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Accountant–Actuary Collaboration, Regulatory Enforcement, and IT Capability in IFRS 17/PSAK 117 Implementation: Qualitative Evidence on Accounting Quality and Governance in Indonesian Non-Life Insurers

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Abstract

IFRS 17/PSAK 117 fundamentally transforms the risk information architecture of insurance companies by mandating estimation-based measurement, granular disclosure of onerous contracts, and cross-functional governance of actuarial assumptions. This study investigates how accountant–actuary collaboration, regulatory enforcement, and IT capability shape accounting quality and governance outcomes in the implementation of IFRS 17/PSAK 117 in Indonesian insurance companies. Using an exploratory multi-case qualitative design, the study draws on semi-structured interviews with ten participants across insurance entities and regulatory bodies, analyzed through NVivo-supported thematic analysis. The findings reveal three processual mechanisms: collaboration functions as a "logic translation" process through which actuarial and accounting frameworks are reconciled; enforcement operates as an interpretive stabilizer that reduces variation in implementation practices; and IT capability introduces socio-technical frictions at the human–automation boundary even as it enables audit trail infrastructure. Together, these mechanisms constitute an interdependent configuration that shapes accounting quality, which in turn strengthens governance through improved monitoring, reduced information asymmetry, and enhanced accountability. The study extends IFRS 17 implementation literature by offering a process-based, configurative explanation of how three interdependent mechanisms jointly produce governance-enhancing accounting quality in an emerging market context.

Keywords: accounting quality; accountant–actuary collaboration; governance; IFRS 17; IT capability; PSAK 117; regulatory enforcement

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1. Introduction

The adoption of IFRS 17/PSAK 117 represents a fundamental change in insurance contract reporting because the measurement of probability-weighted future cash flows, risk adjustments, and profit recognition through contractual service margin (CSM) shifts the reporting process from mere transaction accounting to estimation-based accounting and judgment-based documentation (International Accounting Standards Board, 2017). This complexity increases the need for verifiability and transparency of disclosure, so that reporting quality is no longer determined solely by numerical accuracy, but also by the consistency of assumptions, traceability of reconciliations, and completeness of disclosure

(Dechow et al., 2010). Within the framework of the financial reporting environment, the quality of accounting information serves as an information infrastructure that influences decision quality and oversight effectiveness, so that accounting quality issues are directly intertwined with governance issues (Beyer et al., 2010).

The IFRS 17 transformation is also data- and system-intensive because contract grouping, component reconciliation, and disclosure requirements require process integration and data integrity across systems (Puławska & Strzelczyk, 2025). Studies in the context of IFRS 17 implementation confirm that the dominant challenges relate to data readiness, actuarial model design, system investment, and cross-functional operating model changes (Vazov & Hristozov, 2025). The IT business value framework suggests that IT benefits emerge when IT capabilities are embedded in processes and data governance, thus producing information quality and process stability, rather than simply technology ownership (Melville et al., 2004).

In the context of Indonesia as an emerging market, the implementation of PSAK 117 (IFRS 17) takes place in conditions often characterized by institutional voids, namely limited institutional infrastructure and market support mechanisms commonly assumed to be available in the design of global standards (Khanna & Palepu, 2010). In these conditions, the agenda of strengthening transparency and credibility of reporting remains a focus for regulators, but successful implementation is not solely explained by formal compliance because organizations must build the capacity of processes, data, and controls to produce relevant, reliable, and transparent reporting (Financial Services Authority, 2023). The main tension arises when global standards that require probabilistic estimates and detailed disclosures must be implemented in an environment that faces limitations in the quality and availability of historical data, immature system integration, and limited actuarial human resources adequate to support estimation models and governance (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025).

Thus, the implementation of PSAK 117 in Indonesia demonstrates a practical contradiction between "global standards" and "local realities": IFRS 17 assumes the organization's ability to track data granularly, maintain audit trails, and manage cross-functional judgment, while emerging market conditions require organizations to undertake additional institutional work to fill these capacity gaps through process redesign, system investment, and strengthening cross-professional coordination mechanisms (Khanna & Palepu, 2010; Melville et al., 2004). At the organizational level, this qualitative research documents the involvement of actors across entities (JVs, state-owned enterprises, private companies) and regulators, which places the implementation of PSAK 117 at the intersection of governance, compliance, and data and system readiness as prerequisites for reporting quality (Creswell & Creswell, 2023).

The implementation of IFRS 17 in various jurisdictions also demonstrates similar pressures, particularly regarding the need for actuarial-accounting system integration and the need for process standards to maintain consistent estimates and traceability of changes in assumptions (Puławska & Strzelczyk, 2025). This evidence strengthens the relevance of explaining the organizational mechanisms that shape reporting quality during the IFRS 17 transition period, particularly in industries characterized by high estimation, such as insurance (Vazov & Hristozov, 2025).

Theoretically, the relationship between accounting quality and governance can be explained through the view that accounting information serves as a monitoring tool that reduces information asymmetry and enhances governance accountability (Bushman & Smith, 2001). Disclosure literature confirms that disclosure quality increases transparency and improves the information environment, thereby providing a stronger basis for governance evaluation (Healy & Palepu, 2001). In the context of estimation-based standards,

the earnings quality literature places verifiability, control over bias, and consistency of documentation as important determinants of reporting quality (Dechow et al., 2010).

Using the perspective of institutional logics, the implementation of IFRS 17/PSAK 117 can be understood as an arena where two different professional logics negotiate and shape reporting practices. Institutional logics explain that organizational actors interpret problems and choose practices based on the "logic" brought by professions and institutions, so that changes in rules often give rise to contestations over the meaning and priorities of work (Thornton & Ocasio, 2008). In the context of IFRS 17, the main contestation occurs between the future-oriented and probabilistic actuarial logic that prioritizes risk modeling, distribution, and cash flow estimation and the accounting logic that emphasizes measurability, comparability, and the need for audits and verifiable disclosures for external reporting (Thornton et al., 2012; Dechow et al., 2010).

In such conditions, accountant–actuary collaboration is not merely technical coordination, but rather a process of "bridging logic" so that probabilistic estimates can be translated into numbers and disclosures that meet the demands of verifiability and governance (Thornton et al., 2012; Bushman & Smith, 2001). Regulatory enforcement strengthens one of the logics institutionally because the credibility of enforcement limits the space for opportunistic interpretation and encourages the convergence of practices on accountable standards, so that the contestation of logics is directed towards a more disciplined form (Leuz, 2010; Christensen et al., 2013). In this configuration, IT capability functions as a "referee" that mediates actuarial logic and accounting logic by providing data lineage, audit trails, and system integration, so that differences in assumptions and model changes can be traced, tested, and agreed upon as a basis for reporting (Bharadwaj, 2000; Melville et al., 2004). In other words, when IT generates data traceability and integrity, organizations gain a practical mechanism to align the demands of future estimates (actuarial) with the demands of evidence and disclosure (accounting) within a single, credible reporting architecture (Dechow et al., 2010; Thornton & Ocasio, 2008).

The IFRS adoption literature shows that the reporting consequences of global standards often depend on institutional variations and enforcement strengths, resulting in different reporting quality outcomes across jurisdictions (Daske et al., 2008). Enforcement studies confirm that changes in enforcement after IFRS adoption are associated with changes in reporting consequences, making enforcement a prerequisite for substantive measures of implementation quality (Christensen et al., 2013). However, in the context of IFRS 17/PSAK 117, evidence explaining how cross-professional collaboration, enforcement, and IT capability work simultaneously as mechanisms that shape accounting quality while strengthening governance remains limited, particularly in emerging markets and the Indonesian insurance industry.

This limitation is all the more relevant because emerging IFRS 17 implementation studies tend to emphasize readiness issues, system burden, or technical challenges without mapping the relationship between organizational mechanisms and reporting and governance outcomes with processual depth (Puławska & Strzelczyk, 2025). This situation creates room for qualitative research exploring the processes, decisions, and cross-functional governance of IFRS 17/PSAK 117 implementation in the Indonesian context.

Empirical evidence related to cross-role coordination indicates that the quality of coordination improves output quality in complex tasks requiring integration across work units (Okhuysen & Bechky, 2009). The IFRS enforcement literature suggests that reporting quality and market consequences are more likely to emerge when the enforcement regime supports changes in reporting behavior (Daske et al., 2008). The IT capability literature suggests that IT generates value through process improvements and information quality, making IT capabilities relevant for reporting contexts requiring audit trails and cross-system

integration (Melville et al., 2004). In the context of IFRS 17, recent evidence confirms the need for substantial actuarial systems and IT as determinants of implementation readiness (Vazov & Hristozov, 2025).

This article offers novelty in two aspects. First, the article positions accountant–actuary collaboration, regulatory enforcement, and IT capability as three interrelated mechanisms in shaping accounting quality in IFRS 17/PSAK 117 reporting, while linking them to governance implications through the information monitoring function. Second, the article presents qualitative evidence based on semi-structured interviews across insurance entities and regulators, so that the explanation does not stop at "implementation challenges," but rather explains the process of judgment coordination, compliance discipline, and data-system readiness that influence reporting quality.

This article aims to: (1) explain how accountant–actuary collaboration shapes judgment consistency and disclosure traceability in the implementation of IFRS 17/PSAK 117; (2) explain how regulatory enforcement influences compliance discipline and interpretation consistency that impact reporting quality; (3) explain how IT capability supports data quality, system integration, and audit trails that strengthen reporting verifiability; and (4) explain how changes in accounting quality have implications for strengthening governance through improvements in monitoring information infrastructure.

2. Materials and Methods

The implementation of IFRS 17/PSAK 117 represents a shift in estimate-based insurance contract reporting, increasing demands for traceability of judgment through reconciliations, documentation of assumptions, and more granular disclosures (International Accounting Standards Board, 2017). This complexity increases the dependence of reporting on cross-functional coordination, data quality, and process controls, so that accounting quality is increasingly determined by the quality of the measurement process and the verifiability of information, not just the accuracy of transaction recording (Dechow et al., 2010). Accounting quality is positioned as an information infrastructure that enhances governance effectiveness by providing a monitoring basis for internal and external accountability and oversight (Bushman & Smith, 2001).

2.1. Conceptual Model Structure

The conceptual model proposes three implementation mechanisms as processual determinants of accounting quality during the transition and consolidation phase of IFRS 17/PSAK 117, namely: (i) accountant–actuary collaboration, (ii) regulatory enforcement, and (iii) IT capability (Puławska & Strzelczyk, 2025). These three mechanisms are aimed at explaining how organizations establish consistency of assumptions, audit trails, and compliance discipline that shape reporting quality (Vazov & Hristozov, 2025). Accounting quality is further projected to have implications for governance through increased transparency, reduced information asymmetry, and strengthened monitoring functions (Healy & Palepu, 2001).

Narratively, the direction of the relationship in the model is formulated as follows. Accountant–actuary collaboration, regulatory enforcement, and IT capability influence accounting quality in the implementation of IFRS 17/PSAK 117; accounting quality has implications for governance; IT capability is positioned as an enabler that reinforces the association between collaboration and quality; regulatory enforcement is positioned as a credibility mechanism that strengthens the effectiveness of information in monitoring, thereby strengthening the relationship between quality and governance (Christensen et al., 2013).

To clarify the relationship structure, Figure 1 presents a conceptual model that maps the direct influence paths (P1–P4) and the reinforcement paths (P5–P6) in the context of

IFRS 17/PSAK 117 implementation in the Indonesian insurance industry (Creswell & Plano Clark, 2018).

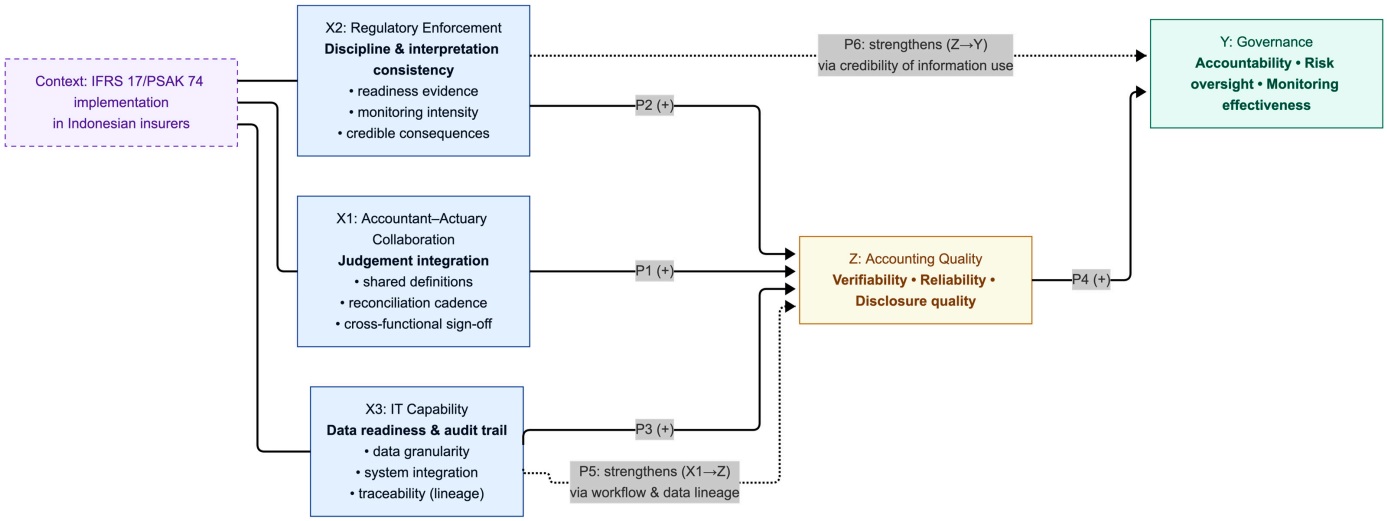


Figure 1. Conceptual model and research propositions (qualitative).

Figure 1 emphasizes that the focus of this research is not simply on mapping variables, but rather on explaining the processual mechanisms that shape the quality of estimation-based reporting. Paths P1–P3 represent the mechanisms that shape quality (coordination of judgment, compliance discipline, and data infrastructure), while P4 represents the implications of reporting quality on governance effectiveness through the monitoring function (Dechow et al., 2010; Bushman & Smith, 2001). Paths P5 and P6 demonstrate that strengthening relationships are not understood as statistical effects, but as mechanistic logic that explains why certain relationships become stronger under conditions of adequate system capability and enforcement credibility (Melville et al., 2004; Leuz, 2010).

2.2. Conceptual Definition of Construct

Accountant–actuary collaboration is defined as the intensity and quality of cross-professional coordination to unify actuarial models, assumptions, and accounting reconciliations to produce consistent, traceable, and auditable reporting figures (Okhuysen & Bechky, 2009). Effective coordination in interdependent work is supported by timely, accurate, problem-solving-oriented communication and working relationships that support decision integration (Gittell, 2002).

Regulatory enforcement is defined as the force that establishes compliance discipline, limits the scope for opportunistic interpretation, and enhances reporting credibility through expectations of sanctions, audits, and regulatory oversight (Leuz, 2010). Improvements in reporting quality and benefits tend to be concentrated in contexts accompanied by substantive enforcement changes (Christensen et al., 2013).

IT capability is defined as an organization's ability to integrate systems, data, and controls to achieve information quality, audit trails, and reporting process stability (Bharadwaj, 2000). IT business value emerges through process improvements and information quality, making IT capability relevant as a foundation for data readiness and verifiability in estimation-based standards (Melville et al., 2004). Contemporary evidence demonstrates the link between IT capability and reporting quality through information quality channels and process controls (Mungai & Lee, 2024).

Accounting quality is understood as the quality of reporting output that reflects verifiability, reliability, and quality of disclosure, so that information can be traced, tested, and used for monitoring and evaluation (Dechow et al., 2010).

Governance is understood as a mechanism of oversight and accountability that utilizes reporting information to reduce information asymmetry, improve discipline, and strengthen control (Bushman & Smith, 2001). The quality of disclosure and reporting acts as a communication tool that improves the information environment and supports governance functions (Healy & Palepu, 2001).

2.3. Propositions and Logic of Explanation

Because the research uses a qualitative approach, testing is carried out through propositions that guide the search for thematic patterns in interviews and documents, including pattern matching and explanation building (Creswell & Plano Clark, 2018).

P1 (Collaboration → Accounting Quality). The implementation of IFRS 17/PSAK 117 shows an increase in accounting quality when accountant–actuary collaboration results in consistent assumptions, cross-model reconciliation, and traceable documentation of judgments (Gittell, 2002). This proposition rests on the argument that estimation-based work increases interdependence across roles, so that the quality of output depends on the quality of the coordination mechanism (Okhuysen & Bechky, 2009).

P2 (Enforcement → Accounting Quality). Stronger regulatory enforcement improves accounting quality through compliance discipline, consistent interpretation, and reduced reporting practices that undermine information credibility (Leuz, 2010). This argument is supported by the finding that changes in IFRS consequences are more pronounced in contexts accompanied by substantive changes in enforcement (Christensen et al., 2013).

P3 (IT Capability → Accounting Quality). Higher IT capability improves accounting quality through data integration, audit trails, process stability, and increased verifiability of measurements and disclosures (Bharadwaj, 2000). IT capability is seen as valuable when it can improve processes and the quality of information as an organizational output (Melville et al., 2004).

P4 (Accounting Quality → Governance). Higher accounting quality in IFRS 17/PSAK 117 reporting enhances governance by increasing transparency, reducing information asymmetry, and enhancing monitoring effectiveness (Bushman & Smith, 2001). This relationship is consistent with the disclosure literature, which positions disclosure quality as a key driver of the information environment for governance mechanisms (Healy & Palepu, 2001).

P5 (IT Capability as Enabler: Collaboration → Accounting Quality). IT capability strengthens the influence of accountant–actuary collaboration on accounting quality because system integration and data lineage reduce reconciliation friction and increase cross-functional process consistency (Melville et al., 2004). This proposition rests on the view that effective coordination in complex work requires an information infrastructure that supports the integration of decisions across roles (Okhuysen & Bechky, 2009).

P6 (Enforcement as Credibility Mechanism: Accounting Quality → Governance). Regulatory enforcement strengthens the implications of accounting quality on governance because it increases the credibility of reported information and strengthens the utilization of information in monitoring (Leuz, 2010). The enforcement environment shapes the usefulness of reported information in oversight mechanisms (Christensen et al., 2013).

2.4. Operational Implications for Thematic Analysis

The conceptual model guides thematic analysis to identify evidence patterns at four levels: (1) coordination and decision integration mechanisms (collaboration), (2) compliance discipline mechanisms and supervisory expectations (enforcement), (3) data readiness, system integration, and audit trail mechanisms (IT capability), and (4) accounting quality manifestations and their implications for governance (Dechow et al., 2010). In the implementation of IFRS 17, data and system readiness issues and changes in operating models

are areas that determine reporting stability (Puławska & Strzelczyk, 2025). Valuation and reporting challenges are also rooted in the need for systems, data, and cross-functional coordination (Vazov & Hristozov, 2025).

2.5. Research Design

This research employs a multi-case qualitative design based on exploratory case studies to explain the implementation mechanisms of IFRS 17/PSAK 117 in insurance companies in Indonesia (Nowell et al., 2017). Each participating organization constitutes an analytically distinct case, bounded by shared participation in the PSAK 117/IFRS 17 implementation mandate within the Indonesian insurance industry. Cases were selected purposively to represent institutional diversity across ownership types (state-owned enterprises, private companies, and joint ventures), insurance segments (general insurance, reinsurance, and holding), and functional roles (industry participants and regulatory body), enabling cross-case pattern analysis of the implementation mechanisms under investigation (Nowell et al., 2017). The implementation of IFRS 17/PSAK 117 is understood as a change in estimate-based reporting that increases the demands for verifiability and quality of the measurement process, thus requiring an in-depth exploration of organizational mechanisms (Dechow et al., 2010; International Accounting Standards Board, 2017). The focus of the analysis is directed at the role of accountant–actuary collaboration, regulatory enforcement, and IT capability in shaping accounting quality and their implications for governance (Bushman & Smith, 2001; Bharadwaj, 2000).

2.6. Context and Units of Analysis

The research context is the Indonesian insurance industry in the implementation phase of IFRS 17/PSAK 117, focusing on governance, compliance, and reporting process readiness (Leuz, 2010). The unit of analysis is implementation practices at the organizational and cross-functional levels that result in measurement and disclosure decisions (Okhuysen & Bechky, 2009).

2.7. Participants and Data Adequacy

Informants were selected using purposive sampling to reach individuals directly involved in the implementation of IFRS 17/PSAK 117, including accounting, actuarial, IT, risk, compliance, and regulatory functions (Kallio et al., 2016). Ten informants were selected, spanning a variety of entities (JVs, state-owned enterprises, private companies, reinsurance, holding companies) and regulators to broaden the scope of the implementation context (Nowell et al., 2017). Data adequacy was determined through thematic saturation, a condition where the main themes are stable and no new substantive categories emerge during the coding process (Guest et al., 2020). Saturation was assessed iteratively: following each interview, the research team reviewed the evolving codebook to identify whether new substantive codes or categories had emerged. Saturation was determined to have been reached when the final three interviews (INS-7, INS-8, and INS-9) produced no new codes or themes beyond those already established in the codebook. The remaining two interviews served a confirmatory function, reinforcing rather than extending the thematic structure. This procedure is consistent with recommended practice for assessing saturation in purposive qualitative samples (Guest et al., 2020). To enhance the transparency of the qualitative design and facilitate readers' assessment of the traceability of the evidence, informant profiles are summarized in an anonymized table (Nowell et al., 2017). Profile reporting was conducted because the implementation of IFRS 17/PSAK 117 involves cross-functional processes and different decision levels, so a variety of informant roles are needed to adequately capture coordination mechanisms, compliance discipline, and system readiness (Kallio et al., 2016; Okhuysen & Bechky, 2009). Informants were selected

purposively based on their direct involvement in the implementation and their capacity to explain organizational decisions, with data adequacy assessed through thematic saturation (Kallio et al., 2016; Guest et al., 2020).

Table 1 shows that the data sources cover a variety of entities and strategic positions, including general insurance companies, reinsurance companies, insurance holding companies, and regulators, allowing the findings to represent differences in implementation contexts and supervisory practices (Nowell et al., 2017). This diversity enhances the study's ability to identify cross-case patterns related to the integration of accounting-actuarial judgment, the formation of compliance disciplines, and the need for data readiness and audit trails, all of which are relevant to the development of accounting quality and governance (Dechow et al., 2010; Bushman & Smith, 2001). Furthermore, the presence of regulator informants provides an enforcement perspective and consistency of interpretation, allowing the results to link organizational mechanisms to enforcement credibility within the institutional environment (Leuz, 2010; Christensen et al., 2013). The anonymized profile structure also maintains informant confidentiality without compromising the readability of the analytical context, consistent with trustworthiness practices in thematic analysis reporting (Nowell et al., 2017).

Table 1. Participant Profile (anonymised).

Code	Organization Type	Segment	Position/Role	Relevance to IFRS 17/PSAK 117 Implementation
REG-1	Oversight & Policy Maker	Supervisory authority	Regulator	Readiness of evidence; interpretation consistency; enforcement perspective
INS-1	Director	General insurance	Director	Strategic sponsorship; governance decisions; implementation oversight
INS-2	Private	General insurance	Director	Decision authority; coordination across functions
INS-3	State-owned	General insurance	Director	Compliance architecture; control and monitoring routines
INS-4	Private	General insurance	Director	Implementation steering; disclosure and reporting governance
INS-5	State-owned	Reinsurance	Director	Group-level alignment; valuation/reporting interface
INS-6	Private	Reinsurance	Director	System readiness; audit trail and traceability controls
INS-7	Director	General insurance	SEVP	Cross-functional coordination; standardization process
INS-8	State-owned	Holding (insurance group)	SEVP	Group governance; implementation policy harmonization
INS-9	Private	General insurance	Director	Operational implementation; reconciliation and closing stability

2.8. Data Collection

Primary data was collected through semi-structured interviews to capture cross-professional coordination, compliance practices, judgment-based decisions, and system support in the implementation of IFRS 17/PSAK 117 (Kallio et al., 2016). Each interview was conducted using a semi-structured guide organized around three thematic areas: (i) cross-professional coordination practices and judgment integration; (ii) regulatory compliance experiences and enforcement perceptions; and (iii) IT capability, data management, and system integration challenges. Interview duration ranged from approximately 60 to 90 min per session. Interviews were conducted via videoconference (Zoom) for participants in different cities, and in-person where geographically feasible and preferred by the participant. All interviews were audio-recorded with the explicit informed consent of participants, transcribed verbatim by a trained research assistant, and anonymized prior to analysis to protect informant confidentiality (Kallio et al., 2016; Nowell et al., 2017). Supporting

data was collected through implementation documents and artifacts (e.g., internal policies, SOPs, project guidelines, and meeting summaries) to strengthen context and triangulate interpretations (Nowell et al., 2017).

2.9. Data Management, Analysis, and Trustworthiness

Interviews were recorded with the informants' consent, transcribed verbatim, and anonymized to maintain confidentiality (Nowell et al., 2017). Analysis was conducted using thematic analysis through the stages of familiarization, initial coding, theme development, theme review, and theme definition (Braun & Clarke, 2006). NVivo was used to manage the data corpus, store coding queries, and maintain traceability of relationships between quotes, codes, categories, and themes through a documented audit trail (Zamawe, 2015; Nowell et al., 2017).

To enhance interpretation accuracy, the study employed a coding reliability procedure through double-coding on a subset of transcripts. Two coders (the principal investigator and one co-coder) independently coded a subset of transcripts using an initial codebook, then compared differences in code assignments to agree on operational definitions, inclusion-exclusion rules, and theme boundaries (MacPhail et al., 2016; Nowell et al., 2017). Coding discrepancies were resolved through citation-based discussions and codebook revisions until categories were stable, and then the final codebook was used to code the entire data (MacPhail et al., 2016). This procedure was chosen because coding consistency in thematic analysis is more appropriately established through clarification of code definitions and documentation of analytical decisions rather than simply coefficient numbers (Nowell et al., 2017).

Triangulation was conducted at two levels. First, source triangulation compared informants' narratives with documentary evidence of implementation (e.g., project guidelines, SOPs, meeting minutes, and readiness materials) to assess the consistency of claimed mechanisms with the artifacts used by the organization (Nowell et al., 2017). Second, reporting-based triangulation examined the alignment of narratives of disclosure changes, audit trails, and process stability with information available in financial reports/public disclosures related to the PSAK 117/IFRS 17 transition (e.g., disclosure structure, accounting policy explanations, and transition notes, if available), so that thematic interpretations relied not only on "informants' stories" but also on traceable reporting trails (Bowen, 2009; Nowell et al., 2017). Rigor was maintained through credibility, transferability, dependability, and confirmability, including audit trails, triangulation, and documentation of codebook changes throughout the analysis process (Nowell et al., 2017).

3. Results

Note on interpretive framing: The findings reported below are presented as interpretive patterns and qualitative propositions rather than causal claims. Language describing directional associations (e.g., "shapes," "enables," "conditions") reflects perceived mechanisms and thematic associations as reported by informants and interpreted through thematic analysis, consistent with the exploratory qualitative design of this study (Braun & Clarke, 2006).

Thematic analysis identified four core themes (T1–T4) consistent with the conceptual model and qualitative propositions. These themes represent the implementation mechanisms of IFRS 17/PSAK 117 that emerged from the coding–category–theme process that maintains evidence traceability and interpretative coherence (Braun & Clarke, 2006; Nowell et al., 2017). The findings are positioned as explanatory patterns that explain how the shift to estimate-based reporting creates the need for cross-functional coordination, compliance disciplines, and data infrastructure to produce verifiable reporting quality (Dechow

et al., 2010; Puławska & Strzelczyk, 2025). These findings are also in line with the IFRS 17 implementation literature, which places cross-functional system and process readiness as the dominant determinant of readiness, rather than simply a technical understanding of standards (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025).

Figure 2 displays a thematic map to show the relationship between themes, propositions, and research outcomes so that readers can see the logical structure of the results in a concise and directed manner (Nowell et al., 2017).

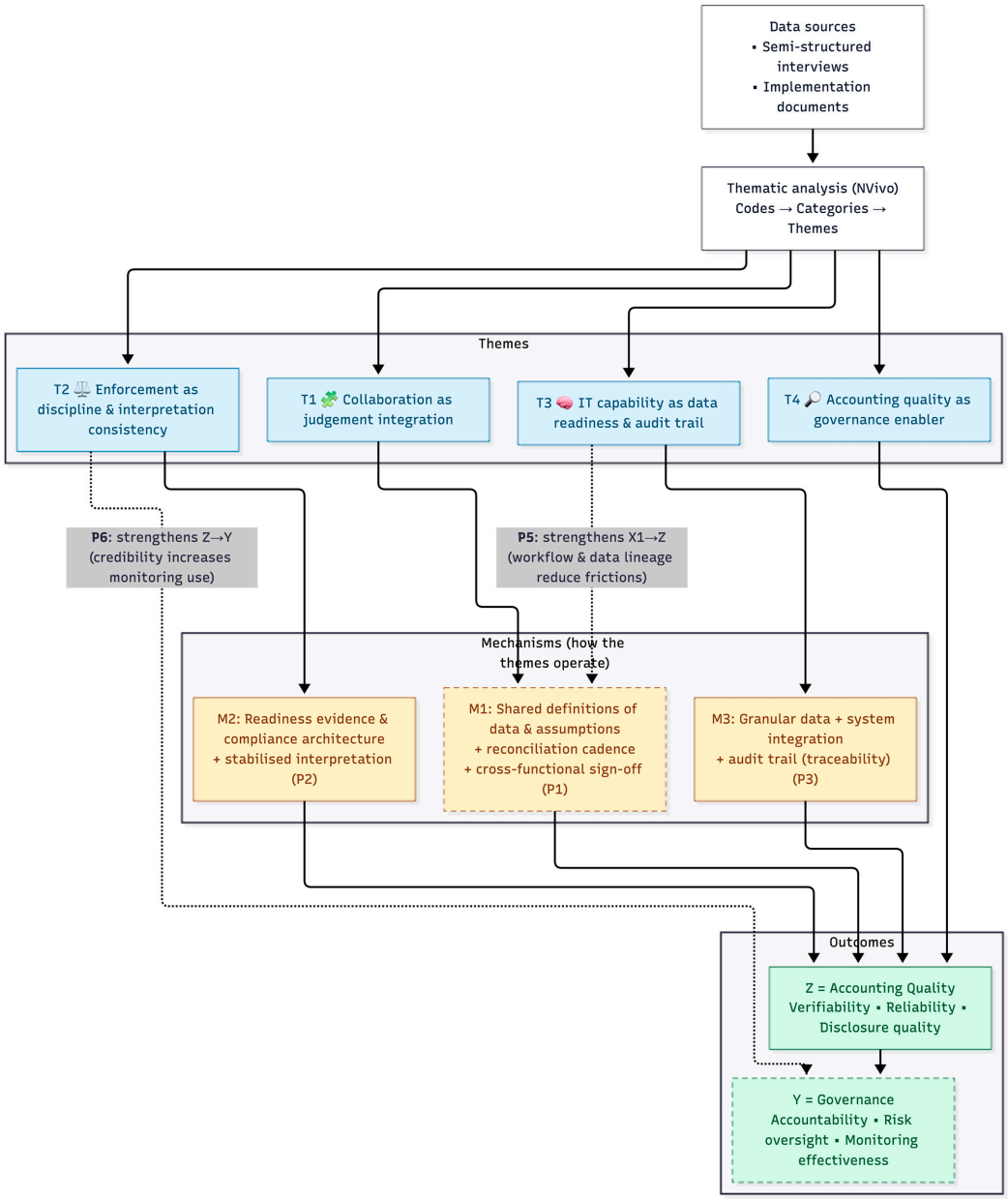


Figure 2. Thematic results map linking themes to propositions and outcomes.

In Figure 2, the thematic map shows that T1–T3 work as upstream mechanisms that shape Accounting Quality (Z) through the integration of judgment, stabilization of interpretation, and data infrastructure–audit trail; while T4 emphasizes Z as a pathway that strengthens Governance (Y) through increased monitoring and accountability (Bushman & Smith, 2001; Healy & Palepu, 2001). This map also positions IT capability as a reinforcement of coordination mechanisms (P5) and enforcement as a reinforcement of monitoring functions (P6), in accordance with the literature that the contribution of IT and enforcement

is contextual and depends on process design and institutional credibility (Melville et al., 2004; Leuz, 2010).

3.1. Evidence Structure and Reporting Logic

This section reports the evidence structure to demonstrate how themes are defined and operationalized through keyword indicators and anonymized representative quotes. This reporting format is used to enhance the transparency of the thematic analysis and facilitate readers' assessment of the traceability of the raw data to the research codes, themes, and propositions (Nowell et al., 2017; Braun & Clarke, 2006). Table 2 also displays the explicit relationship between themes (T1–T4) and propositions (P1–P6) as a logical basis for interpreting the results on the implementation of IFRS 17/PSAK 117 in the context of Indonesian insurance companies (Creswell & Plano Clark, 2018).

Table 2. Themes, definitions, and illustrative evidence (linked to propositions).

Theme	Theme Definition (1–2 Sentences)	Related Propositions	Evidence Indicators (Keywords)	Representative Quotes (Coded; 2–3)
T1. Accountant–Actuary Collaboration as Judgment Integration	Accountant–actuary collaboration functions as a coordination mechanism to unify the assumptions, models, reconciliations, and disclosure narratives of IFRS 17/PSAK 117 so that judgment decisions are consistent and traceable (Okhuysen & Bechky, 2009; Gittell, 2002)	P1	coordination routines; shared definitions; cross-functional sign-off; escalation path; reconciliation cadence	INS-2: "If the actuarial assumptions don't match the disclosure, closing can't proceed." INS-7: "The discussion focuses on data definitions and the reasons for changing assumptions." INS-8: "Cross-functional sign-off is important for stable judgment."
T2. Regulatory Enforcement as a Discipline and Interpretation-Stabilizer	Enforcement is perceived as a disciplinary force that suppresses variation in interpretation, clarifies compliance expectations, and encourages more formal implementation controls (Leuz, 2010; Christensen et al., 2013)	P2	interpretation consistency; compliance pressure; readiness evidence; monitoring regulators; deadline discipline	REG-1: "What we are looking for is not just ready numbers, but evidence of process and governance." INS-3: "Without stable guidance, revising interpretations creates repetitive work." INS-5: "Readiness evidence becomes a focus because of enforcement."
T3. IT Capability and Data Readiness as Reporting Infrastructure	IT capability facilitates data and system integration (actuarial-accounting), ensures data granularity, and provides an audit trail so that IFRS 17/PSAK 117 calculations and disclosures can be verified (Bharadwaj, 2000; Melville et al., 2004)	P3, P5	audit trail; lineage data; granularity; systems integration; automation vs. manual reconciliation; data quality controls	INS-6: "The biggest problem isn't the formula, but the data and system integration." INS-1: "If the data isn't granular, reconciliation becomes manual." INS-5: "Without an audit trail, it's difficult to justify the numbers during a review."
T4. Accounting Quality as a Governance Enabler	Accounting quality is understood as reliable, transparent, and testable output, which increases the effectiveness of monitoring and accountability of governance during the implementation of IFRS 17/PSAK 117 (Bushman & Smith, 2001; Healy & Palepu, 2001)	P4, P6	verifiability; disclosure completeness; accountability; oversight routines; governance committees; risk monitoring	INS-3: "Governance is stricter because assumptions and changes must be clearly traceable." INS-8: "The quality of disclosure helps oversight, not just the numbers." INS-4: "If judgment cannot be traced, monitoring becomes weak."

Table 2 serves as a summary of the "evidence map" linking themes, propositions, operational indicators, and representative quotes supporting thematic interpretations. Four themes demonstrate a consistent pattern of mechanisms: T1 emphasizes the integration of judgment through coordination routines and cross-functional sign-off; T2 emphasizes readiness evidence and consistency of interpretation as a form of compliance discipline; T3 emphasizes data granularity, system integration, and audit trails as prerequisites for verifiability; and T4 emphasizes accounting quality as a lever for governance through increased accountability and monitoring effectiveness (Dechow et al., 2010; Bushman & Smith, 2001). Thus, Table 2 shows that accounting quality is formed through the configuration of collaboration mechanisms, enforcement, and IT capabilities, and serves as a pathway that explains the strengthening of governance during the implementation phase of IFRS 17/PSAK 117 (Christensen et al., 2013; Leuz, 2010).

3.2. T1 Accountant–Actuary Collaboration as the Locus of Judgment Integration

The first theme indicates that the implementation of IFRS 17/PSAK 117 focuses on integrating judgment between the actuarial function (models and assumptions) and the accounting function (recognition, presentation, disclosure), so that cross-professional collaboration becomes an operational prerequisite for unifying numbers, narratives, and estimation bases (Okhuysen & Bechky, 2009; Dechow et al., 2010). The pattern of findings indicates that the quality of collaboration improves when organizations establish stable coordination routines, a shared language for data definitions, and cross-functional agreement mechanisms to expedite the resolution of differences in interpretation (Gittell, 2002; Okhuysen & Bechky, 2009).

Representative informant narratives illuminate this coordination dynamic. INS-4 described: "We had to meet weekly specifically to align the actuarial assumptions with the accounting entries—not because we distrusted each other, but because the professional language was different and the consequences of misalignment affected the closing process." This account illustrates that collaboration in the IFRS 17 context is not merely communicative but constitutively transformative: it produces shared definitional artifacts that stabilize cross-professional judgment. INS-9 reinforced this point: "The key was agreeing on what 'data granularity' means across teams—once that shared definition was settled, the reconciliation process became structurally manageable rather than ad hoc." INS-7 further noted: "The discussion in our coordination sessions focuses on data definitions and the reasons for changing assumptions—it is not a meeting about numbers, but about the logic behind the numbers." Together, these accounts confirm that accountant–actuary collaboration functions as a mechanism of interpretive alignment, not merely administrative coordination.

Substantively, this theme explains that "integrated judgment" is not merely communication, but a cross-functional decision-making process that results in alignment between: (i) actuarial assumptions and parameters, (ii) reconciliation structures and accounting controls, and (iii) disclosure requirements. This mechanism reduces reconciliation friction and reduces the risk of desynchronization between figures and disclosures (Dechow et al., 2010). Within an organizational coordination framework, output quality improves when interdependent work is supported by coordination mechanisms that reduce ambiguity and clarify decision accountability (Okhuysen & Bechky, 2009). Linked to proposition. This theme supports P1 (Collaboration → Accounting Quality) because cross-professional coordination results in more consistent and traceable decisions at the process level, which in an estimation-based context is a core dimension of reporting quality (Okhuysen & Bechky, 2009; Dechow et al., 2010).

3.3. T2 Regulatory Enforcement as a Disciplinary Device for Consistency and Comparability

The second theme emphasizes that regulatory enforcement acts as a disciplinary mechanism that shapes implementation certainty, primarily through encouraging procedural compliance, standardizing interpretations, and requiring evidence of readiness (Leuz, 2010). The findings suggest that perceived strong enforcement reduces the room for arbitrary interpretation and encourages organizations to build more formal implementation control structures, moving the implementation process from a "technical adjustment" to an auditable "compliance architecture" (Leuz, 2010; Christensen et al., 2013).

Informant narratives substantiate these enforcement functions. REG-1 articulated the regulatory expectation: "What we are looking for is not just ready numbers, but evidence of the process—that decisions have been reviewed, documented, and can be traced. The form matters, but the process behind the form matters more." This statement reveals that enforcement in the PSAK 117 context functions as an epistemological standard-setter: it defines what constitutes adequate evidence of implementation, not merely compliance with formal submissions. INS-3 described the interpretive stabilization function: "Without stable guidance that is consistently enforced, every organization finds its own interpretation and the comparative value of the disclosure is lost." INS-5 offered a complementary perspective: "Readiness evidence becomes a central focus because of enforcement—we build documentation not only for ourselves but for what we expect will be reviewed." These accounts collectively indicate that enforcement shapes organizational behavior at the level of documentation architecture, not merely at the level of formal compliance.

This theme clarifies two enforcement functions. The first function is interpretation stabilization, which reduces variation in interpretation and repeated internal policy changes due to uncertainty in guidelines. The second function is compliance discipline, which encourages organizations to produce readiness evidence demonstrating that decisions regarding assumptions, reconciliations, and disclosures have undergone adequate controls (Christensen et al., 2013). The IFRS consequences literature positions enforcement as a prerequisite for standard changes to result in changes in reporting behavior and the credibility of outcomes (Christensen et al., 2013; Leuz, 2010). Linked to proposition. This theme supports P2 (Enforcement → Accounting Quality) because enforcement increases process discipline and consistency of interpretation, which enhances the reliability and comparability of judgment-based outputs (Christensen et al., 2013; Puławska & Strzelczyk, 2025).

3.4. T3 IT Capability and Data Readiness as the Infrastructure of IFRS 17 Reporting

The third theme indicates that the quality of IFRS 17/PSAK 117 implementation is largely determined by IT capabilities that ensure data granularity, system integration, and an audit trail that enables verification (Bharadwaj, 2000; Melville et al., 2004). The pattern of findings suggests that limited data and integration increase manual reconciliation and increase the risk of inconsistencies in figures and disclosures, while adequate IT capabilities strengthen closing stability and calculation traceability (Melville et al., 2004; Vazov & Hristozov, 2025). In the context of emerging markets, these findings also indicate that IT capabilities often do not exist as end-to-end systems, but rather as a combination of core systems and workaround practices maintained to close data and process gaps (Khanna & Palepu, 2010; Melville et al., 2004).

Informant accounts reveal the socio-technical challenges at the core of IT capability in IFRS 17 implementation. INS-6 stated: "The biggest problem is not the formula or the calculation—it is the data and the system integration. When the actuarial engine and the accounting system do not speak the same data language, everything that follows is manual, and manual means risk." INS-1 described the data granularity challenge: "PSAK 117 requires contract-level granularity that our core systems were not built to produce. We

had to build parallel reconciliation layers just to close the gap." INS-5 highlighted the audit trail dimension: "Without an audit trail, it is very difficult to justify the numbers during a regulatory review or an external audit—every change in assumption needs to be traceable back to a decision and a date." These accounts collectively reveal that IT capability in the IFRS 17 context is not simply a matter of software availability, but of the organizational capacity to build and maintain data governance structures that produce end-to-end traceability.

This theme crystallizes around three mechanisms: (i) data granularity for contract grouping and component reconciliation, (ii) system integration between actuarial engines and accounting systems to reduce manual reconciliation, and (iii) audit trails to verify data provenance and assumption changes over time (Bharadwaj, 2000; Melville et al., 2004). However, the findings also highlight the reality of shadow accounting practices, namely the reliance on spreadsheets (e.g., Excel) as a parallel layer for reconciliation, adjustment, and consolidation when the primary system is not yet capable of meeting full data and reporting needs (Panko, 2008). This practice serves as an "operational bridge" that expedites closing completion, but at the same time has the potential to weaken the audit trail because changes to data and formulas are more difficult to systematically control, especially when version documentation, change authorizations, and data lineage are not standardized (Panko, 2008; Melville et al., 2004). Thus, IT capability in this context needs to be understood not only as application availability, but as the organization's ability to build data governance and process controls that reduce reliance on workarounds and increase end-to-end traceability (Bharadwaj, 2000; Khanna & Palepu, 2010).

The resource-based perspective emphasizes that IT capability is the organized capability to produce usable information, not merely a technological asset (Bharadwaj, 2000). Contemporary evidence also confirms that IT capability is related to reporting quality through information quality channels and process control (Mungai & Lee, 2024). In the implementation of IFRS 17/PSAK 117, the existence of shadow accounting suggests that material improvements in IT capability should be directed toward system integration, strengthening change control, and establishing a stable audit trail to ensure output verifiability and reliability are not dependent on error-prone manual work (Dechow et al., 2010; Melville et al., 2004).

Link to proposition. This theme supports P3 (IT Capability → Accounting Quality) because IT capability improves verifiability and reliability of output through data quality, process integration, and audit trails (Melville et al., 2004; Dechow et al., 2010). This theme also provides context for P5 because system capability strengthens the effectiveness of accounting–actuarial coordination through standardized data definitions and more efficient reconciliation workflows, while reducing the need for shadow accounting that increases coordination friction and traceability risks (Okhuysen & Bechky, 2009; Melville et al., 2004).

3.5. T4 Accounting Quality as a Governance Enabler in IFRS 17 Implementation

The fourth theme shows that accounting quality is understood as an outcome reflected in the reliability of figures, traceability of judgment, and completeness of disclosure, which then increases the effectiveness of monitoring and accountability in governance (Dechow et al., 2010). This relationship is consistent with the literature that positions accounting information quality as governance infrastructure because quality information reduces information asymmetry and strengthens oversight mechanisms (Bushman & Smith, 2001; Healy & Palepu, 2001). In the context of IFRS 17/PSAK 117, this strengthening becomes even more relevant because the standard requires more detailed disclosures and creates greater visibility of the source of performance, including when contracts become onerous (International Accounting Standards Board, 2017).

Informant perspectives on governance underscore the transformation in oversight effectiveness enabled by improved accounting quality. INS-3 observed: "Governance is now stricter because assumptions and their changes must be clearly traceable—the board and the audit committee ask different kinds of questions than they used to." INS-8 connected disclosure quality directly to governance function: "The quality of the disclosure helps the oversight function—it is not just about the numbers being correct, but about whether those numbers can be understood and interrogated by those responsible for monitoring." INS-4 articulated the accountability mechanism with precision: "If the judgment behind a number cannot be traced, monitoring becomes weak—you can report a number but governance cannot act on it effectively without knowing its source." INS-9 added: "Under PSAK 117, the onerous contract disclosure has become a governance instrument—management has to explain loss-making contracts much more explicitly than before, which changes the tone of governance discussions." These accounts confirm that accounting quality functions as monitoring infrastructure: it does not merely represent financial outcomes but constitutes the evidential basis upon which governance can operate substantively.

This theme explains that governance is strengthened when IFRS 17/PSAK 117 information is traceable, consistently understood (interpretable), and adequate for monitoring implementation risks (monitorable) (Dechow et al., 2010). Disclosure quality plays a role because disclosure shifts judgmental information into transparency that can be used for internal and external monitoring (Healy & Palepu, 2001). Specifically, the obligation to identify and disclose onerous contracts increases accountability because loss-making contracts become more visible and more difficult to "delay" through non-granular reporting narratives (International Accounting Standards Board, 2017). This condition encourages more open management behavior in discussing the source of losses, accelerates risk escalation to governance forums, and increases the intensity of monitoring assumptions, pricing, and portfolio management so that the value of onerous contracts can be suppressed or minimized in the following period (Bushman & Smith, 2001; Dechow et al., 2010). In other words, accounting quality not only improves the quality of information, but triggers an evidence-based monitoring cycle that suppresses the persistence of onerous contracts through faster and more targeted corrective actions (Healy & Palepu, 2001; International Accounting Standards Board, 2017).

Link to proposition. This theme supports P4 (Accounting Quality → Governance) and clarifies the role of accounting quality as an explanatory pathway connecting collaboration, enforcement, and IT capability to governance (Dechow et al., 2010; Bushman & Smith, 2001). This theme also provides context for P6 because credible enforcement increases the effectiveness of information in monitoring mechanisms and strengthens the link between reporting quality and governance, including in the handling and oversight of onerous contracts (Leuz, 2010; Christensen et al., 2013).

3.6. Synthesis of Findings Against Propositions

Synthetically, the findings show that the implementation of IFRS 17/PSAK 117 forms a chain of mechanisms: (i) cross-professional collaboration integrates judgment and unifies assumptions–reconciliation–disclosure; (ii) enforcement stabilizes interpretation and establishes evidence-based compliance discipline; (iii) IT capability provides data infrastructure–audit trail that improves verifiability; and (iv) the resulting accounting quality enhances governance through transparency and monitoring effectiveness (Dechow et al., 2010; Puławska & Strzelczyk, 2025). This synthesis is consistent with evidence that the challenges of IFRS 17 are related to cross-functional coordination and system readiness, so that successful implementation is organizational and institutional, not merely technical (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025).

4. Discussion

Qualitative findings confirm that the implementation of IFRS 17/PSAK 117 in Indonesian insurance companies is an estimation-based reporting process that demands verifiability, control over judgment, and stable reconciliation across systems. Therefore, reporting quality is better understood as the output of process architecture and organizational capabilities, rather than simply numerical results (Dechow et al., 2010; Vazov & Hristozov, 2025). This complexity magnifies the role of cross-professional coordination mechanisms, enforcement powers, and data infrastructure because any weakness in any of these mechanisms has the potential to give rise to inconsistent assumptions, repeated corrections, and the risk of misalignment between measurement results and disclosures (Puławska & Strzelczyk, 2025; Melville et al., 2004). These findings directly address the research objective, which is to explain how accountant–actuary collaboration, regulatory enforcement, and IT capability shape accounting quality and have implications for governance (Bushman & Smith, 2001; Bharadwaj, 2000).

P1 (Collaboration → Accounting Quality). Support for P1 is strengthened through the theme of cross-professional collaboration, which serves as a mechanism for integrating judgment, particularly through the establishment of shared data definitions, consistent reconciliation routines, and documented cross-functional decision-making. Findings suggest that the quality of collaboration is determined not only by the frequency of communication but also by the existence of a coordination structure that reduces ambiguity and expedites the resolution of differences in interpretation (Gittell, 2002; Okhuysen & Bechky, 2009). Theoretically, this is consistent with coordination in interdependent work, where output quality improves when organizations establish coordination mechanisms that reduce process interface friction (Okhuysen & Bechky, 2009). Conceptually, findings also suggest that judgment integration serves as a primary channel for producing traceable figures and coherent disclosures, thereby strengthening the reliability and verifiability dimensions as elements of accounting quality (Dechow et al., 2010).

P2 (Enforcement → Accounting Quality). The findings support P2 by demonstrating that enforcement serves as a disciplinary tool that stabilizes interpretation, suppresses variation in application, and encourages the establishment of more formal internal controls for implementation (Leuz, 2010; Christensen et al., 2013). In the context of IFRS, the literature confirms that impacts on reporting quality are more likely to occur when standard changes are accompanied by changes in the enforcement environment, making compliance more substantive than symbolic (Christensen et al., 2013). The findings of this study deepen this argument in the context of IFRS 17/PSAK 117, namely that enforcement not only increases compliance pressure but also creates an "interpretive discipline" that reduces the costs of repeated corrections and improves process comparability (Leuz, 2010). Thus, enforcement works as an institutional prerequisite that enhances the credibility of judgment-based reporting processes (Leuz, 2010; Dechow et al., 2010).

P3 (IT Capability → Accounting Quality). The findings support P3 through evidence that IT capability shapes accounting quality through three channels: data granularity, actuarial-accounting system integration, and audit trails that facilitate verification (Bharadwaj, 2000; Melville et al., 2004). In the context of IFRS 17, the demands of contract grouping and component reconciliation increase data and integration requirements, so reliance on manual reconciliation increases the risk of inconsistencies in figures and disclosure (Vazov & Hristozov, 2025). This finding aligns with the IT business value perspective, which places IT's contribution on information quality and process stability, rather than simply the level of technology investment (Melville et al., 2004). Contemporary evidence linking IT capability to reporting quality through process governance and information quality also strengthens the channel explanation of this relationship (Mungai & Lee, 2024).

P4 (Accounting Quality → Governance). Support for P4 can be deepened through the concept of visibility of failure, which is a condition where reporting design increases the visibility of poor performance and limits the scope for delaying loss recognition (Dekker, 2006). In IFRS 17/PSAK 117, mechanisms such as loss components and more granular disclosures increase transparency over loss-making contracts, making weakening profitability more readily apparent in reporting figures and narratives (International Accounting Standards Board, 2017). This increased visibility changes governance dynamics because the Board of Commissioners and supervisory committees receive clearer signals regarding the source of poor performance. However, it also raises the risk of misinterpretation when performance declines are perceived as management failures when in fact they are partly a consequence of standard transitions and changes in measurement basis (Bushman & Smith, 2001; Healy & Palepu, 2001).

Within this framework, accounting quality not only reduces information asymmetry but also enhances governance's ability to distinguish between operational losses and losses arising from recalcification, changes in assumptions, or the measurement consequences of IFRS 17 (Dechow et al., 2010). When accounting quality is high, characterized by traceability of assumptions, audit trails, and coherent disclosures, governance tends to respond to "suddenly bad numbers" by focusing on validating mechanisms (e.g., assessing the basis for assumptions and the impact of model changes) and strengthening risk oversight, rather than simply blaming the system or pressuring management to conceal reporting consequences (Dechow et al., 2010; Bushman & Smith, 2001). Thus, IFRS 17/PSAK 117 increases the visibility of failure, strengthening the monitoring function. However, the effectiveness of governance responses depends on the quality of information that allows for proper interpretation of the sources of performance changes (International Accounting Standards Board, 2017; Healy & Palepu, 2001).

P5 (IT capability strengthens Collaboration → Accounting Quality). The findings support P5 because IT capability has been shown to be an enabler of cross-professional coordination through consistent data definitions, digitized reconciliation workflows, and change logs that facilitate cross-team learning. This relationship aligns with the argument that effective coordination of complex tasks requires information artifacts and infrastructure that reduce ambiguity and coordination costs (Okhuysen & Bechky, 2009; Melville et al., 2004). Thus, IT capability not only has a direct effect on accounting quality but also increases the effectiveness of accountant–actuary collaboration to produce verifiable output (Bharadwaj, 2000; Dechow et al., 2010).

P6 (Enforcement Strengthens Accounting Quality → Governance). The findings support P6 because enforcement increases the credibility of information and strengthens the utilization of reporting information in oversight mechanisms (Leuz, 2010). Within the IFRS consequences framework, the enforcement environment determines the extent to which reporting information is used in a disciplined manner by stakeholders and governance mechanisms, so the accounting quality → governance relationship is stronger when enforcement is credible (Christensen et al., 2013). Thus, enforcement acts as an institutional mechanism that transforms information quality into higher monitoring effectiveness (Bushman & Smith, 2001; Leuz, 2010).

5. Conclusions

This study concludes that the implementation of IFRS 17/PSAK 117 in Indonesian insurance companies represents a transformation of estimate-based reporting that places accounting quality in the realm of verifiability, consistency of judgment, and quality of disclosure, rather than merely the accuracy of transaction recording (Dechow et al., 2010). In standards that rely on future cash flows, risk adjustments, and contractual service

margins (CSM), reporting quality is largely determined by the stability of the measurement process, the traceability of changes in assumptions, and the organization's ability to present coherent reconciliations and disclosures (Dechow et al., 2010; Vazov & Hristozov, 2025).

Qualitative findings show that accounting quality in the implementation of IFRS 17/PSAK 117 is formed through the configuration of three core mechanisms: accountant–actuary collaboration, regulatory enforcement, and IT capability (Bharadwaj, 2000; Christensen et al., 2013). First, accountant–actuary collaboration acts as a locus of integrated judgment that unifies actuarial assumptions, data definitions, reconciliation logic, and disclosure narratives, thereby reducing coordination friction in interdependent cross-functional work (Gittell, 2002; Okhuysen & Bechky, 2009). Structured collaboration establishes consistency of professional judgment and improves the traceability of arguments for changes in assumptions, resulting in more stable reporting at the closing phase and better preparedness for the review process (Okhuysen & Bechky, 2009; Dechow et al., 2010).

Second, regulatory enforcement is identified as a disciplinary tool that stabilizes interpretation, strengthens procedural compliance, and enhances implementation credibility through clearly perceived oversight and consequences (Leuz, 2010). The role of enforcement is consistent with the IFRS literature, which emphasizes that reporting consequences tend to be more substantive when standard changes are accompanied by a strong enforcement environment, making changes in reporting behavior more likely than when formal adoption alone occurs (Christensen et al., 2013). Thus, enforcement operates not only as compliance pressure but also as a common-interpretation mechanism that reduces variation in interpretation and encourages standardization of implementation controls at the organizational level (Leuz, 2010; Christensen et al., 2013).

Third, IT capability acts as an infrastructure that determines data readiness, actuarial-accounting system integration, and audit trail availability, allowing measurement and disclosure results to be tested and traced (Bharadwaj, 2000; Melville et al., 2004). The IT business value perspective reinforces these findings because IT generates benefits when its capabilities are embedded in processes and data governance, resulting in better information quality and process control (Melville et al., 2004). In the context of IFRS 17, the need for granular data, integration, and process transparency are widely reported readiness determinants in contemporary implementation studies, thus these research findings reinforce the argument that IT capability is an operational prerequisite for reporting quality (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025).

This study also concluded that improving accounting quality serves as a lever for governance through improving the information environment, reducing information asymmetry, and strengthening the monitoring function, resulting in more effective accountability for assumption decisions and oversight of implementation risks (Bushman & Smith, 2001; Healy & Palepu, 2001). These findings clarify the role of accounting quality as a connecting mechanism that explains how collaboration, enforcement, and IT capability transform into strengthened governance during the implementation phase of IFRS 17/PSAK 117 (Bushman & Smith, 2001; Dechow et al., 2010).

First, this study emphasizes the shift in the locus of governance from the final outcome to the estimation process ($Z \rightarrow Y$). Traditionally, governance in the insurance industry has focused on output indicators such as profit, solvency levels, or risk ratios, while IFRS 17 forces governance to shift to the estimation process level because many sources of performance changes stem from assumptions, model changes, and cash flow-based reconciliations (Bushman & Smith, 2001; Dechow et al., 2010). Within this framework, accounting quality (Z) is not simply the final product of reporting, but rather a monitoring instrument: without traceable and verifiable numbers, governance (Y) loses visibility into the basis of decisions and becomes ineffective in oversight (Healy & Palepu, 2001;

Dechow et al., 2010). The novelty of this article lies in positioning accounting quality as a monitoring infrastructure that enables governance to operate substantively, rather than administratively (Bushman & Smith, 2001).

The theoretical novelty of this study lies not in identifying these three mechanisms per se—each is established in related literature—but in the processual and configurative argument advanced: that accountant–actuary collaboration functions as a "logic translation" process through which professional epistemic frameworks are iteratively reconciled into shared reporting artifacts; that IT automation introduces a socio-technical paradox wherein efficiency gains in reconciliation may simultaneously increase model-owner dependency and weaken distributed interpretive capacity; and that the three mechanisms must function as an integrated, interdependent configuration—rather than as independent enablers—to produce accounting quality capable of strengthening governance. This configurative argument advances qualitative IFRS 17 implementation literature beyond readiness-factor identification toward process-based explanation of how accounting quality is produced and how it enables governance under estimation-based reporting standards (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025).

Second, this study presents the integration of the three pillars (X1–X3) as an interdependent, integrated mechanism. Studies on IFRS 17 implementation often discuss certain aspects separately, such as system readiness, actuarial readiness, or regulatory aspects, without explaining the functional dependencies between them (Puławska & Strzelczyk, 2025; Vazov & Hristozov, 2025). The findings of this study indicate that IT capability (X3) does not produce a meaningful audit trail without accountant–actuary collaboration (X1) that agrees on data definitions and reconciliation logic, while collaboration (X1) tends to weaken without enforcement (X2) that stabilizes interpretations and establishes compliance discipline (Melville et al., 2004; Leuz, 2010). The novelty of this study lies in the configurative argument that the three pillars must work in unison to produce quality (Z) that can enhance governance (Y) (Christensen et al., 2013; Melville et al., 2004).

Third, this study confirms the implication of IFRS 17 that future governance is driven by the quality of estimation governance. IFRS 17 increases the visibility of loss-making contracts through mechanisms such as loss components, so management no longer has ample room to delay loss recognition through less granular presentation (International Accounting Standards Board, 2017). This condition encourages governance to move from an administrative function to a technical-substantive function that assesses the basis of assumptions, tests model changes, and monitors management's response to loss-making contracts through pricing, underwriting discipline, and portfolio management (Dechow et al., 2010; Bushman & Smith, 2001). Thus, this article conveys that indicators of insurance companies' future health will not only rely on "profit figures," but also on the quality of governance over the estimation process that produces credible information for monitoring and decision-making (Healy & Palepu, 2001; International Accounting Standards Board, 2017).

Limitations. Several limitations of this study merit acknowledgment. First, while the ten-informant sample enabled thematic saturation within the scope of this inquiry, it limits the transferability of findings beyond the specific organizational contexts studied. Future research employing larger samples or mixed-method designs could test the generalizability of the identified mechanisms. Second, the exploratory qualitative design prioritizes depth of understanding over breadth; the propositions developed are intended as theoretical conjectures for future empirical examination rather than generalizable causal claims. Third, purposive sampling may introduce selection bias, as participants who agreed to participate may share characteristics that do not represent the full range of experiences in the industry. Fourth, the study is bounded by the Indonesian regulatory context, which constrains direct

transferability to other emerging markets, although the identified mechanisms may offer analogical insights for comparable IFRS 17 adoption contexts.

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Abbreviations

The following abbreviations are used in this manuscript:

IFRS	International Financial Reporting Standards
PSAK	Pernyataan Standar Akuntansi Keuangan
IFRS 17	Insurance Contracts (IFRS 17)
PSAK 117	Kontrak Asuransi (PSAK 117)
CSM	Contractual Service Margin
RA	Risk Adjustment
OJK	Otoritas Jasa Keuangan (Financial Services Authority)
RBC	Risk-Based Capital
IT	Information Technology
NVivo	NVivo qualitative data analysis software
JV	Joint Venture
BUMN	Badan Usaha Milik Negara (State-Owned Enterprise)

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