

# Datos Insights Insurance Technology Conference

Key Takeaways



# Executive Summary

The April 2025 Boston conference highlighted the insurance industry's rapid transformation, with AI adoption accelerating beyond experimentation, as 21% of insurers now use AI in claims processing. Data mastery emerged as the critical differentiator, with top performers outperforming peers by 34%, while strategic partnerships delivering formal vendor management show 18% to 24% cost reductions. The path to 2030 success requires balancing technological efficiency with customer-centricity and treating technology partners as strategic allies rather than transactional vendors.



## Key Findings for Industry Executives

### Strategic Technology Direction

AI adoption is progressing from experimentation to implementation across core operations. By 2030, AI will be broadly embedded across enterprises, with 21% of insurers already using AI in claims processing. Our research indicates that 35% of insurers use AI for summarization tasks, while 22% have implemented document processing solutions. Technology infrastructure will continue shifting from centralized models to integration-focused services, with application life cycles compressing to approximately five years.

### Data Strategy and Monetization

Our discussions highlighted that data mastery is becoming essential for carriers to achieve the expected technological benefits by 2030. As Chris Eberly noted in his keynote, "By 2030, data will flow like money—and the firms that know how to invest, safeguard, and spend wisely will outperform those that just store it."

This perspective was reinforced by our Data Capability Maturity Model research, which shows top-performing insurers outperform peers by 34%, with information utilization and data innovation capabilities showing the strongest correlation to overall success. Only 34% of insurance organizations have comprehensive data governance frameworks, highlighting a significant opportunity for competitive differentiation. The shift from storing data to activating it in real-time decision processes is already separating market leaders from followers.

### Organizational Evolution

By 2030, over 50% of application decisions and budgets will shift to business unit ownership. IT organizations are evolving from infrastructure management to integration specialization, with stronger emphasis on security, engineering services, and cloud efficiency.

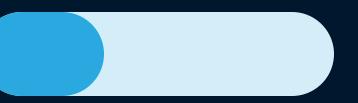
The industry faces talent challenges, with only

23% of insurers reporting sufficient AI expertise, despite 68% citing AI implementation as a strategic priority.



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**-Chris Eberly,**  
Datos Strategic Advisor

**21%**   
of insurers already using AI in claims processing

## Key Findings for Industry Executives

### Regulatory Landscape

Regulators focus on ensuring insurance accessibility while enabling innovation. The industry must prepare for more stringent AI compliance requirements by 2030, including mandated "glass box" models in high-risk lines, real-time logging with AI observability platforms, and integrated life cycle AI governance. Core system modernization remains essential for compliance adaptability.

### Distribution Dynamics

While distribution remains largely agent-centric, it's evolving toward hybrid models. For P&C, 72% of consumers research online, but 65% complete purchases through agents for complex products. In life and annuity, digital applications have increased from 8% in 2020 to 42% in 2024. Significantly, our research shows agent augmentation with AI tools increases productivity by 35%, allowing focus on higher-value customer interactions.

### Industry Financial Outlook

Matthew Palazola from Bloomberg Intelligence provided valuable perspective on market conditions affecting insurers. His analysis highlighted that P&C valuations remain above average historical levels despite being off their near-term highs, with carriers maintaining disciplined underwriting and pricing practices better positioned to weather economic volatility. Palazola outlined how different insurance subsectors face varying conditions in 2025: Commercial insurers face peaking profitability, personal lines may see pressure from tariffs despite high ROEs, reinsurers have shifted catastrophe risk but face ROE uncertainty, and brokers remain a positive inflation play. His analysis demonstrated that insurance companies achieving ROE improvements are those with strong reserve management, strategic business mix shifts, and disciplined capital management.

The presentation showed a correlation between ROE expectations and valuations, with companies projected to achieve higher returns typically commanding premium multiples.

## Distribution Evolution

- **72%** research online;  
**65%** buy through agents (P&C)
- Digital applications grew from **8%** (2020) to **42%** (2024)
- AI augmentation increases agent productivity by **35%**

## Key Findings for Industry Executives

### Strategic Partnerships

In her keynote on "Strategic Allies: Co-Creating Insurance's Future," Jackie Morales emphasized that formalized vendor management delivers an 18% to 24% reduction in technology spending and 31% lower total cost of ownership across the technology ecosystem. She noted that carriers with formal vendor programs are 3.2 times more likely to deploy transformative technologies and achieve 28% higher customer satisfaction scores. As she aptly stated, "The most successful transformations happen when carriers and technology providers operate as strategic allies rather than transactional vendors."

As the industry navigates these changes, successful organizations will be those that balance technological efficiency with customer-centricity, treat technology partners as strategic allies, integrate technical capabilities into business functions, and develop workforce strategies that address demographic shifts and evolving skill requirements.

We appreciate your participation in these vital conversations and look forward to continuing our dialogue on these important topics.

### Key Success Factors for 2030

- Balance technological efficiency with customer-centricity
- Treat technology partners as strategic allies
- Integrate technical capabilities into business functions
- Develop workforce strategies for evolving skill requirements

### Formal vendor management delivers

- 18% to 24% reduction in technology spending**
- 31% lower total cost of ownership**
- 3.2x more likely to deploy transformative tech**
- 28% higher customer satisfaction**



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