OPINION

by

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Department of Accountancy and Analysis, University of National and World Economy (UNWE) – Sofia,

Scientific specialty 05.02.07 "Accounting, Control and Analysis of Economic Activity", Professional field 3.8 "Economics"

on

a doctoral thesis for the award of the educational and scientific degree **"Doctor"**

in Field of higher education 3. Social, Economic and Legal Sciences

Professional field 3.8 Economics

author: **Georgi Nikolaev Stoyanov**

on the topic: **"The Effect of the Application of IFRS 17 Insurance Contracts on the Financial Statements of Insurance Undertakings – Scientific and Applied Aspects"**

1. General description of the materials submitted

By Order No. 298 of 15.07.2026 of the Rector of the University of Insurance and Finance, Corresponding Member Prof. Boris Velchev, D.Sc. (Law), I was appointed a member of the scientific jury constituted for the procedure for the defence of a doctoral thesis on the topic **"The impact of the application of IFRS 17 'Insurance Contracts' on the financial statements of insurance companies – scientific and applied aspects"** for the acquisition of the educational and scientific degree "Doctor" in Field of higher education 3. Social, Economic and Legal Sciences, Professional field 3.8 Economics, under the doctoral programme "Accounting, Control and Analysis" of the University of Insurance and Finance (UZF) – Sofia. The author of the thesis is **Georgi Nikolaev Stoyanov** – a doctoral candidate at the Department of Accounting and Audit of UZF. The academic supervisor of the thesis is Prof. Emilia Milanova-Tsoncheva, PhD.

The materials submitted by doctoral candidate Georgi Nikolaev Stoyanov comprise the documents listed in the accompanying inventory, namely: a biographical reference containing brief biographical data and information on the fulfilment of the requirements applicable to studies for the educational and scientific degree "Doctor"; the doctoral thesis and the abstract thereto; an application for admission to a public defence; the order for enrolment in the doctoral programme "Accounting, Control and Analysis"; the order for dismissal from the doctoral studies with the right to defend the thesis; a statement on the fulfilment of the minimum requirements for the acquisition of the educational and scientific degree "Doctor"; a list of the publications on the topic of the thesis; a list of other publications; copies of the publications on the topic of the thesis together with their abstracts; a list of the known citations of the author's publications by other authors; a full report on the similarity coefficients and on the presence or absence of plagiarism; and a declaration of originality and authenticity.

The documents submitted by the doctoral candidate fully comply with the requirements for the opening of a procedure for the public defence of a doctoral thesis before a scientific jury for the acquisition of the educational and scientific degree "Doctor".

2. Brief biographical information on the candidate

Doctoral candidate Georgi Nikolaev Stoyanov completed a Bachelor's degree in Accounting at UNWE in the period 2011–2015 and a Master's degree in Accounting at UNWE in the period 2015–2016, and is pursuing doctoral studies in "Accounting, Audit and Analysis" at UZF in the period 2025–2026. In December 2021 he successfully qualified as a certified public accountant with the Bulgaria Institute of Certified Public Accountants (BICPA) and acquired the status of a registered auditor.

In parallel with his studies, he has been working in practice at Grant Thornton OOD, Sofia, as an audit assistant since 2014 and currently as a registered auditor and senior audit manager. He leads independent financial audits in accordance with the ISAs and the Independent Financial Audit and Sustainability Assurance Act, manages audit teams, conducts the overall communication with clients, banks and third parties, and ensures quality control over engagements. He heads the Committee on IFRS and Sustainability. He advises clients in connection with the adoption and application of IFRS, the National Accounting Standards and the ESRS, prepares methodological guidance and training materials, and participates in the development and testing of audit methodologies.

Georgi Stoyanov is also engaged in academic activity. He was appointed by vote as a part-time lecturer at the Department of Accountancy and Analysis at UNWE for the period 2021–2024 and taught students in the Master's degree programme the courses "Globalisation and Standardisation in Accounting" and "Special Course in IFRS". He is also active as a lecturer for the ICPA on topics in accounting, auditing and sustainability.

3. Description and evaluation of the doctoral thesis

The doctoral thesis has a volume of 228 pages, well-structured into an introduction, three chapters and a conclusion. It is followed by a bibliography of the literary and information sources used, comprising 148 sources, of which 21 sources in Bulgarian and 127 sources in English. The translation of the English-language sources was carried out by the author himself. The thesis presents 47 tables, 9 charts, 4 figures and 3 appendices. The literature sources are used and cited conscientiously and correctly.

The doctoral thesis has been written in accordance with the regulations in force and with the new IFRS 17 Insurance Contracts, which became effective on 1 January 2023. The doctoral candidate has reflected the latest amendments as at the reference date of the financial statements analysed – 31 December 2023 – which means that the study covers only the first year of mandatory application of IFRS 17, as stated in the introduction to the thesis.

The topic of the doctoral thesis is topical and significant and is of considerable interest to the theory and practice of insurance accounting. The relevance of the topic, the scientific and applied objective, the research hypothesis, the thesis, the tasks and the set of research methods employed are well presented. Appropriate research approaches have been used in the thesis in order to attain its principal objective and to accomplish successfully the tasks set.

The individual chapters of the doctoral thesis are well balanced and developed in a logical sequence.

The principal scientific thesis of the doctoral candidate is that the application of IFRS 17 Insurance Contracts leads to material and qualitative changes in the financial statements of insurers and alters the principles of recognition, measurement and disclosure of insurance contracts, thereby improving the transparency and comparability of information, while at the same time creating new challenges for accounting practice and for the analysis of financial performance.

As a result of the research carried out, the doctoral candidate analyses the three measurement models introduced by IFRS 17 for the measurement of insurance contracts and their specific components, namely: the General Measurement Model (GMM), the Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA).

One of the important findings made by the doctoral candidate concerns the absence of any specification in IFRS 17 as to how the quantity of revenue is to be measured across the different types of insurance contracts. He also defines the problems arising from the lack of such granularity, namely:

– Should benefits be limited to a consideration of the value at risk, or should the total amounts under the insurance contract be considered?

– May other variables (e.g. insurance premiums or the number of insurance contracts) also be used as an alternative serving as a proxy for the benefit provided?

The doctoral candidate also identifies gaps in IFRS 17, pointing out that certain methods will not achieve the objective of reflecting the quantity of service provided in each period – for example, methods based on premium revenue, methods based on actuarial estimates of expected cash outflows, and methods based on the "number of contracts".

Of exceptional importance for insurance accounting are the solutions proposed by the doctoral candidate in the thesis with regard to the management of the volatility of financial results and the improvement of comparability between the financial statements of different insurance undertakings, which is of material significance for investors and for insurance regulators.

In his doctoral thesis the candidate recommends that insurers adapt their reporting to IFRS 17 by investing in modern, integrated IT systems with a view to streamlining accounting processes, reducing the operational burden and ensuring the timely and accurate generation of information; that they improve internal communication between the actuarial, finance, IT and risk functions through targeted training programmes for accounting and actuarial staff in order to overcome the knowledge gaps concerning the requirements and the impact of IFRS 17; that they develop clear strategies for explaining the effects of IFRS 17 in terms of the volatility of results to investors, rating agencies and regulatory authorities so as to ensure transparency; and that they use the granular data and the new indicators introduced by IFRS 17, such as the CSM, in order to carry out an in-depth analysis of business performance, risk management and the formulation of strategic decisions.

In the study conducted, the doctoral candidate has established that regulators and standard-setting bodies should continue to monitor the actual comparability of financial statements following the introduction of IFRS 17, taking into account the mixed perceptions and the diversity of the models applied. He recommends that additional guidance be provided, or that practices be established, for the management and communication of the increased volatility of financial results, which constitutes a significant operational challenge for the insurance business.

The doctoral candidate pays particular attention to smaller insurance undertakings, which may encounter disproportionate difficulties owing to a lack of resources and organisational capacity. He therefore proposes in his thesis that the insurance regulator consider providing dedicated support to them or simplifying certain requirements of IFRS 17 for them. It is precisely along these lines that he seeks solutions for improving the financial reporting of smaller insurers.

The doctoral candidate proposes guidelines for improving the financial reporting of insurers. He conducts an empirical study among insurance undertakings operating on the Bulgarian insurance market concerning the application of IFRS 17 and analyses the results obtained from that study. Through the empirical study, the doctoral candidate analyses the differences in the key indicators in the statement of financial position and in the statement of profit or loss and other comprehensive income before and after the application of IFRS 17. He compares the changes in key statement of financial position items such as insurance liabilities, insurance reserves and the equity of insurers. He assesses the impact on the recognition of insurance revenue and of insurance service expenses by comparing the indicators for premiums and written premiums. He examines the influence of IFRS 17 on the indicators “insurance service result from insurance contracts” and “net profit/loss for the year before tax”. He compares return on equity (ROE) and return on assets (ROA) under the former IFRS 4 Insurance Contracts and under the new IFRS 17 Insurance Contracts. He analyses the change in the sources of profit, drawing a distinction between insurance services and financial results. He assesses the extent to which IFRS 17 improves the understanding of the nature of insurance contracts and of the risks and obligations arising from them. He examines the potential of IFRS 17 to ensure better comparability between insurers in different jurisdictions and with different business models. He identifies the new IFRS 17 disclosures in the financial statements of insurers and assesses their usefulness for the users of those statements. He analyses how changes in discount rates and in the risk adjustment affect the carrying amount of insurance liabilities, profit and the equity of insurers. He investigates whether IFRS 17 introduces greater sensitivity to changes in financial markets and to macroeconomic conditions. He analyses the various approaches to the initial application of IFRS 17 – the full retrospective approach, the modified (simplified) retrospective approach and the fair value approach on transition – and their effect. He examines the influence of the choice between the General Measurement Model (GMM), the Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA) on the financial statements of the various insurers participating in the empirical study. He explores the changes in management decisions and business strategies that may be indirectly reflected in financial results as a consequence of IFRS 17.

I consider that the doctoral thesis submitted for discussion, authored by doctoral candidate Georgi Nikolaev Stoyanov, contains exceptionally significant and original theoretical research of a scientific and applied scientific character in the field of insurance accounting. It is his own personal work and is free of plagiarism. The scholarly style is at the requisite level, and the scientific means of expression and the specialised terminology have been used correctly by the doctoral candidate.

4. Contributions and significance of the work for science and practice

The doctoral candidate has formulated 8 (eight) contributions, of which 4 (four) scientific and theoretical contributions and 4 (four) scientific and applied contributions.

The scientific and theoretical contributions are as follows:

1. Systematisation of the historical development of accounting in insurance;
2. Theoretical clarification of the new measurement models – GMM, PAA and VFA;
3. Analysis of the conceptual changes introduced by IFRS 17, including the contractual service margin (CSM), the risk adjustment and the fulfilment cash flows;
4. Clarification of the role of discount rates and of the level of aggregation of contracts.

The scientific and theoretical contributions enrich accounting theory with an understanding of the accounting logic and philosophy underlying IFRS 17 Insurance Contracts and create a suitable basis for future academic and applied research.

The scientific and applied contributions are as follows:

1. Empirical analysis of the impact of IFRS 17 on the financial statements of Bulgarian insurers;
2. Identification of the principal implementation challenges – technological, organisational and regulatory – by means of a questionnaire survey conducted among insurance experts;
3. Formulation of specific recommendations for adaptation, including investment in IT systems, staff training and improvement of internal communication;
4. Proposals for managing volatility and improving the comparability of financial statements.

The scientific and applied contributions significantly enrich accounting practice by supporting the process of transformation of financial reporting in the insurance sector in accordance with the requirements of IFRS 17 Insurance Contracts.

The contributions as defined correspond to the content of the doctoral thesis, are linked in structural and logical terms to the tasks set in the thesis, and are consistent with the results achieved by the research carried out. Through them, the objective set for the research has been attained.

5. Evaluation of the publications on the topic of the doctoral thesis

The doctoral candidate has enclosed 6 (six) articles on the topic of the doctoral thesis, dealing with the new IFRS 17 Insurance Contracts, with its impact on the financial reporting of insurers, and with the risk adjustment and the contractual service margin in accordance with IFRS 17. He develops illustrative models for the accounting treatment of insurance contracts in accordance with IFRS 17.

Jointly with his academic supervisor, he examines the accounting aspects associated with money laundering in the insurance sector. The scholarly articles of the doctoral candidate were published principally in the journal of the Institute of Certified Public Accountants in Bulgaria (ICPA) in 2017, in 2021 and in 2022, in the journal Taxes TITA in 2023, and in the UZF Yearbook in 2025, and are correctly listed in the statement of publications on the topic of the doctoral thesis and in the abstract thereto. They constitute concrete evidence that the scholarly output of the doctoral candidate related to the topic of his thesis has been successfully validated in accounting theory and practice.

The doctoral candidate has also enclosed 3 (three) articles which are his own publications but do not relate to the topic of the doctoral thesis. They are the product of his research interests and practical studies on a topic related to IFRS 19 Subsidiaries without Public Accountability: Disclosures, in which he provides a critical analysis of the reduction of disclosures for subsidiaries without public accountability, and – jointly with another author – on the accounting aspects of the military conflict between Ukraine and Russia and in connection with the application of the new IFRS 18 Presentation and Disclosure in Financial Statements. These articles were published in the ICPA journal in 2022, in 2024 and in 2025.

6. Assessment of compliance with the national minimum requirements

I consider that the doctoral candidate has fully complied with the national minimum requirements for the acquisition of the educational and scientific degree “Doctor” in professional field 3.8 Economics, as set out in the enclosed statement on the fulfilment of the minimum requirements for the acquisition of the educational and scientific degree “Doctor”.

7. Abstract

The abstract of the doctoral thesis has been prepared in accordance with the established requirements of the relevant regulations and presents to a sufficient degree, fully and accurately, the content, the results achieved and the principal contributions of the doctoral candidate contained therein. It has a volume of 43 pages and reflects clearly, accurately and fully the content of the doctoral thesis.

8. Critical remarks and recommendations

I have no substantive critical remarks addressed to doctoral candidate Georgi Nikolaev Stoyanov. My principal recommendation to him is that he continue his research into the problems of accounting theory and practice and maintain his research activity at a high level.

Conclusion

On the basis of the foregoing, I consider that the doctoral thesis submitted for discussion ***contains scientific and applied scientific results which represent an original contribution to science*** and ***satisfy all*** the requirements of the Law on the Development of the Academic Staff in the Republic of Bulgaria (LDASRB) and the Regulations for the Implementation of LDASRB. The materials submitted and the results of the thesis **fully** comply with the specific requirements of the Regulations on the Admission and Training of Doctoral Candidates at the University of Insurance and Finance.

The doctoral thesis demonstrates that doctoral candidate Georgi Nikolaev Stoyanov **possesses** in-depth theoretical knowledge and professional skills in Professional field 3.8 Economics and **demonstrates** the qualities and skills required for the independent conduct of scientific research.

In view of the foregoing, I confidently give my ***positive assessment*** of the research conducted and presented in the doctoral thesis on the topic **"The impact of the application of IFRS 17 'Insurance Contracts' on the financial statements of insurance companies – scientific and applied aspects"**, of the abstract, of the results achieved and of the contributions, and ***I propose to the honourable scientific jury that it award the educational and scientific degree "Doctor"*** to **Georgi Nikolaev Stoyanov** in Field of higher education 3. Social, Economic and Legal Sciences; Professional field 3.8 Economics;

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