

# The state of automation in insurance, 2025

In 2024, insurers faced rising claims, cost pressures, and growing customer expectations, exposing the limits of traditional automation. This whitepaper explores how agentic automation—AI-driven, self-learning workflows—can help insurers improve efficiency, enhance customer experience, and stay competitive in 2025 and beyond.



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# Looking back at 2024: A year of pressure and transformation

Two things: pressure from all angles and the race for smarter, more efficient operations, defined the insurance industry in 2024. As cost pressures mounted, claims volume surged, and customer expectations evolved—insurers had to rethink their approach, or risk falling behind. On the heels of the terrible wildfires in Los Angeles, the industry will continue to feel these impacts and drivers for the foreseeable future.

## A few key themes stood out:

### 1. The push for operational efficiency

Every insurer talked about efficiency in 2024, but many hit a wall with their existing automation efforts. Robotic Process Automation (RPA) and workflow automation helped, but decision-heavy processes—like claims adjudication and underwriting—remained stubbornly reliant on human intervention. The industry needed a new level of automation, one that could go beyond task execution and actually make decisions.

### 2. Customer expectations went through the roof

Nobody wants to wait weeks for a claim decision or spend hours navigating a clunky policy purchase. AI-powered customer service became table stakes, and insurers who lagged in digital experience saw their Net Promoter Scores (NPS) plummet. Policyholders expect fast, personalized service—and that means

insurers need AI that can anticipate needs, not just respond to them.

### 3. The data struggle became real

The insurance industry runs on data, but in 2024, many companies realized they weren't using it effectively. Legacy systems weren't built for the sheer volume of structured and unstructured data insurers now handle—from customer interactions to risk models. The winners were the ones that figured out how to make AI work with their data, not just add more dashboards on top of it.

### 4. Embedded insurance and ecosystem expansion took off

Customers don't just buy insurance from insurers anymore. Embedded insurance—integrated directly into retail purchases, travel bookings, and even fintech apps—became a core growth area. But scaling these partnerships required automation that could adapt across different platforms and process data in real time.

### 5. The compliance headache got bigger

With AI regulations tightening, insurers faced more scrutiny than ever. Regulators demanded transparency in AI-driven underwriting, fraud detection, and claims handling. Companies scrambling to retrofit explainability into black-box AI models had a hard time keeping up.



# Why agentic automation is the next step

If 2024 made one thing clear, it's that traditional automation has limits. The industry needs systems that don't just execute rules but can orchestrate workflows, self-correct, and make real-time decisions—all while maintaining compliance and trust. Aside from the normal business imperatives of revenue generation, operational efficiency and customer/broker experience - the increasing occurrences and severities of major loss events like the Los Angeles fires will require a far more aggressive approach to streamlining insurance processes. Resource and cost constraints, increased reporting requirements and aggressive competition in the market will force the carriers and brokers to do more with less.

That's where agentic automation comes in. Instead of just speeding up individual tasks, agentic automation allows insurers to build AI-driven workflows that are adaptive, self-learning, and

scalable. In the sections ahead, we'll explore exactly what that means, how it will reshape the industry, and what it takes to get it right.

## **The rise of agentic automation in insurance: redefining the industry's future**

The insurance industry stands on the brink of a revolution. From paper-heavy processes to digital workflows, the sector has embraced numerous waves of innovation. But agentic automation—a blend of advanced AI, machine learning, and orchestration—promises a transformation like no other. This isn't just about doing tasks faster; it's about redefining the way insurers operate, innovate, and serve their customers. The ability to transform long-running workflows into truly

automated processes that make decisions, self-test and self-heal will finally be a reachable goal.

For C-suite executives, understanding agentic automation isn't optional—it's essential. This article will explore its rise, the seismic impact on the industry, the key components required for success, and how to shape a target operating model that thrives in this new paradigm. Let's take a closer look at this transformative moment.

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## What is exactly is agentic automation?

Think of agentic automation as the next evolution of automation. Unlike traditional RPA, which follows rigid scripts, or even intelligent automation, which incorporates AI to improve task execution, agentic automation is self-orchestrating. It empowers systems to act autonomously—learning, adapting, and making decisions in real time.

Picture an AI-driven claims processor not just verifying documents but analyzing patterns, identifying fraud, and resolving straightforward claims without human intervention. It's not about replacing humans—it's about enabling a level of efficiency and precision previously unimaginable.

## Why is it emerging now?

Several forces are converging to make this the perfect moment for agentic automation:

- Technological maturity: Large language models (LLMs) and advanced AI systems are no longer theoretical—they're tested, deployed, and scalable.
- Customer expectations: In an on-demand world, policyholders expect lightning-fast resolutions and hyper-personalized service, which is forcing technology transformation.
- Market pressures: Intense competition from insurtech disruptors is pushing incumbents to innovate or risk irrelevance.



## Impact on the insurance industry

### Operational transformation

Traditional insurance workflows rely on layers of human review, but agentic automation rewrites the rulebook. Repetitive tasks—whether it's underwriting, claims processing, or customer onboarding—are automated at a new scale. The result? Human talent can focus on strategic, high-value tasks instead of the mundane.

### Customer experience

When was the last time a policyholder raved about their insurer? Agentic automation has the power to change that. Imagine customers receiving proactive alerts about policy updates or claims resolved in minutes, not days. This isn't futuristic—it's achievable, and it will set new benchmarks for satisfaction.

### Market competitiveness

Agentic automation levels the playing field for insurers of all sizes. Whether it's operational cost reduction, speed to market, or the ability to pivot based on real-time data, early adopters will pull ahead, while laggards face a steep uphill battle.

# Key components for success

## 1. A solid automation foundation

Without a robust automation baseline, agentic systems have no ground to stand on. Organizations must assess their current RPA and intelligent automation deployments, ensuring they can integrate agentic capabilities seamlessly. A great starting point for agentic discovery is where a company has already deployed robotic automations but humans are still heavily involved with decision-making or analysis tasks

## 2. Data and AI readiness

Data is the lifeblood of agentic automation. Insurers must prioritize data hygiene, governance, and accessibility. Advanced AI models rely on this structured data to deliver accurate results. Strong partnerships with technology innovators like UiPath can greatly accelerate these activities

## 3. Human-AI collaboration

Agentic automation thrives in an ecosystem where humans and machines complement each other. Upskilling the workforce is critical—not just to operate these systems but to make strategic decisions based on AI-driven insights.

## 4. Ethical and regulatory alignment

Navigating the complex regulatory landscape is non-negotiable. As AI becomes central to decision-making, ensuring compliance and fostering transparency with customers is critical for trust and long-term success.



# The target operating model: what success looks like

To thrive in this agentic era, insurers must rethink their organizational structures and processes.

Visionary leadership	Flexible technology architecture	Data-driven decision making	Customer centric focus	Agile and adaptive culture
The boardroom must champion this transformation. Line of business leadership in combination with technology and AI leaders, must create a steering committee-type approach to developing the framework and roadmap for agentic transformation in the enterprise.	Rigid legacy systems are the Achilles' heel of innovation. Successful organizations will adopt modular architectures, leveraging cloud-native tools, APIs, and microservices to scale effortlessly. Platforms like UiPath which create a bedrock of robotic automations enable the full abilities of agentic orchestration.	Agentic automation isn't just about efficiency; it's a gateway to better decisions. Embedding predictive analytics into workflows can revolutionize risk assessment, fraud detection, and market forecasting.	Every process, tool, and decision should enhance the customer journey. Agentic capabilities must align with real-world needs—whether it's streamlining claims or tailoring policy recommendations.	Transformation isn't just about tech—it's about mindset. Insurers must cultivate a culture that embraces change, iterates quickly, and celebrates innovation.



# Overcoming challenges

While the opportunities are immense, hurdles remain:

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## Change management

Resistance to change is a given. Leaders must communicate the “why” behind this transformation, addressing fears and aligning teams with the broader vision.

## Initial investment vs ROI

Agentic automation requires upfront investment. Demonstrating ROI through pilot projects and quick wins can secure broader buy-in.

## Technology and talent gaps

Skills shortages and outdated tech can derail progress. Strategic hiring, partnerships with innovators like UiPath, and workforce development programs can fill these gaps.

## The road ahead

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### Trends to watch

- Generative AI reshaping underwriting and customer engagement.
- New collaborations between traditional insurers and nimble tech firms.
- AI governance frameworks gaining prominence.



# Conclusion

Agentic automation is more than a buzzword—it's a defining moment for the insurance industry. By embracing this shift with clear vision, robust technology, and customer-centric strategies, insurers can move beyond incremental gains to achieve transformative outcomes. The journey won't be without challenges, but the rewards—redefining industry standards and exceeding customer expectations—make it a future worth pursuing.



**Learn more about the  
insurance industry's high  
automation potential [here >](#)**

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