

## 2024: The year all insurance pros must become technologists

By Elana Ashanti Jefferson | December 28, 2023

As insurance businesses and staff ready themselves for the challenges of a new year, they now must include technology smarts among the soft skills that have historically propelled agents and brokers to success.

There is, however, at least one reason for savvy tech leadership: The insurance world will not likely see the emergence of new technology tools and challenges in 2024 but an intensification of the issues already bearing down on the industry in 2023.

Insurtech issues such as artificial intelligence applications and risks, widespread data security concerns and the reskilling of staff will not only persist in 2024, they will likely grow urgent enough that failing to get ahead of them could become a make-or-break situation for insurance businesses and vendors.

***That, at least, is one key takeaway from the tech-driven predictions provided by insurance experts highlighted in the slideshow below.***



### **Generative AI: An unknown variable.**

“The growth of generative AI and its use for both good and ill will continue to be the ‘unknown known’ risk in 2024. On the back of this rapidly developing technology, our Risk & Resilience research reveals that concern over cyber risk will continue to dominate business executives’ risk agendas (27% state cyber will be their key risk in 2024). Based on the growth we see, we anticipate that the cyber market will triple in size over the next three to four years. To meet this demand we need a dynamic cyber market, which includes effective solutions for catastrophe risk to enable the supply of quality capacity to the cyber (re)insurance market to increase, and meet the growing demand for cover.”

— **Paul Bantick, Group Head of Cyber Risks, Beazley**

(Credit: Credit: KikkyCNX/Adobe Stock)

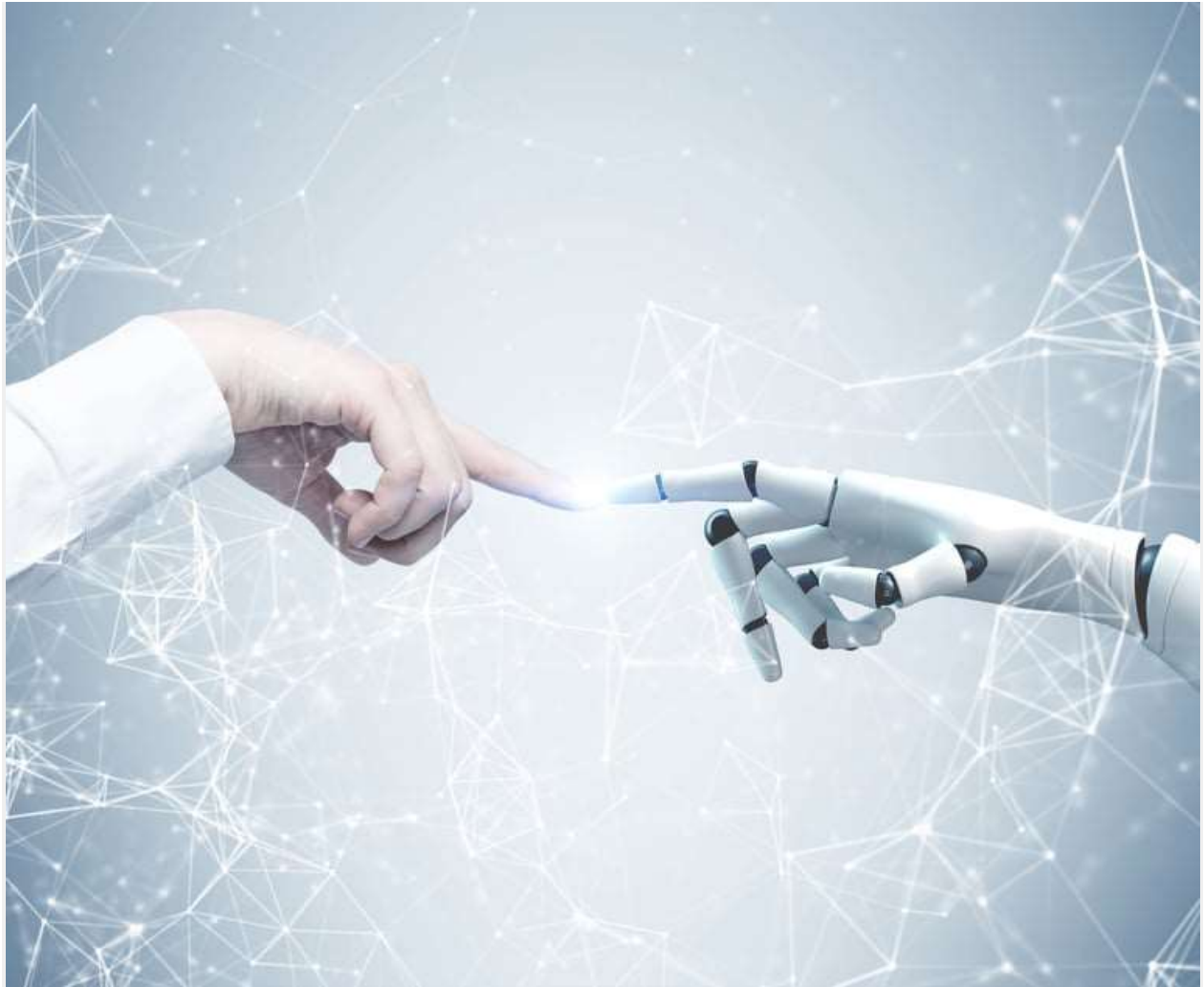


### Increased AI risk management.

“Every company needs a foundation for emerging technology, even when it is dynamic and always evolving. Rules, guidelines, and policies are critical to long-term technology adoption and success. Organizations will be focused on developing criteria to regularly review and evolve their generative AI policies and standards, for example to be able to adjust to changing business and regulatory requirements.”

— **Chris Schrenk, Chief Underwriting Officer, NeuralMetrics**

*(Credit: Who is Danny/Adobe Stock)*



### **Tools to underscore ‘the human touch.’**

“...AI enables underwriters to collect accurate information quickly, which means agents no longer have to go through long lists of questions with clients. These enhancements have already led to great strides in home, auto and small/medium commercial and are now being expanded into more complex commercial risks.”

**— Chris Schrenk, Chief Underwriting Officer, NeuralMetrics**

*(Credit: ImageFlow/Adobe Stock)*





### **Tech forces greater ethical responsibility.**

“Could AI ignite an ethical recalibration of the insurance sector? In 2024, we'll find out. Actuarially justified risk decisions can unintentionally further inequities in historically marginalized groups. Insurers' AI and machine learning adoption, however, will require them to understand how their models and algorithms render decisions (in premium pricing or claims, for example). This AI explainability has the potential to establish new standards of transparency and fairness throughout the industry.”

— **Alena Tsishchanka, EMEA Insurance Practice Leader, SAS**  
(Credit: IRStone/Adobe Stock)



### Anticipate more cyber catastrophes.

“The last 12 months have seen the creation of the market for cyber insurance-linked securities, following the first-ever cyber catastrophe bond that we launched back in January 2023. We hoped that this would lead to growing interest in these transactions, bringing in the additional capacity needed to meet the growing demand for cyber insurance from businesses and society. So, it has been pleasing to see other cyber catastrophe bonds get off the ground this year. As we look to 2024, we predict that we will see an increase in the number of cyber bonds launched as the market evolves, grows, and moves more mainstream.”

— **Paul Bantick, Group Head of Cyber Risks, Beazley**

(Credit: zephyr\_p/Adobe Stock)



### **Economic pressures persist.**

“The year will continue to present obstacles due to high interest rates and a slowdown in the global economy. Raising capital, especially for early-stage fintech companies, will remain a priority. As companies navigate these unpredictable economic factors, it is crucial to work towards profitability and prioritize the establishment of strong unit economics metrics to forecast profits and optimize product offerings. In 2023, we witnessed many companies struggling to find a working and sustainable business model that could generate revenue and support scalable growth. To avoid such pitfalls, and withstand another unpredictable year, companies must diligently work towards building a resilient and adaptable business model that ensures revenue generation, profitability, and sustainable long-term growth.”

— **Next Insurance CEO Guy Goldstein**

(Credit: @jozefmicic/Adobe Stock)



### **Customers, agents insist on simpler solutions.**

“The value of streamlined digital experiences will no longer be seen as a luxury but will gain market momentum, driving insurers to increase their investments in technology and explore potential collaborations with technology providers. This heightened focus on technology will enable insurers and agents to develop a deeper understanding of their customers, resulting in superior customer satisfaction. By leveraging the capabilities of generative AI and other advanced technologies, insurers will significantly enhance their ability to serve both customers and agents. These technology investments will not only streamline the purchasing and servicing process for customers but also provide agents with powerful tools that offer a notable advantage. These tools will simplify their job, enabling them to efficiently serve clients and drive business growth.”

— **Next Insurance CEO Guy Goldstein**

(Credit: Tierney/Adobe Stock)



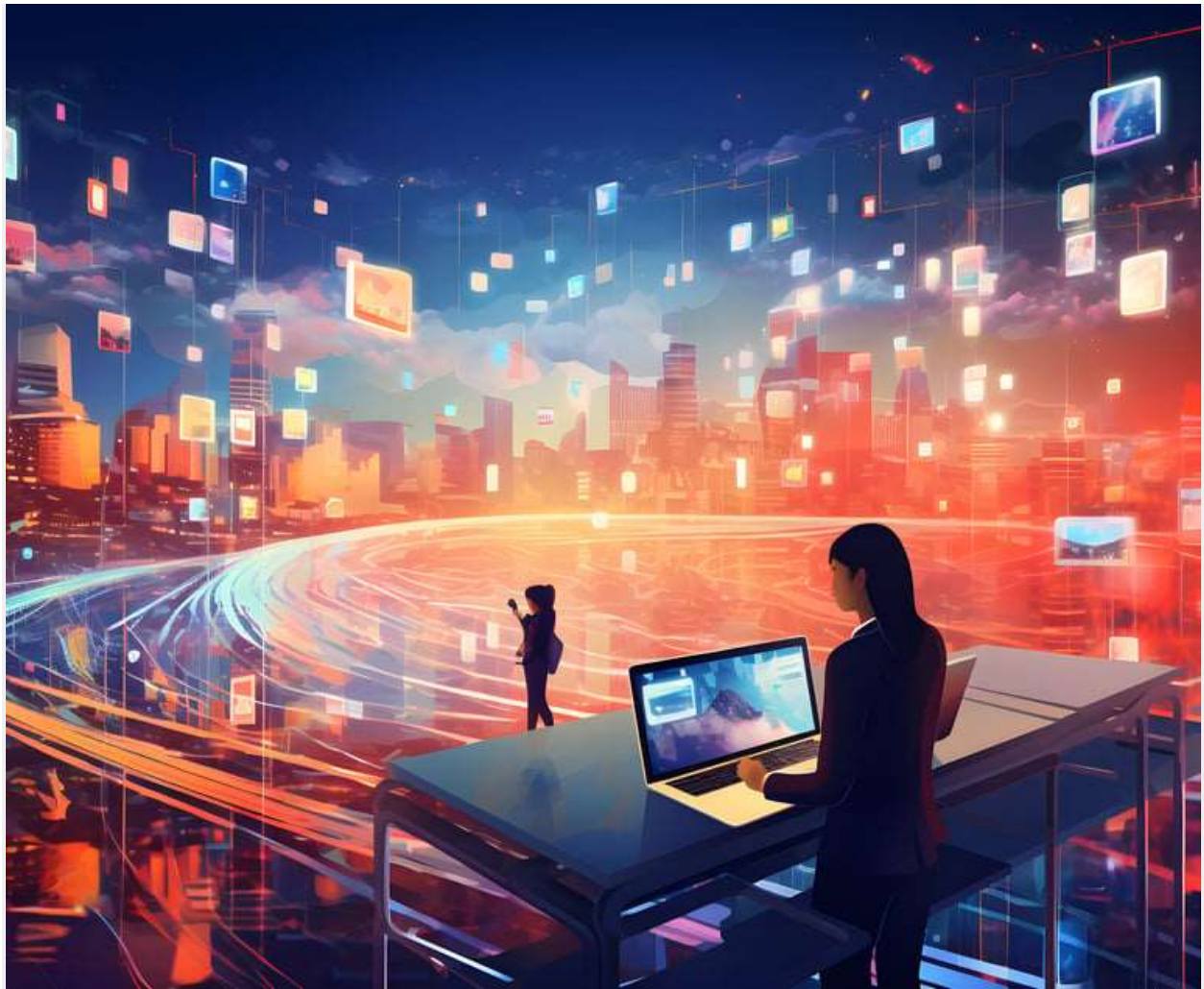


### Data will continue to drive efficiencies.

“We’ve invested in efficiency, which is a capability within the business that needs its own investment to make sure we have the competitive cost base to fuel a competitive premium for customers and create the headroom for continued investment.”

— **Ant Middle, CEO, Ageas UK, Insurance Innovators Trends Report**

(Credit: elenabs/Adobe Stock)

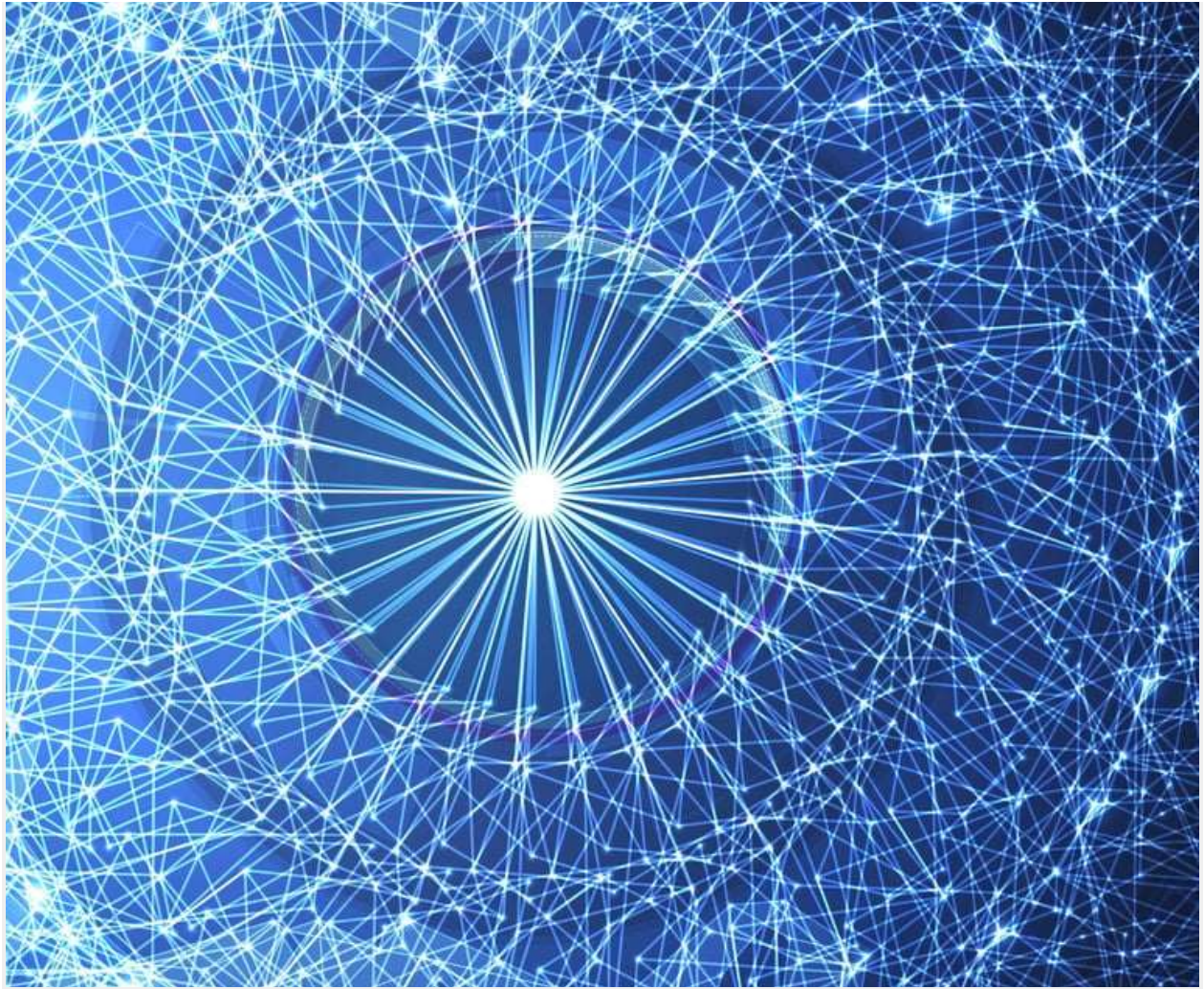


### **Better solutions, faster.**

The future is a capability game, and therefore we need to empower our people and our frontline. Through the democratization of generative AI, we have seen a dissemination of a new technology at a speed we have never seen before... If we don't, not only collectively but also individually have the capabilities to deal with technology, we won't succeed.

— **Alexander Vollert, Group Chief Operating Officer, AXA, Insurance Innovators Trends Report**  
(Credit: Meta/Adobe Stock)





### **Quantum computing: The next frontier.**

“IoT, AI and quantum computing – arriving in that order – will be the truly transformative technologies of our time. The true power of AI is not in generative AI; do we really need better chatbots? [The true power of AI is] in embedded AI that can handle vast amounts of data and synthesize it in a way that augments traditional expertise. Accurate pricing, fraud detection, and hyper-personalized solutions are just the beginning. AI will make things suddenly feasible that we historically avoided as too difficult, expensive, or risky. It will expand the solution space and drive improvements across every part of the value chain.”

— **Bill Pieroni, president & CEO, ACORD**

(Credit: Credit: kras99/Adobe Stock)