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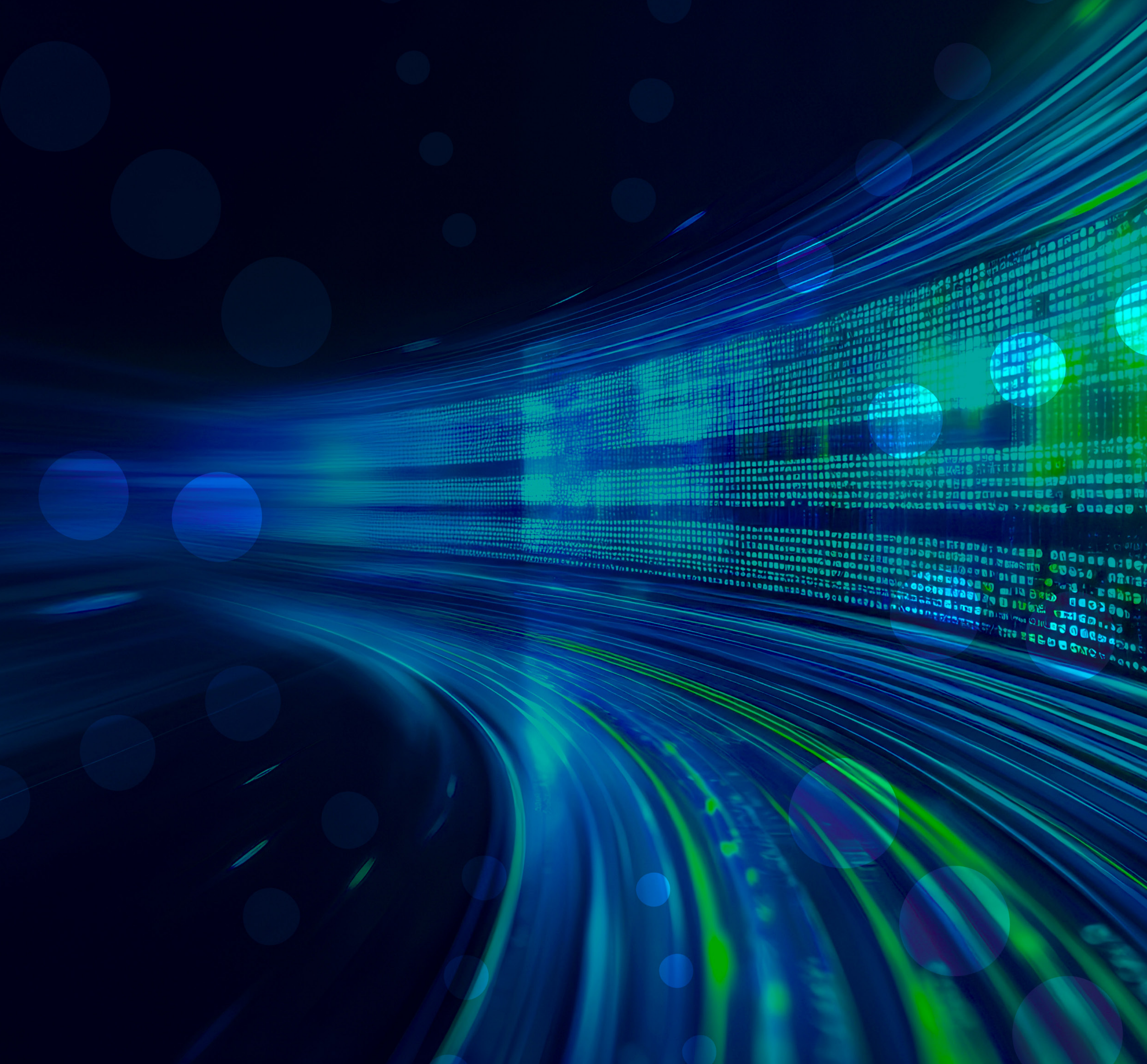


Activating the Exponential Underwriter™

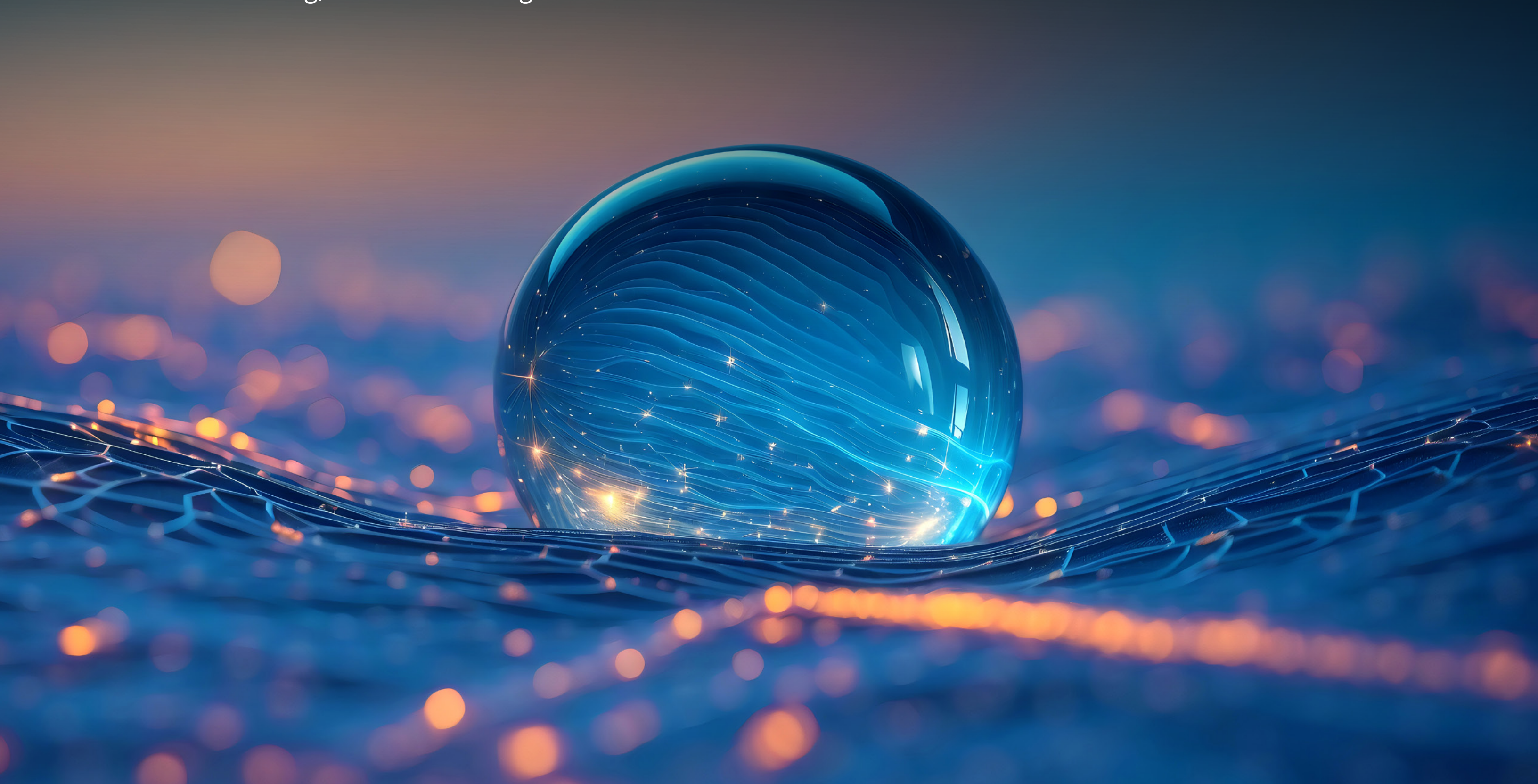
Lessons learned and what's next

Introduction

The pace of connectivity in insurance underwriting has accelerated sharply since our original research on the Exponential Underwriter™,[1] and artificial intelligence (AI) has moved the conversation about the reimagination of underwriting from possible to inevitable. The question leaders are now asking is no longer whether underwriting will change, but whether their underwriting ecosystem, including people, process, data, and technology, is ready to evolve fast enough to balance speed of market response with profitable outcomes.

We defined Exponential Underwriter as the next-generation underwriter who goes beyond traditional risk assessment by integrating automation, AI, predictive analytics, and alternative data into their ways of working. The point wasn't to replace underwriting judgment; it was to amplify it. The goals are faster, more informed decisions and freeing capacity to focus on the risks that truly require an underwriter's expert review, creative solutioning, and other strategic activities.

The urgency to evolve is not unique to underwriting. Deloitte's Global Human Capital Trends[2] finds the same tension across financial services: Leaders broadly recognize that work and resources must be reorganized as the boundaries between humans and technology dissolve, yet far fewer are acting on it. In insurance, 74% of respondents call designing effective interaction between people and machines a priority, but only 30% report meaningful progress. This is a call to action for underwriting leaders to take a leap forward to close that gap.



Focus is shifting from efficiency to precision at speed

While technology and data can help accelerate decision-making, this is only valuable if the decisions remain high quality. Faster, yet poorly governed underwriting decisions can produce unprofitable outcomes.

We often see this pitfall when organizations digitize processes without redesigning underwriting workflows and controls, or if a program over-indexes on a technology-focused strategy. Automation can increase speed and productivity. However, if people's roles and skills are not adapted, and the processes they execute are not thoughtfully modernized for new data and technology, the effects of poor risk selection, terms, and pricing become amplified. Underwriters end up doing more cleanup downstream.

Deloitte's Humans × Machines research[3] confirms this pattern: Organizations that take a technology-first approach to AI are 1.6 times more likely to report that their AI investments are not exceeding expectations. Most organizations, nearly 60%, are still layering AI onto legacy systems and processes rather than reimagining how humans and machines interact, collaborate, and make decisions. In fact, only 16% of organizations report having fully redesigned roles, processes, and operating models to integrate AI into work.

Cross-industry proof point

When a European telecommunications company added an AI "expert" to customer service without changing roles or workflow, it saw only a 5% productivity lift. But dedicating 90% of the full rollout budget to redesigning human-AI interactions, including new workflows, trust thresholds, escalation paths, and training, unlocked a 30% productivity increase. The lesson for underwriting is clear: The constraint is not the technology. It is the work design around it.[4]

What we're hearing from underwriting executives: The ambition is there, the ecosystem is lagging

In discussions with carrier executives across life, personal lines, commercial, and specialty markets, a consistent message emerges. There is strong intent to move toward an Exponential Underwriter model, but progress is constrained by foundational readiness. The constraint is rarely a single factor. More often, it is the combination of legacy technology, fragmented data, operating model design, and organizational culture. Together they can prevent new capabilities from translating into better underwriting outcomes.

While many carriers mentioned forward progress with their underwriting transformation efforts, three recurring blockers show up across markets and lines of business that could hinder the pace of change:

1. Core systems in transition

Many carriers remain mid-transformation, with legacy policy administration and new business platforms yet to be modernized or scaled across business segments. Core systems and IT infrastructure still strain under the data volumes, integration complexity, and processing demands that emerging technologies require. The result: Automation advances unevenly, and highly manual processes persist across the underwriting community.

Navigating a transitional technology environment doesn't mean defaulting to the familiar. One large commercial carrier noted that intentional workflow design and disciplined change adoption, including incentives to move away from manual, spreadsheet-based methods, would aid in realizing early benefit from newly introduced customer relationship management (CRM) and AI copilot tools.

2. Fragmented data

Underwriting executives at carriers describe an "arms race for data" as a competitive differentiator. For example, new aerial imagery and catastrophe risk modeling are reshaping the personal lines side, and medical billing and related data are doing the same on the life side. What we observe in our work with insurance carriers is that data is at the center of the underwriting transformation, but maturity varies widely. The more telling gap is not whether carriers have data but whether they are using it to influence underwriting decisions.

The challenge is largely one of fragmentation. A wealth of data exists across most organizations, but it remains siloed in ways that limit decision support, constrain automation, and undermine the consistency and reliability that AI requires to scale. Several executives acknowledged that generating actionable insights requires extensive curation and creative problem-solving. It is important to have forward-thinking underwriters working in close collaboration with data and technology teams in transformation efforts.

3. Workforce readiness

Though carriers continue to evolve their analytics capabilities, executives observe that underwriters still maintain a healthy level of skepticism of perceived "black box" models and often resist fully embedding these tools in day-to-day workflows. Compounding this challenge is the retirement cliff facing many underwriting organizations, where experienced underwriters carry deep institutional knowledge that has yet to be systematically captured, codified, or transferred.

Workforce readiness is one dimension of transformation that underwriting leaders can own directly; no IT roadmap or data platform prerequisite is required. Embedding forward-thinking underwriters in the design and build of tools and models ensures relevance from the start and builds the trust that drives adoption. Equally important is getting ahead of talent strategies by proactively rethinking roles, skills, and career pathways to prepare the workforce for new ways of working. That's how the transformation investment value gets captured without delay.

Trust = 5x

Workers are **5.2x** more likely to champion the use of AI tools when trust in an employer's Generative AI is high.[5]

Where to start: Three executive actions to create momentum

To move the Exponential Underwriter from aspiration to reality, organizations can take three practical steps today.

1. Establish the foundation for transformation

Our original research outlined four interconnected areas that must advance in tandem: strategy and governance, data and analytics, technology, and culture and talent. These areas are interdependent, which means transformation will only move as fast as the weakest link. A carrier with leading-edge analytics but an unchanged operating model will likely struggle to capture value, just as a carrier investing in talent development without modernized tools will likely see skilled underwriters frustrated by outdated workflows. Underwriting leaders should take an active role in bringing together these foundational areas and stay at the helm as the transformation program progresses.

From hindsight to foresight

In our original Exponential Underwriter research, we identified three trends accelerating the case for transformation: the shift from hindsight to foresight (post-bind evaluation to real-time portfolio monitoring), the need for more science in the art of underwriting, and the changing nature of risk itself. Five years later, these trends have not only held, they have intensified. The carriers making the most progress are the ones that have moved beyond digitizing existing processes and are actively reimagining what underwriting work should look like.

2. Understand what capabilities the future will require

Building an ecosystem that supports the Exponential Underwriter begins with a clear understanding of the organizational capabilities the future will demand. As customer needs, product expectations, and distribution channels evolve, the underwriter's role shifts toward a connected, 360-degree view of risk. That view is informed by real-time insight from brokers, risk managers, and synthesized internal and external information. An underwriter's focus extends beyond pricing and risk selection into predict-and-prevent strategies and partnership-driven products and services. Delivering on that vision will demand a workforce fluent in AI and data: Underwriters who can interpret and challenge model outputs, know when to trust automation and when to apply their own judgment, and can turn data into forward-looking risk insight. Defining, prioritizing, and clearly articulating strategic capabilities is a critical initial step for building the systems, tools, and operating structures that enable the future vision.

3. Design the underwriting community to meet future needs

In our original Exponential Underwriter research, we identified five personas that modern underwriting organizations will need in different combinations: the **technology trailblazer**, **data pioneer**, **dealmaker**, **portfolio optimizer**, and **risk detective**. There is no universal "right mix." Designing the underwriting community of the future should reflect an insurer's lines of business, distribution strategy, and market posture. A next step is making these personas real by refining role profiles, designing new career paths, and enabling upskilling and position rotations to start intentionally mobilizing toward the reimagined workforce.

Conclusion and what's next

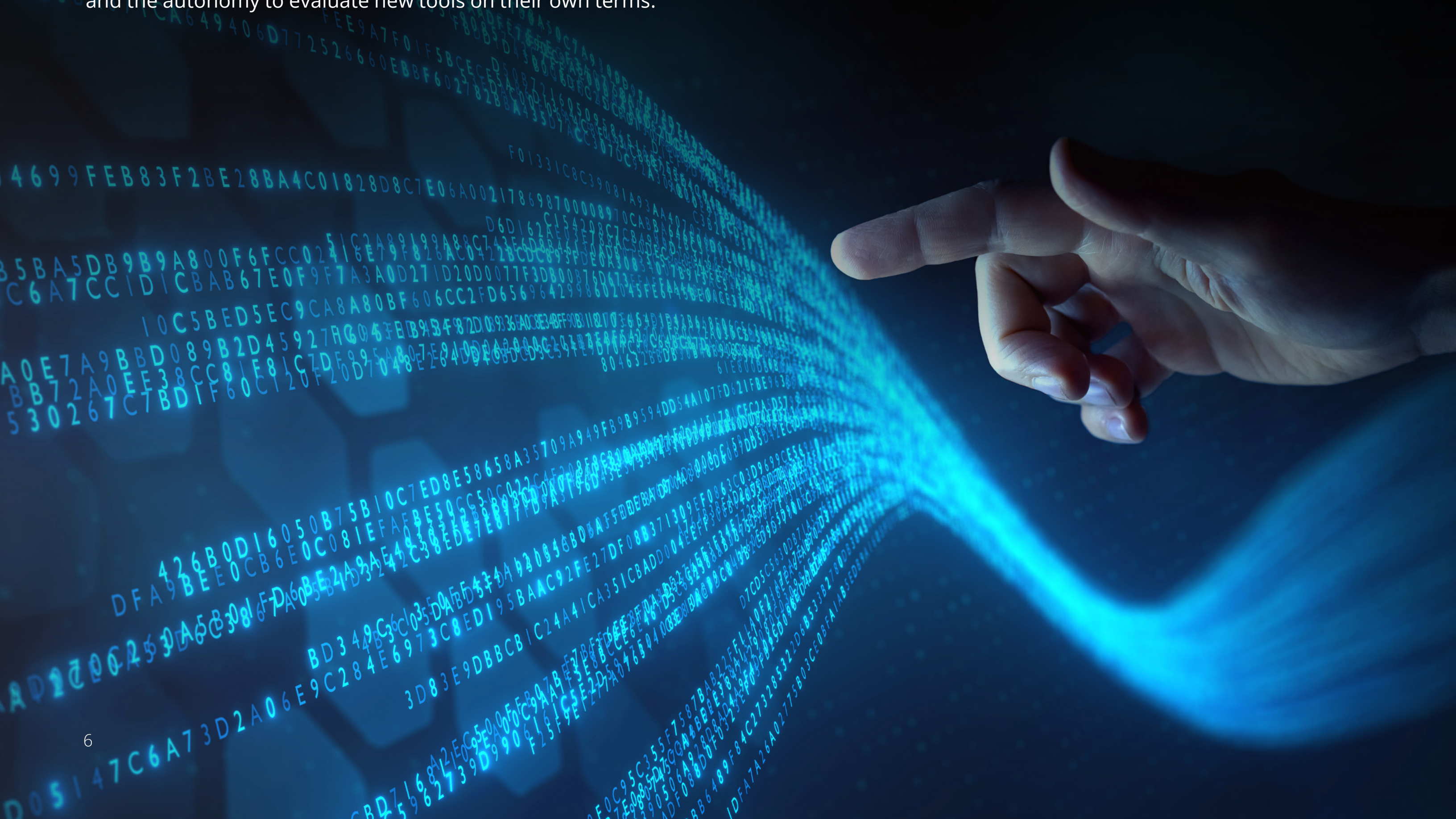
The Exponential Underwriter is technology and data-driven; however, technology and data alone won't enable precision at speed. The organizations that will be better positioned to lead are the ones that invest equally in the work systems, culture, and skills that allow underwriters to trust, adopt, and support AI-informed decisions. Without that investment, even the most advanced tools could end up layered on top of legacy workflows producing faster processes, but not better outcomes.

The pattern across the industry is clear: Ambition is high, but the ecosystem hasn't caught up. Core systems need modernizing. Data needs to move from fragmented to actionable. Roles need redesigning around what underwriting is becoming, not what it has been. And none of that happens without a workforce that sees itself in the future you're building. That means showing underwriters, in concrete, job-specific terms, how technology makes their work better. Trust isn't built through rollout announcements. It's built through proof points, early wins, and the autonomy to evaluate new tools on their own terms.

Deloitte's Humans × Machines research frames the opportunity this way: The exponential difference is not humans *plus* machines, it is humans *times* machines.[6] The carriers that design for that multiplier, across people, process, and technology in tandem, will create a competitive advantage that is difficult to replicate.

What's next in this series: Move from concept to execution

We'll start with trust: How underwriting leaders build confidence in their teams to adopt AI-enabled ways of working. We'll then explore how persona-based workforce design can replace one-size-fits-all job architectures. We'll also show how a modernized technology ecosystem, such as the underwriting workbench, intelligent automation, and trustworthy models, with underwriters at the helm can unlock business value.



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Endnotes

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2. Deloitte, "2025 Global Human Capital Trends: Financial Services Industry," August 2025.
3. Deloitte, "Humans × Machines: Scale your human edge," October 2025.
4. Nicole Scoble-Williams et al., "2026 Global Human Capital Trends: Getting human and machine relationships right," *Deloitte Insights*, March 4, 2026.
5. Deloitte, "Humans × Machines: Scale your human edge."
6. Ibid.

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