

HFS Spring Summit 2025

THE RISE OF SERVICES-AS-S**FTWARE** **THE AGENTIFICATION OF EVERYTHING**

The agentification of insurance

A true, industry catalyst for reinvention, or yet another addition to the toolbox of incremental change?

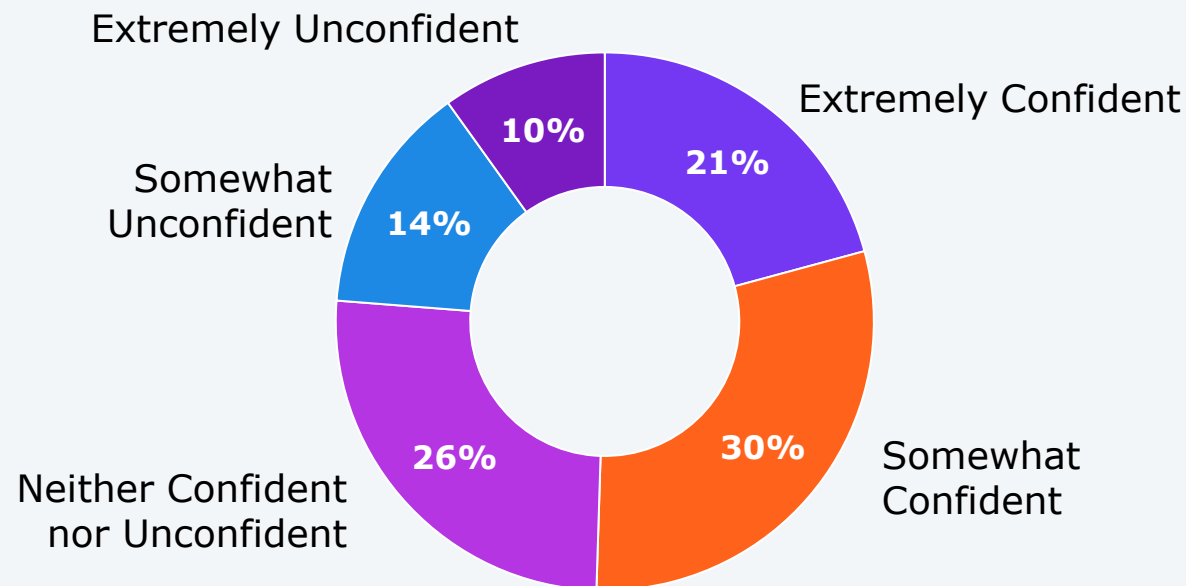
Reetika Fleming

Executive Research Leader, HFS Research

Insurance in 2025: An industry in crisis

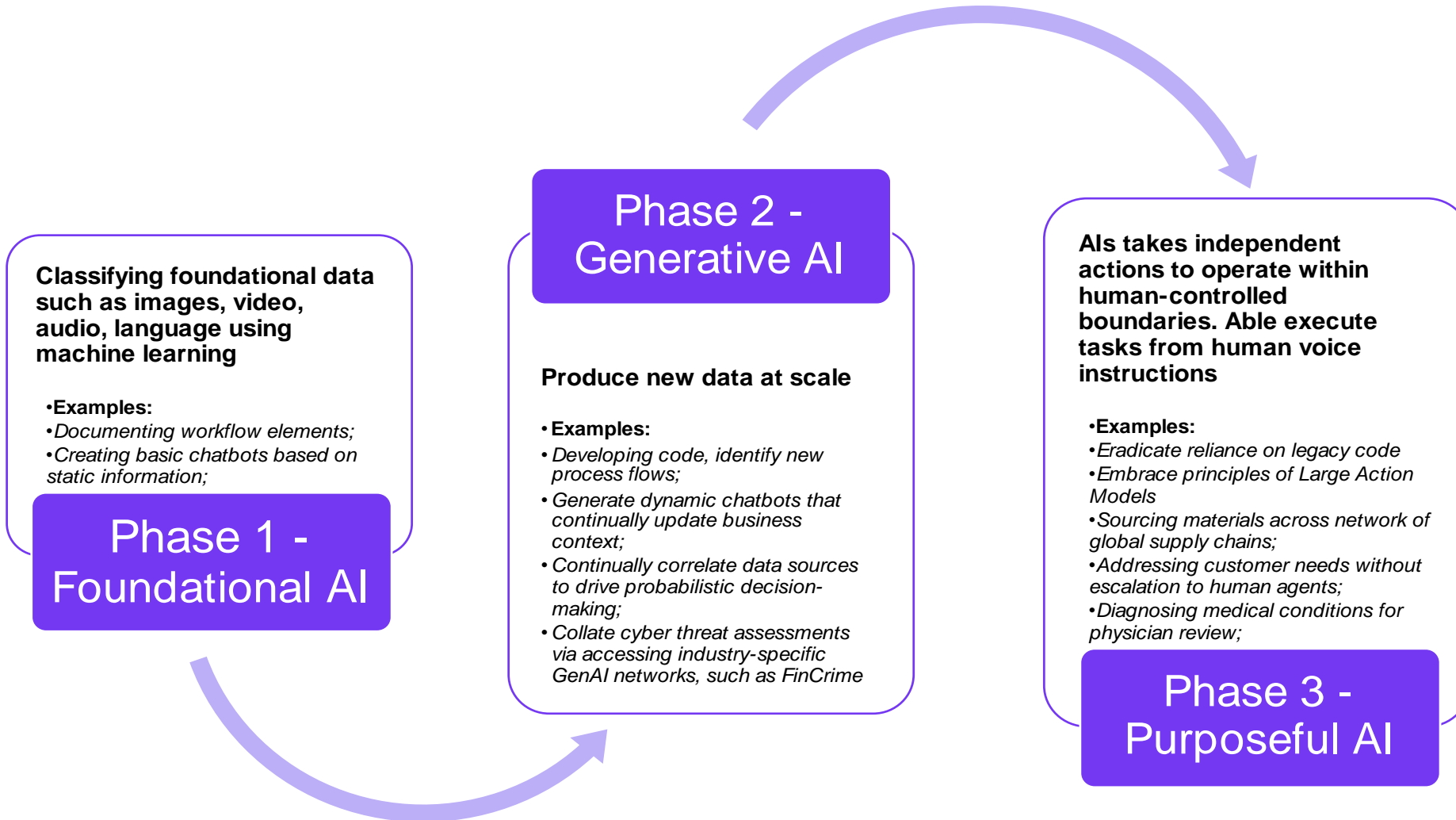
Only 21% of insurers are confident in their product innovation efforts. Half aren't sure. This isn't a soft spot—it's a full-blown identity crisis.

How confident are you that your firm's product innovation efforts will have the desired impact on commercial lines clients?



Sample: 350 Commercial Insurers
Source: HFS Research, 2025

Why Agentic AI matters now



Agentic AI potential across the insurance value chain

Product development

- Autonomous market insight generation
- Rapid launch of “market of one” products
- Real-time identification of customer needs

Distribution

- Proactive customer behavior predictions
- Supercharged agent support
- Optimized channel and network decisions

Underwriting

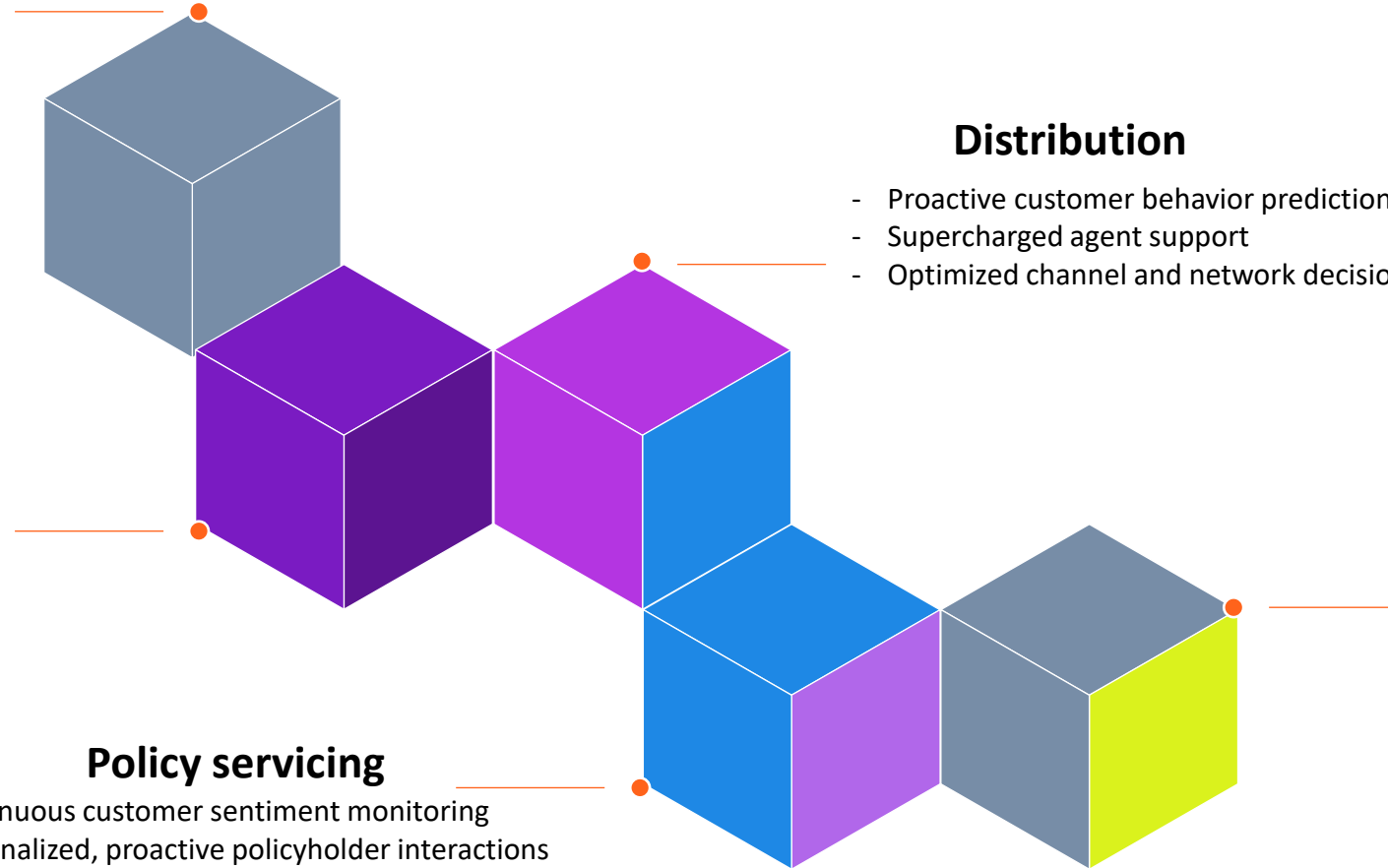
- Real-time data-driven risk selection
- Automated decisions for standard risks
- Instant flagging of emerging risk patterns

Policy servicing

- Continuous customer sentiment monitoring
- Personalized, proactive policyholder interactions
- Automated admin tasks freeing strategic focus

Claims

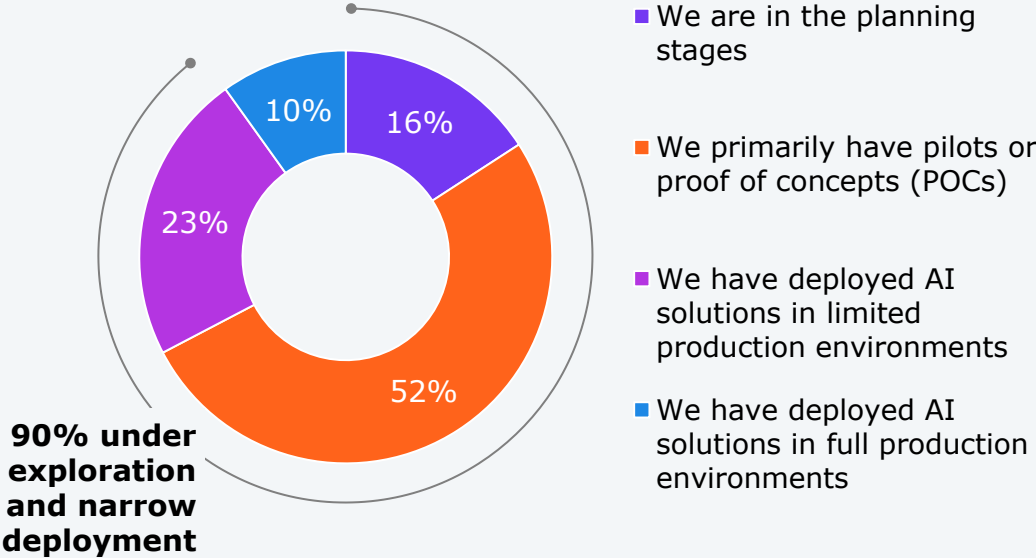
- Continuous monitoring and recommendations on expense management, high-value losses, reserving, settlement, litigation, and fraud
- Sensor-driven claims validation and prevention
- Instant damage assessments and payouts



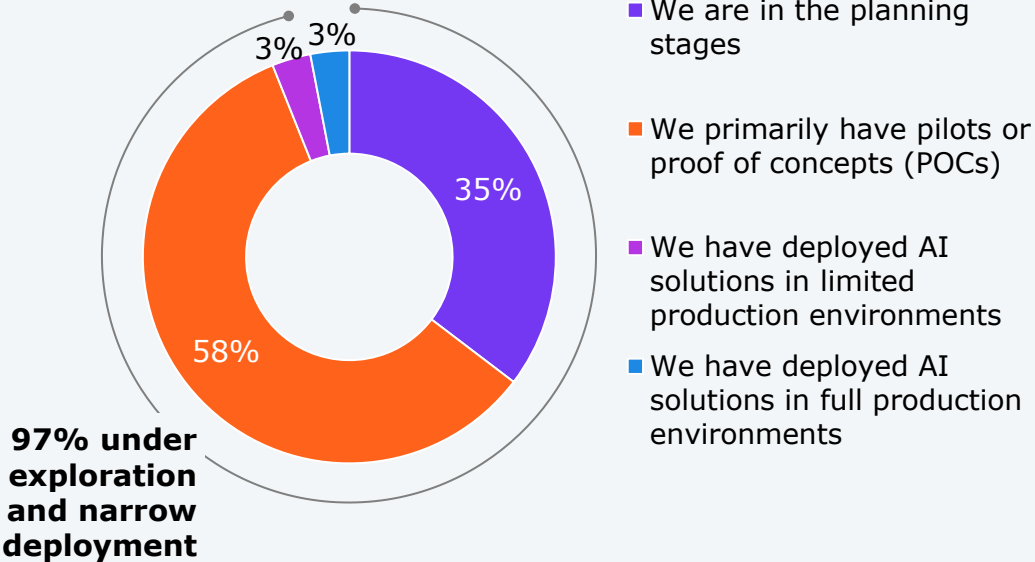
But the reality? We're stuck in pilot purgatory

What is the state of your company's AI and ML and GenAI initiatives?

AI and ML



GenAI



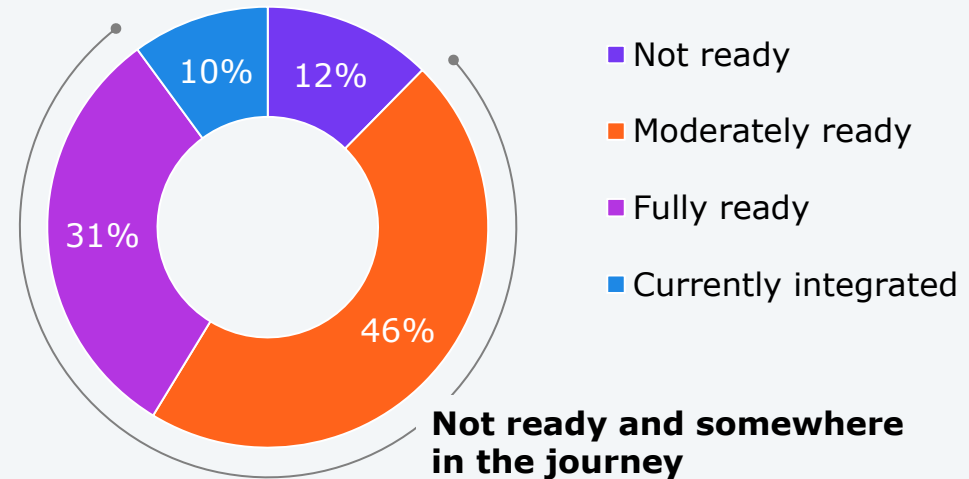
Sample: 31 Insurance lenders
Source: HFS Research, 2024

The promise is real...if we can unlock the data

87%

Agree that data-driven underwriting and real-time risk assessment will replace traditional models within the next five years.

How ready is your organization to integrate real-time data (e.g., IoT, telematics) into product innovation?

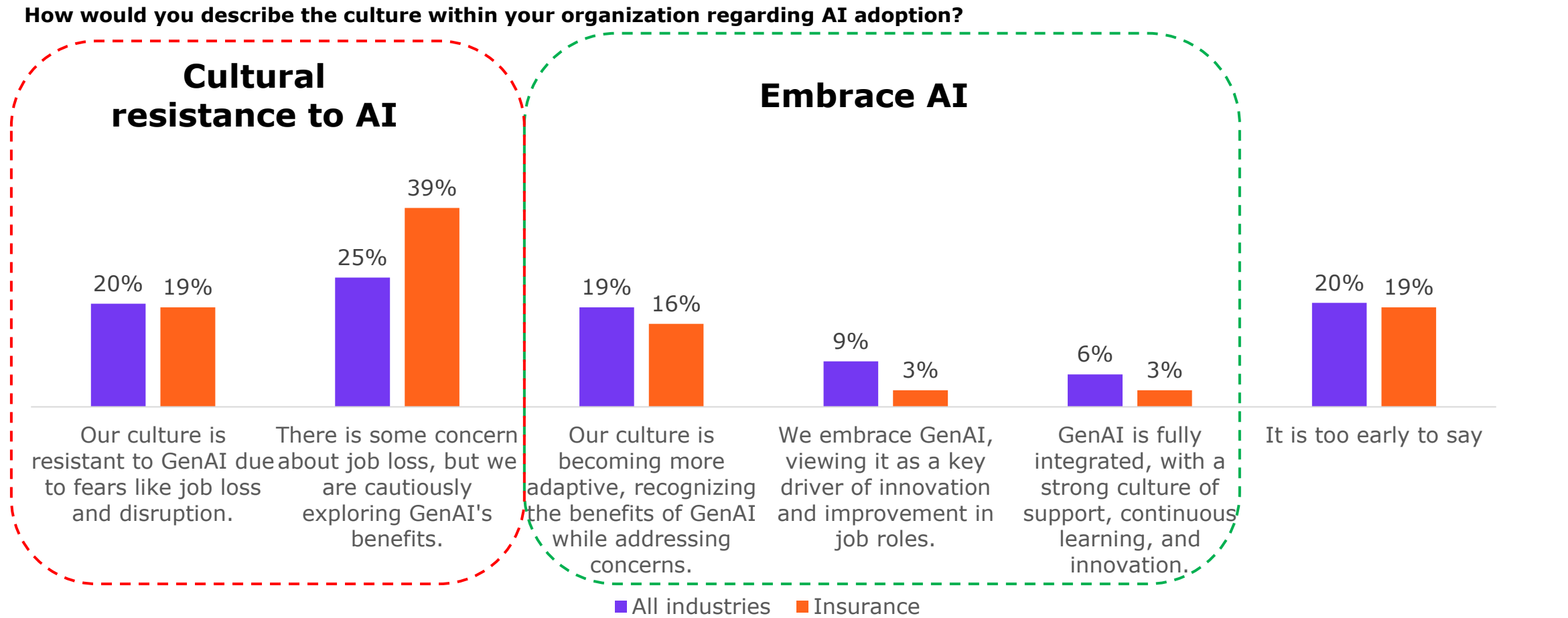


"Insurers need to move from reactive to proactive product development. The current pace is too slow to meet emerging risks."

Sample: 350 Commercial Insurers
Source: HFS Research, 2025

Culture debt drill down – moving from resistance to embrace

In our analysis, cultural resistance is dragging down more than half of the insurance leaders. The industry must address lingering job security fears and invest in building an adaptive, innovation-driven culture to unlock AI's potential.



Source: 31 insurance leaders, HFS Research 2024



A bifurcation is already underway: Agentic at one of the biggest insurance carriers in the world

- **Radical ambition:**

- Vision to fundamentally reshape how insurance operates
- Current claims project goals are to achieve 90% automation in claims processing
- Targeting same-day or *hourly* claim settlements

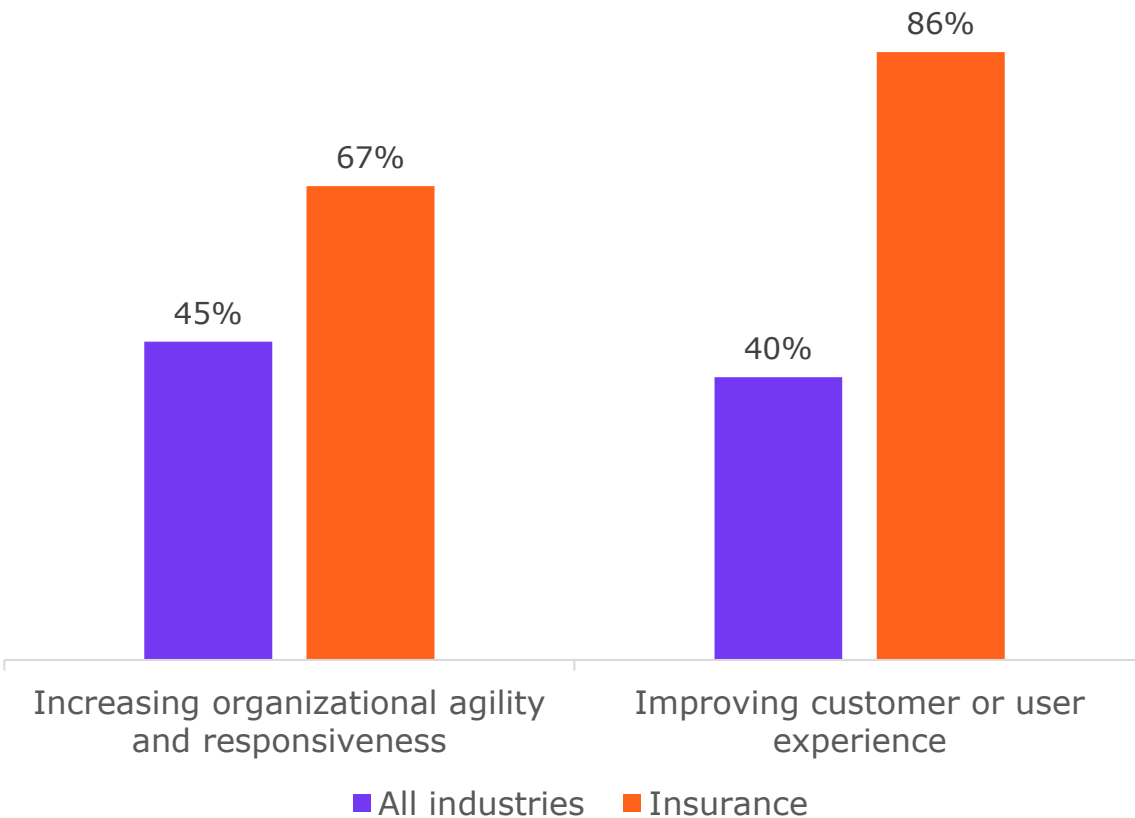


- **Execution at startup pace:**

- 80%+ automation of claims handling processes
- Complex claims challenges
- Projected efficiency gains from reallocating FTEs, from 400 to 137 in initial use cases
- Projected savings: \$23 million over three years

Ultimately, the desire for Agentic AI is about the industry's quest for agility and relevance

Q: What are the primary drivers behind your organization's investment in AI initiatives?



"If I were to start an insurance company today, I'd do it with 50 to 100 people—not thousands. The future belongs to those who embrace AI, automation, and digital efficiency."

— Head of enterprise operations & services, leading life insurance carrier

Source: 31 insurance leaders, HFS Research 2024

So where do we go from here?

- Do we have the right data to build these systems?
- Are we designing Agentic AI around productivity or purpose?
- Are we ready to rethink roles, talent, and org structure?
- How do we best enhance and supercharge our domain experts as we revisit our processes?
- How do we build agility into our culture, not just our tech?
- Will current industry leaders drive this shift, or get reshaped by it?

The HFS logo is located in the top left corner. It consists of the letters 'HFS' in a white, bold, sans-serif font, set against a solid purple square background.

Thank you.

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