



Capgemini Financial Services Top Trends 2025 Property and Casualty Insurance

January 2025



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Top Trends 2025](#)

The Capgemini FS Top Trends 2025 span three broad themes



Customer First

Transforming **customer experience** focusing on **omnichannel interactions** and the value of **products and services**

Enterprise Management

Revamping processes, teams, solutions, and operations to run enterprises with greater **agility and operational efficiency** to optimize the **cost of doing business**

Intelligent Industry

Leveraging the **most modern solutions** to deliver an **end-to-end digital experience** that transforms the value chain – from design to delivery of **intelligent products and services**

The Capgemini FS Top Trends in the Insurance sector by sub-domain (1/2)



P&C Insurance

Customer centricity: Carriers rebuild experiences, journeys, and offers around customers, to maximize win rates, cross-sell, and up-sell

A focus on policies in force: Personal line leaders prioritize growing policies in force, versus past efforts to “re-underwrite the book”

Underwriting workbenches: Commercial line insurers invest in cutting-edge, robust underwriting platforms for a competitive edge

High-speed pricing: Insurers build capabilities for high-speed recalibration of risk models and pricing to keep up with market changes

Cost take-out: Insurers shift operating models and technology strategies to enable scaled efficiencies

Broker and agent engagement: Carriers drive distribution partner engagement and loyalty through simple, fast, and easy experiences

Process revolution: Artificial intelligence and Gen AI streamline processes across the value chain

Strengthened security: Insurers invest in security capabilities to protect themselves from massive breaches

Value from data: Data estate renovations make the right information available where and when needed, across the value chain

Niche market innovation: Carriers explore unique offers in cyber, pet, parametric, and other small markets with potential

Health Insurance

Personalization through partnerships: Collaborations with hospitals, healthcare providers, and technology companies help insurers develop personalized care plans

Customer centricity: Product development lifecycle management enables custom, configurable, and accurate benefits administration to differentiate customer experience

Expanded coverage: Alternative care delivery widens to include behavioral, virtual, specialty, and home health

Risk management: Cloud-based service architecture augments insurers’ risk mitigation and data-breach protection

Legacy modernization: Rising healthcare costs drive insurers to digitize the core to unlock accessibility, affordability, and transparency

Benefits advisory capabilities: As digital transactions increase member touchpoints, employers, brokers, and payers transform into health-benefit advisors

Enhanced security: Integrated and interoperable ecosystems require robust security for highly regulated health data

Focus on value: Enhanced payer/provider collaboration, and improved provider data management and analytics help value-based care gain continued traction

Responsible AI and governance: Gen AI pilots pick up, especially in core operations and IT, but the greatest focus remains on governance and responsible AI

Regulatory compliance: The evolving regulatory landscape continues to drive change and shape insurers’ financial success

Customer First

Enterprise Management

Intelligent Industry

The Capgemini FS Top Trends in the Insurance sector by sub-domain (2/2)



Life Insurance

Modern experiences: Insurers revamp experiences, journeys, and processes for customers with modern capabilities to increase engagement, win rates, and retention

Customer centricity: Consolidated view of existing and new customers enables cross-sell and up-sell strategies

Non-insurance services: Value-added services designed for the silver economy enhance customer lifetime value and capitalize on global aging demographics

Opening the youth segment: Carriers design new, flexible, life goal-based, and engagement-driven products for younger consumers to drive the next wave of revenue

Advisory capabilities: Intelligent technologies help agents/brokers assess clients and personalize recommendations

Simplified onboarding: Insurers leverage a foundation of AI, Gen AI, automated risk assessments, and third-party data for low-touch and personalized onboarding through intelligent underwriting

Legacy modernization: Core system modernizations through cloud for cost savings, speed-to-market gains, sustainability impacts, and enhanced customer experiences

Retention as a strategy: Insurers seek to retain capital through customer engagement strategies in response to changing customer behavior and an evolving economic landscape

Fortified security: With third-party integration and data breaches on the rise, insurers fortify security to protect clients and build trust

Claims as a growth tool: Investments in empathetic and intelligent claims processes enhance the beneficiary experience and encourage reinvestment with the insurer

Sustainability

Sustainable product opportunities: Growth in innovative and eco-friendly debt instruments and insurance products

Sustainability service opportunities: Financial institutions support their end-clients beyond financing to accelerate their net zero transition and resiliency

ESG risk criteria: Financial institutions increasingly incorporate ESG risk factors into their investment strategies and risk management processes

Increased regulation: Enhanced regulatory frameworks and reporting reshapes corporate accountability through rigorous ESG standards by 2025

Industrialized climate risk modeling: Financial institutions are intensifying efforts to assess, manage, and disclose climate related risks to stakeholders

Greenwashing and greenhushing: Financial Institutions face scrutiny from customers and activists and possible penalties from regulators, consumers and activists

Decarbonization of portfolios: Stakeholders increasingly prioritize low-carbon investments to reduce carbon footprints and align with climate goals

Sustainability as corporate DNA: Enterprise-wide sustainability with integration into operations, products and services and supply chain

Gen AI aiding sustainability: The advent of Gen AI has made financial services look at more innovative ways of implementing Sustainability

Going beyond carbon emissions: Financial services broaden focus beyond carbon emissions to include social and biodiversity factors in ESG strategies

Customer First

Enterprise Management

Intelligent Industry

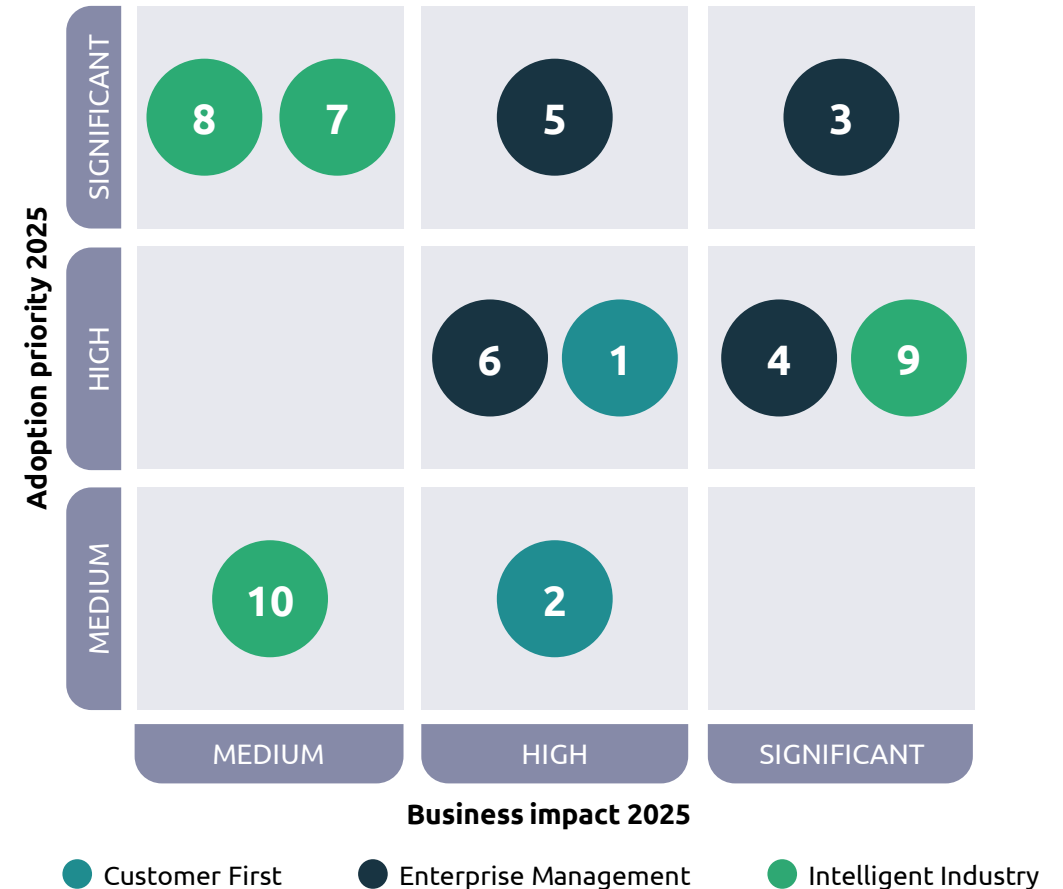


P&C Insurance Top Trends 2025 – Priority Matrix

- 1 Customer centricity:** Carriers rebuild experiences, journeys, and offers around customers, to maximize win rates, cross-sell, and up-sell
- 2 A focus on policies in force:** Personal lines leaders focus on growing policies in force, in a switch from past efforts to “re-underwrite the book”
- 3 Underwriting workbenches:** Commercial lines insurers invest in cutting-edge, robust underwriting platforms to gain a competitive advantage
- 4 High-speed pricing:** Insurers build capabilities for high-speed recalibration of risk models and pricing to keep up with market changes
- 5 Cost take-out:** Insurers shifting operating models and technology strategies to find scaled efficiencies
- 6 Broker and agent engagement:** Carriers drive distribution partner engagement and loyalty through simple, fast, and easy experiences
- 7 Process revolution:** Artificial intelligence and Gen AI streamline processes across the value chain
- 8 Strengthened security:** Insurers invest in security capabilities to protect themselves from massive breaches
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- 10 Niche markets for innovation:** Carriers explore innovative offers in cyber, pet, parametric, and other small markets with reasonable potential

Capgemini's **Priority Matrix** outlines our assessment of the impact of 2025 trends on operating environments facing:

- Softening inflation and high interest rates, coupled with stagflation trends
- Geopolitical instability
- Dynamic regulatory activity
- Intense competition and increased focus on customer centricity due to the impact of new-age players
- Operational cost overruns and high capital lock-in



- Adoption priority:** The criticality of a 2025 trend to value creation because of its sector importance.
- Business impact:** Each trend's effect on 2025 sector business as it relates to customer experience (CX), operational excellence, regulatory compliance, or profitability. Circumstances will vary for each firm depending on business priorities, geographic location, and other factors. For more information, contact us at insurance@capgemini.com.

Trend 1

Customer centricity

Carriers rebuild experiences, journeys, and offers around customers, to maximize win rates, cross-sell, and up-sell

8	7	5	3
	6	1	4 9
10	2		



Background

- **Customer engagement is a strategic imperative.** Acquiring a new customer in insurance is five times more costly than keeping a current customer.¹
- As policyholder expectations evolve, the product-centric insurance era is over. To hedge against fragmented experiences and missed engagement opportunities, insurers are now **prioritizing seamless interactions and personalized CX** across all touchpoints.
- A majority (**63%**) of policyholders are willing to share more data to secure policy transparency and discounts. Insurers can seize this opportunity to enhance customer centricity through personalization.²

Impact

- By harnessing the power of data analytics, insurers can personalize proposals to deeply resonate with customers, **driving higher win and retention rates**.
- Insurers can leverage sensor data to unlock actionable customer insights. By gaining a deeper understanding of policyholder behaviors, insurers can **tailor offerings, optimize pricing, and drive significant growth** through increased conversions, cross-selling, and up-selling.
- **Customer-centric insurers can unlock new revenue streams and bolster customer loyalty** by offering personalized products and value-added services like real-time alerts and predictive maintenance, positioning themselves as risk preventers versus simple claim processors.

Source: 1.[Capgemini](#); 2. [Capgemini World Property & Casualty Insurance Report 2024](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 1

Customer centricity

Carriers rebuild experiences, journeys, and offers around customers, to maximize win rates, cross-sell, and up-sell

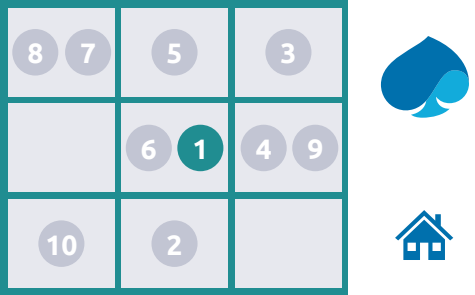


Figure 1: Key strategies to enhance the customer journey



State Farm



US insurer State Farm added an Accident Assistance feature to its *Drive Safe & Save* app that arranges necessary services after a **collision**. Providing **support during challenging times has enhanced customer satisfaction**.¹

Zurich

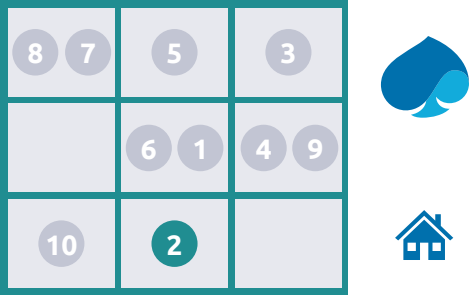


Zurich UK's *Hello Zurich* video and *WhatsApp* messaging services **reduced claim time to ~13 minutes** and drove a **400% customer adoption growth**, to enhance customer engagement.²

Trend 2

A focus on policies in force

Personal lines leaders focus on growing policies in force (PIF), in a switch from past efforts to “re-underwrite the book”



Background



- **US personal auto and homeowners’ premiums rose by over 13% in 2023.** Meanwhile, **UK motor premiums surged 34% from Q4 2022 to Q4 2023.** As carriers raised prices and restricted underwriting, policies in force (PIF) went down for most carriers in 2022-2023, resulting in fewer customers.^{1,2}
- Our [World P&C Insurance Report 2024](#) revealed that **27% of personal line policyholders switched providers after two years, seeking lower premiums (60%) and better coverage (53%).** Insurers should shift their focus from rate hikes to retaining and expanding their existing policyholder base or business viability will be threatened.³
- Better distribution and segmentation of risks, using advanced data analytics and pricing models, to find better pricing for some groups allows insurers to grow their policy count prudently, balancing risk and profitability.

Impact



- As PIF volume grows, **insurers must effectively scale operations – including claims processing, customer service, and policy administration.** Investment in automation, digital tools, and process optimization will be required to handle increased volumes without sacrificing service quality.
- New technologies have **equipped insurers to efficiently target the right customers with the right risk profiles.** This precision targeting **maximizes customer lifetime value by leveraging data analytics and AI** to identify cross-selling and upselling opportunities, enabling insurers to expand their policyholder base through deepening relationships.
- A larger policy dataset enhances analytics. Insurers can **leverage AI and predictive analytics to identify trends, forecast needs, and adjust offerings;** this capability improves underwriting accuracy, risk assessment, and pricing strategies. Enhanced data insights also **help identify emerging risks for proactive management and innovation.**

Source: 1. [Swiss Re](#); 2. [Association of British Insurers](#); 3. [Capgemini World Property & Casualty Insurance Report 2024](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 2

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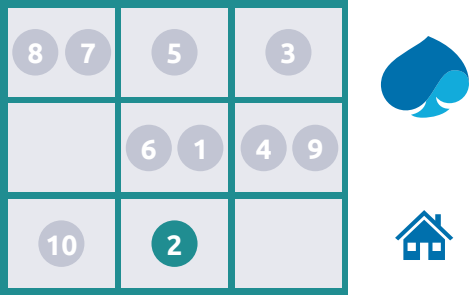
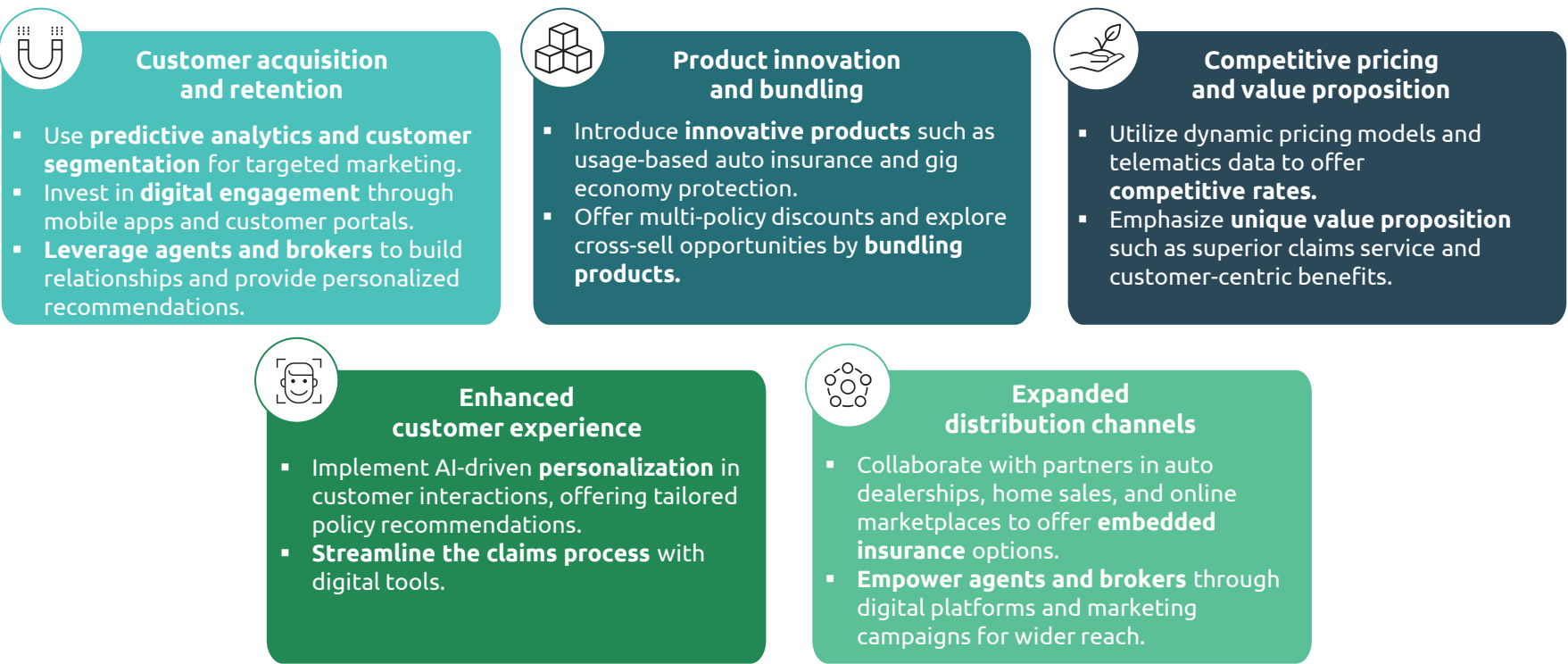


Figure 2: Strategies for customer-base expansion beyond price adjustments



Zurich 

Zurich UK refocused its personal lines, home insurance, and motor insurance **to maximize growth in the high-net-worth market** through *Zurich Private Clients, MGA, and partnership channels*, leveraging its strong market relationships.¹

Nationwide 

Nationwide partnered with Arizona based smart home solutions provider Resideo to integrate smart technology **to reduce claims, improve customer satisfaction, and boost policyholder retention and acquisition.**²

Source: 1. [Zurich](#); 2. [Nationwide](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 3

Underwriting workbenches

Commercial lines insurers invest in cutting-edge, robust underwriting platforms to gain a competitive advantage

8	7	5	3
	6	1	4 9
10	2		



Background



- Globally, commercial line premiums grew only **2.4% in 2023** compared with **6% for personal lines**. US commercial premiums rose by only **5% in Q1 '24** compared with **15% for personal lines** and **10%** for the **industry** overall. However, the industry **combined ratio improved to 94% in Q1 24** amid greater **underwriting discipline** in both personal and commercial lines.^{1,2}
- Streamlining underwriting processes are critical to adapt to this rapidly evolving insurance landscape, particularly **as underwriters spend 41% of their time on administrative and operational tasks**.³
- Insurance trailblazers* lead the charge in underwriting optimization, with **65%** having **mature, digitalized workbenches** for underwriters compared with only **19%** of **mainstream carriers**. **Trailblazers benefit from high underwriting efficiency and accuracy** that boost **growth potential**.^{3,4}

Impact



- Underwriting workbenches enable **real-time access to relevant data** on a **unified platform and streamline processes** for underwriters struggling with data integration. Commercial insurers can make informed decisions and price policies appropriately.
- Artificial intelligence and automation capabilities embedded in workbenches significantly **bolster operational efficiency** and **customer experience** by helping commercial insurers swiftly draft policies, reduce response times, and automate broker communication.
- These solutions play a crucial role in **talent development and retention**. By automating routine tasks, these platforms allow underwriters to focus on complex risk analysis and strategic decision-making. This enhances job satisfaction and professional growth.

Source: 1. [Swiss Re](#); 2. [Swiss Re](#); 3. [Capgemini World Property & Casualty Insurance Report 2024](#); Capgemini Research Institute for Financial Services analysis, 2024

Note: 4. [Underwriting Trailblazers leverage data-driven automated underwriting, embed 3rd-party with traditional data and exhibit strong internal collaboration](#)

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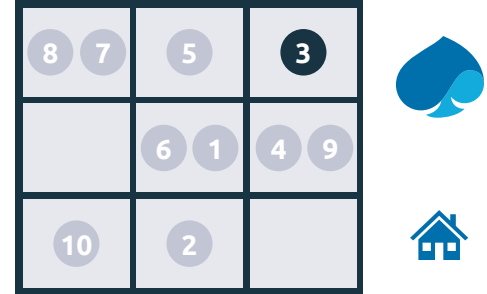
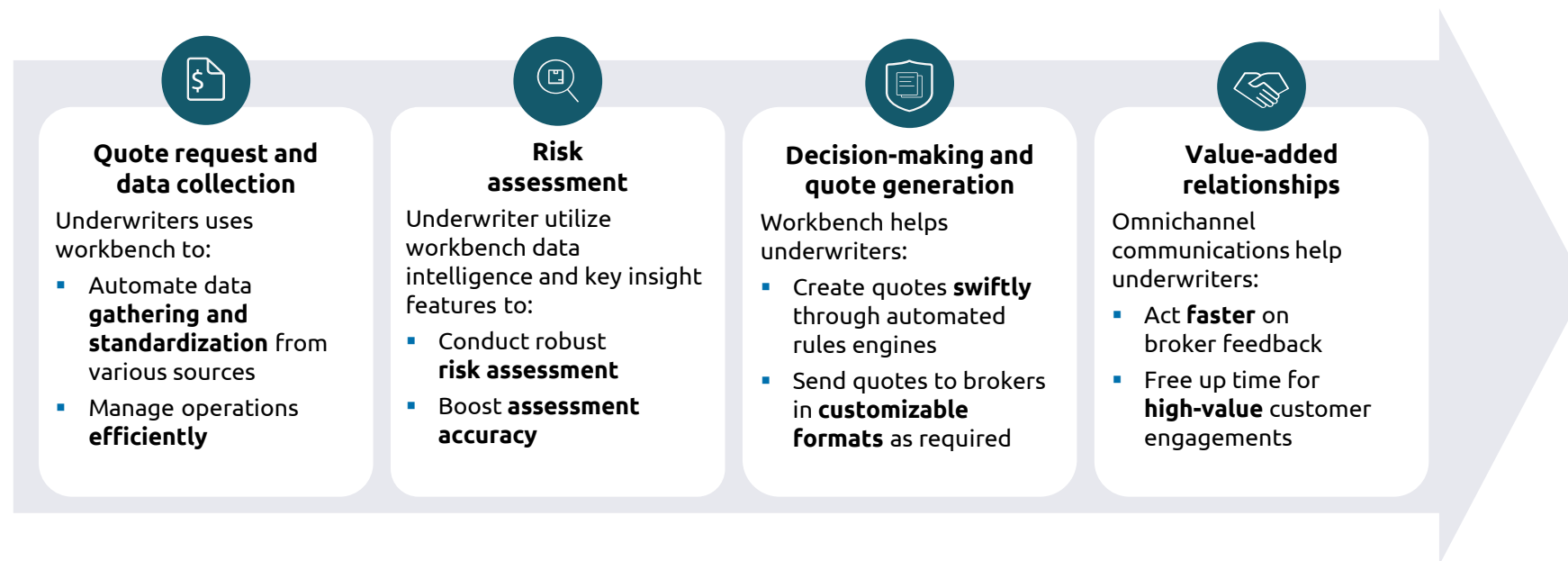


Figure 3: Workbenches enhance commercial underwriters' journey



Markel



Markel UK partnered with Cytora to digitize its underwriting process using AI, **reducing quote turnaround time from one day to two hours and boosting productivity by 113%.**¹

Munich Re



Munich Re Specialty of North America, adopted an underwriting platform to support its rapid US expansion by enabling underwriters **to focus on high ROI opportunities and optimally select risk.**²

Trend 4

High-speed pricing

Insurers build capabilities for high-speed recalibration of risk models and pricing to keep up with market changes

8	7	5	3
	6	1	4 9
10	2		



Background



- Telematics and digital tools are transforming insurance, enabling real-time driving data collection for accurate, personalized premiums. In fact, **72% of commercial insurers offer or plan to offer telematics-based products.**¹
- Simultaneously, the rising frequency and severity of natural disasters have resulted in substantial economic losses, **reaching USD 280 billion in 2023.** Insured losses (at USD 108 billion) **covered 40% of customer loss**, higher than the previous decade average – USD 89 billion. More carriers are expected to update their models to incorporate climate related risks and appropriate pricing.²
- In addition, policyholders continue to demand personalized insurance pricing. Our World P&C Insurance Report 2023 customer survey found that **73% of policyholders seek personalized pricing.**³

Impact



- Insurers with advanced high-speed pricing capabilities **can react more quickly to market changes, potentially gaining a competitive edge. Frequent and granular price adjustments increase overall pricing volatility.** Smaller insurers may struggle to keep pace, potentially leading to market consolidation.
- High-speed pricing **enables rapid integration of new data sources and risk factors for accurate risk assessment and pricing.** Policyholders benefit from pricing that reflects their individual risk profiles more precisely, although concerns about fairness and potential price discrimination may result.
- **Consumers often expect the flexible pricing** they experience in other industries, leading to increased shopping and switching behavior. Clear communication about pricing changes will be crucial in 2025 and beyond. There may be a growing demand for flexible, usage-based insurance products leveraging high-speed pricing capabilities.

Source: 1. [Insurance Journal](#); 2. [Swiss Re](#); 3. [Capgemini World Property & Casualty Insurance Report 2023](#); Capgemini Research Institute for Financial Services analysis, 2024

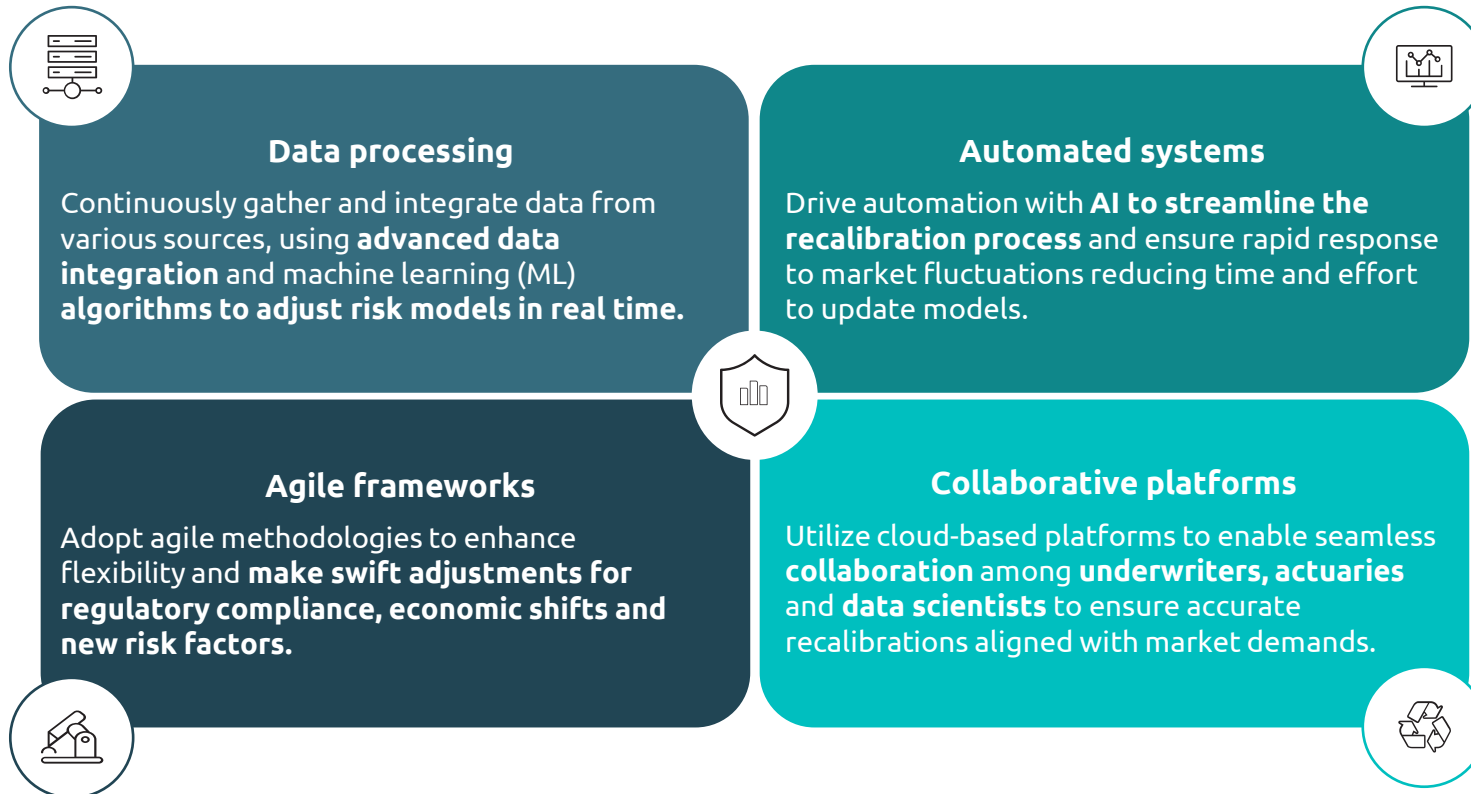
Trend 4

High-speed pricing

Insurers build capabilities for high-speed recalibration of risk models and pricing to keep up with market changes



Figure 4: Approach for recalibrating risk models in P&C insurance



Aviva



The Global Corporate and Specialty (GCS) team from UK insurer Aviva partnered with UK based insurance-pricing specialist **hyperexponential** to implement the *hx Renew* pricing platform, which **cut Aviva's build time by 75%** and **created 20 new models in nine months**, freeing up time for actuarial tasks and business analysis.¹

Amica



US insurer Amica Mutual and **ZestyAI**, a provider of climate and property risk analytics solutions, expanded their partnership **to improve climate-related property risk evaluations using predictive analytics models** to bolster risk management and informed underwriting.²

Source: 1. [hyperexponential](#); 2. [Reinsurance news](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 5

Cost take-out

Insurers shifting operating models and technology strategies to find scaled efficiencies



Background



- The P&C insurance industry faces ongoing profitability challenges, **with the 2023 underwriting combined ratio at 102.3%**. However, significant rate increase, and transformation efforts **are expected to drive this ratio below 98% by 2025**.^{1,2}
- Cost reduction remains a top priority, **with over 80% of P&C insurers in North America and EMEA** considering it a significant or moderate priority.^{3,4}
- Despite ongoing attempts, meaningful productivity improvements have eluded the industry with just **2.4% profitability for commercial lines and 6% profitability for personal lines in 2023**, highlighting the need for transformative approaches.²

Impact



- **Automation and digitalization through RPA, AI, and ML enable insurers to streamline claims processing, underwriting, and customer service and reduce operational expenses.** Adopting a cost-efficiency framework backed by these technologies and a unified platform **can help P&C insurers achieve efficiency on a global scale.**
- Insurers are improving efficiencies locally, but scaling globally remains challenging. The rise of **Gen AI presents a promising opportunity to overcome these barriers, enabling insurers to unlock scaled efficiencies and enhance cost-effectiveness across regions.**
- Achieving substantial cost efficiencies could **drive significant market capitalization growth**, potentially reshaping industry leadership and attracting new capital.

Source: 1. [beinsure](#); 2. [Swiss Re](#); 3. [Dimensions: P&C IT Pressures & Priorities: EMEA Edition, Celent, 25 February 2024](#); 4. [Dimensions: North American P&C Insurance IT Pressures & Priorities 2024, Celent, 20 February 2024](#); Capgemini Research Institute for Financial Services analysis, 2024

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Cost take-out

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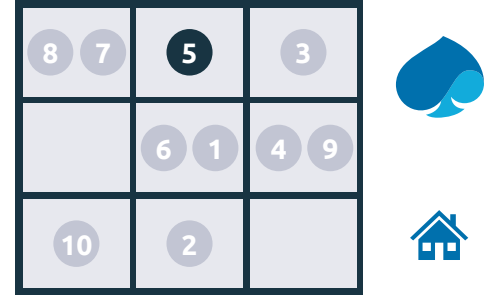
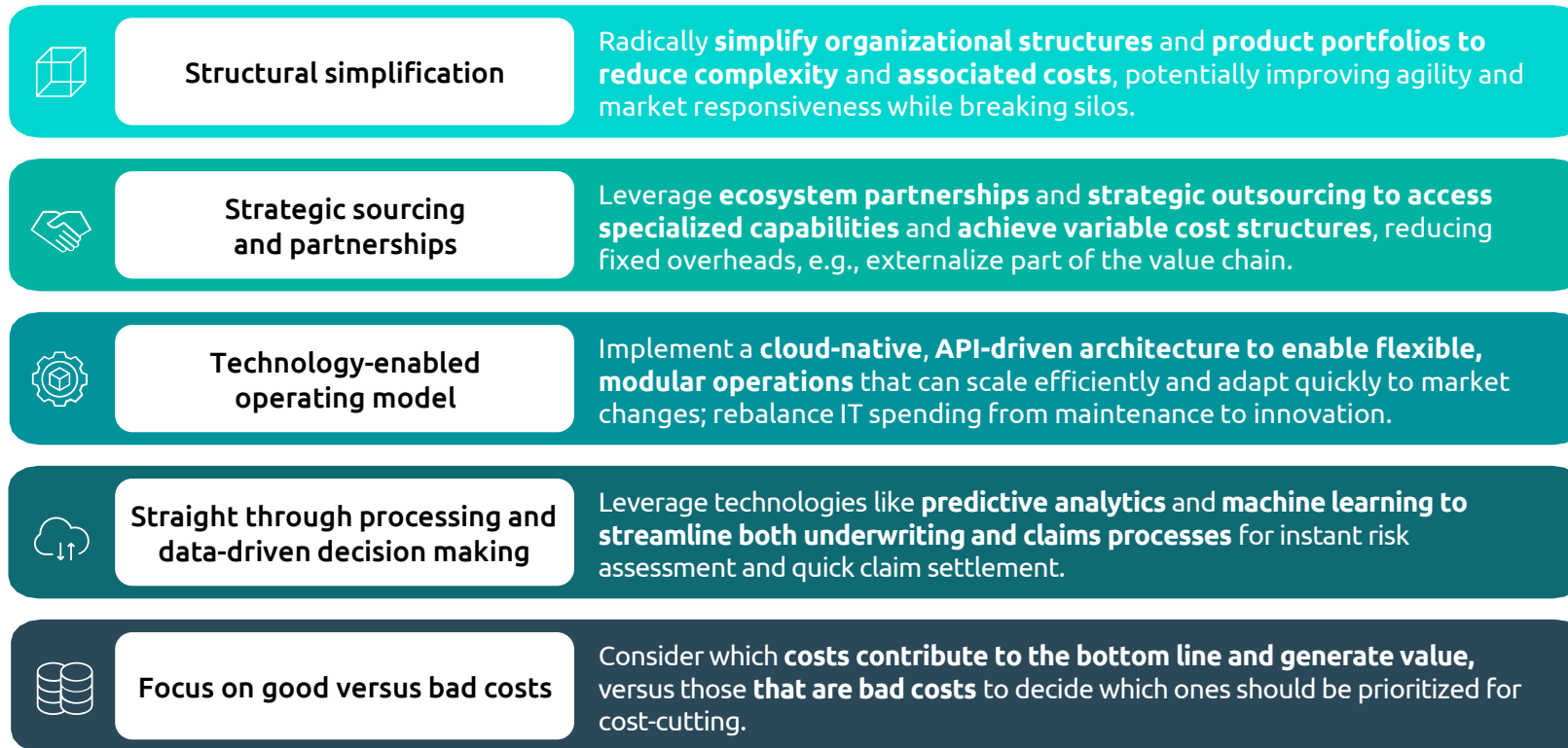


Figure 5: Strategies for transformative efficiency



Allianz



Allianz Asia Pacific (AZAP) **launched a regional delivery center (RDC)** in Kuala Lumpur, Malaysia jointly structured with Allianz Technology SE **to enhance operational efficiency** and **customer experience** through **modernizing IT services**.¹

AIG



AIG launched an initiative focused on innovation and long-term strategic transformation, ***AIG Next***, with a target of generating **USD 500 million in annual savings** by streamlining operations using digital technologies like AI, data analytics, and automation.²

Trend 6

Broker and agent engagement

Carriers drive distribution partner engagement and loyalty through simple, fast, and easy experiences



Background



- Premiums written by brokers (2024 to 2028) are projected to grow globally at a **7.8% CAGR** and are expected to reach **USD 1.8 trillion by 2028**. In 2023, independent agents and brokers dominated P&C distribution, accounting for **82-87% of commercial line premiums** in both the **UK** and **United States**.^{1,2,3}
- Although **93% of P&C insurers want to streamline business with agents**, **51%** rate their **digitization efforts as average** or **less than average**.⁴
- To close this gap insurers are making substantial investments in digital tools and training programs. To enhance agent capabilities and loyalty, **65% of insurers offer comprehensive training programs**.⁴

Impact



- Digital tools like policy management systems, claims processing software, and CRM platforms **reduce administrative tasks and allow agents to focus on sales and policyholder relationships** that boost productivity and customer satisfaction.
- Data analytics tools **help agents offer policyholders personalized advice** that **boosts insurers' market position and customer loyalty**. Enhanced agent capabilities also **enable more relevant solutions** that **open cross-selling opportunities and reduce churn**.
- Insurers that provide agents and brokers with on-demand training through digital platforms to keep them up to **date and knowledgeable so they can deliver high-quality service and ensure compliance**. **Training keeps agents engaged and loyal** to the organization.

Source: 1. [2024 Global Insurance Broker Market Report, GobaData, April 2024](#), reproduced under license from GlobalData PLC, copyright 2024; 2. [UK Insurance Brokers Report 2024, GlobalData, July 2024](#), reproduced under license from GlobalData PLC, copyright 2024; 3. [Insurance Journal](#); 4. [Digitizing the Agent: How Property & Casualty Insurers View Their Current And Future State, Celent, 29 October, 2023](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 6

Broker and agent engagement

Carriers drive distribution partner engagement and loyalty through simple, fast, and easy experiences



Figure 6: Enhancing P&C insurance agent's journey with digital tools



RSA Insurance



RSA Insurance launched an enhanced broker and customer claims portal powered by Guidewire Cloud **to streamline the claims process**, offering features like real-time status updates, live chat support, and automated communications **to improve efficiency and user experience.**¹

The Hartford



US insurer The Hartford launched digital submission tools for agents and brokers **for easier data sharing and quote requests to save time and increase accuracy** for general liability, auto, property, and workers' compensation coverage.²

Source: 1. [Reinsurance News](#); 2. [The Hartford](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 7

Process revolution

Artificial intelligence and Gen AI streamline processes across the value chain

87	5	3
	61	49
10	2	



Background



- Between 2023 and 2024, **favorable sentiment among insurers toward Gen AI grew by 38% (5.4 to 7.5 out of 10)**, indicating that insurers are becoming more confident in Gen AI potential.¹
- 69% of insurers with Gen AI solutions in production focused on employee use cases** to enhance internal processes and improve efficiency, and **19% focused on customer-facing use cases**, aiming to enhance customer interactions and provide more personalized services.¹
- Our World Property and Casualty Insurance Report 2023 found that **79% of P&C insurers understand that AI/ML is critical to success**. Then, our 2024 Report determined that **62% of executives believe these technologies elevate underwriting** quality and reduce fraud.^{2,3}

Impact



- Gen AI personalizes customer interactions with **tailored onboarding experiences and targeted marketing**, with **35% of surveyed insurers saying AI improves personalized recommendations**. Contextual engagement enhances customer engagement, retention, and satisfaction.³
- Gen AI will enable **fully automated underwriting processes**, significantly accelerating evaluation, risk assessment, and decision-making stages. According to surveys conducted as part of our [World Property and Casualty Insurance Report 2024](#), AI implementation has helped **51% of underwriters** to reduce their data entry workload, **42% to generating quotes faster**, and **33% to improve access to real-time data**.³
- AI-driven automation will **streamline insurance claims processing tasks** like first notice of loss (FNOL), document verification, and initial assessments, reducing processing time and operational costs. This allows human adjusters to focus on more complex claims, improving efficiency.

Source: 1. [GenAI-oneers In Insurance, Celent, 20 May 2024](#); 2. [Capgemini World Property & Casualty Insurance Report 2023](#); 3. [Capgemini World Property & Casualty Insurance Report 2024](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 7

Process revolution

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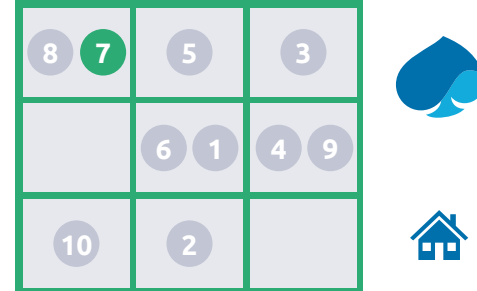


Figure 7: Transform P&C insurance processes using AI and Gen AI



Customer onboarding and engagement

- Use AI to **automate the submission and verification** of documents.
- Implement **chatbots for real-time query assistance** and a secure onboarding process.
- Leverage AI to **analyze customer data** and **predict** their needs.
- **Equip agents with Gen AI bots** for instant query responses and integrate data to enable tailored offerings based on individual preferences.



Underwriting

- **Integrate diverse data sources** to enhance the accuracy of risk evaluation.
- **Utilize AI to forecast** potential risks and trends.
- Gain **deeper insights into customer profiles** using AI, allowing for more tailored pricing and coverage options.
- Use **Gen AI assistance to handle routine tasks**, perform quick data analysis, and generate quotes quickly.



Claims processing

- Implement AI to **capture and summarize claims handling status** and outstanding actions.
- Leverage Gen AI to enhance interaction with claimants through **automated updates** and query handling.
- Deploy AI to **identify forged documents** or detect unusual patterns.
- **Reduce claims turnaround time** by automating processing.
- Apply AI to **predict potential risks** and trends to proactively manage claims.

Munich Re



German insurer Munich Re's REALYTIX team launched *gen AI co-pilot* on its REALYTIX ZERO platform to streamline specialized insurance product development **reducing costs and increasing transparency in product logic and premium calculations.**¹

Chubb



Chubb North America collaborated with UK based Insurtech **Cytora** for Gen AI-powered **claims processing**. The aim is to **transform Chubb's claims document management process through automated digitization.**²

Trend 8

Strengthened security

Insurers invest in security capabilities to protect themselves from massive breaches

8	7	5	3
	6	1	4 9
10	2		



Background



- Cybersecurity remains crucial for P&C insurers, with **86%** in EMEA and **76%** in North America **considering it a significant or moderate priority**.^{1,2}
- P&C carriers use **advanced encryption, multi-factor authentication, and security audits** to mitigate data breaches. However, a lack of technical expertise and complacency hinder these efforts, while new risks like AI-powered attacks, add complexity.³
- P&C insurers are boosting cybersecurity budget allocations: projected 2023-2024 growth was **5.3% in the EMEA region** and **5.9% in North America**.^{1,2}

Impact



- Investing in advanced security solutions can ensure operational continuity, potentially avoiding costly downtime and severe service delivery disruption. Security helps **P&C insurers maintain critical systems**, such as claims processing and policy management.
- Strong data and cybersecurity data protocols earn policyholder **trust and loyalty**. They **safeguard sensitive customer data**, including personal information and claims history, to maintain or improve retention rates and market reputation.
- **P&C insurers that invest in robust security** are prepared to **comply with stringent regulatory requirements related to data protection and privacy**. When the risk of fines and legal actions is reduced, operations remain compliant and financially sound.

Source: 1. [Dimensions: P&C IT Pressures & Priorities: EMEA Edition, Celent, 25 February 2024](#); 2. [Dimensions: North American P&C Insurance IT Pressures & Priorities 2024, Celent, 20 February 2024](#); 3. [P&C specialist](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 8

Strengthened security

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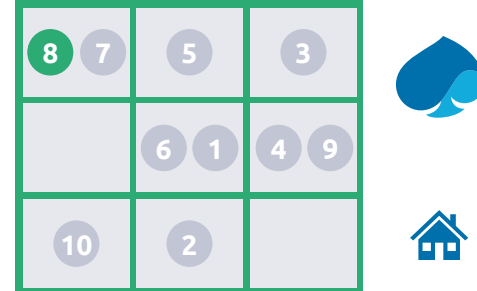


Figure 8: Enhancing security across P&C insurance functions

Real-time threat detection



- **AI-powered threat monitoring** helps to identify and mitigate cyber risks instantly.
- Cloud offers advanced security features such as real-time security updates, and automated threat detection, which protects sensitive data.
- **Internet of Things (IoT) devices** trigger immediate alerts when unusual behavior or threats are detected.

Disaster recovery and business continuity



- Cloud offers secure backup and **disaster recovery solutions** to ensure **business continuity** during system failures or cyberattacks.
- **Data replication** across regions prevents data loss and minimizes downtime.
- Insurers can use **AI-driven systems** to maintain operations and **IoT devices** to protect assets.

Regulatory compliance and fraud prevention



- Cloud solutions automate compliance tracking with industry regulations like GDPR.
- **AI-driven analytics** help detect fraudulent patterns in claims, reducing potential losses.
- **Machine learning models** analyze claims and underwriting data to detect fraudulent patterns.

Employee training and awareness



- **Regular and continuous training programs** ensure employees stay updated on the latest threats and best practices.
- **Use engaging medium** like gamified content and **ensure cybersecurity policies** are accessible and updated regularly.
- Foster a **culture of security** with leadership support.

USAA



After data breaches in late 2022 and early 2023, US insurer USAA **enhanced cybersecurity with advanced threat detection, multi-factor authentication, and employee training**. As a result, USAA blocked over 700 million attacks and 3,200 phishing websites.¹

AXA

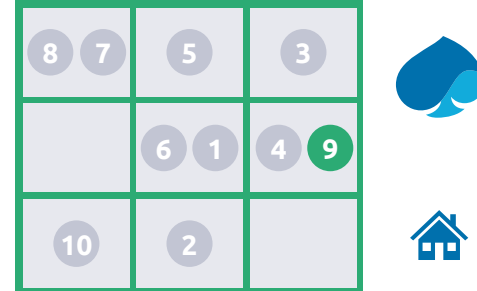


UK insurer AXA, in collaboration with Microsoft, developed *AXA Secure GPT*, a secure Gen AI-powered platform for employees to **ensure data privacy and prevent leaks, breaches, and intellectual property loss**.²

Source: 1. [USAA](#); 2. [AXA](#); Capgemini Research Institute for Financial Services analysis, 2024

Value from data

Data estate renovations make the right data available where and when needed, across the value chain



Background



- Data-related challenges hinder insurers from creating superior customer experiences for P&C policyholders. Among obstacles cited by insurers, **54% listed inadequate access to data** and **51% named legacy systems**, according to the [World P&C Insurance Report 2024](#).¹
- Data management technology use is on the rise. In 2024, a significant number of insurers in both **EMEA (71%)** and **North America (56%)** invested in, or planned to invest in, machine learning operations (MLOps), analytics, and artificial intelligence.^{2,3}
- Many insurers adopt cloud-based solutions to enhance scalability, flexibility, and real-time data access. **49% of P&C insurers** say they **already use cloud for data analytics**.⁴

Impact



- Modern data infrastructure **enables real-time and accurate data access**. It **improves decision-making in underwriting, claims processing, and reinsurance**. It **boosts operational efficiency and risk management** and **reduces IT costs** with flexible pay-as-you-go models.
- Centralizing and standardizing data provides a **360-degree view of customers**, allowing for personalized insurance offerings and quicker claims settlements. Better access to data **improves customer satisfaction, boosts retention**, and enhances **cross-sell opportunities**.
- Cloud-based data estates **reduce operational burdens, streamline workflows**, and **ensure compliance** with evolving regulations, allowing insurers to quickly adapt to market changes and regulatory demands.

Source: 1. [Capgemini World Property & Casualty Insurance Report 2024](#); 2. [Dimensions: P&C IT Pressures & Priorities: EMEA Edition, Celent, 25 February 2024](#); 3. [Dimensions: North American P&C Insurance IT Pressures & Priorities 2024, Celent, 20 February 2024](#); 4. [Is Moving to Cloud Worth It?, Celent, 24 June 2023](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 9

Value from data

Data estate renovations make the right data available where and when needed, across the value chain

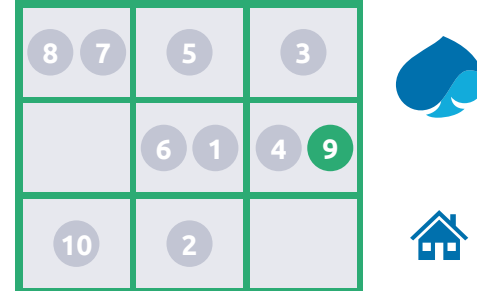


Figure 9: Data estate renovation as a catalyst for business transformation



Allstate



Allstate adopted a cloud-first approach to digital transformation, focusing on **rebuilding core applications** from scratch **to enhance data analytics, customer insights and claims processing**. Digitizing **40% of processes cut claim filing time** from four minutes to 43 seconds.¹

Aviva



Aviva UK partnered with London based Symfos to leverage its *Orchestra* software to **enhance weather-event exposure management, visualize risks and automate data processing**, by gaining insights from real-time data. The resulted in 60-70% improvement in efficiency.²

Source: 1. [CIO](#); 2. [Insurance Business](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 10

Niche markets for innovation

Carriers explore innovative offers in cyber, pet, parametric, and other small markets with reasonable potential

87	5	3
	61	49
10	2	



Background



- Niche markets present substantial opportunities for P&C insurers to innovate and expand. Early entry into these rapidly growing markets opportunities can provide insurers with a competitive edge, allowing them to establish brand leadership and set industry standards.
- Niche markets open doors for innovative P&C offers :
 - **Cyber insurance:** Expected to grow from USD 14 billion to USD 29 billion (2023-2027).¹
 - **Parametric insurance:** On track to reach USD 29.3 billion by 2031, up from USD 11.7 billion in 2021.²
 - **Pet insurance:** Estimated 14% CAGR (2023-2030) to reach USD 18 billion.³
- Emerging sectors represent opportunities for insurers to address evolving customer needs and capitalize on technological advancements to potentially reshape traditional insurance models.

Impact



- Expanding in niche markets helps P&C insurers **diversify risks, reduce reliance on traditional lines, and explore faster time to market** for innovative products due to less regulatory complexity and a softer competitive landscape.
- Investing in niche markets like parametric helps **in precision risk management and rapid claims payout during emergencies** helping insurers **achieve ESG impacts**. Expanding presence enables **customer trust, differentiates the brand, and enhances customer satisfaction**.
- Entering new markets help insurers **position themselves as comprehensive providers helping clients across multiple touchpoints** now, as well as **positioning themselves for future relevancy** as cyber will be one of the largest risk pools in the future.

Source: 1. [Munich Re](#), 2. [Nationwide](#); 3. [beinsure](#); Capgemini Research Institute for Financial Services analysis, 2024

Trend 10

Niche markets for innovation

Carriers explore innovative offers in cyber, pet, parametric, and other small markets with reasonable potential

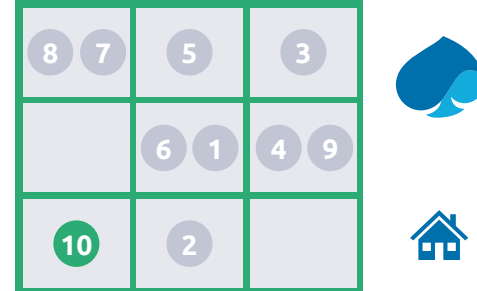


Figure 10: Growth strategies for niche insurance markets

Accelerate digital transformation

Entering technology-driven markets like **cyber insurance** requires **advanced data analytics and AI capabilities** to possibly accelerate broader digital transformation efforts across the organization.

Integrate ecosystems

Success in niche markets often requires **partnerships with specialized technology providers**, fostering an **ecosystem mindset** that can drive innovation across all business lines.

Attract talent

Focusing on emerging **advanced technology sectors** can **position insurers as innovative employers** attractive to top talent in data science, cybersecurity, and other critical fields.

Boost customer relevance

Carriers that offer **comprehensive solutions**, including niche coverage can increase their relevance among policyholders and power retention and cross-selling opportunities across their entire portfolio.

Enhance risk management

Continuous real-time data and **analytics** help insurers improve risk management practices to strengthen their overall risk profile.

AXA climate



France based AXA Climate partnered with climate risk modeling solutions provider Reask **to offer parametric windstorm insurance** based on precise wind speed data **that improved affordability, risk management, and claims processing.**¹

Chubb



US insurer Chubb partnered with cybersecurity company NetSPI **to offer advanced cyber solutions**, including attack surface management and penetration testing for US and Canadian policyholders, **aiming to improve security and reduce cyber risks.**²

Partner with Capgemini



Agency Digitization – Ease of Doing Business

Take the ease of doing business to the next level powered by digital agency:

Formulate a technology-driven agent/customer experience strategy as a competitive differentiator. With Capgemini, get to the bottom of structural IT challenges and build a blueprint with that features all ecosystem capabilities, process transformation, and AI-based enhancements for operational success. A single unified front-end experience for sales across all lines of business will catalyze success with the targeted use of automated workflows, data fill, and multi-line functionality.

Data Estate Modernization

Modernize data estate infrastructure for secure and always-available data:

Liberate the total value of data investments by ramping up the use, adoption, and availability of data assets while saving money through automation. We will help achieve desired outcomes through automated data extraction and transformation. We will load business-relevant cadences from legacy systems into centralized cloud-based data lakes with standardized integration and API layers.

Embedded Insurance

Make B2B2C distribution super-intuitive and hyper-convenient:

Improve omni-channel distribution strategies through B2B2C spoke to existing intermediaries and direct digital channels. Capgemini will help adoption of a new ecosystem-led operating model to innovate at pace to embed the right products and services at the right moments. Insurers can leverage our highly secure Open Insurance AWS cloud native platform to expedite the implementation of open API architecture, using ACORD Next-Gen Digital Standards, thus making the insurer future ready.

Underwriting Workbench

Empower underwriters with a unified interface bringing everything together:

Underwriters need a comprehensive, streamlined solution that integrates risk evaluation, authority-controlled pricing, policy manuscripting, and external report ordering into a single interface. Capgemini brings in the value of AI and automation reducing mundane tasks, allowing them to focus on core decisions and sales. Our system delivers timely, data-driven insights, simplifying book management with ML thus ensuring quick market response, adapting swiftly to emerging risks and opportunities.



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