

CEFLI 2025 Compliance & Ethics Benchmarking Survey Report of Key Findings

Report Content



Subject Matter	Page
About the Benchmarking Survey	3 - 7
Products Sold and Distribution Methods Utilized	8 - 15
Compliance Department Structure, Staffing and Budgets	16 - 27
CCO/CECO Structures and Staffing	28 - 31
Ethics Department Structure & Staffing	32 - 35
Ethics Programs	36 - 40
Business Unit Compliance Officers (BUCOs)	41 - 43
Leveraging Vendor Technology Solutions	44 - 47
CCO/CECO/Equivalent Qualifications, Reporting, Succession Planning & Communications	48 - 60
Compliance Education and Training	61 - 65
Enterprise Risk Management	66 - 67
Regulatory Activity	68 - 75
Future Compliance Challenges	76 - 78
Use of Artificial Intelligence (AI) and the Role of Compliance	79 - 87
Value of the Benchmarking Information	88 - 89
Closing Comments	90 - 92



About the Benchmarking Survey



About the Survey

CEFLI's annual Compliance and Ethics Benchmarking Survey (Survey) serves to gauge the current state of Compliance and Ethics practices in the life insurance industry. By comparing Survey responses over several years, we can identify trends in industry practices as companies continue to adapt to new challenges facing our industry.

Data from the Survey offers a rich and in-depth array of findings covering company organizational structure, staffing, budgeting, reporting, Compliance and Ethics programs, market regulation activity, vendor usage, the use of artificial intelligence, insight regarding current and future compliance challenges, and more.

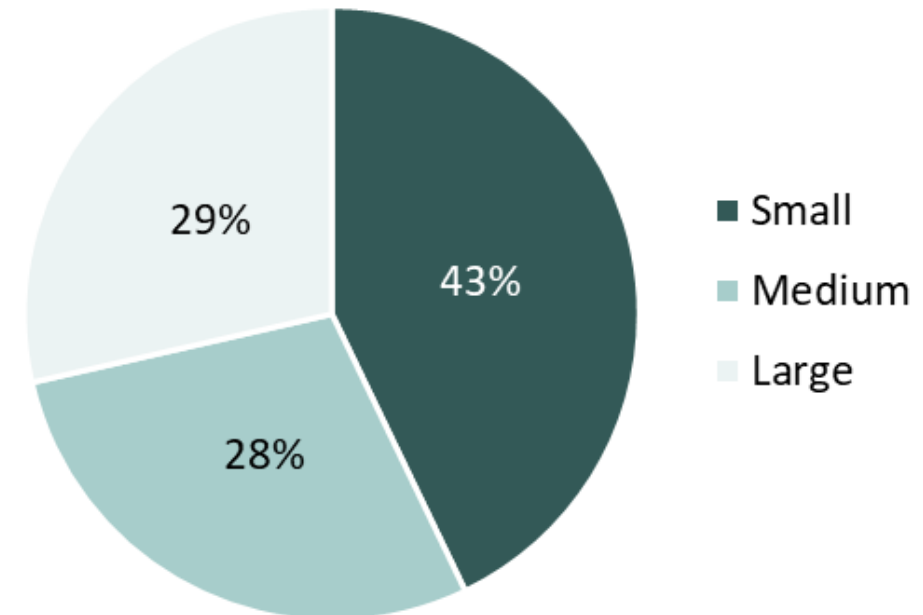
All references to “companies” or “large-, medium- or small-sized companies” refer only to those companies that responded to the Survey.



Composition of Survey Respondents

Key Takeaways:

- ▶ The Survey was sent to each CEFLI Member company/fleet
- ▶ 49 companies responded, resulting in a 52% response rate
- ▶ The company size represented by the Survey respondents correlates to that of CEFLI's overall membership composition



Thank You for Your Participation



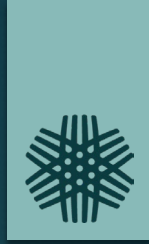
On behalf of CEFLI, we sincerely thank you for your time and participation in this year's Compliance & Ethics Benchmarking Survey.

Your willingness to share your experience via the Survey allows CEFLI to aggregate key life insurance industry Compliance and Ethics metrics and provide Members with value-added, timely insight.

You are to be commended for your level of engagement. Thank you to the 49 life insurance company groups who took the time to complete this year's Survey. The response rate was 52% – an outstanding statistic for Survey participation.

If your company did not elect to participate in this year's Survey, we hope you will strongly consider doing so in future years.



Additional Resources



To supplement this Report, CEFLI developed two additional Benchmarking Survey resources

Individuals seeking additional data or more granular findings may find the supplemental resources helpful



The resources have been added to the [Benchmarking Surveys](#) page of CEFLI.org

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**CEFLI 2025
Compliance & Ethics
Benchmarking Survey**

Supplemental Resource:
Benchmarking Summary

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**CEFLI 2025
Compliance & Ethics
Benchmarking Survey**

Supplemental Resource:
Source Data

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Products Sold and Distribution Methods Utilized

Products Sold or Serviced

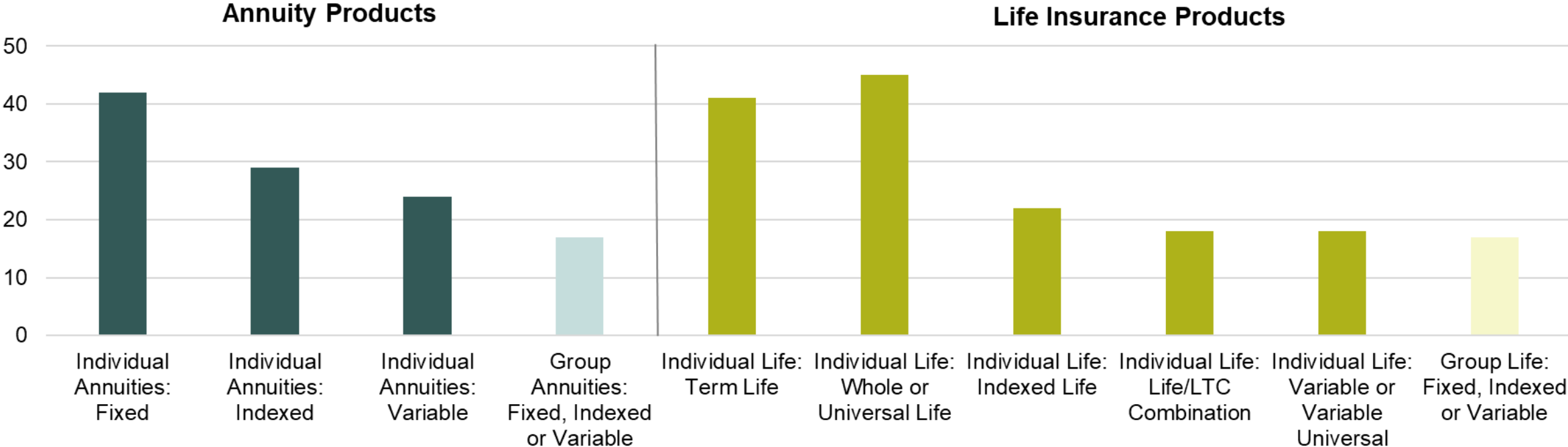


Key Takeaways:

- Most respondents (86%) indicated their company sells/services individual fixed annuity products. Nearly two thirds sell/service indexed annuity products and almost half sell/service variable annuity products. A third sell/service group annuity products.
- Most respondents (84%) sell/service term insurance and nearly all respondents (92%) sell/service whole life and/or universal life insurance products. Nearly half of the respondents sell/service indexed life insurance products while a third sell/service variable or variable universal life insurance. Additionally, a third of the respondents sell/service group life insurance.

The following graph provides insight regarding the products sold/serviced by Survey respondents, in aggregate

Products Sold or Serviced



Products Sold or Serviced

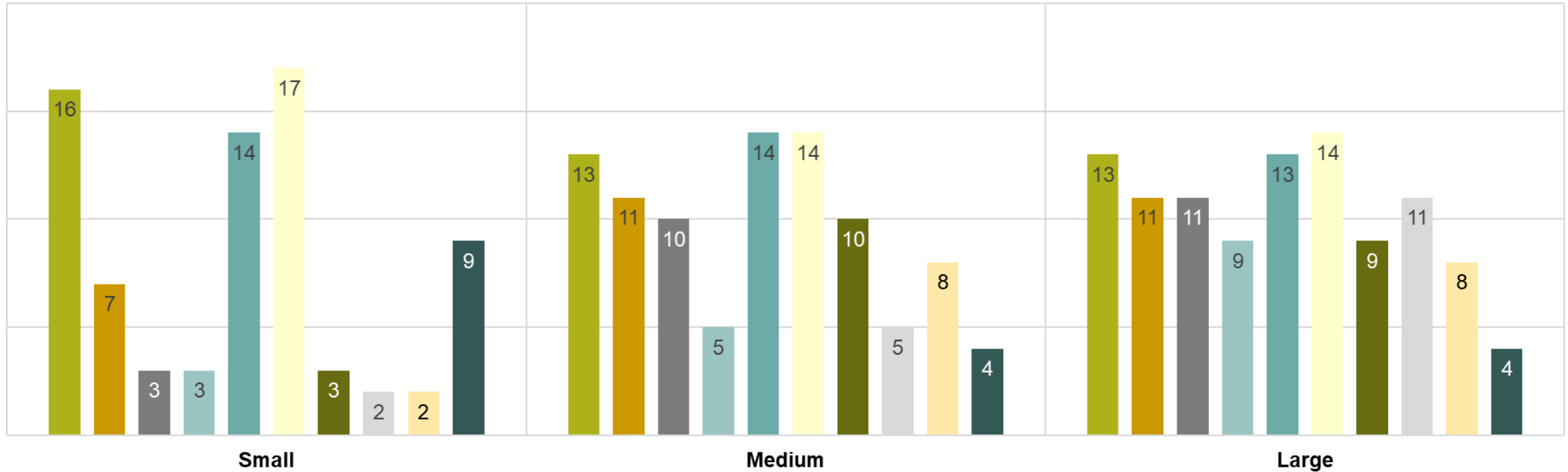


Key Takeaways:

- When analyzing by company size, small-sized companies were five times more likely to sell/service individual fixed annuity products over variable annuity products while the most prominent life products sold/serviced were universal life, whole life or term life insurance
- Small companies were also more likely to sell/service group life insurance than medium- or large-sized companies
- Nearly all medium-sized companies sell/service fixed annuity products, and they were slightly more likely to sell/service indexed annuity products than variable annuity products
- Large-sized companies tend to offer the most complete mix of products, providing a strong response for each type of product noted in the Survey, and they are more likely to sell/service variable annuity products than small or medium-sized companies

The graph on the following page indicates the breakdown of products sold/serviced, by company size

Products Sold or Serviced



- Individual Annuities: Fixed
- Group Annuities: Fixed, Indexed or Variable
- Individual Life: Indexed Life
- Group Life: Fixed, Indexed or Variable

- Individual Annuities: Indexed
- Individual Life: Term Life
- Individual Life: Life/LTC Combination

- Individual Annuities: Variable
- Individual Life: Whole or Universal Life
- Individual Life: Variable or Variable Universal

Distribution Channels Utilized



Key Takeaways:

- The use of independent producers was the most prominent distribution channel
- Companies that sell variable products distribute those products through broker-dealers.
- The larger the company, the greater the use of banks as a distribution channel



Distribution Channels Utilized

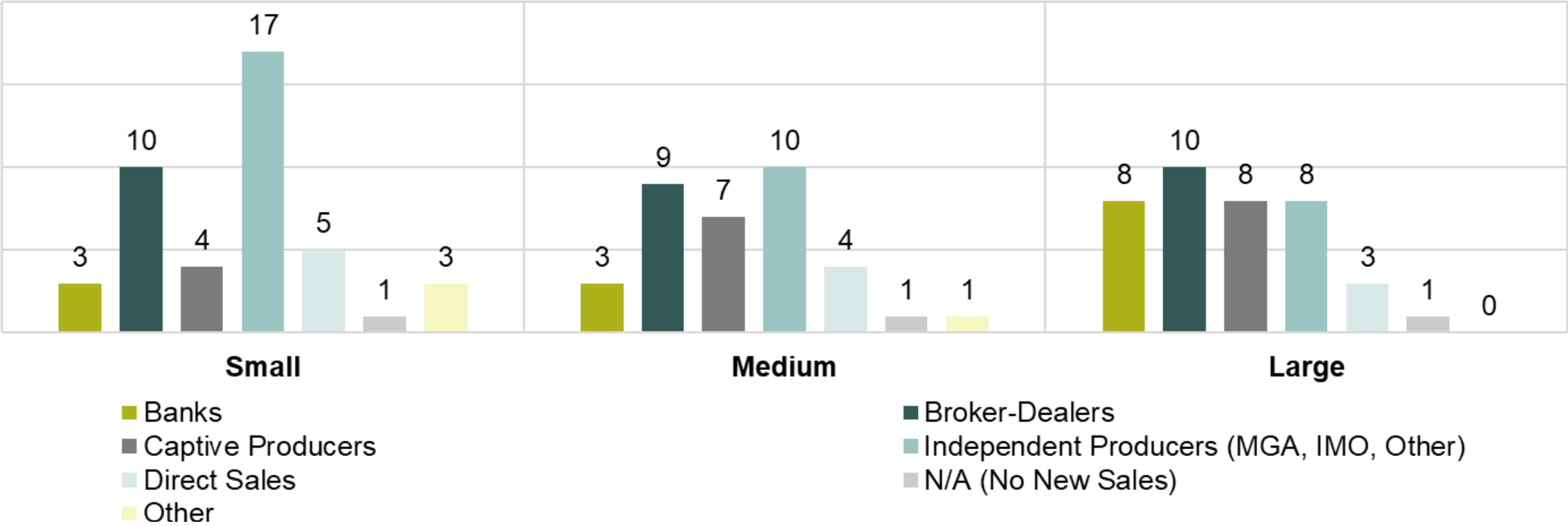


Key Takeaways:

While analyzing the data by company size:

- Small-sized companies were less likely to sell through banks or captive producers, heavily favoring the use of independent producers for the sale of their products
- Over 70% of medium-sized companies rely on the use of independent producers and about half also rely on the use of broker-dealers and captive producers
- The utilization of banks directly correlated with company size, where the larger the company, the more likely the company distributed some of its products through a bank
- The most prominent distribution channel for large companies was broker-dealers. Interestingly, the second top distribution method was a three-way tie between the use of banks, captive producers and independent producers.
- Regardless of company size, few (20-25%) companies rely on the use of direct sales

Distribution Channels Utilized





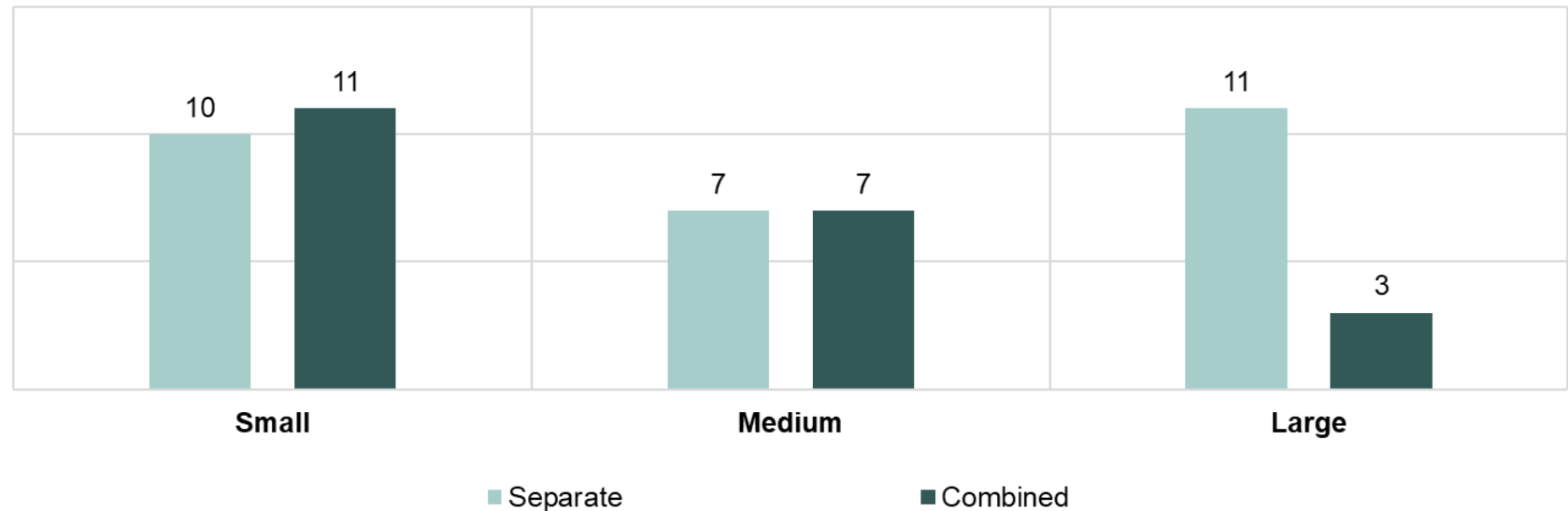
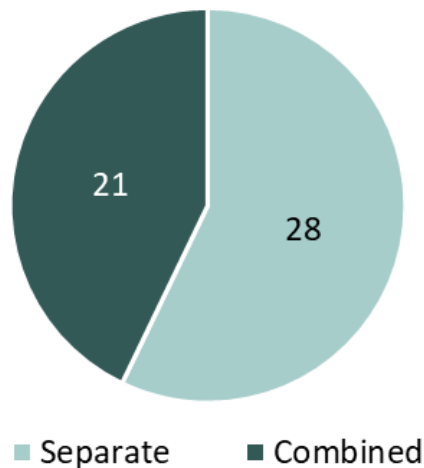
Compliance Department Structure, Staffing and Budgets

Separate vs. Combined Legal & Compliance Departments



Key Takeaways:

- Overall, slightly more than half of companies have separate Compliance and Legal departments
- When analyzing the data by company size, no meaningful variation was identified for small-sized and medium-sized companies. Large-sized companies, however, rely primarily on a structure that utilizes separate Compliance and Legal departments.



Size of the Compliance Department (FTE Equivalent) for US Regulatory Compliance

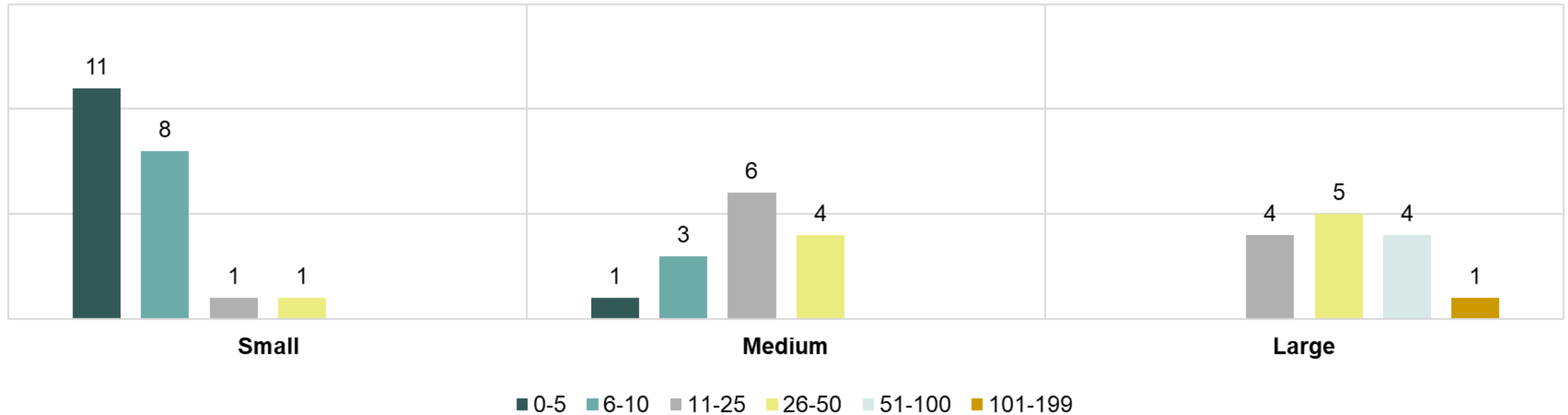


Key Takeaways:

- Not surprisingly, the smaller the company, the smaller the Compliance staff and the larger the company, the larger the Compliance staff
- Nearly all small-sized companies have up to 10 Compliance staff with just over half of the Survey respondents noting they have up to 5 Compliance staff
- Medium-sized companies typically have 6 - 50 staff
- In comparison, large-sized companies had significant variations in the size of their staff, primarily ranging from 11 to 100 employees

The graph on the following page indicates compliance staffing by company size

Size of the Compliance Department (FTE Equivalent) for US Regulatory Compliance

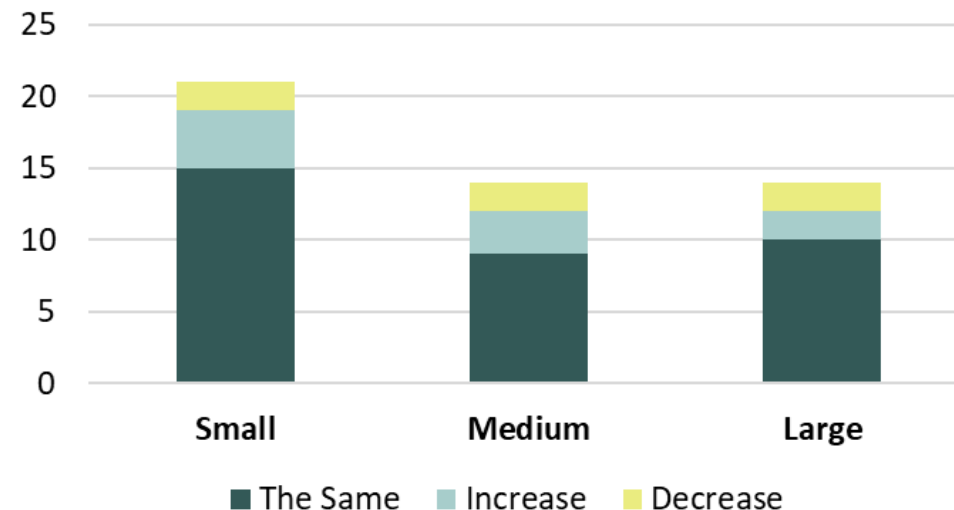
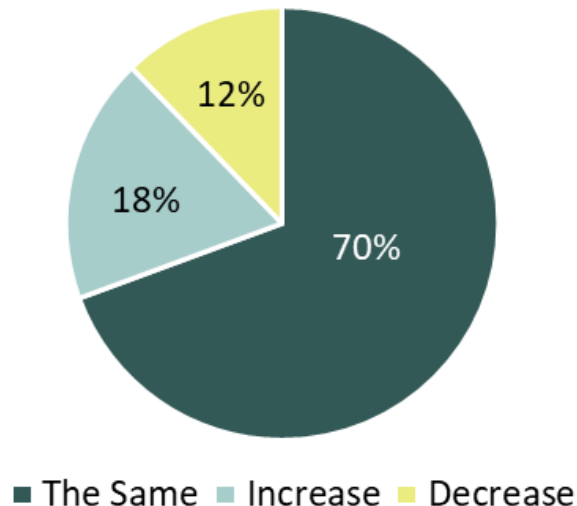




Change in Compliance Staffing: 2024 to 2025

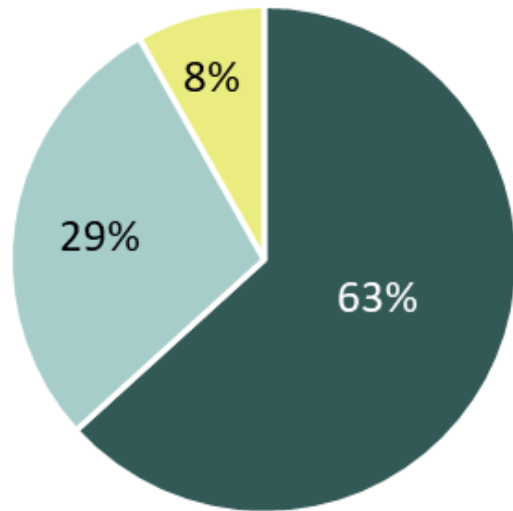
Key Takeaways:

- Over two thirds of companies reported their Compliance staff remained level between 2024 and 2025
- For companies with a staffing change, slightly more companies noted a staffing increase rather than a decrease. Overall, the experience was similar despite company size.





Anticipated Change in Compliance Staffing: 2025 to 2026



■ The Same ■ Increase ■ Decrease

Key Takeaways:

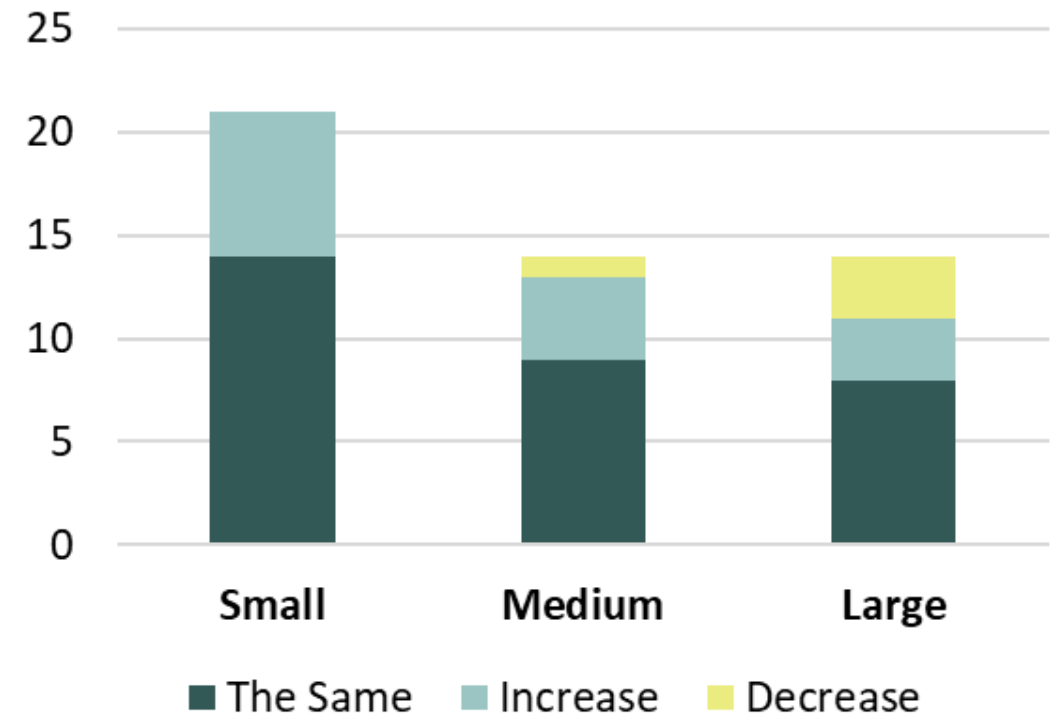
Nearly two thirds of companies anticipate level Compliance staffing next year while nearly a third plan to add Compliance staff

Nearly four times as many companies plan to increase staff rather than decrease staff

Anticipated Change in Compliance Staffing: 2025 to 2026



- Interestingly, two thirds of small-sized companies plan to maintain the current size of their Compliance staff and a third plan to add staff. No companies indicated they plan to reduce staff.
- Medium-sized companies noted a similar trend.
- Large-sized companies offered a more varied approach. While over half plan to retain staffing levels nearly as many plan to either increase or decrease staff in 2026.



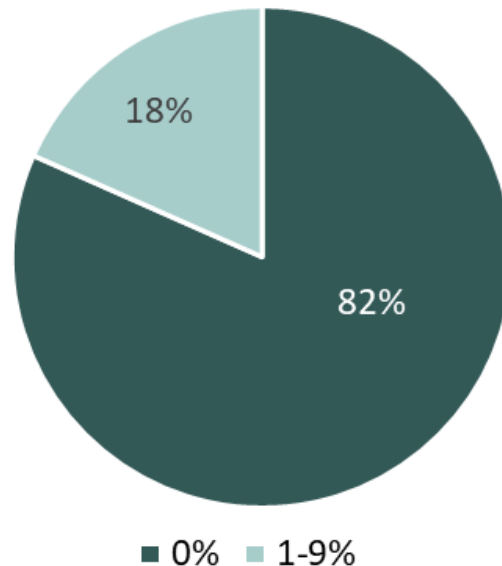
Use of Contract Staff



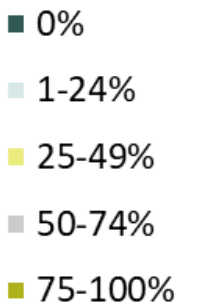
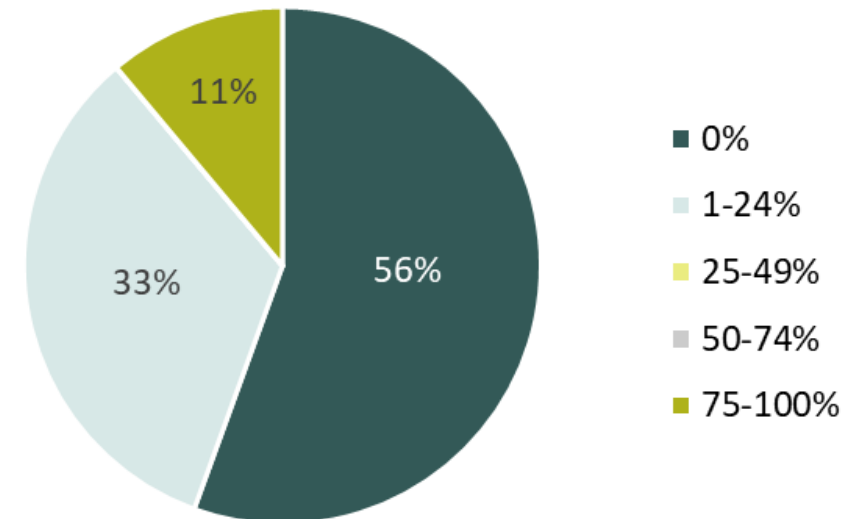
Key Takeaways:

- 2025 was the first year CEFLI asked about the use of contract staff for Compliance functions
- Less than 20% of companies use contract staff for Compliance functions and, of those that do, less than 10% of their Compliance teams are contract staff
- When contract staff are used, over half are on-shore resources and just under half are off-shore resources

Percentage of Staff-Contractors



Percentage of Contract Staff-Offshore Resources



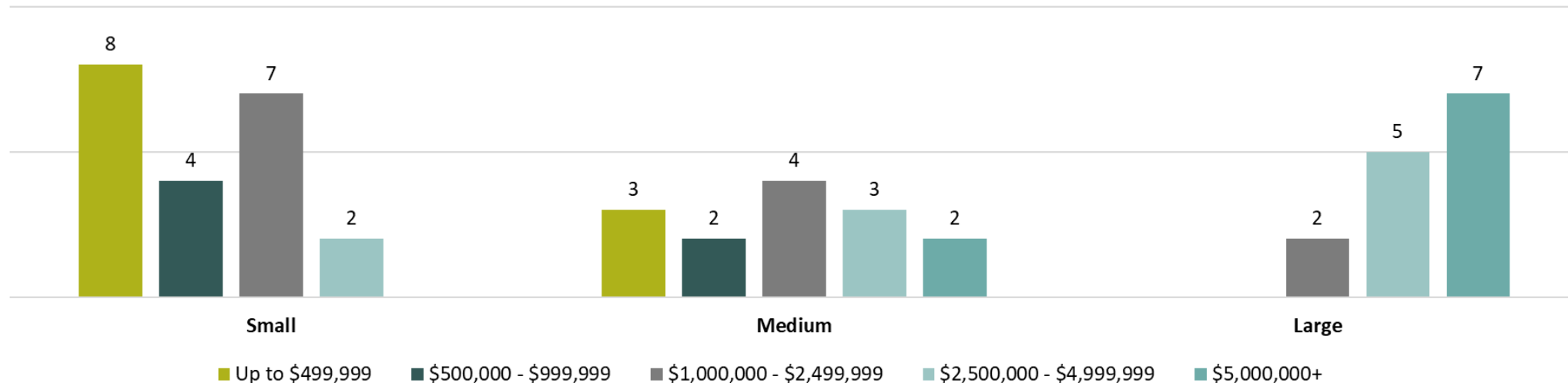


Annual Compliance Budget

Key Takeaways:

The size of Compliance budgets generally correlates with company size

- Small-sized companies tend to have a Compliance budgets of less than \$2.5 million
- Medium-sized companies generally have Compliance budgets that vary significantly
- Large-sized companies typically have a Compliance budget between \$2.5 and \$5M

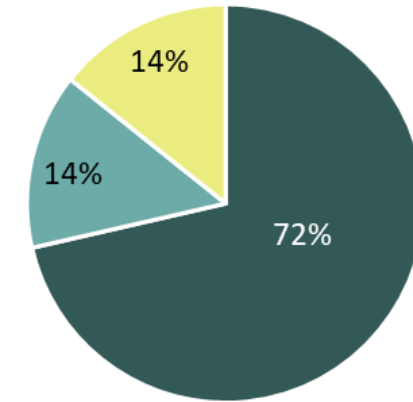


Change in Compliance Budget: 2024 to 2025

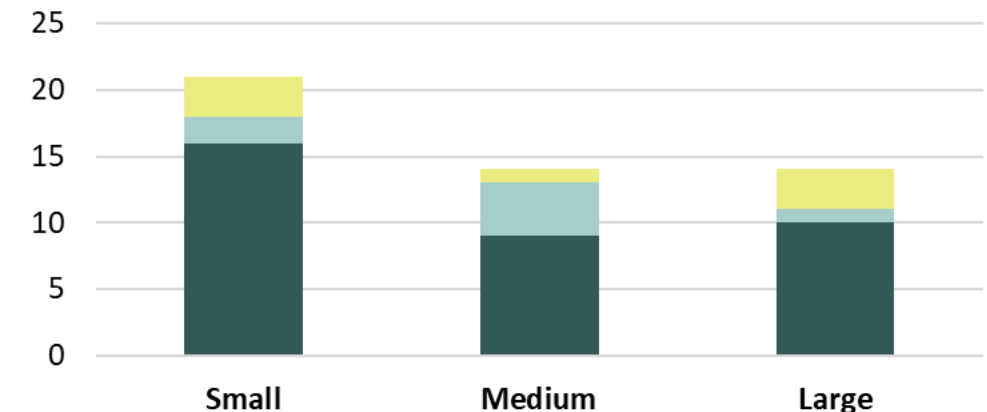


Key Takeaways:

- Nearly three fourths of Survey respondents indicated their 2025 Compliance budget is level compared to the prior year's budget
- Companies with a budget change reported an equal number of increases vs. decreases when compared to the prior year
- When considering company size, small- and large-sized companies were more likely to report a budget decrease while medium-sized companies were more likely to report a budget increase.



■ The Same ■ Increase ■ Decrease



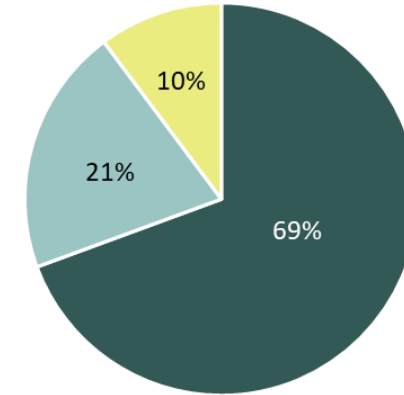
■ The Same ■ Increase ■ Decrease

Anticipated Change in Compliance Budget: 2025 to 2026

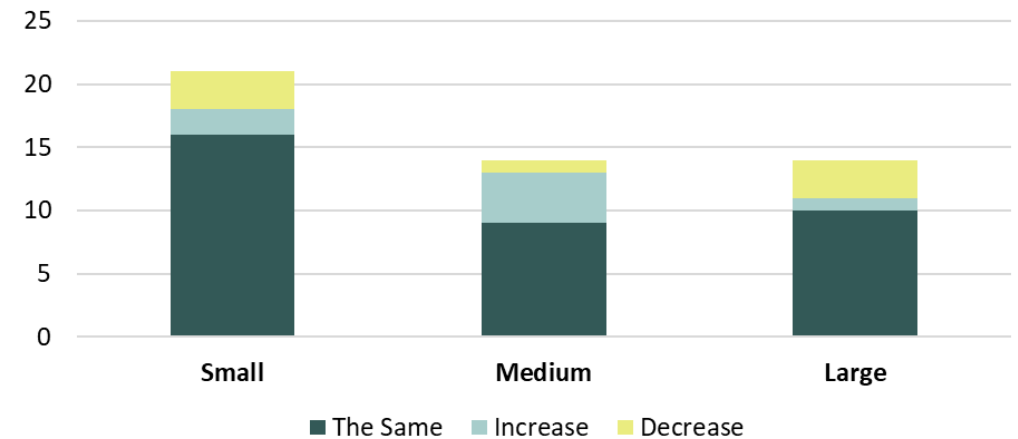


Key Takeaways:

- Over two thirds of companies indicated they anticipate their Compliance budget will remain level in 2026
- Of the companies anticipating a budget change, twice as many anticipate a budget increase vs. a decrease
- When considering company size, the trend is similar to the 2025 experience: small- and large-sized companies were more likely to report a potential budget decrease while medium-sized companies were more likely to report a potential budget increase



■ The Same ■ Increase ■ Decrease



Placement of Compliance & Compliance-Related Functions



Function	Compliance – Not In a Dedicated Unit of Compliance	Compliance – In a Dedicated Unit of Compliance	Legal	Sales/ Marketing	Operations or Other Business Unit	Other
Advertising Review	45%	37%	8%	2%	8%	0%
AML	35%	43%	8%	2%	10%	2%
Complaint Handling	39%	31%	10%	0%	20%	0%
Form Filing	16%	23%	14%	2%	35%	10%
Oversight- Operations of Corporate Functions	37%	26%	8%	0%	25%	4%
Oversight- Sales Practices	35%	27%	6%	10%	12%	10%
Privacy	28%	29%	37%	0%	6%	0%
Producer Licensing & Appointment	2%	12%	0%	8%	78%	0%
Regulatory Exams & Data Calls	43%	39%	14%	0%	4%	0%
Replacements	16%	6%	0%	0%	74%	4%
SIU/Antifraud	23%	27%	20%	0%	20%	10%
Suitability/Best Interest Reviews	23%	18%	2%	2%	43%	12%
Vulnerable Adult & Financial Exploitation	31%	33%	12%	2%	16%	6%



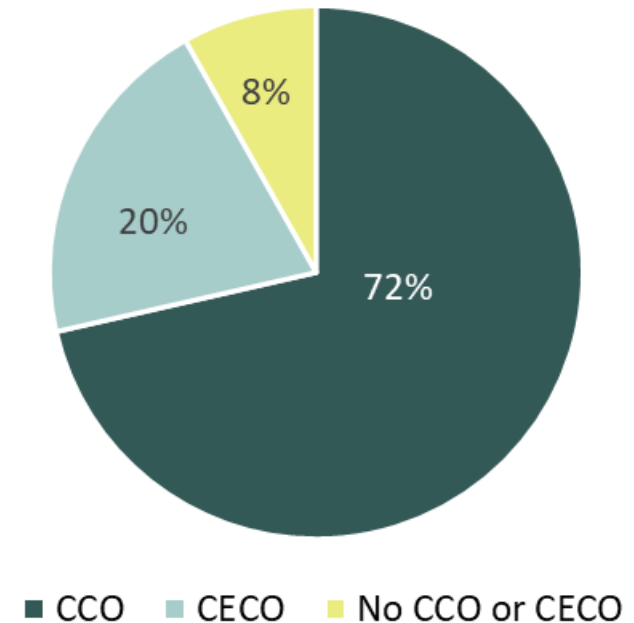
CCO/CECO Structures and Staffing

Organizational Structure: CCO vs. CECO Titles



Key Takeaways:

- 72% of companies utilize the Chief Compliance Officer (CCO) title while 20% of companies utilize the Chief Ethics and Compliance Officer (CECO) title
- Eight percent of companies (all small companies) indicated they do not utilize either title at their organization



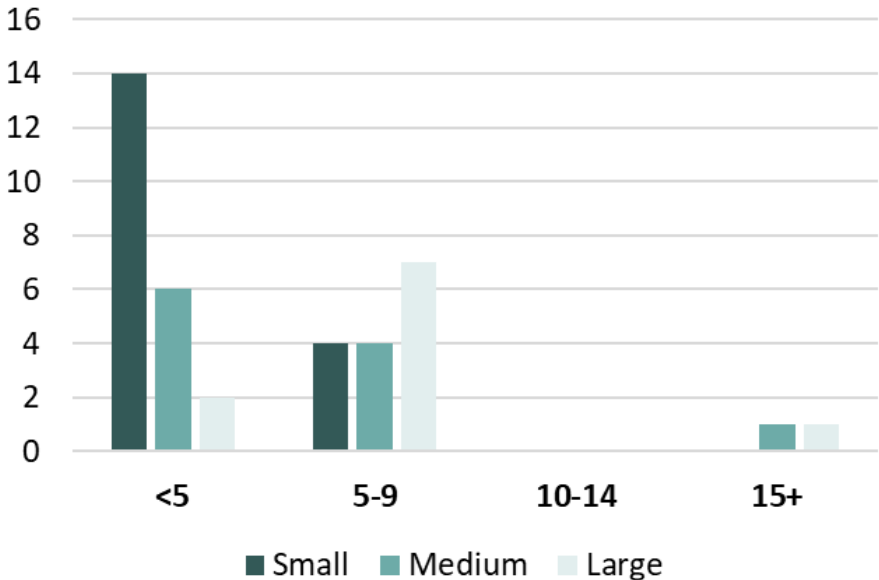
CCO - Direct and Indirect Reports



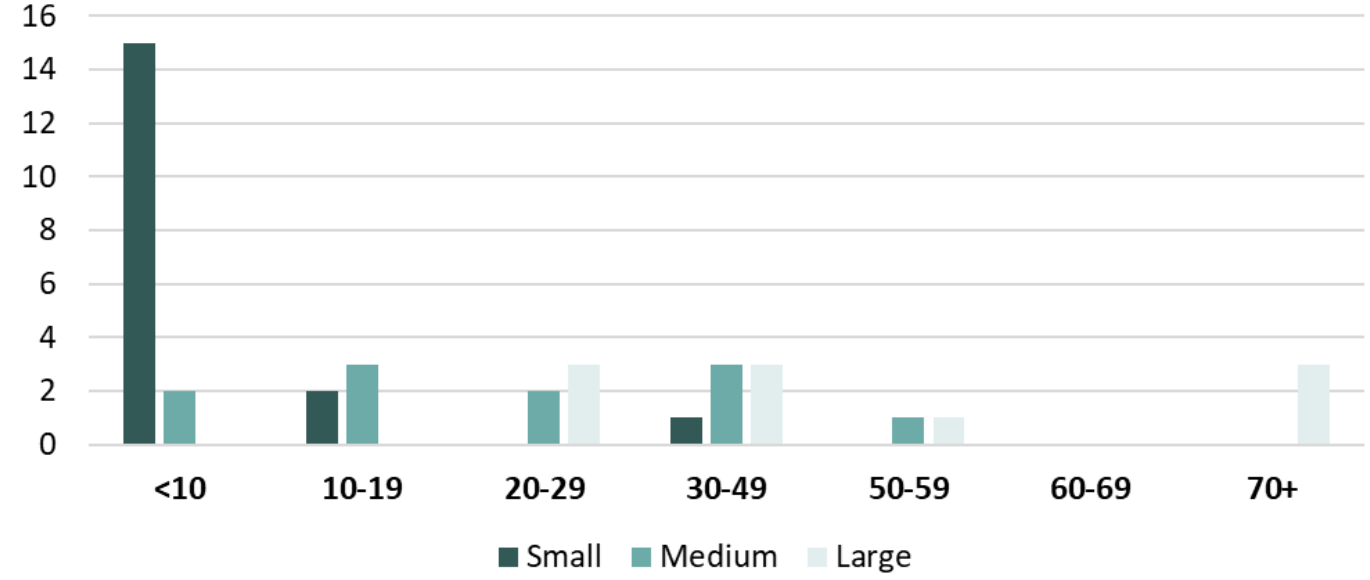
Key Takeaways:

The Survey data revealed a close correlation between company size and the number of staff directly or directly and indirectly reporting to the CCO

Direct Reports (Only)



Direct and Indirect Reports (Combined)



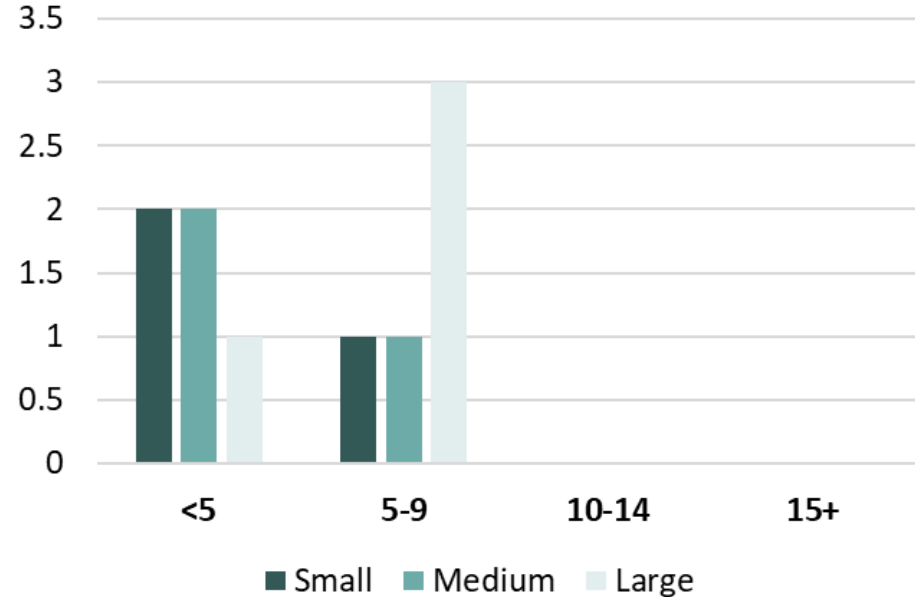
CECO - Direct and Indirect Reports



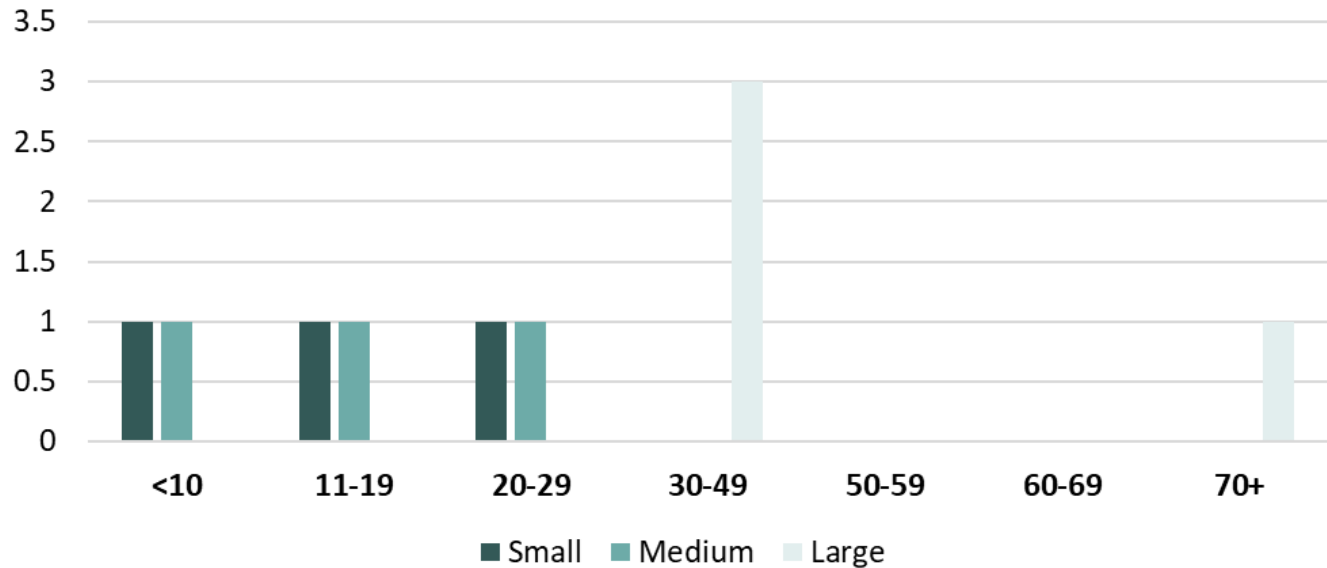
Key Takeaways:

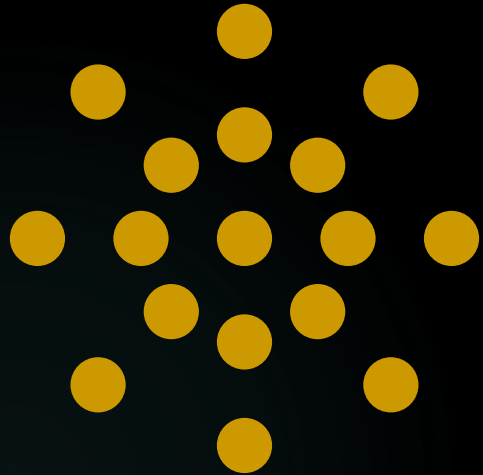
Survey data also revealed a similar, close correlation between company size and the number of staff directly or directly and indirectly reporting to the CECO

Direct Reports (Only)



Direct and Indirect Reports (Combined)





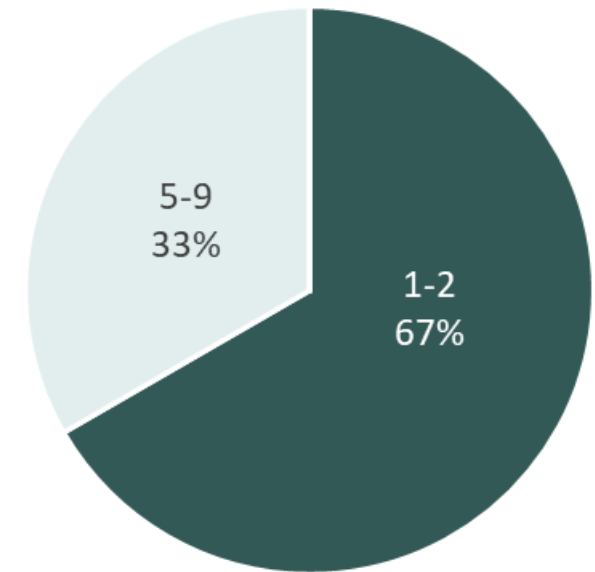
Ethics Department Structure & Staffing

Placement of Ethics & Staffing



Key Takeaways:

- Only large-sized companies (100%) indicated they maintain a *separate* Ethics department
- The number of professionals devoted exclusively to a company's Ethics program remains small, consistent with prior years
- It is important to note that the use of an external vendor for a company's Ethics hotline helps streamline the number of staff needed to carry out an Ethics program. Additionally, ownership of a company's Ethics program is often shared with other departments such as Human Resources.
- When considering company size, small companies reported having 1-2 Ethics program staff, medium companies reported having 5-9 Ethics program staff and large companies were split between having 1-2 Ethics staff (67%) or having 5-9 Ethics staff (33%)

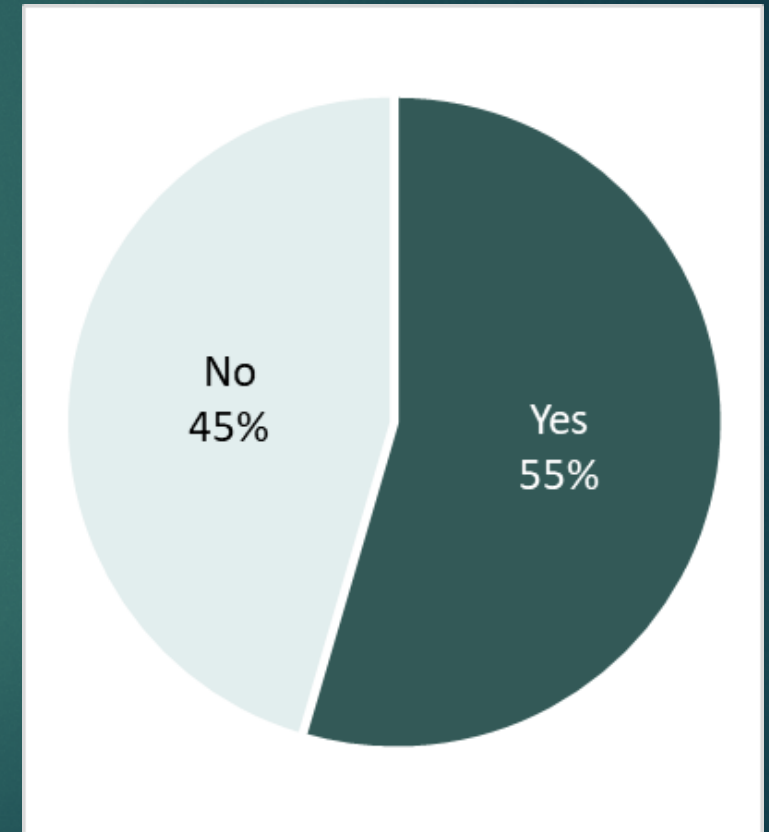


Separate Ethics Budget



Ethics Budget

- In aggregate, 55% of companies with a separate Ethics department noted they maintain a separate Ethics budget, which included one small-sized company, one medium-sized company and four large-sized companies
- 45% of companies (3 large companies) with a separate Ethics department indicated they do not maintain a separate Ethics budget
- Two-thirds of respondents indicated they anticipate their Ethics budget will remain level next year. A third of the respondents (1 medium- and 1 large-sized company) anticipate a reduction in their Ethics budget next year.

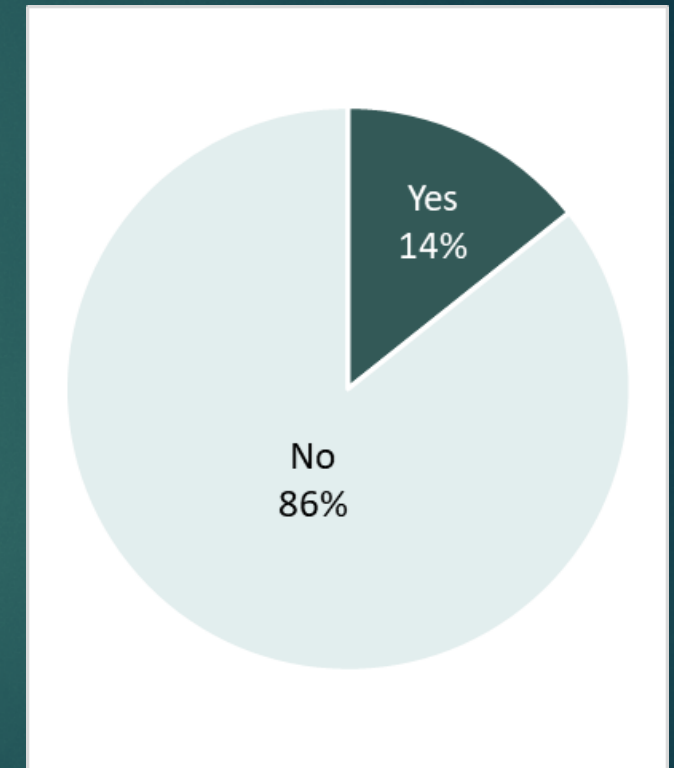


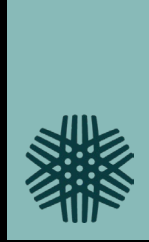
Separate Chief Ethics Officer/ Head of Ethics and Their Staff



Key Takeaways:

- Very few companies, regardless of company size, have a Chief Ethics Officer/Head of Ethics position distinct from the company's CCO, CECO or equivalent role
- Similarly, 86% (6) of companies with a separate Chief Ethics Officer (or equivalent position) have “0 - 2” individuals reporting to the Chief Ethics Officer (or equivalent role). 14% (1) of Survey respondents noted they have 5+ staff reporting to the Chief Ethics Officer (or equivalent position).





Ethics Programs

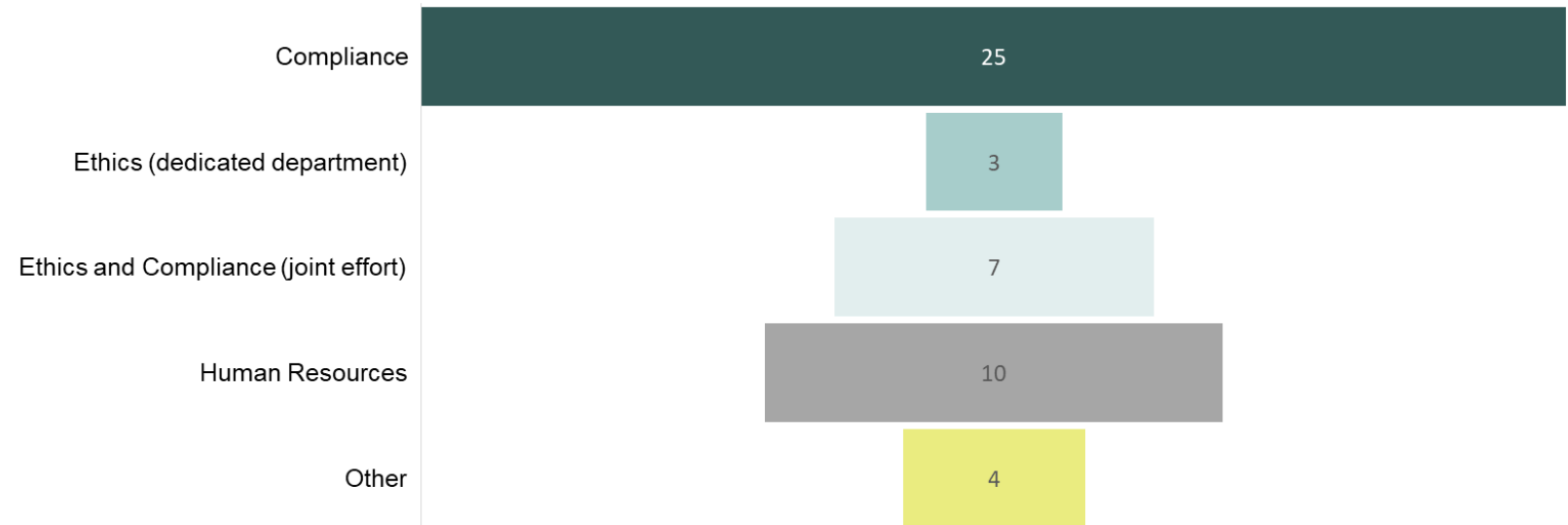
Responsibility for Ethics Program



Key Takeaways:

A company's Ethics program is typically located in one of the following areas:

- 1) Compliance (51%)
- 2) Human Resource (20%)
- 3) Joint effort between Compliance & Human Resources (14%)



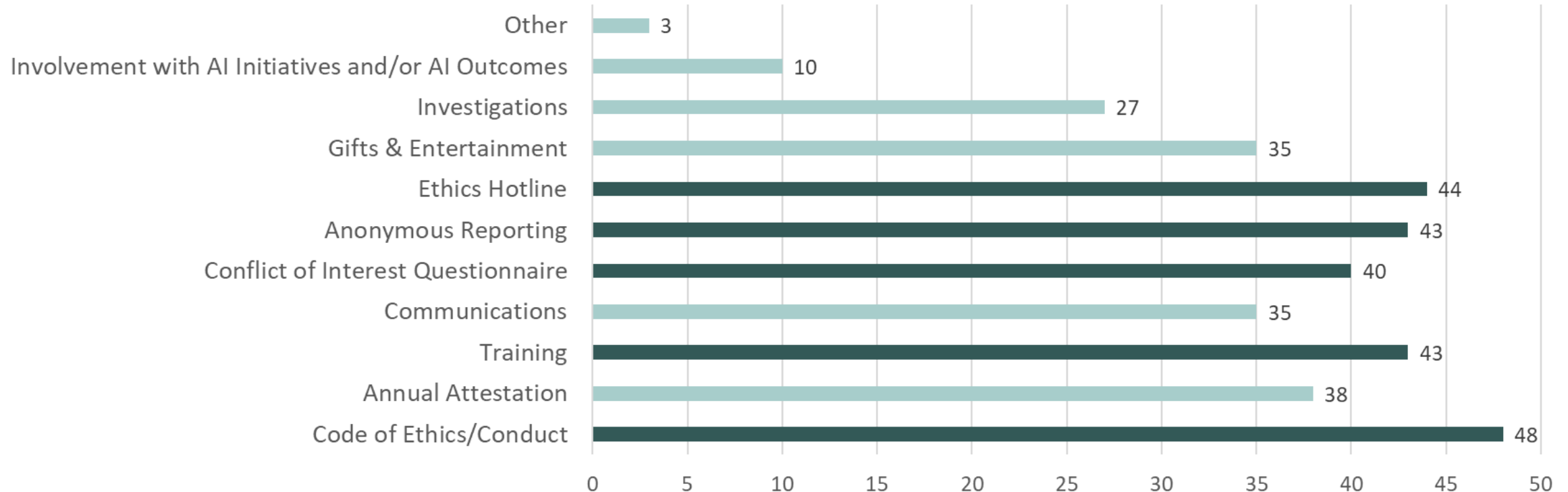
Survey respondents who selected Other noted: 1.) Human Resources and Internal Audit; and 2.) Legal chairs the Ethics Committee



Elements of the Ethics Program

Key Takeaways:

Companies rely on a variety of components to round out their Ethics programs. The dark bars represent the most frequent Survey responses.

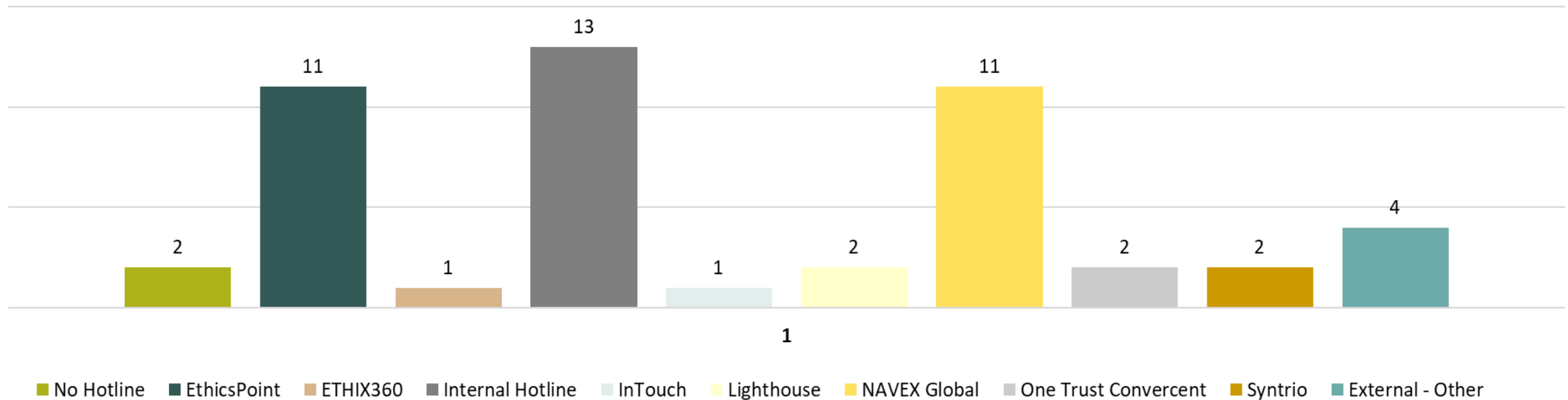




Use of an Ethics Hotline

Key Takeaways:

Regarding a company's Ethics Hotline, internally developed hotlines and the use of EthicsPoint or NAVEX Global were the top responses from all companies, regardless of size

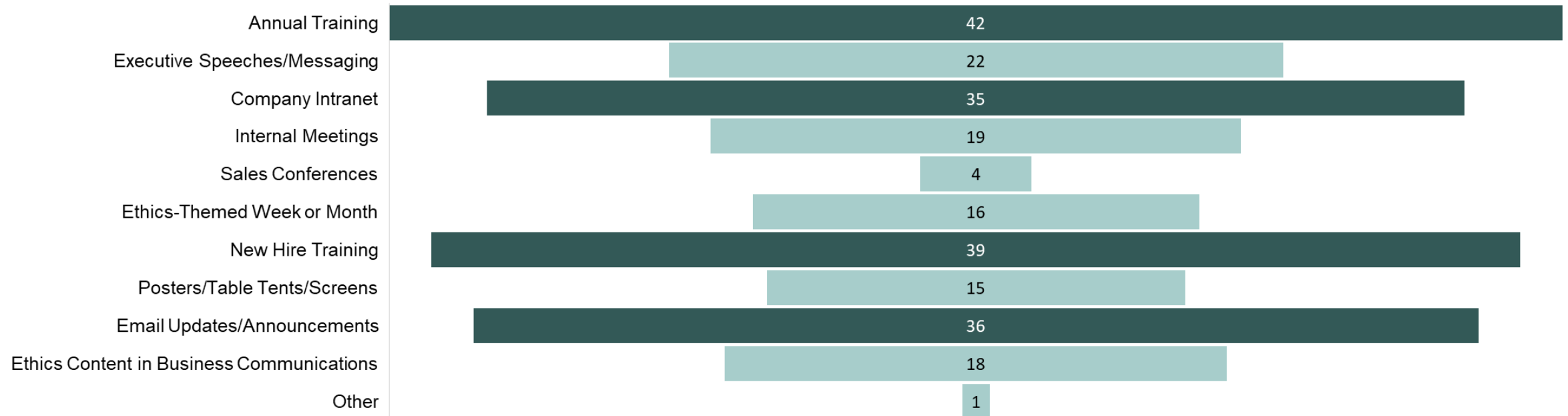


Ways to Create Ethics Awareness



Key Takeaways:

Annual training, new hire training, email updates/announcements and content on a company's intranet site were cited as the top ways life insurance companies create awareness with staff regarding their Ethics policies and programs. The dark bars represent the most frequent Survey responses.





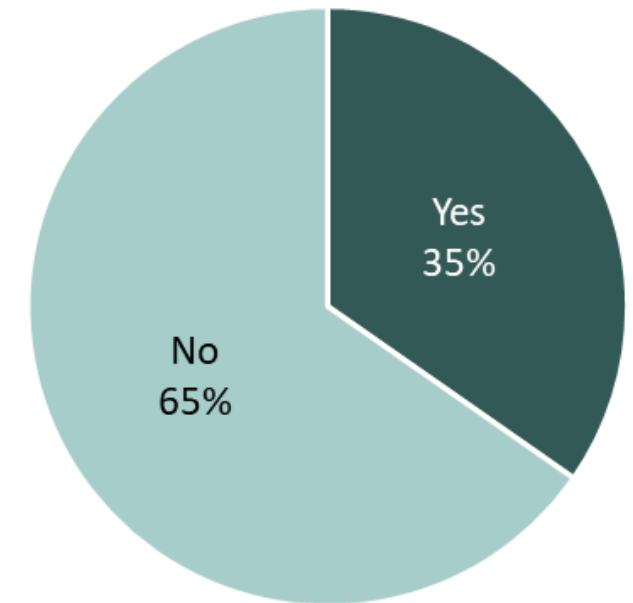
Business Unit Compliance Officers (BUCOs)

Use of a Business Unit Compliance Officer (BUCO)



Key Takeaways:

- Overall, 35% of companies who completed the Survey indicated they have BUCOs, though the experience varied significantly based on company size
- Not surprisingly, the larger the company the more likely the company utilized BUCOs, and the smaller the company the less likely the company utilized BUCOs
- 71% of large companies, 43% of medium companies and 5% of small companies utilize BUCOs

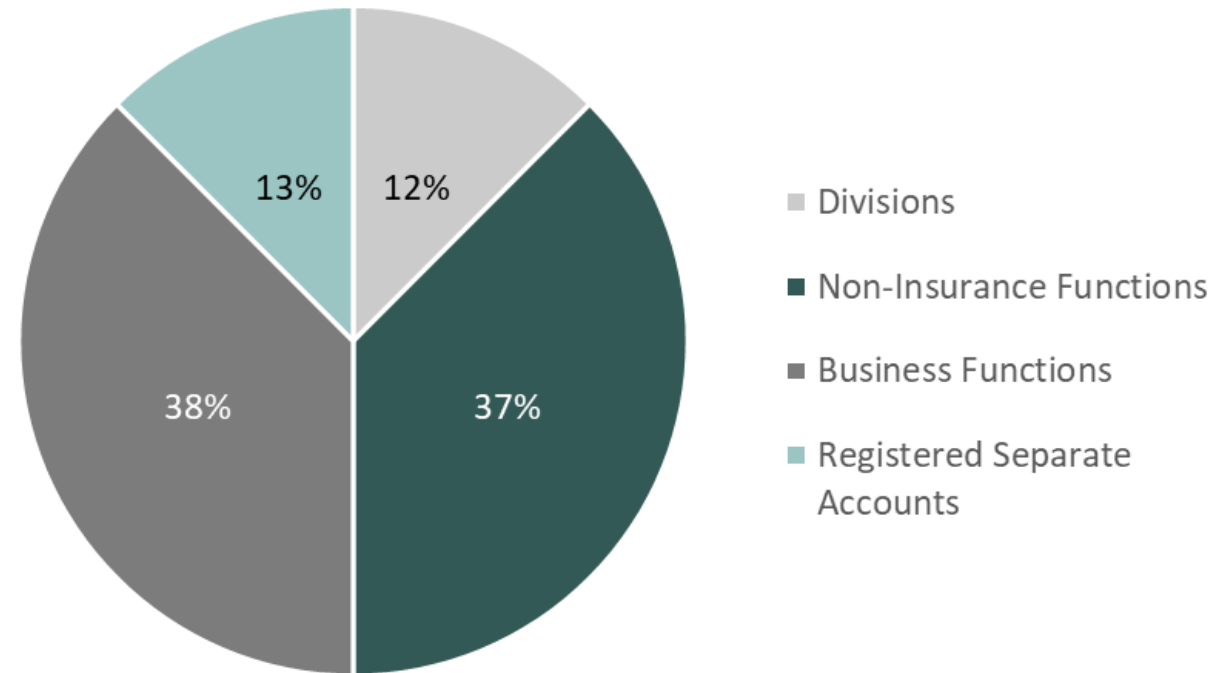




Structure: Business Areas with a BUCO

Key Takeaways:

- A third of companies with BUCOs place the BUCOs within a business unit
- Companies with BUCOs residing outside of Compliance tend to place the BUCOS primarily in non-insurance functions or in business functions rather than utilizing BUCOS within product lines or distribution channels





Leveraging Vendor Technology Solutions

Use of Vendor Solutions



Key Takeaways:

The 2025 Survey included additional questions pertaining to Compliance department use of vendor software for the following Compliance-related functions:

- Advertising Review
- Social Media Monitoring
- Complaint Handling
- Regulatory Change Management (rule/regulation tracking)
- Compliance Oversight
- AML and SIU Case Management

The following slides offer insight based on the Survey responses

Vendor Solutions



Advertising Review

Home Grown	General Systems [^]	AdMaster	Lytho	PinPoint	Red Oak	RegEd AdTrax	Widen
6	19	2	1	0	6	11	1
Other (6)	First Consulting; Proof Point HQ; Workfront						

Social Media Monitoring

Home Grown	General Systems [^]	Hearsay	Hootsuite	Smash	Soci	Sprinklr
6	18	10	8	8	0	3
Other (6)	Mentionlytics; Proofpoint Social Patrol; Sprout					

Complaint Handling

Home Grown	General Systems [^]	Aquilan/ Patriot Manager	Archer GRC	Fiserv FCRM	Navex	Red Oak	RegEd Code	RegEd Comply/Fast	SAI360	Thompson Reuters
19	13	2	3	2	2	1	4	0	1	2
Other (3)	Navex; NContracts Ncomply; Prudential Profile System									

[^] General systems refers to the use of general workflow systems or data management solutions (i.e., SharePoint, Adobe Workfront, Service Now, IBM Open Pages, Wrike, Zinflow, Aprimo, Salesforce, etc.)

Vendor Solutions



Regulatory Change

Home Grown	General Systems^	ACLI	Archer GRC	Ascensus	Cube	Ethidex	Lexis-Nexis StateNet	RegEd Code	RegEd Reg Chng Mgmt	SAI360	State Scape	Thompson Reuters	Wolters Kluwer - NILS	Wolters Kluwer - OneSumX
5	10	16	5	2	1	1	5	12	4	1	1	1	8	4
<i>Other (7)</i>		Compliance AI; FiscalNote; MetricStream; NContracts Ncomply; ODENtrack												

Compliance Oversight Tracking

Home Grown	General Systems^	Archer GRC	RegEd Code	RegEd Exam Management	SAI360	Wolters Kluwer OneSumX
16	20	3	4	2	1	2
<i>Other (8)</i>		KeyLight by Navex; Logic Manager; NContracts Ncomply; ProcessUnity; Risk Cloud				

AML and/or SIU Case Management

Home Grown	General Systems^
35	16
<i>Other (16)</i>	
Actimize; Archer GRC; Fiserv FCRM; FRASCO; Idology; iSight; LIMS - Legal Information Management System; NICE Actimize; Patriot Manager/Aquillan; SmartSheet	

^ General systems refers to the use of general workflow systems or data management solutions (i.e., SharePoint, Adobe Workfront, Service Now, IBM Open Pages, Wrike, Zinflow, Aprimo, Salesforce, etc.)



CCO/CECO/Equivalent Qualifications, Reporting, Succession Planning & Communications

Qualifications: Education & Experience



Key Takeaways:

The Survey asked respondents to identify the most important educational and business experience for a CCO/CECO/ Equivalent.

Percentage of Survey Respondents Ranking the Qualification as *Very Important*:

1. 86% of companies noted “Compliance Experience”
2. 65% of companies noted “Business/Industry Experience”
3. 57% of companies noted “Management Experience”

Qualifications: Education & Experience



Key Takeaways:

When combining the scores for Important and Very Important, Business/Industry Experience, Compliance Experience, and Management Experience rose to the top

Percentage of Survey Respondents Ranking the Qualification as *Important* or *Very Important*

1. Business/Industry Experience– 98%
2. Compliance Experience– 96%
3. Management Experience– 94%
4. Legal Education (J.D.)– 55%
5. Advanced Degree (non-J.D.)– 51%
6. Audit Experience– 37%
7. Insurance Sales Experience– 24%

Qualifications: Soft Skills



Key Takeaways:

New for 2025, the Survey asked respondents to identify the most important soft skills for a CCO/CECO/Equivalent role.

Percentage of Survey Respondents Ranking the Qualification as *Very Important*

- When considering only the skills noted as *Very Important*, two skills stood out: Ethics & Integrity– 94% and Critical Thinking– 92%

Percentage of Survey Respondents Ranking the Qualification as *Important* or *Very Important*

- The following soft skills scored greater than 90% when combining the *Important* and *Very Important* responses: Ethics & Integrity– 98%, Written Communication Skills– 98%, Teamwork and Relationship Management– 98%, Teamwork and Relationship Management– 98%, Verbal Communication Skills– 98%, People Management– 96%, Critical Thinking– 96%, Effective Time Management– 94, Resilience– 94%, Mentoring and Coaching– 92%

Requiring vs. Holding a Law Degree

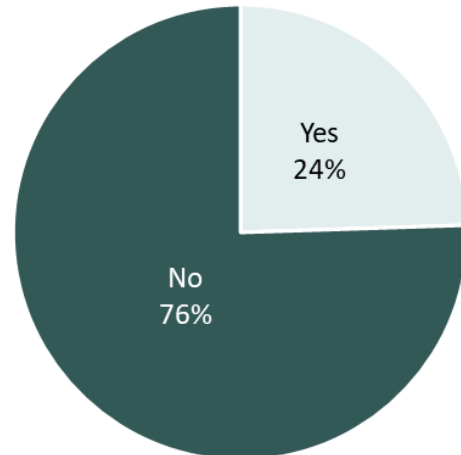


Key Takeaways:

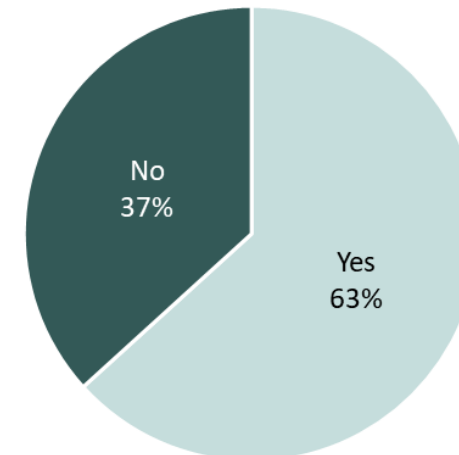
The Survey asked respondents to indicate whether a law degree is required of the CCO/CECO/Equivalent and whether the current CCO/CECO/Equivalent role has a law degree

Though “Compliance Experience,” “Business/Industry Experience” and “Management Experience” were deemed more important than a Legal Education (JD) for CCO/CCO/Equivalent qualifications, 24% of companies require their CCO/CECO/Equivalent to have a law degree and 63% of companies reported their CCO/CCO/Equivalent role has a law degree

**Law Degree
Required**



**Incumbent
Has a Law
Degree**



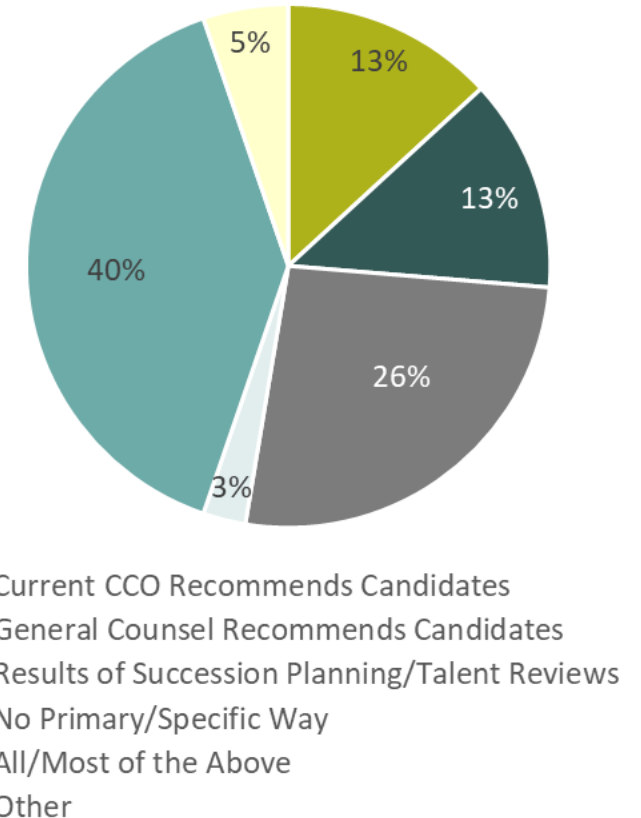
Identification of CCO/CECO/Equivalent Candidates



Key Takeaways:

Life insurance companies utilize a variety of ways to identify potential CCO/CECO/Equivalent candidates

- The Survey results revealed that companies rely upon the results of succession planning and talent reviews when identifying potential future CCO/CECO/Equivalent candidates
- The current CCO's recommendation and the current General Counsel's recommendation were also top responses
- Overall, most companies rely on a variety of ways to identify future CCO/CECO/Equivalent candidates



Development of Future CCO/CECO/Equivalent Candidates

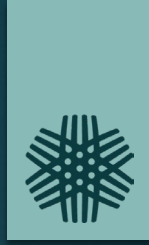


Key Takeaways:

Regarding the development of future CCO/CECO/Equivalent candidates, the most popular methods cited were attending legal and compliance conferences (89%), attending industry leadership training for new or aspiring leaders (79%) and participating in internal leadership development programs (74%)

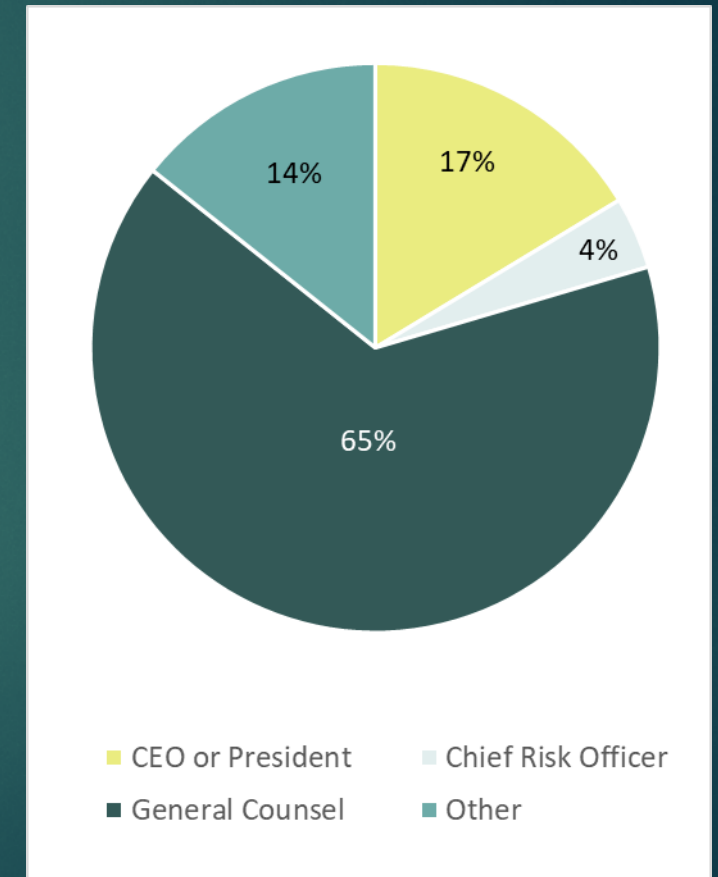


CCO/CECO/Equivalent Direct Reporting Relationships

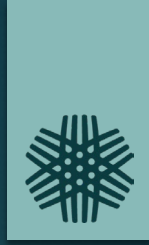


Key Takeaways:

- 65% report directly to the General Counsel
- 17% report directly to the CEO or President
- 4% report directly to the Chief Risk Officer
- 14% selected *Other* and noted the following reporting relationships:
 - Chief Actuary
 - CFO
 - Enterprise or Global CCO
 - Board of Directors
 - Chief Internal Auditor & Chief Risk Officer (a combined role)



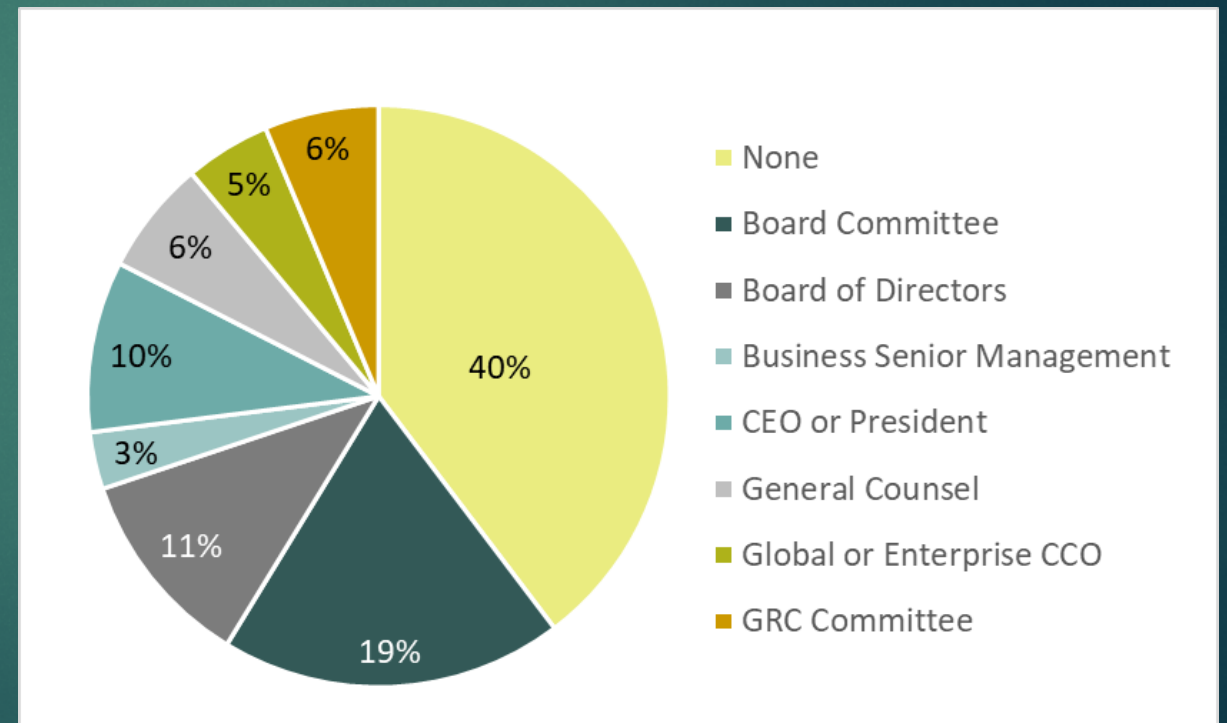
CCO/CECO/ Equivalent Indirect Reporting Relationships



Key Takeaways:

Survey responses revealed the following indirect reporting relationships:

- None (no indirect reporting)– 40%
- Board Committee– 19%
- Board of Directors– 11%
- CEO or President– 10%
- General Counsel– 6%
- GRC Committee– 6%
- Global or Enterprise CCO– 5%
- Business Senior Management– 3%



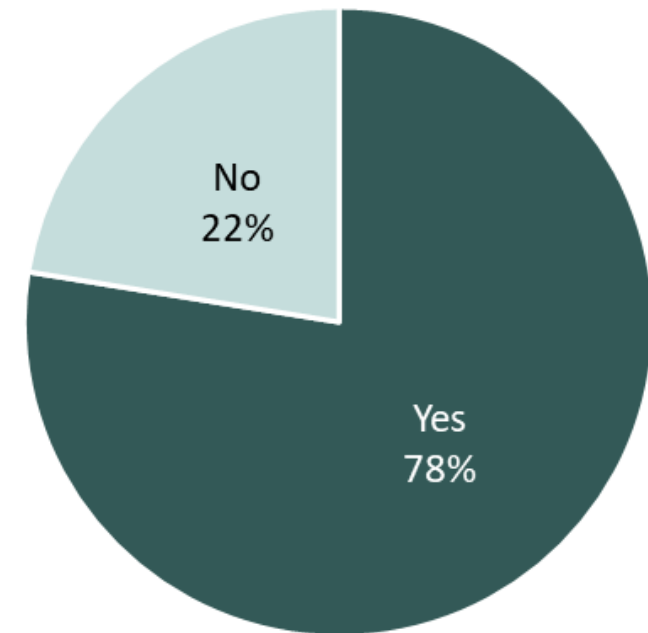


CCO/CECO/Equivalent Succession Planning

Key Takeaways:

In aggregate, nearly 80% of companies have a succession plan in the event their CCO/CECO/Equivalent retires or leaves the organization

When considering company size, 67% of small-sized, 93% of medium-sized and 79% of large-sized companies have a succession plan for the CCO/CECO/Equivalent role

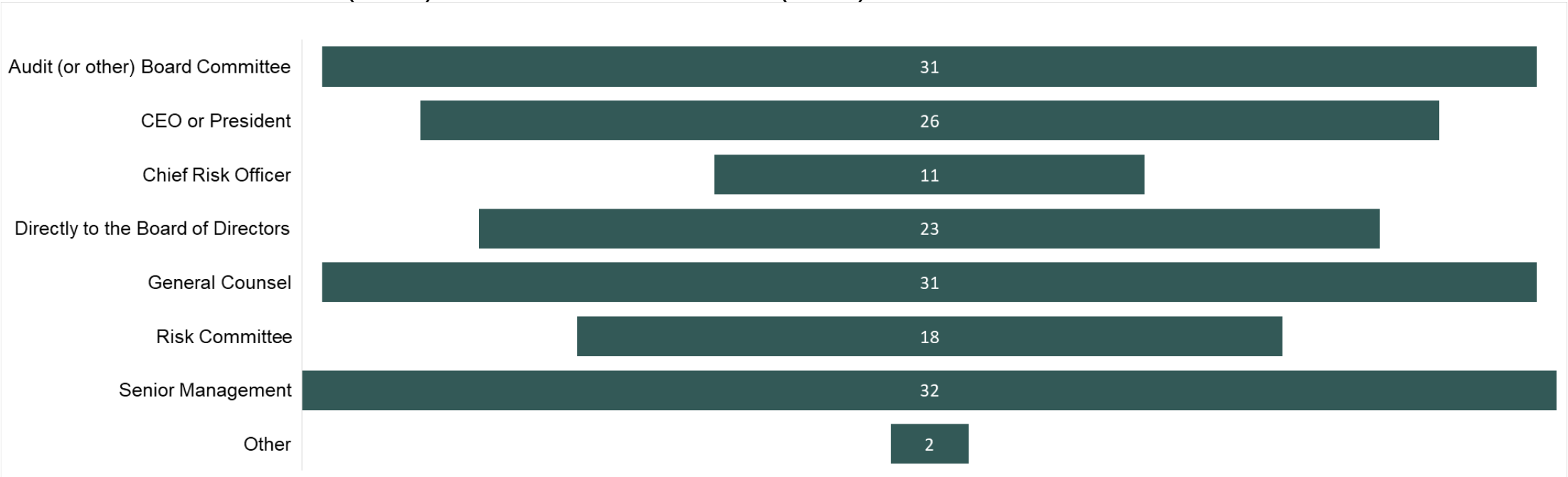


CCO/CECO/Equivalent Compliance Reports: The Audience

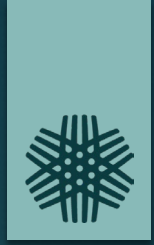


Key Takeaways:

The CCO/CECO/Equivalent often shares Compliance reports with others. Survey responses indicated the CCO/CECO/Equivalent most frequently shares Compliance reports with Senior Management (65%), the Audit or another Board Committee (63%) and General Counsel (63%).



CCO/CECO/Equivalent Compliance Reports: The Content



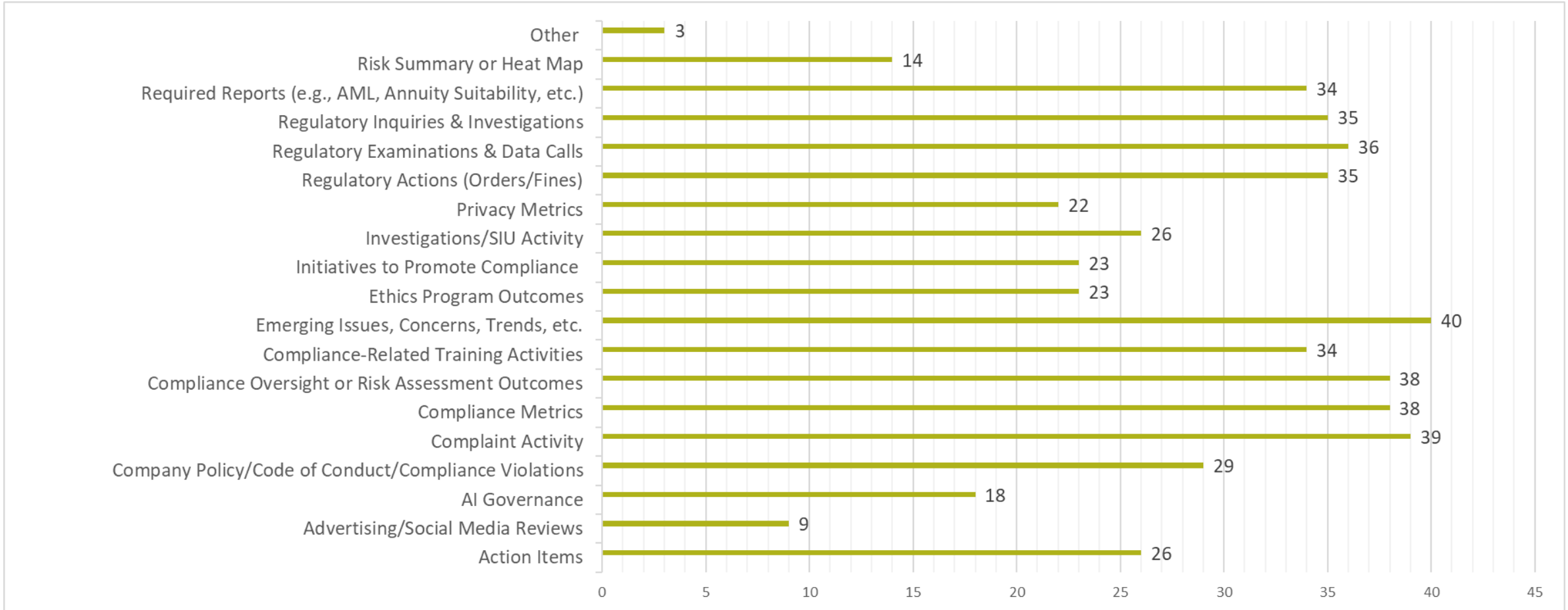
Key Takeaways:

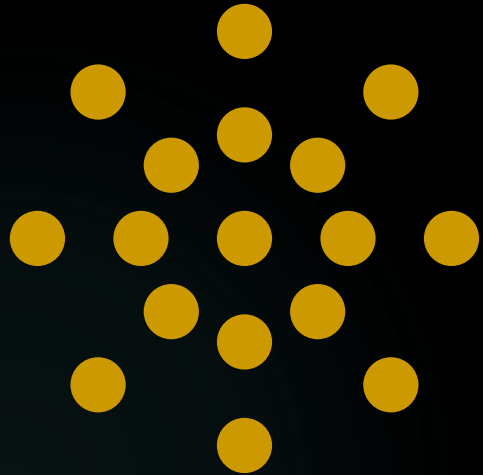
When developing Compliance Reports, CCOs/CECOs/Equivalents have several options to consider. The top five types of content appearing in Compliance reports were:

1. Emerging Issues/ Concerns/ Trends
2. Complaint Activity
3. Compliance Oversight or Risk Assessment Outcomes
4. Compliance Metrics (in general)
5. Regulatory Activity (Inquiries, Actions, Data Calls and Examinations)

The following page offers a visual summary of the Survey responses

CCO/CECO/Equivalent Compliance Reports: The Content





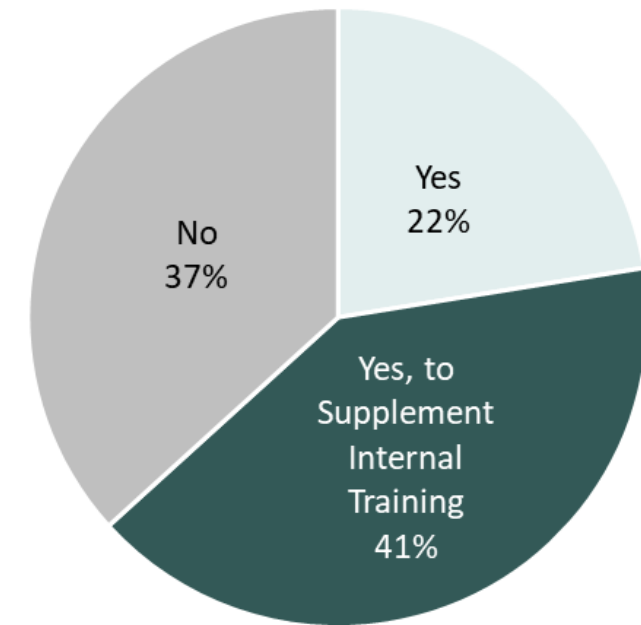
Compliance Education and Training

Maintaining a Compliance Training Program and Use of External Resources



Key Takeaways:

- Survey respondents noted it is *Very Important* (82%) or *Important* (18%) to provide compliance training to business areas
- When providing training to business areas, two thirds of respondents indicated they leverage external training resources (solely or as a supplement to their use of internal resources)
- Just over a third of respondents indicated they rely solely on internal resources to fulfill their Compliance training needs



Value Associated with Various Types of Compliance Training



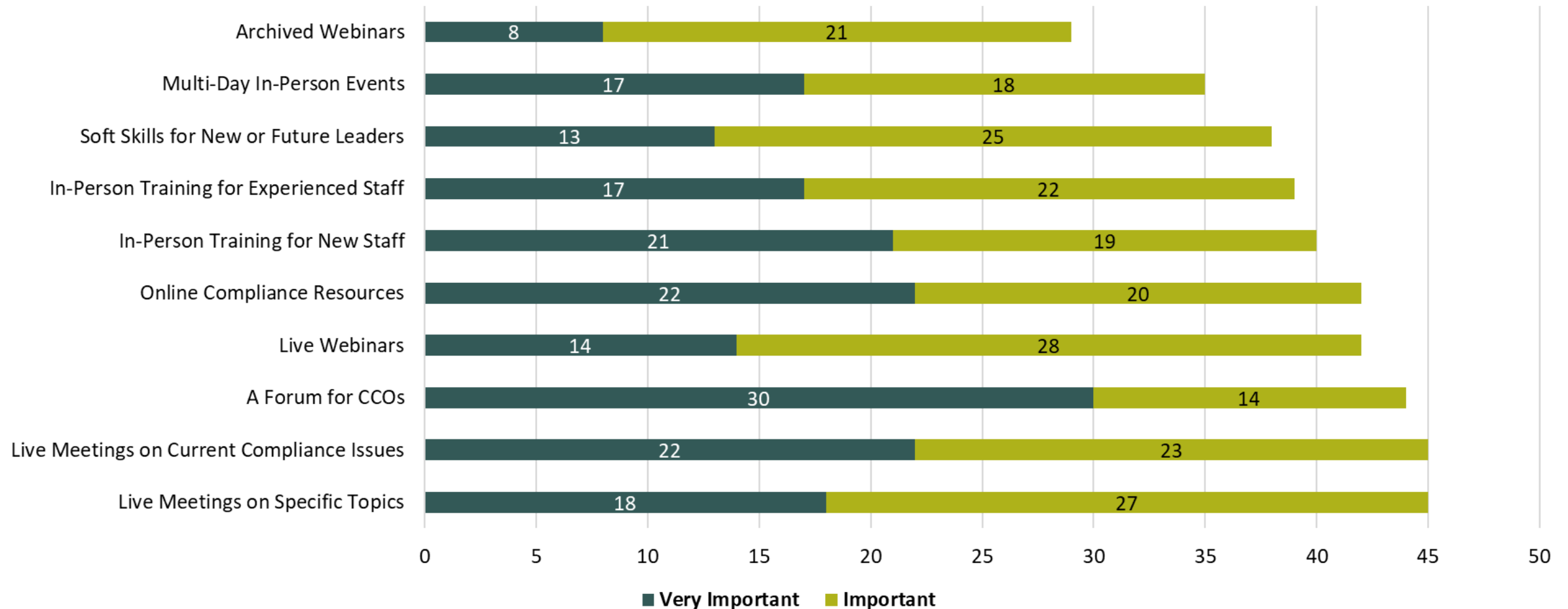
Key Takeaways:

When asked about the value of various types of training, networking and development resources for Compliance & Ethics professionals, the top five resources that ranked **Very Important** were:

- 1) Forums for CCOs (i.e., CCO Forum)
- 2) Live meetings on current compliance issues (i.e., Committee meetings)
- 3) Online compliance resources
- 4) Live meetings on specific topics (i.e., Forum meetings)
- 5) In-Person training for new staff

The graph on the following page summarizes the perceived value of various types of Compliance training opportunities and meetings

Value Associated with Different Types of Compliance Training



Training Budget for Compliance Staff



Key Takeaways:

- When asked about the training budget for Compliance staff, 86% of respondents noted their training budget was about the same as last year while 8% noted their training budget had decreased and 6% noted their training budget had increased
- When asked about their anticipated 2026 training budget for Compliance staff, 84% of respondents anticipated their budget would remain the same, 10% anticipated a budget increase and 6% anticipated a decrease in their training budget



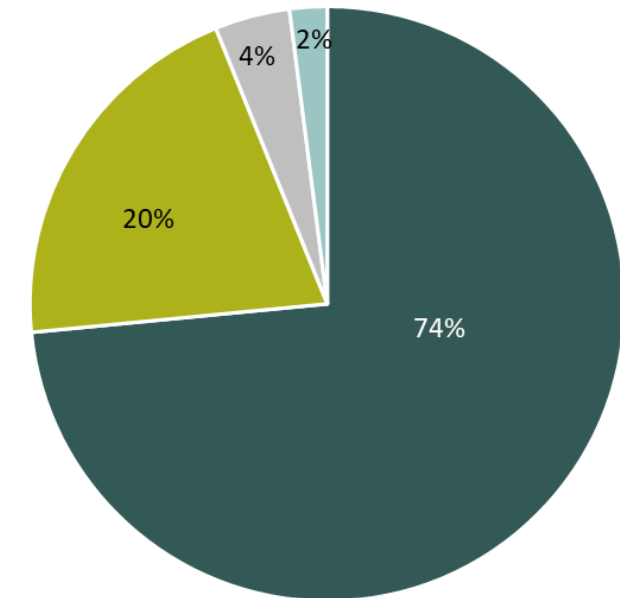
Enterprise Risk Management



Compliance Involvement in the Organization's Enterprise Risk Management (ERM) Program

Key Takeaways:

- Generally, Compliance plays an active and ongoing role in an organization's ERM program
- The larger the company, the more engagement between Compliance and ERM staff
- Compliance teams that do not have an active role with ERM still provide insight when requested



- Compliance plays an active and ongoing role
- Compliance only provides input when requested
- Compliance is rarely involved in our company's ERM program
- Compliance is not part of our company's ERM program



Regulatory Activity

Market Analysis and Examination Activity: All Companies

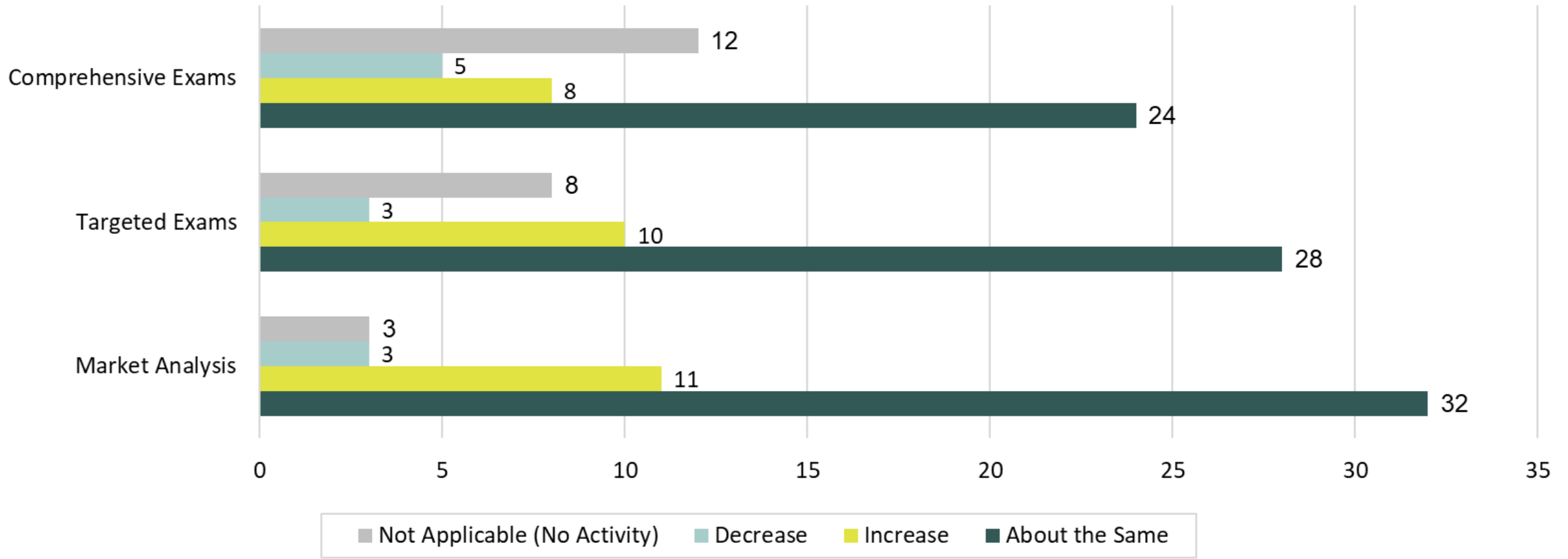


Key Takeaways:

- Most companies reported experiencing the same volume of market analysis and targeted and comprehensive examinations as in prior years
- To the extent a company saw a change in the level of regulatory activity, they were three times more likely to experience an increase, rather than a decrease, in targeted examinations and market analysis requests
- They were nearly twice as likely to see an increase, rather than a decrease, in comprehensive examinations
- Interestingly, nearly a quarter of companies indicated they did not have any recent comprehensive examination activity and 16% did not have any recent targeted examination activity

A graphical summary of the recent market analysis and examination activity appears on the next slide

Market Analysis and Examination Activity: All Companies



Market Analysis and Examination Activity: Small-Sized Companies

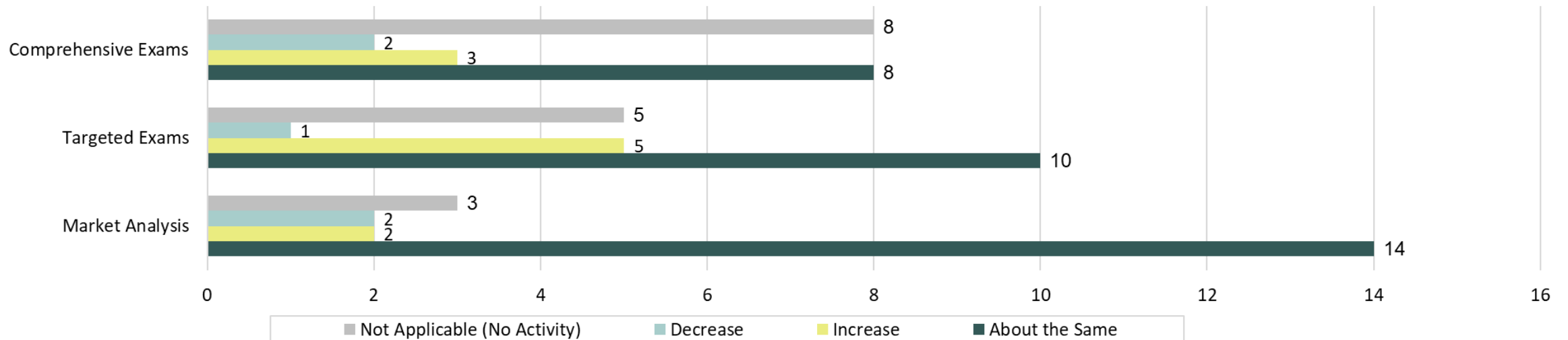


Key Takeaways:

Comprehensive. Nearly three times more likely to experience no activity or the same activity than an increase

Targeted. Twice as likely to report the same level of activity than an increase or no activity

Market Analysis. Six times more likely to experience the same level of activity rather than a decrease or increase



Market Analysis and Examination Activity: Medium-Sized Companies



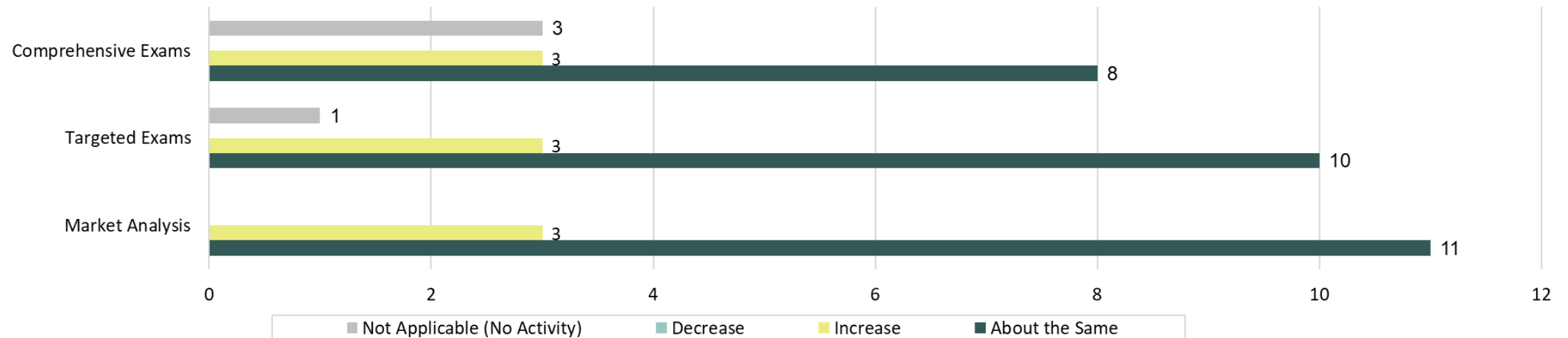
Key Takeaways:

Comprehensive. The volume of activity remained the same for most companies

Targeted. Three times more likely to experience the same level of activity than to experience an increase

Market Analysis. Nearly four times more likely to experience the same level of activity than to experience an increase

Interestingly, no medium-sized companies reported a decrease in market regulation activity



Market Analysis and Examination Activity: Large-Sized Companies

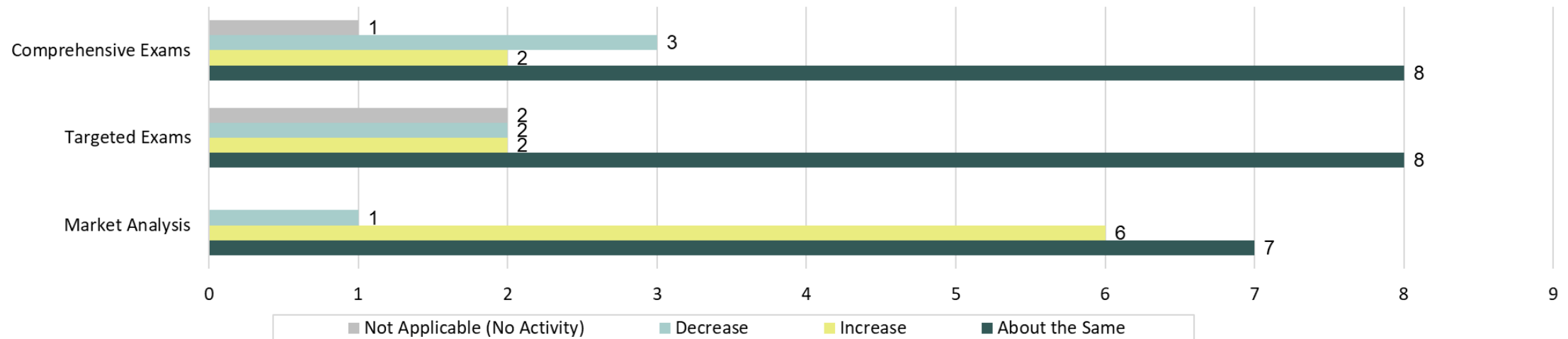


Key Takeaways:

Comprehensive. 3-4 times more likely to experience the same level of activity than a decrease or increase

Targeted. Four times more likely to experience the same level of activity than an increase, decrease or no activity

Market Analysis. Almost equally likely to experience the same level of activity or an increase in activity



Open and Active Examinations



Key Takeaways:

An “open” market conduct examination is one for which the final examination report has not been issued

An “active” market conduct examination is one with ongoing regulatory requests for data or information to which the life insurance company is continuing to respond

- In general, only about half of small-sized companies reported having current examination experience and those with examinations primarily reported having 1-3 open and active examinations
- With respect to medium-sized companies, while the most common responses revealed that companies are managing 1-3 examinations, several companies are balancing 4-6 examinations and one company reported it currently has 7-9 open and active examinations
- Large-sized companies offered a more varied experience with a larger number of open and active examinations

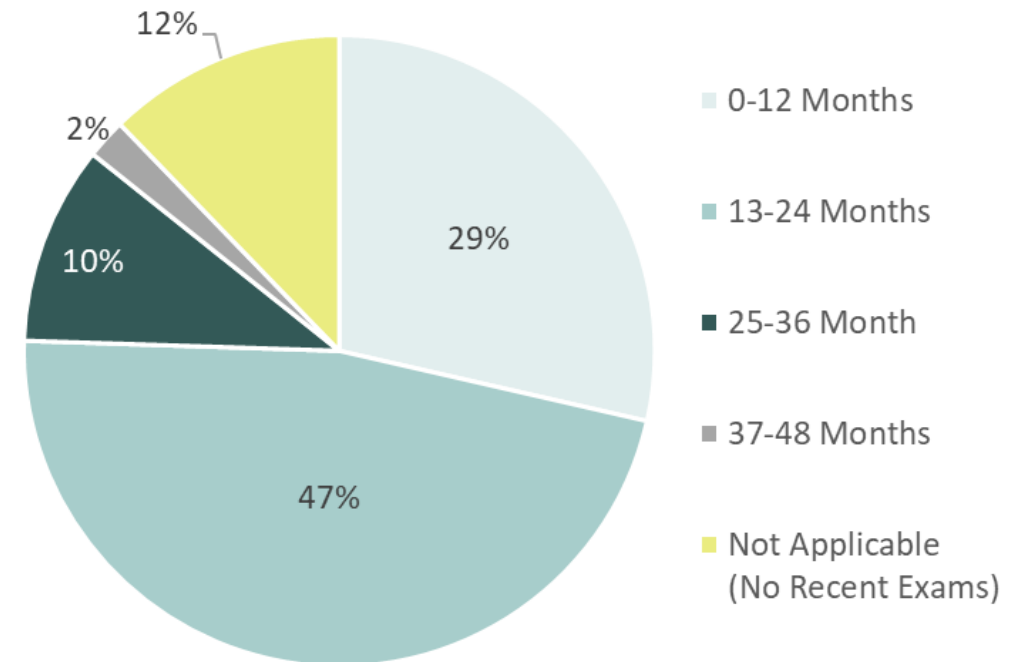
The graph on the following slide provides a breakdown of exam experience in aggregate and by company size

Duration of Examinations



Key Takeaways:

- When asked about the average time an examination remains open, nearly half of respondents cited 13-24 months while almost a third cited a shorter duration of up to twelve months
- Only 10% of companies noted their examinations spanned, on average, 25-36 months
- One company noted a duration longer than 37-48 months





Future Compliance Challenges

Compliance Challenges Anticipated



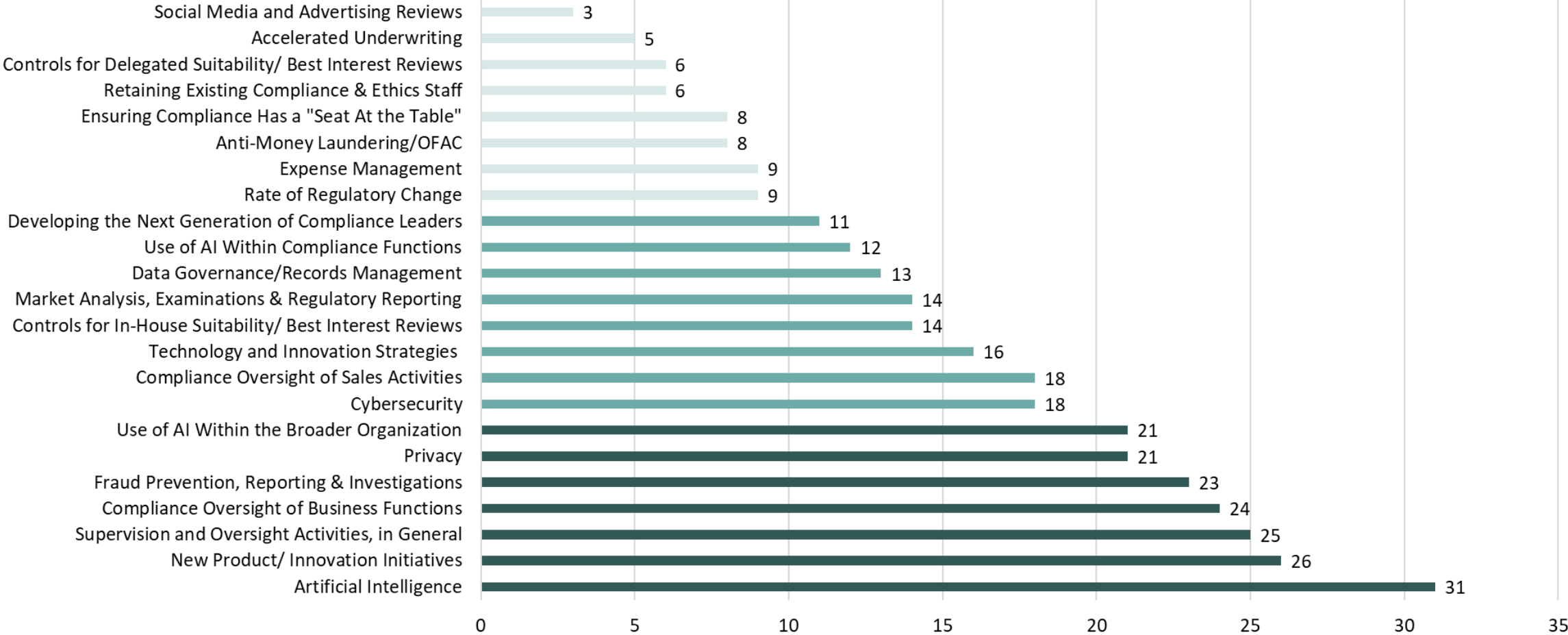
Key Takeaways:

The Survey asked respondents to indicate the compliance challenges anticipated in 2026. Top responses included:

- Artificial Intelligence (63%)
- New Product/Innovation Activities (53%)
- Supervision and Oversight Activities in General (51%)
- Compliance Oversight of Business Functions (49%)
- Fraud Prevention, Reporting & Investigations (47%)
- Privacy (43%)
- Use of AI Within the Broader Organization (43%)

The chart on the next slide provides a summary of the findings

Compliance Challenges Anticipated





Use of Artificial Intelligence (AI) and the Role of Compliance

Life Insurance Company Use of AI

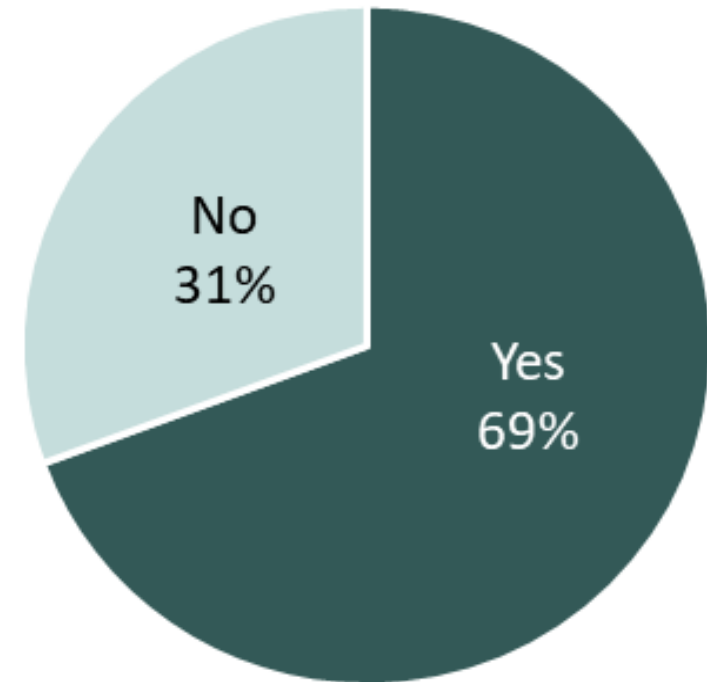


Key Takeaways:

When asked about the use of AI within the company, 69% of respondent companies indicated their organizations embraces the use of AI

The experience is similar regardless of company size

- Small-Sized Companies: 71% use AI
- Medium-Sized Companies: 64% use AI
- Large-Sized Companies: 71% use AI



Compliance Use of AI

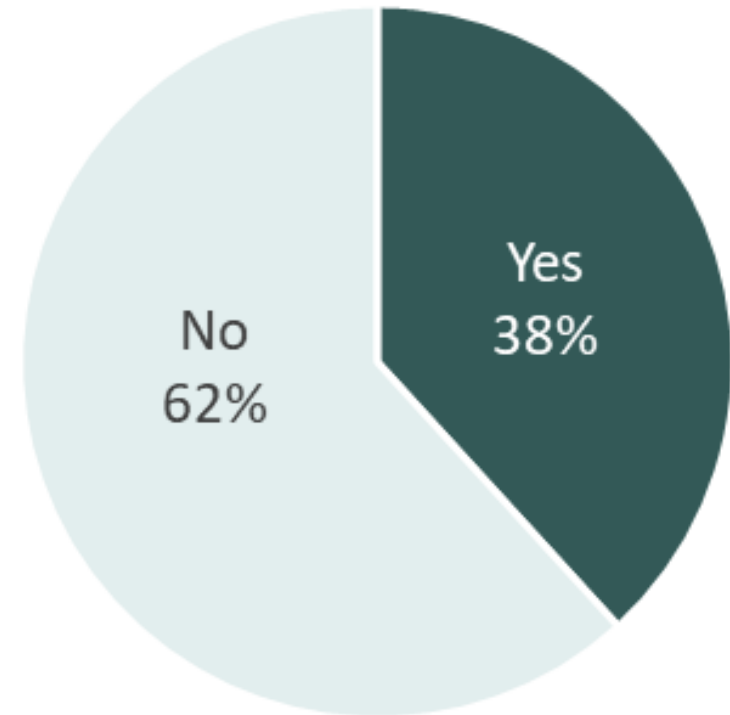


Key Takeaways:

When asked about the use of AI within the within the Compliance department, 38% of respondents indicated their Compliance department embraces the use of AI

While the experience is similar for small- and medium-sized companies, surprisingly, large-sized companies reported a lower adoption rate for the use of AI with Compliance functions

- Small-Sized Companies: 40% use AI
- Medium-Sized Companies: 44% use AI
- Large-Sized Companies: 30% use AI



Compliance Use of AI



Comments Offered:

When asked what Compliance functions use AI and the software used, Survey respondents offered the following:

- *Momentarily using internal generative AI tool and Copilot for productivity gains*
- *We leverage Copilot for our written work product*
- *Drafting procedures using Microsoft Copilot*
- *For projects, trainings or other tasks that do not include client or policy specific data, Legal and Compliance staff utilize ChatGPT, Copilot and Co-Counsel to summarize content, improve written communications or brainstorm ways to approach these items*
- *Microsoft Copilot*
- *Summarizing regulations, drafting memos, advertising review and ChatGPT is used*
- *Patriot Manager and internal and external ChatGPT*

Compliance Use of AI



Comments Offered (continued):

- *AdTrax and internally developed Chat function for back-office administrative tasks*
- *Suitability, data analysis and monitoring*
- *Advertising and monitoring*
- *An SIU software vendor is used, and AI is leveraged for written communications such as complaint responses*
- *Internal data scientists provide data and insights when gathering market conduct examination and market analysis information and Robotic Process Automation is utilized for some repeatable compliance tasks*
- *The company's global entity created a GPT function for staff to use*

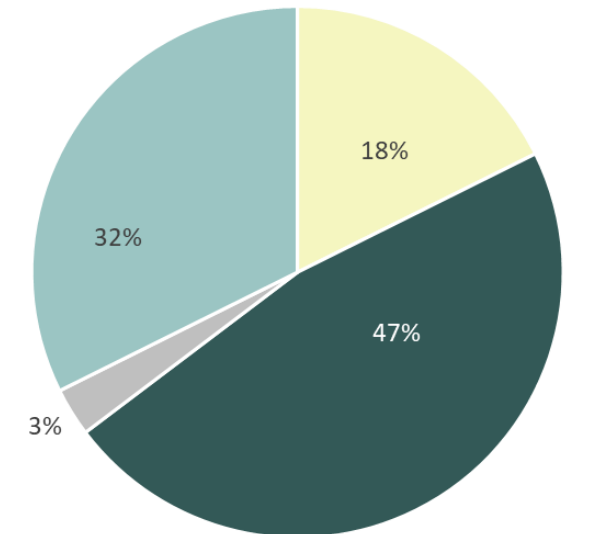
Compliance's Role: Use of New AI



Key Takeaways:

Respondents were asked to indicate the role of Compliance as it relates to the company's use of new AI technologies

- Nearly half of the respondents indicated Compliance is informed regarding the use of new AI technologies and Compliance approval is required
- A fifth of the respondents indicated Compliance is informed but Compliance approve is not required
- Respondents rarely reported that Compliance does not have an ongoing role
- Regarding the *Other* responses, respondents noted variations of response options which are summarized on the following slides



- Compliance is Informed - Approval Not Required
- Compliance is Informed - Approval Is Required
- Compliance is Not Informed
- Other

Compliance's Role: Use of New AI



Comments Offered:

The following *Other* responses were offered by Survey respondents:

- Legal provides guidance during the due diligence using criteria established by Compliance and their understanding of regulatory and legal requirements
- Compliance/Privacy are SMEs in an overarching AI Governance program and their involvement depends on use case
- AI use cases are reviewed by the AI Governance program and approval is required
- Implementation of AI is approved by an AI Committee which includes Compliance representation
- Legal is a part of the company's AI task force which is informed before AI technology is implemented
- Compliance is on the team to develop and maintain an AI Governance framework and approval process
- Compliance and the CISO are co-owners of an AI Adoption Council that must approve AI technologies

Compliance's Role: Use of New AI



Comments Offered (continued):

- Compliance approval may be required depending on the nature of the AI technology
- The AI Governance Committee is informed, and Compliance is part of the committee
- All Generative AI/AI must go through a company Steering Committee for approval
- All AI technology must be approved by the AI Governance Committee, which includes Compliance

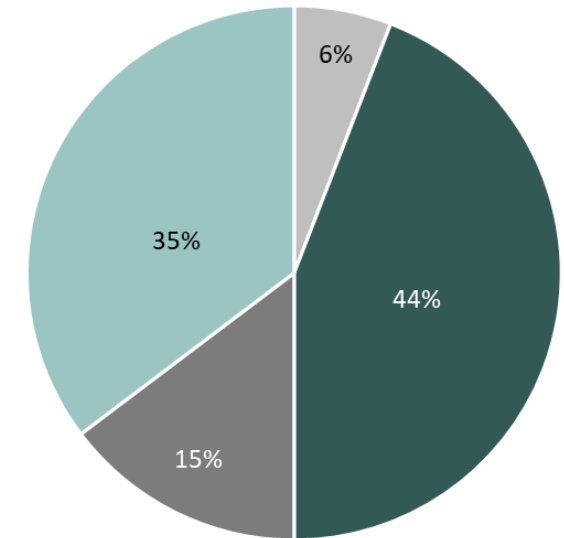
Compliance's Role: Continued use of AI



Key Takeaways:

Respondents were asked to indicate the role of Compliance as it relates to the company's ongoing use of AI technologies

- Only 6% of respondents indicated Compliance does not have an ongoing role
- Almost half of the respondents indicated Compliance remains informed
- Over a third of the respondents indicated Compliance remains informed and conducts monitoring and testing activities
- 15% of respondents noted Compliance's role is limited to ongoing monitoring and testing

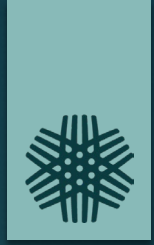


- No Ongoing Role
- Compliance Remains Informed
- Compliance Monitors and Tests
- Both - Remains Informed and Tests



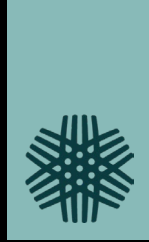
Value of the Benchmarking Information

Value of the Benchmarking Survey to the CCO/CECO



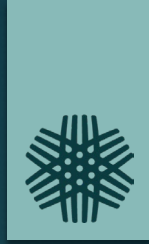
Key Takeaways:

- Regardless of company size, CCOs/CECOs scored the value of CEFLI's Compliance & Ethics Benchmarking Survey data at 4.2 (out of 5.0)
- When factoring for company size, small-sized companies scored the value of the report at 4.1, medium-sized companies scored the value of the report at 4.3 and large-sized companies scored the value of the report at 4.4
- 82% of respondents indicated the Survey data provides "*Material Value*" or "*Significant Value*" to the company's CCO/CECO
- The findings indicate the Survey data is a value-added tool for CCOs/CECOs

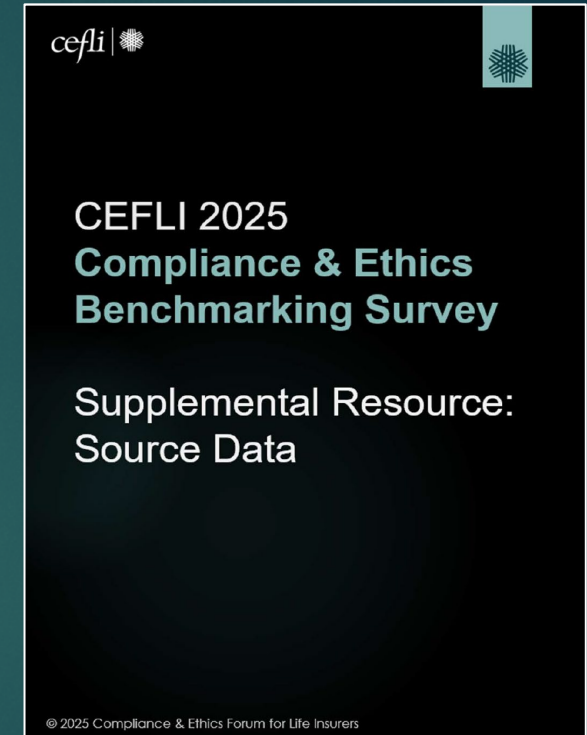
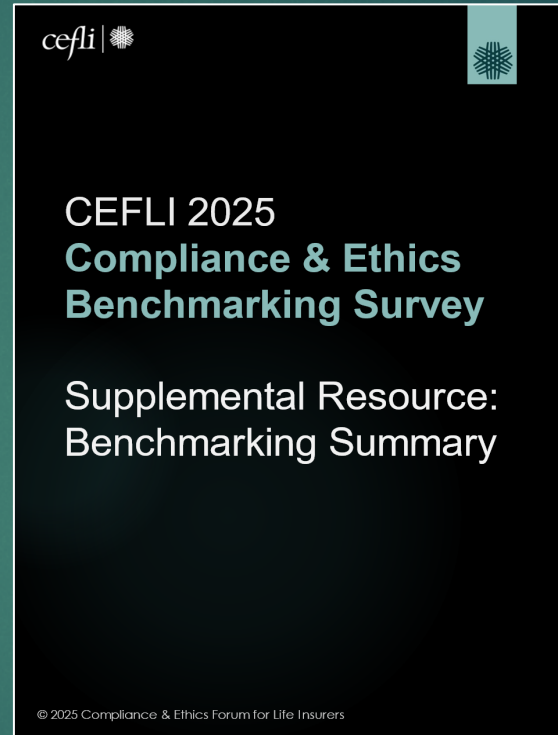


Closing Comments

Closing Comments



- CEFLI continues to receive positive feedback regarding the Benchmarking Survey
- The data provides useful information to CCOs/CECOs as they evaluate their staffing and budgets and when faced with resource questions from senior management or outside consultants
- The Survey data also helps CCOs/CECOs evaluate their risks and benchmark against peers
- Insight from the Survey provides important and objective context when evaluating Compliance and Ethics program effectiveness
- Individuals seeking greater detail regarding the findings may access the supplemental materials on the [Benchmarking Surveys](#) page of CEFLI.org



Thank You!



**Thank you for your support of
CEFLI's Benchmarking Survey!**

We hope you find this Report of the key findings of the
2025 CEFLI Compliance & Ethics Benchmarking Survey

helpful in your efforts to promote sound
Compliance & Ethics at your company



CEFLI

The Forum That Connects