



To stay competitive in today's evolving landscape, insurers need to focus on three interconnected imperatives

Distribution and engagement

Operational efficiency

Technological innovation

87%

Insurers say today's customers expect **more personalized, relevant experiences**.¹

82%

Insurers are **investing in data-analytics platforms** to democratize data and speed up decision making.²

70%

Insurers are **investing more in GenAI** to future-proof against market disruptions.³

P

P&C insurance

L

Life insurance

H

Health insurance

In 2026, market dynamics will catalyze...

Insurers can sustain momentum by...

Distribution and engagement

Commoditization risks heightened by data silos, legacy systems, and limited agent capabilities that hinder intelligent decision making

1

Offering modular policies, tailored advisory models, and personalized, risk-based pricing to boost retention and customer lifetime value

P

L

H

Competition intensity and growing expectations for fast, personalized advisory experiences

2

Giving agents real-time customer insights to tailor their policy recommendations, increasing conversions and engagement

P

L

Under 40s demand life insurance that delivers immediate, tangible, and lifelong value

3

Positioning living benefits at the core of modular products, and leveraging ecosystem partnerships to embed offerings and capture market share

L

Policyholders' expectations for tailored coverage and consistent communication across touchpoints

4

Guiding customers towards chosen providers and ensuring coordinated care via integrated platforms, to control costs and deliver personalized care

H

Operational efficiency

Data intricacy and disconnected systems, which limit the interoperability and accessibility insurers need to make informed decisions

5

Democratizing data through enterprise data marketplaces and advanced analytics, to boost profits and bolster competitiveness

P

L

H

Growing portfolio complexity and risk volatility, intensified by static underwriting models and legacy constraints

6

Supporting underwriting with integrated platforms that streamline submissions and insights, so underwriters can focus on high-value risks

P

Escalating healthcare costs, fragmented care, and the rising demand for better patient outcomes

7

Integrating shared accountability, clear metrics, and shared incentives into provider agreements to increase profitability and control costs

H

Increasing severity of secondary perils and populations migrating into high-risk areas amid evolving regulations and strict reinsurance terms

8

Setting up climate-adjusted risk models and flexible underwriting strategies with clear segmentation, to make portfolios more resilient and promote growth

P

Technological innovation

Ongoing challenges from monolithic architectures and pricey legacy system maintenance that drain budgets, while hindering innovation and efficiency

9

Modernizing legacy systems through cloud-native, GenAI solutions to simplify rigid architectures, and speed up product development and response times

P

L

H

Fragmented AI pilots limited to individual functions, which hold enterprises back from scaling

10

Scaling AI to connect insights across functions, optimize pricing, and proactively manage risks – driving stronger performance and growth

P

L

H

Future focus

In 2026, insurers will need to navigate a dynamic environment shaped by demographic shifts, rising catastrophe losses and healthcare costs, and accelerated AI-driven transformation. To stay ahead, forward-looking insurers will need to:

- **Reimagine distribution and engagement** by harnessing data-driven insights to empower agents, expanding embedded offerings through ecosystem partnerships, and delivering personalized solutions that reinforce customer loyalty and unlock cross-sell potential.
- **Streamline operations** by orchestrating enterprise data across functions, applying predictive analytics for deeper risk insights, and enabling collaborative workflows to lower costs and elevate service quality.
- **Accelerate technology-led transformation** by prioritizing core modernization – powered by cloud-native systems and GenAI for automated workflows and real-time insights – while scaling AI across their organizations for agility and growth.

Insurers who act today will strengthen their resilience, capture new growth, and secure a competitive edge in an evolving market.

Source: 1. Capgemini World Cloud Report – Financial Services 2026 Executive Survey; 2. Capgemini Data-powered enterprises survey 2024;

3. Capgemini AI-powered business operations survey 2025; Capgemini Research Institute for Financial Services analysis, 2025

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