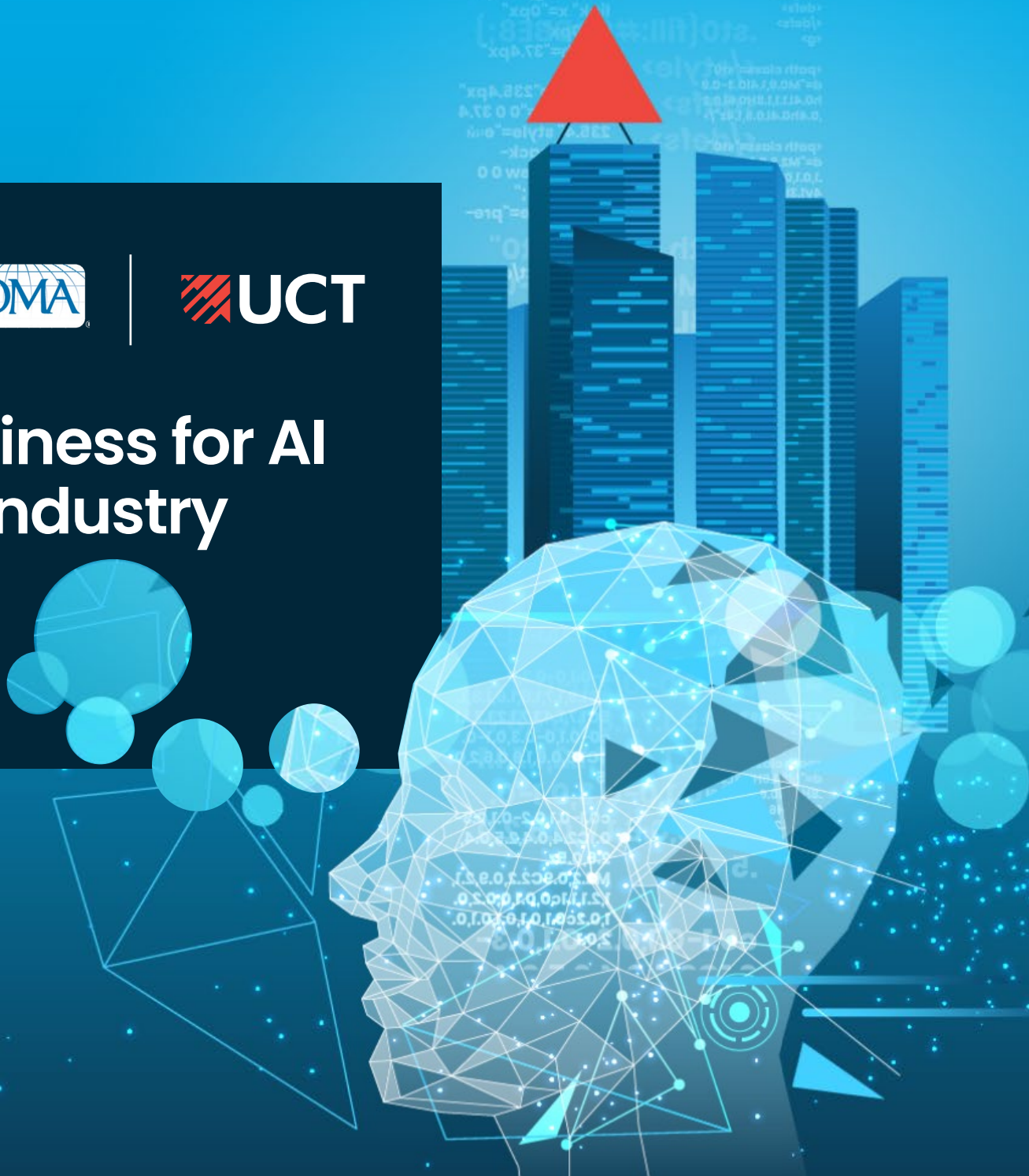
equisoft | LIMRA LOMA | UCT

Assessing Data Readiness for AI in the Life Insurance Industry

Research



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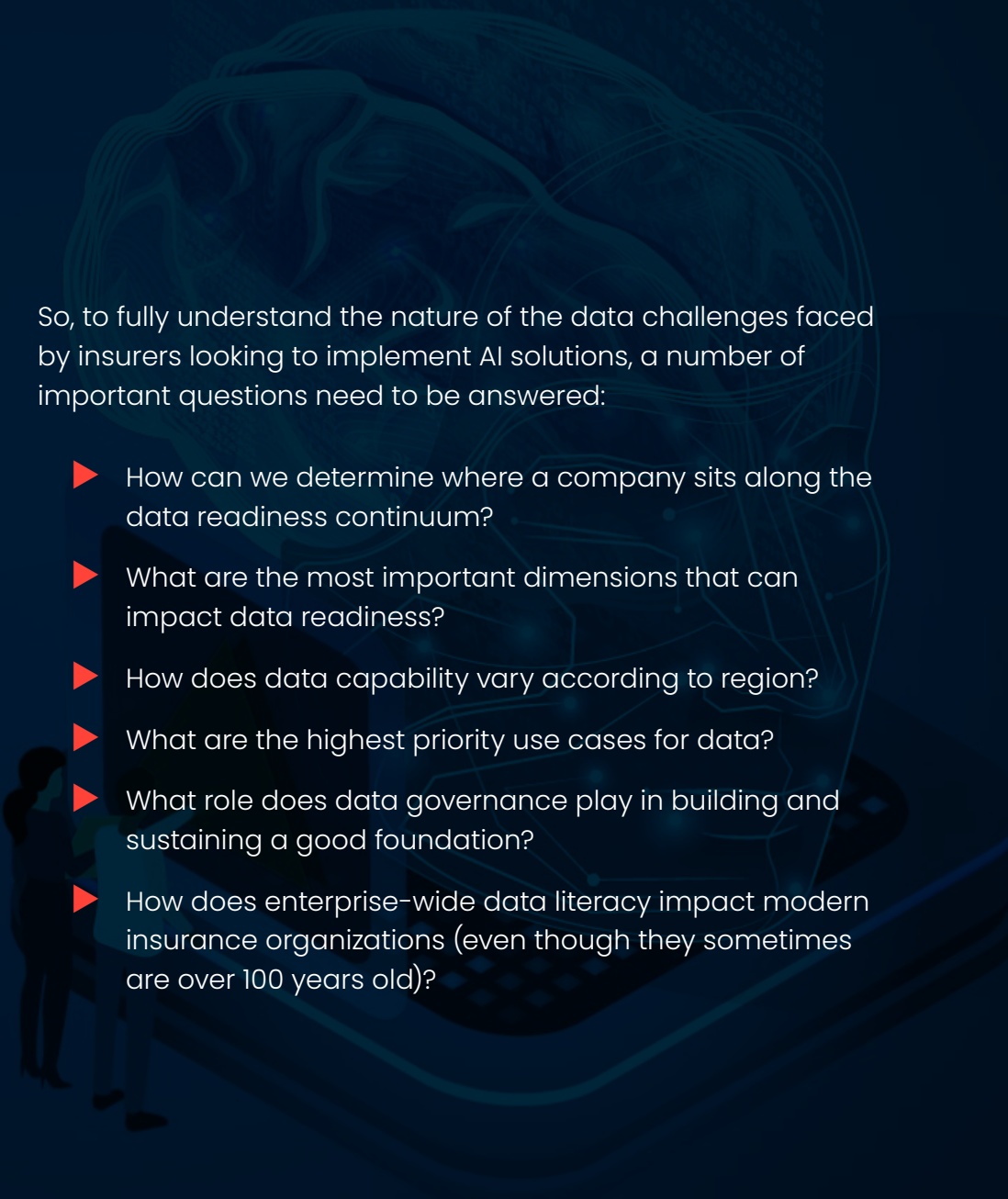
Introduction

A lot of research has already been done on the value of AI to life insurance companies and the state of adoption today. Insurers don't need convincing about the massive potential AI holds for creating efficiencies, enhancing customer experience and driving growth.

However, in every one of those research reports, insurers state that their data is the single biggest challenge to successfully implementing AI.

- If AI is to fulfill its much-heralded promise we must first solve those significant data challenges.
- In order to be "AI ready", companies must also become "data ready for AI"

Equisoft, has a long history of partnering with life insurers around the world to advance the state of digital transformation. Through our unique position of industry leadership and by rubbing shoulders with a broad spectrum of insurance companies globally, we are convinced that creating a superior data foundation that supports new and emerging technologies is a critical and commonly shared priority.



So, to fully understand the nature of the data challenges faced by insurers looking to implement AI solutions, a number of important questions need to be answered:

- How can we determine where a company sits along the data readiness continuum?
- What are the most important dimensions that can impact data readiness?
- How does data capability vary according to region?
- What are the highest priority use cases for data?
- What role does data governance play in building and sustaining a good foundation?
- How does enterprise-wide data literacy impact modern insurance organizations (even though they sometimes are over 100 years old)?

Uncovering the real state of data readiness in the insurance industry

To address these questions, Equisoft and UCT commissioned LIMRA to conduct this pivotal research. Our collective goal is to enable insurers to assess their data foundation. Consider the alignment of that foundation while looking into the future. And then in conjunction with their emphasis on AI , to implement data strategies that will deliver significant organizational results. It also will be a catalyst to ensure alignment to insurers' business plans (that are becoming increasingly digital-oriented).
The report provides strategic guidance on data initiatives, emphasizing critical areas for investment, and prioritization that will enhance data quality and integrity.

At the heart of this report is the Global Data Readiness Benchmark, a data maturity model that reveals the relative preparedness of life insurance carrier data for implementing AI solutions. It enables carriers to assess their position on the data maturity spectrum, compare themselves with peers, and identify actionable steps to evolve their data readiness.

What's Next

This is just the beginning of an ongoing process to help insurers identify chances to enhance their data capabilities, build comprehensive roadmaps for capitalizing on those opportunities, and implement strong data foundations that will enable successful AI implementation.

Going forward, we are committed to expanding our research to include more companies and developing a comprehensive action plan that enables organizations to prepare their data for optimal use in AI and other cutting-edge technologies.

We're pleased to share the insights in this report with you so that you can plan your data readiness initiatives based on the best, most current information. As the industry moves forward with its digital transformation, we welcome discussions on how we can help you enhance your data capabilities to ensure the success of your modernization projects and AI implementations.

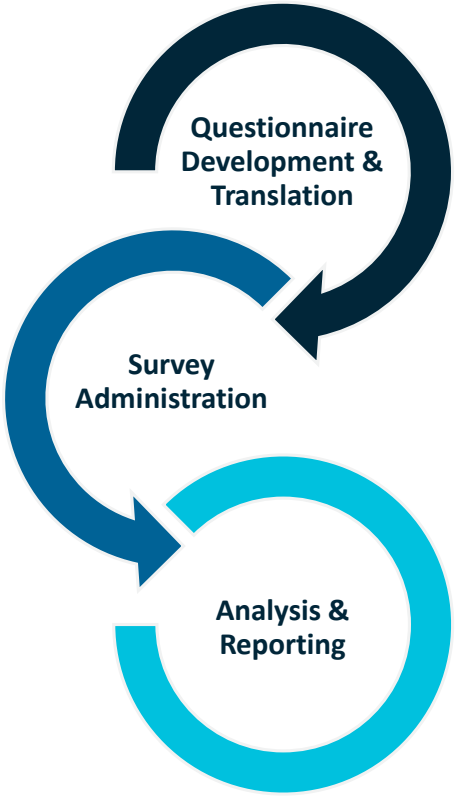
Executive Summary

- All companies agree AI is an important element of their digital transformation roadmap. They see value-added applications in many areas: from operations to actuarial.
- More than half of all insurers have already implemented Large Language Models (LLM), Machine Learning (ML) and Natural Language Processing (NLP) solutions in areas underwriting, operations and new business. All carriers have plans to implement AI for specific use cases in the next 12-24 months.
- However, most cite that data is the biggest challenge they face in preparing to implement new AI solutions. And while most companies rank as 'progressive' in terms of their data readiness, about half report that they are not ready to implement AI at this point.
- Those that have implemented AI solutions already report encountering difficulties during projects due to unexpected issues with technology, scaling challenges or the negative impact of erroneous assumptions made during planning.
- What emerges from the responses in this study is a picture of an industry on the verge of taking an unprecedented technological stride forward—one that promises to deliver tremendous value through automation, customer experience enhancements, improved decision-making, and better operational processes in areas like underwriting, claims and fraud detection.
- And, although most insurers rank quite highly in overall data readiness for doing business today, work remains to create the strong data foundations required to support successful AI implementation. In particular, data governance enforcement, data literacy and data quality/ integrity are areas that continue to require improvement for insurers in every region.

Methodology

In order to be "AI ready", companies must be "data ready" first. There is a need in the market for carriers to better understand where they fall along the data maturity spectrum, how they compare to peers, and the practical steps they can take to move up the data readiness continuum to further take advantage of AI.

Equisoft has engaged LIMRA to conduct a Global Data Readiness Benchmark of individual life insurance carriers. The insights from this study will provide guidance to insurance companies in their data strategy and AI implementation by identifying areas for investment and prioritization.



Objectives

- Develop a maturity model to evaluate carriers' data readiness for AI within the individual life insurance line of business
- Define 3-6 key dimensions of the data readiness framework
- Define 4-5 levels of data readiness maturity for each dimension
- Establish criteria/ threshold for movement through maturity levels within each dimension
- Evaluate carriers' current use of AI and future aspirations
- Identify challenges, common practices, and use cases for using AI
- Provide a region-specific and global industry data readiness benchmark for competitive analysis

Approach

LIMRA and Equisoft collaborated to design an online questionnaire of primarily close-ended questions. Equisoft assisted with translation of the questionnaire as needed.

LIMRA managed all aspects of survey administration, including programming, testing, and distribution to each carrier participant.

Survey responses were tabulated to generate an individual company score as well as an overall data readiness maturity score. All reports and other deliverables will be co-branded.

Participating Companies

- Recruiting efforts were focused on CIO, CTO, Chief Transformation Officer/Director, and other similar roles.
- LIMRA recruited carrier participants through its members, relevant committees, study groups and working groups, as well as respondents to previous surveys.
- Equisoft also provided recruitment support where possible.

Country	Number of Carrier Participants	Region*
United States	9	USA
Canada	11	Canada
Mexico	3	Latin America
Colombia	6	
Australia	8	Australia
Total	**37**	

*In order to make comparisons by region, LIMRA required a minimum of 6 individual life insurance carriers per region.

Dimensions of Data Readiness and Maturity Model

Dimensions

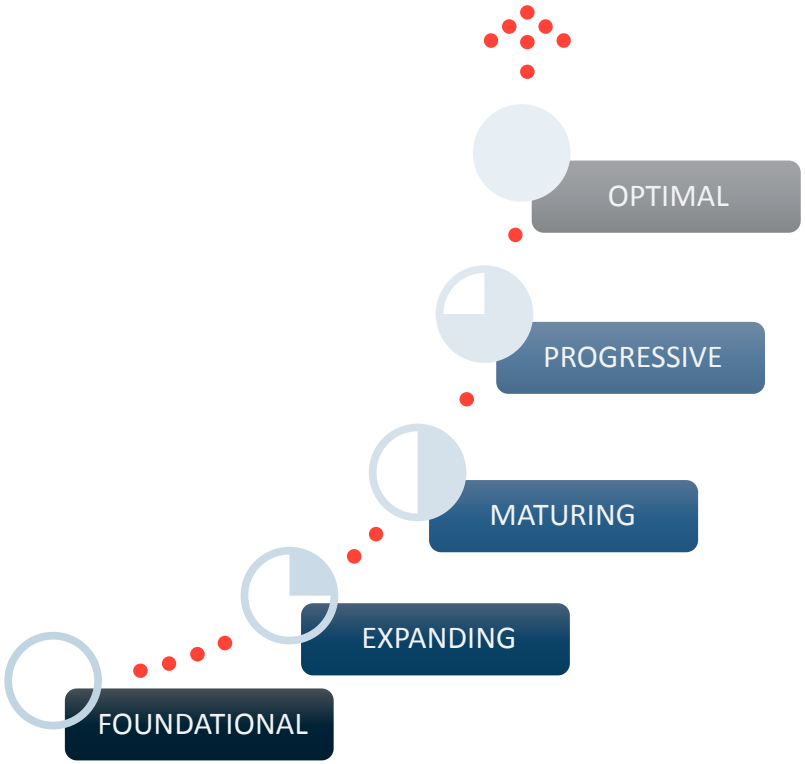
- **Organizational alignment** refers to the overarching plan and approach that an organization develops to leverage data effectively to achieve its business objectives.
- **Infrastructure** refers to the underlying technology, systems, and architecture that support data storage, processing, and scalability within an organization.
- **Sourcing & integration** refers to the processes and mechanisms through which organizations acquire, aggregate, and integrate data from various internal and external sources.
- **Quality & integrity** refers to the accuracy, completeness, consistency, and reliability of data maintained by an organization.
- **Governance** refers to the framework of policies, processes, and controls that guide the management, use, and protection of data assets within an organization.
- **Analytics** refers to the processes, techniques, models, and tools used to analyze and derive insights from data to support decision-making and drive business outcomes.

Scoring Methodology

- 6 dimensions comprise the overall maturity framework. A series of questions were asked spanning several related topics within each dimension.
- Scoring methodology consists of assigning points (1 to 5) based on the carriers' response to each survey question.
- Lower total scores indicate less mature organizations, while higher total scores indicate more mature carriers.
- Benchmarks are defined as the average scores of all survey respondents globally and regionally.

Maturity Levels

- **OPTIMAL** organizations have achieved excellence in data readiness. This includes a mature data infrastructure with real-time capabilities, and highly accurate and reliable data. Data governance is proactive and adaptive, with a strong emphasis on compliance, security, and ethical use of data. The organization continuously innovates and adapts to emerging technologies and market trends, maintaining a competitive edge through data-driven insights and actions.
- **PROGRESSIVE** organizations are actively leveraging data as a strategic asset. This involves advanced analytics capabilities to derive actionable insights and drive business outcomes. Data-driven decision-making is ingrained in the organizational culture, and there is a focus on continuous improvement and innovation in data management practices.
- **MATURING** organizations have an established core for managing and utilizing data effectively. This includes comprehensive data governance frameworks, advanced data integration capabilities, and improved data quality through automation. Organizations start to leverage analytics for insights and decision-making, moving beyond descriptive analytics towards predictive and prescriptive analytics.
- **EXPANDING** organizations are beginning to scale their data capabilities. This involves investing in more robust data infrastructure, expanding data sources, and improving data quality through basic cleansing and validation processes. Data governance becomes more formalized, with defined policies and procedures for data management.
- **FOUNDATIONAL** organizations have basic capabilities in place to handle data, including rudimentary data management practices, minimal infrastructure for data storage, and basic compliance with regulatory requirements. Data governance may be informal, with ad-hoc processes for data collection and storage.



Global Key Findings

The AI Challenge

Most respondents cite that data is the biggest challenge they face in preparing to implement new AI solutions. And while most companies rank as 'progressive' in terms of their data readiness, about half report that they are not ready to implement AI at this point.

What does it mean that companies are scoring in the 60+ percentile for data readiness and rank in the second highest level of data maturity, and yet so few feel prepared for AI?

78%

of respondents believe Data Readiness is the biggest challenge in getting value from AI"

46%

of respondents felt they were either "Not Really Ready" or "Not At All Ready" to implement AI given their current state of Data Readiness

Globally, life insurance carriers are PROGRESSIVE in their Data Readiness for AI

There are a few possible reasons for this:

Our maturity as an industry is surprisingly good, and still developing. Yet there is still a concern or hesitancy to say that we are really ready for AI. Afterall, we are, by definition, a risk averse industry.

The results demonstrate that based on what we know TODAY, insurers are doing a pretty good job of managing, utilizing and governing their data. However, it seems that, even if insurer's data readiness ranks as progressive, they may not feel ready for AI because there are so many unknowns about what that will require at this time.

It's possible that respondents reporting they are progressive do it with respect to data in AI for specific use cases within their standard control within the value chain. It's not necessarily for AI in the larger sense.

We still tend to digitize one aspect of the organization, but don't necessarily extend that work across the value chain. For many insurers AI is being adopted in pockets of innovation within enterprises and only as it evolves does it become more diffuse and centrally managed throughout the organization.

Another possible contributing explanation is that there may be a difference in how a C-suite exec answers the survey questions versus how staff who are implementing the solutions might respond. Perhaps the results reflect the delta between leaders who are concerned with data strategies and governance policies, versus managers who experience data challenges in the day-to-day operation of the business. It's an interesting question for companies to ask internally.

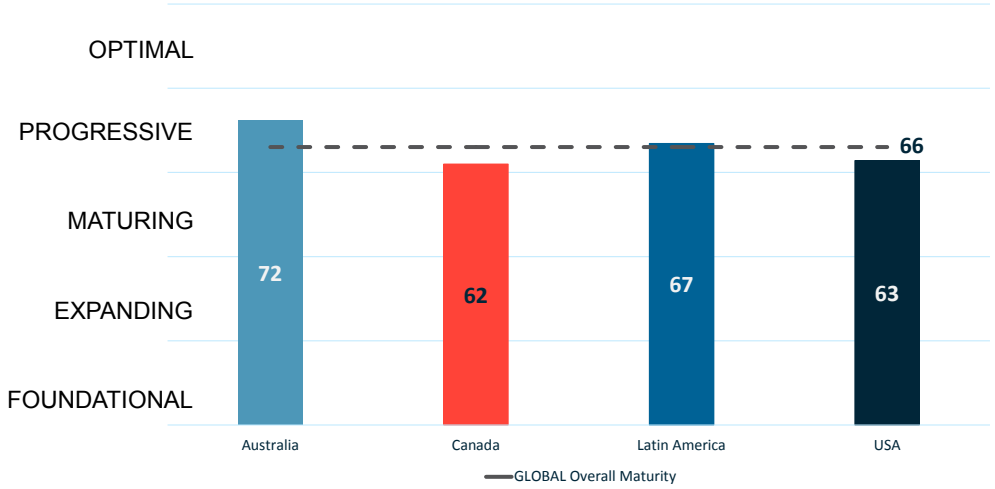
Global State of Data Maturity

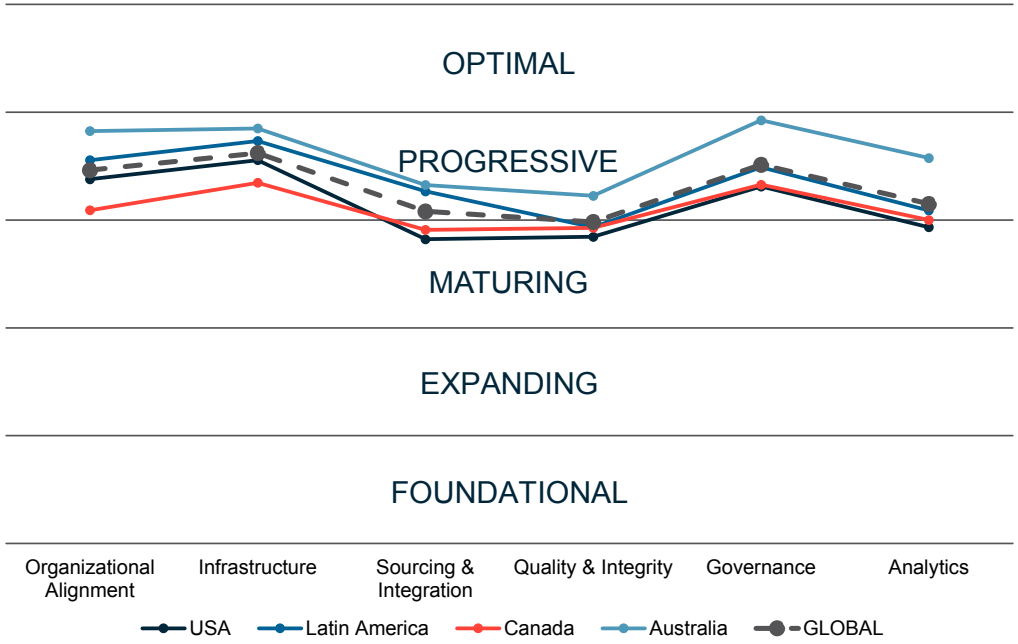
Overall, insurers around the world rate as 'progressive' in their data readiness maturity. Regional variations are very slight. Australia scored as the most mature region, which may be attributable to recent regulatory reform in the area that has forced insurers to evolve their data capabilities in order to become compliant.

North America finds itself lagging in data readiness, but not by a significant margin and the small gaps may be due to variations in company size, resources and/or the complexity of the enterprises who responded.

LATAM is globally competitive in its data preparedness. This is a diverse region with a number of very large multi-national organizations, so we expect to see some variance in responses from respondents. Some individual responses reveal that LATAM organizations are putting in place strategies and guidelines for data management but that enforcing those rules is challenging.

- Infrastructure was the highest scoring dimension overall while Quality & Integrity was the lowest
- Australia region had top scores across all 6 dimensions
- Organizational Alignment had the largest variance among the regions





Regional Analysis

Each of the 4 regions are PROGRESSIVE in their Data Readiness for AI

Challenges in Getting Value from AI

100%

of US respondents cited Data Readiness in their top 3 challenges in getting value from AI

Not Ready to Implement AI

66%

of US respondents felt they were either *"Not Really Ready"* or *"Not At All Ready"* to implement AI given their current state of Data Readiness

Regional rankings are as follows:

Australia

Latin America

USA

Canada

Canada

- Of the 11 Canadian companies that participated, 73% were PROGRESSIVE vs. 27% were MATURING
- While the 6 dimensions were split evenly between PROGRESSIVE and MATURING, Canada's highest scoring dimension was Infrastructure and it's lowest was Sourcing & Integration
- Canada's regional score was the lowest of the 4 regions, by a mere point

Latin America

- The Latin America region outperformed the GLOBAL maturity benchmark of 66 with a regional score of 67
- Of the 9 Latin America companies that participated, 82% were PROGRESSIVE vs. 18% were MATURING
- Almost all of the dimensions were Progressive, except for Quality & Integrity which was Maturing. The region's highest scoring dimension was Infrastructure

USA

- Of the 9 US companies that participated, 66% were PROGRESSIVE vs. 33% were MATURING
- The 6 dimensions were split between Progressive (Infrastructure, Organizational Alignment, and Governance) and Maturing (Analytics, Quality & Integrity, and Sourcing & Integration)

Australia

- Its highest scoring dimension was Organizational Alignment and its lowest was Sourcing & Integration Australia
- The Australia region bested the other regions with an overall maturity score of 72
- Australia also registered top scores across all 6 dimensions
- The 8 Australian companies had the most variance among their scores
  -38% OPTIMAL
  -38% PROGRESSIVE
  -25% MATURING
- Governance was its highest scoring dimension and Quality & Integrity was its lowest

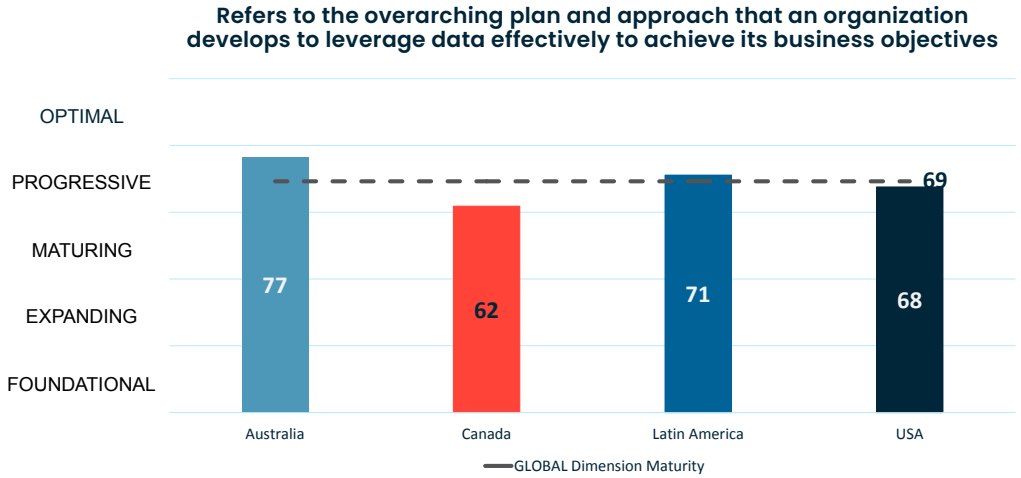
Results by Dimension

Organizational Alignment

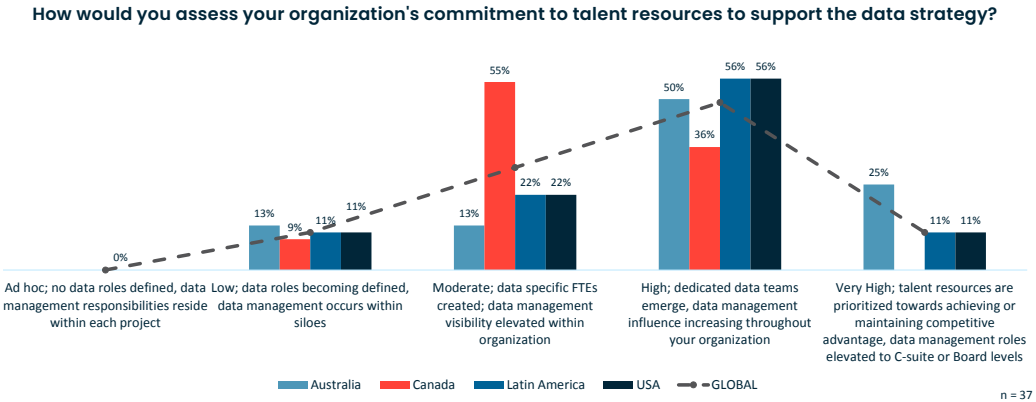
Organizational Alignment is recognized as important, but consistent execution of business strategies across all functional areas is uneven

- **Strong Alignment:** All countries are progressive in this dimension—with the exception of Canada which is maturing. All regions report partial or strong alignment between data initiatives and business objectives. This suggests insurers realize the importance of grounding data projects in their broader business objectives in order to deliver value—and that these efforts are ongoing and evolving.
- **Communication and Buy-In:** Data strategy has been formulated but many countries across the region are still in the process of communicating it broadly and obtaining buy in. This highlights the challenges involved in obtaining buy in for a common vision for data across a wide variety of functional areas across an organization.
- **Talent Investment:** In all regions insurers are committing significant talent resources to supporting their data strategy and improving data readiness. As the importance of data in achieving business objectives escalates it reveals the need for dedicated team members focused on bolstering key data capabilities.

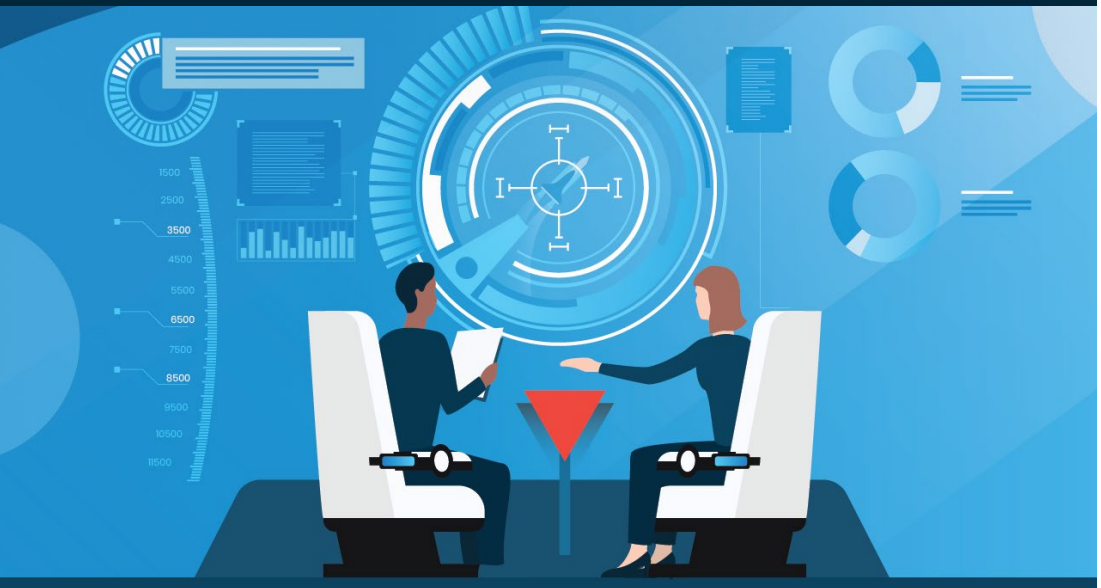
Organizational Alignment



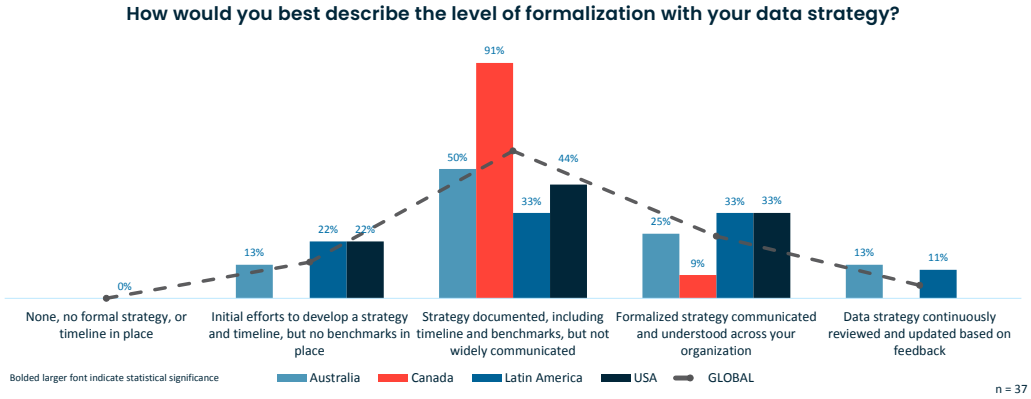
Resource Commitment



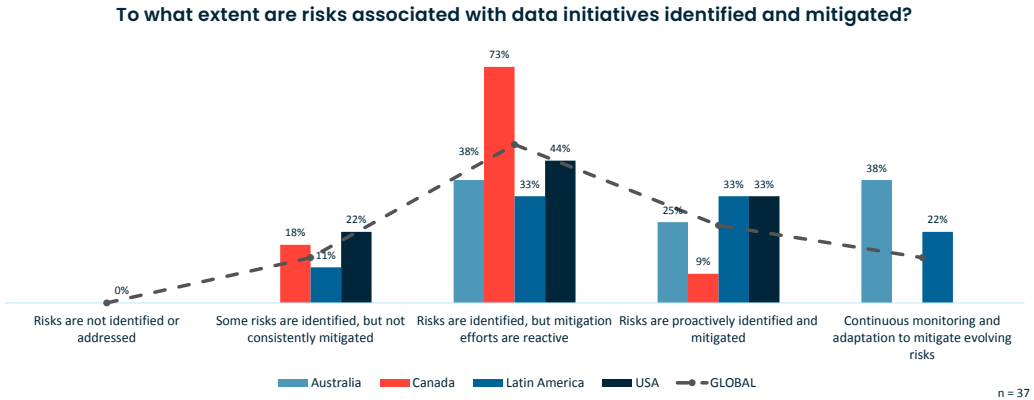
- **Evolving Risk Mitigation:** Companies tend to be reactive rather proactive when dealing with data risk. This reflects the evolving nature of data readiness—companies may not know what risks they face until they begin to implement new data strategies that support the launch of new technologies such as advanced analytics and AI.
- **Developing Data Culture:** Most insurers are building a culture that recognizes the importance of data readiness and literacy, but that culture is not yet mature or fully embraced across the entire enterprise.
- **Leadership:** Ultimately, companies need to ensure that a clear vision and data strategy that aligns with overall business strategies is agreed to by the executive and continually and passionately communicated throughout the company. Reinforcement of this messaging at every level and in every project will create wide-spread alignment and ensure behaviors and decisions are driven by the holistic strategy.



Roadmap & Benchmarking



Risk Management

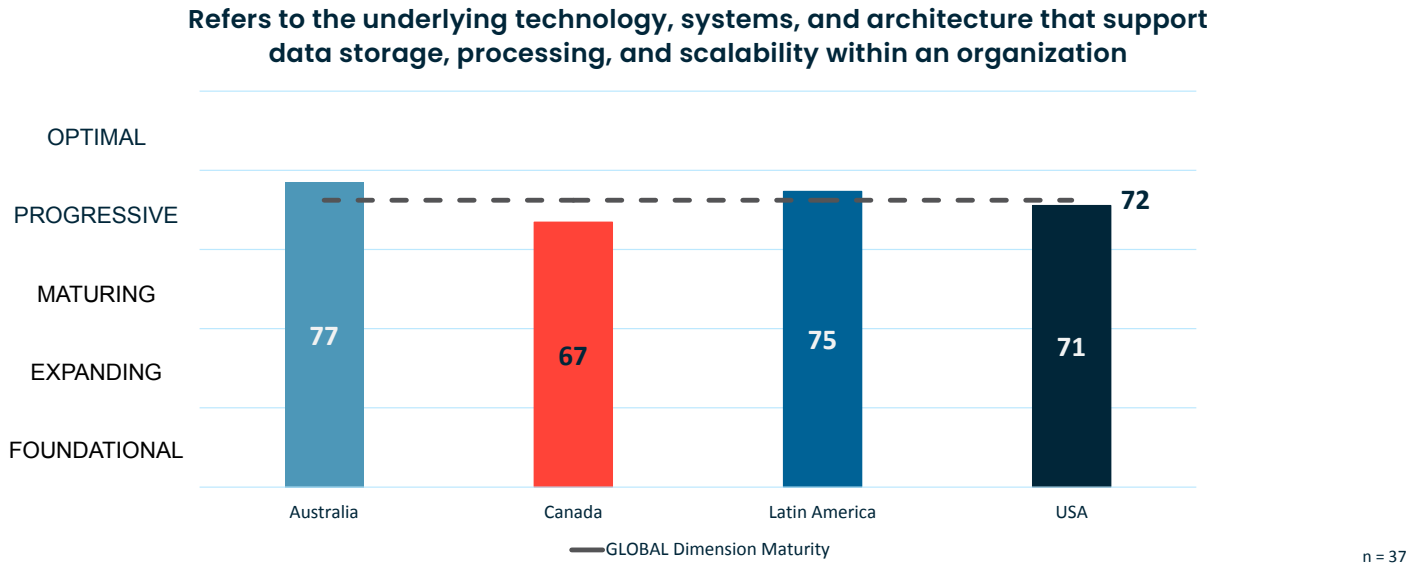


Infrastructure

In all regions data infrastructure is the most developed aspect of insurers' data readiness

- **Infrastructure ranks as progressive:** Across the board, infrastructure ranked as the most mature dimension of data readiness. Insurers have done much of the critical work to implement a data infrastructure that will support new data capabilities in preparation for AI adoption.
- **Cloud migration:** Most companies are in the process of migrating all their data to the cloud but still operating in hybrid environments. This reflects the reality that most insurers are still grappling with legacy core systems that contain a wealth of historical data. The USA stands out, reporting that 78% of companies are already hybrid. Acceleration of cloud adoption should be facilitated by core system modernization and data migration to retire legacy platforms.
- **Reliable Infrastructure:** Companies rate their data infrastructure as highly reliable and effective.
- **Storage and Networking:** While 84% of GLOBAL respondents felt the networking capabilities of their current infrastructure were Decent or Robust, 100% of Latin America respondents felt that way. Most companies have started to centralize data storage—but for many, pockets of isolated data still exist—likely related to the continued reliance on legacy core systems.

Organizational Alignment



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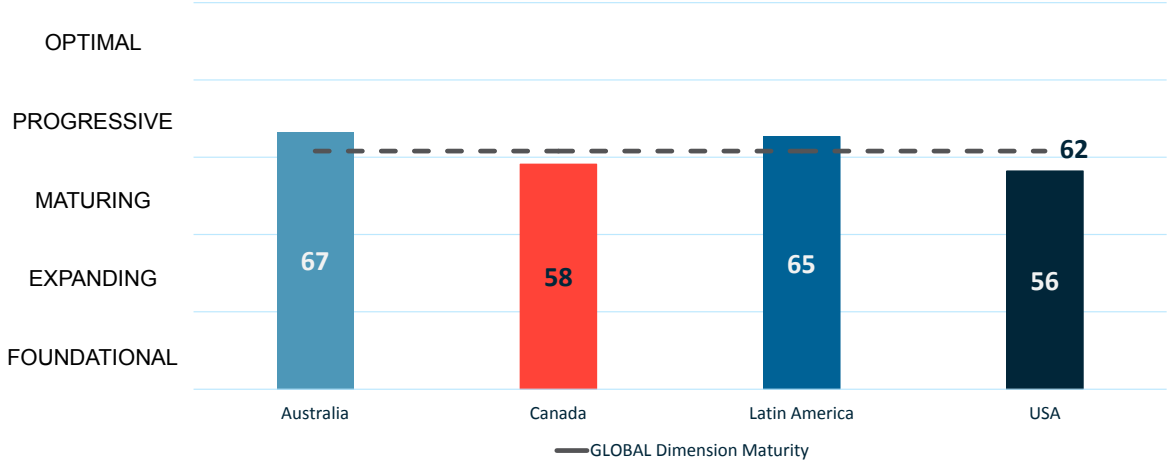
Sourcing & Integration

Access to real-time data from all sources is a critical, but still developing capability for most insurers

- **Data access is a work in progress:** Data sourcing and integration is still a developing capability for many insurers. While strides have been made in each region to increase access to all data, insurers are still working to achieve an optimal state.
- North American companies are behind Australia and LATAM when it comes to their abilities to source data from internal and external systems and integrate it into their business workflows.
- The need to migrate, integrate and modernize data remains high. Access to real-time data is mandatory for implementation of digital tools, analytics and AI—making API and microservice connections, as well as legacy system retirement increasingly high priorities.

Infrastructure

Refers to the processes and mechanisms through which organizations acquire, aggregate, and integrate data from various internal and external sources



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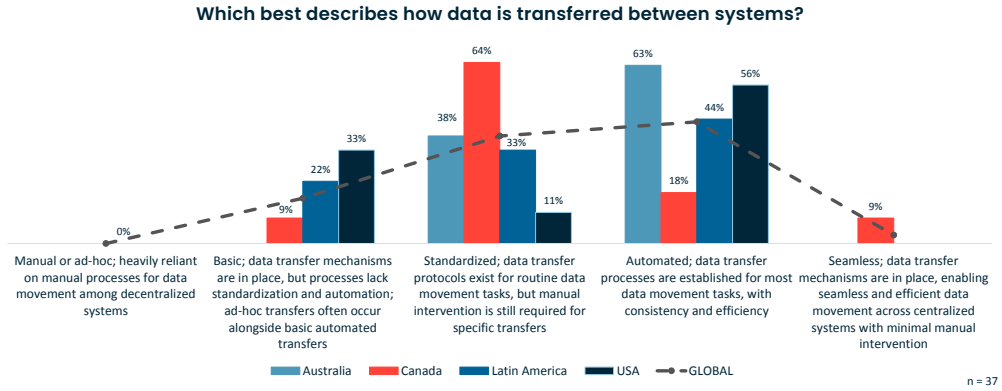
- **Data transfer:** In most regions, data transfer processes are automated for most data movement processes. However, pockets of manual workflow remain—especially in Canada.
- All regions have established at least basic data transfer processes and many companies are able to ensure consistency and integrity across integrated data sets. Australia reports higher levels of inconsistency across data sets than other markets. Perhaps because they have the most experience with complex data sourcing and usage across systems due to regulatory demands.
- **Data integration:** This is an ongoing process for insurers in every region. They are getting to the point where they can ensure data consistency within data sets, but not yet always across different systems.
- **Real-time data access:** While a significant number of insurers still have limited support for real-time data access and continue to rely on batch processing, many are achieving wide-spread real-time integration with only minimal latency. Very few companies have achieved consistent, almost instantaneous data transmission.

Data Transfer



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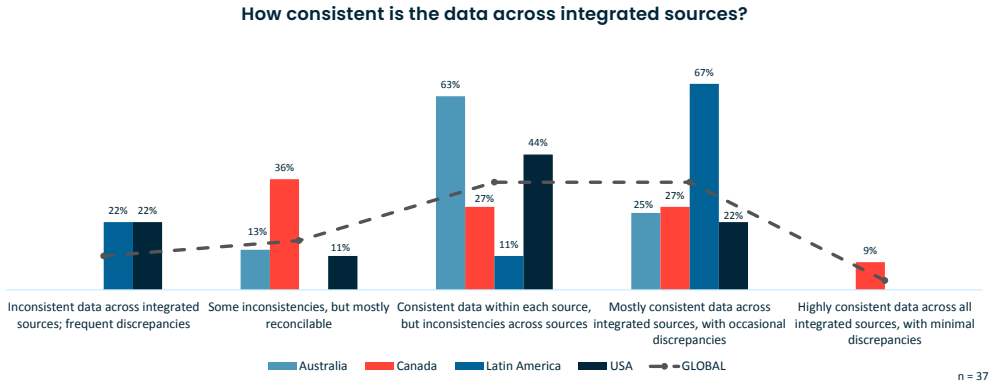
Data Integration



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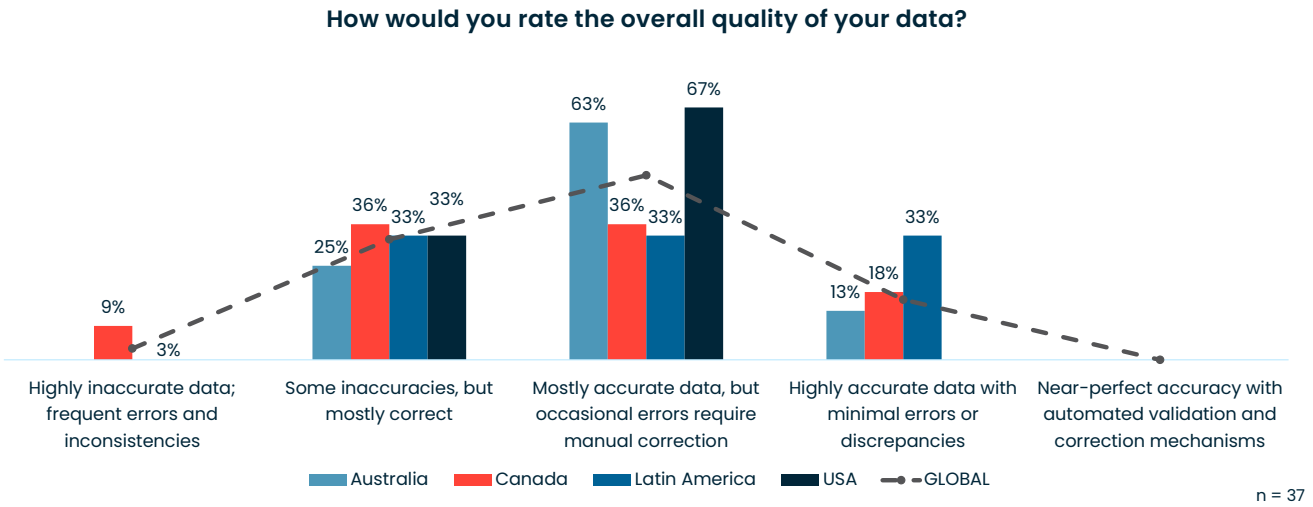
Quality & Integrity

Data quality and integrity is the biggest challenge for insurers (except Australia)

- **Data quality:** With the exception of Australia all regions are at the 'maturing' stage when it comes to data quality and integrity. Each region reported that their data was mostly correct, but with varying degrees of error or inaccuracy. Data literacy, data controls and data modernization efforts should continue in order to increase data quality throughout the organization.
- **Data cleansing and control:** Processes are in place in a significant number of companies, but inconsistencies persist across different data sets for many. Data control measures have enabled insurers to create consistency within each of their systems, but insurers have not yet conquered the problem of ensuring the same consistency between different data sets.
- **Data context:** Context is not always considered by insurers which is a cause of improper data use or inconsistencies across data sets. And, when it comes to AI, context is everything. AI models hallucinate or provide inaccurate outputs because they lack information in context. The only way to achieve data context successfully is by managing the metadata and sourcing routines, which is still a challenge for most companies.
- **Completeness:** Most companies regard their data as mostly complete and require only occasional manual inputs to fill gaps.

Data Qualilty

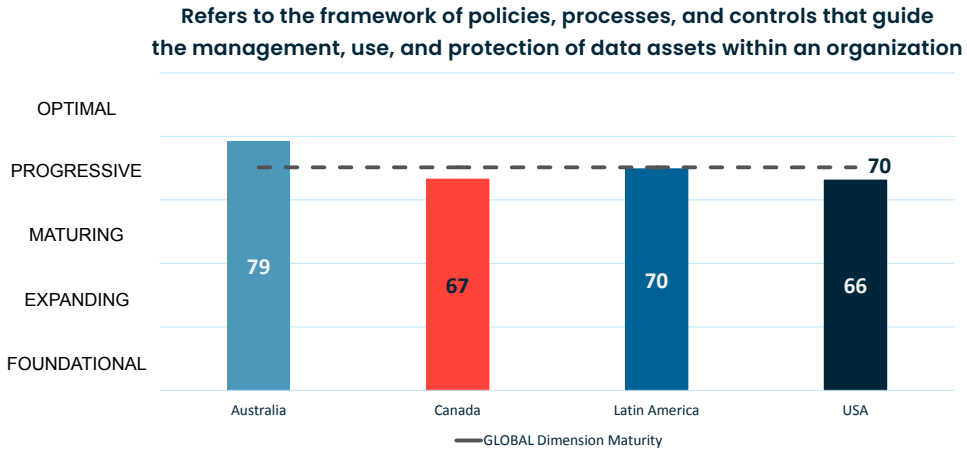


Governance

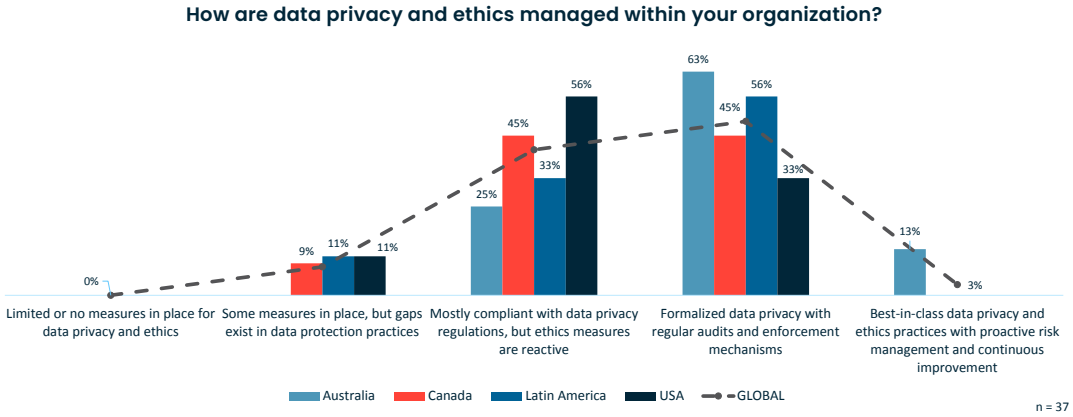
Governance policies have been created but implementation and enforcement are still a work in progress

- **Governance policies:** Data governance ranks as progressive across the regions, with Australia reporting the highest degree of progress in implementing policies and procedures to manage data activities. Many companies report they have created policies for most aspects of data management, protection and use, but some gaps remain in places and not all have achieved a state where the policies are always enforced or followed.
- **Data roles and responsibilities:** Insurers are doing a good job of creating well-defined data roles across their organizations. However, many insurers report that responsibilities are still not clear or are not enforced.
- **Privacy and ethics:** Most companies are fully compliant with regulatory requirements. All companies have put in place data privacy and ethics guidelines, but, for a few, gaps exist in data privacy protection. For a number of companies, ethics questions are dealt with reactively.
- **Data security:** Only a few insurers report that data security is not yet a priority for employees. For most companies, data security awareness is wide-spread and there is a commitment to compliance with procedures.

Governance



Data Privacy and Ethics



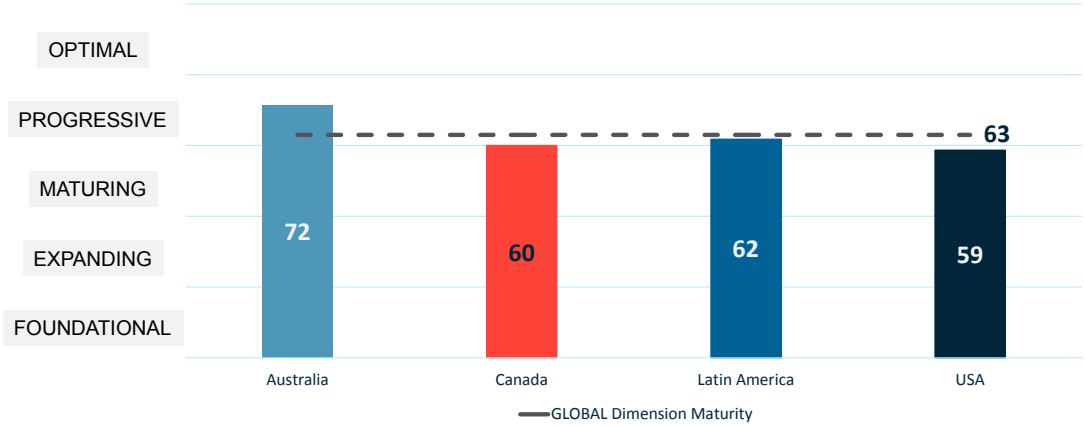
Analytics

Analytics adoption is high amongst life insurers—though automation and speed and breadth of sharing remain challenging

- **Analytics adoption:** Globally, insurers are at the mature level when it comes to implementing analytics solutions to derive insights from data that drive better decision-making and business outcomes.
- **Analytics usage:** All respondents are using at least basic descriptive analytics to gain insights into their data. Most insurers have reached a level where they are able to do some predictive analytics, using historical data to forecast trends or have actually implemented advanced analytics solutions. In advanced analytics solutions AI is added to traditional analytics and is used to identify opportunities that would be hard to spot in extremely large data sets or data sets that combine seemingly unrelated information.

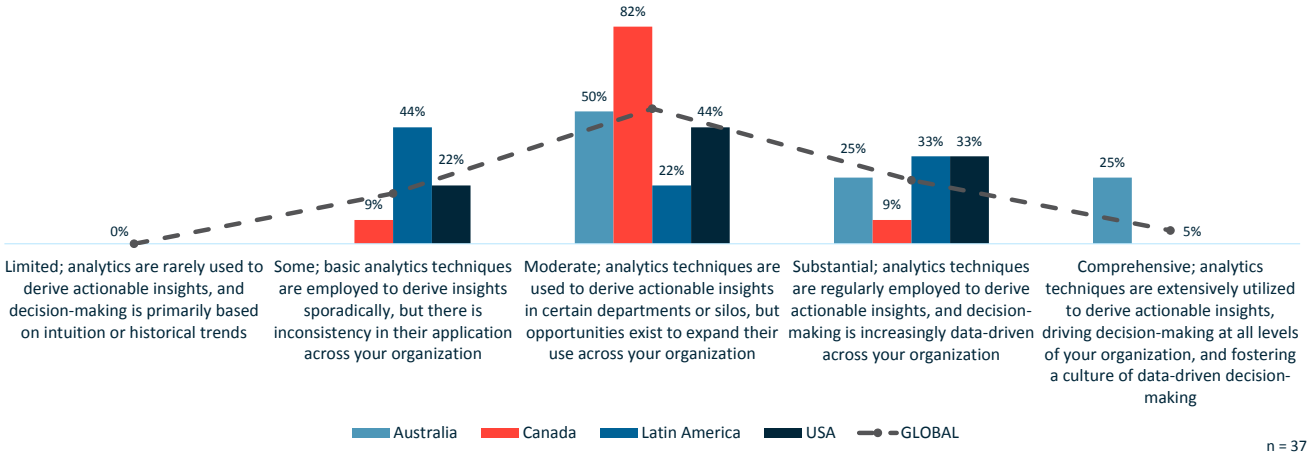
Analytics

Refers to the processes, techniques, models, and tools used to analyze and derive insights from data to support decision-making and drive business outcomes



Usability/Reliability

To what extent does your organization utilize analytics to derive actionable insights?



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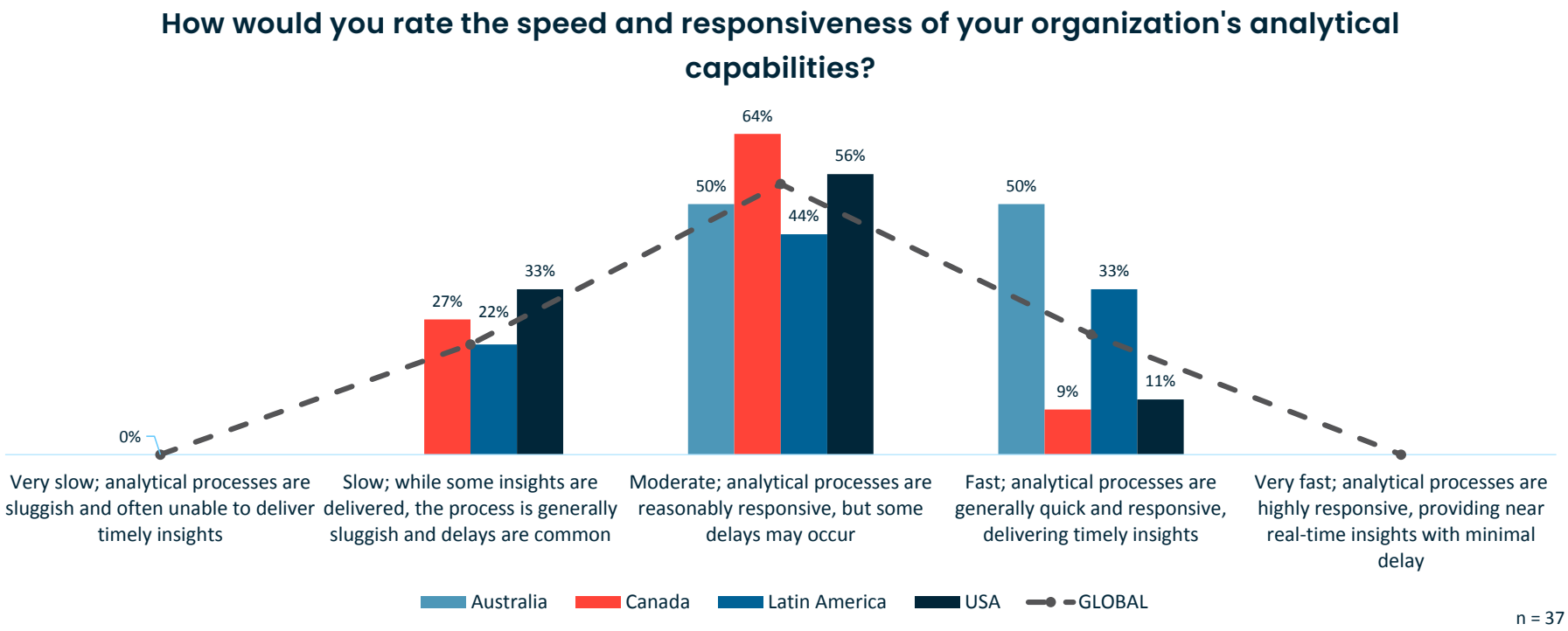
- **Speed and automation:** Analytical processes run at moderate speeds for most insurers and some delays in receiving insights in a timely manner can occur. Only a few respondents report that analytics processes are largely automated. In most cases some degree of manual intervention is required
- **Analytics sharing:** Sharing of analytics insights is not enterprise wide for most companies. Typically, analytics are used by parts of the company to support their particular function and are shared in limited ways. While sharing is limited, a significant number of organizations have reached a stage where decision-making is data driven across the board and insights are widely available.

Speed



Recommendations

How will AI transform your organization and benefit stakeholders in three years?

- Ultimately, we view AI as being a pervasive technology that will be deeply ingrained in all aspects of the operation wherever technology is employed. Generative AI will be no different than the internet's disruption to computing in the enterprise.
- AI will be used by employees across the organization for everyday tasks, making them significantly more productive. It will be used to improve the customer experience while never being allowed to negatively impact a customer.
- In 3 years, we may have some level of an enterprise-wide success for AI, but I suspect…that we will see pockets of successful implementations on small scales - either at the departmental or individual level. Success will be more bottom up than top down. While AI may represent a potential exponential shift in many areas over time, the limiting factor for us will be organizational, driven largely by ROI considerations. We have a long way to go in terms of technical mastery (both in IT and in the business), governance (including data governance), cost, and organizational commitment…I see years 3-6 as being more impactful.

Moving the needle today to meet the demands of tomorrow

To align data readiness with the demands of an AI-enabled future, industry can take the following strategic and tactical steps to "level-up" its readiness to Optimized.

- Communicate Strategy
- Lead on Data Governance
- Focus on Data Quality & Integrity
- Comply with Data Standards
- Foster Continuous Data Improvement
- Expand and Scale AI Use Cases

Begin with the end in mind

Communicate strategy more broadly across the organization.

- Articulate the vision for AI and how it will benefit your organization and employees, using storytelling and real-life examples to make the case for AI, while also addressing any fears or misconceptions about the technology.
- Develop an AI strategy that is fully integrated into the overall business strategy, clearly defining how AI initiatives will support and drive key business objectives.
- Create a strategic AI roadmap that outlines the evolution of AI capabilities within your organization, including key milestones, resource allocation, and investment plans – all aligned with business needs.

Lead on data governance

Consistently enforce data governance policies/procedures and accountability.

- Develop, document, and implement an AI governance framework to ensure that AI is used responsibly and in compliance with all applicable regulations.
- Expand and enhance data stewardship programs to include clear roles and responsibilities, ensuring that data stewards are empowered with the tools and training they need to manage data assets effectively and enforce governance policies.
- Implement and integrate automated data governance tools, such as automated policy enforcement, data cataloging, and compliance monitoring across the broader data management ecosystem.
- Conduct regular audits of data governance practices to identify gaps and areas for improvement, make adjustments based on evolving business needs and regulatory requirements.

Focus on data quality & integrity

Evaluate the effectiveness of data controls to address data quality issues and inconsistencies.

- Implement AI-driven data quality automation to detect and correct data quality issues more effectively. These technologies can identify patterns and anomalies that manual processes might miss, ensuring higher accuracy and consistency.
- Introduce data lineage tracking tools that provide end-to-end visibility into the data lifecycle. This should include the ability to trace data from its origin, through transformations, to its final use.
- Integrate rich metadata that includes detailed context, ownership, and usage rules.

Comply with data standards

Enforce adherence to data standards to ensure data consistency and integrity across integrated data sets.

- Identify and address inconsistencies across multiple data sets.
- Invest in real-time data infrastructure.
- Ensure all data is available and appropriately structured for new use cases.

Foster continuous data improvement

Empower a Kaizen data culture.

- Bolster data literacy, awareness, and accountability for every silo, level, department and individual in the organization.
- Regularly review and revise data management practices, policies, and procedures – remaining vigilant for gaps, bias, and "unknown unknowns".
- Establish continuous data profiling and monitoring processes that provide real-time insights into data quality metrics to proactively address potential quality issues.

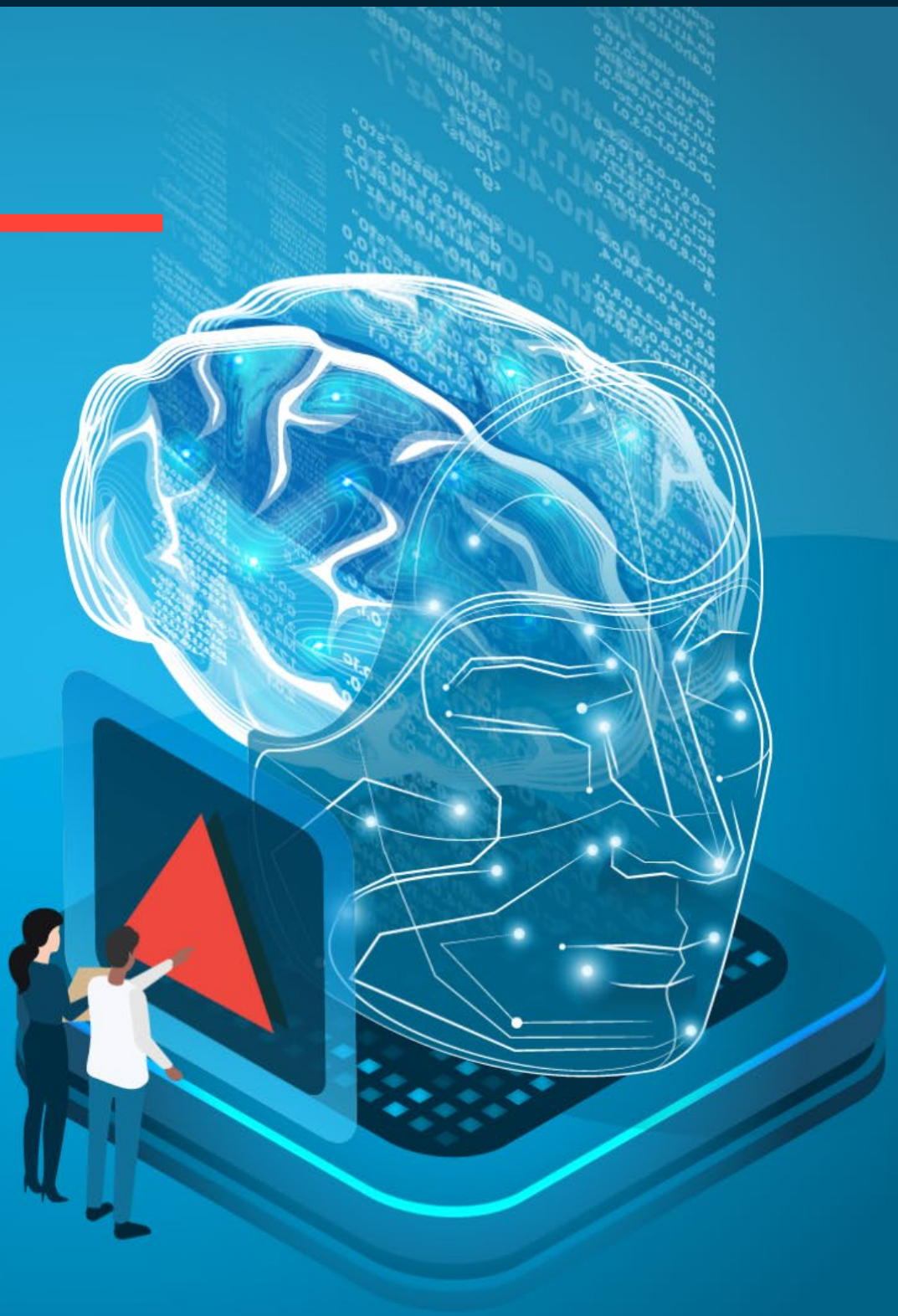
Expand and scale AI use cases

- Expand, deepen and scale successful use cases, and integrate them into core operational processes.
- Prioritize high-impact use cases that demonstrate clear ROI and have a significant impact on the business and align with strategic goals.
- Move beyond descriptive analytics by developing use cases that leverage predictive and prescriptive analytics.
- Standardize, replicate, and integrate. Once a use case proves successful, create a standardized framework to enable consistent and scalable value delivery across the enterprise.

How to Improve Data Readiness for AI

Dimension	Global Benchmark	How to Improve Data Readiness for AI
Organizational Alignment	69%	• Communicate strategy more broadly across the organization • Be more proactive in risk mitigation • Bolster data literacy and awareness
Infrastructure	72%	• Continue moving towards cloud-based architecture • Further centralize data storage to ensure secure, scalable, and efficient storage and management of data
Sourcing & Integration	62%	• Enforce adherence to data standards to ensure data consistency and integrity across integrated data sets • Increase consistency of data across integrated sources • Strengthen support for real-time integration • Increase speed and efficiency of data exchange
Quality & Integrity	60%	• Improve the quality of data • Evaluate the effectiveness of data controls to address data quality issues and inconsistencies • Further incorporate data context/metadata in your data management practices
Governance	70%	• Consistently enforce data governance policies/procedures and accountability
Analytics	63%	• Increase speed of analytics to generate quick, responsible, and timely insights • Further automate analytic workflows to streamline processes and reduce manual interventions • Share and encourage adoption of analytic tools and insights across the organization • Expand the use of analytics to derive actionable insights

Appendix



Sample of Data Readiness Scorecard Generated for Each Participant

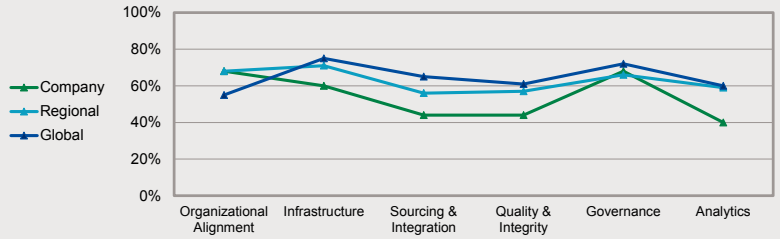
Data Readiness for AI Maturity Report Card

Sample Company

YOUR OVERALL MATURITY

MATURING

DIMENSIONS



SCORES

	Company		Regional	Global
Organizational Alignment	68%	Progressive	68%	55%
Infrastructure	60%	Maturing	71%	75%
Sourcing & Integration	44%	Maturing	56%	65%
Quality & Integrity	44%	Maturing	57%	61%
Governance	68%	Progressive	66%	72%
Analytics	40%	Expanding	59%	60%

For more information contact Dararith Ly at dly@limra.com

LIMRA LOMA equisoft

Data Readiness for AI Maturity Report Card

Reference Definitions

STAGES OF DATA READINESS FOR AI MATURITY:

OPTIMAL	Your organization has achieved excellence in data readiness. This includes a mature data infrastructure with real-time capabilities, and highly accurate and reliable data. Data governance is proactive and adaptive, with a strong emphasis on compliance, security, and ethical use of data. The organization continuously innovates and adapts to emerging technologies and market trends, maintaining a competitive edge through data-driven insights and actions.
PROGRESSIVE	Your organization is actively leveraging data as a strategic asset. This involves advanced analytics capabilities to derive actionable insights and drive business outcomes. Data-driven decision-making is ingrained in the organizational culture, and there is a focus on continuous improvement and innovation in data management practices.
MATURING	Your organization has an established core for managing and utilizing data effectively. This includes comprehensive data governance frameworks, advanced data integration capabilities, and improved data quality through automation. Organizations start to leverage analytics for insights and decision-making, moving beyond descriptive analytics towards predictive and prescriptive analytics.
EXPANDING	Your organization is beginning to scale their data capabilities in this stage. This involves investing in more robust data infrastructure, expanding data sources, and improving data quality through basic cleansing and validation processes. Data governance becomes more formalized, with defined policies and procedures for data management.
FOUNDATIONAL	Your organization has basic capabilities in place to handle data, including rudimentary data management practices, minimal infrastructure for data storage, and basic compliance with regulatory requirements. Data governance may be informal, with ad-hoc processes for data collection and storage.

DIMENSIONS OF DATA READINESS FOR AI MATURITY:

Organizational Alignment

The overarching plan and approach that an organization develops to leverage data effectively to achieve its business objectives.

Sourcing & Integration

The processes and mechanisms through which organizations acquire, aggregate, and integrate data from various internal and external sources.

Governance

The framework of policies, processes, and controls that guide the management, use, and protection of data assets within an organization.

Infrastructure

The underlying technology, systems, and architecture that support data storage, processing, and scalability within an organization.

Quality & Integrity

The accuracy, completeness, consistency, and reliability of data maintained by an organization.

Analytics

The processes, techniques, models, and tools used to analyze and derive insights from data to support decision making and drive business outcomes.

Artificial Intelligence

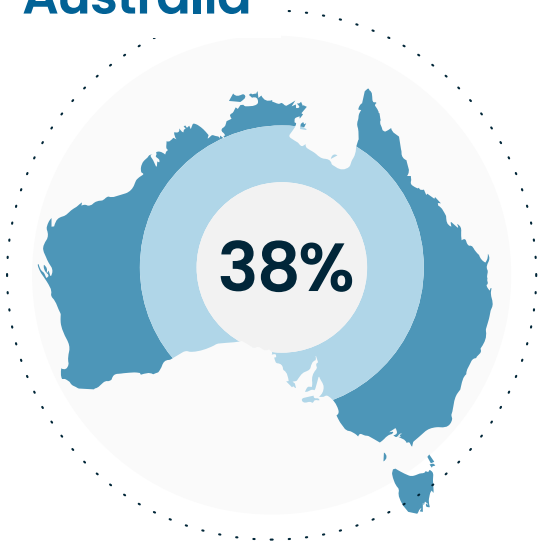
Globally, almost half (46%) of respondents felt they were either "**Not Really Ready" or "Not At All Ready"** to implement AI given their current state of Data Readiness

Currently, AI technology is most commonly used in Operations, followed closely by New Business.

However, in the next 12-24 months, it is projected to see the highest increase in utilization within Customer Service.

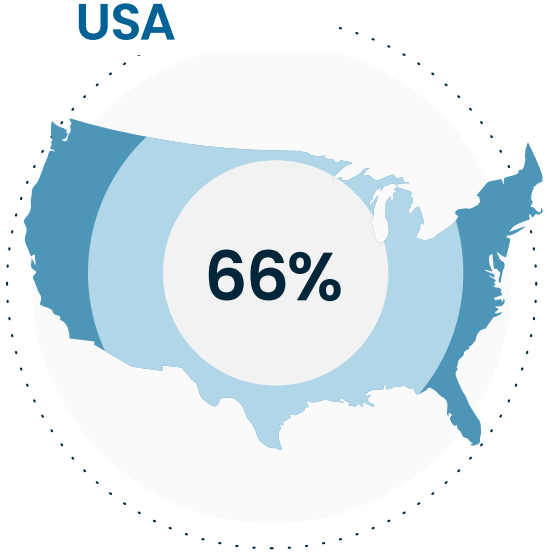
By region, those "Not Really Ready" or "Not at All Ready":

Australia

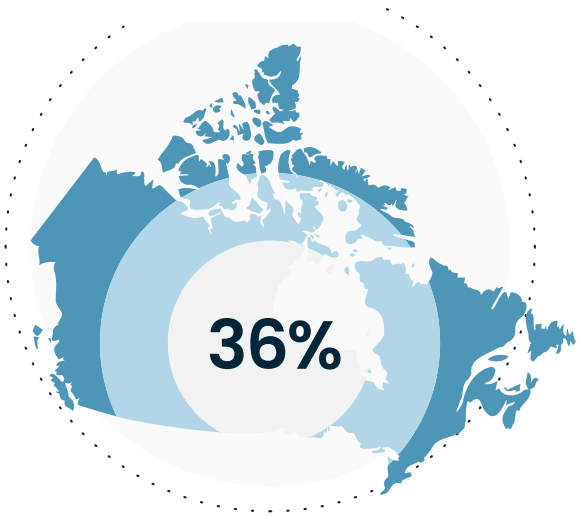


Latin America

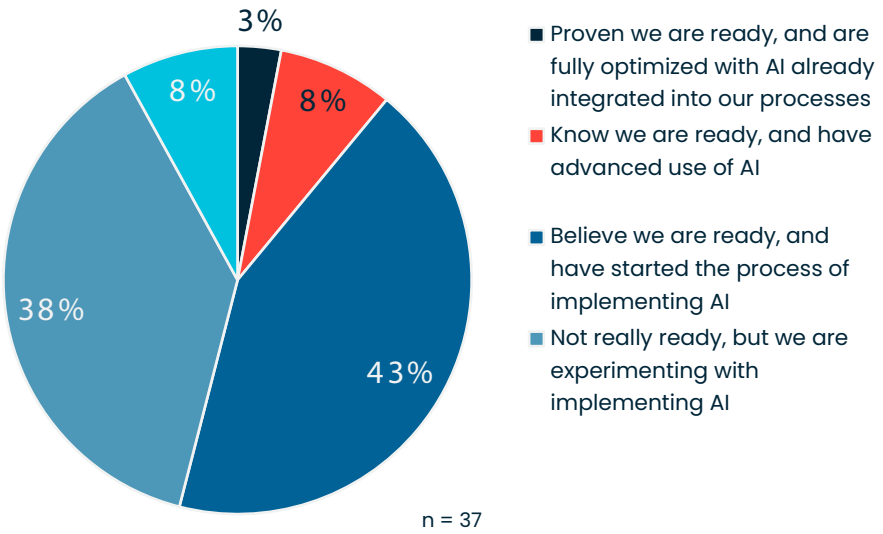
USA



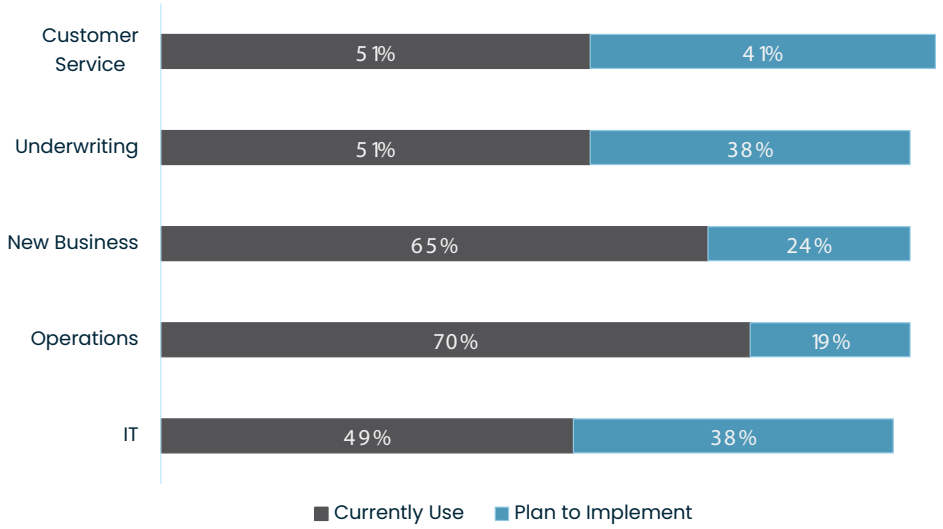
Canada



Current State of Data Readiness to Implement AI



All responding companies not currently using AI, in any operational area, intend to adopt it in the near future

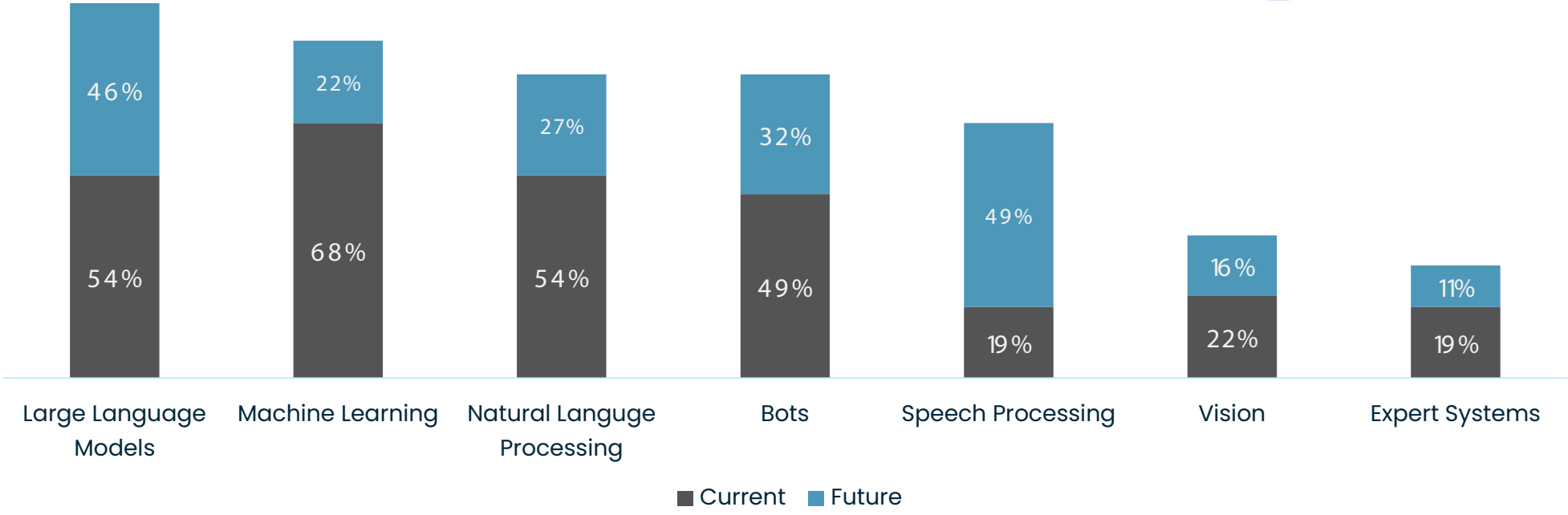


87% of responding companies are currently using AI in one or more operational areas

100%

of respondents are either currently utilizing Large Language Models or are testing them for use within the next 12-24 months.

Types of AI Being Used Operationally



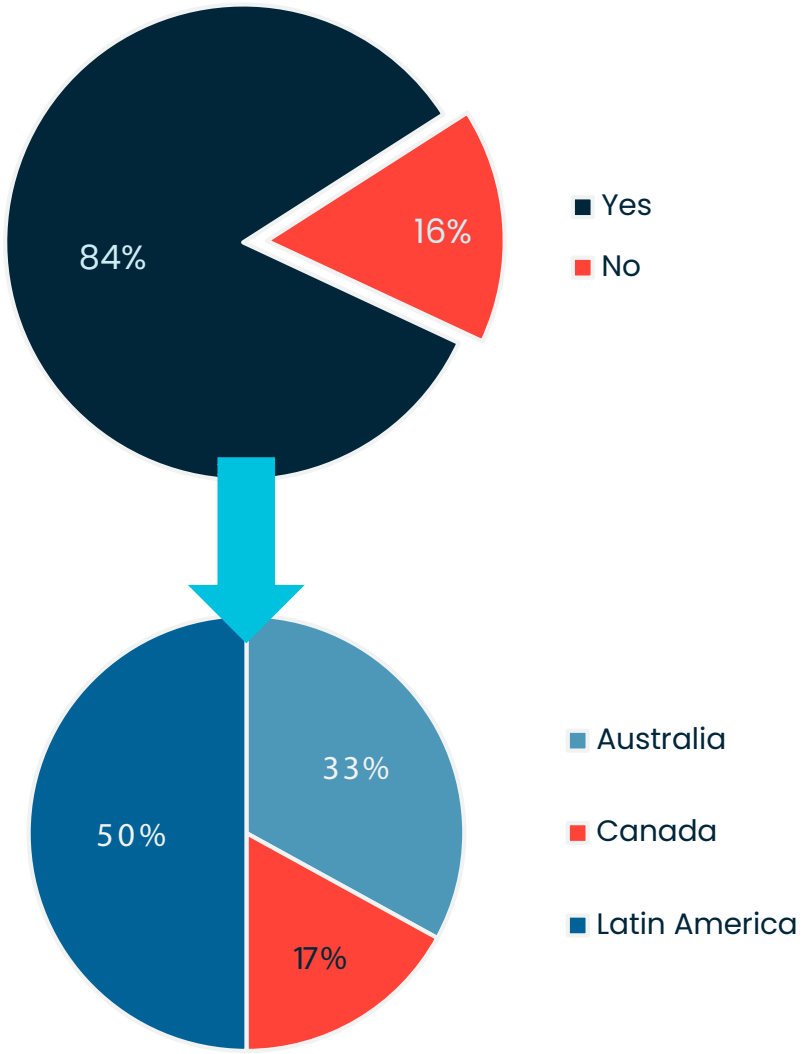
Explanations for Use Cases

Some reasons for having use cases:

- "There are plenty of opportunities for AI that will improve job satisfaction, quality, and productivity without having any impact on a consumer."
- "Enable iterative learning; prove out Gen AI opportunities."
- "Allows the organization to focus initial deployments to high value / low risk use cases to test value and adoption."

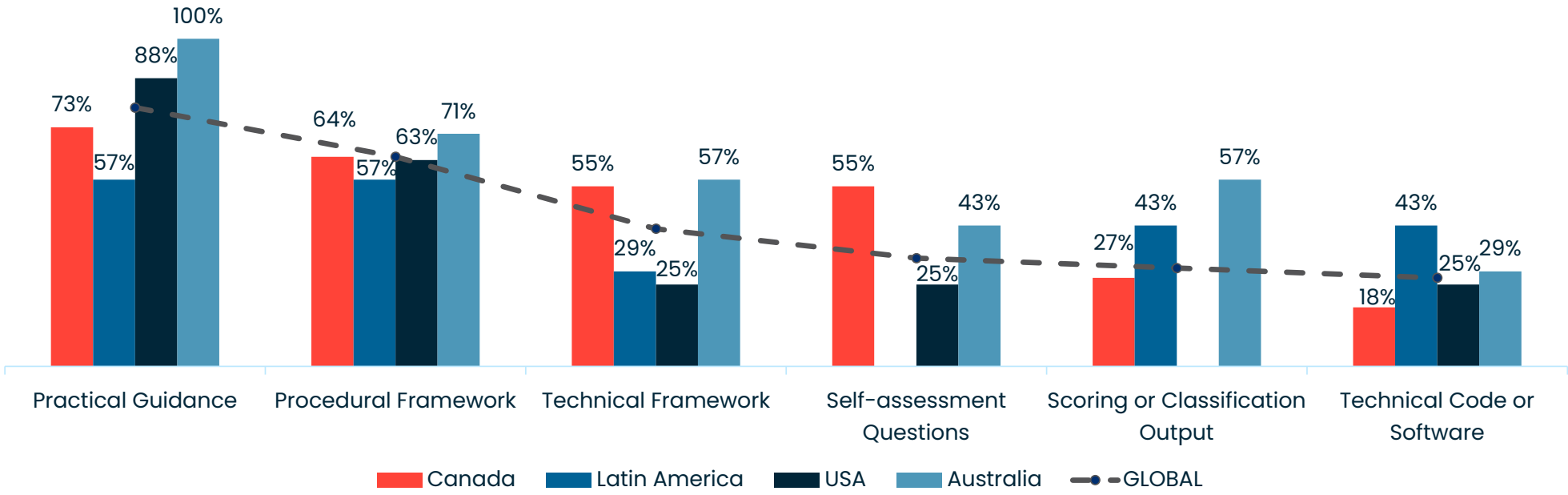
Some reasons for not having use cases

- "We are in a process of data normalization and process optimization."
- "Still implementing foundational elements…"
- "No focus at this time."
- "Not currently prioritized."



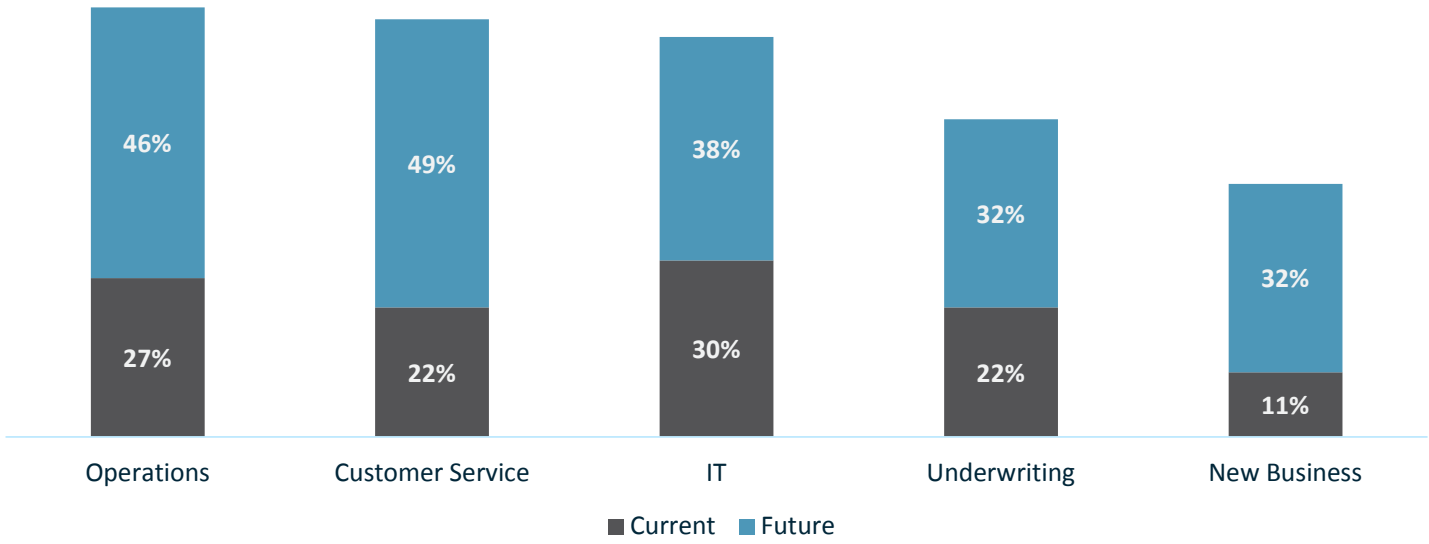
Governance Tools

If you are using AI, are you using any of the following governance tools?



Machine Learning

- Both Customer Service and Operations anticipate a substantial surge in Large Language Models deployments
- A third and up to half of respondents expect to use Large Language Models in all of these operational areas



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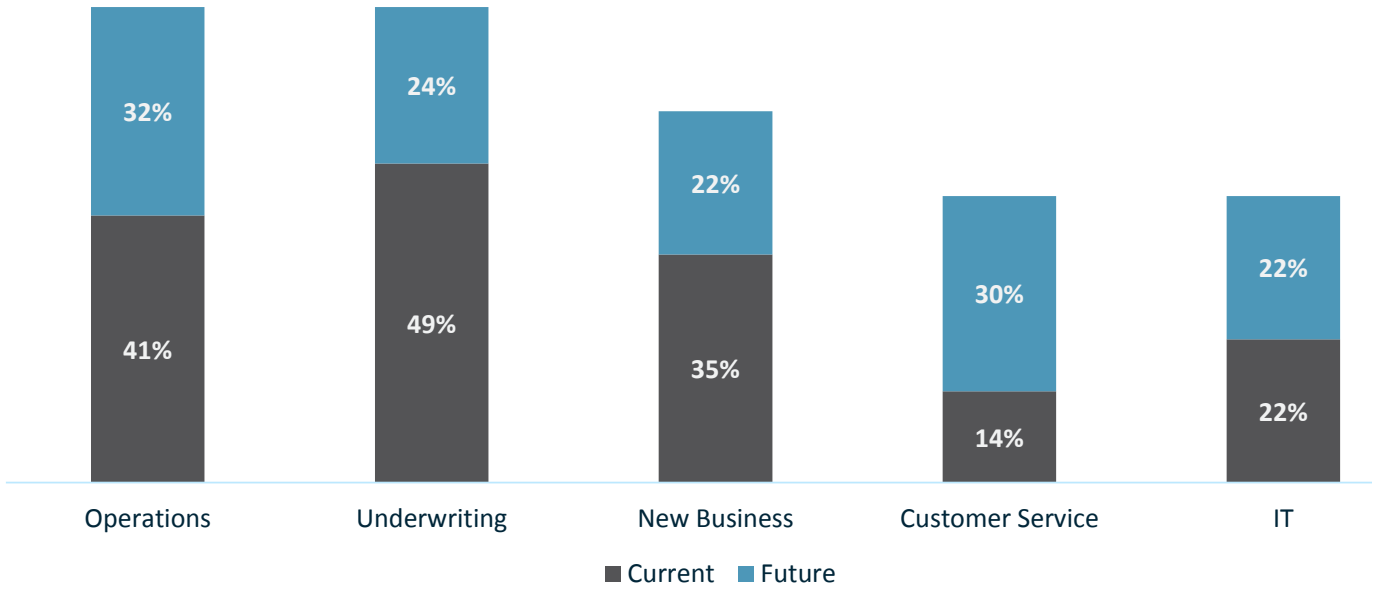
Machine Learning

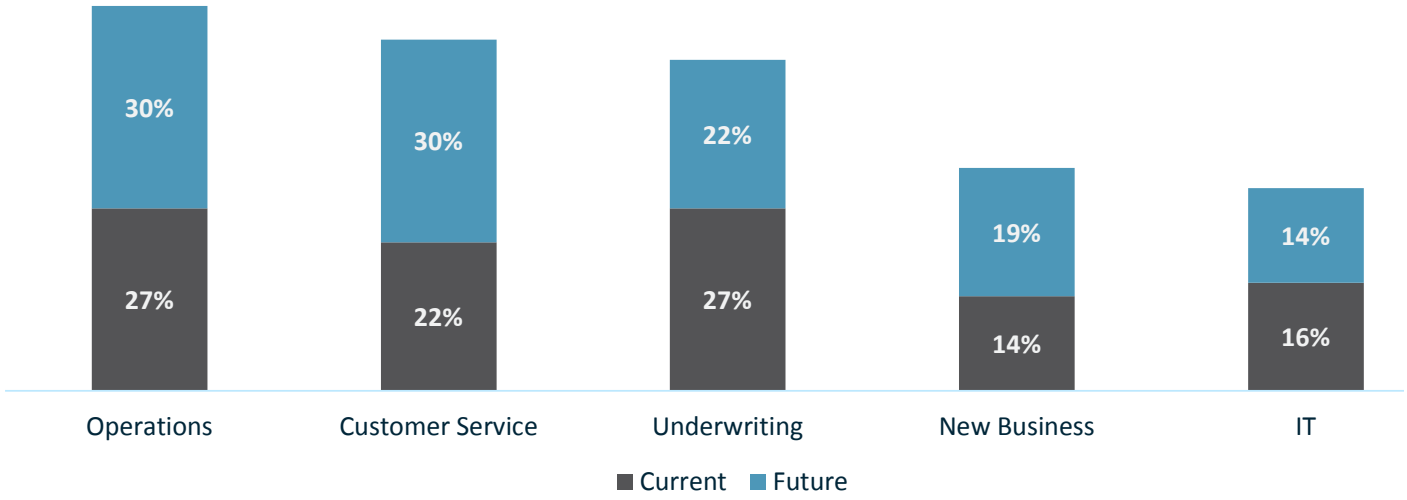
- Despite Underwriting having the highest current utilization of Machine Learning technology, Operations will catch up in the next 12 to 24 months

- Companies planning to use Machine Learning technology as a Customer Service tool in the future outnumber those currently using it by more than two to one



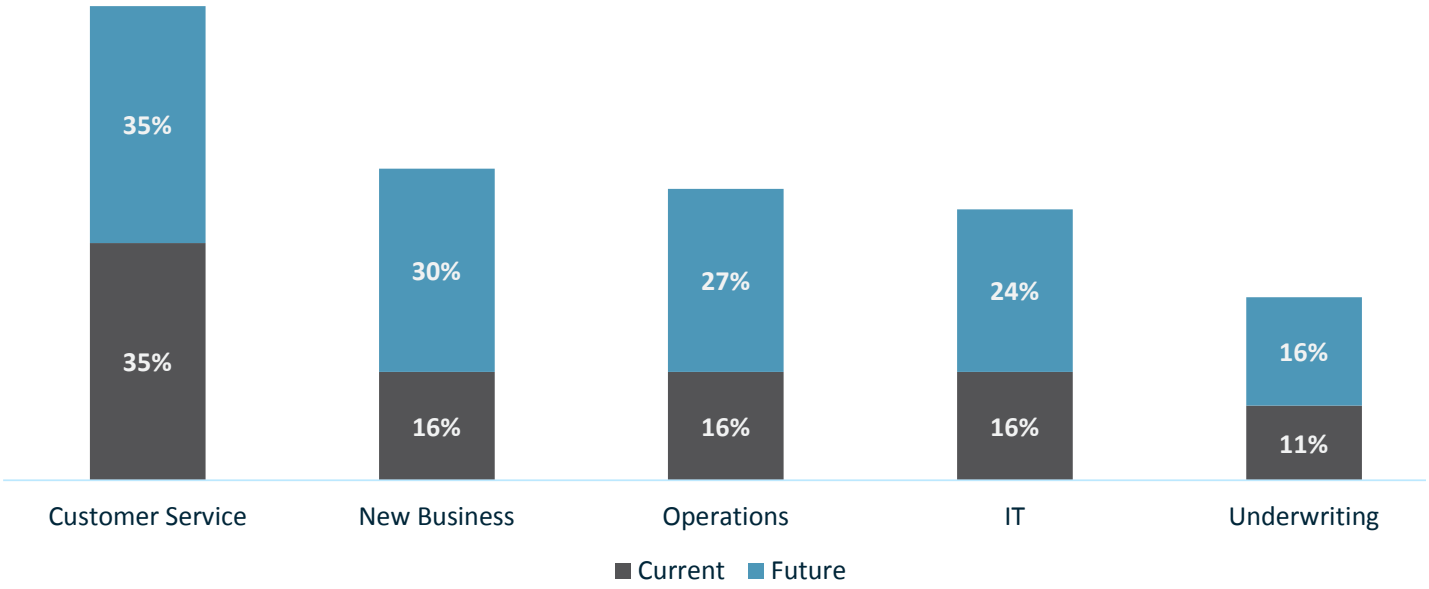
Natural Language Processing/Understanding

- Within 24 months, more than half of responding companies will be utilizing Natural Language Processing in their Operations and Customer Service areas



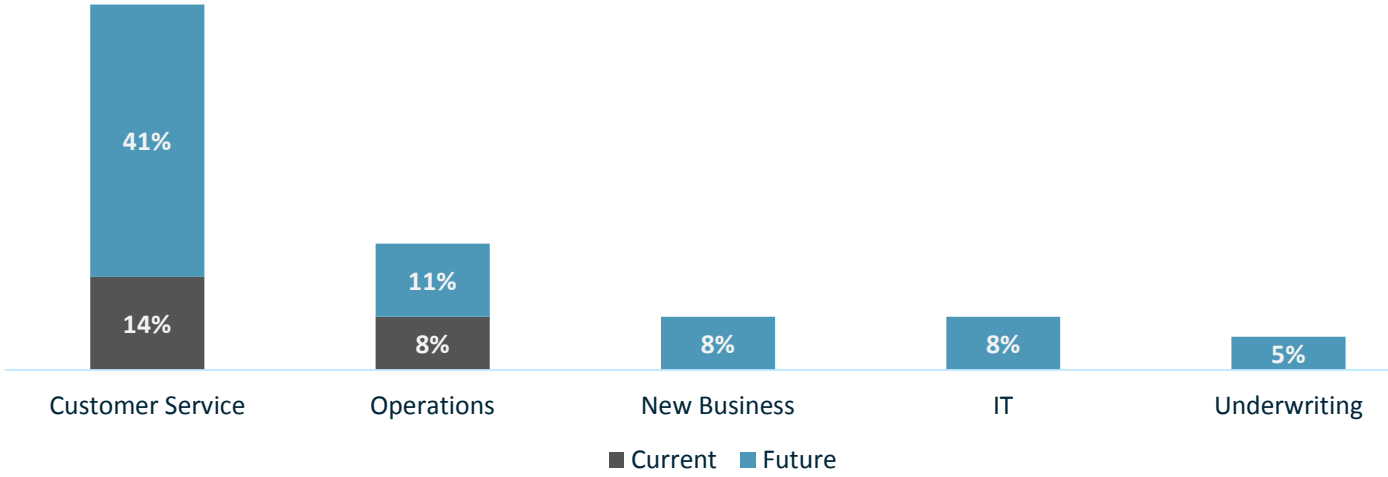
Bots

- Bots are currently most commonly used as a Customer Service tool, and the data strongly indicates that this trend will continue into the near future



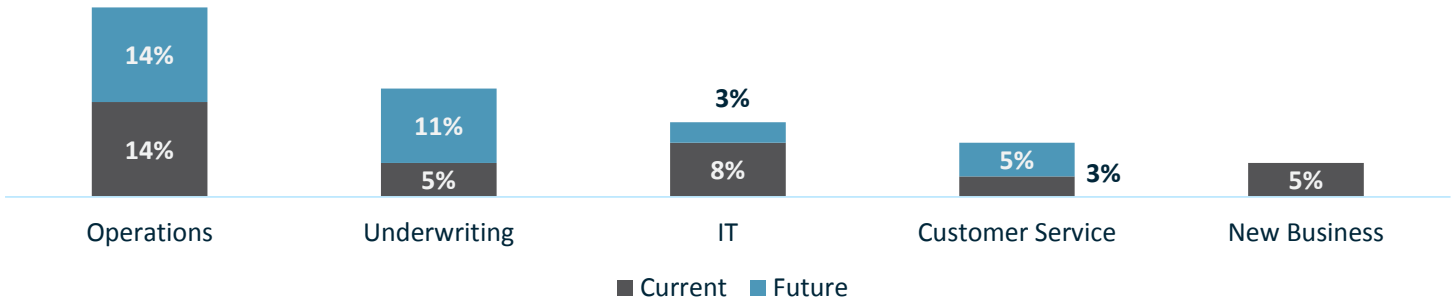
Speech Processing

- Speech Processing is currently used in Customer Service and Operations, and some have plans to implement it in New Business, IT, and Underwriting
- The anticipated rise in Speech Processing technology as a Customer Service tool could enhance customer experience (Cx) metrics



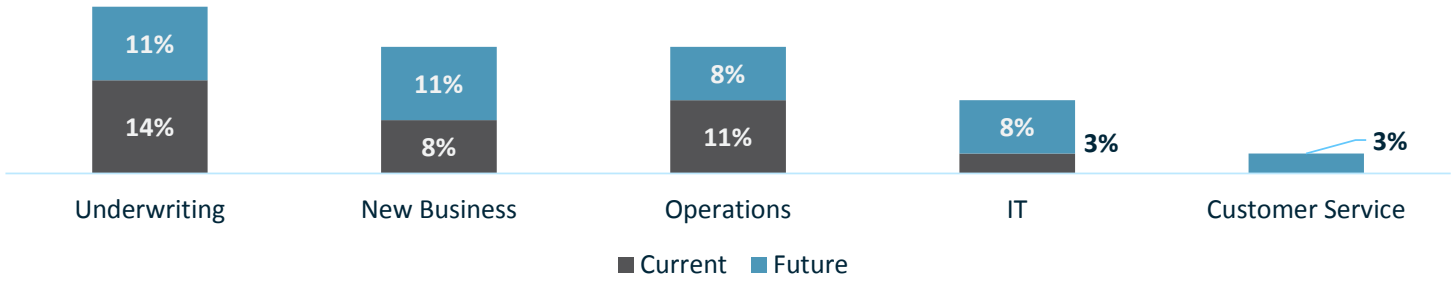
Vision

- Although Vision technology has yet to gain significant traction among our respondents, twice as many companies plan to adopt it as an Operations tool within the next 12-24 months



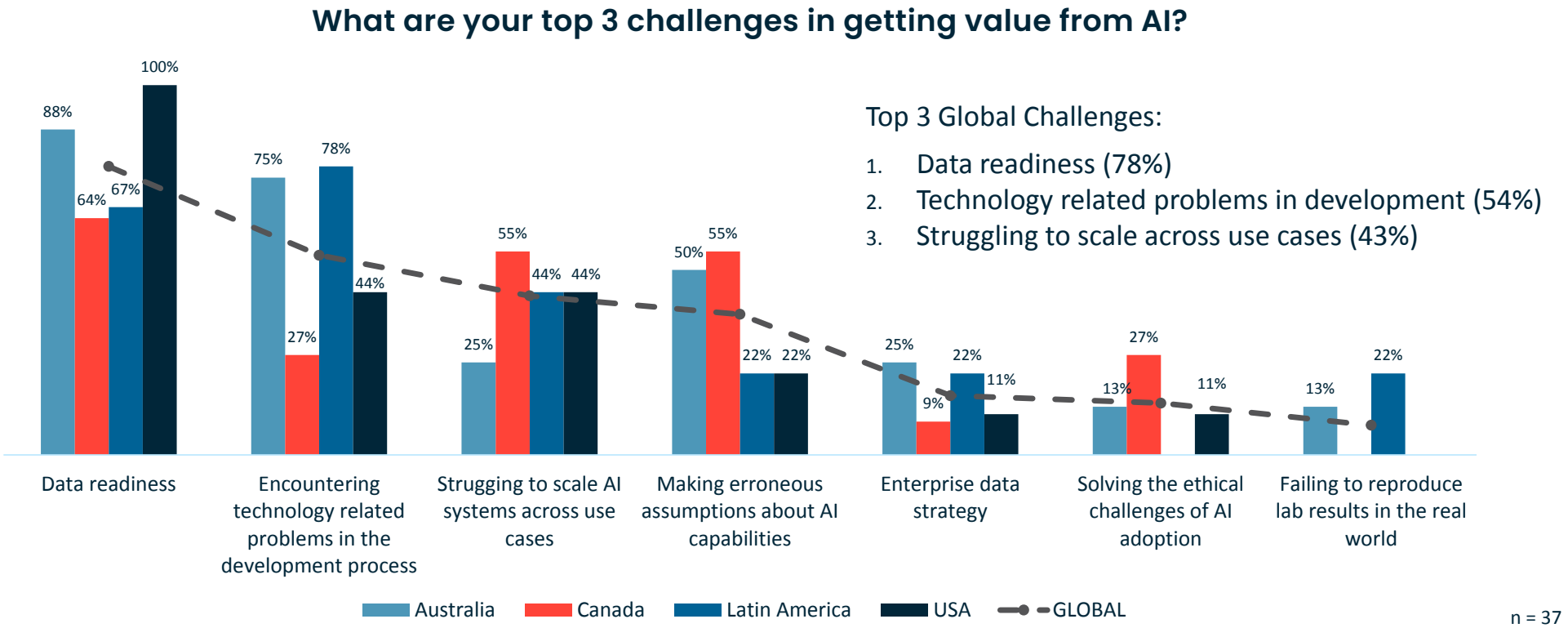
Expert Systems

- Responding companies are least likely to be using Expert Systems technology, though they are testing it for future use across all operational areas



Answers to AI Questions

Challenges



Top 3 Global Challenges:

1. Data readiness (78%)
2. Technology related problems in development (54%)
3. Struggling to scale across use cases (43%)

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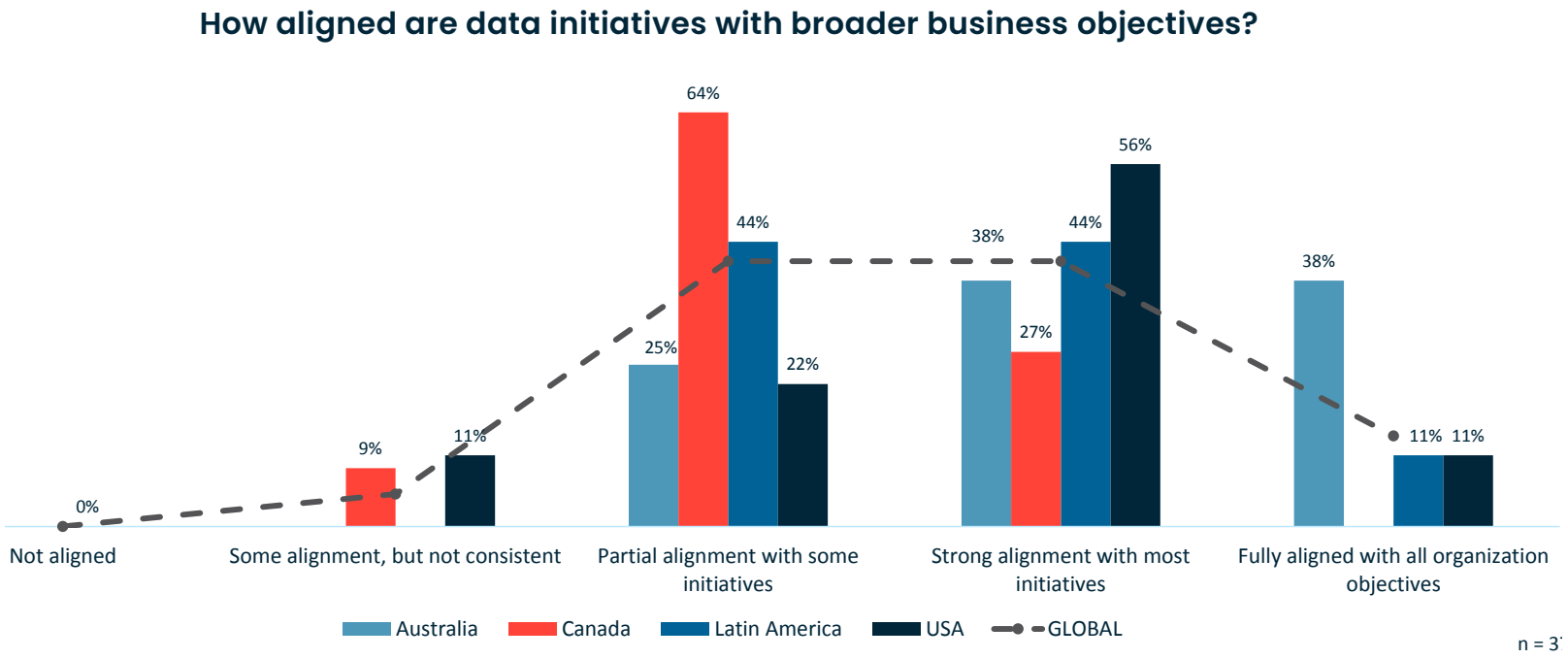
Reponses to Individual Questions Within Each Dimension

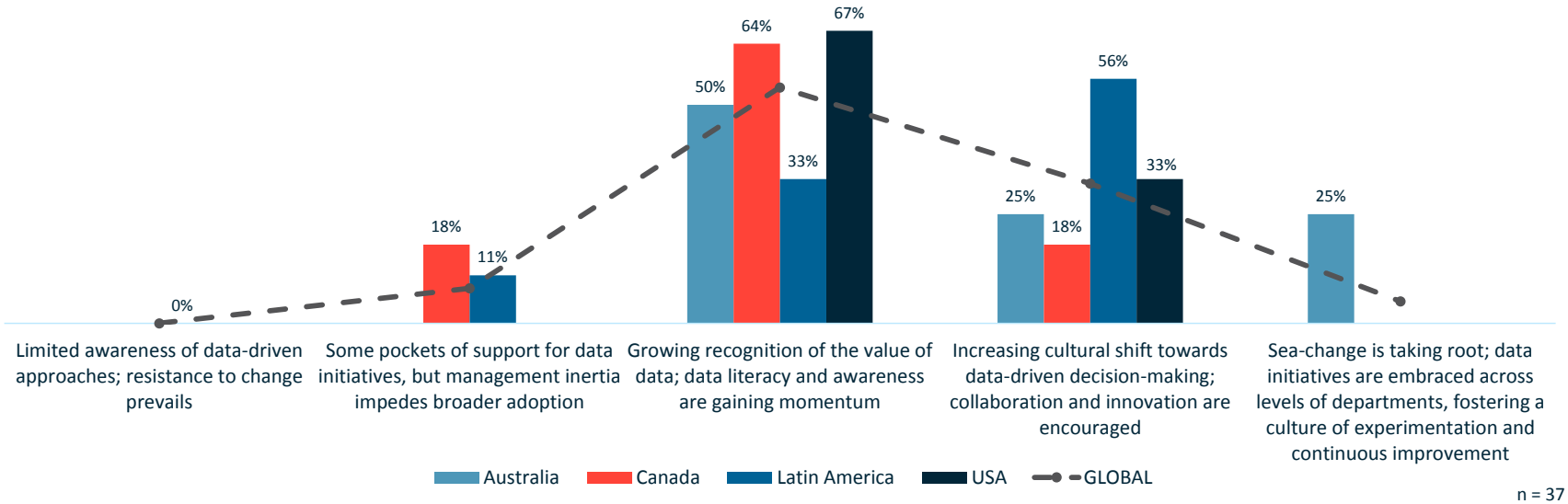
Organizational Alignment

Vision & Goals



Culture

How would you describe your organizational culture regarding data initiatives?



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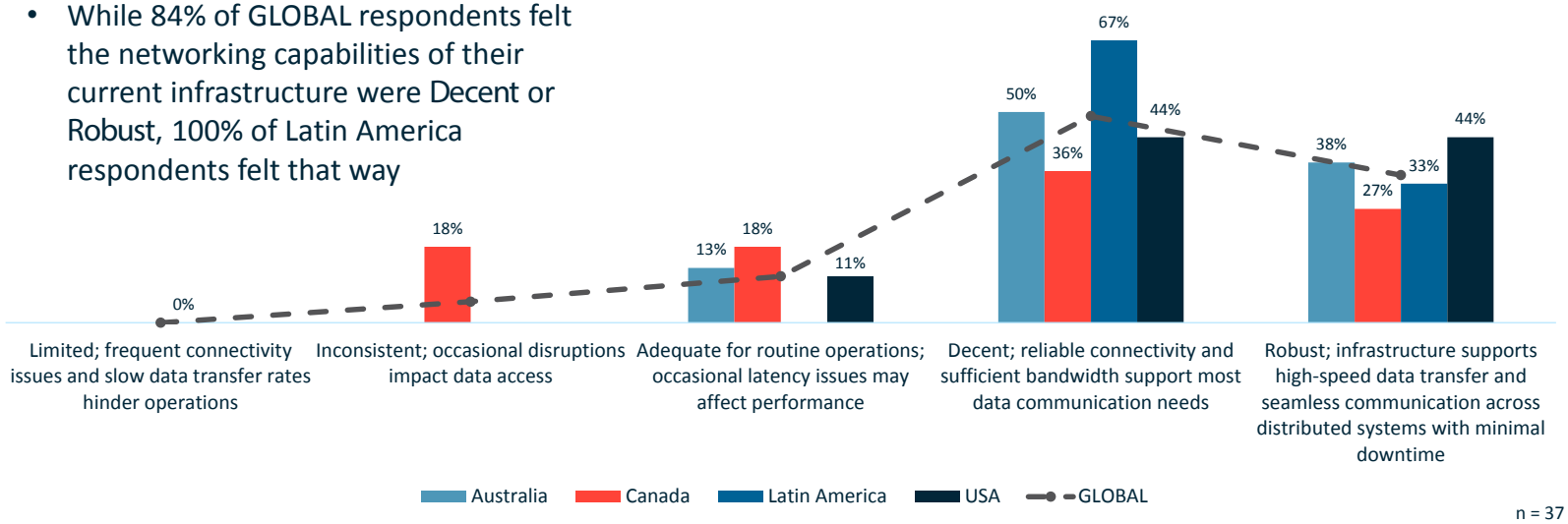
Infrastructure

Networking

Which best describes the networking capabilities of your current infrastructure (e.g. data centers or cloud)?

- While 84% of GLOBAL respondents felt the networking capabilities of their current infrastructure were Decent or Robust, 100% of Latin America respondents felt that way



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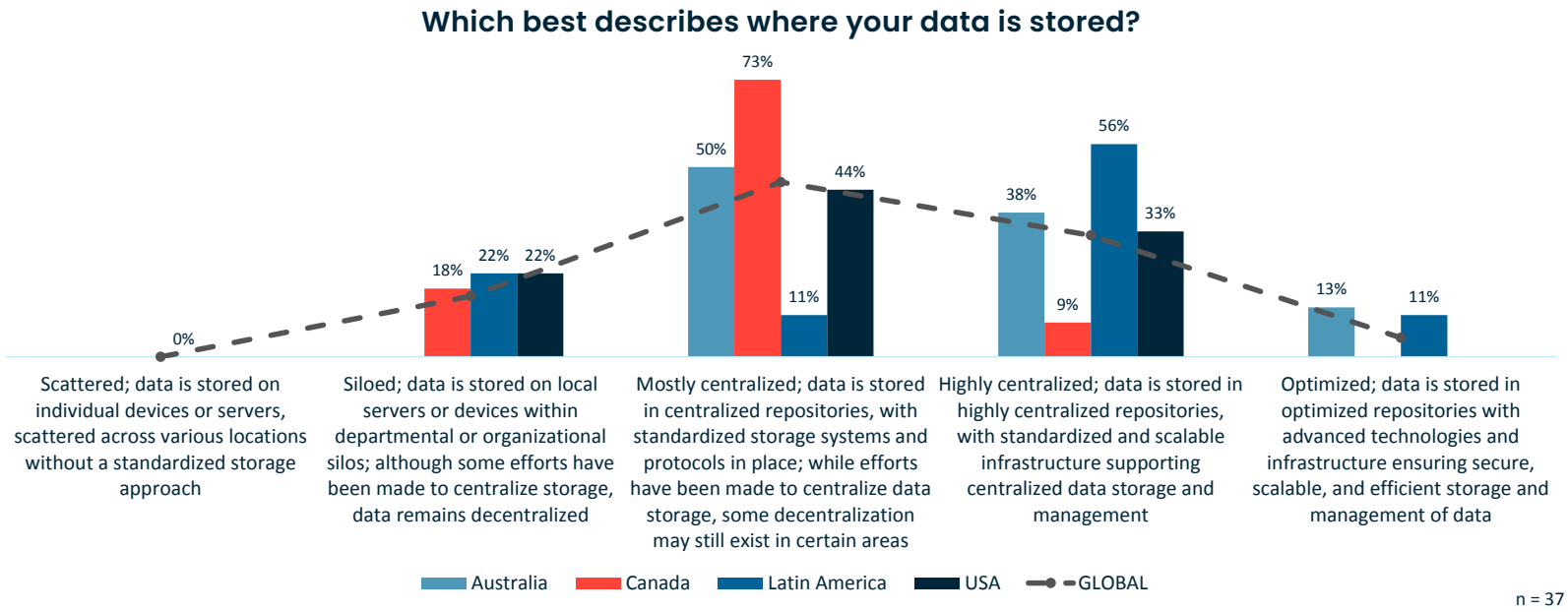
Data Centralization



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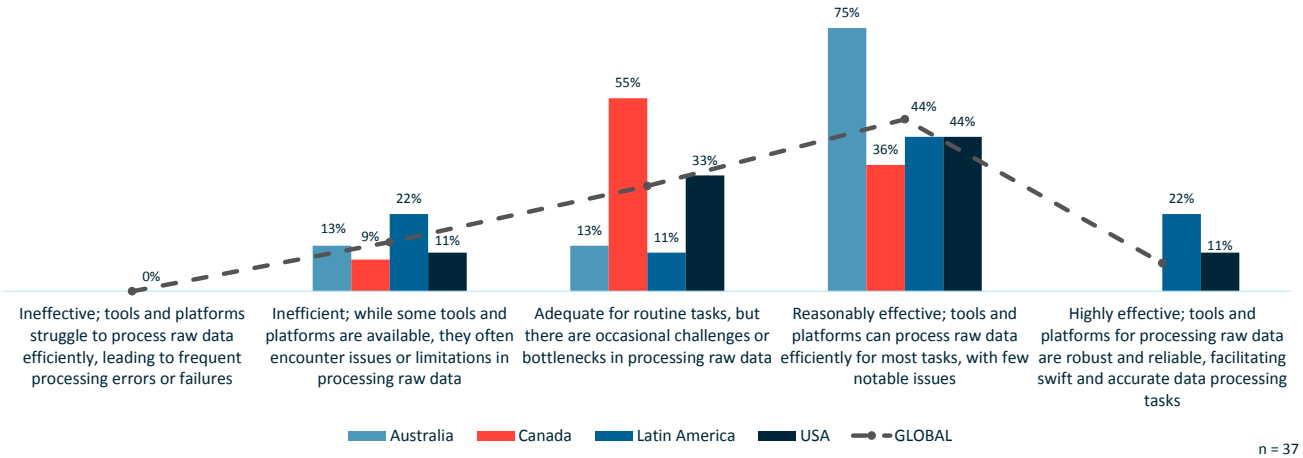
Data Processing

How would you rate the effectiveness of your data processing capabilities?



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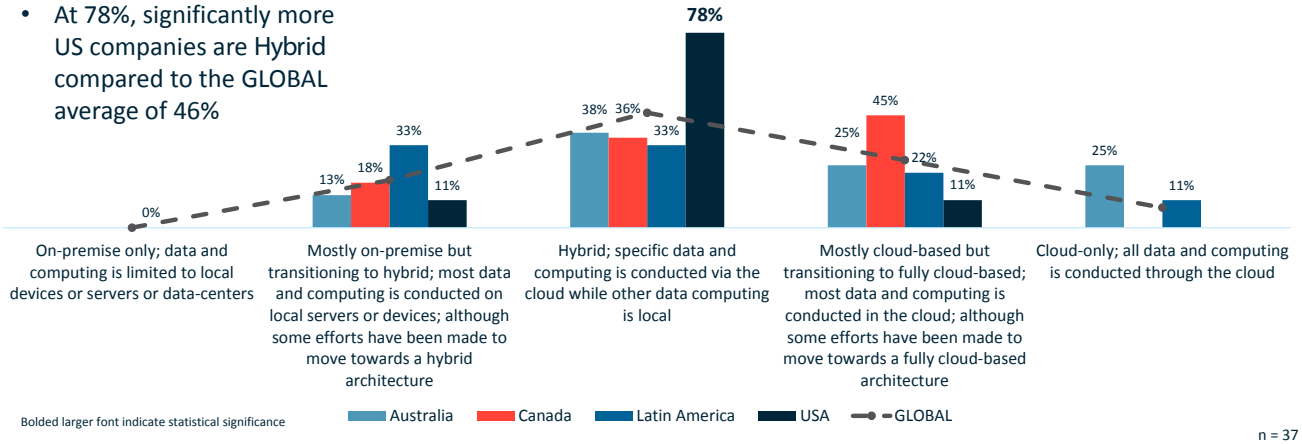
Cloud Migration Architecture

Where would you position your organization on the journey of migrating data and computing architecture?

- At 78%, significantly more US companies are Hybrid compared to the GLOBAL average of 46%



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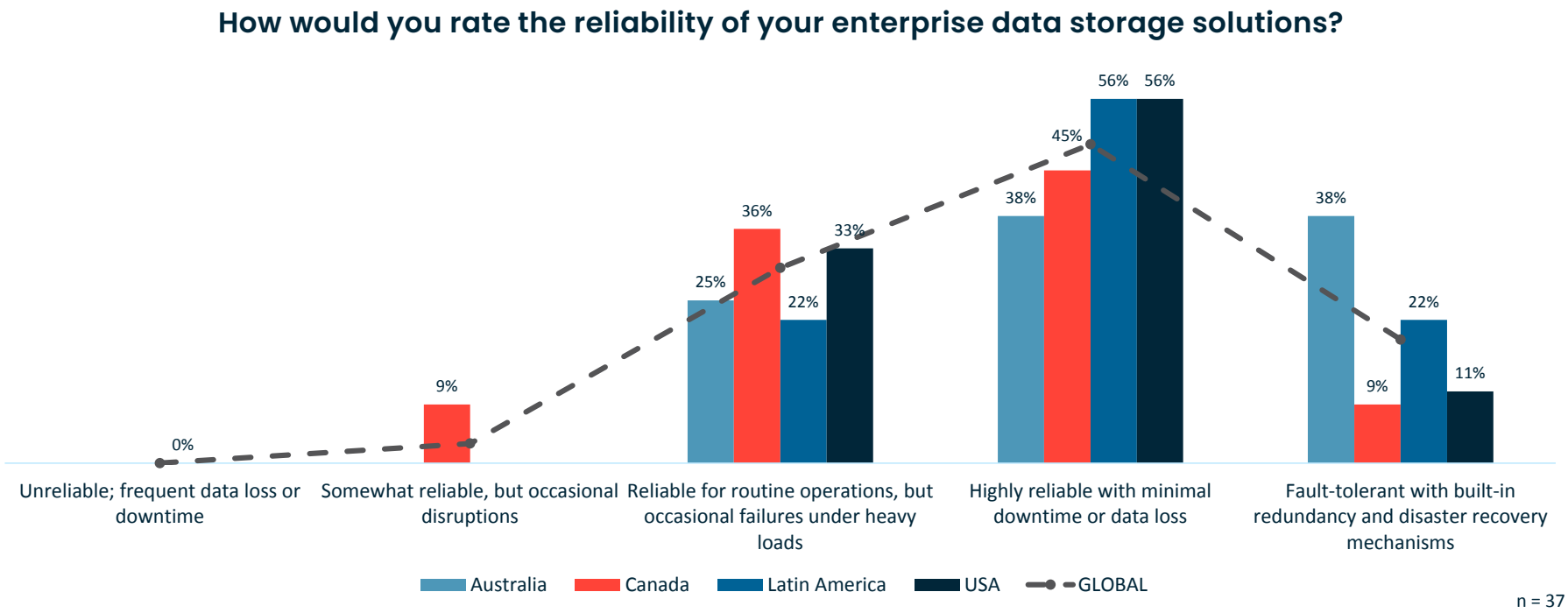
Data Storage Reliability



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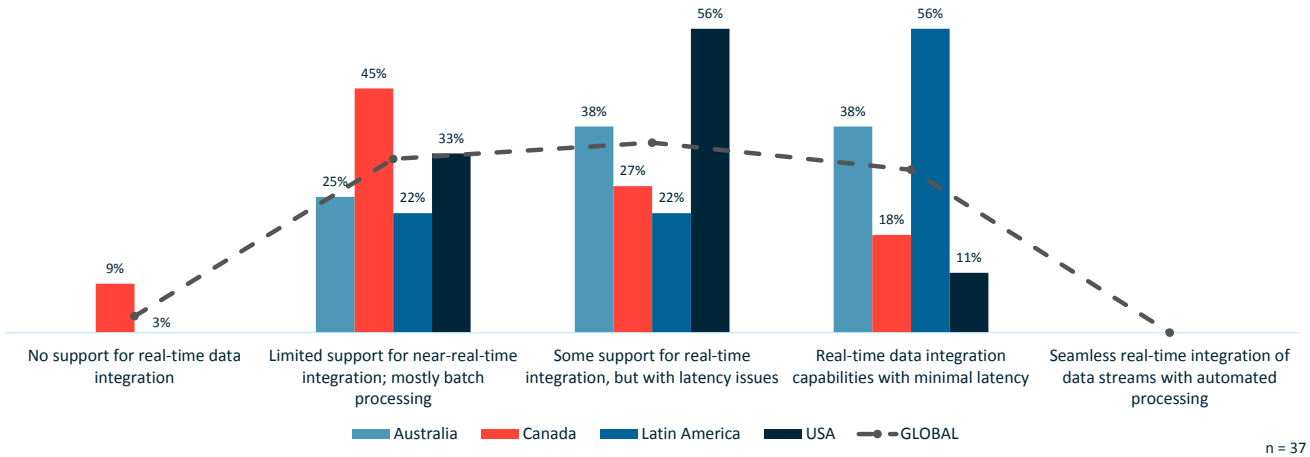
Sourcing & Integration

Real-Time Capabilities

What level of support does your infrastructure provide for real-time data integration?



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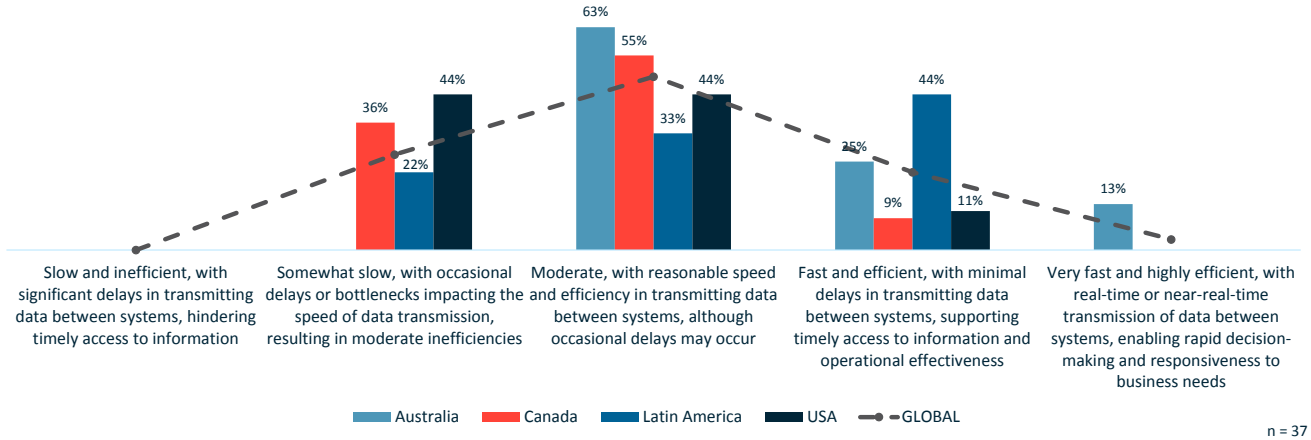
Data Exchange Speed

How would you rate the speed at which data is exchanged between your systems and external sources (e.g. vendors, trading partners, customer sources)?



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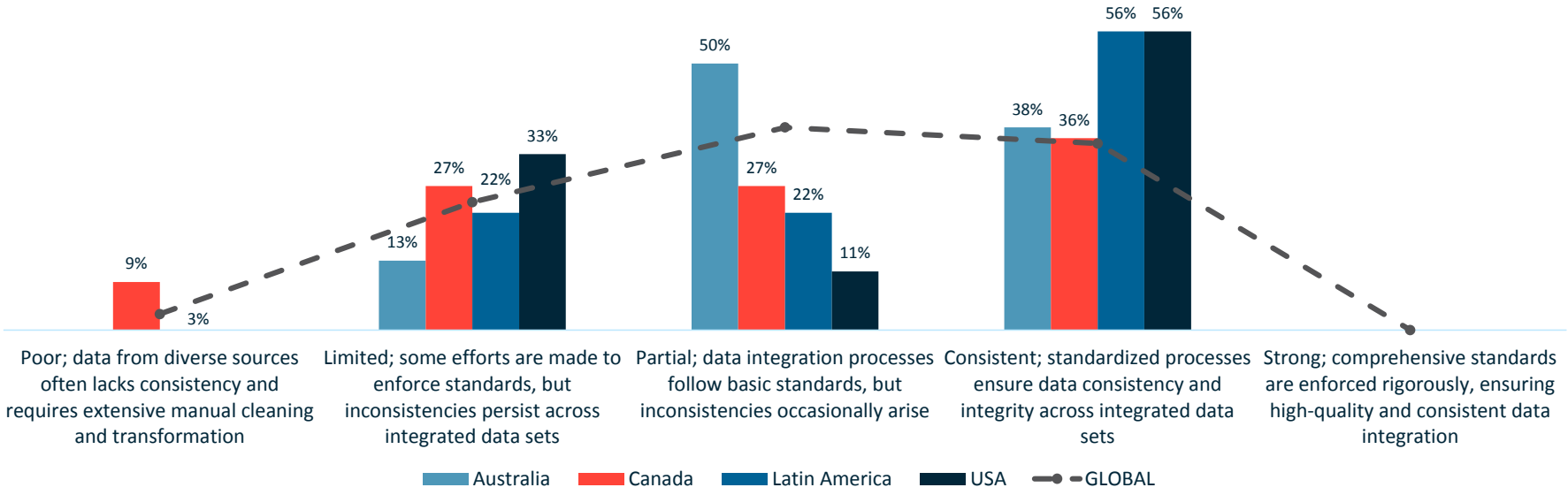
Data Standards

How would you assess the adherence to data standards in your sourcing and integration processes?



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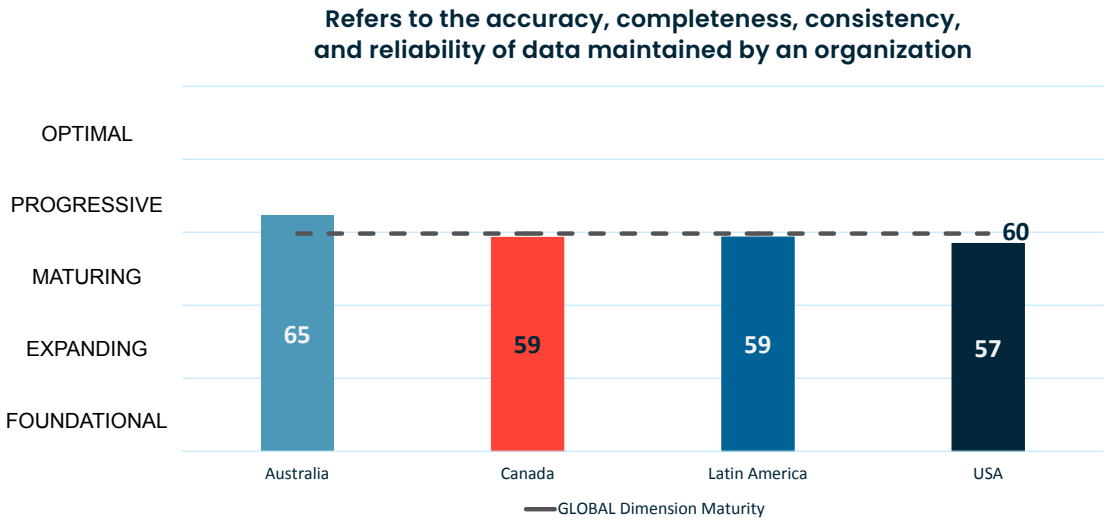
Quality & Integrity



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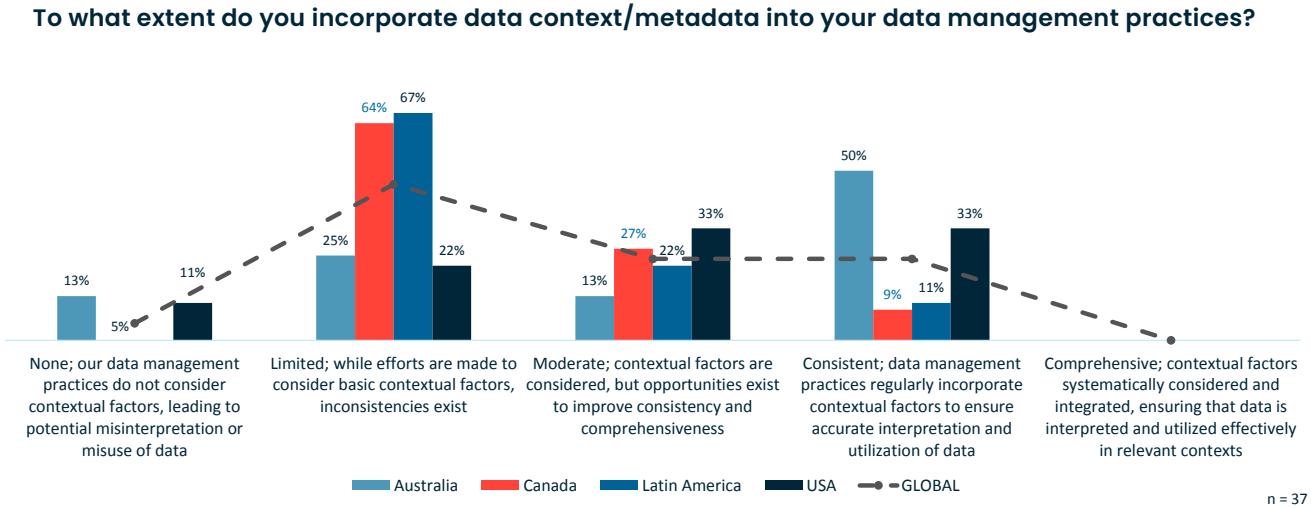
Data Context



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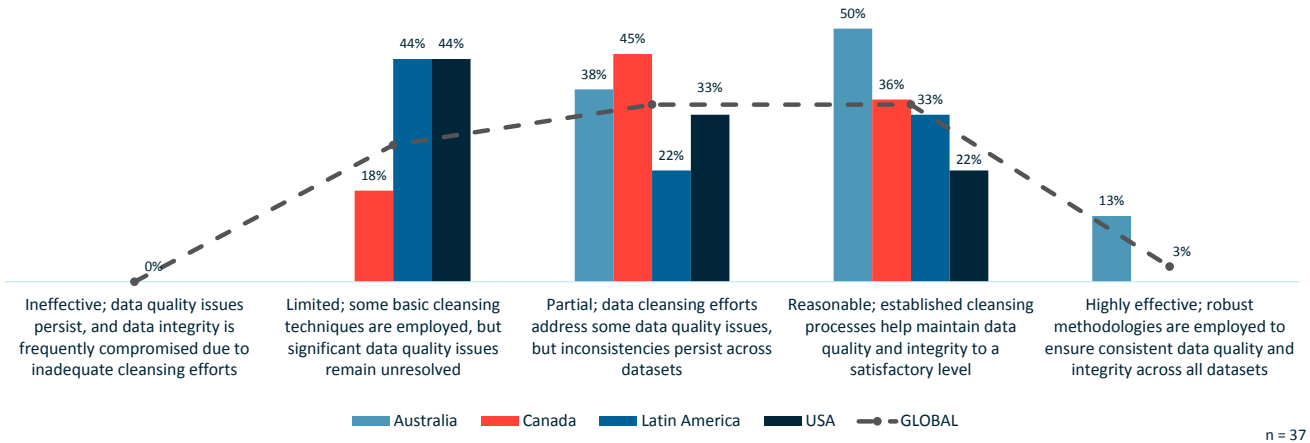
Data Cleansing

What is the current state of your organization's data cleansing processes?



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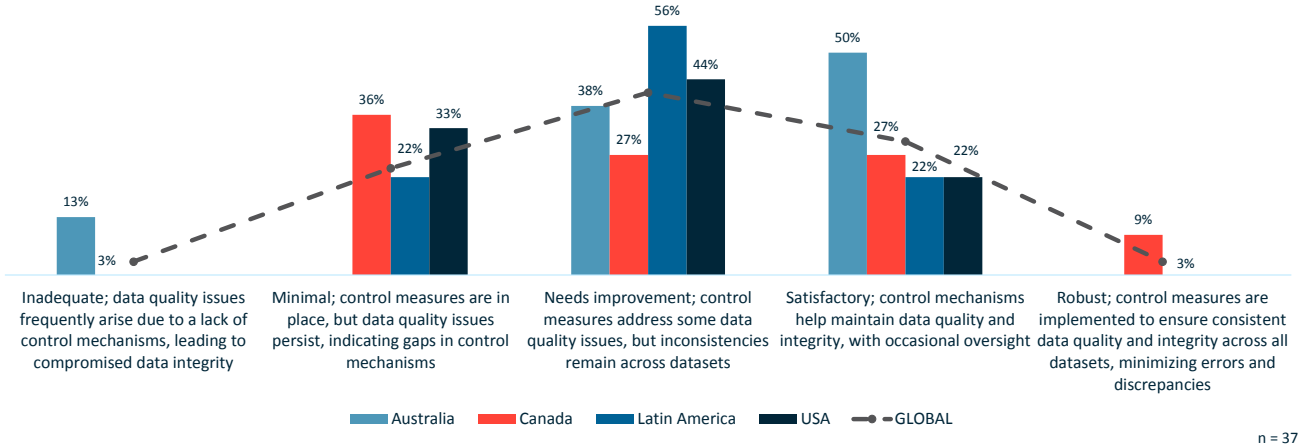
Data Controls

How would you evaluate the effectiveness of data controls in ensuring data quality and integrity?



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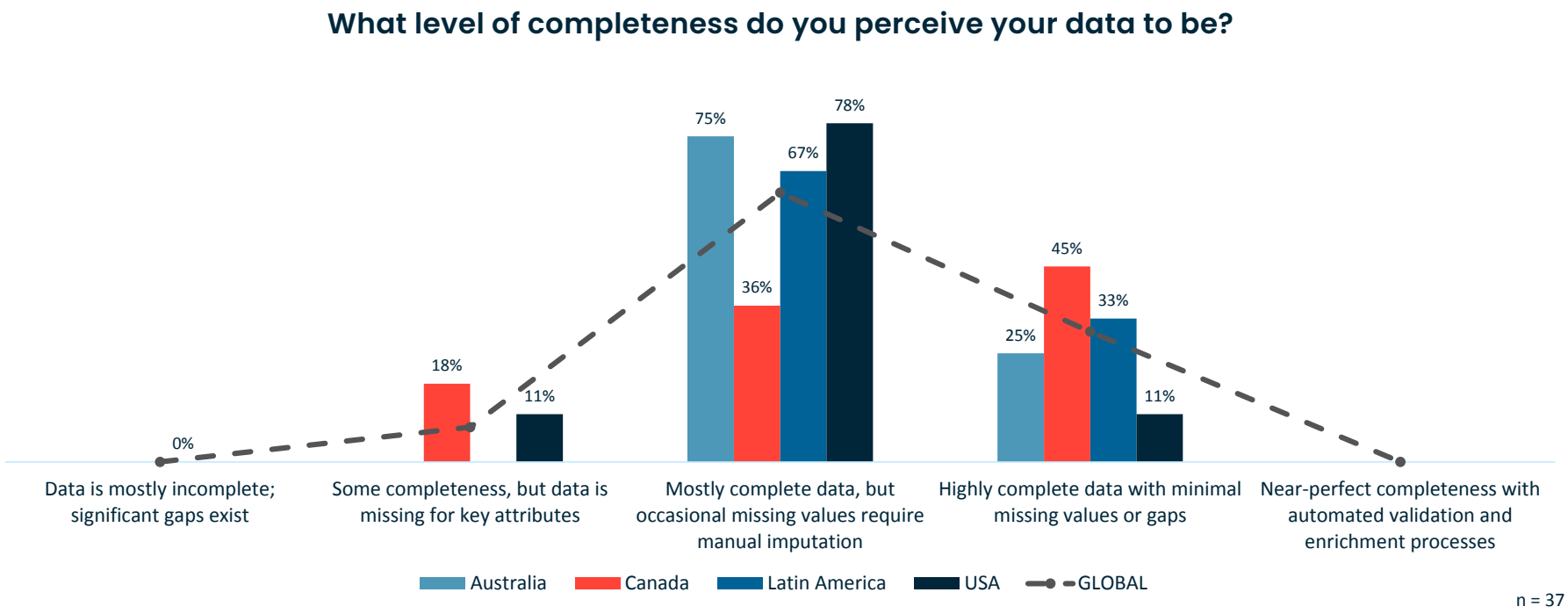
Data Completeness



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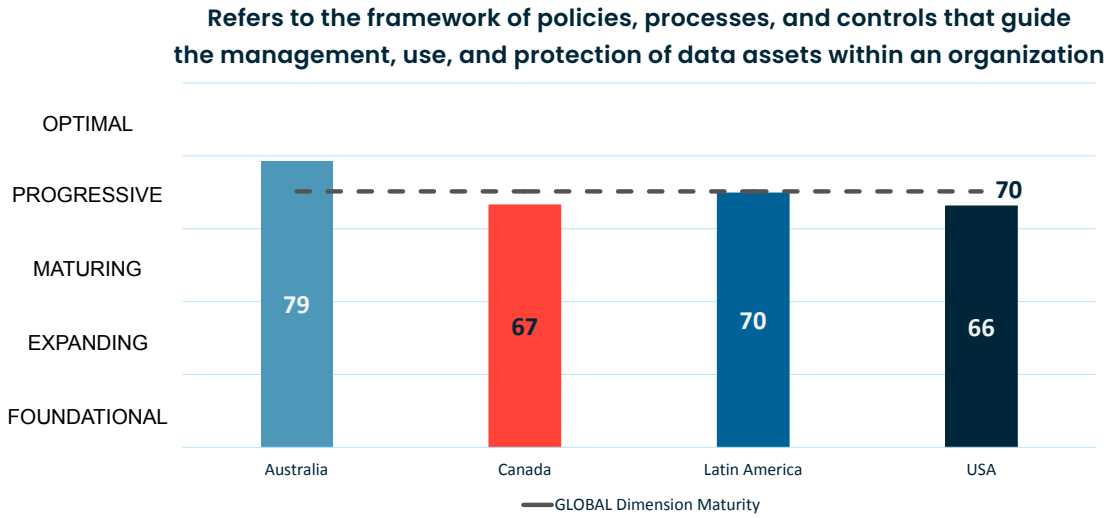
Governance



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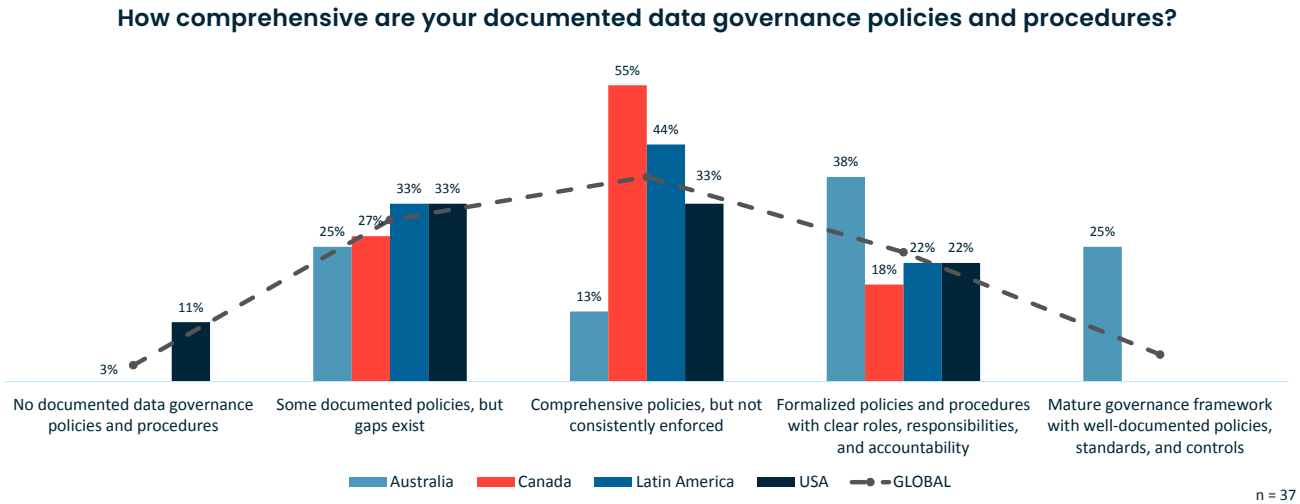
Data Policies and Standards



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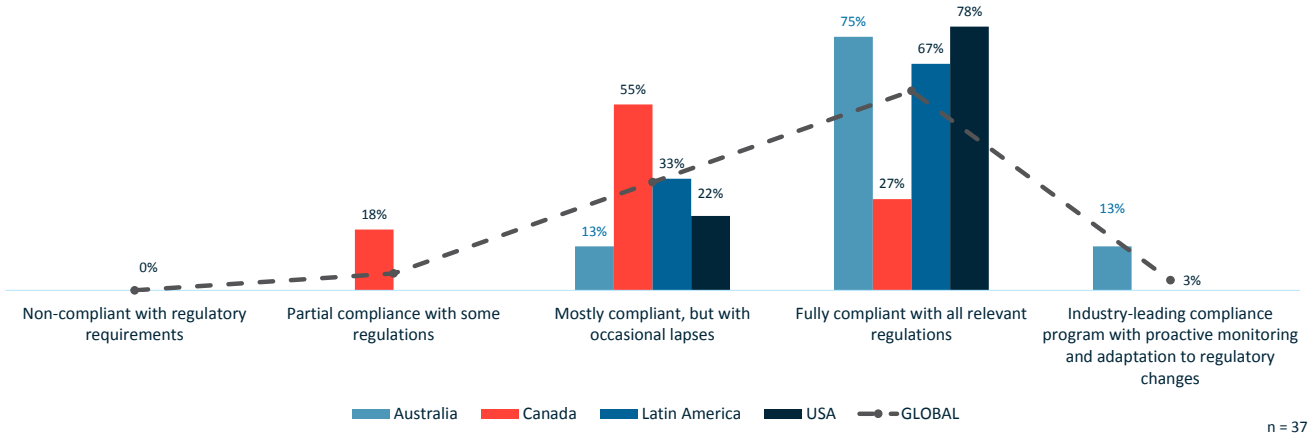
Compliance and Regulatory Oversight

What level of compliance does your organization have with regulatory requirements?



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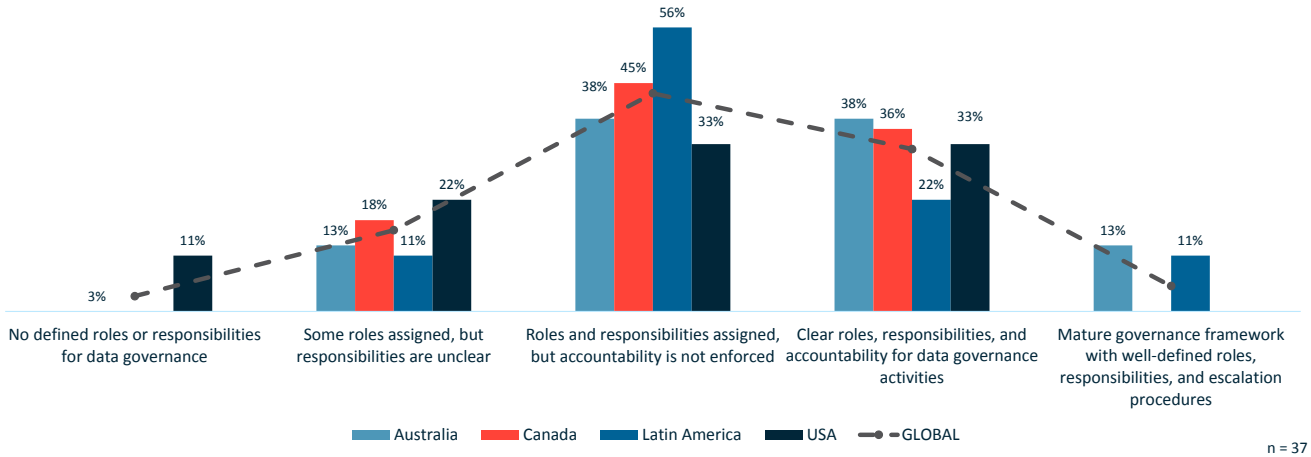
Data Stewardship

How are data governance roles and responsibilities assigned within your organization?



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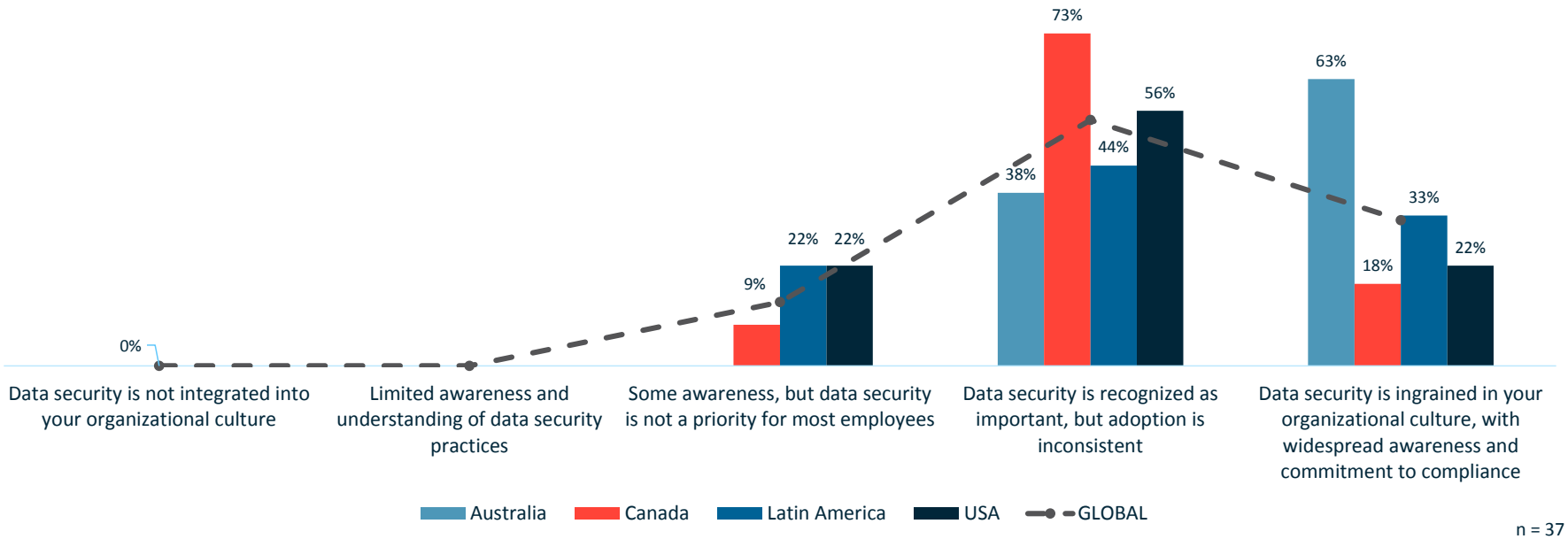
Data Security

To what extent are data security practices integrated into your organizational culture?



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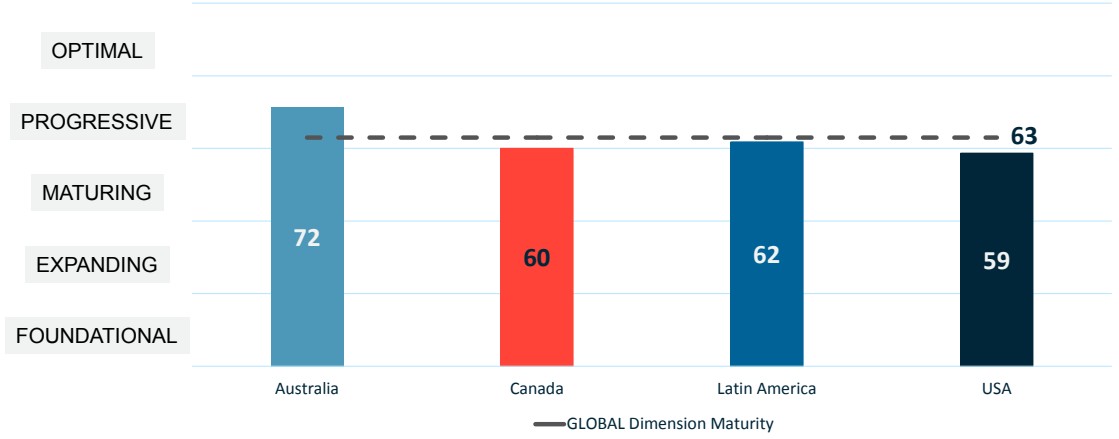
Analytics

Refers to the processes, techniques, models, and tools used to analyze and derive insights from data to support decision-making and drive business outcomes



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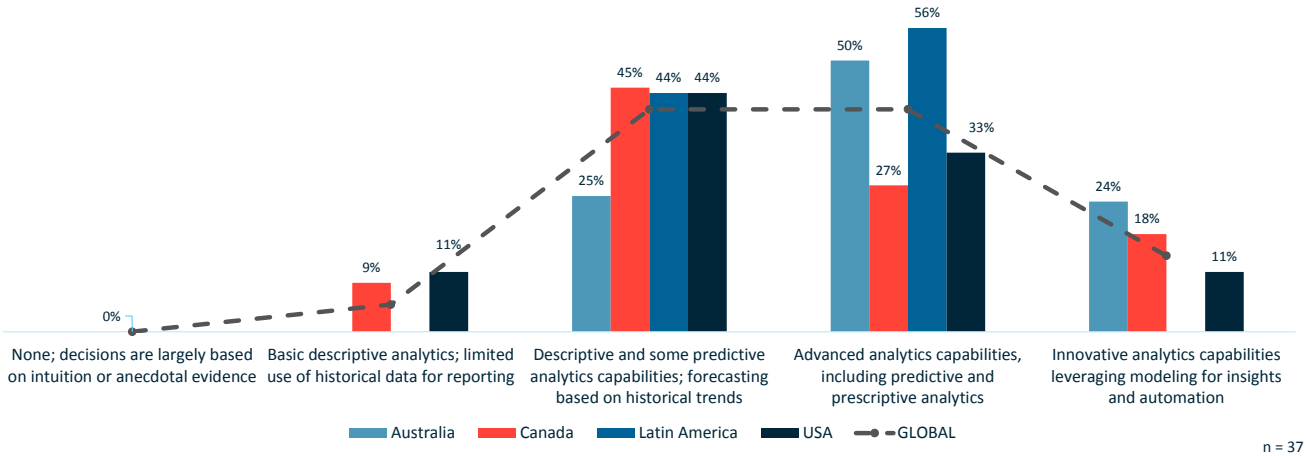
Complexity

What level of analytics capabilities does your organization currently possess?



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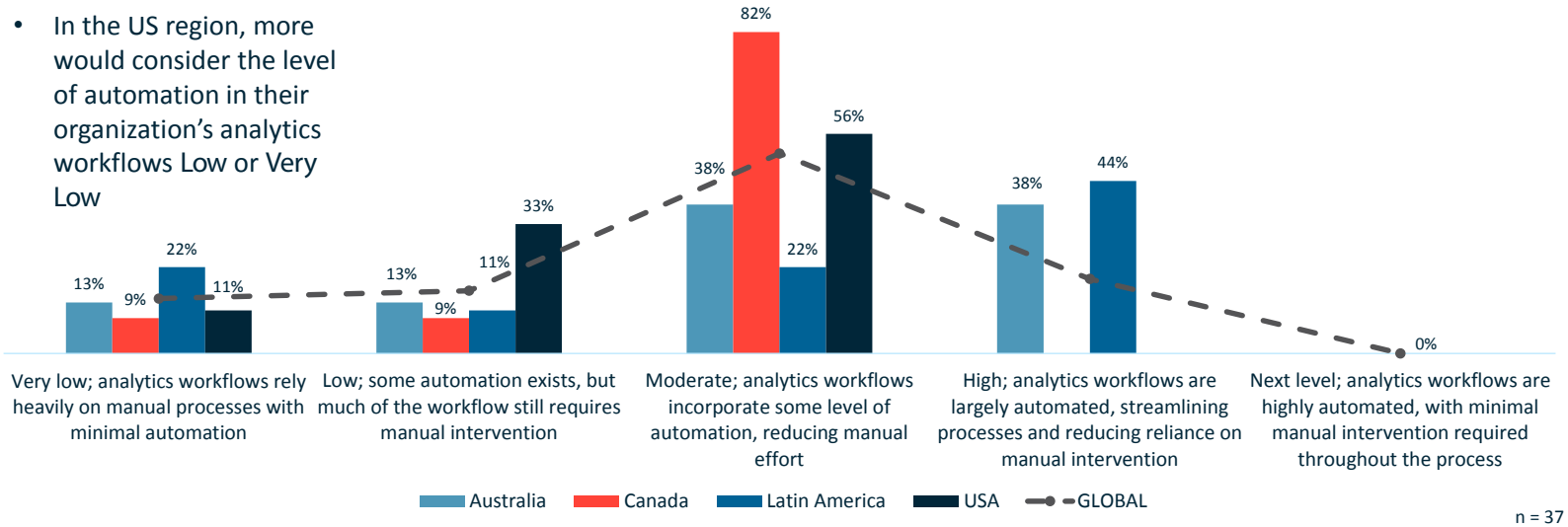
Automation

How would you evaluate the level of automation in your organization's analytics workflows?

- In the US region, more would consider the level of automation in their organization's analytics workflows Low or Very Low



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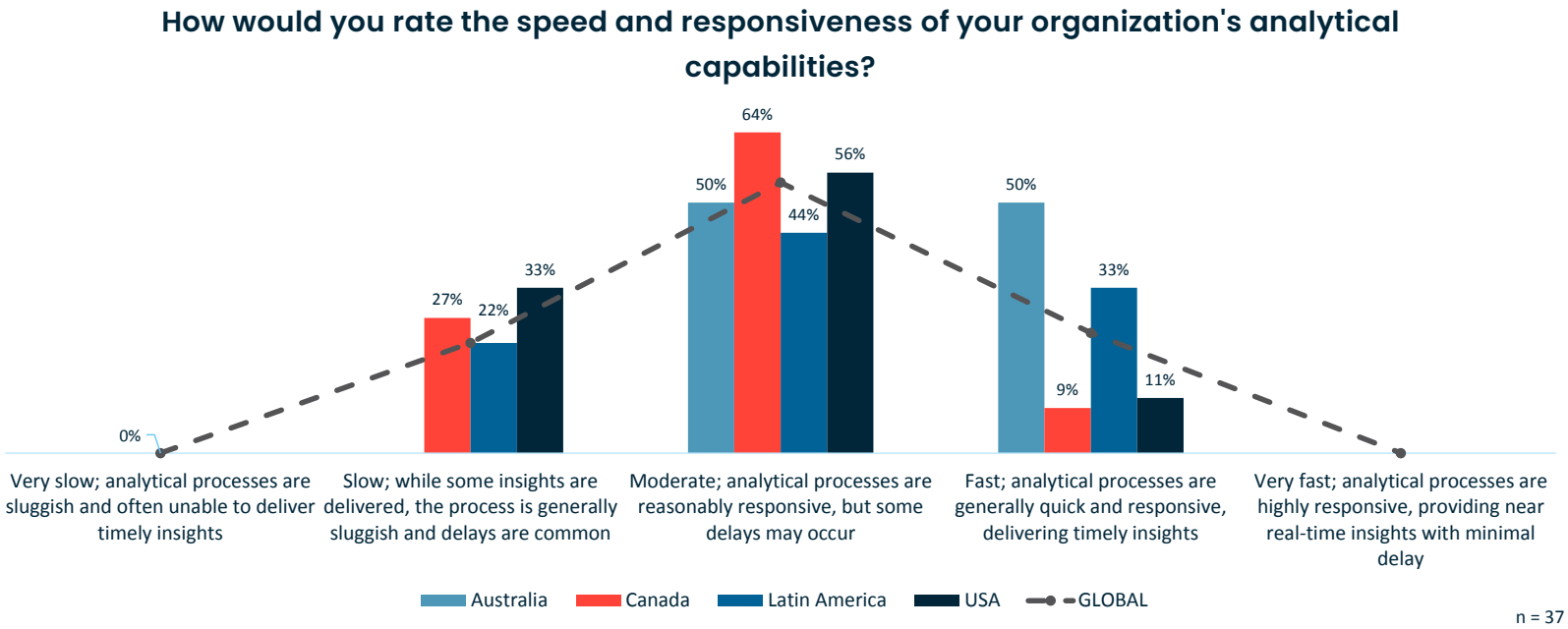
Speed


How would you rate the speed and responsiveness of your organization's analytical capabilities?
0%
27%
22%
33%
50%
64%
44%
56%
50%
9%
33%
11%
Very slow; analytical processes are sluggish and often unable to deliver timely insights
Slow; while some insights are delivered, the process is generally sluggish and delays are common
Moderate; analytical processes are reasonably responsive, but some delays may occur
Fast; analytical processes are generally quick and responsive, delivering timely insights
Very fast; analytical processes are highly responsive, providing near real-time insights with minimal delay
Australia
Canada
Latin America
USA
GLOBAL

n = 37

About Equisoft

Equisoft is a global provider of advanced insurance and investment digital solutions, recognized as a valued partner by over 300 of the world's leading financial institutions. We offer a complete ecosystem of end-to-end and scalable solutions that help our clients tackle any challenge in this era of digital disruption. Our business-driven approach, deep industry knowledge, innovative technology, and expert teams help our partners solve their biggest, most complex problems.

For more information, visit www.equisoft.com.

About Universal Conversion Technologies (UCT)

Founded in 1992, UCT is recognized as the only North American company dedicated to life insurance data migration. An Equisoft subsidiary, UCT is a one-stop partner and solution provider for data analysis and auditing, data cleansing, conversion, integration, balancing and reporting. The firm specializes in complex, high-volume data conversion projects that frequently involve multiple systems. UCT also offers its advanced proprietary data conversion toolset under licensing agreements. Having successfully completed over 350 data projects globally for hundreds of insurance companies and policy admin vendors, UCT has developed a unique expertise, methodology and technology stack that dramatically reduces the risk and cost associated with data projects.

For more information, please visit www.uctcorp.com.