# What Matters Most for Insurers Now

Cynozure's 2025 report on data and AI in insurance

In partnership with

TIN THE INSURANCE NETWORK

# What Matters Most for Insurers Now

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# Foreword

The insurance industry is at a pivotal moment in its digital journey. The potential for data and AI to reshape everything from underwriting to customer engagement is now widely accepted, but the true challenge lies in bridging the gap between the bold outcomes insurers seek and the concrete investments and initiatives required to achieve them.

What we see in this report is a clear signal: insurers know where they want to go. They want data-driven cultures, real-time decision-making and more efficient operations. Yet in many cases, the priorities and investments being made today are not fully aligned with those ambitions. Whether it's underinvestment in education and training, unclear ownership of AI strategy or the persistent drag of legacy systems, many organisations are still navigating how best to translate vision into execution.

This is not unusual. Digital transformation is hard, particularly in complex, highly regulated environments like insurance. But it's also an opportunity. The organisations that succeed will be those that balance ambition with pragmatism, building the foundations needed to realise value from their data and AI strategies.

One critical factor is clarity of ownership. While most insurers have a clear leader for data strategy, responsibility for AI is still fragmented. Without unified leadership, AI initiatives risk stalling, or worse, becoming misaligned with business goals. Stronger governance can drive better coordination, innovation and impact and accelerate value creation across the business.

Equally, insurers must not lose sight of culture. Real change happens when teams across the business feel empowered to use data confidently. Technology matters, but people matter more. Cultural transformation remains the hardest, and arguably most important, shift of all.

The insights in this report are based on a survey that Cynozure and The Insurance Network (TIN) invited their communities to take part in. This collaboration enabled access to a broad cross-section of senior leaders in the insurance sector including companies such as Vitality, First Central, and Tokio Marine HCC. We hope it offers directional insight into what lies ahead, and practical guidance for closing the gap between ambition and execution.

We look forward to continuing to support and partner with insurers who are tackling these challenges head-on, using data and AI to shape stronger, smarter businesses for the future.

**Jason Foster**
Founder & CEO
Cynozure

# Executive summary

The survey of 35 senior leaders from a cross-section of insurers, including property and casualty, specialty lines, and commercial, highlights the trends, priorities and challenges shaping data and AI strategy. The insights are intended to be directional rather than fully representative of the entire industry. Some questions allowed multiple responses, so percentages may exceed 100%.

## 1. Aligning outcomes with strategic priorities

**Most commonly cited outcomes insurers are looking to achieve with data and AI this year:**

1

66%

aim to build a data-driven culture

2

46%

want to improve decision-making through real-time insights

3

43%

target operational efficiency and reducing claims leakage

**Top priorities for insurers in the next 12–18 months:**

1

69%

Realising business value from data and analytics

2

57%

Modernising data platforms and infrastructure

3

43%

Improving data quality, governance and compliance

There is a gap between desired outcome and priority.

**But only:**

11%

are prioritising data literacy

29%

are prioritising enabling self-service analytics and data-driven decision-making

## 2. Overcoming barriers to data & AI success

Top blockers across all companies, regardless of size, include:

49%
Budget or resource constraints

46%
Legacy systems and outdated technology infrastructure

46%
Quality of data, governance or access challenges

**When broken down by revenue:**

**Smaller firms (less than £500M)**
struggle more with resource constraints

**Larger firms (£500M+)**
battle more with legacy 'debt' (legacy systems, data governance and quality)

Approx.

70%

say blockers have led to missed innovation opportunities, higher costs and operational inefficiencies

## 3. Bridging the data & AI strategy leadership divide

49%
have CDOs/ Director/Head of Data leading **data strategy**

31%
have CDOs/ Director/Head of Data leading **AI strategy**

14%
report no clear **AI ownership** at all

11%
report distributed **AI ownership** across teams

The interdependence of data and AI offers an opportunity to align strategy ownership

## 4. Data & AI as a strategic catalyst

54%

say data and AI are central or enabling to future growth

29%

Almost another third, view it as a key enabler for select initiatives, reinforcing the idea that most insurers are now thinking well beyond experimentation

Nearly 75% report board or executive sponsorship

Two-thirds (67%) of insurers are either planning, deploying or exploring the use of AI agents, showing a proactive mindset toward innovation

Momentum is building, but success depends on turning intent into coordinated action

Section 1

# Aligning outcomes with strategic priorities

## Aligning outcomes with strategic priorities

As insurers push forward in their digital evolution, it's not enough to simply set bold ambitions for data and AI. Organisations must also align those desired outcomes with the initiatives and investments that make them possible. But, are insurers investing in the right priorities for the outcomes they want?

Our survey highlights a healthy level of aspiration, from improving operational efficiency and real-time decision-making to fostering a data-driven culture. However, it also reveals a subtle disconnect between the outcomes insurers seek, and the initiatives they're prioritising to get there. This section explores where ambitions are aligned with action, and where they're not. Bridging this gap is the key to turning intent into impact.

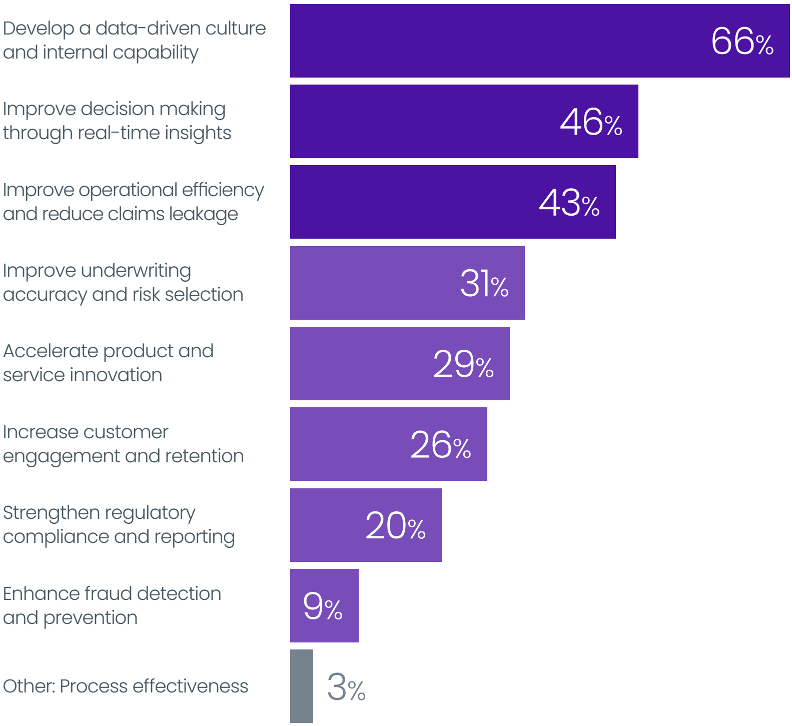
"This misalignment isn't unusual. Most organisations want cultural transformation, but few know where to begin. Without focused investment in data literacy and capability-building, those ambitions will stall."

**Louise Hutchins**
Director of Data Culture & Literacy
**Cynozure**

## What outcomes are insurers targeting?

The most commonly cited goals among respondents were *developing a data-driven culture and internal capability* (66%), *improving decision-making through real-time insights* (46%), and *improving operational efficiency and reducing claims leakage* (43%).

**What are the most important outcomes you're looking to achieve with data and AI this year?**



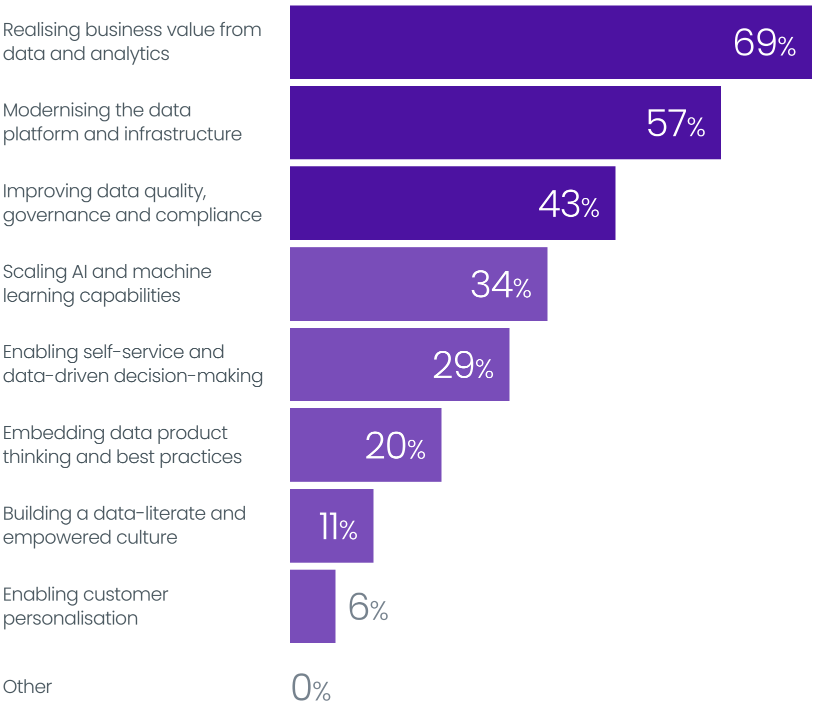

*Respondents chose their top three choices, showing the relative popularity of each option overall, regardless of ranking

This shows clear ambition to use data and AI to transform both operations and the customer experience. However, when we compare this to how priorities are being set, some important gaps emerge.

## What are insurers prioritising right now?

When asked about their top strategic priorities for the next 12–18 months, respondents focused on more foundational work and outcomes from that: *Realising business value from data and analytics* (69%), followed by *modernising data platforms* (57%) and *improving data quality, governance and compliance* (43%).

**What are your top priorities for data, analytics or AI in the next 12–18 months?**




*Respondents chose their top three choices, showing the relative popularity of each option overall, regardless of ranking

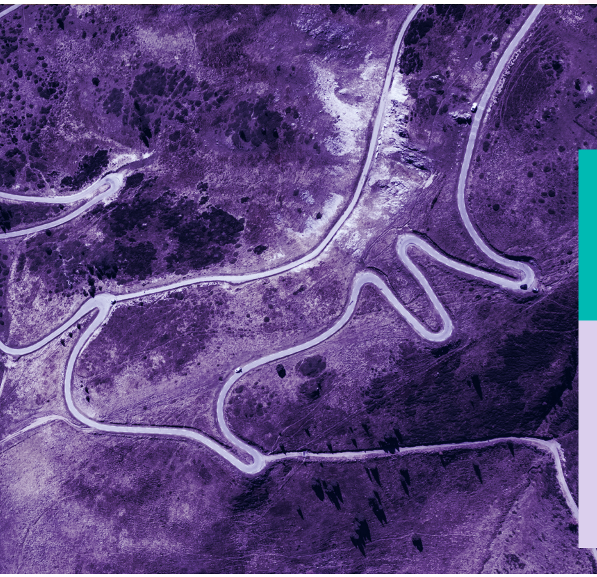
While improving data platforms and governance is essential and supports operational efficiency, there's a noticeable lag when it comes to the enabling capabilities that underpin many of the desired outcomes.

- Two-thirds of insurers said building a data-driven culture was a top goal, yet only 11% have prioritised *building a data-literate and empowered culture* as an initiative
- Real-time decision-making is a key aspiration, yet enabling self-service analytics and data-driven decision-making is only a mid-tier priority
- Over a quarter want to improve customer retention, but just 6% are prioritising personalisation

## Why it matters

While there is strong overlap, such as a clear desire to derive business value and insights from better platforms, some gaps remain. These inconsistencies suggest that while leaders know where they want to go, the road to get there is not fully clear.

The insight here is not that insurers are ignoring important outcomes, but rather that their prioritisation may be more reflective of internal readiness than strategic ambition. While understandable, it doesn't change the result. Unless initiatives and outcomes are better aligned, there's a risk that strategic investments may not be directed at the most valued business goals.



**Watch our video**

How to drive AI success by building a strong data culture

Cynozure's Lou Hutchins explores how organisations can embed curiosity and confidence in how teams engage with data, and why this underpins all successful AI initiatives.

"Cultural change is the lever that turns data into action. Empowering people to ask better questions and make confident decisions with data should be treated as a business imperative, because it's usually the hardest and most valuable shift of all."

**Paul French**
Data and Analytics Director
**First Central Insurance & Technology Group**

Section 2

# Overcoming barriers to data & AI success

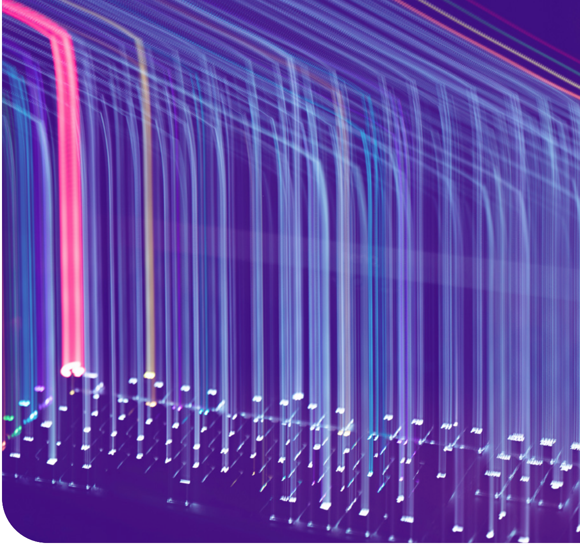
# Overcoming barriers to data & AI success

Organisations across the insurance sector are placing increasing emphasis on modernising their data infrastructure and delivering business value from data and AI investments. Yet, progress is often slowed by a common set of barriers and challenges. From budget constraints and legacy systems to skills shortages and data governance challenges, these barriers are directly impacting firms' ability to deliver on their data and AI ambitions.

Most insurers are no longer questioning *whether* to invest in data and AI. The question is *how to move faster* and *scale smarter.*

"If unlocking value from data is a priority, and for most insurers it is, then barriers should be treated as strategic risks, with the same urgency as any threat to business performance or competitiveness."

**Jeremy Burgess**
CEO
The Insurance Network

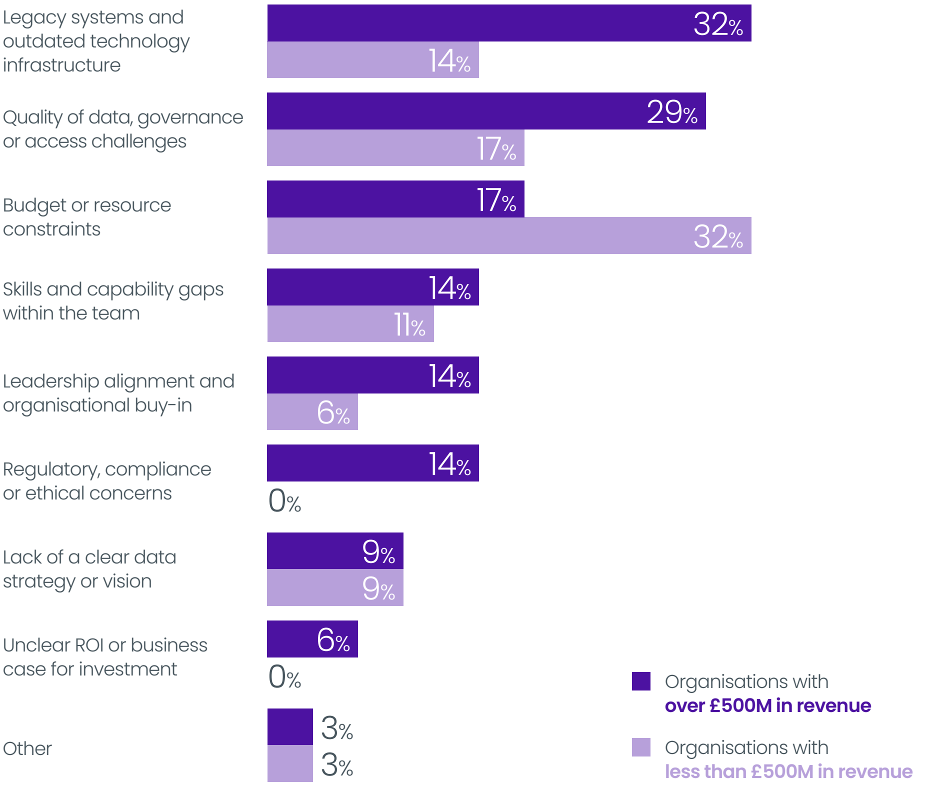


## Smaller firms struggle with resources; larger firms battle legacy 'debt'

Nearly half of respondents (49%) cited budget or resource constraints as a top blocker to accelerating progress with data or AI. This was especially common among smaller firms (under £500M in revenue), where over 30% identified it as a primary challenge. In contrast, larger organisations, less hindered by financial constraints, pointed to legacy systems (32%) and data governance (29%) as their biggest obstacles. These firms are grappling with systemic technical debt: ageing tech stacks, fragmented data, and increasingly complex compliance requirements.

So, while the main themes are consistent, a more nuanced picture emerges when broken down by company size. Smaller organisations struggle more with limited resources and capacity, while larger ones are prioritising modernisation to overcome entrenched infrastructure and governance hurdles. The encouraging sign is that many of these larger organisations have acknowledged the issue and made modernisation a key priority for the year ahead.

**What are the biggest blockers to moving faster with data or AI today?***



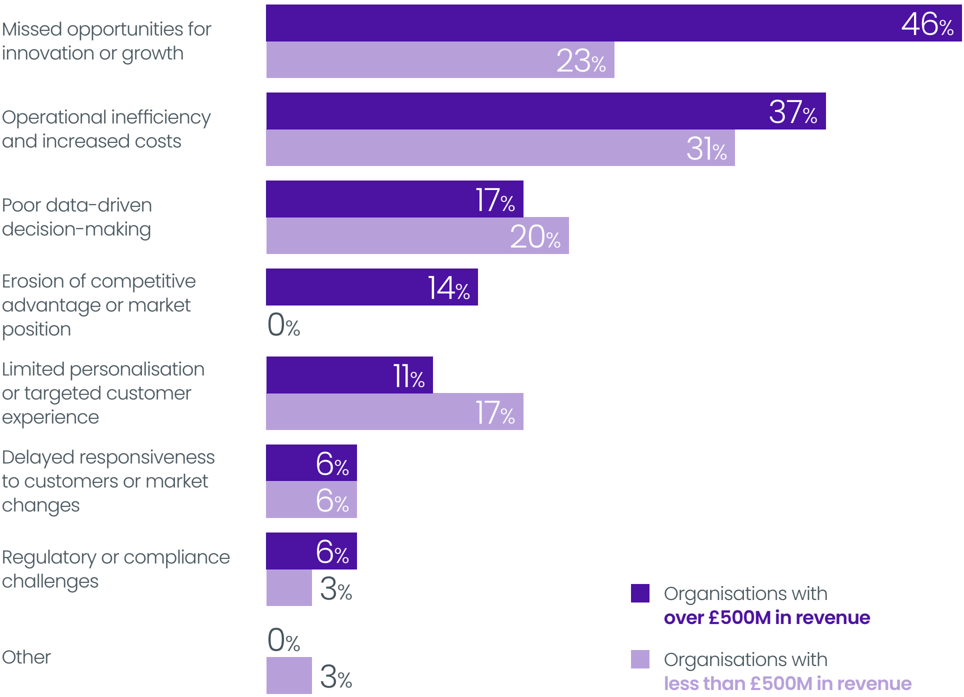

*Respondents chose top three choices, showing the relative popularity of each option overall, regardless of ranking

## Clear impact on business priorities

When asked about the consequences of these blockers, approximately 70% cited missed opportunities for innovation or growth in their top choices, and nearly 70% also pointed to operational inefficiency and increased costs. Over a third (37%) said poor data-driven decision-making was a major consequence, while nearly 30% reported limited personalisation or targeted customer experience.

These challenges aren't just technical. They're holding insurers back from unlocking real value and delivering on key strategic goals and priorities.

**What is the biggest impact these blockers have on customers, operations or revenue?***




*Respondents chose their top three choices, showing the relative popularity of each option overall, regardless of ranking

> "Legacy complexity can't be wished away, but it can be navigated. Success lies in simplifying what you can and finding smart ways to work around what you can't."

**Darren Sharp**
former Group CIO
**Tokio Marine Kiln**

Recommendations

# What leaders can do now

1. **Prioritise foundational investment**
For larger firms, this means fast-tracking platform modernisation and standing up unified data governance frameworks. For smaller organisations, it may mean identifying a few high-impact, low-effort initiatives, 'quick wins', where value can be easily demonstrated

2. **Close the capability gap**
Upskilling internal teams through education programmes, knowledge sharing and partnering with external experts can bridge critical gaps. Embedding data and AI literacy across business units is also key

3. **Align leadership around a clear data strategy**
Ensuring consistent executive sponsorship and communicating the link between data initiatives and business outcomes will help secure long-term buy-in

4. **Treat blockers as strategic risks**
Barriers to progress should be tracked, measured and treated with the same urgency as other operational risks. Embedding this mindset will help organisations stay focused and accountable

**Read our case study**

Making better decisions, faster at a leading insurance group

Read how Cynozure helped a leading speciality insurance group to design a modern reporting and analytics architecture to unify siloed systems, improve insight and reduce manual workload, with a focus on underwriting, claims and finance.

**Watch our webinar**

Creating business value with AI: Frameworks and lessons from the field

James Lupton, Cynozure's CTO, shares a practical approach to making AI work — from aligning initiatives with strategy to building the right foundations in people and process.

Section 3

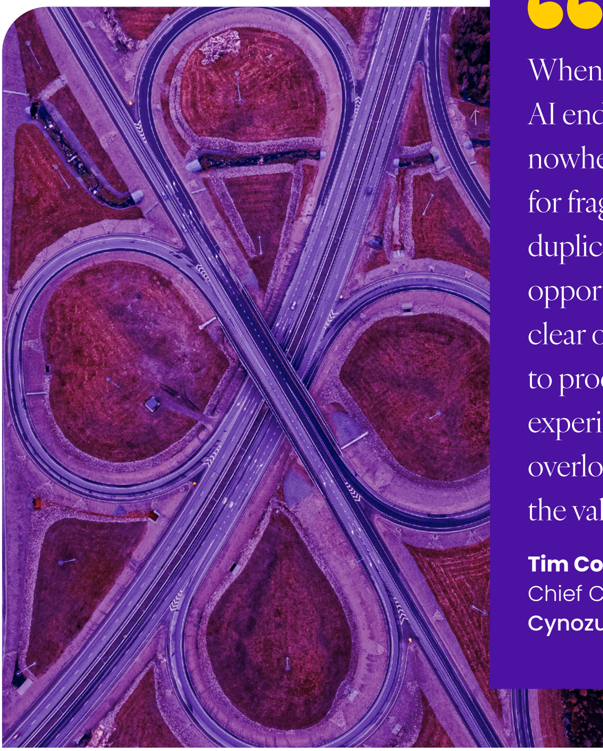
# Bridging the data & AI strategy leadership divide

## Bridging the data & AI strategy leadership divide

Clear ownership is essential for the successful delivery of data and AI strategies. However, the current landscape suggests that while data leadership is maturing, accountability for AI remains inconsistent across the insurance industry.

Survey responses show that nearly half of organisations (49%) have assigned data strategy responsibility to a Chief Data Officer (CDO) or Director/Head of Data, with Chief Information Officers (CIOs) and Chief Technology Officers (CTOs) each cited by 14% of respondents.

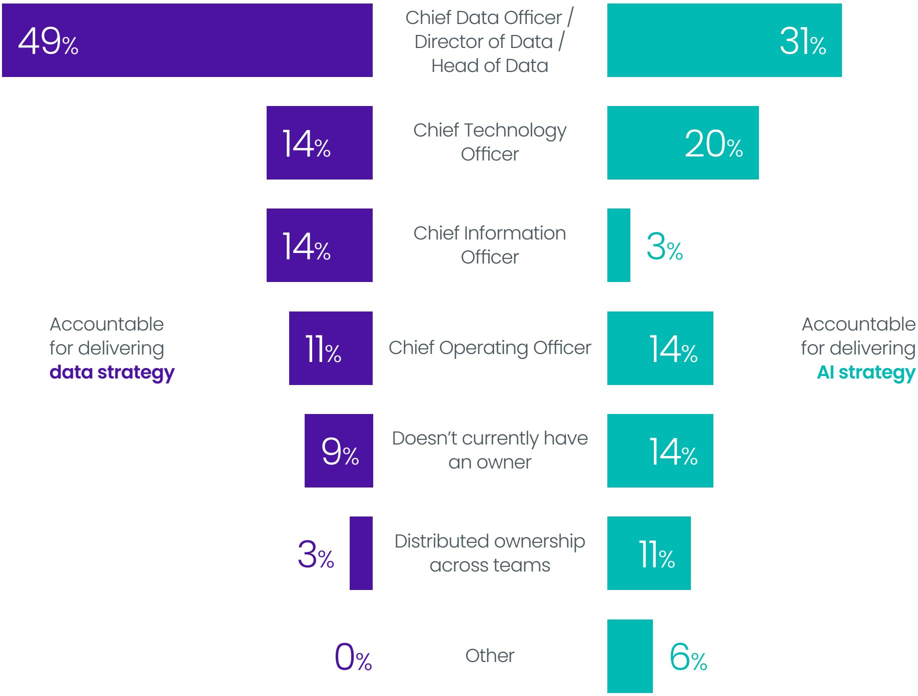
By contrast, AI strategy ownership tells a different story. Just 31% say their CDO, Director of Data or Head of Data is responsible. Responsibility is then spread across CTOs (20%), Chief Operating Officers (COOs) (14%) and other senior roles. 14% say there is no clear owner for AI at all, and 11% report distributed ownership across teams, often a sign of early-stage or disjointed efforts.



"When ownership is unclear, AI ends up everywhere and nowhere. That's a recipe for fragmented delivery, duplication and missed opportunities. Without clear ownership and a path to production, companies experience 'proof of concept' overload with no way realise the value potential."

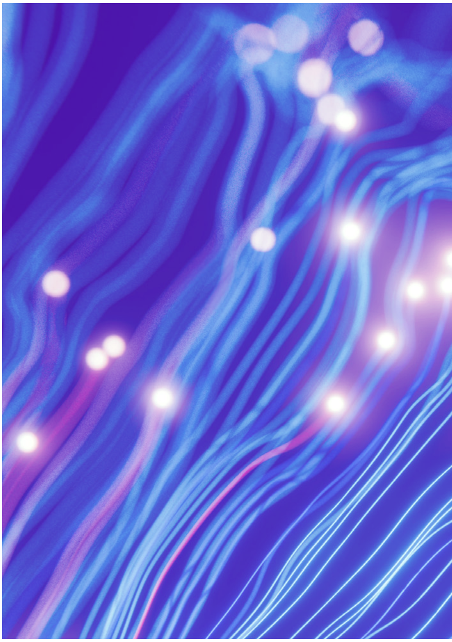
**Tim Connold**
Chief Client Officer
**Cynozure**

**Who is primarily accountable for delivering your data strategy and your AI strategy?**




**Download report**
**The Path Ahead**

These insights align with findings from our broader cross-industry report, *The Path Ahead: Priorities, challenges, and opportunities for Data Leaders in 2025*. That report showed that while over 85% of organisations have clear data strategy ownership, fewer than 30% say the same for AI and more than 20% report no AI owner at all.



## Why it matters

Without clear leadership, AI strategies risk stalling or becoming misaligned with broader business goals. When ownership is shared or unclear:

- It's harder to coordinate investment and innovation across departments
- AI initiatives may lack direction or fail to scale
- There's greater risk around compliance, governance and responsible deployment

> "Data and AI strategies must be anchored in business value with clear ownership. Without this, you risk scattered pilots, no feedback loop and initiatives that stall before they scale."
>
> **Catherine Bowen-Walker**
> Group Head of Data Protection
> **Vitality**

Recommendations

## What leaders can do now

1. **Consolidate leadership or unify strategies**
   Given the interdependence of data and AI, a lack of cohesion in strategy ownership can limit the impact of both. Strong leadership, ideally under a unified data and AI mandate, can ensure better governance, tighter alignment with transformation priorities and faster value delivery

2. **Formalise governance**
   Define success metrics, frameworks and decision rights. Treat AI initiatives with the same rigour as other enterprise capabilities

3. **Bridge roles across teams**
   Create cross-functional working groups or operating models that connect tech, data, legal, risk and frontline operations

4. **Empower leadership through mandate and resources**
   Clear ownership must be supported by budget, talent and decision-making authority to deliver change at scale

**Watch our webinar**

Building trust for data and AI strategy success

Cynozure's panel discussion with credit insurance specialist, Atradius explores the role of leadership clarity, relationship-building, and trust in successful data and AI delivery.

**Watch our webinar**

ISO 42001: AI compliance & what you need to know

Cynozure's CTO, James Lupton, goes through ISO 42001, the new global standard for responsible AI, and what it means in practice for data leaders navigating risk, ethics and compliance.

Section 4

# Data & AI as a strategic catalyst

# Data & AI as a strategic catalyst

The insurance industry is entering a decisive phase in its adoption of data, analytics and AI, driven not just by opportunity but by clear executive intent. The majority of insurance leaders in our survey now view these capabilities not as experimental or supplementary, but as central to transformation and growth. As seen in this section, the business case for data and AI is a boardroom priority, backed by strong sponsorship and early action in emerging areas, such as AI agents.

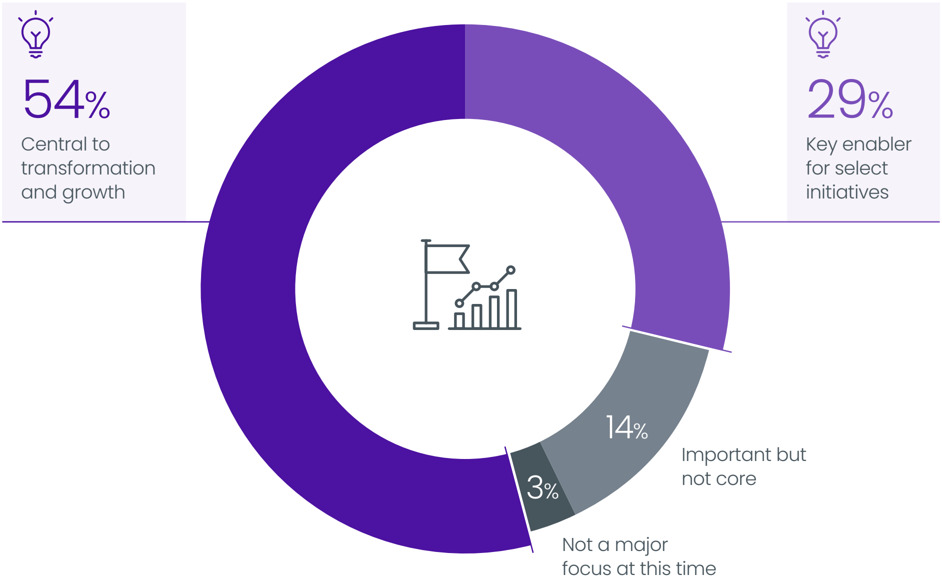
> We're seeing increasing confidence from our clients that AI can drive real change, from underwriting to claims. But to succeed, it needs clarity, alignment, strong governance and a solid foundation."
>
> **James Lupton**
> Chief Technology Officer
> **Cynozure**

## Clear strategic intent & board level sponsorship

When asked about the role data, analytics and AI will play in the future of their business, over half of respondents said it would be central to transformation and growth. Almost another third (29%) view it as a key enabler for select initiatives, reinforcing the idea that most insurers are now thinking well beyond experimentation.

This strategic view is strongly reinforced by leadership buy-in with nearly three-quarters (74%) reporting support at either board or executive-level.

**What role do you believe data, analytics and AI will play in the future of your business?**




**Watch our video**

Beyond theory: Generative AI in insurance

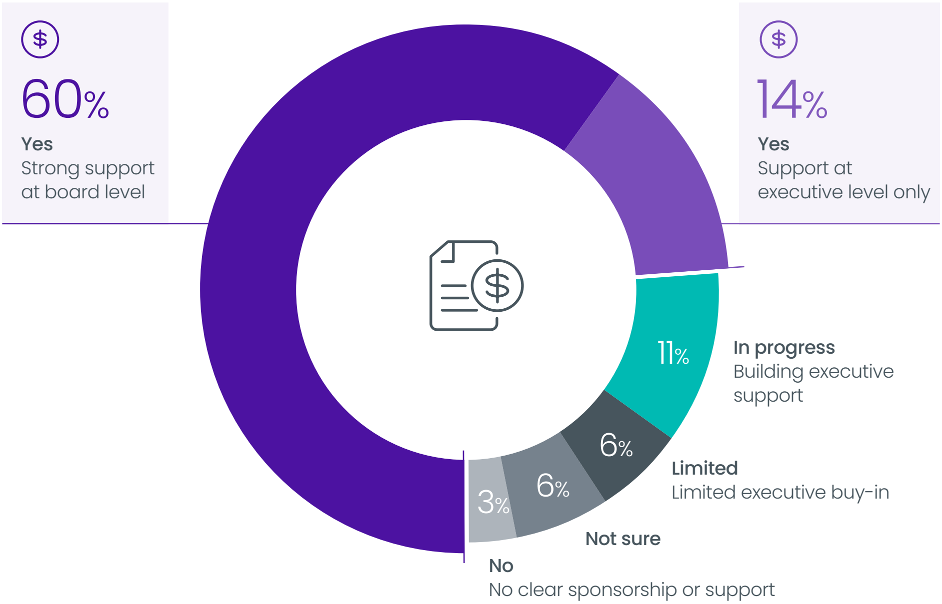
Our CTO, James Lupton, explains how Cynozure worked with an international insurer to apply generative AI to complex back-office workloads, achieving results in just one week.

**Watch our webinar**

Creating business value with AI

From frameworks to real-world lessons, this webinar explores what it takes to move from AI hype to impact.

**Do you have clear sponsorship at executive or board level for your data strategy?**




This level of alignment between strategic intent and leadership sponsorship is not common in many industries. In sectors like retail, real estate or education, many data leaders still report limited executive involvement in AI decision-making. By contrast, insurance appears to be maturing faster, likely due to the industry's need to improve transparency to keep pace with regulations, manage risk, streamline operations and modernise legacy systems at scale. It may also reflect that some insurers, particularly larger ones, are better positioned to make targeted investments in data and AI, even amid ongoing economic pressures.

> "Board-level sponsorship gives insurers a real opportunity to weave a data-driven culture into the fabric of an organisation."
>
> **Greg Freeman**
> CEO & Founder
> **Data Literacy Academy**

## From vision to action: Early moves on AI agents

One of the most forward-looking indicators from the data is the response to AI agents. While adoption is still early, insurers are actively preparing:

**29%**
are developing plans for AI agents

**11%**
are already deploying them

Another
**26%**
are exploring possibilities

In total, two-thirds (67%) of insurers are either planning, deploying or exploring the use of AI agents, showing a proactive mindset toward innovation. This is especially notable given the relatively low awareness or uptake in many other sectors. AI agents offer particular promise in areas like underwriting, claims triage, fraud detection and customer service, where they can enhance decision speed and consistency.

The recent LMA AI Survey[1] supports this direction and sentiment. When asked 'has your organisation deployed or experimented with agent AI or generative AI in underwriting or claims processes', nearly half responded that they are already using it in either area, or other areas of the business, and another approx. 40% said not yet, but they are considering it.

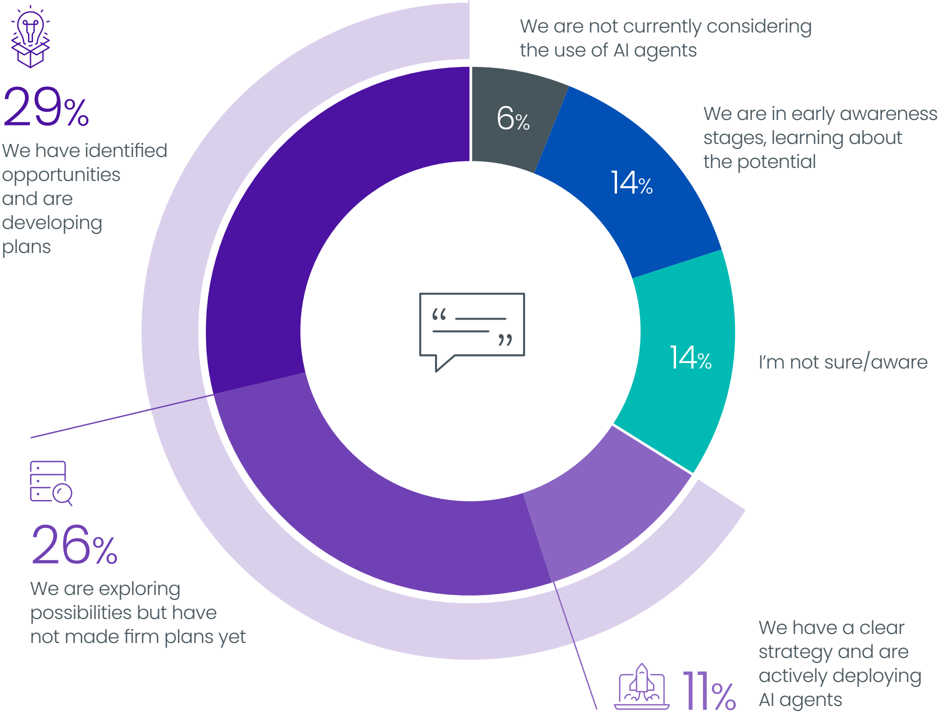
[1] Lloyd's Market Association AI Survey, March – April 2025

## Why it matters

The combination of clear strategy, leadership support and early innovation signals that insurance is gearing up for wider AI adoption.  Unlike industries still caught in the "wait and see" phase, insurance organisations are treating AI as a core enabler of operational efficiency, competitive advantage and customer value. While enthusiasm should be capitalised on, AI is only as good as the data underpinning it. Fragmented systems, inconsistent or inaccessible data will limit its impact or worse, lead to inaccurate insights and misguided decisions.

**Which best describes your organisation's current thinking around AI agents and how they could be used?**

In total, two-thirds of insurers are either planning, deploying or exploring the use of AI agents, showing a proactive mindset toward innovation.




> AI is no longer about what's possible, it's about what's practical, and how fast we can scale it."
>
> **Kevin Smith**
> Chief Data Officer
> **Tokio Marine HCC**

## Survey methodology & respondents

### Timing

Survey was in field from 30 April 2025 – 30 May 2025

### Roles

Respondents included 35 senior business leaders, including Head of Data, CDO, Head of Transformation, CTO and other Director/VP-level roles

### Industries

A wide range of insurer types were represented. Property & Casualty, Specialty Lines and Commercial were most common, with several respondents also active in Personal Lines and Health insurance

### Organisation size

Approximately 50% reported revenue over £1B, with nearly three-quarters of respondents reporting company revenue of £250M

### Geographies

The primary locations were the UK and USA, with over 70% of respondents from organisations headquartered in the UK, 20% in the USA and the remaining from continental Europe and other parts of the world

# About Cynozure

Cynozure is a leading data, analytics and AI company that helps organisations drive business value and outcomes through data. We work across strategy, architecture and engineering, data management, AI, analytics, data culture and leadership, partnering with clients to build the capabilities and confidence they need to succeed in a data-driven world.

In insurance, we help organisations across the value chain turn ambition into action. From sharper risk selection and reduced claims leakage to stronger compliance and operational efficiency, our work connects data and AI strategy with tangible commercial impact. Whether modernising legacy systems, enabling smarter claims handling or embedding AI into underwriting, we bring the strategic clarity, technical depth and cultural alignment required for success.

We're also home to two leading platforms for the global data community:

- **Hub & Spoken:** One of the industry's most listened-to podcasts, featuring expert conversations on data and analytics
- **CDO Hub:** Our global members club for senior data & business leaders to collaborate, share and grow together

And, we run a dedicated Insurance Special Interest Group (SIG), a quarterly forum for data and analytics leaders to explore challenges, share practical solutions and shape the future of the sector.

Cynozure is a certified B Corporation and was named one of The Sunday Times' fastest-growing private companies in 2022 and 2023. It was also recognised as the Best Place to Work in Data by DataIQ in both 2023 and 2024.

Learn more at
**www.cynozure.com**

# About The Insurance Network

The Insurance Network (TIN) is a strategy and benchmarking forum for senior business leaders from insurers and brokers in UK general insurance (GI) and the Lloyd's and London markets. Since 2004, it has provided a platform for director-level audiences to debate the strategic and operational challenges shaping the future of insurance.

TIN delivers a year-round programme of industry engagement, including five flagship annual events and a widely respected series of breakfast briefings, virtual roundtables, webinars and digital content. These sessions offer a unique opportunity for leaders to exchange insight, benchmark progress and stay ahead of developments across innovation, transformation, technology, regulation and more.

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