DIGITAL INSURANCE INSIGHTS

Transforming the Digital Claims Experience in Insurance

Insurance Leaders Share How They Use Data, Technology, and Insights to Meet Customer Expectations

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Producer Foreword

I'm pleased to introduce our newest Digital Insurance Insights research report, which focuses on new methods to improve the insurance claims experience.

This edition brings together candid voices and frontline strategies from leaders who are reimagining how data, technology, and AI are making claims smarter, faster, and more human-centered for everyone in the industry. Whether advancing digital customer journeys or strengthening organizational resilience, these findings are meant to inspire and support insurance professionals facing rapid change.

Thank you for being a vital part of our Digital Insurance community—looking forward to welcoming you in person at the Digital Insurance Summit 2026 in May.

Kaitlyn Meade
Program Director
Digital Insurance Summit

Register for Digital Insurance Summit 2026 Today

Executive Summary

When a customer files an insurance claim in today's market, they have much higher demands of the claims experience than in previous years. Thanks to the rise of banking and healthcare portals, consumers have grown accustomed to fast, accurate, and accessible processes that they can access in the palm of their hand.

Insurance companies recognize these demands, with 62% reporting that they've witnessed an increase in customer expectations over the past 12 months. However, operational challenges like system complexity and data fragmentation still stand in the way.

This report explores how insurance organizations are transforming their claims processes through digital capabilities. Here, we examine the technological advancements, operational challenges, and strategic priorities that will define the future of claims processing.

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What do customers appreciate most about your digital claims experience?

"Whether the client is a first-time homeowner or someone with a large commercial account, our tools adapt to their needs. Clients seem to appreciate this flexibility."

Director, Product, Consumer and Commercial Insurance Provider

About the Respondents

The survey respondents represent organizations that:

42% sell consumer insurance

22% commercial insurance

36% both consumer and commercial insurance

70% of organizations make at least **$1** billion in annual revenue.

Respondents seniority:

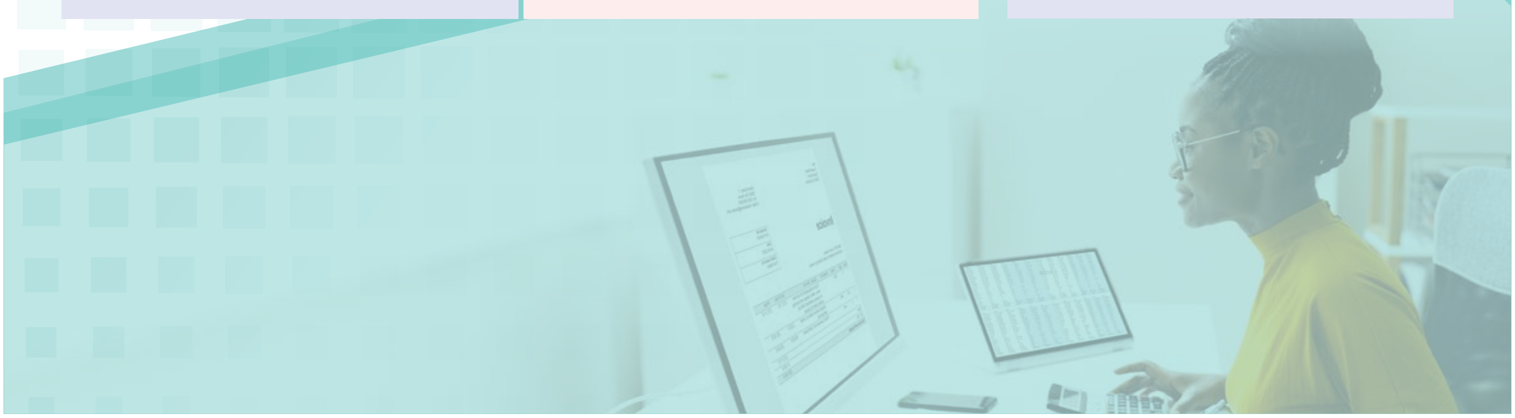
43% directors

27% vice presidents

23% department heads

7% C-suite

20% of the respondents occupy roles in **digital, customer experience, innovation, marketing,** and **product development** each.



Key Insights

62%
say customer expectations have increased.

66%
are piloting or testing data analytics with AI for underwriting.

63%
are piloting predictive analytics technology.

88%
currently use chatbots and virtual assistants.

71%
consider improving the digital claims experience a priority.

Top challenges to delivering an optimal digital claims experience include:

Integrated challenges between systems (45%)

Inconsistent cross-channel experiences (44%)

From Digital Insurance 2025

"From the customer perspective, they don't care about the technical distinctions between different types of claims, whether it's trip cancellation versus interruption versus medical evacuation. They just want their unique situation to be handled with care, and I know that the company has a customer-centric approach as part of its culture."

Insurance Leader, Digital Insurance 2025

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Transforming Insurance

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The Journey to Modernization Starts with Your Data and Leads to Real, AI-Empowered Business Transformation

Your Language. Your Data.
Real Insights.
Real Innovation.
Real Transformation.

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- A modernized data estate empowers innovation and real-time insights for improved risk monitoring, compliance, and decision making.
- AI-driven automation delivers efficiencies across critical workflows including claims processes, underwriting, agent, broker and policyholder engagement, and more so that focus remains on high-value work.
- Intelligent experiences powered by self service and AI-powered agents generate business value throughout the customer journey.
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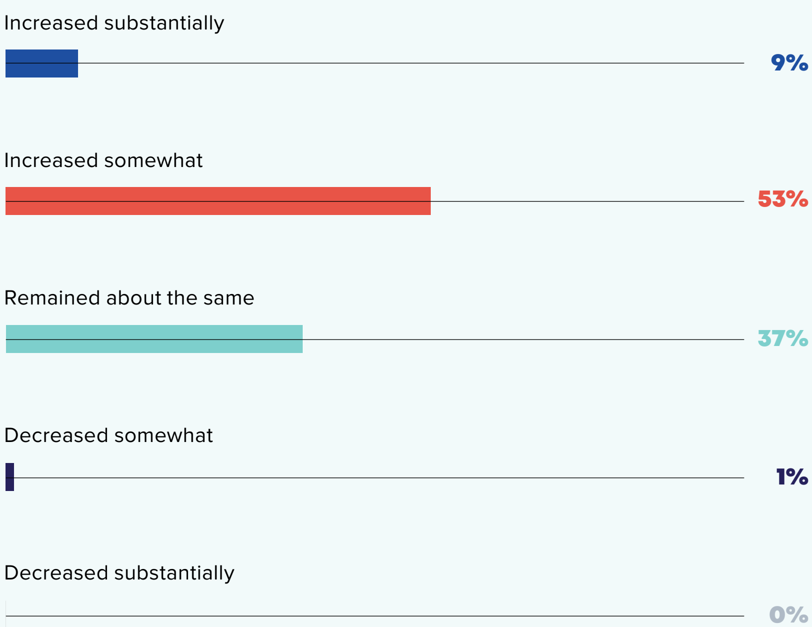
Customer Expectations for the Claims Experience

Today's insurance customers, whether they are consumers or organizations, have high expectations when it comes to the digital claims experience. Most have grown accustomed to financial tools that allow them to access their accounts directly from their smartphones, and they expect to be able to interact with their insurance providers at the same level of convenience.

The insurance industry has received criticism in the past for being slow to adapt. As we will learn, many organizations have seen customer experience improvements thanks to their previous investments, and they are planning broad changes for digital claims moving forward.

Rising Customer Expectations

How have customer expectations for the digital claims experience changed over the past 12 months?



Most of the respondents (62%) have observed increased expectations from customers over the past 12 months.

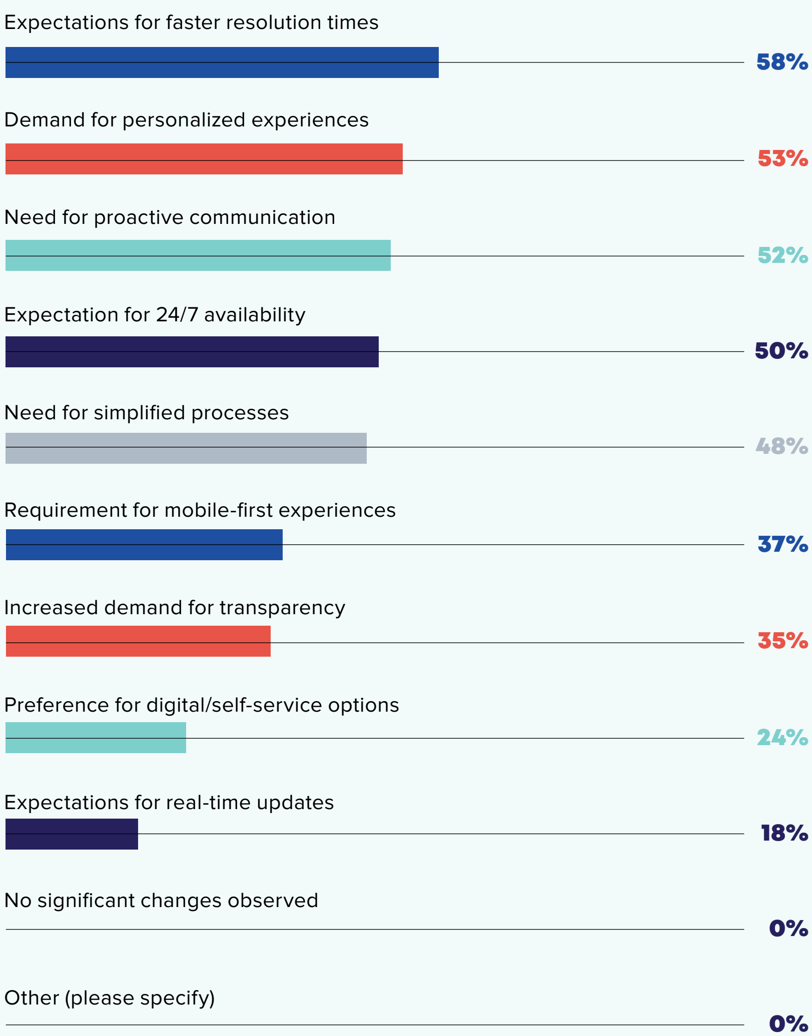
From Digital Insurance 2025

"In insurance, we're working to be more transparent and reduce friction for our customers. Customers expect a smooth, consistent journey, but delivering that isn't easy. I've seen firsthand how legacy technology makes things harder for larger companies compared to newer, more flexible startups."

Insurance Leader,
Digital Insurance 2025

This aligns with rising customer expectations for digital experiences in other industries, such as banking. According to a Chase Bank survey of 2,000 consumers, nearly 80% use banking apps weekly. Notably, four out of five consumers under the age of 45 believe they should be able to accomplish any task through a mobile app.[1]

Since you said customer expectations for the digital claims experience have increased in the past 12 months, which of the following changes have you observed regarding their expectations?



What do customers appreciate most about your digital claims experience?

"Customers enjoy our expected timeline feature, which has a progress bar, so they can always see the current stage of their claims process."

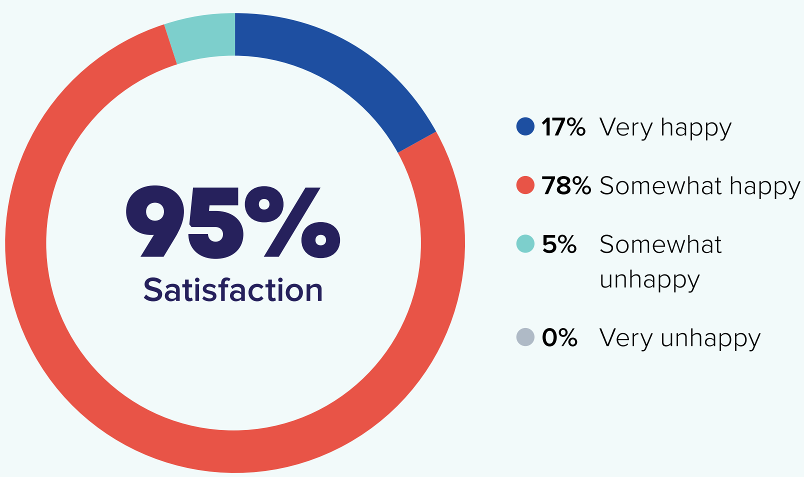
Vice President, Innovation, Consumer Insurance Provider

[1] Doerer, Kristen. "Millennials drive rising expectations for digital banking." CX Dive. June 23rd, 2025. https://www.customerexperiencedive.com/news/millennials-drive-growing-expectations-digital-banking/751225/

The most prominent changes to customer expectations for the digital claims experience center on speed and personalization. Specifically, 58% of organizations have observed demands for faster resolution times and 53% have made note of increasing expectations for personalized experiences. Organizations also report that customers have a growing need for proactive communication (52%), 24/7 availability (50%), and simplified processes (48%).

This indicates a demand for more comprehensive, always-on digital claims models in the insurance industry. Customers want to be able to access their accounts and manage claims quickly from anywhere, at any time of day.

From your perspective, how happy are your customers with your organization's current digital claims experience?



While customer expectations continue to rise, 78% of organizations say customers are only "somewhat happy" with current digital claims experiences, and 17% report customers as "very happy."

This suggests that most organizations are seeing some success in managing the balance between evolving expectations and service delivery. Indeed, only 5% report any level of customer dissatisfaction.

Practitioner Perspectives: Customer Expectations

Industry practitioners have stressed the importance of understanding customer sentiment and context in real-time interactions, even if those interactions are digital.

"Expressing empathy can already be difficult," said one Digital Insurance speaker. "If you bring a computer into the mix, can you still make someone feel heard?"

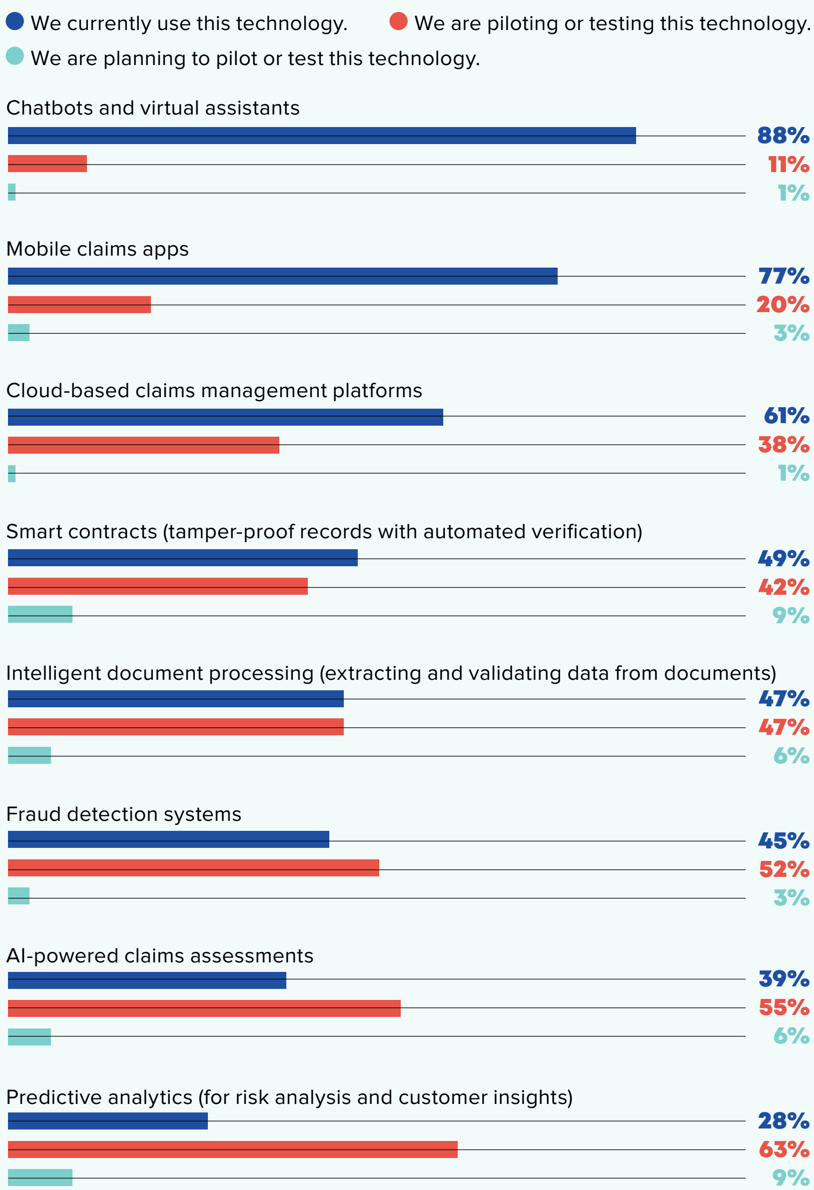
Automated systems make establishing a human connection challenging. However, proactive recognition of customer perspectives and emotions can improve their experiences and, by extension, their outcomes.

Technology Adoption & Digital Maturity

Insurance organizations have made considerable progress in the adoption of foundational digital claims technologies. However, most are still piloting more advanced systems, including AI-powered tools.

Digital Foundations & Emerging Technologies

What is your organization's current rate of adoption regarding the following claims technologies and capabilities?



What do customers appreciate most about your digital claims experience?

"Many customers tell us that they value having immediate access to the most common requests directed towards their active claim, with answers never more than a click away."

Director, Innovation,
Commercial Insurance Provider

Most of the respondents currently offer customers chatbots and virtual assistants (88%), mobile apps (77%), and cloud-based claims management platforms (61%). Many customers now expect these types of solutions to already be in place when they interact with an insurance company.

Nonetheless, insurance companies are at different stages of digital maturity across the industry.

Advanced AI and automation technologies show more mixed adoption patterns, with intelligent document processing (47% currently using, 47% piloting) and AI-powered claims assessments (39% using, 55% piloting) representing active areas of experimentation. Predictive analytics lags significantly, with only 28% currently implementing it despite 63% actively piloting it.

This suggests organizations recognize the value of these technologies, but they are still experimenting with use cases and working to overcome implementation challenges.

Data Analytics Effectiveness

Data analytics capabilities serve as a foundation for advanced technologies like artificial intelligence. Often, an organization's ability to collect, clean, and process data is what determines these tools' effectiveness.

What do customers appreciate most about your digital claims experience?

"Our system prefills the information we already have to save time on data entry and create a faster, easier, and much more seamless experience for customers."

Director, Innovation, Consumer and Commercial Insurance Provider

How effective is your organization at using data and analytics to improve the claims experience?

- **7% Very effective:** We have comprehensive analytics driving most decisions.
- **78% Somewhat effective:** We use analytics for critical decisions.
- **15% Not very effective:** We have some analytics capabilities but can't use them for critical decisions.
- **0% Not effective at all:** We have limited use of data for decision-making or rely on manual methods.
- **0%** I'm not sure.

The respondents demonstrate moderate confidence in their data analytics capabilities. Most (78%) rate themselves as "somewhat effective" at using data to improve claims experiences. However, only 7% claim they have comprehensive analytics driving their decision-making.

High-performing analytics capabilities will become even more critical as insurance companies onboard more advanced customer experience solutions. Given 15% of the organizations surveyed can't use their analytics for critical decisions, some may struggle to keep up with the pace of customer demands.

Practitioner Perspectives: Digital Maturity

Digital Insurance speakers revealed that successful technology adoption requires strategic focus on high-impact use cases and user acceptance.

One executive shared a success story in which they achieved more than 98% accuracy in a prediction. This was because "the existing business process was set up well enough to capture the data needed for automation," they said.

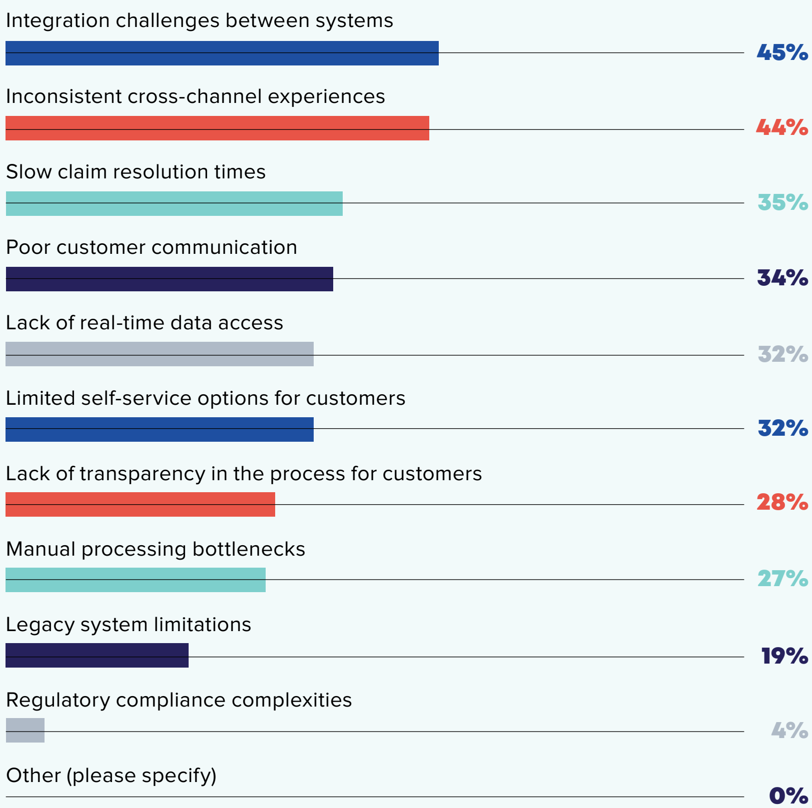
To encourage adoption, leaders must be able to deliver practical value to users, whether they are employees or customers.

"You must bring the technology to them and say, 'This is what it does for you,'" one speaker said. "It makes you more effective and efficient, and it helps you do a better job."

Operational Challenges & Strategic Priorities

Insurance organizations face challenges related to complexity and consistency in their delivery of a positive digital claims experience. However, many are prioritizing legacy system modernization, real-time data capabilities, and other projects to address their challenges.

What are the top three challenges your organization faces in delivering an optimal digital claims experience?



Integration challenges between systems (45%) and inconsistent cross-channel experiences (44%) represent the most significant barriers to digital claims optimization. This highlights the technical debt accumulated from years of incremental system additions.

What do customers appreciate most about your digital claims experience?

"We have made our platform intelligent, so if there are any potential bottlenecks in the claim process, it will notify our client in advance, and they can seek our assistance for resolving the issue."

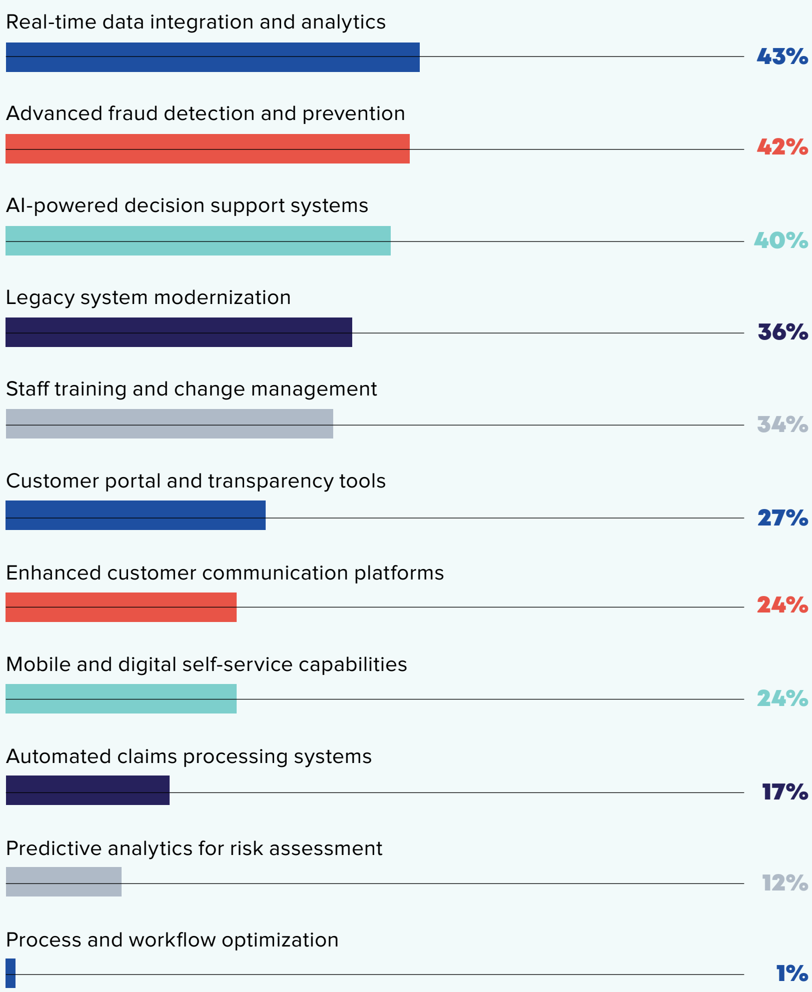
Vice President, Product, Consumer Insurance Provider

Slow claim resolution times (35%) and poor customer communication (34%) follow. These customer-facing challenges can have a significant impact on customers' trust in the brand.

Finally, limited self-service options (32%) and lack of real-time data access (32%) indicate gaps in digital capability maturity. Although addressing these issues will be challenging, doing so could significantly improve the digital claims process.

Investment Priorities for the Next 12 Months

If your organization were to invest in improvements to the digital claims experience over the next 12 months, which of the following would be your three biggest priorities?

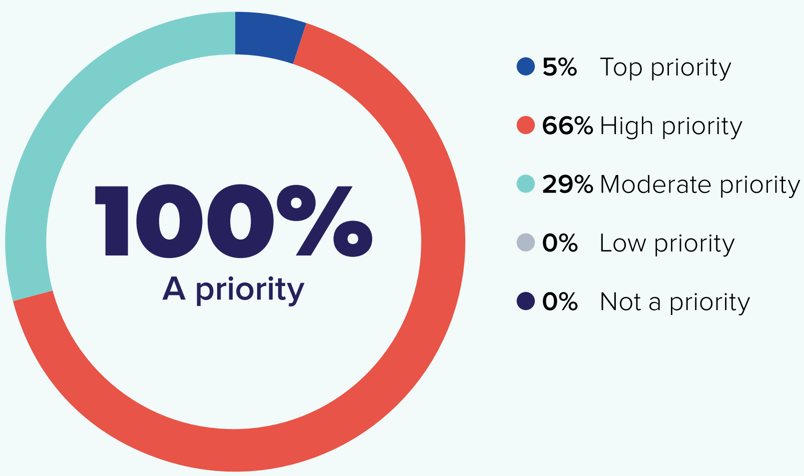


Over the next 12 months, organizations will prioritize technical infrastructure and security improvements in their technology investments. Specifically, their top three priorities will be real-time data integration and analytics (43%), investing in advanced fraud detection and prevention (42%), and implementing AI-powered decision support systems (40%).

Legacy system modernization (36%) and staff training (34%) are also significant priorities. This indicates recognition that successful transformation requires both technological and human capital investment.

Strategic Priorities for the Next 12 Months

Considering your organization's current digital and customer strategies over the next 12 months, how much of a priority is improving the digital claims experience?



Notably, improving the digital claims experience will command significant attention across organizations over the next 12 months, with 66% of respondents rating it as a high priority and 5% rating it as a top priority. Only 29% consider it a moderate priority, with no organizations rating it as low priority or unimportant.

Overall, this demonstrates industry-wide recognition of digital claims as a competitive differentiator and an important investment in maintaining market share.

Practitioner Perspectives: Operational Challenges

Based on conversations with our Digital Insurance speakers, data silos and talent management are two of the most persistent operational challenges facing insurers.

A senior operations leader explained that "silos are so prevalent because most insurance carriers started out in a file room." In other words, legacy infrastructure continues to create complexity during the integration of new tools.

Another speaker said that finding talent for technical and claims management roles has become challenging. Much of the best talent left "post-COVID," creating knowledge gaps that technology must help bridge. The speaker suggested implementing "next-best-step" AI guidance systems to empower employees.

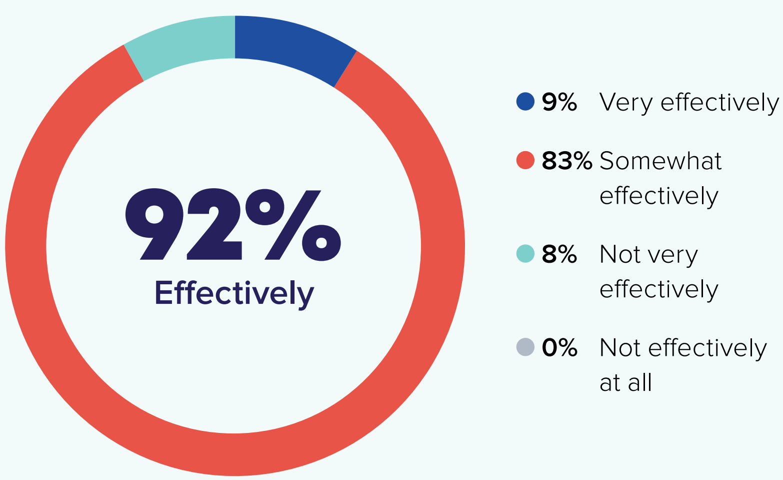
AI Implementation & Effectiveness

Insurance organizations are adopting AI at a rapid pace. However, most acknowledge that they haven't yet realized the full capability of their AI. The industry appears to be in an experimental phase with AI, balancing innovation with risk management inherent in insurance operations.

Current AI Utilization in Insurance Claims

The respondents have cautious optimism about AI implementation, and for good reasons. Based on conversations with the respondents, many have already witnessed results from the implementation of basic AI tools like chatbots and virtual assistants.

How effectively is your organization utilizing AI to streamline claims processing?



Currently, 83% rate their AI utilization as "somewhat effective." Insurance organizations have evidence of AI's value thanks to their initial projects, but they have a realistic assessment of their current capabilities and what customers will expect of them in the future.

While only 8% admit that their AI implementations are "not very effective" at streamlining claims processing, only 9% rate it as "very effective."

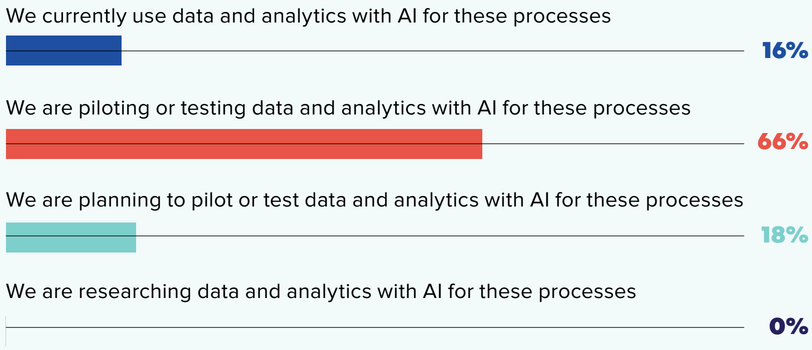
What do customers appreciate most about your digital claims experience?

"Customers feel our claims portal stands out because of its interactive interface using AI, which instantly identifies the best help for each particular circumstance and simplifies even complicated commercial claims when seeking help."

Department Head, Innovation, Commercial Insurance Provider

AI in Actuarial and Underwriting Functions

Is your organization utilizing data and analytics with AI to inform actuarial and underwriting processes?



Finally, the integration of AI with actuarial and underwriting processes shows significant momentum. Most organizations (66%) are currently piloting or testing these applications, and 16% have already implemented them. An additional 18% are planning to begin pilots.

The insurance industry is shifting the digital claims experience toward AI-enhanced capabilities. In addition to real-time data analysis and higher security and fraud detection standards, an organization's ability to improve systems using AI is now a top competitive element in insurance.

Practitioner Perspectives: AI Implementation

Based on conversations with our Digital Insurance speakers, AI implementation success depends heavily on organizational governance and cross-functional collaboration. A leader from a large national insurance company described this team-based approach as using "a red team looking at all the bad things that could happen" alongside "a blue team looking at the art of the possible."

According to leaders, insurance organizations must balance opportunities with risk in their AI deployments. This includes paying careful attention to how AI implementations affect the work of humans. When implemented correctly, AI can augment human capabilities and make them more efficient, rather than replacing humans entirely and risking the loss of their knowledge, insights, and interpersonal skills.

Conclusion: Balancing Technology with Human Capabilities in the Claims Experience

Insurance companies now see digital claims as crucial for gaining an edge and keeping customers. Basic digital tools like chatbots and mobile apps are widely used, but advanced AI solutions are still being tested. Meanwhile, customer expectations keep rising, especially regarding speed, personalization, and round-the-clock access.

Despite widespread adoption of AI, most organizations are cautiously optimistic about implementation, choosing to take advantage of use cases that can clearly deliver value. They are also taking steps to overcome persistent challenges like legacy system integration, the elimination of data silos, and other operational complexities.

Over the next 12 months, insurance leaders will make investments into real-time data capabilities, advanced fraud detection systems, and AI-powered decision support tools. Success will depend on organizations' ability to take advantage of possibilities, engage in practical implementation strategies, and maintain the human elements that remain crucial for creating a positive customer experience.

Key Suggestions

Prioritize integration potential when selecting new technologies: Seamless connectivity between systems will eliminate the fragmented experiences that frustrate both customers and staff, creating a more cohesive digital ecosystem.

Implement AI gradually with robust governance frameworks: A measured approach to artificial intelligence deployment allows organizations to capture value while maintaining the risk management standards essential to insurance operations.

Design self-service options that complement human expertise: Customers want convenience and speed, but complex claims still require empathy and problem-solving skills that only experienced professionals can provide. Make sure they are just "a click away."

Invest in real-time data infrastructure before deploying advanced analytics: Clean, accessible data serves as the foundation for all digital improvements, from basic automation to sophisticated predictive capabilities.

About the Author

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Digital Insurance Insights, the industry research and digital publishing arm of Digital Insurance, delivers cutting-edge data and analysis on trends, challenges, and opportunities in the insurance sector. Through comprehensive research reports, webinars, and thought leadership initiatives, we empower senior-level insurance leaders to make informed strategic decisions and stay ahead in the rapidly evolving digital landscape. Our deep industry intelligence not only informs insurance leaders but also connects innovative solution providers with key decision-makers, fostering a dynamic ecosystem that drives the future of digital insurance best practices.

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