

December 2020

**State Street:
Assessing the
Outlook of Professionals
in the Insurance and
Investment Industries**



STATE STREET

Methodology

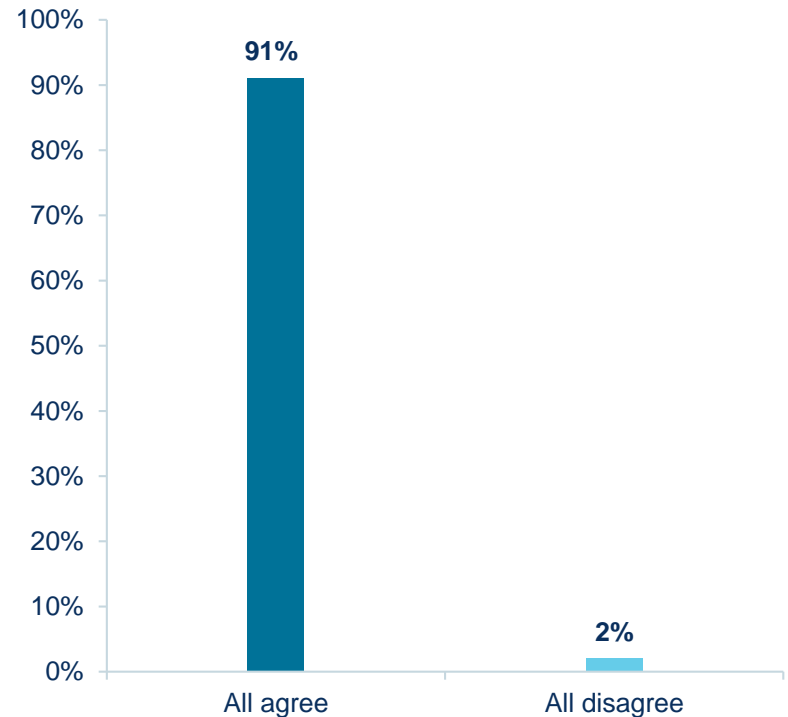
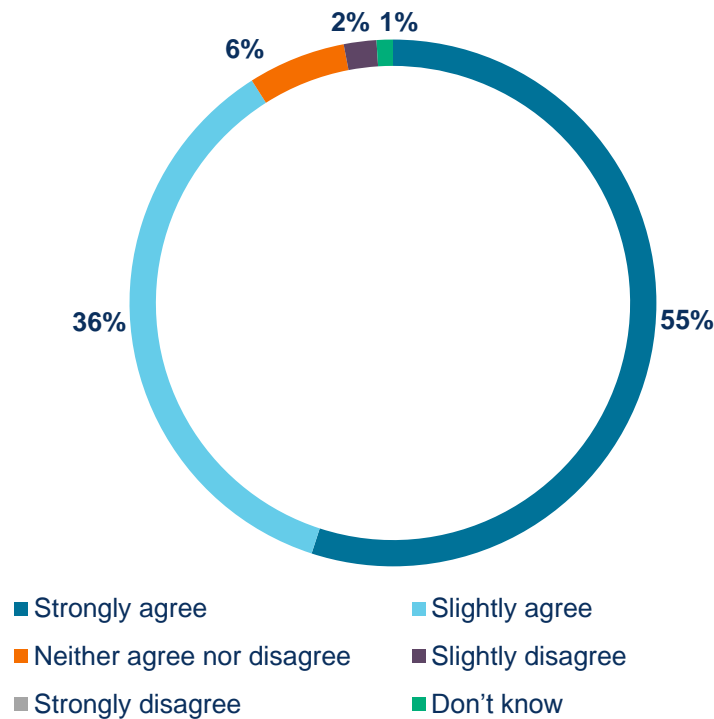
- We commissioned PollRight* to conduct a survey on the outlook for insurance and alternative investment professionals for their company's data management within its investment activity
- Responses from a total of 103 insurance professionals and 122 alternative investment professionals (including private equity, hedge funds and real estate) were collected
- The research was conducted between 17 August and 14 September, 2020

*PollRight is a market research agency specialising in business-to-business research. As Citigate Dewe Rogerson's in-house research department, it has been at the forefront of research-led PR for over 20 years, encompassing bespoke business omnibus surveying, desk research and analysis and data visualisation.

** Countries covered by survey included UK, US, Europe, Central & South America, Middle East, Asia, Africa and Oceania.

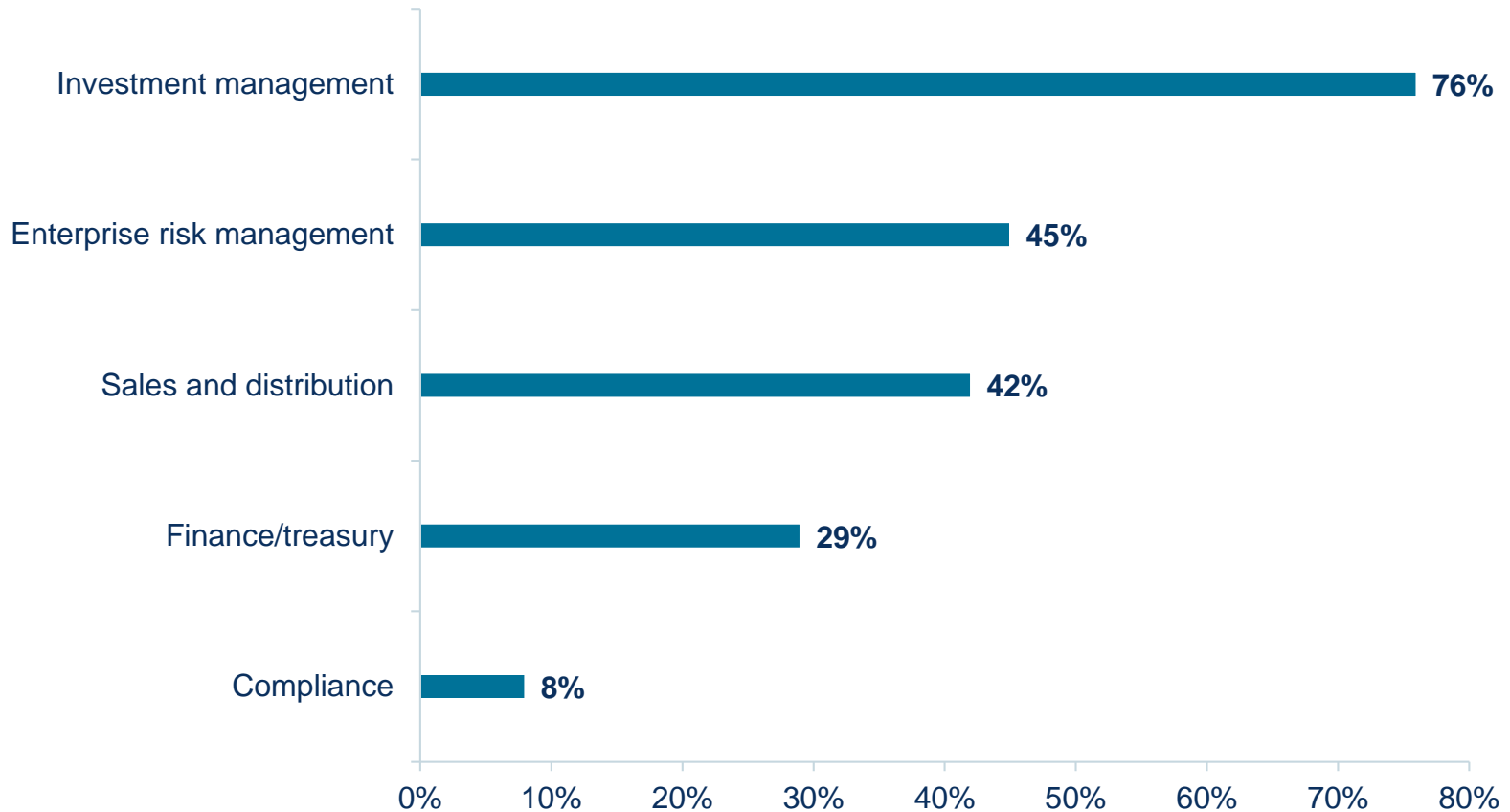
Insurance Professionals

Q1. Please rate your level of agreement or disagreement with the following statement: “We are facing increasing complexity in our organisation’s management and use of data to improve our operating models and infrastructure.”



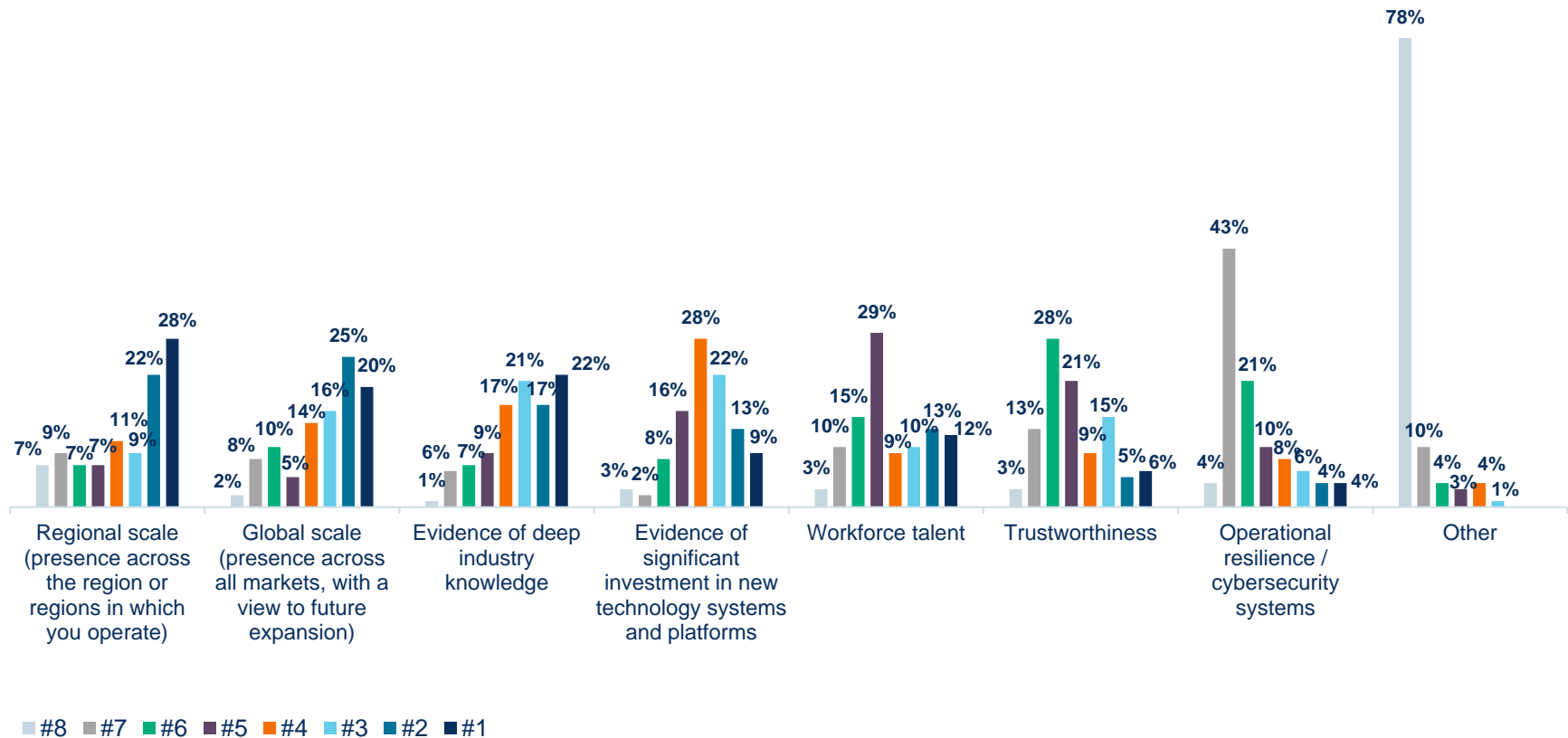
Source: State Street Insurance Pulse Survey

Q2. When looking at the following areas of your business, where do you see the greatest opportunity to improve the management and use of data to enable better outcomes? Please select the top two responses.



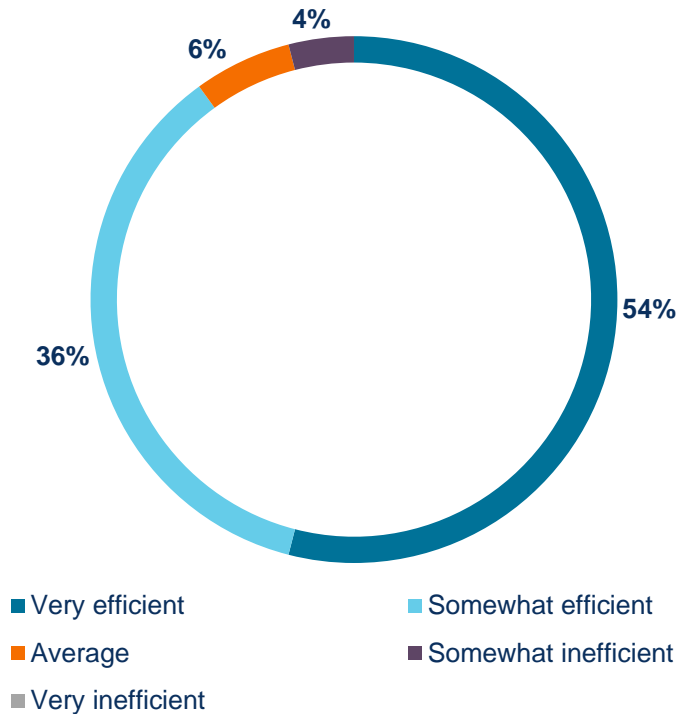
Source: State Street Insurance Pulse Survey

Q3. Please rank in order of importance the following characteristics when choosing service partners:



Source: State Street Insurance Pulse Survey

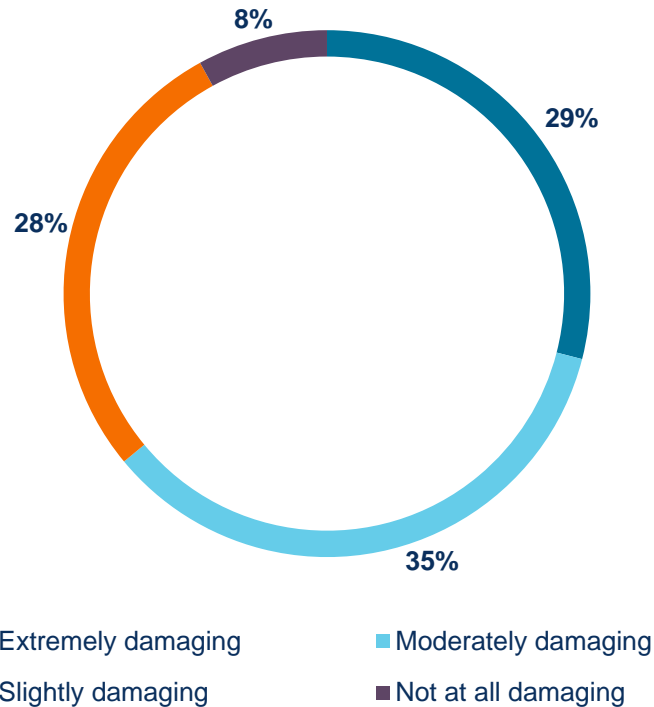
Q4. How would you rate the overall efficiency of your investment management operations?



90%
rated the overall efficiency of their investment management options as efficient

Source: State Street Insurance Pulse Survey

Q5. How damaging do you think a low interest rate environment will be to the investment management arm of your business over the next five years?

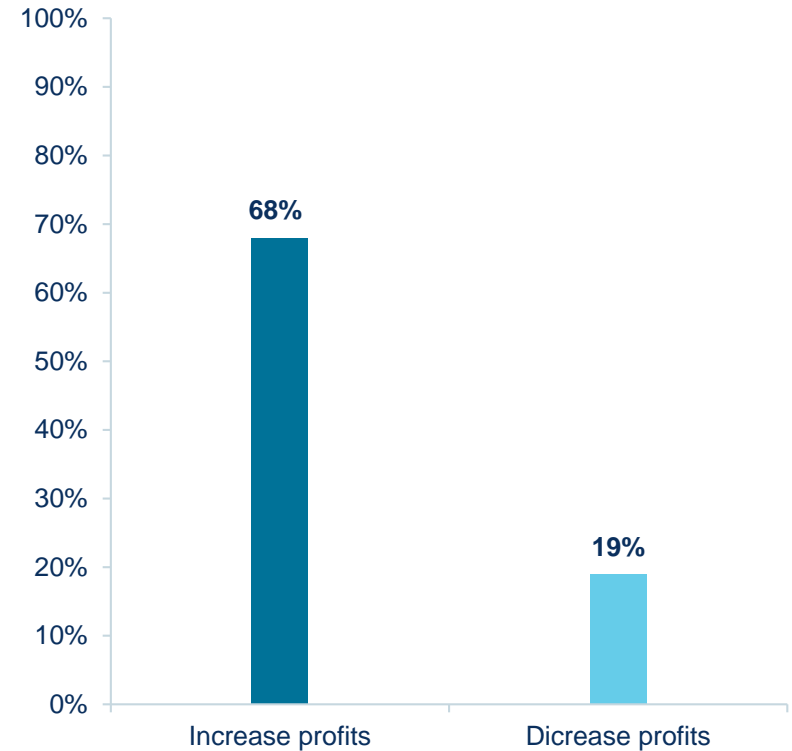
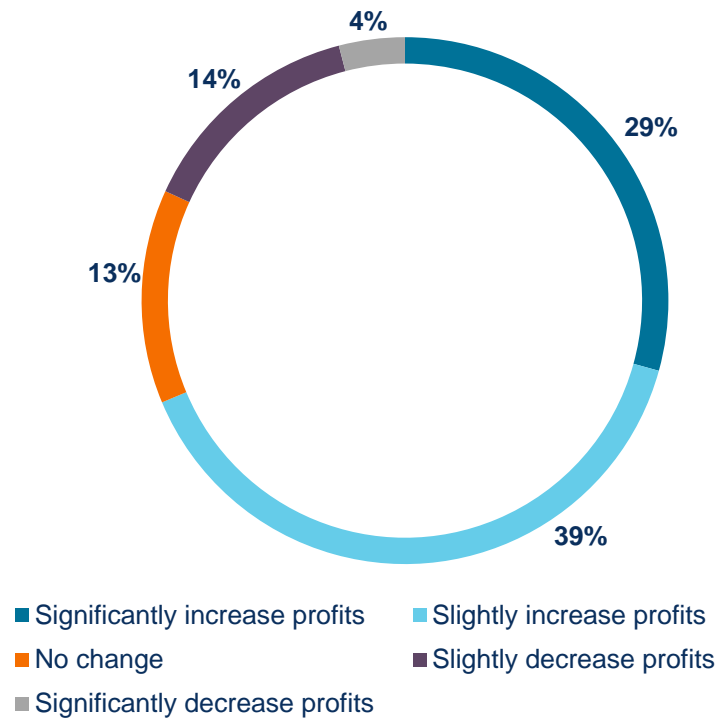


92%

believe a low interest rate environment will be damaging to the investment arm of their business over the next five years

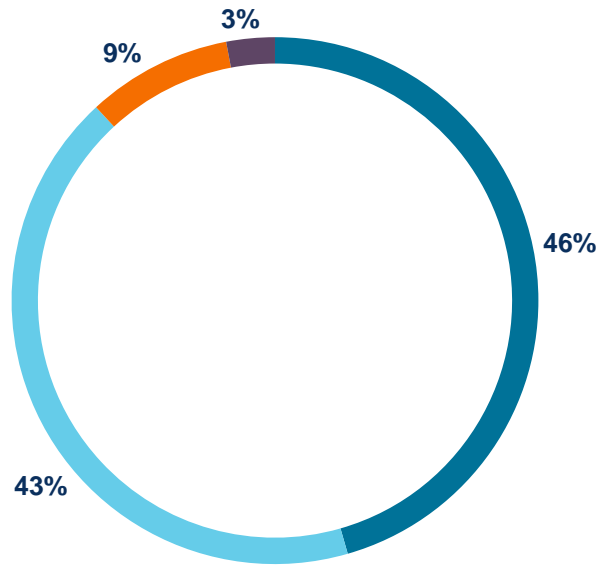
Source: State Street Insurance Pulse Survey

Q6. How do you expect a low interest rate environment will affect your organisation's profitability?



Source: State Street Insurance Pulse Survey

Q7. To what extent do you agree that low interest rates have a negative impact on your investment management arm's return expectations and cause a reduction in demand for products, product innovation or the utilisation of riskier investment strategies?

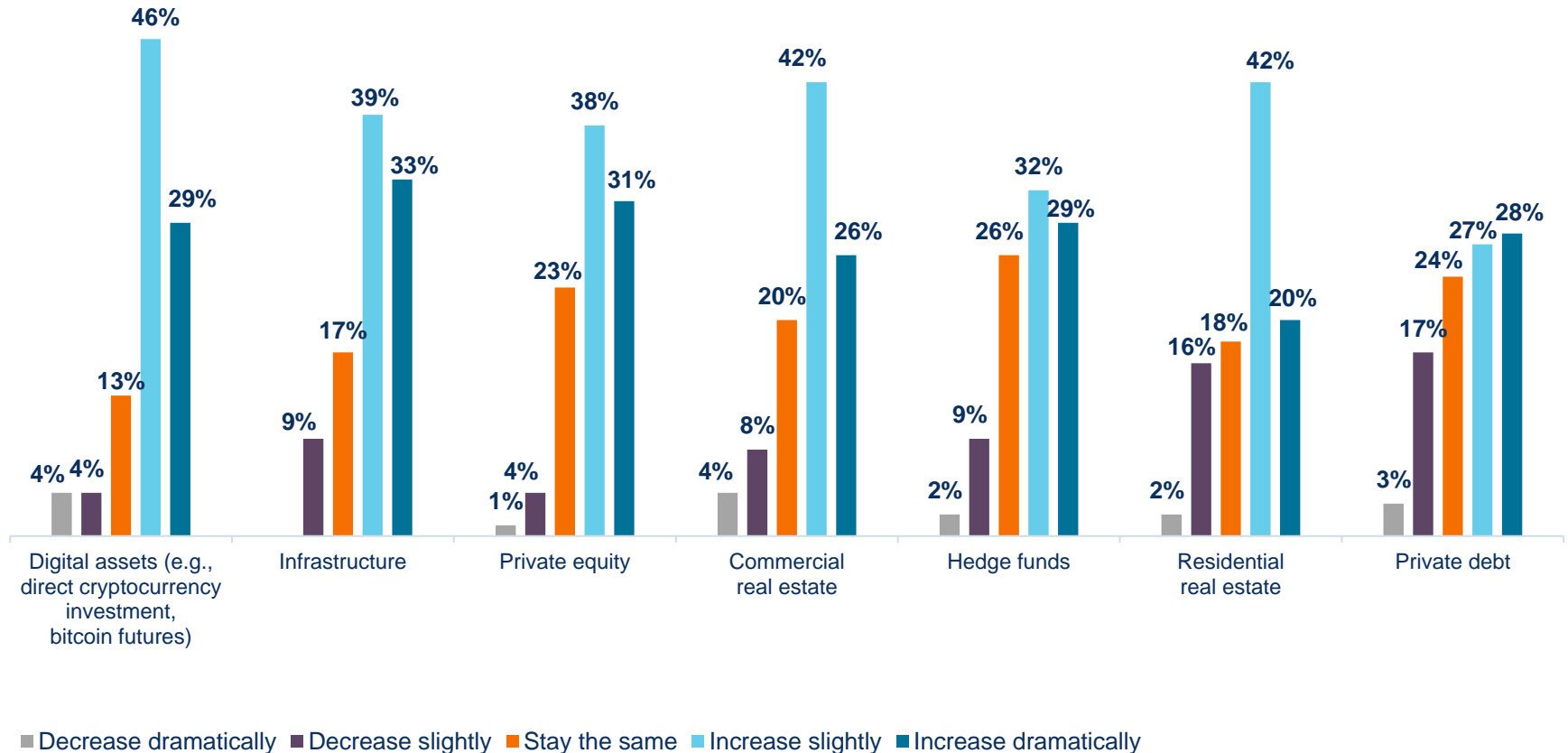


- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

88%
agree that low interest rates have a negative impact on their return expectations

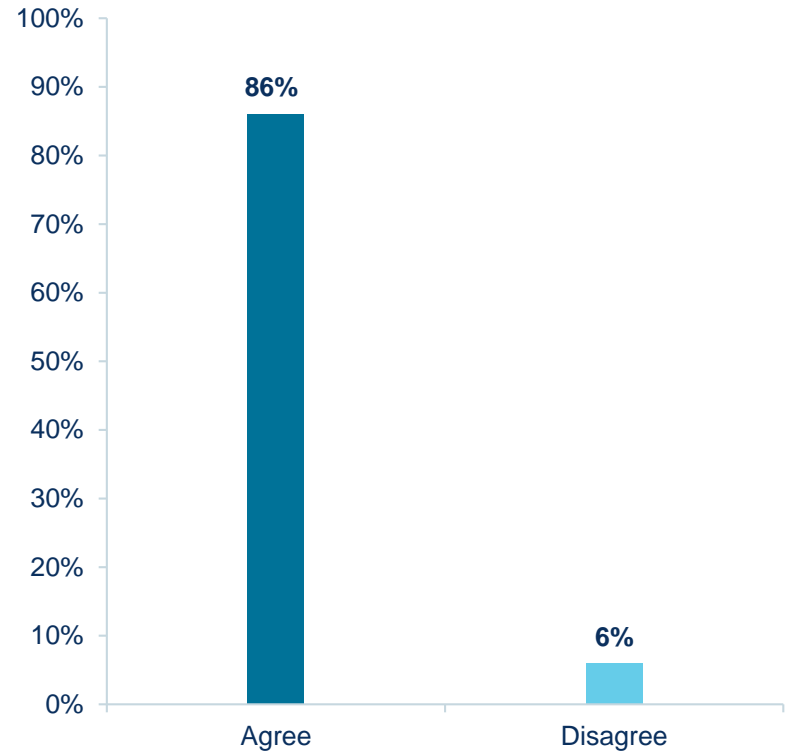
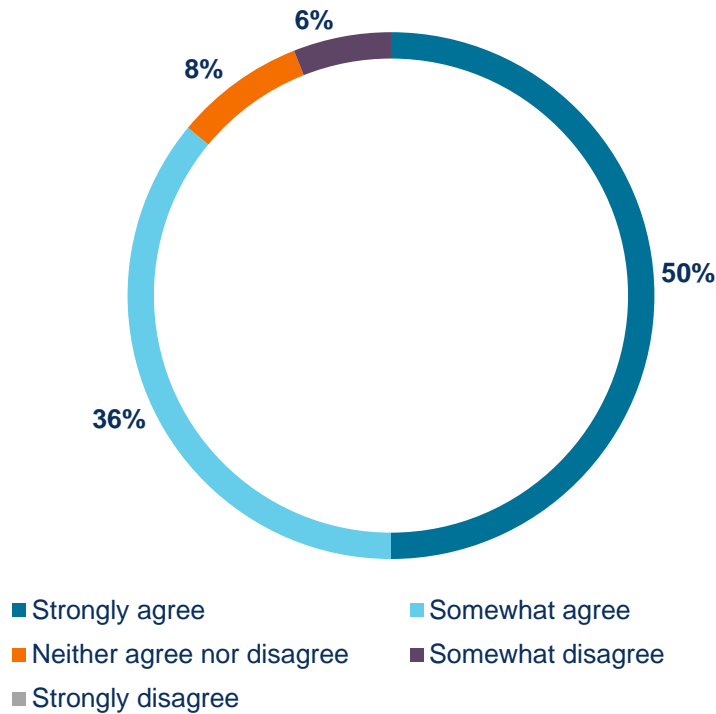
Source: State Street Insurance Pulse Survey

Q8. Do you anticipate that your firm's investment allocation in the following alternative asset classes will change over the next three years?



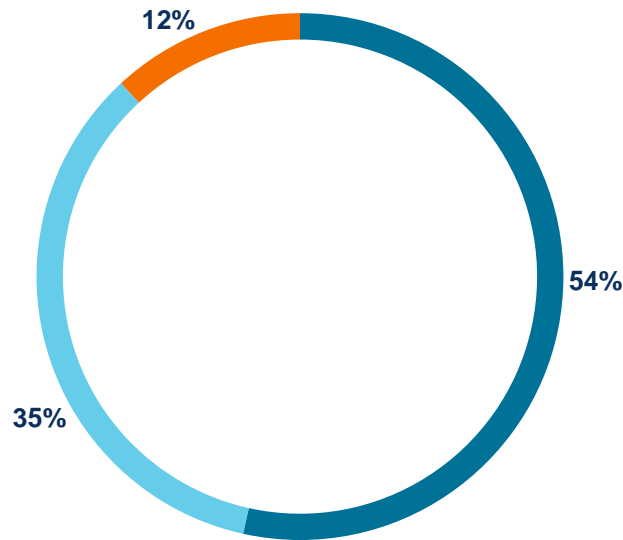
Source: State Street Insurance Pulse Survey

Q9. How strongly do you agree or disagree with the following statement: "The regulatory environment for the insurance industry will become more restrictive over the next five years."



Source: State Street Insurance Pulse Survey

Q10. Are you planning to make any changes to your technology strategy for investment administration over the next five years?



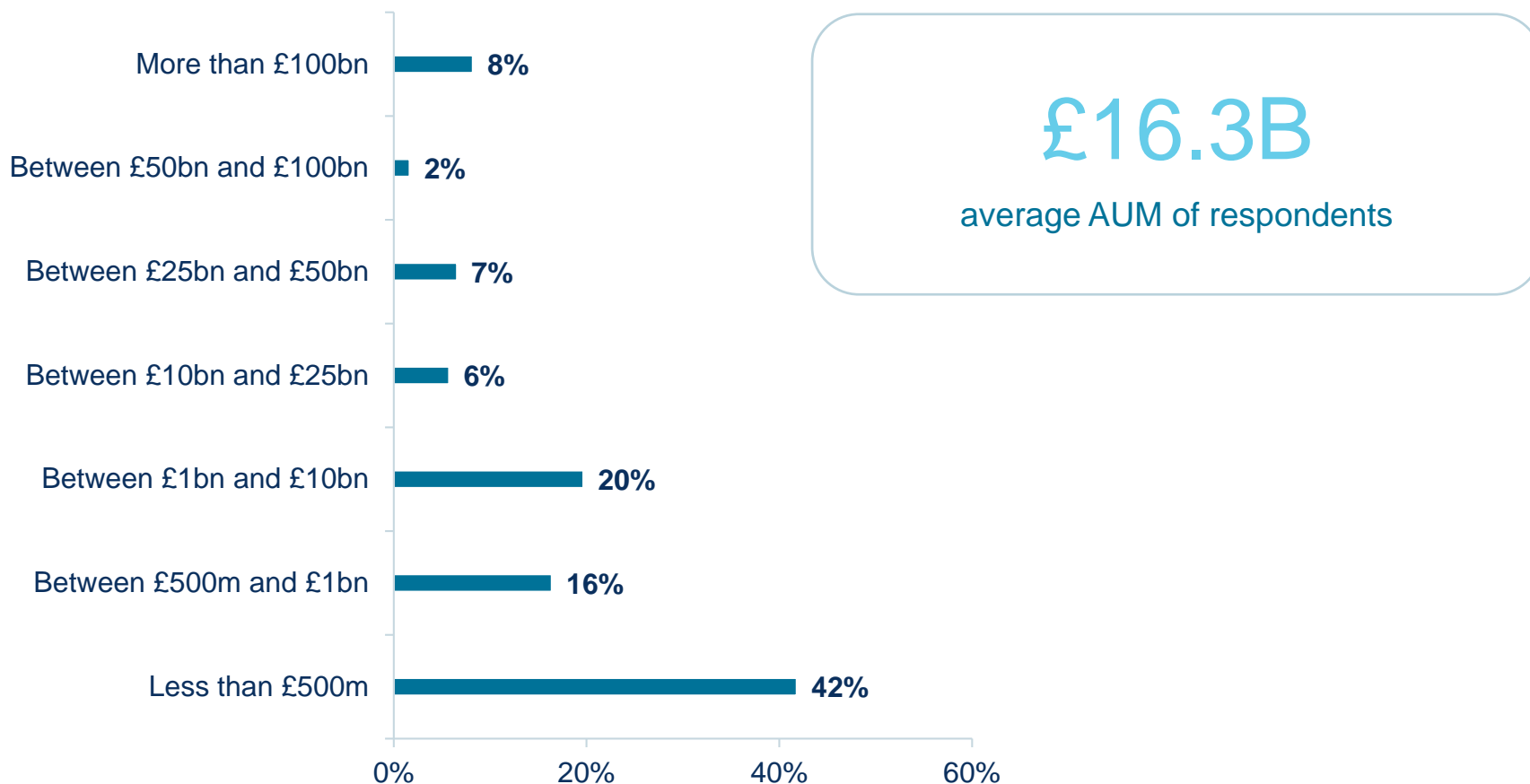
- Yes, we plan to move from SaaS to a hosted solution
- Yes, we plan to move from a hosted solution to SaaS
- No changes planned

88%
of insurance professionals are planning to make a change to their technology strategy

Source: State Street Insurance Pulse Survey

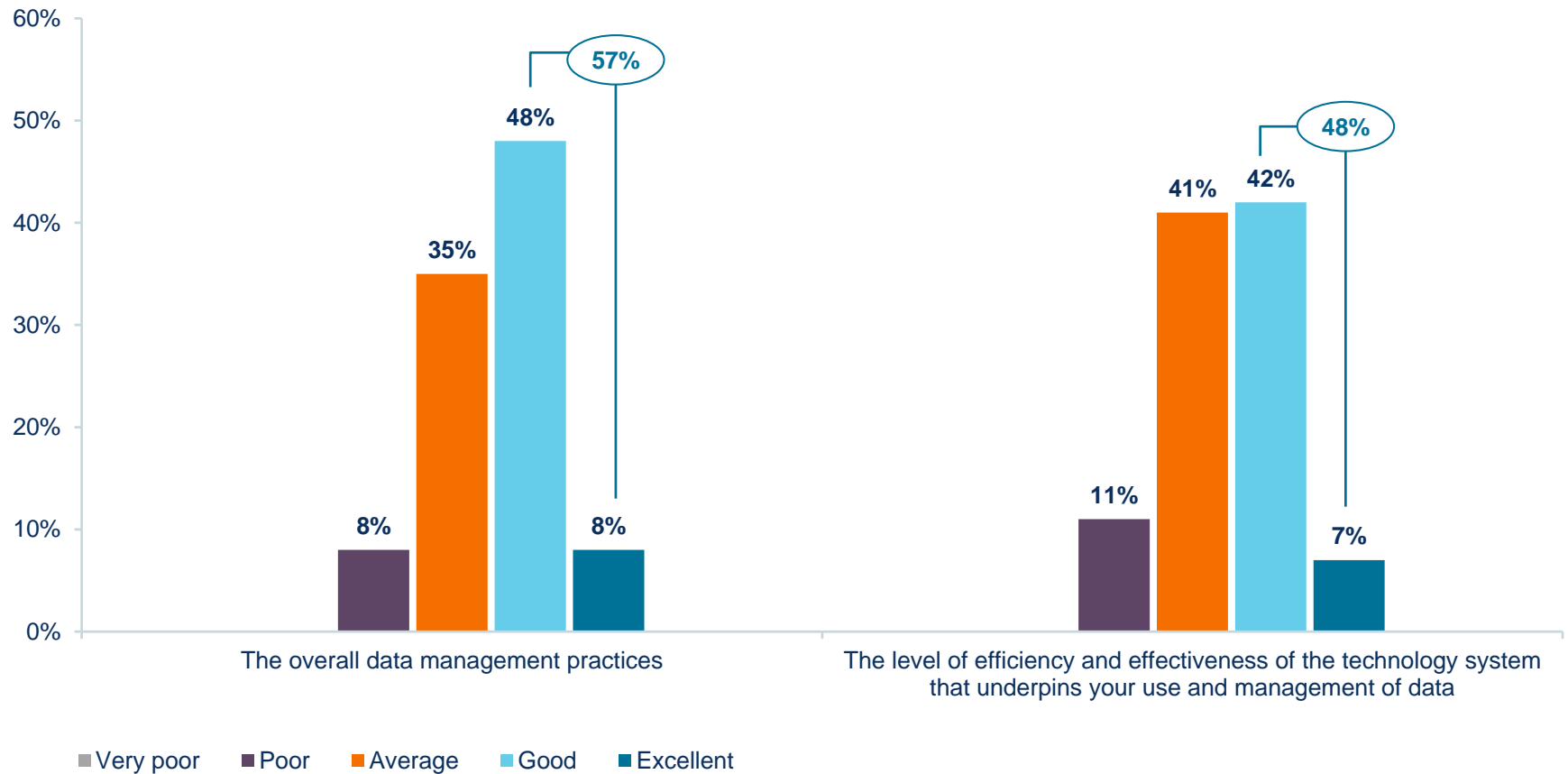
Alternatives

Q1. What is the value of assets under administration (AUM) in your firm?



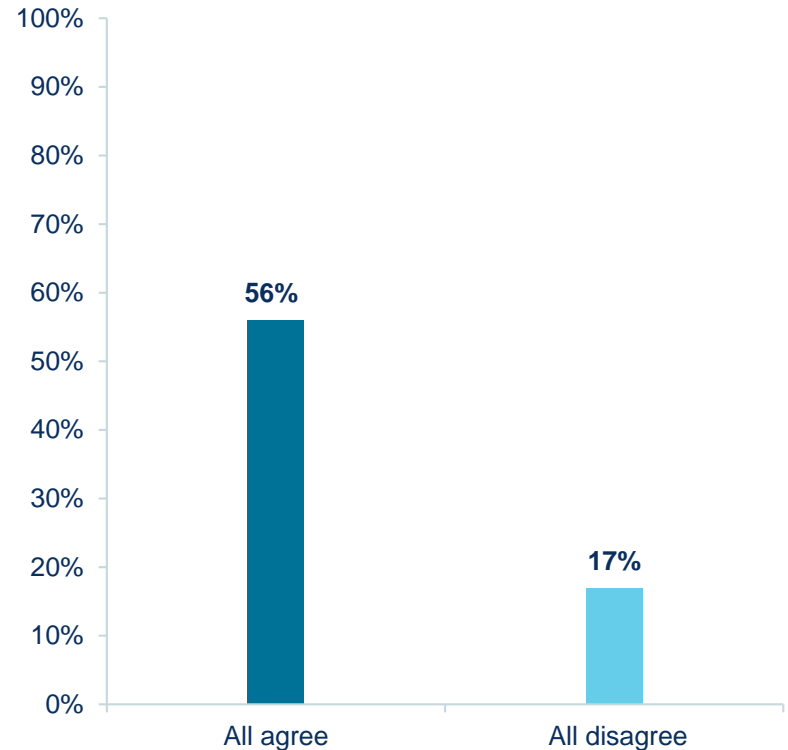
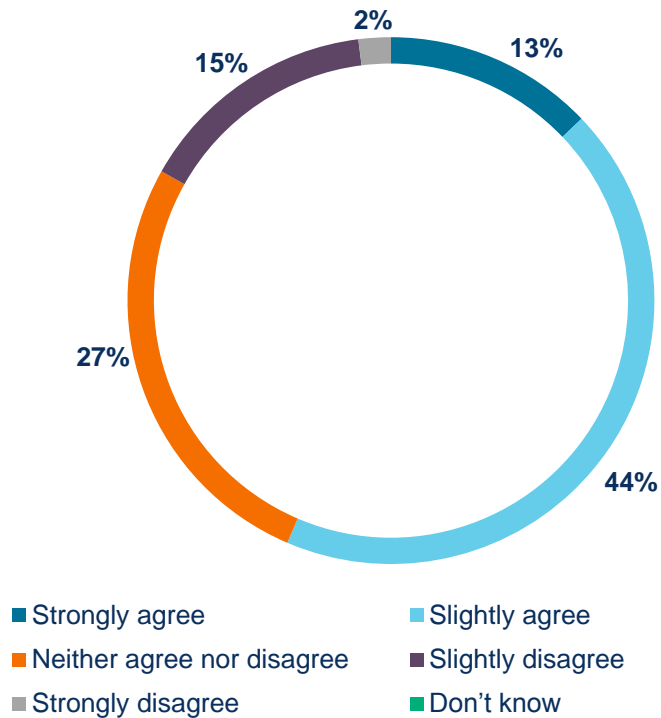
Source: State Street Insurance Pulse Survey

Q2. How would you rate the following aspects of your business data management?



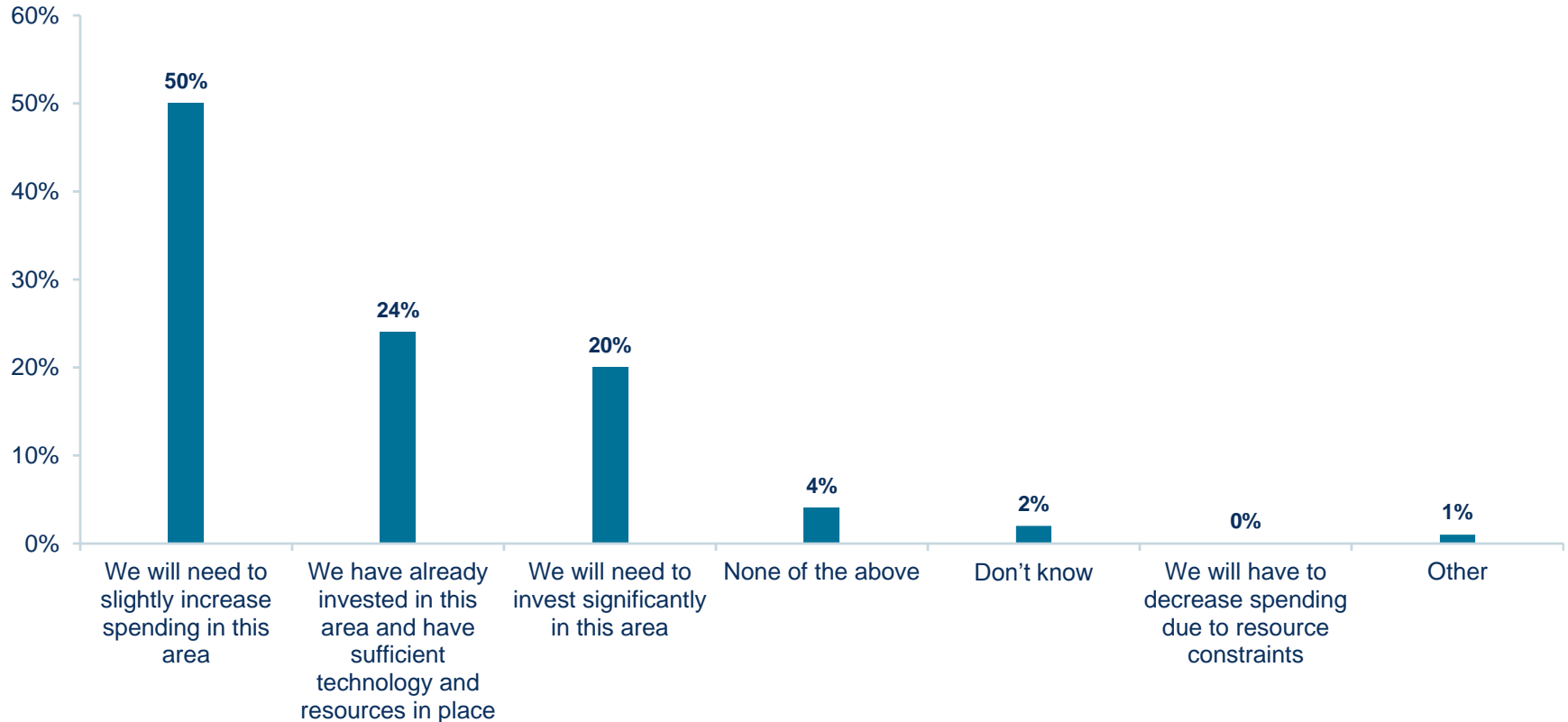
Source: State Street Insurance Pulse Survey

Q3. "My investment operations are built to scale up – to deal with increasing volume and complexity." How strongly do you agree or disagree with this statement?



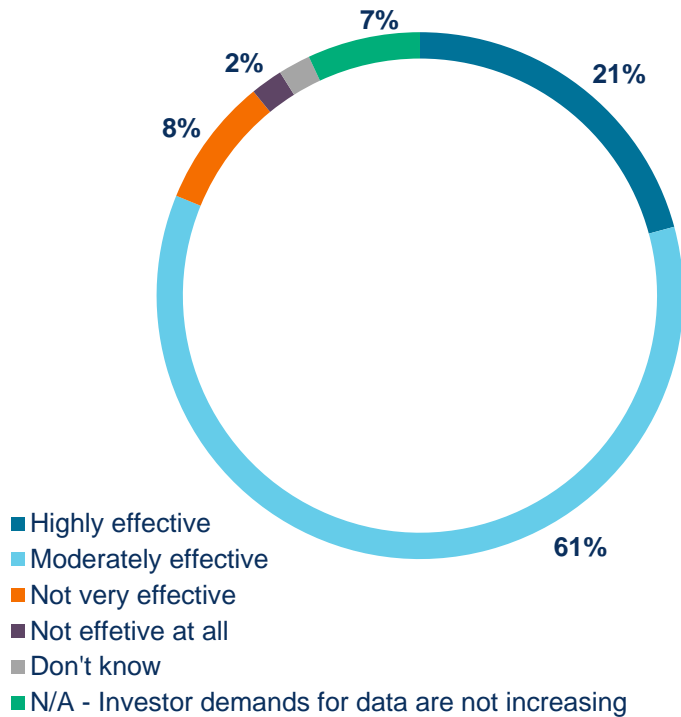
Source: State Street Insurance Pulse Survey

Q4. How will increasing pressures and demands on returns and reporting affect the amount your organisation spends on data storage, management and analysis?



Source: State Street Insurance Pulse Survey

Q5. How effective do you think your organisation has been at responding to increasing investor demand for transparency and additional types of data?

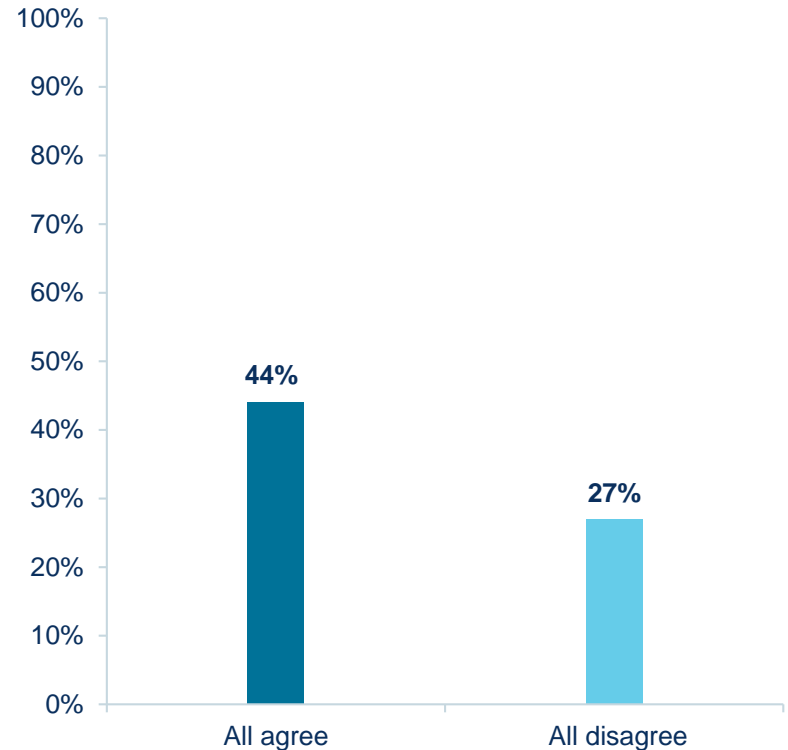
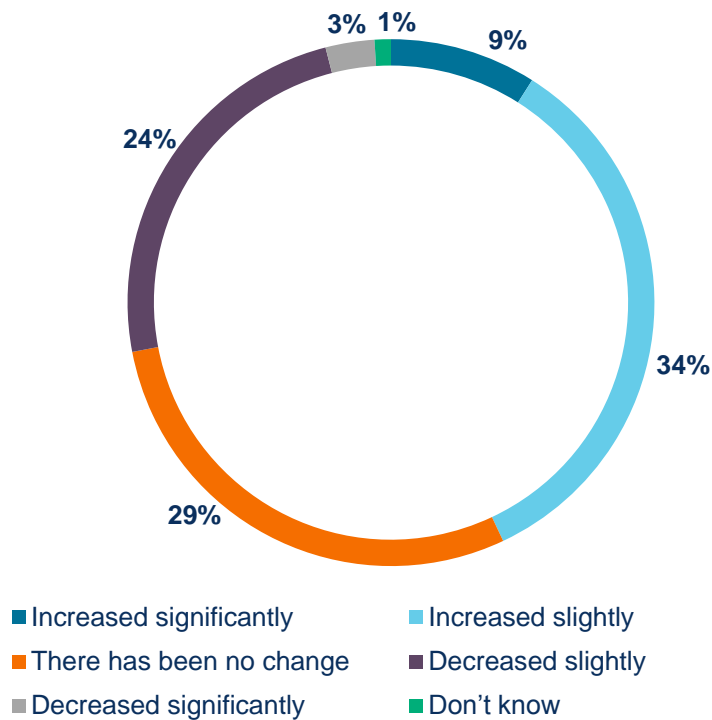


82%

believe their organization has been effective at responding to increasing investor demand for transparency

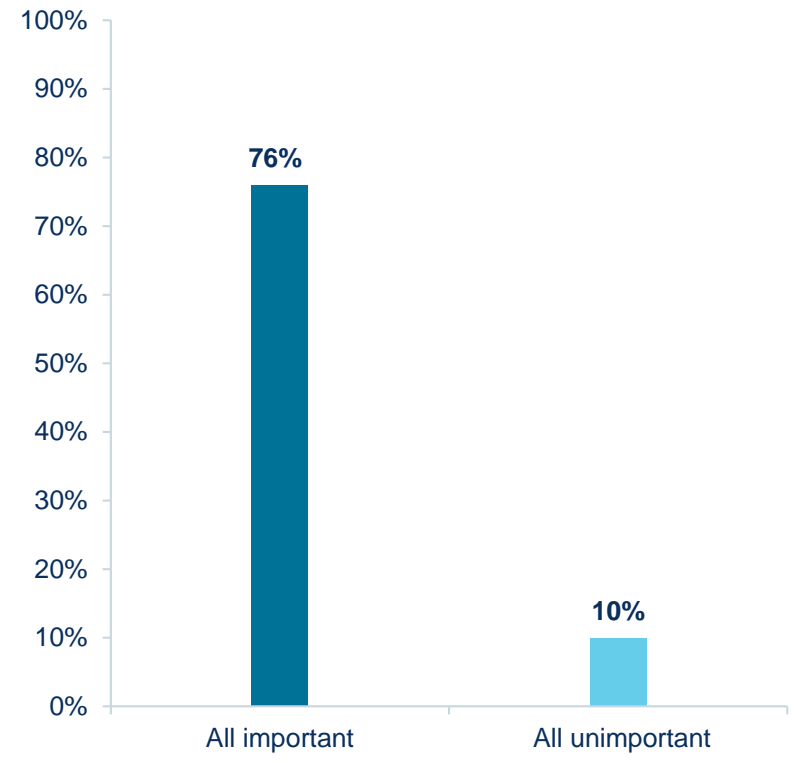
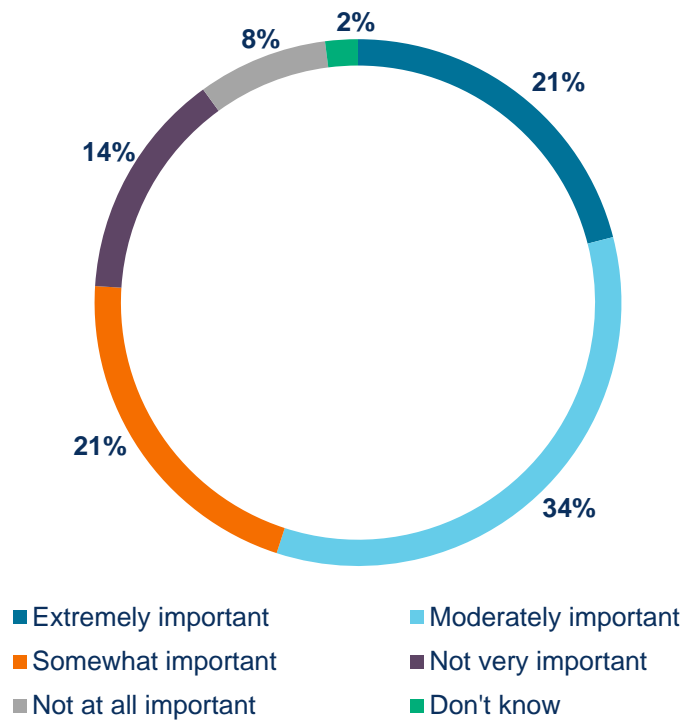
Source: State Street Insurance Pulse Survey

Q6. How do you think investor confidence in the alternatives sector has changed as a result of heightened risks and uncertainty?



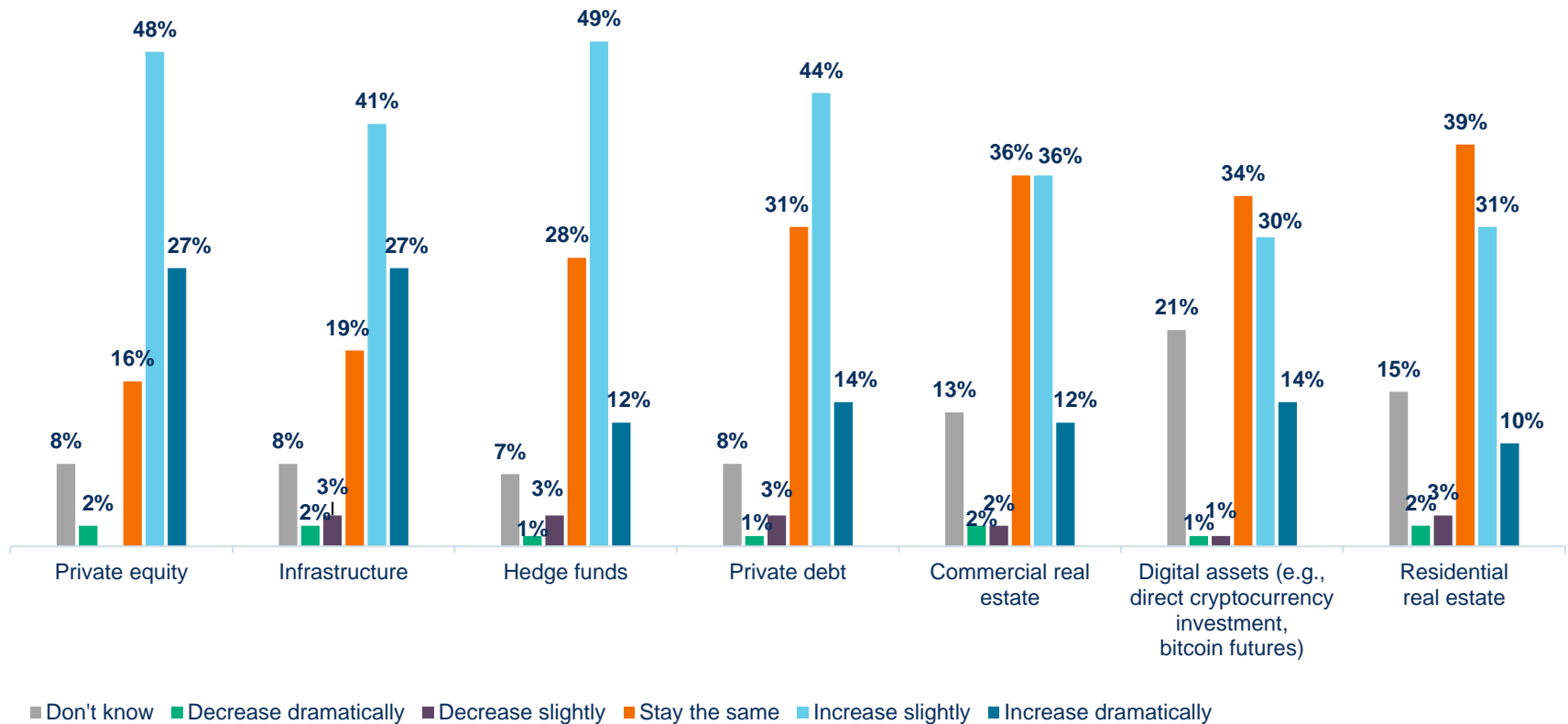
Source: State Street Insurance Pulse Survey

Q7. How important do you think analysing and reporting environmental, social and governance (ESG) data will be to your firm's success over the next three years?



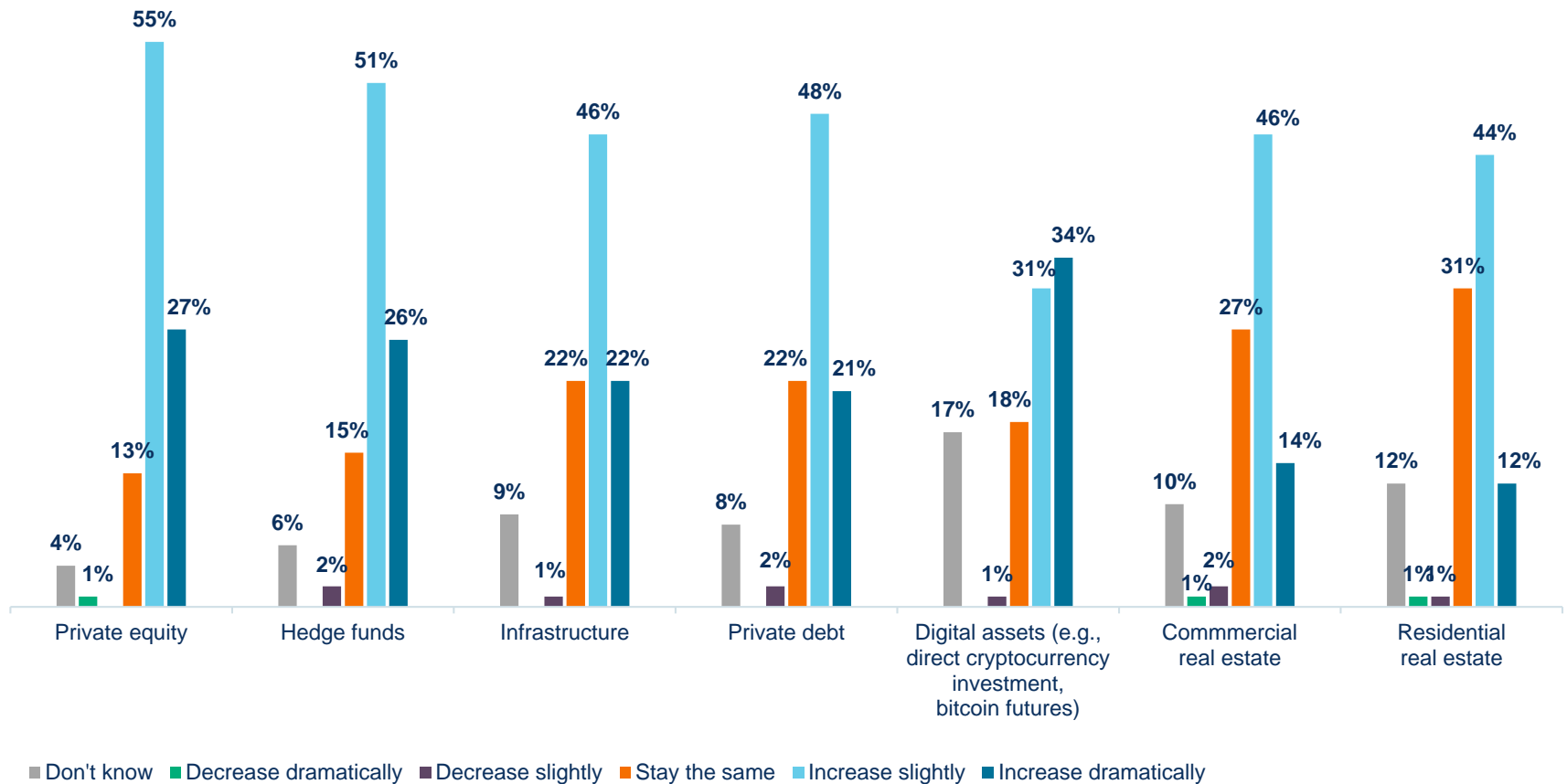
Source: State Street Insurance Pulse Survey

Q8. Over the next three years, how do you see the importance of ESG in the following alternative asset classes changing?



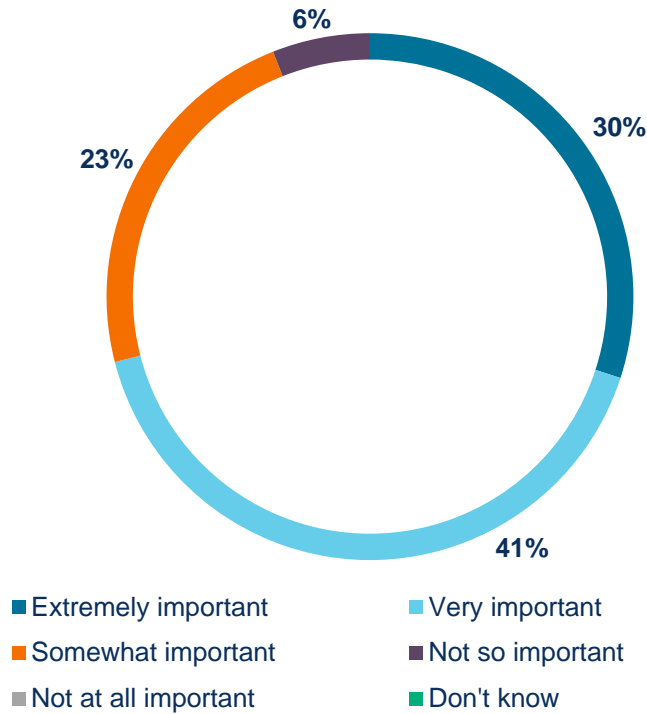
Source: State Street Insurance Pulse Survey

Q9. Over the next three years, how do you see the pressure institutional investors place on the level of reporting and transparency around the following alternative asset classes changing?



Source: State Street Insurance Pulse Survey

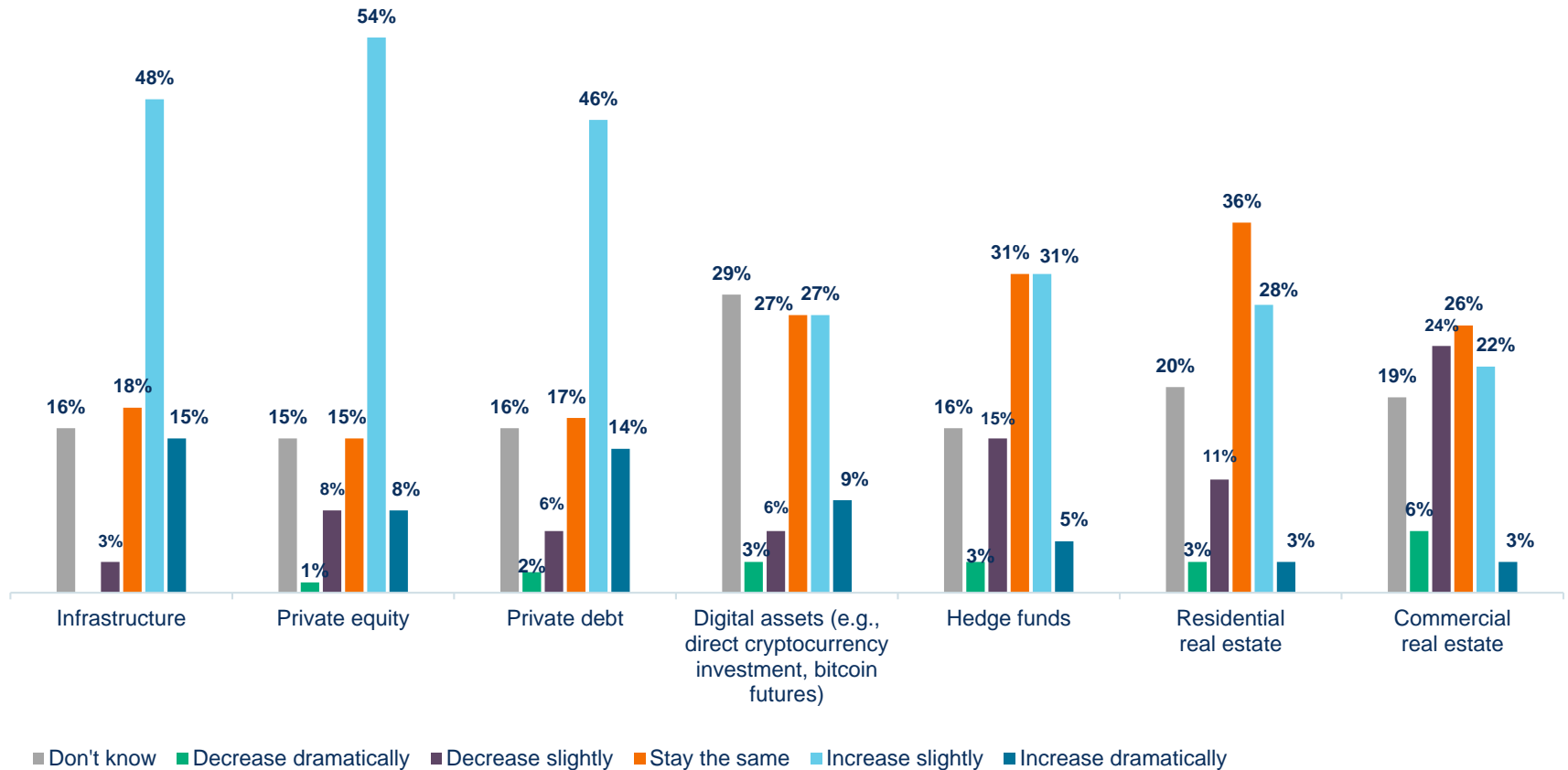
Q10. How important is stewardship to your organisation and your investors?



94%
view stewardship as important to their organization and investors

Source: State Street Insurance Pulse Survey

Q11. How do you anticipate insurers' allocations to the following alternative asset classes will change over the next three years?



Source: State Street Insurance Pulse Survey

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