

Insurance: 2024 CIO Agenda Insights and Data

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Insurance CIOs' most critical outcome from digital investments in 2024 is to excel in customer experience. With rising demands on IT budgets and high expectations for AI, shared IT-business ownership will be important to success. Use this report to inform and communicate about your digital strategy.

Globally, the Most Effective CIOs Co-Own Digital Delivery With CxOs

The 2024 Gartner CIO and Technology Executive Survey indicates that CIOs who partner with CxOs to democratize digital delivery using a franchise model deliver better outcomes. CIOs most effective at delivering business outcomes from digital initiatives co-own digital leadership responsibilities with their CxO peers by modeling their CxO-CIO partnerships on a franchise.

A business franchise is a business model used for scaling a business with limited centralized resources, where a franchise uses knowledge, process and trademarks from the franchiser to operate on their own.

Much like in a franchise business model, CIOs who succeed at maximizing enterprise value from digital investments work with their partners (in this case, other CxOs) to:

- *Overcome budget, talent and capacity constraints*
- *Empower and equip distributed teams to deliver digital capabilities*
- *Reduce risk*

These CIOs co-lead, co-deliver and co-govern with their CxO peers. Depending on the setup, this may include specific guidelines and guardrails for digitizing business capabilities in safe, secure and architecturally consistent ways that drive outcomes and sustain integrity across the enterprise.

CIO Digital Leadership Profiles — Insurers on the Right Path as They Engage With the Business

The 2024 Gartner CIO and Technology Executive Survey reveals three distinct CIO digital leadership profiles:

- **Operators** are committed to retaining digital delivery within their IT function. Not surprisingly, they do not consider themselves competent in sharing digital leadership responsibilities with other CxOs. For insurance, this group comprises 53% of the respondents.
- **Explorers** believe that while IT should do most of the digital delivery, business areas should contribute. They consider themselves competent in sharing digital leadership responsibilities with their CxO peers. For insurance, this group consists of 32% of the respondents.
- **Franchisers** think CxOs should be equal partners in the delivery of digital technologies, and consider themselves competent in sharing digital leadership responsibilities. While the smallest of the sample population, with 15% of insurance CIOs, this group demonstrates leading practices to drive business outcomes consistently.

Overall, insurers are higher than the cross-industry average for shifting and co-developing digital delivery with the business. While digital was originally led by the IT organization (and often by the CIO), strategies have matured and IT has been very successful in both transitioning digital strategies and involving the business. Digital insurance has been part of the driver for this where CIOs have been successful at shifting digital strategy and even some review of emerging technology impact to their business counterparts. However, many CIOs report that they want more partnership from the business, especially around digital delivery. For example, building more strategic partnerships between IT and the business — from strategy development through selection of technology — will be a sign of more successful insurance organizations in the future. Achieving this will be critical in light of industry needs to drive more transformation and help to prioritize IT in a tough economic climate.

Business and Technologies Priorities for 2024

Excelling in Customer Experience is the Top Critical Outcome for Digital Technology Investments

Among insurance CIO respondents, excelling in customer experience (76%) is the top-ranked critical outcome for digital technology investments. Building interactive customer channels that meet transaction needs and drive optimal interaction, for example, are top of mind among many insurers. Excelling in customer experience (CX) is closely followed by generating revenue (68%) and improving operating margins (65%). These were the same top three outcomes among insurance participants in the 2023 study, which is not surprising as these three initiatives complement each other and are often linked.

Sufficiently investing in technology to support CX, generating revenue and improving operating margins is costly, requiring large scale investments across the entire IT environment, including core systems, data and analytics, automation, and channels. This is likely to be challenging for many insurers in 2024 due to limited IT budgets to fund these initiatives. The 2024 Gartner CIO and Technology Executive Survey found that IT budget growth is projected to slow in 2024, dropping to +3.9% on average in 2024 compared to the +5.0 average growth that was found in the previous year's study. Successfully supporting all three initiatives will be difficult with this limited budget increase, and will require extreme prioritization of IT investments. This is where those organizations with a franchise model will benefit. IT's co-partnership with the business to look at business cases and drive adoption and KPI development will help organizations accurately select the right technology. This is technology which has the maximum impact on business outcomes to support current-day and long-term business visions. Organizations where IT still works in isolation will find prioritization more challenging.

Insurance CIOs Have Conflicting Technology Agendas — Focus on the Foundation While Embracing AI/ML

The 2024 Gartner CIO and Technology Executive Survey found that the top management focus is balancing cybersecurity and risk management with running/growing the business. Achieving this goal is tricky as many companies will continue to struggle with modernizing their legacy systems while seeking innovation opportunities, especially around some of the new areas, such as analytics/AI, CX or product development. The 2024 Gartner CIO and Technology Executive Survey found that for many organizations, foundational technologies will be the main focus for the coming year, including integration/API, application modernization and cyber/information security. While this is good hygiene, this will not provide competitive advantage or strategic value to the organization long term.

While foundational technologies dominate many agendas for 2024, many CIOs are also seeking to adopt new digital technologies, such as AI/ML, low-code/no-code development platforms and distributed cloud, as a means to accelerate digital endeavors. This will create a pathway to innovation as companies build agility and speed through low-code/no-code, but also seek to drive intelligence and enhanced automation through AI/ML, which was found to be the top “game-changing” technology for the industry. Building the right business case and blending AI into the IT strategy of insurers is essential in driving business value across the entire value chain. This will enable efficiency, improved decision outcomes and enhanced productivity in areas such as customer service, claims and underwriting. Much of this will be driven by generative AI (GenAI), which has become a hot topic in 2023 (see [Innovation Insight: Generative AI Enables Employee Empowerment and Digital Initiatives in Insurance](#)).

IT Prioritization Will Be the Theme for 2024

Insurance CIOs must balance these conflicting agendas to drive operational efficiencies while also preparing the organization for future business change and increased competition. Balance is essential, but will be difficult for many CIOs — especially in light of the budgetary challenges which are projected for the coming year. Insurance CIOs must:

- Seek ways to continue to partner with the business to improve digital outcomes. Assess the franchise model and identify gaps where the business should be more involved or even lead efforts. Work with the business to address these concerns.
- Improve IT’s capability for measuring digital success and building metrics. Building the right metrics — which are measurable, short-term and visible to the business — will help justify IT investments and drive prioritization decisions.
- Focus on prioritization by building a balanced approach to select the use case and technologies to invest in. Business demands will outnumber IT budgets in 2024, making prioritization more important and difficult than ever, especially given the three large-scale business objectives of improving CX, growing revenue and driving operational efficiencies.
- Look to new technologies, such as AI and low-code/no-code, to help empower business and reduce the complexities of technology. Run parallel tracks of IT investment — one for hygiene for running the business and one for innovation — in order to keep up with new technological and business demands.

Evidence

2024 Gartner CIO and Technology Executive Survey. This survey was conducted online from 2 May to 27 June 2023 to help CIOs determine how to distribute digital leadership across the enterprise and to identify technology adoption and functional performance trends. Ninety-seven percent of respondents led an information technology function. In total, 2,457 CIOs and technology executives participated, with representation from all geographies, revenue bands, and industry sectors (public and private), including 110 from insurance. *Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.*

Document Revision History

[2023 CIO and Technology Executive Agenda: An Insurance Perspective - 8 December 2022](#)

[2022 CIO and Technology Executive Agenda: An Insurance Perspective - 10 November 2021](#)

[2021 CIO Agenda: An Insurance Perspective - 11 November 2020](#)

[2020 CIO Agenda: An Insurance Perspective - 31 October 2019](#)

[2019 CIO Agenda: An Insurance Perspective - 29 March 2019](#)

[2018 CIO Agenda: An Insurance Perspective - 9 March 2018](#)

[2017 CIO Agenda: An Insurance Perspective - 9 February 2017](#)

[2016 CIO Agenda: An Insurance Perspective - 19 February 2016](#)

[2015 CIO Agenda: An Insurance Perspective - 30 January 2015](#)

[2014 CIO Agenda: An Insurance Perspective - 20 March 2014](#)

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[Generative AI Hype Slows Down While Adoption Rises in Insurance](#)

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Insurance IT Skills Gaps Will Jeopardize Business Success

Insurance CIOs Must Balance Value and Costs, Not Just Cut Costs

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