GLOBAL FEDERATION OF INSURANCE ASSOCIATIONS

15 April 2026

GFIA response to the IAIS survey on the use of third parties in the insurance sector

1. How widespread and deep is your use of third parties (or that of insurers in your jurisdiction)?

	Use of third parties: Limited	Use of third parties: Moderate	Use of third parties: Extensive	Use of third parties: Not known
ICT functions: Core insurance ICT systems	X			
ICT functions: Data management, analytics and AI services		X		
ICT functions: ICT infrastructure and hosting services (including cloud)			X	
ICT functions: Other ICT functions (please specify in response to below)				X
Non-ICT activities: Claims	X			
Non-ICT activities: Customer service	X			
Non-ICT activities: Finance, accounting, tax	X			
Non-ICT activities: Underwriting	X			

	Use of third parties: Limited	Use of third parties: Moderate	Use of third parties: Extensive	Use of third parties: Not known
Non-ICT activities: Other operational processes (please specify in response to below)	X			

Other operational processes/ Comments:

While GFIA offers responses to this survey, please note the chart and questions surrounding use are estimations based on our understanding of the industry, not on specific data from companies.

In responding to the following questions please indicate what trends are likely to be in the next 3-5 years.

2. How do you expect the use of third parties will change in the insurance sector in the next 3-5 years?

Over the next three to five years, insurers may increase their overall use of third parties, though the extent will vary by organisational size and business model. Third-party providers currently provide crucial services for insurers that allow insurers to focus on servicing customer products and services without challenging the availability and affordability of those products and services. These relationships will continue in the next 3-5 years, assisting companies with claims processing to better improve the customer experience, assisting with analytics, and further strengthening insurers' capabilities against cyber threats and activities. Third-party use can look different depending on the size of the insurer, and can allow smaller insurers to thrive and service customer products more efficiently, lending to a more diverse market and more consumer choice. For larger insurers, third party relationships will continue to be a part of business models, with some larger companies potentially shifting away from third parties to internal platforms.

	Expected change: Significant reduction	Expected change: Minor reduction	Expected change: Stay the same	Expected change: Minor increase	Expected change: Significant increase	Expected change: No information
ICT functions: Core insurance ICT systems			X			

	Expected change: Significant reduction	Expected change: Minor reduction	Expected change: Stay the same	Expected change: Minor increase	Expected change: Significant increase	Expected change: No information
ICT functions: Data management, analytics and AI services				X		
ICT functions: ICT infrastructure and hosting services (including cloud)					X	
ICT functions: Other ICT functions (please specify in response to below)						X
Non-ICT activities: Claims				X		
Non-ICT activities: Customer service					X	
Non-ICT activities: Finance, accounting, tax			X			
Non-ICT activities: Underwriting					X	
Non-ICT activities: Other operational processes (please specify in response to below)			X			

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3. Building on your answer to Q2, please give specific views on how you think the use of third parties will change across different functions at insurers and what this will mean for business models and operational resilience. Make clear whether your observations are for a limited number of specified jurisdictions or global in nature.

Globally, insurers are expected to increase their reliance on third parties across IT, data, claims, analytics, and customer-facing functions. This reflects digitalisation, cost and scalability pressures, and growing use of cloud, automation, and AI, particularly as insurers seek ways to most efficiently and effectively service customer products. Insurer business expertise and models increasingly focus on maintaining internal talent and operations necessary to perform insurance functions and offer the highest level of service to customers. As a result, insurance business models are shifting toward ecosystem-based structures, with insurers increasingly coordinating third-party services rather than operating as vertically integrated providers, in order to give customers the benefits of an insurance-focused internal team, while also providing key business and security functions via third-party relationships

4. In relation to Q3, which of these services will be related to critical functions?

Cloud-hosted core systems, policy administration platforms, data and analytics services supporting underwriting and pricing, claims handling and payment services, and customer communication tools are all examples of critical functions provided by third-party service providers.

5. What are the risks and opportunities of these trends for the insurance sector?

Greater use of third parties and AI can improve efficiency, scalability, innovation, and speed to market, enabling insurers to deliver more tailored products and services by accessing specialised expertise and advanced technologies that would be difficult to develop internally. The benefits of third-party relationships and use are passed on to the consumer, with insurers maintaining the ability to provide affordable and accessible products and services. Insurance business models incorporate third-party use to provide the best possible service to customers, but one risk of this commonly incorporated business practice is the negative impact on insurers when overly burdensome requirements result in the removal of negotiation power between insurers and larger third-party service providers. For example, where increased oversight of third-party service providers requires insurers to re-negotiate all existing and future contracts with provisions not required by other financial institutions, the list of providers willing to accept these contract terms shrinks, providing a greater risk to consumer access to products across the financial sector.

6. Given these trends, how will insurers adapt their risk management practices?

Integrating risk management across resilience, cybersecurity, outsourcing, and AI risk frameworks.

7. Do you expect to see any differences in these trends (eg between regions or business models)?

Overall, these trends are broadly global, with no fundamental differences in direction across regions or business models. However, some variation is expected in how they manifest. Jurisdictions with more developed operational resilience and outsourcing frameworks may reach greater maturity in risk management more quickly, while emerging markets may face higher concentration and substitutability risks due to smaller provider ecosystems. Similarly, digital-first and platform-based insurers are likely to rely more heavily on third parties, whereas larger or more diversified insurers may retain more in-house capabilities, albeit with shared dependencies on common external providers. Lastly, regulation and jurisdiction issues may play a part in the options insurers have in creating and maintaining agreements with third-party service providers.

8. What trends do you expect to see on concentration amongst third parties? (Please consider dimensions such as vendor concentration, service concentration, technology/platform concentration, geographic concentration, and reliance on subcontractors. Make clear any differences between jurisdictions.)

Vendor, service, and technology/platform concentration could deepen, particularly in cloud infrastructure, core systems, data, and AI-enabled services, as insurers standardise on a small number of large global providers. Smaller insurers could experience more pronounced vendor and service concentration, while larger firms may diversify vendors but still face platform-level concentration. While these pressures are global, differences may emerge across jurisdictions, including data localisation, oversight requirements, and outsourcing requirements, which may constrain concentration on certain third parties relative to other regions.

9. How can these risks be effectively managed?

Risks can be managed by effective third-party oversight that does not lead to reduced diversification in the third-party marketplace at the expense of consumers. Insurers will continue to responsibly manage their relationships with third parties, including obtaining and maintaining an understanding of each third-party's governance and systems operations and resiliencies.

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About GFIA

The Global Federation of Insurance Associations (GFIA), established in October 2012, represents through its 43 member associations and 3 observer associations the interests of insurers and reinsurers in 69 countries. These companies account for 89% of total insurance premiums worldwide, amounting to more than $4 trillion. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.