### Key themes and trends in the market: challenges and opportunities



### Global volatility and challenging environment

• Deglobalization and trade tensions

- Shifting capital flows and constraints on risk transfer
- Heightened geopolitical risks
- Escalating cyber threats
- Intensified regulatory pressures

#### Less diversification

Capital constraints

Profitability pressures

#### **Higher costs**

**70%** of surveyed mutual insurers are prioritizing profitability and have taken proactive steps to contain costs

Source: EY Global Mutual Insurance Market Scan, 2024



**IMPACT** 

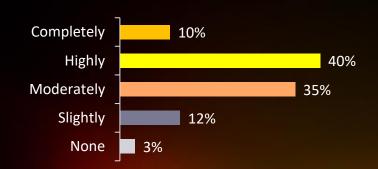
**ENVIRONMENT** 

# 2 Addressing the global protection gap

<b>PROTECTION GAP</b>	Mortality	Savings and retirement	
	Wealth		Chronic
	Health	Aging populatio	disease ions
<b>CLIMATE CHANGE</b>	Climate resilience		Parametric
	Leaning into the green economy		PPP
			Prevention

3

**87%** of respondents have taken at least moderate steps toward greater sustainability



Average combined ratio 2023:98%Mutuals92%Stock companies

Source: EY Global Mutual Insurance Market Scan, 2024

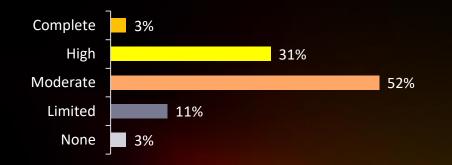
## $\mathbf{3}$ Unlocking growth through innovation

**Customer-centricity** 

#### Personalization

Efficiency

**86%** offer some level of customization, with just over half (52%) providing a moderate level



**Ecosystems** 

**Partnerships** 

**New solutions** 

InsurTechs

**90%** said their organization is truly member/ customer centric...

...however, our interviews revealed limited innovation in member engagement space

Source: EY Global Mutual Insurance Market Scan, 2024

**4** Enabling transformation through technology and talent

AI Advanced data strategies

Automation

Digitalization

From startup mode to scalable operations

have loss prevention strategies

**30%** 

83%

are highly engaged in proactive and reactive loss prevention

Talent gap

Purpose-drivenOutsourcingroles

Workforce strategy

**70%** 

plan to increase staff during the next 12 months

Source: EY Global Mutual Insurance Market Scan, 2024