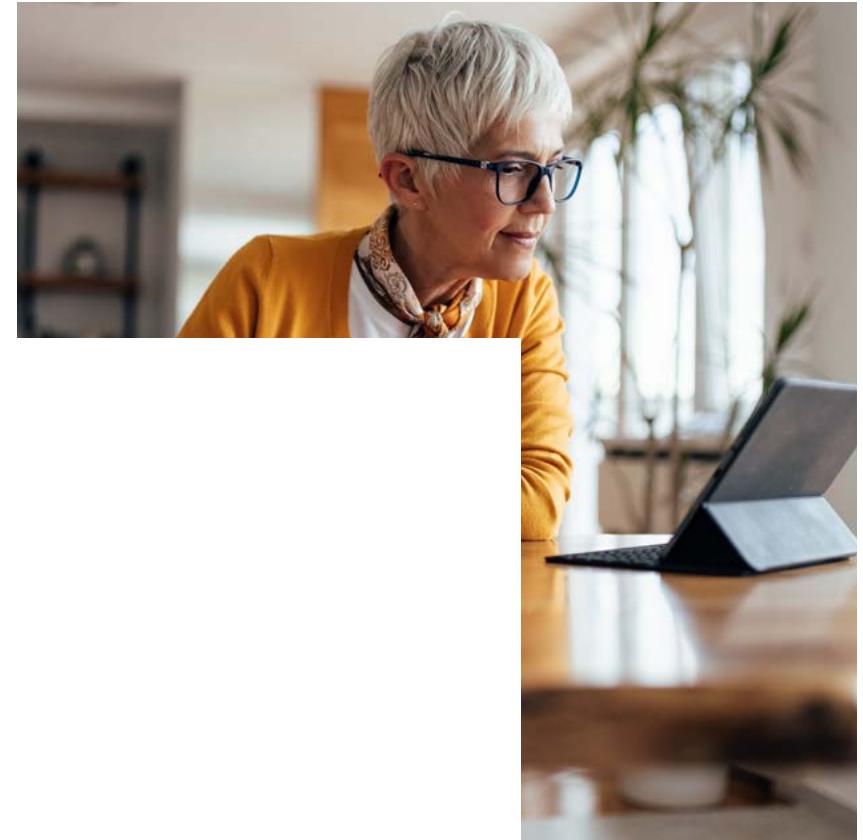


Top trends to watch in Life & Pension Insurance

Read on for CGI client insights
on how to meet customers'
digital demands

2022 CGI VOICE
OF OUR CLIENTS



CGI

Going fully digital to meet increasing customer expectations

Impact of macro trends

Top macro trends cited by executives in life and pension insurance this year include technology and digital acceleration, changing social demographics, and climate change.

Rising customer digital expectations are driving the need for technology and digital acceleration, while a shortage of IT talent is the most impactful demographic change (81% reporting difficulty in finding the right talent).

Climate change initiatives focus primarily on internal operations, such as making buildings and operations greener. However, executives are beginning to

integrate sustainability into their investment strategies by pursuing greener investments.

Top of mind for clients

Digitization for life and pension organizations significantly accelerated during the global pandemic. Even the most traditional firms realized their need to transition to remote customer contact, digital document exchange, and other digital ways of working. As digital becomes the primary service channel and differentiator for life and pension organizations, executives are investing in the customer experience, modernization, and supply chain reconfiguration to drive fundamental change, compete with insurtechs, and future-proof their businesses.

The increasing number of ransomware attacks in 2021 also led to an increased focus on cybersecurity this year, while regulatory compliance dropped in importance, indicating firms are in line with regulatory requirements and focusing on other priorities.

About the insights



Each year, we meet with client executives from around the world to get their views on the trends affecting their organizations and industries. Through the CGI Voice of Our Clients, we analyze these findings to provide actionable insights by industry to benchmark best practices, including the attributes of digital leaders.

In 2022, we met with 1,675 business and IT executives.

This summary report shares sample insights from 53 executives in life and pension insurance.

Interview demographics

Business leaders 42%  58% IT leaders
C-level 72%  28% Ops-level

Top trends and priorities

As executives continue on their digital transformation journeys, it is becoming increasingly important to deliver an end-to-end digital customer experience. To achieve this, they are investing more in data, as well as in process automation and the cloud.

Key takeaway

In terms of modernization, 55% of executives say they will move core platforms to platform-as-a-service and infrastructure-as-a-service providers over the next 2 years, while 54% plan to migrate to software-as-a-service providers within the same timeframe.

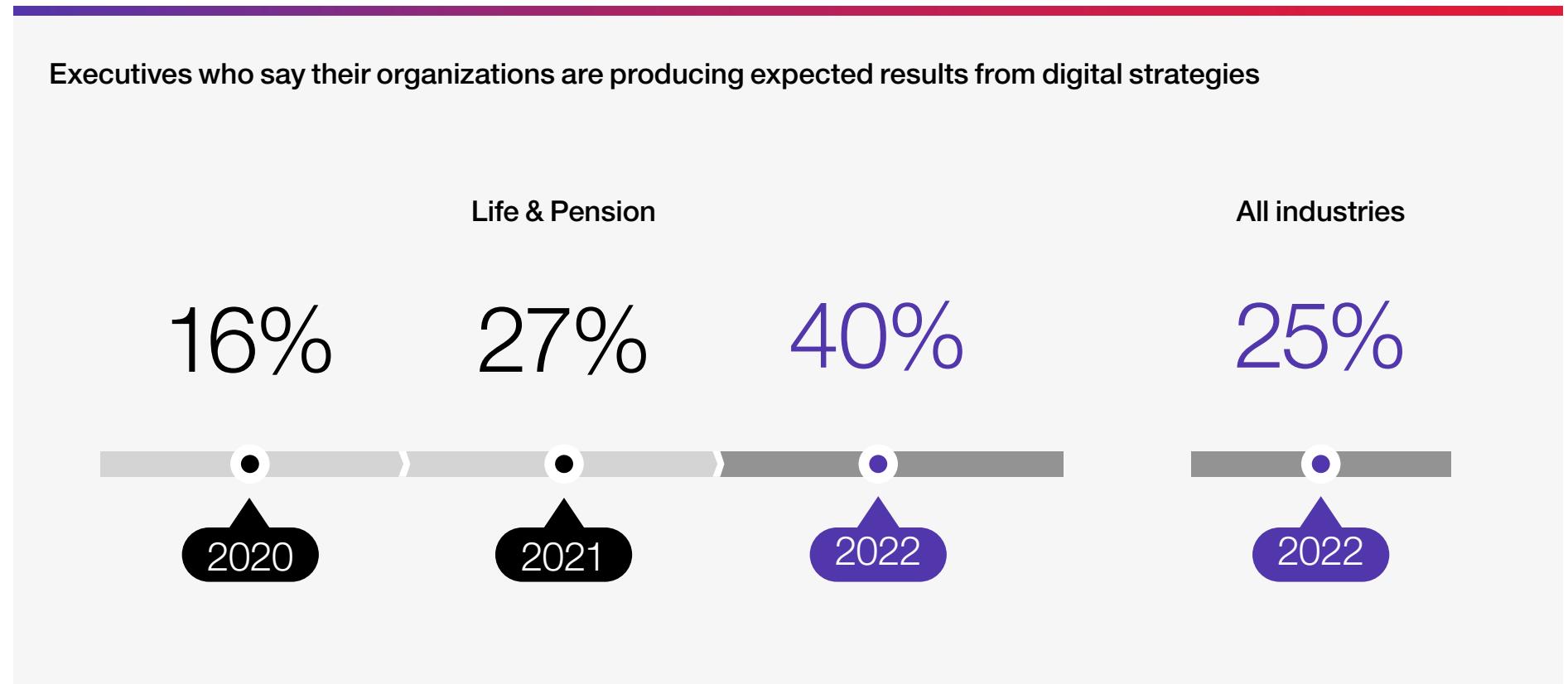
	Top trends	Top business priorities	Top IT priorities
1	Becoming digital to meet customer expectations	Drive differentiated, seamless customer digital experience	Rationalize, simplify, modernize applications and infrastructure
2	Fast-shifting consumer product and digital servicing expectations	Continue to drive end-to-end process automation	Protect through cybersecurity
3	Widespread concern of cyber attacks	Derive value from data to improve customer evaluation	Establish plan for digital transformation

The industry trends capture key drivers with the greatest impact on the clients' industry. The business priorities represent how clients are addressing the industry trends, and the IT priorities reflect the technology areas of focus to address the trends and achieve the business priorities.

Digital progress in Life & Pension Insurance

Life and pension executives are making great strides on their digital journeys.

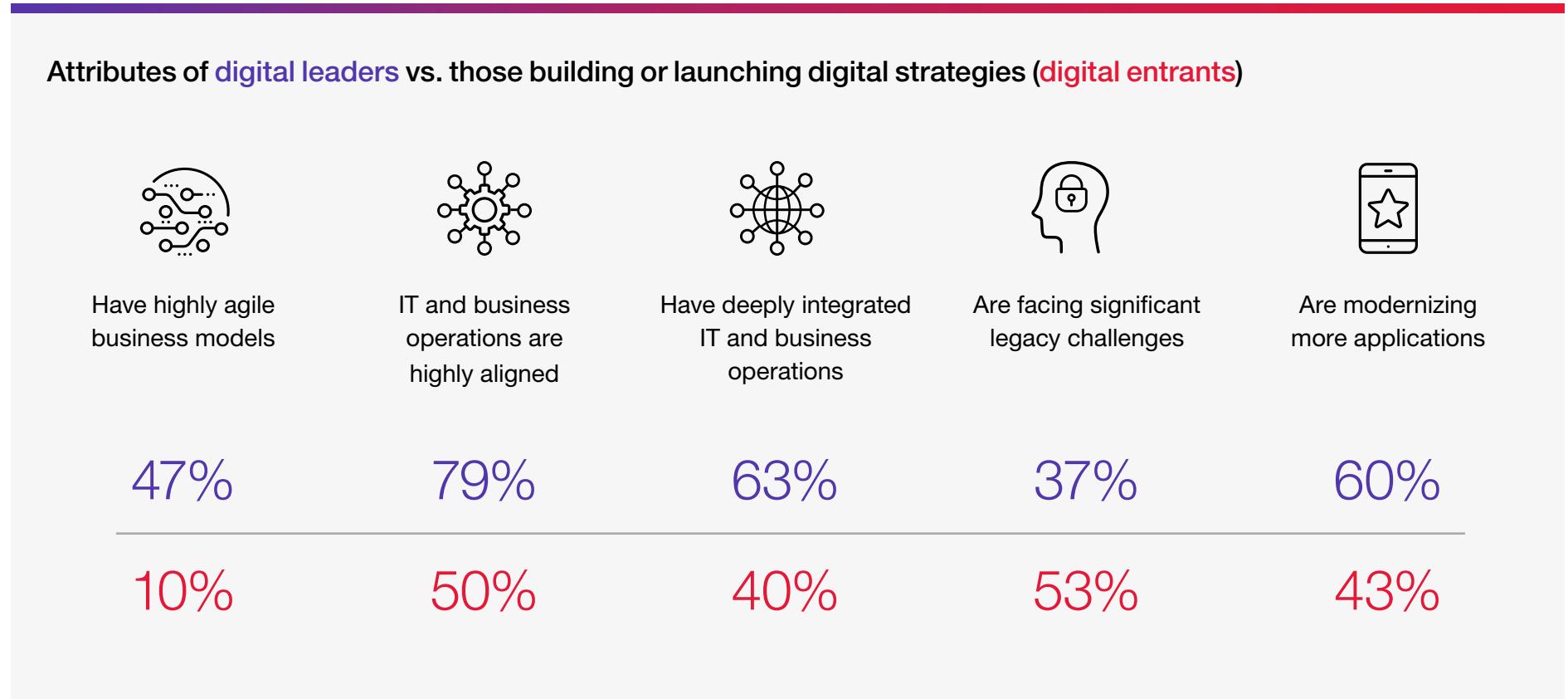
In 2022, 40% report they are producing results from their digital strategies, compared to 27% last year. This progress is well ahead of the 25% average among all of our clients' industries, as well as the property and casualty insurance sector (28%).



Digital leaders in Life and Pension Insurance

In examining insights from the 40% of life and pension executives who are digital leaders (i.e., producing results from their digital strategies), some common attributes emerge.

The table compares responses to questions from the digital leaders to those from executives whose organizations are still building or launching digital strategies (digital entrants).



Key findings from our interviews with Life & Pension Insurance executives

1.

Becoming digital for customers remains the top trend.

For the third straight year, life and pension executives cite becoming digital to meet customer expectations as their most impactful trend. Executives are ramping up their digitization in response to fast-shifting consumer product and digital expectations—this year's second most impactful trend.

2.

Automation and data are key to improving the customer journey.

As executives continue to focus on delivering a digital customer experience—this year's top cited business priority—their use of end-to-end process automation and data analytics to improve the customer journey is increasing. Automation is the second top business priority followed by data.

3.

Modernization tops IT priorities; digital planning rises in importance.

Like last year, modernizing applications and infrastructure remains the top IT priority, as executives continue their digital journeys. Planning for digital transformation also rises in importance as an IT priority—moving from fifth place in 2021 to third place this year.

4.

More executives view sustainability as core to creating future value

The percentage of executives who rate sustainability as highly core to creating value for their stakeholders in the future increases from 52% last year to 58% this year. In comparison, property and casualty executives rate sustainability lower in impact (40% in 2022, 42% in 2021).

5.

Life and pension firms use the most cloud providers.

Among all of the industries covered by CGI Voice of Our Clients, life and insurance executives have the most cloud service providers, with an average of 5.1 providers. For property and casualty executives, that number is only 2.0.

6.

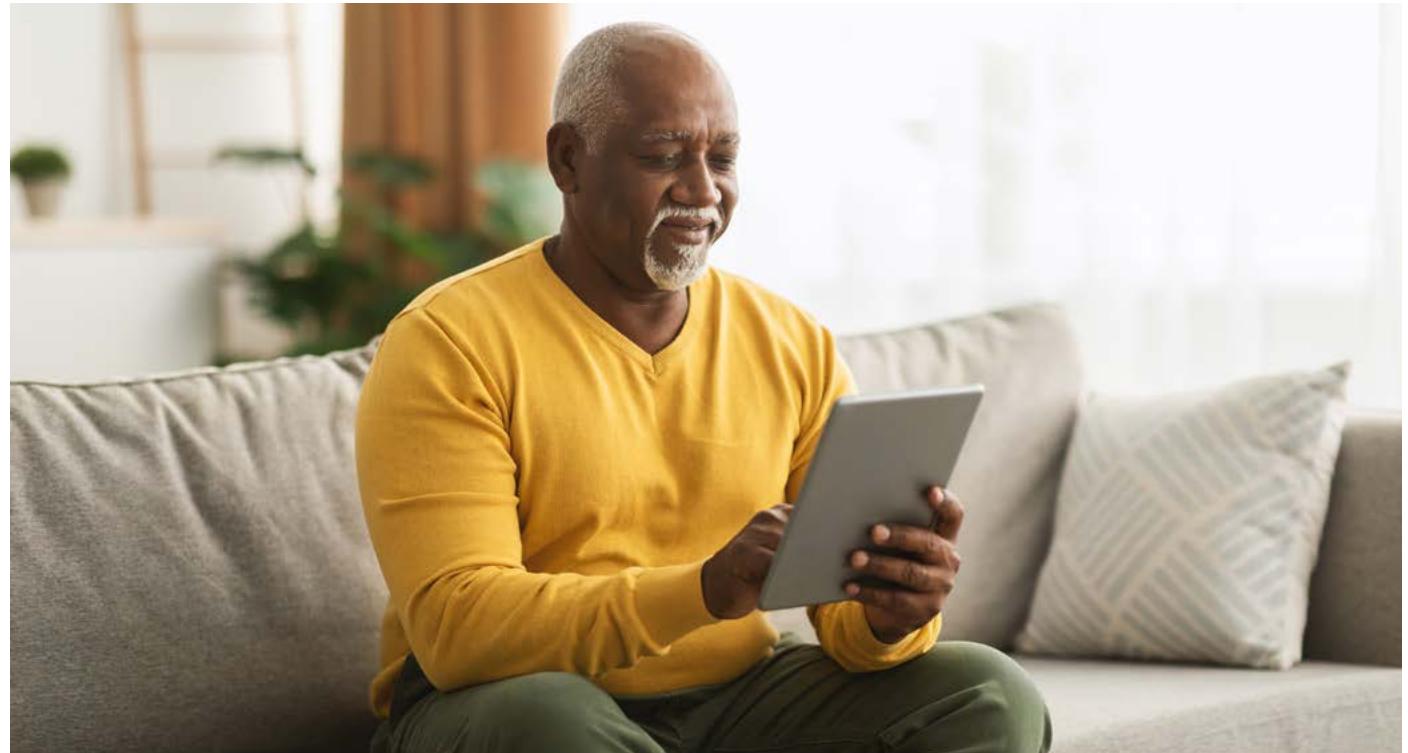
Operationalizing cybersecurity strategies is a key focus.

With most executives have a cybersecurity strategy in place, the focus now is on operationalizing those strategies to produce results. This year, 61% of executives are operationalizing their strategies, and many are beginning to produce results (33%).

7.

IT budgets for modernization and operations are increasing.

Executives have more IT funds to work with this year. For 89%, either CapEx or OpEx budgets are increasing. Only 44% report declining CapEx or OpEx budgets, while 56% report flat budgets. Total estimated spend for most executives is \$100 million to \$499 million.



5 recommendations for achieving your top priorities

1. Establish or refresh your digital transformation plan.

Over the past two years, the pandemic and other global conditions have pressured life and pension executives to accelerate their digitization, and they are making significant progress, with 40% producing results from their digital strategies this year. However, with more work to be done, it has become imperative to invest in ongoing digital transformation planning to maintain a “big picture” view of their current and desired future state, as well as to prioritize digital initiatives to meet customer expectations and compete with new players such as insurtechs.

2. Develop end-to-end customer and partner (agents and brokers) journeys from a digital perspective.

To gain and retain customers, it is important to understand the end-to-end customer and partner journeys. How do your customers interface with your organization throughout their journey? How do your agents and brokers interface? Part of this involves identifying those “moments of truth” in a customer’s journey when the customer is primed to make a purchasing decision. It also involves identifying what agents and brokers need from a data perspective to do their jobs faster and more efficiently to increase sales.



Case in point



Enabling the transition to the Netherland’s new pension law

As part of a 20-year managed services engagement, CGI is collaborating with Achmea Pension Services, PGB and InAdmin Riskco in the Netherlands to build a SaaS-based pension administration platform to help pension providers across the country transition to a new national pension law. The platform will enable compliance with the new law (to take effect on January 1, 2023, with full compliance required by 2027), as well as help drive the pension market of the future.

3. Create a single view of the customer to drive cross-selling opportunities.

Deriving value from data to improve customer evaluation is a top three IT priority this year, and a key aspect of this effort is using data to create a single customer view. With this single view, life and pension executives can better understand their customers not only to improve the customer experience but also to identify cross-selling opportunities. Some life insurance companies, for example, are seeking to offer wealth management services, and a single customer view based on strong data analytics can help facilitate efforts like this to generate new revenue streams.

4. Assess your organizational work and talent needs.

As life and pension organizations face a critical IT talent shortage, addressing this challenge should begin with a thorough IT workforce evaluation. What work needs to be done? Where should it be done? Who should do it? These are key questions to consider before developing IT recruiting and retention initiatives. Where, for example, can your back-office IT maintenance be done? Is there a lower cost location? What work can be done more efficiently by a third party? Diagnosing your IT workforce leads to better workforce management decisions.



Case in point



Helping a global life insurance provider optimize operations

Since 2017, CGI has been working with a leading international life insurance provider on an enterprise-wide operations optimization initiative to help drive operational efficiencies and cost savings across the business. CGI is helping the client modernize its IT landscape, including implementing DevOps. The project's success led to a renewal of the partnership in 2021.

5. Accelerate migration of your applications and infrastructure to the cloud.

With more cloud service providers used than by any other industry covered by the CGI Voice of Our Clients, life and pension executives are committed to cloud migration and making progress. However, the ongoing need for cloud planning is critical for managing multiple cloud vendors, keeping pace with the latest cloud technologies, ensuring strong governance and security, and driving efficiencies. As life and pension executives continue on their cloud journeys and evaluate multi-cloud environments, consolidating providers may help them to achieve their strategic cloud objectives faster and easier.

Read more about the 2022 CGI Voice of Our Clients insights:

- > [What digital leaders do to accelerate results](#)
- > [Impacts of macroeconomic trends](#)



Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world. We are insights-driven and outcome-based to help accelerate returns on your IT and business investments. Our insights represent deep knowledge of industry trends and your business and IT priorities.

For the latest [CGI Voice of Our Clients](#) industry insights, and to consult with one of our experts, please [contact us](#).

