

Maintaining confidence under pressure

To manage and foster trust, insurance companies are investing in technology and adapting operations.

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Introduction

The increased risk environment insurance companies face has not dampened growth expectations. Over the coming year, insurance professionals expect technological innovations and evolving opportunities to offset potential headwinds from risk and uncertainty.

To better understand the many issues impacting the insurance industry in 2026 and beyond, Digital Insurance (an Arizent brand) surveyed insurance industry professionals. This report highlights the findings – examining macroeconomic trends, technological advancements and the payments and digital solutions landscape. It explores how insurers are managing risk and harnessing the transformational potential of technology to maintain resiliency and grow their businesses in a rapidly evolving world.

Key findings

- More than 80% of insurance respondents anticipate growth ahead, despite mixed views on how well the United States economy will perform.
- The biggest challenges confronting insurance companies are acquiring/retaining clients, data and IT security, attracting/retaining talent, recession and keeping up with changing client expectations.
- Technological change – especially generative AI and threat intelligence tools – is transforming the ways insurance organizations collect data, process information and make decisions.
- More than two thirds of respondents expect to increase their technology spending this year to keep up with the pace of innovation.

Methodology

Digital Insurance conducted this research online from late October through early December 2025, surveying 100 qualified respondents who work at an insurance carrier, agency, brokerage or independent adjuster of any size.



Why read this report?

This research-based report investigates the internal and external factors expected to impact the insurance industry in the near term and the role technology plays in business planning.

Partner insights from:



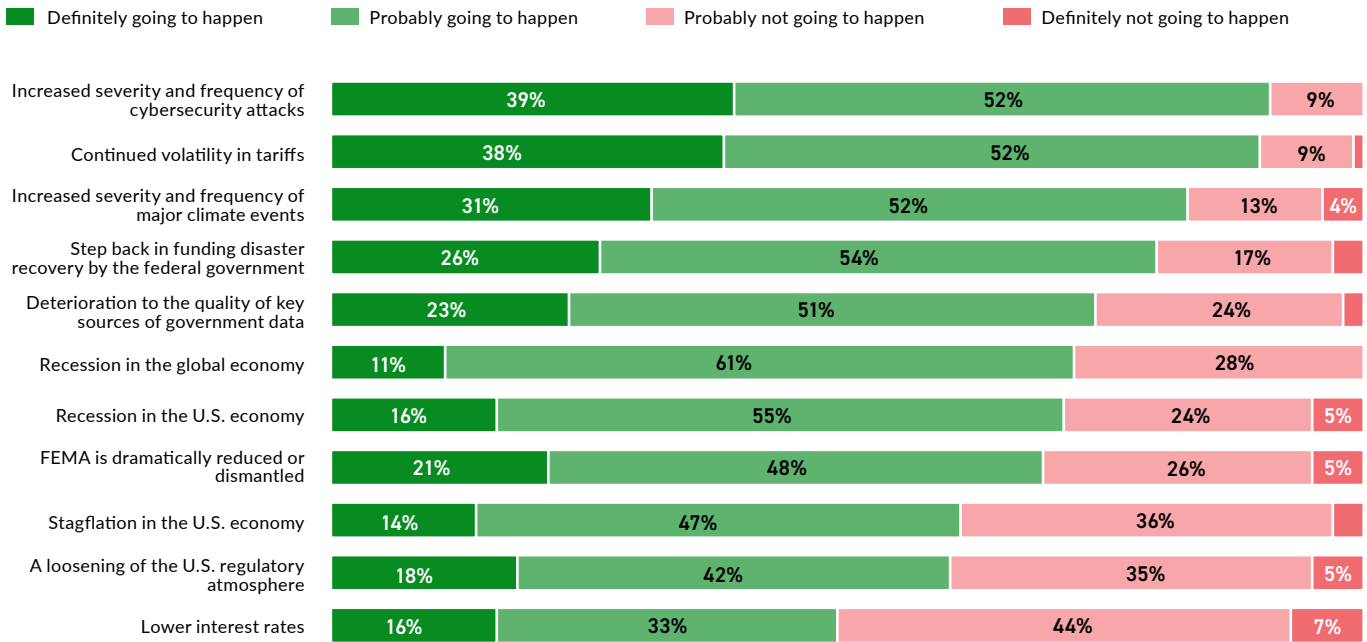
PREDICTIONS 2026: WHAT TO EXPECT IN THE YEAR AHEAD

The risk landscape confronting today's insurance industry is both daunting and broad

Insurance companies expect to confront technology, political, social and climate risk this year. Most insurers expect cyberattacks to grow in severity and frequency, and continued volatility around tariff policy — amid a variety of other intensifying threats (see Figure 1).

Figure 1: Insurers expect a wide range of issues to escalate in the coming year

How likely is it that the following scenarios will occur in the coming year?



Source: Digital Insurance, Predictions 2026: What to expect in the year ahead
 Note: Data labels for values less than 4% not shown

Cybersecurity is the industry's biggest worry. As cyberattacks grow in sophistication, impact and occurrence, insurers need to ensure their systems are strengthened and day-to-day workflows account for potential threats. While managing this risk, insurance professionals also have recession and an increase in climate-related disasters top of mind. Taken together, this could mean lower investment returns, a reduction in business activity, increased claims and strain to the bottom line.

Natural disasters are also a particular concern for insurance companies thanks to pressures on a number of fronts. Increasingly severe storms are leading to higher claims and forcing insurers to increase premiums beyond what many consumers can afford to pay. At the same time, insurance professionals are aware federal recovery efforts, including FEMA and disaster relief funding, may be dismantled — further heightening their uncertainty.

Last year, natural disasters cost the industry \$108 billion in insured losses worldwide, according to a recent study by Munich Re, a multi-national insurer based in Germany.¹ Claims are growing as customers experience a wide variety of negative circumstances, and other sources of relief funding are dwindling.

PREDICTIONS 2026: WHAT TO EXPECT IN THE YEAR AHEAD

All of this is driving up premiums as insurers price the increasing claims cost and factor in expected risk. Nearly three quarters of insurers (72%) see the lack of affordable options for customers who need disaster insurance as a big issue for the industry.

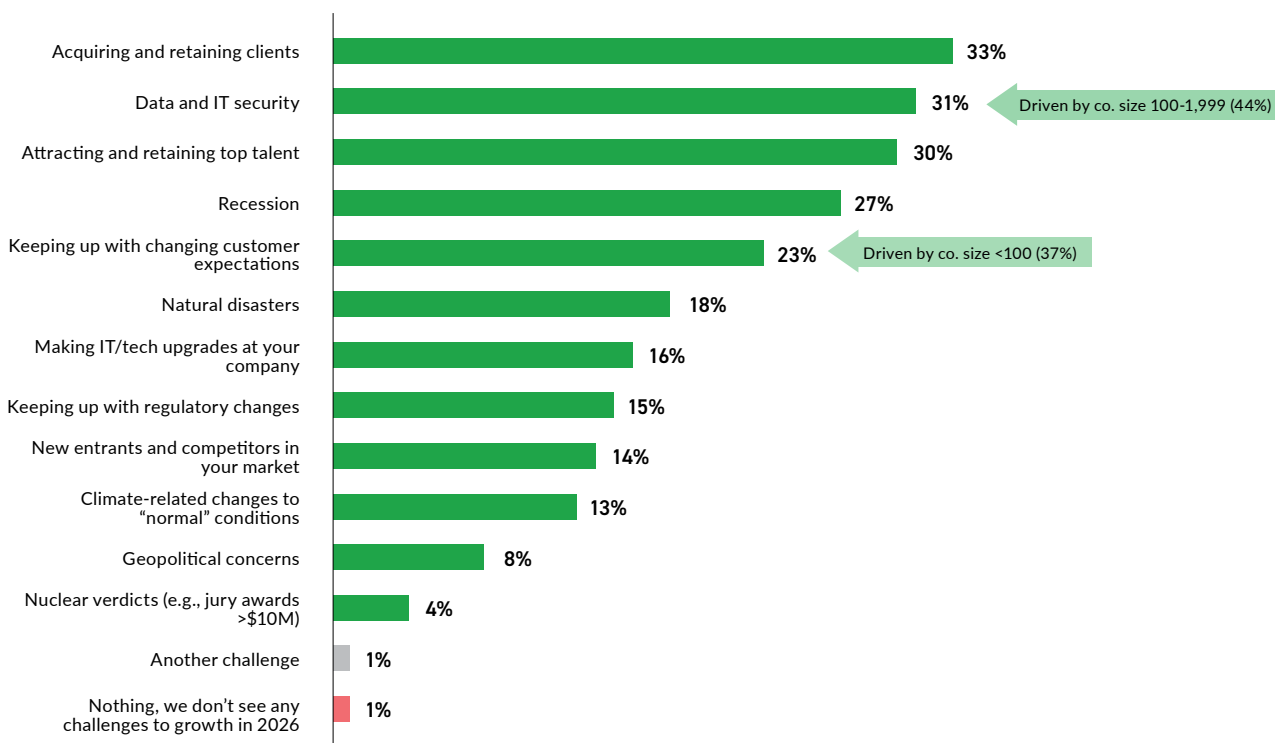
As the federal policies previously aimed at recovery efforts dwindle, insurance companies are wondering who might step into that void. State governments provide one possibility as they could create systems and pre-position resources for fast disaster response.

However, insurance leaders are divided about whether states will take a more active role in funding disaster recovery in the coming year, with 59% believing they probably or definitely will and the other 41% saying they won't. Opinions similarly differ about whether states will address climate risks for critical infrastructure, with 57% saying it's not likely and 43% saying it is.

Many of these macroeconomic threats translate into or amplify key operational challenges for the insurance industry. Consequently, the range of challenges on industry experts' radar is substantial (see Figure 2).

Figure 2: Several key business threats could slow industry growth

What do you expect to be the biggest challenges for your company in 2026?



Source: Digital Insurance, Predictions 2026: What to expect in the year ahead

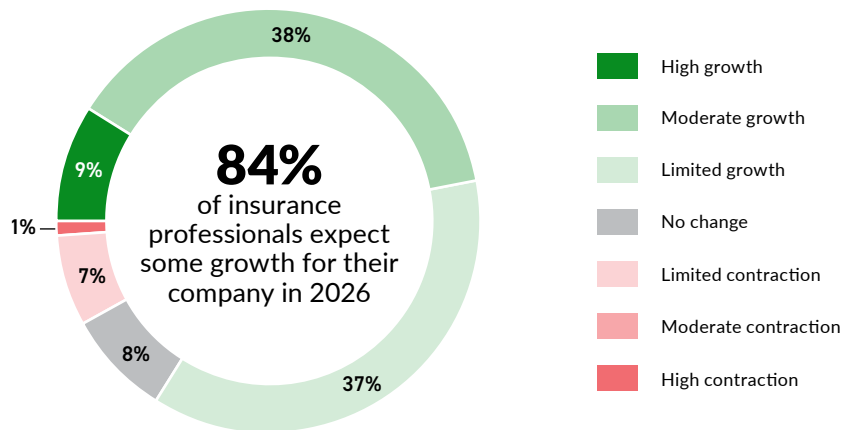
It's also clear insurers see these challenges through the lens of client acquisition and retention. They must shore up their data and IT security in the face of evolving threats, and they also need to maintain the appropriate staff and technology to support changing customer expectations. Resiliency and agility remain critical for success.

Insurance companies are confident about growth

Do organizations have the resources they need to mitigate risk and seize opportunities for growth in this environment? The industry is optimistic. A strong majority of insurance leaders see 2026 as a year for overall growth (see Figure 3). Insurance companies anticipate high or moderate growth in many service lines, led by cybersecurity policies, disaster insurance and commercial insurance.

Figure 3: Insurance companies expect growth this year

What kind of growth are you expecting for your company in 2026?



Source: Digital Insurance, Predictions 2026: What to expect in the year ahead

New technology is also creating opportunities for insurance companies to streamline operations, provide more individualized service to customers and make appropriate decisions more rapidly. It holds the potential to increase demand for insurance as customers look to mitigate the risks associated with rapid technological change.

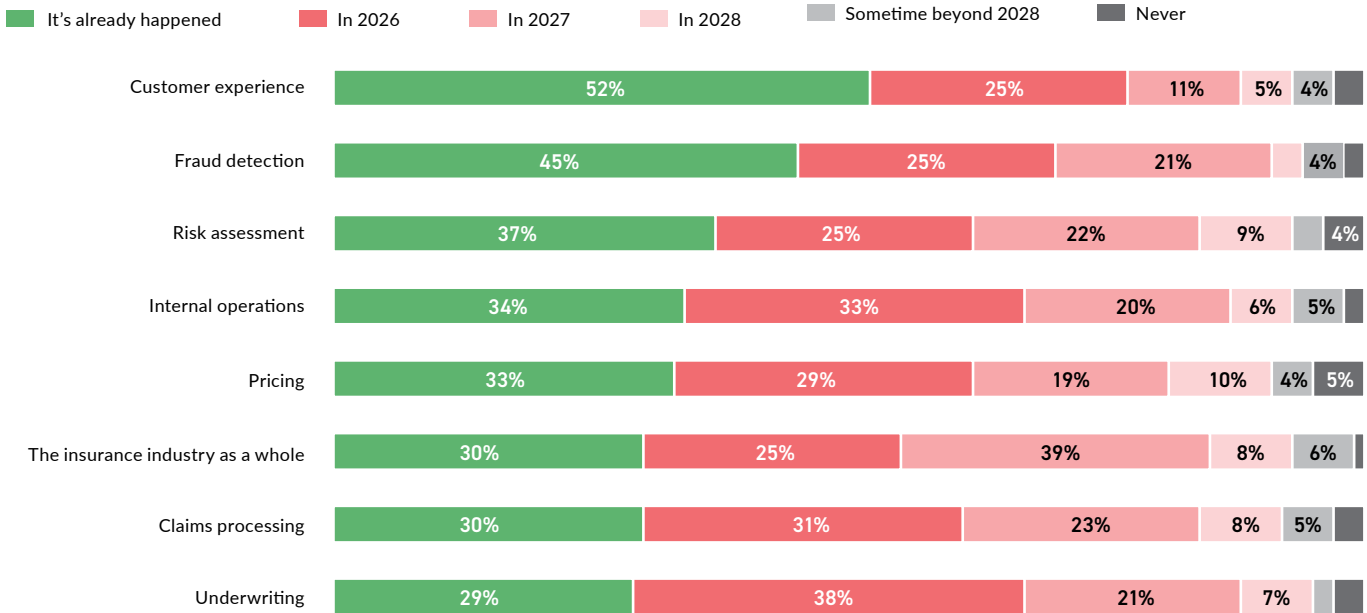
Insurance professionals believe cybersecurity (53%) will have the biggest impact on how insurance companies operate in 2026. New cyber intelligence tools are mitigating the risk posed by cyber criminals. At the same time, growing concern about the overall threat provides insurers with an opportunity to expand existing coverage and create new products, though the way forward on that front remains [far from clear](#).

Insurers also expect generative AI to improve their operations. The majority of respondents believe it will have a dramatic impact on virtually every aspect of the insurance business during the next two years — specifically when it comes to customer experience, fraud detection and underwriting (see Figure 4).

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Figure 4: Insurance companies expect AI to drive change across their business

When do you expect AI to have a dramatic impact on the following areas of the insurance industry?



Source: Digital Insurance, Predictions 2026: What to expect in the year ahead
 Note: Data labels for values less than 4% not shown

Notably, respondents expect AI to help address areas they've identified as key business challenges. The ability to [automate underwriting](#) and [personalize pricing](#) in real time can help deliver faster, more seamless digital interactions that help improve the customer experience and bolster client acquisition and retention. Using AI to [detect patterns of fraudulent activity](#) could help address cybersecurity challenges and automating workflows can help [relieve burnout and retain top talent](#).

During this period of change, technology investment is a top priority

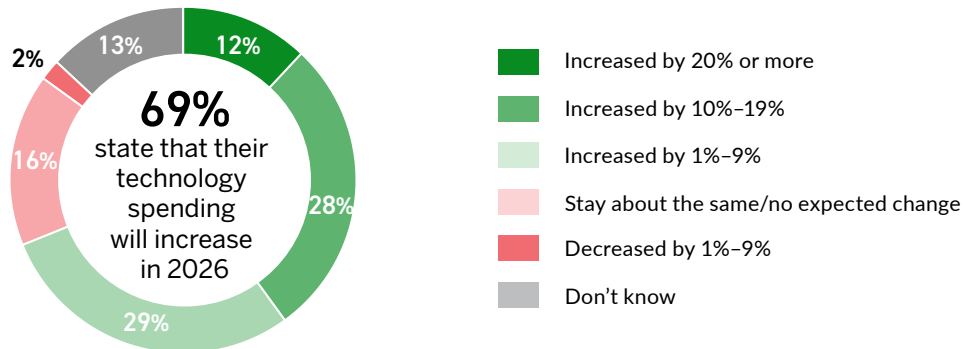
The technologies necessary to increase resiliency and agility in the insurance industry won't always be plug and play. Organizations are actively investing in the systems, platforms and software that will generate and maintain growth going forward (see Figure 5). There's evidence organizations see this increased level of spending as a competitive imperative. Four in 10 insurance leaders say technology is their number one investment priority overall. And organizations expect results across metrics that fall to the bottom line, including cost savings (80%), improved customer experience (76%) and productivity across teams (76%).

Introducing innovative technology in pursuit of multiple objectives across multiple areas of the business requires strategic thinking. If new tools don't integrate smoothly with existing technologies and workflows, they often wind up having the opposite impact of their intention. Respondents are looking for their technology partners to deliver certified integrations and proactive joint support to ensure their projects produce their expected returns as soon as possible (see Figure 6).

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Figure 5: Most insurance companies plan to increase tech spending

In 2026, will your company's technology spending have...

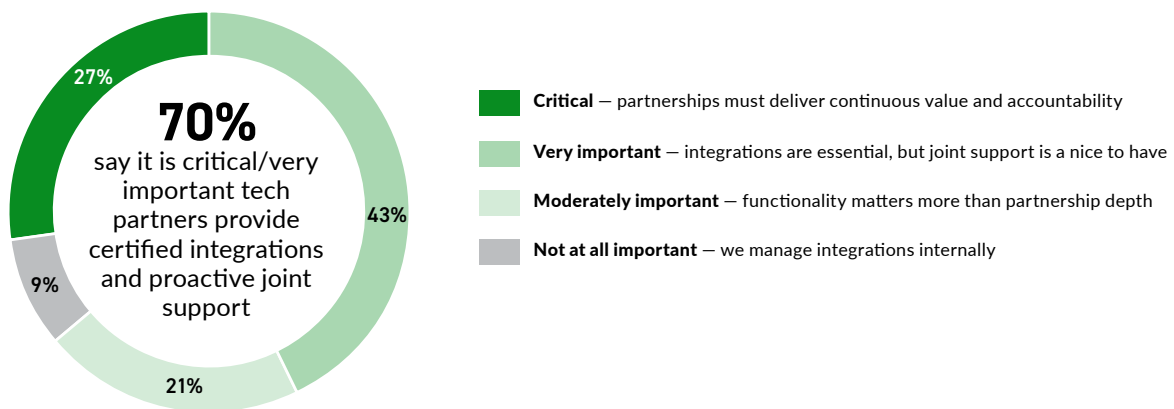


Source: Digital Insurance, Predictions 2026: What to expect in the year ahead

Expectations for this level of collaboration aren't surprising considering the complex and rapidly evolving situation the industry faces. Agility and resilience aren't just characteristics the insurance industry will need to adapt to evolving macroeconomic and business risks. To maintain their momentum, organizations have to be sure their existing systems remain robust and efficient as well. Technology vendors that can offer seamless integrations and tailored support have the potential to make a real difference as insurers position themselves for growth in a changing world.

Figure 6: Technology partners should offer certified integrations and proactive joint support

How important is it your technology partners provide certified integrations and proactive joint support (e.g., co-run adoption campaigns, co-own success metrics) rather than simply offering APIs or one-time setups?



Source: Digital Insurance, Predictions 2026: What to expect in the year ahead

Conclusion

- Insurers will need to keep a close eye on evolving risks as the geopolitical, technological and economic threat environment evolves in 2026.
- The most effective technological tools will help insurers address risk, improve operations and differentiate organizations from the competition.
- The industry understands how important it is new technology works in concert with existing platforms, enabling continued flexibility as systems evolve.
- Insurers are seeking out technology partners with certified integrations and solid support to help maximize resilience and agility.



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