

The Future of Insurtech

How Emerging Technologies Are Reshaping Insurance

The insurance industry is undergoing a profound digital transformation. Technology innovations are changing how insurance is underwritten, managed, and sold.

78%

of insurance carriers, agencies, and tech firms said their organization planned to increase budgets for tech spending in 2025.¹

\$609.5B

Insurtech market growth expected by 2034.²

WHAT IS INSURTECH?

The use of technology innovations designed to:

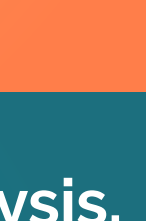
ENHANCE EFFICIENCY



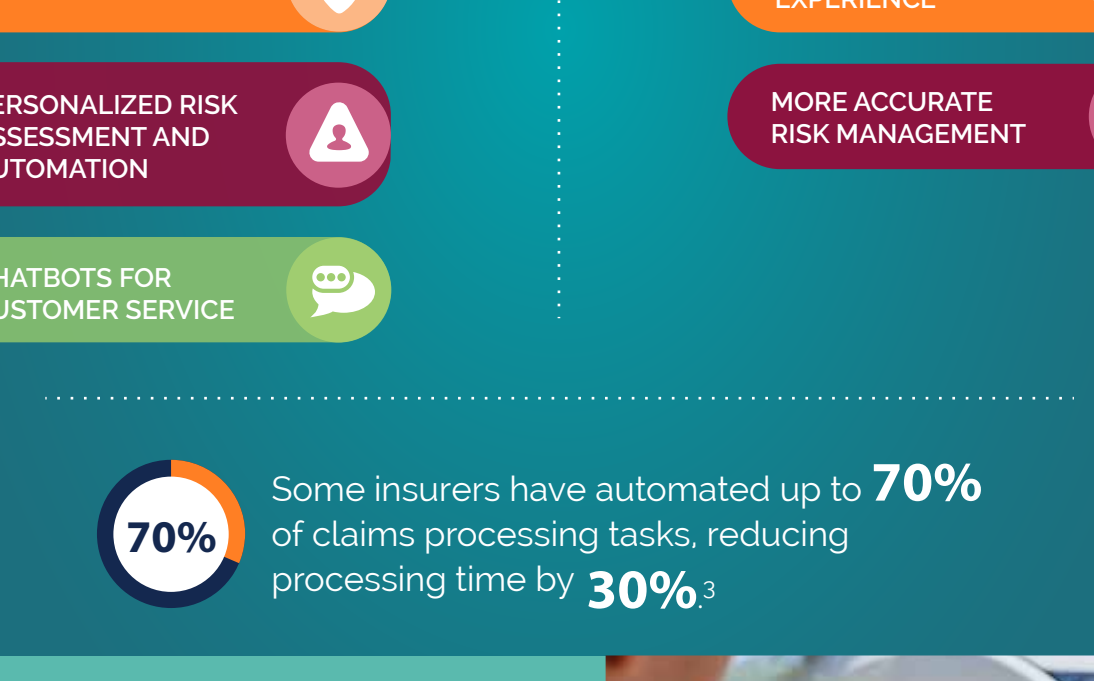
IMPROVE CUSTOMER EXPERIENCE



OPTIMIZE PROCESSES



Core Technologies



AI: Enabling Automation, Data Analysis, And Predictive Modeling

How It's Used

CLAIMS PROCESSING AUTOMATION



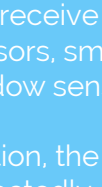
FRAUD DETECTION



PERSONALIZED RISK ASSESSMENT AND AUTOMATION



CHATBOTS FOR CUSTOMER SERVICE



Benefits

REDUCED COSTS



IMPROVED CUSTOMER EXPERIENCE



MORE ACCURATE RISK MANAGEMENT



70%

Some insurers have automated up to 70% of claims processing tasks, reducing processing time by 30%.³

AI in Action: Faster Claims Processing

A driver has a minor fender bender. Instead of calling her insurance company and waiting days for an adjuster, she uses the insurer's mobile app to file a claim and upload damage photos.

AI analyzes the images in real-time, using computer vision to identify the vehicle, assess the severity of the damage, and compare it against thousands of similar cases. Within minutes, the system generates a settlement offer the driver can accept via the app.



IoT: Connecting Devices to Collect and Exchange Data

How It's Used

USAGE-BASED INSURANCE (UBI) FOR AUTO (TELEMATICS) AND HEALTH (WEARABLES)



SUPPLY CHAIN MONITORING FOR CARGO INSURANCE



SMART HOME MONITORING FOR PROPERTY INSURANCE



Benefits

MORE ACCURATE PREMIUMS BASED ON ACTUAL BEHAVIOR AND RISK



PROACTIVE RISK MITIGATION



REDUCED CLAIMS



\$10.6B

\$13.3B

Healthcare providers are expected to spend \$13.3B on IoT platforms in 2025, up from \$10.6B in 2020.⁴

IoT in Action: Smarter Home Insurance

A family enrolls in their insurance company's 'Connected Home Protection' program. They receive a package of IoT devices including water leak sensors, smoke detectors, a smart thermostat, and door/window sensors.

While the family is away on vacation, the temperature in their neighborhood drops unexpectedly. The smart thermostat automatically adjusts to prevent pipe freezing. But a small water leak still develops in the bathroom.

The water sensor detects the moisture and triggers the smart water valve to shut off the home's main water supply. The family gets notified, and the insurer dispatches an emergency plumber before significant damage occurs.



BLOCKCHAIN: PROVIDING SECURE, TRANSPARENT RECORD-KEEPING

How It's Used

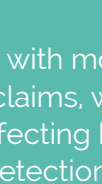
SMART CONTRACTS FOR AUTOMATED CLAIMS PAYOUTS



SECURE DATA SHARING AND VERIFICATION



MICROINSURANCE FOR DEVELOPING MARKETS



Benefits

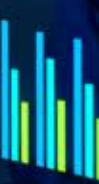
INCREASED EFFICIENCY



REDUCED FRAUD



GREATER TRANSPARENCY



ACCESS TO NEW MARKETS



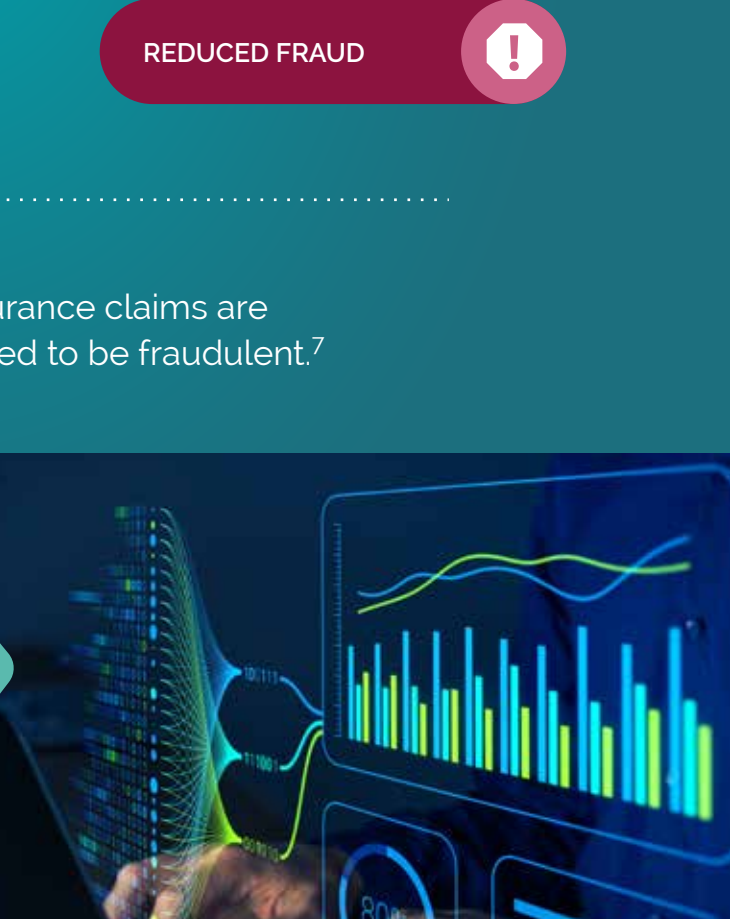
60%

of insurance companies are already investing in blockchain.⁵

Blockchain in Action: Automated Claims Payouts

An agricultural business in a hurricane-prone region purchases a parametric crop insurance policy from a carrier using blockchain technology. The policy is coded as a smart contract on a blockchain network and linked to multiple trusted weather data sources that provide verified meteorological information.

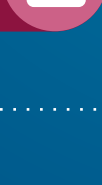
After a hurricane hits the region, the blockchain smart contract self-executes based on the verified weather data, automatically transferring the predetermined compensation amount to the business's account.



Cloud Computing: On-Demand Access to Computer Resources

How It's Used

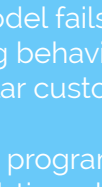
DATA STORAGE AND PROCESSING



SCALABLE INFRASTRUCTURE FOR HANDLING LARGE VOLUMES OF DATA



ENABLES REMOTE WORK AND COLLABORATION

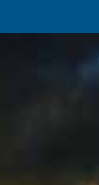


Benefits

COST SAVINGS



INCREASED AGILITY



IMPROVED SCALABILITY



ENHANCED COLLABORATION



Cloud adoption in insurance can reduce IT investments by 30-40%.⁶

Cloud Computing in Action: Faster Claims Response

An insurer with 15 branch offices across three states struggles with fragmented legacy systems that result in slow customer response times and inefficient workflows.

After implementing a cloud-based insurance platform, the company experiences an immediate transformation. Claims adjusters can now access policyholder information instantly from any location using secure cloud applications on their tablets.



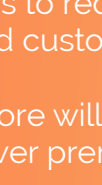
Big Data Analytics: Analyzing Large, Complex Datasets to Uncover Patterns and Insights

How It's Used

RISK MODELING AND PREDICTION



PERSONALIZED MARKETING AND PRODUCT DEVELOPMENT



FRAUD DETECTION



Benefits

IMPROVED RISK ASSESSMENT



BETTER CUSTOMER TARGETING



REDUCED FRAUD



10%

20%

of insurance claims are believed to be fraudulent.⁷

Big Data Analytics in Action: Fraud Reduction

An insurance company struggles with mounting fraud losses, particularly in auto claims, which are increasing their premiums and affecting honest policyholders. Traditional fraud detection relies heavily on claims adjuster experience and manual review processes.

After implementing a big data analytics solution, the company begins analyzing thousands of data points across millions of claims in real-time, creating a sophisticated fraud detection ecosystem.



Telematics: Monitoring and Transmitting Data About Vehicle Usage and Driver Behavior

How It's Used

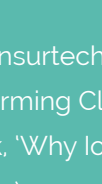
USAGE-BASED INSURANCE (UBI)



ACCIDENT RECONSTRUCTION



THEFT RECOVERY



Benefits

MORE ACCURATE PREMIUMS



SAFER DRIVING HABITS



REDUCED CLAIMS COSTS



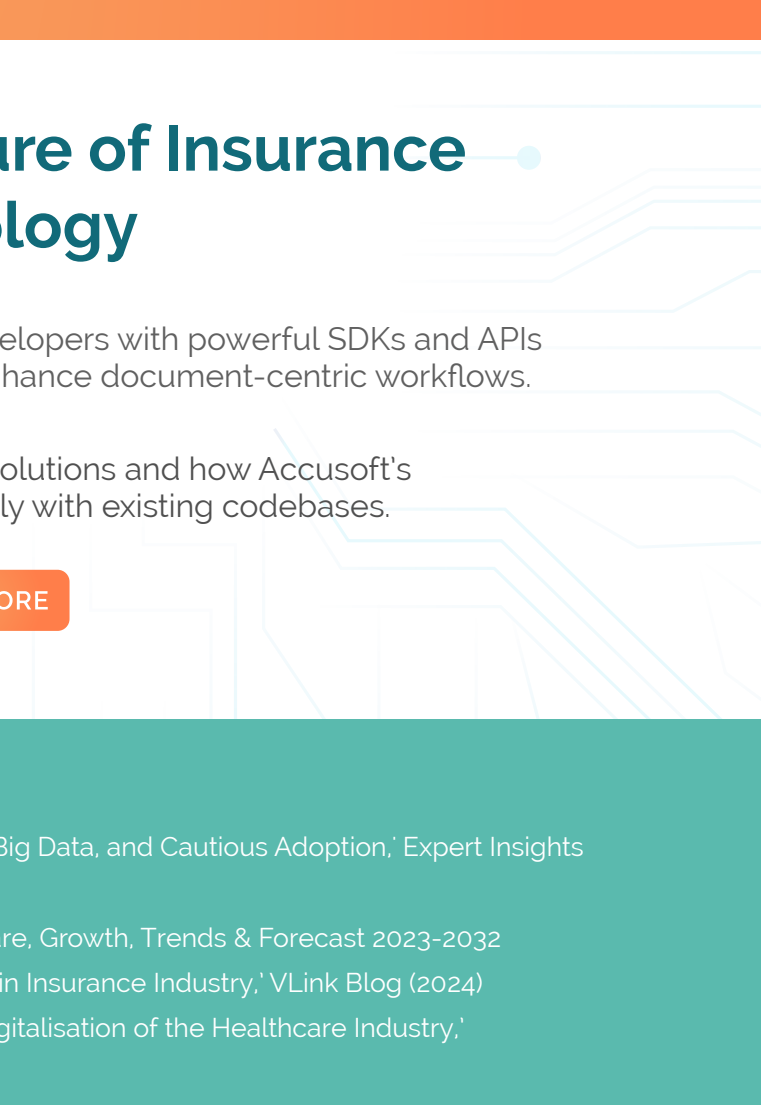
72%

of fleet respondents note a reduction in crashes and claims through telematics and training initiatives.⁸

Telematics in Action: Real-Time Risk Assessment

A provider specializing in commercial vehicle coverages faces challenges accurately assessing risk across their diverse portfolio of trucking and delivery fleets. Their traditional pricing model fails to capture the significant variations in driving behaviors and operational patterns among similar customers.

After introducing their telematics program, the transporter begins collecting real-time data from IoT devices installed in client vehicles. The provider adjusts their route planning and driving schedules while implementing predictive maintenance based on telematics alerts.



Insurtech = Savings + Simplicity

Technology is a win-win for insurance companies and consumers. Insurers can embrace tech innovations to reduce operational costs, improve risk assessment, and create more personalized customer experiences.

Consumers also show more willingness to adopt insurance technologies that offer tangible rewards, like lower premiums or simplified claims processes.

74% of consumers are willing to share personal information with brands and retailers when prompted.⁹

65% of dissatisfied policyholders were likely or very likely to switch insurers in the next 12 months.¹⁰

95% of policy holders say speed of claims processing was either important or extremely important.

Of the 17% of policyholders dissatisfied with the claims process, 25% said it was too difficult.¹¹

Powering the Future of Insurance Technology

Accusoft provides insurance software developers with powerful SDKs and APIs that accelerate development time and enhance document-centric workflows.

Learn more about our insurtech solutions and how Accusoft's technology integrates seamlessly with existing codebases.

LEARN MORE

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