GENERATIVE AI RADAR
INSURANCE

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Generative AI Radar — Insurance

Generative AI is still new, yet enterprises are already exploring its transformative potential

This year will bring further developments in generative AI, as organizations familiarize themselves with this transformative technology. So where are they now?

Through this study, we aimed to uncover how companies use generative AI, how much they spend on it, how it's being rolled out, and where it makes an impact. We looked at 3,000 companies across 12 industries:

- Automotive
- Consumer packaged goods
- Energy, mining, and utilities
- Financial services
- Healthcare
- High tech
- Insurance
- Life sciences
- Logistics and supply chain
- Manufacturing
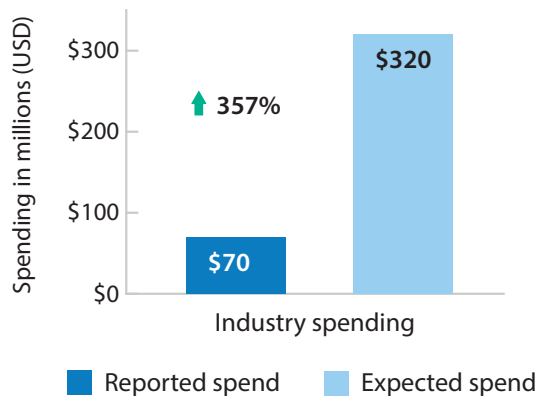- Retail and hospitality
- Telecommunications

Many companies told us they are already spending significant sums of money — and are set to spend more this year. However, this pattern isn't the same across sectors. In this data book, we highlight how the insurance sector compares with the rest of the pack All data used in this data book are from Generative AI Radar North America, Europe, and APAC.
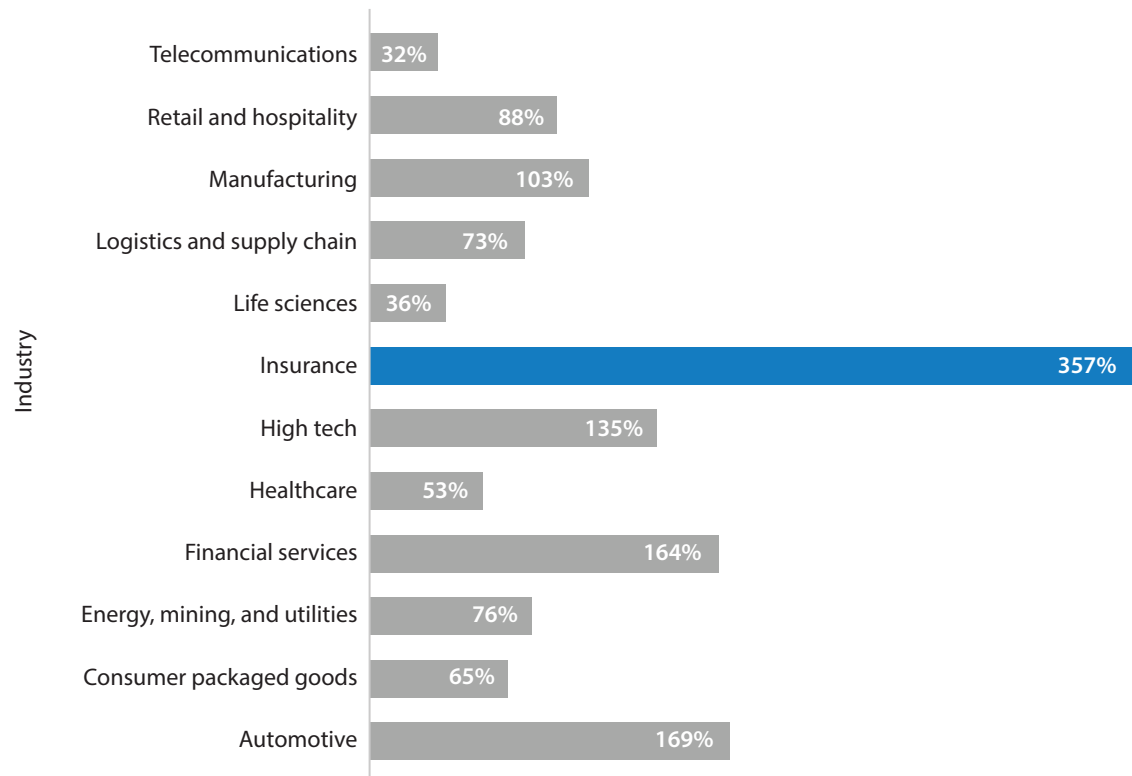
Generative AI spending

Generative AI spending to rise the fastest in insurance

Generative AI spending in insurance to surge 357% in 2024 — Insurance sector's spending on generative AI is set to increase from just $70 million in 2023 to $320 million in 2024.

Insurance generative AI spending

Expected generative AI spending growth in 2024 by industry

Legend:
- Reported spend
- Expected spend

Chart values:
- Telecommunications: 32%
- Retail and hospitality: 88%
- Manufacturing: 103%
- Logistics and supply chain: 73%
- Life sciences: 36%
- Insurance: 357%
- High tech: 135%
- Healthcare: 53%
- Financial services: 164%
- Energy, mining, and utilities: 76%
- Consumer packaged goods: 65%
- Automotive: 169%

Insurance spending: $70 → $320, ↑357%
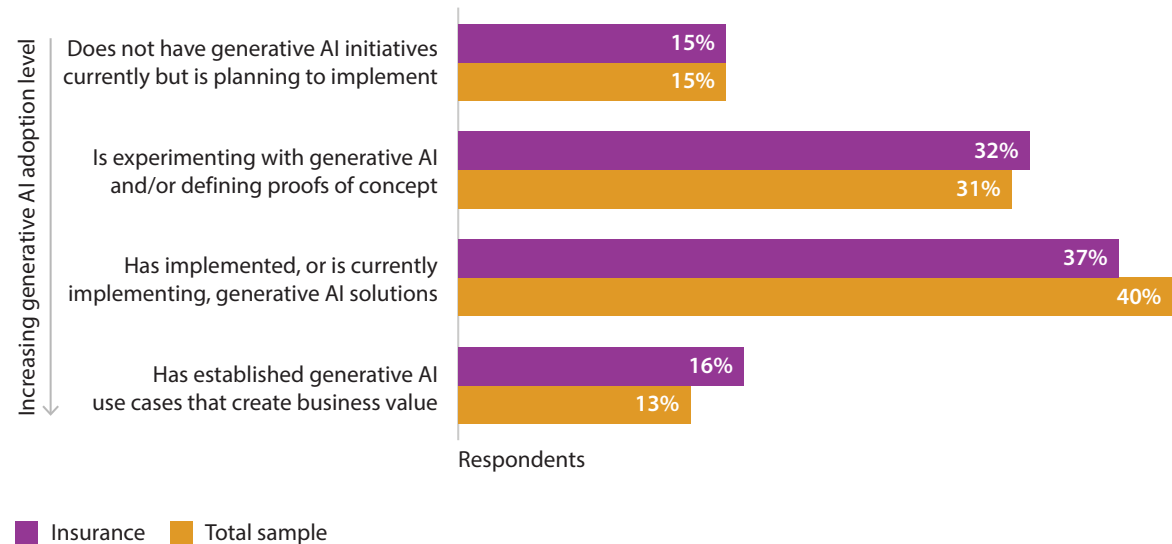
![Infosys Knowledge Institute]

Generative AI adoption

37% of insurance companies are implementing or have implemented generative AI solutions

Most insurance companies have started their generative AI journey — Only 15% of insurance companies have no generative AI initiatives. 16% have use cases that generate business value.

Nearly one-third of the insurance industry is experimenting with generative AI — 32% of insurance companies are experimenting with generative AI, in line with the overall sample percentage of 31%.

Generative AI adoption by proportion of respondents

Increasing generative AI adoption level

Does not have generative AI initiatives currently but is planning to implement
- Insurance: 15%
- Total sample: 15%

Is experimenting with generative AI and/or defining proofs of concept
- Insurance: 32%
- Total sample: 31%

Has implemented, or is currently implementing, generative AI solutions
- Insurance: 37%
- Total sample: 40%

Has established generative AI use cases that create business value
- Insurance: 16%
- Total sample: 13%

Respondents

■ Insurance ■ Total sample

Note: Percentage numbers do not add up to 100% because of rounding.

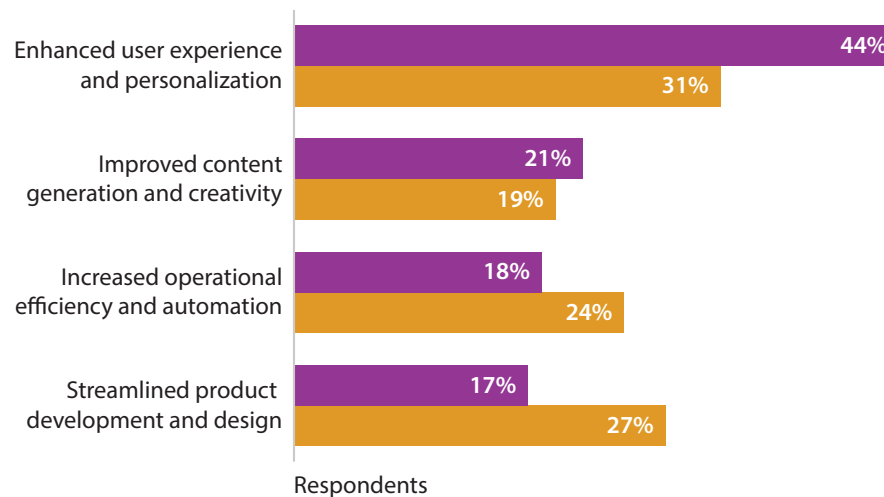# User experience drives generative AI optimism for insurance

Focus on users underlines difference between this consumer-facing industry and others

Insurance companies are more optimistic about user experience — 44% of insurance companies report that generative AI will have the biggest positive impact on user experience and personalization — much higher than the overall trend (31%).

However, insurance companies are less confident about its use for product development and design.

Where companies expect generative AI to have the most positive impact

| Category	Insurance	Total sample
Enhanced user experience and personalization	44%	31%
Improved content generation and creativity	21%	19%
Increased operational efficiency and automation	18%	24%
Streamlined product development and design	17%	27%

Respondents

■ Insurance   ■ Total sample

Note: Percentage numbers do not add up to 100% because of rounding.

Insurance companies are upbeat about generative AI impact

Most respondents expect a positive impact on business areas

Insurance's optimism is higher than the overall trend— The overall trend is positive about the impact of generative AI across business areas, including revenue, business models, talent, reputation, profit, and cost efficiency. Insurance respondents shared a similar but higher positive outlook (85%).

Expected generative AI impact on business areas by proportion of respondents

Total sample
- Positive: 76%
- Neutral: 17%
- Negative: 8%

Insurance
- Positive: 85%
- Neutral: 13%
- Negative: 3%
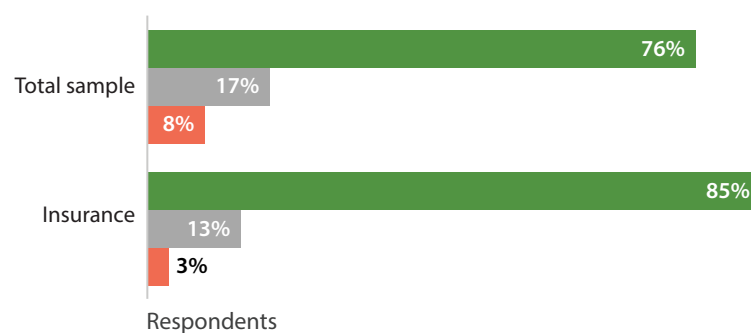
Respondents

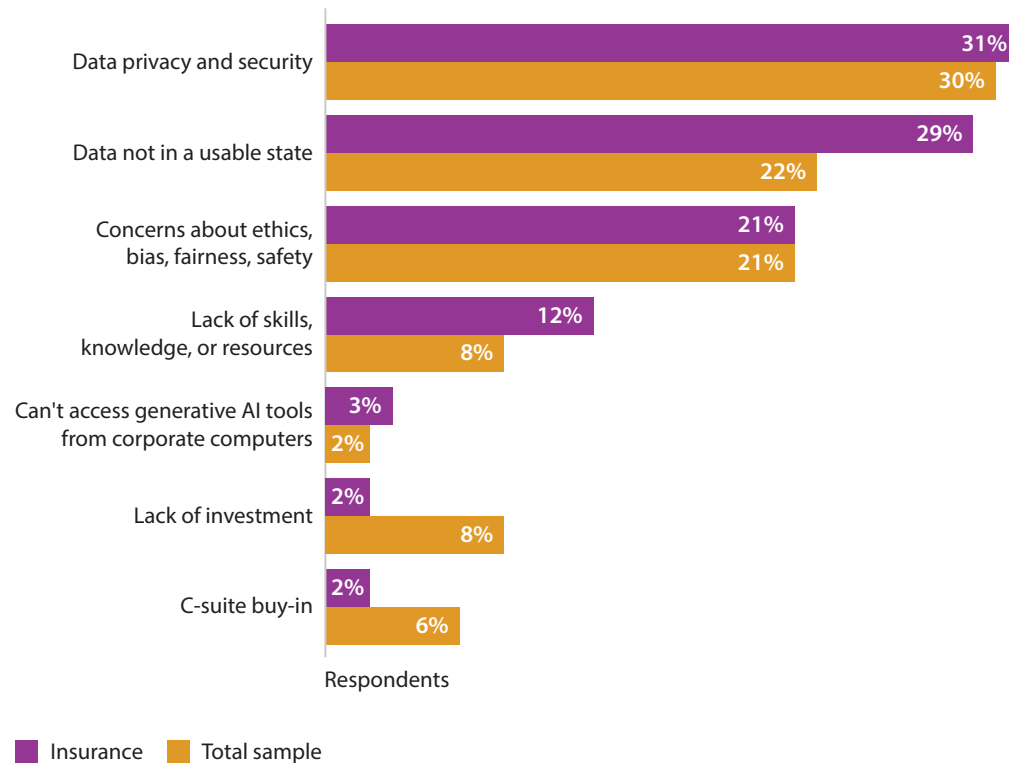■ Positive ■ Neutral ■ Negative

Note: We calculated "business impact sentiment" by asking survey respondents to rate their sentiment on generative AI's impact on the following business areas: business model, cost efficiency, profit, reputation, revenue, and talent. Then we combined those answers into one measure.

Obstacles to generative AI adoption

Insurance companies rank data privacy and data usability as the top barriers to generative AI adoption

Data privacy and data usability are the top concerns — 60% of insurance companies identified data privacy and usability as the leading challenges in adopting generative AI.
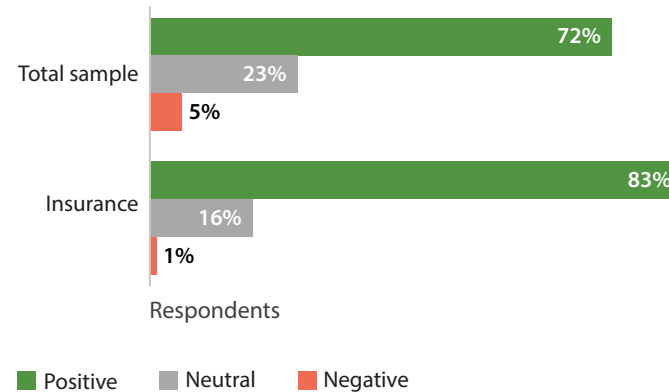
Challenges in implementing generative AI

Challenge	Insurance	Total sample
Data privacy and security	31%	30%
Data not in a usable state	29%	22%
Concerns about ethics, bias, fairness, safety	21%	21%
Lack of skills, knowledge, or resources	12%	8%
Can't access generative AI tools from corporate computers	3%	2%
Lack of investment	2%	8%
C-suite buy-in	2%	6%

Respondents

■ Insurance   ■ Total sample

Note: Percentages do not add up to 100% because of rounding.

Confidence in the ability to manage and control generative AI systems

Insurance's confidence about generative AI management beats the overall trend

Insurance companies are confident in their generative AI management — 83% of insurance companies are positive about their ability to manage generative AI, with only 1% expressing negative sentiment.

Confidence in the ability to manage generative AI systems by proportion of respondents

Total sample
- 72% (Positive)
- 23% (Neutral)
- 5% (Negative)

Insurance
- 83% (Positive)
- 16% (Neutral)
- 1% (Negative)

Respondents

■ Positive ■ Neutral ■ Negative

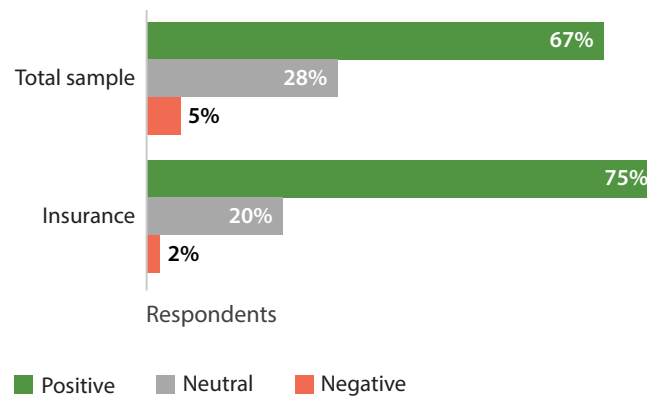| *Note: Percentage numbers do not add up to 100% because of rounding.*

Workforce generative AI readiness

Insurance more positive about their readiness for generative AI

Insurance industry's confidence in workforce AI readiness is higher than the overall trend — Insurance is more positive (75%) about workforce generative AI readiness than the overall sample average (67%).

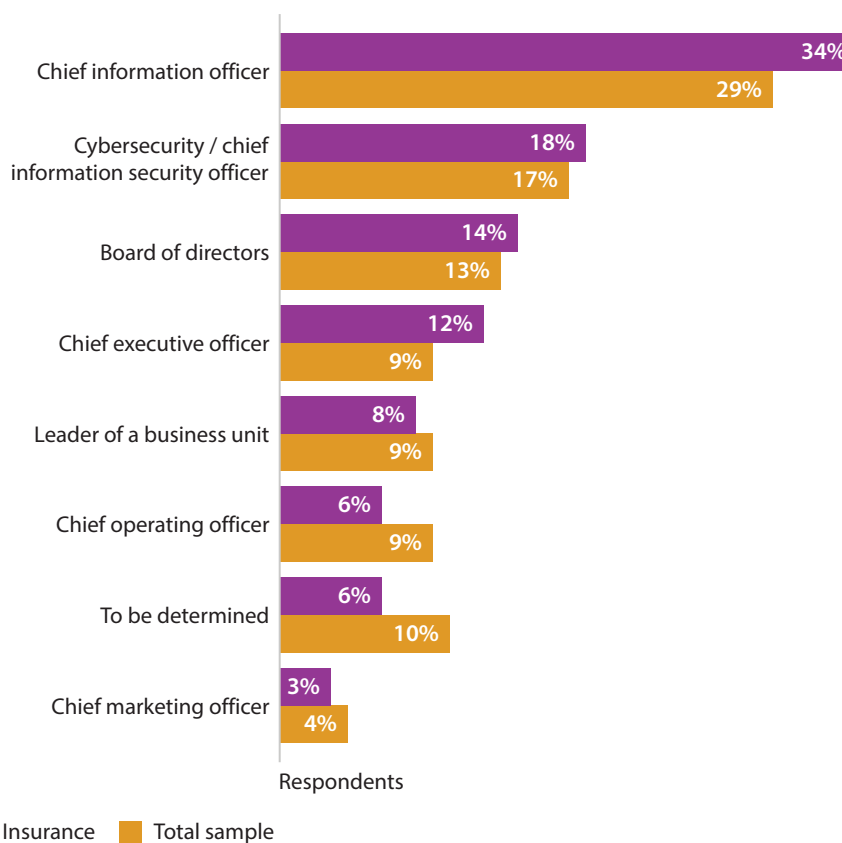Sentiment on workforce readiness to adopt generative AI by proportion of respondents

- **Positive**
- **Neutral**
- **Negative**

| Note: Percentage numbers do not add up to 100% because of rounding.

Primary sponsor of generative AI initiatives

Chief information officers are the main sponsors of generative AI at one-third of insurance firms

CIOs sponsor generative AI in the insurance industry more than the overall trend — 34% of insurance companies report that chief information officers (CIOs) are primarily sponsors of generative AI.

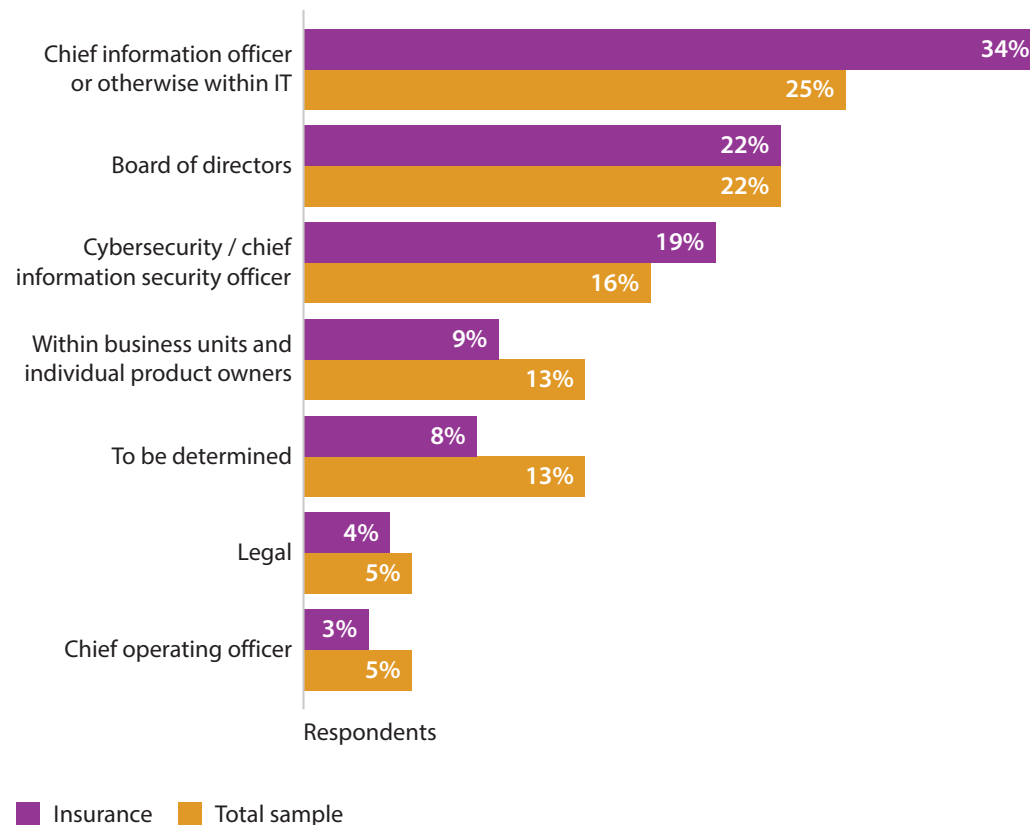Primary sponsor of generative AI initiatives by proportion of respondents

Role	Insurance	Total sample
Chief information officer	34%	29%
Cybersecurity / chief information security officer	18%	17%
Board of directors	14%	13%
Chief executive officer	12%	9%
Leader of a business unit	8%	9%
Chief operating officer	6%	9%
To be determined	6%	10%
Chief marketing officer	3%	4%

Respondents

■ Insurance ■ Total sample

Note: Percentages do not add up to 100% because of rounding.

Who leads generative AI policy making?

Insurance chief information officers are more likely to lead generative AI governance

Insurance CIOs govern generative AI most often — 34% of insurance CIOs are responsible for AI regulations and policies in their companies, compared with 25% in the overall trend.

Primary generative AI policy maker by proportion of respondents

Policy maker	Insurance	Total sample
Chief information officer or otherwise within IT	34%	25%
Board of directors	22%	22%
Cybersecurity / chief information security officer	19%	16%
Within business units and individual product owners	9%	13%
To be determined	8%	13%
Legal	4%	5%
Chief operating officer	3%	5%

Respondents

■ Insurance   ■ Total sample

Note: Percentages do not add up to 100% because of rounding.

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