GenAI in insurance

Spring 2025 survey summary and findings

Conducted March 2025, published July 2025

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Section 01

Methodology of survey

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Background and methodology

As Generative AI (GenAI) continues to advance, and as insurers continue to explore and implement use cases, the EY-Parthenon practice launched a refresh of our “GenAI in Insurance” market research study to understand where insurers are today in their GenAI journey and where they are heading tomorrow across use cases, governance, and value realization.

Conducted in March 2025

N=100

- Respondents included personal property and casualty (P&C) carriers, commercial P&C carriers, and life and annuity (L&A) carriers
- Decision-makers focused on marketing, distribution, underwriting, product, claims, investment, technology and client servicing
- The survey gauged knowledge of respondent firms’ leaders of GenAI initiatives or those with direct involvement in teams managing GenAI efforts, with specific expertise in GenAI applications
- Sample decision-maker titles include (but are not restricted to) chief strategy officer, chief technology officer, head of product development, head of marketing, chief underwriting officer, chief claims officer, chief risk officer, chief marketing officer, chief distribution officer, and other positions in the firm

This document is organized into nine chapters:

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04 Demographics overview
05 Ernst & Young LLP contacts

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Section 02

Executive summary

EY Parthenon

Insurers are continuing to realize value from initial GenAI use case implementation and looking ahead to the full potential of Agentic AI and autonomous agents

1. **GenAI strategy:** Insurers are shifting from ad-hoc GenAI use case implementation to building and scaling autonomous agents that can execute workflows independently across the full value chain
2. **Prioritized use cases:** Insurers are investing in predictive risk assessments, such as mortality/morbidity assessments for L&A insurers and future weather/accident claims events for P&C insurers, as well as automated submissions intake
3. **Governance and operating model:** All insurers have now shifted to operationalizing GenAI through top-down enterprise innovation (versus bottom-up grassroots innovation), with heads of AI teams reporting directly to key decision-makers
4. **Value realized:** Majority of insurers have experienced up to 10% in cost savings and/or revenue uplift driven by productivity and customer experience enhancements, with a sizeable proportion expecting up to 20% in benefits over the next 1–2 years
5. **Barriers to entry:** Data privacy, quality and security, along with inability to integrate legacy IT, remain top barriers to GenAI, while cost and insufficient GenAI expertise are also limiting insurers speed of implementation
6. **Lessons learned:** Regulatory and compliance hurdles, along with output inaccuracy and hallucinations, continue to be managed and mitigated as part of insurers' overall GenAI development and strategy
7. **What comes next:** Agentic AI is top of mind across the industry, with nearly half of insurers identifying agentic AI use cases today and already in the early stages of testing and implementation

Section 03

Survey highlights

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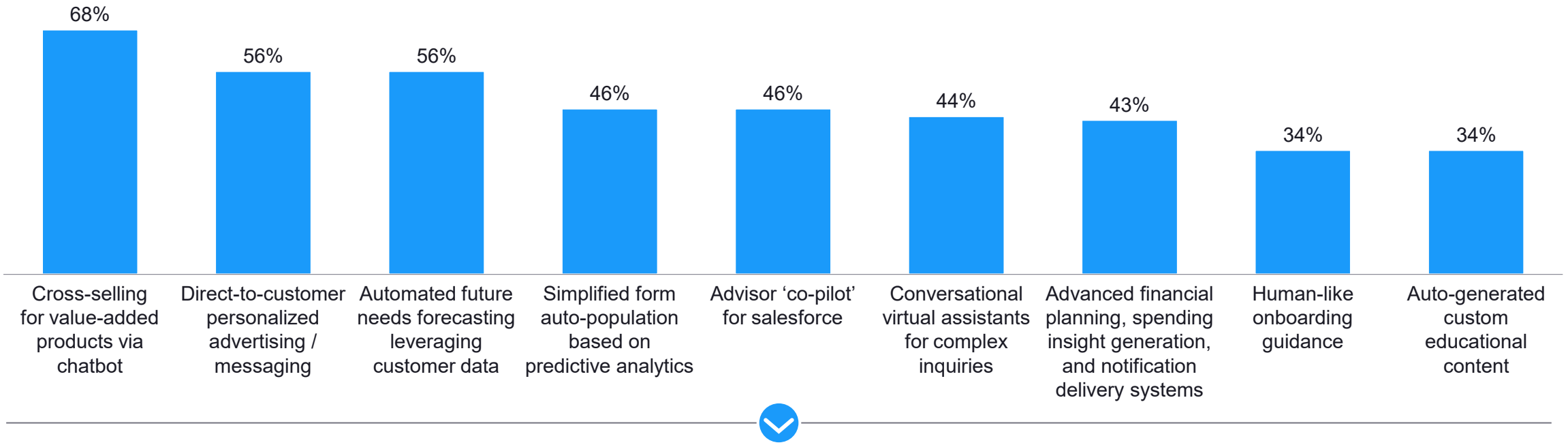
Cross-selling, personalized advertising and automated forecasting are the key client-facing functions where insurers are prioritizing their GenAI investments

Prioritization of investment across client-facing functions

"Where are you prioritizing investment across client-facing functions? Please select all that apply." [n=96]



- A strong emphasis is placed on cross-selling value-added products via chatbots (**68%** overall, with **76%** in Life & Annuity) and direct-to-customer personalized advertising/messaging (56% overall), indicating a strategic focus on enhancing customer engagement and sales
- Automated future needs forecasting leveraging customer data is prioritized by **56%** of all insurers, with even higher interest in Commercial P&C (**60%**) and L&A (**61%**), showcasing a commitment to utilizing data for proactive client service

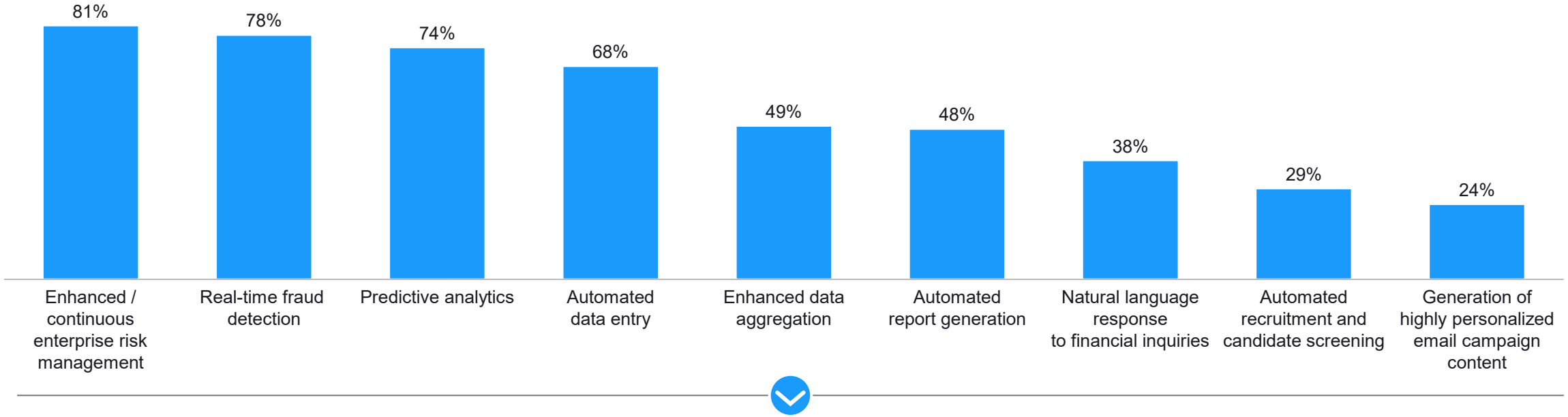
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

For corporate support functions, insurers expect to prioritize investments in risk management, fraud detection, predictive analytics and automated data entry

Prioritization of investment across corporate support functions

"Where do you expect to prioritize investment across corporate support functions? Please select all that apply." [n=100]



- Overall, there is a strong focus on enhanced/continuous risk management (**81%**) and real-time fraud detection (**78%**), indicating a priority on safeguarding operations across all segments. Personal P&C firms show the highest interest in real-time fraud detection at **91%**
- Predictive analytics (**74%**) and automated data entry (**68%**) are key areas of investment across the board, with Commercial P&C firms leading in predictive analytics at **78%**, reflecting a commitment to leveraging data for improved decision-making.
- Investment in other lower priority areas is also a focus across certain carriers: Streamlined employee onboarding (**18%**), Auto-generation of database queries (**17%**), and on-the-job training (**14%**)

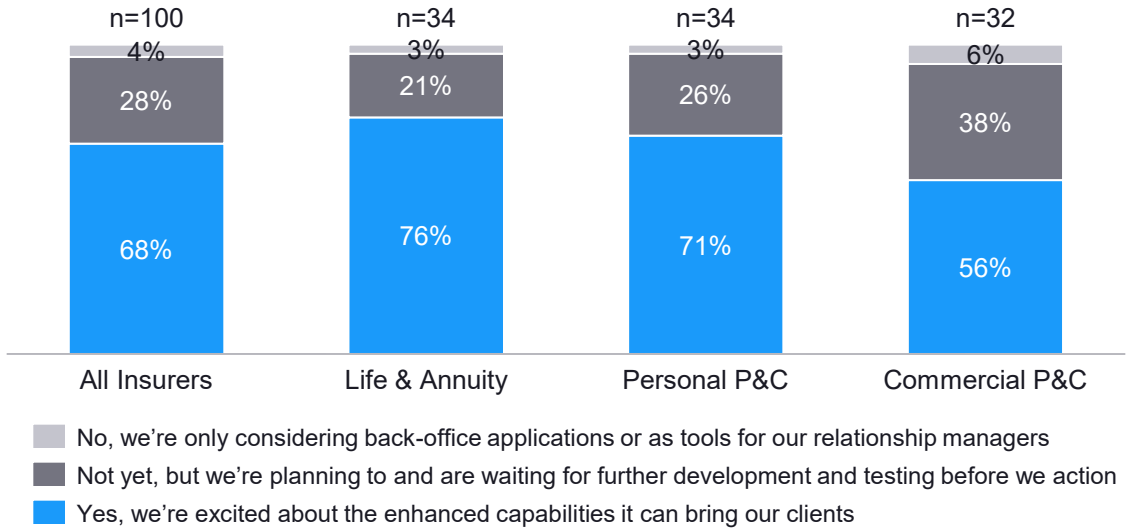
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

A majority of insurers are excited about the enhanced capabilities that GenAI can bring to their clients, especially in customer servicing, sales and marketing and IT

Prioritization of investments across client-facing functions

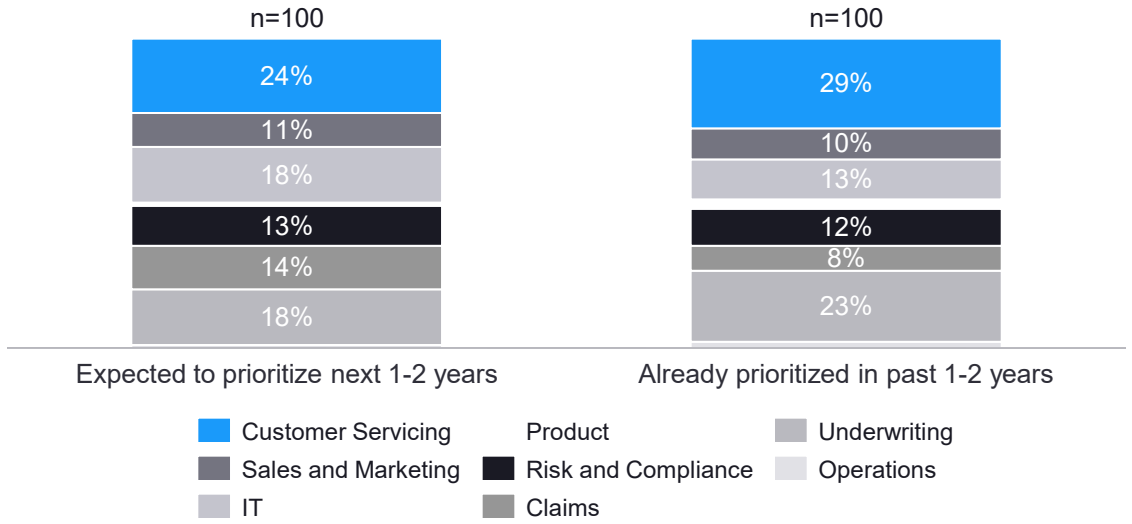
"Has your firm implemented Generative AI in applications that interact directly with clients?" [n=100]



- A significant majority (**68%** overall, with **76%** in Life & Annuity) of firms have already implemented GenAI, expressing excitement about the enhanced capabilities it can provide to clients
- A notable portion (**28%** overall, with **38%** in Commercial P&C) of firms are still in the planning phase, indicating they are waiting for further development and testing before proceeding with implementation

Firm's prioritization in investing in GenAI

"Where along the insurance value chain has your firm prioritized/ expected to prioritize GenAI investment over the past 1-2 years? Please rank the options from TOP to BOTTOM, with TOP choices reflecting the most prioritization." [n=100]



- A notable portion of respondents **(65%)** rank Customer Servicing, Underwriting, and IT as their #1 priority in the past 1-2 years and continue to prioritize over the next 1-2 years.
- IT and Claims have increased priority with IT moving to **#2** and Claims moving to **#4** over the next 1-2 years.

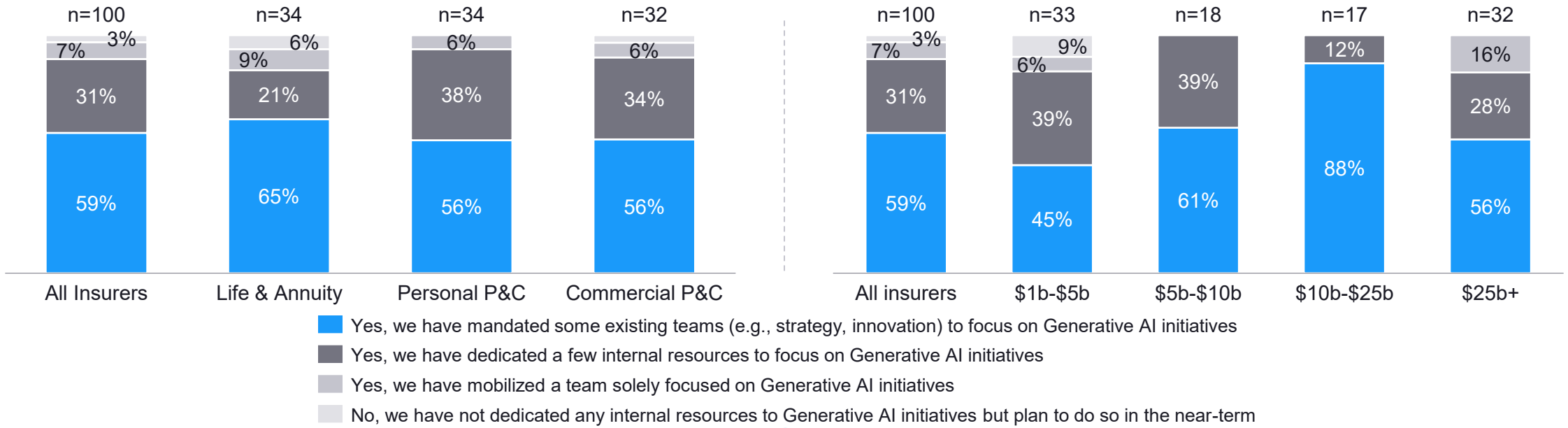
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

~60% of firms have mandated existing teams to focus on GenAI initiatives

Resource allocation for GenAI initiatives by firm sector and size

"Has your firm allocated dedicated resources to Generative AI exploration and/or deployment?." [n=100]



- Personal P&C leads in the allocation of dedicated internal resources, with **38%** of the firms indicating they have dedicated resources compared to **34%** of Commercial P&C firms and **21%** of Life and Annuity firms
- Firms who have mobilized a team solely focused on GenAI is relatively low across all segments, with Life and Annuity at **9%**, Personal P&C at **6%**, and Commercial P&C at **6%**
- Larger firms ($25b+) are more proactive in both mandating existing teams and mobilizing dedicated teams for Generative AI. In contrast, smaller firms ($1-$5b) show a balanced approach, with a notable percentage of firms **(9%)** planning to allocate resources in the near future

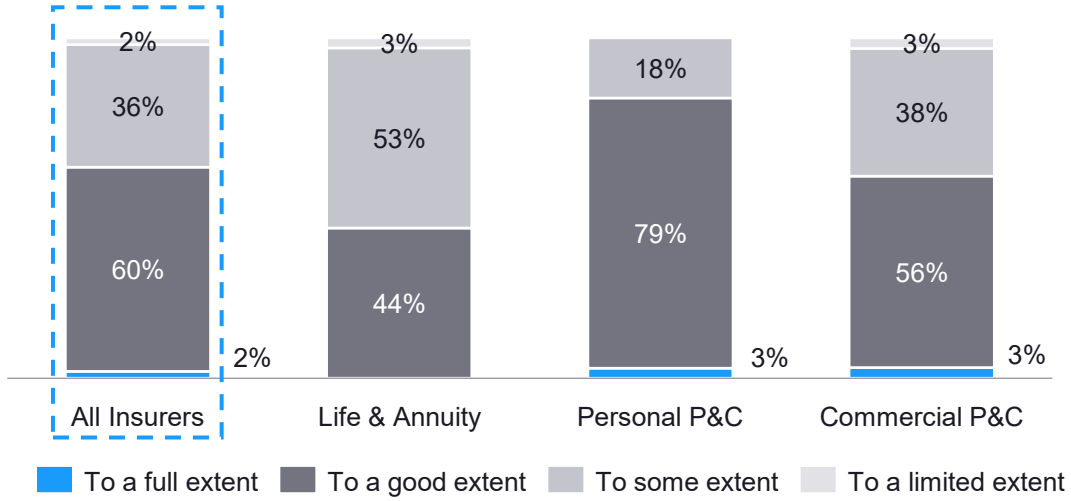
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

~60% of the workforce has the right skills and capabilities to implement GenAI; 65% of firms already have AI training and upskilling in place for targeted groups

Workforce capabilities to implement GenAI

Q. “Does your current workforce have the right skills and capabilities to implement GenAI?” [n=100]



- Personal P&C stands out with **79%** of firms indicating that their workforce has the right skills to a good extent, significantly higher than the overall average
  - In contrast, Life & Annuity firms show a lower confidence level, with only **44%** feeling the same
- **36%** of all insurers believe their workforce has the skills to some extent
  - This is particularly high in Life & Annuity (53%), reflecting a need for further training and development

Workforce upskilling plans for GenAI integrated practices

Q. “Do you have plans in place to train and upskill your workforce in GenAI-integrated work practices?” [n=100]

- The emphasis on targeted groups **(65%)** versus the entire workforce **(2%)** suggests that firms are prioritizing roles that are more likely to benefit from GenAI integration
- Nearly one-third **(29%)** of respondents are in the process of strategizing their workforce development reflecting a growing recognition of the importance of AI skills in the workplace

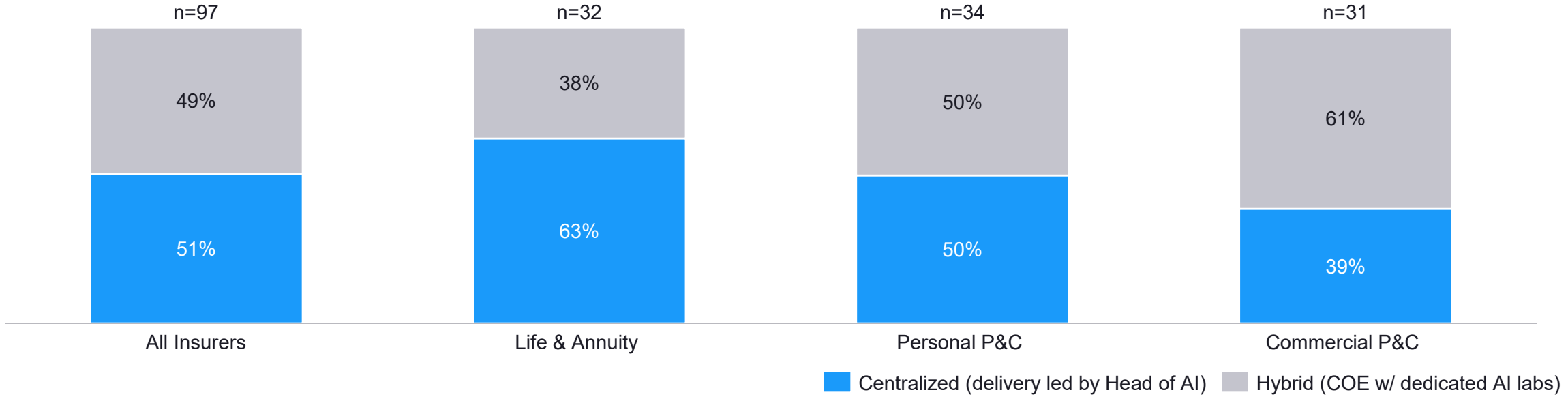
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

All insurers surveyed prefer a top-down approach to adopt GenAI, with life and annuity insurers preferring centralized delivery led by a dedicated head of AI

Delivery model

Q. “What is delivery model for Generative AI initiatives and use cases?” [n=97]

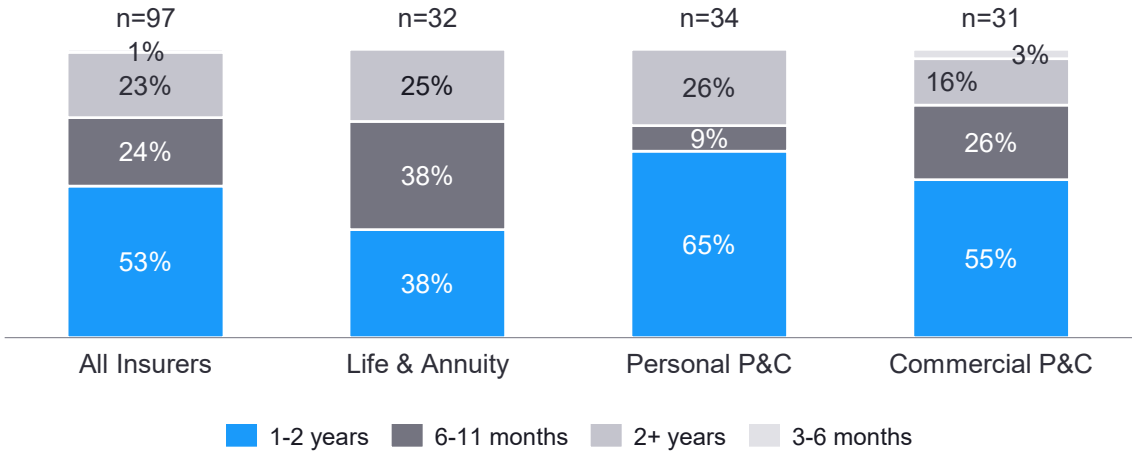


- All firms prefer a top-down approach, indicating a strong organizational commitment to a structured and strategic implementation of GenAI
- The centralized model is more popular among Life and Annuity firms **(63%)** compared to Personal (50%) and Commercial P&C **(39%)** firms, indicating a possible strategic focus on leadership-driven initiatives in this sector
- The preference for centralized and hybrid models among all insurers is almost equal, indicating a balanced approach across the industry

Half of the firms have had a dedicated budget for 1–2 years, and 50% of them expect to allocate 11%–15% of their budget to GenAI team over the next 1–2 years

Dedicated budget tenure by firm sector and size

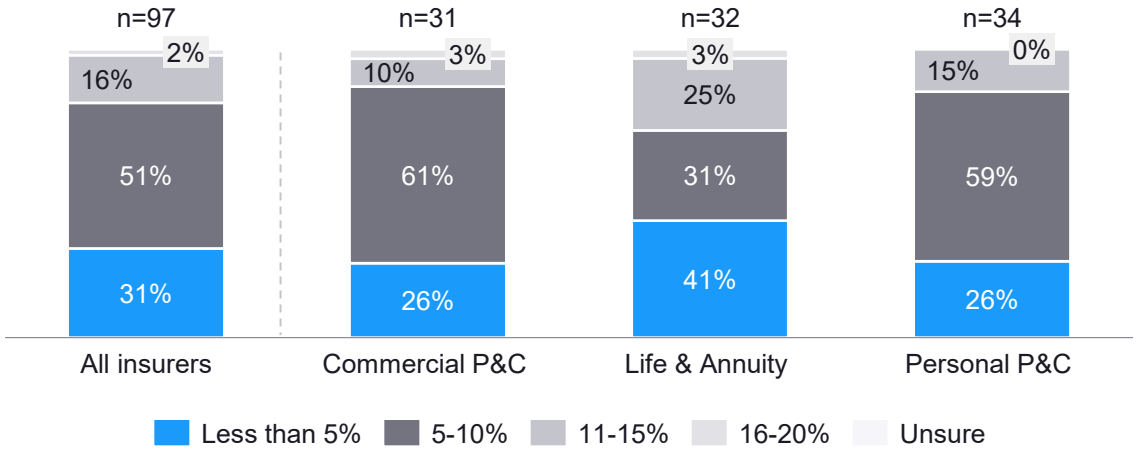
"How long have you had a dedicated budget?." [n=100]



- Only **23%** of firms have had a dedicated budget for 2+ years, suggesting that while many firms are establishing budgets, fewer are committing to long-term financial strategies
- **65%** of Personal P&C firms and 55% of Commercial P&C firms have a dedicated budget for 1–2 years, indicating strong financial commitment, while only **38%** of Life & Annuity firms demonstrate a similar level of budget dedication

Budget allocation to GenAI team

"Approximately what percentage of your firm's budget do you expect will be allocated to mobilizing the Generative AI team in over the **next 1-2 years**?" [n=97]



- No firms across any sector expect to allocate less than 5% of their budget in the next 1-2 years compared to 17% in the past 1–2 years indicating the increasing commitment to investing in GenAI
- Personal P&C insurers have the highest commitment, with ~75% of the firms allocating >10% of their budget for the GenAI team compared to **71%** for Commercial P&C and **55%** for Life & Annuity

Source: EY-Parthenon Insurance GenAI Survey (n=100)

[1]Resources defined as budget

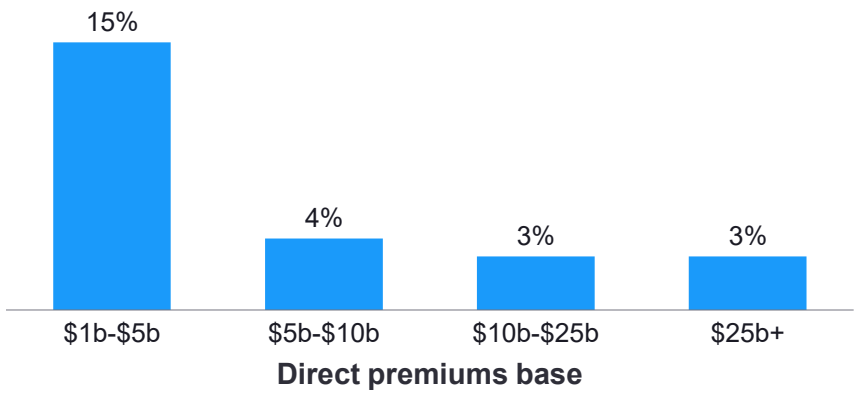
EY Parthenon

For most insurers, spending on GenAI teams is expected to double from $5m–$10m in the past 1–2 years to $11m–$20m over the next 1–2 years

Budget allocation to GenAI team

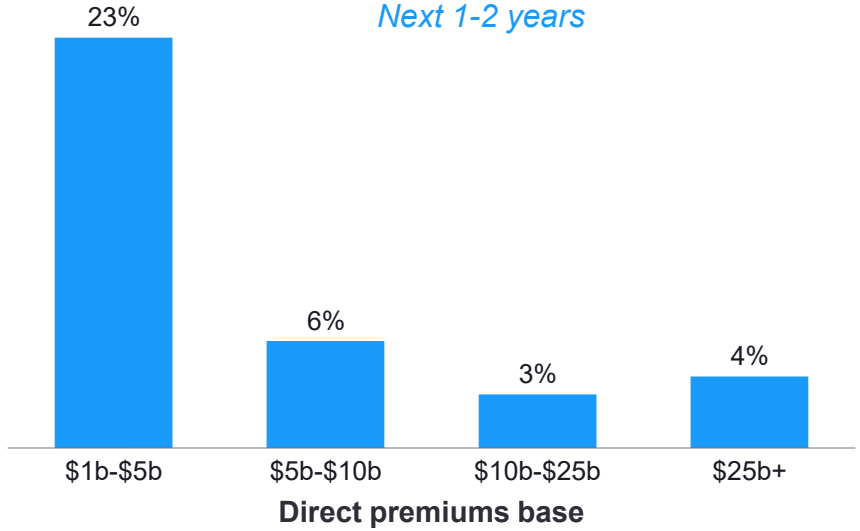
Q. “In dollar amounts, approximately how much of your firm’s budget was allocated to mobilizing the Generative AI team over the last 1-2 years?” [n=97]

% GenAI budget to direct premiums base
Last 1-2 years



Q. “In dollar amounts, approximately how much of your firm’s budget do you expected will be allocated to mobilizing the Generative AI team over the next 1-2 years?” [n=97]

% GenAI budget to direct premiums base
Next 1-2 years



- **In the past 1–2 years**, the majority of budget allocations for mobilizing the Generative AI team fall within the $5m–$10m range, with **52%** for Commercial P&C, **38%** for Personal P&C, and **31%** for Life & Annuity
  - Additionally, there is no allocation reported for the <$1m category across all segments, indicating a preference for more substantial investments rather than minimal ones
- A significant portion of firms expects to allocate $11m–$20m for mobilizing the GenAI team, with **44%** for Personal P&C, **42%** for Commercial P&C, and **38%** for Life & Annuity **in the next 1–2 years**, indicating strong investment expectations across all segments

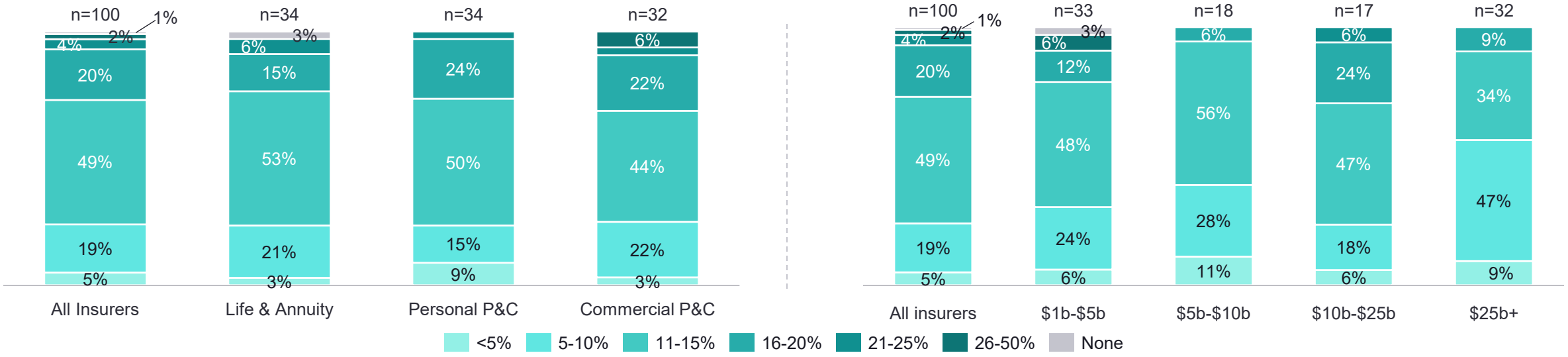
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Most insurers (50%) expect AI to directly impact 11%–15% of their workforce in the next 1–2 years through shifts in roles or responsibilities

Percentage of workforce expected to be directly impacted

"What percentage of your workforce do you believe will be directly impacted (e.g., shift in roles or responsibilities) by Generative AI in the next 1-2 years?" [n=100]



- Nearly half of the firms (**49%** overall) anticipate that 11%–15% of their workforce will be directly impacted by Generative AI in the next 1–2 years, with Life & Annuity firms projecting the highest impact at **53%**
- Additionally, **19%** of firms expect that 5%–10% of their workforce will be affected, indicating a widespread belief in the transformative potential of GenAI across various segments

Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Realized cost savings due to GenAI has been mostly in the range of 5%–10% over the last 1–2 years, and is expected to be in the range of 11%–15% over the next 1–2 years

Departments with greatest cost savings and % saved from GenAI implementation

Q. “What degree of cost savings did Generative AI produce over the past 1-2 years (next 1-2 years) across the following functions?” [n=100]

Cost savings over past years

	<5%	5-10%	11-15%	16-20%	21-25%.	26-50%	>50%	None
Claims	13%	36%	31%	9%	9%	0%	0%	2%
Customer servicing	21%	34%	21%	20%	3%	0%	0%	1%
IT	29%	35%	10%	10%	11%	5%	0%	0%
Finance	18%	55%	18%	9%	0%	0%	0%	0%
Operations	9%	38%	11%	32%	11%	0%	0%	0%
Product	15%	62%	15%	8%	0%	0%	0%	0%
Risk/Compliance	26%	47%	16%	11%	0%	0%	0%	0%
Sales and Marketing	46%	38%	15%	0%	0%	0%	0%	2%
Underwriting	12%	22%	51%	10%	0%	2%	0%	2%
Human Resources	63%	25%	0%	0%	0%	13%	0%	0%
Distribution	0%	100%	0%	0%	0%	0%	0%	0%
Average:	25%	45%	19%	11%	6%	4%	0%	1%

Cost savings in next years

	<5%	5-10%	11-15%	16-20%	21-25%	26-50%	>50%	None
Claims	0%	20%	33%	38%	4%	5%	0%	0%
Customer servicing	1%	28%	26%	22%	20%	3%	0%	0%
IT	8%	27%	32%	6%	11%	13%	2%	0%
Finance	0%	9%	64%	18%	9%	0%	0%	0%
Operations	4%	9%	38%	13%	26%	11%	0%	0%
Product	0%	31%	46%	15%	8%	0%	0%	0%
Risk/Compliance	3%	42%	39%	3%	11%	3%	0%	0%
Sales and Marketing	19%	33%	35%	13%	0%	0%	0%	0%
Underwriting	0%	17%	27%	44%	10%	2%	0%	0%
Human Resources	0%	63%	25%	0%	0%	13%	0%	0%
Distribution	0%	33%	67%	0%	0%	0%	0%	0%
Average:	5%	28%	39%	16%	9%	6%	0%	0%

- The majority of carriers believe that their average cost savings will increase from below 10% to between 11%–20% over the next two years

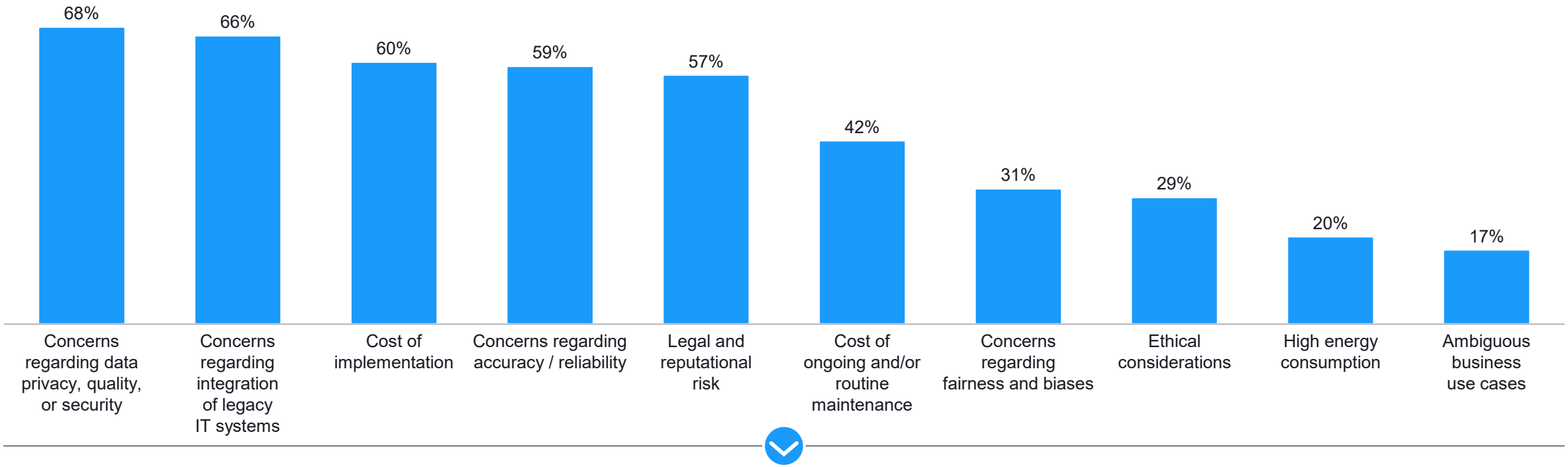
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Data privacy, integration with current IT systems and cost of implementation are the key concerns that insurers have encountered while exploring GenAI initiatives

Challenges and use cases of GenAI technology

"Please select challenges/barriers to implementation that your firm has encountered while exploring Generative AI initiatives?" [n=100]



- **68%** of firms have encountered challenges related to data privacy, quality, or security while exploring GenAI initiatives, highlighting significant concerns that need to be addressed for successful implementation

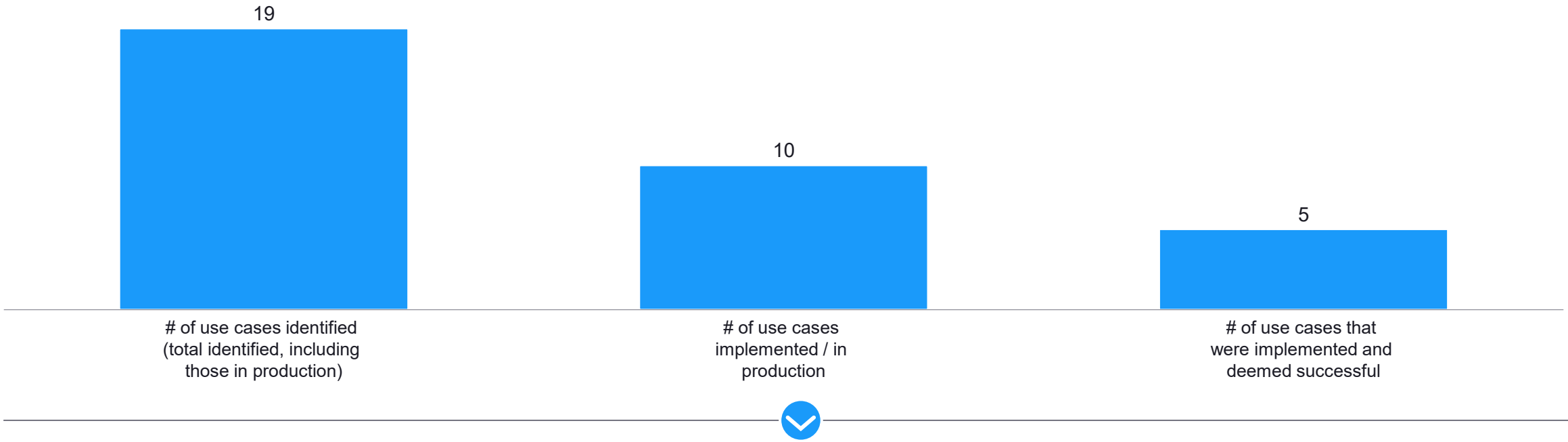
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Insurers have a success rate of ~25% in GenAI use cases – i.e., one in four use cases identified turn into successful implementations

Challenges and use cases of GenAI technology

Q. “What is the total number of GenAI use cases that your firm has identified -> developed -> succeeded? (please enter your answers below from largest # (identified) to smallest # (implemented)?” [n=100]



- Firms have identified a total of **19** GenAI use cases, indicating a strong interest in exploring various applications of the technology
- Out of the identified use cases, **10** have been implemented and **5** have been deemed successful, reflecting a progression from identification to successful application in practice

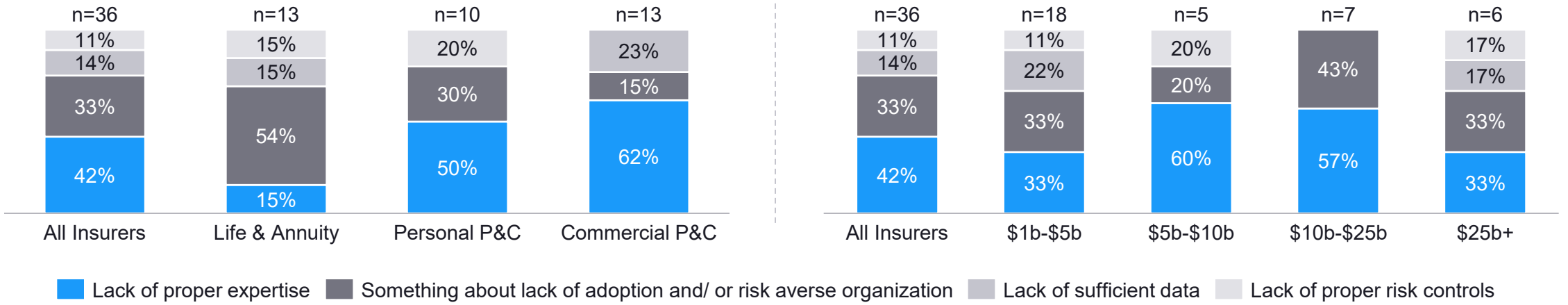
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Lack of expertise is the most cited hindrance for implementing GenAI use cases; life and annuity carriers cite risk-averse organization as the main hindrance

Hinderances to implement GenAI use cases

"What do you feel is holding your firm back from implementing Generative AI use cases?" [n=36]



- The primary barrier identified across all firms is the lack of proper expertise, affecting **42%** of respondents overall
  - Notably, this issue is particularly pronounced in the Commercial P&C sector, where **62%** of firms report facing this challenge
- Lack of sufficient data is a significant concern for Commercial P&C firms, with **23%** of these firms identifying it as an issue. In contrast, Personal P&C firms reported no problems related to data sufficiency

- The lack of proper expertise is the most significant barrier across all categories, particularly high in the $5b–$10b segment (**60%**)
- Lack of proper risk controls is relatively consistent across categories at **11%;** however, it is notably absent in firms with premiums in the range of $10b–$25b
- Large firms ($25b+), despite having access to resources, face hurdles related to risk aversion and the need for proper risk controls

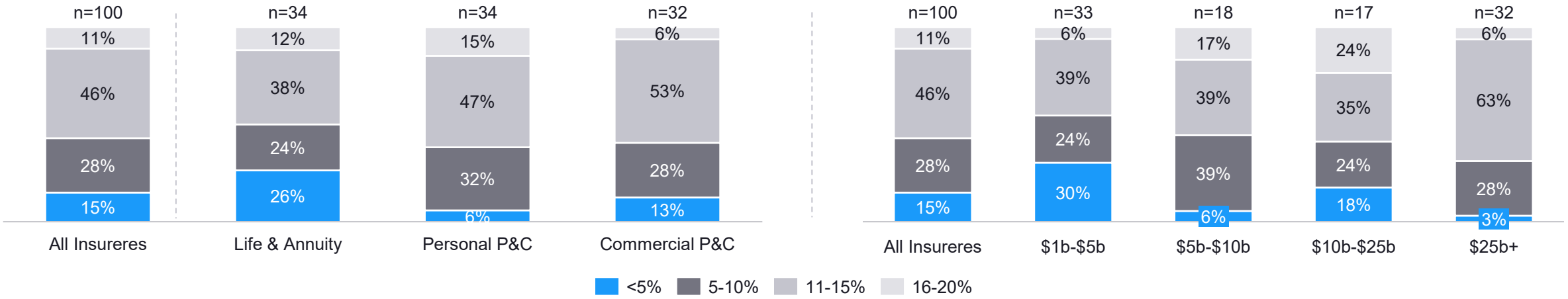
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

A sizable proportion of insurers expect a 11%–15% revenue jump over next 1–2 years due to GenAI, with higher expectations of AI automation viability in the next 5 years

Revenue uplift from implementation of GenAI in the next 1–2 years

"What uplift in revenue would you anticipate from implementation of Generative AI within core insurance functions over the next 1-2 years?" [n=100]



- **46%** of all insurers anticipate an uplift in revenue of 11%–15% from the implementation of Generative AI within core insurance functions over the next 1–2 years, with Commercial P&C insurers leading at **53%**
- **28%** of insurers expect an uplift of 5%–10%, while only 15% foresee an increase of less than 5%, indicating a generally optimistic outlook on the potential revenue impact of GenAI
- **63%** of large firms (>$25b) expect an uplift in revenue of 11%–15% in the next 1–2 years, compared to 46% of all insurers

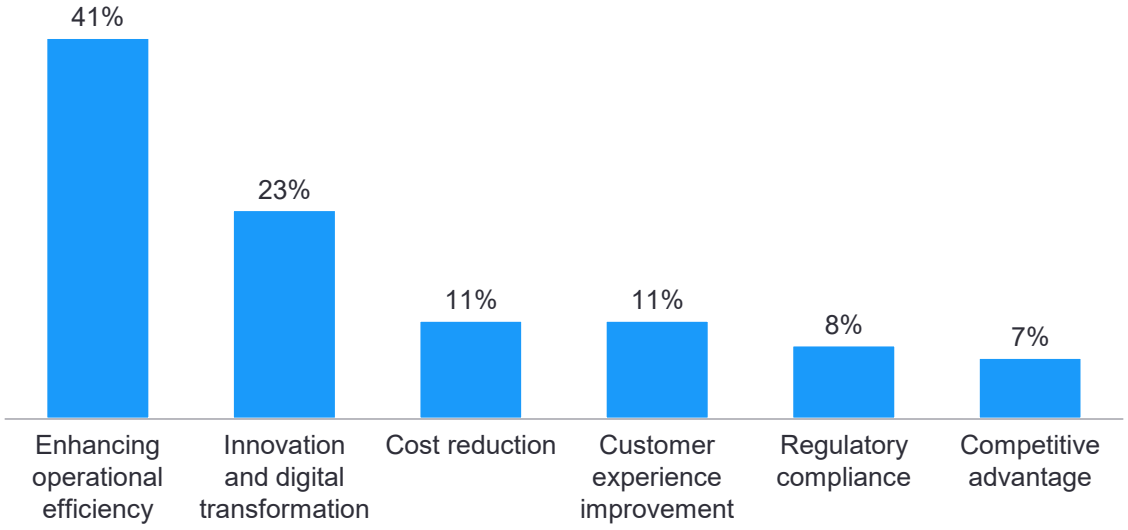
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Enhancing efficiency is the primary motive for adoption of agentic AI, with high expectations to use it for risk assessment and mitigation and for customer service and engagement

Primary strategic rationale for adopting agentic AI technologies

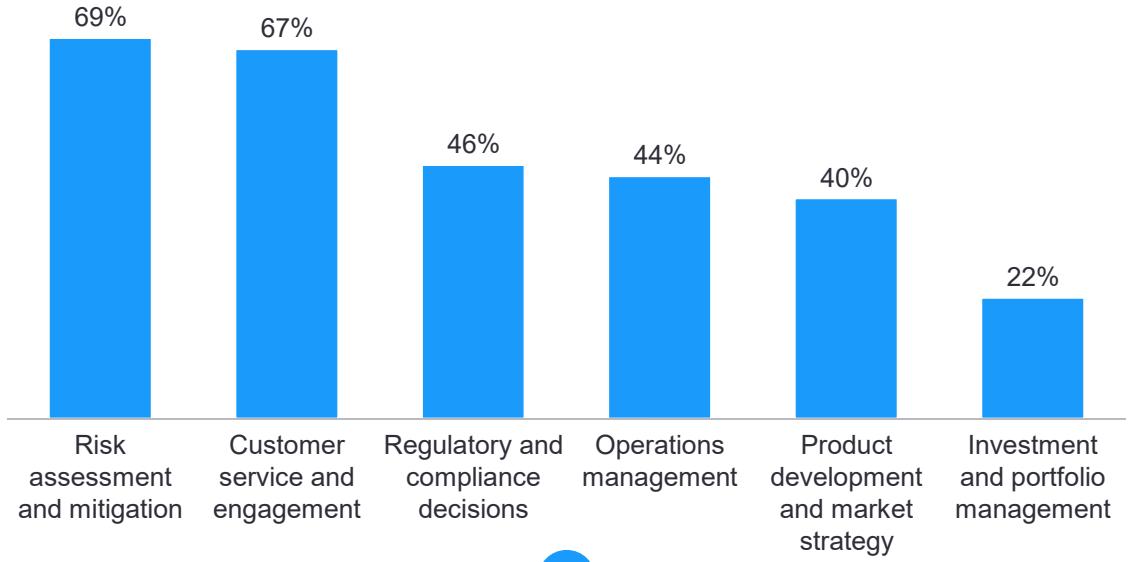
"What is the primary strategic rationale for your organization's interest in adopting Agentic AI technologies?" [n=75]



- The primary strategic rationale for adopting agentic AI technologies is enhancing operational efficiency, with **41%** overall citing this as a key reason, and Personal P&C firms leading at **55%,** indicating a strong focus on improving internal processes

Decision-making areas for agentic AI

"Decision-making areas for Agentic AI: In which decision-making areas within your organization is Agentic AI most frequently used or expected to be used? " [n=75]



- Agentic AI is most frequently expected to be used in customer service and engagement, with **67%** overall indicating this area
- Risk assessment and mitigation is another key decision-making area, with **69%** of all insurers anticipating the use of agentic AI

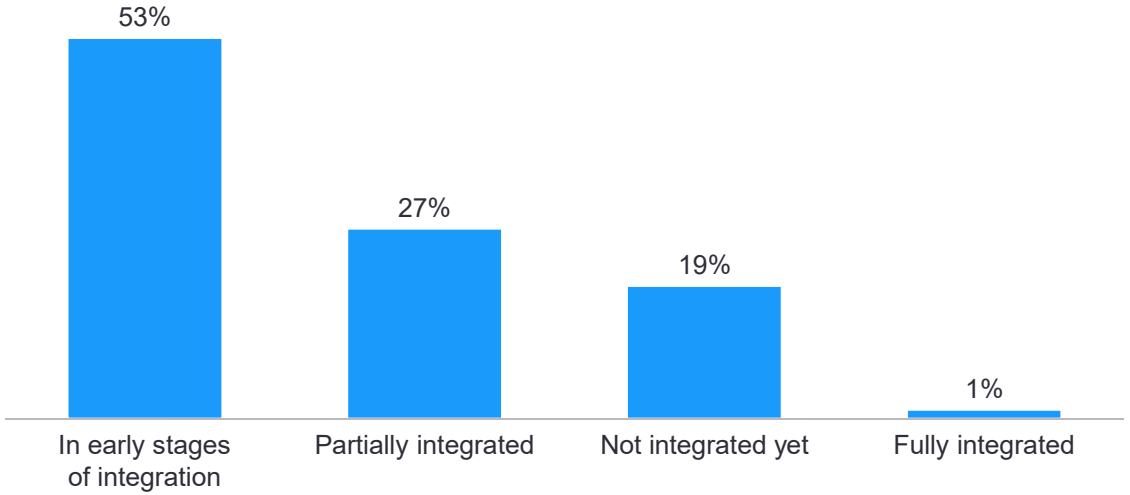
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

~80% of the firms are in early stages or in the middle of integrating agentic AI into their existing workflows; 77% expect integration to be completed within next two years

Integration of agentic AI with organization's existing workflows

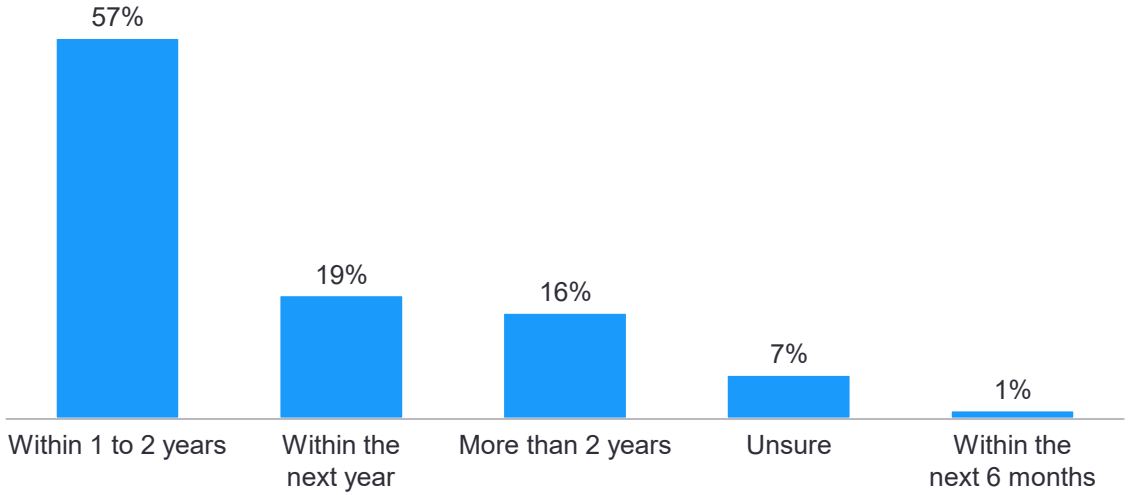
"How integrated is Agentic AI into your organization's existing workflows?" [n=75]



- A majority of firms (**53%**) are in the early stages of integrating agentic AI into their existing workflows, with Personal P&C firms showing the highest percentage at **59%**,
- **27%** of firms indicate that agentic AI is partially integrated, with Life & Annuity firms leading in this category at **42%**

Timeline for integration of agentic AI

"Timeline for Integration of Agentic AI Use Cases: When does your organization expect to have Agentic AI use cases fully built and integrated into business functions?" [n=75]



- A significant majority of firms (**57%**) expect to have agentic AI use cases fully built and integrated into business functions within 1 to 2 years, with Personal P&C firms at **64%**
- Additionally, **19%** of firms plan to achieve full integration within the next year, with Commercial P&C firms showing the highest percentage at **21%**

Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Section 04

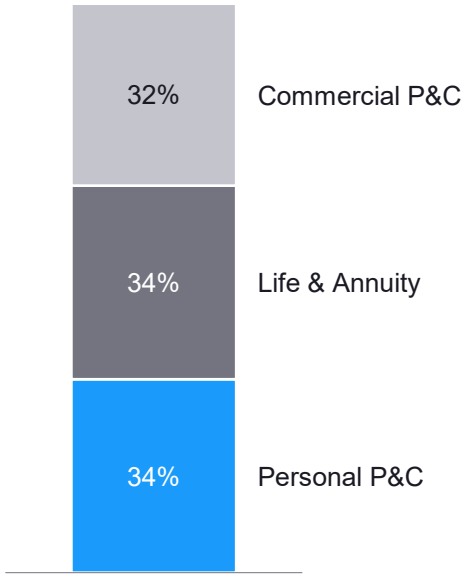
Demographics overview

EY Parthenon

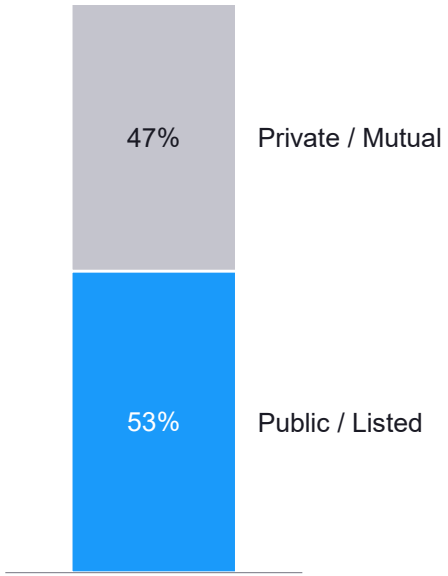
Surveyed demographics by sector, type, role and size

Surveyed insurance companies by sector and type

"Which of the following best describes your primary insurance sector (i.e., majority of DPWs)?" (n=100)

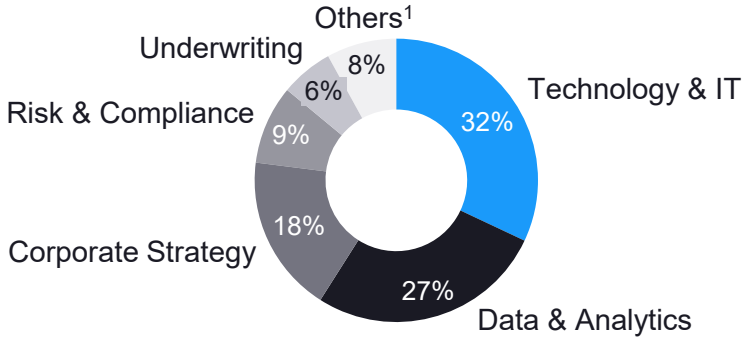


"Is your firm public or private?" (n=100)



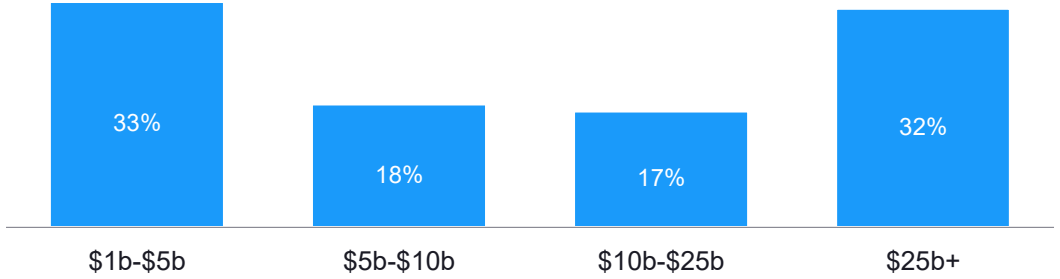
Surveyed insurance respondent's role within firm

"Which of the following best describes your role within the firm or practice?" (n=100)



Surveyed insurance companies by DPW

"What is the size of your institution's "Direct Premium Written" (DPW) base?" (n=100)



1. Others include Business Head (3), innovation (2), Claims Management (1), Human Resources (1), and Product Head (1)
Source: EY-Parthenon Insurance GenAI Survey (n=100)

EY Parthenon

Section 05

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