UNIVERSITY OF INSURANCE AND FINANCE

REVIEW

By: Prof. Ali Ali Veysel, PhD; Department of Accounting and Auditing, University of Insurance and Finance – Sofia, professional field 3.8. “Economics” (Accounting, Auditing and Analysis).

Subject: dissertation for awarding the educational and scientific degree “Doctor” in the field of higher education 3. Social, economic and legal sciences, professional field 3.8. Economics, doctoral program “Accounting, Control and Analysis”

Basis for submitting the review: participation in the scientific jury for the defense of the dissertation work in accordance with Order No. 298/15.07.2026 of the Rector of the University of Insurance and Finance (UZF).

Author of the dissertation: Georgi Stoyanov

Topic of the dissertation: "Effect of the application of IFRS 17 "Insurance Contracts" on the financial statements of insurance companies - scientific and applied aspects".

Scientific supervisor: Prof. Emilia Milanova, PhD.

1. Information about the doctoral student

The author of the dissertation is Georgi Stoyanov - a doctoral student in an independent form of study at the Department of "Accounting and Auditing" of the University of Finance and Economics, with a scientific supervisor Prof. Emilia Milanova, PhD, enrolled with order No. 276/07.08.2025 and discharged with order 294/15.07.2026.

The doctoral student graduated with a bachelor's degree in "Accounting" at the University of National and World Economy in 2015 and a master's degree in "Accounting" at the University of National and World Economy in 2016. From 2014 he works in an auditing company. Since 2022 he has been a certified public accountant and registered auditor. He was a part-time lecturer at the University of National and World Economy.

2. General characteristics of the presented dissertation work

The dissertation work has a volume of 203 pages. The exposition is structured in an introduction, three chapters, conclusion, literature used, list of graphs, tables and figures and appendices. The literature used includes 21 sources in Bulgarian and 127 in English.

The introduction presents the relevance, object, subject, goal, tasks, thesis and methodology of the study.

The work is dedicated to the fundamental change in the financial reporting of insurance companies - the implementation of IFRS 17 - Insurance Contracts. The author justifies the relevance of the study by the large-scale nature of the changes that the standard imposes, emphasizing that they go beyond the framework of a simple update of accounting rules. According to the presentation, the significance of the topic is predetermined by the fact that the transformation requires insurance companies to comprehensively reassess their business models, operational processes, information systems and risk management strategies. The relevance is also enhanced by the urgent need of stakeholders – investors, regulators and analysts – for clarity regarding the impact of the new standard on the comparability and interpretation of financial information in the insurance sector.

The object of the study is the financial statements of insurers, and the subject – the effect of the application of IFRS 17 – Insurance Contracts on accounting reporting and the presentation of information in the financial statements. The goal is to provide recommendations for adapting the analysis to the new requirements. To achieve it, a number of tasks have been formulated:

• theoretical review and analysis of the essence and main provisions of IFRS 17 in comparison with IFRS 4;

• identification and analysis of the main changes that IFRS 17 introduces in the formation of the elements of financial statements;

• study and assessment of the impact of IFRS 17 on key financial indicators and ratios;

• study of the challenges and opportunities facing insurance companies in Bulgaria in relation to IFRS 17;

• formulation of conclusions and recommendations for adapting the analysis of financial statements to the new requirements.

The research thesis defends the understanding that IFRS 17 improves transparency, but at the same time creates serious challenges.

The methodology of the study is complex and adequate to the set goals. Theoretical analysis and synthesis of specialized literature and regulatory acts, as well as comparative analysis for comparing IFRS 17 with IFRS 4 and the different approaches, have been applied. The quantitative part of the study is based on statistical methods for data processing. Other appropriate methods were also used.

Chapter one, entitled "Historical Development and Theoretical Aspects of Insurance Accounting", includes the theoretical framework of the study. In it, the author conducts a retrospective review of the evolution of insurance and its accounting, tracing the development of risk management practices from their nascent forms to the modern era. The presentation argues for the transition from national accounting standards to the urgent need for global harmonization, dictated by the dynamics of international financial markets.

IFRS 4 is analyzed as an interim standard. Its structural deficits in terms of transparency and comparability, which have a significant change in accounting. The theoretical part of the chapter focuses on the essence of IFRS 17. The author examines the main valuation models set out in the new standard, analyzing their application characteristics. The transition to a new revenue recognition model is theoretically justified, in which the result is systematically distributed over the period of providing the insurance service, instead of being recognized at the time of receipt of the premium. The old and new requirements are compared, proving the advantages of IFRS 17 in providing more reliable information about the financial position and financial results of insurance undertakings.

Chapter Two – "Analysis of the Effects on the Financial Statements of Insurance Undertakings" – examines the fundamental transformation in accounting and its impact on the way the financial position and results of insurers are interpreted. The presentation presents the change in the established key performance indicators in the context of the new reporting framework. It is emphasized how the transformation in the concept of revenue recognition and the new structuring of the elements in the financial statements impose a qualitative change towards a more in-depth assessment of the economic essence of the insurance services provided.

Central to this chapter is the separation of the financial result into two main components – the result of insurance services and financial income or expenses from insurance. This is defined as a significant improvement in transparency, as it allows users to clearly distinguish the underlying profitability from the influences of financial markets. The author examines in detail the new requirements for presentation in the statement of financial position. He shows that the level of aggregation is a critical aspect in the assessment of insurance contracts. Special emphasis is placed on the ten new types of disclosures. A critical analysis of the challenges to communication with investors and regulators, caused by the increased volatility of the reported results, is carried out.

Chapter three is entitled "Guidelines for improving the financial reporting of insurers. Empirical analysis of the results of the implementation of the Standard". It finalizes the research cycle through an empirical study of the Bulgarian insurance market. In it, the author conducts a quantitative study of the 12 largest Bulgarian companies with a general insurance license, covering 94.1% of the market, and a survey among 67 experts from the sector. The presentation successfully transfers the theoretical statements into a practical environment in order to test the real impact of the new standard on the financial performance and capital adequacy of companies.

The central place in the quantitative analysis is occupied by the study of the volatility caused by the transition to IFRS 17. It is shown that there is a high heterogeneity in the sector. The analysis reveals that the transition to current liability valuation and discounted cash flows has a tangible impact on key profitability indicators. The need for careful interpretation of financial results is emphasized. An important point is the critical analysis of the completeness of disclosures. It is found that most insurers present general disclosures, rather than tailored to the specific operations and business model of the respective company, which limits the usefulness of the information.

The survey serves to test five working hypotheses related to organizational readiness, technological challenges and the perception of the benefits of the standard. The results prove that the implementation of IFRS 17 goes beyond the framework of an accounting change and leads to the transformation of data and IT systems. The author identifies the granularity of data and the integration of systems as the most serious challenges that give rise to a significant operational burden.

The conclusion systematizes the results of the study, The thesis of the profound transformative effect of IFRS 17 on the financial information of insurers is confirmed. Reasoned guidelines for managing volatility are formulated, focusing on the choice of accounting policy. Specific strategies for improving communication with investors are proposed, aimed at overcoming information asymmetry through a detailed explanation of the economic essence of the new indicators and the factors determining the reported fluctuations.

The dissertation has a number of positive aspects. The presentation is distinguished by a high style, precise language and excellent technical layout. The work reveals a thorough knowledge of the subject and a detailed study of the analyzed problem in its entirety. The high quality of the scientific research and the precision in processing the information confirm the ability of the doctoral student to conduct research activities at a high professional level.

3. Evaluation of the obtained scientific and scientific-applied results

The goals and objectives of the study have been achieved and justified. An analysis of the effects of the implementation of IFRS 17 has been carried out. The specific features of the Bulgarian insurance market have been taken into account, covering companies generating 94.1% of the gross written premiums in the country. The new measurement models have been clarified in detail. The advantages and risks associated with the new requirements have been analyzed. The results and conclusions are useful for searching for practical solutions and effective measures to increase the comparability and transparency of financial information to investors and regulators. The work provides a solid basis for further research, especially in the context of the need to accumulate practical experience in the next reporting periods.

4. Assessment of scientific and applied contributions

As a result of the study, contributions have been formulated, which can be summarized as follows:

1/ The historical development of accounting in insurance has been systematized.

2/ The new measurement models introduced by IFRS 17 – Insurance Contracts are theoretically clarified.

3/ An empirical analysis of the impact of IFRS 17 on the financial statements of Bulgarian insurers is performed;

4/ The main challenges in implementing IFRS 17 – technological, organizational and regulatory – are analyzed through a survey conducted among insurance experts;

5/ Specific recommendations for implementing IFRS 17 are formulated, including investments in IT systems, staff training, improving internal communication, managing volatility and improving comparability between reports.

The presented contributions have a practical focus and are in direct accordance with the needs of modern practice in the insurance sector. They offer a methodologically sound toolkit, which is essential for increasing transparency and ensuring an objective basis for presenting financial information to investors and regulators. They demonstrate the ability of the doctoral student to analyze complex regulatory changes and derive from them applied solutions with high added value for practice.

5. Evaluation of the dissertation publications

The following scientific publications are attached to the dissertation work:

1/ Stoyanov, G. The New Standard in Insurance, IDES Magazine, ISSN 1314-8990, issue 3, 2017

2/ Stoyanov, G. The Impact of IFRS 17 "Insurance Contracts" on the Financial Reporting of Insurers, IDES Magazine, ISSN 1314-8990, issue 3, 2021

3/ Stoyanov, G. Risk Adjustment in Accordance with IFRS 17 Insurance Contracts, IDES Magazine, ISSN 1314-8990, issue 1, 2022

4/ Stoyanov, G. Margin of the contracted service in accordance with IFRS 17 Insurance Contracts, IDES Magazine, ISSN 1314-8990, issue 3, 2022

5/ Stoyanov, G. Sample models of accounting for insurance contracts in accordance with IFRS 17, Danaci Tita, ISSN 1314-6505, issue 182, 2023

6/ Milanova, E and G. Stoyanov. Accounting aspects related to money laundering in the insurance sector, Yearbook of the UZF, ISSN 3033-1994, 2025, pp. 45-72.

The publications effectively present the key scientific and applied contributions of the dissertation work. They demonstrate the ability to systematize and disseminate research in a manner that has both theoretical and practical value.

6. Evaluation of the abstract

The abstract is 43 pages long and presents the structure, content and main contributions of the dissertation in a synthesized form. It meets the regulatory requirements and faithfully reflects the research carried out.

7. Critical notes and recommendations

During the process of preliminary discussion of the dissertation in the Department of Accounting and Auditing, a number of recommendations were made. Most of them were successfully reflected by the doctoral student in the final version of the work.

The following recommendations can be made for the future research activity of the doctoral student:

• Achieving a greater balance between the theoretical and normative review and independent research, limiting excessive descriptiveness at the expense of more focused authorial conclusions and analyses.

• Avoiding excessive fragmentation of the presentation into multiple independent points in order to ensure better logical consistency and systematicity of the text.

8. Conclusion

The presented dissertation contains scientific, applied science and applied results that represent an original contribution to science and fully meet the requirements of the Bulgarian laws. The presented materials and results comply with the specific requirements of the UZF. Therefore, I give my positive assessment and propose to the scientific jury to award the educational and scientific degree "doctor" to Georgi Stoyanov in the field of higher education 3. Social, economic and legal sciences, professional field 3.8. Economics, doctoral program "Accounting, control and analysis".

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