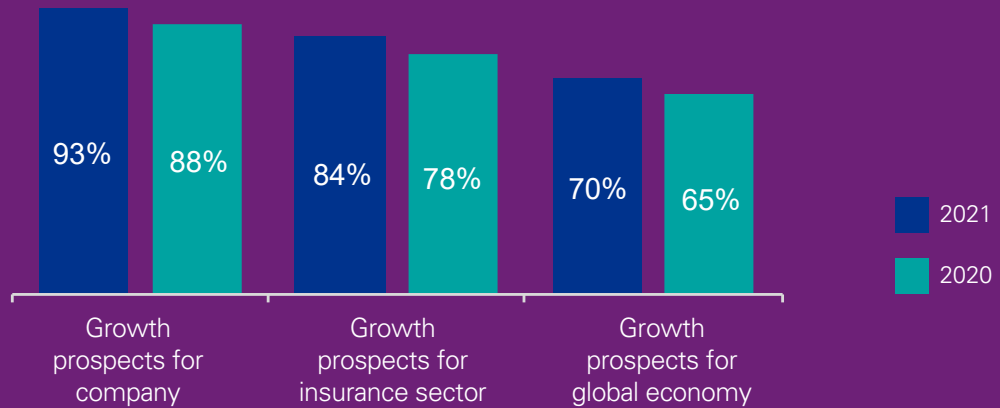


Insurance CEOs have a renewed confidence in growth prospects despite the disruption of COVID-19 on the sector. There's an emerging optimism driven by innovation and a strong connection to organizational purpose which is building confidence in the sector's growth.



Growth prospects are picking up for the insurance sector

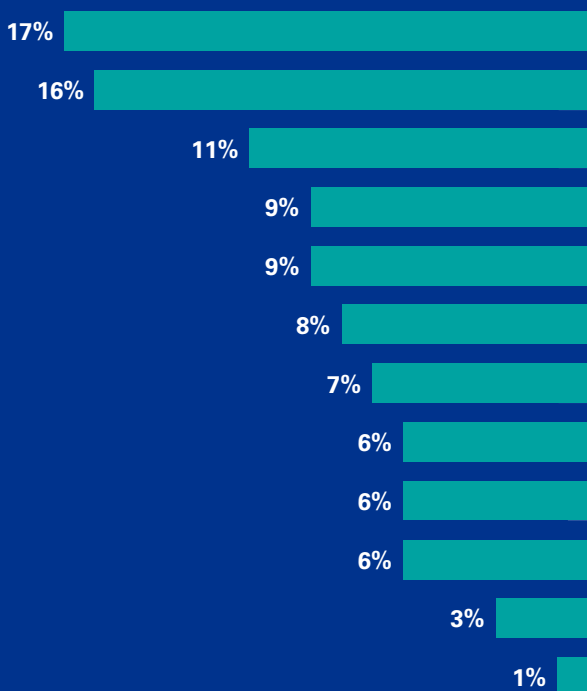
Insurance CEOs remain resilient and focused on long-term sustainable growth



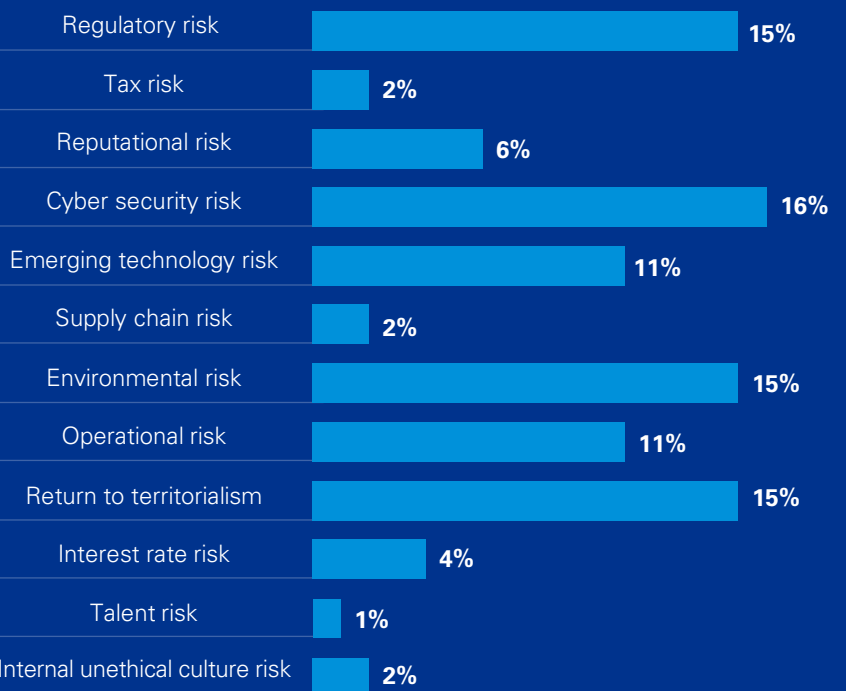
Greatest threats to growth

Regulatory risk and cyber security risk have been in the top five threats for the past two years

Threats to insurance in 2021



Threats to insurance in 2020

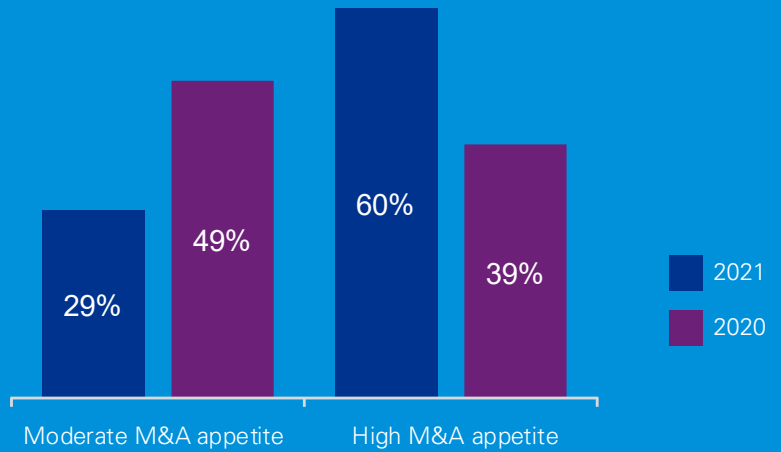
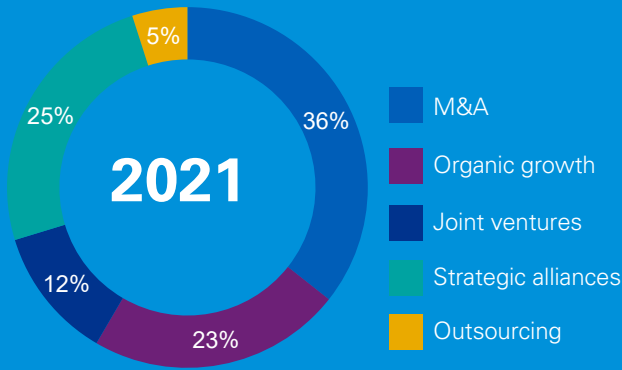




M&A as a growth driver

M&A has emerged as a winning (36%) growth strategy among insurance CEOs

89% of insurance organizations in 2021 have an M&A appetite



Top actions taken for insurers to pursue growth

Insurers are embedding innovation and connecting with their organization's purpose as top strategies for growth

68%

plan to increase investment in disruption detection and innovation processes

54%

believe they need to assess their organization's culture and value to drive growth

52%

plan to collaborate with innovative start-ups (Fintech/Insurtech)

50%

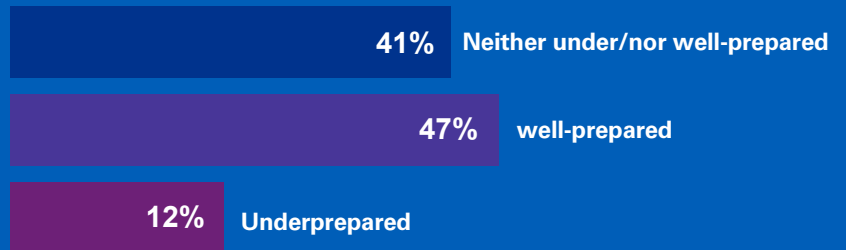
plan to join industry collaborations to develop innovative tech



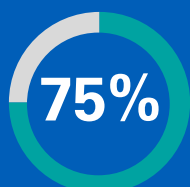
Creating digital resilience

88%

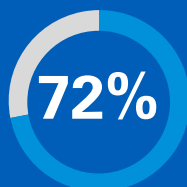
of insurance CEOs have already prepared or are preparing to secure their organization from future cyber attacks



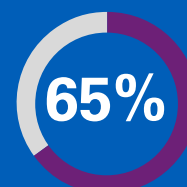
Digital transformation strategy



feel they need to be quicker to shift investments and divest businesses that face digital obsolescence



believe their organization has an aggressive investment strategy

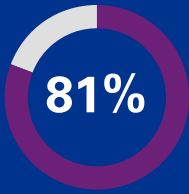


feel that new partnerships will be critical to continue with the pace of digital transformation

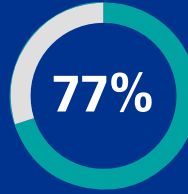


Challenges connecting ESG strategy

Insurance CEOs are taking into consideration the impact of environmental, social and governance (ESG)



81% agree that COVID-19 has caused their focus to shift to the social component of their ESG program.



77% are looking to lock in the sustainability and climate change gains made during the pandemic

55%

of stakeholders demand reporting/transparency on ESG

Down from 71% in 2020

43%

struggle to tell a compelling ESG story

40%

believe ESG programs have a positive impact on financial performance

39%

believe failing to meet climate change expectations will result in disengaged employees/recruitment challenges



Building a flexible future of work

Insurance CEOs are focusing on providing flexibility to their workforce



63%

are looking to invest in shared office spaces



51%

will have most employees working remotely at least two or more days a week



19%

plan to downsize (or have already downsized) their physical footprint or office space



Success factors for an engaged, motivated workforce

While insurers are working towards a flexible work environment, they realize it's important to have a voice on big issues.

47%

believe it's important to address big issues (i.e. climate change, racism and rising inequality)

44%

intend to focus on employee mental health and well-being

36%

intend to invest in digital training, development and upskilling

Source: KPMG 2021 CEO Outlook, KPMG International, September 2021.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit home.kpmg/governance.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.