BCG

Executive Perspectives

AI-First Companies Win the Future

Property and Casualty Insurance

March 2026

Introduction

We often meet with CEOs to discuss AI—a topic that is both captivating and rapidly changing. After working with over 2,000 clients for more than two years, we **are sharing our most recent insights in a new series designed to help CEOs navigate AI.** With most sectors going through major shifts, the focus in 2026 is on how to **leverage generative and agentic AI to fully transform organizations and create new sources of competitive advantage.**

In this edition, we explore **how AI is redefining the future of property and casualty insurance**, and **what it will take for insurers to move from incremental improvement to material impact.** We address several questions that are top of mind for P&C executives:

- Why is AI now central to P&C economics and not just efficiency?
- What separates AI-first insurers from players with digitally enhanced legacy models?
- How will agentic AI reshape underwriting, claims, and distribution end to end?
- What does it take to move from pilots to enterprise-wide AI impact?

This guide is focused on creating a clear view of the future of a P&C company and laying out the actions that executives can take today.

In this BCG Executive Perspective, we articulate the vision of AI-first property and casualty insurers

Executive summary | AI-first P&C insurers are pulling ahead, and the gap is widening

WHY
now is the right time to prioritize an AI transformation

The window to establish AI leadership in P&C is narrowing; regardless of their starting point, insurers must begin building a foundation now, as early movers are already pulling ahead.

- **Incremental improvement can no longer offset structural pressure,** as loss volatility, claims inflation, and operating complexity continue to compress margins and constrain growth
- **AI investment is accelerating, but enterprise value remains uneven**, with most insurers still stuck in fragmented pilots that fail to move core P&C economics
- **Leaders are shifting to AI investments that directly reset core economics;** for example, capturing about 20% cost reductions and unlocking 3% to 5% GWP growth through share gains and productivity advantages

WHAT
AI-first insurers will look like

AI-first insurers operate under a fundamentally different execution model.

- **Agentic AI becomes the primary execution engine:** Work shifts from human-driven coordination to agent-led, outcome-driven execution, with human judgment focused on oversight, complex risk, and accountability
- **Core workflows are reimagined E2E:** Activities in the P&C value chain (e.g., UW and claims) are re-engineered around outcomes rather than tasks, reshaping how risk is selected, priced, serviced, and distributed
- **Technology and data are purpose-built for agent-led execution:** A cohesive foundation, anchored in purposefully built business context layers, that enables agent reasoning with embedded explainability, guardrails, and enterprise control

HOW
to transform into an AI-first insurer successfully

Becoming an AI-first insurer requires deliberate choices about a foundation, leadership, and how a transformation is executed.

- **Build a foundation that compounds, starting now:** Enterprise data, AI platforms, and governance are built once and reused across the value chain to sustain momentum and unlock cumulative value
- **Reimagine core processes through agentic AI, with human oversight:** Shift from task automation to E2E, agent-orchestrated workflows, with clearly defined human roles, exception management, and responsible AI guardrails
- **Mobilize leadership and workforce for AI-led outcomes:** Embed AI in the enterprise mandate, align organization design and decision rights, and equip teams to govern AI-driven execution at scale
- **Stay agile as technology evolves:** Proactively explore and pilot emerging capabilities (e.g., advanced AI agents and quantum-inspired analytics) to stay ahead of the next wave

Note: GWP = gross written premium; E2E = end to end; UW = underwriting.

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Structural pressure | P&C economics are being fundamentally reshaped

Distribution reshaping: Broker consolidation, E&S growth, and MGA-led placement are shifting power in distribution, forcing insurers to compete on speed, specialization, and digital execution

Climate risk: The volatility and severity of weather events are straining historical loss models and reinsurance capacity, increasing the need for granular risk selection and dynamic portfolio steering

Loss cost inflation: Claims and severity inflation is outpacing pricing and reserving assumptions, compressing margins even in disciplined portfolios

Workforce shift: Growing decision volume and complexity are outpacing expert capacity as work becomes more specialized and driven by analytics

Softening market: As pricing momentum softens, structural cost and claim severity pressures become harder to offset

Note: E&S = excess and surplus; MGA = managing general agent.

Structural pressures are forcing a fundamental reset of the P&C model

Transformation is now essential, especially enabled by agentic AI

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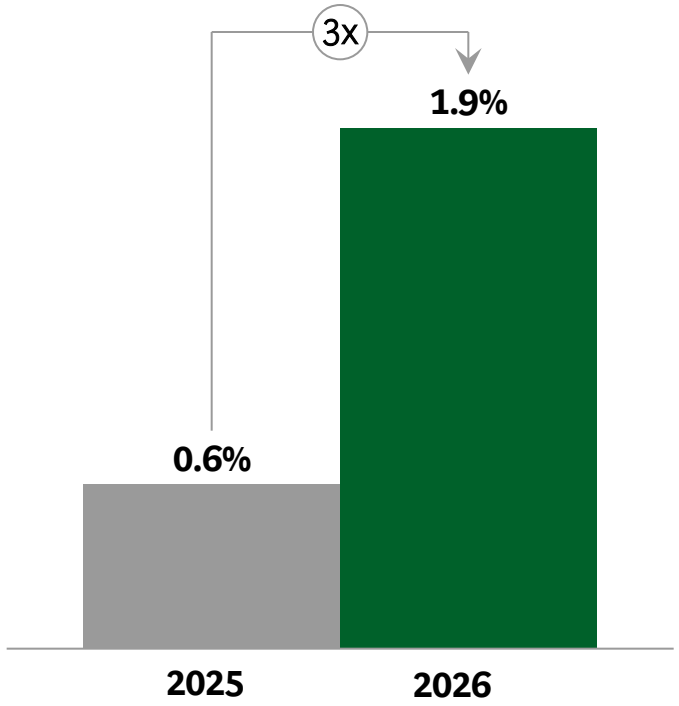
Value-realization reality | AI investment is rising, but most P&C insurers fail to translate spending into enterprise impact

AI investment by P&C insurers is accelerating…[1]



- AI investment as a share of revenue is expected to increase **about three times** by 2026
- Most P&C insurers plan to expand AI budgets in the next **12 to 18** months

…yet realizing value remains limited to a minority of insurers

- Only 38%[2] of P&C insurers report realizing AI value at scale across core workflows
- Most efforts remain fragmented, pilot-led, or function-specific rather than a broader transformation
- AI is separating leaders from followers; those who transform and scale first reset economics, not just efficiency

1. BCG AI Radar 2026 Survey. 2. BCG Build for the Future 2025 Global Study (n=1,250 companies; n=56 P&C insurers).

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Value-realization gap | Only deliberate, E2E AI investment delivers significant P&L impact

Leading P&C insurers realize substantial value by shifting investment from fragmented initiative deployment to efforts that deliberately reshape and reinvent, concentrating funding and leadership on areas with the highest return

Limited value from fragmented, opportunistic initiatives

AI laggards

AI-Stagnant

Taking minimal or no AI action, lacking foundational capabilities, and failing to yet activate the journey to AI

Deploy

Developed fragmented use cases that adopt AI tools to streamline day-to-day work

Incremental value is possible; transformative value requires deliberate investment

Substantial value from deliberate, E2E investments

AI leaders

Reshape

Developed AI strategy and advanced capabilities to redesign E2E workflows across the P&C value chain

Reinvent

Forefront of AI innovation; systematically building cutting-edge AI capabilities that elevate the customer value proposition and create new business models

Value deep dive follows

Increasing AI-value generation

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Value realization | AI drives value for P&C insurers through two reinforcing levers

Retaining more profit from each premium dollar

Claim cost per premium dollar (approximate loss ratio)	Operating cost per premium dollar (approximate expense ratio)
Leakage and recovery: Detection of overpayment, fraud, and missed subrogation at scale	**UW cost per policy:** Streamlined risk assessment, referrals, and guidelines
Risk mitigation: Proactive interventions to shape outcomes early (e.g., trigger early legal engagement and get ahead of settlement strategy)	**Policy servicing cost:** Handling of renewals, endorsements, and routine inquiries
Claims handling cost: Automated intake, documentation, and review to reduce adjuster effort	**G&A overhead:** Improved efficiency across finance, legal, HR, and compliance

Total P&L impact = (profit per dollar) × (premium dollar)

Increasing the volume and quality of premium dollars written

Policy volume (how many policies are written and retained)	Average premium per policy (how much premium is written per policy)
Quote-to-bind conversion: Faster quoting and decisioning improve win rates	**Pricing accuracy:** Improved risk segmentation reduces underpricing
Retention and renewal: Early churn identification enables proactive renewal actions	**Coverage and limits selection:** Personalized recommendations increase relevance and the take-up rate
New business throughput: Higher capacity to write policies without proportional head-count growth	**Product design:** Flexible product structures and coverage options improve relevance and the take-up rate

Key drivers

Note: G&A = general and administrative.

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Value realization | These key levers deliver measurable impact across core P&L drivers

Impact ranges reflect cumulative lift across AI-enabled operational drivers

	P&L impact	Value at stake (US)[1]	Operational drivers informing impact estimate
Claim cost per premium dollar (approximate loss ratio)	**~20%–30%** LAE reduction **~0.5%–1%** Leakage reduction	**~$17B–$25B** LAE reduction **~$3B–$6B** Leakage reduction	• **Leakage and recovery:** AI validates coverage, limits, and deductibles in real time and flags settlement deviations from policy terms before payment; e.g., 0.5%–1% reduction in claim leakage • **Risk mitigation:** AI-driven alerts identify claims requiring early escalation and initiate targeted interventions • **Claims handling cost:** FNOL automation and adjuster copilots reduce manual handling and documentation; e.g., increases in the speed of claims processing of as much as 50%
Operating cost per premium dollar (approximate expense ratio)	**~15%–25%** reduction	**~$35B–$60B** reduction in other expense	• **UW cost per policy:** Submission ingestion and UW copilots replace manual review and triage; e.g., 30%–40% reduction in underwriter active handling time • **Policy servicing cost:** Straight-through renewals and endorsements automate high-volume servicing • **G&A overhead:** Finance, legal, and HR copilots reduce routine casework and review effort; e.g., 10%–20% efficiency improvement in overall finance function
Policy volume (how many policies are written and retained)	**~3%–5%** GWP boost for AI leaders	**~$8B–$20B** GWP boost for AI leaders[2]	• **Quote-to-bind conversion:** AI-assisted intake and prefill cut quote turnaround for standard risk; e.g., ~30%–40% reduction in the time to quote • **Retention and renewal:** Early churn-risk models trigger targeted renewal actions; e.g., 1–3 points in retention improvement • **New business throughput:** Underwriter and agent copilots enable all submissions to be reviewed; e.g., 100% of submissions assessed with existing FTEs (about 3x improvement)
Average premium per policy (how much premium is written per policy)	**Up to 2%** GWP boost for AI leaders	Additionally, ~$10B–$13B in annual premium is estimated from uninsured US homeowners,[3] indicative of a broader penetration opportunity across P&C (not included above)	• **Pricing accuracy:** AI-assisted risk assessment and pricing guidance reduce underpricing and discount leakage at bind, within approved rating plans • **Coverage and limit selection:** Personalized coverage recommendations increase the take-up rate • **Risk mix:** Risk appetite, pricing signals steer inbound demand toward advantaged segments

Note: LAE = loss adjustment expense; FNOL = first notice of loss; FTE = full-time equivalent.
Source: BCG analysis. 1. Based on addressable base figures reflecting US P&C industry, FY2024 (year ended 12/31/2024); including about $85B LAE paid, roughly $555B incurred losses, about $236B in other operating expenses, and roughly $933B net written premium (excluding reinsurance). 2. Value realization is possible for AI leaders, accounting for about 30% of all insurers, according to BCG Build for the Future 2025 Global Study. 3. Consumer Federation of America (2024) estimate of about $1.6T uninsured US homeowner property value; premium equivalent derived using standard homeowner premium-to-value assumptions (about 0.6% to 0.8%).

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Vision | AI-first insurers are agent-led and outcome-driven by design

Currently: Digitally enhanced operating model

Work remains **human-driven, with AI and automation layered** onto individual tasks or steps:

- AI is used to optimize **discrete activities** (e.g., triage, pricing, and document review)
- Automation improves **efficiency within functions**, not E2E outcomes
- **Humans remain the primary coordinators** and decision makers

Future: AI-first execution model

Work is **reimagined** around **outcomes** and **executed E2E** by **agents,** with humans engaged only when judgment, accountability, or empathy is required:

- **AI agents orchestrate** decisions and actions across systems, not just tasks
- **Execution is organized around outcomes**, not functional steps
- **Humans supervise**, steer, and intervene by exception

This shift requires reimagining people, processes, data, and technology to enable outcome-driven, AI-first execution

AI-first execution model

Agentic AI is the primary execution engine across the P&C value chain, with humans engaged by exception

Reimagined people and processes

Roles, decision rights, and processes are redesigned so AI agents execute by default and humans supervise and intervene by exception

Decision-ready data

Data is structured, governed, and grounded in a shared ontology to enable real-time decisions and actions by AI agents across reimagined P&C workflows

Tech for AI-first orchestration

Platforms and business context services enable AI agents to reason, orchestrate, and act across core systems securely and at scale

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Vision and execution | AI-first insurers reshape core workflows and selectively reinvent where it creates new value

To realize the AI-first execution model, insurers are pursuing three moves in parallel

Deploying at scale

- Submission summarization and data extraction
- Contact center call summary and action guidance
- IT service desk ticket triage and resolution suggestion

Reimagining core workflows

- **UW:** From static assessments to continuous, AI-led risk and pricing orchestration
- **Claims handling:** From step-based processing to agent-orchestrated resolution paths
- **Distribution:** From channel-driven sales to autonomous, AI-to-AI customer engagement

Selectively reinventing

- AI-native, insurer-owned distribution channels
- Hyperpersonalized products driven by real-time risk signals
- Data- and service-led offerings (prevention and monitoring)

Implementation approach

DEPLOY

Apply AI to **improve productivity in existing processes**, freeing capacity without changing core decisions

RESHAPE

Reimagine E2E workflows (e.g., in UW and claims), changing how work gets done and improving outcomes

REINVENT

Create **AI-native products, services, and operating models** that introduce new value propositions and revenue streams

Note: The examples above are not exhaustive
Source: BCG analysis.

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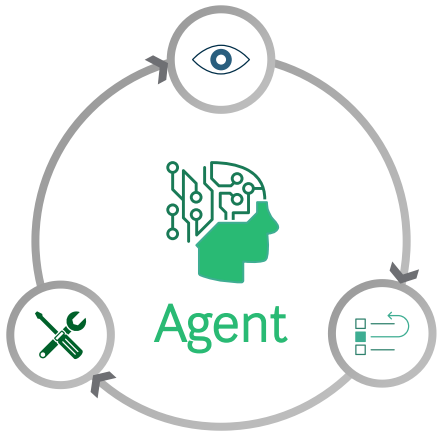
Agentic AI | Goal-driven agents serve as an execution engine, orchestrating work E2E and escalating by exception

Agents operate in a continuous observe-plan-action loop, updating actions in real time

Observe
Continuously pull context from systems, documents, and prior interactions to track progress against the goal

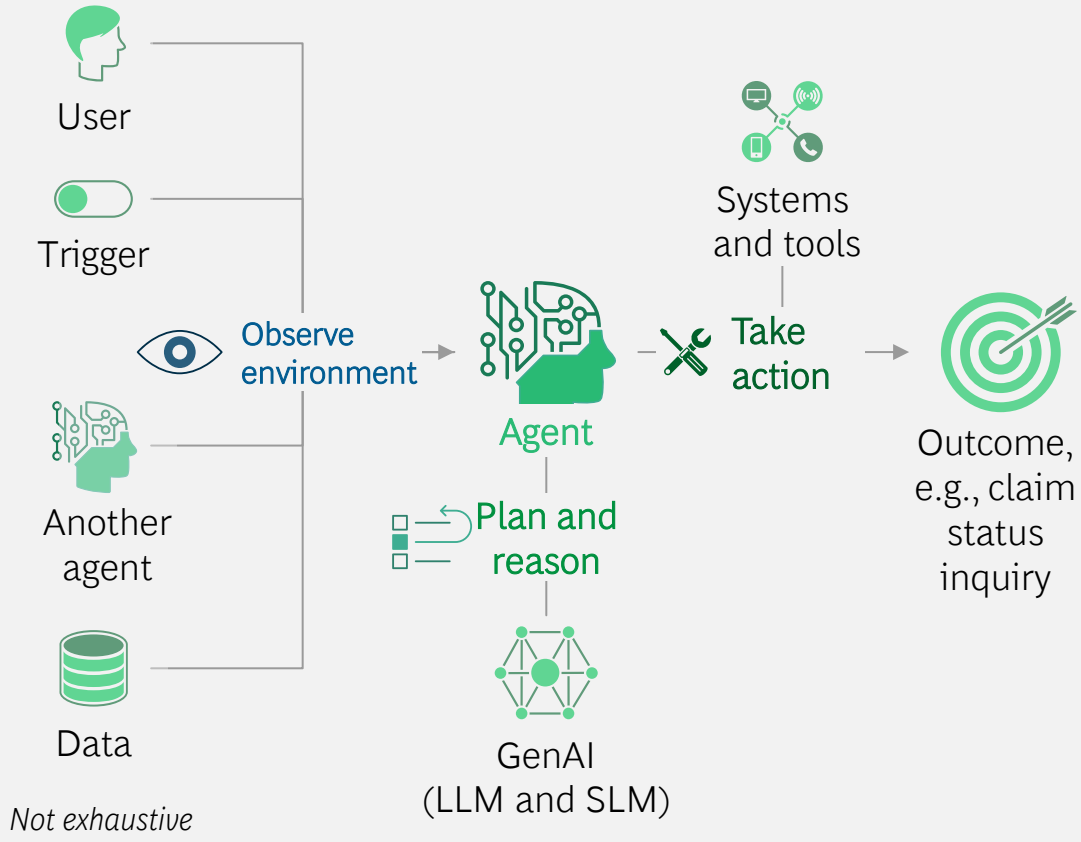


Plan
Continuously update next-best steps based on goals, rules, and risk context

Act
Execute actions across workflows or route to humans in the loop for approval and exceptions, or both

Note: LLM = large language model; SLM = small language model.

Agents orchestrate decisions and actions across systems to achieve outcome-oriented goals



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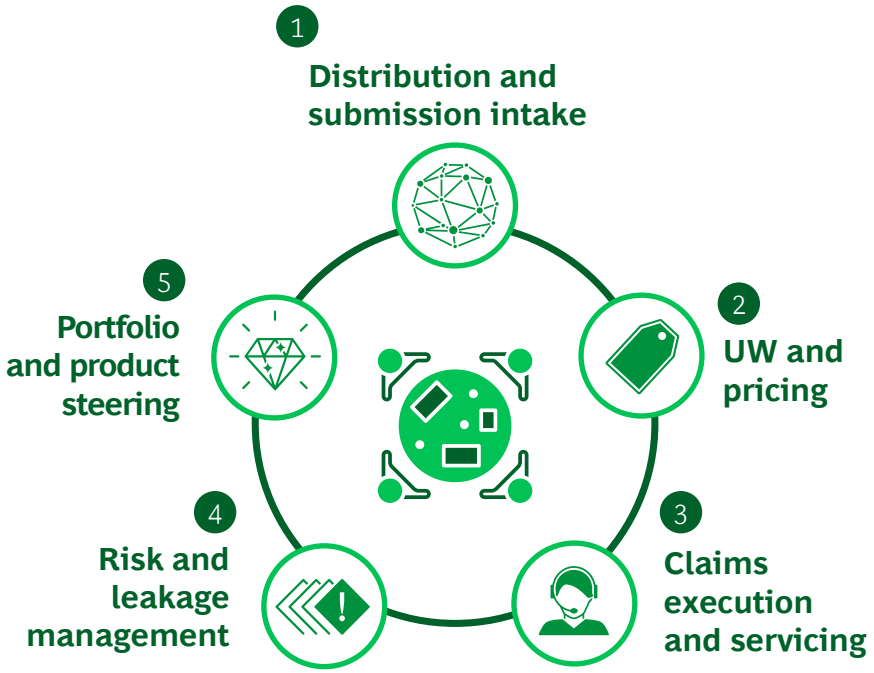
Reshape the value chain | Agentic AI orchestrates E2E execution across the P&C value chain



1. **AI orchestrates autonomous distribution and customer engagement:** Agentic AI engages customers' and distributors' AI agents to capture intent, structure submissions, enrich risk context, and dynamically route opportunities into UW flows
2. **AI-led UW and pricing decisions:** Agentic AI continuously evaluates risk signals and proposes terms in real time, surfacing uncertainty and decision tradeoffs for targeted UW focus
3. **AI orchestrates claims E2E:** Agentic AI anticipates claim severity and resolution paths, coordinates investigation and settlement actions, and flags complex or high-impact cases within the flow
4. **AI detects leakage and recovery opportunities early:** Agentic AI monitors execution patterns across claims and portfolio data to detect fraud, leakage, and recovery opportunities early and triggers intervention where outcomes materially shift
5. **Continuous portfolio and product steering:** Agentic AI synthesizes execution insights across distribution, UW, and claims to inform risk appetite, pricing, and product decisions in near real time

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Reshape UW | Agentic AI orchestrates submission to bind E2E, with underwriters providing oversight and judgement

Potential P&L impact: **~15%–20%** reduction in UW expense ratio

New business

	Current state	Submission intake and ingestion	Triage and prioritization	Risk assessment	Rating and pricing	Bind and issuance	Portfolio feedback
Agent goals		Prepare decision-ready submission		Assess risk and price scenarios		Execute controlled bind	Steer portfolio
UW is managed autonomously by a coordinated set of agents							
Goal-oriented agentic orchestration		Always-on agents **extract, validate, and enrich submission data** to establish a complete, decision-ready view	Agents **classify submissions** by risk, urgency, and value, **dynamically routing** cases to the appropriate workflow	Agents synthesize exposure, hazard, and risk appetite signals to **assess risk quality and desirability**	Agents **generate transparent pricing scenarios**, model tradeoffs, and surface implications in real time	Agents verify bind readiness, prepare documentation, and **coordinate issuance, ensuring the process is auditable**	Portfolio agents **recalibrate risk signals** and feed insights back into risk appetite and UW decision thresholds
Exception triggers		Missing, contradictory, or ambiguous submission information is detected	Low-confidence classification or unusual complexity is identified	Risk appetite boundary, conflicting signals, or material uncertainty is detected	Significant tradeoffs, override risk, or competitive tension is identified	Exception, escalation, or approval threshold is reached	Deteriorating performance, concentration of risk, or strategy misalignment is detected
Humans act as accountable decision owners, providing oversight and judgment							
Human engagement (in response to a trigger)		**Clarify intent, resolve ambiguities,** and guide next steps for complex submissions	Review prioritization logic and **redirect cases** where judgment is required	Apply **expert judgment, interpret nuanced risk factors,** and resolve edge cases	**Approve overrides,** balance tradeoffs, and finalize pricing decisions	**Approve bind** and ensure accuracy, fairness, and regulatory compliance	**Steer portfolio actions,** adjust risk appetite, and guide strategic responses

Default execution path Exception-driven escalation

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Reshape claims | Agentic AI orchestrates claims E2E, with humans as decision owners

Potential P&L impact: ~20%–30% reduction in LAE cost

	Preclaim	FNOL	Triage	Investigation	Negotiation	Resolution	Postclaim
Current state							
Agent goals	Anticipate risk early	Establish loss clarity			Deliver fair resolution		Steer portfolio

Claims is managed autonomously by a coordinated set of agents

Goal-oriented agentic orchestration	Always-on agents **monitor risk and exposure** continuously	Conversational agents **capture facts, validate coverage, and confirm loss context** in real time	Agents **classify severity, assess risk, and dynamically route claims** to the appropriate workflow	Copilot agents **derive insights, develop estimates, and surface gaps** to guide investigation	Agents **support negotiation and vendor strategy** using prior outcomes and comparable cases	Agents **automate payment, prepare closure documentation**, and coordinate next steps	Portfolio agents **adjust risk scoring, tailor product responses**, and recalibrate strategies
Exception triggers	High imminent risk or mitigation opportunity is detected	Ambiguous, emotional, or complex customer interaction is detected	Low-confidence classification or high-severity exposure is identified	Coverage interpretation or material uncertainty is detected	Complex negotiation or dispute risk is identified	Exception, escalation, or approval threshold is reached	Risk of customer dissatisfaction or trust erosion is detected

Humans act as accountable decision owners, providing oversight and judgment

Human engagement (in response to a trigger)	**Engage customer** to encourage mitigation or preventive action	**Provide empathy**, clarify nuances, and support complex intake	**Review classification, apply judgment**, and override routing where needed	**Interpret policy intent** and determine appropriate course of action	**Apply discretion, empathy, and judgment** to finalize settlement	**Approve final payout and ensure accuracy**, compliance, and fairness	**Follow up with customers** and guide portfolio or retention actions

Default execution path Exception-driven escalation

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Reshape distribution | Agentic AI orchestrates prospect renewal E2E, with brokers guiding key decisions

Potential P&L impact: ~30%–50% GWP boost for AI leaders

	Current state	Prospect	Intake and risk assessment	Submission preparation	Market and negotiate	Bind and place	Service and renew
	Agent goals	Generate qualified demand early		Optimize placement and conversion		Grow lifetime value	
Distribution is managed autonomously by a coordinated set of agents							
	Goal-oriented agentic orchestration	Always-on agents **identify** target accounts, **monitor** trigger events, and **prioritize** outreach based on fit and conversion likelihood	Chat agents **talk to customers to** capture and validate exposure details in real time, **synthesize** risk context, and **create** a **risk narrative** for placement	Agents **assemble complete, carrier-tailored submission** packets, prefill insurer-specific requirements, and flag missing items	Agents **coordinate with carrier agents**, compare quotes and terms, model tradeoffs, and **recommend negotiation plays**	Agents **verify bind readiness**, prepare documentation and bind instructions, and **coordinate onboarding tasks** with full traceability	Portfolio agents monitor risk changes, claims and service signals, and renewal timing to **trigger proactive remarketing or renewal actions**
	Exception triggers	Strategic account sensitivity, channel conflict, or reputational risk is identified	Ambiguous, contradictory, or material exposure uncertainty is detected	Missing documentation or a nonstandard coverage request is identified	Significant pricing and terms divergence, negotiation leverage, or carrier constraint is identified	Exception-, escalation-, or compliance-approval threshold is reached	Elevated churn risk, a material change in client risk, or deteriorating coverage fit is detected
Humans act as accountable decision owners, providing oversight and judgment							
	Human engagement (in response to a trigger)	Shape **pursuit strategy and relationship approach** for sensitive accounts	Clarify nuances, **validate risk narrative**, and guide advisory positioning	Apply **expert judgment** to resolve gaps, confirm structuring, and finalize submission intent	**Negotiate terms and carrier selection**, balancing tradeoffs and client priorities	**Approve bind**, resolve discrepancies, and ensure compliance and accuracy	**Lead renewal and remarketing** conversations and tailor retention actions

Default execution path Exception-driven escalation

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Reshape case example | Reimagine key workflows E2E

Context

A leading global P&C insurer was looking to move beyond AI point solutions and **reimagine P&C workflows E2E with agentic AI**

Approach

2 Key workflows reimagined

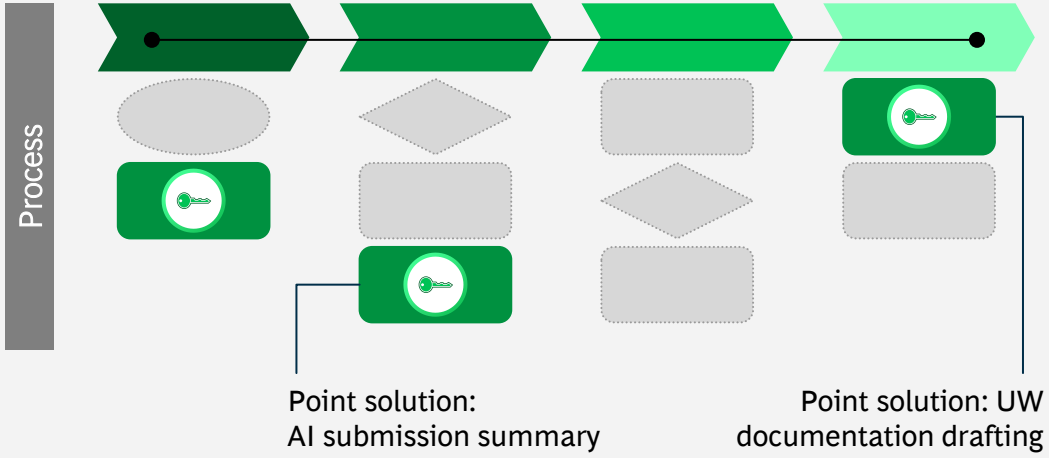
- Developed **future state visions**
- Drafted **initial business cases**
- Defined **tech and data enablement required**
- Created preliminary scaling **roadmaps**

100% of submissions	Reviewed with existing UW head count
~60% of submissions	Automatically assessed with AI pricing and analysis
~50% time reduction	Claims processing

Implementation

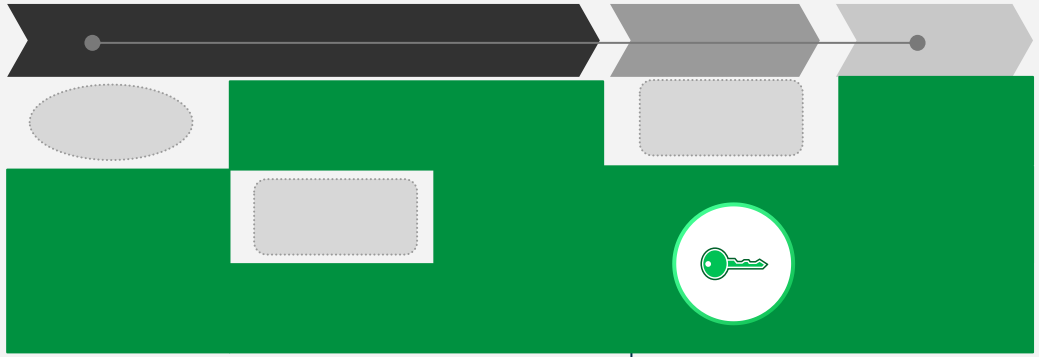
Shifting from applying AI to **automating or enhancing specific tasks** (use cases)…

Key P&C workflow (e.g., UW)



…to stepping back to re-envision the value chain, creating new workflows, roles, and interactions

Key P&C workflow (e.g., UW)



Re-envision E2E: Ingest submission data, request additional information, triage submissions across workflows (including a straight-through process for lower-risk submissions)

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Reinvent examples | AI-native opportunities can materially change P&C economics

AI-first distribution agency

An insurer-operated, AI-native agency for personal lines or simple and small commercial lines, where agentic AI owns E2E execution, expanding access, accelerating penetration, and enabling scalable premium growth

Customer: Frictionless, digital-first access to coverage; quote and bind in minutes; personalized AI guidance that increases trust, take-up rate, and coverage breadth

Insurer: Direct customer ownership; lower acquisition and servicing costs; expanded addressable market via reduced cost to serve; scalable premium growth across underserved segments

Potential value

- Modest penetration gains in underinsured segments drive disproportionate premium upside
- Advisor productivity translates into sustained, scalable revenue expansion
- AI-native distribution establishes durable first-mover advantage

Specialty and E&S insurance as product innovation engines

Specialty and E&S markets used as AI-native test beds to continuously sense risk signals; to experiment with UW guidelines, risk appetite, and pricing; and to rapidly scale successful product configurations across the portfolio

Customer: Faster access to eligibility and tailored coverage options for nonstandard and emerging risks

Insurer: Rapid learning on new risk types; quicker adaptation of risk appetite and pricing as market conditions shift

Potential value

- Creates a repeatable engine for AI-driven product innovation beyond traditional filing cycles
- Enables faster guideline and risk appetite updates using real-time market signals and loss trends
- Accelerates policy revisions and endorsement suggestions to reflect evolving exposures

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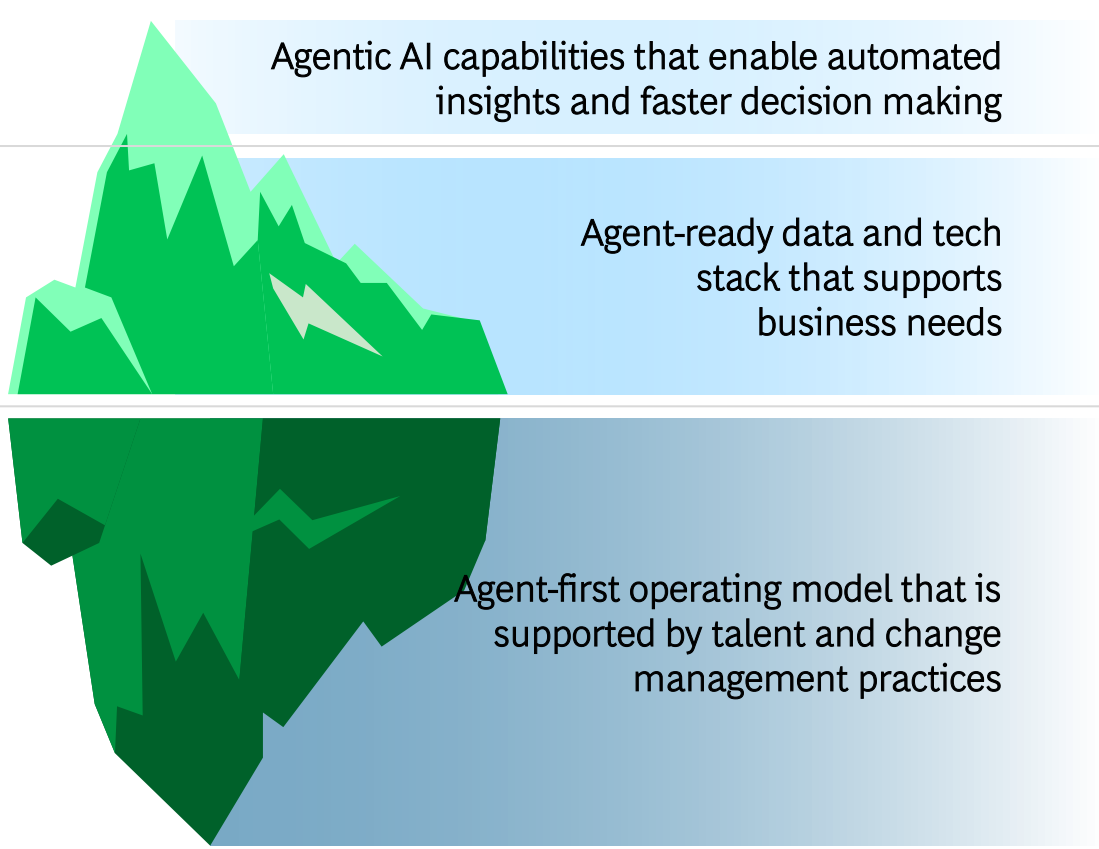
Agentic AI-led execution requires changes to insurers' technology and operating model, not just algorithms

BCG's 10-20-70 model



- Agentic reasoning and decision logic

- Agentic AI ready data foundations
- Business context services
- Agent orchestration, monitoring and lifecycle management tools

- North Star and strategy for agent execution
- Agentic AI first process reimagination
- Roles & responsibilities
- Ecosystem partnerships
- Talent management and enablement
- Culture and change management
- Responsible use of data and AI agents

Source: BCG analysis.

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Becoming an AI-first insurer requires a coordinated effort across leadership, technology, and execution capabilities

Algorithms	Tech and data	People and processes
10%	20%	70%

1 Adopt a strong, agent-ready data foundation for scaling

Enterprise data foundation with shared definitions and trusted data products, designed to support agent-driven workflows

2 Implement fit-for-purpose technology

Reusable AI and technology platforms with embedded guardrails to support agentic AI and with clear buy-versus-build choices

3 Clarify enterprise leadership and mandate	**C-suite owned AI agenda**, embedded in **enterprise strategy** and tied to P&C economic outcomes
4 Reimagine workflows and roles	**E2E agentic AI-led execution** across UW, pricing, and claims, with **clearly defined human roles** and an escalation process
5 Optimize organization structure and operating model	**Organization structure and operating model optimized** for AI-led execution, including a clear **AI-enablement model** (e.g., a center of excellence)
6 Upskill and enable workforce	**Workforce equipped to supervise AI**, manage exceptions, and drive adoption at scale through training, incentives, and change management
7 Adopt responsible AI and governance	**Embedded RAI governance structures** ensuring accountability, controls, auditability, and regulatory alignment across the enterprise

Deep dive for each dimension follows

Note: RAI = responsible AI.

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1 Data | Evolve data into a decision asset to enable AI-first capabilities

A Establish a shared ontology

Create a **machine-readable, business-owned ontology** (including policy, coverage, risk, claims, and exposure), that **standardizes meaning across the value chain** so humans and AI agents interpret the same facts and make **consistent decisions**

(Deep dive follows)

B Build shared data products

Build **reusable P&C data products**—policy, claims, exposure, pricing, and loss history—exposed as **governed, discoverable services** that combine first-party, third-party, and legacy-system sources so teams and AI agents can reuse across the value chain rather than rebuilding **ad hoc extracts**

Leverage AI to standardize, scale, and sustain a shared data foundation

C Move to real-time, decision-triggering data

Enable key **risk, policy, and claim events** to automatically **trigger AI-led actions**, rather than waiting **for batch reports or manual review**

D Embed AI data governance

Embed **standards, control, and ownership** across business units to ensure that data used by AI agents is **trusted, auditable, and regulator-ready** across the enterprise

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1 Data deep dive | AI-first insurers establish a shared data ontology to unlock efficiency and insights

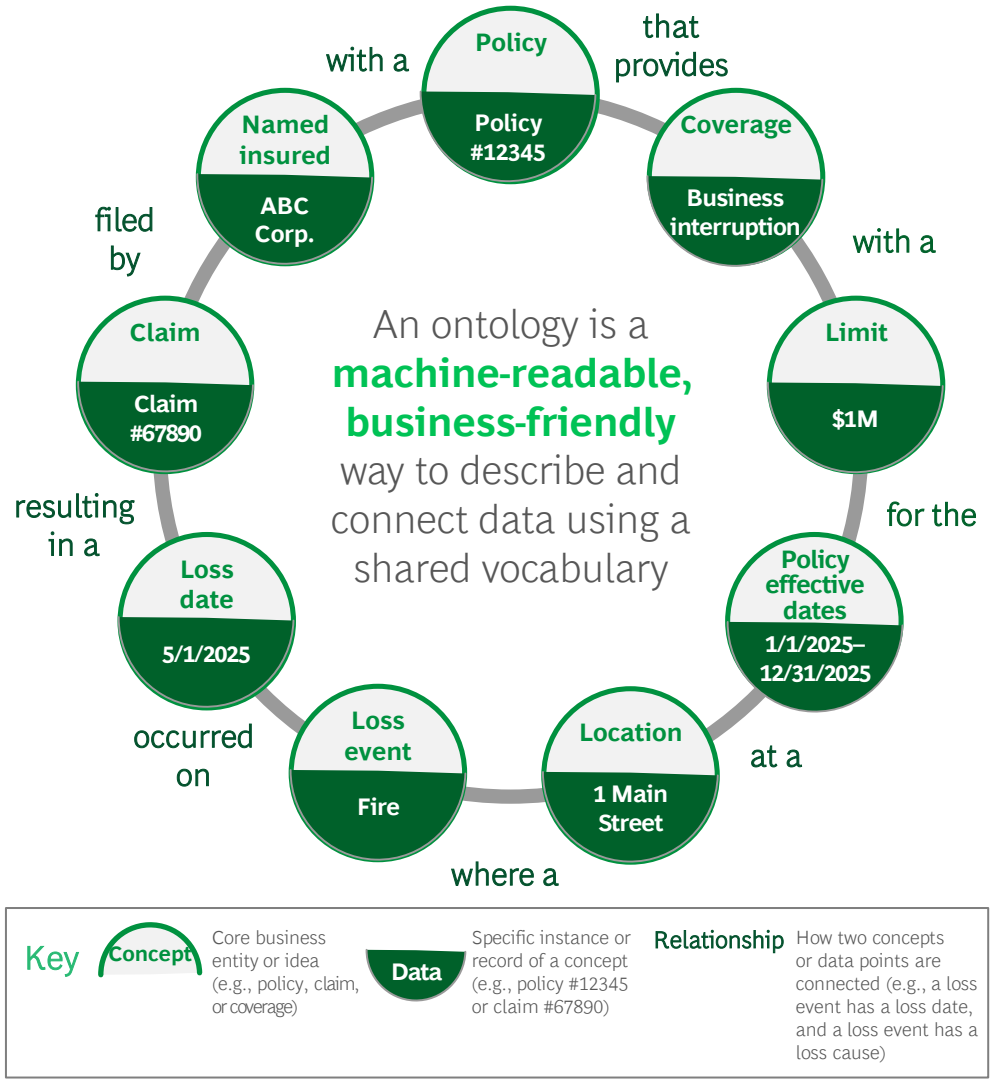
P&C insurers' AI ambitions are often hindered by:

- **Inconsistent data definitions** across systems and products
- **Fragmented data** from legacy technology and siloed modernization
- **The high cost of change driven** by complex integrations and ownership

Data ontology addresses these hurdles by:

- **Establishing consistent definitions** across data, systems, and products
- **Embedding shared business meaning** across platforms and workflows
- **Enabling faster, lower-cost change** by reducing integration complexity

Note: Illustrative.



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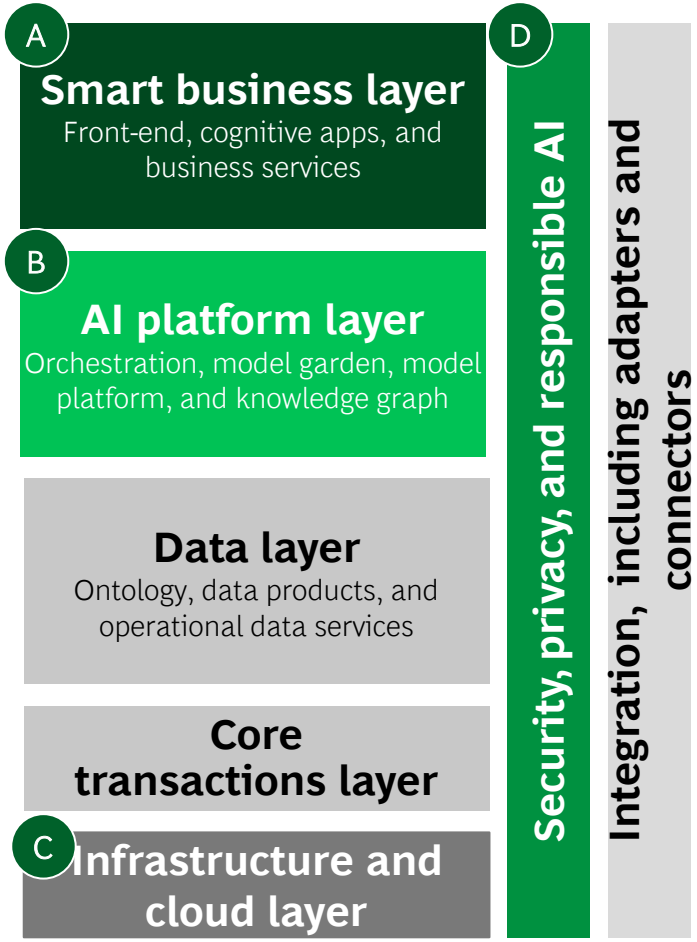
2 Technology | Accelerating the AI-first journey requires a strategic investment in tech layers

Tech layers (reference architecture)



Tech layers to build to enable agentic AI-led execution

A AI-enabled application front-ends

- Build **accessible interfaces** (e.g., text, image, and voice) that are embedded into everyday user workflows
- **Standardize reusable front-ends,** workflow patterns, and consistent agent experiences

B Dedicated AI platform layer

- Build **orchestration and agent runtime services** to execute multistep workflow
- Create **shared business context** fabric for agents to share the same understanding and act with unique intelligence

C Enhanced infrastructure and compute capabilities

- Stand up **dedicated AI infrastructure** to support multiagent execution at scale
- **Scale compute, storage, and runtime capacity** to meet growing agent demand

D E2E AI guardrails

- **Embed guardrails into agent architecture by design**, with built-in action boundaries and policy controls
- Make transparency native to execution, with **traceability and monitoring embedded** in runtime systems

An AI-first transformation must integrate with existing technology-modernization initiatives and not operate in isolation

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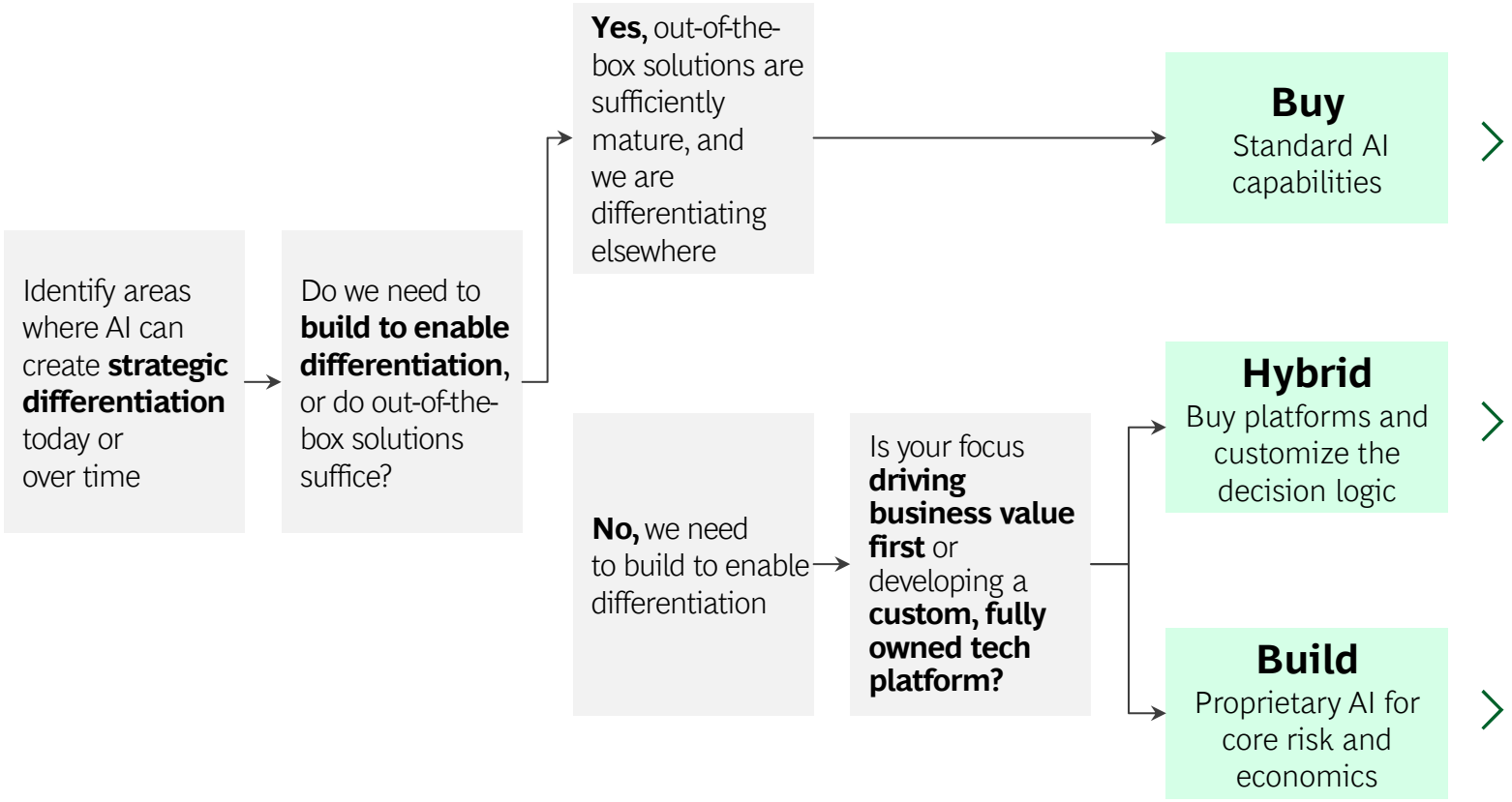
2 Technology | Expediting the AI-first journey also needs deliberate build-versus-buy choices across the tech stack

Build-versus-buy decision framework



Buy commoditized AI capabilities where differentiation is limited

Build selectively where AI directly enables competitive advantage, risk insight, or operating leverage

Illustrative examples

- **Document ingestion and extraction** (claims, submissions, and endorsements)
- **FNOL intake and triage tools**
- **Basic fraud detection scores**
- **Customer service copilots and chatbots**

- **Core policy or claims platforms** with embedded AI and enriched with carrier-specific rules
- **AI copilots embedded in UW or claims systems**, configured to company guidelines
- **Third-party models** wrapped with internal decision logic and governance

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- **Proprietary UW decision engines** tuned to the carrier's risk appetite
- **Custom pricing and risk-selection models** using unique internal and external data
- **Claims severity and settlement optimization logic** embedded in workflows

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3 Leadership and mandate | Achieving AI impact requires clear enterprise leadership and mandate

Set enterprise AI ambition

Define an **integrated AI ambition** (for AI-led execution) that is embedded in the enterprise strategy, with explicit linkage to material P&C economic outcomes

Own outcomes and enterprise alignment

Establish **clear executive ownership for AI-driven outcomes**, with the authority to set priorities, allocate funding, and resolve enterprise-level tradeoffs

Prioritize transformative investments

Focus leadership attention and capital on a small number of **AI priorities that have material P&L impact,** rather than hundreds of disconnected proofs of concept

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4 Workflows and roles | Achieving E2E agentic AI-led execution requires clear decision ownership and operational shifts

Anchor AI decision ownership before workflow redesign

Agent-led
Agents execute by default; humans manage exceptions

Agent-assisted
Agents propose; humans approve or override

Human-owned
Material judgment required due to regulatory or risk accountability

Ownership choices must be explicit, risk-aware, and consistently applied across the enterprise

Translate decision clarity into E2E AI execution

Reimagine workflows and human-agent handoffs
Agents execute E2E decisions, with explicit human intervention points for exceptions, overrides, and high-impact outcomes

Shift from functional silos to E2E flows
Execution moves from sequential, function-led steps to agent-orchestrated flows with clear outcome ownership

Refocus human expertise on judgment and exceptions
Teams spend less time on routine processing and more time validating agent outputs and resolving material exceptions

Enable real-time visibility and accountability
AI provides real-time visibility into decision status, bottlenecks, and ownership, enabling faster intervention

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4 Workflows and roles | AI-first insurers redesign daily work so AI executes at scale while humans oversee risk, resolve complexity, shape outcomes

	From digitally enabled…	…To AI-first
Underwriters	• Manually **assess submissions** using static rules and fragmented data sources • Focus time on **document review and exceptions**	• Oversee **AI-driven UW engines** • Focus on **portfolio-level risk and judgment**
Claims assessors	• **Review and verify** claims documents manually • Focus on **transaction processing** for high volumes of low-complexity claims	• **Partner with agentic AI** for instant FNOL intake (chat, voice, and photo) • Focus on **complex cases and fraud exceptions** with AI handling routine cases
UW and policy operations	• Manually **reserve, triage,** and **route submissions** to underwriters • **Update** and **validate policy data** for issuance, endorsements, and servicing across systems	• **AI-led intake, classification,** and **routing,** with straight-through processing for standard cases • **Automated policy changes** and **servicing** with humans handling exceptions

Note: Examples of daily tasks.

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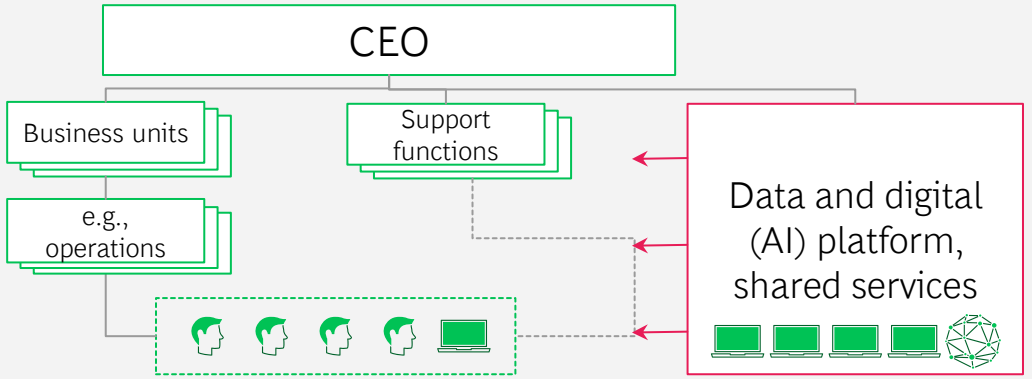
5 Organization structure and operating model | Insurers should gradually evolve into an AI-first organization to realize the full value of AI

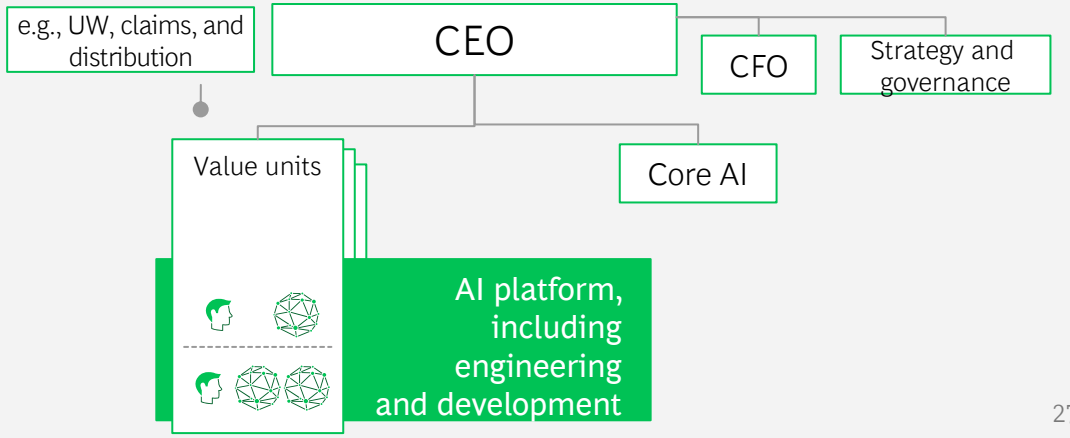
How to structure an agent-led organization

- **Governance and leadership alignment:** Align leadership accountability across business units and domains to ensure clear decision rights and performance ownership
- **Outcome ownership and coordination:** Assign clear operational ownership for key value drivers within domains, with defined coordination across teams
- **Execution model shift:** Embed AI agents within business units and functional teams as default execution capacity, with humans focused on judgment and decision authority
- **Enterprise AI enablement:** Enable shared AI and data platforms centrally to ensure governance, reuse, performance transparency, and continuous optimization

From a digitally enhanced organization…



…To an AI-first organization



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6 Upskilling and enabling | Holistic change management is the key to shift behaviors and unlock value from AI

Change priorities	Example levers	Outcomes from effective change management	
INFORM **What is going on?**	• Clear and consistent case for change • Communications plan with easy-to-understand messages tailored to the audience's needs	**+19%**	Increase in transformation success with clear case for change
INSPIRE **Why is it important to me?**	• Stakeholder-engagement plan • People-activation roadmap with intrinsic and extrinsic motivators • Leader behaviors and role modeling	**+62%**	Increase in transformation success with stakeholder-specific engagement plans
INSTRUCT **What do I need to do and how?**	• Foundational organization-wide curriculum • Persona-based learning journeys and on-the-job practice	**3x**	Increase in tool adoption with personalized learning
INVOLVE **How can I contribute?**	• Cocreation of tailored and personalized solutions and ongoing feedback • Activation of communities of practice	**+20%**	Increase in transformation success by involving end users in solution design
INTEGRATE **How do we hardwire lasting change?**	• Nudges embedded in existing forums to drive and sustain change • Broader context changes; e.g., role definition, performance management, and organization structures	**+90%**	Increase in transformation success by using interventions informed by behavioral science

Source: BCG's Behavioral Science Lab.

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6 Upskilling and enablement | Behavioral shifts will translate into lasting capabilities through embedded learning and continuous upskilling

Most upskilling solutions end learning journeys here

But learning doesn't turn into capabilities that stick until here

Lay the foundation of agentic AI concepts, supervision models, and decision ownership frameworks to shift mindsets

Apply new learning to real work through immersive practices that simulate the demands of real work while helping learners build confidence

Embed new expectations and practices **into habitual ways of working** through ongoing support and shared learning

What this could look like

- Role-based webinars for where and how to use AI agents across the journey
- Structured prompting labs and agent-supervision frameworks

- Complex claim E2E simulations with agent support
- Negotiation role plays with AI agent coaching and debrief

- In-workflow agent guidance on next steps and key insights
- Exception flags with required human review and explanations

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7 Responsible AI and governance | In addition to an enterprise RAI framework, new roles are needed to govern the use of AI

Potential new roles	Role description	Driver of evolution
Chief AI officer	Collaborates with other leaders to oversee and implement **AI initiatives** in alignment with business strategy	Increased importance of executive oversight due to the incorporation of AI and agents into business operations
AI ethics and compliance officer	Develops and **implements ethical and compliance policies** for the use of AI, including agent actions and approvals	AI generates content, and agents can take actions with limited human intervention
AI governance specialist	Establish a **governance framework** to enable the responsible use of data and AI, including regulatory compliance	Protection of sensitive information becomes critical as agents access more systems
Agent operator	**Deploy, monitor, and manage agent runtimes** in production	Create seamless production pipelines to support agent execution at scale
Prompt engineer	Design, develop, and refine AI prompts and agent instructions to align with **product and business needs**	Improve prompt results and agent behavior to create consistent outputs across use cases

Note: Examples of new roles

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Next steps | Becoming an AI-first insurer is a maturity journey with distinct priorities at each stage

	Scaling and enabling →	AI-led execution →
1 Adopt a strong, agent-ready data foundation for scaling	Standardize **core insurance data** and **definitions** so agents work off the same facts	Operate **enterprise data products** with AI-driven standardization, quality, and embedded governance
2 Implement fit-for-purpose technology	Stand up a **modular AI platform** (orchestration, business context, and guardrails) for priority workflows	Run a **modular AI platform** that deploys, monitors, and improves agents continuously
3 Clarify enterprise leadership and mandate	**Set and align an AI-first ambition**, with a small number of enterprise-level P&C outcome bets owned by enterprise leadership	**Hardwire AI-first into enterprise decision making,** including capital allocation, portfolio tradeoffs, and performance management
4 Reimagine workflows and roles	Define the new operating playbook and redesign one to two **priority E2E workflows** with AI agents coordinating execution and human oversight	Make **AI-first, agent-led execution the default**, with humans focused on exceptions and optimization
5 Optimize organization structure and operating model	Stand up an **AI-enablement model** (e.g., a center of excellence and business ownership) with clear domain ownership, product managers, and SLAs for platform services	Evolve to a **product and platform operating model** that continuously improves agent-led workflows
6 Upskill and enable workforce	Invest in **role-based training** (agent supervision and data literacy) and **drive adoption** through training and change management	Institutionalize **continuous skill evolution** as agents assume a growing share of execution
7 Adopt responsible AI and governance	**Embed practical RAI controls** (accountability, auditability, and guardrails) into priority AI and agent workflows and **introduce new roles** to govern the use of AI	**Scale enterprise RAI** as a core capability, enabling speed, trust, and regulatory alignment

Note: SLA = service level agreement.

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