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IFRS 17 ADOPTION AND FINANCIAL REPORTING QUALITY OF LISTED INSURANCE FIRMS IN NIGERIA: A PROPOSED RESEARCH FRAMEWORK

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ABSTRACT
This paper develops a research framework for evaluating the effect of the adoption of IFRS 17 Insurance Contracts on the financial reporting quality of insurance firms listed on the Nigerian Exchange. IFRS 17, issued by the International Accounting Standards Board in 2017 and effective for Nigerian insurers from 1 January 2023, replaced the interim standard IFRS 4 and introduced a current-value measurement model built around the fulfilment cash flows and the contractual service margin. While IFRS adoption generally has attracted sustained empirical attention in Nigeria, studies specifically evaluating IFRS 17 within the Nigerian insurance industry remain scarce, with most existing evidence drawn from survey-based work in India, Zambia, Jordan and Zimbabwe rather than from the audited financial statements of Nigerian insurers, and this gap is the motivation for the present paper. The paper proposes an ex-post facto, comparative pre- and post-adoption research design covering the six-year window from 2020 to 2025, split into three years before adoption and three years after, drawing on the audited annual reports of a purposively selected sample of listed insurance firms. Financial reporting quality is proxied by a composite qualitative-characteristics index capturing relevance, faithful representation, comparability and timeliness, and by the level of discretionary accruals estimated through an insurance-adapted accruals model, while firm size, leverage and firm age serve as control variables. The paper sets out the model specification, the measurement of each variable, and the full battery of diagnostic tests appropriate to panel data of this kind, including the Hausman specification test, the variance inflation factor test, the Breusch-Pagan and White tests, the Jarque-Bera test and the Wooldridge test. It is expressly a methodological contribution: no empirical coefficients are reported, and the reporting formats presented are templates to be populated once the audited figures of the sampled firms have been collected and analysed. The paper closes with the practical, regulatory and academic implications of a rigorous evaluation of IFRS 17 in the Nigerian insurance sector.

Keywords: IFRS 17, financial reporting quality, insurance contracts, contractual service margin, discretionary accruals, Nigerian Exchange.

Introduction

The quality of the financial reports produced by insurance companies occupies a particularly sensitive position within the wider architecture of financial reporting, because insurance contracts, unlike most other financial instruments, embed long-duration, uncertain and interlocking cash flows that are difficult to measure and more difficult still to communicate transparently to users. For more than a decade insurers reporting under International Financial Reporting Standards did so under IFRS 4 Insurance Contracts, an interim standard that the International Accounting Standards Board always intended to replace because it permitted a wide diversity of national practices to persist, thereby undermining comparability both across jurisdictions and among insurers within the same jurisdiction. IFRS 17 Insurance Contracts, issued in May 2017 and subsequently amended, was designed to close that gap by requiring insurers to measure insurance contracts at a current, market-consistent value that separately identifies the fulfilment cash flows and the contractual service margin, and by mandating more granular disclosure of the assumptions, judgements and risks underlying the reported figures (International Accounting Standards Board [IASB], 2017).

Nigeria adopted IFRS 17 in line with the global effective date of 1 January 2023, following extensive preparatory work coordinated by the National Insurance Commission in conjunction with professional bodies and the audit firms operating in the Nigerian insurance market (National Insurance Commission, 2023). Industry commentary at the point of adoption estimated that the transition would prove costly and operationally demanding for insurers worldwide, and Nigerian insurers were not exempt from these pressures given the scale of the system, actuarial and process changes that a shift from an incurred-cost logic to a current-value logic entails (The Guardian Nigeria, 2021). The passage of the Nigerian Insurance Industry Reform Act 2025, which consolidated and modernised the country's insurance legislation and raised minimum capital requirements for underwriters, has further intensified scrutiny of the financial statements that listed insurers publish, since investors, regulators and policyholders now rely more heavily upon those statements in assessing solvency and going-concern status (Nigerian Insurance Industry Reform Act, 2025).

Despite the importance of the transition, empirical evidence on whether IFRS 17 has actually improved the financial reporting quality of Nigerian insurers remains thin. Much of the international literature on the standard is perception-based, relying upon the views of finance professionals, accountants and auditors gathered through questionnaires or interviews rather than upon examination of the financial statements the standard actually produced (Kumar & Rastogi, 2023; Alhawtmeh, 2023). Within Nigeria, the empirical literature on IFRS adoption in the insurance sector has concentrated upon the earlier transition from local Statements of Accounting Standards to IFRS in the early 2010s and upon IFRS 4 rather than IFRS 17, and has more often examined value relevance or financial performance than financial reporting quality as such (Muhammad, 2017). This leaves open the specific question that motivates the present paper.

It is worth being precise at the outset about what this paper does and does not claim. It does not report the results of a completed empirical investigation; rather, it develops in full the conceptual, theoretical and methodological apparatus required to conduct such an investigation rigorously, and it illustrates the format in which the eventual results should be presented once the audited data have been collected and analysed. The distinction matters because a considerable body of published accounting research has been criticised, both informally and in formal peer review, for internal inconsistencies between descriptive statistics and regression output, for the omission of standard panel-data diagnostics, and for introductions that restate the problem rather

than sharpening it into testable hypotheses. This paper is deliberately structured to avoid each of those weaknesses, and the reporting formats presented below are expressly identified as templates rather than as findings (Agienohuwa & Ilaboya, 2018).

The problem addressed is twofold. First, insurance firms in Nigeria operate in an environment where public confidence in the sector has historically been fragile, and financial statements that are difficult to interpret, or whose quality cannot be independently verified, do little to correct that condition. Second, without firm-level, statement-based evidence it is not possible to say with confidence whether the considerable cost of implementing IFRS 17 has been matched by a corresponding improvement in the information insurers make available to shareholders, regulators and the investing public. If reporting quality has not improved materially, this carries implications for how the National Insurance Commission, the Financial Reporting Council of Nigeria and the Nigerian Exchange supervise continued compliance; if it has improved, the evidence provides a base upon which other emerging-market regulators reviewing their own transition may draw (Deloitte Nigeria, 2023).

The broad objective of the proposed study is to examine the effect of IFRS 17 adoption upon the financial reporting quality of insurance firms listed on the Nigerian Exchange. Its specific objectives are to determine the effect of adoption upon the qualitative-characteristics index of the financial statements of listed Nigerian insurers, to examine the effect of adoption upon the level of discretionary accruals as a proxy for earnings quality, and to compare the financial reporting quality of listed insurers in the three years preceding adoption with that recorded in the three years following it. In line with these objectives three null hypotheses are formulated: that IFRS 17 adoption has no significant effect upon the qualitative-characteristics index, that it has no significant effect upon the level of discretionary accruals, and that there is no significant difference between the financial reporting quality of listed insurance firms before and after adoption (IASB, 2018).

Beyond its immediate policy relevance the paper makes two further contributions. Methodologically, it demonstrates how a comparative pre- and post-adoption panel design, anchored in a full set of panel-data diagnostics, may be applied to a recently mandated accounting standard in an African emerging market, furnishing a template reusable for other IFRS transitions once sufficient post-adoption reporting cycles have elapsed. Theoretically, it extends the joint application of Agency Theory and the decision-usefulness perspective, more commonly applied separately in the literature, to a single integrated evaluation of a measurement-and-disclosure standard, showing how the two perspectives generate complementary and testable predictions about the same accounting change (Jensen & Meckling, 1976; IASB, 2018).

The framework should be of value to several groups. Regulators stand to benefit from firm-level evidence on whether the compliance cost associated with IFRS 17 has translated into a measurable reporting-quality dividend, which can inform future supervisory guidance and post-implementation review. Preparers and audit committees can use the eventual findings to benchmark their own disclosure and measurement practices against the sector average, while investors and analysts gain an evidence-based reference point for interpreting insurers' post-adoption statements, and the academic community gains a statement-based rather than purely perception-based addition to a still-thin literature. The proposed study is limited in scope to insurance firms listed on the Nigerian Exchange over the 2020 to 2025 period, and its eventual findings may not generalise to unlisted insurers, to reinsurers or to other jurisdictions without further testing (Chonya, Mbewe, & Msonda, 2025).

Literature Review

Conceptual Review

IFRS 17 replaces IFRS 4 as the standard governing the recognition, measurement, presentation and disclosure of insurance contracts. Its central innovation is the general measurement model, under which an insurance contract liability is measured as the sum of the fulfilment cash flows, comprising the present value of future cash flows and a risk adjustment for non-financial risk, together with the contractual service margin, which represents the unearned profit an insurer expects to recognise as coverage is provided over the life of the contract. Two simplified variants, the premium allocation approach for short-duration contracts and the variable fee approach for contracts with direct participation features, are also permitted. Because the standard requires current, discounted, probability-weighted estimates rather than the mixture of historical-cost and locked-in assumptions permitted previously, it is expected to increase transparency, comparability and timeliness at the cost of considerable implementation complexity (IASB, 2017).

Financial reporting quality is a multidimensional construct rather than a single observable number. Drawing upon the Conceptual Framework for Financial Reporting, high-quality financial statements are commonly assessed against the fundamental qualitative characteristics of relevance and faithful representation and against the enhancing characteristics of comparability, verifiability, timeliness and understandability (IASB, 2018). Empirical accounting research has operationalised these characteristics in various ways, including composite disclosure or qualitative-characteristics indices constructed through content analysis of annual reports, and outcome-based proxies such as the magnitude of discretionary accruals, the value relevance of accounting numbers and the persistence of earnings. The proposed study combines an index with an accruals proxy so that both the presentational and the numerical dimensions of quality are captured.

Because a purely disclosure-based index cannot by itself detect whether the numbers embedded in the financial statements are being managed, the framework adds discretionary accruals as a second, outcome-based proxy, consistent with a long tradition in accounting research that treats the unexplained component of total accruals as an indicator of the degree to which reported earnings deviate from an economically grounded benchmark, and consistent also with the contracting incentives that positive accounting theory identifies as the drivers of such deviation (Watts & Zimmerman, 1986). In an insurance setting total accruals are dominated by the change in the insurance contract liability, so the accruals model proposed below is adapted to include the loss and claims reserve explicitly rather than relying upon a generic non-financial-firm model that would misclassify normal reserve movements as discretionary.

Theoretical Review

The framework is anchored on Agency Theory and the decision-usefulness perspective of financial reporting. Agency Theory conceptualises the firm as a nexus of contracts between principals, comprising shareholders, policyholders and regulators, and agents, comprising managers, whose interests do not automatically coincide (Jensen & Meckling, 1976). Because managers possess more information about the insurer's underwriting and investment risks than outside stakeholders, an information asymmetry arises that a rigorous current-value standard such as IFRS 17 is partly designed to narrow, by constraining managerial discretion over the timing of profit recognition through the contractual service margin mechanism and by mandating disclosures that render the insurer's risk exposures more visible to outsiders (IASB, 2017).

The decision-usefulness perspective, embedded in the Conceptual Framework, complements Agency Theory by holding that the overriding objective of financial reporting is to provide information useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity, and IFRS 17 is evaluated here in part against how well it serves that objective (IASB, 2018). Together the two perspectives justify examining the standard both as a constraint upon managerial discretion and as a vehicle for more decision-useful disclosure, and they generate a joint falsifiable expectation: if the standard functions as both predict, firms should show after adoption both a higher qualitative-characteristics score and a smaller magnitude of discretionary accruals. Finding an improvement in one measure but not the other would not contradict the framework but would instead indicate which mechanism is empirically doing more of the work, a distinction that a single-proxy study could not draw (Watts & Zimmerman, 1986).

Empirical Review

Muhammad (2017) examined the effect of IFRS adoption upon the value relevance of accounting information among listed insurance firms in Nigeria using a re-modified price model of the kind introduced in the value-relevance literature (Ohlson, 1995), comparing the pre- and post-IFRS eras. The study found that accounting information became more value-relevant to the market after adoption, lending indirect support to the view that a move toward current, standardised measurement improves the usefulness of insurers' reported numbers, although it covered the earlier transition from local standards to IFRS rather than the IFRS 4 to IFRS 17 transition that concerns the present framework.

Kumar and Rastogi (2023) surveyed 231 finance professionals employed by Indian insurance companies on their perception of the effect of IFRS 17 upon financial reporting quality, and found that respondents expected the standard to exert a substantial positive effect upon relevance, faithful representation, comparability, understandability, verifiability and timeliness, and to help investors and other decision-makers reach better-informed decisions. The study is nonetheless perception-based rather than statement-based, which is precisely the gap the proposed study seeks to close for the Nigerian market.

Alhawtmeh (2023) investigated the impact of IFRS 17 upon accounting measurement, disclosure and financial reporting quality among Jordanian insurance companies through a field survey of practitioners, and found that the standard improved measurement and disclosure practice while also flagging persistent obstacles including gaps in the professional qualifications of preparers and the continuing influence of prior practice under IFRS 4. The finding underlines that the benefits of the standard are conditional upon adequate implementation capacity, a qualification of direct relevance to the Nigerian market given the resource constraints documented at the point of local transition (Deloitte Nigeria, 2023).

Chonya, Mbewe and Msonda (2025) explored, through semi-structured interviews with accountants and auditors, the effect of IFRS 17 adoption upon the quality of financial reports of Zambian insurance companies. Their thematic analysis found that the standard significantly improved the faithful presentation, relevance and comparability of financial statements, largely through more granular disclosure of cash-flow timing and risk adjustments and through the profit-recognition logic of the contractual service margin, while also identifying inconsistent implementation and limited technical expertise as continuing constraints. This echoes the earlier statement-based finding for Nigerian deposit money banks that financial reporting quality differed significantly before and after IFRS implementation (Agienohuwa & Ilaboya, 2018).

The picture that emerges is that IFRS transitions in Nigeria, when studied using actual financial-statement data rather than survey opinion, have tended to be associated with measurable and generally positive changes in reporting or value-relevance outcomes, while IFRS 17 specifically has so far been examined mainly through the perceptions of practitioners rather than through the numbers those practitioners produce (Muhammad, 2017; Kumar & Rastogi, 2023). Three gaps accordingly remain. No identified study evaluates IFRS 17 specifically, as distinct from IFRS generally or the earlier IFRS 4 regime, using the audited financial statements of Nigerian insurers. Existing IFRS 17 studies in comparable emerging markets are overwhelmingly perception-based, so a statement-based Nigerian study would extend the literature methodologically as well as geographically. And because the standard became mandatory for Nigerian insurers only from 2023, a rigorous comparative design is both feasible and timely now that three post-adoption reporting cycles have elapsed (Alhawtmeh, 2023; Chonya et al., 2025).

Proposed Methodology

The proposed study adopts an ex-post facto research design because it would rely entirely upon financial data already reported in insurers' audited annual reports, neither IFRS 17 adoption nor the financial variables under study being manipulated by the researcher. A comparative pre- and post-adoption design is layered upon the ex-post facto design because the research questions are at heart concerned with a within-firm change following a regulatory event, namely mandatory adoption on 1 January 2023, and this is the design structure that earlier Nigerian statement-based evaluations of IFRS transitions have employed to good effect (Agienohuwa & Ilaboya, 2018; Muhammad, 2017).

The population comprises all insurance firms listed on the Nigerian Exchange as at the end of 2025, a group including AIICO Insurance Plc, AXA Mansard Insurance Plc, Cornerstone Insurance Plc, Coronation Insurance Plc, Custodian and Allied Insurance Plc, Consolidated Hallmark Holdings Plc, Guinea Insurance Plc, International Energy Insurance Plc, Lasaco Assurance Plc, Linkage Assurance Plc, Mutual Benefits Assurance Plc, NEM Insurance Plc, Prestige Assurance Plc, Regency Alliance Insurance Plc, Sovereign Trust Insurance Plc, Sunu Assurances Nigeria Plc, Universal Insurance Company Plc and Veritas Kapital Assurance Plc. A purposive sampling technique is recommended, selecting firms continuously listed throughout the window, publishing complete audited reports for all six years, and preparing both pre-adoption and post-adoption financial statements so that a genuine within-firm comparison is possible; applying these filters is expected to yield a sample of approximately ten firms, to be finalised once the annual reports have been retrieved and screened (National Insurance Commission, 2023).

The six-year window from 2020 to 2025 is chosen deliberately rather than arbitrarily. Three years of pre-adoption data are needed in order to establish a stable baseline for each firm's reporting behaviour under IFRS 4 before the transition, while three years of post-adoption data represent the fullest window currently available for Nigerian insurers given that the standard became mandatory only from the 2023 financial year. A shorter post-adoption window would risk capturing transition-year noise, such as one-off restatement effects and first-time-adoption disclosures, rather than the settled reporting behaviour that a genuine quality comparison requires, and a longer window is not yet available; future replications should extend the window as later annual reports are published (IASB, 2017).

Data are to be sourced from the audited annual reports and accounts of the sampled firms, obtainable from the Nigerian Exchange corporate disclosure portal and from the investor-relations pages of the firms themselves, covering the fiscal years from 2020 to 2025 and restricted, for the

paired-comparison hypothesis, to the three pre-adoption and three post-adoption years. Where a firm restated its 2022 comparative figures under IFRS 17 in its 2023 annual report, both the originally reported and the restated figures are to be retrieved so that measurement effects may be separated from disclosure effects, a step that the transition guidance issued to Nigerian insurers makes both possible and necessary (National Insurance Commission, 2023).

The dependent variable, financial reporting quality, is measured in two complementary ways. First, a qualitative-characteristics index is constructed through content analysis of each firm's annual report, scoring the presence and depth of disclosures associated with relevance, faithful representation, comparability and timeliness against a structured checklist and expressing the result as a proportion of the maximum attainable score (IASB, 2018). Second, discretionary accruals are estimated using a modified Jones-type model adapted to the insurance context, with the loss and claims reserve included as an insurance-specific accrual item, as an inverse proxy for earnings quality in which a smaller absolute value indicates higher reporting quality. The independent variable is a dummy coded zero for the pre-adoption years and one for the post-adoption years, while firm size measured as the natural logarithm of total assets, leverage measured as total liabilities divided by total assets, and firm age measured as years since incorporation serve as controls that the reviewed literature associates with reporting quality independently of any standard change (Agienohuwa & Ilaboya, 2018).

Following the comparative logic used in earlier Nigerian evaluations of IFRS transitions and adapted to the two proxies defined above, the study specifies two panel regression models. The first is $QCI_{it} = \beta_0 + \beta_1 IFRS17_{it} + \beta_2 FSIZE_{it} + \beta_3 LEV_{it} + \beta_4 AGE_{it} + \varepsilon_{it}$, and the second is $DACC_{it} = \gamma_0 + \gamma_1 IFRS17_{it} + \gamma_2 FSIZE_{it} + \gamma_3 LEV_{it} + \gamma_4 AGE_{it} + \mu_{it}$, where i indexes firms, t indexes years, the intercepts and slope coefficients are to be estimated and the disturbance terms are assumed to satisfy the usual conditions. A significant and positive coefficient on the adoption dummy in the first equation, or a significant and negative coefficient in the second, would support the view that adoption improved financial reporting quality, while for the third hypothesis a paired-sample t-test, or its non-parametric equivalent where normality is rejected, is proposed to compare the mean index and accruals values of the same firms across the two sub-periods (Muhammad, 2017).

Because the dataset is a panel, the choice between pooled ordinary least squares and the fixed- and random-effects estimators should be data-driven rather than assumed, and the full set of diagnostic tests is treated as compulsory rather than optional. The Hausman specification test is proposed to choose between the fixed- and random-effects estimators; the variance inflation factor test to check for multicollinearity, a mean or individual value materially above ten indicating a problem requiring remedial action; the Breusch-Pagan and White tests to check for heteroskedasticity, with panel-corrected or robust standard errors applied where it is detected; the Jarque-Bera test to check the normality of the residuals and thereby to decide between parametric and non-parametric testing procedures; and the Wooldridge test for autocorrelation in panel data, complementing the Durbin-Watson statistic reported alongside the regression output (Watts & Zimmerman, 1986).

All descriptive statistics and regression estimates are to be computed using recognised econometric software, and every figure appearing in the results tables must be traceable to a specific line item in the sampled firms' audited annual reports. To guard against the internal-consistency problems that commonly affect secondary-data accounting studies, each extracted value should be cross-checked against at least two independent sources where available, with any discrepancy resolved by reference to the audited financial statements as the primary source; every computed ratio should be recomputed independently at the point of writing up rather than carried

forward from an intermediate worksheet; and the completed descriptive and regression tables should be reconciled against one another, so that the number of observations reported in the descriptive statistics equals the number reported beneath the regression output for the same variable, any mismatch being treated as a signal to re-examine the data rather than reported as a minor discrepancy (Agienohuwa & Ilaboya, 2018).

Proposed Reporting Format

The tables below set out the standard layout in which the descriptive statistics and the panel regression output should be reported once the audited data have been collected and analysed. The entries are format placeholders only; they are not drawn from any firm's financial statements and must not be read as empirical results. Section content of this kind is presented here solely so that the eventual analysis can be reported in a form that a reviewer can readily verify against the underlying source documents (IASB, 2018).

Table 1: Descriptive Statistics — Proposed Reporting Format

Statistic	QCI	DACC	FSIZE	LEV
Mean	—	—	—	—
Median	—	—	—	—
Maximum	—	—	—	—
Minimum	—	—	—	—
Std. Dev.	—	—	—	—
Jarque-Bera	—	—	—	—
Observations	—	—	—	—

Note. Placeholder layout. To be computed by the author from the sampled firms' audited annual reports, 2020–2025.

Table 2: Panel Regression Output — Proposed Reporting Format for the Qualitative-Characteristics Index Model

Variable	Coefficient	Std. error	Prob.
IFRS17 (adoption dummy)	—	—	—
FSIZE (firm size)	—	—	—
LEV (leverage)	—	—	—
AGE (firm age)	—	—	—
Constant	—	—	—
R-squared / Adjusted R-squared	—	—	—
F-statistic (probability)	—	—	—
Hausman test (probability)	—	—	—
Mean variance inflation factor	—	—	—
Breusch-Pagan / White (probability)	—	—	—

Note. Placeholder layout. The discretionary-accruals model and the paired-sample comparison should be reported in the same format once the audited data have been analysed.

Once populated with real figures, the interpretation should address the sign, magnitude and statistical significance of the adoption coefficient in each model against the hypotheses stated in the introduction. A positive and significant coefficient in the index model, alongside a negative and significant coefficient in the accruals model, would jointly indicate that adoption improved financial reporting quality along both the presentational and the numerical dimensions, warranting

rejection of the first two null hypotheses, while a paired-sample probability below the five per cent threshold would warrant rejection of the third. Conversely, an insignificant or negatively signed adoption coefficient in the index model would indicate that the transition has not yet delivered a measurable disclosure-quality dividend, which would itself constitute a reportable and policy-relevant finding rather than a result to be adjusted until it appears favourable (IASB, 2018).

Discussion of Expected Findings

On the balance of the reviewed literature, a modest positive effect of IFRS 17 adoption upon financial reporting quality is the more plausible expectation. Perception-based evidence from India, Jordan and Zambia converges upon the view that the standard's current-value measurement and expanded disclosure requirements are perceived by practitioners as improving relevance, faithful representation and comparability (Kumar & Rastogi, 2023; Alhawtmeh, 2023; Chonya et al., 2025), while the statement-based finding that the earlier transition raised the value relevance of Nigerian insurers' accounting numbers provides indirect, Nigeria-specific support for the proposition that standard changes of this kind register in actual reported figures rather than only in practitioner opinion (Muhammad, 2017). The international evidence nonetheless cautions that the realised benefit of a new standard depends heavily upon implementation capacity, so the magnitude of the eventual coefficient may prove more modest than perception surveys suggest, particularly within the still-short post-adoption window (Alhawtmeh, 2023).

A further expectation, grounded in the statement-based finding of a significant pre- and post-adoption difference in reporting quality following an earlier IFRS transition among Nigerian banks, is that any improvement detected among insurers is more likely to appear in the disclosure-based index than in the outcome-based accruals measure in the short run, since new disclosure requirements take effect immediately upon adoption whereas a genuine reduction in earnings management usually develops more gradually as preparers, auditors and regulators become confident in interpreting and challenging the judgements embedded in the contractual service margin (Agienohuwa & Ilaboya, 2018). Firm size and leverage are expected, consistent with the wider literature, to retain independent associations with reporting quality, which underscores the importance of including them as controls rather than attributing every observed difference to the accounting-standard change alone. Were this asymmetry confirmed by the eventual data, it would itself be a useful finding, since it would suggest that regulators should not expect the full benefit of the standard to be visible within the first three post-adoption years (Watts & Zimmerman, 1986).

Conclusion

This paper has set out a rigorous, statement-based framework for evaluating whether IFRS 17 adoption has improved the financial reporting quality of insurance firms listed on the Nigerian Exchange, a question that the existing literature, dominated by perception-based studies from other jurisdictions and by Nigerian studies of the earlier transition, has not yet answered directly with Nigerian firm-level data (Kumar & Rastogi, 2023; Muhammad, 2017). By combining a qualitative-characteristics index with a discretionary-accruals proxy, anchoring the analysis in Agency Theory and the decision-usefulness perspective, and specifying a comparative panel model together with a full battery of diagnostic tests, the paper provides a template capable of generating credible and defensible evidence once populated with the audited figures of the sampled firms.

The paper contributes to knowledge in three specific ways. It is, to the best of the author's knowledge, the first Nigerian work to design a statement-based rather than perception-based evaluation of IFRS 17 specifically, as distinct from the general IFRS or the earlier IFRS 4 literature. It adapts the discretionary-accruals methodology to the insurance context by explicitly

incorporating the loss and claims reserve, thereby addressing a measurement gap left open where non-financial-firm accruals models have been applied uncritically to insurers. And it demonstrates a reproducible standard of rigour, covering model specification, multicollinearity, heteroskedasticity and autocorrelation, that future Nigerian accounting research on regulatory or standard-setting events may adopt as a baseline expectation (Agienohuwa & Ilaboya, 2018; IASB, 2018).

Three limitations should be acknowledged. The proposed study is confined to listed insurance firms over a six-year window containing only three post-adoption fiscal years, which limits statistical power relative to designs with longer post-adoption periods. The qualitative-characteristics index, however carefully constructed, retains an element of coder judgement common to all disclosure-index studies. And, as with any ex-post facto design, the analysis can establish association but not definitive causation between adoption and changes in reporting quality, since other events coinciding with the post-adoption window, including the broader statutory reforms enacted in 2025, may also have influenced insurers' reporting behaviour (Nigerian Insurance Industry Reform Act, 2025).

Recommendations

Once completed with real data, the study is expected to support the following recommendations. Insurance firms should continue investing in the actuarial and financial-reporting capacity needed to sustain genuine rather than merely formal compliance with IFRS 17, since disclosure meeting the letter of the standard without adequate underlying analysis may not deliver the quality gains the standard is designed to produce; concretely this means retaining or training qualified actuaries able to defend the assumptions underlying the fulfilment cash flows and the contractual service margin under audit and regulatory scrutiny (Alhawtmeh, 2023; Deloitte Nigeria, 2023).

The National Insurance Commission and the Financial Reporting Council of Nigeria should consider a structured post-implementation review of compliance across all licensed insurers, and not only those listed on the Exchange, in order to establish whether any reporting-quality effects found among listed firms extend to the wider and generally less-resourced unlisted segment of the market (National Insurance Commission, 2023). Audit firms engaged by insurers should pay particular attention to the judgement-heavy areas of the standard, namely the risk adjustment for non-financial risk and the discount rates applied to the fulfilment cash flows, since these are the areas most likely to be used, whether deliberately or otherwise, to manage the pattern of reported profit (IASB, 2017).

Future researchers should extend the design proposed here to unlisted insurers, to reinsurers and to a longer post-adoption window as additional reporting cycles become available, and should consider triangulating statement-based findings with practitioner-perception evidence of the kind already available for other jurisdictions, so that the medium-term rather than only the immediate effect of IFRS 17 upon Nigerian insurers can be assessed from both the numbers and the people who produce them (Chonya et al., 2025; Kumar & Rastogi, 2023).

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