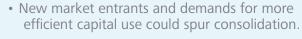
Deloitte.

2014 Insurance Industry Outlook Transforming for Growth

Property and casualty carriers as well as writers of life and annuity products face obstacles that may be outside of their control in the coming year, but that doesn't mean they don't have the ability to shape their own destinies. Consider the following potential game-changing developments for 2014 and beyond. Whether these are opportunities or threats may be entirely up to how each insurance company deals with them.





- A valuation upswing and stock buyback slowdown might prompt more carriers to seek a deal.
 - Hedge fund and private equity group investments may heat up M&A market.

Competition

and markets



- The expansion of direct-to-consumer sales of small-commercial insurance could disrupt agency carriers and draw currently uninsured businesses into the market.
 - Carriers should target Gen X and middle-market consumers with simplified life and annuity products made available through a wider variety of distribution options.



Carriers look to up their game with tech enhancements

- Mobile technology will play an increasingly important part in marketing, sales, and service across the industry.
- Tech enhancements could propel telematics to the level of an industry disruptor.
- Cyber security will loom ever larger as an operational and reputational risk.





 Carriers are launching transformational initiatives to improve enterprise-wide agility in their operating models.

Carriers look

 To truly transform their operations insurers might have to upgrade not just their software or processes, but talent recruitment and development systems as well.



Regulatory uncertainty leaves many insurers in a holding pattern

- The fate of the Terrorism Risk Insurance Program, principle-based reserving, life captives, and the FIO report's implications are among the top concerns.
 - Preparations for the NAIC's Own Risk and Solvency Assessment will be a priority as filing deadlines draw closer.

Transforming finance to become business partners

- Without sacrificing their stewardship role, finance leaders should develop a plan to align with higher value enterprise activities such as product focus and capital deployment.
- Carriers are exploring how finance could be strategists and catalysts on broader company challenges.



Contact

To learn more about the Deloitte Center for Financial Services, its solutions, thought leadership, and events please visit:

www.deloitte.com/us/cfs



Subscribe

To receive email communications, please register at:

www.deloitte.com/us/cfs



Engage

Follow us on Twitter at:

@DeloitteFinSvs

For more information or to download the full 2014 life insurance and annuity and property & casualty outlooks visit: www.deloitte.com/us/insurance

