



# INSURANCE TRENDZ TO WATCH IN 2026 & BEYOND:

## Seeking Competitive Advantage through Human Empathy



A TrendzOwl  
executive brief  
in partnership with



The provision of high-quality CX is a competitive differentiator in the insurance industry. Put simply, “CX matters now more than ever,” for insurance carriers. “Customers have come to expect personalized advice, omnichannel experiences, and seamless end-to-end journeys.”<sup>1</sup>

In 2026 and beyond, TrendzOwl proposes three fast-developing themes in the insurance sector:

#### **Seeking Competitive Advantage**

Insurers are “all-in” on exploring and investing in GenAI to improve human-centered support and innovate claims management as a means to achieve competitive advantage.

#### **Balancing the Digital & the Human**

Advances in technology are impressive, but instead of replacing human beings, AI-enabled technology augments the capabilities of insurance customer service agents, enabling them to focus on more complex and strategic tasks.

#### **Improving Digital Claims Management**

Smart management of data helps optimize and innovate claims management. Insurers are therefore accelerating their investments in data and analytics.

## TRENDZ SPOTLIGHT

### The Road to Seamless Customer Journeys

CX in insurance refers to the overall journey customers go through when purchasing a policy from an insurance provider across insurance categories (health, life, property and casualty [P&C], auto, commercial, and home).

And across all categories, “Customers are increasingly demanding faster, more accurate, and personalized experiences. These expectations stem from a need for both efficient digital solutions and the human touch of in-person interactions.”<sup>2</sup>

Interestingly, however, customers typically interact with their insurance carrier only once or twice a year. “This is in stark contrast with other financial services industries such as banking, in which customer interactions take place ten to 20 times more often. The low frequency of customer touchpoints in insurance means that it’s extremely important to get each one right” by offering seamless, omnichannel customer journeys.<sup>3</sup>

Unfortunately, too often today’s insurance experience leaves much to be desired. According to recent research, “The customer journey is typically fragmented from the start: six out of ten customers switch channels prepurchase. Moreover, the transition from online to offline channels can be abrupt or nonexistent. Roughly one in six customers reports no follow-up from insurers after an initial discussion related to financial advice. And of those who do hear back, 40% report interacting with two or more people, which can lead to a disjointed experience. Insurers can—and must—do more to close these gaps and ensure that customer interactions can move seamlessly between offline and online channels.”<sup>4</sup>

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### AI-enabled Digitization & Digital Self-Service

Increased digitization is part of the answer to these challenges. “Insurance providers can leverage AI to tailor their services to unique individual needs. As a result, customers feel understood, which enhances their loyalty to the company.”<sup>5</sup> Alas, “The need for quick and seamless experiences has also given rise to the idea of self-service options. Digital tools like mobile apps, chatbots, and online portals are relevant here. These tools allow customers to complete tasks on their own without taking too much time.”<sup>6</sup> Chatbots in particular “enable customers to find quick answers to their questions without having to wait for a human agent... The self-service enabled by chatbots can help your business by reducing support costs. It helps improve customer satisfaction by cutting down on wait times and increasing efficiency.”<sup>7</sup>

In fact, “Digital self-service has become the norm in personal and small-business insurance, with customers expecting to handle everything seamlessly, from policy renewals to payments. The shift has been driven by consumer demand for frictionless transactions, mirroring the speed and simplicity of the ecommerce experience.”<sup>8</sup> Over 70% of customer interactions in insurance occur through digital channels, with rising frequency across web, mobile, contact centers, and chat interfaces.<sup>9</sup>

But there’s a plot twist—“when customers take advantage of digital channels, they are often left wanting more. More than 30% of insurance customers are not satisfied with the digital channels available, and only 20% of customers say that digital channels are their top choice for interacting with their insurer.”<sup>10</sup>

30%+

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## HUMAN-DRIVEN SUPPORT

### Prioritizing the Human Touch

“Despite the shift toward digitalization,” offers McKinsey, “insurers cannot sacrifice the human touch in CX—especially for life customers, who rank agents as the most trusted source for learning about insurance products.” A recent McKinsey survey “found that agents and advisers are still the highest-rated channel when it comes to customer satisfaction, and 20% of customers report that they would likely switch insurance carriers if their adviser left.”<sup>11</sup>

According to Mendix, “49% of customers believe a human advisor is more trustworthy in filing a claim than an automated service or a chatbot.”<sup>12</sup> For Hi Marley, “50% of five-star ratings from insurance customers highlighted that a ‘positive or empathetic adjuster attitude and handling approach’ is important to their satisfaction.”<sup>13</sup>

In other words, AI is still a long way from replacing human workers. Rather, it is augmenting the skills of human agents. As such, innovative process redesign means “AI first with Human-in-the-Loop” that unlocks value. Consider the following example—“One company where AI’s promise and flaws are playing out... provides insurance and banking services.... After several pilot projects, some of which it closed down, the company introduced an AI assistant to help its 16,000 customer service workers provide correct answers to specific questions.”<sup>14</sup> And according to the company’s chief data analytics and AI officer, “Those are moments that matter. They want a human voice at the other end of the phone.”<sup>15</sup>

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## WORLDWIDE REGIONAL TRENDZ

### **The United States: Getting the Human-Tech Balance Right**

Recently, McKinsey launched a survey of more than 8,500 insurance customers of the 40 largest North American insurance carriers across the life and property and casualty (P&C) segments. “The results were clear: customer experience is a strong predictor and driver of financial and organizational outcomes. CX leaders, defined as those with above-median customer experience scores, outperform their peers across the board—from TSR and revenue growth to employee and agent satisfaction.”<sup>16</sup>

And the human touch is vital to success. After all, “as business complexity increases, digital solutions alone may not be enough.... Mid-market companies, with their larger footprints and multi-location operations, require a balance between automation and expert guidance. They want efficiency but also need validation from brokers who can confirm whether they have the right coverage.”<sup>17</sup>

According to Stephen Rhee, Global Chief Digital Officer at Gallagher, “They still want some digital, but they want to talk to a broker or an expert who can validate their purchase. Am I buying the right amount of limit? Do I have the right market? Do I have the right insurer? Am I getting the proper claim service?”<sup>18</sup> Similarly, large enterprises that are becoming more digitally integrated “operate in a world of multinational risk, requiring digital tools to manage vast amounts of data while still depending on expert consultation to navigate complex policy structures.”<sup>19</sup>

### **Asia Pacific: Infusing Humanity & Technology in Proactive Service**

When it comes to the state of the insurance CX across Asia Pacific, Genesys also emphasizes the fusion of technology and human beings. “To create and deliver value effectively, it is essential to infuse both humanity and technology into insurers’ offerings—while working together with others to make the process intuitive. Ultimately, insurers need to serve a greater purpose, which is to proactively prevent losses and enable customer outcomes.”<sup>20</sup>

Another fact stands out across the region. “Consumers are no longer waiting to be sold insurance, rather they are proactively seeking one out. Per capita consumption of insurance is growing rapidly as insurers seamlessly embed products into the consumer lifestyle. They need to embrace agility and provide the highest level of customer experience through omnichannel communications to meet evolving customer demands and needs.”<sup>21</sup>

Fortunately, “As customer expectations in the Asia-Pacific region evolve rapidly, brands are adapting to meet the shifting tide.”<sup>22</sup> The road to more holistic customer experiences includes trends such as hyper-personalization (leveraging advanced analytics, real-time data, AI, and GenAI to meet customer needs); hybrid personalization (ie, combining human-led and technology driven experiences that switch between automated and live service, or online and offline touch points); predictive analytics; sustainability (demonstrating a commitment to ethical practices and environmental responsibility); data privacy and transparency.<sup>23</sup>

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### Europe: A Dynamically Proactive Future

When it comes to Europe, “the past year hasn’t been easy on insurers, who are once again forced to adapt their customer service strategies to keep up.”<sup>24</sup> Content Guru, one of Europe’s largest two insurance providers, confirms this shift toward higher premiums due to everything from natural disasters and extreme weather to geopolitical tensions and an increase in shallow fake AI claims.<sup>25</sup>

The solution? European insurers being more proactive with customers. “From a CX perspective, the reactive-to-proactive shift makes insurers more valuable to customers, and it’s definitely a noteworthy improvement from the traditional service approach in this industry. However, with the advent of new technologies like the Internet of Things (IoT), the bar is rising even higher.”<sup>26</sup>

Indeed, all across Europe, a “surge in digital claims, embedded affinity programs and hyper-personalized campaigns has driven a need for specialized components that can scale independently and integrate through Application Programming Interfaces (APIs) and event-based triggers.”<sup>27</sup> Suddenly, connected devices (vehicles, personal health, etc.) are helping transform the contact center into a “dynamic data hub.”<sup>28</sup>

The reactive-to-proactive shift makes insurers more valuable to customers

### The Middle East: Opportunities Abound

There’s strong growth in the insurance industry across the Middle East, with emerging markets from Saudi Arabia to the United Arab Emirates (UAE) and Qatar offering a host of opportunities. Meantime, the insurance industry across the Middle East is also becoming more competitive. Changing consumer preferences means that “the ability to deliver exceptional customer experiences has emerged as a crucial factor for success.”<sup>29</sup>

In effect, “The current insurance industry in the Middle East is a mixture of local and international players serving a great deal of financial offerings to meet the consumers’ needs in the region.... As the insurance landscape in the Middle East continues to evolve, adopting customer-first strategies will be crucial for insurers to thrive in a rapidly changing environment and deliver value-added experiences to their policyholders.”<sup>30</sup>

### **Africa: A New Era of Personalized Insurance Models**

According to Kearney, “The insurance industry in Africa is at a tipping point. Several megatrends will impact the entire value chain, and insurers will need more than resilience to thrive.”<sup>31</sup> The environment and natural disasters is the most obvious megatrend. “But environmental pressures are not the only forces rocking the industry. Transformative forces related to political and economic turbulence, societal shifts, and the phenomenal pace of technology development have also combined to upend the insurance landscape.”<sup>32</sup>

For Kearney then, “traditional transformation approaches just aren’t going to cut it. The world is changing rapidly, which means that being resilient to disruption is no longer enough. Instead, the insurer of the future will need to take a more regenerative approach that ensures continued, systemic transformation is the norm, not the exception.”<sup>33</sup>

### **Latin America: Fast Growth**

According to McKinsey, “Latin America is consolidating as the world’s fastest-growing and most profitable region for insurance. Insights from McKinsey’s Global Insurance Report 2025 find that while it accounts for just 3% of the world’s insurance market, gross written premiums grew at 11% annually from 2019 to 2024, and the region retains significant room to grow.”<sup>34</sup> Brazil and Mexico are among the largest contributors to this growing market.

It’s also notable that amidst the ongoing digital shift across the region, human advisory skills remain central to helping customers make purchasing decisions—“Digital channels are especially relevant in the initial phase of the purchasing process, in which clients seek product information and pricing, but they are less relevant in purchasing decision-making stages, in which advisory is key.”<sup>35</sup> And so providers need to enable omnichannel experiences. As McKinsey has pointed out, this involves ensuring seamless insurance journeys that integrate both digital channels and human interaction to meet evolving consumer expectations (such as AI-driven chat for claims in Mexico or WhatsApp-based onboarding in Brazil).<sup>36</sup>

The insurer of the future will need to take a more regenerative approach that ensures continued, systemic transformation

## TAKEAWAYS

Digital transformation is accelerating, altering the way insurers and brokers operate, from personal insurance to small commercial policies and large enterprise risk management. Paradoxically, however, “while automation has made processes more efficient, the human touch remains essential, particularly as risks grow more complex and AI plays a bigger role in underwriting and customer interactions.”<sup>37</sup>

And as McKinsey points out, “Because CX initiatives take months or years to realize their full potential, the time to invest is now. To maximize the value of these investments, insurance carriers should embrace a holistic and agile approach that emphasizes transparency (for example, by benchmarking against peers using customer experience scores and other CX-related operational metrics), data-driven decision making (by anchoring on KPIs across various customer journeys), and a clear sense of urgency that can be sustained throughout the 12 to 24 months it can take to undergo a customer-centric transformation.”<sup>38</sup>

## THE TP APPROACH

In light of fast-developing trends, TrendzOwl and TP propose the following key action items for insurance carriers and their Business Process Service partners:

### **Invest in CX for Competitive Advantage**

Remember that, “Customer experience is a key differentiator and source of competitive advantage in more ways than one. Insurers often find that investing in CX also drives operational efficiencies and that these ‘stacked wins’ combine to improve the bottom line. By harnessing the potential of CX and overcoming its pitfalls, insurers can deliver superior experience and capture the significant value at stake.”<sup>39</sup> Indeed, “With growing competition and customer expectations in insurance, providing positive experiences is more important than ever before. Insurance providers should invest in personalization, digital solutions, and agent-customer interactions to satisfy and retain customers.”<sup>40</sup>

### **Position Human Empathy at the Center of Support**

Insurance firms should blend digital convenience with personal service.<sup>41</sup> Or as TP puts it, AI helps empathetic human beings be more effective: “AI-powered solutions simplify the experience for both customers and representatives. An intelligent virtual assistant gathers the customer details before transferring them, with context, to a representative who specializes in that particular type of claim. The representative can easily confirm the customer’s information, demonstrate empathy and understanding, and send a link for uploading photos, audio recordings, and documents. The AI assistant guides them through the conversation, ensuring they don’t forget anything, and empowers them to provide a compassionate ear while customers are in distress.”<sup>42</sup>

### **Deploy Intelligent Automation for Digital Claims Management**

TP emphasizes that, “Today’s digital claims management solutions take advantage of the power of automation and AI technology to help with mundane tasks, along with human understanding and empathy.”<sup>43</sup> And TP’s approach to digital claims management “is a unique end-to-end process. It incorporates AI training and automation tools that reduce learning time with realistic customer engagement simulation, improving employee performance and satisfaction, effectively reducing attrition rates.”<sup>44</sup> And the company’s “omnichannel strategy is powered by real-time AI recommendations and intelligent agent assistance to offload mundane, manual tasks and empower people to make the emotional difference.”<sup>45</sup>

## Endnotes

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