

From automation to autonomy

The next frontier for P&C insurance through Modular AI
Agent Networks

October 2025



About BCG

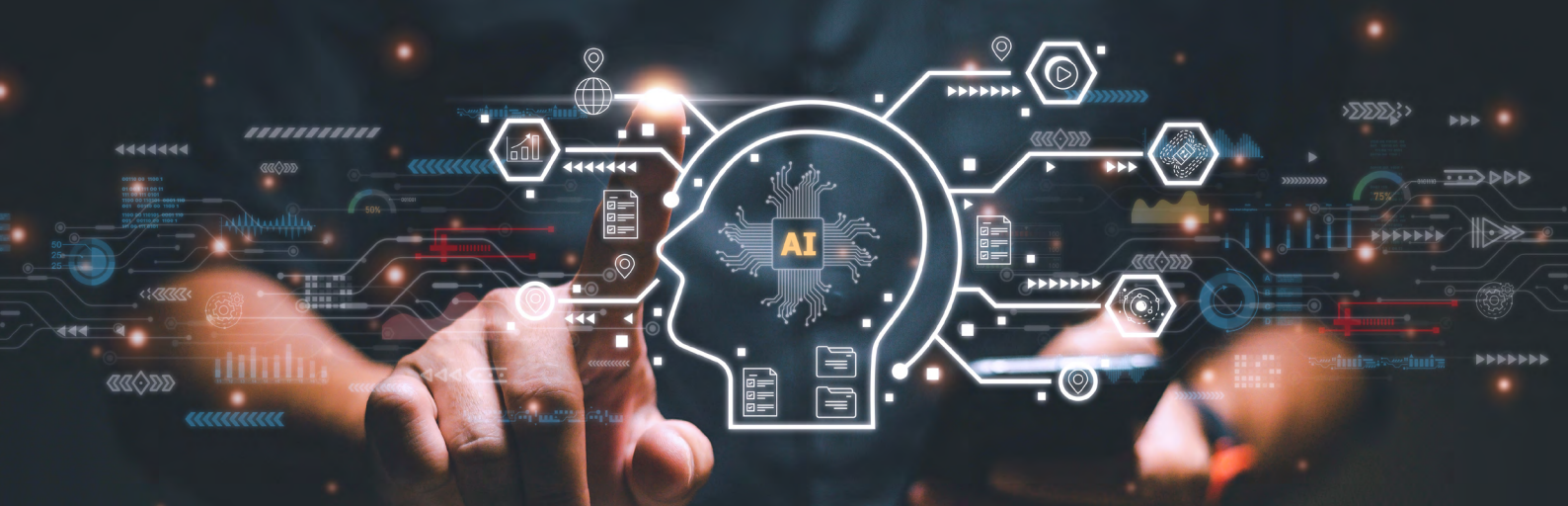
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Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

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Digitide partners with leading enterprises worldwide, helping them transform operations, enhance customer experiences, and achieve sustainable growth through AI-driven digital solutions. For over two decades, we've delivered innovative technology, data intelligence, and business process expertise to address complex challenges and create measurable impact.

Our global team of 55,000 professionals across 40 locations in 5 countries combines deep industry knowledge with localized insights to empower clients to navigate change and seize new opportunities. We collaborate closely with organizations to deliver outcomes that go beyond technology, enabling businesses to thrive in an evolving digital landscape.



Foreword

AI is no longer on the horizon, it is here, reshaping the very core of P&C insurance operations. After years of scattered experiments and piecemeal digitization efforts, the industry stands at a critical juncture. To unlock AI's full potential, insurers must shift from incremental improvements to enterprise-wide integration.

Unlocking the intelligent insurer

P&C insurance has always relied on structured, rules-based processes. While these approaches provided stability, today's rapidly evolving market conditions demand agility. Modular AI Agent Networks break away from rigid legacy workflows by embedding intelligent AI agents directly into operations. These agents quickly analyze, decide, and respond, ensuring insurers keep pace with market changes and customer expectations.

The Modular AI Agent Network is not a single tool or standalone technology. Instead, it is an interconnected ecosystem of specialized AI-driven agents. Each agent has a clearly defined role, whether monitoring claims patterns, predicting customer churn, or dynamically pricing risk. Together, they collaborate in real time, continuously sharing insights to adapt decisions swiftly and intelligently across the entire enterprise.

Overcoming integration challenges

Achieving this kind of integrated intelligence requires overcoming challenges insurers know well, including data silos, legacy system constraints, and internal cultural barriers. Success depends not just on adopting technology, but on strategically aligning AI capabilities with business goals and processes. Insurers must commit to creating a unified data environment, investing in talent development, and fostering a culture open to continuous learning and adaptation.

Ultimately, insurers that fully embrace Modular AI Agent Networks will find themselves at the forefront of innovation. They will benefit from improved operational efficiency, enhanced customer experience, and greater market responsiveness. The intelligent insurer is more than a vision; it is the new competitive reality, ready to deliver value at every touchpoint.

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The next great AI challenge

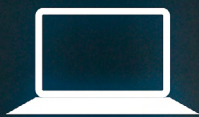
The most valuable companies in the world are no longer built on distribution or capital. They are **built on intelligence**. Not the kind stored in databases, but the kind that **adapts, decides, and learns** across the enterprise.

In the last few years, AI has shown what is possible. It can write code, generate marketing copy, detect fraud, optimize supply chains, and accelerate scientific discovery. Recognizing this potential, 75% of executives now consider AI among their **top three strategic priorities for 2025**¹. But in most organizations, this **power remains isolated**. A few smart tools. A handful of pilots. Value at the edge.

The challenge now is not experimentation. It is **integration**. Companies strategically integrating AI report **efficiency improvements of up to 50%** and **cost reductions ranging from 20% to 30%**². The next frontier for AI is not accuracy, or even automation. It is **architecture**. What does a company look like when intelligence is built into how decisions are made, how work flows, and how the system learns on its own?

This paper focuses on that shift, examining it through the lens of an industry with the complexity, risk, and scale necessary to demonstrate real stakes. P&C insurance has approached AI adoption cautiously, with over **40% of companies showing little to no adoption of Generative AI**³. Yet, it remains rich with data and built upon decisions that affect capital, trust, and performance daily, making it an ideal sector to explore the transformative potential of AI when it evolves from a tool into the operating model.

What follows is not a prediction. **It is a blueprint.**





Not just faster, smarter

Why AI demands a rethink of P&C insurance operations

From static to intelligent: The quiet transformation of P&C insurance

At 10:15 a.m. on a Thursday, sometime in the near future, Jordan, who leads operations for a national P&C carrier, noticed something unusual. She was looking at the **retention dashboard**, something she reviewed most mornings, when a particular region quietly stood out. Small commercial policies in the Northeast were falling off. Not dramatically. Just enough to catch her attention.

In the past, a shift like that would have taken weeks to spot and even longer to explain. But the **system** had already done the work. It traced the pattern to a competitor who had adjusted **pricing**, bundled new products, and expanded through a regional broker. At the same time, customer service wait times within Jordan's own book had begun to stretch. Not by hours. Just minutes.

The model flagged a higher **churn risk** and offered three options. Adjust pricing in specific ZIP codes. Activate a reengagement campaign. Push recovery messaging to agents based on what had worked in similar cases. Jordan approved two of the three. The last one would have compromised margins more than she was comfortable with.

No meetings were called. No fires to put out. The system had noticed, suggested, and moved forward.

Later that morning, a storm swept through Missouri. Hail hit residential zones and triggered a wave of **telematics** and property sensor alerts. The **claims system** responded on its own. Cases with high severity or signs of fraud were surfaced for manual review. Others progressed automatically. Damage was assessed. Next steps were assigned. Some claims were even resolved before policyholders reached for the phone.

Submissions continued to arrive. Broker feeds, scanned documents, digital portals. Some files were complete. Some were not. The system handled both. It filled in missing data where it could, flagged inconsistencies, scored risks, and prepared quotes for the straightforward cases. The rest were escalated.

By the end of the day, Jordan's dashboard showed fewer exceptions. Fewer tasks waiting for someone's attention. The business had moved forward steadily, not through pressure, but through **design**.



“We didn’t overhaul our workflows. We taught them to respond. AI started surfacing what mattered, and our teams stopped chasing noise.”

VP, OPERATIONS TRANSFORMATION, US COMMERCIAL INSURANCE CARRIER

This is what transformation looks like. Not louder or faster, but quieter, **more aware**. While few carriers operate this way today, the foundations for such a model are already taking shape, and the future it represents is approaching quickly.

Not just faster, smarter: Why AI demands a rethink of P&C insurance operations

Jordan’s story reflects a vision that AI can enable, even if most carriers are still early in the journey. To understand what it will take to get there, it helps to look at where the industry stands today.

P&C insurance has always relied on structured, rules-based processes. But in a world defined by constant change, those processes fall behind. Artificial intelligence offers more than efficiency. It creates **a new operating model**. One that helps insurers shift from managing workflows to orchestrating outcomes.

The most forward-looking carriers aren’t just experimenting with AI at the edges. They’re using it to rethink how **pricing responds to real-time shifts**, how **claims resolve with minimal friction**, and how customers are retained through early signals, not after-the-fact analysis.

At **BCG and Digitide**, we’ve seen this shift firsthand, where **data-driven workflow design** and **platform intelligence** are aligned with underwriting precision, claims responsiveness, and measurable impact across the value chain. The goal isn’t faster tools. It’s smarter decisions, made with context, at scale.

The question is no longer what AI can do. It’s what it means to become an **insurer that learns**.



The five forces pushing P&C insurance toward intelligence

AI is gaining traction across the industry, but the real catalyst is the shift happening outside the enterprise. Insurers are under pressure from forces they cannot control but must respond to. Market structures are changing. Volatility is growing. Talent is harder to find. Legacy processes are no longer enough to keep pace. These pressures are not theoretical. They are shaping the decisions leaders have to make today. The trends that follow highlight five of the most urgent and structural forces pushing P&C insurance toward a more **intelligent operating model**.

Force 1: The growing divide in AI maturity

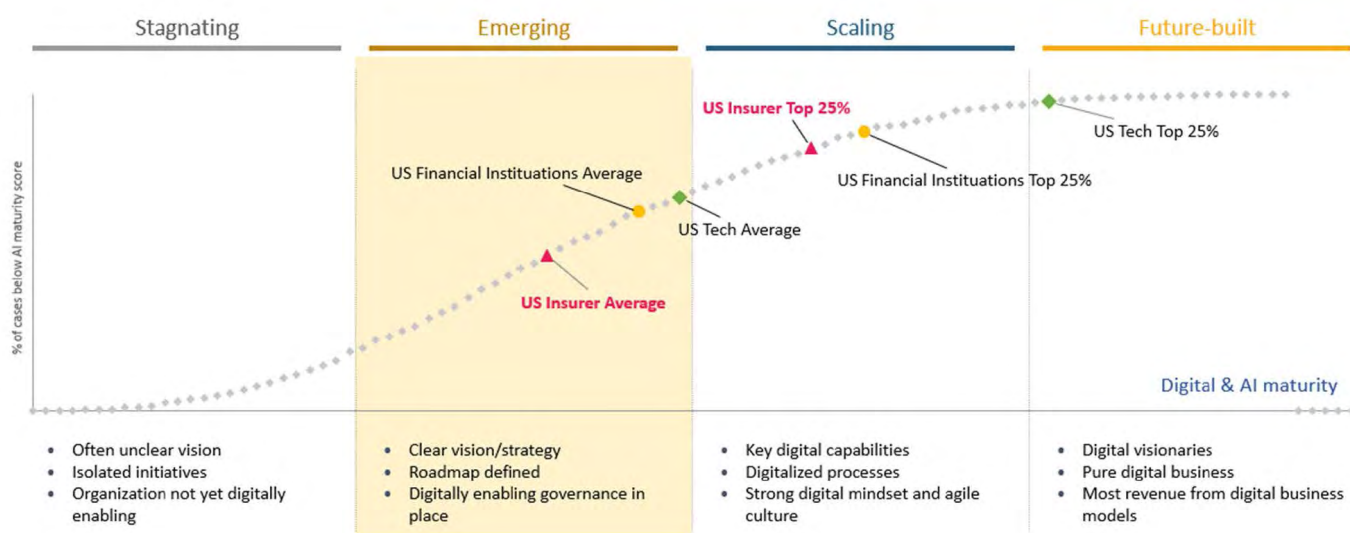


Across industries, the promise of AI is shifting **from potential to performance**. In P&C insurance, however, most carriers remain in the early stages of adoption. While pilots and experiments abound, few have embedded AI into the fabric of their operations. The **pressure to evolve** is mounting. Competitors in tech and financial services are moving faster, deploying AI at scale to drive pricing agility, enhance service efficiency, and optimize portfolios. As the visual below shows, the average USA insurer is lagging, stuck in a **widening maturity gap**.

This divide is not about tools but transformation. Industry volatility, customer expectations, and rising complexity are converging to make AI not just useful but essential. Pilots are no longer enough. Insurers must shift from isolated efforts to **enterprise-scale deployment**, embedding intelligence into how decisions are made, risks are assessed, and strategies are executed. The trend is clear. The winners will not be those who experiment the most, but those who **operationalize fastest**.



Where USA insurers stand on AI maturity



Source: BCG analysis.

Force 2: Future of work demanding smarter systems



Insurers are facing a structural workforce shift. Nearly half of the industry's employees are approaching retirement age⁴, while younger, digitally native talent remains **difficult to attract**. At the same time, the skills required to thrive in a data-driven, AI-enabled environment are **evolving faster** than traditional training and hiring pipelines can keep up. The gap between what P&C insurance roles have historically required and what they now demand is growing wider, forcing carriers to rethink how work is organized and delivered.

This pressure is accelerating the need for intelligent systems. AI is emerging not just as an opportunity, but as a response to a talent model that can **no longer scale on its own**. Intelligent triage, generative copilots, and embedded decision support are enabling teams to operate with greater focus, speed, and precision. Forward-looking insurers are redesigning roles around these tools, investing in skills-based planning, and embedding intelligence into the flow of work. As complexity grows and capacity tightens, AI is becoming the only viable path to **sustained productivity** and resilience.

Executive checklist: Future-proofing P&C insurance talent for the age of AI

Set the vision

- Have we defined what an AI-enabled workforce looks like across underwriting, claims, and distribution?
- Is our talent strategy anchored to broader business transformation, not just headcount planning?

Audit the gap

- Are we tracking skill gaps in real time, especially in data science, analytics, and emerging tech roles?
- Do we have a clear strategy for which capabilities to build in-house versus those that could be sourced externally for speed and scale?

Upgrade the pipeline

- Are we designing roles that appeal to next-gen talent, including hybrid and rotational experiences?
- Are we expanding our pipeline through reskilling, partnerships, and curated expert networks?

Modernize the way work happens

- Are repetitive tasks being streamlined with digitization to allow people to focus on judgment and decision-making?
- Do our teams have seamless access to AI tools and external support that elevates day-to-day performance?

Design for retention and flexibility

- Are we offering differentiated growth paths tailored to diverse employee motivations?
- Is our workforce model flexible enough to dynamically scale expertise through both internal and partner resources?

Force 3: The great reshaping of distribution



P&C insurance distribution is being transformed by consolidation at the top and reinvention at the edges. This shift is forcing carriers to adapt how they compete for shelf space and broker relationships. At the same

time, **a new wave of digital MGAs** are setting new expectations around speed, automation, and embedded experiences. These firms combine underwriting authority with real-time data, digital quoting, and integrated service, changing how policies are priced, bound, and delivered.

Carriers are responding by using M&A and partnerships to accelerate their own capabilities. **Travelers' acquisition of cyber-focused Corvus** brought in an AI-native underwriting platform⁵. **Nationwide's collaboration with TrustLayer** is helping digitize commercial certificate verification⁶. These moves reflect a broader shift. Distribution is no longer just a sales channel. It is a lever for speed, intelligence, and adaptability. The insurers that lead will be those that treat distribution not as infrastructure, but as strategy.

Force 4: Climate risk is no longer cyclical

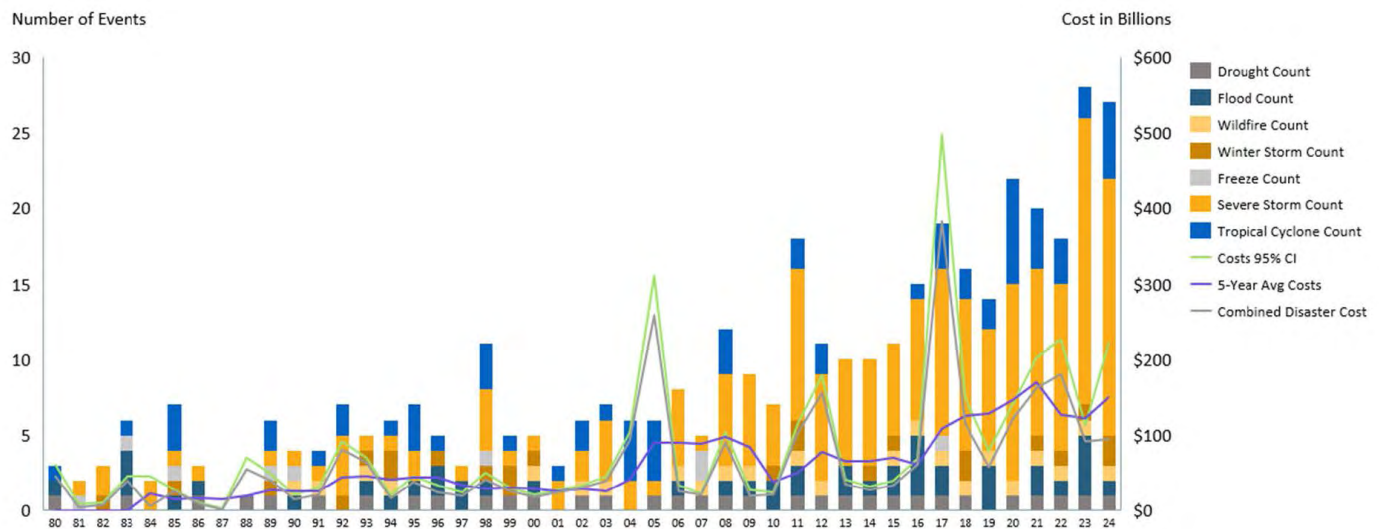


Catastrophe risk has entered a new era. In the past, insurers could rely on seasonal patterns and historical loss curves. Today, those models are breaking down. Severe weather events are striking **more**

frequently, more unpredictably, and with greater financial impact. Wildfires, inland floods, and hailstorms are emerging outside of traditional zones and timelines. Urban growth in high-risk areas and supply chain interdependencies are compounding the exposure. In 2025 alone, **insured NatCat losses are expected to approach \$145 billion⁷.**

The chart below shows a relentless rise in billion-dollar weather events over the last four decades. This is not a temporary spike but a structural shift. In this landscape, AI is no longer optional. It is essential to resilience. Advanced models help underwriters process geospatial and climate data in real time, anticipate loss trajectories, and rebalance portfolios proactively. For many insurers, the future will not be about defending territory. It will be about **continuously sensing and adapting to a world** where volatility is the baseline.

Rising Weather Volatility Reshapes the Risk Curve: A Look at US Billion-Dollar Disasters



Source: NOAA.

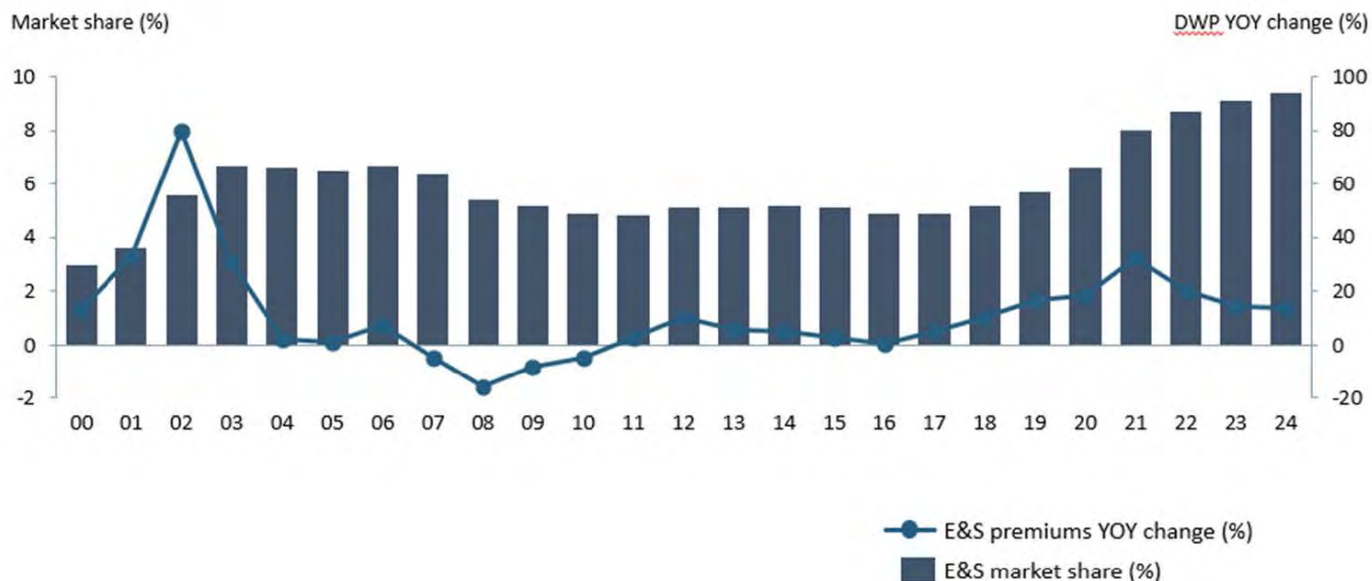
Force 5: Specialty risk and the rise of E&S



As the complexity of risk accelerates, the excess and surplus (E&S) market is stepping in **where traditional coverage stops**. From cyber threats to climate volatility, high-risk exposures are now the norm, not the exception. In this environment, insurers need greater flexibility, faster underwriting, and deeper expertise. E&S lines, which reached **\$98.2 billion in premiums in 2024⁸**, have become the growth engine for commercial insurance. These products are no longer fringe offerings. They are central to how carriers **respond to gaps in admitted capacity**, especially in catastrophe-prone geographies and emerging risk categories like professional liability and cyber.

The shift to E&S also creates a sharp imperative for **intelligent underwriting**. These risks are not cookie-cutter. They demand faster triage, better data, and AI-enabled decision support. High-performing carriers are already leaning into advanced tools to price volatility, adapt limits dynamically, and flag submission complexity. At the same time, MGAs and wholesale distributors are expanding their role as specialists and strategic partners in navigating this space. In the chart below, you can see the consistent rise in E&S market share over the last decade. This is not a temporary reaction to hard market cycles. It is a structural pivot to meet a **more fragmented, fast-moving risk landscape**. For insurers, E&S is more than a product category. It is a proving ground for the future of underwriting.

E&S market share and premium growth in commercial P&C



Source: S&P Global Market Intelligence.

Force 1 The growing divide in AI maturity

Most insurers are stuck in pilot mode. Moving to scaled AI adoption requires a rethink of workflows, talent, and operating models.

Force 2 Future of work demanding smarter systems

Insurers face a widening gap in digital and analytical skills. Future-ready teams need new talent models and upskilling strategies.

Force 3 The great reshaping of distribution

Broker consolidation and digital MGAs are shifting market dynamics. Strategic M&A is now a lever for speed and digital capability.

Force 4 Climate risk is no longer cyclical

Frequent and severe NatCats are exposing model gaps. AI-powered analytics are critical to improve risk selection and resilience.

Force 5 Specialty risk and the rise of E&S

As standard carriers pull back, E&S is capturing complex risk. These segments demand intelligent underwriting at scale.



Rethinking the value chain

Where AI moves the needle

AI is reshaping the P&C insurance value chain not just incrementally, but fundamentally.

From underwriting and claims to marketing, servicing, and risk management, insurers are deploying AI to streamline operations, personalize experiences, and reduce losses. The following examples demonstrate where AI is already moving the needle.

They reflect a clear shift from **experimentation to execution**, applying AI across the value chain with **measurable impact**. These examples highlight where ambition meets action and where early adopters are already pulling ahead.

Product management

AI is redefining how insurers design, refine, and deliver products. Emerging use cases, from exposure visualization to GenAI-assisted document creation, are compressing development timelines and enabling **hyper-personalized offerings**. BCG's AI work with US P&C insurers suggests that internal processes such as **data provisioning** are seeing up to **60x efficiency gains**, with **overall cost savings of 10–20%**⁹. These shifts are enabling insurers to convert **insight into innovation** faster than ever.

Marketing & distribution

AI is transforming how insurers attract and convert customers. BCG and Digitide have observed leading carriers use **predictive models** for lead scoring, GenAI for campaign personalization, and **chatbots** for quoting. Insurers are increasingly piloting GenAI across sales and marketing functions to enhance customer engagement and distribution effectiveness. **Lemonade** leverages AI bots to streamline onboarding and quoting in real time¹⁰. These innovations are delivering up to **30% cost savings in marketing** and **generating content 5–10x faster**¹¹, improving both conversion and customer lifetime value.



Emerging AI use cases

Functions	Product management	Marketing and distribution	Underwriting and pricing	Customer service and policy admin	Claims management	Risk and loss management
Emerging AI use cases	Generate new product ideas using market and claims data	Recommend best next product based on customer data	Adjust pricing dynamically using risk and market data	Resolve routine questions via AI-powered assistants	Prioritize incoming claims using AI-based scoring	Send early warnings to prevent foreseeable losses
	Detect coverage gaps to inform product development	Predict and prioritize high-potential sales leads	Auto-evaluate risks and underwrite simple cases	Automate policy changes, renewals, and cancellations	Flag potential fraud with pattern recognition models	Monitor assets in real time with IoT and AI analytics
	Build personalized policy bundles for each customer	Instantly generate quotes using AI assistants	Triage submissions and flag high-value applications	Extract and process documents with OCR and NLP	Assess property or auto damage using computer vision	Use drones or satellite images for remote inspections
	Optimize product portfolio using performance analytics	Predict churn and trigger retention actions	Use telematics to tailor premiums to driver behavior	Triage and route customer requests automatically	Fully automate simple claims from FNOL to payment	Predict CAT losses using climate and location data
	Auto-generate policy documents with GenAI	Match customers with the most effective agents	Analyze images to assess property or auto condition	Forecast service demand to improve staffing and SLAs	Check claim details against policy terms automatically	Assess cybersecurity risk and suggest improvements
	Track competitor filings to identify product gaps	Auto-create personalized campaigns and content	Assist underwriters with GenAI guidance tools		Identify cases with subrogation or recovery potential	Track portfolio risk hotspots and alert managers
			Enrich risk profiles with external data sources			

Case Study: Bringing GenAI to the Front Lines

The challenge

One commercial insurer wanted to help thousands of SME-focused staff respond faster, work smarter, and navigate an overwhelming volume of client requests.

The move

They built and deployed an in-house generative AI assistant. Within six months, it scaled across the organization—automating documentation, suggesting P&C insurance solutions, and learning from client conversations.

The impact

- 40% reduction in time spent answering client inquiries
- 44% fewer hours needed to develop new internal tools
- 1,200+ staff using the platform in daily work

What's next

They're integrating the AI into CRM workflows and testing its pairing with RPA tools. Early verdict? "Beyond expectations."

Underwriting & pricing

AI is **streamlining underwriting** through faster triage, risk enrichment, and adaptive pricing. Zurich is using AI to analyze six years of claims data to **improve loss cause identification**, enhancing underwriting precision¹². Across P&C, carriers report up to **35% efficiency gains** and **10–20% cost savings**, with loss ratio improvements of up to 3 percentage points in complex lines¹³.

Case Study: An AI Assistant for Seamless P&C Insurance Design

The challenge

Designing and underwriting long-term P&C insurance plans involved multiple manual steps, from collecting customer data to confirming contracts. The process was time-consuming and inconsistent across products.

The move

One carrier developed an "AI secretary" to act as a one-stop efficiency layer. It designs P&C insurance plans, reviews customer-provided data, and pre-fills documentation. The system dynamically recommends coverage and flags cases for manual intervention only when necessary.

The impact

- Over 6,000 designers using the tool to sign 200,000+ USD in contracts per month
- 100,000+ customers served monthly
- Faster, more consistent underwriting with greater customer satisfaction

What's next

The AI assistant is expected to expand across additional sales channels as data learning matures and automation capabilities deepen.

Customer service & policy admin

P&C carriers are embracing GenAI and workflow automation to **improve service speed** and reduce costs. **GEICO's Kate** and **Allstate's ABIE** are widely used **virtual assistants** that handle routine customer queries and support policy servicing, helping reduce call volumes and improve responsiveness. **Tokio Marine** is piloting GenAI to analyze customer feedback and improve service quality¹⁴. These tools are contributing to **30%+ productivity gains** and enabling up to **40–60% cost savings** across service operations¹⁵.

Claims management

AI is reshaping claims by accelerating triage, refining damage assessment, and enhancing fraud detection. **Travelers** applies AI to aerial imagery to rapidly **prioritize high-severity losses**¹⁶, while **Chubb** is piloting GenAI to **streamline complex commercial workflows**¹⁷. Emerging models are accelerating investigation and resolution workflows, delivering up to **50% faster processing** and over **80% accuracy** in damage legitimacy assessment¹⁸.

Case Study: Reinventing Claims Through Automation and AI

The challenge

A property and casualty insurer faced bloated claims workflows, heavy paper-based processes, and poor customer experience. Claims assessments spanned over 30 steps and required extensive manual effort.

The move

The insurer centralized claims ops and deployed AI-powered FNOL (First Notice of Loss) and OCR tools. The new digital platform enabled 24/7 intake, biometric ID verification, video-based validation, and automated documentation upload.

The impact

- Claim steps reduced from 30+ to just 6
- Settlement time dropped to 3 seconds in some cases
- Automation enabled:
 - +80% increase in payment rates
 - –80% in operating costs for claims
 - –70% in manual workload for claims support
- Nearly 100% digital adoption in customer journey

What's next

The AI-driven model is expanding across other lines of business to enhance speed, accuracy, and customer satisfaction.

Risk & loss management

P&C carriers are using AI and IoT to move from **reactive claims to proactive risk mitigation**. Chubb's use of water sensors in commercial properties reflects a broader shift toward **intelligent loss prevention**¹⁹. AI-enhanced **catastrophe models** are improving risk assessment, enabling more informed pricing and **capital planning**.

Case Study: GenAI for Commercial Property Risk Assessment

The challenge

A commercial property insurer needed a more efficient way to support risk engineers in evaluating site-specific hazards across large portfolios. Traditional assessments were slow, manual, and inconsistent.

The move

The insurer piloted a GenAI-based tool capable of summarizing 60,000+ pages of site inspection reports and generating dynamic, pre-visit plans. The tool provided intelligent search functionality, contextual recommendations, and chatbot support for field engineers.

The impact

- Reduced time spent on manual site reviews
- Faster, more accurate premium determination
- Engineers could focus more on judgment, less on documentation
- Proof-of-concept validated integration potential with internal risk systems

What's next

The insurer is now exploring enterprise-wide integration to embed the GenAI capability into its core risk assessment and underwriting workflows.

As these capabilities gain traction across the industry, successful implementation increasingly depends on the ability to **integrate data, platforms, and workflows**.



The human layer

How roles are evolving in AI-enabled organizations

From Efficiency to Empowerment

AI is reshaping the landscape for insurance professionals, serving as a catalyst for redefining their roles and responsibilities. As AI adoption grows, insurance companies are evolving from labor-intensive operations in claims and service toward becoming **technology-driven, product-enabled enterprises**. Rather than simply automating tasks, AI increasingly manages repetitive, execution-heavy work, creating new opportunities for professionals to focus on innovation, complex problem-solving, and strategic enablement.

AI-driven efficiencies help insurers manage higher workloads while maintaining **service quality** and improving **cost-to-income ratios**. This evolution isn't about doing less work; rather, it is about reorienting professionals toward judgment, orchestration, and oversight. The result is an organizational shift toward activities that prioritize human intelligence and value creation.

Core Insurance Roles Are Being Redefined

As **Underwriting** digitization scales, the underwriter's role is evolving from rule-applier to decision strategist. AI now handles intake triage, document parsing, and initial risk scoring, which greatly reduces repetitive work. Underwriters can concentrate on judgment-led approvals, portfolio optimization, and adaptive pricing strategies. New titles like "Decision Scientist" or "Product Underwriting Architect" reflect this tech-enabled, insight-driven scope.

In **Claims**, AI can handle tasks like first notice of loss, damage estimation, and straightforward adjudication. This workflow intelligence is reshaping how claims teams operate. The adjuster's role now centers on exception management, fraud investigation, and customer empathy. Teams become more specialized, stepping in only when nuance, emotion, or legal complexity arise. This shift transforms the adjuster's job from processor to advocate.



AI models have transformed **Risk Management** from retrospective analysis to continuous sensing. Traditional analysts who once compiled spreadsheets and reports have become scenario planners and capital advisors. With monitoring and anomaly detection largely automated, each analyst can oversee a much broader and more complex risk landscape. Risk teams today operate more like control towers, using real-time AI signals to guide proactive action.

Emerging hybrid roles in the AI-enabled workplace

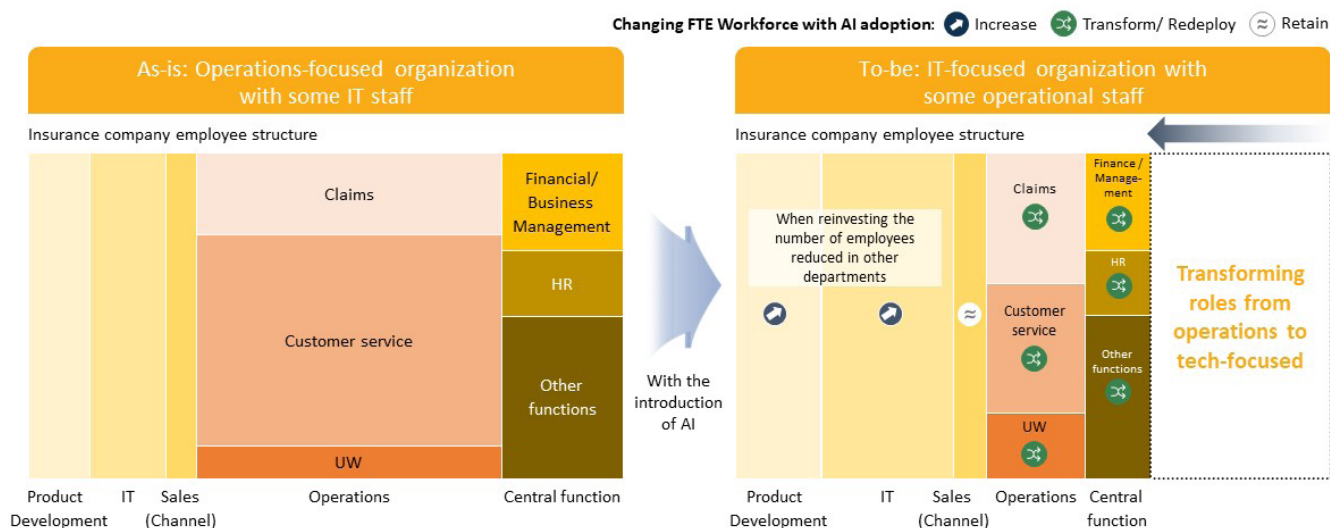
As AI reshapes workforce structures, a new set of hybrid roles is emerging, particularly in areas experiencing growth like IT and product development. These roles blend human expertise with machine-driven capabilities, ensuring that AI systems are used responsibly and effectively. Key examples include:

- **AI Co-Pilot Users:** Frontline professionals in underwriting, claims, and customer service increasingly collaborate with AI "copilots" that draft responses, flag anomalies, and recommend next actions. This collaboration transforms roles, allowing employees to focus more strategically on verification, final judgment, and quality assurance. In practice, their responsibilities evolve from task execution to overseeing and guiding algorithmic processes.

- **Model Reviewers and AI Auditors:** As AI-driven decision-making expands, governance roles become vital. Professionals from actuarial, data science, or compliance backgrounds now audit algorithm behavior for fairness, explainability, and regulatory adherence. Their oversight ensures that AI models remain transparent, unbiased, and accountable.
- **Operations Orchestrators:** With AI agents managing more core workflows, operations orchestrators design and refine the handoff between intelligent processes and human intervention. Their role is essential in central operations to keep the partnership between AI systems and people running smoothly. As intelligent routing and digital handling take over routine coordination tasks, these orchestrators ensure that any need for human judgment or exception handling is seamlessly integrated into the workflow.

As AI reshapes the workforce, these new roles are not just filling gaps. They are laying the foundation for what comes next. Each of these emerging positions, **blending human oversight with machine execution**, is becoming critical to how modern insurers function. These professionals are not simply working alongside AI; they are making AI truly operational and effective within the organization.

Changing organizational structures with the introduction of AI





Inside the Modular AI Agent Network

Autonomous agents and the future of P&C insurance operations

Jordan's dashboard did not merely detect churn. It was an AI agent that noticed the pattern, diagnosed the cause, and initiated a response. No alerts. No escalations. Just silent orchestration. What appeared to be a minor operational moment was, in truth, a glimpse of a future in which intelligent agents run the show. This is not simple automation. This is full autonomy.

Cross-functional agent collaboration

In a Modular AI Agent Network, each AI agent is built for a specific purpose but operates as part of a wider network. Across the commercial insurance value chain, agents are becoming the default operators. They are context-aware, work in real time, and adapt continuously.

- In **Product management**, agents analyze regulatory updates, claims trends, and market signals to co-create modular policies, simulate new coverage designs, and test pricing elasticity before pushing changes live.
- In **Distribution**, conversational agents engage prospects, tailor offers, and close deals based on real-time signals across channels.

- In **Underwriting and Pricing**, swarm agents monitor IoT feeds, climate models, fleet telematics, and cyber data to evaluate risks and bind coverage dynamically.
- In **Policy Administration**, agents serve as digital co-pilots, using OCR to extract data, managing endorsements through natural input, and detecting service delays before they occur.
- In **Claims**, event-driven agents detect incidents, triage severity, deploy drones, and trigger payouts through smart contracts. Cases requiring nuance or judgment are escalated.
- In **Risk Management**, sentinel agents monitor global events, asset exposures, and behavioral anomalies, recommending or initiating mitigation before loss occurs.

These agents do not operate in isolation. They collaborate, exchange insights, and adjust their decisions based on what others are learning. The result is not a collection of tools but a living, intelligent system that continuously improves as a whole.



Human-agent interface and oversight

As established earlier, AI and autonomous agents are reshaping human roles by redefining their scope and responsibilities. Each agent operates within clear thresholds, escalation logic, and explainability protocols. When scenarios exceed these parameters or introduce uncertainty, **the agent engages a human reviewer**, providing a comprehensive summary of its reasoning. Underwriters, claims managers, and product owners maintain oversight, with the authority to override, refine, or redirect actions as needed.

Supervisory agents ensure adherence to governance, while operational dashboards offer teams real-time visibility into agent activities, outcomes, and confidence levels. Business leaders set strategy, define rules, and shape the system's learning pathways. Rather than delegating responsibilities entirely to machines, organizations leverage a **redistribution of intelligence**, blending the speed and scalability of AI with human judgment, ensuring clarity, trust, and alignment.

Platforms and control mechanisms

To manage a digital workforce of this magnitude, insurers need to invest in orchestration platforms that **unify decision-making, monitoring, and configuration** in one place. These control towers would allow teams to deploy agents, adjust logic, review escalations, and tune performance across the enterprise.

Agents connect to policy systems, billing infrastructure, CRM platforms, and external data sources. They are designed to operate within shared parameters, ensuring consistency across environments. Business users can **fine-tune agent behavior without writing code**. Technical teams maintain the infrastructure, enforce guardrails, and support continuous learning. In this environment, the Modular AI Agent Network is not just scalable. It is **governable**.

Decision-making and coordination

The Modular AI Agent Network reshapes how decisions are made. In place of linear handoffs, agents evaluate, respond, and escalate in parallel. A commercial property claim, for example, can move from notification to payout in minutes, with agents simultaneously gathering evidence, assessing damage, verifying coverage, and preparing settlement. **No bottlenecks**. No gaps.

Agents also **communicate laterally**. An underwriting agent can adjust its pricing logic after receiving signals from a claims agent noticing rising severity trends. Sentinel agents tracking external shocks can push alerts to distribution or risk teams in real time. The enterprise begins to operate as a **synchronized, intelligent whole, sensing, adjusting, and executing continuously**.

Impact and emerging signals

The Modular AI Agent Network invites a new way of thinking about performance. Rather than focusing solely on outputs, future-ready insurers may begin to **measure how intelligently and fluidly decisions move through the system**. The shift is not just about faster processing, but about orchestrated intelligence that spans the enterprise.

As autonomous agents evolve, traditional KPIs could be augmented with new kinds of signals. Metrics like **automation coverage, time to escalation, and override frequency** may start to shape how insurers evaluate operational maturity. In underwriting and claims, improvements in **quote-to-bind velocity or straight-through resolution** may become indicators of how well agents collaborate across functions. In parallel, **retention lift and experience quality** may reflect how adaptive the system becomes in serving both customers and employees.

These signals are not yet standardized, and that is part of the shift. The value of the Modular AI Agent Network may not lie in a single number, but in how seamlessly decisions flow, how often they require intervention, and how quickly they adapt to change. As the model matures, what matters most may be less about what gets done, and more about how intelligently it happens.

Inside the Modular AI Agent Network: Human queen bees directing intelligent worker bees



Looking ahead

The shift to agentic operations is not a leap, but a **progression**. For insurers building the right foundations today, the early signals of the Modular AI Agent Network are already emerging. Intelligence is no longer isolated to individual teams or tools. It flows through the enterprise, connecting decisions, learning from feedback, and adapting in real time.

This transformation goes beyond task automation or efficiency gains alone. It represents a **fundamental shift in how insurers operate at scale**. The Modular AI Agent Network is not an endpoint. It is a new way of thinking, where aligned data, workflows, and governance enable intelligent agents to act with autonomy and purpose.

The next section explores how these principles translate into practice. Through a focused, scalable use case, we begin to see what the future of an AI-powered insurance enterprise can look like.



How AI agents power strategic retention

A self-driving renewal case study

Traditional renewal models rely on static rules and inflationary adjustments. In the future, intelligent AI agents embedded across the insurance tech stack could transform renewals from blunt, one-size-fits-all pricing into **precision-crafted retention strategies**, executed autonomously and at scale.

Each AI agent specializes.

Some analyze churn signals, monitoring **behavioral shifts**, billing patterns, and market pricing for **early signs of flight risk**. Others optimize for margin by **calculating cost-to-serve across 700+ variables**. Yet another layer of agents model **price elasticity across segments**, testing scenarios and predicting retention outcomes in **real time**.

When a renewal cycle begins, these agents collaborate. They autonomously generate **individualized price offers**, simulate long-term customer value impact, and self-adjust rates to **balance profitability and retention**, all without human intervention.

In early simulations of agentic renewal systems, the modeled outcomes are promising.

- **+5 to 6 percentage points** in retention rates (revenue and margin)
- **+5 to 7% uplift** in Gross Written Premium (GWP) on renewal portfolios
- **3 to 6 percentage point** margin improvement through smarter price calibration
- Reduction in manual pricing cycle times by **30% or more**

These aren't dashboards. They're decisions, made and acted upon by a hive of AI agents that operate faster, smarter, and more strategically than any rules-based process ever could.

In effect, the enterprise no longer “sets” renewal strategy. It delegates it to a living system of agents that optimize outcomes continuously. From reactive pricing to self-driving retention, AI agents aren't augmenting underwriting teams.

They're becoming a part of them.



Yesterday's approach



One-size-fits-all
renewal pricing

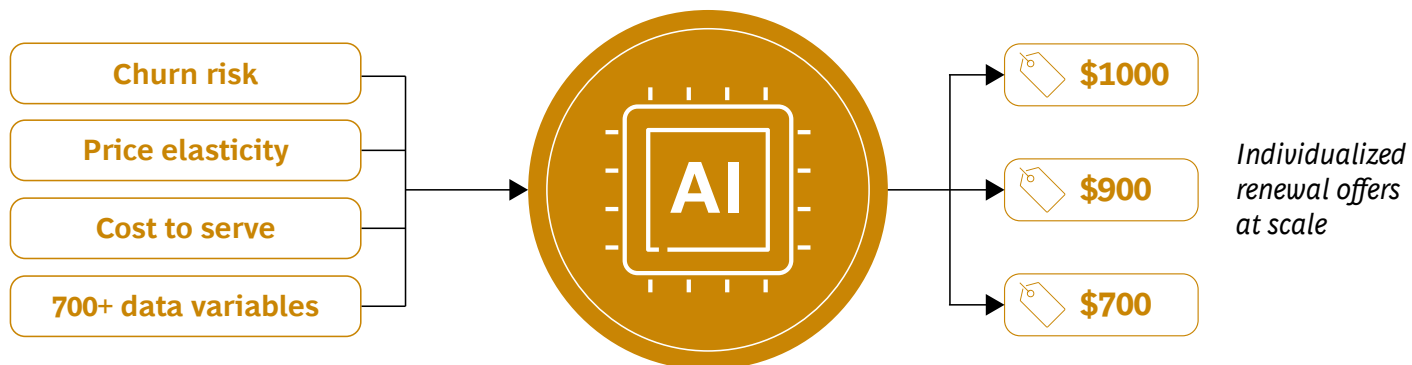


Missed margin
opportunities

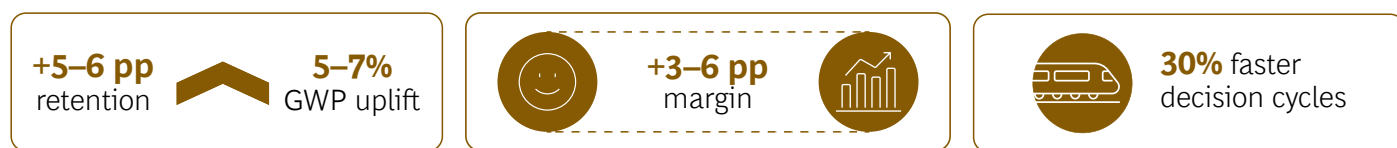


Unnecessary churn among
price-sensitive segments

AI agent-enabled pricing optimization



What changes



from reactive renewals to strategic customer lifetime pricing



Scaling intelligence

Foundations for a Modular AI Agent Network-ready enterprise

AI in insurance has reached a pivotal moment. Many carriers have moved beyond experimentation, launching pilots across underwriting, claims, and customer service. Yet most struggle to scale these initiatives across the enterprise. **Promising proofs-of-concept often stall in silos**, disconnected from core operations and broader strategic goals. This disconnect creates a growing gap between ambition and sustained business value.

This challenge, often called the **scaling trap**, occurs when AI is pursued as a technology initiative rather than a **transformation imperative**. Pilots are built without business alignment. Data remains fragmented. Integration is inconsistent. Workflows are untouched, and users are unprepared. In this environment, even well-performing models fail to scale.

To move beyond this, insurers must take a comprehensive approach that brings together strategy, architecture, data, and people. As the industry shifts toward a Modular AI Agent Network operating model, where intelligent agents coordinate decisions, monitor signals, and act across the enterprise, these foundations become critical. The network is not built on isolated tools. It is sustained by an operating environment that supports **shared intelligence, aligned incentives, and frictionless execution**.

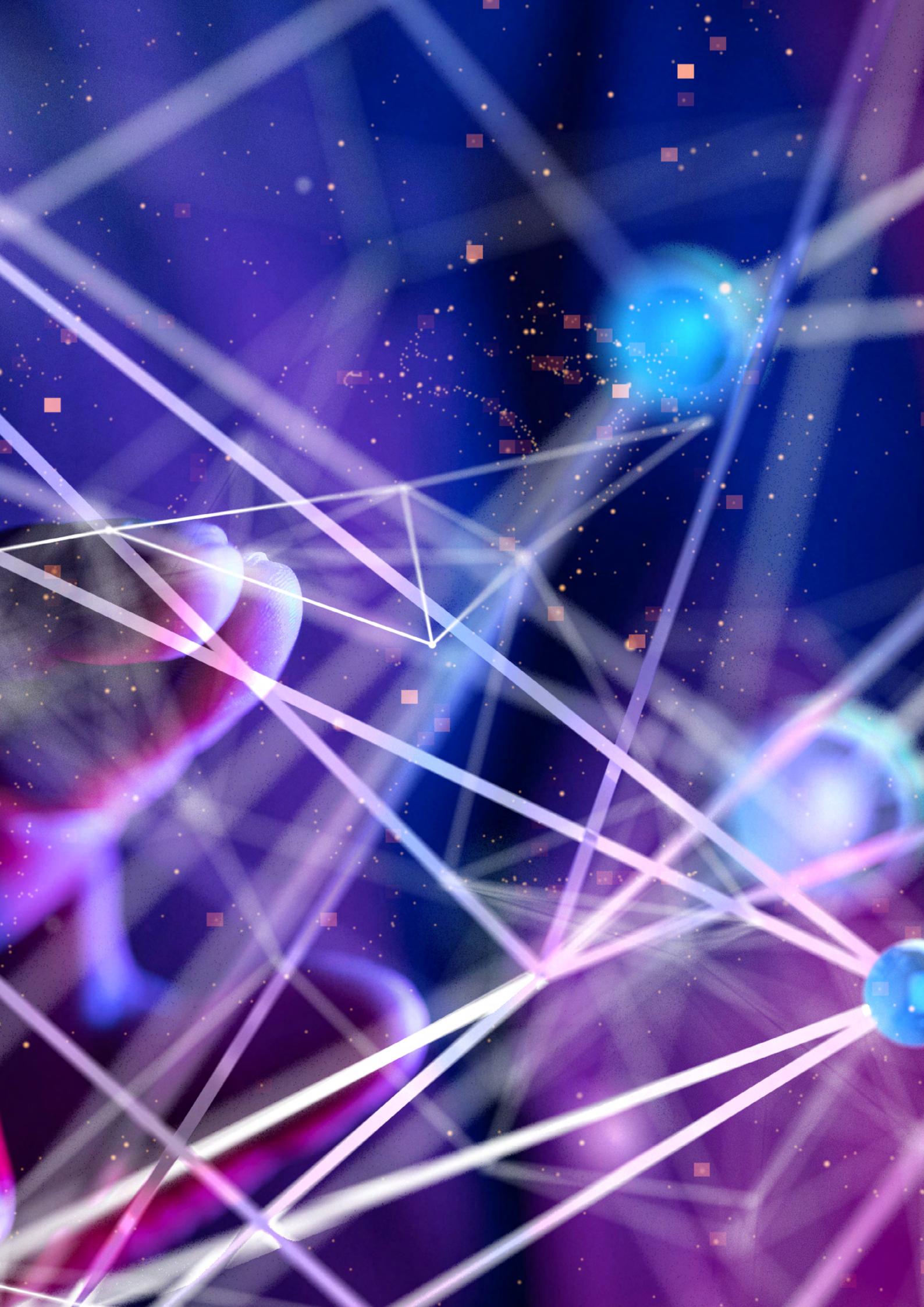
Eight foundations for scalable, agentic AI

These eight foundational pillars define what it takes for insurers to move beyond scattered AI pilots and toward enterprise-wide deployment. Together, they form the backbone of a Modular AI Agent Network-ready operating model where intelligence is embedded, connected, and capable of acting across the entire organization.

1. Anchor to business value



The most successful AI initiatives begin not with a model, but with a **business problem**. Insurers should start by identifying one or two use cases that directly support strategic goals, whether it is improving policy retention, reducing claims cycle time, or optimizing underwriting accuracy. Projects that are **grounded in value from both operational and financial standpoints** generate faster momentum and **deeper buy-in**. AI efforts that lack business anchoring tend to remain experimental, while those focused on measurable outcomes become platforms for scaled transformation.

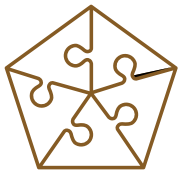


2. Build a governed data backbone



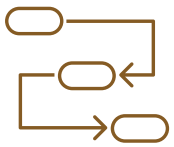
AI can only perform as well as the data it receives. Scaling intelligence requires more than access to data. It requires data that is **structured, consistent, and trustworthy**. Insurers must invest in creating a unified data foundation, with governed pipelines, standardized definitions, and enterprise-wide taxonomies. This includes setting up **master data management protocols** that ensure all systems are referencing the same policy, claims, and customer information. With a strong data backbone, AI agents can operate with shared context and produce outputs that are consistent and comparable across the business.

3. Design for modular scale



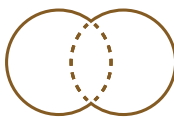
AI cannot thrive in environments that rely on bespoke builds or tightly coupled systems. Carriers must embrace **modular, cloud-native architecture** that enables rapid development, testing, and deployment of AI capabilities. Microservices, APIs, and scalable containers allow AI models to plug into existing workflows without requiring a complete replatforming. This not only reduces time to value but also increases the flexibility to reuse components across different lines of business. A modular design ensures that every new model strengthens the broader AI ecosystem rather than becoming another siloed tool.

4. Intelligent workflows



Too often, AI models sit on the sidelines in separate dashboards, disjointed interfaces, or external reports. For AI to create real impact, it must be **embedded** directly into the flow of work. Underwriters should see AI-powered recommendations inside submission screens. Claims adjusters should receive triage flags and resolution suggestions within their case files. Service agents should be guided by AI prompts while interacting with customers. When AI becomes part of how work happens, adoption rises, friction falls, and the organization begins to operate with **augmented intelligence**.

5. Business-tech alignment



Scaling AI is not just a technology initiative. It is an organizational one. Carriers must foster strong collaboration between business and technical teams, aligning on goals, timelines, and definitions of success. Joint delivery teams that include product managers, domain experts, data scientists, and engineers can ensure AI solutions are built with **operational realities in mind**. Shared ownership encourages iteration and accountability while **preventing disconnects** that often slow or derail adoption. When business and IT function as co-creators, AI projects deliver **outcomes that stick**.

6. User empowerment and cultural alignment



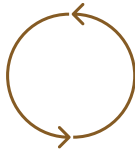
No matter how advanced the model, AI only creates value when people use it. Frontline employees must trust that AI is built to assist, not override. That trust depends not just on clear interfaces and guidance, but also on a **culture that presents AI as an enabler**. When AI is seen as a tool that supports judgment rather than replacing it, adoption grows. With the right training, support, and mindset, people become confident stewards of intelligent systems.

7. Built-in governance



As AI becomes embedded across pricing, claims, and servicing, its actions must be explainable, auditable, and aligned with regulatory expectations. Governance must be built from the ground up, not as a final checklist but as a **core capability**. This includes putting in place model validation protocols, tracking performance drift, and ensuring fairness and non-discrimination. It also means defining clear escalation logic for when agents should **defer to human judgment**. Strong governance builds trust with regulators, customers, and internal stakeholders, allowing AI to scale with confidence.

8. Continuous value tracking



Scaling AI is not a one-time deployment. It is a continuous cycle of measurement, feedback, and improvement. Insurers must track business-relevant metrics like quote conversion, claims resolution speed, underwriting accuracy, and customer satisfaction, not just model precision or recall. **Real-world impact** should guide iteration, investment, and prioritization. When teams see tangible value from AI, it reinforces engagement and unlocks the resources needed to scale. Over time, these metrics **evolve into a feedback loop** that powers enterprise learning and operational agility.

Putting Foundations into Practice

Together, these foundations form the blueprint for scaling AI beyond isolated wins into enterprise-wide capability. They are not just technical steps. They represent **strategic commitments**. Building for the Modular AI Agent Network means preparing the organization to think, act, and adapt with a new kind of intelligence. For insurers, the question is no longer whether AI can deliver value. It is whether the business is structurally ready to receive and scale that value.

Eight Foundations for Scalable, Agentic AI

Anchor to business value	Prioritize use cases tied to real business outcomes like retention, claims efficiency, or underwriting accuracy.
Governed data backbone	Invest in governed, unified, and accessible data across the enterprise.
Design for modular scale	Adopt cloud-native, API-driven systems that support reuse, scale, and speed.
Intelligent workflows	Integrate AI directly into daily decision flows, not separate dashboards.
Business-tech alignment	Enable cross-functional collaboration with shared goals and delivery cycles.
User empowerment and cultural alignment	Build intuitive tools, provide training, and promote a culture that sees AI as a trusted enabler.
Built-in governance	Ensure models are explainable, compliant, and governed from day one.
Continuous value tracking	Measure operational impact, iterate fast, and scale what works.

Executive Readiness Checklist	
Strategic Alignment	- Are AI efforts prioritized based on core business outcomes? - Is executive sponsorship in place for enterprise AI initiatives?
Data and Architecture Readiness	- Is our data unified, governed, and accessible across functions? - Do we have modular, cloud-native infrastructure that supports integration and scale?
Workflow Integration	- Are AI recommendations embedded in real-time tools and decision flows? - Have business users been involved in shaping how AI appears in their work?
People and Adoption	- Are frontline users trained, supported, and confident using AI? - Is there a plan for role evolution and change enablement as intelligence scales?
Governance and Measurement	- Are AI models subject to clear validation, escalation, and compliance protocols? - Do we consistently measure business impact and use it to guide iteration?



Governing AI

Safety, oversight, and accountability

As AI becomes deeply embedded in underwriting, claims handling, and customer service processes, robust governance is essential. The increasing scale, complexity, and critical nature of AI deployments make accountability, transparency, and regulatory compliance critical priorities. Effective governance enables insurers to mitigate AI risks while capturing the technology's full potential for operational improvement and customer value.

Model Accountability

Clear accountability structures form the foundation of effective AI governance. BCG and Digitide have found that insurers who succeed with AI **establish governance frameworks** that define explicit ownership, roles, and responsibilities. Senior-level oversight is critical, often involving executive committees or **dedicated governance groups** that centrally manage AI activities across the organization. Cross-functional governance committees, integrating risk, compliance, technology, legal, and business unit perspectives, are particularly effective at reducing accountability gaps and ensuring AI initiatives align closely with broader business strategies and **risk management objectives**.

Explainability and Transparency

Transparency and explainability build trust among regulators, customers, and internal stakeholders. Successful governance approaches **embed transparency throughout the AI lifecycle**, from initial model development to ongoing performance monitoring. Clear model documentation, defined guardrails, and detailed record-keeping enable underwriters, claims adjusters, and compliance teams to confidently understand and **articulate the basis of AI-driven decisions**. Insurers deploying transparent AI processes can more quickly identify, diagnose, and resolve model issues, reducing operational risk and **reinforcing stakeholder trust**.

Regulatory Alignment²⁰

Given the rapidly evolving regulatory landscape, insurers must proactively align their AI governance frameworks with both **current and emerging industry standards**. Effective governance incorporates multiple sources of regulatory and ethical guidance, including government mandates (such as NAIC model bulletins and the EU AI Act), internal risk policies, and industry best practices like the NIST AI Risk Management Framework. Proactively embedding regulatory compliance into the AI design and deployment process, rather than addressing it after the fact, **accelerates market entry, reduces compliance overhead, and limits exposure** to regulatory intervention and reputational damage.

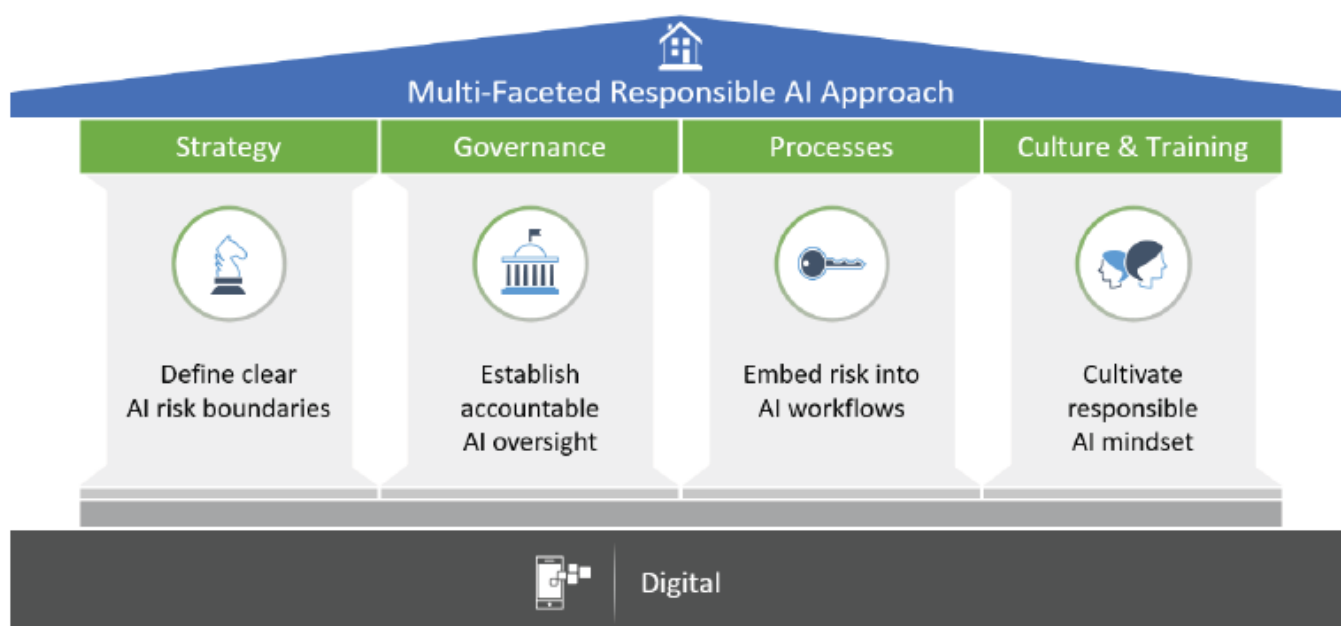


Multi-faceted Responsible AI Principles

Across successful implementations, common governance principles emerge:

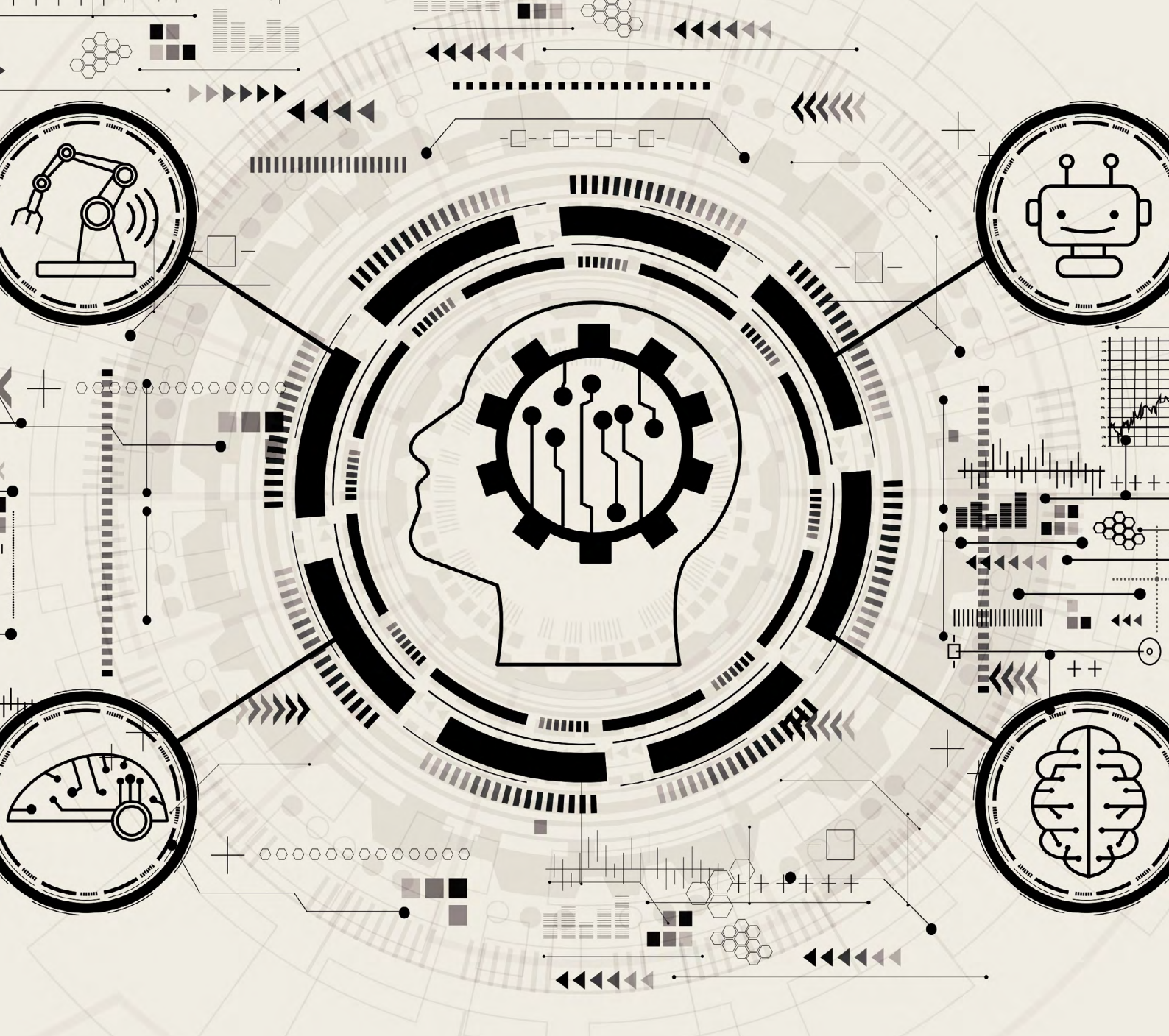
- **Strategy:** A successful Responsible AI strategy translates broad ethical principles into specific, practical guidelines. Insurance firms should define a clear AI Risk Taxonomy and explicit AI Risk Appetite to identify permissible AI use cases and establish boundaries, such as prohibiting harmful automation or unauthorized personal data use. Industry best practices and external benchmarks provide valuable context for shaping strategic decisions and ensuring alignment with evolving regulatory expectations.
- **Governance:** Effective governance structures enable clear accountability and oversight of AI systems. Insurers should establish executive-level committees or Centers of Excellence to centrally manage AI activities, clearly defining roles, responsibilities, and escalation paths. Documented policies outlining AI practices, decision rights, and ethical standards further reinforce organizational accountability and help maintain consistent adherence to responsible AI use.
- **Processes:** Robust, standardized processes must embed risk management directly into AI development and operational workflows. Insurers should implement structured risk assessments early in the AI lifecycle, scoring applications based on potential business impact, risk severity, and likelihood of occurrence. Maintaining detailed, AI-specific inventories of data, models, vendors, and applications ensures transparency, traceability, and ongoing risk monitoring.
- **Culture & Training:** Building a culture of responsibility is essential for sustainable AI adoption. Insurers should prioritize comprehensive training and workshops, raising awareness of AI risks and embedding ethical considerations into daily decision-making. Behavioral reinforcement and active advocacy from senior leadership further integrate responsible AI practices into organizational culture, empowering employees at all levels to proactively identify and address potential ethical and operational risks.

Foundational pillars for Responsible AI



Key Elements of Responsible AI

Key Elements of Responsible AI	Questions P&C Insurance Executives Should Ask
Model Accountability	• Have we clearly assigned ownership and accountability for each AI system in use? • Are executive leaders actively involved in overseeing and managing AI-related risks?
Transparency and Explainability	• Can we clearly document and communicate the rationale behind all AI-driven decisions to stakeholders? • Do our teams consistently understand and trust the AI recommendations they rely on daily?
Regulatory Alignment	• Are we proactively aligning our AI practices with current regulatory requirements and anticipating future changes? • Do we regularly audit our AI systems to ensure ongoing compliance with evolving standards?
Bias and Fairness	• Are we systematically evaluating our AI models for bias across diverse customer groups? • Have we established processes for actively mitigating bias and ensuring equitable outcomes from our AI systems?
Data Governance	• Do we have robust procedures in place to maintain data quality and integrity across the entire AI lifecycle? • Are we consistently protecting customer privacy and securing data against unauthorized access and misuse?



Conclusion

From intelligent agents to intelligent ecosystems

As this whitepaper has shown, AI transformation in insurance is not just a matter of technology. It depends on how that technology is applied, integrated, and aligned with the core mechanics of the business. To move from experimentation to enterprise impact, insurers must evolve their approach. The goal is no longer to procure tools in isolation, but to **build full-stack ecosystems that combine intelligence, execution, and deep industry understanding.**

These ecosystems are not simply collections of platforms. They are **carefully constructed networks of data, decision science, and operational expertise.** The most effective partnerships are grounded not only in technical strength but also in a **practical understanding** of how insurers work, how risk is priced, how claims are processed, and how value is delivered across the insurance value chain.



“The strongest ecosystems are built not on tools, but on shared understanding of how insurers actually operate.”

CHIEF OPERATING OFFICER, US-BASED SPECIALTY CARRIER

What sets leading ecosystems apart is their **focus on shared outcomes**. Value is not created through features alone, but through a commitment to **measurable business impact**. The most successful collaborations begin with clear goals, such as improving agent productivity, accelerating claims, or strengthening retention. These goals guide every decision about implementation, integration, and scale.

Execution, however, requires more than alignment. It requires **activation**. AI systems must integrate seamlessly with existing environments, without disrupting core operations. Internal teams must be trained, equipped, and empowered. They should not just be handed new tools, but supported in using them effectively. Partners should bring more than software. They should bring **accountability, speed, and a shared stake in long-term success**.

This model is exemplified by organizations working at the **intersection of insurance and technology**. By collaborating closely with insurers and technology providers, these organizations help coordinate transformation efforts across data, AI, and core systems. Their involvement typically goes beyond mere implementation, supporting insurers in developing ecosystems designed for scale, resilience, and measurable business outcomes.

As insurers progress toward a Modular AI Agent Network future, one defined by distributed agents, continuous learning, and intelligent coordination, ecosystems will become the connective tissue that powers the entire system. The organizations that succeed will not be the ones who invest in the most tools. They will be the ones who enable those tools to think, act, and deliver together.

The future of insurance will not be shaped by technology alone. It will be shaped by those who **choose the right partners, empower their people, and build the systems that make intelligence truly work**. The path forward is clear: design for scale, lead with intent, and build an ecosystem that learns, adapts, and accelerates alongside you.



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20. These references are illustrative, not exhaustive. Regulatory requirements will vary by jurisdiction and are subject to change.

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