

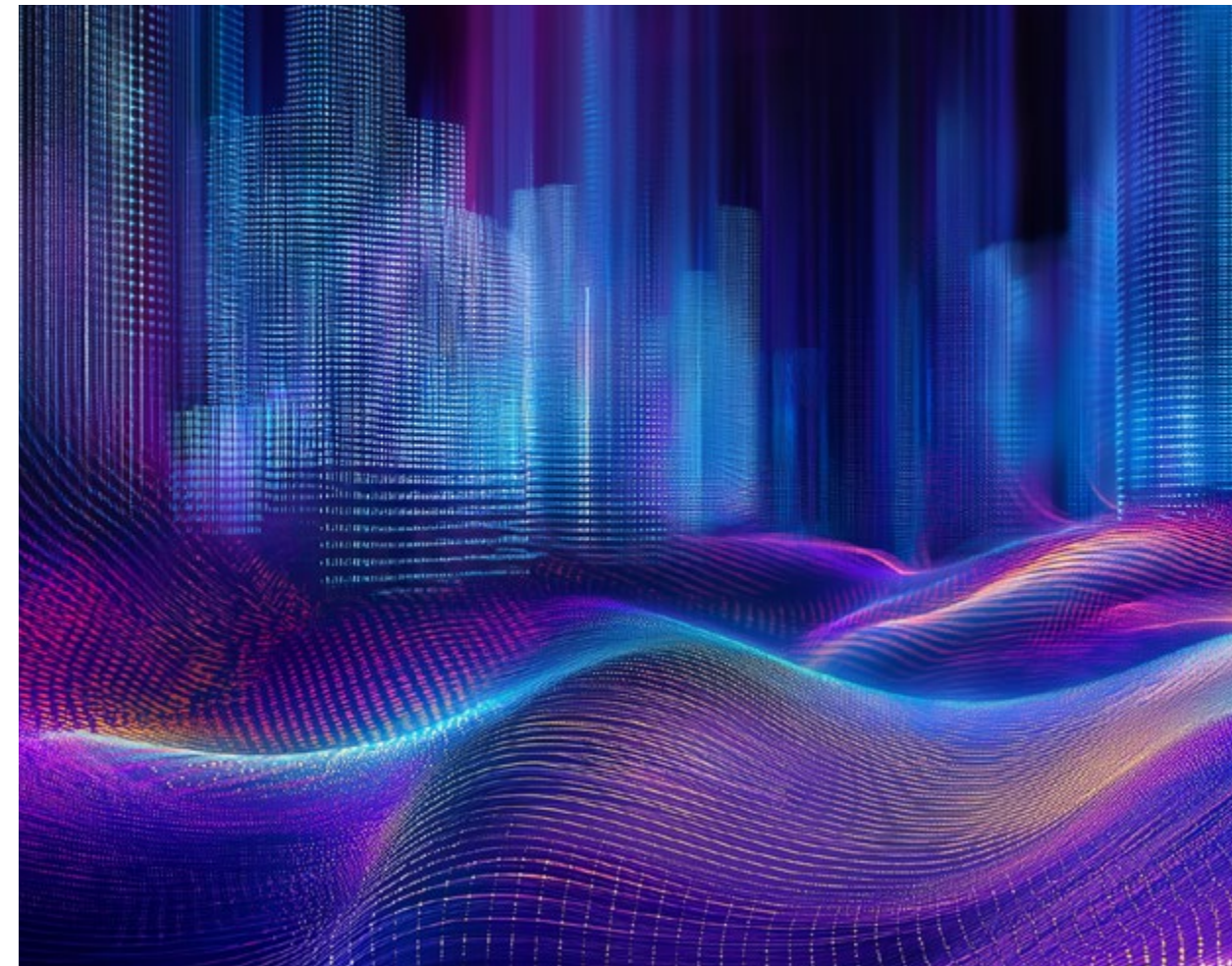


The AI Advantage: Building Tomorrow's Insurance Enterprise

March 2025

Foreword

Re-Defining Insurance with AI



John Weber
VP Head of US Insurance
Practice at Wipro

The insurance industry is at a pivotal moment, undergoing a profound transformation as artificial intelligence (AI) revolutionizes how things are done. **This report takes you through the evolving landscape of AI in insurance, exploring how it is streamlining underwriting, enabling faster and more accurate decisions, and ultimately enhancing customer experiences.**

While large insurers are leading the charge—leveraging their robust governance frameworks and vast data resources—many mid-sized and smaller firms face hurdles, from legacy systems to limited AI expertise. Yet, the opportunity AI presents is immense. By improving efficiency and precision, it holds the power to reshape the industry, provided we navigate the challenges of transparency, fairness, and accountability with care.

At the heart of AI innovation lies high-quality data. Insurers are increasingly harnessing diverse data-

sets to refine risk assessments and pricing models. But AI is not just about technology—people remain essential. Skilled professionals are needed to interpret insights, oversee systems, and guide responsible AI adoption. Upskilling teams and collaborating with partners will be critical in bridging gaps and accelerating AI integration. **This report highlights the tangible benefits AI brings to underwriting—from improved risk assessment accuracy and cost savings to enhanced customer satisfaction and faster policy issuance. While challenges remain, insurers are already taking strategic steps to overcome integration hurdles, manage data quality, and ensure ethical compliance.**

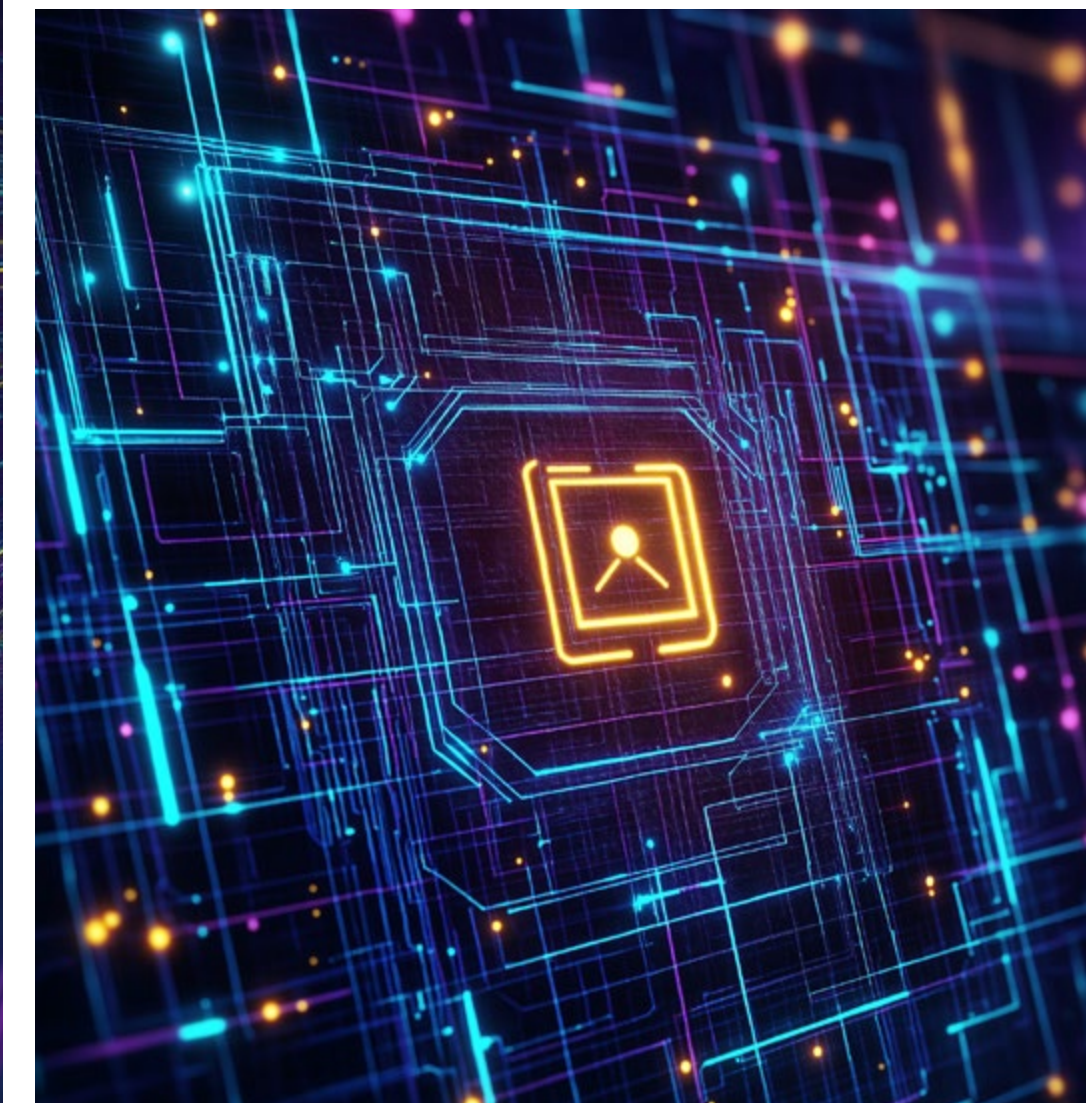
We hope this roadmap provides you with valuable insights and practical recommendations for building a structured AI strategy, supporting your organization to unlock the technology's full potential and secure a competitive edge in an increasingly data-driven future.

Executive Summary

The integration of artificial intelligence (AI) into insurance operations signals a fundamental transformation of the industry. As AI technology rapidly evolves, it is revolutionizing core insurance processes, particularly in underwriting, where it enables more precise risk assessment, enhanced operational efficiency, and improved customer experiences. The technology's capabilities are reshaping how insurers evaluate risk, process policies, and interact with customers, marking a significant shift in traditional insurance practices.

Our comprehensive research, based on insights from 100 CXOs and their direct reports in North American insurance firms with minimum annual revenue of \$500M, reveals an industry actively embracing AI's potential. The findings show a two-speed market emerging: while 46% of firms have extensively implemented AI systems, others are still in earlier stages of adoption. This disparity highlights both the progress made and the opportunities that remain in the sector.

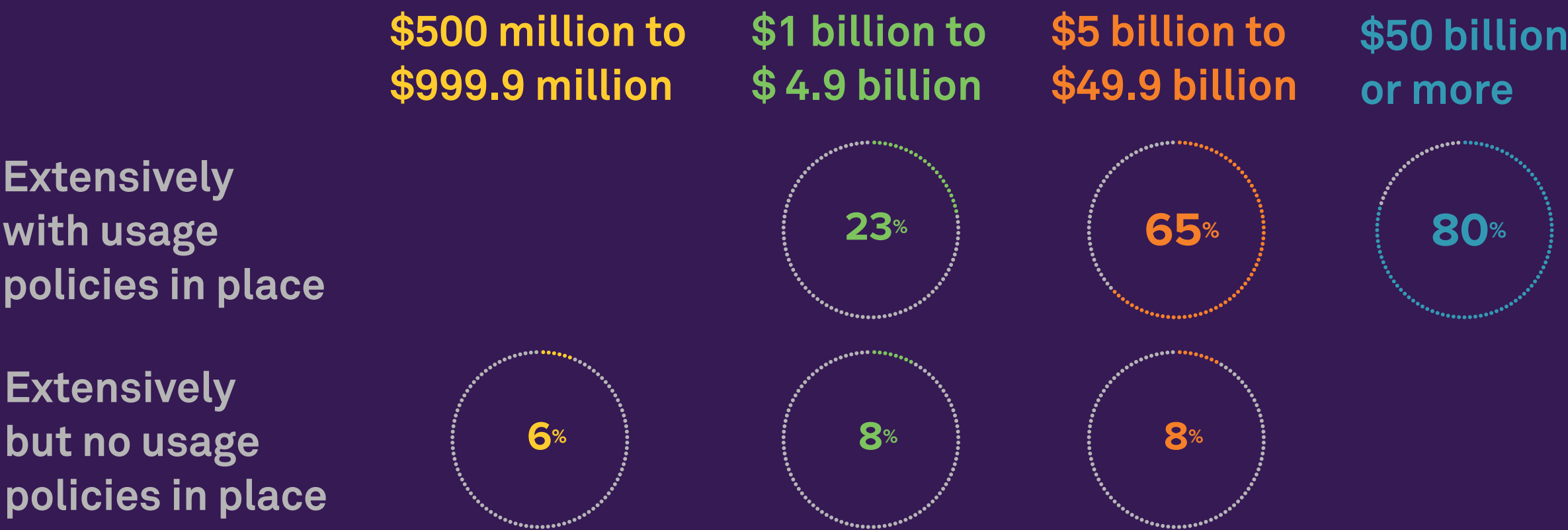
The research underscores the magnitude of AI's impact: insurers anticipate significant benefits across multiple areas, with 68% expecting improved risk assessment accuracy and cost savings, 65% foreseeing enhanced regulatory compliance, and 62% predicting higher customer satisfaction levels.



Executive Summary

Current landscape of AI in insurance

How much has your organization integrated AI into insurance underwriting processes?

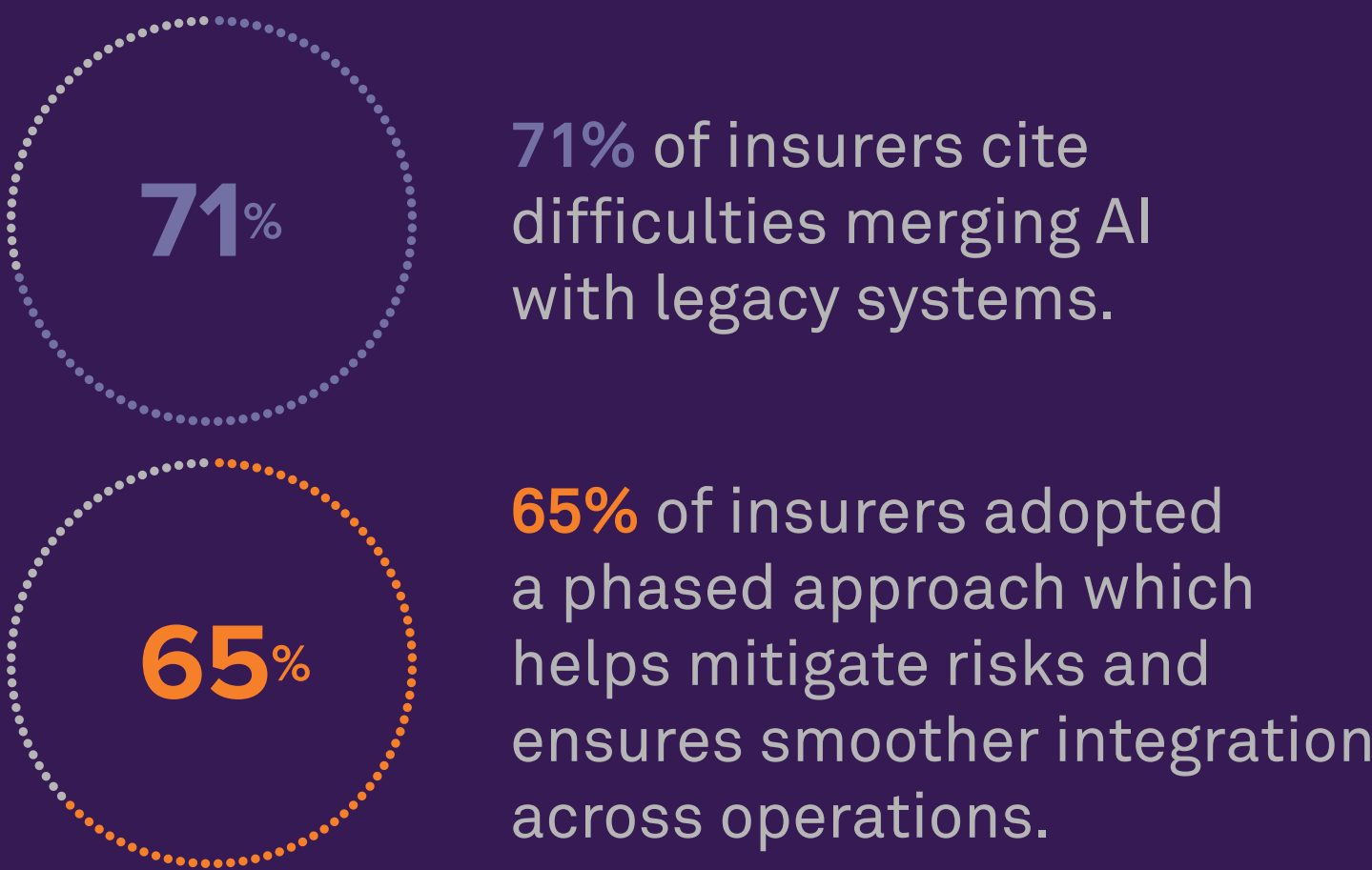


Future Benefits of AI in Underwriting

How much do you agree or disagree with the following statements about the role of AI across all activities and processes in your firm?



Challenges of AI adoption



Investment projections

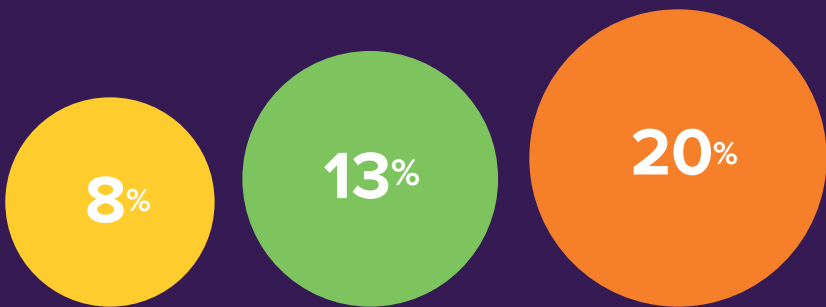
What proportion of your financial year's IT spend is allocated to AI technologies in your firm?

(Mean average %increase of IT spend allocated to AI)

Current Financial Year (2024)

Next 1 - 2 years

Next 3 - 5 years



Executive Summary

These findings emphasize AI's potential to transform core insurance operations while creating new opportunities for innovation and growth. This technological evolution comes at a crucial time for the insurance industry, which faces mounting challenges including regulatory pressures, rising operational costs, increasing customer expectations for personalized services, and the need for more efficient risk assessment processes. AI emerges as a critical tool for addressing these challenges, with insurers planning to increase their AI investment from current levels of 8% of IT budgets to 20% within 3-5 years.

The research reveals that success in AI adoption requires a strategic approach, with firms focusing on robust data management, ethical governance frameworks, and comprehensive training programs. As the industry continues to evolve, those insurers that effectively leverage AI while maintaining strong governance and ethical practices will be best positioned to lead in an increasingly competitive and dynamic market.



About Wipro

Wipro Limited is a leading technology services and consulting company focused on building innovative solutions that address clients' most complex digital transformation needs. Leveraging our holistic portfolio of capabilities in consulting, design, engineering, and operations, we help clients realize their boldest ambitions and build future-ready, sustainable businesses. With about 230,000 employees and business partners across more than 60 countries, we deliver on the promise of helping our clients, colleagues, and communities thrive in an ever-changing world.

Chapter 1

The Current Landscape of AI in Insurance

AI is reshaping underwriting, enabling insurers to make faster, more accurate decisions while delivering better customer experiences.

Across the industry, firms are actively building AI into their processes, refining governance frameworks, training staff, and collaborating with external partners to unlock the full potential of AI.



AI Adoption: A Two Speed Market

Our survey reveals that all insurers are integrating AI into underwriting to enhance efficiency and precision. However, adoption levels indicate a two-speed market. Nearly half (46%) of firms have extensively implemented AI systems into their workflows, primarily to process large volumes of structured and unstructured data—a task increasingly difficult for humans alone.


The pressure to process increasing volumes of data is matched by customers' increasing expectation of instant and personalized responses, for producing quotes, answering queries and processing claims. These demands are driving the push for automation and digitization, with insurers turning to AI, machine learning, and natural language processing to deliver seamless, fully digital experiences.

Larger insurers, with well-established AI governance, vast data resources, and mature infrastructure, are driving innovation. Meanwhile, mid-sized and smaller firms face challenges with legacy systems, limited AI expertise, and fewer resources. While they are scaling their AI efforts, this disparity is creating a widening gap in AI maturity across the industry.



AI Adoption: A Two Speed Market

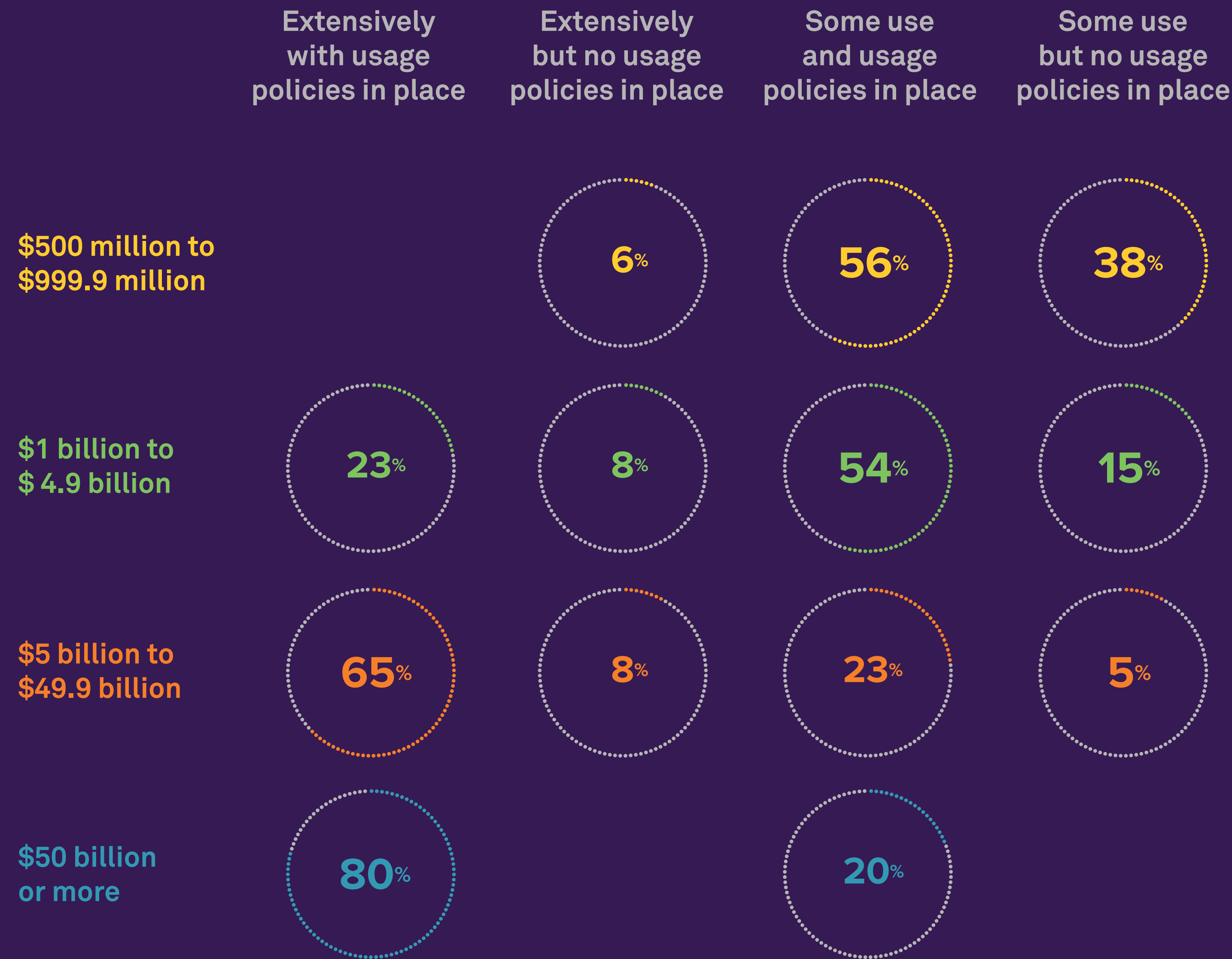
How much has your organization integrated AI into insurance underwriting processes?



As a Wipro expert explains:

“AI has fundamentally changed how we think about underwriting. Most advanced firms that are leveraging machine learning are predicting risk with greater precision, reducing underwriting timelines, and improving policy personalization.”

- **John Weber**, VP Head of US Insurance Practice at Wipro



AI Governance: Addressing External and Internal Risks

The rapid integration of AI also brings challenges, particularly around transparency, fairness, and accountability. While AI enables faster and more accurate decisions, it also introduces risks of bias and reputational damage. Alarmingly, 21% of insurers—and 44% of smaller firms—still lack formal AI usage policies, leaving them exposed to compliance challenges as AI regulations evolve.

The heavily regulated nature of the insurance industry has historically slowed the pace of technological change, as insurers have had to navigate complex legal frameworks and ensure compliance before adopting new technologies. As AI regulations evolve, insurers must be prepared to adapt quickly, both to keep pace with the competition, and to avoid compliance risks. Firms that fail to keep pace with regulatory changes may fall behind more agile competitors that seamlessly integrate AI advancements while remaining compliant.

Beyond external governance concerns, insurers must also address the internal risks. As AI becomes more extensively integrated into systems and processes, distinguishing AI-generated data from human-provided information is becoming increasingly critical. The rise of generative AI models introduces new risks, including manipulation or misrepresentation of risk factors by customers seeking to influence underwriting decisions. Without proper safeguards, insurers cannot rely solely on AI outputs without verifying the integrity of the data they process.



Building Trust Through Ethical AI Adoption

To address potential AI risks, such as failures in transparency, fairness or data integrity, insurers must develop robust governance frameworks to ensure AI systems are used ethically, responsibly, and securely. Establishing clear controls to authenticate and monitor AI-driven data inputs will be essential in preventing manipulation and maintaining trust in underwriting decisions.

As Wipro highlights:

“Insurers must focus on building trust with customers and regulators by embedding ethical practices and transparency into their AI systems. Responsible and transparent AI usage is no longer optional—it is a strategic imperative for long-term success.”

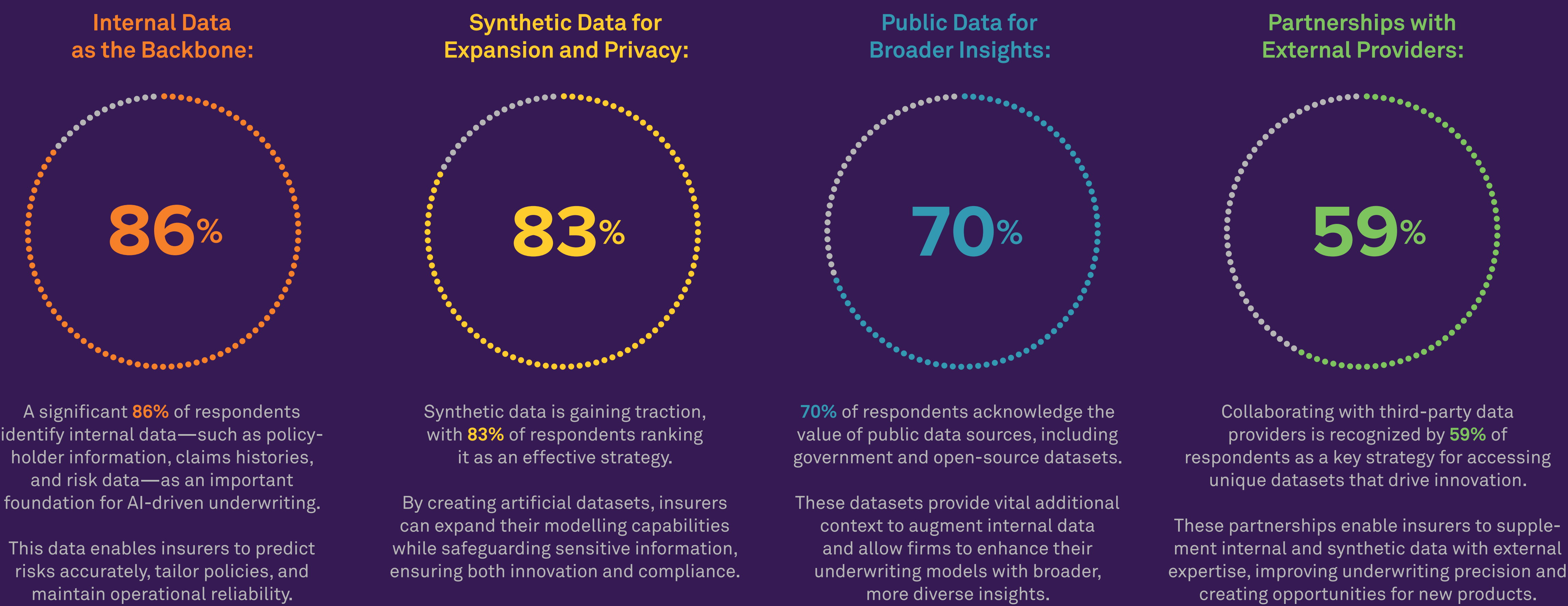
- **Nilay Doshi**, Senior Partner, Insurance Consulting at Wipro

By combining swift adoption with strong governance, insurers are positioning themselves to lead in a fast-moving, data-driven industry while ensuring long-term trust and data integrity.



Data as the Foundation of AI-Driven Underwriting

High-quality data is the cornerstone of AI innovation in underwriting. Insurers rely on diverse datasets to power algorithms that assess risks, refine pricing models, and enhance operational efficiency. The survey highlights several key strategies insurers consider most effective for acquiring and compiling data to train large language models (LLMs) and AI systems:



Data as the Foundation of AI-Driven Underwriting

A Wipro expert underscores the importance of these strategies:

“Data is the foundation of AI in underwriting. Without high-quality inputs, even the most advanced algorithms will fail to deliver actionable insights. Insurers that invest in data infrastructure and cloud solutions are positioning themselves for long-term success. We’ve seen a few examples in the advisory area. The more high-quality data sources an algorithm is connected with, better, and more tailored, recommendations can be made to the end consumer.”

- **Sovon Basu**, Global Account Executive at Wipro

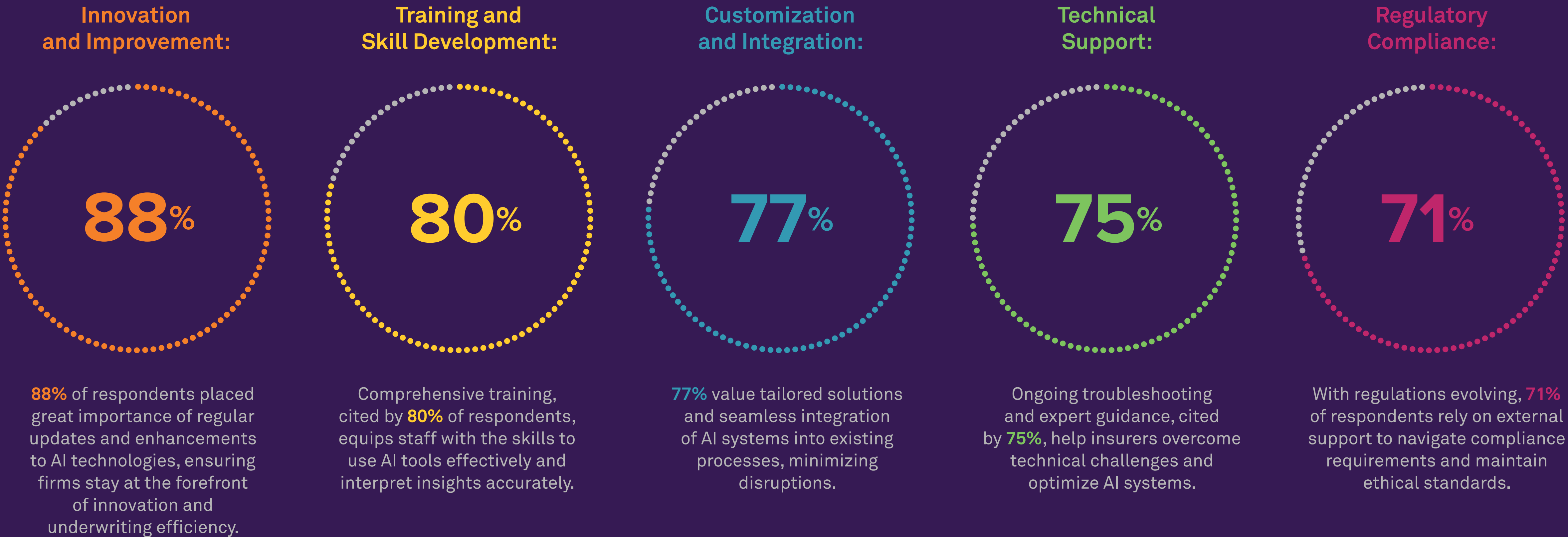
Case in Point from Wipro:

Clients are looking to use AI to tackle challenges like underwriting policies in high-risk wildfire areas. AI improves risk assessment by analyzing vegetation, topography, historical fire data, and weather patterns to predict wildfires’ likelihood and severity. Property insights and real-time data from satellite imagery and IoT devices continuously update these assessments for accurate policy evaluation.



The Human Element in AI Deployment

Our survey data reveals the most valued services from these external partners:



The Human Element in AI Deployment

A Wipro expert explains the complementary relationship between technology and people:

“AI in underwriting is not a substitute for human expertise—it is a complement. Success lies in equipping teams with the skills to interpret AI-driven insights and applying them to nuanced decision-making scenarios.

This combination of technology and human judgment is what drives real innovation. We’ve seen in product lines that require gathering large amounts of structured and unstructured data, AI is able to gather that data, analyze it, bounce that data off a carrier’s underwriting guidelines, and make an informed recommendation to an underwriter in a fraction of the time.”

- **John Weber**, VP Head of US Insurance Practice at Wipro

By leveraging partnerships between cutting-edge tech and skilled professionals, insurers are addressing workforce challenges, building scalable AI solutions, and maintaining compliance, ensuring their AI initiatives are both efficient and sustainable.



Chapter 2

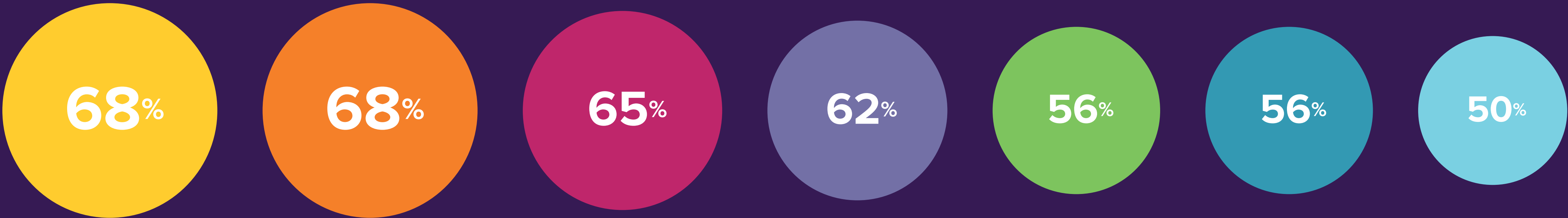
Future Benefits of AI in Underwriting

Insurers expect AI to transform underwriting, offering enhanced risk assessment accuracy, cost savings, and improved customer experience. Survey responses reveal a clear consensus on the impact AI is set to have, even though many benefits have yet to be fully realized.

These anticipated benefits are shaping industry investment strategies today while laying the foundation for a competitive, data-driven future.



Chapter 2 - Future Benefits of AI in Underwriting



1. Accuracy of Risk Assessment

Insurers see improved risk prediction and lower loss ratios as one of the most significant benefits of AI, with **68%** of respondents highlighting it. AI’s ability to analyze large datasets with precision is expected to revolutionize how risks are assessed, enabling more accurate pricing strategies and reducing exposure to high-risk claims.

2. Cost Savings

Efficiency is a key anticipated outcome of AI adoption, with **68%** of insurers identifying cost reduction as a top benefit. By automating processes and minimizing errors, AI is expected to streamline workflows, reduce operational costs, and deliver faster, more reliable service.

3. Regulatory Compliance

AI’s ability to improve compliance and audit efficiency is another major advantage, with **65%** of insurers pointing to the technology’s ability to assist with better adherence to regulatory requirements. Insurers expect AI to simplify compliance tasks, reduce risks, and ensure smoother regulatory interactions in an increasingly complex landscape.

4. Enhanced Customer Satisfaction

Higher customer satisfaction and retention are among the anticipated outcomes of AI use, according to **62%** of insurers. AI’s capacity to enable personalized and faster underwriting is expected to create more seamless customer experiences. From instant quotes to tailored policies, insurers see AI as a tool to build loyalty and foster long-term customer relationships.

5. Increased Policy Volume

Insurers expect AI integration will lead to more efficient underwriting processes, helping them to write more policies overall, with **56%** of respondents identifying this as a potential benefit. By automating time-consuming tasks, insurers believe they can increase their capacity without compromising quality or accuracy.

6. Fraud Detection

AI has an important role to play in detecting insurance fraud, with **56%** of insurers highlighting this as a critical advantage. By analyzing patterns and anomalies more effectively, AI systems are set to aid insurers in proactively identifying fraudulent activity and reducing financial losses.

7. Underwriting Time Reduction

AI is expected to speed up policy issuance, with **50%** of insurers citing faster underwriting as a benefit. By automating routine steps, insurers believe they can deliver faster decisions and improve the overall efficiency of the underwriting process.

Chapter 2 - Future Benefits of AI in Underwriting

How much do you agree or disagree with the following statements about the role of AI across all activities and processes in your firm? (Strongly agree & agree)

AI's Critical Role in Competitive Advantage:



92% of respondents agree that AI is essential for maintaining a competitive edge in customer experience and personalization.



87% view AI as critical for data collection, which is foundational for effective decision-making.

AI's Impact on Risk Assessment and Fraud Detection:



86% highlight AI's role in improving risk assessment accuracy, enabling better pricing and risk management.



83% point to AI's impact on fraud detection and prevention, reducing losses and improving trust.

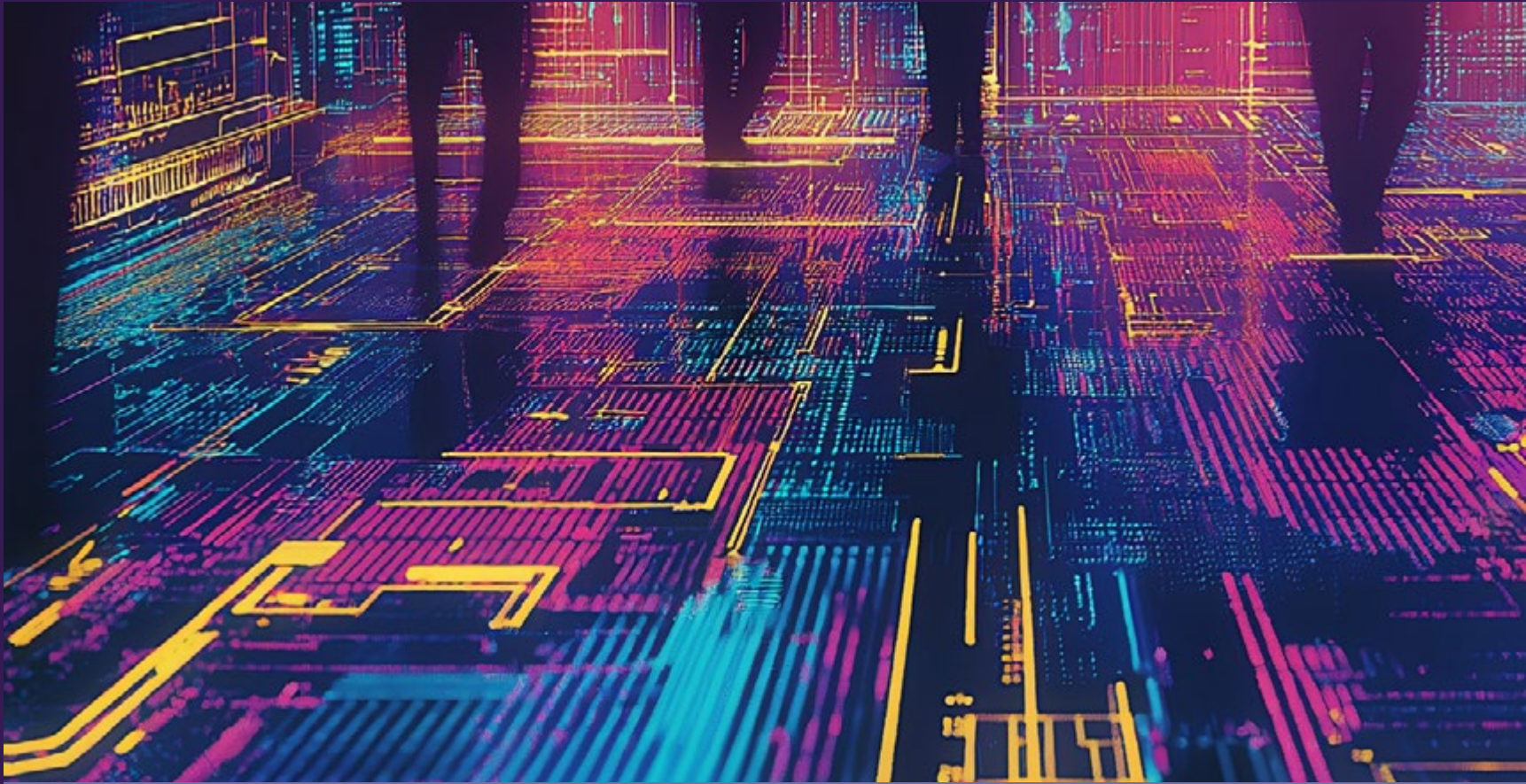
AI's Role in Innovation and Market Expansion:



82% believe a robust cloud infrastructure is essential for unlocking AI's true value.



73% see AI as a tool for capturing additional customer segments, and 70% for enabling market expansion.



“AI is fundamentally transforming underwriting by enabling insurers to move faster, make more accurate decisions, and deliver personalized experiences at scale.

While many benefits are still on the horizon, the ability to anticipate and act on these opportunities is what sets forward-thinking insurers apart.”

- Nilay Doshi, Senior Partner, Insurance Consulting at Wipro

Spotlight on our Client Journeys: Experimentation with AI-Powered Document Ingestion and Underwriting Automation

At Wipro, we have worked with many large, global insurers aiming to enhance underwriting efficiency through AI-driven automation. We regularly see insurance companies facing challenges in managing large volumes of emails and attachments tied to policy submissions, risk assessments, and underwriting decisions. As these documents contain both structured and unstructured data, underwriters need to spend significant time manually processing, classifying, & extracting key information, delaying turnaround times and limiting the ability to benefit from AI-driven insights.

The Challenge

For clients who haven't started integrating AI to power their processes, the underwriting process is often highly manual, resulting in:

- Processing delays that impact underwriting timelines.
- Inefficiencies in document handling, with underwriters spending excessive time sorting and extracting data.
- Limited AI integration in early underwriting stages, missing opportunities for automation and early risk assessment.

As they begin embarking on AI-powered underwriting journeys, many clients are looking to experiment to find a solution to automate document ingestion, improve data extraction accuracy, and accelerate underwriting decisions, while ensuring faster and more precise risk evaluations.



Spotlight on our Client Journeys: Experimentation with AI-Powered Document Ingestion and Underwriting Automation

The AI Solution: “Start Left” with AI

When Wipro partners with clients on underwriting efficiencies we often work with them to experiment with AI-powered document ingestion and classification solutions. For maximum efficiency, our suggested approach is to try integrating AI from the first customer or agent interaction whenever possible—a strategy known as “Start Left”. This AI strategy creates the potential for insurance firms to begin:

1. Extracting email intent and context, identifying underwriting requests automatically.
2. Classifying and processing attachments, distinguishing between loss run reports, financial statements, and other key documents.
3. Extracting structured and unstructured data, reducing reliance on manual entry.
4. Matching extracted data against historical underwriting patterns, improving risk assessment and recommendations.
5. Automating workflow processing, reducing administrative bottlenecks and allowing underwriters to focus on decision-making.

Spotlight on our Client Journeys: Experimentation with AI-Powered Document Ingestion and Underwriting Automation

Looking forward, insurers who create a solid foundation by integrating the “start left” approach are set to be able to supercharge efficiency through processes such as:

1. AI-driven account setup and clearance, reducing processing time.
2. Early appetite checks and qualification, ensuring only viable submissions progress.
3. Pre-underwriting recommendations, allowing brokers and agents to refine submissions before they reach underwriters.
4. Pattern-based risk insights, optimizing underwriting decisions using historical data.

Global insurers are deeply engaged in experimenting with AI capabilities and the advantages they can bring. By starting left as they undergo this transformation, they will find deeper layers of efficiency extending throughout the underwriting lifecycle and ultimately create a smarter, AI-enabled underwriting process.



Looking Ahead:

The AI-driven transformations that we have seen our clients embarking on sets a scalable model for insurers aiming to enhance underwriting efficiency, accuracy, and automation.

Wipro continues to explore predictive analytics, generative AI for document summarization, and intelligent risk automation to support our clients in further optimizing underwriting workflows.

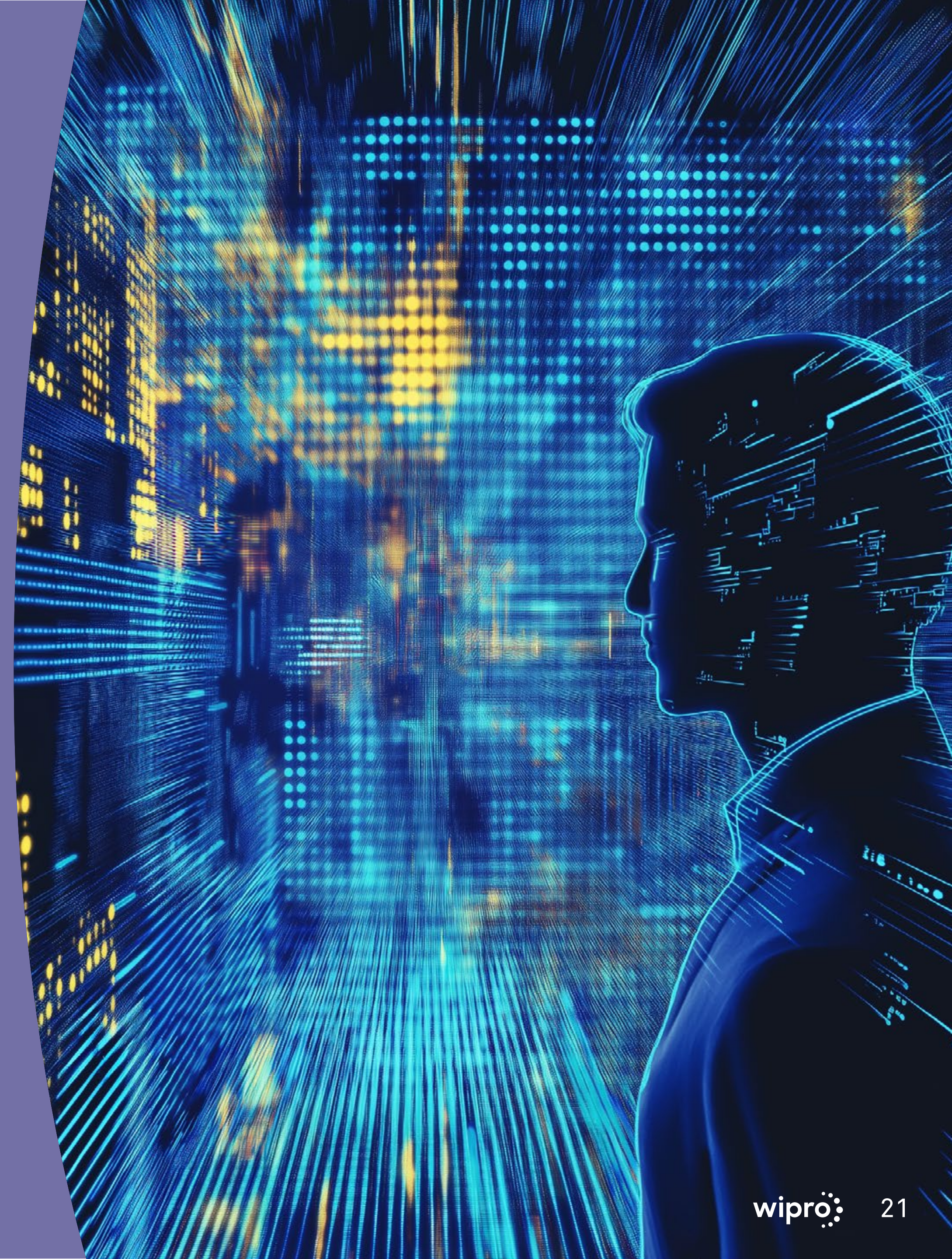
“Embedding AI at the earliest stages of underwriting—before it even reaches an underwriter—creates smarter workflows, reduces inefficiencies, and enhances decision-making from day one.”

– **Nilay Doshi**, Senior Partner, Insurance Consulting at Wipro

Chapter 3

Challenges and Mitigation Strategies in AI Adoption

Adopting AI in insurance underwriting comes with significant hurdles, but insurers are tackling these challenges head-on with targeted strategies.



Integration Issues: Testing the Waters with Pilot Projects

Integration issues are the most pressing concern for AI adoption in insurance, with 71% of insurers citing difficulties merging AI with legacy systems. Outdated IT infrastructure slows implementation and creates inefficiencies.

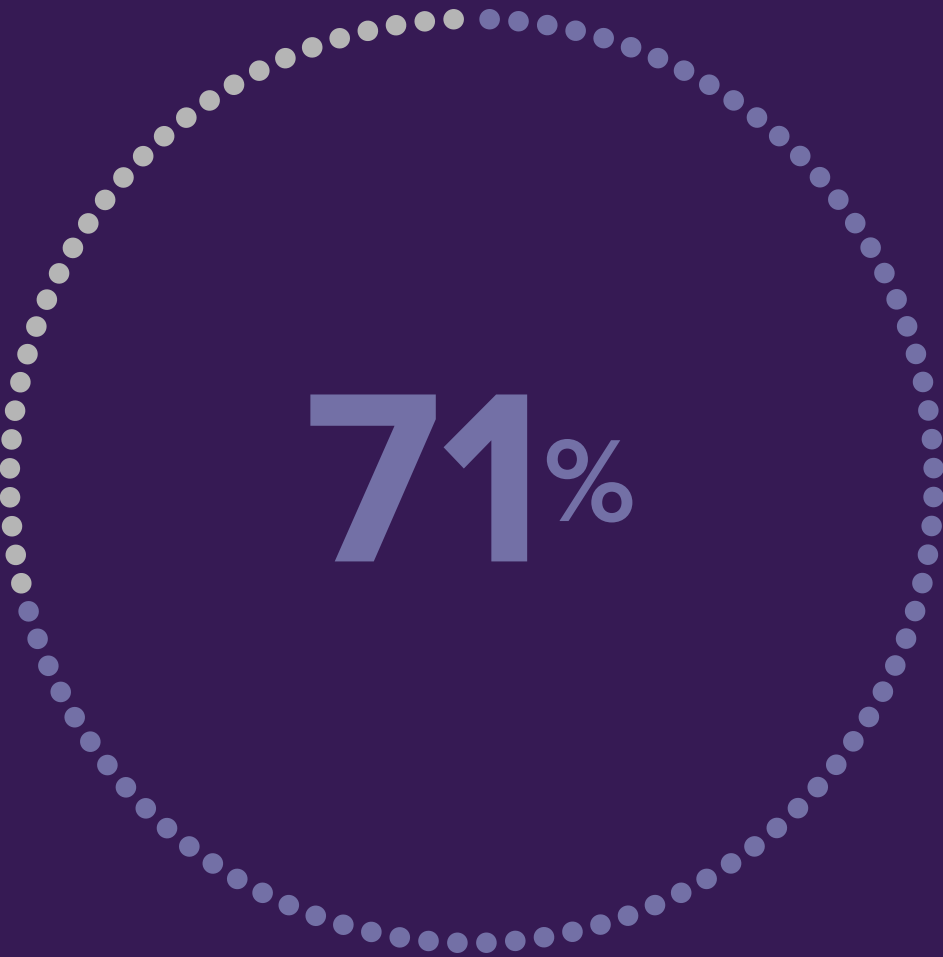
To address this, many firms are starting with pilot projects, allowing them to test AI capabilities on a smaller scale before scaling up. This phased approach, adopted by 65% of insurers, helps mitigate risk and ensures smoother integration across operations.

“Integrating AI into legacy systems is a common challenge, but starting with pilot projects allows firms to identify pain points early and adapt incrementally. This approach ensures seamless integration while minimizing disruption to existing workflows. Our customers are leveraging this opportunity as a catalyst for change.”

- **Sovon Basu**, Global Account Executive at Wipro



Integration Issues:
Testing the Waters with Pilot Projects



71% of insurers cite difficulties merging AI with legacy systems.



65% of insurers adopted a phased approach which helps mitigate risks and ensures smoother integration across operations.



Case in Point from Wipro:

Clients are exploring AI-driven sentiment analysis in the First Notice of Loss (FNOL) process to detect customer emotions early.

This enables personalized support, prevents disputes, reduces litigation risks and expenses, improves claims processing, and enhances customer satisfaction while integrating seamlessly with existing workflows.

This is especially important for tech-driven insurance companies with high levels of automation as it flags the need for human intervention before any costly escalation. AI voice analysis that can detect customers’ emotions and flag when human involvement is needed to avert a potential problem will be the future differentiator.

Cost and ROI Concerns: Gradual Scaling to Demonstrate Value



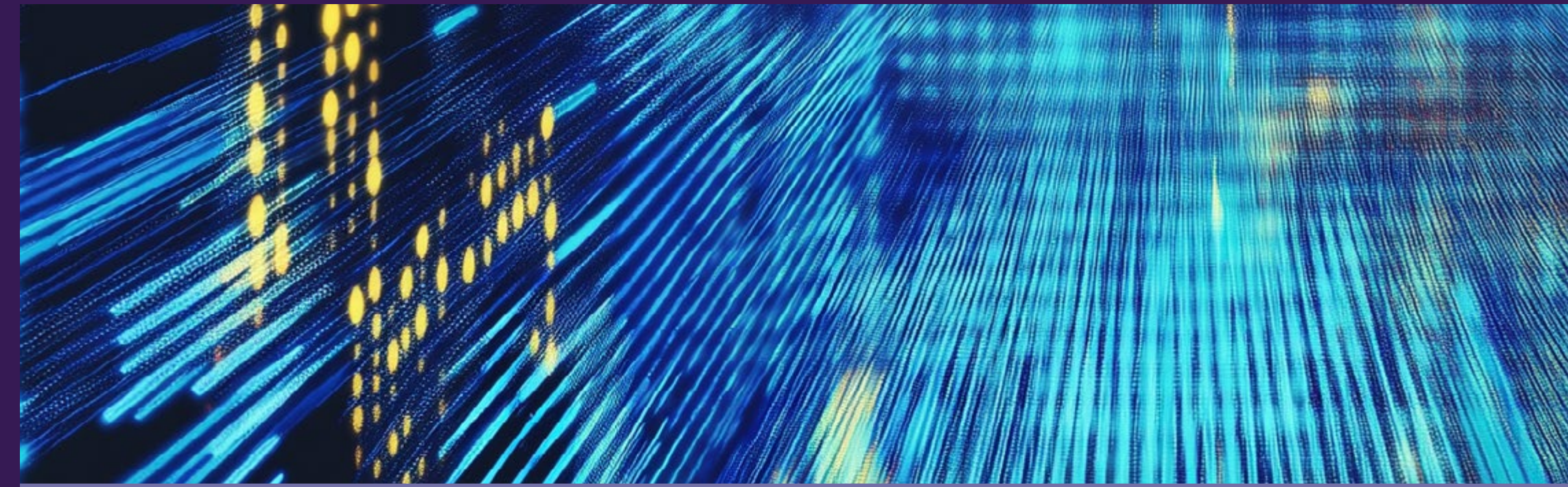
69%

High upfront costs and uncertainty around return on investment are another key concern when integrating AI, identified by **69%** of respondents. Insurers are addressing these financial challenges by gradually scaling their AI initiatives, using successful pilot programs to demonstrate value and justify further investment.



48%

Change management initiatives, reported by **48%**, are also helping organizations align internally and adapt to the operational shifts AI requires.



“AI adoption requires strategic investments, but gradual scaling and demonstrating value through pilot projects can help insurers balance costs and realize tangible ROI.

Building a strong core foundation layer and thoughtful change management are critical to aligning resources and maximizing returns.”

- **Nilay Doshi**, Senior Partner, Insurance Consulting at Wipro

Data Challenges:
Building a Strong Foundation



58%

Data-related issues remain a significant barrier, with **58%** of insurers pointing to difficulties in managing high-quality data and accessing reliable datasets as they integrate AI into their processes.



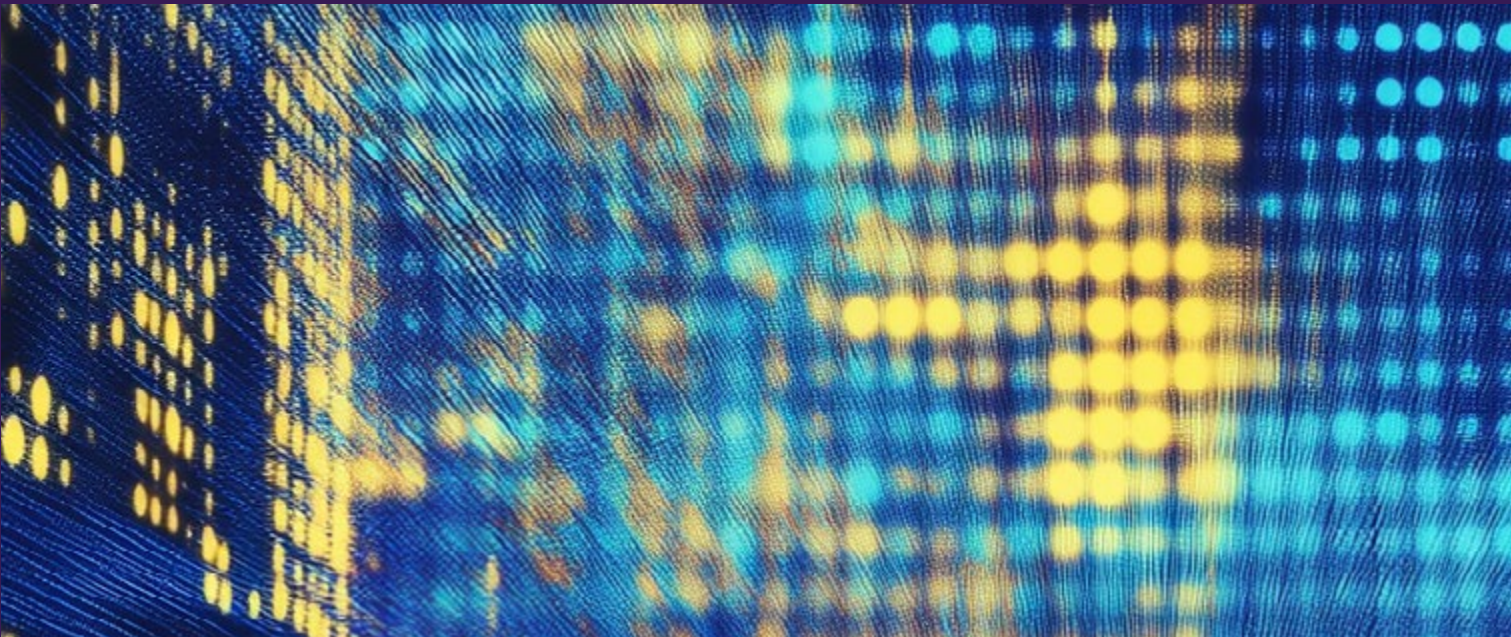
68%

Recognizing the critical role of data in AI success, **68%** of firms are developing robust data strategies to improve quality, accessibility, and management.



57%

These efforts are often complemented by the establishment of data governance frameworks, cited by **57%** of respondents, which ensure ethical data use and compliance with regulatory requirements.



“High-quality data is the backbone of effective AI. Developing a comprehensive data strategy not only improves access and reliability but also ensures that AI systems produce accurate and actionable insights.”

- **Sovon Basu**, Global Account Executive at Wipro

Ethics and Compliance: Embedding Accountability

Ethical and regulatory considerations are another challenge for those incorporating AI, highlighted by 62% of insurers. Many firms are working to navigate the evolving regulatory landscape while addressing concerns around fairness, transparency, and accountability in AI systems.

By embedding ethical considerations into their data governance frameworks and addressing compliance requirements, insurers are fostering trust with customers and regulators alike.

“Insurers must embed ethical practices and regulatory compliance into their AI frameworks from the start. Establishing robust governance structures ensures fairness, transparency, and alignment with evolving laws, fostering trust with customers and regulators alike.”

- **John Weber**, VP Head of US Insurance Practice at Wipro



Collaboration:
Breaking Down Silos



Collaboration between AI experts and underwriting teams is a vital component of successful implementation, yet **54%** of insurers report a need for better alignment across functions. Siloed efforts often lead to inefficiencies and inconsistent results.



To bridge the gap, firms are promoting cross-functional collaboration, a focus for **41%** of respondents. These efforts are helping align technical and operational teams, ensuring AI initiatives meet both business goals and underwriting needs.



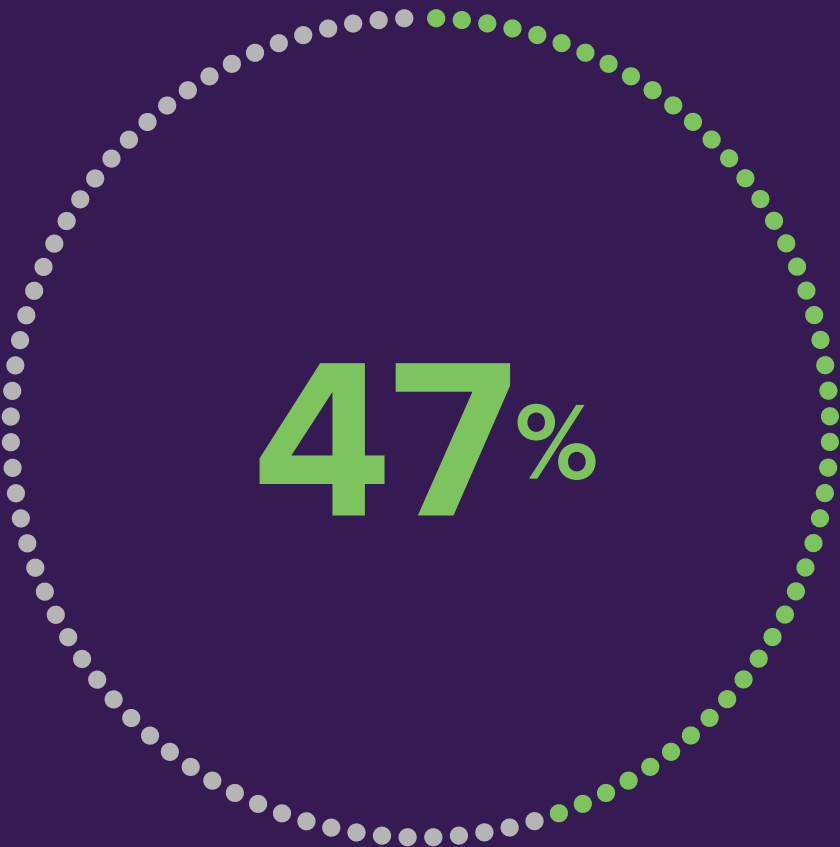
“Siloed AI initiatives limit potential, leading to inefficiencies and inconsistent results. Insurers must adopt enterprise-wide strategies to align AI efforts, fostering communication and shared objectives. This approach ensures scalability, consistency, and the full realization of AI’s transformative benefits across functions.”

- **Nilay Doshi**, Senior Partner, Insurance Consulting at Wipro

Skill Gaps:
Building Internal Expertise



Finally, while only **20%** of insurers cite skill gaps as a primary concern when it comes to implementing AI technologies, the lack of in-house AI expertise remains a challenge for some.



Many firms are investing in targeted training programs, with **47%** addressing the skills gap by upskilling their workforce and hiring AI talent.

These efforts ensure that employees can effectively use AI tools and apply them within underwriting processes.

“The demand for AI and data science expertise continues to grow, but insurers can address skill gaps through a combination of hiring specialized talent and upskilling existing teams.

This dual approach builds long-term capability and resilience.”

- John Weber, VP Head of US Insurance Practice at Wipro



Through these mitigation strategies—phased implementation, robust data management, ethical frameworks, and workforce training—insurers are not only overcoming adoption challenges but also laying the foundation for scalable and sustainable AI initiatives.

By addressing these barriers, firms are positioning themselves to unlock the full potential of AI in underwriting and secure their competitive advantage in a data-driven future.

Chapter 4

The Future of AI Investment – Beyond Underwriting

AI is quickly becoming a cornerstone of insurance operations, extending its impact across all activities and processes within firms. As insurers look to scale their investments, the anticipated benefits of AI are driving this transformation.

Firms understand that achieving enterprise-wide AI adoption is not only about improving efficiency but also about securing a critical competitive advantage.

Investment Trends and Projections

Currently, insurers allocate 8% of their IT budgets to AI technologies, but this number is expected to rise significantly—13% in the next 1–2 years and 20% within 3–5 years. Larger firms and those who are already extensive AI users are leading the charge, with higher budget allocations aimed at scaling AI-driven innovation across multiple functions.

This upward trend reflects the growing importance of AI as a driver of long-term competitiveness. A Wipro expert explains:

“AI is redefining the future of insurance. Firms that invest in enterprise-wide AI adoption will lead the market, while those that delay risk being left behind. AI is no longer optional—it’s essential.”

- Nilay Doshi, Senior Partner, Insurance Consulting at Wipro



Investment Trends and Projections

What proportion of your financial year’s IT spend is allocated to AI technologies in your firm?

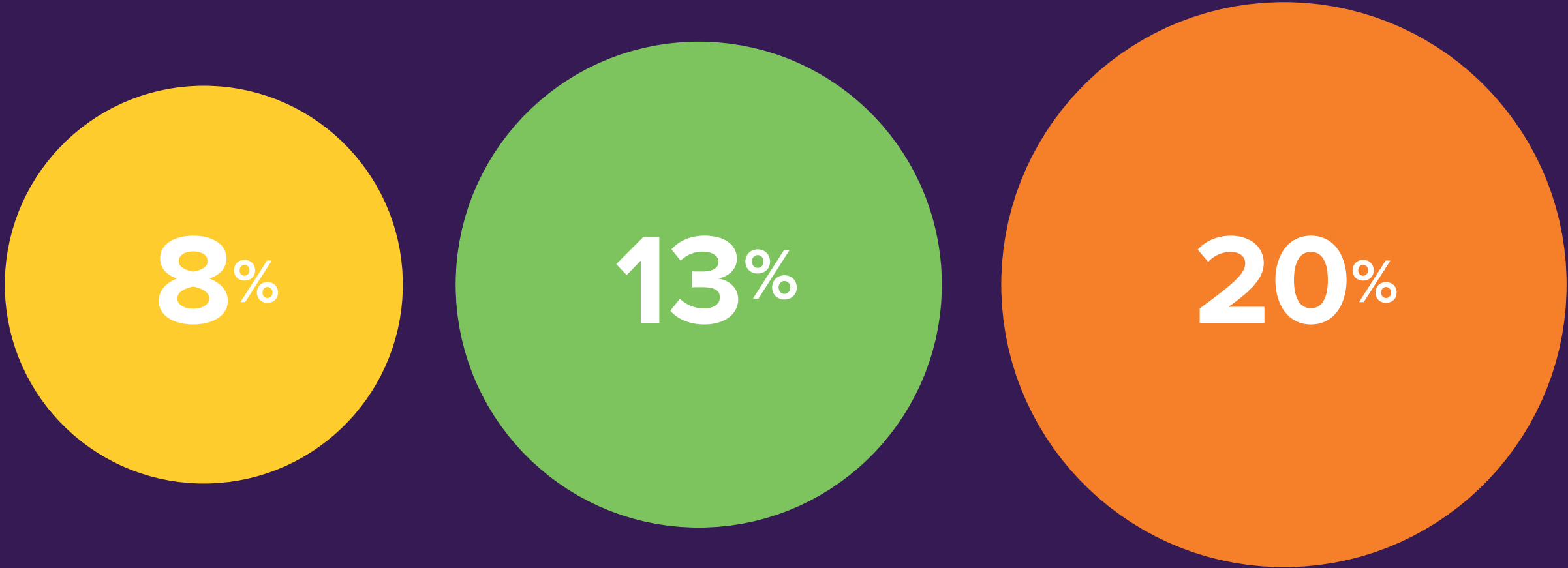
(Mean average %increase of IT spend allocated to AI)

Current Financial Year (2024)

Next 1 - 2 years

Next 3 - 5 years

Total:



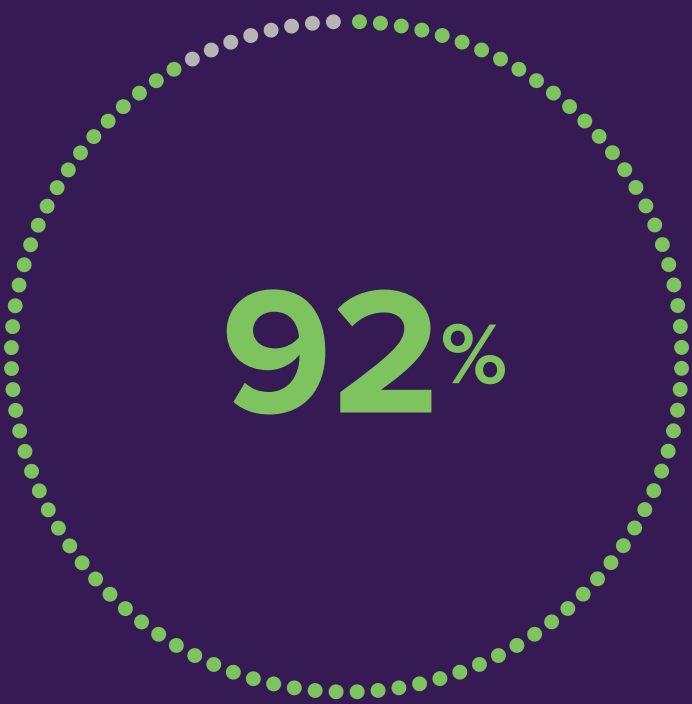
AI’s Role in Creating Competitive Advantage

AI’s influence in the insurance industry extends beyond underwriting, with insurers leveraging AI in dynamic pricing models, hyper-personalized policy offerings, and real-time fraud prevention.

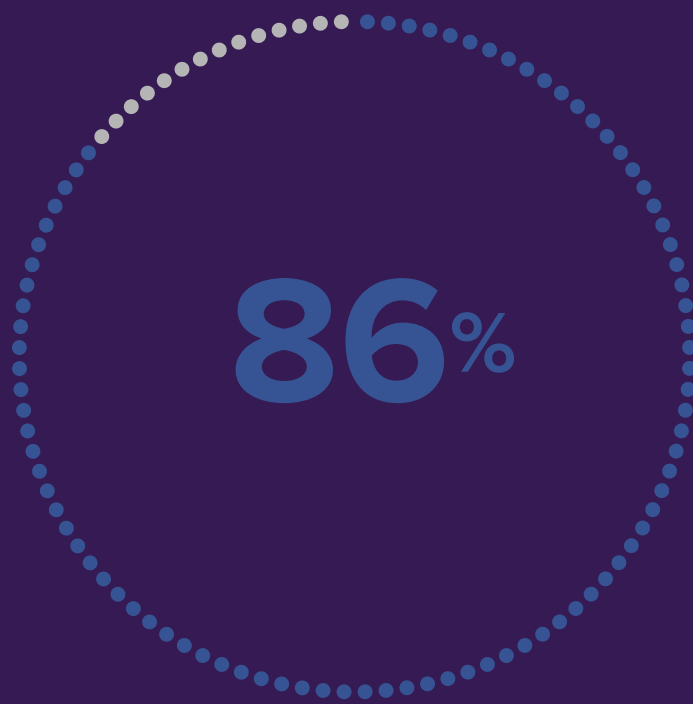
The future of AI in insurance will be defined by its ability to create predictive, proactive, and self-optimizing systems.

The survey results show overwhelming agreement on AI’s role in driving competitive differentiation:

Beyond these operational areas, AI is seen as a tool for capturing additional customer segments (73%) and enabling market expansion (70%), helping insurers stay ahead in a dynamic industry.



agree AI is essential for maintaining competitive advantage in customer experience and personalization.



highlight AI’s role in risk assessment accuracy, enabling better pricing and risk management.



view AI as critical for data collection, a foundation for effective decision-making.



point to AI’s impact on fraud detection and prevention, reducing losses and improving trust.

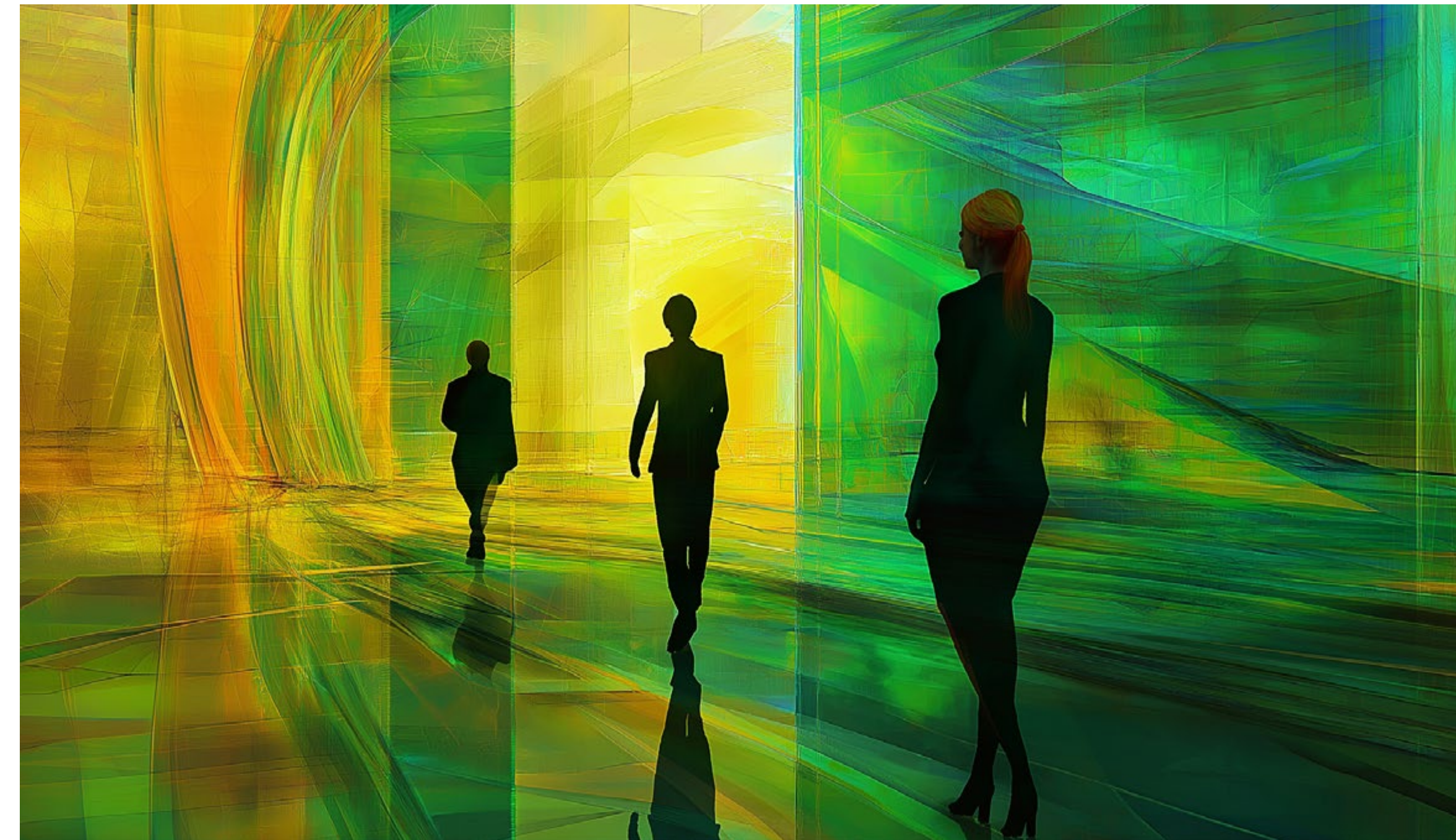
Enterprise-Wide Strategies: A Path to Scalability

Insurers recognize that achieving the full potential of AI requires an enterprise-wide approach. A robust cloud infrastructure, highlighted by 82%, is essential for unlocking the true value of AI by enabling scalability, data accessibility, and seamless integration across systems.

However, successful expansion of AI technologies hinges on first addressing the foundational challenges covered in earlier chapters. Firms must resolve integration issues, build robust data strategies, and establish ethical governance frameworks. Additionally, having the right IT architecture, data management, and technical capabilities in place is crucial for effectively deploying and scaling AI solutions across an organization.

A structured enterprise-wide AI strategy with clear governance, measurement, and monitoring is essential to prevent uncontrolled expansion of AI technology through an organization's systems and processes. Without these safeguards, AI adoption could mirror the challenges seen in cloud adoption—where firms rapidly migrated to the cloud but later struggled with oversight, cost management, and fragmented environments. While AI adoption is still in its early stages, establishing governance now will ensure scalability without inefficiencies or unintended consequences.

Without these foundational elements, insurers risk inefficiencies, data silos, and the inability to fully leverage AI's transformative potential. These steps are critical to creating a mature AI ecosystem that can scale effectively and drive long-term innovation.



As one Wipro expert notes:

“Enterprise-wide strategies ensure that AI initiatives are aligned with shared objectives, scalable across functions, and capable of delivering transformative benefits consistently.”

- John Weber, VP Head of US Insurance Practice at Wipro

The Cost of Inaction

The need for AI investment is urgent, with 81% of firms planning to increase their AI spending within the next year. Insurers that delay risk losing ground as competitors leverage AI to enhance efficiency, improve customer experiences, and expand into new markets.

By failing to adopt enterprise-wide AI strategies, firms face operational inefficiencies, limited innovation, and an inability to meet evolving customer expectations. This gap between leaders and laggards will only widen as the industry continues to innovate.



Advancing AI Accessibility: The Impact of Chip Technology

The significant infrastructure and computing investments that AI requires have made adoption challenging, particularly for smaller insurers.

However, advancements in chip technology are beginning to drive down costs, making AI more accessible in the future. As more powerful and affordable chip architectures emerge, insurers of all sizes will be able to deploy AI-driven capabilities across their operations.

This shift could accelerate industry-wide adoption, with agile, tech-savvy firms leveraging these advancements to compete more effectively with larger players.



Chapter 5

Recommendations

A roadmap for insurance firms to successfully adopt AI:

1. Define an Enterprise-Wide AI Strategy:

- Align AI initiatives with business objectives to prevent siloed AI implementation.
- Establish AI governance for compliance and transparency to protect brand reputation and mitigate potential risks.
- Deploy core AI capabilities in underwriting, fraud detection, and claims.



A roadmap for insurance firms to successfully adopt AI:

2. Leverage Third-Party Vendors

- Partner with AI solutions provider for enhanced analytics around data and AI.
- Collaborate with experts to accelerate deployment, by boosting training, resources, and implementation support.



A roadmap for insurance firms to successfully adopt AI:

3. Prioritize Quick Wins AI Use Cases

- Focus on underwriting automation, fraud detection, and renewals for immediate ROI.
- Develop an inventory of use cases along with a prioritization framework that will feed into a strategic roadmap.

A roadmap for insurance firms to successfully adopt AI:

4. Build Robust Data Strategies

- Optimize data management, including the use of synthetic and diverse datasets for effective model training.
- Establish robust data governance as foundation for AI.



A roadmap for insurance firms to successfully adopt AI:

5. Upskill Talent

- Develop internal capabilities through structured training to ensure teams effectively utilize AI systems.
- Identify talent gaps and source talent from industry or partners.



Chapter 6

Conclusion

AI's transformative potential in the insurance sector is undeniable. Across underwriting and beyond, firms are already realizing gains in cost reduction, operational efficiency, and enhanced customer experience.

AI-driven automation, predictive analytics, and risk assessment tools are reshaping traditional workflows, enabling insurers to work faster, smarter, and with greater precision.

However, achieving sustainable success with AI requires more than just technological adoption—it demands resilient, strategic investments. Insurers that allocate resources wisely will see returns across multiple areas, from underwriting accuracy and fraud detection to personalized policy offerings and regulatory compliance. As AI continues to evolve, firms that scale their AI capabilities enterprise-wide will be best positioned to drive competitive advantage and long-term growth.



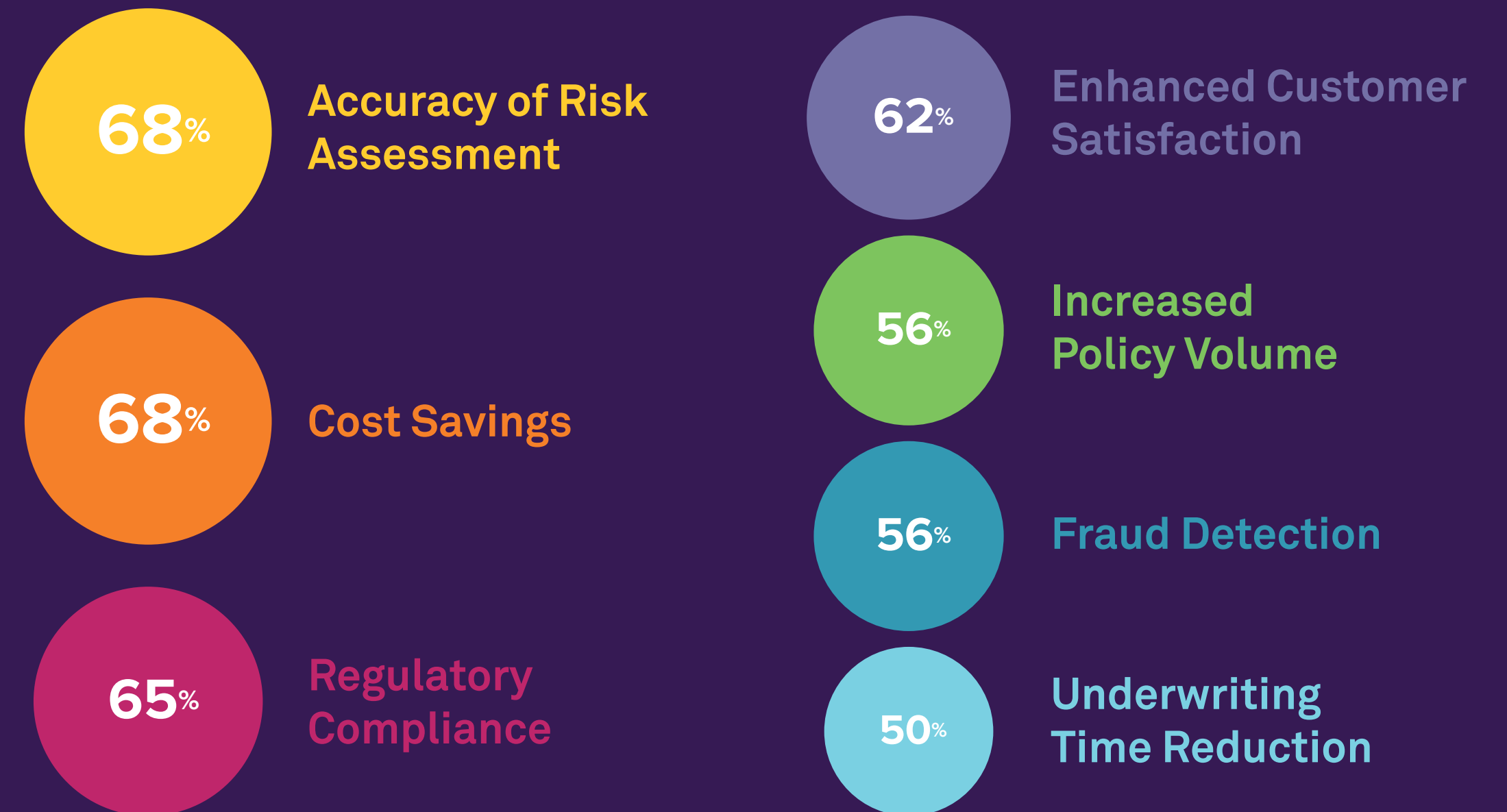
Conclusion

Yet, AI's transformative potential means it comes with a great deal of responsibility. As AI takes on a larger role in critical decision-making, insurers must embed governance, ethical oversight, and transparency into their AI frameworks.

Responsible AI practices are not optional—they are essential for maintaining brand reputation, building customer trust, and mitigating risks associated with bias, data security, and regulatory compliance.

The path forward is clear: insurers that act decisively, invest strategically, and govern responsibly will not only maximize AI's impact but will also define the future of the industry. Those that fail to evolve risk being left behind in an increasingly data-driven and AI-powered marketplace. **AI is not just an innovation—it is the new foundation of success in insurance.**

Future Benefits of AI in Underwriting



Wipro SMEs



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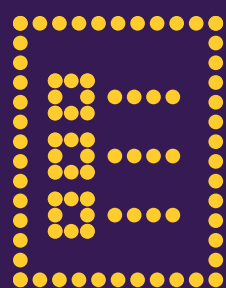
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Study Detail



North America
100 Total Respondents



Methodology
Online Survey



Audience Profile
CXOs and their direct
and indirect reports
in insurance firms
with minimum annual
revenue of \$500M



Fieldwork Dates
October – November
2024



63%

Property & Casualty (P&C) Insurance
(inclusive of commercial, speciality,
auto, home, workers compensation)



44%

Life and Annuities (L&A) Insurance



19%

Reinsurance



14%

MGA (Managing General Agent)

The research has been conducted by [Coleman Parkes Research](#).

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