Conclusions from Hypotheses Testing

The main hypothesis: *H1: Implementation of IFRS 17 “Insurance Contracts” has enhanced Financial Reporting Quality of insurance companies in Palestine and Jordan.*

- First Sub-hypothesis: *H1a: The Implementation of IFRS 17 “Insurance Contracts” has significantly increased the transparency of insurance companies' FS in Palestine and Jordan.*
- Second Sub-hypothesis: *H1b: Implementation of IFRS 17 “Insurance Contracts” has significantly increased the comparability of insurance companies' FS in Palestine and Jordan.*

The empirical testing of hypotheses led to the acceptance of the main hypothesis and both sub-hypotheses. The main hypothesis, that IFRS 17 implementation enhances Financial Reporting Quality, was supported at both the aggregate and country-specific levels.

The results confirm that:

- IFRS 17 has a strong positive relationship with FRQ.
- Transparency and comparability are key channels through which this impact materializes.
- Professional experience enhances, but does not substitute for, the standard's effects.

Importantly, hypothesis testing revealed that the mechanisms through which quality improvements occur differ across institutional contexts. This conditional acceptance represents a significant contribution to the literature, challenging assumptions of uniform standard effectiveness.

This strong acceptance validates IFRS 17's core design objective: eliminating accounting diversity through standardized measurement models (GMM, VFA and PAA) and uniform presentation and disclosure requirements. Financial statements have now become tangibly more comparable across two levels:

- Intra-country: Enabling competitive analysis among local insurance companies.
- Cross-border: Facilitating benchmarking with regional and global peers.

5.7. Interpretation of the Findings

5.7.1. Compliance versus Quality

One of the most important conclusions of this study is the clear distinction between formal compliance and substantive quality. While both countries achieved similar implementation levels, Jordan realized significantly higher qualitative outcomes. This finding provides empirical evidence that accounting standards require an enabling environment to produce their intended benefits.

IFRS 17 is not self-executing; the realization of its benefits depends on professional competence, supportive infrastructure, and institutional maturity. These findings reinforce that regulatory compliance alone does not guarantee qualitative improvements.

This distinction contributes to the broader IFRS implementation literature by demonstrating that regulatory convergence does not automatically translate into reporting convergence unless supported by institutional capacity and professional competence.

5.7.2. Role of Human Capital

The study demonstrates that practical training is more influential than theoretical knowledge in determining successful IFRS 17 implementations. This finding underscores the applied nature of the standard and highlights the need for hands-on training in actuarial modeling, system integration, and professional judgment.

Weighted Least Squares analysis shows that applied training and expertise amplify the positive effects of IFRS 17 on FRQ, confirming the importance of practical, hands-on capacity building and contextual adaptation of accounting standards.

5.7.3. Interaction between Transparency and Comparability

The strong interdependence between transparency and comparability confirms that FRQ is an integrated construct. Enhancements in one dimension reinforce the effectiveness of the other, suggesting that regulatory strategies should address both simultaneously.

5.7.4. Linking Results to Study Objectives

This section demonstrates that the study's main objective has been achieved, confirming that the implementation of IFRS 17 has enhanced FRQ in line with IASB's objectives, particularly through improved transparency and comparability.

At the combined level of Palestine and Jordan, the empirical findings indicate that IFRS 17 implementation is a strong and significant driver of FRQ. The results show robust explanatory power, with positive relationships between the degree of implementation and both transparency and comparability. Comparability emerged as the most strongly improved dimension, followed closely by transparency, reflecting the effectiveness of IFRS 17 in standardizing insurance reporting practices across both markets.

Country-level analysis reveals contextual differences. In Palestine, improvements in reporting quality, especially comparability, play a dominant role in explaining IFRS 17 implementation, reflecting the developmental nature of the institutional environment. In Jordan, although the explanatory power is lower, both transparency and comparability contribute more evenly, suggesting that implementation is influenced by additional institutional and regulatory factors typical of more mature markets.

Despite these contextual differences, the study finds a high degree of consistency between the two countries. No significant differences were observed in implementation levels, indicating strong convergence in compliance. This supports the notion that IFRS 17 promotes procedural harmonization across emerging markets, regardless of variations in market size or institutional maturity.

Furthermore, the absence of significant differences among professional groups highlights a strong professional consensus regarding the positive impact of IFRS 17 on reporting quality. This convergence enhances the credibility and robustness of the findings.

Finally, the results provide strong empirical validation for the study's conceptual framework. IFRS 17's technical requirements enhance FRQ through transparency and comparability, while contextual factors moderate the strength of these relationships. Overall, the findings confirm that the conceptual framework effectively captures the key mechanisms through which IFRS 17 influences FRQ in emerging insurance markets.

5.8. Linking the Results with the Theoretical Framework

The findings align closely with multiple theoretical perspectives, including the IASB Conceptual Framework, Agency Theory, Institutional Theory, Stakeholder Theory, Decision-Usefulness Theory, and Signaling Theory. Together, these theories explain why IFRS 17 improves FRQ while also accounting for contextual variation in outcomes.

- **IASB Conceptual Framework:** The theoretical framework and its role in enhancing the FRQ through improving two of the FRQ characteristics that are related to transparency and comparability of the FS have acknowledged the IFRS 17 implementation. This was identified as an objective of developing the standard by IASB (IASB, 2017). This shows the effectiveness of the conceptual framework when it is implemented in a structured regulatory environment.
- **Agency Theory:** The results indicate that IFRS 17 plays a significant role in reducing the information asymmetry between the management and external stakeholders. Improving the transparency and standardization of the reporting requirements and those required by the standards limits the discretion of the management and improves the monitoring process. This, in turn, strengthens the trust between the principals and the agents of the company
- **Stakeholder Theory:** The positive impact of the implementation of IFRS 17 came in response to the stakeholders' demands, including the investors and users of the FSs, through providing more transparency and comparable information, which contributes to greater confidence in the financial reports and enhances the stakeholders' decision-making.
- **Institutional theory:** The findings related to the successful implementation of the standard reflect the move towards the substantive implementation of IFRSs. In line with the institutional theory, this finding indicates that regulatory pressure and institutional support have supported the effective implementation, resulting in improvement in the FRQ.
- **Decision usefulness theory:** The results of this study indicated that implementing the standard enhances the representation of the financial information through improving the measurement and disclosures related to insurance contracts' assets, liabilities, revenues, and expenses. This leads to increasing the usefulness of the financial reports for the investors and decision makers. This result supports the theoretical assumption that high financial reporting quality contributes to better economic decision-making.

- **Signaling theory:** The findings indicate that compliance with international standards such as IFRS 17, which is now a globally known accounting standard, gives a good signal to the users about the management. This, in turn, increases the trust of the stakeholders in the management.

Overall, accepting the hypothesis of this study confirms that the Theoretical Foundations of IFRS 17 are valid and applicable within the context of the study. The results of the study demonstrate that when IFRS are implemented with institutional and professional support, they can significantly enhance financial reporting quality.

5.9. Linking the Study Results with Previous Studies

This study confirms earlier expectations regarding the positive impact of IFRS 17 while extending the literature through post-implementation empirical evidence. Unlike pre-implementation studies, the findings indicate that implementation challenges are largely transitional rather than structural, and that the benefits of IFRS 17 become evident once insurance companies adapt to the standard.

These results are consistent with prior research showing that IFRS 17 improves measurement and disclosure practices, reduces inconsistencies in accounting policies, and enhances FRQ (AlHawtmeh, 2023). However, this study provides stronger empirical support, as it was conducted three years after full implementation rather than during the initial transition phase.

The findings also align with the IASB's Conceptual Framework, which assumes that a unified approach to measurement and presentation improves information quality. Moreover, they support several pre-implementation studies that predicted positive effects of IFRS 17 on FRQ, including Dahiyat and Owais (2021), Seyam et al. (2024), Hasan (2023), and Mignolet (2017).

In contrast, some earlier studies questioned the standard's immediate impact, arguing that improvements in transparency and comparability may only emerge after several years of implementation (Rajala, 2020). Such differences can be attributed to contextual factors, as early implementation phases were marked by limited institutional readiness, weak system infrastructure, and insufficient implementation experience.

By comparison, the current study reflects a more mature implementation stage, characterized by stronger institutional frameworks, enhanced professional competencies, and adequate accounting and information systems. Additionally, including professional experience as a control variable strengthened the relationship between IFRS 17 implementation and FRQ, highlighting the importance of human capital in effective standard application.

In summary, these findings suggest that IFRS 17 enhances FRQ when supported by effective implementation, professional competence, and an enabling institutional environment. Accordingly, this study narrows the literature gap by providing robust post-implementation evidence from a mature context, reinforcing the conclusion that IFRS 17 improves FRQ.

Therefore, this study extends the IFRS 17 literature by moving beyond predictive and transition phase analyses to provide structured, post-implementation, cross-country empirical validation within emerging markets. Additionally, by incorporating professional experience as a control variable, the study offers deeper insight into the role of human capital in strengthening the relationship between IFRS 17 implementation and FRQ.

5.10. Practical and Policy Implications

This study provides several practical and policy contributions to improving FRQ in Jordan and Palestine. The findings highlight the critical importance of effectively implementing IFRS, particularly IFRS 17, as a key driver for transparency, comparability, and investor confidence in the insurance sector.

1- For Regulators: The results support the need for continued regulatory oversight and guidance to ensure consistent and effective IFRS 17 implementation. The experience of both Jordanian and Palestinian regulators demonstrates that clear implementation instructions and active supervision can facilitate successful implementation and enhance FRQ. Improved FRQ strengthens investor trust and contributes to a more favorable investment climate. Regulators are also encouraged to issue further explanatory guidance on accounting policy options under IFRS 17 to minimize inconsistencies and ensure uniform practice among insurers.

The regulator in Palestine should also consider encouraging the entry and development of local financial analysts, actuaries, and consulting firms within the insurance market.

Strengthening domestic professional capacity would support the localization of technical expertise required for effective IFRS 17 implementation and enhance the sustainability of the broader financial ecosystem. At the same time, collaboration with international experts should remain available where specialized knowledge or advanced technical support is required.

- 2- For Insurance Companies:** Although the implementation of IFRS 17 involves substantial costs related to system upgrades, training, and process redesign, the study provides empirical evidence that these costs are justified by significant benefits, notably, improved reporting credibility and enhanced investor confidence. The findings convey a clear message to management: the efforts and resources devoted to IFRS 17 implementation yield tangible rewards in terms of market trust and financial transparency. This evidence addresses earlier skepticism about whether the cost of compliance was worthwhile, affirming that the investment in implementation is compensated by measurable improvements in FRQ.
- 3- For Auditors:** The implementation of IFRS 17 enhances the usefulness, consistency, and clarity of FSs, which in turn contributes to higher audit quality. The improved standardization of measurement and disclosure facilitates more reliable and efficient auditing procedures.
- 4- For Investors:** Compliance with IFRS 17 provides investors with more transparent, comparable, and decision-useful FSs. The findings confirm that adherence to global accounting standards enhances the credibility of financial information, enabling better-informed investment and lending decisions.
- 5- For Accounting Professional Bodies (PACPA and JACPA):** The results suggest that professional accounting bodies should consider incorporating these findings into future training and certification programs. They are encouraged to collaborate with regulators to issue clarifying interpretations or implementation guidance that address areas of ambiguity under IFRS 17 and promote consistency across insurance companies. Both bodies should ensure that their members remain up to date with IFRS developments, particularly highly technical standards such as IFRS 17. PACPA may also encourage the establishment of accounting firms with international partnerships to strengthen technical expertise and global integration.

- 6- For Educators:** Universities in both countries should continuously integrate updated IFRS standards into their accounting curricula as they become effective. They may also consider developing specialized programs in financial institutions accounting, including insurance accounting, to better align academic preparation with market needs.

In summary, the study's practical implications emphasize that effective IFRS 17 implementations, supported by competent professionals, robust regulation, and strong institutional infrastructure, lead to measurable improvements in FRQ and investor confidence. The findings provide a clear roadmap for regulators, practitioners, and policymakers aiming to strengthen financial reporting systems in emerging economies.

5.11. Research Limitations

Although this study adopts a robust methodological approach to achieve its objectives, several limitations should be acknowledged that might affect the generalizability of the findings.

1. The study relies on questionnaire-based perceptions collected from respondents engaged with the insurance sector reporting system. As such, the findings primarily reflect participants' subjective judgments and personal experiences regarding the level of IFRS 17 implementation and its perceived impact on transparency and comparability, rather than objective financial data.
2. The use of purposive sampling limits the ability to statistically generalize the results beyond the sample studied. Nevertheless, the relatively large sample size ($n = 294$) and the diversity of respondents' demographic and professional backgrounds enhance the representativeness of the results and reduce the risk of sampling bias.
3. Self-report bias may have influenced respondents' assessments of IFRS 17 implementation and its effects on FRQ. To mitigate this issue, the study employed anonymity assurance and conducted common method variance testing to reduce potential bias and ensure data reliability.
4. There may be other regulatory, economic, or institutional factors influencing FRQ that fall outside the scope of this study. The analysis focuses specifically on the improvements in FRQ directly attributed to IFRS 17 implementation, particularly through its intended effects on transparency and comparability, as conceptualized by the IASB.

5. The study is limited to the listed insurance companies whose primary business involves issuing insurance contracts. Therefore, the findings may not fully capture the implications of IFRS 17 for non-insurance entities that issue contracts meeting the definition of insurance contracts under the standard.

In conclusion, while these limitations constrain the generalizability of the findings, they also provide a foundation for future research to expand the scope, include cross-sectoral samples, and incorporate longitudinal or mixed-method approaches to validate and extend the current results.

5.12. Recommendations

Based on the findings and conclusions of this study, maximizing the benefits of IFRS 17 implementation requires not only technical compliance with the standard but also a supportive institutional environment, qualified professionals, and integrated information systems to ensure high financial reporting quality. Accordingly, the researcher proposes the following recommendations for the key sector stakeholders:

1- Recommendations for Regulators

- Support professional accreditation and continuous development programs for accountants and auditors working in the insurance sector.
- Promote investor awareness programs to highlight the importance of FRQ in informed investment decision-making.
- Encourage unified accounting practices across Palestine and Jordan to reduce inconsistencies in IFRS 17 implementation, particularly in areas where the standard allows multiple accounting options. This harmonization enhances comparability across the insurance sector.
- Conduct regular monitoring and supervision to ensure appropriate compliance with IFRS 17, focusing on the qualitative characteristics of financial information such as transparency, reliability, and comparability.

- Encourage regional regulators' cooperation between Palestine and Jordan to harmonize IFRS 17 interpretations and coordinate future regulatory developments aimed at enhancing FRQ.
- The regulator in Palestine should continue enforcing compliance with IFRS 17 and integrate its requirements into solvency regulations to maximize the benefits of adoption. It is also recommended to digitalize reporting and disclosure systems within the supervisory framework to institutionalize quality improvements and reduce reliance on individual practices.

2- Recommendations for Preparers (Insurance Companies)

- Invest in staff capacity building related to IFRS 17 implementation, as enhanced knowledge and competence strengthen the positive impact of the standard on FRQ.
- Develop integrated accounting and actuarial systems to ensure the alignment between FSs and technical estimates, thereby improving fair presentation and minimizing estimation risk.
- Establish written and clearly defined accounting policies for IFRS 17 implementation to ensure consistency across accounting periods and improve comparability.
- Enhance coordination between financial and actuarial departments to ensure data accuracy and quality in compliance with IFRS 17's requirements.

3- Recommendations for Auditors and Professional Accounting Bodies

- Provide technical and specialized training programs for auditors and professional bodies' members to deepen their understanding of IFRS 17 and its implications for FRQ.
- Encourage collaboration among professional bodies, auditing firms and regulators to achieve consistent interpretations and implementation of IFRS 17 across companies.

4- Recommendations for Other Stakeholders

- Promote awareness of IFRS 17 and the benefits of improving transparency, comparability, and overall financial reporting quality, which are essential for sound economic and investment decisions.

5- For Educators/Universities

- Develop specialized advanced accounting programs focused on the financial sector, including insurance accounting.
- Promote joint interdisciplinary programs that integrate actuarial science and accounting.

- Encourage research partnerships among universities, professional bodies, and regulators to support evidence-based regulatory and reporting improvements.

5.13. Future Research Directions

The findings of this study open several potential avenues for future research, both in Jordan and Palestine and in other countries that have adopted or are in the process of adopting IFRS 17. Future studies may consider the following directions:

1. Conduct longitudinal studies to examine the long-term effects of IFRS 17 on FRQ and to evaluate the sustainability of observed improvements.
2. Conduct studies examining the impact of IFRS 17 on insurance solvency rates and risk management practices.
3. Investigate the indirect impact of IFRS 17 implementation on investment decisions and earnings management practices within insurance companies.
4. Examine the implications of IFRS 17 for non-insurance entities that issue or hold contracts qualifying as insurance contracts under the standard's definition.
5. Conduct quantitative analyses using audited FS before and after IFRS 17 implementation to assess its effect on company valuation, equity, and profitability.
6. Perform comparative studies among countries in the region or across regions with similar IFRS-based reporting frameworks.
7. Develop regional or international comparative research to assess the effectiveness and challenges of IFRS 17 implementation across different economic and regulatory environments.

5.14. Concluding Remarks

In conclusion, the researcher believes that IFRS 17 represents a revaluation in the accounting for insurance companies as it provides a significant structural transformation in the accounting for insurance contracts, redefining recognition, measurement, presentation, and disclosure practices within the insurance industry. Its implications extend beyond changes in

financial reporting to influence internal processes, risk management, actuarial coordination, and strategic decision-making within insurance companies.

This study provides strong empirical evidence that IFRS 17 enhances FRQ in emerging markets, particularly through improved transparency and comparability. However, the findings demonstrate that the effectiveness of the standard is not automatic. While IFRS 17 establishes a uniform technical framework, its benefits depend on institutional maturity, regulatory oversight, professional competence, and integrated systems. Compliance alone does not ensure substantive improvements in FRQ.

Furthermore, comparative evidence from Palestine and Jordan illustrates that emerging markets are capable of achieving high levels of procedural harmonization. Yet, differences in qualitative outcomes highlight the moderating role of contextual and institutional factors in translating regulatory adoption into measurable financial reporting improvements. These insights position IFRS 17 not merely as an accounting reform, but as a catalyst for broader institutional development within emerging insurance sectors.

Overall, this study contributes to accounting theory and practice by offering post-implementation evidence that IFRS 17, when supported by a strong institutional and professional environment, can significantly strengthen financial reporting quality and enhance stakeholder confidence in emerging insurance markets.

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Appendices

Appendix 1: Study Questionnaire (English Version)

Ramallah, December 18, 2025

Dear Sir/Madam,

Research Title: *Does the Implementation of International Financial Reporting Standard 17 “Insurance Contracts” Enhance Financial Reporting Quality? Evidence from Palestine and Jordan.*

Greetings,

I am Jamal Milhem, a PhD candidate in Accounting and Finance at the Arab American University. My dissertation examines whether the implementation of IFRS 17 “Insurance Contracts” enhances Financial Reporting Quality in terms of transparency and comparability for the insurance companies in Palestine and Jordan.

You are kindly invited to complete the attached questionnaire, which takes approximately **20 minutes**. Your participation will greatly support this research and help achieve accurate and meaningful results.

General Guidelines:

1. The questionnaire collects data to assess the impact of IFRS 17 on the Quality of Financial Reporting, considering respondents’ experience as a moderating factor.
2. It targets four groups involved in preparing, auditing, or analyzing insurance company financial statements: preparers, external auditors, financial analysts, and accounting academics.
3. All responses are **anonymous, confidential**, and used strictly for academic purposes.
4. Participation is **voluntary**, but completing the entire questionnaire is important for valid analysis.
5. The questionnaire consists of **six pages** (excluding this cover letter).

For any questions, please contact me at **00970599420220** or **jmilhem@hotmail.com**.

Thank you for your valuable time and support.

Researcher

Jamal Jamil Milhem

Dissertation Committee:
Prof. Mansour Sa'aydah
Dr. Akram Rahhal
Dr. Mohammad Abu-Sharbeh

Section one: Demographic data					
<i>Please select the appropriate option:</i>					
1	Name of the organization <i>(optional)</i>				
2	Country	Jordan <input type="radio"/>	Palestine <input type="radio"/>		
3	Age	Less than 25 <input type="radio"/>	26-35 <input type="radio"/>	36-45 <input type="radio"/>	Over 45 <input type="radio"/>
4	Educational Qualifications	Diploma or less <input type="radio"/>	Bachelor <input type="radio"/>	Master <input type="radio"/>	PhD <input type="radio"/>
5	Professional Qualifications <i>(you can choose more than one option)</i>	None <input type="radio"/>	Foreign certificates CPA/CMA/ CFA/ ACCA /ACPA <input type="radio"/>	National license to practice PCPA/ JCPA <input type="radio"/>	
6	Years of Experience	Less than 5 years <input type="radio"/>	5-9 <input type="radio"/>	10-14 <input type="radio"/>	15-19 <input type="radio"/>
					20 and above <input type="radio"/>
7	Working title/Position	Financial Management <input type="radio"/>	Internal Audit <input type="radio"/>	External Auditor <input type="radio"/>	F. Analyst <input type="radio"/>
					An academic in education <input type="radio"/>
8	Professional Group	Insurance Companies' Staff/ Management <input type="radio"/>	External Auditor <input type="radio"/>	Academic <input type="radio"/>	Financial Analyst <input type="radio"/>
9	Specialization	Accounting/ Finance <input type="radio"/>	Business Administration <input type="radio"/>	Actuarial <input type="radio"/>	Others <input type="radio"/>
10	Knowledge of IFRS	None <input type="radio"/>	Basic <input type="radio"/>	Medium <input type="radio"/>	Good <input type="radio"/>
					V. Good <input type="radio"/>
11	Knowledge of IFRS 17	None <input type="radio"/>	Basic <input type="radio"/>	Medium <input type="radio"/>	Good <input type="radio"/>
					V. Good <input type="radio"/>
12	Level of participation in training or sessions related to the IFRS 17.	None <input type="radio"/>	Once <input type="radio"/>	Twice <input type="radio"/>	3 times <input type="radio"/>
					4 or above <input type="radio"/>

Section Two: Survey Questions						
<i>Please indicate the extent of your agreement to the sentences from 1 to 5: (1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, or 5-Strongly agree).</i>						
1	Component One: Assessment of the IFRS 17 implementation by listed insurance companies					
	The sentence in assessing the implementation	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	Adopting the accounting policies in the Financial Statements (FS) under Standard No. 17					
1.1	Insurance companies adopt accounting policies in the FS, related to developing the assumptions of the cash flow forecasts for the insurance contract portfolios, which are expected to be paid, considering the time and certainty of the payments.					
1.2	Insurance companies adopt specific accounting policies related to the discount rate (risk-free return) used in accordance with Standard No. 17.					
1.3	Insurance companies adopt policies related to updating the non-financial risk according to actuarial assumptions and the company's history, which is allocated against the uncertainty of the amount and timing of the cash flow.					
	Level of compliance with IFRS 17, implementing the accounting treatments					
1.4	Insurance companies implement the disclosed accounting treatments related to the recognition and measurement of insurance contracts as required under IFRS 17.					
1.5	The insurance companies implement the accounting treatments related to Insurance Contracts Revenues and Expenses as required under IFRS 17.					
1.6	The insurance companies implement the accounting treatments related to insurance contracts, Assets, and Liabilities , as required under IFRS 17.					
	Level of Compliance with IFRS 17, Presentation of the Financial Statements Requirements					
1.7	The insurance companies present Assets and Liabilities of Insurance contracts in the Statement of Financial Position as required under IFRS 17 (by presenting either the assets or obligations of insurance contracts separately).					
1.8	Insurance contracts' assets and liabilities are presented separately from reinsurance contract assets and liabilities in the Statement of Financial Position in accordance with the standard.					
1.9	Insurance contracts revenues and expenses are presented in the Statement of Income as required					

	by IFRS 17 (separating the revenues and expenses of insurance contracts from the reinsurance contracts).					
1.10	Insurance contracts revenues and expenses are presented in the statement of income in accordance with the standard, separating insurance-related revenues and expenses from non-insurance revenues and expenses.					
	Level of compliance with IFRS 17, disclosures Requirements					
1.11	The FS of insurance companies include the required financial disclosures to the FS related to the adopted accounting policies.					
1.12	The FS of insurance companies include the required financial disclosures related to the assets and liabilities of the insurance contracts and reinsurance contracts, with the breakdown of the remaining coverage commitments and cost of compensation obligations.					
1.13	The FS of insurance companies include the required financial disclosures related to the net assets and liabilities of the insurance contracts and reinsurance contracts, as per the sector.					
1.14	The FS include the required non-financial disclosures to the FS related to the insurance contracts under IFRS 17, such as the insurance contracts bearing non-insurance components (investment component or service component).					
	Timing of the adoption and implementation of IFRS 17					
1.15	Currently, the listed insurance companies fully implement the IFRS 17 in developing their Financial Statements.					
1.16	The insurance companies have adopted IFRS 17 since the effective date of January 1, 2023, and have developed their FS using the standard.					
2	Component Two: Assessing the Impact of IFRS 17 implementation on Transparency of information in the FS of the insurance companies.					
	The sentence for assessing the impact of implementation on Transparency	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	Assessing the impact of the measurement of the insurance contracts by using the current value					
2.1	The use of updated assumptions regarding the expected cash flow improves the measurement of the value of insurance contracts and reflects any economic disparity between the current values of assets and liabilities.					
2.2	The use of the updated time value of money in estimating future payments improves the					

	measurement of the insurance contracts' obligations.					
2.3	Using updated assumptions about the discount rate as of the reporting date better reflects the company's expectations regarding the settlement of insurance contract liabilities.					
2.4	Using updated assumptions about non-financial risks as of the reporting date helps better reflect the company's expectations regarding the settlement of insurance contract liabilities and reveals any economic variance between the present value of assets and liabilities.					
	Assessing the impact by measuring the future payments to settle reported claims at the present value					
2.5	The use of the updated time value of money in estimating the future payments improves the measurement of the insurance contract's value and leads to a fairer presentation of the costs of compensation.					
2.6	Using a discount rate that reflects the characteristics of the company's cash flows to measure insurance contracts makes the financial statements reflect the risks arising from insurance liabilities that are not economically matched by assets with equivalent risk and duration.					
2.7	Providing information about the different components of current and future profitability arising from insurance contracts (recognizing revenue in parallel with the provision of insurance services) improves the quality of information about profitability.					
2.8	Providing information about the expected insurance contracts' profits in a comparable manner improves the information on the profitability of the insurance company.					
2.9	Segregation of revenues and expenses items related to the insurance contracts from the other revenues and expenses improves the information about the profitability.					
2.10	Recognizing revenues in proportion to the period of insurance coverage provided (excluding deposits), similar to other sectors, enhances the understandability of profit or loss for companies issuing insurance contracts. Therefore, improves the understandability of different sectors for ordinary investors.					
2.11	Disclosure of changes in the carrying amount of insurance contracts resulting from cash flows					

	(recognized income or loss) enhances the transparency of information regarding profitability.					
2.12	Disclosing the insurance contracts' obligations components improves the transparency of information on the insurance contracts' liabilities.					
2.13	Grouping the Insurance contracts based on the similarities of risks, profitability, and period of issuance to be managed together improves the information on the company's profitability portfolio.					
2.14	Disclosing the insurance risks and the financial risks improves the quality of information provided to the users about the nature and the timing of the cash flow.					
2.15	Overall, the Implementation of IFRS 17 improved transparency and provided more useful financial information to users compared to IFRS 4.					
3	Component Three: Measuring the impact on comparability in the financial statements of insurance companies					
	The sentence for assessing the impact of implementation on comparability	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
3.1	Consistency through the use of a unified accounting framework for all insurance contracts eliminates many accounting differences among insurance companies, enabling investors and analysts to better identify the economic similarities, differences, and risks among companies issuing insurance contracts.					
3.2	Recognizing revenue in proportion to the period of insurance coverage provided (excluding deposits), similar to other sectors, enhances the comparability from one period to another.					
3.3	Consistency in measuring insurance contracts across multinational companies within the same group enhances the comparability of results by product and by geographic region.					
3.4	The implementation of IFRS 17 has unified the presentation of the statement of financial position for insurance contract items across all companies that issue insurance contracts, which improves the comparability across the sector.					
3.5	The implementation of IFRS 17 has unified the presentation of the income statement for insurance contract items across all companies that issue insurance contracts, which improves the comparability across the sector.					
3.6	The implementation of IFRS 17 has unified the format of disclosures in the FS for all companies					

	that issue insurance contracts, and improved the comparability among companies.					
3.7	Consistency of presentation of FS and disclosures within the group of multinational companies increase the comparability of the results by product and geographical area.					
3.8	Segregation of revenues and expenses items related to the insurance contracts from the other non-insurance revenues and expenses improves the comparability among companies across the sector.					
3.9	Segregation of revenues and expenses items related to the insurance contracts from the reinsurance contract operation improves the comparability among companies.					
3.10	The unification of the disclosure framework in financial statements regarding the valuation methods and accounting policies related to insurance contracts improves the comparability of information across all companies.					
3.11	Presenting the total assets and total liabilities of the issued insurance contracts, separate from the Assets and Liabilities of Reinsurance contracts, improves the comparability in the insurance sector.					
3.12	Overall, the Implementation of IFRS 17 improved comparability and consistency of the financial information to users compared to IFRS 4.					



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Appendix 2: Study Questionnaire (Arabic Version)

رام الله في 18 كانون الأول 2025

السيدة/-----المحترم/ة

عنوان البحث: هل تطبيق المعيار الدولي للتقارير المالية 17 "عقود التأمين" يحسن من جودة التقارير المالية؟ دليل من فلسطين والاردن

تحية طيبة وبعد،

يقوم الباحث جمال ملحم بإعداد رسالة في برنامج دكتوراه في المحاسبة والتمويل بكلية الدراسات العليا في الجامعة العربية الأمريكية. تهدف الرسالة الى فحص فيما اذا كان تطبيق المعيار الدولي للتقارير المالية "IFRS 17 عقود التأمين" يحسن من جودة التقارير المالية من حيث الشفافيه وقابليه المقارنة في شركات التأمين في فلسطين والاردن.

أرجو منكم التكرم بالمشاركة في استكمال الاستبانة التالية، والتي قد يستغرق تعبئتها حوالي 20 دقيقة. مشاركتكم ستساعد في دعم هذا البحث والوصول الى نتائج واقعية.

إرشادات عامة:

- 1- هذه الاستمارة تهدف لجمع بيانات لقياس متغيرات الرسالة، وبشكل محدد من اجل اختبار أثر تطبيق المعيار الدولي 17 المتعلق بعقود التأمين في تحسين جودة البيانات المالية لشركات التأمين المدرجة في كل من فلسطين والاردن، مع استخدام عامل الخبرة للمستجيبين كعامل ضابط.
- 2- يستهدف البحث اراء أربع فئات من المهنيين من ذوي الاطلاع او الخبرة في تطبيق المعيار (معدّي البيانات المالية في شركات التأمين ومدققي الحسابات والمحليلين الماليين والاكاديميين في علوم المحاسبة).
- 3- جميع الاجابات ستبقى سرية وستستخدم حصرا في أغراض أكاديمية فقط.
- 4- ان المشاركة هي اختيارية ولكن استكمال جميع الاسئلة هام لاغراض التحليل.
- 5- تتكون الاستمارة من قسمين وثلاثة محاور.

في حال وجود أي استفسار لا تتردد بالتواصل مع الباحث على رقم جوال 00970599420220 أو من خلال البريد الإلكتروني التالي jmilhem@hotmail.com

مع خالص الشكر،

الباحث

جمال جميل ملحم

لجنة الاشراف

أ.د. منصور السعايده

د. محمد ابو شربة

د. اكرم رحال

القسم الاول: المعلومات الديموغرافية

يرجى تحديد الخيار الذي ينطبق عليكم.

					مكان العمل (الشركة او المؤسسة) (اختياري)	1
					الدولة	2
			فلسطين	الاردن		
			<input type="radio"/>	<input type="radio"/>		
					العمر	3
	اكثر من 45	36-45	25-35	اقل من 25		
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
					المؤهل العلمي	4
	دكتوراه	ماجستير	بكالوريوس	دبلوم فما دون		
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
					المؤهل الاكاديمي (ممکن اختيار اكثر من خيار)	5
		رخصة مزاولة مهنة/PCPA JCPA	شهادة دولية CPA/CMA /CFA/ ACCA /ACPA	لا يوجد		
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
					سنوات الخبرة	6
	20 فاكثر	15 الى 19	10 الى 14	5 الى 9	اقل من 5	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
					المسمى الوظيفي	7
	اكاديمي	محل مالي	مدقق خارجي	مدقق داخلي	مدير مالي او رئيس حسابات	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
					الفئة المهنية	8
	اكاديمي	محل مالي	مدقق خارجي	موظف شركه تأمين		
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
					التخصص العلمي	9
	أخرى	اكتواري	إداره	محاسبة/ تمويل		
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
					مستوى الالمام بمعايير التقارير المالية الدولية	10
	جيد جدا (تنفيذ التطبيق والتحليل المتعلق بالمعايير)	جيدة (مشاركة او مساعدة في التطبيق والتحليل للبيانات المالية)	خبرة متوسطة (معلومات وقراءه واطلاع على المعايير والبيانات المالية)	معلومات اساسية	لا خبرة	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
					مستوى الالمام بمعايير التقارير المالية الدولية المتعلقة بالتأمين رقم 17	11
	جيد جدا- تنفيذ او قياده التطبيق او التحليل للمعيار والبيانات المالية لشركات التأمين	جيدة (مشاركة او مساعدة في التطبيق والتحليل للمعيار او البيانات المالية لشركات التأمين)	خبرة متوسطة (معلومات وقراءه واطلاع على المعيار والبيانات المالية لشركات التأمين)	معرفة اساسية	لا معرفة	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
					مستوى المشاركة في تدريب او جلسات حول معايير التقارير الدولية المتعلقة بالتأمين رقم 17	12
	4 مرات فاكثر	3 مرات	مرتين	مره	لا يوجد	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

القسم الثاني: مجالات الدراسة- اسئلة الاستبانة					
المحور الاول: قياس مدى تطبيق المعيار 17 IFRS لدى شركات التأمين					
يرجى تقييم كل عبارة بناءً على تجربتك واستخدم المقياس من 1 إلى 5، حيث: 1 - غير موافق بشدة، 2 - غير موافق، 3 - محايد، 4 - موافق، 5 - موافق بشدة					
الجملة في تقييم التنفيذ	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
تبنى السياسات المحاسبية بموجب المعيار 17 في البيانات المالية					
تتبنى شركات التأمين السياسات المحاسبية المتعلقة بفرضيات التدفقات النقدية المتوقعة لمجموعات عقود التأمين والمتوقع دفعها مع الاخذ بالاعتبار الوقت واحتمالات الدفع.	1.1				
تتبنى شركات التأمين سياسات محاسبية محددة حول معدل الخصم (العائد الخالي من المخاطر) المستخدم حسب المعيار 17	1.2				
تتبنى شركات التأمين السياسات المحاسبية حول تحديث المخاطر غير المالية بناءً على فرضيات اكتوارية وخبرة الشركة مقابل عدم اليقين لمبلغ وتوقيت التدفقات النقدية الناشئة عن المخاطر غير المالية	1.3				
مستوى التطبيق للمعالجات المحاسبية المطلوبة بالمعيار IFRS 17					
تطبق شركات التأمين بالفعل السياسات المحاسبية المعلنة في الإفصاحات المتعلقة بالاعتراف والقياس لعقود التأمين بموجب المعيار	1.4				
تطبق شركات التأمين فعلا السياسات المحاسبية المعلنة المتعلقة بالاعتراف بإيرادات ومصاريف عقود التأمين بموجب المعيار	1.5				
تطبق شركات التأمين المعالجات المحاسبية المتعلقة بموجودات ومطلوبات عقود التأمين حسب متطلبات المعيار	1.6				
تطبيق المعيار من حيث عرض البيانات المالية بموجب المعيار					
يتم عرض الموجودات والمطلوبات لعقود التأمين في المركز المالي لشركات التأمين كما هو مطلوب بموجب المعيار الدولي للتقارير المالية رقم 17، سواء من خلال عرض الأصول أو الالتزامات المترتبة على عقود التأمين بشكل منفصل	1.7				
يتم عرض الموجودات والمطلوبات لعقود التأمين بشكل مستقل عن الموجودات	1.8				

					والمطلوبات لعقود اعاده التأمين في المركز المالي بموجب المعيار
				1.9	يتم عرض ايرادات ومصاريف عقود التأمين في قائمه الدخل بشكل مستقل عن الايرادات والمصاريف لعقود اعاده التأمين بموجب المعيار
				1.10	يتم عرض ايرادات ومصاريف عقود التأمين في قائمه الدخل بموجب المعيار من حيث فصل ايرادات ومصاريف الأنشطة التأمينية عن الايرادات والمصاريف غير التأمينية
					التطبيق من حيث تقديم الإفصاحات الواجبة في البيانات المالية بموجب المعيار IFRS 17
				1.11	تحتوي البيانات المالية لشركات التأمين على الإفصاحات المطلوبة بموجب المعيار المتعلقة بالسياسات المتبعة بشكل كامل بموجب المعيار
				1.12	يتم الإفصاح في البيانات المالية لشركات التأمين عن موجودات ومطلوبات عقود التأمين وإعادة التأمين و تفاصيل التزام التغطية المتبقية والتزام التعويضات المتكبدة
				1.13	يتم الإفصاح عن موجودات ومطلوبات عقود التأمين واعادة التأمين حسب مستويات التجميع للقطاعات المختلفة
				1.14	تحتوي البيانات المالية على الإفصاح عن الأمور غير المالية بموجب المعيار مثل العقود التأمين التي تحتوي على مكونات غير تأمينية (مكون استثماري او خدمي)
					التوقيت الزمني لتطبيق معيار 17 وشمولية التطبيق
				1.15	تقوم شركات التأمين المدرجة في السوق المالي حاليا بالتطبيق بشكل كامل المعيار الدولي لإعداد التقارير المالية رقم 17 "عقود التأمين" في اعداد بياناتها المالية
				1.16	قامت شركات التأمين بالبدء بتطبيق معيار 17 اعتبارا من تاريخ النفاذ 1/1/2023 واعداد بياناتها المالية بموجب المعيار بعد ذلك التاريخ
				2	المحور الثاني: قياس تأثير تطبيق المعيار رقم 17 على شفافيه المعلومات في البيانات المالية لشركات التأمين
					الجملة في تقييم أثر التنفيذ على الشفافية
					قياس أثر تقييم التزامات عقود التأمين بالقيمة الحالية
				2.1	إستخدام فرضيات محدثه حول التدفقات النقدية المتوقعة بتاريخ التقرير يؤدي الى اظهار توقعات الشركة حول تسوية التزامات عقود التأمين بصورة أفضل وتظهر أي

				تباين اقتصادي بين القيمة الحالية للأصول والالتزامات	
				استخدام القيمة الزمنية للنقد يؤدي الى قياس التزامات عقود التأمين بشكل أفضل	2.2
				إستخدام فرضيات محدثة حول معدل الخصم بتاريخ التقرير يظهر بصورة أفضل توقعات الشركة حول تسوية التزامات عقود التأمين	2.3
				إستخدام فرضيات محدثة حول المخاطر الغير مالية بتاريخ التقرير يؤدي الى اظهار توقعات الشركة حول تسوية التزامات عقود التأمين بصورة أفضل وتظهر أي تباين إقتصادي بين القيمة الحالية للأصول والالتزامات	2.4
				قياس أثر إستخدام الدفعات المستقبلية المتوقعة لتسوية المطالبات المبلغ عنها بالقيمة الحالية على شفافية المعلومات .	
				إستخدام القيمة الزمنية للنقد وقياس عقود التأمين بشكل أفضل يؤدي الى عرض مصاريف المطالبات بطريقة أفضل .	2.5
				إستخدام معدل الخصم الذي يعكس خصائص التدفق النقدي في الشركة لقياس عقود التأمين يجعل البيانات المالية تعكس بشكل افضل المخاطر الناجمة عن التزامات التأمين التي لا تقابلها اقتصاديا أصول ذات مخاطر ومدة مكافئة.	2.6
				تزويد معلومات حول العناصر المختلفة للربحية الحالية والمستقبلية الناتجة عن عقود التأمين، اي الاعتراف بالإيرادات بالتوازي مع تزويد خدمة التأمين يحسن من نوعيه المعلومات حول الربحية	2.7
				قيام الشركة بتوفير معلومات حول أرباح عقود التأمين المتوقعة بطريقة قابلة للمقارنة من قبل جميع الشركات يحسن من المعلومات الخاصة بربحية شركة التأمين	2.8
				فصل بنود الإيرادات والمصاريف الخاصة بعقود التأمين ضمن قائمة الدخل عن الإيرادات والمصاريف الغير تشغيلية يحسن من المعلومات حول الربحية	2.9
				الاعتراف بالإيرادات بالتناسب مع مدة خدمة التغطية التأمينية المزودة (باستثناء الودائع) كقيه القطاعات يحسن قابلية الفهم للربح او الخسارة للشركات التي تصدر عقود تأمين - أي يزيد قابلية والفهم لمختلف القطاعات من قبل المستثمرين العاديين	2.10
				الافصاح حول التغير في القيمة الدفترية لعقود التأمين الناتجة عن التدفق النقدي (الدخل او	2.11

					الخساره المعترف بها) يحسن من شفافية المعلومات حول الربحية.
					2.12 الإفصاح حول تفصيل عناصر التزامات عقود التأمين وبيان المبالغ المتعلقة بخدمات التأمين يحسن من شفافية المعلومات حول التزامات عقود التأمين
					2.13 تجميع العقود بناء على التشابه بالمخاطر والربحيه وفترة الاصدار ليتم ادارة كل مجموعه معاً، يحسن المعلومات المتعلقة ربحية محفظه الشركة
					2.14 الإفصاح عن مخاطر التأمين و المخاطر المالية يحسن جوده المعلومات للمستخدمين حول طبيعة وتوقيت التدفق النقدي .
					2.15 بالمجمل، ان التعديلات التاليه التي قدمها المعيار الدولي رقم 17 (عقود التأمين) قد ساهم في تحسين الشفافية وتقديم معلومات اكثر فائدة في البيانات المالية بالمقارنة مع المعيار السابق رقم 4.
					3 المحور الثالث: قياس أثر تطبيق المعيار رقم 17 على المقارنه والثبات في البيانات المالية لشركات التأمين
					الجملة في تقييم أثر التطبيق للمعيار على تحسين قابلية المقارنة
غير موافق بشدة	غير موافق	لا أثر	موافق	موافق بشدة	
					3.1 الثبات باستخدام اطار محاسبي موحد لجميع عقود التأمين، يؤدي الى إزالة العديد من الاختلافات المحاسبية التأمينية بين شركات التأمين، يمكن المستثمرين والمحللين من تحديد أوجه التشابه والإختلافات الإقتصادية والمخاطر بشكل افضل بين الشركات التي تصدر عقود التأمين
					3.2 إن الاعتراف بالايرادات على مدى الفترة التامينيه يساهم في تحسين المقارنة من فترة محاسبية لآخرى.
					3.3 الثبات في عرض البيانات الماليه والإفصاحات في الشركات المتعددة الجنسيات في نفس المجموعه يؤدي الى تحسين قابلية المقارنه للنتائج حسب المنتجات وحسب المنطقه الجغرافيه
					3.4 إن تطبيق المعيار يؤدي الى توحيد عرض قائمة المركز المالي للبنود الخاصة بعقود التأمين لجميع الشركات التي تصدر عقود التأمين يحسن من قابليه المقارنة في القطاع.
					3.5 إن تطبيق المعيار يؤدي الى توحيد عرض قائمة الدخل للبنود الخاصة بعقود التأمين لجميع الشركات التي تصدر

					عقود التأمين يحسن من قابلية المقارنة في القطاع	
					إن تطبيق المعيار يؤدي الى توحيد شكل الإيضاحات في البيانات المالية لجميع الشركات التي تصدر عقود التأمين ويحسن قابلية المقارنة بين الشركات	3.6
					ان توحيد سياسة تقييم عقود التأمين بين شركات المجموعة المتعددة الجنسية يحسن المقارنة للنتائج على مستوى المنتجات والشركات خارج الدول	3.7
					ان عرض الإيرادات والمصاريف من عقود التأمين بشكل مستقل عن النشاط غير التأميني يحسن من قابلية المقارنة في القطاع	3.8
					ان عرض الإيرادات والمصاريف من عقود التأمين بشكل مستقل عن عقود اعادة التأمين يحسن من قابلية المقارنة بين الشركات	3.9
					إن توحيد اطار الافصاحات في البيانات المالية حول طرق التقييم والسياسات المحاسبية المتعلقة بعقود التأمين المتبعة يحسن من قابلية المقارنه في المعلومات لجميع الشركات	3.10
					إن عرض اجمالي الاصول والمطلوبات لعقود التأمين بشكل منفصل عن الاصول والالتزامات لعقود إعادته التأمين يحسن من المقارنة في البيانات المالية في قطاع التأمين	3.11
					بالمجمل، ان التعديلات التي قدمها المعيار الدولي IFRS 17 (عقود التأمين) ساهمت في تحسين قابلية المقارنه والثبات في عرض المعلومات في البيانات المالية بالمقارنة مع المعيار السابق IFRS 4	3.12

Appendix 3: The Checklist used to assess the Implementation of IFRS 17 by Insurance Companies in Palestine and Jordan, applied on FS

	1. Presentation
	Presentations of the financial position
1	Grouping of the insurance contracts accounts receivable
2	Grouping of re-insurance contracts accounts receivable
3	Grouping of the insurance contracts' liability
4	Grouping of re-insurance contracts liability
5	Comparison figures
	Income statements
6	Insurance operation income
7	Insurance operation costs
8	Insurance activity financing income
9	Insurance activities financing costs
10	RE-insurance operation income
11	RE-insurance operation costs
12	Comparison figures
	Changes in equity statement
13	The accumulated impact of the adoption on opening balances
	Cash flow
14	Comparison figures
	2. Disclosures
	Policies disclosures
1	The used measuring model for the insurance and reinsurance contracts
2	The contract on which subject to provisions of premiums
3	The used policy in recognizing the cash flow from the insurance contract with the financial risk impact
4	Calculation policy for the assets and liabilities of the remaining coverage of the insurance services

5	The policy in calculation of IBNR
6	Service contracting margin
7	The losses-bearing insurance contract
8	The judgment used and the changes in the judgments used for adopting the standard
9	The confidence level used to determine the required insurance compensation to carry the non-financial risks
10	The return curve of discount used for the cash flows
11	Cost of acquisition of insurance policies
	Other disclosures on the FS
12	The opening balances reconciliations
13	The net assets or liabilities of the remaining coverage (except any losing components)
14	Any losing component, if existing
15	IBNR liabilities
16	The assessment of the present value of the future cash flow
17	Compensation is required for bearing the nonfinancial risks
18	Credit, liquidity, and market risks

Appendix 4: Names of the Validators of the Study Questionnaire

#	Name	Certificate	Workplace
1-	Prof. Zahran Daraghmeh	PHD Accounting	Arab American University
2-	Dr. Ghassan Daas Saydeh	PHD Accounting	An-Najah National University
3-	Dr. Raed Saed	PHD Accounting	Arab American University
4-	Dr. Reyad Abu Shehadeh	PHD Finance	Central Bank of Oman, previous Deputy Governor of Palestine Monetary Authority
5-	Dr. Hind Al Muhataseb	PHD Accounting	Birzeit University
6-	Dr. Ziad Mnawer	PHD Accounting	Birzeit University
7-	Mr. Amjad Hamdan	Master Accounting, ACPA, PCPA	External Auditor, Audit Manager TAGI
8-	Dr. Ali Irshied	PHD Accounting	Financial Analyst, Jordan
9-	Mr. Sajed Sharif	Master of Actuarial Science	Birzeit University
10-	Mr. Ayman Sabbah	MBA, ACPA	General Manager of AIG Insurance Co. Previous Director of Insurance Control Department, PCMA

Appendix 5: Questionnaire items with Frequency and Percentage for each Response

Category

Item No.	Dimension	Disagree (Freq/%)	Neutral (Freq/%)	Agree (Freq/%)	Strongly Agree (Freq/%)	Total No.
1	IFRS 17 Implementation					
1.1	Adoption of Accounting policies	1 / 0.34	9 / 3.06	187 / 63.61	97 / 32.99	294
1.2		2 / 0.68	25 / 8.50	152 / 51.70	115 / 39.12	294
1.3		3 / 1.02	113 / 38.44	154 / 52.38	24 / 8.16	294
1.4	Implementation of Accounting Policy and treatments	2 / 0.68	44 / 14.97	202 / 68.71	46 / 15.65	294
1.5		2 / 0.68	35 / 11.90	194 / 65.99	63 / 21.43	294
1.6		2 / 0.68	29 / 9.86	205 / 69.73	58 / 19.73	294
1.7	Presentation of Financial Statements	1 / 0.34	66 / 22.45	201 / 68.37	26 / 8.84	294
1.8		2 / 0.68	21 / 7.14	200 / 68.03	71 / 24.15	294
1.9		1 / 0.34	15 / 5.10	188 / 63.95	90 / 30.61	294
1.10.		0 / 0	16 / 5.44	172 / 58.50	106 / 36.05	294
1.11	Disclosure Requirements	3 / 1.02	69 / 23.47	190 / 64.63	32 / 10.88	294
1.12		1 / 0.34	10 / 3.41	174 / 59.04	109 / 37.20	294
1.13		1 / 0.34	15 / 5.10	172 / 58.50	106 / 36.05	294
1.14		9 / 3.06	105 / 35.71	155 / 52.72	25 / 8.50	294
1.15	Timing of Adoption and overall	2 / 0.68	60 / 20.41	205 / 69.73	27 / 9.18	294
1.16		2 / 0.68	21 / 7.14	94 / 31.97	177 / 60.20	294
2	Transparency					
2.1	Transparency	1 / 0.34	15 / 5.14	145 / 49.32	135 / 45.21	294
2.2		2 / 0.68	9 / 3.06	119 / 40.48	164 / 55.78	294
2.3		0 / 0	13 / 4.42	136 / 46.26	145 / 49.32	294
2.4		0 / 0	60 / 20.41	198 / 67.35	36 / 12.24	294
2.5		0 / 0	9 / 3.06	106 / 36.05	179 / 60.88	294
2.6		0 / 0	37 / 12.59	223 / 75.85	34 / 11.56	294
2.7		0 / 0	18 / 6.12	179 / 60.88	97 / 32.99	294
2.8		4 / 1.36	61 / 20.75	177 / 60.20	52 / 17.69	294
2.9		3 / 1.02	95 / 32.31	164 / 55.78	32 / 10.88	294
2.10.		0 / 0	22 / 7.48	203 / 69.05	69 / 23.47	294
2.11		0 / 0	15 / 5.10	122 / 41.50	157 / 53.40	294
2.12		1 / 0.34	7 / 2.39	126 / 43.00	160 / 54.27	294
2.13		1 / 0.34	37 / 12.59	187 / 63.61	69 / 23.47	294
2.14		6 / 2.05	35 / 11.95	195 / 66.21	58 / 19.80	294
2.15		2 / 0.68	17 / 5.78	115 / 39.12	160 / 54.42	294
3	Comparability					
3.1	Comparability	1 / 0.34	8 / 2.72	105 / 35.71	180 / 61.22	294
3.2		1 / 0.34	9 / 3.06	112 / 38.10	172 / 58.50	294

3.3		1 / 0.34	10 / 3.40	131 / 44.56	152 / 51.70	294
3.4		2 / 0.68	6 / 2.04	189 / 64.29	97 / 32.99	294
3.5		1 / 0.34	6 / 2.04	122 / 41.50	165 / 56.12	294
3.6		0 / 0	11 / 3.74	134 / 45.58	149 / 50.68	294
3.7		0 / 0	13 / 4.42	101 / 34.35	180 / 61.22	294
3.8		1 / 0.34	10 / 3.40	103 / 35.03	180 / 61.22	294
3.9		0 / 0	38 / 12.93	192 / 65.31	64 / 21.77	294
3.10.		1 / 0.34	7 / 2.38	125 / 42.52	161 / 54.76	294
3.11		0 / 0	7 / 2.38	199 / 67.69	88 / 29.93	294
3.12		0 / 0	17 / 5.78	129 / 43.88	148 / 50.34	294

Source: Prepared by the researcher – Statistical analysis of the data

Appendix 6: Diagnostic Statistics of Regression Residuals

Indicator	Value	Interpretation
Predicted Value	Minimum = 3.4693, Maximum = 4.4282, Mean = 4.0959, Std. Deviation = 0.16316	These are the predicted values of the dependent variable (<i>ifrs_app_scor</i>). The narrow prediction range (≈ 1 point) indicates relative model stability and consistent predictive performance within a limited scope.
Residual	Minimum = -0.968, Maximum = 0.853, Mean = 0.000, Std. Deviation = 0.27474	The mean residual is close to zero, which is ideal, suggesting that prediction errors are symmetrically distributed around zero, indicating that the model's estimates are unbiased .
Standardized Predicted Value	Range: -3.84 to +2.04	Used to assess whether predicted values fall within the acceptable range (± 3). Most values lie within this range, indicating the absence of extreme outliers among predictions.
Standardized Residual	Range: -3.51 to +3.09	The standardized residuals provide insight into the normality of error distribution. The general rule is that values within ± 3 are acceptable. Here, residuals fall within this range, implying no significant outliers or influential data points affecting the model.

Source: Prepared by the researcher – Statistical analysis of the data

(الملخص باللغة العربية)

هل تطبيق المعيار الدولي للتقرير المالي 17 " عقود التأمين " يحسن من جودة التقارير

المالية؟ دليل من فلسطين والاردن

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ملخص

تهدف هذه الدراسة إلى تحليل أثر تطبيق المعيار الدولي للتقارير المالية رقم (IFRS 17) "عقود التأمين" على جودة التقارير المالية في شركات التأمين المدرجة في كل من فلسطين والأردن، وذلك بعد مرور ثلاث سنوات على دخوله حيز التنفيذ. وقد أُجريت الدراسة في مطلع عام 2026، وانصبت على تقييم مدى تحقيق المعيار لأهدافه المحددة والمتمثلة في تعزيز الشفافية والقابلية للمقارنة.

اعتمدت الدراسة المنهج الكمي ذي الطابع التحليلي، مستندةً إلى بيانات جُمعت من خلال استبانة منظمة وُزعت على عينة قصدية بلغ حجمها (294) مفردة من المهنيين ذوي الصلة، شملت معدّي القوائم المالية، والمدققين الخارجيين، والأكاديميين، والمحللين الماليين. وتم قياس جودة التقارير المالية من خلال بُعدين رئيسيين هما الشفافية والقابلية للمقارنة، بما ينسجم مع المحددات النظرية للإطار المفاهيمي الدولي المحدد من مجلس معايير المحاسبة الدولية. ولتحليل البيانات واختبار الفرضيات، استخدمت الدراسة الأساليب الإحصائية الوصفية، وتحليل الارتباط، ونماذج الانحدار المتعدد، وأسلوب المربعات الصغرى الموزونة (WLS)، وذلك لقياس أثر تطبيق IFRS 17 على جودة التقارير المالية، مع إدراج متغير ضابط يتمثل في سنوات الخبرة المهنية للمستجيبين.

وأظهرت النتائج وجود أثر إيجابي ذي دلالة إحصائية لتطبيق IFRS 17 على جودة التقارير المالية في كلا البلدين محل الدراسة. كما بينت النتائج تحسناً ملموساً في مستوى الشفافية، في حين برزت القابلية للمقارنة

باعتبارها البعد الأكثر تأثيراً واتساقاً في السياقين معاً، بما يعكس دور المعيار في الحد من التباين في الممارسات المحاسبية وتعزيز قابلية المقارنة بين التقارير المالية. وعلى الرغم من تقارب مستوى تطبيق المعيار في فلسطين والأردن، فقد ظهرت فروق في مخرجات جودة التقارير المالية. كما تبين أن الخبرة المهنية أدت دوراً معدّلاً إيجابياً في العلاقة بين تطبيق المعيار وجودة التقارير المالية في فلسطين، في حين لم يظهر لها أثر ذو دلالة إحصائية في الأردن.

وأوصت الدراسة بضرورة الاستمرار في تعزيز الالتزام بمتطلبات المعايير الدولية للتقارير المالية، وتكثيف برامج التدريب المهني، وتطوير نظم التقارير والبنى المؤسسية بما يدعم التطبيق الفعّال والمستدام للمعيار IFRS 17. كما دعت إلى توسيع نطاق البحوث المستقبلية لدراسة أثر المعيار IFRS 17 على الأداء المالي وإدارة المخاطر في شركات التأمين، إضافةً إلى تحليل انعكاساته المحتملة على القطاعات غير التأمينية.

الكلمات المفتاحية: القابلية للمقارنة، الأسواق الناشئة، جودة التقارير المالية، IFRS 17، الشفافية