

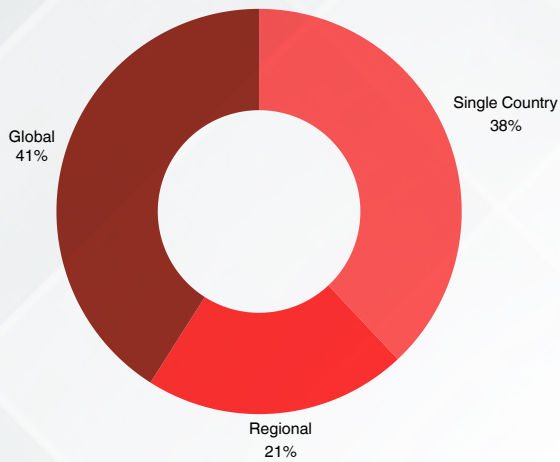


2024 Global Priorities Survey

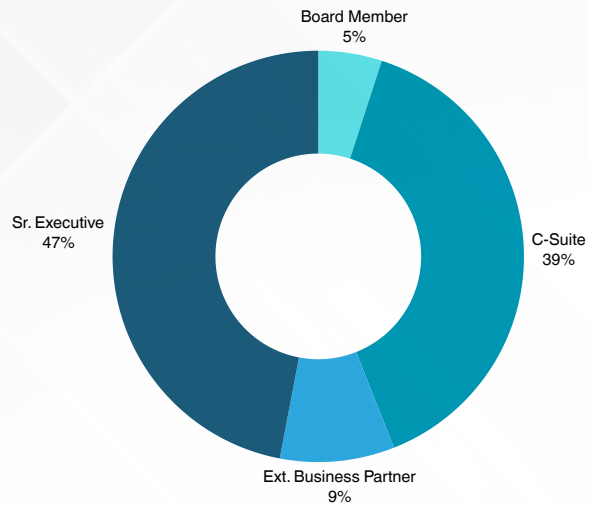
Who Responded to the Survey?

Respondent Demographics

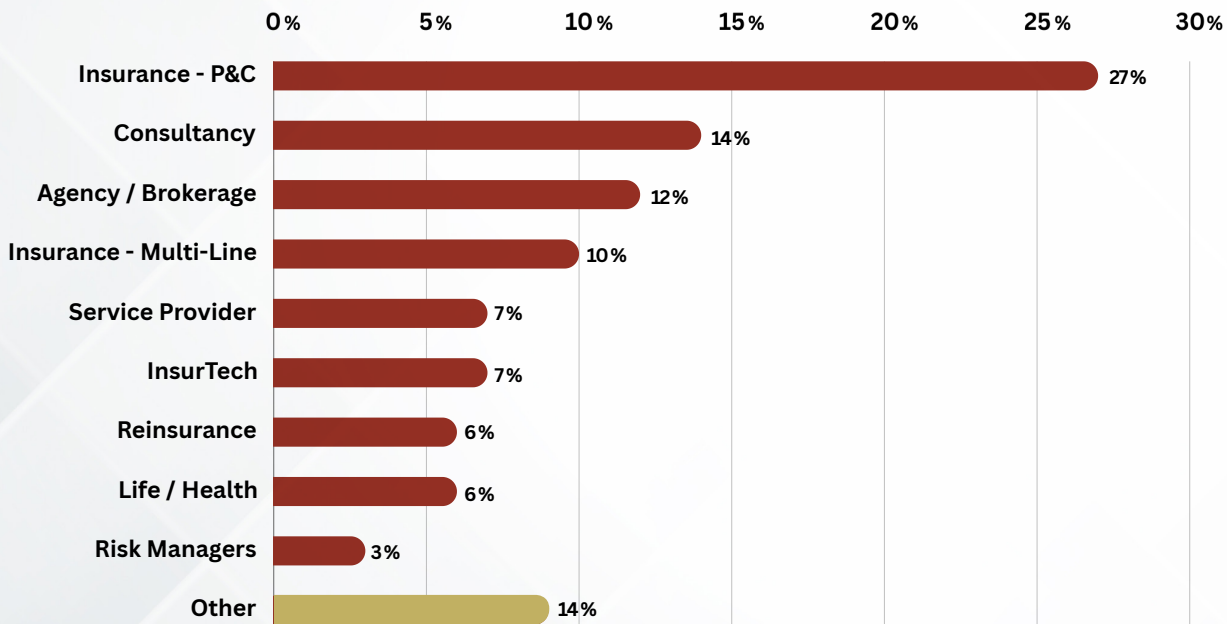
Company Scope



Respondent Role



Company Type



Methodology

Objective

To identify what issues are most important to industry executives and to gather information to help define the agenda for stakeholders for the upcoming year.

Methodology

Online survey to 19,970 executives associated with:

- ▶ **International Insurance Society (IIS)**
- ▶ **Pacific Insurance Conference (PIC)**
- ▶ **The Institutes (TI)**
- ▶ **Insurance Thought Leadership (ITL)**

An open link survey was also distributed to The Insurance Information Institute contacts.

Results

Respondents were asked to select their top three issues across 6 categories of external and internal priorities: Economic, Political and Legal, Social and Environmental, Operational, Technology and Innovation, Business and Financial.

Outcome

Top issues that executives were focused on addressing in 2024 included: inflation, cybersecurity, social and political instability, climate change and natural disasters, operational efficiency, artificial intelligence, expense management, and risk repricing / model uncertainty.

Collaboration

The International Insurance Society is affiliated with The Institutes. The IIS collaborated with The Institutes to conduct this survey, along with several affiliates. These include the Insurance Information Institute, Insurance Thought Leadership, and Pacific Insurance Conference.



Abstract

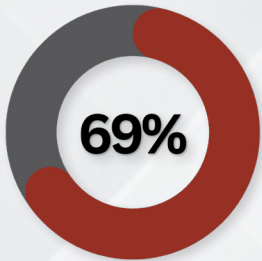
- ▶ **The Perils and Promise of AI.** In 2024, industry executives for the first time ranked artificial intelligence as the top Technology and Innovation priority. The rapid rise of AI in the global consciousness is reflected in its growth in prioritization over the years: in 2021, only 17% of respondents listed it as a priority but, in 2024, that number jumped to 55%. Across the top issues in the six categories we survey, AI also was the issue that executives felt most unprepared to address: over a third (35%) said that their company isn't prepared for the rise of artificial intelligence.

While AI brings the promise of increased operational efficiency, there are fears that the industry could be caught flatfooted. One executive wrote: "Regardless of technology advancements... machine learning or AI integration, the industry continues to be slow to change and adapt internally." Another asked of AI: "Do we have the capabilities to stay relevant?" In order to leverage the benefits of AI, including its use in underwriting and claims, executives say that our aging workforce isn't ready for this technological leap. They see the promise of reduced costs and improved efficiency but worry that a talent shortage will require extensive reskilling to meet the need.

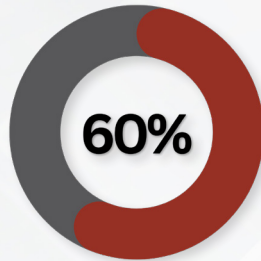
- ▶ **The Climate Change Challenge.** By an even wider margin than last year, climate change continues to be the top Social and Environmental priority. 60% of industry executives are prioritizing climate change in 2024 and, for executives at property/casualty insurance companies, it's an even more dominant issue, with 71% saying it's a priority. The increasing volatility of natural disasters makes it "very difficult to predict future losses," according to one executive. The associated increase in costs could have a "destabilizing impact on carriers, governments, and consumers." There are also fears that climate change is driving a lack of insurability and that "rates are rising to a point that people cannot afford insurance." A quarter of executives say that their company is not prepared to address the issue in 2024.
- ▶ **Persistent Priorities Year Over Year.** Across other categories, top priorities remained mostly consistent. For the third year in a row, inflation was the most commonly prioritized issue by industry executives. This issue persists even as recession fears have declined from their 2022 peak. Cybersecurity remains top of mind for executives and is an issue that ties into some of their AI concerns. One respondent wrote that "the AI cyber threat is coming quick and we need more robust protection." Another notes that the "cyber threat can undermine the foundation [of insurance]... we must invest heavily in people, processes, and technology... this diverts resources needed for growth initiatives and strategic plays."
- ▶ **Pursuing Growth Opportunities.** This year's survey of executives included an additional section about industry growth in which we explored the top growth opportunities executives expect their company to pursue in 2024. Product innovation is the top opportunity with two-thirds of executives saying that they expect their company to pursue it this year. 61% of respondents also shared that they will be seeking out new or underserved customer segments this year while just over half (55%) said that their companies will be focused on building trust and improving consumer engagement. Overall, executives felt their companies were prepared to pursue these growth vectors with an average of 95% saying that they were somewhat or very prepared to address them.

External Priorities

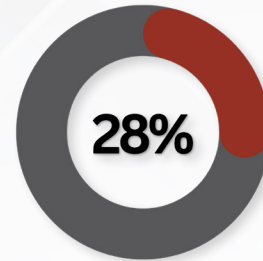
Key Findings



said that **inflation** was a top-three economic priority – the highest of any issue across all external and internal priorities for the third year in a row.



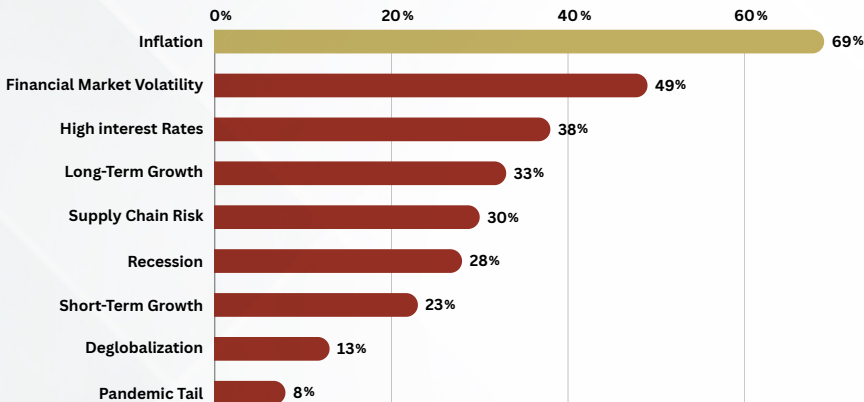
of executives are focused on addressing **climate change and natural disasters**. This is the fourth year in a row that this has been the top social and environmental priority



said that a **recession** was a top-three economic priority – down from 43% in 2023.

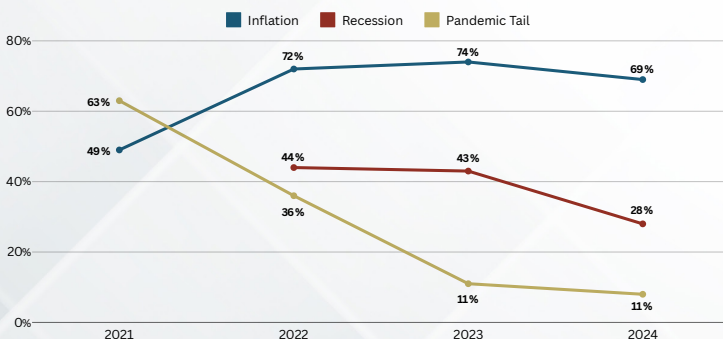
Inflation Remains Top Priority for 2024

Economic Priorities



- ▶ Inflation remains the most widely selected priority for 2024 across all categories, internal and external, for the third consecutive year.
- ▶ Recession has fallen from second highest Economic Priority (at 43% in 2023) to the sixth highest.

Pandemic and Growth Concerns Recede

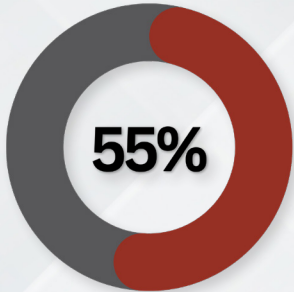


- ▶ While concerns over inflation persist, recession fears have declined from their 44% peak in 2022.
- ▶ The pandemic was the top economic issue in 2021 but has since declined to the least prioritized economic issue.

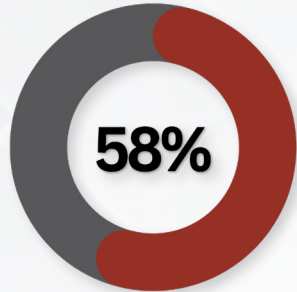
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Internal Priorities

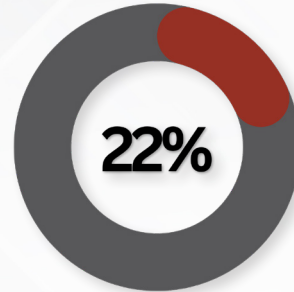
Key Findings



say **artificial intelligence** is the top technology and innovation priority for 2024 – up from 29% last year and only 17% in 2021.



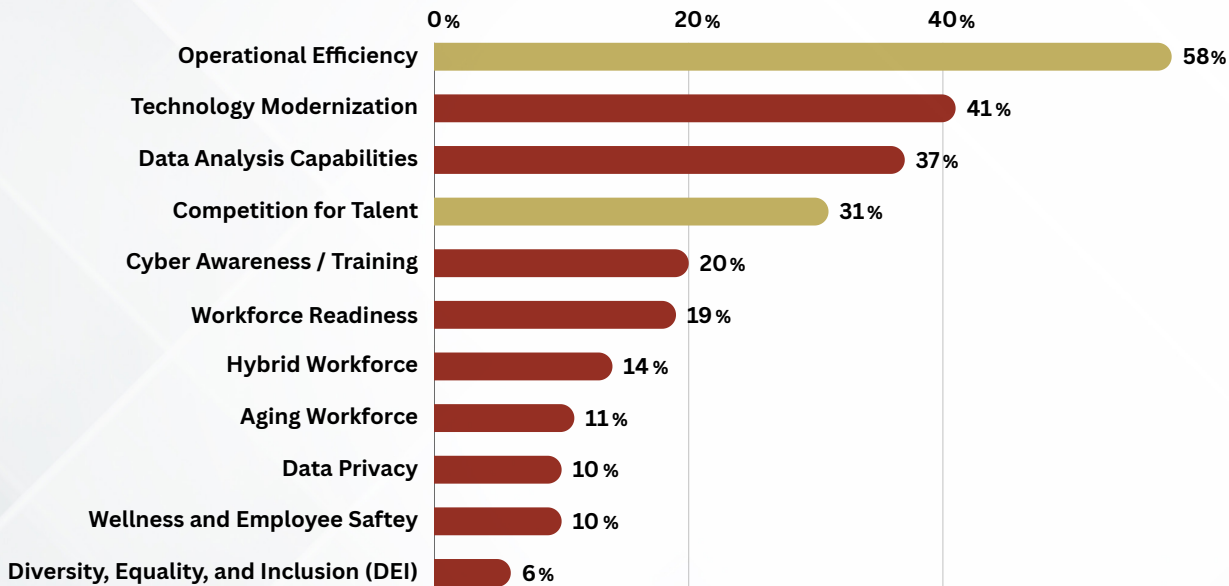
say **operational efficiency** is the top operational priority for 2024 – up from 35% in 2023.



said that **competition from outside insurance** is a top-three business and financial priority – continuing its four-year decline in prioritization.

Tech Modernization and Talent Are Top Operational Priorities

Operational Priorities



- ▶ **Competition for talent** was the top operational priority in 2023 but has fallen to fourth.
- ▶ **Operational efficiency**, a new option last year, climbed from fourth prioritization in 2023 to the top operational priority this year.

The full report is available to IIS members.
To learn more visit internationalinsurance.org



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