

South African Life Insurance Industry

Actuarial Hot Topics Benchmarking Survey 2026

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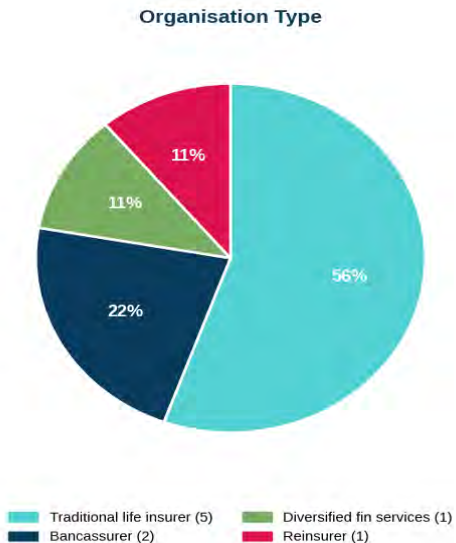
Section 1

Respondent Profile

Organisation type, revenue scale and product mix

Q1

What type of organisation do you represent?

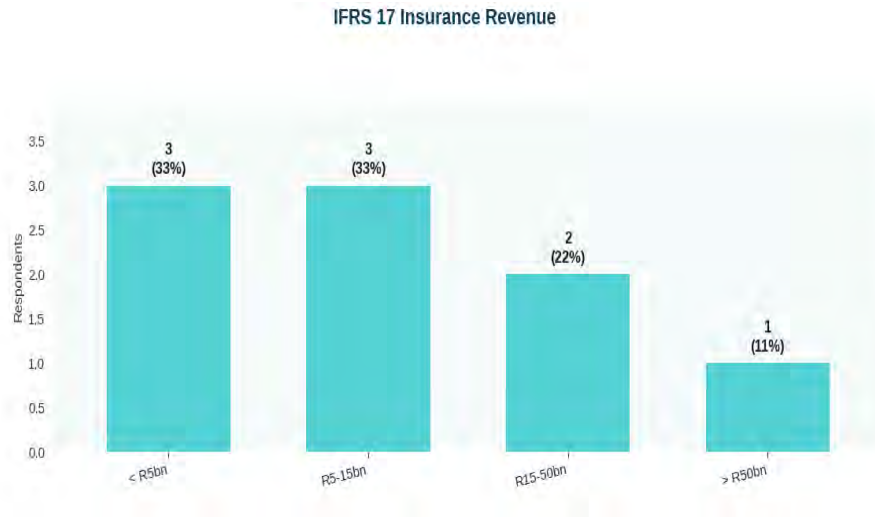


Key Findings

- ▶ Traditional life insurers form 56% of the panel (5 respondents).
- ▶ Two bancassurers reflect the growing bancassurance channel.
- ▶ One diversified financial services group and one reinsurer complete the panel.
- ▶ The mix ensures results capture diverse operating models and regulatory contexts.

Insight: Panel composition mirrors the SA life insurance market — no single insurer type dominates the findings.

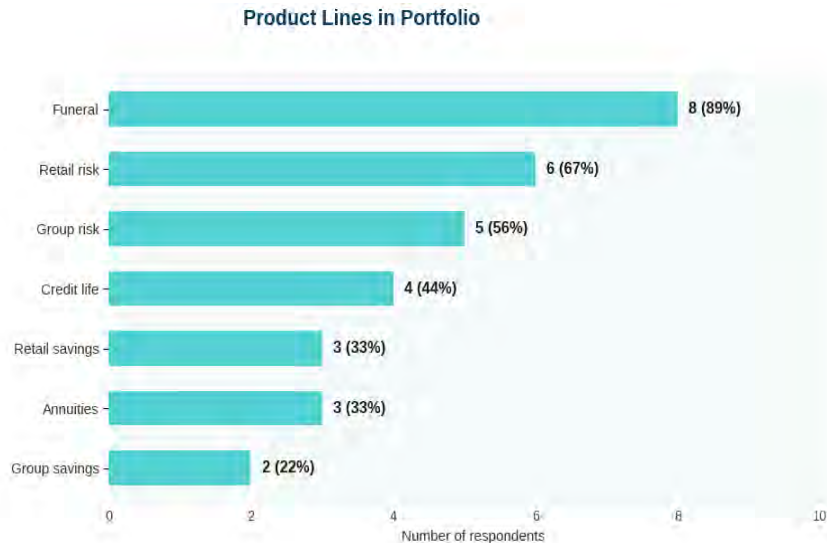
Q2 What was your IFRS 17 insurance revenue last financial year?



Key Findings

- ▶ 3 respondents report revenue < R5bn (smaller/specialist players).
- ▶ 3 are in the R5–15bn band (mid-market).
- ▶ 2 respondents are R15–50bn (large insurers).
- ▶ 1 respondent exceeds R50bn (largest life group).
- ▶ Representation across the full market spectrum ensures findings are broadly applicable.

Q3 Which main product lines materially contribute to your portfolio?



Key Findings

- Funeral (89%) and retail risk (67%) are most prevalent across the panel.
- Group risk features in 56% of insurers, credit life in 44%.
- Retail savings and annuities both appear in 33% of portfolios.
- Diverse product mix means IFRS 17 findings span GMM, PAA and VFA measurement models.
- Most respondents have multi-product portfolios.

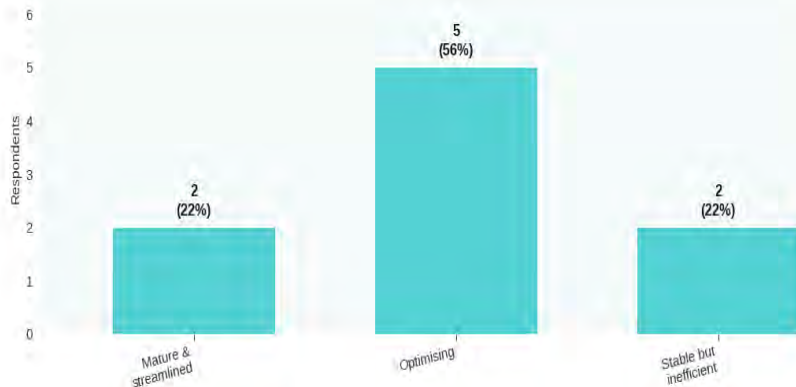
Section 2

IFRS 17 Maturity & Processes

BAU status, close timing, forecasting and unresolved workstreams

What is your organisation's IFRS 17 BAU maturity level?

IFRS 17 BAU Maturity Level



Key Findings

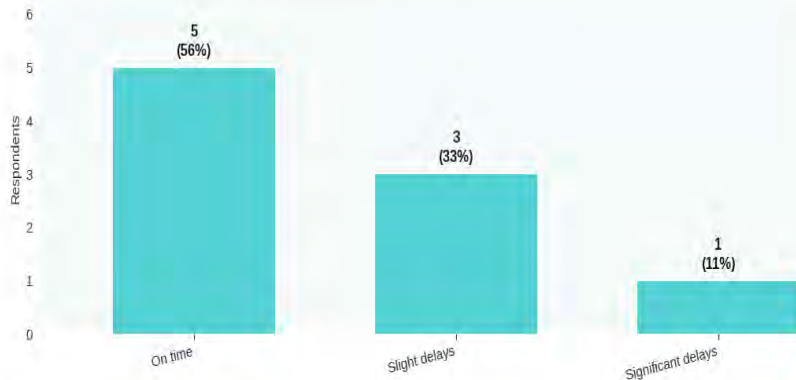
- ▶ 56% are "Optimising" — actively improving but not yet at steady state.
- ▶ 22% have reached "Mature & streamlined" — the highest level.
- ▶ 22% remain "Stable but inefficient" — systemic friction persists.
- ▶ No respondent remains in an early or remediation phase.
- ▶ Maturity level is the strongest single predictor of performance across the survey.
- ▶ One "stable but inefficient" respondent traced its friction to unreliable third-party tooling - frequent system downtime forcing manual/Excel workarounds - rather than a build vs. buy issue.

Insight: Maturity level correlates with favourable timing, automation level and audit outcomes.

Q5

How would you describe your typical IFRS 17 close timing relative to your working day timetable?

IFRS 17 Close Timing vs WDT



Key Findings

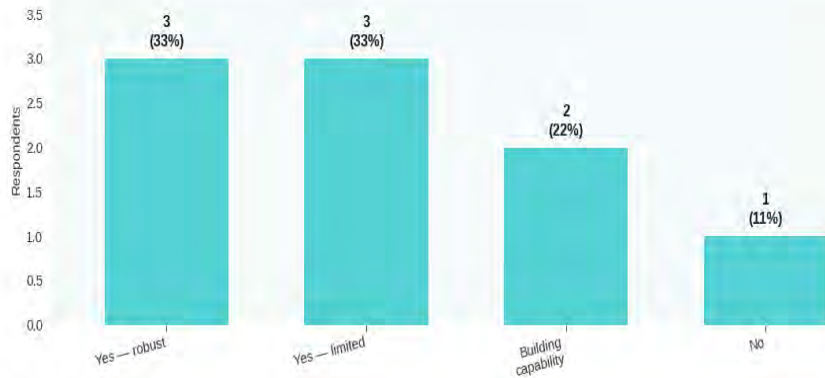
- ▶ 56% close on time — a positive result for a recently implemented standard.
- ▶ 33% experience slight delays — manageable but costly in human effort.
- ▶ 11% (1 respondent) reports significant delays — correlated with legacy infrastructure.
- ▶ Close timing is directly linked to modelling environment and automation maturity.
- ▶ The one significantly-delayed respondent is also "stable but inefficient" with a legacy platform.

Insight: The link between legacy infrastructure and close delays underscores the business case for systems modernisation. This is not just an efficiency gain but an operational risk reduction.

Q6

To what extent does your organisation produce IFRS 17 forecasts as part of routine BAU?

IFRS 17 Forecasting in BAU



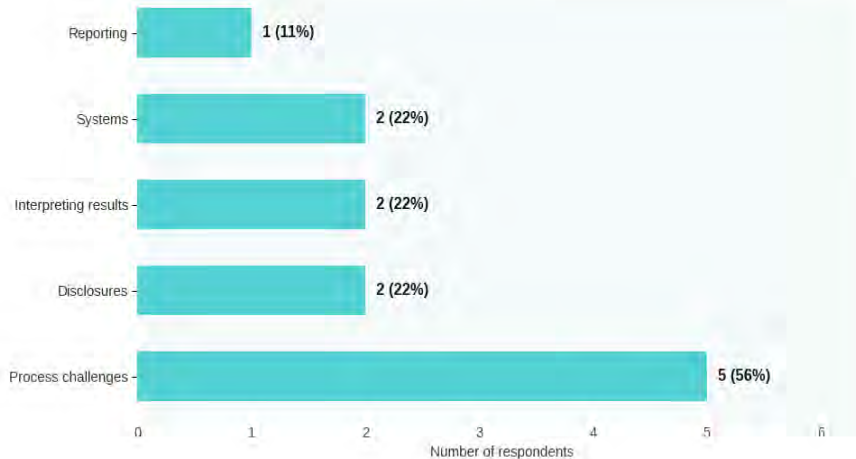
Key Findings

- ▶ Only 33% produce robust IFRS 17 forecasts.
- ▶ 33% have limited forecasting capability; 22% are actively building it.
- ▶ 11% produce no IFRS 17 forecasts at all.
- ▶ Given IFRS 17 metrics are now core Board KPIs, absent forecasting limits earnings guidance.
- ▶ Forecasting maturity lags behind reporting maturity across the sector.

Insight: IFRS 17 forecasting is where the sector's next competitive differentiation will emerge. Organisations that build robust forecasting capability now will have a significant advantage in investor communications.

Which IFRS 17 concepts or workstreams remain incomplete or not fully resolved?

Unresolved IFRS 17 Workstreams



Key Findings

- Process challenges remain the #1 unresolved workstream (56%).
- Disclosures, interpreting results and systems each cited by 22% of respondents.
- Reporting remains open for 11% (1 respondent).
- 1 respondent indicated N/A — consistent with their "Optimising" status.
- 1 respondent said that internal management metrics based on IFRS 17 results are still in development (e.g. the projection of dividend paying capacity).
- Process friction is the most common obstacle to achieving maturity.
- Insurers regularly launching new products find it harder to reach steady-state IFRS 17 maturity than legacy single-line insurers, even where fundamentals are otherwise strong.

Insight: Process challenges are the strongest predictor of automation investment intent. Organisations that solve process friction are first to unlock the capacity for higher-value analytical work.

What are the top two IFRS 17 pain points you plan to address in the next 12 months?

Themes Across Responses

- ▶ Automation of the reporting process is the most common theme — Extract, Transform, and Load (ETL) pipelines, automated results checking and sub-ledger migration feature prominently.
- ▶ Reporting quality and runtime: slow modelling environments and manual interventions in CSM calculations are a persistent pain point for several respondents.
- ▶ Forecasting capability: building or improving IFRS 17 forecast models to support management guidance is a near-term priority for multiple respondents.
- ▶ Finance integration: aligning IFRS 17 outputs with management reporting and finance processes remains unresolved.
- ▶ Disclosures and stakeholder engagement: two respondents cite communication of results — to auditors and to Exco — as a top priority.
- ▶ Insights and interpretation: one respondent prioritises translating results into commercial insights rather than technical process improvements.

Selected Responses

"ETL of results and automating checking of results."

"Move the reporting to a more automated solution / sub-ledger, with progress planned for this year."

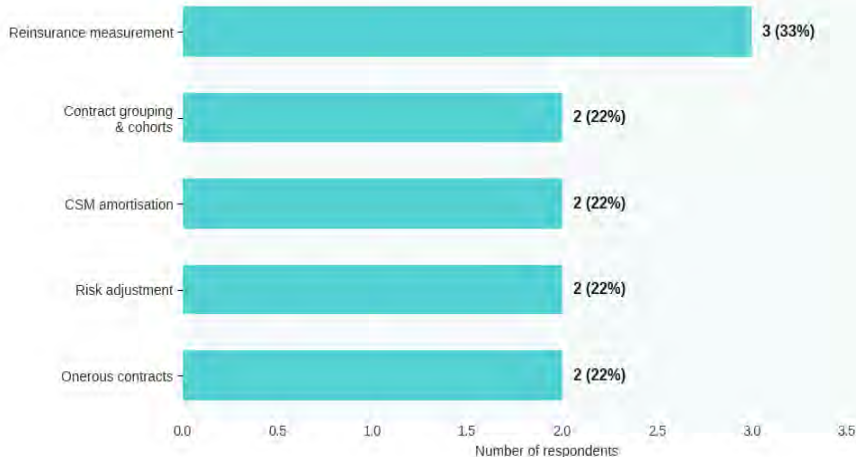
"Improving reporting quality and speed across entities, especially smaller African companies."

"Disclosures. Stakeholder engagement."

Insight: Process automation and forecasting capability dominate the near-term IFRS 17 agenda — consistent with the 100% consensus on automation as the #1 strategic priority. The pain points are operational, not conceptual.

Has your organisation made IAS 8 changes? If yes, which areas were affected?

IAS 8 Areas Affected



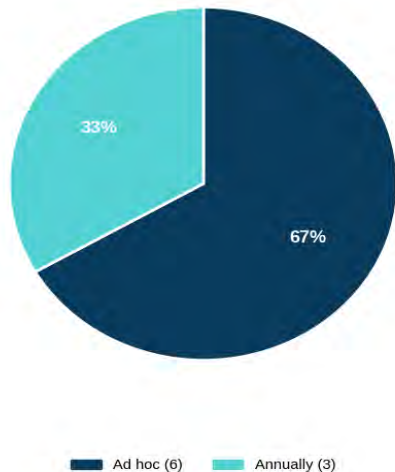
Key Findings

- 67% of respondents made IAS 8 accounting policy or estimate changes.
- Reinsurance measurement is the most affected area (3 respondents).
- Contract grouping & cohorts, CSM amortisation and risk adjustment each affected 2.
- Onerous contract methodology also revised by 2 respondents.
- Whether a prior-period correction is labelled an error (IAS 8) or a change in estimate is often a negotiated position between auditor and insurer, not a clean technical determination - a genuine grey area industry-wide.
- Where the change was self-initiated rather than auditor-driven, the grey area still cuts both ways: a clear-cut breach is straightforward, but auditors have pushed for restatement even on judgement refinements - like expense/normalisation adjustments - that read as ordinary judgement rather than a genuine error.

Insight: IAS 8 changes correlate with greater audit scrutiny and restatement risk. Multiple changes in the same year are a strong indicator of upcoming auditor focus. A single root-cause methodological issue can cascade across multiple IAS 8 areas at once — a respondent citing three affected areas may be describing one systemic issue rather than three independent ones. This changes how audit risk from IAS 8 changes should be scoped.

Q10 How frequently do you revisit significant IFRS 17 judgements?

Frequency: Revisiting IFRS 17 Judgements



Key Findings

- ▶ 67% revisit IFRS 17 judgements on an ad hoc basis only.
- ▶ 33% do so on a structured annual basis.
- ▶ No respondents revisit quarterly or semi-annually.
- ▶ Ad hoc review increases risk of missing material updates.

Insight: Ad hoc judgement review is a governance risk. A structured annual judgement review process tied to the reporting calendar is considered better practice.

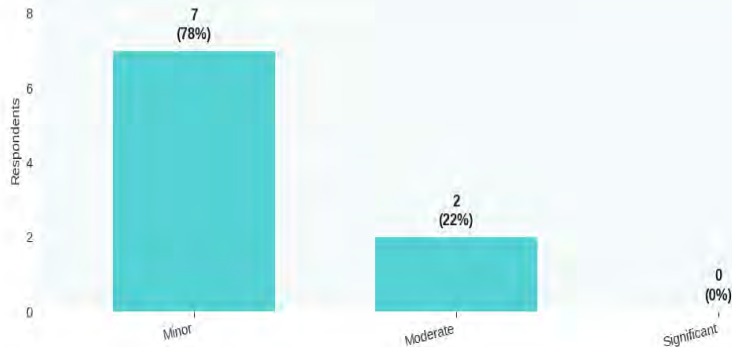
Section 3

IFRS 17 Audit Experience

Findings, focus areas, restatements and audit effort trends

What was the overall extent of IFRS 17-related audit findings in your most recent audit?

Extent of IFRS 17 Audit Findings



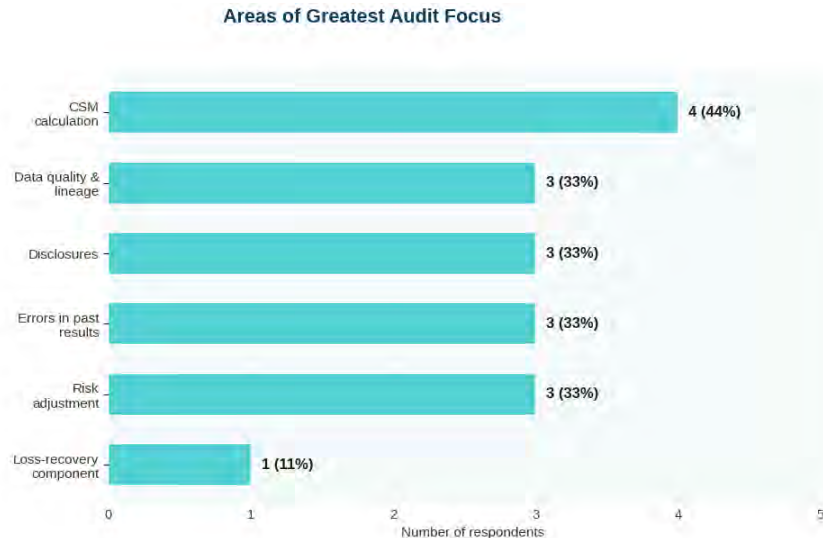
Key Findings

- ▶ 78% reported only minor audit findings — a positive sector-wide signal.
- ▶ 22% experienced moderate findings — no respondents had significant findings.
- ▶ Both moderate-finding respondents have systemic challenges (systems, IAS 8 changes).
- ▶ "Minor" findings still require management responses and can escalate.
- ▶ No respondent was finding-free. All had at least some IFRS 17 findings.

Insight: "Minor" findings today can become "moderate" findings next year if underlying causes aren't addressed. Pre-audit self-assessment against prior findings is a high-ROI risk reduction activity.

Q12

Which areas attracted the greatest audit focus?

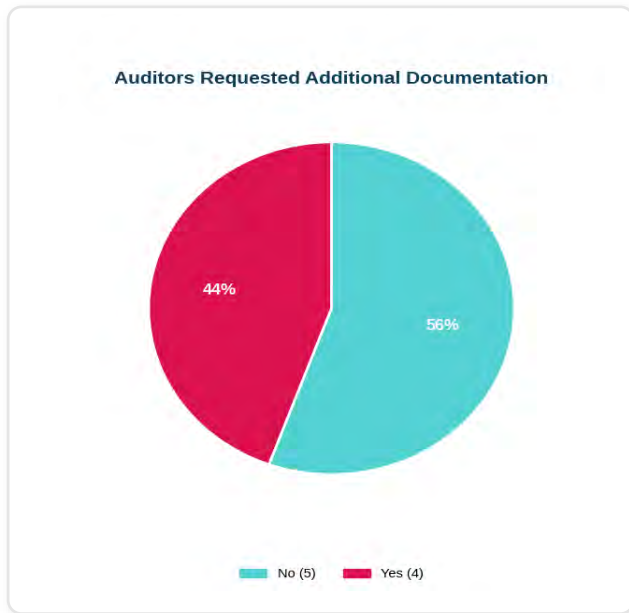


Key Findings

- ▶ CSM calculation is the top audit focus area (44% of respondents).
- ▶ Data quality & lineage, disclosures and errors in past results each: 33%.
- ▶ Risk adjustment methodology scrutinised by 33% — reflecting its judgement intensity.
- ▶ Loss-recovery component flagged by 1 respondent.
- ▶ Auditors are targeting the most judgement-intensive IFRS 17 elements.

Insight: The concentration of audit focus on CSM, RA and data lineage is a consistent industry pattern. These three areas warrant dedicated pre-audit preparation and documentation investment.

Did auditors request additional documentation or model evidence beyond initial expectations?



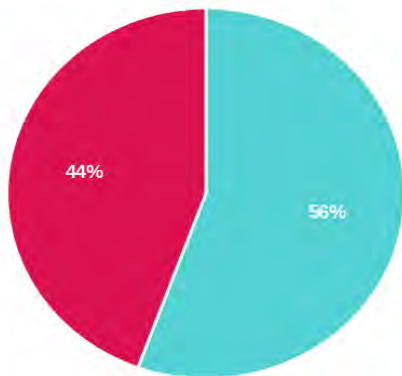
Key Findings

- ▶ 44% of respondents (4) were asked for additional documentation — a significant proportion.
- ▶ 56% (5) did not receive requests beyond initial expectations.
- ▶ Requests were correlated with CSM calculation complexity and data quality focus areas.
- ▶ Additional documentation requests extend the audit timeline and consume senior actuarial time.
- ▶ Respondents with additional requests were more likely to also have IAS 8 changes.

Insight: Requests for additional documentation are a leading indicator of a more intensive audit the following year. Proactive documentation standards and pre-audit packs directly reduce this risk.

Q14 Were you required to restate results as part of the previous audit?

Restatement Required in Previous Audit



■ No restatement (5)
 ■ Yes — restated (4)

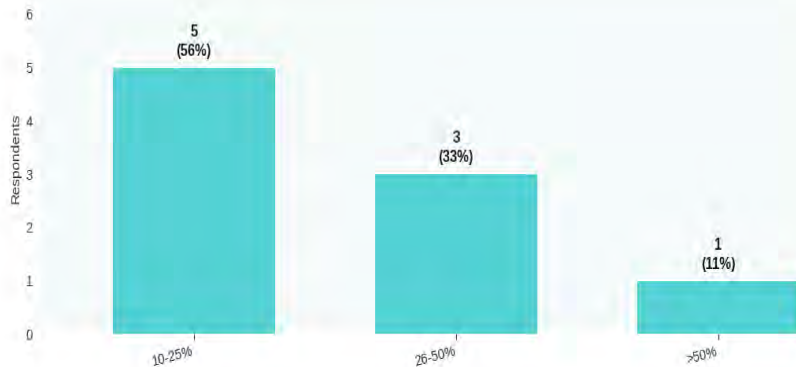
Key Findings

- ▶ 44% of respondents were required to restate prior-period results.
- ▶ 56% did not require restatement.
- ▶ Restatement occurred across both large and small organisations.
- ▶ All restating respondents had either moderate findings or multiple IAS 8 changes.
- ▶ A second respondent independently confirmed catching IFRS 17 errors internally before audit flagged them - reinforcing this as a genuine market pattern, not a one-off.
- ▶ One respondent argued that materiality threshold, not whether errors occur, is the real variable behind restatement figures - in their view, almost every insurer finds something; what differs is where the materiality line sits.
- ▶ One respondent's large, diversified book has never triggered a group-level restatement - not through superior process, but because small over/understatements across a diverse book tend to net off below materiality; a schedule of unadjusted audit differences persists but never crosses the line.
- ▶ One smaller respondent flagged the reverse dynamic: at their own entity level, materiality is easy to breach - but once results consolidate into a larger group, the same variances are immaterial by comparison, creating a mismatch between how significant an issue feels locally versus how it reads at group level.

Insight: A 44% restatement rate is a stark market signal. It underscores the importance of robust actuarial controls, model validation protocols and pre-audit testing. In practice, several restatements in the panel were first identified through in-house investigation and proactively raised with auditors — a sign of strengthening internal controls, not purely an auditor-driven finding.

Q15 By what percentage has audit effort increased relative to IFRS 4?

Audit Effort Increase vs IFRS 4



Key Findings

- ▶ All respondents report increased audit effort vs IFRS 4.
- ▶ 56% experienced a 10–25% increase in audit effort.
- ▶ 33% saw a 26–50% increase — a very material step-up.
- ▶ 11% (1 respondent) saw >50% audit effort increase.
- ▶ Higher audit effort = more management time, more documentation, higher direct cost.

Insight: Audit cost inflation under IFRS 17 is real and universal. Organisations that invest in documentation quality, model auditability and pre-audit evidence packs can meaningfully offset this pressure.

Section 4

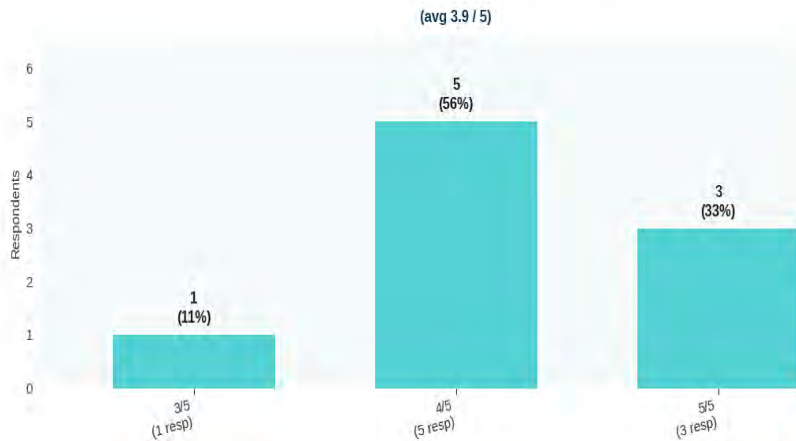
Key Actuarial Metrics & Disclosures

CSM, risk adjustment, KPIs, alignment and disclosure quality

Q16

How stable and explainable was your CSM release compared to last year?

CSM Release Stability & Explainability



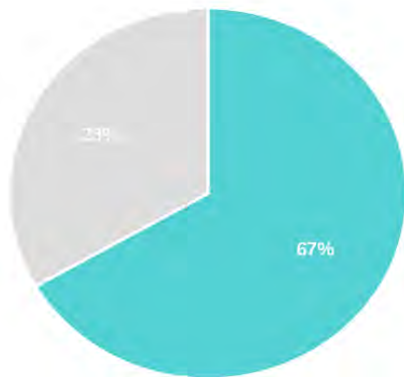
Key Findings

- ▶ Average stability rating: 3.9/5 — "good" but with room to improve.
- ▶ 2 respondents rated CSM release stability at 5/5 (highly stable).
- ▶ 5 respondents rated 4/5 (good).
- ▶ 2 respondents rated 3/5 — moderate variability or explainability challenges.
- ▶ Higher-rated respondents consistently produce CSM maturity analyses.

Insight: CSM stability and explainability is the bridge between IFRS 17's technical outputs and board-level decision-making. Organisations that master it gain a material advantage in earnings guidance.

Q17 Do you produce a CSM maturity analysis at a decision-useful level?

CSM Maturity Analysis Produced



Yes (6) No (3)

Key Findings

- ▶ 67% produce a decision-useful CSM maturity analysis.
- ▶ 33% do not — a significant gap in forward-earnings visibility.
- ▶ Those without a maturity analysis tend to rely more heavily on VNB and EV.
- ▶ CSM maturity analysis enables projection of future earnings release patterns.
- ▶ Its absence limits Exco/Board ability to set and manage forward guidance.

Insight: The CSM maturity profile is one of the most powerful planning tools that IFRS 17 enables. Organisations without it are not fully leveraging the standard's analytical potential. Some organisations already produce CSM run-off reporting but have not yet embedded it in formal management reporting — VNB and EV remain the primary metrics reported even where CSM analysis tools exist.

Q18

What is your current risk adjustment confidence level?

Risk Adjustment Confidence Levels



Key Findings

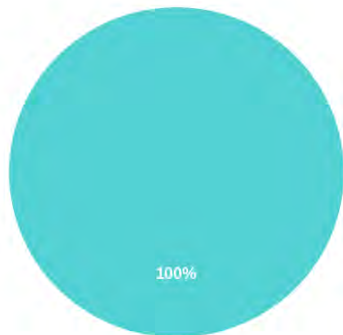
- ▶ Most respondents use confidence levels in the 75th–90th percentile range.
- ▶ 2 respondents apply differentiated CLs by product (90% life, 75% PAA and 85% life, 75% non-life respectively).
- ▶ Market has broadly converged on similar confidence level benchmarks.

Insight: Universal stability in RA confidence levels since inception may reflect genuine calibration confidence or insufficient sensitivity testing. Periodic independent benchmarking is recommended.

Q19

How has your risk-adjustment confidence level changed since first IFRS 17 reporting?

RA Confidence Level: Change Since First Reporting



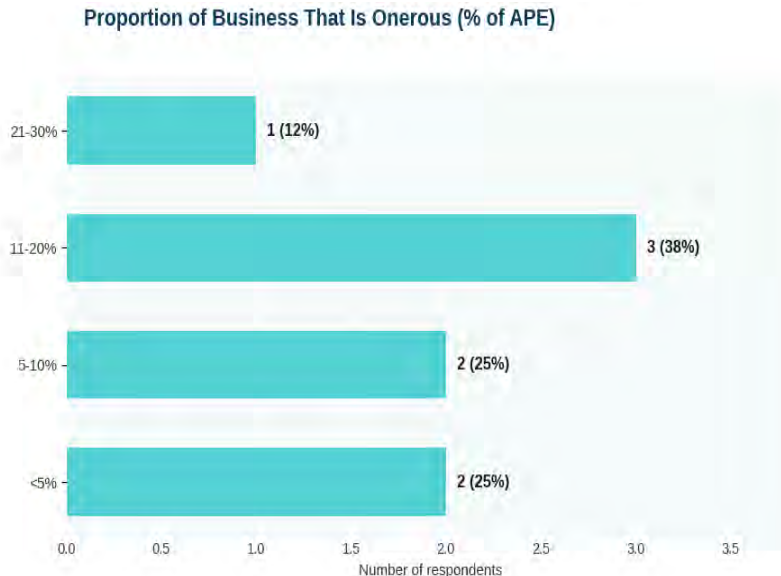
No change (9)

Key Findings

- ▶ 100% of respondents report no change in RA confidence level since first reporting.
- ▶ This is a remarkable degree of market consistency across a diverse panel.
- ▶ Suggests initial RA calibrations were well-considered and have withstood audit scrutiny.
- ▶ However, it raises the question of whether sufficient sensitivity analysis is being performed.
- ▶ Market convergence on stable RA levels may also reflect anchoring to initial judgements.

Insight: Universal RA stability is reassuring but could mask insufficient periodic challenge of initial judgements. An independent benchmarking exercise every 2–3 years is recommended to ensure calibrations reflect current mortality and morbidity experience.

Approximately what proportion of business is onerous (as % of APE)?



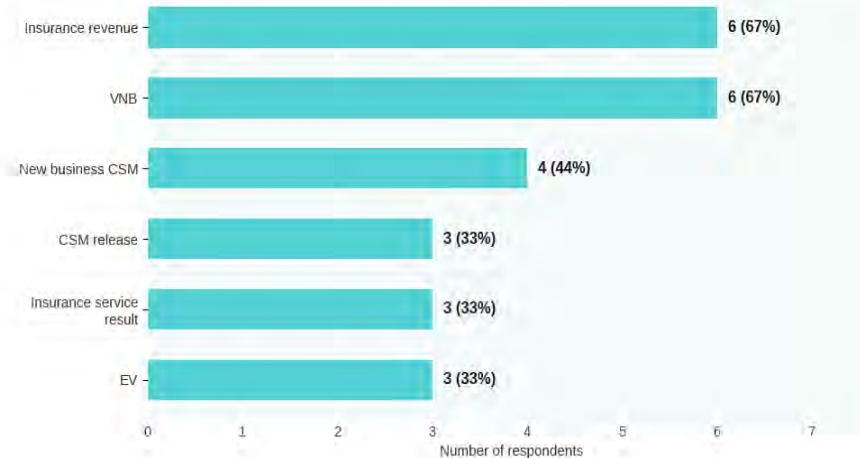
Key Findings

- 22% of respondents report less than 5% of APE as onerous — the most favourable cohort.
- 33% have 5–10% onerous — broadly consistent with industry expectations for mixed portfolios.
- 33% have 11–20% onerous — a material proportion requiring active loss component management.
- 11% report 21–30% onerous — the highest in the panel, concentrated in group risk / funeral.
- One respondent's very low onerous business is attributed partly to a smaller, more conservative portfolio compared to larger reinsurance peers, who may take on riskier business (e.g. financing reinsurance) and absorb more onerous contracts as a result.

Insight: For organisations with 20–30% onerous business, loss component tracking and recovery methodology are material audit areas. Proactive stress-testing of onerousness triggers under different experience scenarios is recommended.

Which performance metrics are most prominently reported to Exco/Board?

KPIs Reported to Exco / Board



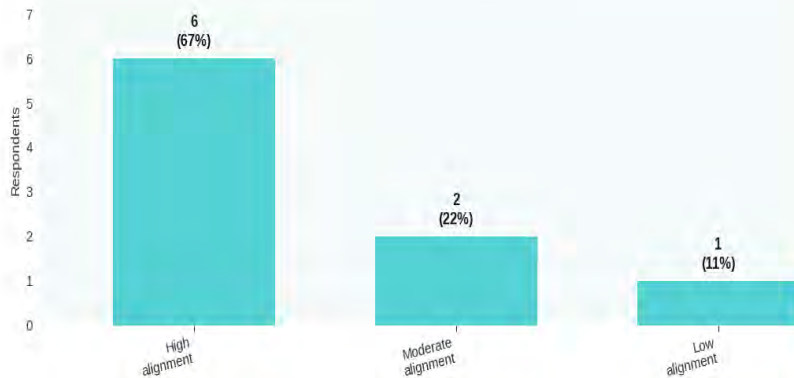
Key Findings

- ▶ Insurance revenue (67%) and VNB (67%) are the most widely reported metrics.
- ▶ New business CSM (44%), CSM release (33%) and insurance service result (33%) follow.
- ▶ EV reported by 33% — embedded value persists alongside IFRS 17 reporting.
- ▶ VNB and EV prevalence signals incomplete management KPI migration to IFRS 17.
- ▶ IFRS 17-specific metrics (ISR, CSM release) still rank below traditional metrics.
- ▶ Other metrics mentioned were operating IFRS profits, adjusted headline earnings, return on NAV, return on GEV and new business value (similar to VNB but calculated off the SAM basis).

Insight: The continued dominance of VNB and EV suggests management frameworks are evolving more slowly than reporting frameworks. This is a common pattern when a new standard introduces metrics requiring re-interpretation.

How well aligned are IFRS 17, SAM and management reporting narratives?

Alignment: IFRS 17, SAM & Management Reporting



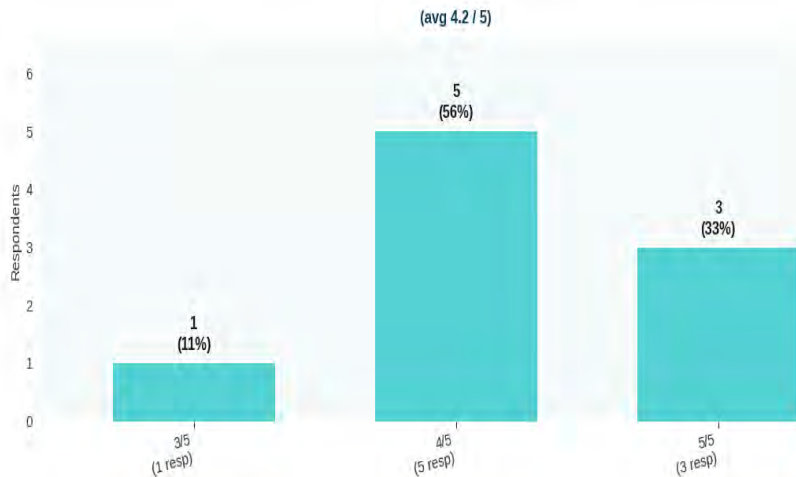
Key Findings

- ▶ 67% report high alignment across all three reporting frameworks.
- ▶ 22% report moderate alignment; 11% low alignment.
- ▶ High-alignment respondents made cross-basis alignment a design principle.
- ▶ Low-alignment respondent also has the most acute process challenges.
- ▶ Alignment reduces reconciliation effort and Exco confusion about results.
- ▶ 1 respondent mentioned that additional disclosures focus on EV which provides a better view on the economic reality than the main IFRS reporting in some areas (e.g. some contract boundaries, treatment of lump sum injections, voluntary premium increases, etc.)

Insight: Organisations that achieved high narrative alignment during IFRS 17 implementation are reaping ongoing dividends in reduced reconciliation effort and clearer stakeholder communication. SAM/IFRS 17 reconciliations are typically rebuilt every six months and can usually be explained but are rarely automated — running separate modelling environments for SAM vs IFRS 17 adds recurring reconciliation overhead.

How confident are you that your disclosures fairly represent economic reality?

Confidence: Disclosures Fairly Represent Economic Reality



Key Findings

- ▶ Average confidence rating: 4.2 / 5 — a strong result across the panel.
- ▶ 3 respondents gave 5/5: fully confident their disclosures capture economic reality.
- ▶ 5 respondents gave 4/5: confident, with minor caveats.
- ▶ 1 respondent gave 3/5: moderate confidence, citing areas where IFRS 17 basis diverges from economic substance.
- ▶ Where noted, EV disclosures were used to supplement IFRS 17 and better convey economic reality.
- ▶ High SAM–IFRS 17 alignment was cited as the key enabler of disclosure quality.

Insight: Respondents that built SAM–IFRS 17 alignment as a design principle at implementation report the highest disclosure confidence. The CSM's profit-deferral mechanism is the most cited gap between IFRS 17 and economic reality.

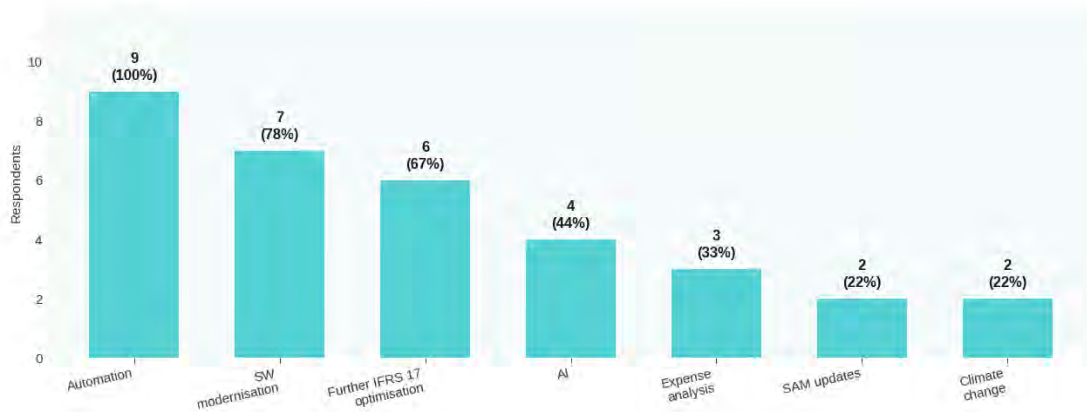
Section 5

Strategic Priorities

Focus areas for actuarial teams over the next 12–24 months

Which areas will be major focus points for actuarial teams over the next 12–24 months?

Major Focus Areas: Next 12-24 Months



Key Findings

- Automation: #1 priority cited by all 9 respondents (100%).
- Actuarial software modernisation: 78% — systems investment is near-universal.
- Further IFRS 17 optimisation: 67% — the standard continues to drive the agenda.
- AI: 44%; expense analysis: 33%; SAM updates and climate change: 22% each.
- Top 3 priorities form a coherent technology transformation agenda.

Insight: 100% consensus on automation is notable. The sector has moved from IFRS 17 implementation to operational sustainability as its primary challenge.

Section 6

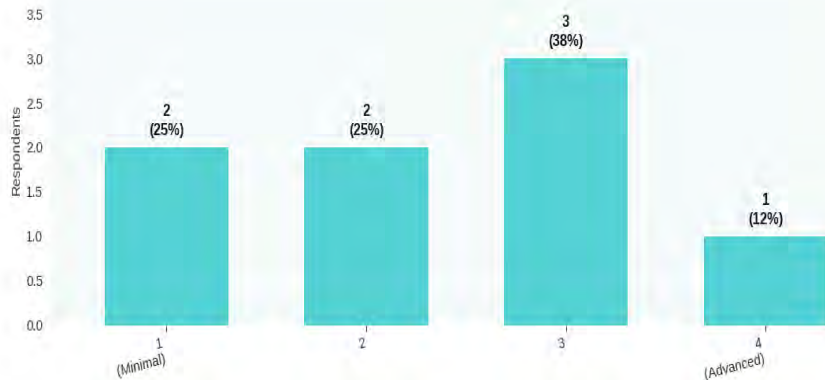
Climate Risk

PA guidance integration, readiness, stress testing and support needs

Q25

To what extent has your organisation integrated PA climate guidance (GN1 and GN3)?

PA Climate Guidance (GN1/GN3) Integration



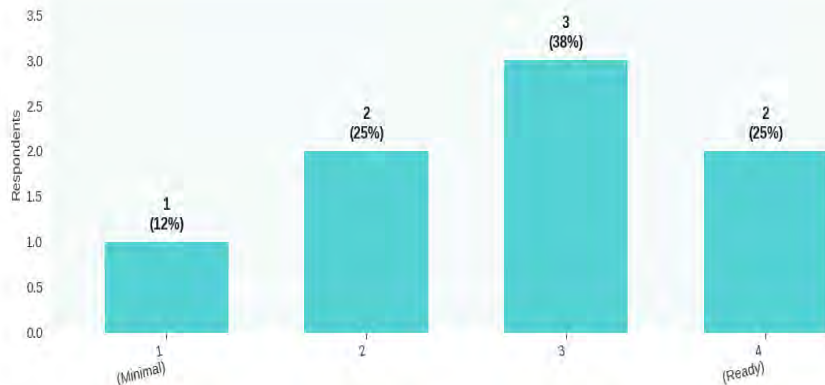
Key Findings

- ▶ Average integration score: 2.1/5 indicating most are at an early stage.
- ▶ Only 1 respondent has meaningfully advanced GN1/GN3 integration.
- ▶ Regulatory expectations from the PA (GN3, ORSA) are pulling organisations forward.
- ▶ Most remain in "aware but not embedded" territory.
- ▶ One respondent has quietly filed the PA's climate guidance away, assuming another function owns it - not from dismissing the risk, but because too many competing regulatory asks (QRTs, public disclosure, IFRS 17 itself) leave no capacity to prioritise it before it becomes compulsory.

Insight: Early movers will have a significant head start when disclosure requirements tighten.

How ready is your organisation for enhanced climate risk disclosures (GN3-aligned)?

GN3 Climate Disclosure Readiness



Key Findings

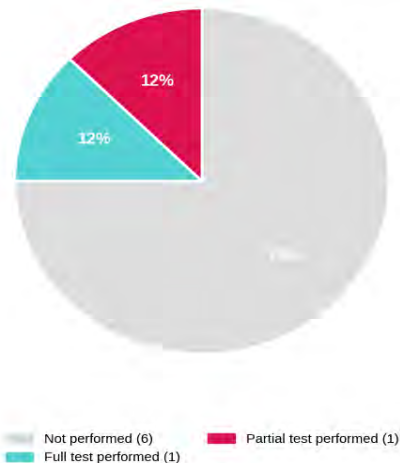
- ▶ Average GN3 readiness: 2.8 / 5 — slightly higher than GN1/GN3 integration (2.1/5).
- ▶ 2 respondents rated themselves 4/5 (ready) — both diversified or large composite groups.
- ▶ 3 respondents at 3/5 — building capability but not yet disclosure-ready.
- ▶ 2 respondents at 2/5 and 1 at 1/5 — significant work still required.
- ▶ GN3 readiness exceeds integration scores, suggesting some preparatory disclosure work is underway even where operational embedding is limited.
- ▶ IFRS S1/S2 alignment is an explicit near-term focus for the two most advanced respondents.

Insight: The gap between GN3 readiness (2.8/5) and GN1 integration (2.1/5) suggests organisations are beginning to address disclosure requirements before fully embedding climate risk into actuarial processes — a risk that disclosures may outpace substance.

Q27

Has your organisation performed an internal climate stress test in the past 12 months?

Internal Climate Stress Test (Past 12 Months)



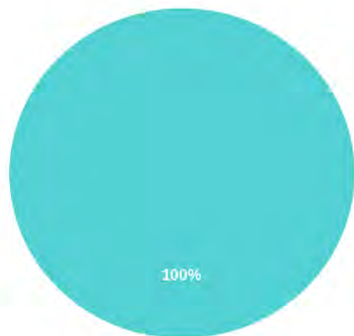
Key Findings

- ▶ 75% have not performed a climate stress test in the past 12 months.
- ▶ 12.5% (1 respondent) performed a full stress test — capital impact was 0–2%.
- ▶ 12.5% performed a partial test (through a short-term insurance subsidiary).
- ▶ ORSA climate scenarios are planned by several respondents for this year.
- ▶ PA expectations on ORSA climate scenarios are likely to drive rapid uptake.

Insight: The low stress test rate contrasts with PA expectations. With IFRS S1/S2 also emerging, climate stress testing is likely to become a standard annual requirement within 2–3 years.

Relative to last year, how have catastrophe-related assumptions changed?

Change in Catastrophe-Related Assumptions



No change (of 4 respondents with catastrophe exposure) (4)

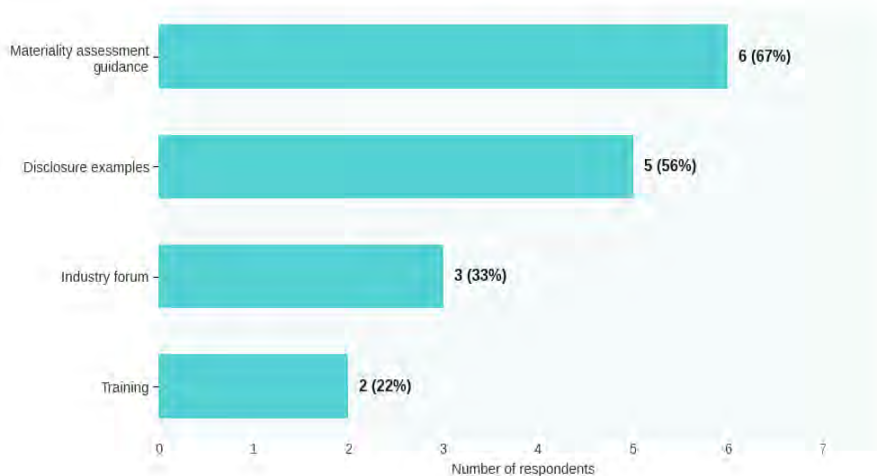
Key Findings

- ▶ 4 respondents answered this question (life insurers with material catastrophe exposure).
- ▶ All 4 report no change in catastrophe-related assumptions vs prior year.
- ▶ 5 respondents did not answer — consistent with minimal catastrophe exposure in their portfolios.
- ▶ The life insurance sector has not yet materially updated catastrophe assumptions post-COVID.
- ▶ GN3 climate guidance is expected to drive more active catastrophe assumption reviews from 2025 onwards.

Insight: The absence of catastrophe assumption changes despite climate risk guidance (GN1, GN3) signals a gap between regulatory intent and actuarial action. Proactive climate scenario modelling for catastrophe assumptions is an emerging best practice.

What guidance or support would be most useful in your climate risk journey?

Climate Risk: Guidance/Support Needed



Key Findings

- ▶ Materiality assessment guidance: #1 need cited by 67% of respondents.
- ▶ Disclosure examples: 56% — practical templates are highly valued.
- ▶ Industry forum: 33% — peer learning and benchmarking are desired.
- ▶ Training: 22% — foundational capability building still required.
- ▶ Stress calibration guidance also cited as an additional priority need.

Insight: The #1 demand for materiality guidance signals that organisations need help knowing where to focus before they can prioritise action.

What is the one climate risk enhancement you plan to implement before year-end?

Themes Across Responses

- ▶ ORSA climate scenario analysis is the most commonly planned initiative — two respondents intend to run group-wide or entity-level climate scenarios through the ORSA process.
- ▶ IFRS S1 / S2 gap analysis: one respondent (the most climate-advanced) is mapping PA guidance against S1/S2 requirements and exploring financed vs facilitated emissions in the investment portfolio.
- ▶ Group alignment: one respondent is consulting with their Group on a coordinated climate risk approach.
- ▶ Business continuity planning is cited by one respondent as the near-term climate risk focus.
- ▶ Two respondents have nothing planned at this stage — one explicitly, one implicitly through inaction.
- ▶ The range from "nothing planned" to "S1/S2 gap analysis" illustrates the wide maturity dispersion within the panel.

Selected Responses

"Group-wide climate risk scenario analysis (ORSA)."

"Prepare for IFRS S1 and S2 disclosures. Map gaps between S1/S2 and PA guidance."

"Consulting with Group on climate risk alignment."

"Business continuity planning."

Insight: The panel splits into two clear camps: those with a concrete regulatory-driven initiative (ORSA, S1/S2) and those with nothing planned. The PA's GN3 and ORSA expectations are likely to close this gap through regulatory pressure within 12–18 months.

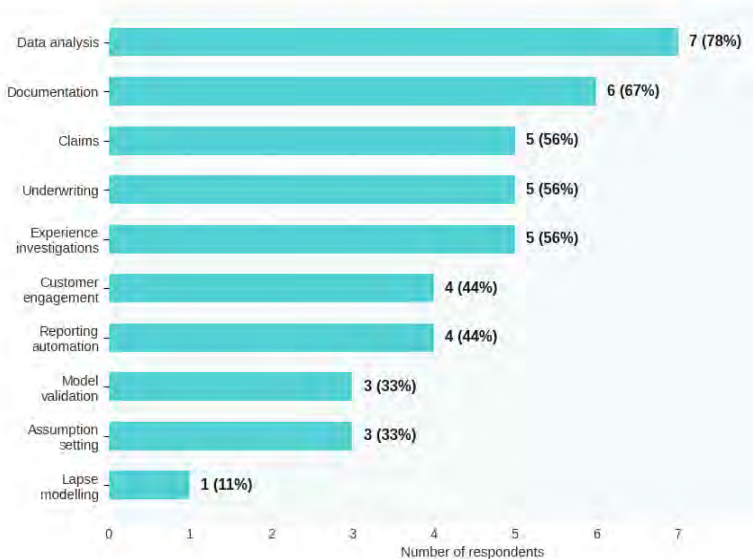
Section 7

AI & Automation

Adoption, tools, expected benefits and barriers to scaling

Q31 Which actuarial areas have the greatest future potential for AI?

Actuarial Areas with Greatest AI Potential



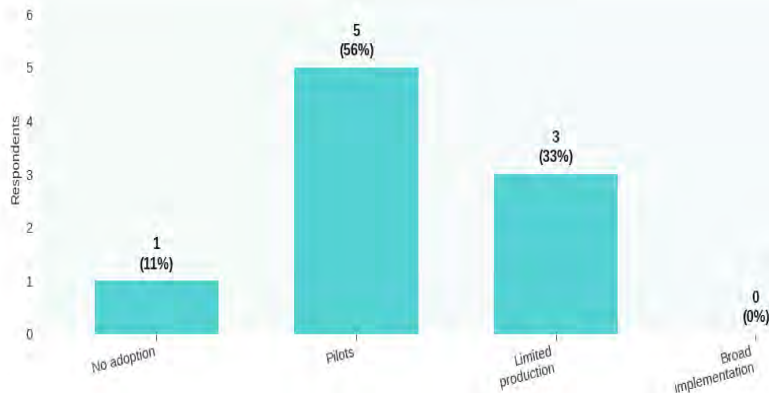
Key Findings

- ▶ Data analysis (78%) and documentation (67%) lead — high-volume, repetitive tasks.
- ▶ Claims and underwriting (both 56%) — structured decision-making applications.
- ▶ Experience investigations (56%) — pattern recognition in large datasets.
- ▶ Customer engagement (44%), reporting automation (44%), model validation (44%).
- ▶ Assumption setting (33%) — more conservative adoption given judgement intensity.

Insight: Documentation ranks 2nd. AI-assisted documentation is one of the fastest-ROI use cases currently available to actuarial teams.

Q32 What stage best describes your organisation's AI adoption?

AI Adoption Stage



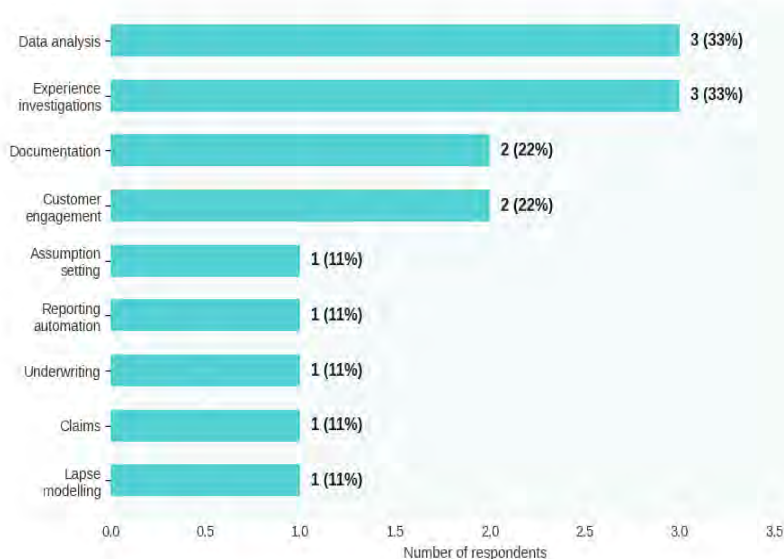
Key Findings

- ▶ 56% are in the pilot stage — experimenting but not yet in production.
- ▶ 33% are in limited production — some AI use cases are running live.
- ▶ 11% (1 respondent) has no AI adoption.
- ▶ 0% have achieved broad implementation — the sector remains in early phases.
- ▶ The gap between pilots and production reflects governance and scaling hurdles.

Insight: The heavy concentration in "pilots" reflects governance barriers (model risk, data privacy, AI policy) that create significant friction between proof-of-concept and production deployment.

Which AI-enabled use cases are currently live today?

AI-Enabled Use Cases Live Today



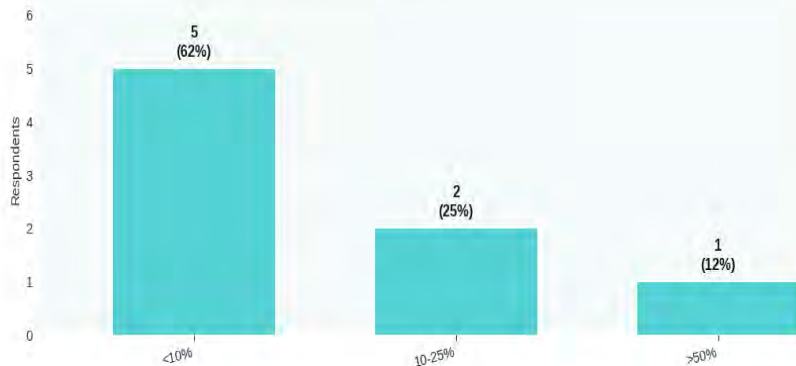
Key Findings

- ▶ Data analysis (33%) and experience investigations (33%) are the most-deployed live use cases.
- ▶ Documentation (22%) and customer engagement (22%) are also live at multiple respondents.
- ▶ Assumption setting, reporting automation, underwriting, claims and lapse modelling: 11% each.
- ▶ Live use cases are concentrated in data-intensive, pattern-recognition tasks — not judgement-intensive ones.
- ▶ The gap between AI potential rankings and live use cases reveals adoption still lags aspiration.

Insight: The distribution of live use cases confirms that AI adoption in actuarial functions is currently concentrated in data tasks where the benefit is clear and governance is simpler. Higher-value analytical applications (reserving, pricing, assumption setting) remain largely aspirational.

Q34 What proportion of actuarial processes are automated end-to-end?

Proportion of Actuarial Processes Automated End-to-End

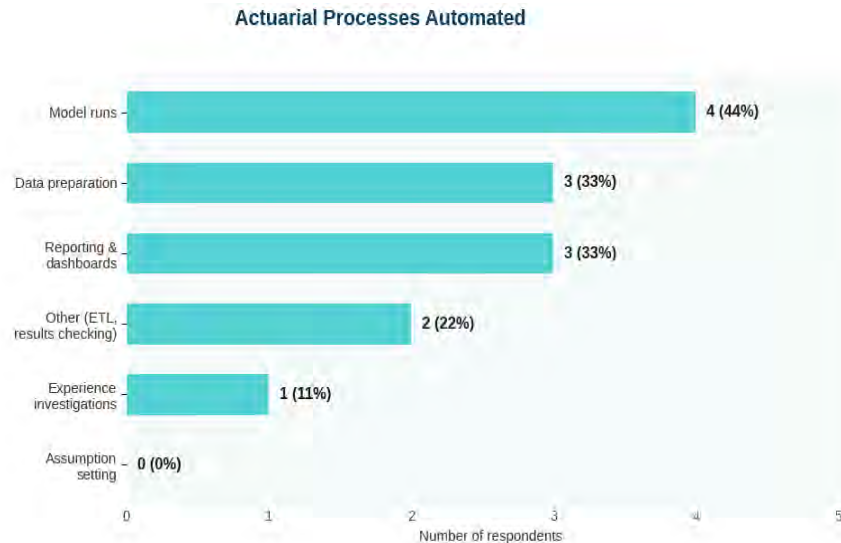


Key Findings

- ▶ 63% of respondents have automated less than 10% of actuarial processes end-to-end.
- ▶ 25% have reached 10–25% automation — a meaningful but still early-stage level.
- ▶ 12.5% (1 respondent) exceeds 50% — the clear automation leader in the panel.
- ▶ End-to-end automation is significantly harder than partial automation; manual hand-offs persist.
- ▶ The 100% priority placed on automation as a focus area is directly driven by these low baselines.

Insight: The low automation baseline explains why 100% of respondents named automation as their #1 priority. The one respondent above 50% demonstrates what is achievable and provides a clear benchmark for the rest of the market.

Which actuarial processes have been automated?



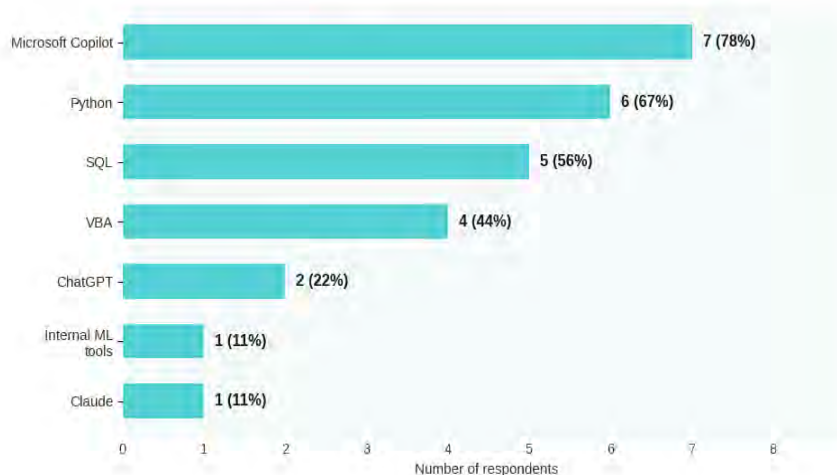
Key Findings

- Model runs are the most frequently automated process (44% of respondents).
- Data preparation (33%) and reporting & dashboards (33%) follow closely.
- Experience investigations automated by 11% — relatively advanced.
- Assumption setting: 0% — the highest-judgement process remains fully manual.
- 22% cited other automation (e.g. ETL pipelines, results checking) not captured in the standard options.

Insight: The concentration of automation in model runs and data preparation reflects the pragmatic prioritisation of high-volume, low-judgement tasks. Once results Extract, Transform, and Load (ETL) is automated, the natural next automation target is reasonability/exception checking on outputs — freeing actuarial time for review and analysis rather than production.

Which tools does your actuarial function use for automation and/or AI-enabled work?

AI/Automation Tools in Use



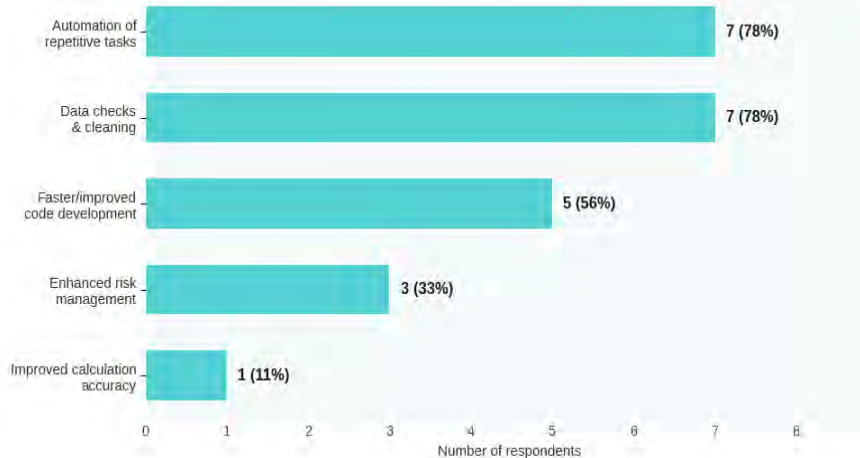
Key Findings

- ▶ Microsoft Copilot leads with 78% — reflects enterprise-wide IT rollout.
- ▶ Python (67%) is the technical backbone for custom automation.
- ▶ SQL (56%) underpins data pipelines and automation workflows.
- ▶ VBA (44%) persists as a legacy automation workhorse.
- ▶ ChatGPT (22%), internal ML tools (11%) and Claude (11%) also in use.
- ▶ One respondent deliberately stuck with a single enterprise AI tool rather than chasing whichever provider currently looks best, reasoning that today's leader keeps getting leapfrogged - accumulated build-capability on one platform matters more than picking the technically superior tool at any given moment.

Insight: Copilot's dominance reflects IT-driven adoption. Python's prevalence signals growing technical maturity. Teams are building bespoke automation, not just using off-the-shelf tools.

Q37 What benefits do you expect AI to bring to your organisation?

Expected Benefits of AI



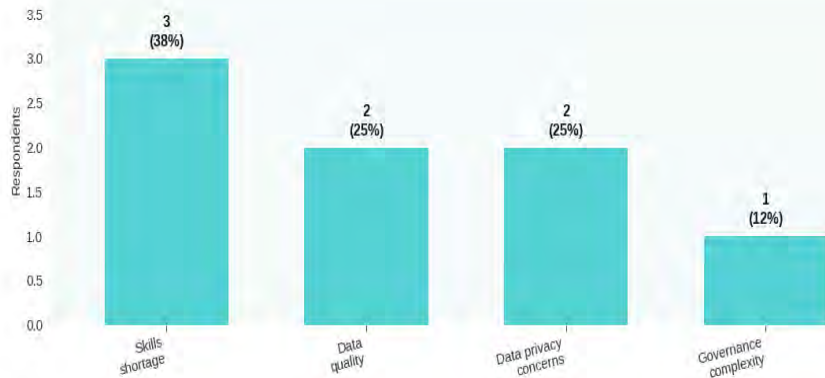
Key Findings

- Automation of repetitive tasks and data checks/cleaning: both 78% — highly practical.
- Faster/improved code development: 56% — AI coding assistants are actively used.
- Enhanced risk management: 33%.
- Improved calculation accuracy: 11% — conservative expectation.
- No respondents indicated "not sure" or "no intention to deploy AI".

Insight: The top two expected benefits (task automation + data checks) are achievable today with current tools and do not require advanced AI capability — they represent immediate ROI opportunities.

What is the most significant barrier to scaling AI?

Most Significant Barrier to Scaling AI



Key Findings

- Skills shortage is the #1 barrier (38%) — teams lack AI/ML capability.
- Data quality (25%) and data privacy concerns (25%) follow closely.
- 1 respondent highlighted that governance to implement AI models is very time consuming. It's a combination of ensuring models/security/data privacy/IT environments are appropriate.
- The barrier profile differs from global norms where cost typically ranks higher.
- The scarcest resource for actuarial AI is not technical AI skill alone, but people who combine data/AI capability with genuine end-to-end insurance knowledge across data, actuarial and finance - very few candidates have both.
- One respondent felt AI risk is more topical and potentially more damaging than climate risk, but organisations are only now starting to wake up to it - climate has had dedicated working groups for years, AI governance is still being built.
- One respondent who named governance as the main barrier to scaling AI sees it as a one-off "teething phase" rather than a persistent constraint - once a handful of use cases go through the full governance process successfully, that becomes a reusable template that speeds up every approval after it.

Insight: Skills shortage and data quality create a compounding barrier: without the skills to fix data quality, AI effectiveness is constrained, which in turn limits the ROI that would justify skills investment. For some teams, constrained AI adoption is a deliberate choice to protect hands-on judgement-building in staff, not solely a governance or data constraint.

What are the next steps in your organisation's AI / automation journey?

Themes Across Responses

- ▶ Infrastructure and governance first: multiple respondents are building secure AI environments, governance frameworks and model risk policies before scaling use cases.
- ▶ Workflow automation tooling: piloting process orchestration tools (e.g. for ETL, results checking) is the most common immediate next step.
- ▶ Copilot and AI agent deployment: expanding Microsoft Copilot usage and building purpose-built AI agents for actuarial tasks.
- ▶ Specific AI use cases: underwriting and claims automation (reinsurer), data privacy-compliant proof of concepts, and cashflow model automation.
- ▶ One respondent has no solid plans — among the lowest AI adoption scores in the panel.
- ▶ Upskilling is cited alongside tooling: on-the-job AI literacy is seen as equally important to platform investment.

Selected Responses

"Building AI agents and putting infrastructure and governance in place to move forward more confidently."

"Development of AI governance and model risk frameworks."

"Exploring pilot on workflow automation tooling."

"Uploading model outputs to a SQL database for automation of checking and improved management reporting."

Insight: The dominant next-step theme is governance and infrastructure rather than use cases — reflecting the lesson that governance gaps, not tool availability, are the binding constraint on scaling AI in the actuarial function.

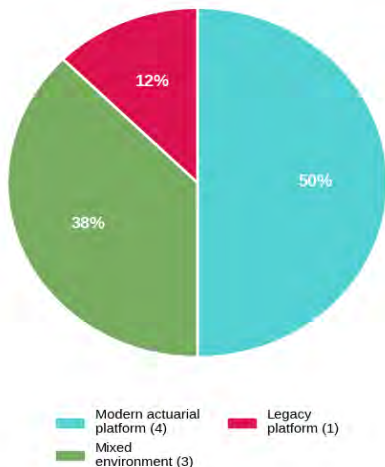
Section 8

Systems, Data & Talent

Environments, runtimes, cloud adoption, workload and skills gaps

Which best describes your primary actuarial modelling environment?

Primary Actuarial Modelling Environment



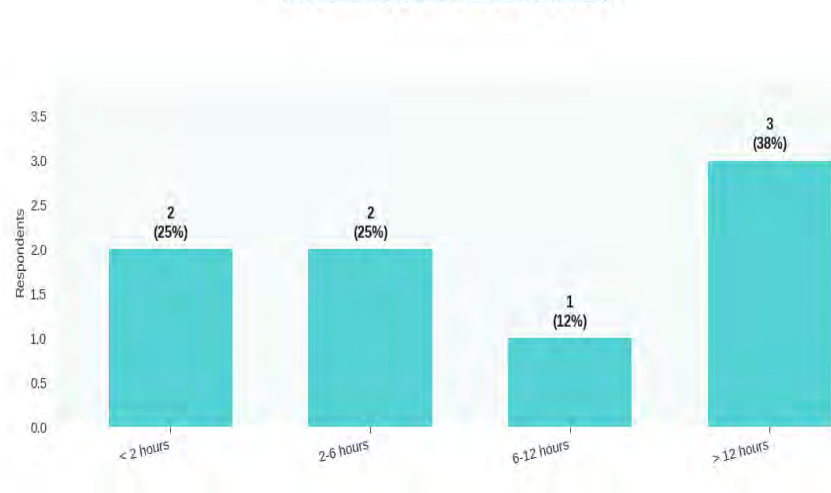
Key Findings

- ▶ Modern actuarial platforms are the most common environment (50%).
- ▶ Mixed environments: 38% — common for organisations mid-transformation.
- ▶ Legacy platform: 12% (1 respondent) — correlated with longest runtimes.
- ▶ Environment type is the strongest predictor of close timing and automation level.
- ▶ All organisations planning system changes are in mixed or legacy environments.

Insight: Modern platforms outperform on every operational dimension measured — close timing, runtime, automation level and audit outcomes. The modernisation business case is well-supported by this survey. Even platforms classified as ‘modern’ in this survey are increasingly viewed internally as legacy relative to newer cloud-native or code-first alternatives — the market’s bar for ‘modern’ is moving faster than platform inventories.

Full valuation runtime for your main life book?

Full Valuation Runtime — Main Life Book



Key Findings

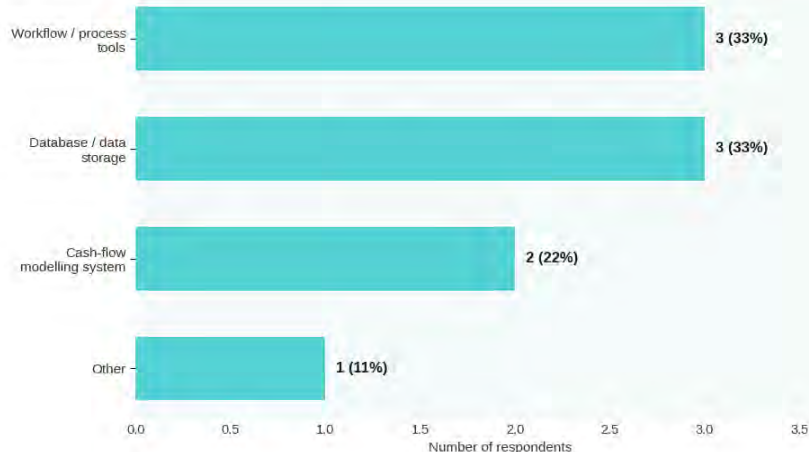
- ▶ 37.5% require >12 hours — a severe constraint on analytical flexibility.
- ▶ 12.5% require 6–12 hours; 25% require 2–6 hours.
- ▶ 25% achieve sub-2-hour runtimes — both on modern platforms, one cloud-based.
- ▶ Long runtimes directly limit scenario analysis and stress-testing capacity.
- ▶ Cloud migration is the most effective lever for runtime reduction.
- ▶ One respondent significantly improved runtime and automated previously-manual outputs by adopting a vendor-supplied IFRS 17 library on their existing platform, rather than migrating to an entirely new system.
- ▶ One respondent's runtime gains came primarily from workload engineering - splitting and queuing runs across machines and tracking wasted-run capacity to stop restarts eating throughput - with faster hardware playing a supporting, not primary, role.
- ▶ One large-book respondent attributes its comparatively fast runtime partly to kicking off each valuation stream as soon as its own source-system data is ready, rather than waiting for the full data set, combined with a dedicated model-development team whose full-time role is maintaining model code quality.
- ▶ One respondent's long valuation runtime comes specifically from running every individual policy rather than model points on a large in-force book (~400,000 policies) - a deliberate accuracy-over-speed choice, not a sign of inefficient systems.

Insight: Sub-2-hour runtimes are achievable with modern cloud-based platforms. The 37.5% of respondents with >12-hour runtimes face a compounding disadvantage: slower closes, less analytical time, reduced responsiveness.

Q42

Are you contemplating actuarial systems changes in the next five years?

Actuarial Systems Changes Contemplated (Next 5 Years)



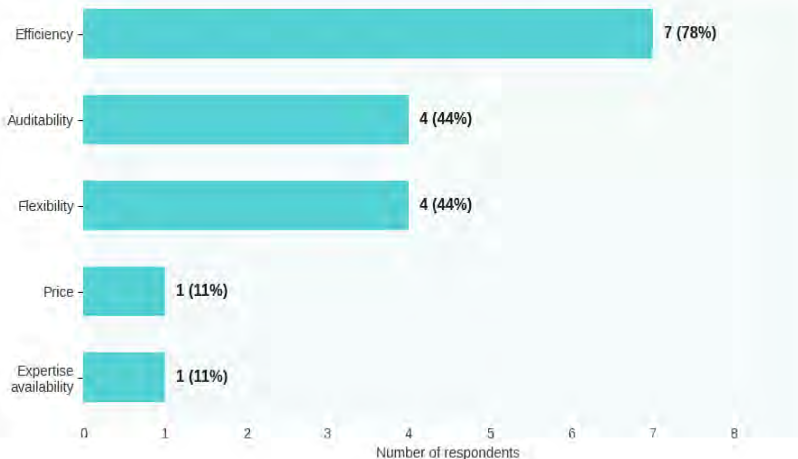
Key Findings

- Database / data storage changes: planned by 3 respondents (33%).
- Workflow / process tool changes: 3 respondents (33%).
- Cash-flow modelling system changes: 2 respondents (22%).
- 1 respondent said they are staying with Prophet but moving to the Cloud.
- Only 1 respondent has no planned systems changes — the only fully cloud-native respondent.
- 1 respondent noted all change types apply (not captured by the single-answer format of this question).

Insight: The breadth of planned systems changes across data, workflow and cash-flow modelling confirms that the sector is entering a multi-year technology transformation cycle.

What are the reasons for contemplating system changes?

Reasons for Contemplating System Changes



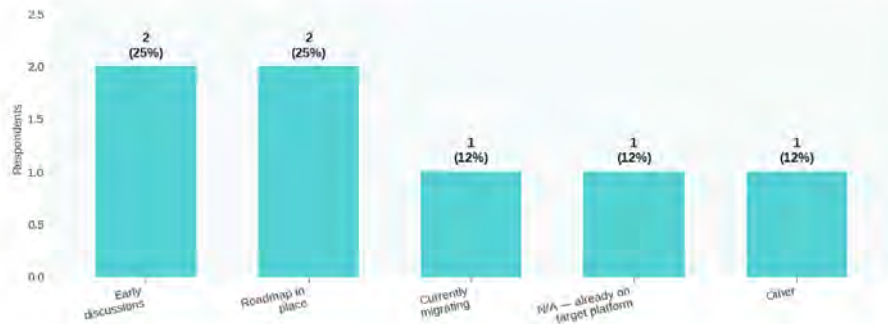
Key Findings

- ▶ Efficiency is the dominant driver (78%) — current processes are too slow and labour-intensive.
- ▶ Auditability (44%) and flexibility (44%) are joint second — governance and adaptability matter.
- ▶ Price and expertise availability (both 11%) are secondary considerations.
- ▶ The primacy of efficiency and auditability reflects IFRS 17's demands on actuarial infrastructure.
- ▶ Flexibility signals a desire for systems that can adapt to future regulatory and business changes.

Insight: Efficiency and auditability as the top system-change drivers align directly with the IFRS 17-driven workload increases seen elsewhere in this survey. Systems that reduce close cycle time and improve audit evidence trails deliver on both priorities simultaneously.

Where are you in your modernisation / migration journey?

Modernisation / Migration Journey Stage



Key Findings

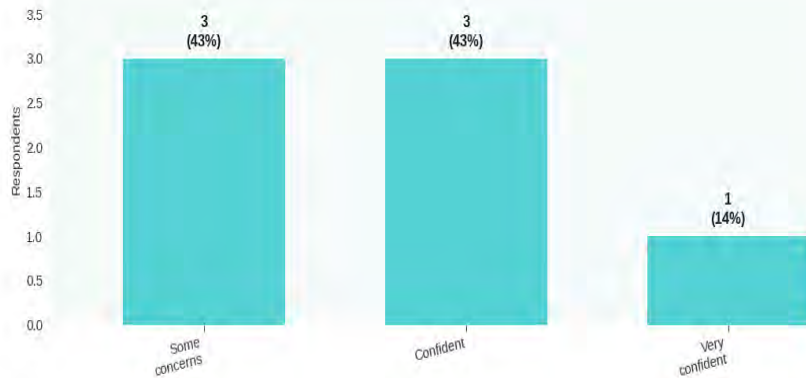
- ▶ 38% are in early discussions — significant transformation still to come.
- ▶ 25% have a roadmap in place — planning is done, execution is underway.
- ▶ 12.5% are currently migrating — actively in transition.
- ▶ 12.5% indicated not applicable — already on their target platform.
- ▶ Insurers without an inherited legacy platform report an easier, less encumbered path to a modern actuarial system, since there is no migration baggage to work around.
- ▶ Modernisation roadmaps are vulnerable to key-person risk: losing the person who owns institutional knowledge of the legacy environment can stall a roadmap for a year or more while a successor is upskilled.
- ▶ 1 respondent said that they were undertaking vendor trials for workflow automation and in early discussion for cash flow modelling.

Insight: Most organisations are in the early stages of their modernisation journey, suggesting the sector's system transformation cycle has several years to run. Organisations with roadmaps in place are positioned to execute efficiently.

Q45

How confident are you in the quality of data used for actuarial modelling?

Confidence in Data Quality for Actuarial Modelling

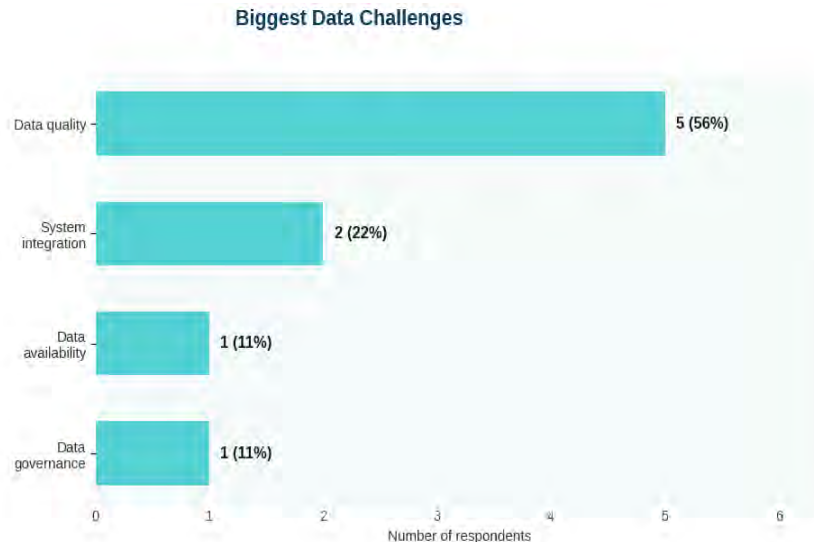


Key Findings

- ▶ 43% (3 respondents) report some concerns about data quality — a significant finding.
- ▶ 43% are confident; 14% are very confident.
- ▶ No respondents reported significant concerns — suggesting data issues are manageable.
- ▶ Data quality concerns correlate with system integration challenges and legacy environments.
- ▶ The one "Other" response noted high confidence generally, with exceptions for new source systems.
- ▶ "Confident in data quality" often means the downstream data reconciles to the policy admin system - not that the source data itself has been verified as correct. Worth distinguishing which one is actually being tested.

Insight: Data quality concerns appearing in 43% of responses explain why data quality is the #2 AI scaling barrier. Until data quality is systematically addressed, AI and automation investments will deliver below their potential.

What are your biggest data challenges?



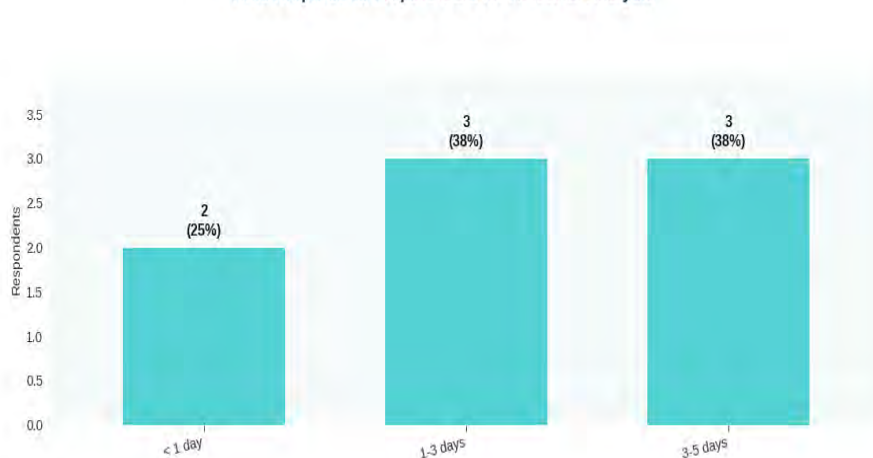
Key Findings

- ▶ Data quality is the most cited challenge (56%) — internal data accuracy and completeness. This seems at odds with the previous question's responses.
- ▶ System integration (22%) — connecting policy admin, finance and actuarial systems (including managing the change that comes with large migration projects).
- ▶ Data availability (11%) and data governance (11%) also cited.
- ▶ Long extraction times were not widely cited — suggesting pipelines have been invested in.
- ▶ Data quality appears as a challenge in IFRS 17, AI barriers, and audit focus areas simultaneously.

Insight: Data quality's appearance across multiple survey sections — as an IFRS 17 workstream challenge, AI barrier and data management challenge — confirms it is a pervasive constraint on actuarial effectiveness in the market.

Q47 How long does data preparation for actuarial analysis typically take?

Time Required to Prepare Data for Actuarial Analysis



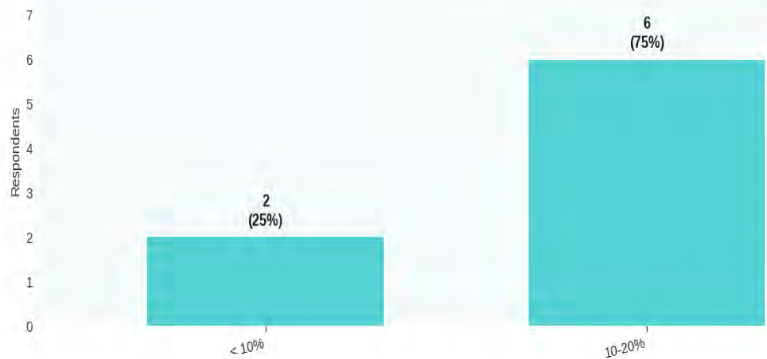
Key Findings

- ▶ 38% require 3–5 days for data preparation — more than half the working week.
- ▶ 38% require 1–3 days — still a material investment of actuarial time.
- ▶ 25% complete data preparation in under 1 day — the most efficient cohort.
- ▶ Respondents with dedicated data teams and modern data pipelines achieve sub-1-day prep.
- ▶ Data prep time is a direct input to close timing — longer prep leaves less time for analysis.

Insight: The 76% of respondents spending 1–5 days on data preparation represent a substantial automation opportunity.

Q48 What proportion of actuarial time is spent on data preparation?

Proportion of Actuarial Time Spent on Data Preparation



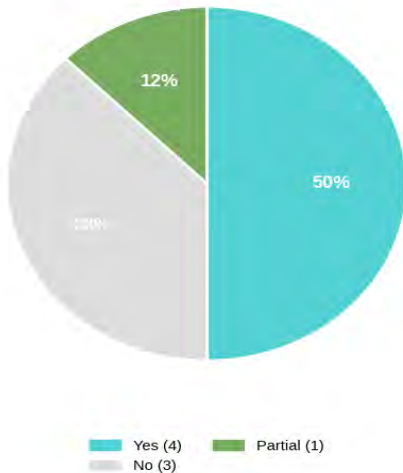
Key Findings

- ▶ 75% of respondents spend 10–20% of actuarial time on data preparation.
- ▶ 25% spend less than 10% — typically teams with dedicated data support.
- ▶ No respondents reported spending more than 20% on data preparation.
- ▶ Automated data pipelines reduce this to under 5% in best-practice environments.

Insight: A 10–20% time allocation to data preparation is a significant drag on actuarial capacity. Given that 100% of respondents named automation as a top priority, data preparation automation should be a primary early target.

Q49 Do you have a dedicated data team supporting actuarial work?

Dedicated Data Team Supporting Actuarial Work



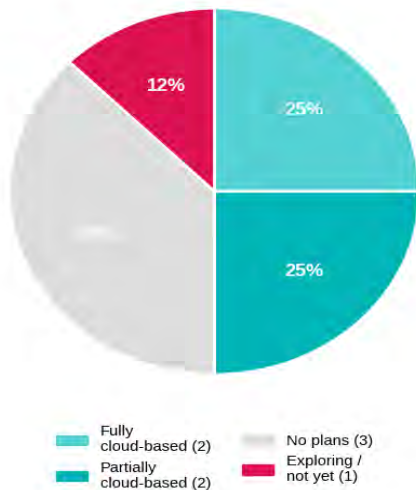
Key Findings

- ▶ 50% of respondents have a dedicated data team supporting actuarial work.
- ▶ 38% do not — actuarial teams absorb data preparation internally.
- ▶ 12.5% have partial data team support.
- ▶ Respondents with dedicated data teams consistently report lower data prep times.
- ▶ The absence of dedicated data support is a material contributor to actuarial capacity pressure.

Insight: The 38% without dedicated data support are most exposed to capacity pressure from data management tasks. As automation investment scales, the question is not whether to have data support — but whether it is human, automated, or a hybrid.

Q50 What is your organisation's cloud usage for actuarial modelling?

Cloud Usage for Actuarial Modelling



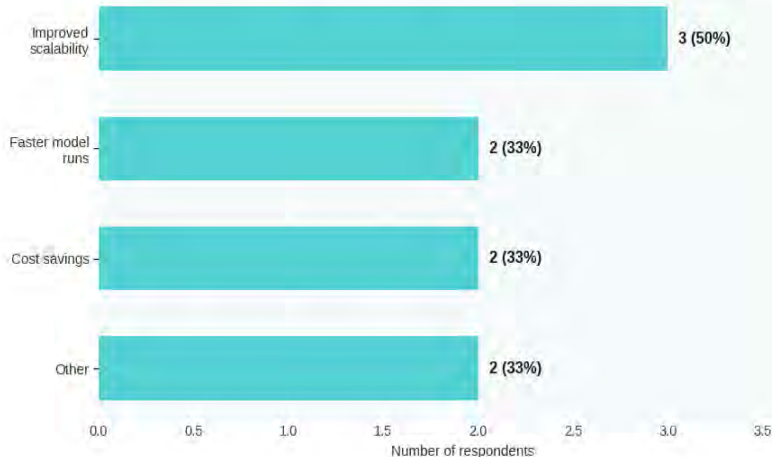
Key Findings

- ▶ 25% are fully cloud-based for actuarial modelling — the most advanced cohort.
- ▶ 25% are partially cloud-based — cloud adoption is underway.
- ▶ 38% have no plans to move to the cloud.
- ▶ 12.5% are not currently cloud-based but are exploring migration.
- ▶ The two fully cloud-based respondents have the shortest valuation runtimes in the panel.

Insight: The strong correlation between cloud adoption and valuation runtime is the most compelling business case for cloud migration. Fully cloud-based respondents achieve sub-2-hour runtimes vs 12+ hours for on-premise environments.

What are the expected or realised benefits of cloud adoption for actuarial modelling?

Expected/Realised Cloud Benefits

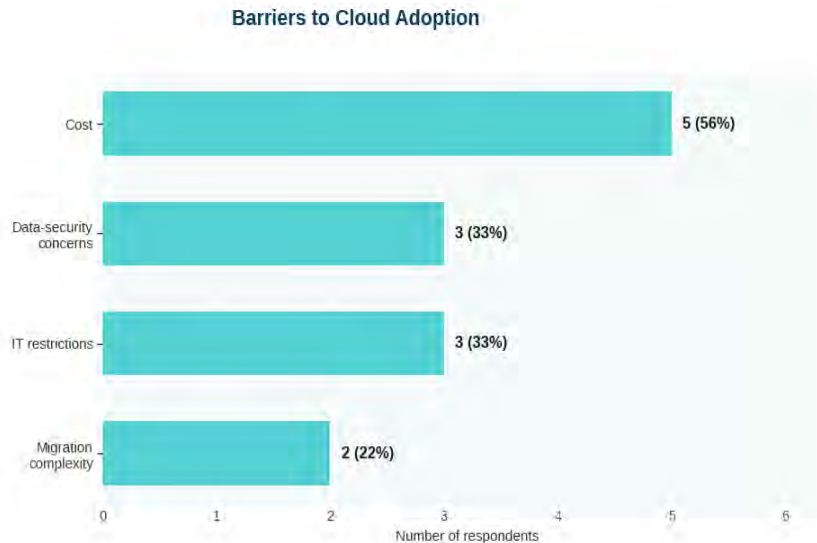


Key Findings

- Improved scalability is the top realised/expected benefit (3 respondents).
- Faster model runs (2) and cost savings (2) follow.
- 2 respondents noted other benefits including better infrastructure support.
- All cloud-adopting respondents report positive outcomes — no negative experiences cited.
- Cloud benefits compound: faster runs enable more scenario analysis which improves decision quality.

Insight: Scalability — the ability to run more scenarios without proportional cost increases — is the most valued cloud benefit. For organisations with >12-hour runtimes, cloud migration represents a step-change in analytical capability, not just an infrastructure upgrade.

Q52 What are the barriers to cloud adoption for actuarial modelling?



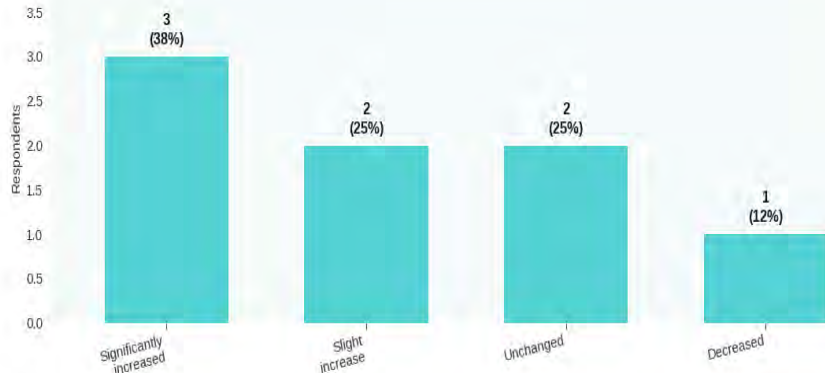
Key Findings

- ▶ Cost is the most cited barrier (56%) — cloud economics are not always favourable for smaller teams.
- ▶ Data-security concerns (33%) and IT restrictions (33%) are joint second.
- ▶ Migration complexity (22%) — the technical and operational effort to migrate.
- ▶ Barriers differ by organisation size: smaller respondents cite cost; larger cite security and IT.
- ▶ 1 respondent moved to the cloud and cited none of these as ongoing concerns.

Insight: Cloud barriers are surmountable — one respondent has already transitioned fully and reports clear benefits. The key is a structured migration approach that addresses data security requirements and demonstrates cost-of-ownership economics over a 3–5-year horizon.

Current actuarial team workload and how has it changed over 3 years?

Change in Actuarial Workload Over 3 Years

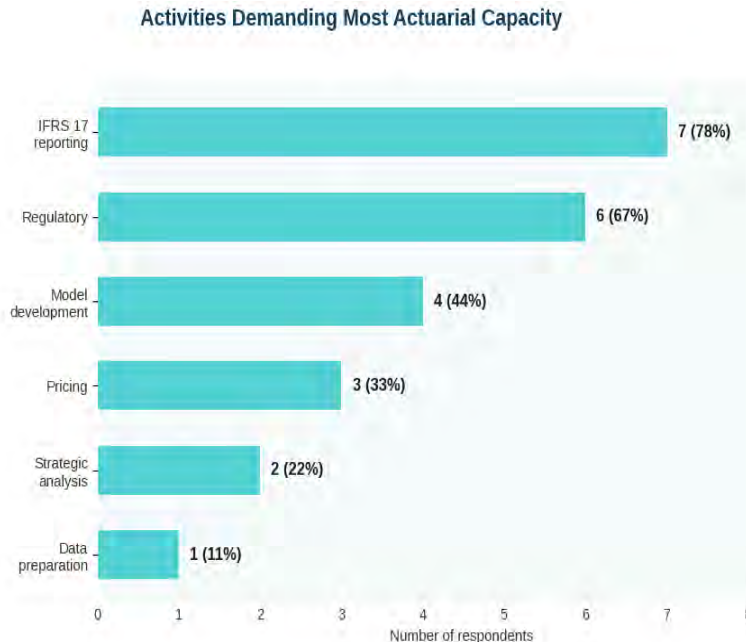


Key Findings

- ▶ 38% report workload has significantly increased over 3 years.
- ▶ 25% report slight increases; 25% unchanged; 12% decreased.
- ▶ Current state: 50% at or slightly below capacity; 25% over capacity.
- ▶ 1 respondent is significantly over capacity — the only "not sustainable" response.
- ▶ IFRS 17, regulatory demand and analytical expectations are the primary drivers.
- ▶ Separating a dedicated data team from the actuarial function - rather than actuaries doing their own data preparation - is what lets workload stay flat even as reporting and audit demands increase; the effort shifts, it doesn't disappear.
- ▶ One respondent expected workload to ease after their major implementation project, but new reporting metrics and compressed deadlines absorbed any freed-up capacity - weekend work has now crept into the valuation timetable as the old timing buffer eroded.

Insight: The workload trajectory, with 63% reporting increased load, is unsustainable without automation.

Which activities demand the most actuarial capacity?

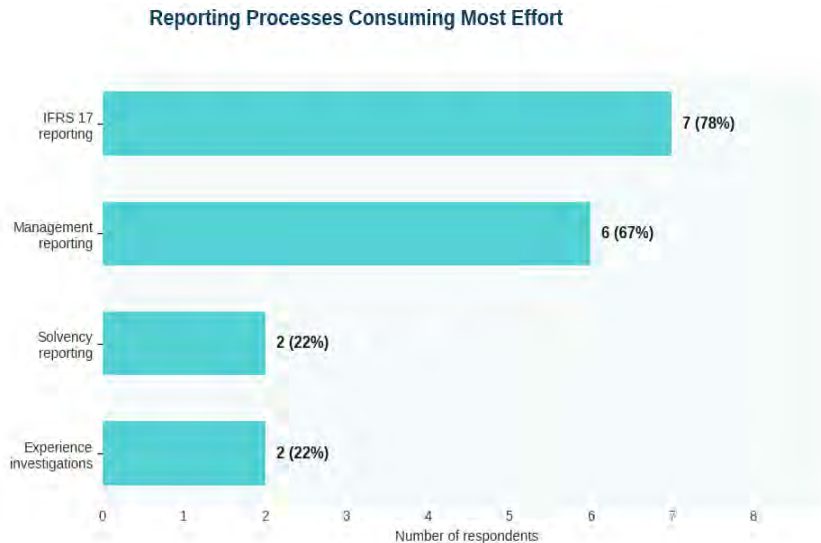


Key Findings

- ▶ IFRS 17 reporting is the single biggest capacity driver, cited by 78% of respondents.
- ▶ Regulatory work (67%) and model development (44%) follow.
- ▶ Pricing (33%), strategic analysis (22%) and data preparation (11%) also cited.
- ▶ IFRS 17 reporting alone absorbs the majority of actuarial bandwidth, with regulatory work (67%) a close second.
- ▶ Strategic analysis — the highest-value activity — is cited by only 22% as a major capacity driver.
- ▶ One respondent's explicit long-term goal is to flip the current time split entirely - from reporting dominating actuarial capacity today to business-partnering and insight-generation becoming the larger share, with reporting shrinking through automation.

Insight: The dominance of IFRS 17 reporting in the capacity mix leaves limited bandwidth for strategic work. This is the core tension the automation agenda must resolve — freeing capacity from reporting to enable more strategic analysis.

Q55 Which reporting processes consume the most actuarial effort?



Key Findings

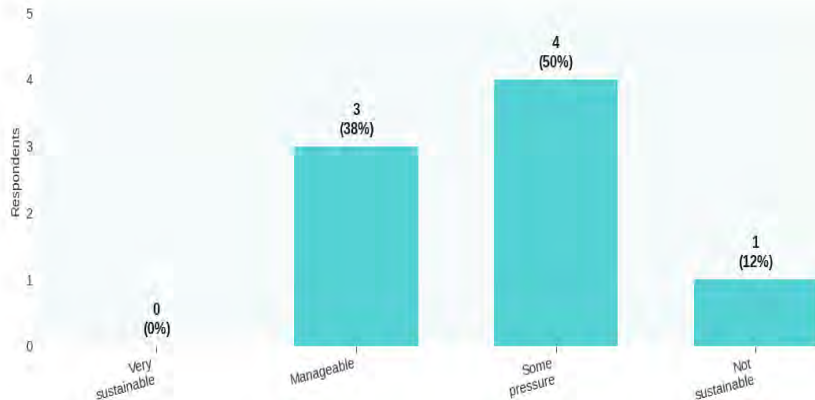
- ▶ IFRS 17 reporting is the highest-effort process for 78% of respondents.
- ▶ Management reporting (67%) is the second-highest effort area.
- ▶ Solvency reporting (22%) and experience investigations (22%) also feature.
- ▶ The IFRS 17 + management reporting combination dominates reporting effort across the panel.
- ▶ Solvency reporting effort is relatively contained — suggesting SAM processes are more mature.

Insight: The high management reporting effort — separate from IFRS 17 — signals that the two are not yet fully integrated. Organisations with high alignment between IFRS 17 and management reporting tend to report lower combined effort, validating the alignment investment.

Q56

How would you describe the sustainability of your current reporting processes?

Sustainability of Current Reporting Processes



Key Findings

- ▶ 50% report "some pressure" on current reporting processes — a cautionary signal.
- ▶ 38% describe processes as manageable.
- ▶ 12.5% (1 respondent) describes current processes as "not sustainable".
- ▶ 0% describe processes as "very sustainable" — no respondent has fully solved the problem.
- ▶ The "not sustainable" respondent is also the most over-capacity team and hardest to recruit for.
- ▶ One respondent traced its reporting-cycle pressure not to the actuarial model itself, but to a 2-3 week cross-team handover process with finance/IT/reporting partners - designed years ago and, as the business has grown, now forcing weekend work between run completion and submission deadlines.

Insight: Process sustainability is the actuarial profession's medium-term risk. Without automation investment, the combination of IFRS 17, regulatory and management reporting demands will move more organisations from "some pressure" to "not sustainable".

Q57 What is the biggest challenge currently facing actuarial teams?

Themes Across Responses

- ▶ Capacity and time pressure: the volume of deliverables relative to team size is the most acute operational challenge, with tight reporting deadlines compounding the problem.
- ▶ Skills transformation: teams must evolve from traditional actuarial roles toward engineering highly automated, analytically rich solutions — while continuing to meet BAU obligations.
- ▶ Talent and capability: skills shortages in financial reporting and a tendency to default to familiar tools rather than adopting more powerful alternatives.
- ▶ Integration and alignment: improving collaboration between Product Actuarial and Finance Actuarial teams amid competing business priorities.
- ▶ AI risk: one respondent flags over-reliance on LLMs as a concern — teams reaching for AI-generated answers without building first-principles understanding.
- ▶ The challenge is structural: the profession is in transition, and BAU demands leave limited space for capability development.

Selected Responses

"Too many deliverables — evolving to hyper-automated solutions while still delivering on BAU requirements."

"Improving the integration between Product and Finance Actuarial teams in the face of conflicting priorities."

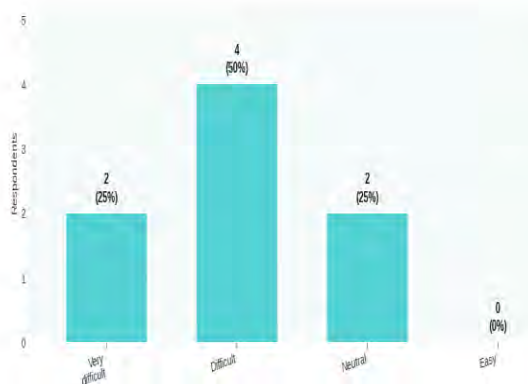
"Over-reliance on LLMs — not enough effort placed in first-hand experience of getting to a defensible answer."

"Easily falling back into known software rather than being open to more powerful tools."

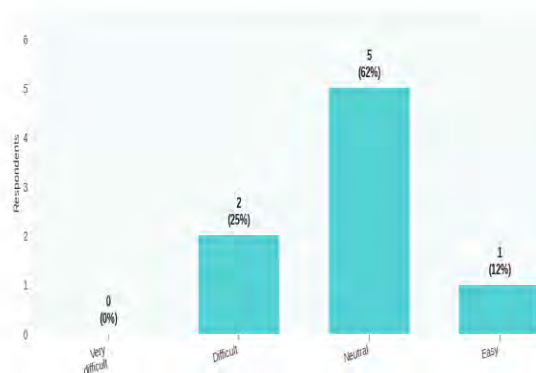
Insight: The capacity-skills-transformation tension is self-reinforcing: teams that are over capacity cannot invest in the skills and automation that would reduce their capacity pressure. Breaking this cycle requires deliberate, protected investment in automation — separate from BAU obligations.

Difficulty recruiting and retaining actuarial talent?

Difficulty Recruiting Actuarial Talent



Difficulty Retaining Actuarial Talent



Key Findings

- 75% found recruitment difficult or very difficult: a tight talent market.
- Retention is more manageable: only 25% report difficulty retaining staff.
- The gap between recruitment and retention difficulty is striking.
- Valuations & reporting (100% of shortage responders) is the most acute area.
- Senior external recruitment is particularly challenging per qualitative responses.
- Recruiting is often harder than retaining partly because HR/recruiters do not always understand niche actuarial skills; retention improves when firms build horizontal, not just vertical, career growth paths.
- A common failure mode: as soon as a staff member becomes visibly good at a new skill, other parts of the business pull them onto unrelated priorities before the training investment compounds.
- One respondent has already seen vacation-work and student submissions that look AI-generated and unreviewed - a live example of the over-reliance risk raised elsewhere, not just a future concern.
- One respondent's default approach is to advertise open roles internally first and rely on a strong pipeline of graduates developed over years, going external only as an occasional exception - credited for a comparatively smoother recruiting and retention experience than peers.

Insight: The asymmetry between recruitment difficulty and retention ease suggests the primary bottleneck is attracting talent into the function. Once hired, organisations are generally successful at retaining. Bancassurers report an added layer of recruitment friction — internal group HR/compliance onboarding processes — on top of general market scarcity for actuarial skills, particularly in life insurance.

Q59 What is the biggest opportunity to improve actuarial efficiency?

Themes Across Responses

- ▶ End-to-end automation of the valuation process: from data ingestion through model runs to output and analysis — cited as a transformative opportunity by multiple respondents.
- ▶ Automated result checking and data cleaning: freeing time currently spent on manual verification, enabling actuaries to focus on interpreting results rather than producing them.
- ▶ Prioritising and sequencing automation initiatives: respondents emphasise the need for a clear vision and phased delivery — not just recognition of the opportunity but structured execution.
- ▶ Leveraging existing tools: one respondent highlights Excel automation (via existing functionality) as an underutilised, near-term opportunity before investing in new platforms.
- ▶ AI and automation as a combined lever: reducing the requirement for repetitive, monotonous tasks is cited as the headline opportunity across the majority of responses.
- ▶ The opportunity is clear and well-understood — the constraint is execution capacity, not awareness.

Selected Responses

"Automating result checks could free up time to allow deeper interrogation of results."

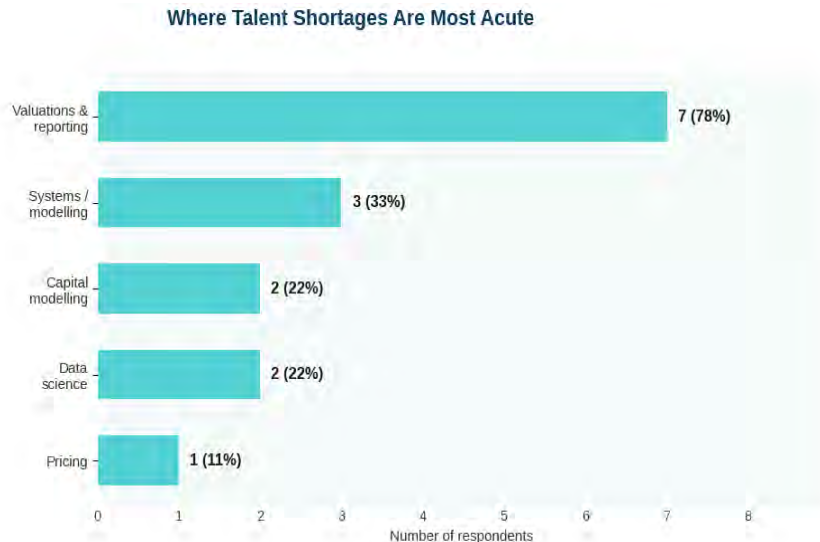
"Automating workflow processes and controls to reduce time spent on manual and outdated processes."

"Run a valuation in a much quicker automated way — from data to runs to output and analysis."

"Leveraging more AI and automation to reduce requirements for repetitive or monotonous tasks."

Insight: Every respondent identified automation as their primary efficiency opportunity — fully consistent with the 100% strategic priority finding. The sector knows what to do; the challenge is building execution capacity to do it while managing an already stretched BAU workload.

Q60 Where talent shortages are most acute within your organisation?



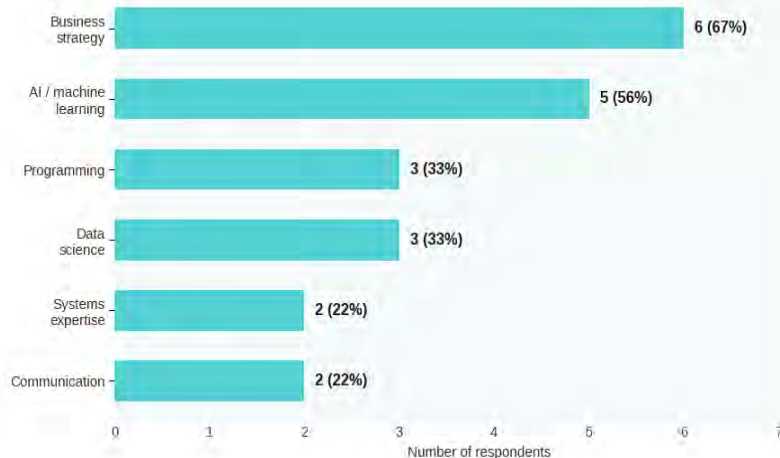
Key Findings

- ▶ Valuations & reporting is overwhelmingly the most acute shortage area (78%).
- ▶ Systems / modelling (33%) and capital modelling (22%) follow.
- ▶ Data science (22%) and pricing (11%) also cited.
- ▶ Valuations & reporting shortages directly correlate with IFRS 17 workload increases.
- ▶ The breadth of shortage areas confirms that no single actuarial discipline is insulated.

Insight: The concentration of shortages in valuations & reporting — the function most impacted by IFRS 17 — creates a compounding risk: the area with the most work also has the hardest time attracting talent. Automation of reporting tasks is the structural solution.

Skills most lacking within actuarial teams?

Skills Most Lacking Within Actuarial Teams



Key Findings

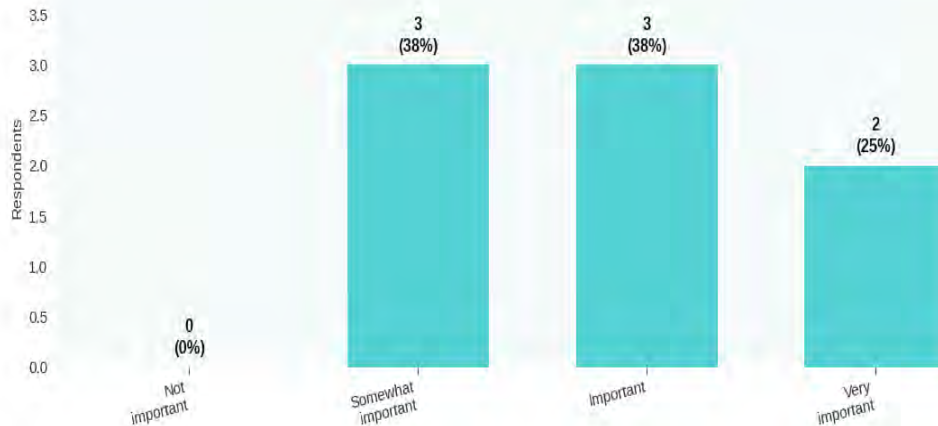
- Business strategy: #1 gap (67%) — commercial fluency is the most-cited need.
- AI/ML skills: #2 gap (56%) — technical transformation capability is scarce.
- Programming and data science: 38% each — foundational digital skills.
- Systems expertise (22%) and communication (22%) also cited.
- The gap profile defines the "actuary of the future" — technically strong and commercially savvy.
- The business-strategy skills gap may be structural rather than a training failure: actuaries are typically given strategic responsibility only once senior, with no earlier exposure to build the muscle.
- One respondent has run a years-long strategy of placing actuaries - including progressively more junior team members, not just senior staff - directly on business-area committees, reasoning that a risk function must be at the table when decisions are made, not just scoring them after the fact.
- One respondent makes a deliberate practice of inviting junior actuarial students into committee and board-level meetings well before they'd typically get that exposure - reflecting a broader industry appetite for earlier career exposure to governance forums.

Insight: Business strategy topping the skills gap list is significant: it signals that technical actuarial training is adequate, but translating results into commercial insight is lacking which is the critical Board-facing differentiator.

Q62

How important are programming skills for actuaries in your organisation?

Importance of Programming Skills for Actuaries



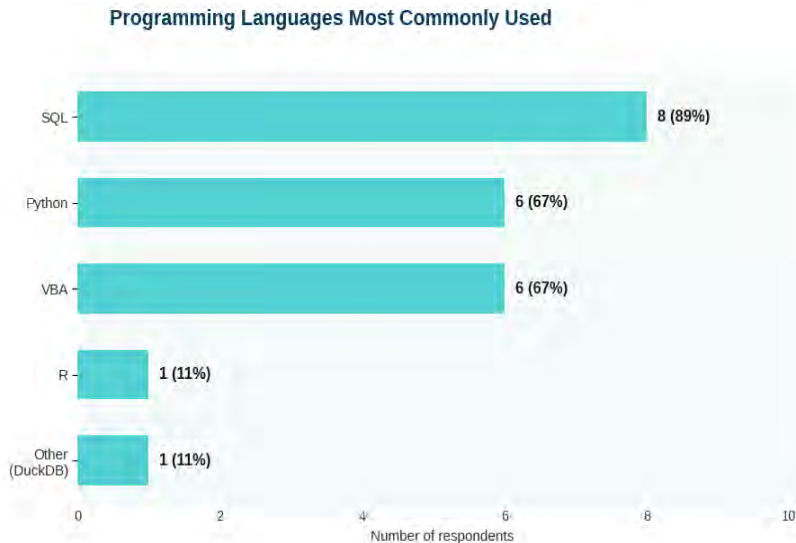
Key Findings

- ▶ 100% of respondents consider programming skills at least somewhat important.
- ▶ 25% (2 respondents) rate programming skills as very important.
- ▶ 38% (3) rate them important; 38% (3) rate them somewhat important.
- ▶ No respondent rated programming as unimportant — a unanimous recognition of its value.
- ▶ The "somewhat important" group includes smaller teams where spreadsheet-based approaches still dominate.
- ▶ Viewed alongside the programming languages slide: SQL (89%), Python (67%) and VBA (67%) reflect actual skill deployment.

Insight: The unanimous recognition of programming's importance — combined with the skills gap data showing programming as a top-3 deficit — confirms that closing the programming skills gap is both urgent and widely agreed upon.

Q63

Which programming languages are most commonly used by your actuarial teams?



Key Findings

- ▶ SQL: used by 89% — universal for data management and automation pipelines.
- ▶ Python: 67% — the modern standard for actuarial programming.
- ▶ VBA: 67% — legacy workhorse still widely embedded in workflows.
- ▶ R: 11% (1 respondent) — sharp decline from historic SA actuarial norms.
- ▶ "Other" (DuckDB) reflects cutting-edge adoption of analytical databases.

Insight: Python's rise to 67% is a structural shift. Organisations investing in Python-based automation and AI today are building skills infrastructure that compounds in value as use cases mature.

Insight Life Solutions — Actuarial Hot Topics Survey 2026

Three Key Takeaways

Automation is universal: 100% of respondents named it their #1 priority which was the single most unanimous finding.

IFRS 17 continues to bite: 44% restated results; 67% made IAS 8 changes.

The skills gap is real: Business strategy + AI/ML are the most-needed but scarcest capabilities in the sector.