

Insurtech Global Outlook 2026

Highlights

2025 marks a turning point for insurtechs

From pilots to production, from promises to measurable outcomes, and from innovation to real operating leverage.

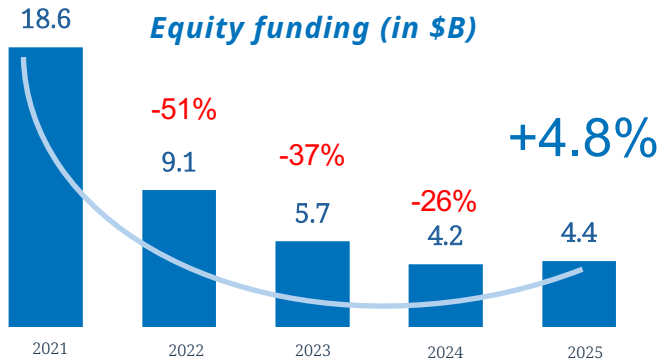
What happened in 2025?

Insurtech market rebounds in 2025

The Insurtech market revival is driven by shifting macroeconomic tides and powerful industry-specific forces at play. As the sector accelerates its digital transformation journey, the demand for capital continues to intensify. While innovation can be pursued through diverse strategic pathways, the pursuit of capital is equally defined by multiple avenues.

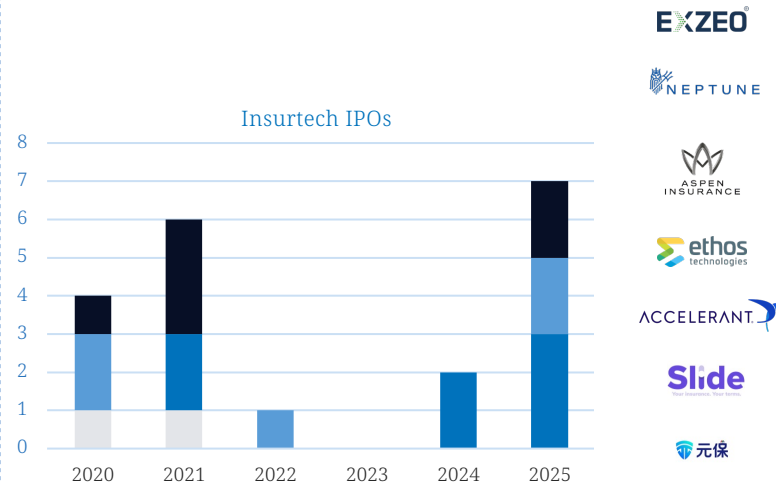
Insurtech funding rebound

After three consecutive years, Insurtech investment is showing recovery, with funding stabilizing and returning to positive growth.



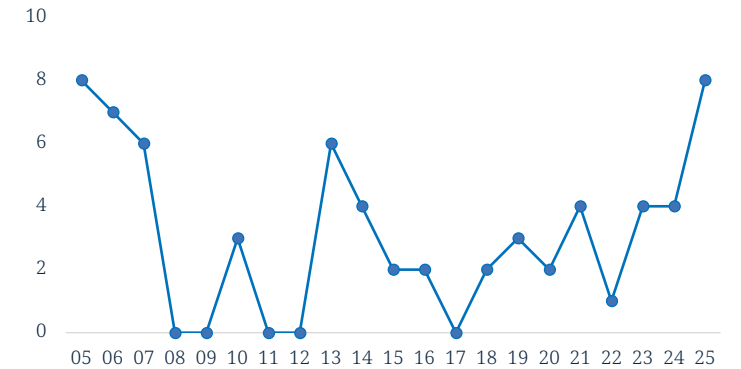
Insurtech IPOs surge

Record IPOs in the sector with traditional insurers also relying on in-house innovation.



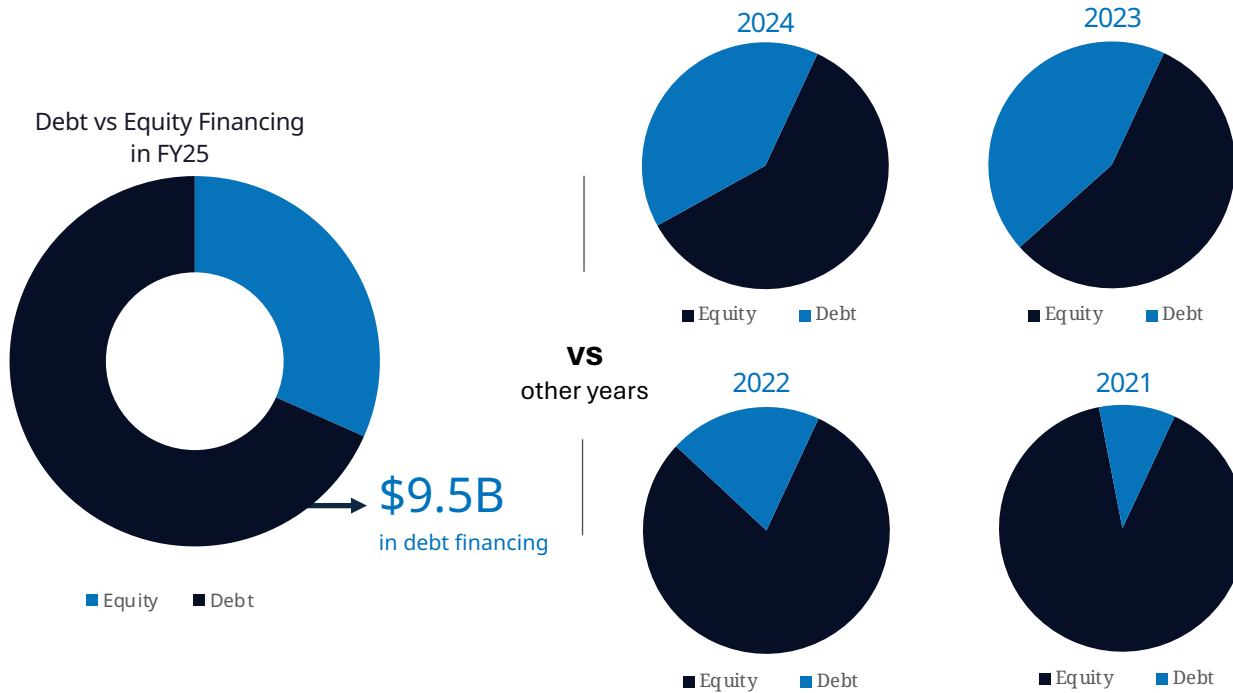
Insurance IPOs in US hit a 20 yr. high

Insurers are raising money in full force to fund their innovation plans.



Dealing in debt capital

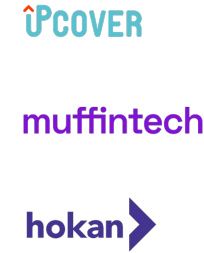
When equity capital flows freely, startups avoid debt. However, amidst a sustained venture funding slowdown, they have pivoted towards borrowing, even in some of the most economically turbulent times. This private credit is filling the void when equity dilution is not an option and is flowing around insurtech if not directly into it.



Early stage

\$39.8M

Venture debt to support disruption. High innovation density.



Early growth

\$636.9M

Disruption expansion for Insurtech scaling.



Late growth

\$5.55B

Debt for acquisition, platform leverage and recapitalization.



Mature

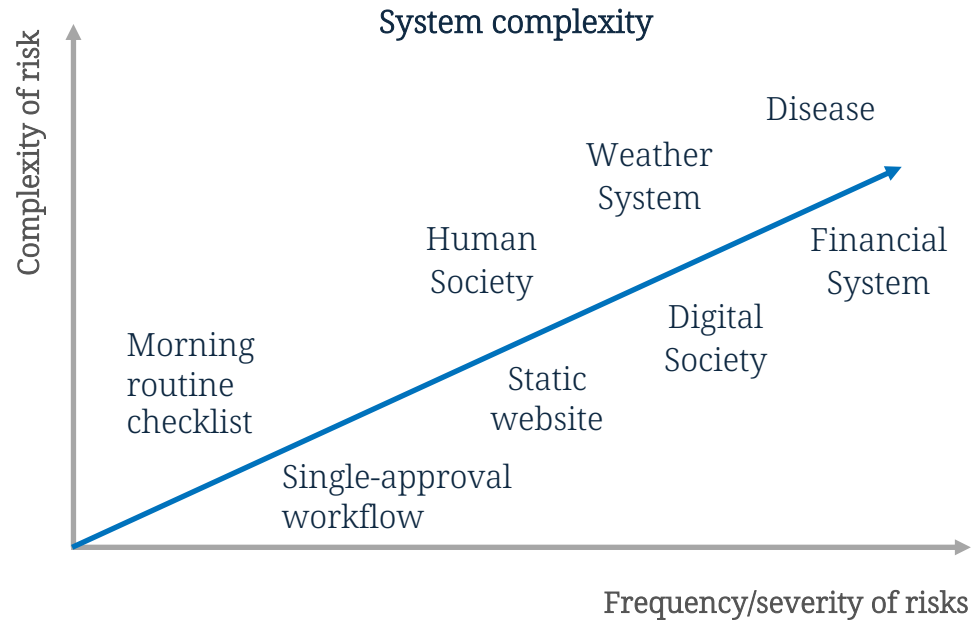
\$3.26B

Capital market debt for innovation projects.



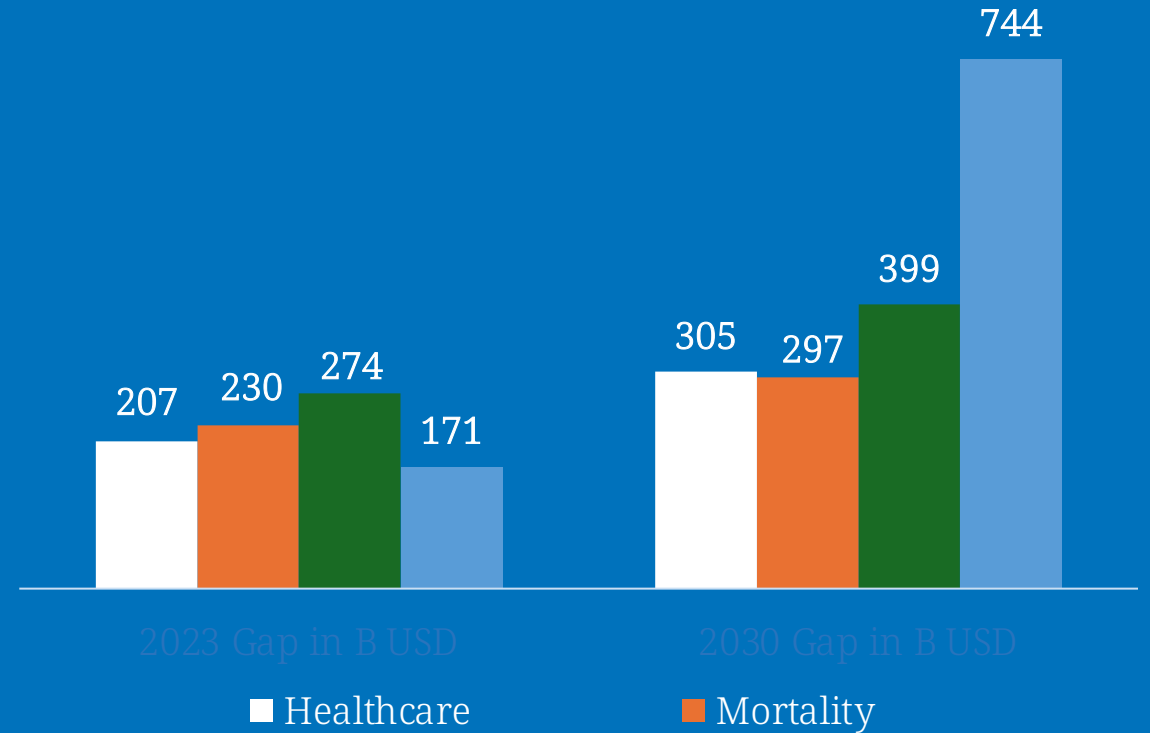
For decades, insurance has been optimized for the aftermath. Risks are getting more complex

Risk changed its nature



and protection gap is widening

Projected protection gap 2030

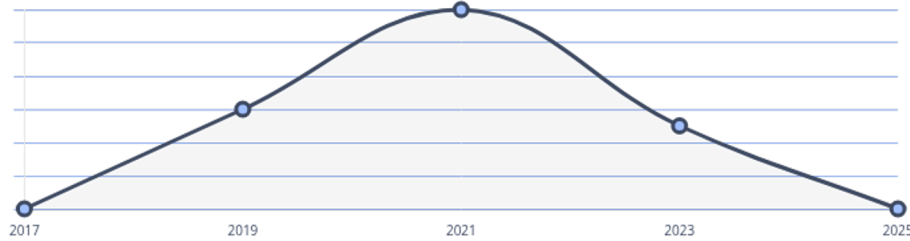


The AI bottleneck and insurance resilience

Innovation efforts amongst insurers have stagnated. In house development of technologies is now a low priority, moving insurance to collaborate and create insurance resilience. This does not necessarily indicate low digital transformation. Moreover, the AI adoption has remained subdued. We do understand that integrating AI into workflows is not just technical process but also a change management process, however there are various challenges that are restricting this change and hampering this adoption.

Insurance patent filings (2017-2025)

Reduced to 2017 levels



22%

Production scaling

Only a fraction of insurers have successfully moved AI from pilot to production at scale, despite widespread strategic prioritization.

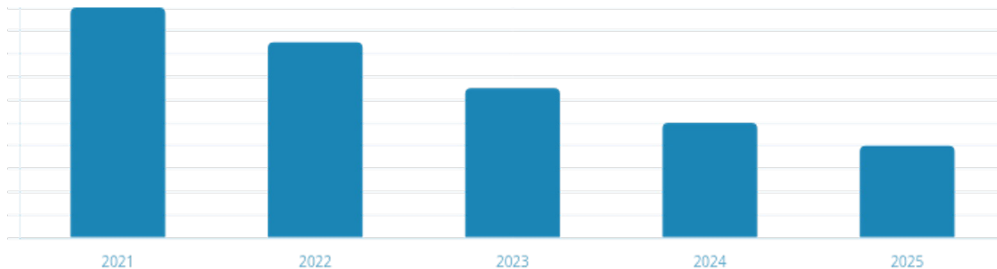
66%

Regular AI usage

Employees are adopting AI tools faster than organizations can build trust frameworks around them.

Early-stage insurtech funding (2021-2025)

Significant contraction



Strategic implication

The bottleneck isn't technology availability—it's trust and operating model maturity. Organizations must redesign workflows for autonomy rather than just automating tasks.

Emotion-driven AI native CX

Modern consumers expect solutions before they articulate issues, with the entire journey seamlessly streamlined in front of them and above all genuinely empathetic to their concerns. Giving them this is not just a responsibility but a strategic priority to remain relevant.



The loyalty cliff

Customers are no longer comparing insurers to insurers. They compare you to Amazon, Netflix, and Revolut. The tolerance for friction has hit zero.

Non-negotiable: trust

In an AI-driven world, "Black Box" decisions destroy loyalty. Ethical, explainable AI is not just a compliance requirement—it is the foundation of the new customer relationship.

~800M

Weekly Users

ChatGPT weekly active users by 2025, setting a new standard for conversational, instant service.

Zero friction

Eliminate repetitive forms and manual inputs. Pre-fill everything. Make the complex invisible.



80% switch after poor digital CX

Transparency

Clear language. No hidden clauses. Explainable pricing and decisions. Radical openness builds trust.



Demand for "Glass Box" AI

Immediacy

Real-time responses are the baseline. Quotes in seconds, claims paid in minutes, support instantly.



"ChatGPT-speed" expected

Mobile first

Not just a responsive web, but a native, intuitive mobile experience that handles the full lifecycle.



Gen Z primary channel

What structural shifts in insurance fueled this rebound

Insurance is entering a new operating model where data, AI and emerging technologies reshape how risk is understood, prevented and serviced.

What's going to happen in 2026 and beyond...

New insurance model: The competitive advantage for tomorrow

Insurance is being reshaped by forces that can no longer be ignored: rising systemic risks, the emotional expectations of customers, the need for trusted human, AI collaboration, and increasing sovereignty pressures. To thrive, insurers must adopt a new model to navigate an ambiguous and dynamic landscape. What should insurers be doing?

Insurance challenges 2026



New insurance model

Becoming architects of resilience

Systemic risks are growing faster than insured capacity. The industry must move from pure cost efficiency to resilience.

- Climate change and Nat Cat severity (180B USD uninsured climate losses). Home insurance premiums up 24% in 3 years.
- Longevity and health-cost inflation (US health spend ~5T USD, ageing and inefficiencies pushing it higher).
- Cyber as #1 business risk and escalating systemic digital risks. Litigation costs driving liability claims up 57% over a decade.

Adopt balanced trust and responsible AI

Building AI-native, agentic operations where humans remain accountable and trust, compliance and explainability are built-in avoiding both manual bottlenecks and uncontrolled automation.

- AI/GenAI/Agentic AI driving up to 35% cost savings in automation and process optimization.
- By 2026, 40% of large enterprises will deploy AI agents for multi-step tasks;
- Agentic AI is ranked as #1 strategic tech trend for 2025 by Gartner, with 43.8% CAGR

Deliver empathy at scale

Loyalty is driven by prevention, behavior and emotions, not just price. Customers expect hyper-personalized, embedded and ethical insurance experiences in their daily journeys.

- Hyper-personalization growing at 35%+ CAGR.
- Prevention-first health: 67% of employers increasing prevention spend due to cost pressures.

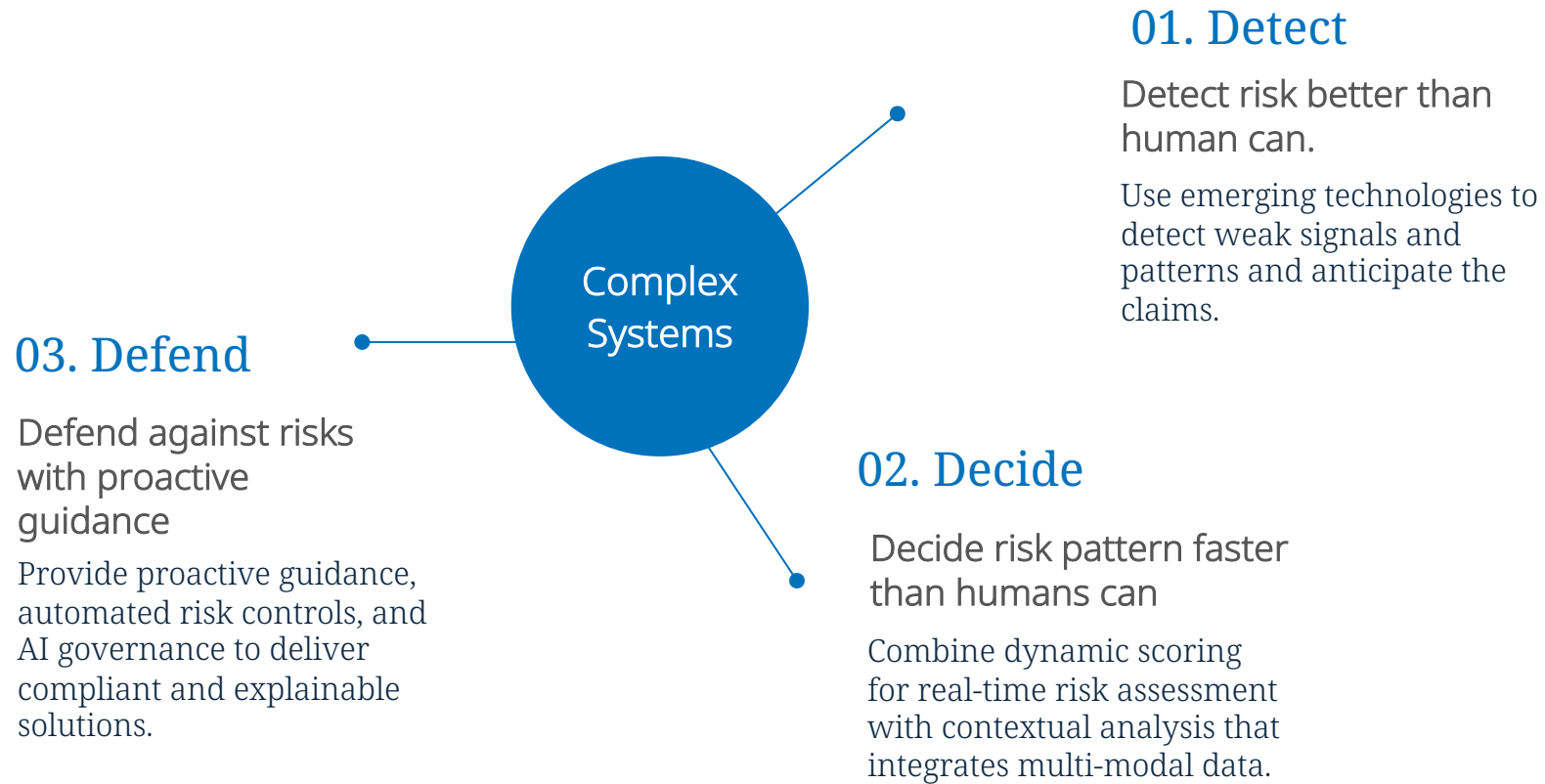
Orchestrate value beyond boundaries of insurance

Ecosystem Architecture and Cloud infrastructure that optimize cost, latency, resilience and compliance, while flexible and agile to add new technologies and solutions.

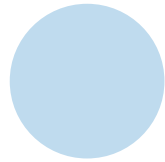
- Embedded insurance market size expected to reach ~116B USD by 2025.
- Open Insurance standards, Data residency, AI sovereignty and critical-infra regulation
- Early post-quantum roadmap, reducing future cyber and regulatory risk.

Become architects of resilience: The 3D framework

Shift from perfecting payout to loss avoidance. A comprehensive model for dynamic risk intelligence. Risk does not just need to be identified in advance but needs to be priced, processed and prevented to stay ahead of the curve.

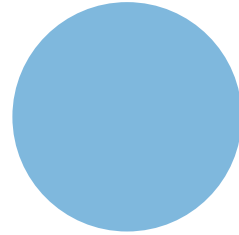


From human signals to planetary intelligence



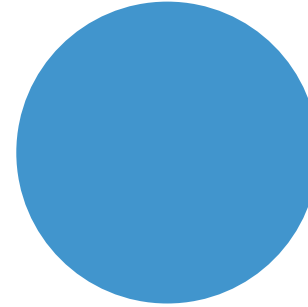
Telematics
Behavioral risk in motion

- Driving and usage patterns
- Enables dynamic pricing and incentives



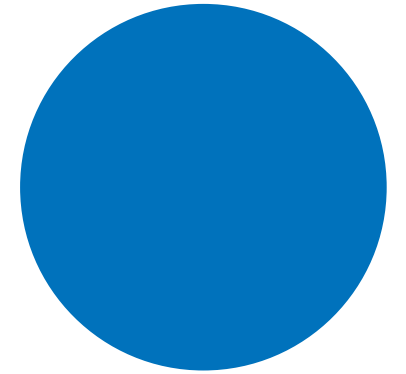
Biometrics
Human risk signals

- Health, stress, recovery signals
- Enables continuous prevention



Digital and network telemetry
System risk

- Network and identity signals
- Enables live cyber risk management



Satellite and geospatial intelligence
Planetary risk

- Climate and geospatial exposure
- Enables predictive resilience

Measure and understand

Control and simulate

Lighthouse case: GeoX

Geospatial AI for high-resolution property intelligence

GeoX

The challenge

Insurers struggle with outdated, inaccurate property data, relying on manual inspections or broad estimates. This leads to underwriting leakage, inaccurate pricing, and slow response times during Natural Catastrophe (Nat Cat) events.

Strategic goal

Automate property risk assessment using AI and aerial imagery to provide instant, highly accurate property data for underwriting and claims without physical inspections.

P&C Insurance

Real Estate

Underwriting

Nat Cat response

The geospatial AI solution



3D aerial imagery analysis

Proprietary AI analyzes high-resolution aerial and satellite imagery to create 3D property models.



Attribute extraction

Automatically identifies roof condition, pool presence, tree overhang, and secondary structures.



Automated underwriting

Instantly populates risk data into underwriting engines, replacing manual questions.



Nat Cat response

Rapid post-event damage assessment by comparing pre- and post-disaster imagery.

1,740

Urban areas

Covered globally with high precision

50%

Market penetration

Achieved in target market segments

420k

Units analyzed

Comprehensive spatial coverage

“

Transforming pixels into actionable property intelligence for faster, smarter insurance.”

Deliver empathy at scale: The participant model

Redefining relationship with customers by adopting a new operating rhythm to earn trust and loyalty. Policyholders want and are willing to invest more than just premiums to have a better experience. More data from them will augment insurance pricing, risk prevention and continuous improvement in the entire process. The good news is, these customers love sharing their data in exchange for this as long as the process is ethical and transparent.

Passive Policyholder

Relationship

✘ Transactional payer

Interaction limited to purchase, renewal, and claims. Customer is a passive recipient of coverage.

Pricing model

✘ Static and annual

Based on historical demographics and rigid tables. Price is fixed regardless of behavior changes.

Value exchange

✘ Indemnity only

Value is realized only after a loss event occurs. No ongoing engagement or benefit.

Governance

✘ Opaque logic

Underwriting rules and decisions are "black box" processes hidden from the customer.



Active participant

Relationship

✔ Embedded empathy

Customer shares real-time data (iot, wearables) in exchange for personalized services and rewards.

Pricing model

✔ Hyper personalized insurance

Premiums adapt in real-time based on behavior (telematics, health metrics) and usage patterns.

Value exchange

✔ Preventive coaching

Continuous feedback loops (3rs: recognize, reduce, reinforce) to mitigate risk before it happens.

Governance

✔ Transparent AI

Explainable AI decisions and ethical data use build trust and encourage participation.

Supreme selection: DreaMed Diabetes

AI-driven insulin recommendations for personalized care

DreaMed × NTT Innovation

The challenge

Managing Type 1 and Type 2 diabetes requires constant adjustment of insulin levels based on glucose monitoring. Traditional clinical visits are infrequent, leaving patients unsupported between appointments and leading to suboptimal "time in range" outcomes.

Strategic goal

Implement an AI-driven cloud platform (Advisor Pro) that analyzes glucose and insulin data to generate personalized treatment recommendations, empowering clinicians to provide remote, data-driven care at scale.

Healthcare

Digital health

Chronic care

AI diagnostics

The AI solution



Data aggregation

Seamlessly collects data from cgms (continuous glucose monitors), insulin pumps, and glucometers.



AI analysis

Algorithms analyze patterns to identify optimal insulin dosing adjustments personalized to the patient.



Clinical recommendation

Generates a draft treatment plan for the clinician to review, approve, and send to the patient remotely.



Outcome tracking

Continuous monitoring of "time in range" metrics to ensure therapy effectiveness.

5,000+

Active patients

Served via the AI platform

>50%

More eligible visits

Via streamlined documentation

Improved

Time in range

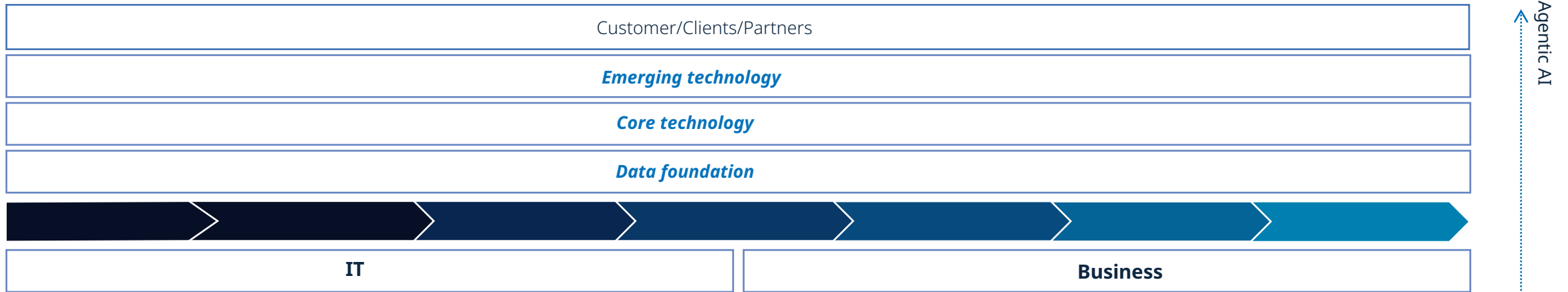
Better clinical outcomes for patients

“

Transforming diabetes care from reactive visits to continuous, AI-driven optimization”

Adopt balanced trust and responsible AI: AI operating across insurance domains with emerging technologies

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Agentic AI

- | | | | |
|---|--|--|--|
| <p>1. Connects the entire insurance value chain</p> <ul style="list-style-type: none"> Integrates underwriting, policy servicing, claims, distribution, and back-office operations. Allows autonomous workflows to move across traditionally siloed functions. Provides real-time reasoning and decision support at every step. | <p>2. Bridges business, IT, and emerging technologies</p> <ul style="list-style-type: none"> Acts as an orchestrator between business logic, legacy systems, and modern platforms. Reduces the gap between strategic intent and technical execution. Leverages IIs, automation, and data intelligence to make systems work cohesively. | <p>3. Elevates customer and partner engagement</p> <ul style="list-style-type: none"> Powers personalized, proactive, always-on interactions for customers and partners. Creates unified experiences across agents, brokers, mgas, reinsurers, and service providers. Enhances collaboration by giving partners intelligent tools, guided workflows, and real-time insights. | <p>4. A strategic layer for speed, intelligence, and integration</p> <ul style="list-style-type: none"> Enables faster product innovation and operational efficiency. Converts data, rules, and processes into autonomous workflows. Positions insurers to adopt new technologies without disrupting existing systems. |
|---|--|--|--|

Lighthouse case: NTT DATA AI for Insurance (NDAI)

Enterprise Agentic AI Platform: orchestrating humans and machines

NDAI | Agentic platform

The challenge

Insurers struggle to balance profitable growth and efficiency. Siloed legacy systems and fragmented data prevent holistic insights across underwriting, claims, and distribution, while manual tasks slow decision-making.

Strategic goal

An enterprise Agentic Workplace Platform that orchestrates AI agents, humans, and data. It leverages an insurance-specific ontology to enable governed, end-to-end autonomous workflows.

Agentic AI

Claims

Distribution

Underwriting

The orchestration engine



Orchestration layer

Coordinates AI agents, human experts, and workflows across underwriting, claims, and distribution.



Insurance data genome

Ontology-led data models ensuring consistent, explainable, and governed AI outputs across the value chain.



Specialized agents

Autonomous agents for risk assessment, pricing, fraud detection, and FNOL, escalating to humans when needed.



Open integration

Seamlessly connects with core systems and external data (satellite, geospatial) via API adaptors.

3x

Productivity
Improvement

+5-10%

Topline growth
Revenue increase

-2-5pt

Loss ratio
Reduction impact

-20-25%

LAE reduction
Loss adjustment exp.

-30-35%

Claims leakage
Significant reduction via accuracy

“

Human-empowered, AI-driven business flows that scale autonomy safely.”

Orchestrate value beyond boundaries of insurance

Value creation has moved beyond the insurer's walls. Growth now happens in platforms, embedded channels, and partner networks. 75% of insurance executives say digital ecosystems will be transformative, 26% are experimenting with platform models

Ecosystem thinking	Open insurance	Invisible insurance	Technology frontier
<p>Collaboration is replacing competition. Insurers partner with tech giants and startups to import innovation rather than building in silos.</p> <ul style="list-style-type: none"> • Build the right ecosystem Strategy • Integrate partners seamlessly across the value chain • Evolving Insurance Roles • Embed insurance into platforms, journeys, and digital experiences 	<p>API-first architectures enable data portability, transparency, and tailored customer experiences similar to Open Banking.</p> <ul style="list-style-type: none"> • API-driven data sharing across insurers, partners, and ecosystems • Customer-controlled, portable, and transparent data access • Real-time information flows across underwriting, claims, and distribution • Interoperable platforms enabling plug-and-play partnerships • Foundation for ecosystem collaboration and innovation at scale 	<p>Embedded market projected to exceed \$116B in premiums by 2025 by integrating into e-commerce and mobility flows.</p> <ul style="list-style-type: none"> • Insurance integrated directly into third-party digital journeys • Contextual, point-of-need coverage within checkout or usage flows • Frictionless enrollment with minimal customer effort • Usage-based, dynamic, and experience-driven products • Shifts insurance from a standalone product to an invisible service 	<p>Connecting to technology frontiers is critical for insurers seeking to orchestrate value beyond traditional boundaries. The following technologies are paramount for insurance next level performance.</p> <ul style="list-style-type: none"> • Gen and agentic AI: Automates and augments underwriting, claims, and decision workflows at scale • Digital twins: Simulates assets for predictive risk management. • Satellite and data: Enables real-time monitoring and exposure management • Quantum computing: modeling beyond classical limits
<p>Impact Build better network, collaboration</p>	<p>Impact API first architecture standard</p>	<p>Impact \$116B embedded opportunity</p>	<p>Impact Sense any risk before it happens</p>

Supreme selection: Zurich NA × Sixfold

AI-Generated Underwriting Narratives for Operational Efficiency

Zurich NA × Sixfold

The challenge

Underwriters were spending excessive time manually gathering data and drafting initial narratives. This operational bottleneck slowed down risk assessment and limited the capacity to focus on complex decision-making.

Strategic goal

Implement Generative AI to automate the creation of first-draft underwriting narratives that adhere to Zurich's specific risk appetite, format requirements, and preferred tone.

Commercial property

GenAI

Underwriting

Operational efficiency

The AI Solution



Data ingestion

AI ingests submission documents and third-party data sources relevant to the risk.



Automated drafting

Generative AI creates a comprehensive first draft of the underwriting narrative.



Risk alignment

Drafts are automatically aligned with Zurich's specific risk appetite and formatting standards.



Human review

Underwriters review and refine the AI-generated draft, focusing on judgment rather than assembly.

Reduced

Cycle time

Faster turnaround on submissions

Increased

Consistency

Standardized narrative quality

Expanded

Capacity

Underwriters handle more volume

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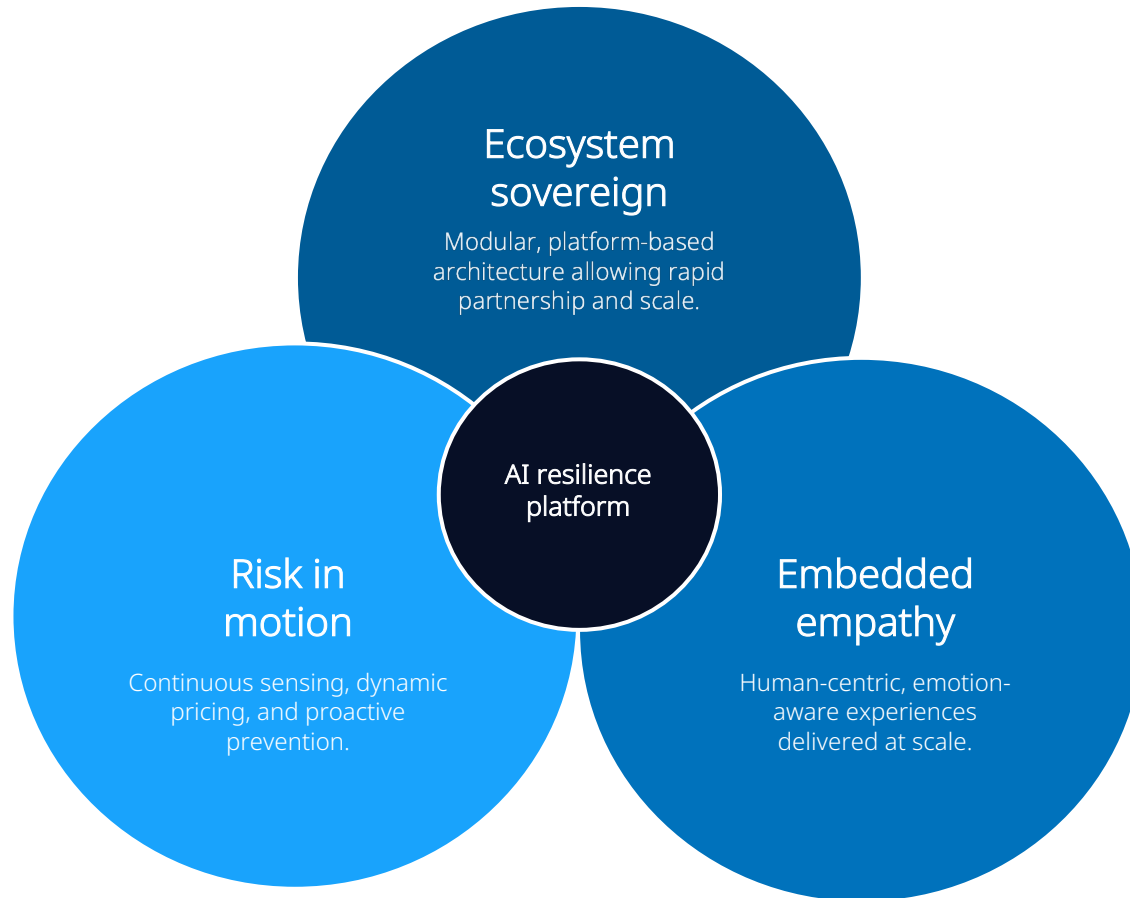
Empowering underwriters to focus on complex risk decisions, not paperwork.”

Creating the future-ready resilience insurance

Key strategic takeaways for insurance 2026

Strategic convergence

Creating the future-ready resilience platform



Modular core

The foundation that allows insurers to plug-and-play services, partners, and data streams instantly.

Continuous sensing

Real-time ingestion of planetary, behavioral, and system data to predict and prevent loss events.

Human-centered

AI agents that understand context and emotion, delivering trust and transparency in every interaction.

The hard part: 5 moves to reach success

The CEO playbook: 5 moves to secure first wins and fund the journey

1. Adopt ecosystem driven strategies and thinking
2. Build the detect-decide-defend loop, move towards a prevention mindset
3. AI + empathy are partners, not rivals
4. Adapt the balanced AI, embrace human in the loop
5. Partner for the last mile

Partners for the last mile: NTT DATA startup ecosystem

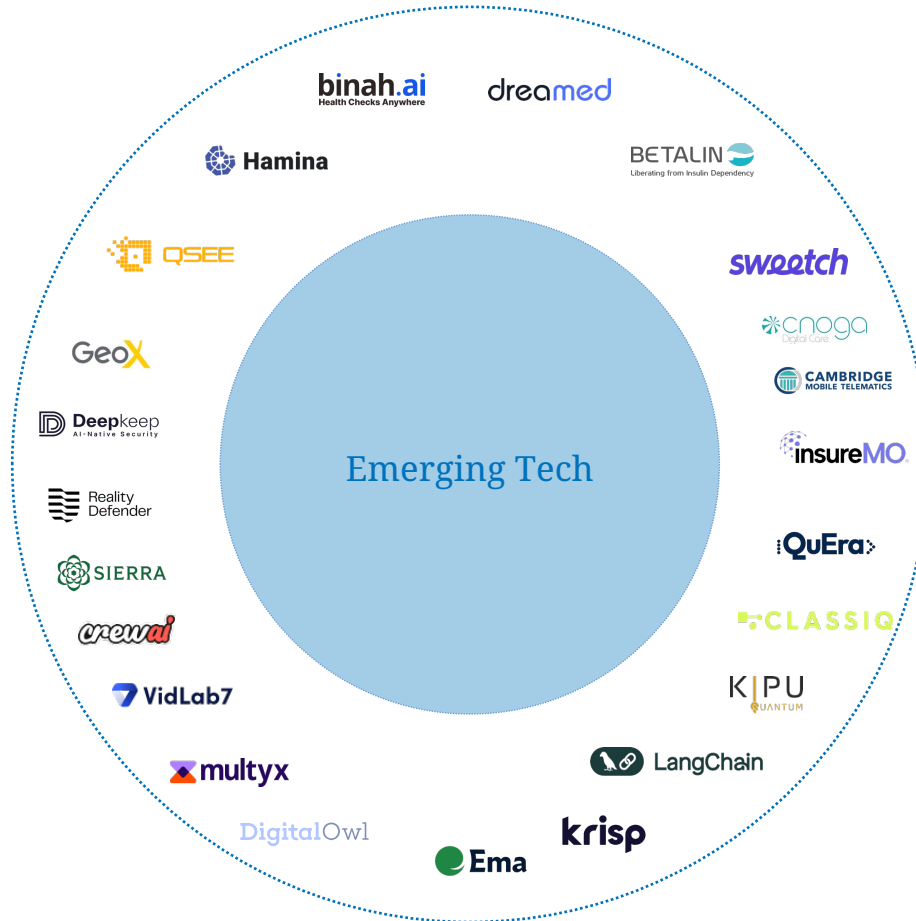
This startup ecosystem shows all lighthouse companies have connections with NTT DATA, making it easier to access to frontier business models.

Become architects of resilience

Systemic risks are growing faster than insured capacity. The industry must move from pure cost efficiency to resilient, sufficiency-oriented portfolios in risk selection, capital, infra and sustainability

Adopt balanced trust and responsible AI

Building AI-native, agentic operations where humans remain accountable and trust, compliance and explainability are built-in avoiding both manual bottlenecks and uncontrolled automation.



Deliver empathy at scale

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Ecosystem Architecture and Cloud infrastructure that optimize cost, latency, resilience and compliance, while flexible and agile to add new technologies and solutions.



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