

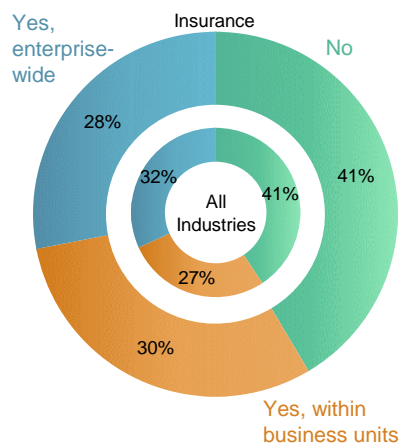


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Insurance industry snapshot provides survey responses from 200 IT leaders on some of the key topics, and highlights several areas where this industry's responses differed significantly from those across all industries.

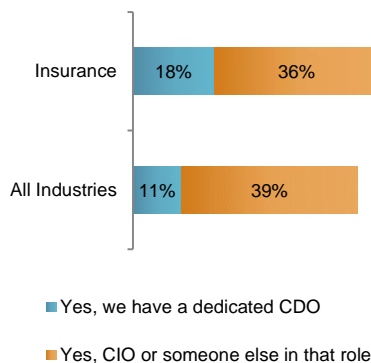
## Digital Strategy

Does your organization have a clear digital business vision and strategy?



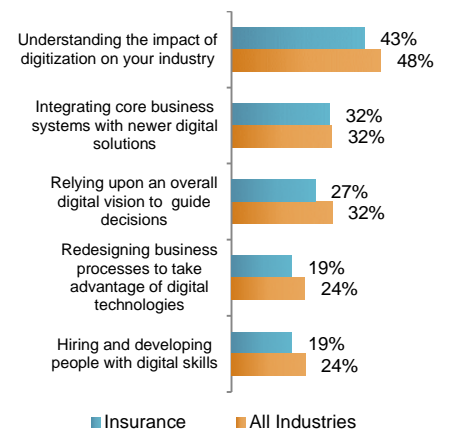
Insurance companies are **slightly less likely to maintain a clear enterprise-wide digital business strategy** than companies in other sectors (28% vs. 32% for all industries), but are more likely to have one within business units (30% vs. 27%). Overall, 58% have a clear digital strategy.

Does your organization have a Chief Digital Officer or someone serving in that capacity?



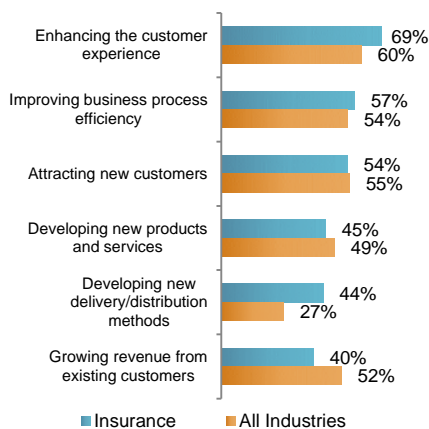
**54% of Insurance companies have a Chief Digital Officer or equivalent**, with 18% having a dedicated CDO, much higher than the all-industries average of 11%. An additional 36% have the CIO or someone else acting in that role.

How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



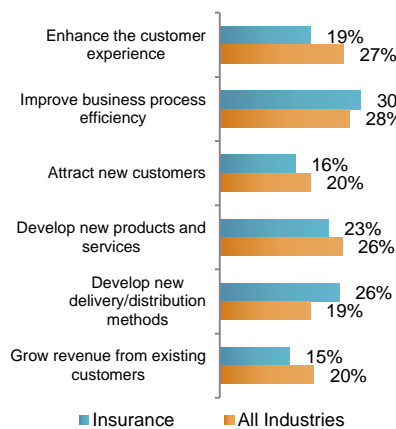
Insurance effectiveness in key digital capabilities tends to lag peers in other industries. Insurance companies are **most effective at understanding the impact of digitization** (43%), but **struggle with hiring and developing people with digital skills** (19%).

Which are the most important goals when prioritizing digital technology initiatives in your organization?



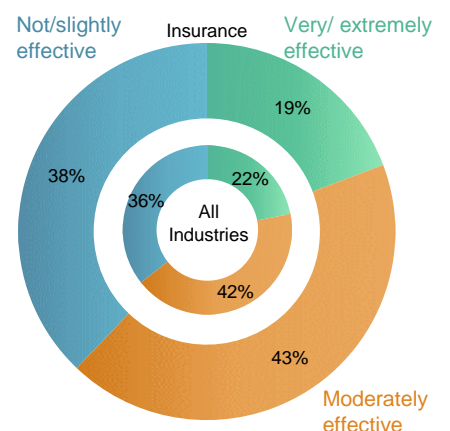
When prioritizing digital investments, Insurance companies **most heavily focus on enhancing the customer experience** (69% vs. 60% for all industries) and **improving business process efficiency** (57% vs. 54%).

How effective has your organization been in using digital technologies to advance the following goals? (Very/Extremely Effective)



Despite its high importance, **only 19% of Insurance companies rate themselves as very effective or better at using digital to enhance the customer experience**. They are more effective at using digital to improve business process efficiency (30%), also an important focus.

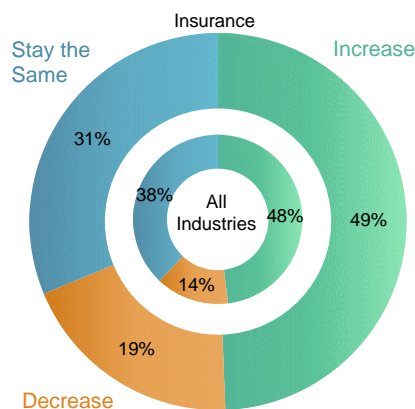
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Like other industries, Insurance companies **report low overall effectiveness levels in their digital strategies**, with just 19% describing their digital strategies as very effective or better.

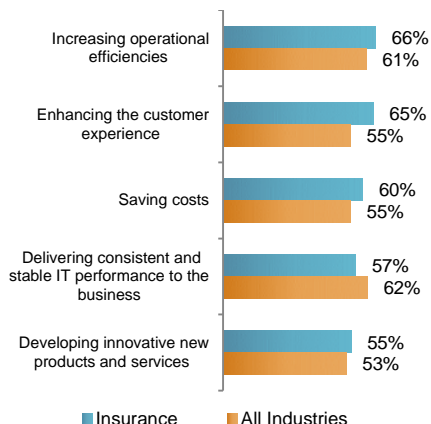
## Budget/Priorities

Looking forward, over the next 12 months, what do you expect your IT budget to do?



Insurance companies are **slightly more optimistic about their IT budgets for next year** than companies in other industries, with 49% expecting an increase in their IT budgets, compared to an all-industries average of 48%.

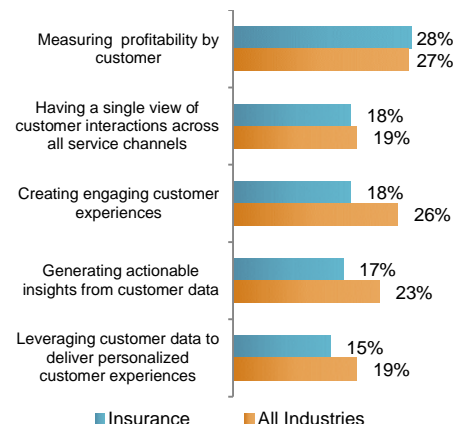
What are the key business issues that your management Board are looking for IT to address? (top 5)



Compared to IT priorities in other industries, Insurance management Boards **more heavily emphasize increasing operational efficiencies** (66% vs. 61% for all industries), **and enhancing the customer experience** (65% vs. 55%).

## Customer Capabilities

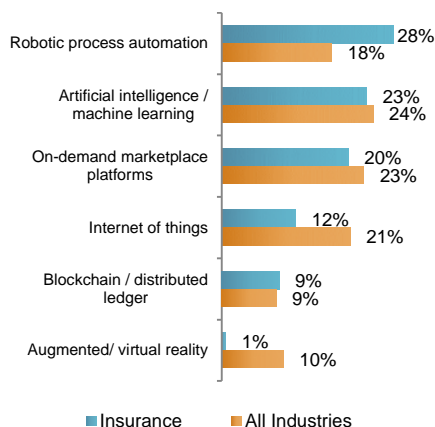
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Despite its focus on enhancing the customer experience, Insurance **lacks effectiveness in five critical customer-focused capabilities**, with no more than roughly a quarter rating themselves at least very effective at any. Insurance companies especially struggle with leveraging customer data to deliver personalized experiences (15%).

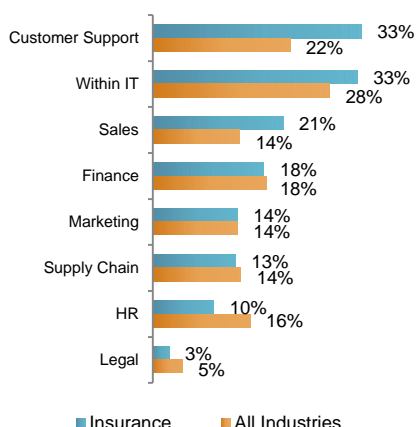
## Technology & Innovation

How would you characterize your investment in the following technologies? (Moderate/Significant Investment)



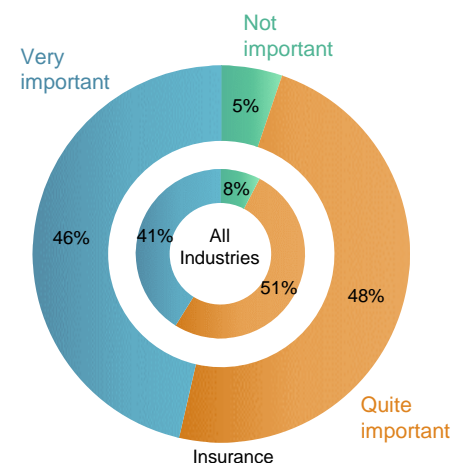
Of next-generation technologies, Insurance companies are **most likely to have invested in robotic process automation** (28% vs. 18% for all industries) **and AI/machine learning** (23% vs. 24%).

In which functions have you implemented digital labor / automation?



Insurance has heavily focused its **digital labor/automation efforts in Customer Support** (33% vs. 22% for all industries) **and within IT** (33% vs. 28%). Digital labor remains in its infancy across most other corporate functions both in Insurance and elsewhere.

How important is it to have an innovative, experimental culture in your organization to ensure its digital strategy is a success?



As with companies in other industries, Insurance companies **view having an innovative, experimental culture as a critical component of the success of their digital strategies**, with 94% viewing it as very or quite important.

## Conclusion

Insurers everywhere are laser-focused on the customer. Yet few seem to feel they are very effective at using their new technologies to enhance the customer experience. This suggests that some digital technology investments may not be fully aligned to the needs of the customer. Insurers will need to take an 'outside-in' view to understand the voice of the customer and re-examine their end-to-end processes if they hope to maximize the value of their technology investments.

With half of the CIOs in this survey saying they expect their budgets to either decline or remain the same over the next year, we expect to see continued pressure on IT run budgets (as the business continues to seek efficiencies) and development budgets (as business cases come under greater scrutiny). At the same time, however, we expect investment into digital capabilities to rise and, in some markets, for regulatory drives such as IFRS17 to catalyze some new IT investment.

## Further information

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