



KPMG 2023 CCO Survey

Financial services: Insurance

The KPMG 2023 Chief Ethics & Compliance Officer (CCO) Survey explores how 240 CCOs from some of the world’s largest (>\$5 billion in revenue) companies across six industries are adapting to new global challenges and evolving risks. CCOs representing Insurance organizations are focused on new regulatory requirements, progressing their ESG initiatives, and expanding their use of technology.

Compliance pressure builds

The majority of CCO respondents across industries identify their boards as their organization’s top source of pressure. However, CCOs in Insurance placed regulators at the top of their list.

Top drivers of pressure in insurance:



**Regulators/
examiners:**



Board:



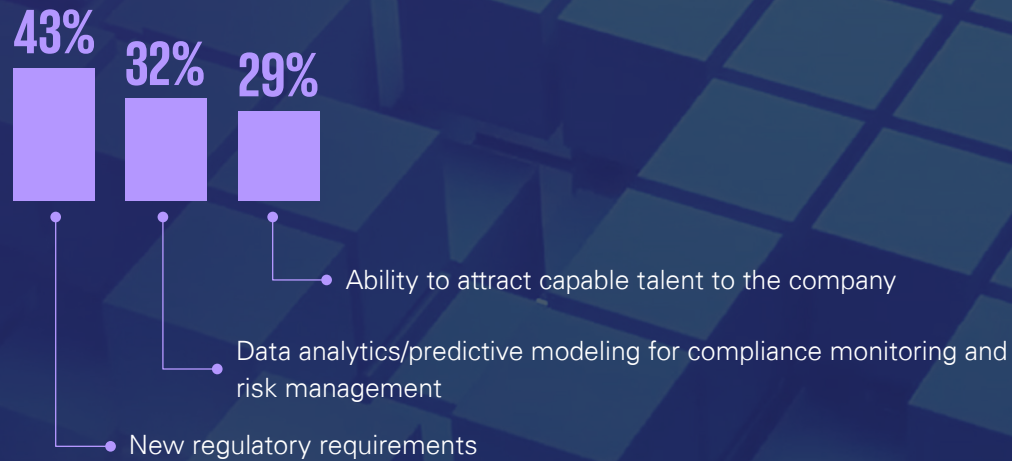
**Investors/
shareholders:**



Challenges on the horizon

New regulatory requirements top Insurance CCOs’ list of compliance challenges over the next two years.

Top challenges in insurance:



Top processes to improve

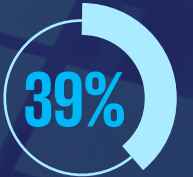
Over the next two years, like most sectors, Insurance CCOs say industry-specific regulations are the most important processes they plan to improve.

Top areas to improve in insurance:

Industry-specific regulations



Cyber/information protection

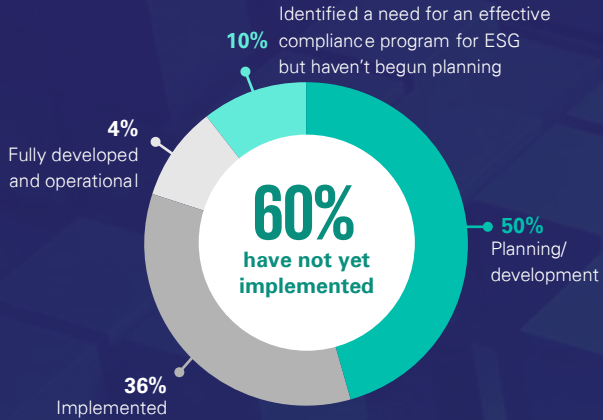


Consumer protection



ESG: A work in progress

Insurance companies are still early in their ESG journeys compared to other sectors, with the majority still in the planning and developing phase.



Bigger budgets for technology needs

Most CCOs have their sights set on technology and data and analytics as the top compliance activities to enhance over the next two years. The majority of Insurance CCOs expect their technology budgets to rise.

Budget intentions for technology in ethics and compliance functions:



Where will the extra money go?



Cybersecurity and data privacy

55%



Process automation and data analytics

50%

Automation

More and more, Insurance businesses are looking for opportunities to automate. But, even with bigger budgets, there are still multiple obstacles in the way before automation can be widely implemented.

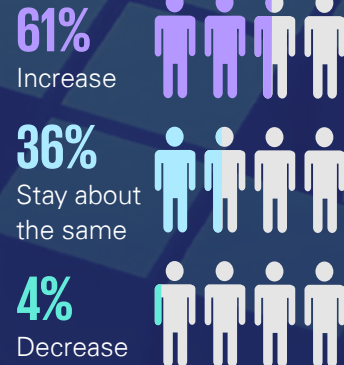
Top areas automated over the past two years in Insurance:



Workforce worries

Overall, as new regulatory requirements approach, the majority of CCOs anticipate increasing their headcounts over the next 12 months, despite challenges with attracting and retaining talent. The same is true for Insurance CCOs.

The number of full-time employees over the next year will:



Insurance companies haven't experienced the same level of regulatory scrutiny that the rest of the financial services sector has seen. They need to stay the course on their compliance journeys—particularly with enhancing technology to better tap data analytics and automation, and enhance cyber and data protections."



Ed Chanda
National Sector
Leader - Insurance
Partner, Audit
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What should Insurance companies focus on?



Prepare for increased scrutiny and expectations from industry regulators by integrating compliance teams throughout areas of the business.



Enhance existing applications and implement the latest advanced technologies to stay on top of evolving regulations, risks, and economic uncertainty.



Promote a technology-enabled, data-driven culture that supports the notion that compliance is everyone's responsibility, no matter their role or leadership level.

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The KPMG Chief Ethics & Compliance Officer Survey is conducted bi-yearly to explore the priorities and two-year outlook of CCOs from some of the largest organizations in the world. Their responses offer valuable insights into key areas of ethics and compliance across six industries: Healthcare & Life Sciences; Financial Services; Industrial Manufacturing; Consumer & Retail; Technology, Media, & Telecommunications; and Energy, Natural Resources, and Chemicals.

Read more about the overall survey findings at read.kpmg.us/CCOSurvey.

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