



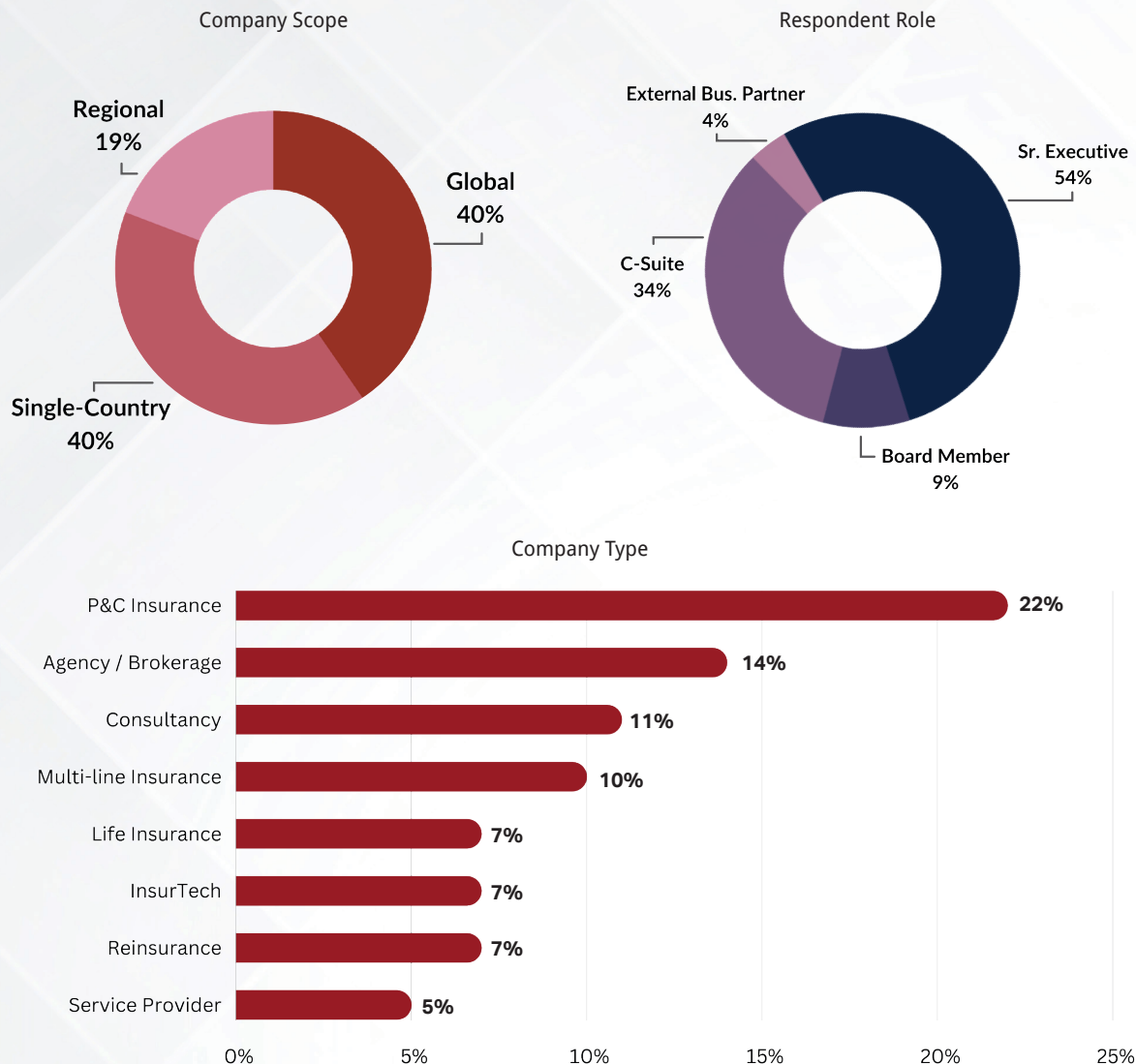
 Affiliated with The Institutes



| 2023 Global Priorities Survey |

Who Responded to the Survey?

Respondent Demographics



Responses included people who worked in:

- ▶ Financial Services
- ▶ Think Tank / Association / Non-profit
- ▶ Academic / Institute
- ▶ Regulator / Government
- ▶ Asset Management
- ▶ Bancassurance
- ▶ Health Insurance
- ▶ Risk Management

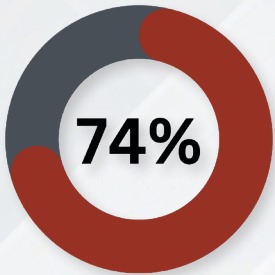
The International Insurance Society collaborated with our parent organization, The Institutes, and several other business units that included The Insurance Information Institute, Insurance Thought Leadership, and The Pacific Insurance Conference to conduct the survey.

Abstract

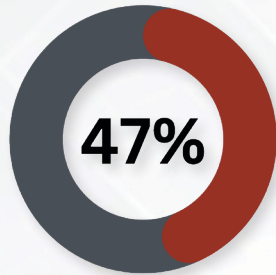
- ▶ **Executive Top Priorities Stay Consistent.** The priorities of industry executives have remained steady for the past three years of the International Insurance Society's Global Priorities research. Within their respective categories, executives' top priorities have remained climate change, cyber security, competition for talent, and data security for each of the past three years. Inflation has been the top economic priority for the past two years, following the decline of executives prioritizing the pandemic recovery. Similarly, as concerns over competition from outside the insurance sector have waned, expense management has emerged as the top business and financial priority.
- ▶ **Executives Feel Increasingly Prepared.** Having a stable set of priorities seems to be paying off as executives report a higher sense of preparedness year-over-year across each of the top priorities. In 2021, 83% of executives who were prioritizing cyber security said they felt their company was prepared to do so. By 2023, that number increased to 94% of executives who report feeling prepared. Similarly, in 2021, 62% said their company was prepared to address the effects of climate change and, by 2023, 78% said the same. This increase in preparedness holds true across all top priorities: inflation (89% prepared in 2021 to 93% in 2023); competition for talent (59% to 79%); data security (87% to 97%); and expense management (94% to 97%). Three years of consistent focus has led to an increased sense of preparedness.
- ▶ **Pandemic Concerns Fade.** Three years after the outbreak of Covid-19, concerns over pandemic-related issues have shown some of the sharpest drops in prioritization. 46% of executives were prioritizing a hybrid workforce in 2022, but that number dropped to 14% this year. In 2021, the pandemic response was the top economic priority, with 63% of executives saying that the pandemic recovery was one of their top-3 economic issues. In 2023, however, the pandemic is a top-3 economic priority for only 11% of executives, making it the least-selected economic priority.
- ▶ **Talent and Tech Trends.** While prioritizing competition for talent has declined somewhat – down from 54% of executives in 2022 to 42% this year – it remains the top operational priority. This year, however, it shares that top spot with technology modernization – a new priority for 2023. Many executives voiced concerns over attracting employees to the industry to replace an aging workforce. "We are faced with numerous retiring subject matter experts without having new talent coming in behind them to continue moving the business forward from here. Huge legacy knowledge bases will be disrupted, shrunk, or lost altogether." There is concern among executives that it will struggle to address looming tech challenges from artificial intelligence to data security, without attracting the necessary talent to replace its aging workforce.
- ▶ **Geopolitics and Instability Loom Large.** Finally, geopolitical priorities were once again on the minds of executives, with social / political instability and geopolitical conflicts joining cyber security as their top-3 political and legal priorities. Nearly a quarter of executives reported that backsliding democracies was a priority for them in 2023 but more than half said their company was unprepared to address it. Instability and geopolitical conflicts also had high rates of unpreparedness – 27% and 29% respectively. As one executive wrote: "The industry's greatest external priority is de-escalation of the global war situation as it impacts core sectors of industry and inflation directly." Another added: "There is a point up to which [volatility] is a good thing for insurance... But we are approaching the point beyond which the volatility could have devastating impact on our own balance sheets."

External Priorities

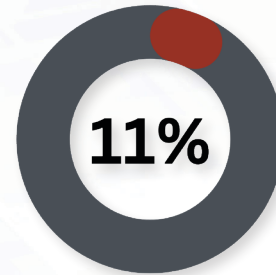
Key Findings



said that **inflation** was a top-3 economic priority – the highest of any issue across all external and internal priorities.



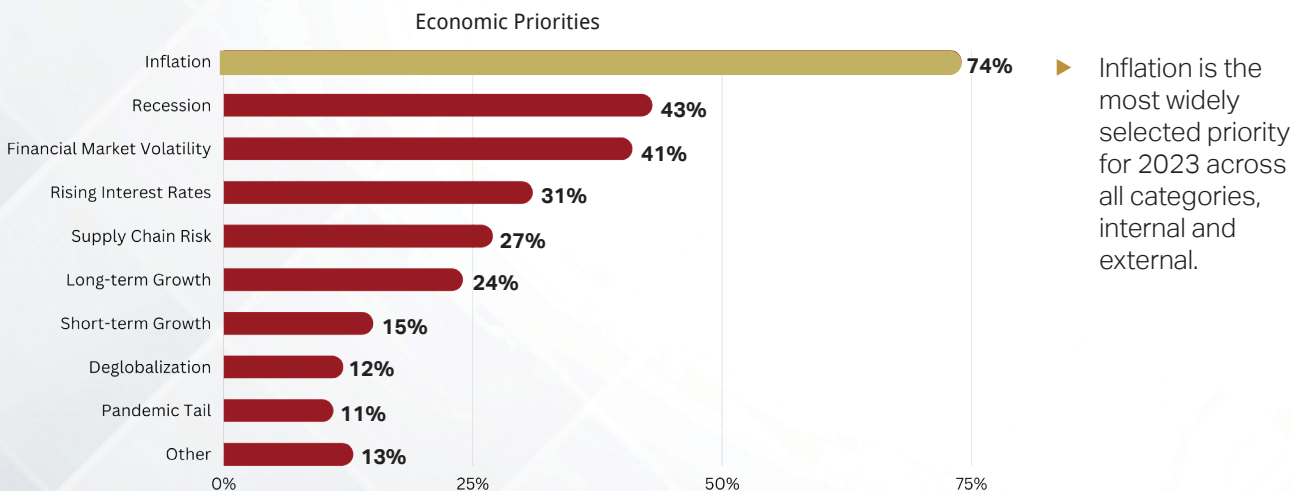
of executives are focused on addressing **geopolitical conflicts**. This is up from 5% in 2021.



said that the **pandemic recovery** was a top-3 economic priority – down from 36% in 2022 and 63% in 2021.

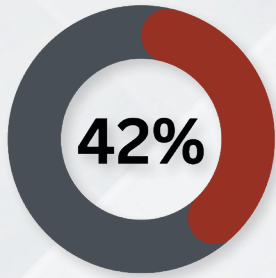
Inflation is the most immediately impactful force and has materially changed operating results. Moreover, the cure to inflation will likely cause a recession which will create its own set of challenges. Both of these lead to capital challenges in the short term.

Inflation Remains Top Priority for 2023

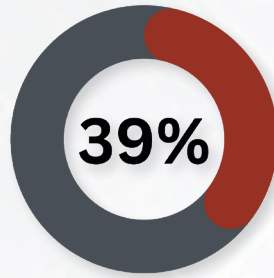


Internal Priorities

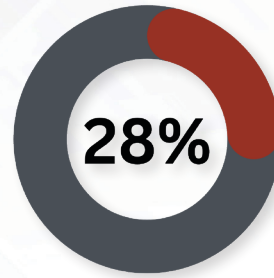
Key Findings



say **competition for talent** is the top operational priority for 2023. A fifth of those say their company is unprepared for it.



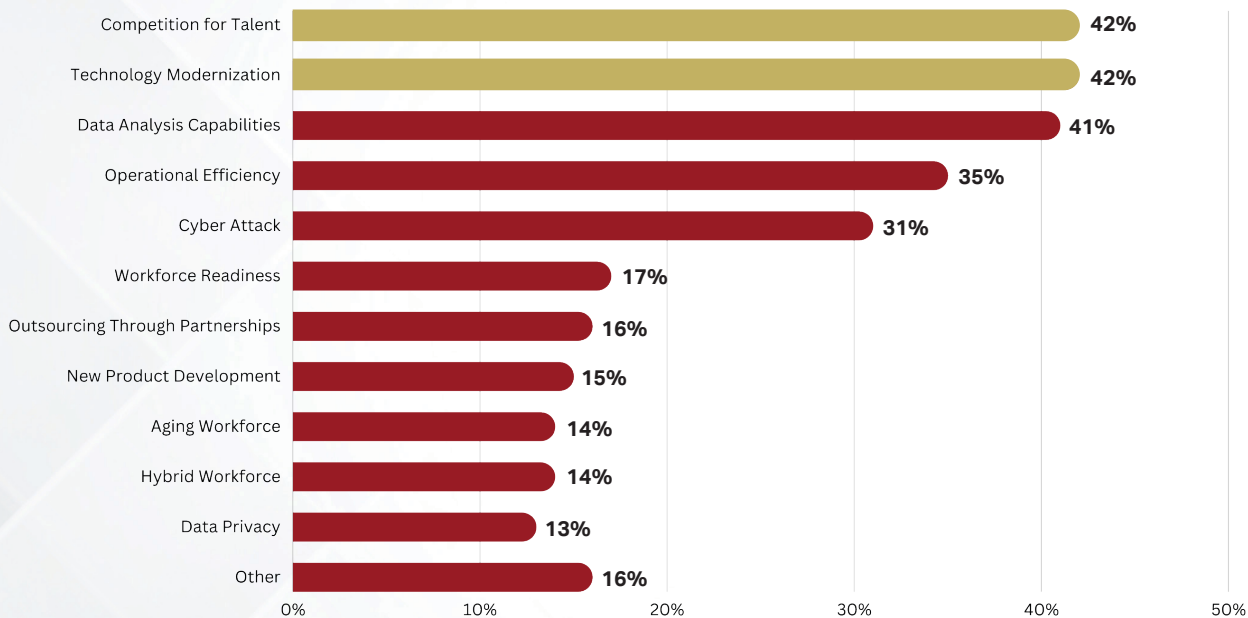
of executives saying that **artificial intelligence** is a 2023 priority also said that their company was unprepared to address it.



said that **competition from outside insurance** is a top-3 business and financial priority – down from 45% in 2021.

Competition for Talent Remained Top Operational Priority

Operational Priorities



- Technology modernization – a new option for 2023 – joins competition for talent as the top operational priority for 2023.

Key Takeaways

- ▶ The top priorities of executives have been consistent for the past three years of the Global Priorities Research. This consistency has correlated with an increase in executives' sense that their companies are prepared to address these issues in 2023.
- ▶ As concerns over the global pandemic recede, worries about instability from geopolitical conflicts are increasing. This is leaving many executives feeling less prepared for the impact that international conflicts could have on the insurance industry.
- ▶ Finally, technology and talent issues continue to loom large. Many executives are focused on addressing the talent gap. They are looking to attract a modern workforce that can lead on emerging technology issues like artificial intelligence, VR, and data analysis.

The full report is available to IIS members.
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