



2026  
Key Findings

The Compliance & Ethics Forum for Life Insurers

# Compliance & Ethics Benchmarking Survey

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# 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.
- 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 the Member companies that responded to the Survey.

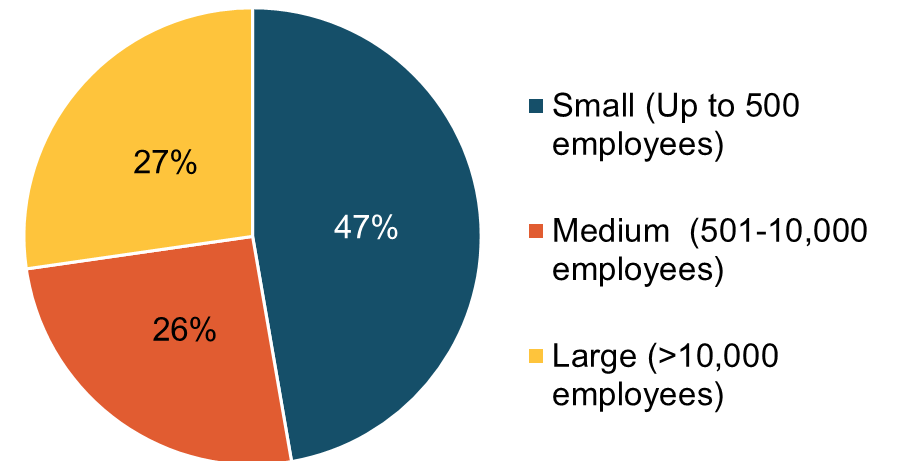
# Thank You for Your Participation

- We sincerely **thank you** for your time and participation in this year's Survey!
- Your willingness to share your experience allows CEFLI to aggregate key Compliance and Ethics metrics and provide Members with valuable insight.
- **Thank you to the 55 life insurance company groups who took the time to complete this year's Survey. You are to be commended for your level of engagement. The response rate was 57% – 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.

# Composition of Survey Respondents

## Key Takeaways:

- The Survey was sent to each CEFLI Member company/fleet.
- Nearly half of the Survey responses were submitted by small companies while medium and large-sized companies each represented about a quarter of the responses. This is consistent with CEFLI's Membership distribution.





# Products Sold & Distribution Methods Utilized

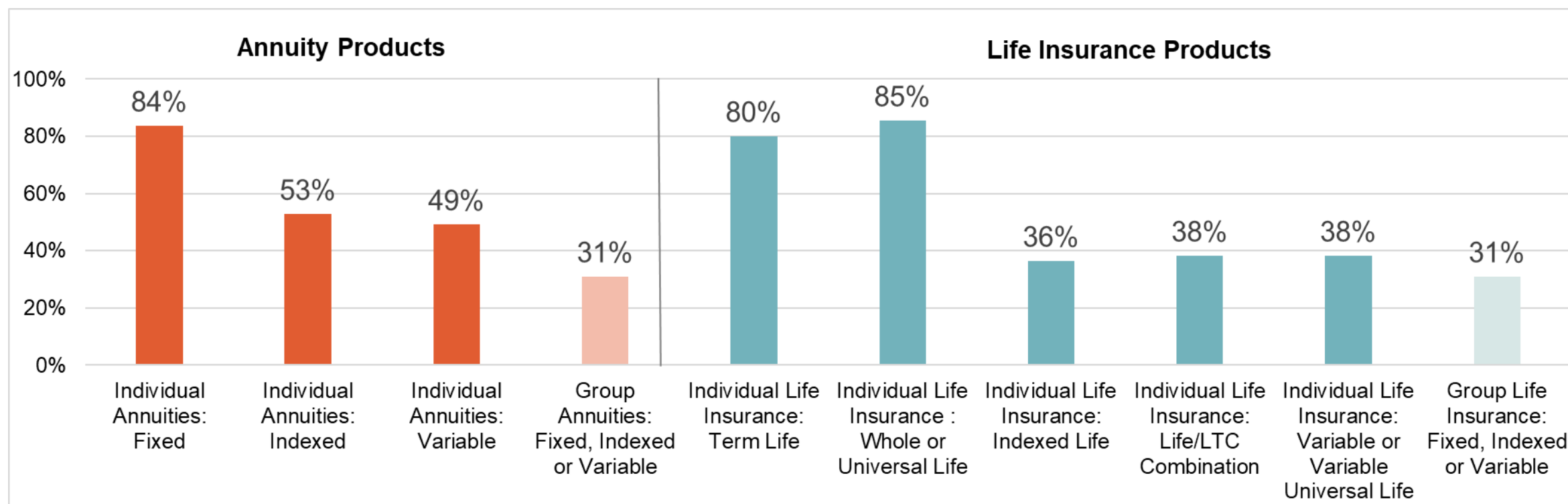
# Products Sold or Serviced

## Key Takeaways:

- Most respondents (84%) indicated their company sells/services individual fixed annuity products while about half (53%) sell/service fixed-indexed annuity products and about half (49%) also sell/service variable annuity products. Just under a third of respondents (31%) sell/service group annuities.
- 80% of respondents indicated their company sells/services term life insurance products while 85% sell/service whole life and/or universal life insurance products and just over a third sell/service indexed life insurance (36%), life/LTC combination products (38%) or variable and/or variable universal life insurance products (38%). Nearly a third of respondents (31%) sell/service group life insurance products.

# Products Sold or Serviced

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



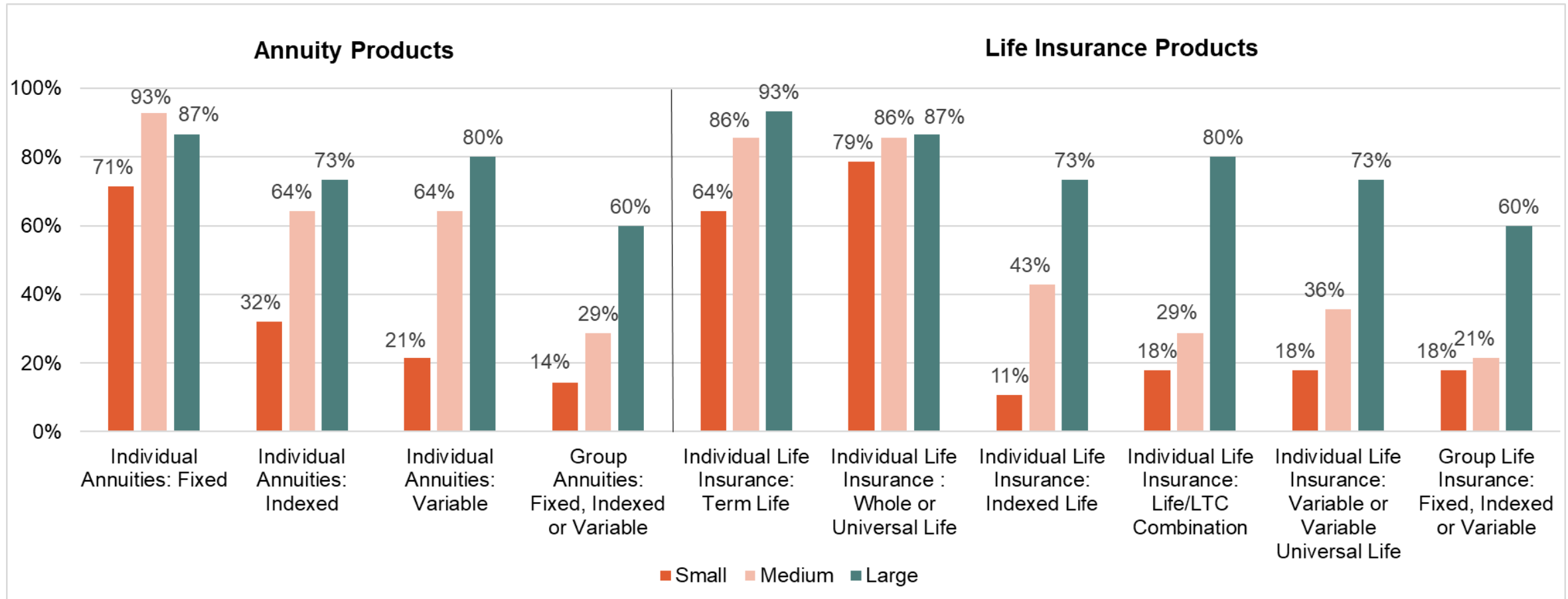
# Products Sold or Serviced: By Company Size cefli |

## Key Takeaways:

- When analyzing by company size, small-sized companies were more likely to focus on a less complex product offering. Fixed annuities, term life insurance and whole life or universal life insurance were the prominent products sold or serviced.
- Medium-sized companies followed a similar approach, albeit to a lesser extent. They were more than twice as likely as small-sized companies to sell/service group annuity products and they were three times more likely to sell/service variable annuities. On the life side, only a fifth (21%) sell group products and just over a third (36%) sell variable life products.
- Large-sized companies, not surprisingly, offered more robust product offerings with more specialized or niche products.

# Products Sold or Serviced: By Company Size *cefli*

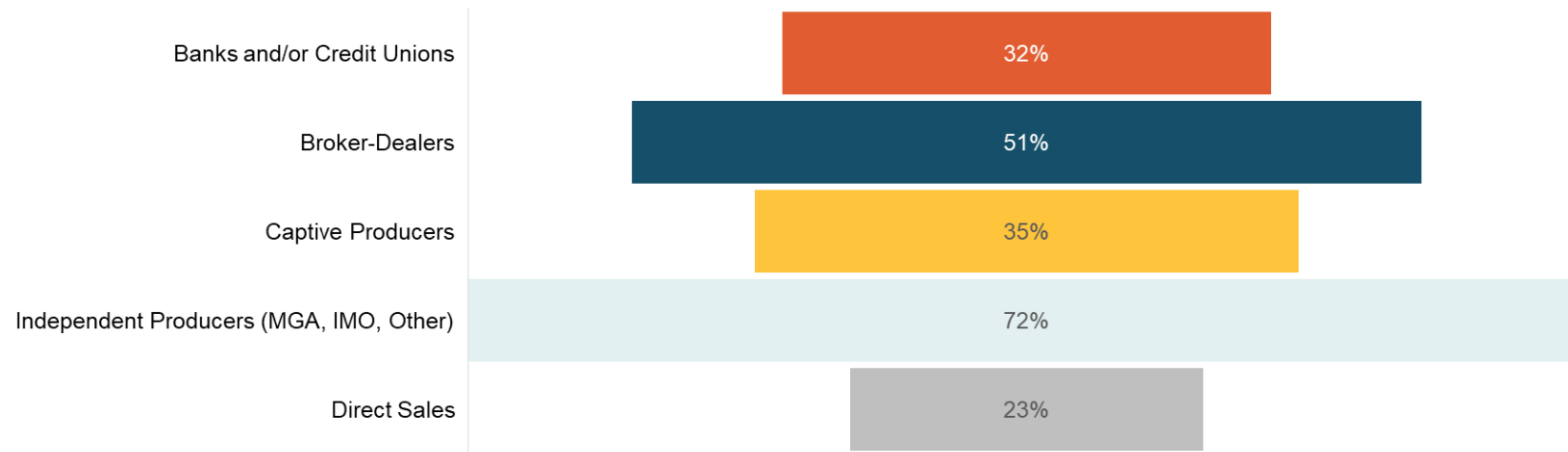
The following graph illustrates the breakdown of products sold/serviced, by company size.



# Distribution Channels Utilized

## Key Takeaways:

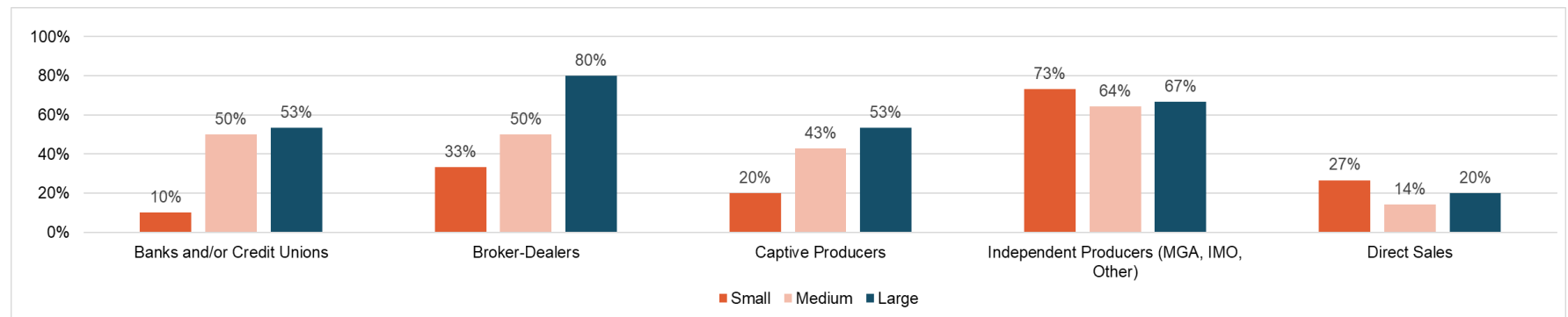
- The use of independent producers was the most prominent distribution channel, followed by distribution through broker-dealers (for companies selling variable products).
- These results continue to confirm that independent producers represent the dominant distribution for many life insurance companies.
- A reliance on sales through banks or credits unions (32%) was nearly as prominent (35%) as sales conducted through captive producers.



# Distribution Channels Utilized: By Company Size

## Key Takeaways:

- The use of independent producers was the most prominent distribution channel for small (73%) and medium-sized (64%) companies while large-sized companies favored broker-dealer distribution (80%).
- The larger the company, the greater its reliance on banks or credit unions, broker-dealers and/or captive producers to distribute the company's products.
- It is rare for small-sized companies to distribute their products through banks or credit unions, but they are leaders in the use of direct sales.



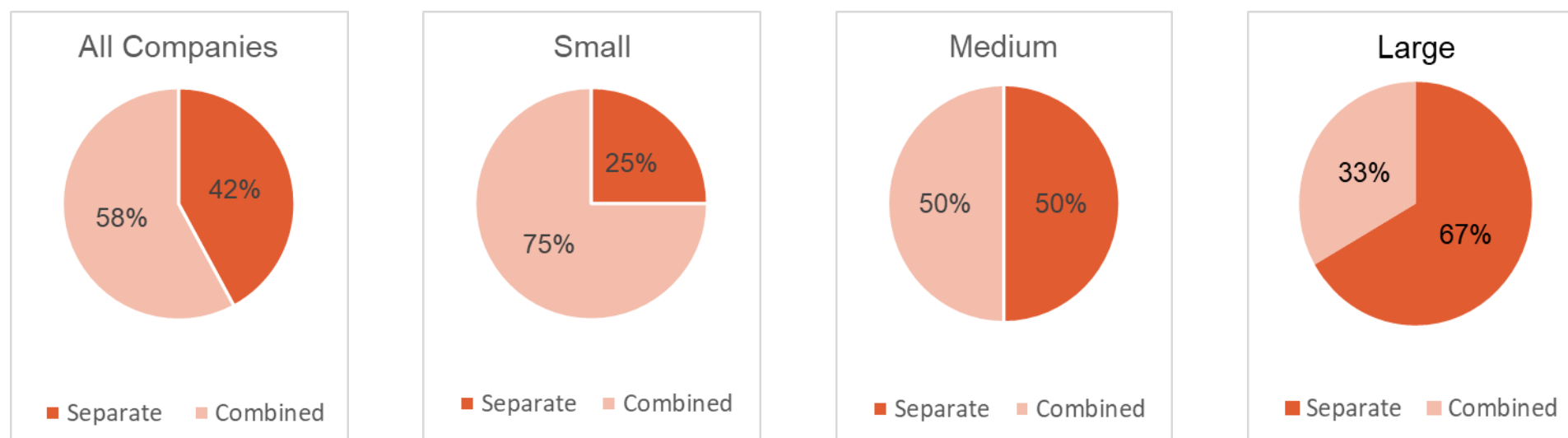


# Compliance Department Structure, Staffing & Budgets

# Separate vs. Combined: Compliance and Legal Departments

## Key Takeaways:

Similar to prior years, in aggregate, most companies maintain combined Compliance and Legal departments. However, the experience varies greatly based on company size. The larger the company, the more likely it has separate Compliance and Legal departments.



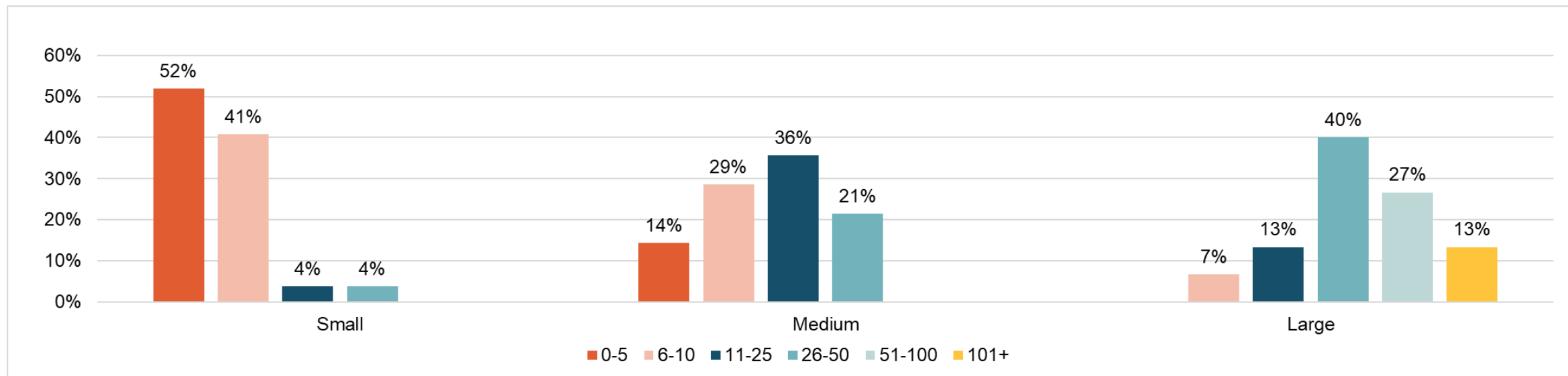
# Size of the Compliance Department (FTE Equivalent) for US Regulatory Compliance

## Key Takeaways:

- Not surprisingly, the smaller the company, the smaller the Compliance staff and the larger the company, the larger the Compliance staff.
- Similar to last year, 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 continue to have primarily 6-25 staff though 21% of companies have 26-50 staff and 14% have up to 5 staff.
- In comparison, large-sized companies had significant variation in the size of their staff, primarily ranging from 26 to 100 staff.

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

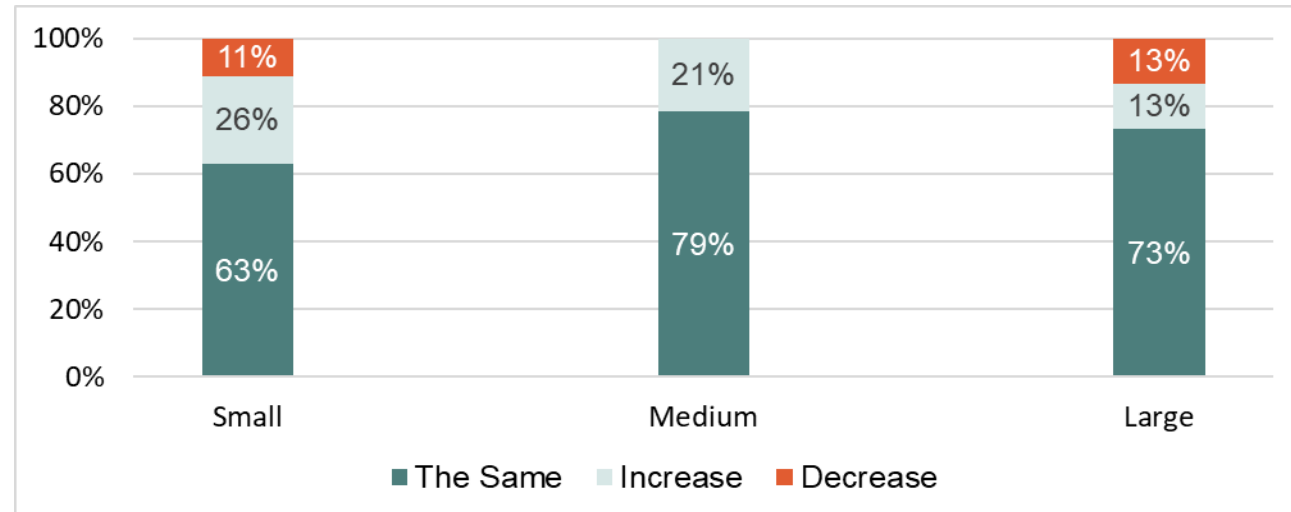
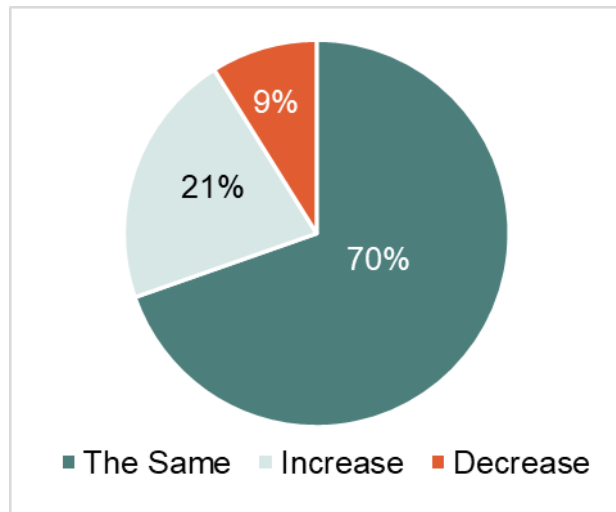
The graph below indicates compliance staffing levels by company size.



# Change in Compliance Staffing: 2025 to 2026

## Key Takeaways:

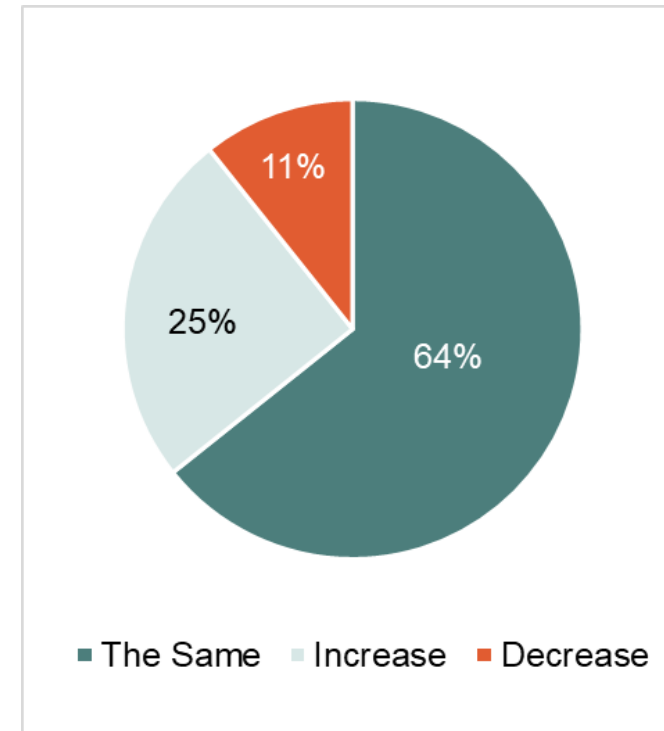
- 70% of companies reported their Compliance staff remained level between 2025 and 2026.
- For companies with a staffing change, companies were 2.5 times more likely report a staffing increase rather than a decrease.



# Anticipated Change in Compliance Staffing: 2026 to 2027

## Key Takeaways:

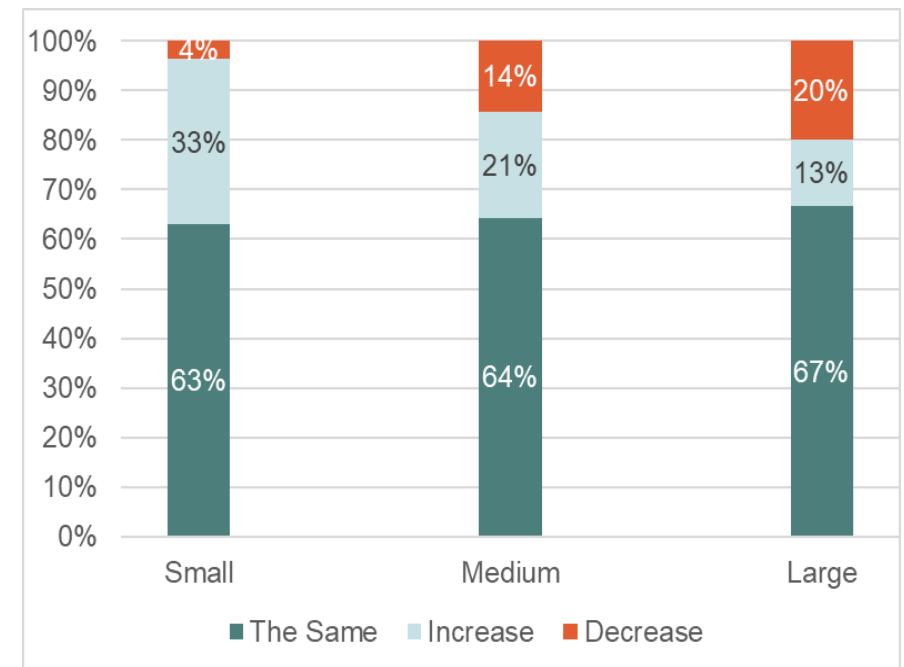
- 64% of companies anticipate having level Compliance staffing in 2027 while a quarter plan to add Compliance staff. For comparison, last year 29% of companies indicated they planned to add Compliance staff.
- 11% of companies anticipate decreasing their Compliance staff in 2027. For comparison, last year 8% of companies indicated they planned to decrease their Compliance staff.



# Anticipated Change in Compliance Staffing: 2026 - 2027

## Key Takeaways:

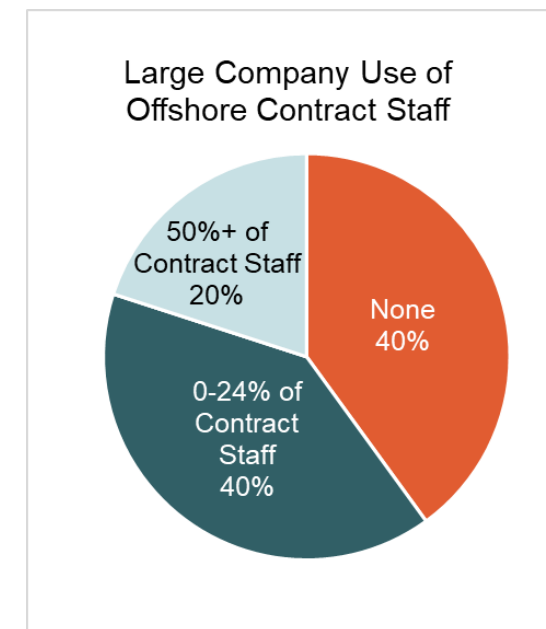
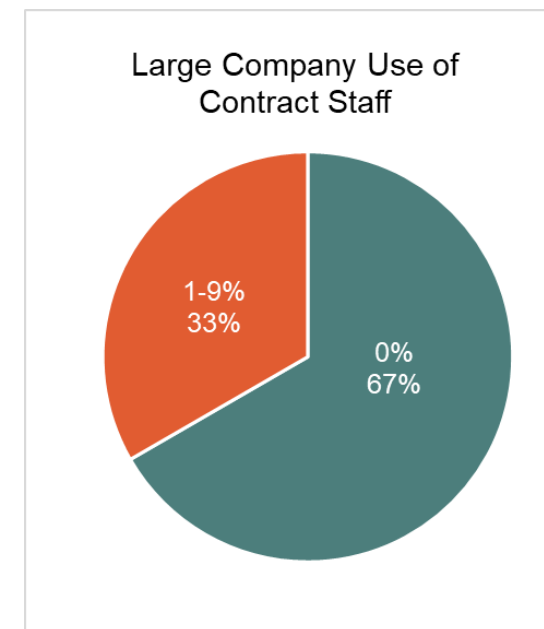
- Nearly two thirds (63%) of small-sized companies anticipate maintaining staffing levels while a third (33%) plan to add staff.
- Nearly two thirds (64%) of medium-sized companies anticipate maintaining staffing levels while 21% plan to add staff.
- Two thirds of (66%) of large-sized companies anticipate maintaining staffing levels. Interestingly, more companies plan to decrease (20%) rather than increase (13%) staff in 2027.



# Use of Contract Staff

## Key Takeaways:

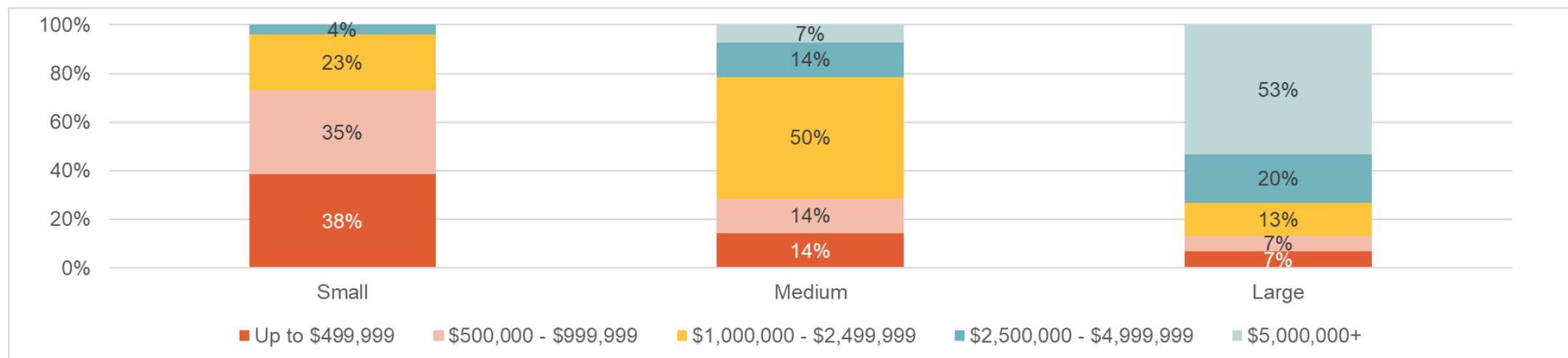
- Overall, the use of contract staff for Compliance roles decreased from 18% in 2025 to 11% in 2026.
- No small-sized companies indicated they use contract staff.
- Only one medium-sized company indicated they use contract staff and they do not use offshore resources.
- Regarding large-sized companies, a third use contract staff.
- Of the large companies that use contract staff, 40% use onshore resources while 60% use offshore resources.



# Annual Compliance Budget

**Key Takeaways:**

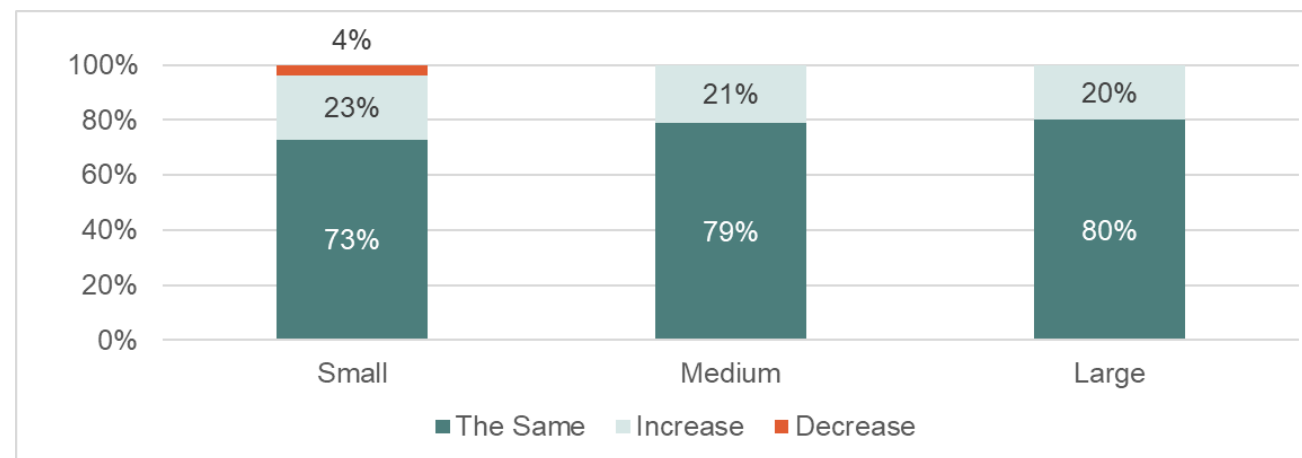
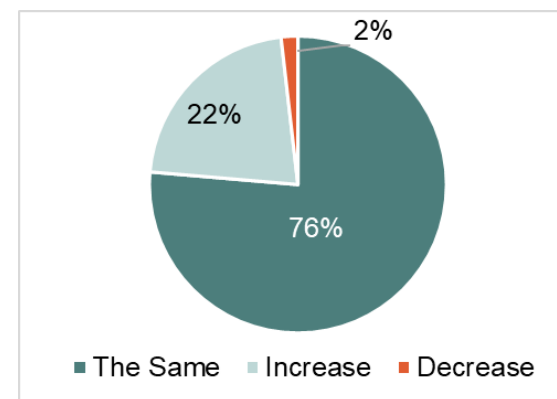
The size of Compliance budgets generally correlates with company size. While small-sized companies tend to have a Compliance budgets of less than \$1 million, medium-sized companies favor a budget of \$1 - \$2.5 million and large-sized companies generally have budgets over \$5 million.



# Change in Compliance Budget: 2025 - 2026

## Key Takeaways:

- Three fourths (76%) of Survey respondents indicated their 2026 Compliance budget remained level compared to the prior year. However, 22% reported their Compliance budget increased from the prior year. In 2025, the number was 14%.
- Only a few small-sized companies reported a budget decrease.

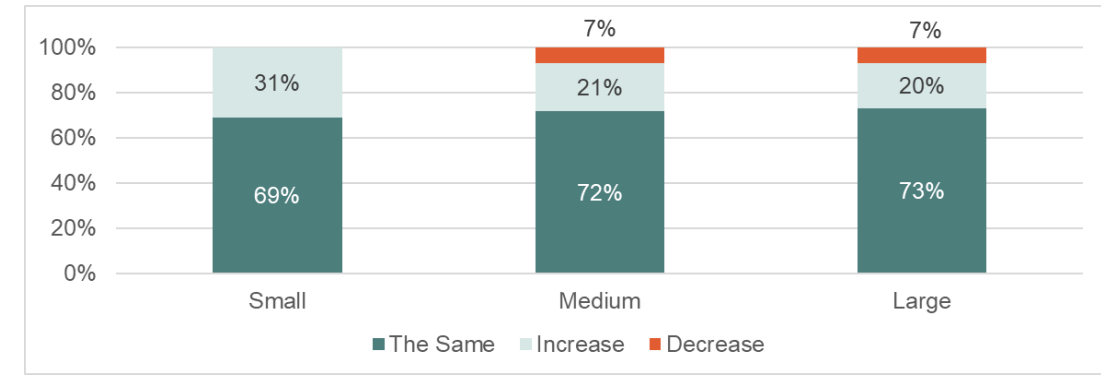
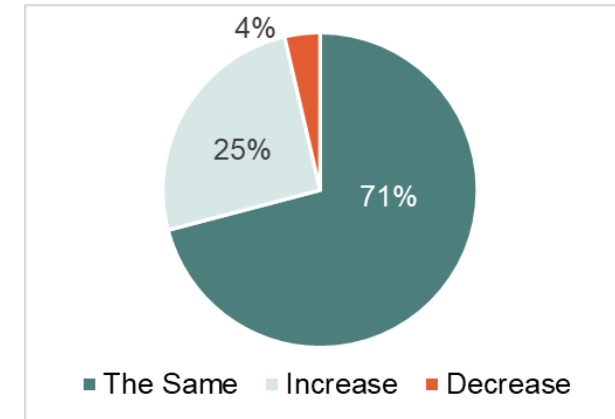


# Anticipated Change in Compliance Budget: 2026 - 2027



## Key Takeaways:

- Over 70% of respondents anticipate their Compliance budget will remain level in 2027, while a quarter (25%) anticipate their budget will increase and 4% anticipate a decrease.
- When considering company size, smaller companies were more likely (31%) to anticipate a budget increase in 2027 than medium-sized (21%) or large-sized (20%) companies.
- A few medium-sized and large-sized companies anticipate a budget decrease in 2027.



# Placement of Compliance & Compliance-Related Functions



The chart below indicates where compliance and compliance-related functions are located within the life insurance company.

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	33%	<b>51%</b>	7%	0%	5%	4%
AML	23%	<b>51%</b>	7%	2%	11%	6%
Complaint Handling	25%	<b>40%</b>	16%	16%	9%	2%
Form Filing	25%	22%	11%	2%	<b>31%</b>	9%
Oversight of Operations of Corporate Functions	<b>33%</b>	29%	6%	0%	27%	5%
Oversight of Sales Practices	<b>36%</b>	27%	4%	15%	13%	5%
Privacy	20%	34%	<b>40%</b>	4%	2%	0%
Producer Licensing & Appointment	6%	9%	0%	5%	<b>73%</b>	7%
Regulatory Exams & Data Calls	<b>42%</b>	<b>42%</b>	11%	0%	2%	3%
Replacements	13%	15%	0%	0%	<b>69%</b>	3%
SIU/Antifraud	23%	<b>27%</b>	20%	0%	20%	10%
Suitability/Best Interest Reviews	14%	24%	0%	2%	<b>51%</b>	9%
Vulnerable Adult & Financial Exploitation Concerns	29%	<b>35%</b>	18%	0%	9%	9%

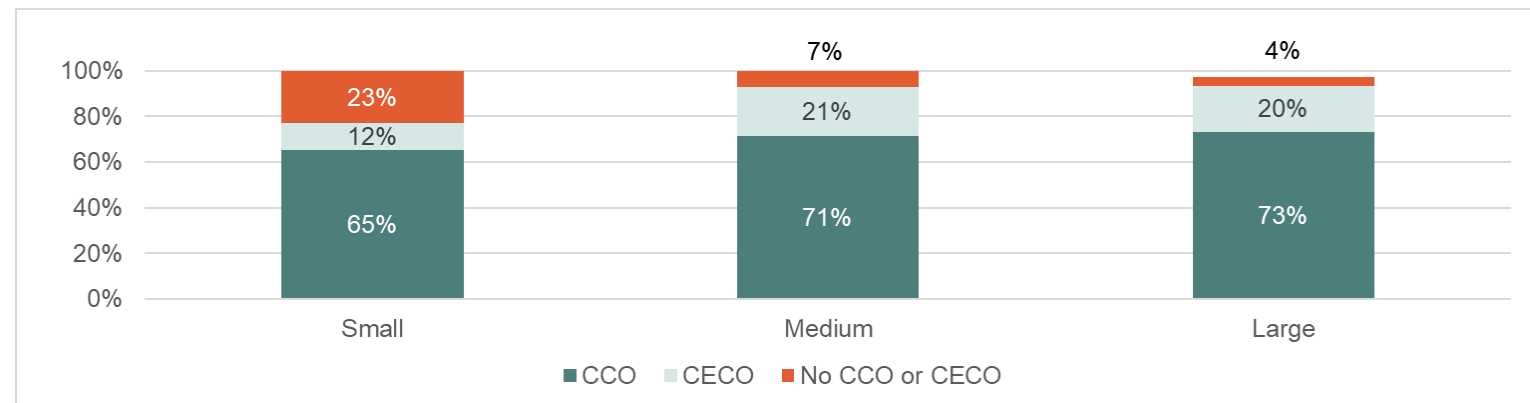
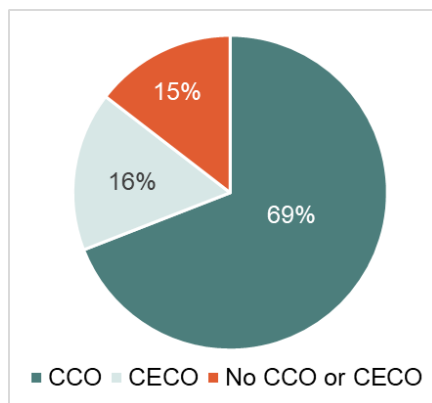


# CCO/CECO Structures & Staffing

# Organizational Structure: CCO vs. CECO Titles

## Key Takeaways:

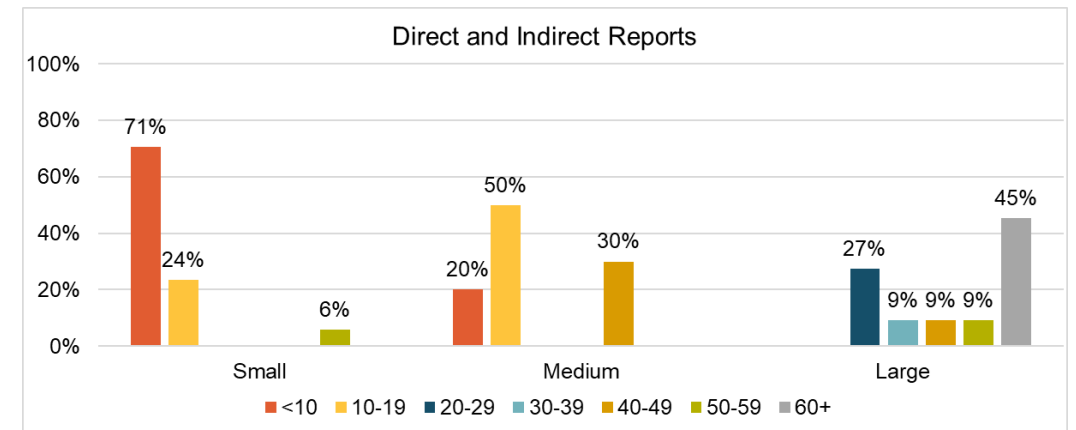
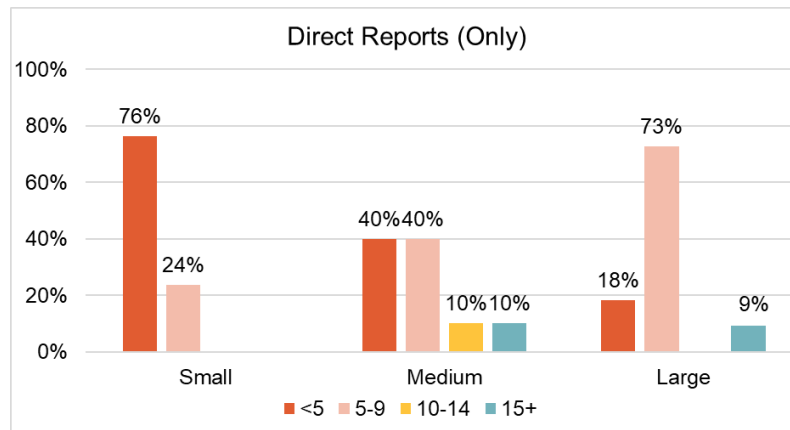
- 69% of companies utilize the Chief Compliance Officer (CCO) title, 16% utilize the Chief Ethics and Compliance Officer (CECO) title and 15% do not use either title, especially at small-sized companies.
- The use of the CCO title was four times more common than the use of the CECO title.



# CCO – Direct and Indirect Reports

## Key Takeaways:

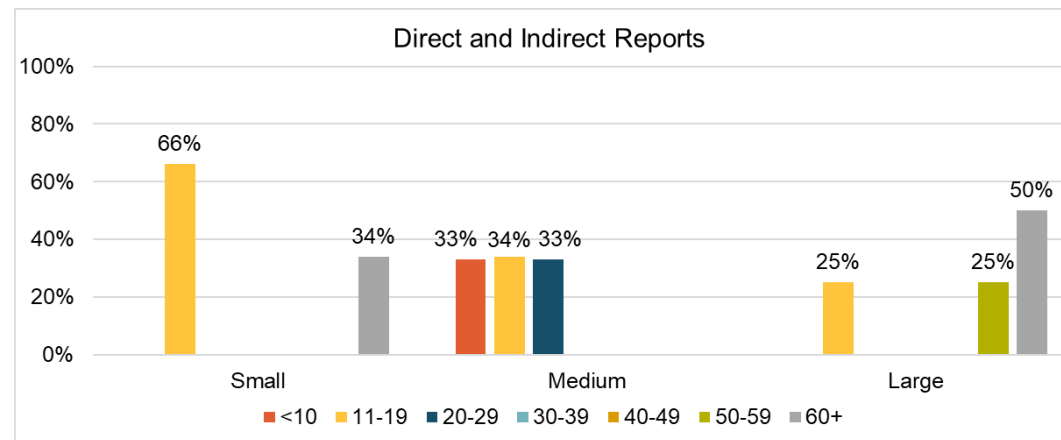
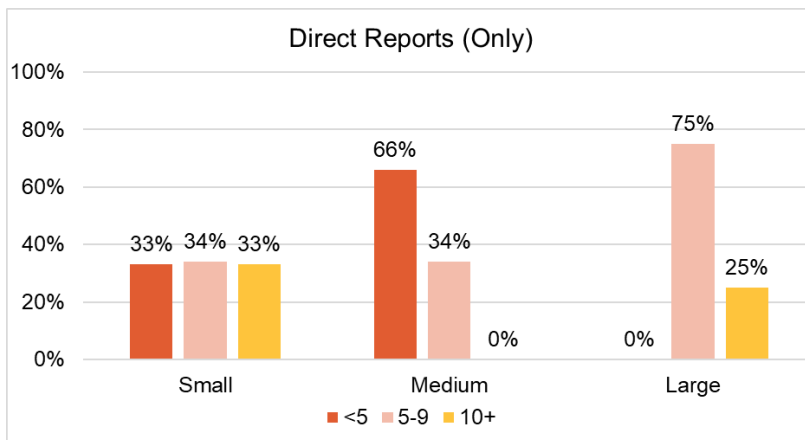
- The Survey data revealed a close correlation between company size and the number of staff directly or indirectly reporting to the CCO.
- While small-sized companies favored fewer than 5 direct reports, medium and large-sized companies favored up to 9 direct reports.
- The total number of direct and indirect reports (combined) followed a similar pattern.



# CECO – Direct and Indirect Reports

## Key Takeaways:

- The Survey data revealed a close correlation between company size and the number of staff directly or indirectly reporting to the CECO.
- While small-sized companies had a wide range of experience, medium-sized companies favored <5 direct reports and large-sized companies favored 5-9 direct reports.
- The total number of direct and indirect reports (combined) did not reveal a specific pattern.





# Ethics Department Structure & Staffing

# Placement of Ethics Department and Staffing cefli

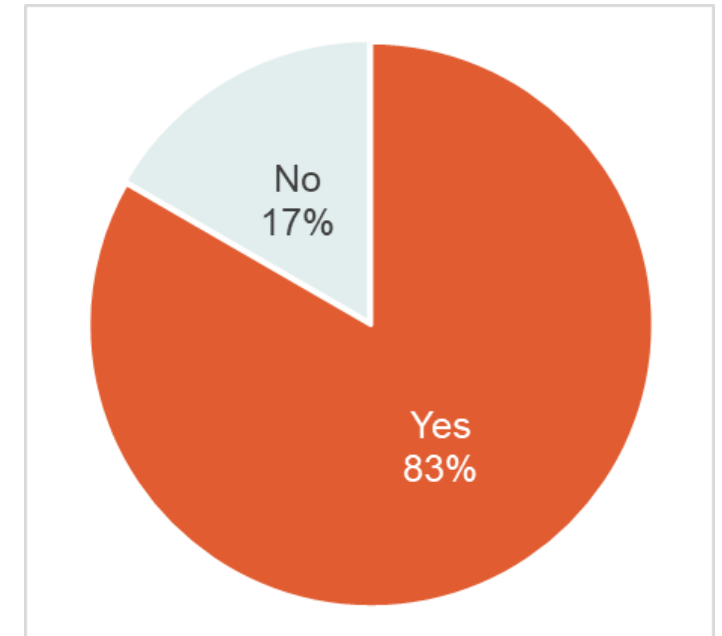
## Key Takeaways:

- Only 11% of Survey respondents indicated their company maintains maintain a *separate* Ethics department. This included two small-sized companies and four large-sized companies.
- When considering company size, two small companies reported having 1-2 dedicated Ethics program staff, no medium-sized companies reported having dedicated Ethics program staff and four large-sized companies reported having 1-2 Ethics staff (50%), 3-4 Ethics staff (25%) or 5-9 Ethics staff (25%).
- 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.

# Separate Ethics Budget

## Key Takeaways:

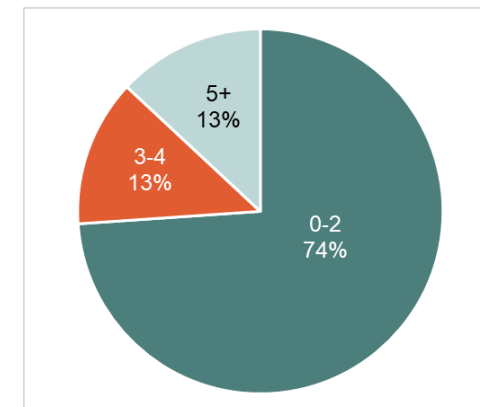
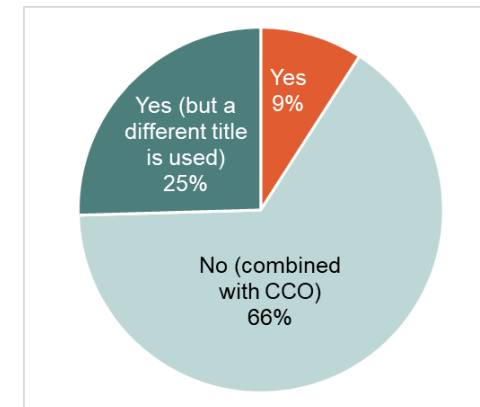
- In aggregate, 83% of companies with a separate Ethics department noted they maintain a separate Ethics budget. This included one small-sized company and four large-sized companies. The result represents a material change in the experience from 2025 when 55% of companies with a separate Ethics department also maintained a separate Ethics budget.
- All respondents indicated they anticipate their Ethics budget will remain level in 2027.



# Separate Chief Ethics Officer/ Head of Ethics and Their Staff

## Key Takeaways:

- 34% of companies have a Chief Ethics Officer/Head of Ethics position that is distinct from the company's CCO, CECE or equivalent role. However, in many cases, the individual's title is something other than Chief Ethics Officer.
- 74% of companies with a separate Chief Ethics Officer (or equivalent position) have 0-2 individuals reporting to the Chief Ethics Officer (or equivalent role) while 13% have 3-4 staff and 13% have 5+ staff reporting to the Chief Ethics Officer (or equivalent position).





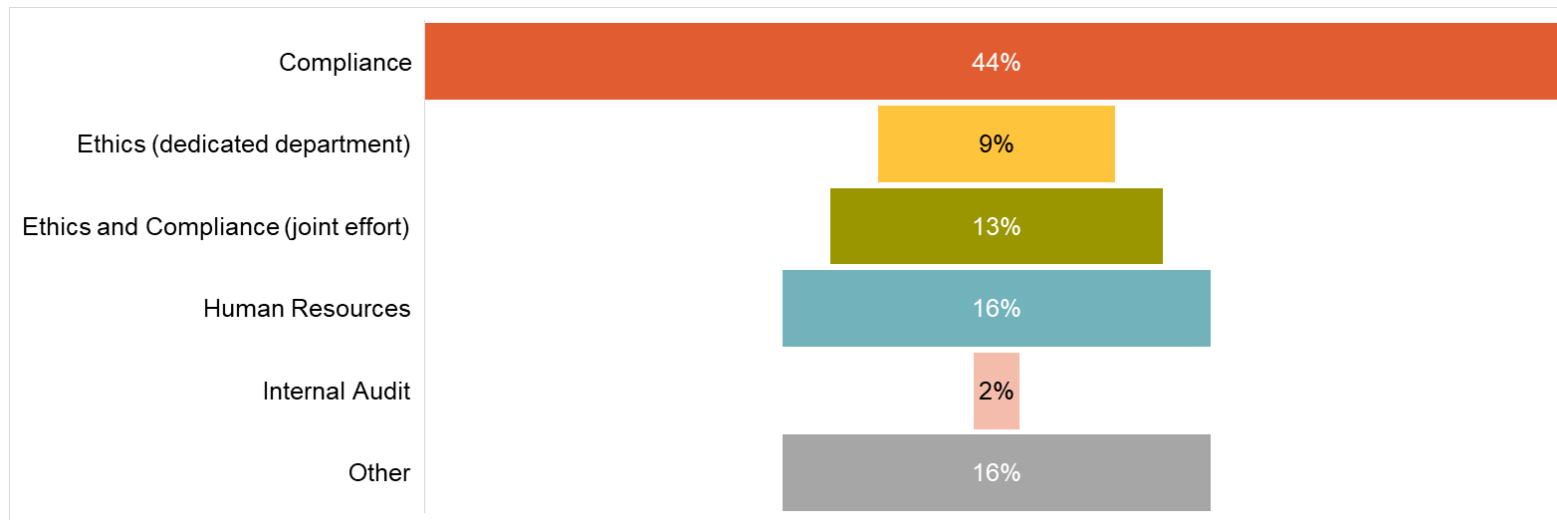
# Ethics Programs

# Responsibility for Ethics Program

## Key Takeaways:

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

- Compliance (44%)
- Human Resources (16%)
- Joint effort between Ethics and Compliance (13%)

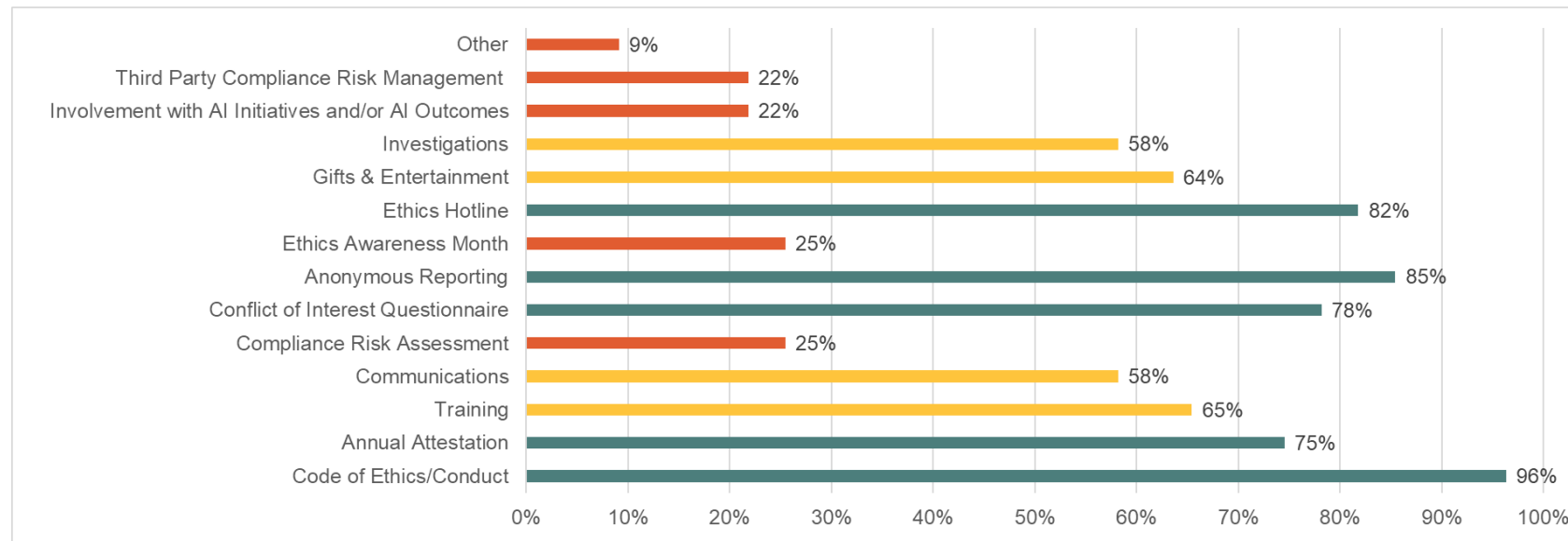


“Other” responses included: Legal, Legal/Compliance, Compliance/HR and organization under a multi-disciplinary committee

# Elements of an Ethics Program

## Key Takeaways:

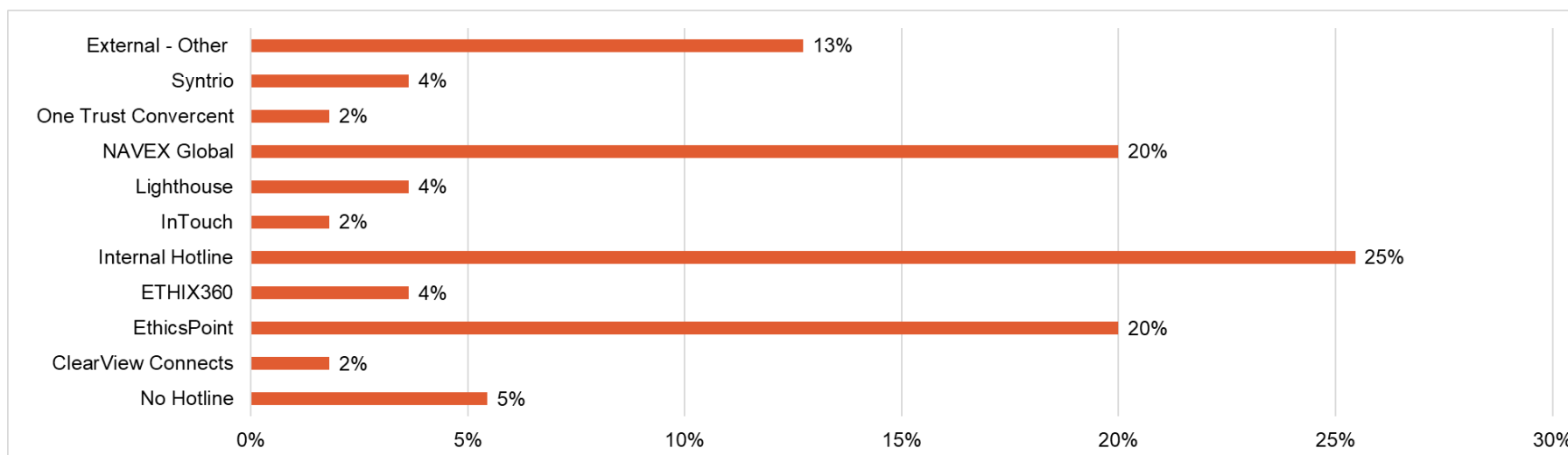
- The top elements of an Ethics Program included: Code of Ethics/Conduct (96%), Anonymous Reporting (85%), Ethics Hotline (82%) and use of a Conflict of Interest Questionnaire (78%).
- “Other” responses included: An ethics survey, an Ethics Week and consulting (as needed) to assist others who are navigating complex ethical dilemmas.



# Use of an Ethics Hotline

## Key Takeaways:

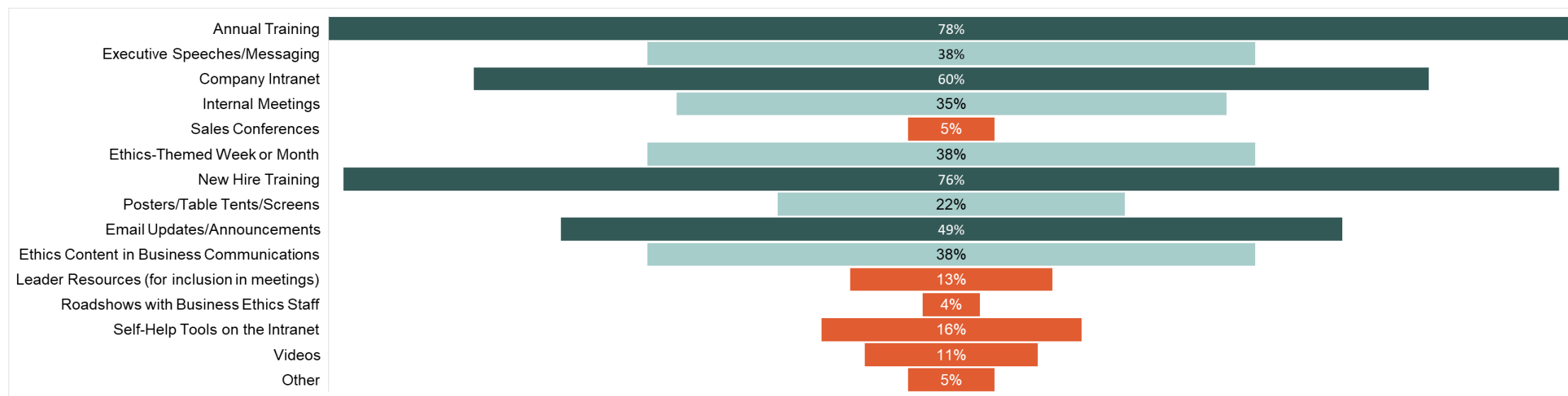
- Regarding a company's Ethics Hotline, internally developed hotlines and the use of EthicsPoint (20%) or NAVEX Global (20%) were the most frequent responses.
- “External - Other” responses noted the use of external counsel and a reliance on Human Resources as the contact for reporting and fielding ethics concerns.



# Ways to Create Ethics Awareness

## Key Takeaways:

Annual training (78%), new hire training (76%), company intranet content (60%) and email updates or announcements (49%) were cited as the top ways life insurance companies create awareness with staff regarding their Ethics policies and programs.



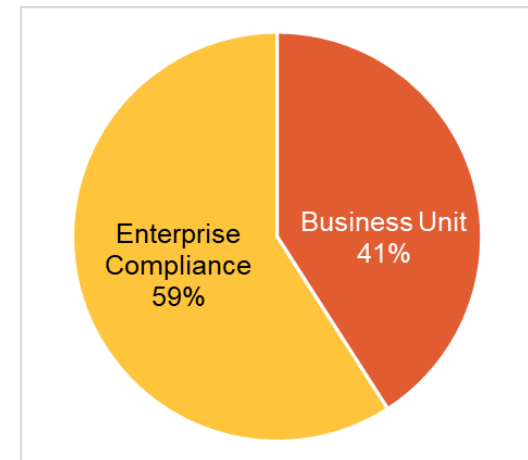
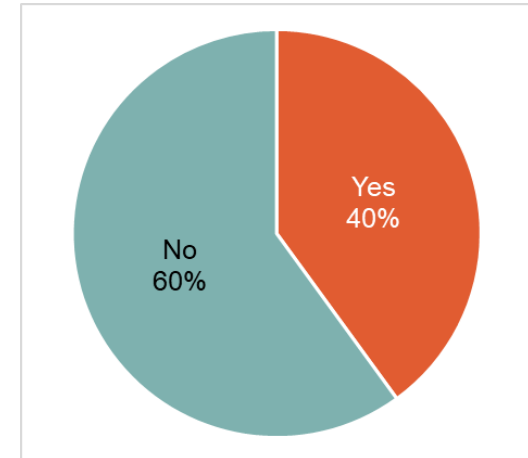


# Business Unit Compliance Officers (BUCOs)

# Use of a Business Unit Compliance Officer (BUCO)

## Key Takeaways:

- Overall, 40% of companies indicated they have BUCOs. Last year, this number was 35%.
- Not surprisingly, the larger the company the more likely the company utilized BUCOs. 86% of large-sized companies (up from 71% last year), 43% of medium-sized companies (equal to last year's experience) and 12% of small-sized companies (up from 5% last year) utilize BUCOs.
- 59% of BUCOs reside within Enterprise Compliance while 41% of BUCOs reside in a business unit.

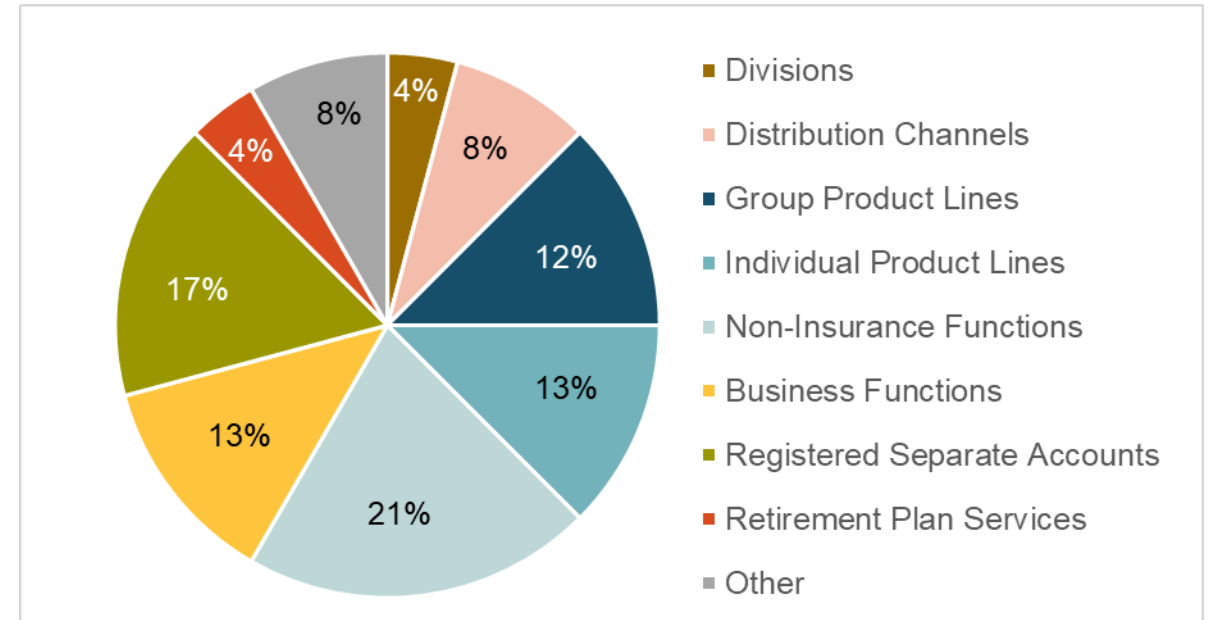


# Structure: Business Areas with a BUCO

## Key Takeaways:

Companies with BUCOs that reside outside of Enterprise Compliance follow a variety of business practices.

The top two responses included: “Non-Insurance Functions” (21%) and “Registered Separate Accounts” (17%).





# Leveraging Vendor Technology Solutions

# Use of Vendor Technology Solutions



## Key Takeaways:

Compliance staff often rely on a range of technology vendors and software to support workflow management, documentation and tracking. In addition to commonly used tools (e.g., SharePoint, Adobe, Workfront, ServiceNow, IBM OpenPages, Wrike, Zinflow, Aprimo, Salesforce, and other Microsoft tools), the most widely used solutions – based on responses to CEFLI’s 2026 Compliance & Ethics Benchmarking Survey – are listed below in order of response frequency:

- **Advertising Review:** RegEd (AdTrax), Red Oak, Home-grown solution, Proofpoint, AdMaster and Widen. Comments included: SAIF and Hearsay Social.
- **Social Media:** Hearsay Social, Hootsuite, Home-grown solution, Proofpoint, Smarsh, Sprinklr Social, Sprout Social and Mentionlytics. Comments included: Consumer Fusion, Global Relay, CisionOne and Eagle Eye.
- **Complaint Handling:** Home-grown solution, Archer GRC tool, RegEd Code, Aquilan/Patriot Manager, Navex, Thompson Reuters, Fiserv FCRM, Red Oak, CompliFast and SAI360. Comments included: VComply, LogicManager and Case IQ.

# Use of Vendor Technology Solutions

## Key Takeaways:

- **Regulatory Change:** ACLI, Wolters Kluwer NILS, RegEd Code, Home-grown solution, Wolters Kluwer OneSumX, Archer GRC tool, RegEd Regulatory Change Management, LexisNexis State Net, Ascensus, Thompson Reuters, Cube, Ethidex, ODENtrack, SAI360 and StateScape. Comments included: AuditBoard, LogicManager, riskcloud.net, CUBE and Evolv (was Archer Compliance.ai).
- **Compliance Oversight Tracking:** Home-grown solution, Archer GRC tool, RegEd Code, Wolters Kluwer OneSumX, RegEd Exam Management, Keylight (Navex) and SAI360. Comments included: VComply, Hyperproof, AuditBoard and On Spring.
- **AML/SIU Case Management:** Home-grown solution, Archer GRC tool, Fiserv FCRM, Patriot Manager, Nice/Actimize, InstantID, iSight, Salesforce, ServiceNow, Smartsheet. Comments included: Comply Advantage, XSOAR, CSI WatchDOG for OFAC, Hummingbird and Appian.



# 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.
- Survey respondents ranked the following qualifications as **Very Important**:
  1. “**Compliance Experience**” – 78% (This number was 86% in 2025)
  2. “**Business/Industry Experience**” – 67% (This number was 65% in 2025)
  3. “**Management Experience**” – 45% (This number was 57% in 2025)
  4. “**Legal Education**” – 27% (This number was 22% in 2025)
  5. “**Audit Experience**” – 9% (This number was 4% in 2025)

# Qualifications: Education Experience

## Key Takeaways:

Survey respondents ranked the following qualifications as *Very Important or Important* (combined):

1. **“Compliance Experience”** – 100% (This number was 96% in 2025)
2. **“Business/Industry Experience”** – 98% (This number was 98% in 2025)
3. **“Management Experience”** – 91% (This number was 94% in 2025)
4. **“Legal Education”** – 49% (This number was 55% in 2025)
5. **“Advanced Degree”** – 33% (This number was 51% in 2025)

# Qualifications: Soft Skills

## Key Takeaways:

The Survey asked respondents to identify the most important soft skills for a CCO/CECO/Equivalent.

- Survey respondents ranked the following qualifications as **Very Important:**
  1. **“Ethics and Integrity”** – 95% (This number was 94% in 2025)
  2. **“Critical Thinking”** – 89% (This number was 92% in 2025)
  3. **“Verbal Communications”** and **“Written” Communications”** (Tied) – 76% (65% and 73%, respectively in 2025)
  4. **“Effective Time Management”** – 56% (This number was 65% in 2025)
  5. **“Resilience”** – 53% (This number was 49% in 2025)

# Qualifications: Soft Skills

## Key Takeaways:

Survey respondents ranked the following qualifications as *Very Important or Important* (combined):

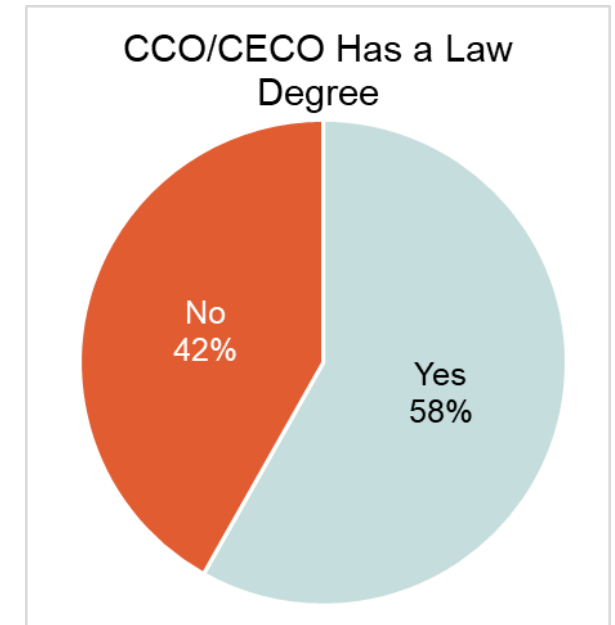
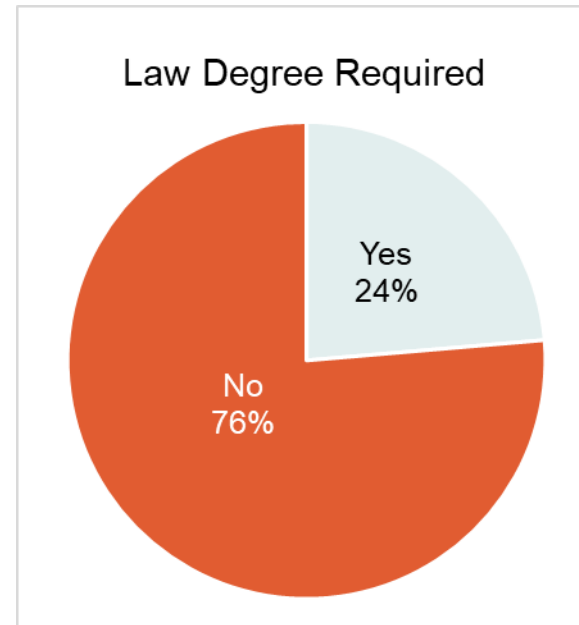
1. **“Ethics and Integrity”** – 100% (This number was 98% in 2025)
2. **“Critical Thinking,” “Verbal Communications”** and **“Written Communications”** (3-way tie) – 98% (The numbers were 96%, 98% and 98% respectively, in 2025)
3. **“Effective Time Management”** – 96% (This number was 94% in 2025)
4. **“People Management”** and **“Resilience”** (tie) – 95% (The numbers were 96% and 94 respectively, in 2025)

# 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.

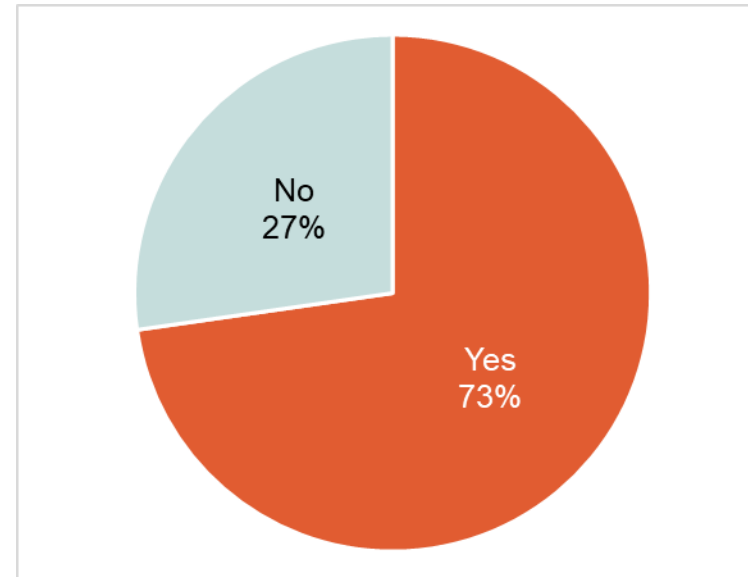
- 24% of companies require their CCO/CECO/Equivalent to have a law degree, consistent with the prior year's Survey.
- 58% of companies reported their CCO/CECO/Equivalent has a law degree, compared to 63% in 2025.



# CCO/CECO/ Equivalent Succession Planning

## Key Takeaways:

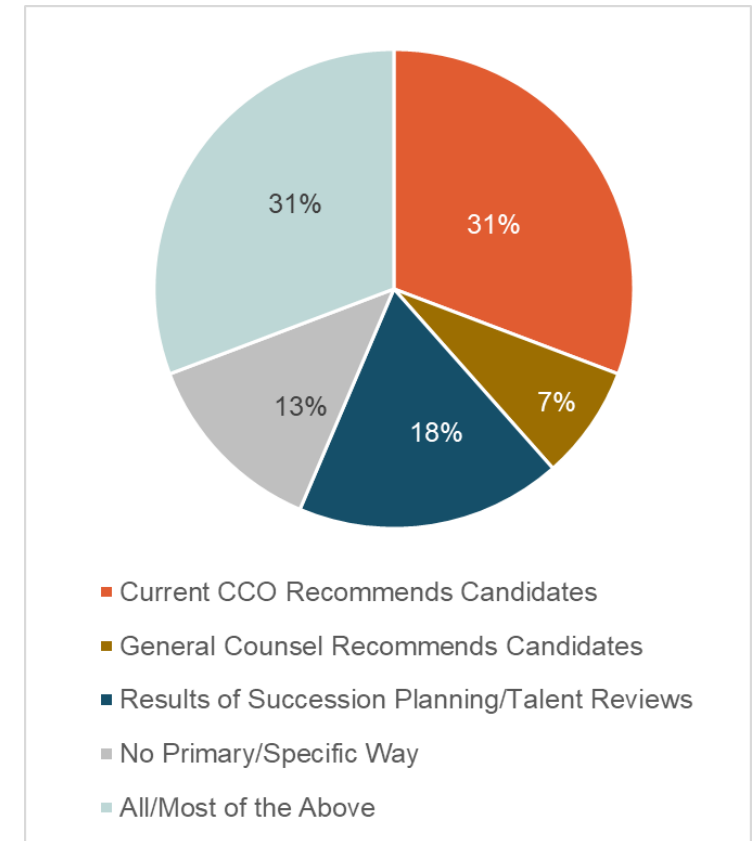
- In aggregate, 73% of companies have a succession plan in the event their CCO/CECO/Equivalent retires or leaves the organization. In 2025, that number was 80%.
- When considering company size, 64% of small-sized, 71% of medium-sized and 93% of large-sized companies have a succession plan for the CCO/CECO/Equivalent role.



# Identification of CCO/CECO/Equivalent Candidates

## Key Takeaways:

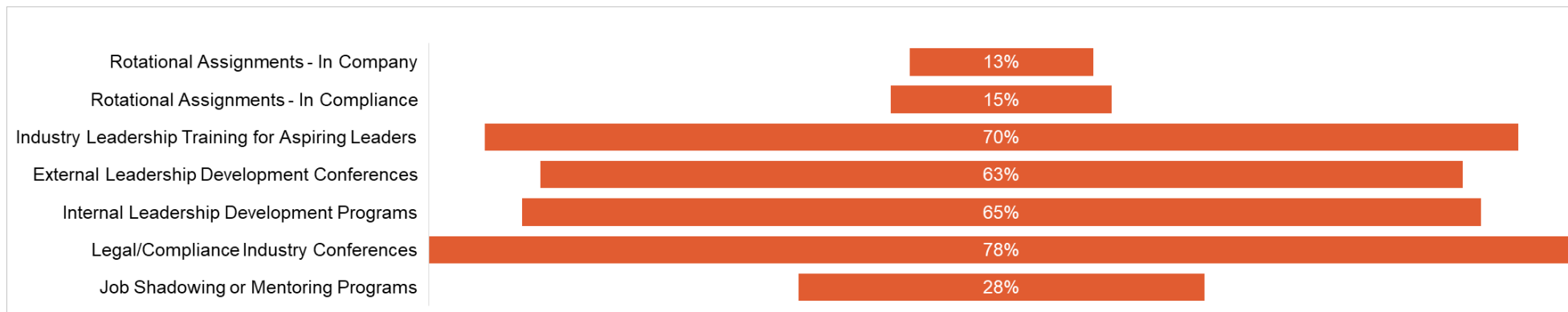
- Life insurance companies utilize a variety of ways to identify potential future CCO/CECO/Equivalent candidates.
- The Survey revealed several resources are relied upon, including internal recommendations and succession planning or talent reviews.
- The most common single factor influencing the identification of a CCO/CECO/Equivalent candidate was the current CCO/CECO/Equivalent's recommendation.



# 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 (78%), attending industry leadership training for new or aspiring leaders (70%) and participating in internal leadership development programs (65%).



# CCO/CECO/Equivalent Direct Reporting Relationships

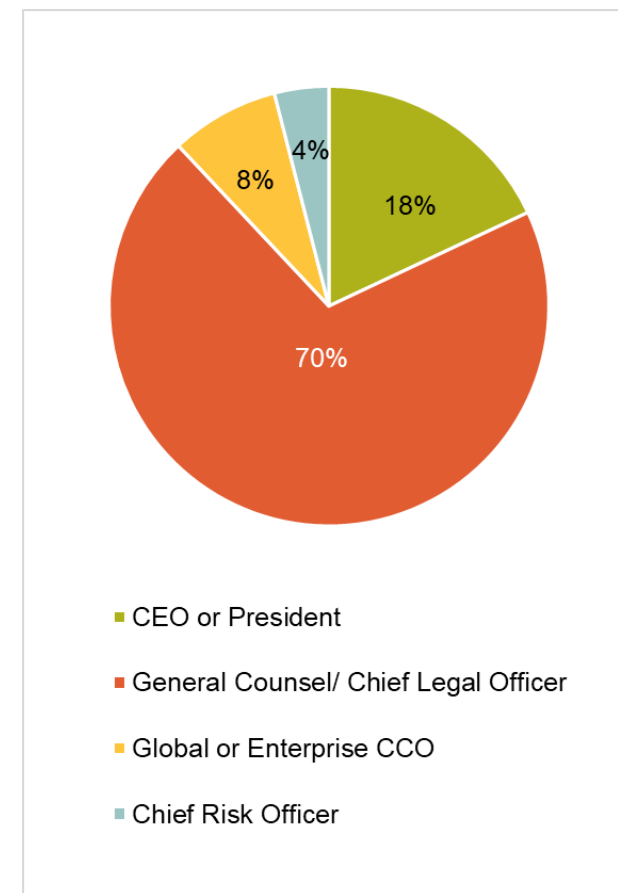
## Key Takeaways:

The CCO/CEO/Equivalent role generally reports to:

- General Counsel or Chief Legal Officer (70%)
- CEO or President (18%)
- Global or Enterprise CCO (8%)
- Chief Risk Officer (4%)

Respondents who selected “*Other*” indicated:

- Chief Actuary (1)
- CFO (1)
- Board of Directors (1)
- Senior Vice President (1)

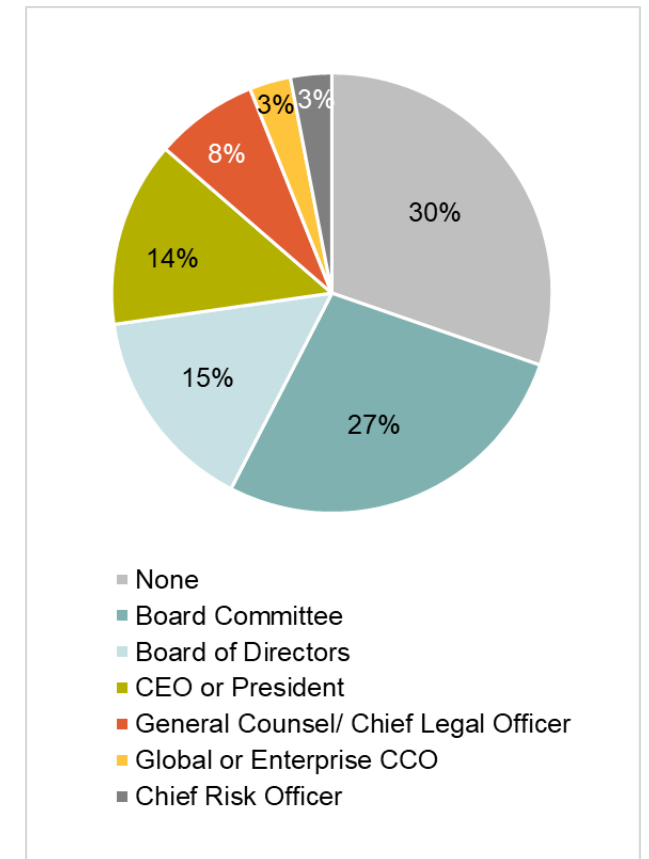


# CCO/CECO/Equivalent Indirect Reporting Relationships

## Key Takeaways:

Nearly a third of CCOs/CECOs/Equivalents do not have indirect reporting relationships. Of those that do, the CCO/CECO/Equivalent most frequently has an indirect reporting relation with the following areas:

- Board Committee (27%)
- Board of Directors (15%)
- CEO or President (14%)
- General Counsel/Chief Legal Officer (8%)

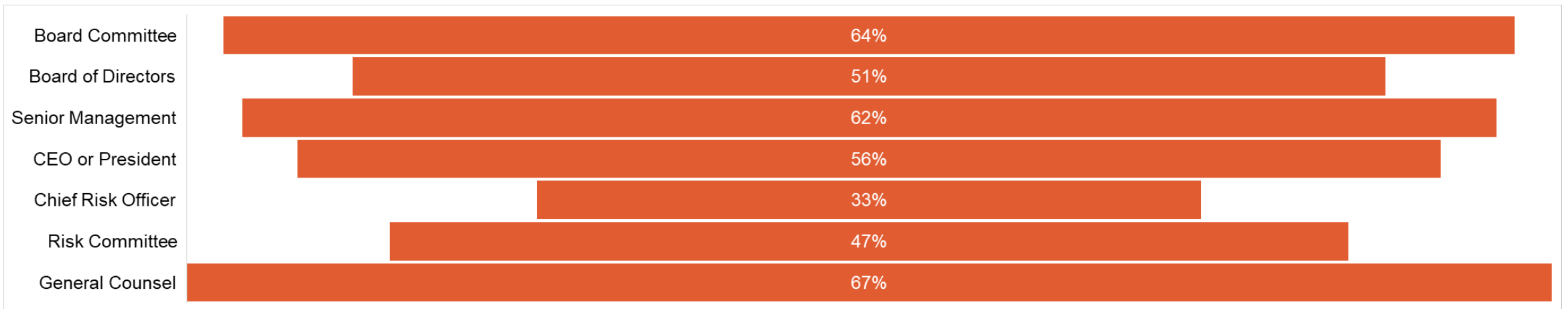


# CCO/CECO/ Equivalent Compliance Reports: *cefli* |

## 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 General Counsel (67%), a Board Committee (64%) and Senior Management (62%).



# CCO/CECO/ Equivalent Compliance Reports: The Content

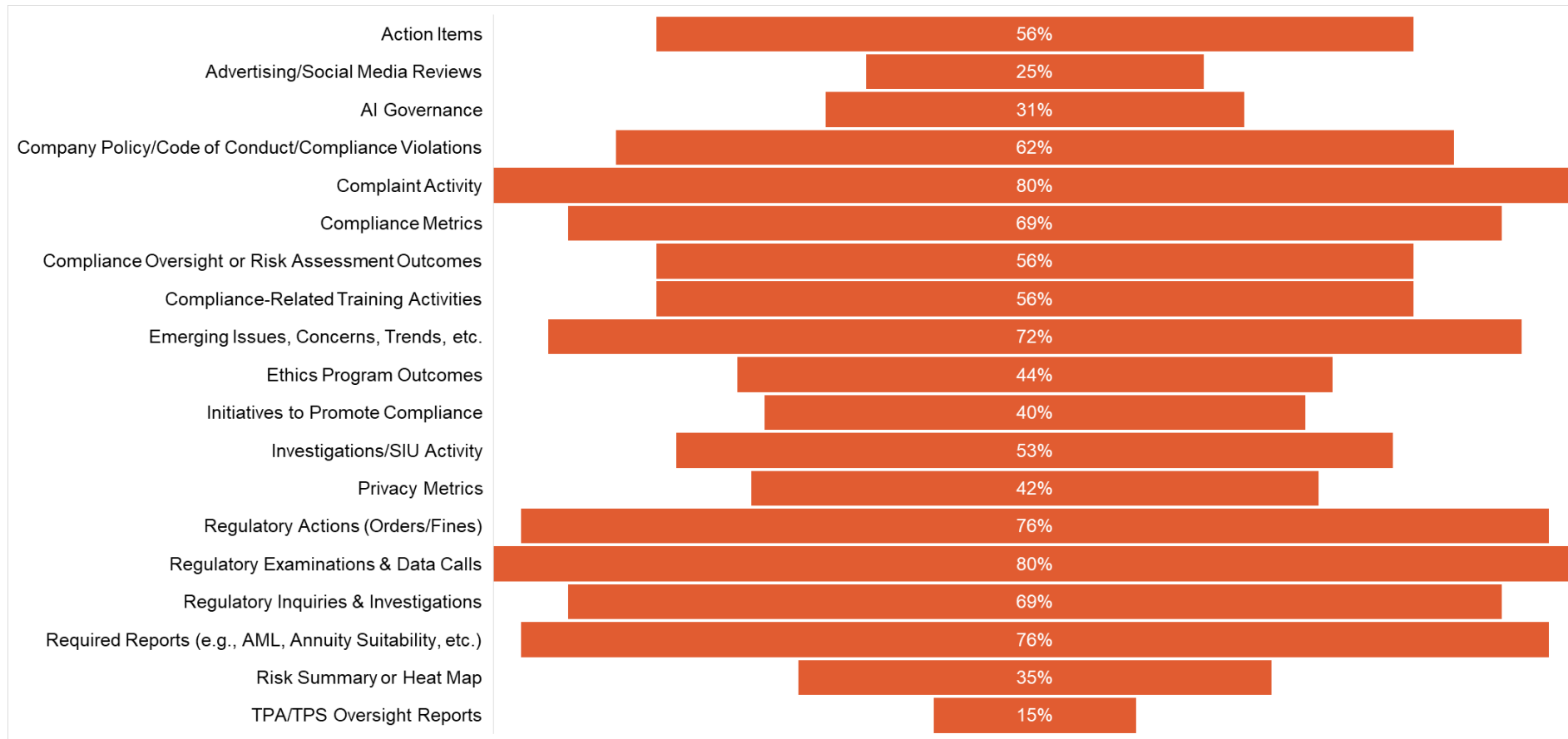
## Key Takeaways:

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

1. Regulatory Examinations and Data Calls
2. Complaint Activity
3. Regulatory Actions (Orders/Fines)
4. Required Reports (e.g., AML, Annuity Suitability, etc.)
5. Emerging Issues, Concerns, Trends, etc.

# Compliance Report Content

The following graph offers a visual summary of the Survey responses.



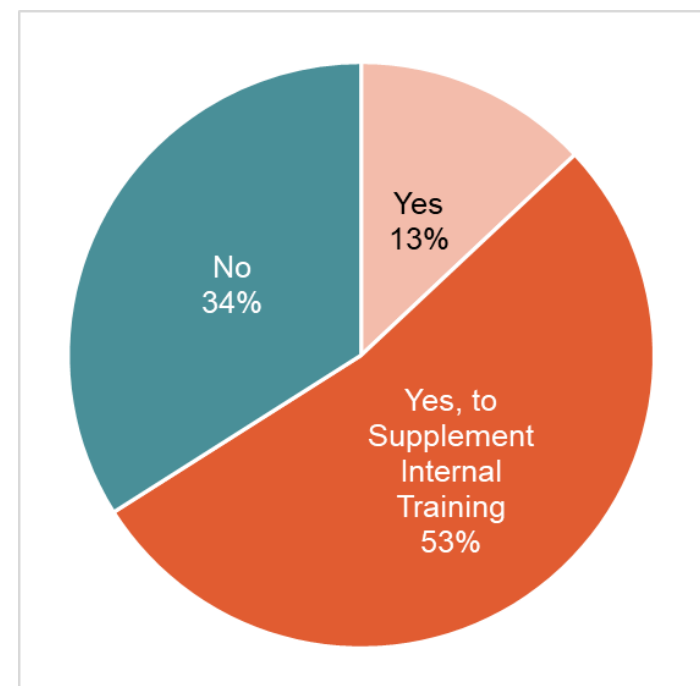


# Compliance Education & Training

# Maintaining a Compliance Training Program and Use of External Resources

## Key Takeaways:

- Survey respondents noted it is *Very Important* (85%) or *Important* (15%) to provide compliance training to business areas.
- When providing training to business areas, two thirds of respondents indicated they leverage the use of external training resources (solely or to supplement their use of internal resources).



# Value Associated with Various Types of Compliance Training

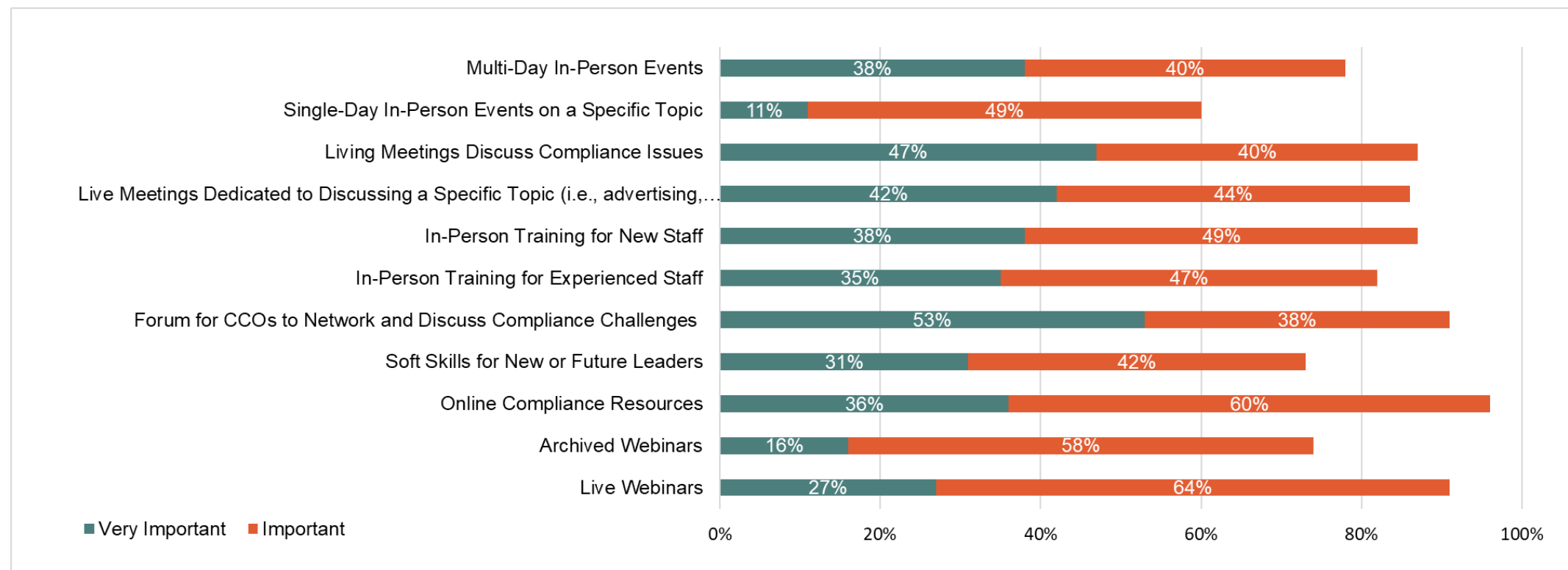
## Key Takeaways:

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

- Online compliance resources
- Live webinars and Forums for CCOs to network (i.e., CCO Forum) (tied)
- Live meetings on current compliance issues (i.e., Committee meetings)
- In-person training for new staff

# Value Associated with Different Types of Compliance Training

The graph below summarizes the perceived value of various compliance training opportunities.



# Training Budget for Compliance Staff

## Key Takeaways:

- When asked about the training budget for Compliance staff, 84% of respondents noted their training budget was about the same as last year.
- 13% indicated their training budget had increased (this number was 6% in 2025) and 3% noted their training budget had decreased (this number was 8% in 2025).
- When asked about their anticipated 2027 training budget for Compliance staff, the results were similar with 82% of respondents anticipating a level training budget, 15% anticipating an increased training budget and 3% noting a decreased training budget.

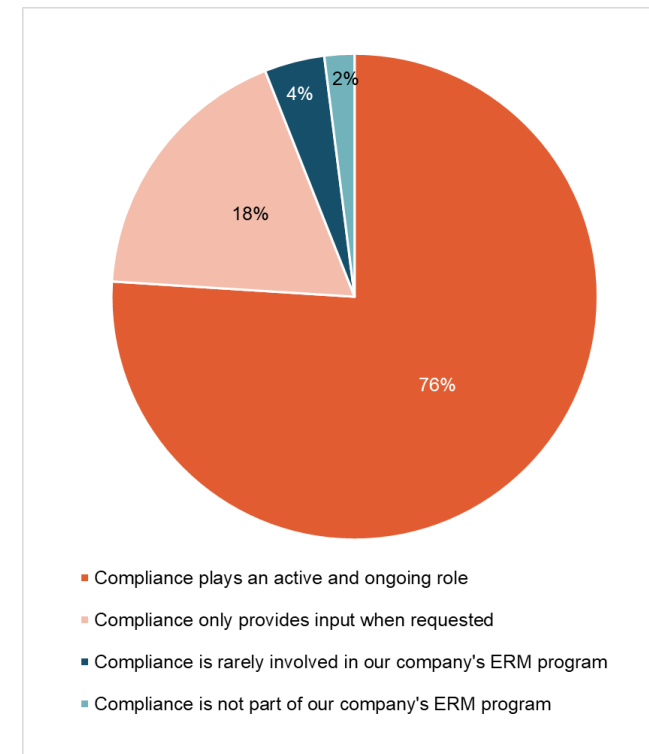


# Enterprise Risk Management

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

## Key Takeaways:

- 76% of Survey respondents indicated Compliance plays an active and ongoing role in their organization's ERM program. Generally, the larger the company, the more engagement between Compliance and ERM.
- Compliance teams that do not have an active role with ERM still provide insight when requested.





# Regulatory Activity

# Market Analysis and Examination Activity: All Companies

## Key Takeaways:

Most companies reported the same volume of market analysis and exam activity as in prior years. To the extent there was a change, they were:

- 2x more likely to experience an increase, rather than a decrease, in targeted exam activity.
- 6x more likely to experience an increase, rather than decrease, in market analysis requests.
- 3x times more likely to see a decrease, rather than an increase, in comprehensive exam activity.

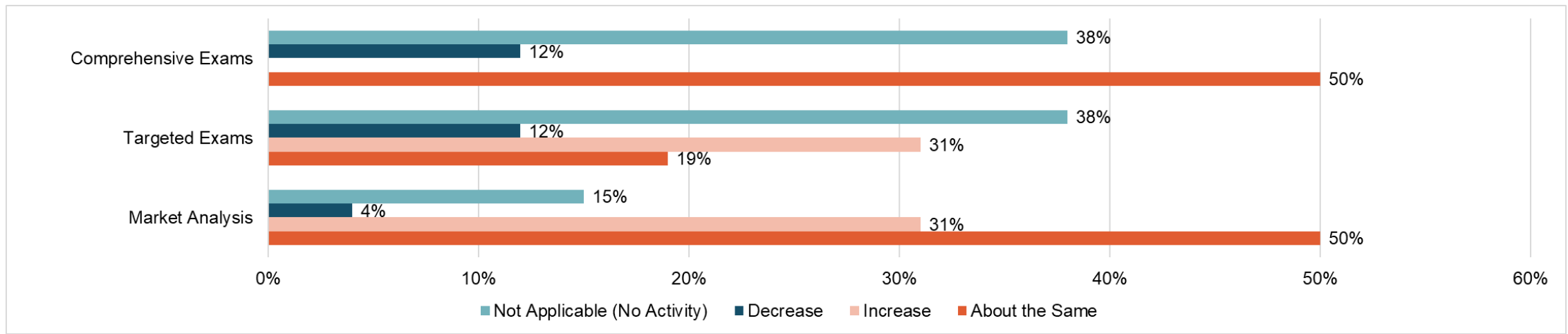
Interestingly, just over a quarter of companies had no recent exam activity.

# Market Analysis and Examination Activity: Small-Sized Companies



## Key Takeaways:

- **Comprehensive.** Most companies had the same (50%) or no (38%) activity.
- **Targeted.** Most companies had no activity (38%) or an increase (31%) in activity.
- **Market Analysis.** Most companies had the same (50%) or an increase (31%) in activity.

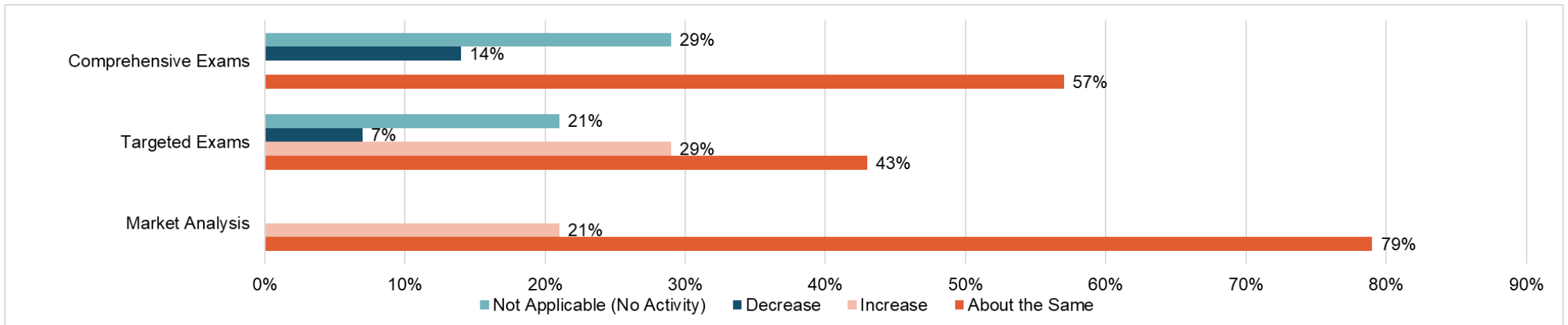


# Market Analysis and Examination Activity: Medium-Sized Companies



## Key Takeaways:

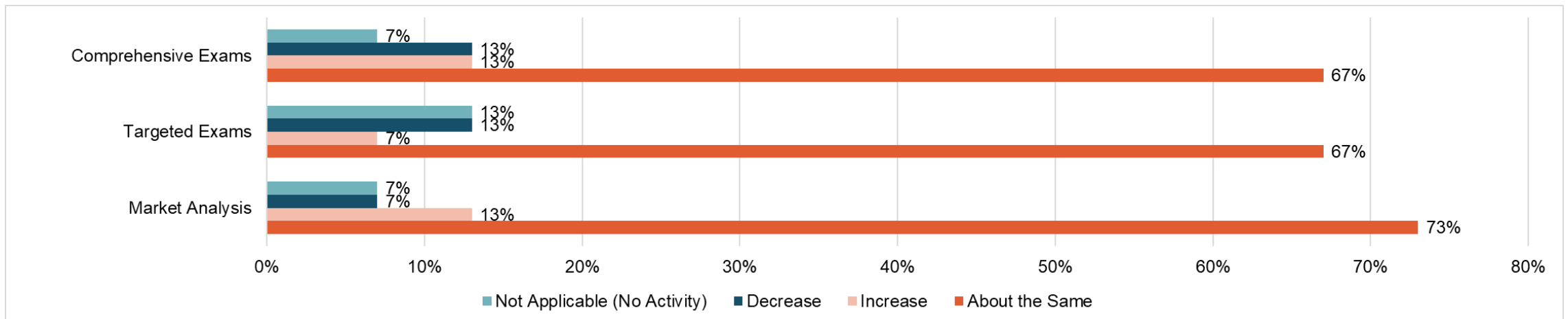
- **Comprehensive.** Most companies had the same (57%) or no (29%) activity.
- **Targeted.** Most companies had the same (43%) or an increase (29%) in activity.
- **Market Analysis.** Most companies had the same (79%) or an increase (21%) in activity.



# Market Analysis and Examination Activity: Large-Sized Companies

## Key Takeaways:

- **Comprehensive.** Most companies had the same (67%) activity.
- **Targeted.** Most companies had the same activity (67%).
- **Market Analysis.** Most companies had the same activity (73%).



# Active and Open Examinations

## Key Takeaways:

An “**active**” exam is one with ongoing regulatory requests for data or information while an “**open**” exam is one for which the final examination report has not been issued. Examination activity, by company size, is summarized below and on the following slide.

### Small-Sized Companies:

- Active Exams: 62% had no active exams and 38% had 1-3 active exams.
- Open Exams: 54% reported having no open exams and 46% reported managing 1-3 open exams.

### Medium-Sized Companies:

- Active Exams: 22% had no active exams, 64% had 1-3 active exams, 7% had 4-6 active exams and 7% had 7-9 active exams.
- Open Exams: 29% had no open exams, 50% had 1-3 open exams and 21% had 4-6 open exams.

# Active and Open Examinations

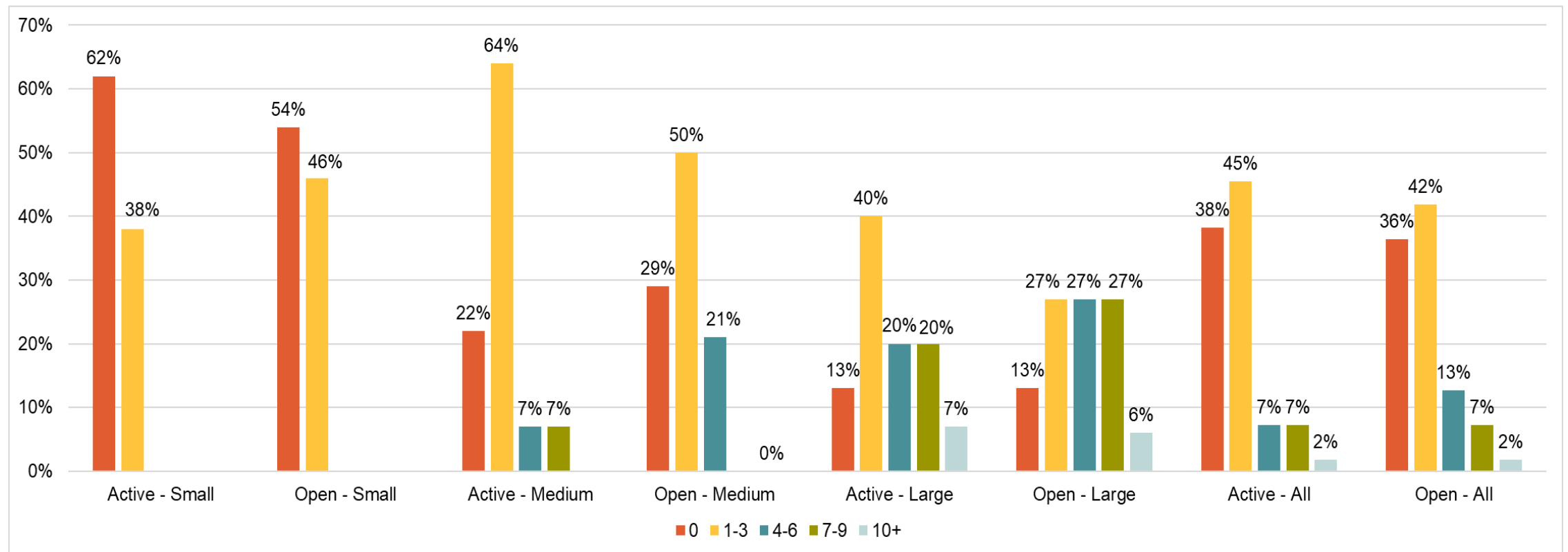
## Key Takeaways:

### Large-Sized Companies:

- Active Exams: 13% had no active exams, 40% had 1-3 active exams, 20% had 4-6 active exams, 20% had 7-9 active exams and 7% had 10 or more active exams.
- Open Exams: 13% had no open exams, 27% had 1-3 open exams, 27% had 4-6 open exams, 27% had 7-9 open exams and 6% had 10 or more open exams.

# Active and Open Examinations

A graphical depiction regarding “active” and “open” examination experience, by company size, appears below.



# Duration of Examinations

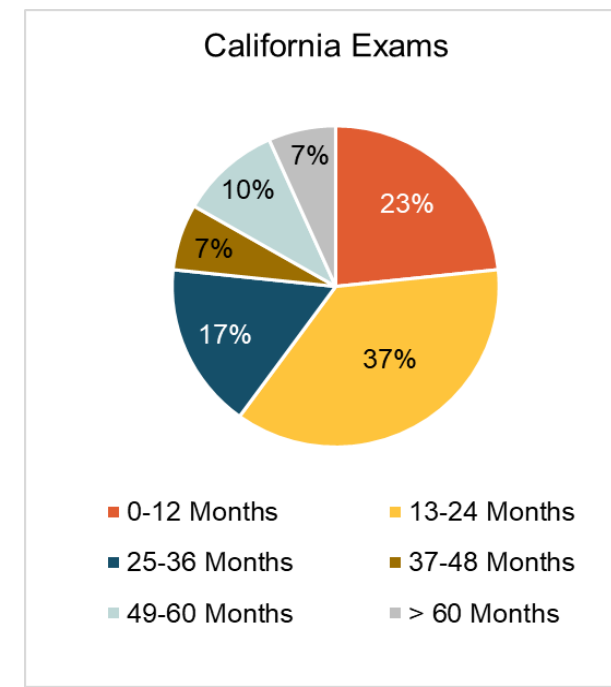
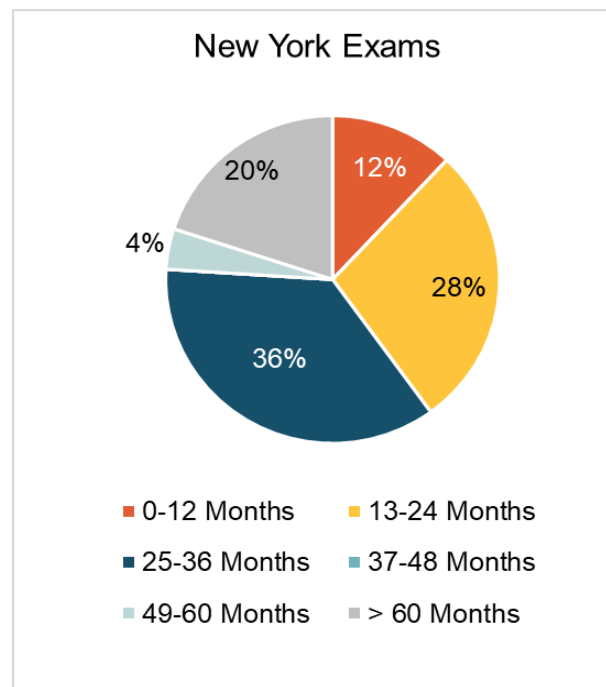
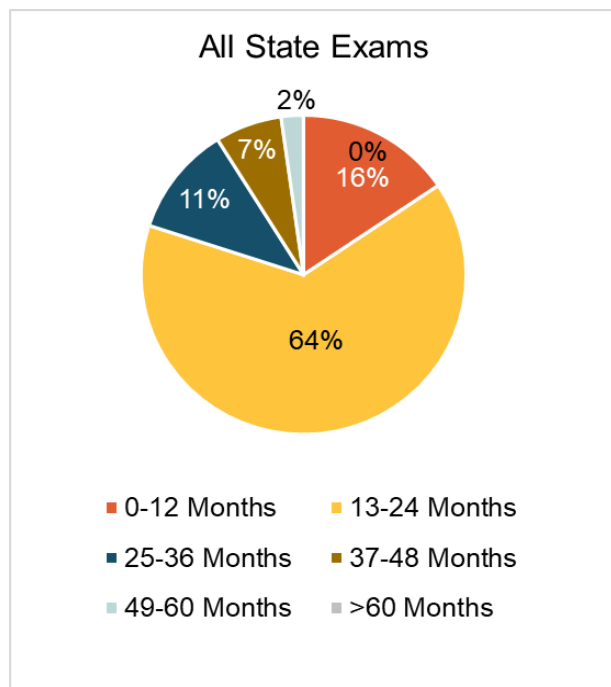
## Key Takeaways:

When managing market conduct examinations, it can be helpful to understand the industry “norm” regarding the average duration of an examination. This year’s Survey asked about the duration of examinations in general and the duration of New York and California examinations.

- **All State Examination Activity:** The most common examination duration was 13-24 months (53%) though 13% of respondents cited a shorter duration and 16% cited a longer duration.
- **New York Examination Activity:** The most common examination duration was 25-36 months (16%) while 18% of respondents cited a shorter duration and 11% cited a longer duration.
- **California Examination Activity:** The most common examination duration was 13-24 months (20%) while 13% of respondents cited a shorter duration and 22% cited a longer duration.

# Duration of Examinations

- 18% of survey respondents have not undergone a market conduct examination in recent years, regardless of state. Additionally, 55% have not experienced a New York examination and 45% have not had a California examination in recent years.
- For those respondents who have undergone examinations in recent years, the average duration is illustrated below.





# Current & Future Compliance Priorities

# Top Priorities This Year

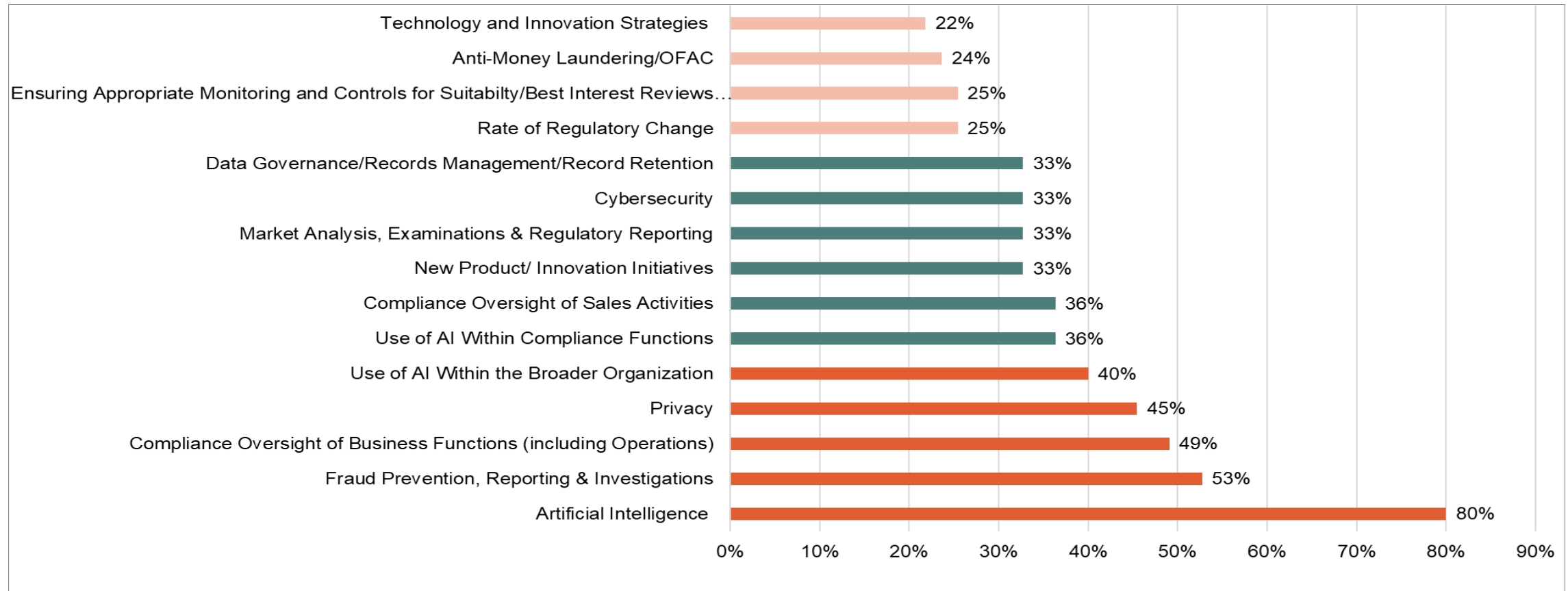
## Key Takeaways:

The Survey asked respondents to indicate their top priorities for the year. The top responses included:

- Artificial Intelligence (overall) (80%)
- Fraud Prevention, Reporting & Investigations (53%)
- Compliance Oversight of Business Functions (including Operations) (49%)
- Privacy (45%)
- Use of AI Within the Broader Organization (40%)

# Top Priorities This Year

A graphical depiction noting the top priorities for the year appears below.



# Top Priorities in 2027

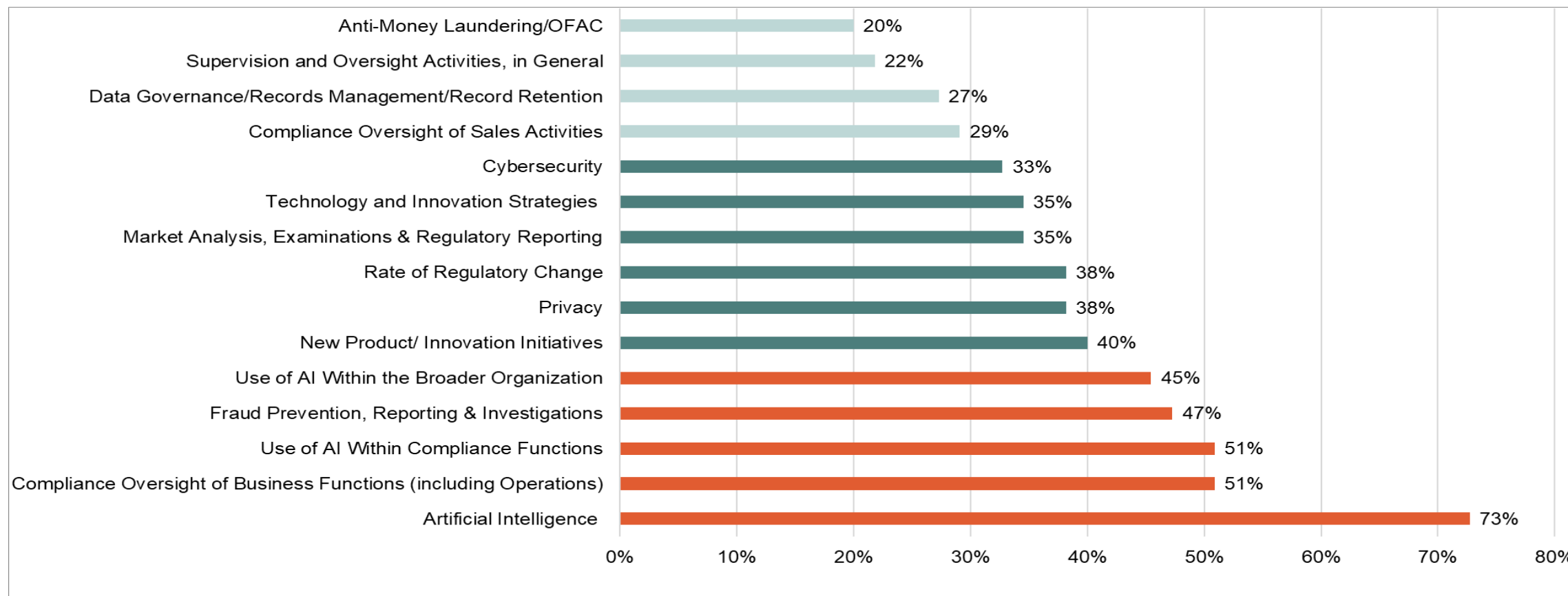
## Key Takeaways:

The Survey asked respondents to indicate their anticipated top priorities next year. The top responses included:

- Artificial Intelligence (overall) (73%)
- Use of AI with Compliance Functions (51%)
- Compliance Oversight of Business Functions (including Operations) (51%)
- Fraud Prevention, Reporting & Investigations (47%)
- Use of AI Within the Broader Organization (45%)

# Top Priorities in 2027

A graphical depiction noting the top anticipated priorities appears below.



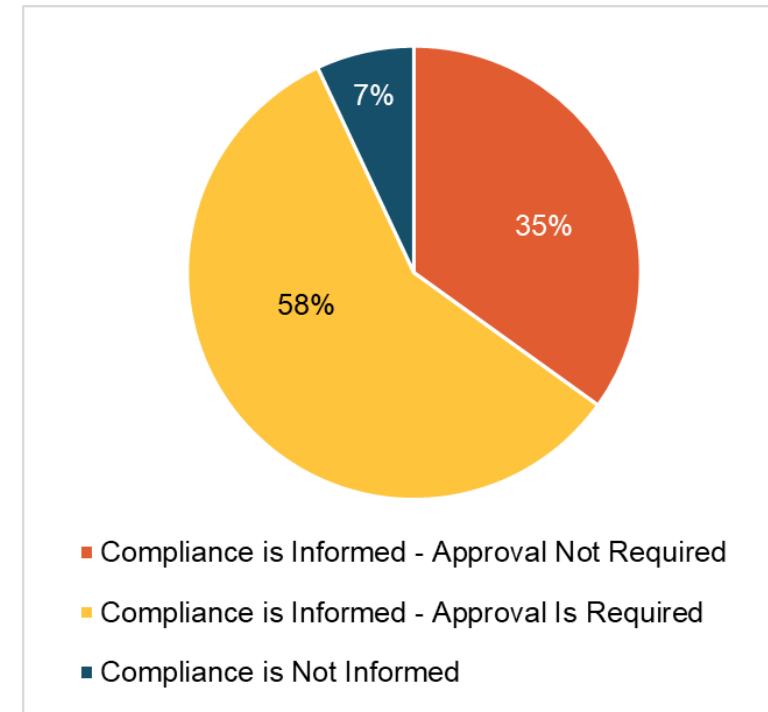


# Compliance's Role & Use of Artificial Intelligence (AI)

# Compliance's Role with the Implementation of AI Solutions in Non-Compliance Areas

## Key Takeaways:

- When AI solutions are implemented in non-Compliance areas of the organization, most organizations (58%) require Compliance approval.
- In 42% of organizations, Compliance approval is not required and, in some cases, Compliance is not informed of the AI solution implementation.

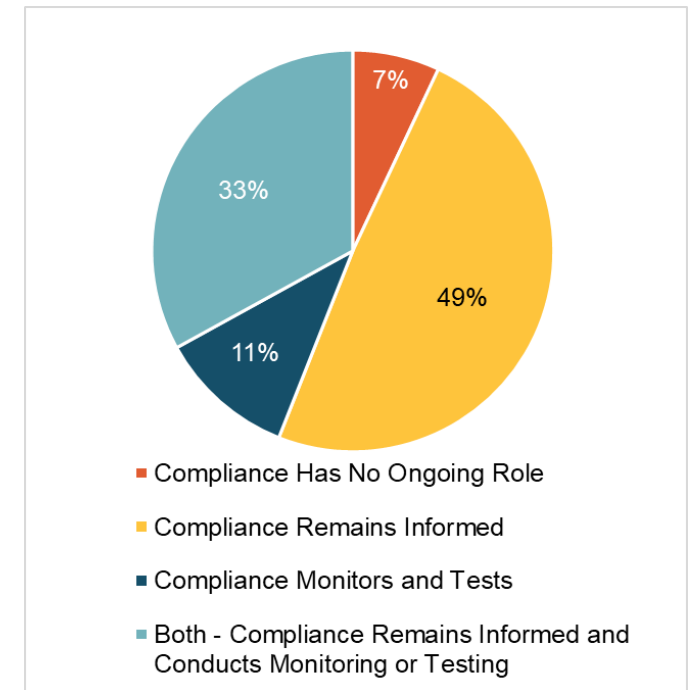


# Compliance's Role with the Ongoing Use of AI in Non-Compliance Areas

## Key Takeaways:

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

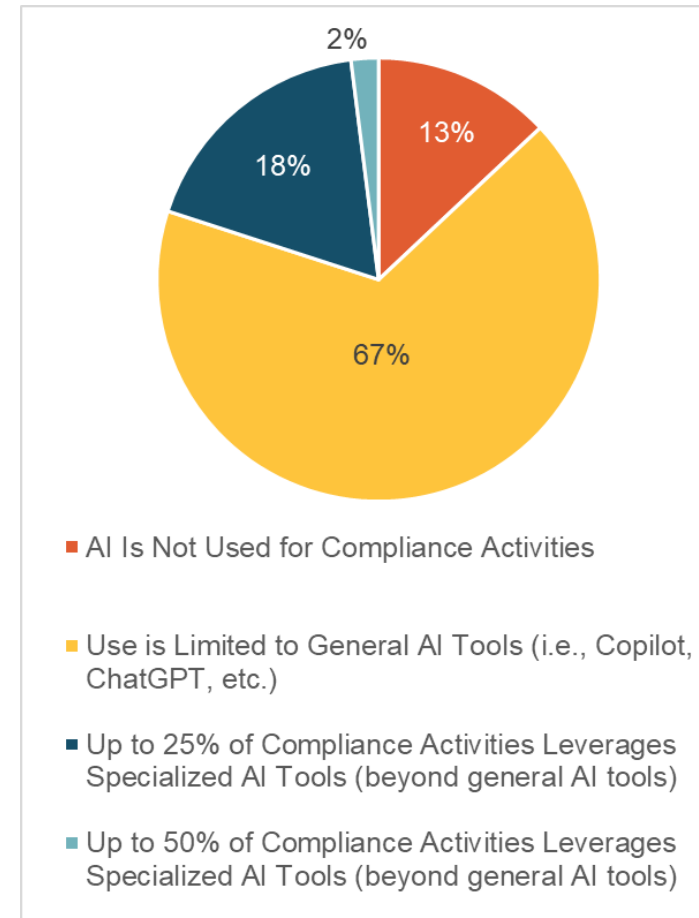
- Only 7% of respondents indicated Compliance does not have an ongoing role.
- Almost half of the respondents (49%) indicated Compliance remains informed.
- 11% of respondents noted Compliance's role is limited to ongoing monitoring and testing.
- A third of the respondents (33%) indicated Compliance remains informed *and* conducts ongoing monitoring and testing activities.



# Compliance's Use of AI

## Key Takeaways:

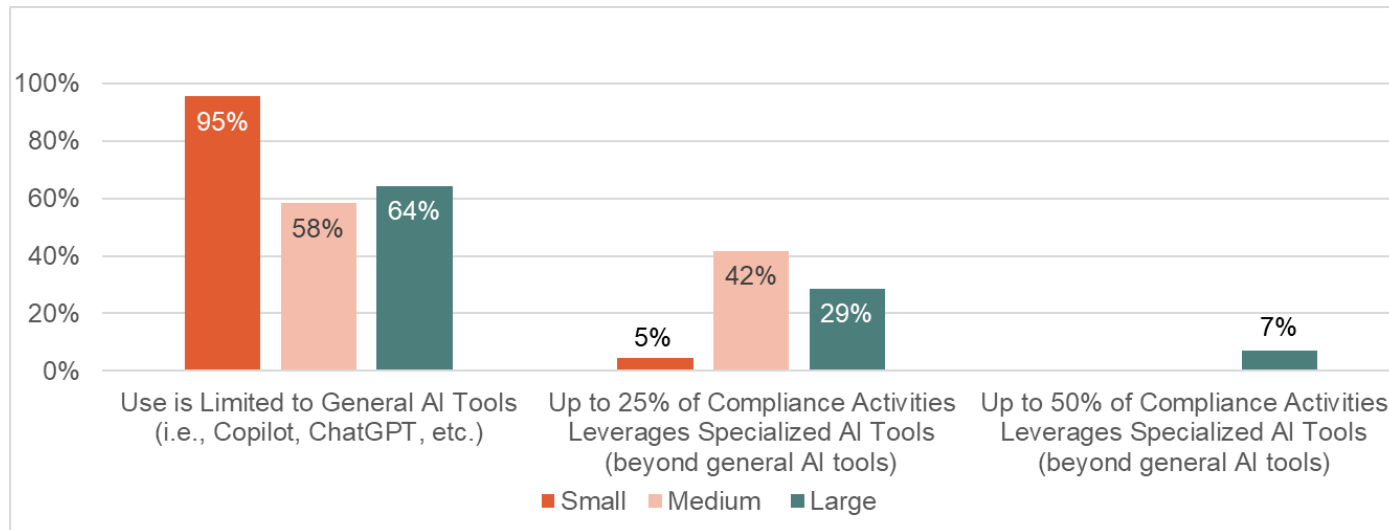
- When asked about the use of AI to assist with Compliance activities, 87% of respondents indicated their Compliance departments embrace the use of AI. Last year, the number was 38%.
- The experience was similar regardless of company size, with the exception of large-sized companies:
  - Small-Sized Companies: 85% use AI
  - Medium-Sized Companies: 86% use AI
  - Large-Sized Companies: 93% use AI



# Compliance's Use of AI

## Key Takeaways:

Of the companies that use AI within their Compliance departments, the type of usage varied greatly. While 95% of small-sized companies limit their use of AI to general tools such as Copilot and ChatGPT, 42% of medium-sized companies use specialized AI software to assist with up to 25% of their compliance activities compared to 29% of large-sized companies. Interestingly, 7% of large-sized companies use specialized AI software for up to 50% of their compliance activities.



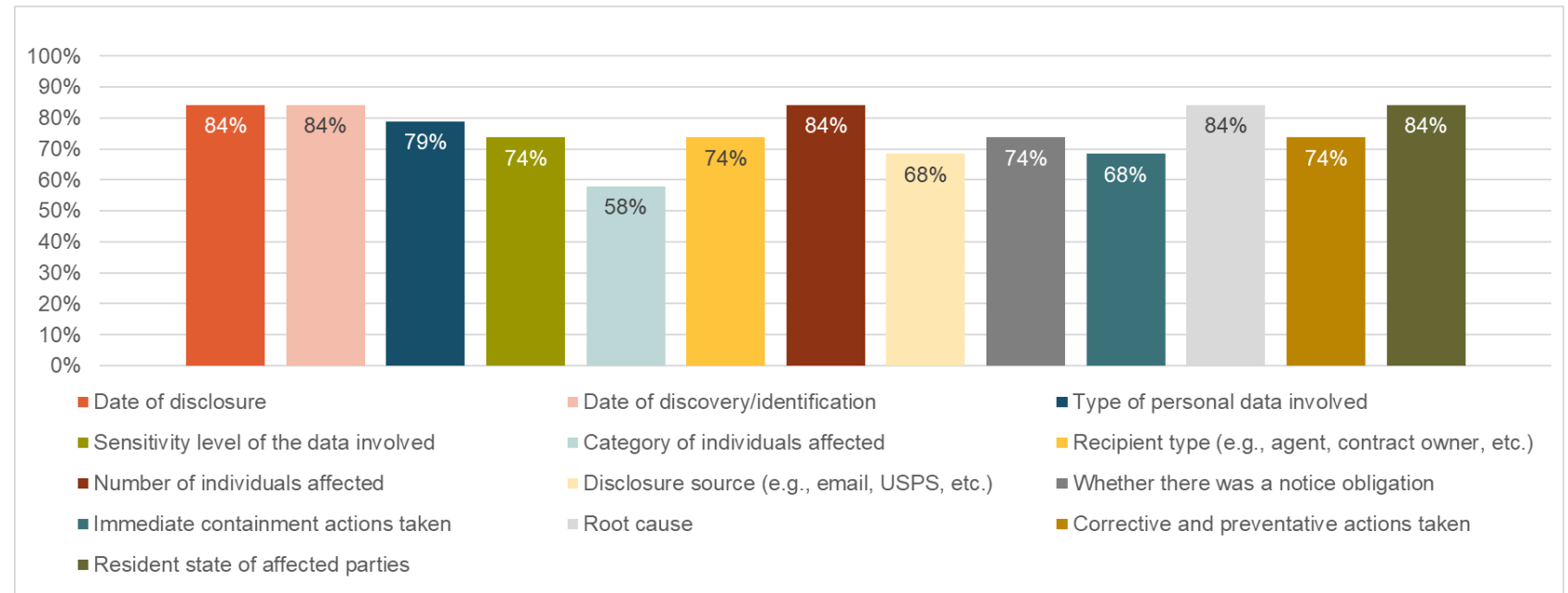


# Privacy Practices

# Metrics Captured for Privacy Incidents

## Key Takeaways:

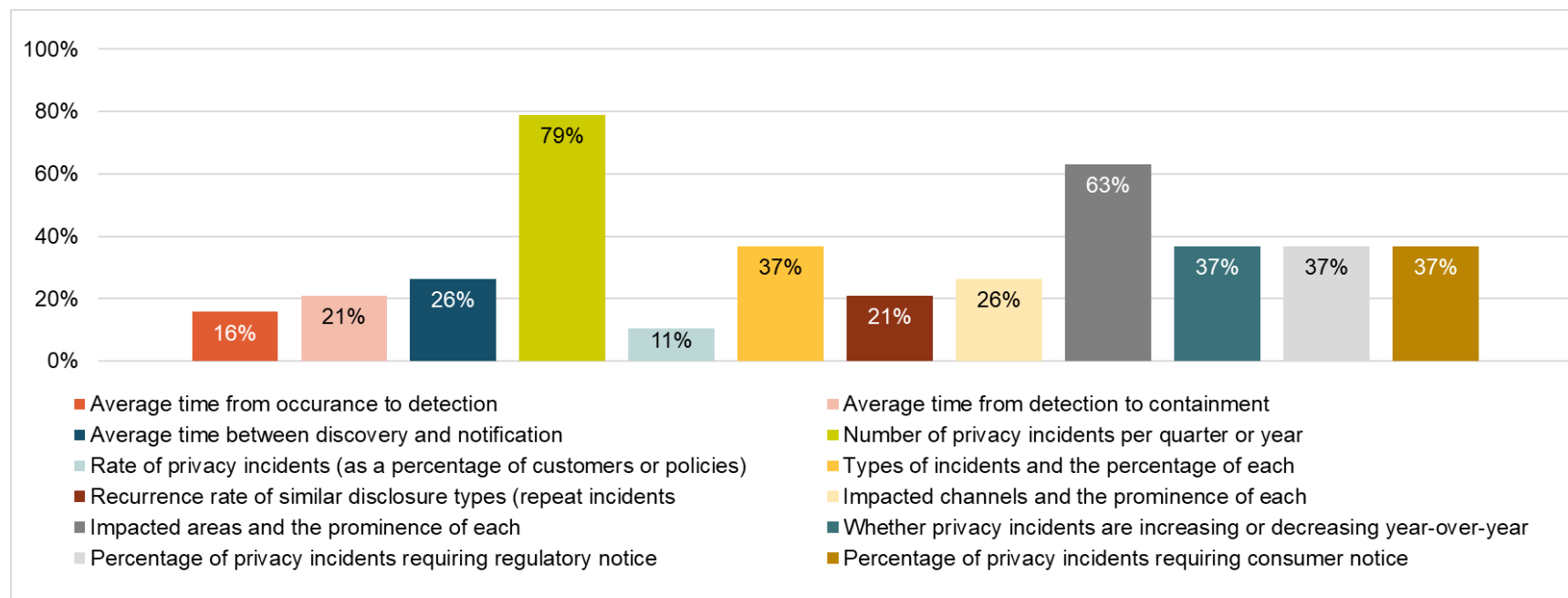
- Top privacy incident metrics captured include the date of disclosure, the date of discovery/identification, the number of individuals impacted, the root cause and the affected party's resident state.
- One respondent noted they also capture data regarding whether a third party was involved.



# Metrics Captured When Analyzing Incidents

## Key Takeaways:

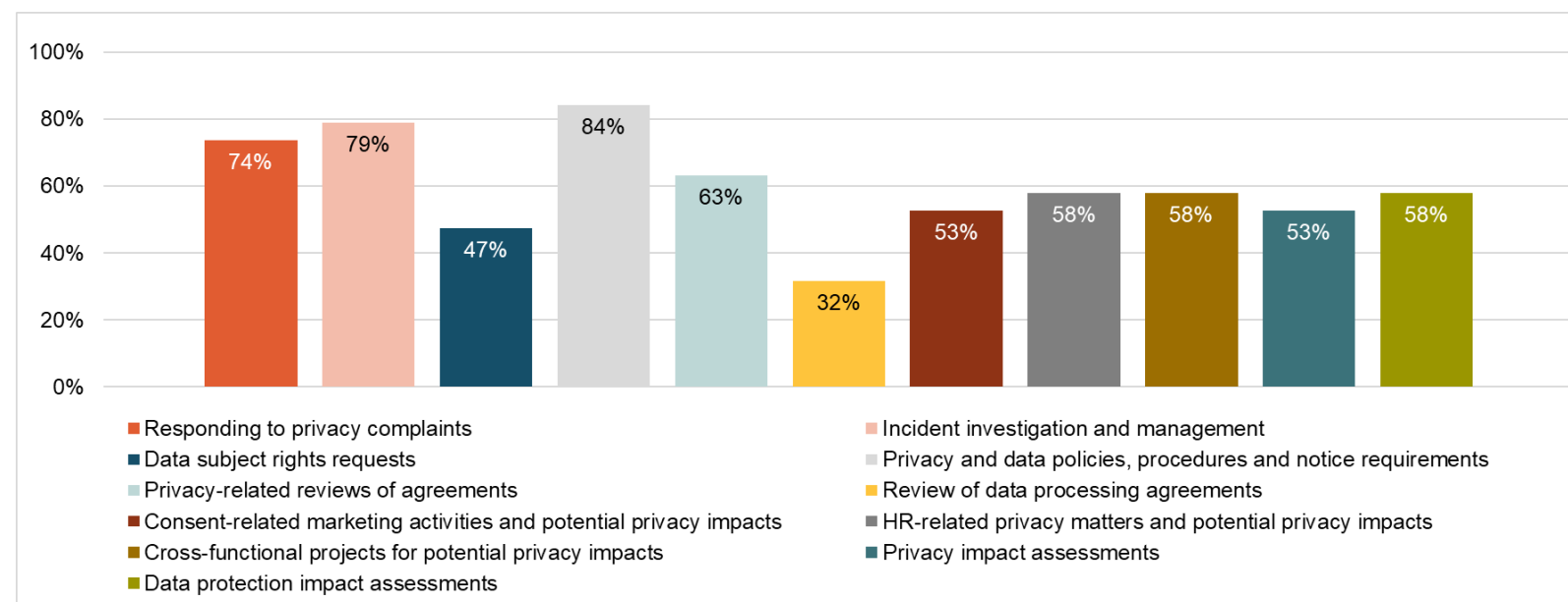
The top metrics captured when analyzing privacy incidents included the number of incidents per quarter or year (79%) and the area impacted (63%).



# Privacy Function Activities

## Key Takeaways:

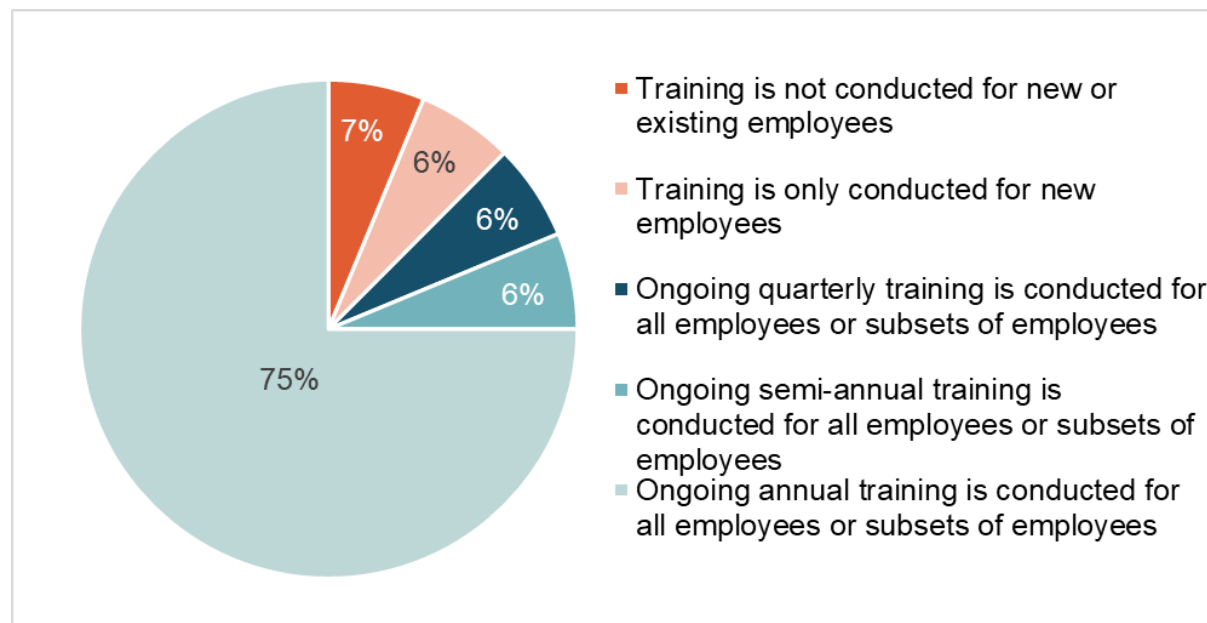
The top three activities within a privacy function include managing policies, procedures and notice requirements (84%), incident investigation and management (79%) and responding to privacy complaints (74%).



# Frequency of Privacy Awareness Training

## Key Takeaways:

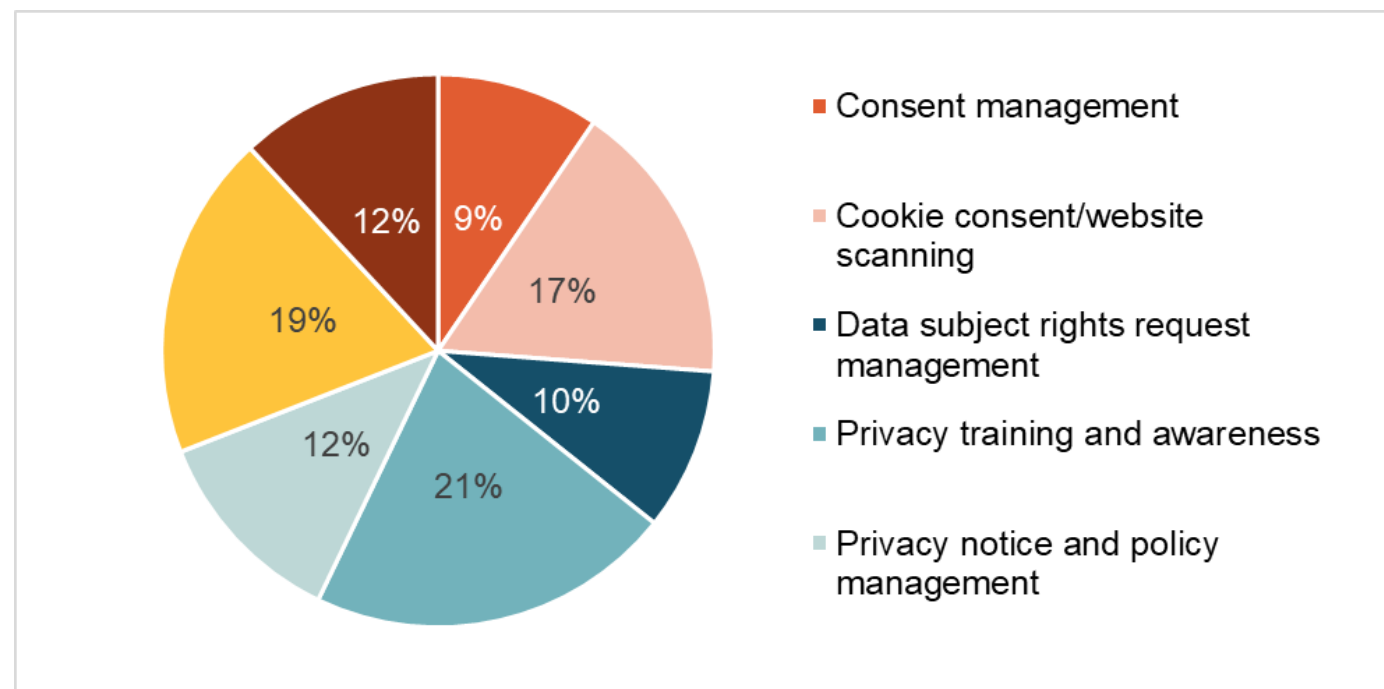
- Most companies (75%) conduct *ongoing annual* training for all employees or for a subset of employees while the remaining companies (25%) rely on a variety of approaches impacting the frequency of their privacy awareness training.
- One respondent indicated they also conduct topic-specific training annually, for all employees, that touches on recent lessons learned and that reinforces the importance of protecting customer data.  
The company also targets specific teams for more salient operational training.



# Use of Technology Solutions for Privacy Activities

## Key Takeaways:

- Companies use a variety of technology solutions to facilitate various privacy activities.
- Vendors noted include: OneTrust (cookie consent management), RegEd Compliance on Demand and Radar (to identify reporting obligations, track incidents and generate metrics).



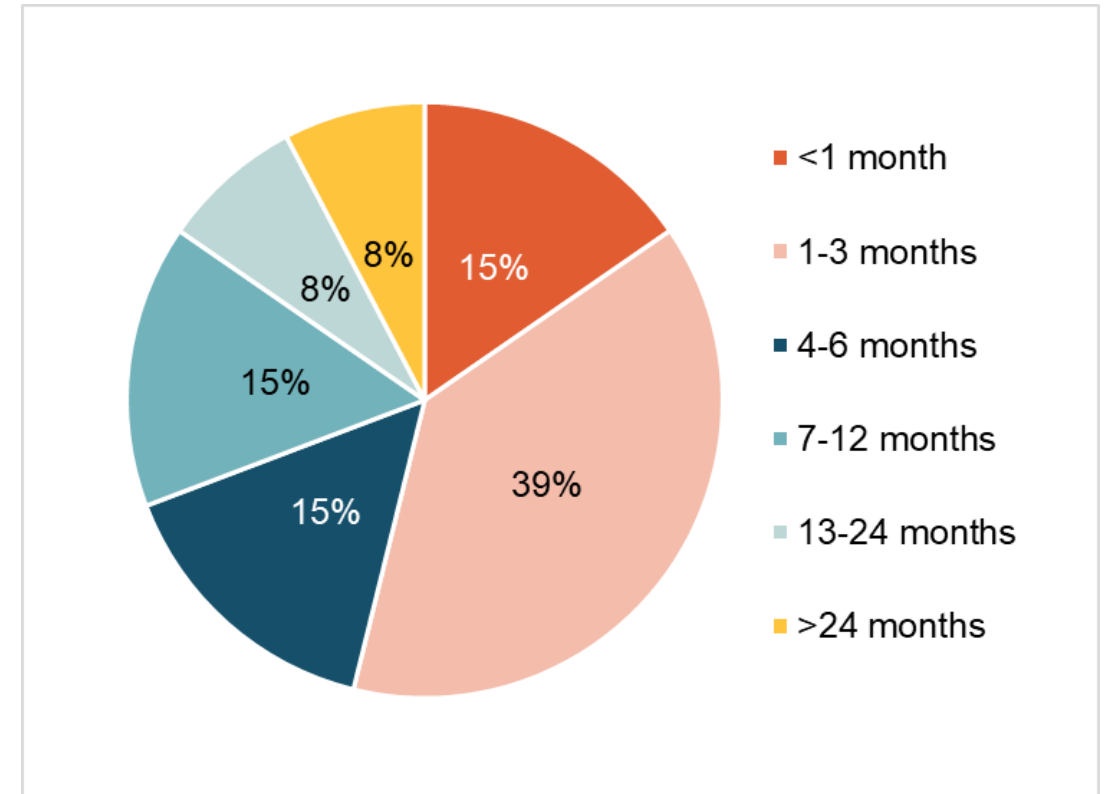


# Record Retention for Virtual Meetings & Emails

# Record Retention – Virtual Meetings

## Key Takeaways:

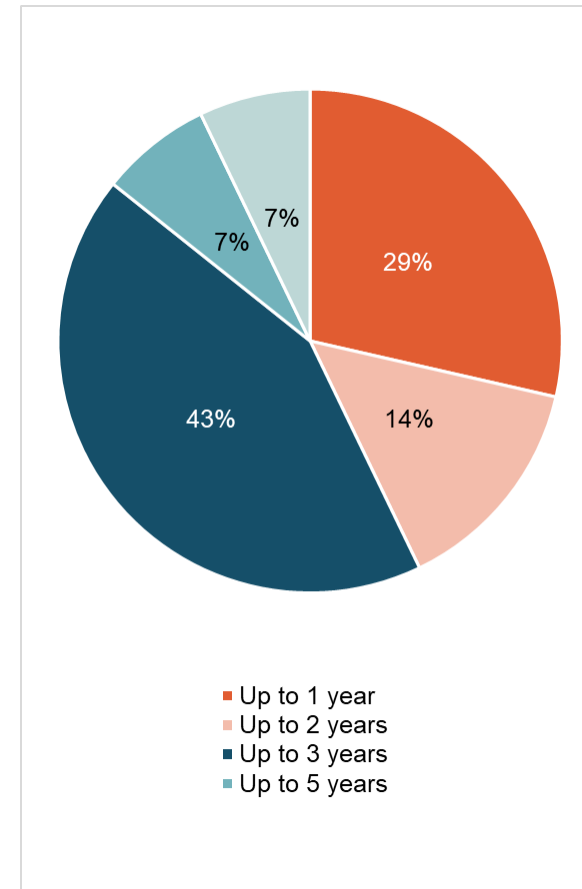
- Nearly a third (32%) of Members do not allow the recording of virtual meetings.
- Of those that do, 15% limit the recording retention to less than a month and nearly 40% limit the recording retention to 1-3 months.
- Overall, 84% of Members limit the recording retention to less than a year.



# Record Retention – Emails

## Key Takeaways:

- The most prominent response (43%) revealed an email retention period of up to three years. However, just as many Members limit their email retention to a shorter duration with 29% of Members limiting their retention to less than a year and 14% limiting their retention to up to two years (14%).
- Only 14% of Members allow emails to be retained for more than three years





# Value of the Benchmarking Data

# Value of the Benchmarking Data

## Key Takeaways:

When asked to rate the value of the data in the Benchmarking Report, 84% of CCOs/CECOs indicated the value of the information offers material or significant value, reaffirming CEFLI's administration of such benchmarking surveys.

84%



# 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 data when evaluating Compliance and Ethics program effectiveness.

# Thank You!

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

We hope you find the *2026 CEFLI Compliance & Ethics Benchmarking Report* helpful in your efforts to promote sound Compliance & Ethics at your organization.

cefli | 

*The Forum That Connects*