

# The 8% Advantage

How underwriting trailblazers are outperforming the market

June 2025

Capgemini  for Instech.ie

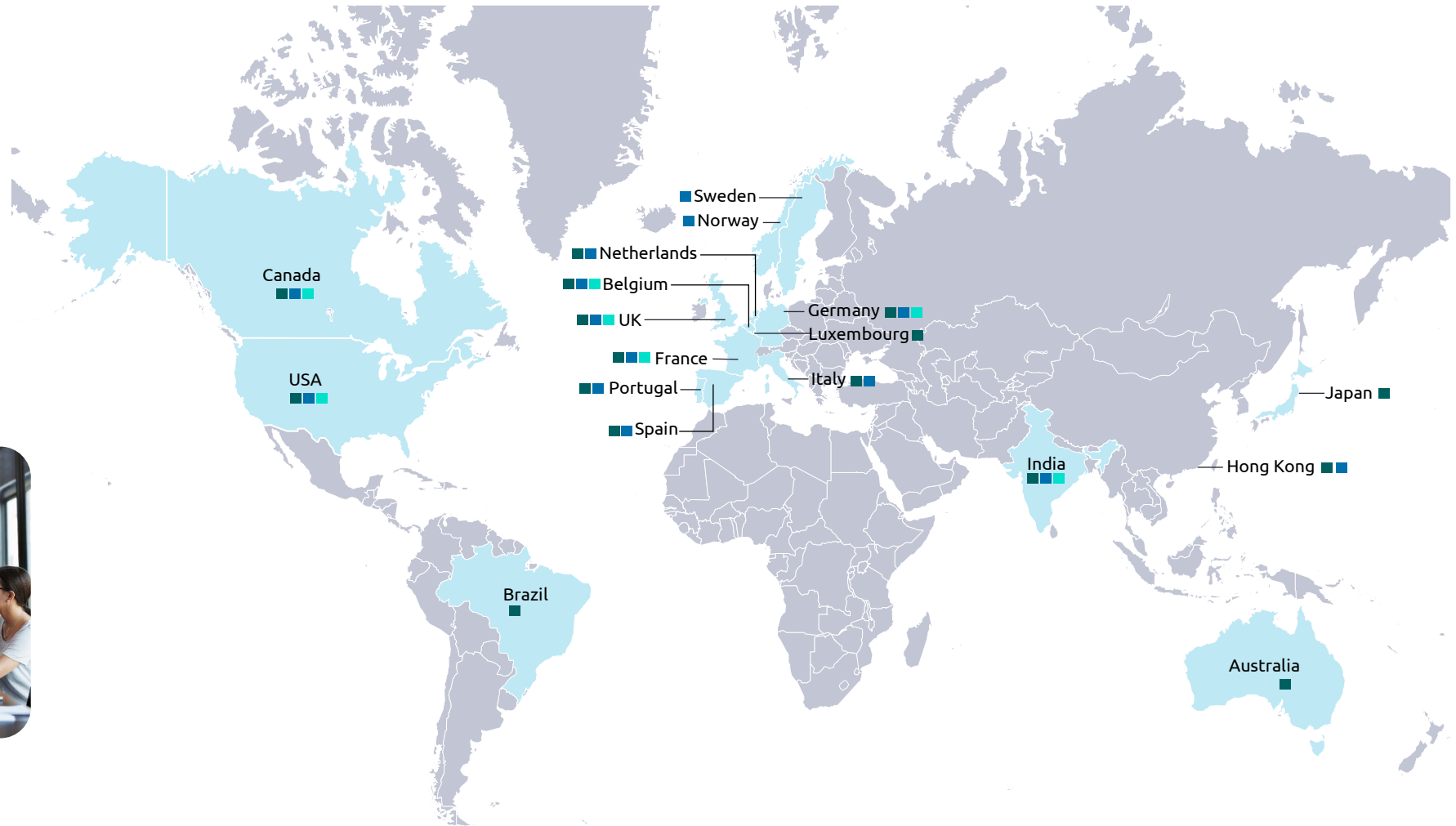


Luca Russignan,  
Head of insurance, Capgemini Research Institute






# The World Property & Casualty Insurance report 2024 Voice of the market



 **Voice of the Customer Survey**  
16 markets – 3323 customers

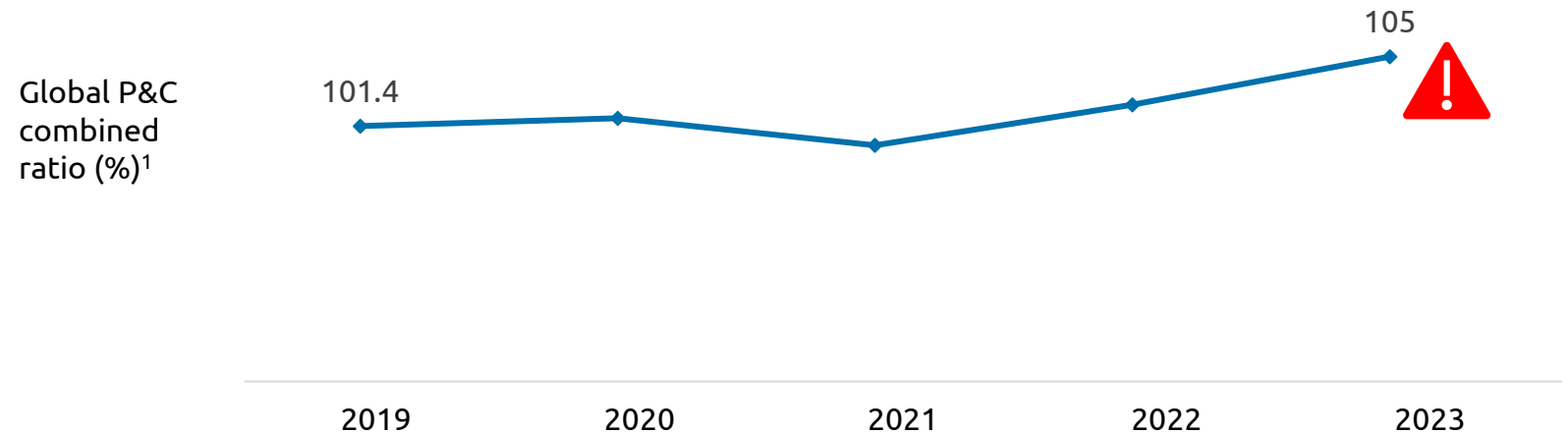
 **Insurance Executives' Survey**  
15 markets – 294 executives

 **Underwriters' Survey**  
7 markets – 201 underwriters across personal, SMEs, and large commercial



# P&C underwriting profitability remains pressured

P&C insurers recorded *Underwriting Losses* for the last 5 years



The road to profitability begins with understanding inefficiencies in underwriting workflows

Source: 1. Global Data Analysis, Capgemini Research Institute for Financial Services analysis, 2024

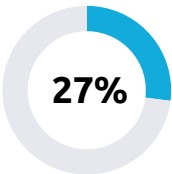
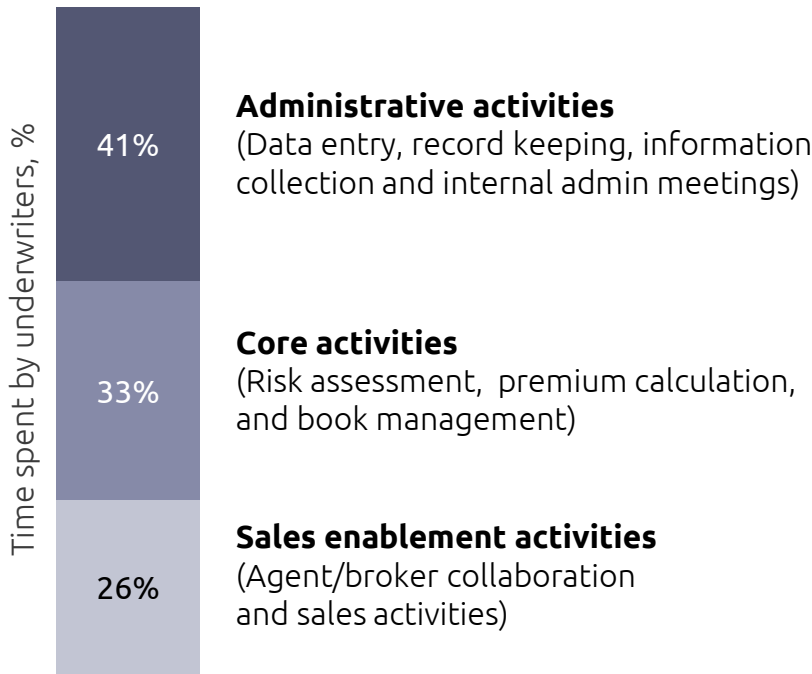
# The underwriting challenge today



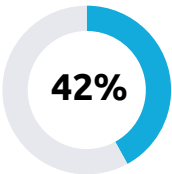
Administrative tasks take up a disproportionate amount of underwriters' time

The cost of inaction is significant

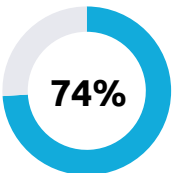
### How underwriters spend their time



US property policies **underprice climate risk exposure**<sup>1</sup>



Policyholders struggle with the **number of underwriting questions**



Commercial customers expect greater **pricing transparency**<sup>2,3</sup>

Ineffective time deployment constrains underwriter capacity

Source: 1. [First Street](#); 2. [Advisen](#), Capgemini Research Institute for Financial Services analysis, 2024  
Notes: 3. Survey of 180 risk managers, insurance buyers, and other risk management professionals with 157 risk managers having a portfolio of at least USD 100 million in insured value  
Capgemini World P&C Insurance Report 2024

# Could AI change the game and how?



AI is essential, yet surrounded by misconceptions

**Misconception 1**  
"AI is a technology problem"

**54%** cite insufficient data as their top constraint

Technology-first implementation without data foundation won't work

**Connecting**  
The data dots

**Misconception 2**  
"AI is primarily about cost-cutting"

**68%** of insurers have only achieved point automation of business process

Layering AI onto existing processes without redesigning workflows will generate minimal efficiency gains

**Unlocking**  
Actionable insights

**Misconception 3**  
"AI will replace underwriters"

**47%** of insurers identify a lack of talent as key constraint in their underwriting transformation

Change management and augmentation are essential

**Evolving the**  
underwriter role

There is no magic wand, AI in underwriting demands thoughtful execution

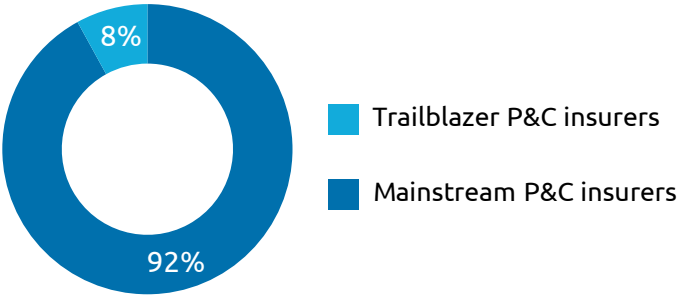
Source: Capgemini Research Institute for Financial Services analysis, 2024.



# What underwriting trailblazers do differently

Only a few insurers are underwriting trailblazers

Insurers' underwriting maturity, %



## Trailblazer features

- Data-driven automated underwriting
- Embed third party with traditional data
- Advanced technology capabilities
- Strong internal collaboration
- High customer transparency

Trailblazers are considerably ahead in the underwriting transformation journey



- ☐ Deploy risk mitigation at scale
- ☐ Integrate traditional and third party data
- ☐ Obtain underwriters' adoption of innovative insights capabilities
- ☐ Pioneer predictive and adaptable analytics
- ☐ Aim to deploy underwriters as sales enabler
- ☐ Optimize underwriting workbenches

Insurers self-assessment, %

100%	67%
70%	12%
96%	67%
57%	25%
78%	36%
65%	19%

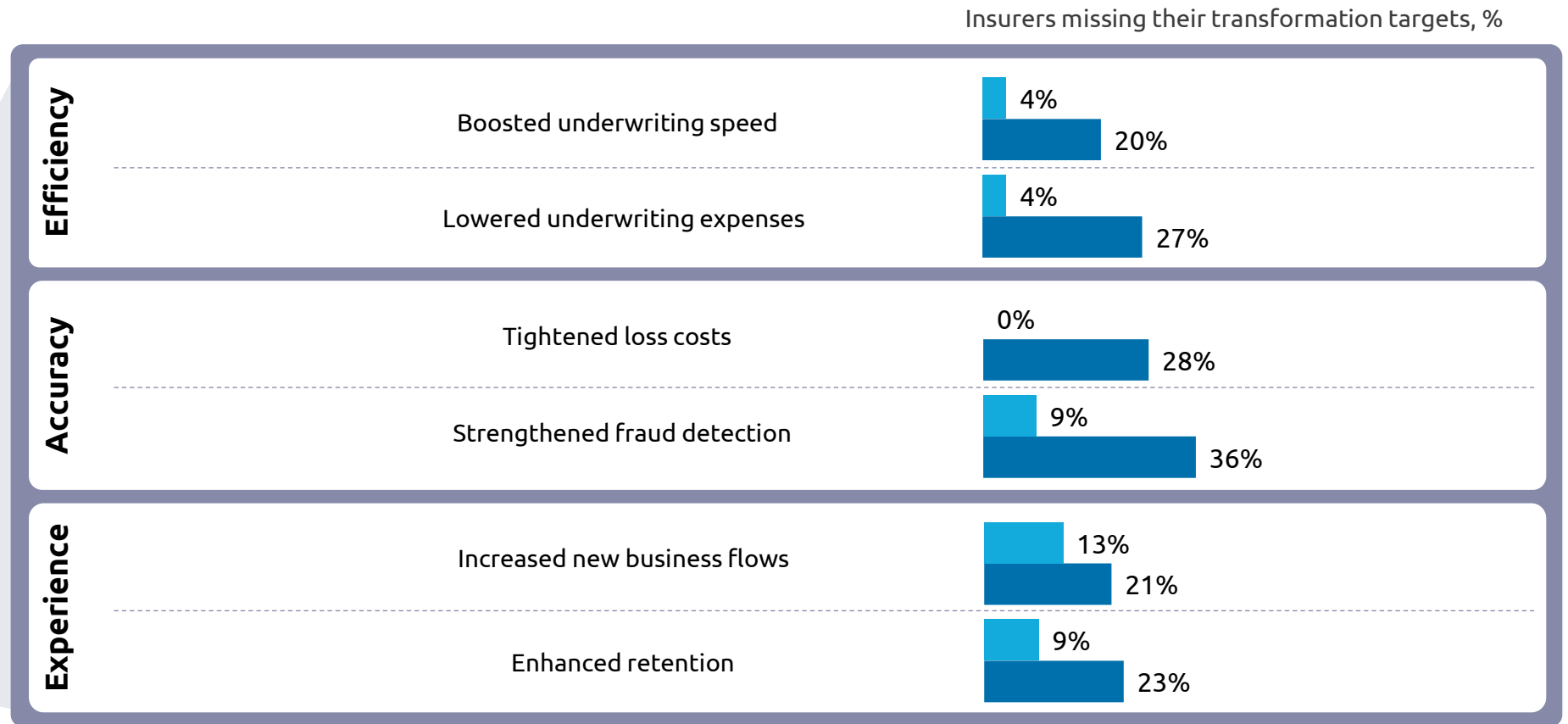
Trailblazer P&C insurers Mainstream P&C insurers

Source: Capgemini Research Institute for Financial Services analysis, 2024





# Trailblazers are realizing efficiency, accuracy, and experience-related benefits



Trailblazer P&C insurers Mainstream P&C insurers

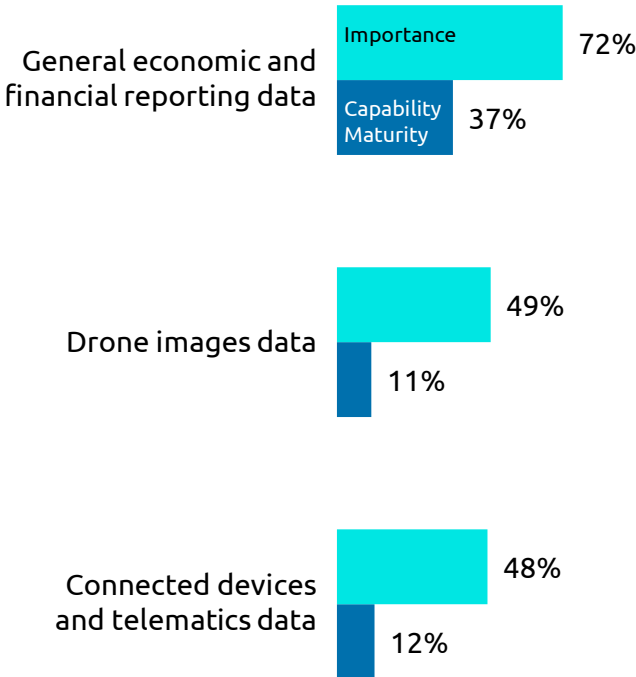
Source: Capgemini Research Institute for Financial Services analysis, 2024.



# Traditional and third-party data integration strengthen decision-making and reduce fraud

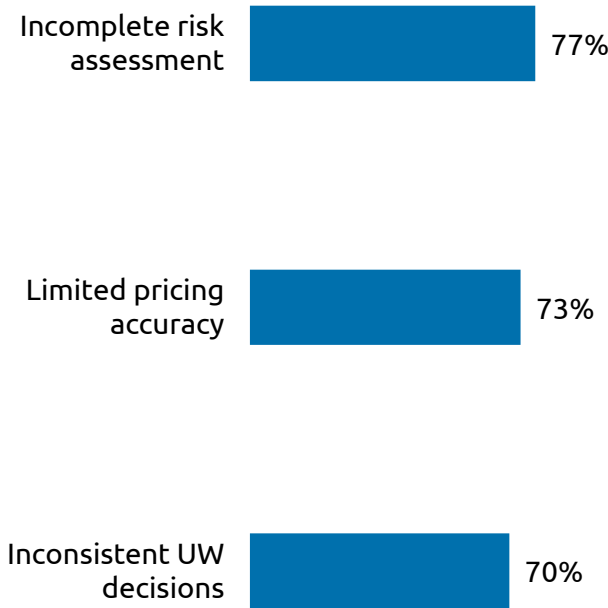
Underwriters value third-party data but insurers have limited capabilities...

Third-party data importance and capability maturity, %

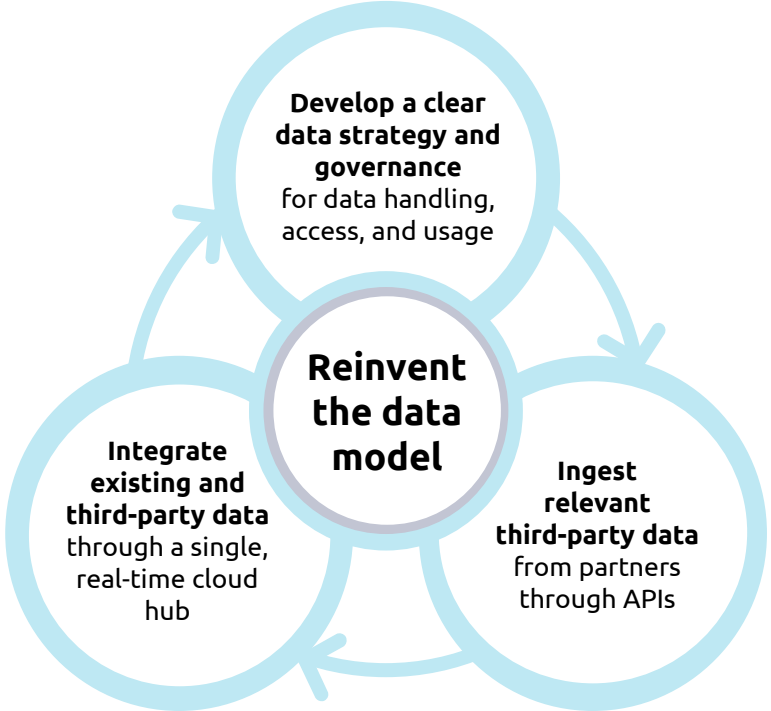


...leading to multiple challenges...

Impact of limited data availability as per insurers, %



...so, an API-driven ecosystem can unlock a rich and seamless data flow



By integrating third-party with traditional data, insurers can overcome inaccuracy and inconsistency challenges

Source: Capgemini Research Institute for Financial Services analysis, 2024.

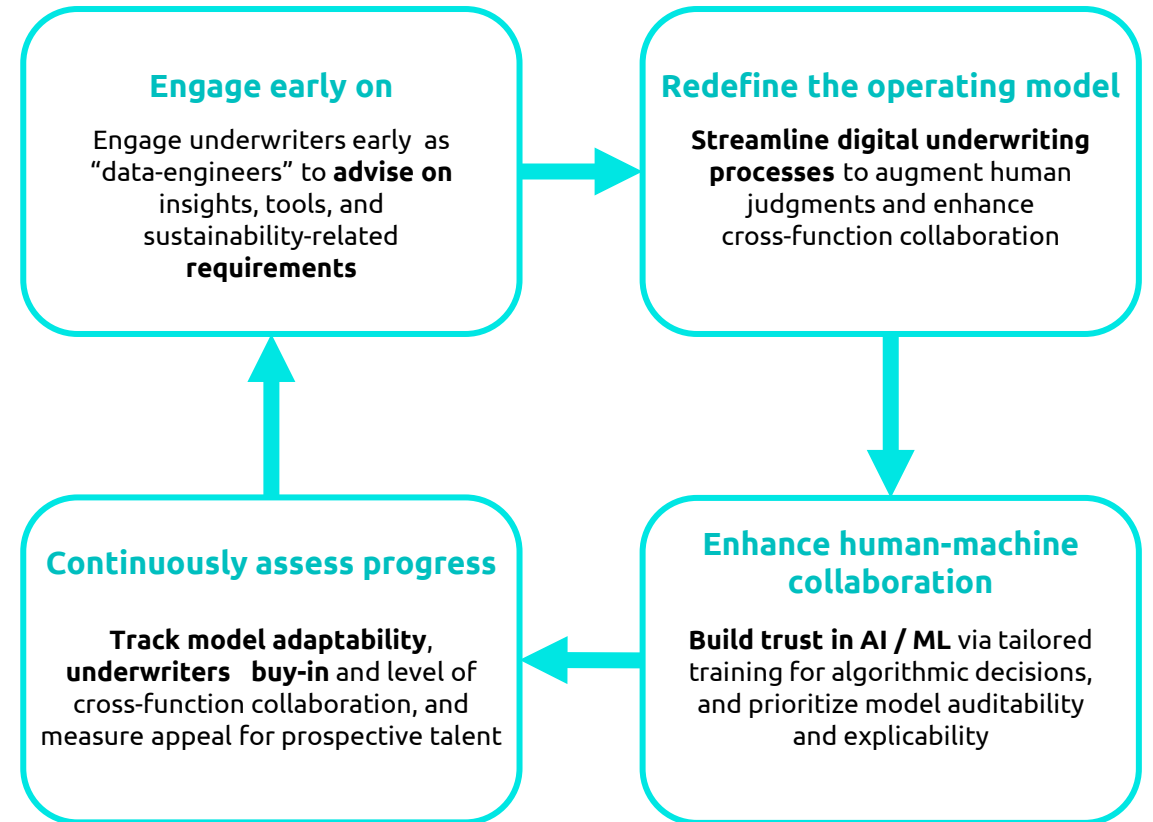
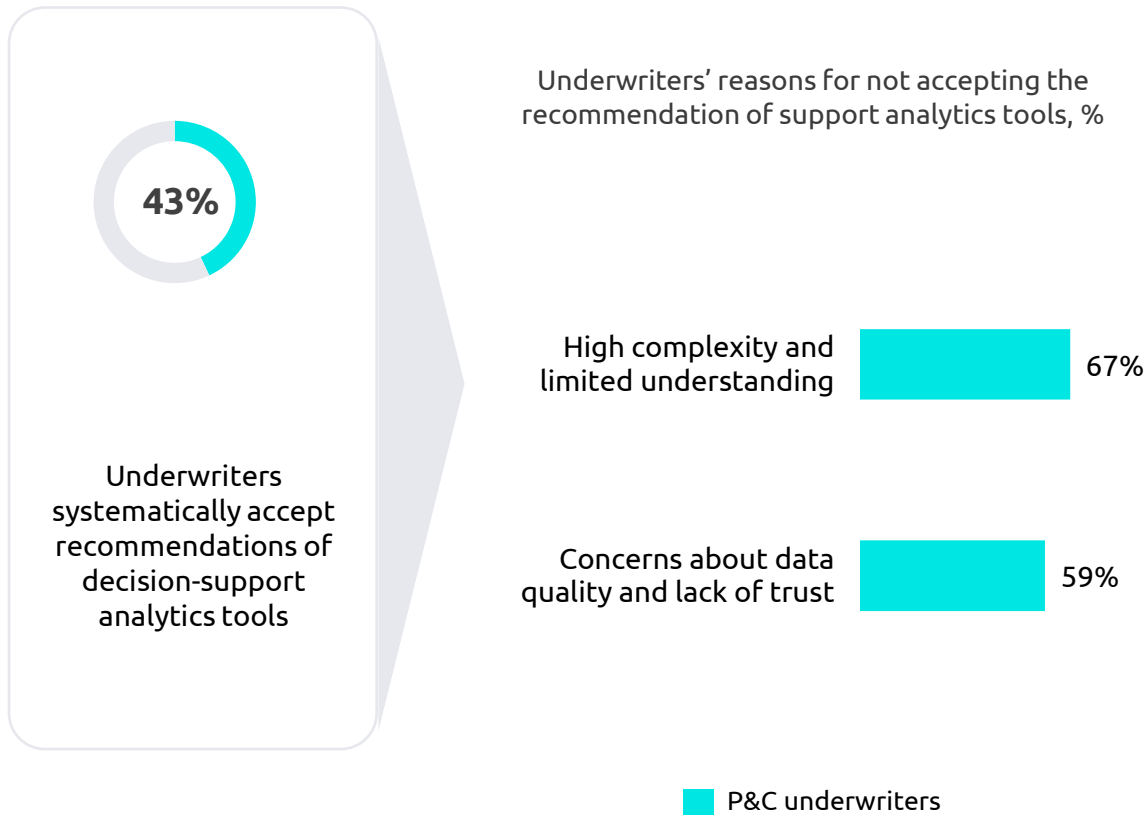




# Earn underwriters' buy-in for algorithmic insights through collaborative change management

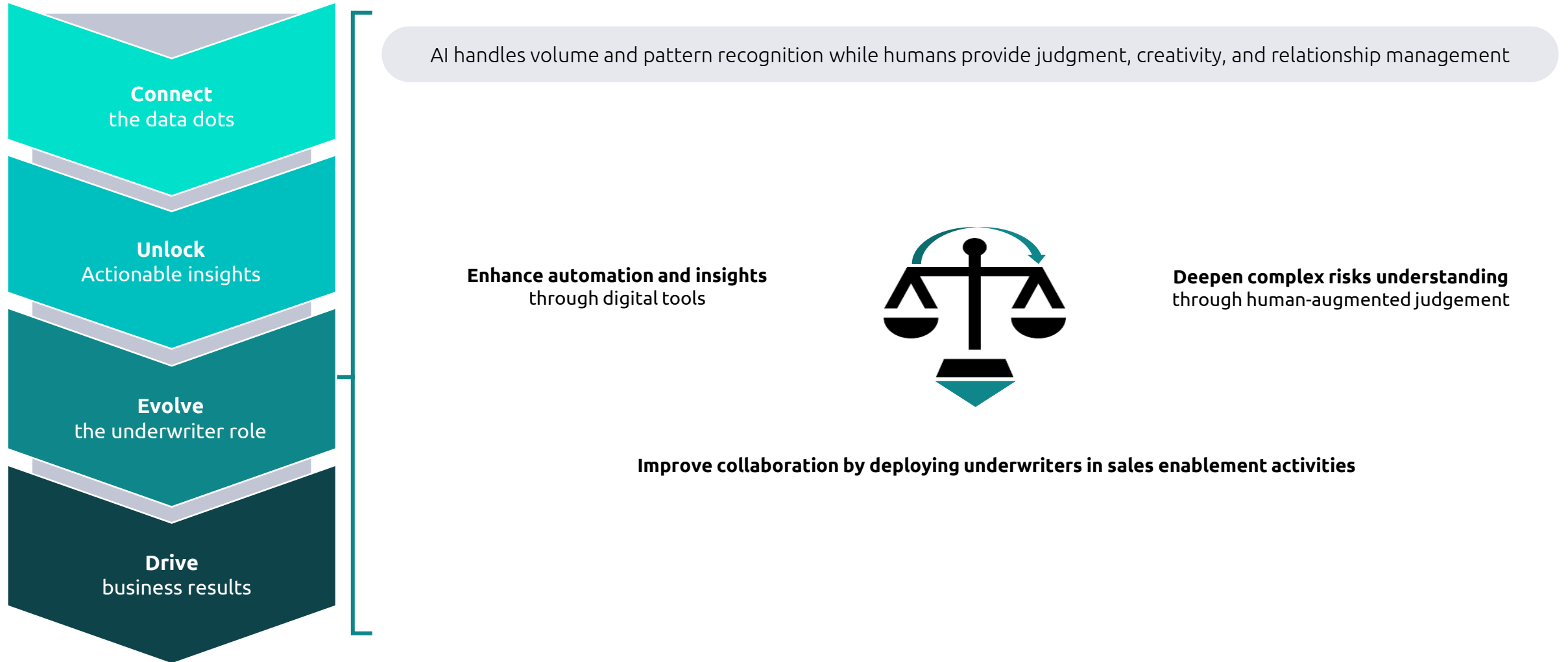
AI/ML can help drive business results, but underwriters are hesitant to accept decisions systematically

Underwriters will be at the core of tomorrow's transformation



Achieving buy-in is critical, and laying the technological foundation will prove insurers' commitment to this transformation

# Empowered underwriters drive collaboration and business impact





# Reach out to the Capgemini Research Institute for Financial Services

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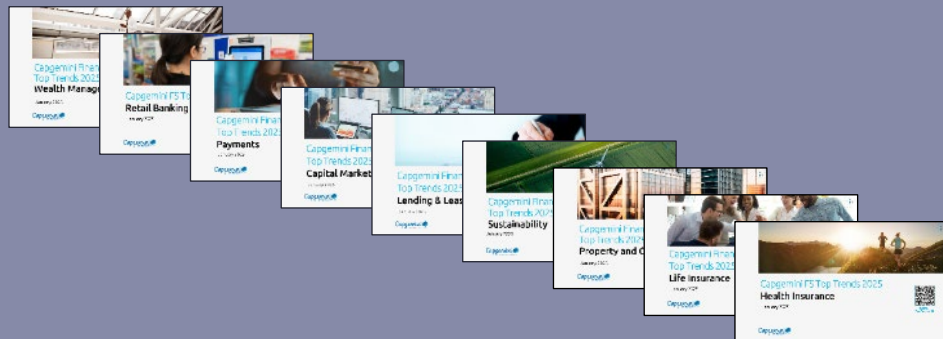
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