



Redefining insurance with Gen AI and agentic AI

July 2026

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Foreword



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The future of insurance will be defined by new products, better and more efficient distribution and exponential digitalisation. It is increasingly being shaped by how effectively insurers transform data into intelligence, intelligence into decisions and decisions into action. All in real time and API-based, within seconds.

Globally, the insurance industry is already undergoing this transformation. AI can now synthesise medical records, financial data and policy information in seconds; claims journeys can be initiated, validated and settled through intelligent workflows; and customer interactions are increasingly supported by AI agents that understand context and execute actions across systems. Individually, these advances may appear incremental. Collectively, they are redefining how insurance is designed, distributed, serviced and experienced.

The emergence of GenAI and agentic AI marks a defining inflexion point for the insurance industry. While the past decade focused on digitalising processes and improving operational efficiency, the next phase is about embedding intelligence across every layer of the insurance value chain. GenAI enables insurers to interpret information, reason contextually and generate insights at scale. Agentic AI extends this capability by orchestrating workflows, coordinating actions and increasingly executing decisions within defined governance boundaries.

As a result, the industry is moving from process automation to decision intelligence, from digital workflows to autonomous execution and from episodic customer interactions to continuously active insurance models. For India, this transformation comes at a uniquely opportune moment. The convergence of Digital Public Infrastructure (DPI), including Aadhaar, DigiLocker, the Account Aggregator framework, the Ayushman Bharat Digital Mission, ONDC and Bima Sugam, along with rapid digital adoption and regulatory evolution, provides the foundation for insurers to leapfrog traditional operating models and build AI-first enterprises.

However, we have seen time and again that for regulated industries, technology alone never determines success. This publication, *Redefining Insurance with GenAI and agentic AI*, explores how India's insurance sector can evolve from today's AI experimentation to an Invisible Insurance Economy by 2047. In this future, insurance moves beyond the traditional policy-to-claim paradigm towards a continuously intelligent system that senses risk, predicts outcomes, recommends preventive actions and orchestrates autonomous or human interventions in real time.

The competitive advantage of tomorrow's insurers will not be determined by technology adoption alone, but by their ability to combine data foundations, domain-specific AI models, workflow orchestration, governance, workforce transformation and human-AI collaboration into a trusted operating model. The winners will be those who transform insurance from a reactive mechanism for compensating losses into a proactive system for anticipating risk, preventing losses and delivering protection seamlessly across customer ecosystems. We hope the perspectives that follow support meaningful conversations on scaling GenAI and agentic AI across the insurance enterprise.



Executive summary

The insurance industry is entering a structural transformation driven by GenAI and agentic AI. What began as a technology-led efficiency agenda is rapidly evolving into a business transformation imperative, reshaping underwriting, claims, fraud management, customer engagement, distribution and enterprise operations.

Insurers have traditionally competed through distribution, products, risk expertise and scale. Today, the advantage is shifting to those who can generate better intelligence, make faster decisions, connect workflows across ecosystems and adapt quickly to changing customer needs and risks. At its core, insurance has always been about applying probability to risk and making informed mathematical bets. The industry was built on predictive thinking, actuarial science and advanced analytics long before AI became part of the business vocabulary. However, AI in insurance is evolving rapidly. GenAI helps insurers unlock richer insights, personalise engagement and support better decisions, while agentic AI coordinates actions and connects workflows across systems, all within defined governance guardrails. These technologies are transforming insurance from a transaction-driven business into an intelligence-led enterprise. Insurance has been slower to move into this new phase of AI. The industry is strong in structured data and predictive models. Still, AI has shifted towards unstructured data, text/video-driven deep learning models and GenAI, with adoption slowed by resistance and regulation.

The implications of these next-gen technologies extend far beyond productivity. Underwriting is evolving from static risk assessment to continuous risk evaluation. Claims are moving towards touchless settlement models. Fraud management is shifting from reactive investigation to adaptive prevention and behavioural nudges, with AI continuously learning

from emerging fraud patterns, recalibrating models and strengthening controls as threats evolve. Customer service is becoming more personal and autonomous, and distribution is shifting towards embedded, ecosystem-led insurance.

This publication positions D-MAP as a strategic blueprint for AI-first insurers, bringing together Data, Models, Applications, People and Governance into a single responsible operating model. As part of this study, Deloitte engaged with insurance leaders on the adoption of GenAI and agentic AI. The conversations show that the industry has moved beyond asking whether AI creates value. The focus is now on how to scale it responsibly across the insurance value chain.

AI is not new to insurance. What is changing is the shift from analytics and automation to GenAI and agentic AI, enabling richer insights, faster decisions and more connected workflows.

Adoption, however, remains measured. Most insurers are still at pilot or limited-scale deployment, shaped by the need for governance, explainability, regulatory compliance and customer trust. Leaders see clear value in time-to-quote, quicker claims, higher productivity, better customer experience and improved decision accuracy, but scaling will require stronger data foundations, clearer governance, agile operating models and deeper ecosystem partnerships.

By 2047, AI could become part of the operating fabric of insurance. The future leaders will be those who embed intelligence across decisions, workflows and customer interactions, while building the trust needed to manage emerging risks such as cyber, climate, catastrophes and geopolitical disruption.

Chapter 1: India's insurance at AI transformation crossroads

India's insurance sector is entering a decisive phase. Scale was never the constraint for India. The real challenges have been efficiency, intelligence, awareness and adaptability. Over the past decade, the industry has expanded nearly sixfold, growing from approximately INR2.0 lakh crore in FY2014–15 to INR11.9 lakh crore in FY2024–25.¹ This expansion has been driven by increasing financialisation, regulatory push, economic inflation and the rapid rise of digital and collaborator-led distribution models. The market is expected to reach nearly INR50 lakh crore by 2047, supported by rising incomes, affordable products, demographic shifts, efforts to reach the missing middle and growing protection needs.²

However, the sector continues to face structural challenges. Distribution-led expansion, rising acquisition costs, elevated claims ratios and pricing pressures are limiting improvements in underlying operating economics, making growth alone insufficient to drive profitability and penetration.

Insurance penetration in India has remained largely range-bound at ~3.7–4.0 percent over the past three years, versus the global average of ~7–8 percent, indicating that headline growth has not translated into deeper risk coverage.³ While non-life insurance has expanded gradually, life insurance penetration has moderated, signalling uneven structural progress across segments. This highlights the need for an intelligence-led shift to improve affordability, relevance and efficiency.

Technology investments are entering the AI-first phase

Technology investments have improved digitalisation, workflow automation and channel enablement, but they have not fully addressed high acquisition costs, claims leakage, fraud, manual underwriting or low penetration. Today, insurers increasingly recognise that future competitiveness will depend on embedding intelligence across the value chain, alongside stronger distribution. AI is therefore emerging as a business imperative, not just a technology initiative.

Its importance is growing as insurers face higher customer expectations, rising claims costs, greater fraud risks, profitability pressure and tougher demands for resilience and transparency.

Against this backdrop, technology investments in India's insurance sector are entering a decisive new phase, with steady

AI adoption but uneven depth of deployment. As of FY25, the RBI FREE-AI Committee report cites that nearly 40 of 61 licensed insurers in India have deployed AI across select functions, including claims processing, fraud detection, underwriting and customer servicing, indicating that AI adoption is moving beyond experimentation into operational use.⁴

Historically, AI adoption has focused on predictive analytics, machine learning, workflow automation and rules-based decision support. The next frontier is GenAI and agentic AI, which can interpret text, images, documents, voice and context, then coordinate actions across systems and stakeholders. While adoption data remains limited, early use cases indicate that momentum is building.

In one large-scale implementation, an insurer embedded AI tools across a distributor network of more than 300,000 agents, enabling product support, underwriting guidance, premium calculations and personalised customer engagement in more than 10 Indian languages. Such use cases illustrate how the industry has shifted towards AI-enabled customer and distribution ecosystems, supporting millions of interactions while enabling more personalised engagement, faster decision-making and broader access to insurance.⁵

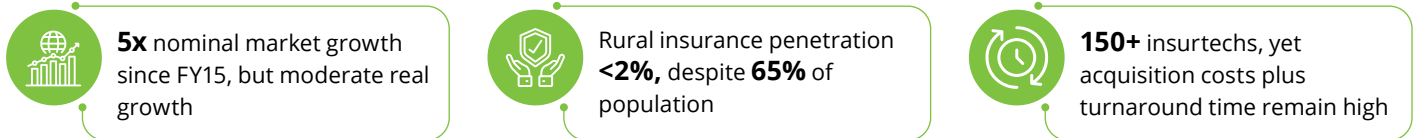
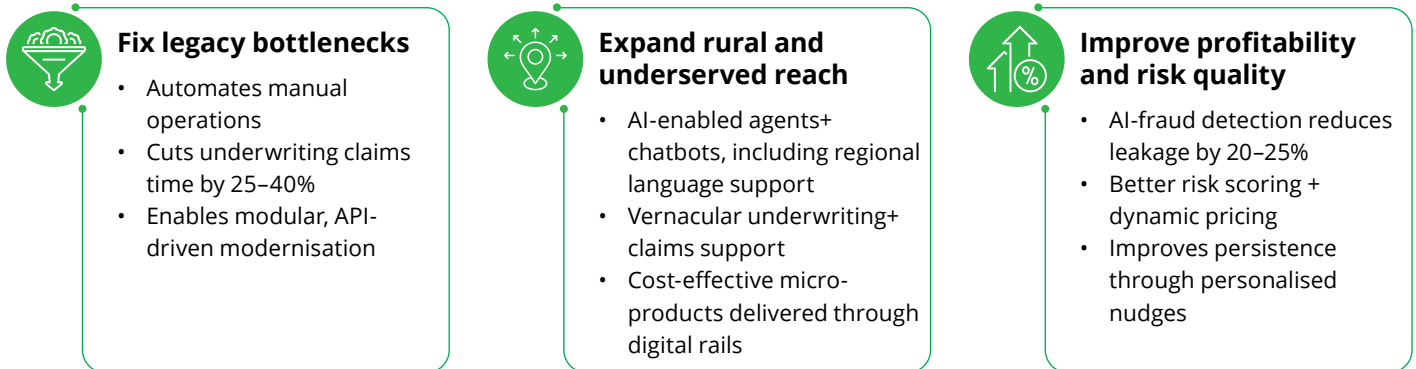
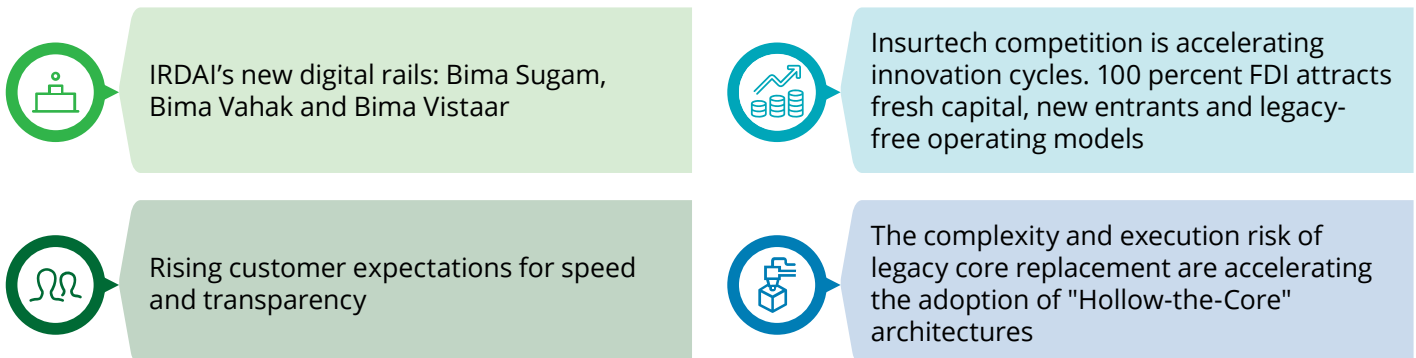
Adoption remains uneven. Large private insurers and digital-first players are embedding AI into workflows, while many legacy and smaller insurers remain at the pilot stage due to data, cost and technology constraints. The next wave of value will come from behaviour-led fraud prevention, personalised engagement, AI-driven agency management and autonomous decision support.

Regulatory momentum is accelerating AI adoption in India's sector, shifting it from experimentation to compliance-led scale. From 1 April 2026, IRDAI's Master Guidelines on Anti-Fraud Framework require insurers, reinsurers and distribution partners to establish board-approved fraud governance, continuous monitoring and enterprise-wide risk management. This is moving AI-enabled fraud detection from an optional capability to a regulatory priority.

At the same time, AI-led transformation is central to the "Insurance for All by 2047" vision, where data-driven workflows can improve penetration, reduce costs and scale underwriting efficiency. GenAI strengthens decision intelligence, while agentic AI enables autonomous execution, together reshaping how the industry operates at scale.

Figure 1: AI as a catalyst for insurance transformation**Why AI is now mission-critical for India's insurance sector**

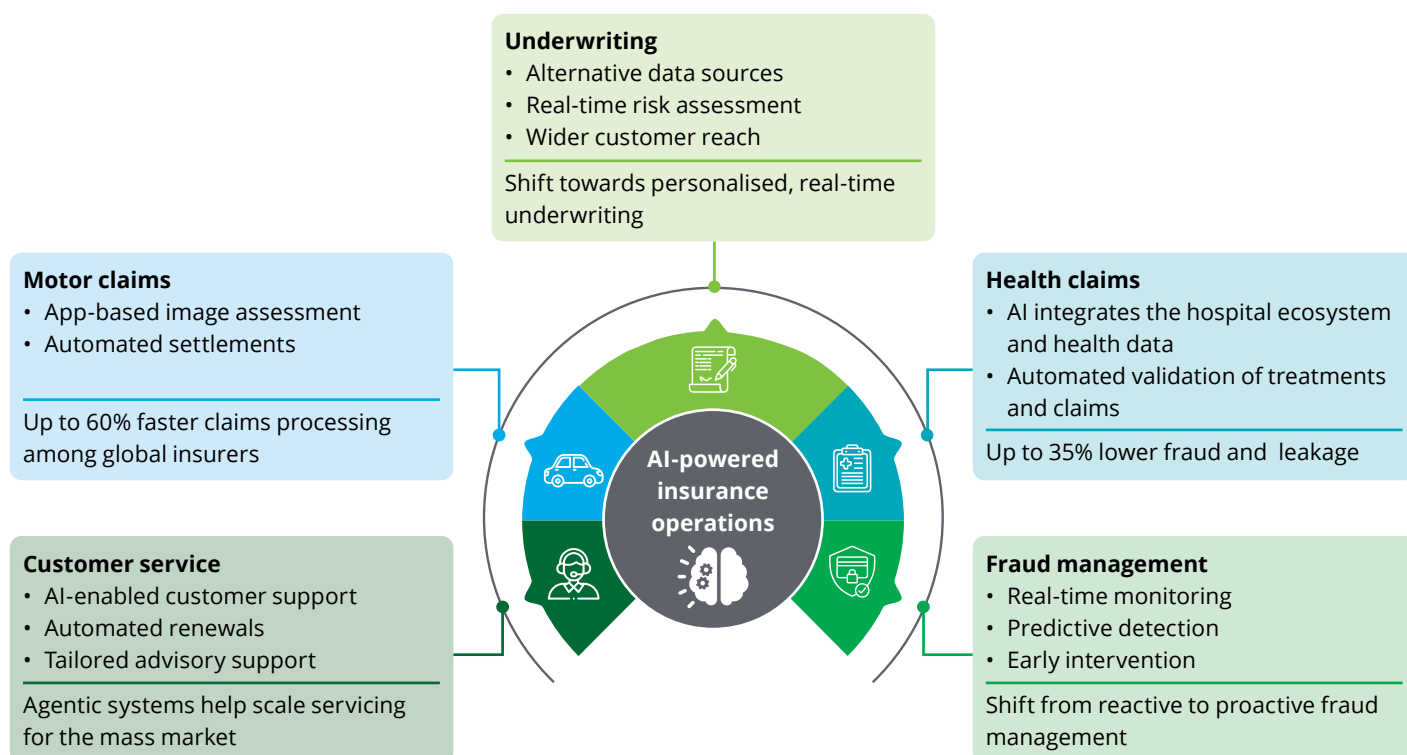
Transforming reach, scale and affordability for a four-fold growth (by 2047) industry

The industry is growing, but gaps remain**AI unlocks transformation at scale****What is driving urgency now****Insurers must modernise today to remain competitive tomorrow****Source:** Deloitte analysis, Industry Research, Market Assessments and Case Studies¹¹ Industry research on rural penetration gap, India insurtech market assessment, Global life insurer case study – AI-enabled underwriting transformation (secondary source), Regional P&C insurer case study – AI-driven claims automation deployment (secondary source)

AI-led transformation across claims, underwriting and servicing

Early evidence of this shift is visible across core functions, but more importantly, it reflects a deeper redesign of how insurance operations are executed.

Figure 2: AI-powered insurance operations



Source: Deloitte analysis, Case study on transforming health insurance with AI-driven business analytics, Claims processing media release based on secondary data, Case studies on motor insurance

AI is redefining insurance through real-time, data-driven decision-making across the value chain. Insurers are moving beyond isolated automation to embed AI into end-to-end workflows that improve decision quality, accelerate outcomes and enable more intelligent operating models. In motor insurance, AI-powered image analytics can assess vehicle damage, estimate repair costs and settle eligible claims within minutes. In health insurance, AI integrated with digital health records and provider ecosystems can validate treatment protocols, detect anomalous claim patterns and prioritise adjudication, reducing manual effort while improving accuracy and fraud detection.

Underwriting is moving from proposal-based assessment to behaviour-led risk evaluation, while customer engagement is becoming more proactive. AI can identify protection gaps, recommend relevant products and equip advisers with contextual insights across the customer lifecycle. Deloitte's

published work on behavioural AI, including Nudging New Mexico, demonstrates how behavioural analytics and data-driven interventions can anticipate customer needs and encourage timely actions. Although developed outside the insurance sector, the underlying principles are increasingly relevant for insurers seeking to deliver more personalised engagement, improve customer journeys and strengthen long-term relationships.

AI is helping insurers redesign delivery by using ecosystem, behavioural and transactional data to enable faster decisions, sharper risk assessment and more proactive customer experiences. This is shifting operating models from reactive and transaction-driven to predictive, personalised and intelligence-led. This marks a shift towards intelligent, always-on insurance models built for speed, personalisation and resilience.⁶

From AI to GenAI to agentic AI: The shift from assistance to autonomy

India's AI opportunity, however, extends beyond productivity. With hundreds of languages and dialects, multilingual engagement remains one of the industry's biggest barriers to insurance inclusion. Initiatives such as Bhashini, India's AI-powered language translation platform, can enable insurers to deliver real-time multilingual conversations across sales, servicing and claims. Integrating Bhashini-enabled capabilities into customer care centres, digital assistants and agency platforms can help insurers communicate with customers in their preferred language, build trust, reduce servicing costs and expand access to insurance in underserved markets.

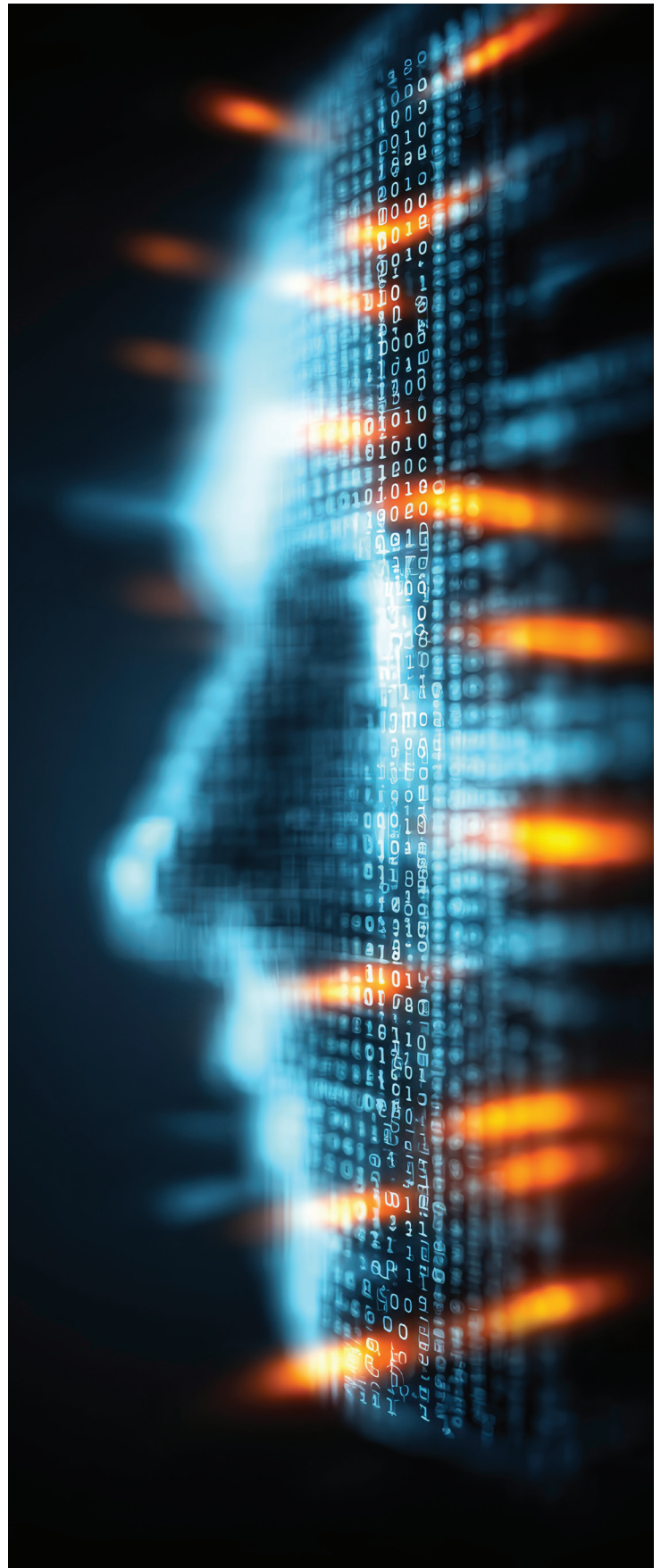
Claims processing in India's life insurance sector faces unique challenges. Even basic documents such as death certificates are often issued in different formats by gram panchayats, sarpanches or municipal bodies and may not always be digital. This makes it difficult to verify authenticity and process claims quickly. However, with a growing economy, global learning and strong industry talent, this area is expected to evolve significantly.

As insurers pursue the "Insurance for All by 2047" vision, these unique Indian nuances, such as language and data integration, will become important aspects to address to drive adoption at scale. The impact is already visible across product lines. In motor insurance, the combination of image analytics, GenAI-based damage estimation and agentic workflow orchestration is enabling a larger share of claims to be assessed and approved via Straight-through Processing (STP) without human surveyors. In health insurance, agentic workflows can validate treatment eligibility using ABDM-linked records, flag anomalies and process claims in near real time.

Together, these shifts show a move from basic automation to smarter, context-aware operations. For Indian insurers, advantage will come from integrating GenAI and agentic AI into operating models that enable faster, better decisions.

DPI and alternative data: India's structural advantage

India has a structural advantage in insurance AI through trusted DPI such as Aadhaar-enabled eKYC, DigiLocker, consent-based data sharing and ABDM. These systems support verified identity, authenticated documents and access to health data, helping reduce onboarding friction, improve fraud detection, speed up claims and strengthen decision accuracy. Combined with GenAI and agentic AI, this creates an opportunity to build scalable, inclusive and more efficient AI-first insurance models.



Chapter 2: Advancing Trustworthy AI with the D-MAP architecture

The first chapter established why AI is becoming a strategic imperative for India's insurance sector. However, achieving value from AI requires more than deploying models or launching pilots. As insurers move from experimentation to enterprise-wide transformation, the challenge shifts from technology adoption to building an operating model that can scale AI responsibly, securely and sustainably.

Across global markets, many insurers have successfully implemented individual AI use cases yet have struggled to achieve enterprise-wide impact due to fragmented data environments, siloed technology investments, governance gaps and workforce readiness challenges. As AI becomes integral to insurance operations, insurers must ensure that AI systems are transparent, explainable, compliant and trustworthy. For this reason, enterprise AI transformation must be anchored on two complementary foundations:

- A robust Trustworthy AI framework by Deloitte that governs how AI is designed, deployed and monitored.
- A scalable enterprise architecture that embeds AI across the insurance value chain.

Let's take a deeper look at these two foundations and how they help insurers scale AI from isolated use cases to sustained business impact.

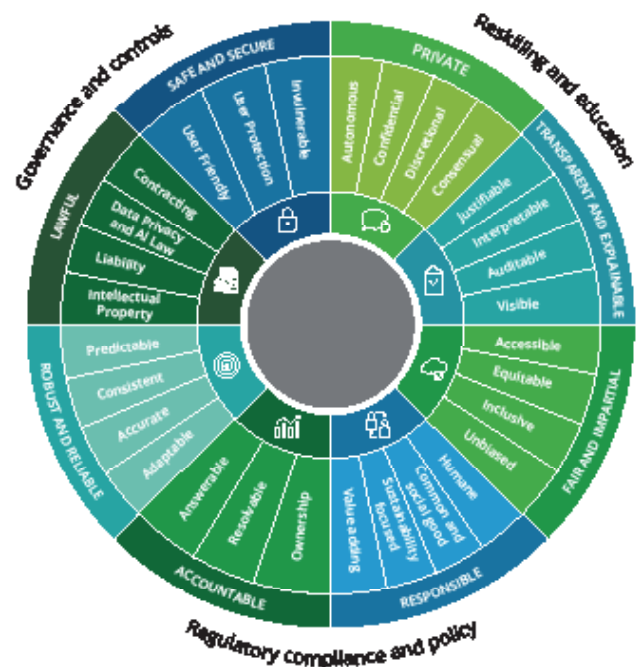
Trustworthy AI: The foundation for scaling AI in insurance

Insurance is fundamentally a business of trust. Customers share sensitive personal, financial and health information with insurers and expect decisions to be fair, transparent and accountable. Deloitte's Trustworthy AI framework provides a structured approach for ensuring that AI systems create value while managing risk.

The framework brings together the core dimensions needed to build AI that stakeholders can trust across the full lifecycle. It ensures AI is explainable, fair, accountable, reliable, lawful, safe and secure, while providing insurers with the governance and controls needed to manage risk with confidence.

Scaling AI beyond pilots requires strong data foundations, domain-specific intelligence, workflow orchestration and governance that balances autonomy with human oversight.

Figure 3: Deloitte's trustworthy AI framework



As GenAI and agentic AI move into core insurance functions, trustworthy AI is emerging as a prerequisite for scale. Explainability, auditability, accountability and regulatory alignment must be built in from the start to support trust, responsible adoption and manage increasingly complex AI-driven decisions.

This imperative is becoming particularly relevant within India's evolving regulatory environment, shaped by the Digital Personal Data Protection (DPDP) Act, emerging AI governance expectations and growing scrutiny of algorithmic decision-making.

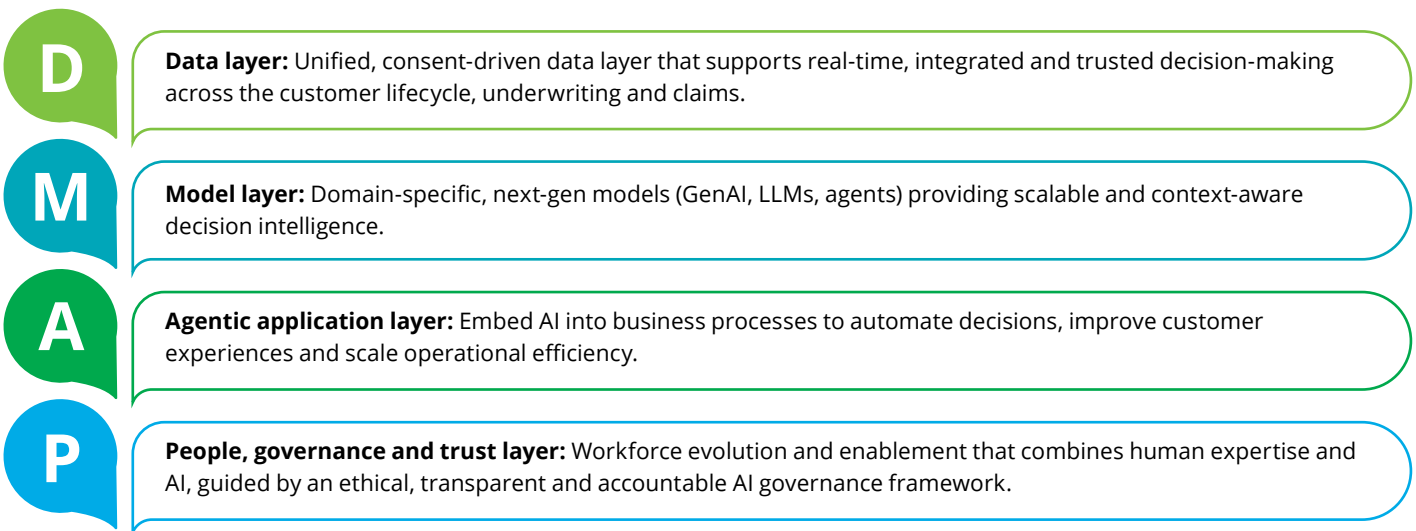
In June 2026, IRDAI constituted a dedicated Working Group on Artificial Intelligence (WG-AI) to assess AI adoption, governance maturity, audit requirements, explainability standards, skill gaps and sector-wide safeguards. This marks a shift from AI experimentation to structured oversight, with Trustworthy AI becoming the governance layer for enterprise-wide insurance transformation. The operational blueprint for that transformation is captured through the D-MAP architecture.⁷

Enterprise AI transformation: The D-MAP architecture

As insurers move from isolated AI experimentation to enterprise-scale deployment, transformation must extend beyond models and use cases to encompass data foundations,

intelligent decision systems, workflow redesign and governance. Drawing on emerging industry practices in GenAI and agentic AI adoption, the D-MAP architecture (Data, Model and agents, Agentic application, People, governance and trust) provides a practical enterprise framework for scaling AI across the insurance value chain while maintaining trust, transparency and regulatory alignment.

Figure 4: D-MAP framework



Source: Deloitte analysis

Data layer: From fragmented records to consent-driven intelligence

India's insurance sector generates vast data across policies, claims, distribution, health records, financial transactions and customer service, but much of it remains fragmented across insurers, TPAs, hospitals, intermediaries and ecosystem collaborators. Insurers need a trusted enterprise-wide single source of truth that is reliable, complete, timely, interoperable, consent-driven and traceable. Without this foundation, AI amplifies data-quality issues. Integrated structured and unstructured data from internal and external sources, which address missing or inconsistent information, maintain clear lineage and audit trails and adhere to common metadata and retention standards, can establish a trusted, enterprise-wide data foundation that can generate more reliable insights, make better decisions and scale AI with greater confidence.

India's DPI stack provides insurers with a strong foundation for trusted, consent-based data exchange at scale. By enabling access to verified identity, financial, health and ecosystem data, it can reduce manual verification, improve fraud detection, speed up claims and support more scalable AI-first insurance models.

In essence, this requires a fundamental shift that goes beyond technology. Insurers need to establish enterprise-wide data

governance frameworks aligned with the Digital Personal Data Protection (DPDP) Act, invest in unified customer data platforms, implement common metadata and interoperability standards and adopt consent-led data ingestion strategies across the ecosystem. Trusted enterprise data systems provide AI with a reliable foundation for consistent operation across use cases.

Model layer: From traditional AI to insurance-specific intelligence

With a strong data foundation, the next differentiator is contextual intelligence. Traditional AI can improve productivity, but without insurance-specific understanding, its impact often remains limited to 60 to 65 percent. Domain-specific contextualisation is key to improving model accuracy, explainability and reliability when AI is deployed at scale.

The industry is moving towards insurance-specific Large Language Models (LLMs), Small Language Models (SLMs)/RAG-enabled LLMs and specialised AI agents trained for a particular purpose, based on structured and unstructured datasets. These domain-specific models provide stronger contextual understanding, improved accuracy and more reliable decision support across specific processes.



Agentic application layer: From automation to autonomous insurance workflows

The most visible impact of AI transformation occurs at the application layer. Historically, AI deployments within insurance have focused on point solutions such as optical character recognition, chatbots, workflow automation tools and predictive models converted to a rules engine. While these initiatives delivered operational efficiencies, they rarely transformed the underlying operating model of the enterprise.

The emergence of agentic AI is changing this paradigm. Rather than simply generating insights, agentic systems can analyse information, make recommendations, coordinate actions across multiple systems, execute complex workflows with appropriate human oversight and continuously learn from outcomes to self-correct or seek human validation when needed.

The priority is to build purpose-driven AI agents that can be reused across the enterprise, with clear guardrails, known limitations and reduced hallucination risk.

People, governance and trust layer: From experimentation to trustworthy AI at scale

At the people, governance and trust layer, the focus shifts to trust, accountability and workforce transformation. AI cannot

scale in insurance without robust governance, given increasing scrutiny on data privacy and algorithmic decision-making.

The DPDP Act and IRDAI guidelines make robust AI governance, transparency and human oversight essential. To scale AI responsibly, insurers must strengthen governance frameworks and build the capabilities needed for compliant, auditable deployment.

The people and workforce challenge is likely to intensify. Insurers were already struggling to find domain-specific skills, and they now need talent that can work with AI-native, real-time and automated decision-making models while understanding where human judgment and domain expertise remain essential.

What this means for India's insurance trajectory

The D-MAP framework is a transformation blueprint, not only a technology architecture. Strong Data layer improves decision quality; domain-tuned Models improve intelligence and explainability; Agentic applications improve efficiency and experience; and People, Governance and Trust make adoption sustainable and regulator-ready.

Chapter 3: Data (D): Fuelling GenAI and agentic AI at scale

India's insurance sector has moved past the first wave of AI pilots. The challenge now is to scale AI in a way that improves decisions, strengthens controls and works across everyday insurance operations. This is where the Data layer of the D-MAP architecture becomes critical, as it determines whether AI remains fragmented or becomes a trusted source of enterprise intelligence.

This layer extends beyond data availability. It establishes the enterprise foundation on which AI can operate reliably. This includes creating trusted, authentic, high-quality, interoperable and continuously governed data assets that are complete, timely, consent-enabled and traceable across internal systems and external ecosystems. Enterprise data platforms, common metadata standards, master data management, lineage, auditability, observability and data quality controls become as important as the AI models built upon them. Without these core capabilities, AI simply scales inconsistency rather than intelligence.

As insurers progress beyond isolated AI deployments, success increasingly depends on the quality of underlying enterprise data. GenAI and agentic AI systems require trusted, continuously refreshed and context-rich data rather than fragmented records, making data quality, completeness and timeliness strategic differentiators.

A key inflection point is the emergence of agentic KYC and servicing frameworks that combine Aadhaar authentication, DigiLocker-based document retrieval, consent management and real-time validation. These capabilities are reducing onboarding timelines while creating verified digital identities, authenticated document repositories and reusable customer data assets that improve enterprise-wide data reliability.

As AI adoption scales, data readiness and governance are becoming strategic priorities. Fragmented data environments across insurers, TPAs, hospitals, distributors and service providers continue to constrain the effectiveness of AI. DPI-enabled integration through Aadhaar, DigiLocker, National Health Authority, foundational registries such as Health Facility Register (HFR) and the Health Professional Registry (HPR) under the ABDM, the Vahan and Sarathi platforms and the Account Aggregator framework is emerging as a critical enabler of enterprise AI. DPDP-compliant governance, enterprise metadata standards, interoperable data models, consent management, lineage and continuous data-quality controls are becoming essential prerequisites for enterprise AI.

While these foundational capabilities are becoming important, insurers are demonstrating varying levels of progress in translating AI investments into enterprise-wide business outcomes. As insurers move beyond experimentation, success will depend on how well AI is executed, integrated into the operating model and adopted across the organisation. It is therefore important to assess AI not just by the tools deployed, but by how deeply intelligence is embedded into enterprise processes, decisions and controls.

AI adoption archetypes: A better lens than digital maturity

Over the past decade, India's insurance sector has evolved into distinct archetypes of AI adoption. While digital transformation has progressed across the industry, AI adoption remains uneven. Leading private insurers and digital-first players are moving rapidly towards enterprise-scale deployment, while many incumbents continue to face constraints arising from legacy systems, fragmented data environments and organisational readiness gaps. As a result, AI adoption archetypes increasingly provide a more meaningful indicator of future competitiveness than traditional digital maturity frameworks. These archetypes are likely to determine cost competitiveness, operational efficiency and customer relevance over the next few years.

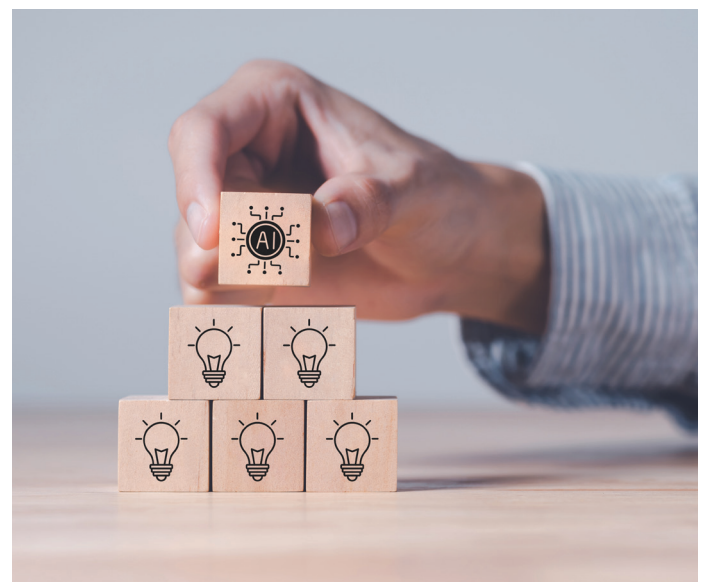


Figure 5: AI adoption archetypes across Indian insurance**AI is creating three distinct insurer personalities**

AI is not driving a single transformation journey; insurers are evolving along three distinct paths.

	AI-conservative insurers	AI-pragmatic insurers	AI-aggressive insurers
	Legacy insurers operating predominantly on traditional Policy Administration Systems (PAS) and core platforms	Insurers are modernising core capabilities while balancing operational optimisation with scaled AI adoption across key business functions	AI-native and innovation-led insurers embedding GenAI, agentic AI and ecosystem orchestration across the enterprise
AI approach	• Selective adoption of AI in low-risk areas • Focus on controlled experimentation	• Investment in cloud data platforms • Insurance-specific LLMs • AI orchestration layers	• Embedded protection models • Ecosystem-driven business models • AI-native operating architecture
Strategic focus	• Governance-first approach • Model explainability • Controlled pilots over-scaled deployment	• Faster underwriting • Enhanced fraud detection • Improved claims efficiency • Modernisation without disruptive core replacement	• Unified data fabric • Human-supervised agentic orchestration • Trustworthy AI governance
Key investments	• Data quality initiatives • Governance frameworks • Pilot AI use cases • Model explainability tools	• Insurance-tuned LLMs • Cloud data and AI/ML platforms • API enablement layers • Model monitoring capabilities	• AI-native platforms • Microservices architecture • Real-time IoT data infrastructure • GenAI and agentic AI • Ecosystem APIs, Cloud-native infrastructure
Typical AI use cases	• Document classification • Rule-based fraud detection • FAQ chatbots • Robotic Process Automation (RPA)	• Automated underwriting assistance • Advanced fraud analytics • Claims triage and automation • AI-driven loss estimation	• Autonomous underwriting and claims • Agentic lead-to-issuance workflows • Real-time IoT risk insights • GenAI-powered customer experiences • Embedded insurance at scale
Core and technology approach	• Legacy PAS/core systems • On-premise infrastructure • Point-to-point integrations	• Modernisation layers • Hybrid-cloud architecture • API-enabled ecosystem connectivity	• Hollow-the-core architecture • Microservices • Cloud-native platforms • API-first design • Event-driven systems

Source: Deloitte analysis

- **Conservative adopters** remain focused on experimentation and selective deployment. AI is primarily applied to low-risk use cases such as customer service, document processing and workflow automation, while core decision-making continues to rely heavily on human intervention.
- **Pragmatic adopters** are expanding AI across targeted processes to deliver measurable gains in productivity,

efficiency and customer outcomes. These players increasingly integrate AI into operational workflows rather than treating it as a standalone technology initiative.

- **Aggressive adopters** are progressing towards AI-orchestrated operating models where intelligence is embedded directly into decision-making and execution. These insurers increasingly use ecosystem data, agentic

orchestration and autonomous workflows to redesign customer journeys and operating models.

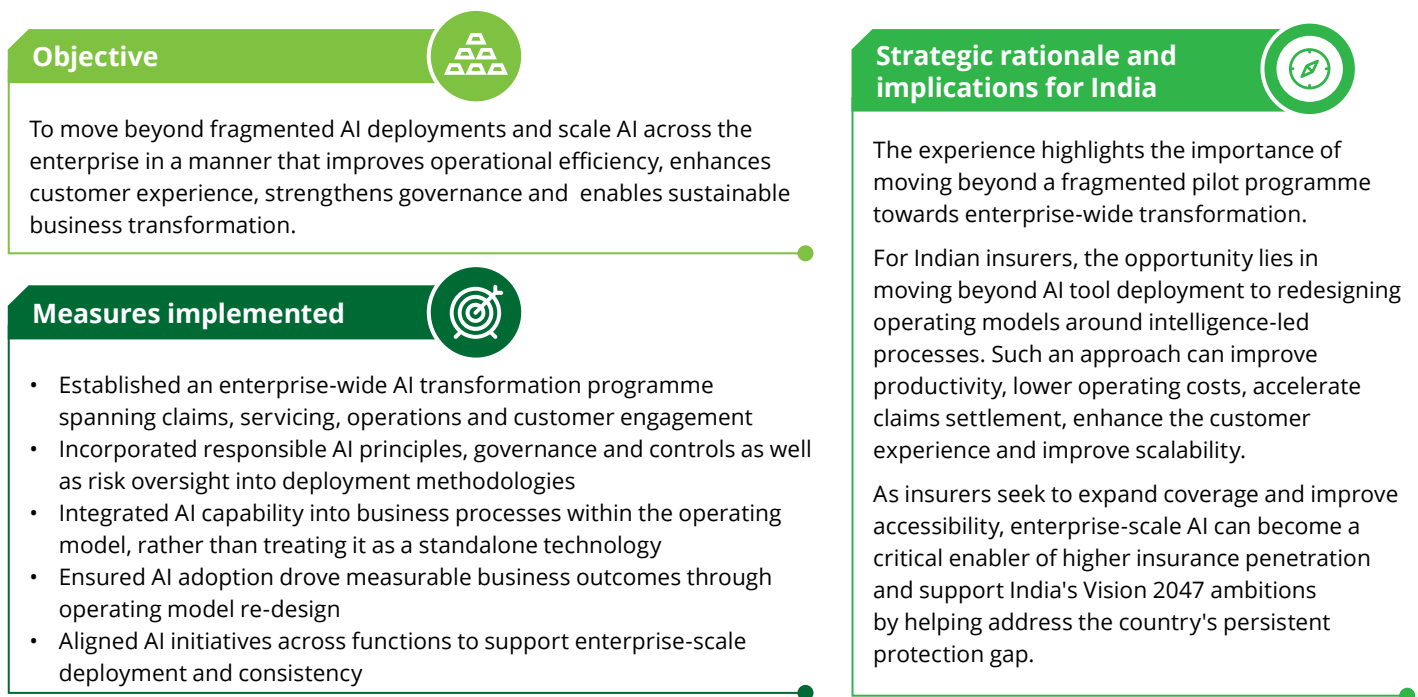
Many insurers currently occupy an intermediate position, where traditional AI capabilities are layered onto existing workflows. While this has accelerated experimentation, it has limited enterprise-wide deployment and restricted the ability to achieve meaningful transformation. Consequently, the competitive gap between leaders and laggards is increasingly determined by their ability to move from isolated AI use cases towards integrated AI operating models.

How do insurers move from conservative → pragmatic → aggressive?

The distinction between these archetypes depends on how effectively insurers scale AI beyond isolated use cases. The journey from experimentation to enterprise transformation follows a recognisable progression in which intelligence becomes increasingly embedded into business processes, customer journeys and decision-making. Understanding this progression helps explain why some insurers are beginning to realise enterprise-wide value while others remain trapped in pilot-led deployment cycles.

Figure 6: From AI pilots to enterprise transformation

Global case study: A leading European multiline insurer



Source: Deloitte analysis, Public disclosures of leading European insurer

Scaling AI from experimentation to enterprise transformation

The evolution of AI adoption progresses from experimentation to enterprise-wide transformation. At the experimentation stage, insurers deploy AI in isolated use cases, often focused on productivity enhancement and process optimisation.

As AI adoption matures, insurers need to move from standalone use cases to intelligence embedded across workflows, decisions and customer journeys. The following four-layer operating model shows how this shift happens:

Data layer

Establishes trusted, authenticated, interoperable, metadata-driven and consent-governed enterprise data foundations with clear lineage, quality controls and real-time accessibility.

Decision layer

Uses GenAI and domain intelligence to interpret complex enterprise and ecosystem data, generate contextual insights and support or recommend business decisions.

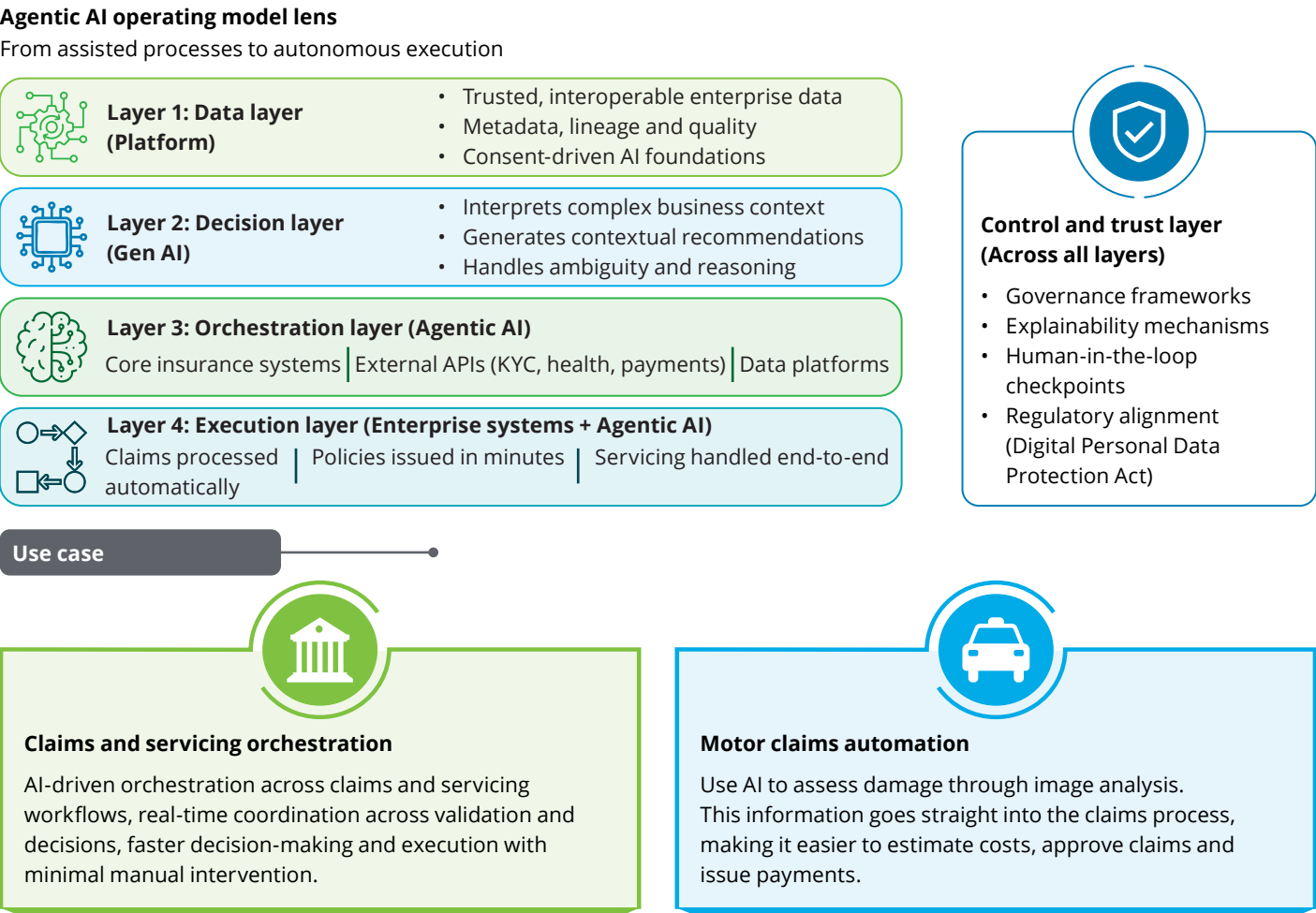
Orchestration layer

Uses agentic AI to coordinate enterprise systems, digital ecosystems, human workflows and autonomous agents, triggering actions through APIs, business rules and existing automation assets.

Execution layer

Delivers business outcomes, such as underwriting decisions, policy issuance, claims settlement and customer servicing, with appropriate human oversight and minimal manual intervention.

Figure 7: Scaling AI across three layers



Source: Deloitte analysis, Digital insurer, Genre

For example, in claims triage and settlement, AI can assess claim complexity, coordinate validation across systems, route low-risk cases for STP and initiate payouts. This reflects the four-layer shift from decisioning and orchestration to system integration and execution outcomes, with trust and controls embedded across the process.

The greatest value comes from integrating data, intelligence, orchestration and governance into one operating fabric. For India, the priority is to move beyond pilots towards DPI-enabled, enterprise-scale AI architectures anchored in interoperability, governance and regulatory alignment.

As AI matures, competitive advantage will increasingly come from extending AI beyond the enterprise through external data, ecosystem collaborations and DPI.

Ecosystem-led acceleration: The next phase of AI adoption

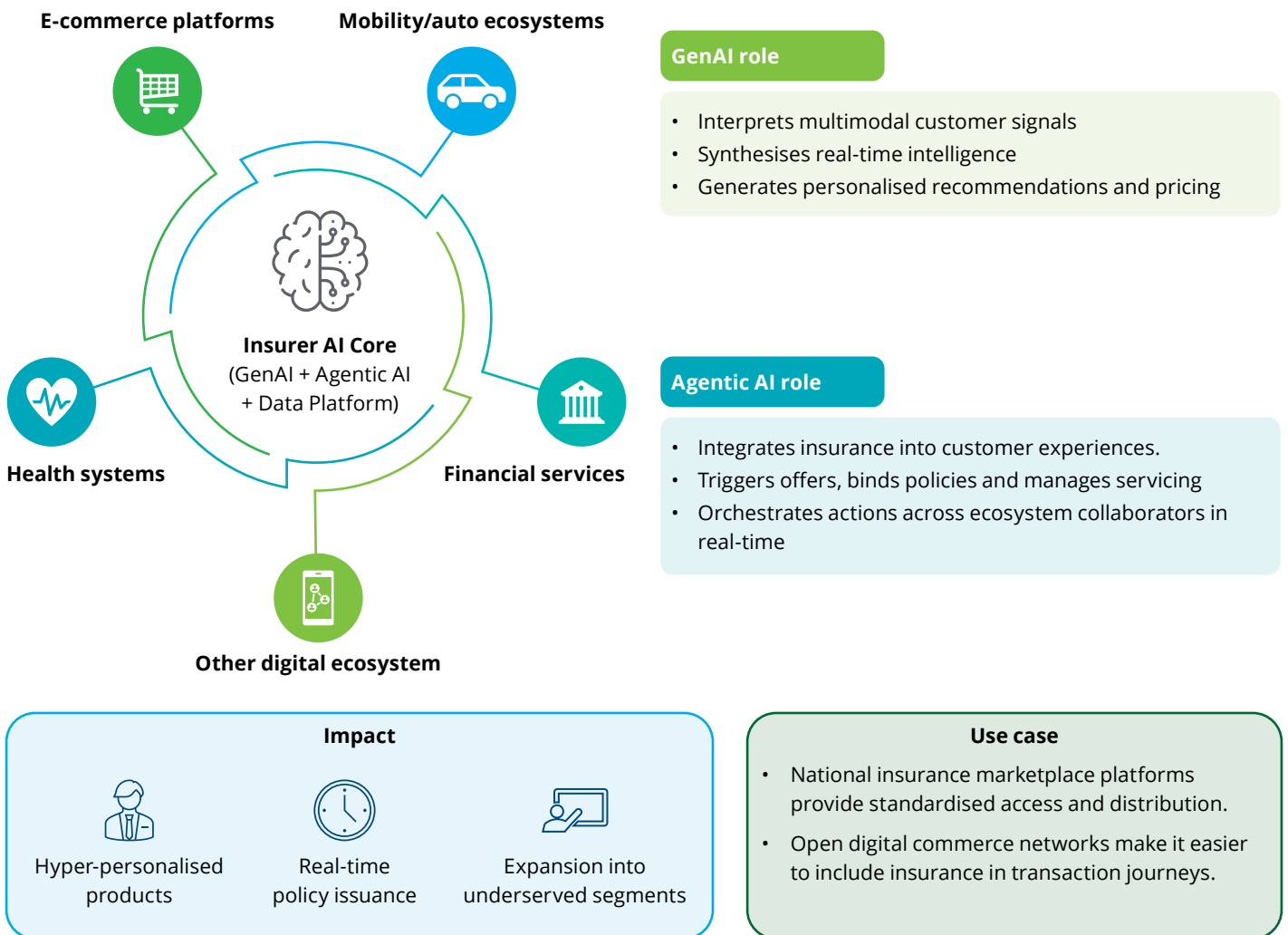
At the more advanced end of the adoption spectrum, insurers are building AI-enabled operating models centred on ecosystem connectivity, real-time decision-making and contextual engagement. By using collaborations across commerce, mobility, healthcare, financial services ecosystems and digital platforms, insurance is being embedded within broader customer journeys and delivering contextual products.

This shift is being accelerated by the convergence of emerging digital ecosystems and public digital infrastructure. The potential interplay between Bima Sugam and the ONDC could significantly expand access to behavioural, transactional and contextual data. Competitive advantage will depend on how effectively insurers combine ecosystem data, GenAI-driven intelligence and agentic execution to deliver hyper-personalised, real-time insurance experiences.

Figure 8: Ecosystem-led acceleration**Ecosystem and embedded insurance lens**

AI in ecosystems: From data access to embedded insurance

Data from commerce, mobility, health and finance helps provide real-time embedded insurance during customer journeys.



AI + ecosystem data is shifting insurance from a product to an embedded, contextual service.

Use case: Embedded, AI-driven insurance model + AI-led underwriting and near-instant claims experience + instant claim

Source: Deloitte analysis, Case example of one of India's fastest-growing private insurers

The role of GenAI extends beyond analysing structured ecosystem data. As insurers become increasingly connected to healthcare, commerce, mobility and financial services ecosystems, they gain access to large volumes of unstructured and multimodal information, including documents, images,

conversations, service interactions and behavioural signals. GenAI enables insurers to interpret and synthesise these diverse data sources into real-time insurance intelligence, generating personalised recommendations, supporting underwriting and claims decisions and enhancing

customer engagement. Agentic AI builds on these insights by orchestrating actions across systems, collaborators, distributors and customers to deliver seamless execution.

Early industry deployments demonstrate how AI is already supporting multilingual customer engagement, real-time underwriting decisions, personalised servicing and distributor enablement at scale. In several cases, insurers have embedded AI across large distributor networks and customer-facing channels, enabling contextual interactions across multiple Indian languages while improving responsiveness, accessibility and operational efficiency. These use cases illustrate how the industry is beginning to move beyond automation towards intelligence-led ecosystem participation.

By embedding insurance within digital ecosystems, insurers gain access to richer customer signals that extend beyond

traditional insurance datasets, improving risk assessment, product design, pricing precision and customer engagement. As ecosystem connectivity deepens, insurance is increasingly evolving from a reactive protection mechanism into a more adaptive, personalised and seamlessly integrated service embedded within everyday customer interactions.

While these developments are accelerating AI adoption in India, the industry remains at an earlier stage of enterprise-scale deployment compared with several global markets. Benchmarking India's progress against global experience provides useful insights into the capabilities, operating models and governance structures required to scale AI successfully over the coming decade. India's insurers are progressing, but global insurers have already moved towards enterprise-scale AI. Understanding this gap is important before examining how GenAI and agentic AI are reshaping global operating models.

Figure 9: India's pathway to enterprise-scale AI adoption (India versus Global AI adoption)

"Global insurers are scaling GenAI and agentic AI to drive autonomous underwriting, real-time fraud detection and hyper-personalised servicing, while Indian insurers are progressing at varied maturity levels."

Current gaps in India



- Limited core modernisation integration, with AI pilots often running on fragmented PAS/TPA systems
- Lower uptake in AI-native workflows, as many processes remain rule-based or semi-automated
- Domain-tuned LLMs stay unutilised in regulatory compliance, advisory consistency or risk scoring
- Underutilised real-time orchestration across distributed platforms and high-volume distribution networks

Opportunities shaped by global learnings



- Layer AI over existing systems to accelerate underwriting, claims and advisory without full core replacement
- Implement autonomous agentic workflows for end-to-end FNOL, fraud and operations management
- Deploy multilingual GenAI copilots to enhance agent productivity and rural reach
- Use predictive, data-driven orchestration to compress decision cycles and reduce operational costs



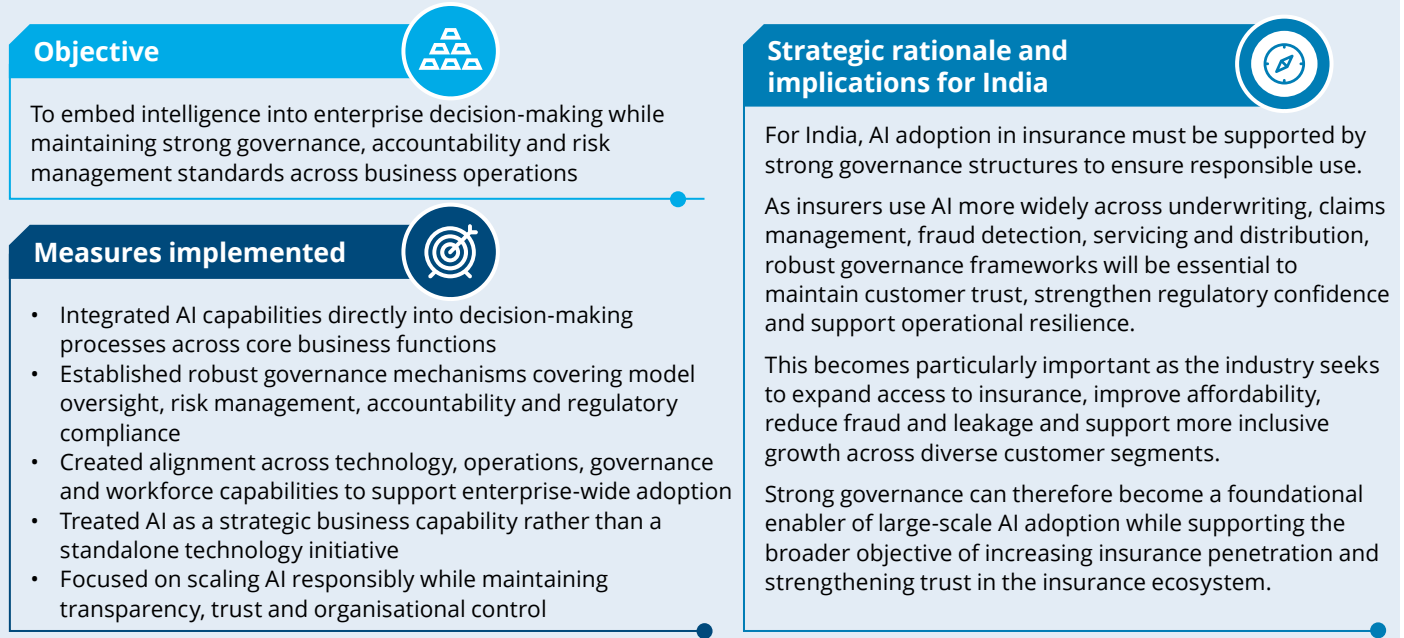
Outcome: Leapfrog traditional transformation cycles, scale efficiently and build AI-first, future-ready insurers.

Source: Deloitte analysis

Global experience: From pilots to enterprise AI

Across North America, Europe and Asia-Pacific, insurers are moving beyond isolated pilots to embed **GenAI** and **agentic AI** across the insurance lifecycle. While approaches differ, the

common trend is a transition from isolated AI deployments to integrated operating models that combine data, models, orchestration and execution. Measurable outcomes include productivity gains of **20–40 percent**, **15–25 percent** shorter claims cycle times and significantly **higher STP rates**.

Figure 10: Global experience: Governing AI for enterprise-scale adoption

Source: Deloitte analysis, Commercial insurance risk insights, AI use cases

Global experience shows a shift from standalone AI tools to coordinated agentic systems. Deloitte's FY25 report describes this as the rise of "persona-based digital workforces," where specialised AI agents coordinate workflows, share context and execute tasks across insurance operations. This helps insurers improve speed, consistency, transparency and auditability while reducing manual intervention.⁸

India's expanding DPI and ecosystem-led data flows create strong conditions for secure, authenticated and consent-governed data exchange. However, the next challenge is execution. Many Indian insurers still need to translate this infrastructure advantage into enterprise AI maturity, deeper operating model integration and scalable agentic workflows.

The global experience highlights a shift from generic automation to persona-based **agentic AI**. Embedded directly within workflows, these systems enable greater consistency, speed and operational control. This shift is already visible across the following core insurance functions:

- In motor insurance, image analytics, GenAI and agentic orchestration are enabling surveyor-less claims processing with near real-time assessment and approvals.
- In health insurance, ABDM-linked ecosystems are supporting near-instant claims adjudication through automated validation, fraud detection and approval workflows.
- Customer servicing is evolving, with automated servicing for mass-market customers and GenAI-enabled advisor support for high-value segments.

Insurers are also deploying interconnected agent ecosystems that decompose complex processes into specialised tasks,

coordinate decisions across functions and continuously adapt workflows in response to changing data, risk conditions and business priorities. The lessons emerging from global markets point to a broader conclusion: competitive advantage is no longer determined solely by whether insurers deploy AI capabilities. Instead, it increasingly depends on how deeply intelligence is embedded across the organisation and how effectively AI is integrated into day-to-day operations. This shift introduces a new lens for evaluating AI maturity and long-term competitiveness.

From AI adoption to AI intensity

Competitive advantage is increasingly defined by how deeply AI is embedded across the enterprise.

This concept can be described as **AI intensity** that captures an insurer's ability to integrate data, decisions, orchestration, governance and execution into a cohesive operating model. As insurers move from task automation to decision augmentation and ultimately towards autonomous execution through coordinated multi-agent systems, they will unlock structural advantages in efficiency, underwriting quality, risk management and customer relevance. AI intensity will increasingly determine their ability to make better decisions and deliver outcomes at scale.

Success requires alignment across technology, operations, governance, risk management, compliance and organisational leadership. The insurers most likely to succeed will be those capable of redesigning operating models around intelligence rather than simply digitalising existing processes.

Chapter 4: Model (M): From traditional AI to domain-tuned decision intelligence

If data is the foundation, models are the intelligence that transform that data into real-time, actionable decisions across insurance operations. Despite progress in digitalisation and AI adoption, many insurers still rely on fragmented deployments and traditional models, leaving core operations dependent on manual processes and disconnected decisions. This marks a shift from traditional AI pilots to insurance-specific decision intelligence that can improve risk assessment, claims, fraud detection and customer engagement.

The Model layer converts enterprise data into contextual, insurance-specific intelligence. It requires accurate, explainable and scalable AI models that are auditable, continuously monitored and aligned with regulatory expectations.

From digital foundations to AI inflexion

Over the past decade, Indian insurers have invested in digital technologies such as Robotic Process Automation (RPA), IoT, telematics, blockchain pilots and cloud-native systems. These investments have delivered meaningful efficiency gains and laid the groundwork for AI adoption.

For instance, RPA-led automation across policy issuance and back-office workflows has reduced processing times by up to 60 percent.⁹ Similarly, telematics-enabled motor insurance and wearables-driven health products are enabling usage-based models that shift pricing away from static actuarial assumptions towards behaviour-linked risk assessment.¹⁰ Blockchain pilots are improving transparency and trust in claims processing, with the global blockchain-in-insurance market projected to grow from ~US\$2.7 billion in FY25 to over US\$80 billion by FY33.¹¹

However, these technologies largely improve how work is executed rather than how decisions are made.

From automation to enterprise AI

The evolution of AI in insurance reflects a broader transition from automation to enterprise intelligence. In underwriting, AI capabilities are enabling a shift from static rule-based

processing to AI-assisted decision-making. GenAI strengthens contextual insight, while agentic AI coordinates validation and workflow execution, improving decision speed and consistency.

This transformation illustrates a broader shift from episodic decision-making to continuous risk evaluation. Underwriting is evolving from a point-in-time activity performed during policy issuance to a dynamic process informed by continuously updated data and risk signals.

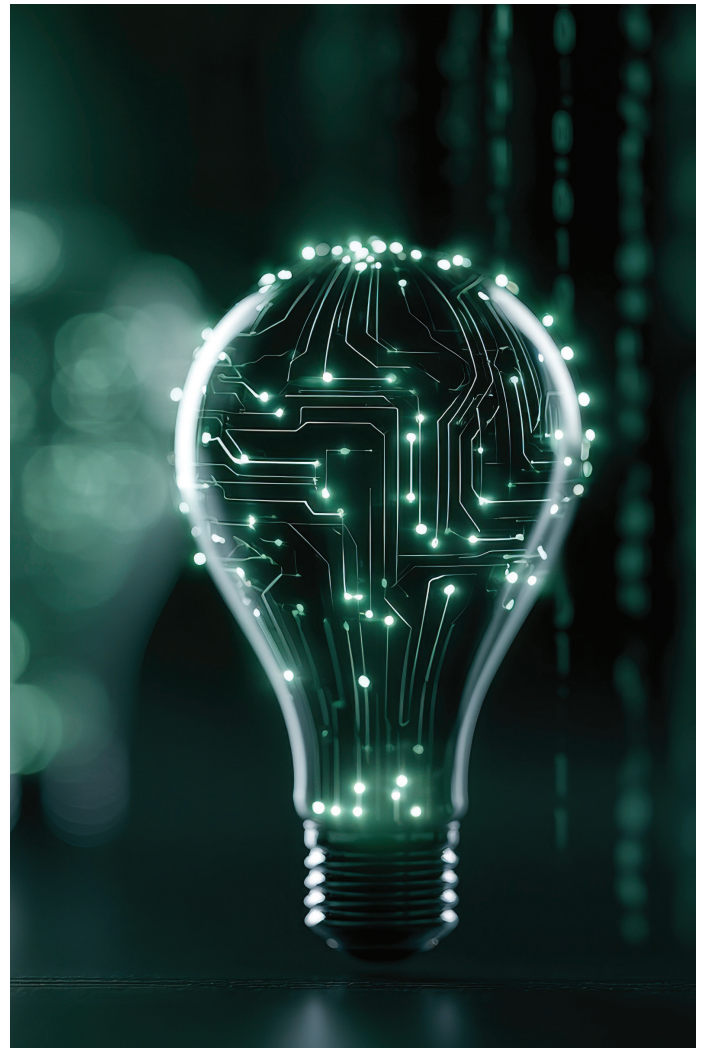
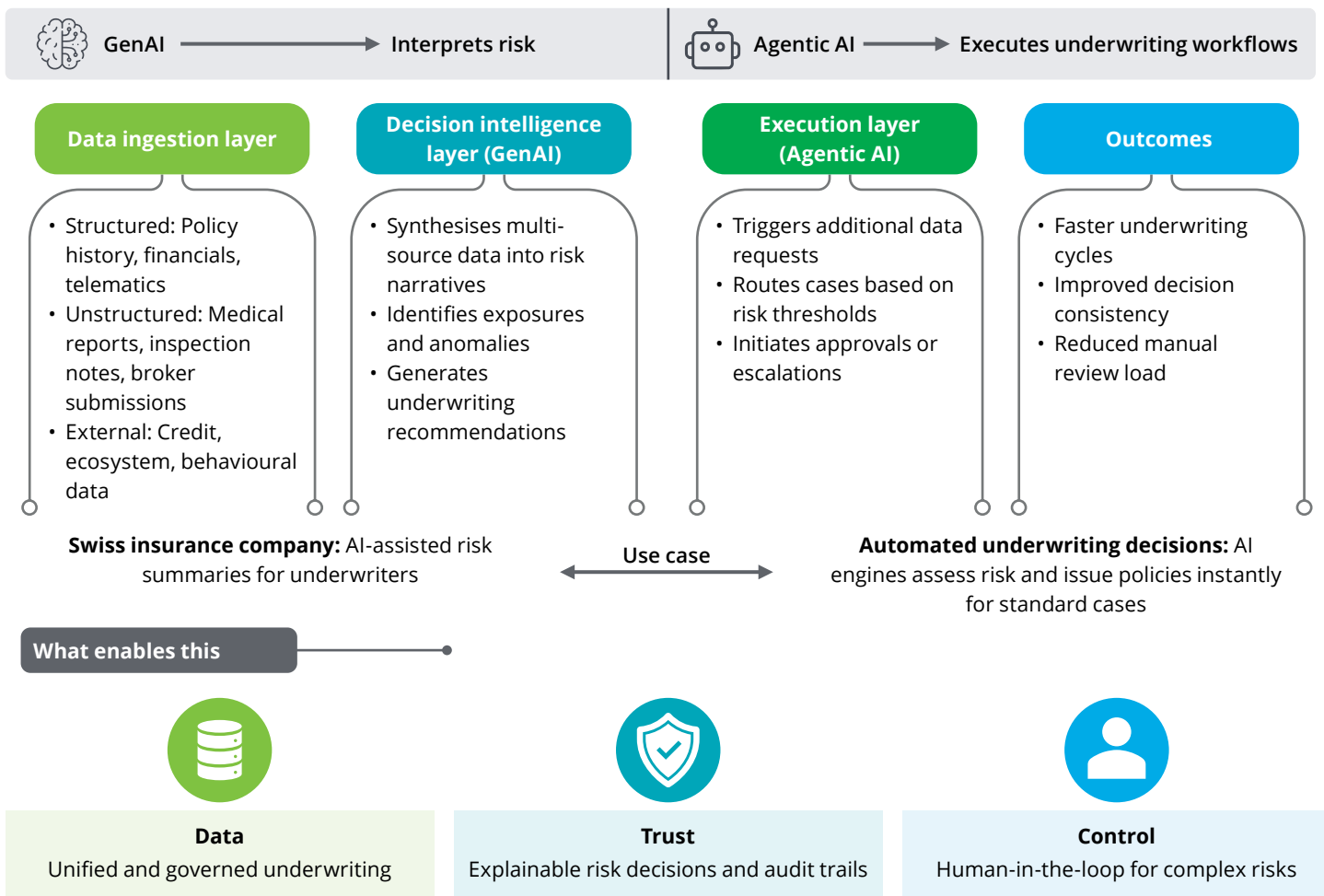


Figure 11: From rule-based underwriting to AI-driven risk intelligence**Underwriting transformation lens**

AI in underwriting: From risk assessment to decision intelligence



Source: Deloitte analysis, Swiss Insurance Company, Futech

The same evolution is becoming visible across claims, fraud management, servicing and distribution. As AI matures, insurers are increasingly rethinking technology not as a collection of individual use cases but as an integrated operating model built across interconnected layers of data, intelligence, orchestration and execution.

Beyond insurance operations, GenAI is also transforming how technology is delivered. AI software development agents are increasingly accelerating legacy modernisation by assisting with code generation, application refactoring, testing, documentation and migration of core insurance platforms. This can significantly shorten the journey from legacy estates to AI-ready digital architectures.

As insurers move from automation to autonomy, the quality, governance and operationalisation of AI models will increasingly determine competitive advantage.

Why GenAI and agentic AI are the new frontier

GenAI and agentic AI are expanding the role of AI in insurance from decision support to intelligent execution. Together, they can help insurers interpret complex data, coordinate workflows and deliver faster, more consistent outcomes. The figure below explains this evolution.

Beyond capability, model selection increasingly becomes an economic decision. The best LLMs handle frontier-level reasoning for intricate, rare occurrences, whereas task-specific SLMs can drastically reduce token counts and shorten run times to optimise costs for high-volume tasks such as policy servicing, claim adjudication, data extraction and customer service. This layered model approach ensures that insurance carriers improve efficiency by applying the appropriate model to the appropriate tasks, resulting in better performance and a stronger token economy.

Figure 12: GenAI and agentic AI: The next frontier in insurance

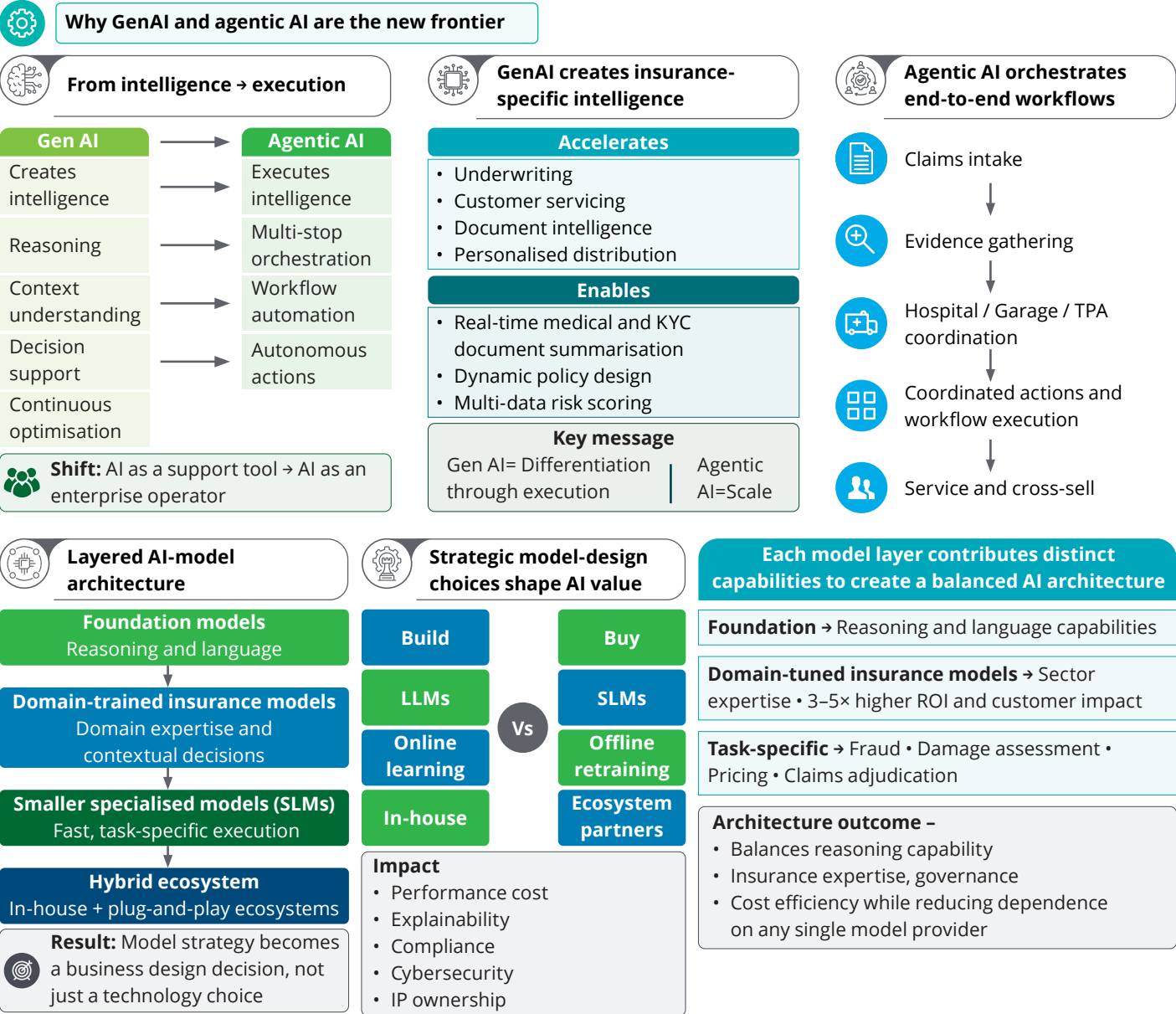




Figure 13: Global case study: Building ecosystem-powered insurance intelligence

Objective



To improve underwriting accuracy, fraud detection, customer engagement and risk assessment by combining insurance-specific AI models with ecosystem intelligence

Measures implemented



- Built AI models using integrated healthcare, financial services and digital ecosystem data
- Combined domain-trained insurance models with broader ecosystem intelligence
- Embedded AI across underwriting, fraud management, servicing and customer engagement
- Used interconnected data assets to generate meaningful risk signals and customer insights

Strategic rationale and implications for India



The experience shows that model performance increasingly depends on sophisticated algorithms and the strength of ecosystem intelligence available to the models.

For India, DPI, including ABDM, ONDC, Account Aggregator, Aadhaar and DigiLocker, creates a similar opportunity. While India's ecosystem is more federated than vertically integrated, consent-driven interoperability can enable insurers to build more accurate underwriting, fraud and engagement models while expanding insurance inclusion.

A particularly important opportunity lies in connecting Bima Sugam with ONDC. Together, these initiatives could create a powerful insurance intelligence ecosystem that embeds insurance products into digital purchase journeys and uses behavioural, transactional and lifestyle signals to continuously improve model performance, personalisation and risk assessment.

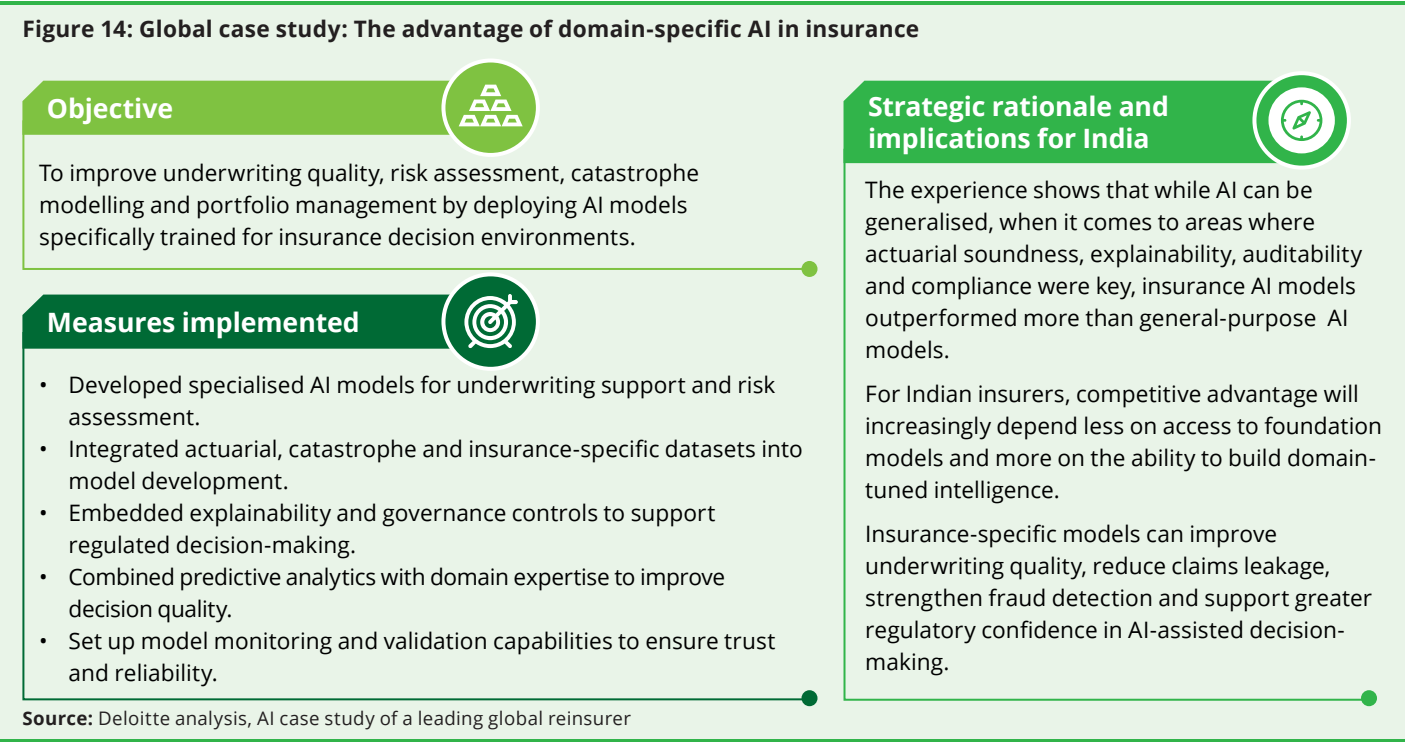
Source: Deloitte analysis, Public disclosures of a leading Asian integrated financial services and insurance platform

Such ecosystem signals can improve underwriting precision, customer segmentation and product personalisation, while helping insurers expand coverage and strengthen risk selection.

The model gap: Why traditional AI falls short

Despite increasing adoption, many insurers continue to rely on traditional AI models that are not tailored to the complexities of insurance.

A critical limitation emerging globally is that traditional models lack contextual grounding in insurance-specific data and can inadvertently introduce bias, inconsistent decisions and explainability challenges. This reinforces the need for domain-tuned, continuously monitored models trained on curated, governed datasets supported by strong data lineage, fairness testing and explainability frameworks. Globally, leading insurers are transitioning to domain-specific AI architectures, recognising that insurance decisions require a deep contextual understanding of policies, medical protocols, fraud typologies and actuarial relationships.



What works in model deployment and what does not

Successful AI deployment combines domain-tuned models, governed data, explainability, human-in-the-loop controls and enterprise orchestration, integrating AI directly into workflows. Conversely, insurers deploying standalone AI copilots, fragmented data environments or poorly aligned AI initiatives often struggle to realise measurable value. Reliance on traditional foundation models without insurance-specific adaptation remains a common challenge.

Cost considerations are equally important. While attention often focuses on model development costs, the largest investments typically arise from data preparation, governance frameworks, model monitoring, integration architecture, cybersecurity controls and workforce enablement. Insurers that underestimate these requirements frequently encounter scaling challenges. However, global evidence suggests that productivity gains, lower claims leakage, reduced servicing costs and faster decision cycles can offset these investments when deployed at enterprise scale.

From model experimentation to enterprise adoption

While model architecture, governance and economics determine whether AI can create value, the ability to scale that value across the organisation depends on a different set of capabilities. Successful AI transformation requires insurers to redesign operating models, decision rights, workforce structures and governance frameworks so that intelligence can

be embedded into day-to-day decision-making. This is where India's market structure may provide a distinct advantage.

From models to enterprise decision systems

The Model layer is no longer about isolated algorithms; it is about building enterprise-wide decision systems. This transformation moves in three stages, from automating tasks to supporting decisions and eventually automating decisions within defined guardrails. At the final stage, AI systems do not merely recommend actions; they execute them within predefined governance frameworks.

This shift also introduces the concept of **enterprise AI**, where models are not deployed as isolated tools but embedded as decision engines across the value chain. In this paradigm, models continuously learn from data feedback loops, interact with application layers via APIs and operate within enterprise-level governance boundaries.

As decision systems mature, governance becomes as important as performance. Insurers need continuous monitoring to detect drift, bias and explainability issues, ensuring decisions remain reliable, auditable and regulation-aligned. Scaling this requires AI to be treated as an enterprise capability across strategy, operations, risk, compliance, technology and talent.

In India, the transition is underway but uneven. Digital-first players are moving faster towards decision automation, while incumbents continue to operate hybrid models. The next phase of competition will be shaped by model sophistication

rather than technology adoption alone. Insurers that develop domain-tuned, explainable and continuously learning AI models will be better positioned to improve underwriting accuracy, reduce claims leakage, strengthen fraud detection and deliver more personalised customer experiences. As AI adoption matures, model governance, performance monitoring and responsible deployment will become as important as model capability itself. In this context, India's insurance market possesses several structural characteristics that may enable faster adoption of AI-enabled operating models than many mature insurance markets.

India's advantage: Agility over legacy

India's advantage is not the absence of legacy systems, but the agility of its insurance market to adapt and scale new AI models.

India's insurance sector includes incumbents, established private insurers and digital-first entrants. Legacy systems remain a challenge, but they are less deeply embedded than in mature markets, while newer players are building AI-native architectures from the ground up.

Digital-first insurers illustrate this shift. Their lean operating models and embedded automation enable faster growth, lower cost structures and improved turnaround times. Industry benchmarks indicate that digital insurers can operate with expense ratios 15–25 percent lower than traditional insurers.¹² However, this creates a dual-speed market. As new entrants scale without legacy constraints, incumbents must accelerate their transformation. The constraint has shifted from technology to execution, especially how insurers organise work, assign accountability and build talent around AI.

Figure 15: Global Case Study: From standalone models to enterprise decision systems

Objective



To move beyond isolated AI deployments and embed intelligence across underwriting, risk management and enterprise decision-making processes, while maintaining strong governance, explainability and regulatory oversight.

Key actions



- Embedded AI-driven decision engines across underwriting and risk management functions
- Established enterprise-wide model governance, explainability and monitoring frameworks
- Integrated domain expertise directly into AI model development and deployment processes
- Created continuous feedback and performance-monitoring mechanisms to improve model outcomes over time
- Treated AI as an enterprise capability rather than a collection of standalone use cases

Strategic rationale and implications for India



The experience demonstrates that sustainable AI value is created when models operate within connected enterprise decision systems rather than as isolated tools.

For Indian insurers, the opportunity lies in combining domain expertise, governance and enterprise integration to build scalable AI-enabled operating models.

As regulatory scrutiny increases and AI adoption expands, explainability, monitoring and trust will become as important as model performance itself.

Source: Deloitte analysis, Public disclosures of a leading global reinsurer

How the model layer is reshaping core functions

The Model layer operationalises trustworthy, domain-specific decision intelligence by embedding unbiased, explainable and continuously learning AI models across the insurance value chain, enabling real-time, scalable and autonomous operations.

- **Underwriting:** AI is shifting underwriting from static, one-time assessment to continuous risk evaluation. By combining

traditional insurance data with behavioural, health and financial signals, insurers can improve risk selection, pricing accuracy and portfolio quality. In India, ABDM-linked health data and consent-based financial ecosystems can support more dynamic underwriting over time.

- **Claims:** AI and agentic workflows are transforming claims from manual adjudication to intelligent, automated processing. Models can validate documentation, assess damages, prioritise claims and support settlement decisions. Globally, this has enabled “claims without touch” models

in standardised cases. In India, motor insurers are using AI for low-complexity claims, while health insurers are using models to validate treatment data against clinical protocols, reducing turnaround time, leakage and customer friction.

- **Fraud management:** Fraud detection is evolving from reactive investigation to proactive prevention. AI can identify anomalies, hidden relationships and emerging fraud risks in near real time. Globally, network analytics are detecting organised fraud. In India, AI combined with Aadhaar-enabled verification and transaction trails can help intercept fraud earlier, before losses occur.
- **Customer servicing:** Customer servicing is becoming more differentiated. Agentic AI can automate routine queries, endorsements and claims interactions for mass-market customers, reducing cost-to-serve and improving scale.

For high-value or niche segments, insurers are adopting a hybrid approach by augmenting human advisors with AI, providing contextual insights and recommendations and enhancing productivity without compromising personalised engagement. This is especially relevant in India, where customer needs vary widely across segments.

- **Distribution:** AI is transforming distribution from a channel-led model to an intelligence-led ecosystem. By analysing customer behaviour, transaction data and contextual signals, insurers can offer personalised products at the point of need. Globally, this is visible in embedded insurance across e-commerce and mobility ecosystems. In India, ONDC and other DPI can help scale embedded insurance, improve conversion and expand reach in underserved segments.

Figure 16: AI at scale: Redefining performance across insurance functions

Where AI is delivering measurable impact

Real outcomes. Stronger performance. Smarter insurance

 Underwriting	 15–20% improvement in underwriting accuracy  Significant ↓ in policy issuance timelines (near real-time in advanced deployments)
 Claims	 70–80% STP in motor claims (global benchmarks)  Claims cycle time ↓ from days/weeks → minutes/hours
 Fraud management	 20–40% improvement in fraud detection rates  ↓ in false positives through AI-led pattern recognition
 Customer servicing	 30–40% ↓ in customer service cost-to-serve via AI-led automation (chatbots, GenAI assistants, agent augmentation)  Significant ↓ in response times, higher first-contact resolution ↑ service consistency
 Distribution	 3–5x ↑ in conversion rates through embedded insurance and AI-led personalisation  penetration ↑ in underserved segments via ecosystem-led distribution models

Source: Deloitte analysis, Deloitte Centre for Financial Services, Secondary sources²

² (Press release-Embedded insurance: The complete product guide for 2026, Blog-Insurance conversational AI: Transform customer experience, Blog-Underwriting in 2026: margins, human judgement & AI will decide winners, Case studies-Driving insurance claims automation with AI-Powered Straight-Through Processing)

Chapter 5: Application (A): Orchestrating insurance workflows

As India's insurance sector advances from domain-tuned models to enterprise-scale AI deployment, the Application layer of the D-MAP framework becomes the point where value is realised. It embeds model intelligence into workflows, customer journeys and operations, turning AI capability into measurable business impact.

Across industries, organisations have discovered that even highly sophisticated AI models fail to deliver meaningful outcomes when insights remain disconnected from operational workflows.

The defining characteristic of the Application layer is not standalone AI assistance, but the orchestration of purpose-driven agents that execute workflows around specific business objectives. These objective-driven agents execute clearly defined insurance workflows, such as claims settlement, policy servicing, fraud investigation, underwriting support or customer onboarding, while coordinating decisions, systems and ecosystem participants within predefined governance boundaries.

The Application layer is where AI becomes part of execution, not just support. GenAI helps interpret information and shape decisions, while agentic AI coordinates the steps needed to act on those decisions across systems, teams and customer journeys. This enables insurers to redesign how work gets done, rather than simply digitalising existing processes.

From automation to orchestration

The first phase of insurance digitalisation focused on automation. Rule engines, workflow systems, robotic process automation and digital self-service channels improved efficiency by reducing manual effort and accelerating processing times. However, these initiatives largely automated individual tasks while leaving the broader operating model unchanged.

The introduction of GenAI and agentic AI represents a new era of transformation. GenAI adds contextual reasoning, understanding and content generation, while agentic AI adds coordination, workflow management and multi-step action capabilities across multiple systems and stakeholders. The difference is significant. Prior automation improved processes; agentic systems will optimise outcomes. This coordination is increasingly occurring not just between individual agents and other systems, but between agents. In this scenario, enterprise agents communicate with other native agents in

CRM, ERP, policy, claims, data and digital systems and securely with third-party agents in hospitals, TPAs, repair networks, reinsurers, financial institutions and DPLs. By sharing data via protocols and agreed-upon interaction models, multiple agents cooperatively reason, decide and act across enterprise and third-party systems. This coordination enables end-to-end systems and process outcomes, rather than optimising tasks. The arrival of agentic AI is not a threat to the prior automation investments in any organisation. Instead, APIs, RPA, workflows, rules and enterprise services become the building blocks and services that intelligent agents will use to orchestrate new end-to-end business outcomes, thereby protecting prior investments in the automation layer and extending it into agentic workflows.

Rather than functioning as traditional assistants, purpose-driven AI agents are designed to achieve specific business outcomes. For example, a claims orchestration agent can retrieve policy information, access consented customer records, interpret documents, validate evidence, coordinate with garages or hospitals, initiate approvals, manage exceptions and trigger settlements. Similarly, underwriting, servicing, fraud investigation and renewal agents are increasingly being designed around clearly defined objectives, enabling end-to-end workflow execution rather than isolated task automation.

From products and processes to outcomes and journeys

Historically, insurance applications were designed around products, functions and organisational structures. Underwriting, claims, servicing, distribution and risk management operated as separate domains supported by dedicated technology systems.

However, AI-native applications are increasingly organised around customer outcomes. Whether the objective is protecting a family or helping a customer recover from an accident, the focus is shifting from managing transactions to orchestrating outcomes across customer journeys. Purpose-driven AI agents can collaborate across systems, data sources and ecosystem participants to gather information, verify inputs, support decisions and execute actions simultaneously. This is creating AI-native insurance journeys where seamless orchestration becomes a key differentiator between scaled AI adoption and isolated pilots.

Figure 17: Global case study – Transforming claims through intelligent workflow orchestration**Objective**

To transform motor insurance claims from a fragmented, manual process into a real-time, AI-enabled claims orchestration model that improves customer experience, reduces operational costs and accelerates settlement timelines.

Measures implemented

- Deployed computer vision and image analytics to assess vehicle damage from customer-submitted photographs and videos.
- Automated policy validation, coverage verification, document interpretation and claim eligibility checks at the point of claim registration.
- Used AI-driven repair cost estimation engines to generate settlement recommendations in near real time.
- Embedded fraud detection models, anomaly detection algorithms and investigative workflows directly into claims processing.
- Integrated garages, repair partners, assessors, claims systems and payment systems into a unified orchestration layer.
- Used AI agents to orchestrate the end-to-end claim lifecycle, from intake, triage, adjudication, approval, communication and settlement across multiple systems.
- Supported STP of simple low-value claims, whilst escalating complex high-value/disputed claims for human adjudication via exception-based workflows.
- Used NLP and Document Intelligence for automatically extracting information from forms, invoices and repair estimates.

Strategic rationale and implications for India

For leading global insurers, claims are both a critical customer interface and a significant cost component in the value chain.

Rather than focusing on automating individual tasks, leading global insurers focus on redesigning the entire customer journey around AI orchestration, delivering end-to-end straight-through processing across damage assessment, coverage validation, fraud detection, ecosystem orchestration, adjudication and settlement. The transformation improved settlement speed, fraud detection, claims-handling efficiency, STP rates and customer experience.

In India, the growth in smartphone adoption, digital-first behaviour, telematics, digitisation of repair networks and instant payment infrastructure will create huge potential for a similar shift over time, with the ability to enable surveyor-less processing of low-complexity motor claims for faster settlements, reduced leakage and improved experience.

Source: Deloitte analysis, Case study-AI-driven motor claims transformation, AI-enabled claims management system, global leader in AI-powered intelligent automation for insurers

Over time, Indian insurers will move towards AI-native claims ecosystems in which intelligent agents assess damage, validate coverage, coordinate repairs, conduct fraud screening and trigger payments with minimal human intervention. Such a model has the potential to materially improve turnaround times, reduce claims leakage, lower operating costs and deliver a more seamless customer experience across the motor insurance value chain.

From episodic interactions to continuously active insurance

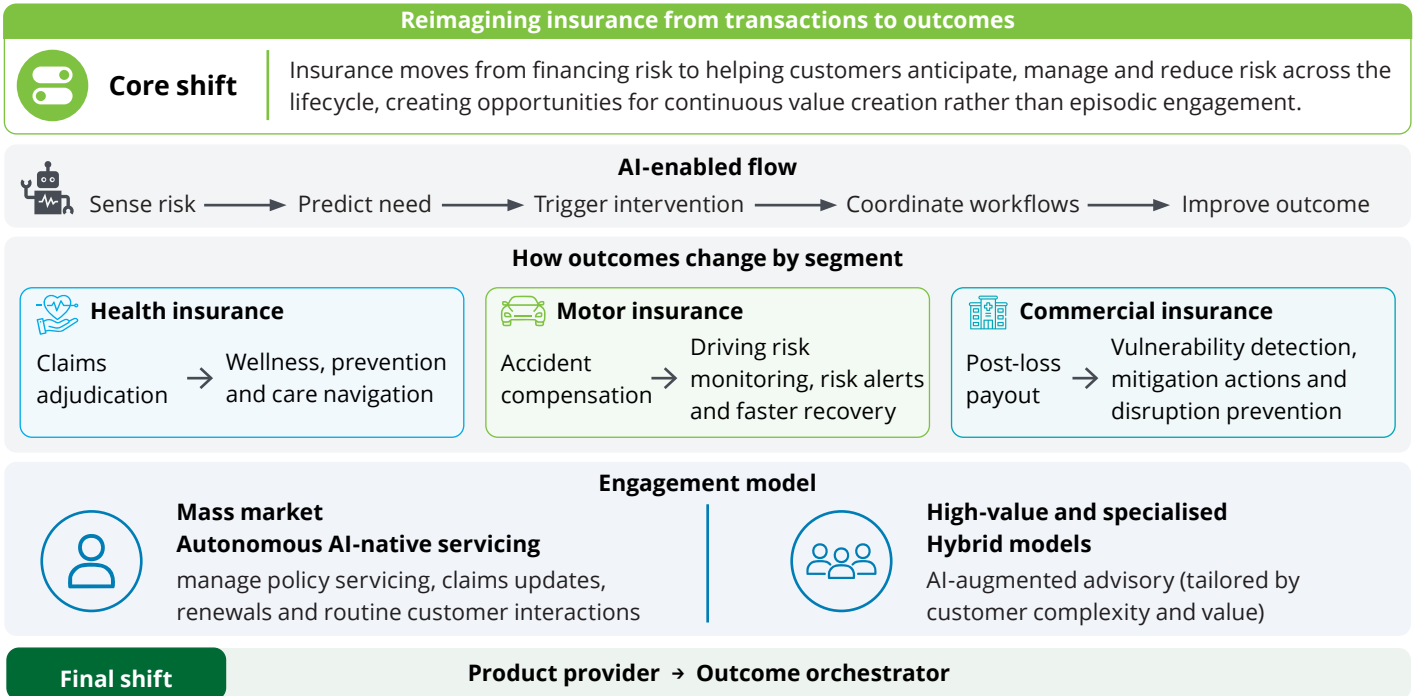
GenAI and agentic AI enable continuously active insurance models. AI-native Applications can monitor signals across healthcare ecosystems, mobility networks, financial systems, behavioural data sources and connected devices, enabling

insurers to engage proactively rather than reactively. Claims support can begin immediately after an accident occurs. Health interventions can be triggered before treatment costs escalate. Coverage recommendations can evolve dynamically as customer circumstances change. Fraud indicators can be detected continuously rather than retrospectively. Insurance, therefore, begins to shift from a business that responds to events towards one that actively participates in managing risk and outcomes throughout the customer lifecycle.

Reimagining insurance from transactions to outcomes

The most profound impact of GenAI and agentic AI is not the automation of individual processes but the redesign of insurance around outcomes rather than transactions. The following visual illustrates that:

Figure 18: The shift from transactions to intelligent insurance

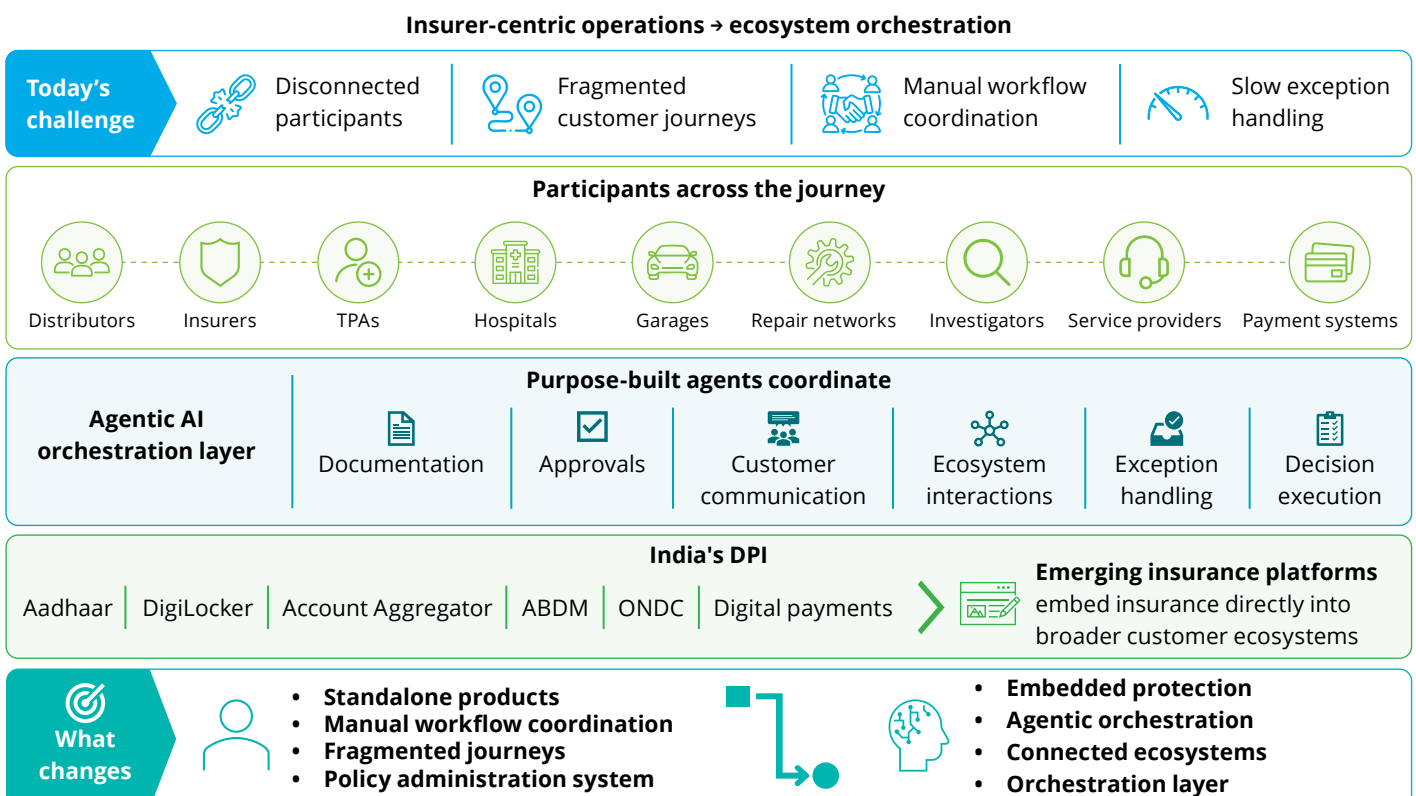


Source: Deloitte analysis

The emergence of insurance orchestration platforms

Another defining characteristic of the Application layer is the shift from insurer-centric operations towards ecosystem orchestration. The infographic below breaks down how this transition works.

Figure 19: From enterprise operations to ecosystem orchestration



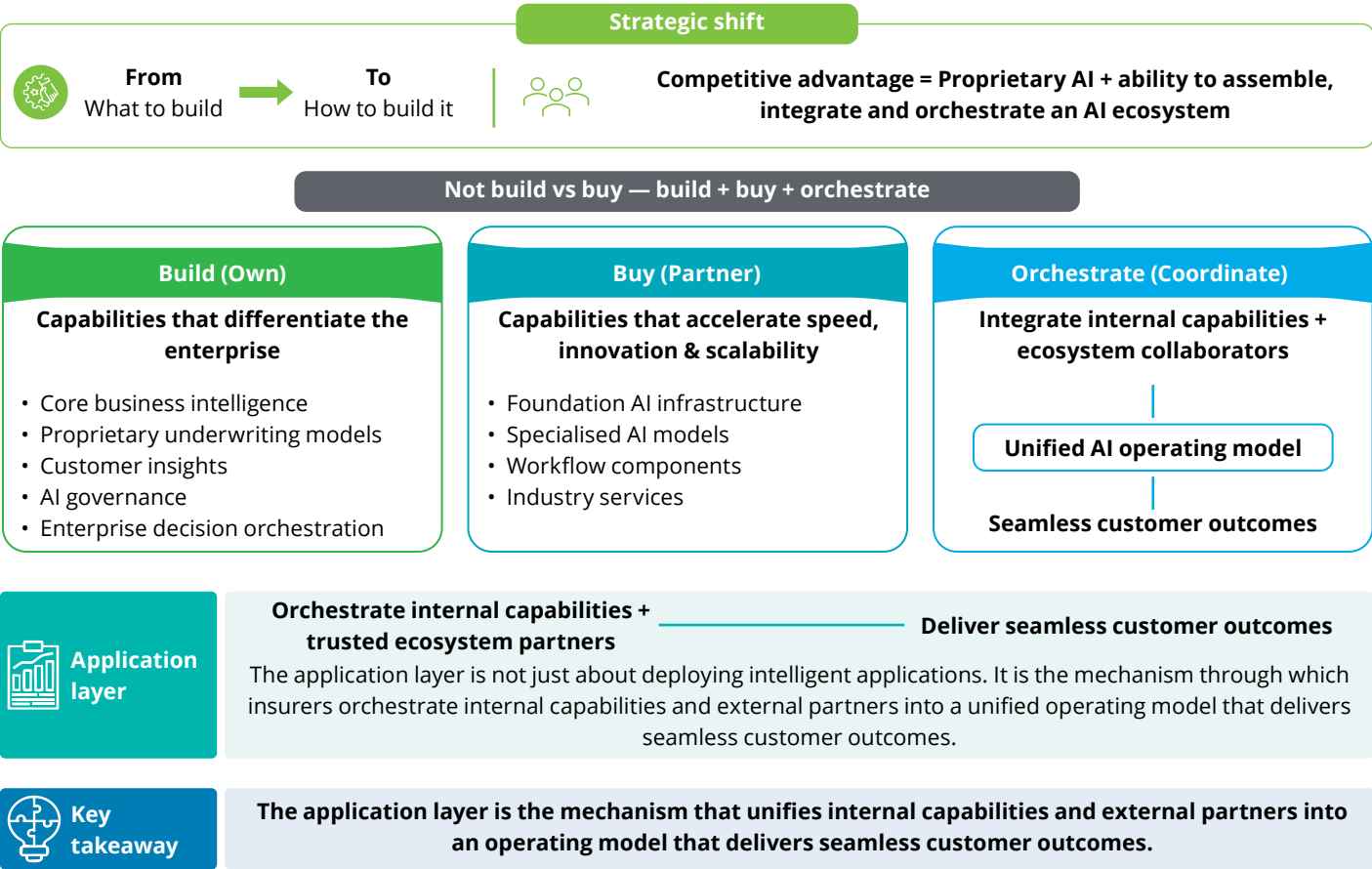
Source: Deloitte analysis

Build, buy or orchestrate? Navigating the emerging AI ecosystem

The visual below illustrates how build-versus-buy choices shape the insurer’s ability to orchestrate AI capabilities across internal teams and external partners.

Figure 20: Beyond build or buy: Orchestrating the insurance ecosystem

Build, buy or orchestrate?



Source: Deloitte analysis

Agentic AI and the emergence of a digital workforce

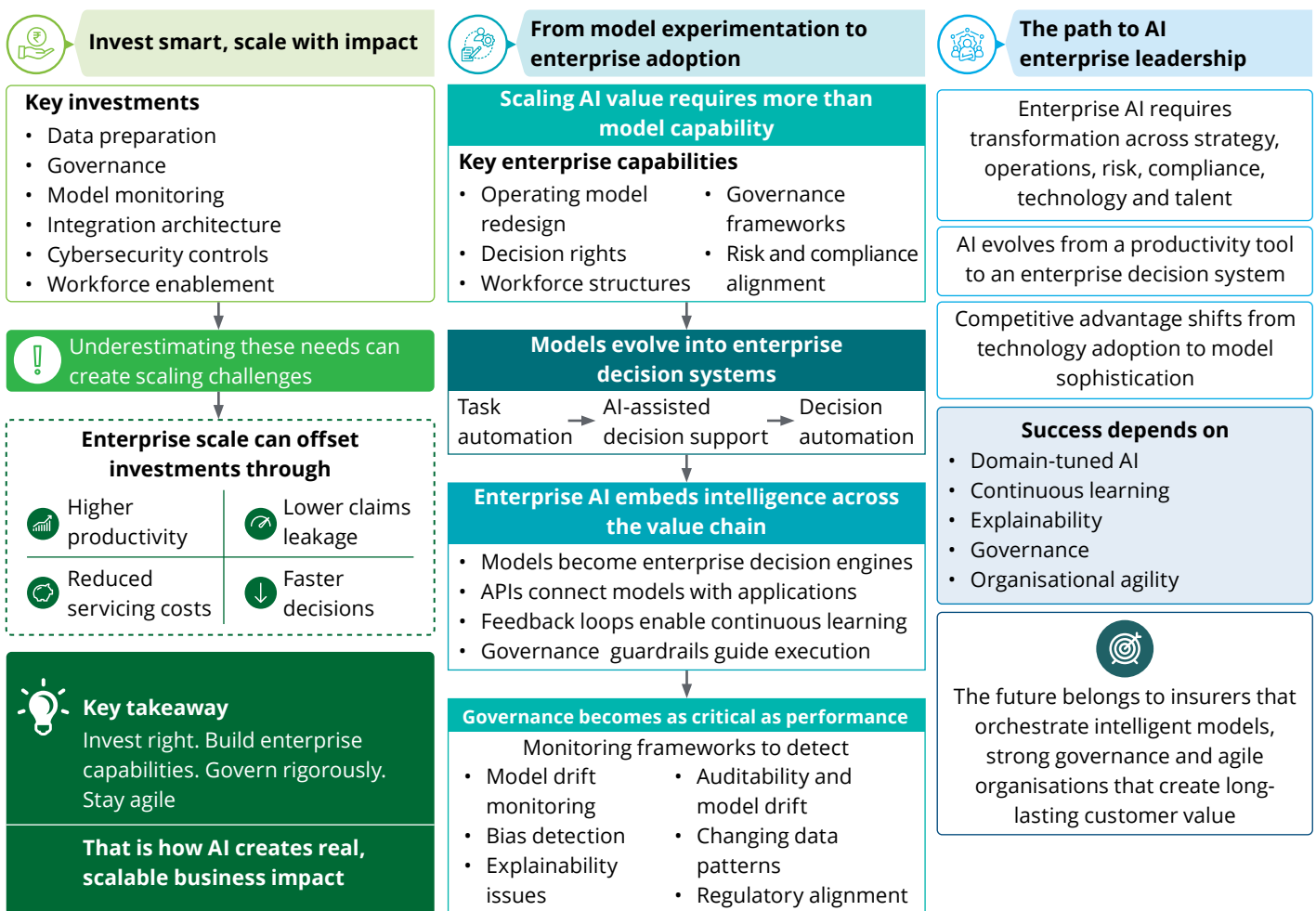
A defining characteristic of the Application layer is the emergence of agentic AI as a “digital workforce.” Rather than deploying one general-purpose AI assistant, insurers are increasingly assembling portfolios of objective-driven digital workers, each designed for a distinct business function. Examples include agents for claims triage, fraud investigation, underwriting assistance, servicing, renewals, compliance and customer engagement. Together, these specialised agents operate as a coordinated digital workforce, with orchestration

ensuring that each contributes to a shared business outcome.

The concept of human-in-the-loop becomes critical in this context. While agentic systems enable autonomy, oversight mechanisms ensure that high-impact decisions remain supervised. This balance between automation and control allows insurers to scale AI deployment without compromising accuracy, compliance or trust. This is not an incremental shift; it marks the emergence of an AI-driven digital workforce capable of executing tasks, supporting decisions and orchestrating workflows across enterprise operations.



Figure 21: The road to AI-native execution



Source: Deloitte analysis

The future of insurance will be defined by how effectively insurers orchestrate intelligence into execution at scale, moving beyond AI adoption alone.

Chapter 6: People and Governance (P): Scaling Trustworthy AI

As India's insurance sector advances towards AI-first operating models, the **People and Governance layer** of the D-MAP framework becomes the foundation for sustainable scale. Data, models and applications create AI capability, but governance, workforce readiness and leadership alignment determine whether it can scale responsibly.

The challenge is no longer technology alone, but governing AI at scale. This requires new roles, clear accountability and trust frameworks that enable autonomous AI while meeting regulatory and ethical standards. Traditional governance, however, was designed for predictive models supporting human decisions. As GenAI and agentic AI enter enterprise workflows, governance must move beyond model validation to overseeing how intelligent systems decide, act and remain

accountable. This requires clear decision rights, human oversight, traceability and continuous monitoring. Governance is shifting from model oversight to enterprise-wide AI enablement with transparency, accountability and trust.

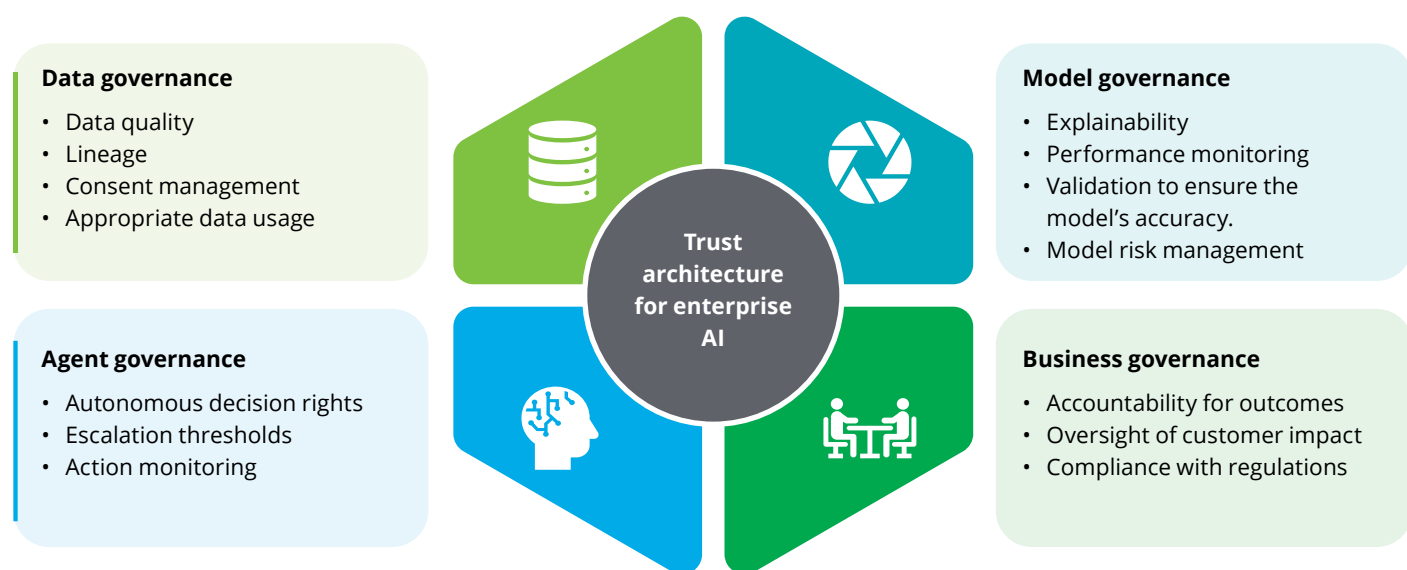
From experimentation to enterprise AI governance

In the early stages of AI adoption, governance was often treated as a compliance requirement, focused on model validation, data privacy and risk controls. However, as AI systems take on greater responsibility in decision-making and execution, governance becomes a strategic enabler rather than a constraint.

Figure 22: AI governance framework

A mature enterprise AI governance framework

Four interconnected dimensions: The trust architecture for establishing trust in the deployment of AI at an enterprise scale.



Source: Deloitte analysis

Scaled AI adoption requires governance frameworks that go beyond regulatory compliance to address ethical safeguards, data provenance, model explainability, operational oversight and accountability for autonomous decisions. As agentic systems take on execution roles, governance must be built into live workflows rather than applied only after decisions have been made. These frameworks must address key risks, including bias in decision-making, lack of explainability, data misuse and systemic errors in automated workflows.

As insurers use more ecosystem data, governance must answer the following practical questions on privacy, consent, accountability and explainability:

- How should insurers balance hyper-personalisation with privacy?

- How should customer consent be managed when data flows across multiple ecosystem participants?
- How should accountability be distributed between autonomous systems, business owners and governance functions?
- How can organisations demonstrate that AI-driven decisions remain transparent, explainable and aligned with evolving regulatory expectations?

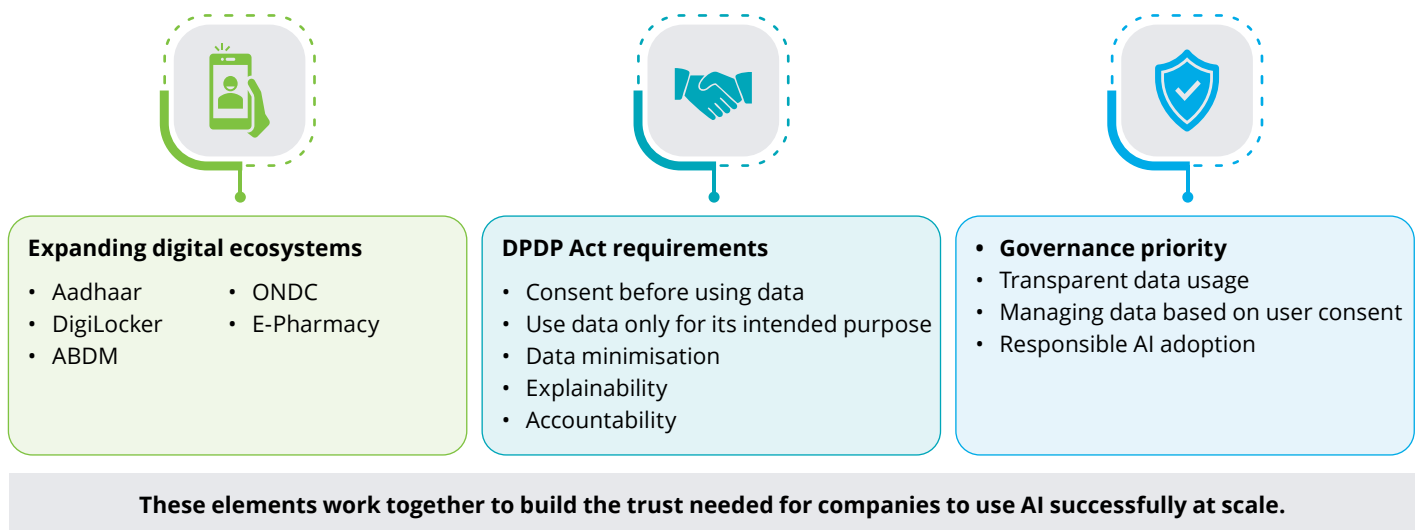
These questions will increasingly shape the governance agenda for insurance leaders as AI becomes embedded across enterprise operations.

Trust as the prerequisite for scale

Global experience shows that AI fails to scale when governance

Figure 23: Governance for the AI-native insurer

India: Emerging governance imperatives



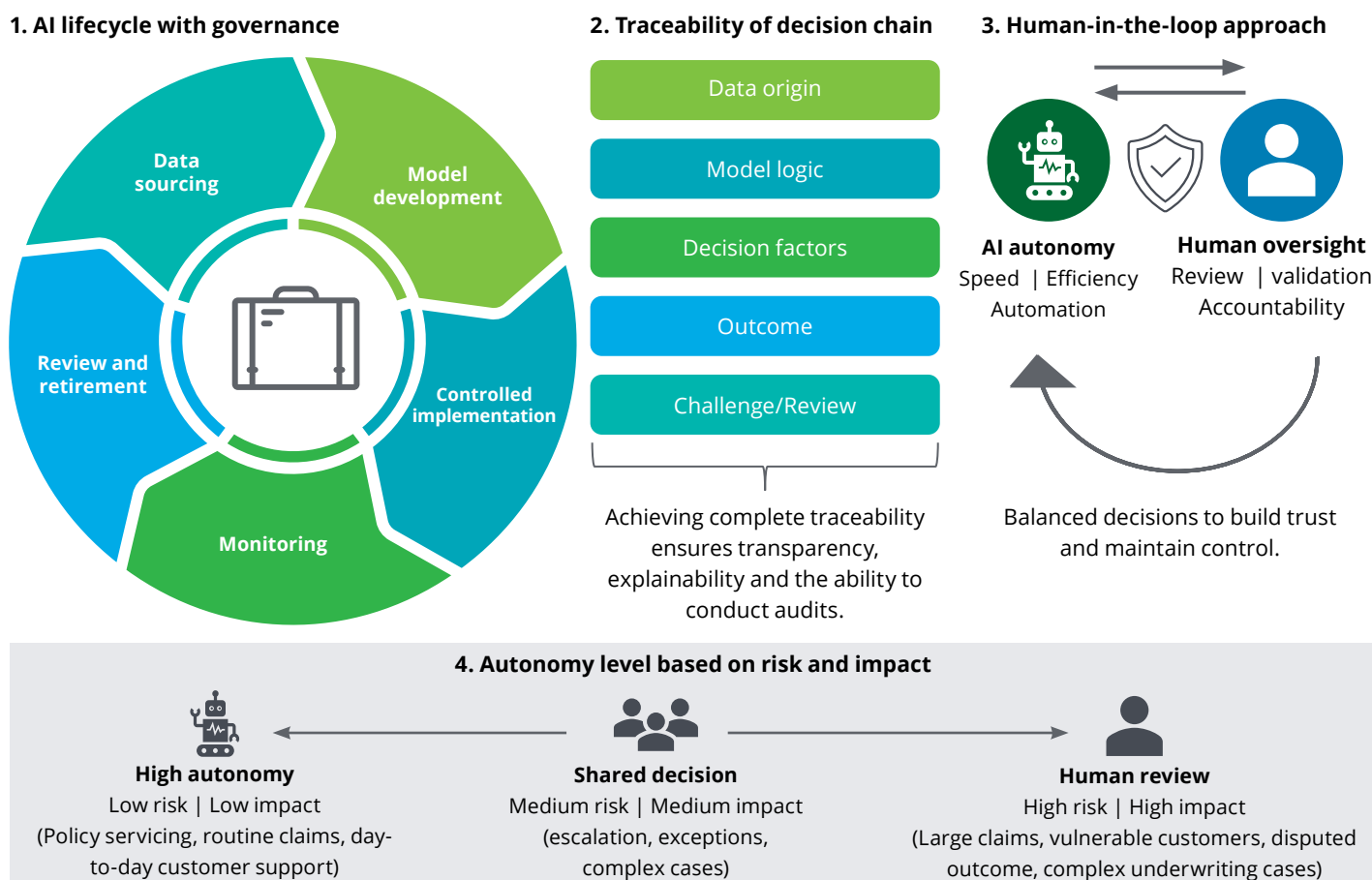
Source: Deloitte analysis

maturity lags technology deployment. Leading insurers are moving towards continuous AI assurance, with decision traceability, policy enforcement, audit logging, model lifecycle management and independent oversight built into delivery. As a result, governance becomes part of how AI is delivered, rather than a compliance check applied after deployment.

Trust is the foundation of AI transformation. Customers expect fairness and transparency, regulators require compliance and auditability and employees need confidence that AI enhances rather than replaces their roles. Embedding governance across the AI lifecycle through explainability, continuous monitoring, decision traceability and human oversight is essential as AI takes on greater operational responsibility.



Figure 24: Trust-by-design governance



Source: Deloitte analysis

Building the enterprise AI control tower

As AI adoption scales across functions, insurers will increasingly require an enterprise AI control tower to govern, monitor and oversee AI. This function extends beyond traditional model risk management. It provides visibility into model performance, agent behaviour, policy compliance, operational outcomes and emerging risks across the enterprise. The control tower serves as the central coordinating mechanism, balancing innovation with accountability and ensuring consistent governance across multiple business units and AI applications.

Beyond monitoring model performance, the AI control tower should function as the enterprise nerve centre for AI governance. Its responsibilities extend to maintaining an enterprise AI inventory, certifying AI agents before deployment, enforcing governance policies, monitoring model and agent behaviour in real time, managing AI incidents and coordinating enterprise-wide responses to emerging risks. By providing a unified view across AI assets, operational performance and governance controls, the control tower enables insurers to scale intelligence while maintaining consistency, resilience and accountability.

Workforce transformation in the age of agentic AI

The emergence of agentic AI is reshaping the insurance operating model rather than simply automating individual tasks. As intelligent systems assume responsibility for routine execution and coordination, human work increasingly shifts towards supervision, judgment, innovation and relationship management. This transformation requires insurers to redesign work itself by redefining responsibilities, reporting structures and decision rights so that employees and AI agents operate as integrated teams rather than separate capabilities.

Agentic AI is creating new roles such as AI product owners, AI risk specialists, model governance leads, AI operations managers, agent supervisors, human-machine workflow designers and enterprise AI architects. The ability to build and govern these capabilities will become an important source of competitive advantage.

Building this future workforce requires more than technical upskilling. Insurers must strengthen enterprise-wide AI literacy, redesign leadership practices for supervising hybrid human-AI teams and establish new governance mechanisms around accountability, performance measurement and AI-enabled decision-making. The emphasis shifts from training

employees to use AI tools towards preparing the enterprise to manage an increasingly digital workforce.

Competitive advantage will increasingly depend on how effectively insurers bring human judgment and AI capabilities together within a single operating model, instead of treating them as separate strengths.

CEO agenda: From AI projects to AI-first organisations

AI transformation is no longer a technology programme; it is an enterprise transformation agenda requiring active leadership from CEOs and boards. For CEOs and boards, the focus shifts from sponsoring isolated AI initiatives to redesigning the enterprise around intelligence, automation and human-AI collaboration. AI strategy becomes inseparable from business strategy, operating model design and long-term competitiveness.

For CEOs, AI transformation increasingly becomes an exercise in enterprise design rather than technology deployment. Leadership teams must sequence investments, redesign operating models, establish governance capabilities and determine how intelligence will reshape products, customer engagement, risk management and enterprise decision-making. More importantly, they must drive cultural change, ensuring that AI is embraced as a core capability rather than resisted as a disruptive force. Success depends less on the number of AI initiatives launched and more on an insurer's ability to industrialise them consistently across the business.

A critical aspect of this agenda is redefining decision rights. As AI systems take on greater responsibility, insurers must determine which decisions can be automated, which require human oversight and how accountability is distributed. This clarity is essential for scaling AI while maintaining control and governance.

For boards and executive teams, AI strategy increasingly extends beyond technology adoption. Leadership teams must make deliberate choices regarding model strategy, ecosystem collaborations, operating model design, workforce transformation and governance architecture. Decisions around proprietary versus open-source models, LLMs versus specialised domain models, centralised versus federated AI governance and internal versus external capability development are becoming strategic business decisions with long-term implications for competitiveness and resilience.

Embedding AI into organisational DNA

For AI to deliver sustained impact, it must be embedded into the organisational fabric. This includes integrating AI into business processes, aligning incentives with AI-driven outcomes and establishing governance structures that support continuous improvement.

Data governance becomes a foundational element in this context. Insurers must ensure that data is accurate, secure and used in compliance with regulatory requirements. This includes

implementing consent management frameworks, maintaining data lineage and ensuring interoperability across systems. Insurers also need clear principles for model selection and deployment. They must decide where proprietary models are required, where open-source or specialised models are sufficient and where ecosystem partnerships can accelerate outcomes. These choices will shape technology architecture, cost, scalability, explainability and regulatory readiness.

Ethical considerations also become increasingly important. AI systems must be designed to avoid bias, ensure fairness and operate transparently. This requires ongoing monitoring, validation and refinement of models, as well as clear guidelines for ethical AI usage.

Scaling responsibly in a regulated environment

Insurance is a highly regulated industry, and AI adoption must align with regulatory expectations. While regulatory requirements can slow adoption, they also provide a foundation for building trust and ensuring responsible deployment.

Insurers that proactively align AI strategies with regulatory expectations will be better positioned to scale. This requires embedding compliance into system design, ensuring auditability of decisions and maintaining transparency in AI-driven processes. As AI capabilities become more powerful, insurers will increasingly need to define acceptable levels of autonomy. Not every process should be fully automated; high-value claims, vulnerable-customer scenarios, disputed outcomes and sensitive underwriting decisions may continue to require enhanced human oversight. Responsible AI adoption, therefore, depends on establishing clear boundaries of autonomy, determining where AI can act independently, where human review is mandatory and where collaborative decision-making provides the optimal balance between efficiency and trust.

At the same time, collaboration among insurers, regulators and ecosystem players will be critical to shaping the future of AI in insurance. Shared standards, data frameworks and governance models can accelerate adoption while ensuring consistency, interoperability and trust across the industry.

From governance to competitive advantage

As AI adoption matures, governance will separate insurers that can scale AI with confidence from those held back by regulatory, operational or trust-related risks. Insurers that build trusted data ecosystems, transparent decision frameworks, robust governance controls and effective human-AI collaboration models will scale AI faster and more confidently than their peers.

Trustworthy AI is becoming a strategic capability, not just a risk control. Leading insurers will be those that combine intelligent systems, strong governance, high-quality data and an AI-ready workforce to scale AI with confidence and earn customer trust.

Chapter 7: Roadmap to AI-first insurance in India by 2047

India's insurance sector is entering a defining phase in its transformation journey. Core modernisation, including policy administration renewal, cloud migration, digital platforms and enterprise data foundations, remains a critical prerequisite for future competitiveness. However, as these investments mature, the basis of differentiation is beginning to shift. Competitive advantage will increasingly depend on how effectively insurers layer intelligence onto these modern foundations to drive faster decisions, automate execution, personalise customer engagement and unlock new operating models.

AI should therefore be viewed not as a substitute for core transformation but as the intelligence layer that unlocks greater value from modern digital foundations. Core platforms provide scalability, interoperability and resilience, while GenAI and agentic AI transform these capabilities into enterprise intelligence and autonomous execution. The insurers that lead by 2047 are unlikely to be those deploying the greatest number of AI solutions, but those that systematically integrate data, intelligence, governance and ecosystem connectivity into a cohesive AI-first operating model capable of adapting continuously to evolving customer, market and regulatory dynamics.

From digital transformation to AI-first enterprises

The past decade of digital transformation focused on digitalising processes, expanding distribution and improving operational efficiency. The next phase is fundamentally different. It is defined by decision intelligence, real-time execution and increasingly autonomous workflows powered by GenAI and agentic AI.

For India's insurance sector, the challenge is no longer demonstrating isolated AI successes but institutionalising intelligence across the enterprise. This requires insurers to progressively integrate the D-MAP layers while embedding Trustworthy AI principles into governance, operating models and ecosystem collaboration. The basis of competition is consequently shifting, from scale of operations and distribution reach towards the ability to learn continuously, orchestrate ecosystem intelligence and respond dynamically to changing customer and risk environments.

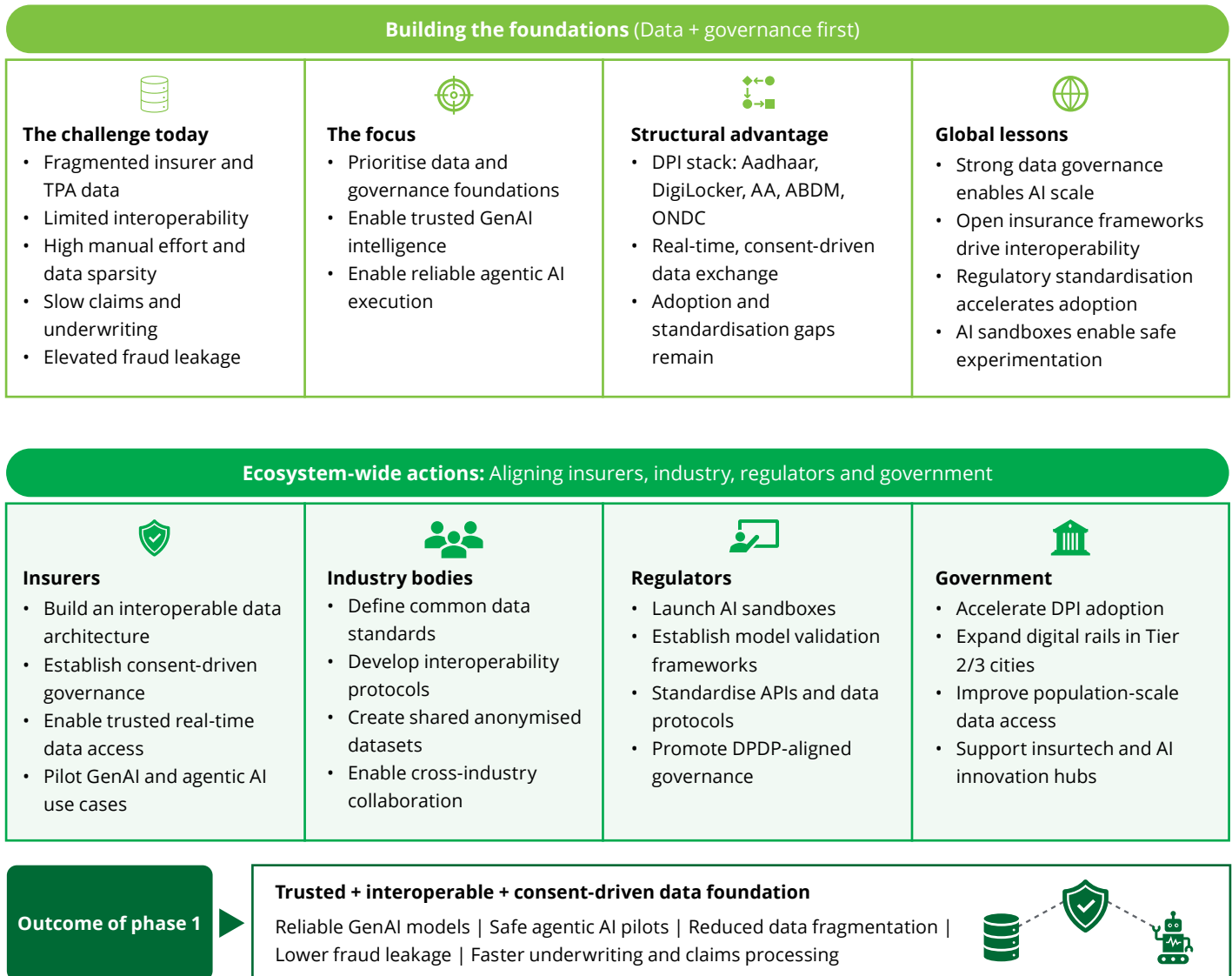
The preceding chapters established the D-MAP framework and the Trustworthy AI principles required to shape an AI-first insurance ecosystem. This chapter shifts the focus from individual capabilities to enterprise-wide execution, outlining how insurers, regulators and ecosystem participants can progressively scale intelligence between FY26 and FY47.

The roadmap describes how insurers, regulators, government agencies, industry bodies and ecosystem participants can progressively integrate D-MAP capabilities within a Trustworthy AI framework to move from experimentation to scaled intelligence and ultimately to autonomous insurance operations. Industry discussions and executive surveys consistently indicate that GenAI and agentic AI have moved beyond experimentation and are increasingly viewed as strategic capabilities that will reshape insurance operating models over the coming decade.

The D-MAP roadmap: A phased pathway to FY47

Translating ambition into execution requires a phased, outcome-driven roadmap anchored in the D-MAP framework. Each phase builds systematically across data, models, applications and governance, aligning insurers, regulators and ecosystem enablers towards a shared objective of scalable, trusted and intelligence-led insurance by FY47. This transformation will unfold across three sequential phases, with each phase building on the foundations established by the previous one to progressively accelerate AI maturity and enterprise-scale adoption.

The first phase focuses on establishing the institutional foundations required for enterprise AI adoption. Priorities include modernising core technology, strengthening data quality, implementing enterprise governance frameworks and creating interoperable data architectures capable of supporting future AI applications. AI software development agents can further accelerate this phase by automating large portions of the Software Development Lifecycle (SDLC), including legacy code analysis, migration, testing, documentation and application modernisation, helping incumbents reduce transformation timelines and technical debt. During this phase, GenAI adoption will primarily enhance employee productivity and decision support, while

Figure 25: Phase 1 (FY26–FY30): Foundation and scale (Data and model maturity)

Source: Deloitte analysis

agentic AI remains limited to controlled environments operating under clearly defined governance and human oversight.

For insurers, the priority is to create AI-ready data architectures that use emerging DPI, such as Bima Sugam, the Account Aggregator, health ecosystems and future industry data exchanges. Regulators and industry bodies should establish standards for governance, explainability, auditability, consent management and responsible AI deployment.



Figure 26: Phase 2 (FY30–FY38): Enterprise intelligence and ecosystem integration

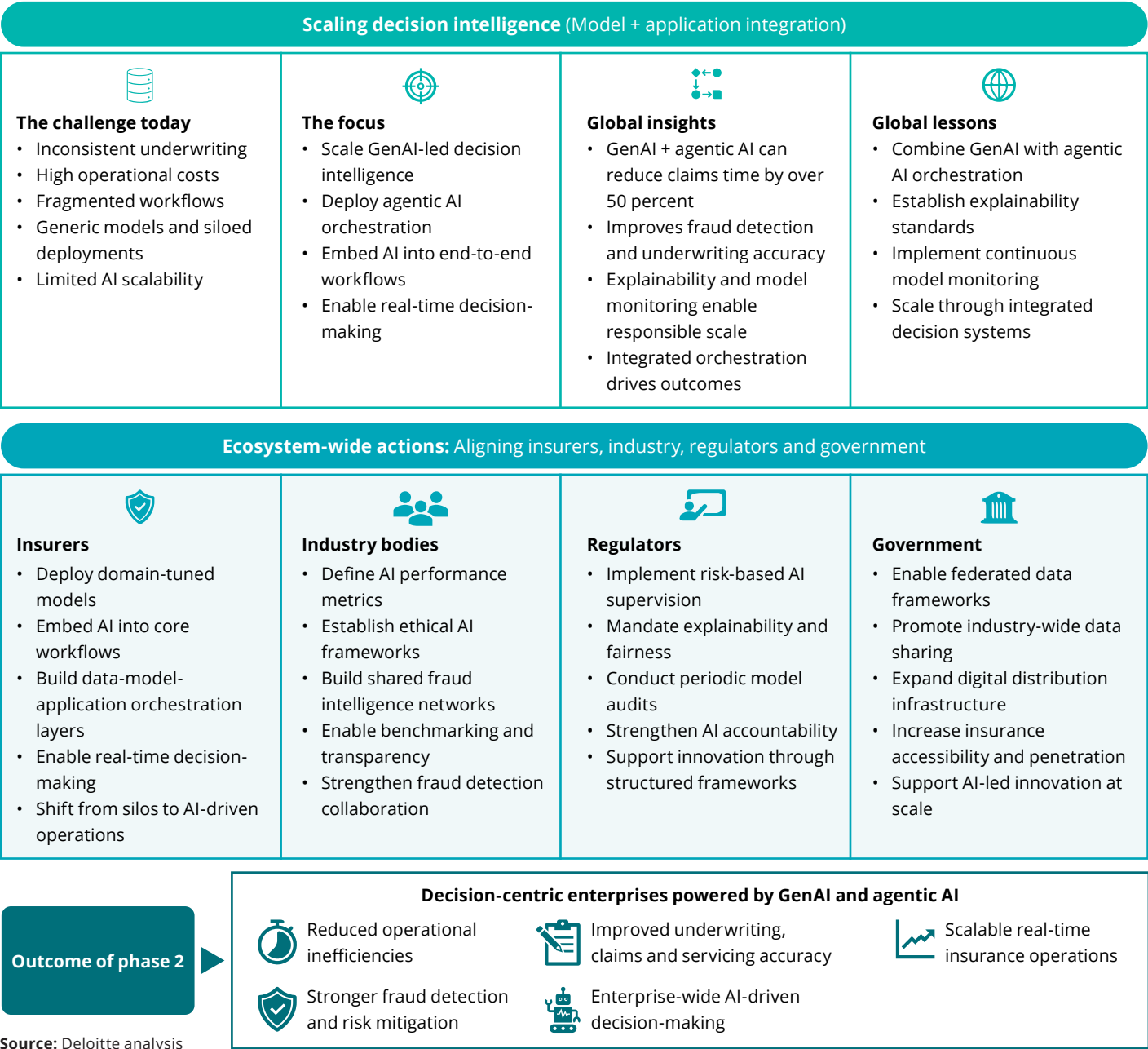
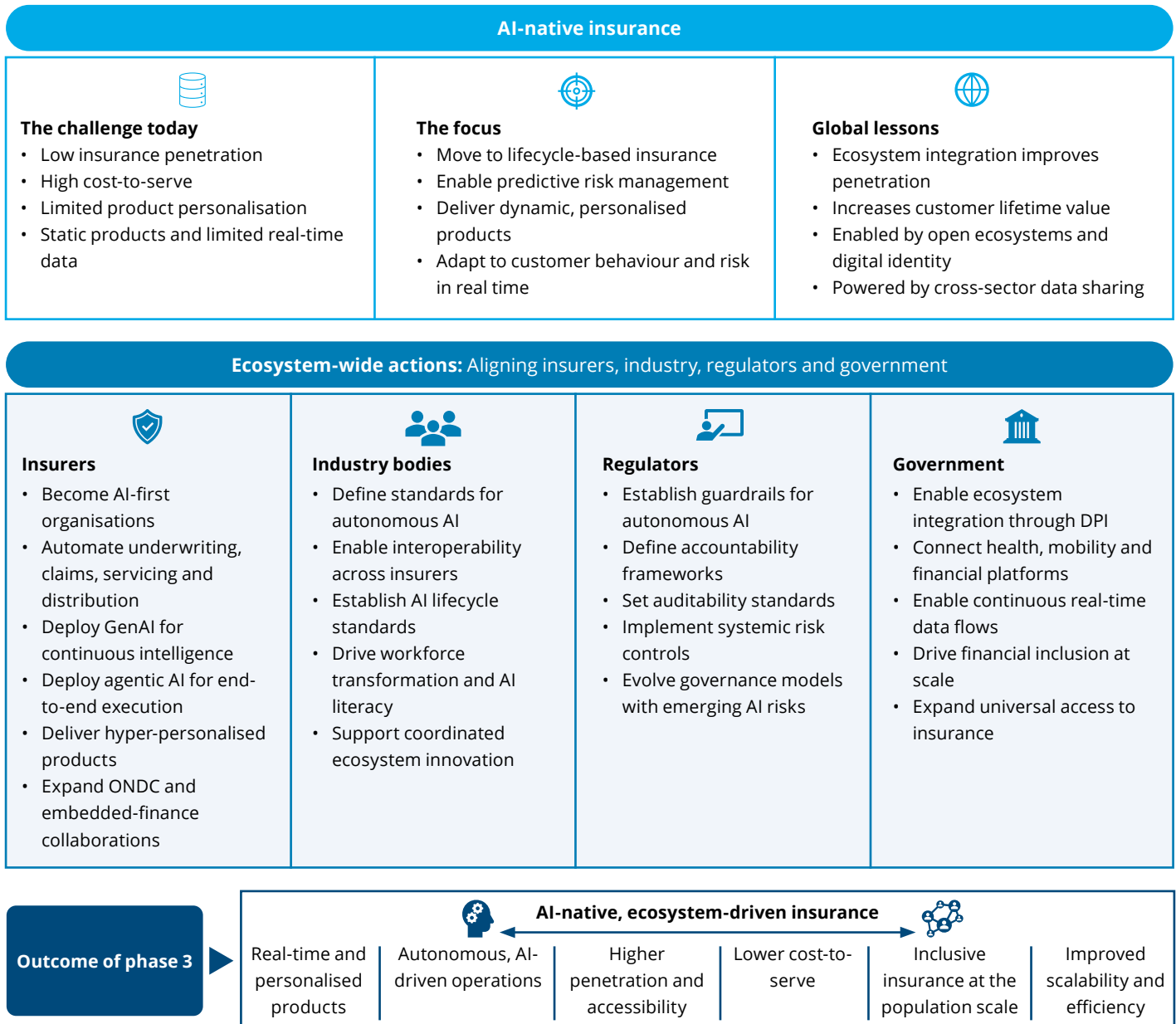


Figure 27: Phase 3 (FY38–FY47): Autonomous, ecosystem-led insurance (Full D–MAP integration)

Source: Deloitte analysis

By 2047, insurance is expected to become an intelligence-led ecosystem where GenAI generates contextual insights and agentic AI autonomously executes much of the insurance value chain. Protection will shift from a transaction-based model to a continuously adaptive service. Competitive advantage will increasingly depend on intelligence derived

from interconnected ecosystem data rather than distribution scale. Routine processes will become largely touchless, with humans focused on complex decisions and customer-sensitive interactions. Success will depend on achieving trusted autonomy at scale through the right balance of agentic execution, human oversight and regulatory accountability.

The practical realities of AI deployment

Global experience shows that AI scale depends on disciplined execution. The table below summarises what enables enterprise-wide impact and what holds progress back.

Table 1: Global lessons for AI-first insurers

What works	What does not work
Layering AI over modernised cores to realise value faster and avoid disruptive replacement	Deploying standalone copilots without workflow integration, limiting value and impact
Investing in domain intelligence, reusable assets and enterprise AI to improve decisions, risk and relevance	Scaling AI on fragmented data foundations, creating operational, regulatory and performance challenges
Embedding intelligence into end-to-end processes to improve productivity, speed and consistency	Relying on generic models without domain adaptation, reducing accuracy and increasing validation effort
Maintaining human oversight for material decisions to strengthen governance, accountability and trust	Pursuing transformation without clear outcomes and phased value realisation, stalling adoption
Starting with a clear business or customer problem before applying AI	Ignoring PoC operating costs, blocking scale beyond pilots. Cost, value and impact must be considered upfront

Source: Deloitte analysis

These lessons reinforce a critical principle that AI transformation is fundamentally an operating model challenge rather than a technology deployment exercise.

CEO agenda: From AI initiatives to AI-first strategy

For CEOs, the priority is to decide where AI will change the business, which decisions can be automated, where human judgement must remain central and how governance will keep pace as intelligence becomes embedded across the enterprise. As insurers move towards AI-first operating models, leadership teams must determine how intelligence, automation and ecosystem connectivity will reshape customer engagement, risk management, product development and workforce structures.

Future-ready insurers will increasingly operate as intelligence-led enterprises in which data, AI and digital ecosystems continuously inform enterprise decisions. Leadership attention therefore shifts from deploying isolated AI solutions towards redesigning business models, governance structures, workforce capabilities and ecosystem collaborations that enable intelligence to become an integral part of day-to-day operations.

Leadership priorities must include:

- **Defining** a clear AI roadmap aligned to measurable outcomes to focus investment and accelerate GenAI and agentic AI value realisation.

- **Redesigning** operating models around GenAI and agentic AI to automate decisions, improve efficiency and transform work execution.
- **Establishing** a workforce transformation roadmap that integrates agentic systems, reduces manual intervention and defines clear human and AI boundaries.
- **Building** cross-functional AI talent pools with actuarial, domain and engineering expertise to strengthen execution and scale GenAI and agentic systems faster.
- **Embedding** governance and accountability frameworks to deploy GenAI and agentic AI responsibly, mitigate risk and build regulator and customer trust.
- **Driving** cultural change towards AI adoption to improve alignment, workforce readiness and sustained human-AI collaboration at scale.
- **Adopting** enterprise AI orchestration that reuses APIs, workflow automation and RPA assets, protecting prior investments while accelerating adoption.

A critical leadership challenge is determining how autonomous capabilities will progressively reshape the insurance operating model over time. Rather than viewing AI as a workforce substitute, insurers should establish a structured roadmap defining where intelligence augments human expertise, where autonomous execution creates sustainable value and where human judgment remains essential. Those that develop these governance principles early will be significantly better positioned to scale AI confidently while maintaining trust, resilience and customer confidence.

The path to 2047: From efficiency to intelligence

India's insurance sector has a unique opportunity to leapfrog traditional models. The convergence of DPI, regulatory momentum and a rapidly evolving technology ecosystem creates favourable conditions for large-scale AI adoption. The challenge is no longer building individual capabilities; it is integrating them into a coherent industry-wide operating model.

Success will depend on:

- Connecting internal and ecosystem data into real-time decision environments.
- Developing insurance-specific intelligence that continuously improves risk, customer and operational outcomes.
- Embedding AI-driven decision-making and workflow orchestration across the insurance value chain.
- Scaling trusted governance frameworks that support transparency, accountability and resilience.
- Preparing the workforce for sustained human-AI collaboration.

By 2047, competitive advantage in India's insurance sector will increasingly depend on institutional capability rather than technology adoption alone. The leading insurers will be those that successfully integrate data, governance, intelligence and ecosystem collaboration into a unified operating model capable of learning, adapting and evolving continuously. AI will become embedded within the operating fabric of insurance rather than existing as a standalone capability. Claims management and risk prediction must be done during the underwriting stage itself. Those that fail to do so will struggle to compete in an industry increasingly defined by intelligence, automation and real-time decision-making. The roadmap is clear. Execution will define the winners.

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Acknowledgements

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