



REPORT

Sapiens Insurance AI Maturity Index

An exclusive industry-wide report on the state of AI in insurance in 2026: where it stands, where it's headed, and the challenges ahead, according to senior insurance leaders.

sapiens 

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Executive Summary

With insurers finalising their 2027 plans and priorities, most are deciding which new AI capabilities to adopt based on anecdote and vendor claims rather than evidence. The Sapiens Insurance AI Maturity Index gives the industry a shared, quantitative benchmark, showing where the sector stands, including analysis by role, line of business, and region. That grounding matters most for agentic AI, where confidence is running far ahead of deployment: 87% of insurance leaders call agentic AI important to their business, yet only 16% have it running in production.

Built from responses of 475 senior insurance professionals and business users across five regions, the Index scores organisations on cloud migration, master data strategy, AI governance, and HR readiness. Looking at the industry geographically and organisationally, the report finds marked differences in AI adoption and practices across regions, process areas, and lines of business.

As the first instalment of an annual series, the Insurance AI Maturity Index offers the industry a running record of its own progress rather than a singular snapshot.

PART 1

What is the AI Maturity Index

This report sets out to answer one of the most critical questions in insurance today: how far has the industry come with AI and agentic AI, and where is it headed next? Sapiens commissioned this research to find the answers. The result is a first-hand look at adoption, confidence, and the roadblocks still standing in the way, straight from the people running insurance businesses and operations today.

Sapiens has spent more than 40 years inside the insurance industry, and that vantage point shapes everything in this report. To build it, we went directly to the people making the decisions: 475 senior insurance professionals split between the leaders setting AI strategy and the teams putting it to work every day across five regions:

- UK and Ireland
- North America: US and Canada
- South Africa
- Nordics: Sweden, Denmark, Finland and Norway
- Benelux: Netherlands, Belgium, Luxembourg

Responses are plotted on the Insurance AI Maturity Index, a scale we built to gauge how far along the industry is on its AI journey, so you can see where your organisation stands against your peers.

We also built the Index to score each organisation objectively across four dimensions that are essential to scaled AI transformation: cloud migration, master data strategy, AI governance and HR readiness. This report uses respondents' answers to score the industry, and the regions, roles, and organisation sizes, along the index.

Scores are grouped into four tiers:

Reactive organisations are typically in the early stages of cloud adoption, with no or early-stage master data and AI governance strategies.

Enabled organisations have moved onto the cloud, though not yet to software-as-a-service (SaaS), and have begun building out their data and governance foundations.

Operational organisations are running some workloads on SaaS and are planning or have already implemented both a master data strategy and a governance policy.

Autonomous Leaders, the top band, have an established master data strategy, an AI governance policy in place, and the broadest range of HR initiatives supporting AI adoption. Only a quarter of the industry has reached this top tier to date.

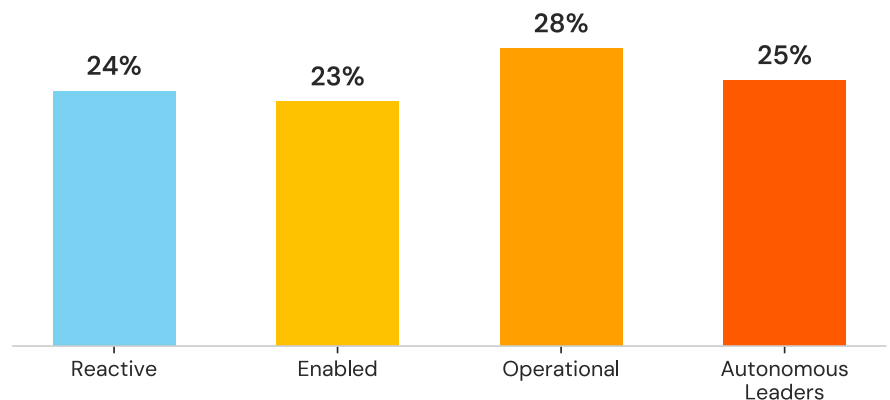


Fig. 1 Insurance AI Maturity Index distribution

At this point in the insurance industry's AI journey, there is no single right answer about where an organisation should be on the index. Insurers sit at different points for reasons ranging from regulatory environment to organisational scale, and a lower score is not a verdict on strategy. What the index offers is a snapshot of where regional and lines of business stand with AI and agentic AI in 2026. We will revisit these metrics annually to track how the industry moves.

Defining Automation and AI

At this advanced stage of AI technology, it's essential to distinguish among the different types of AI to accurately capture an organisation's maturity. To do so, survey respondents were asked about their use of the following technologies:

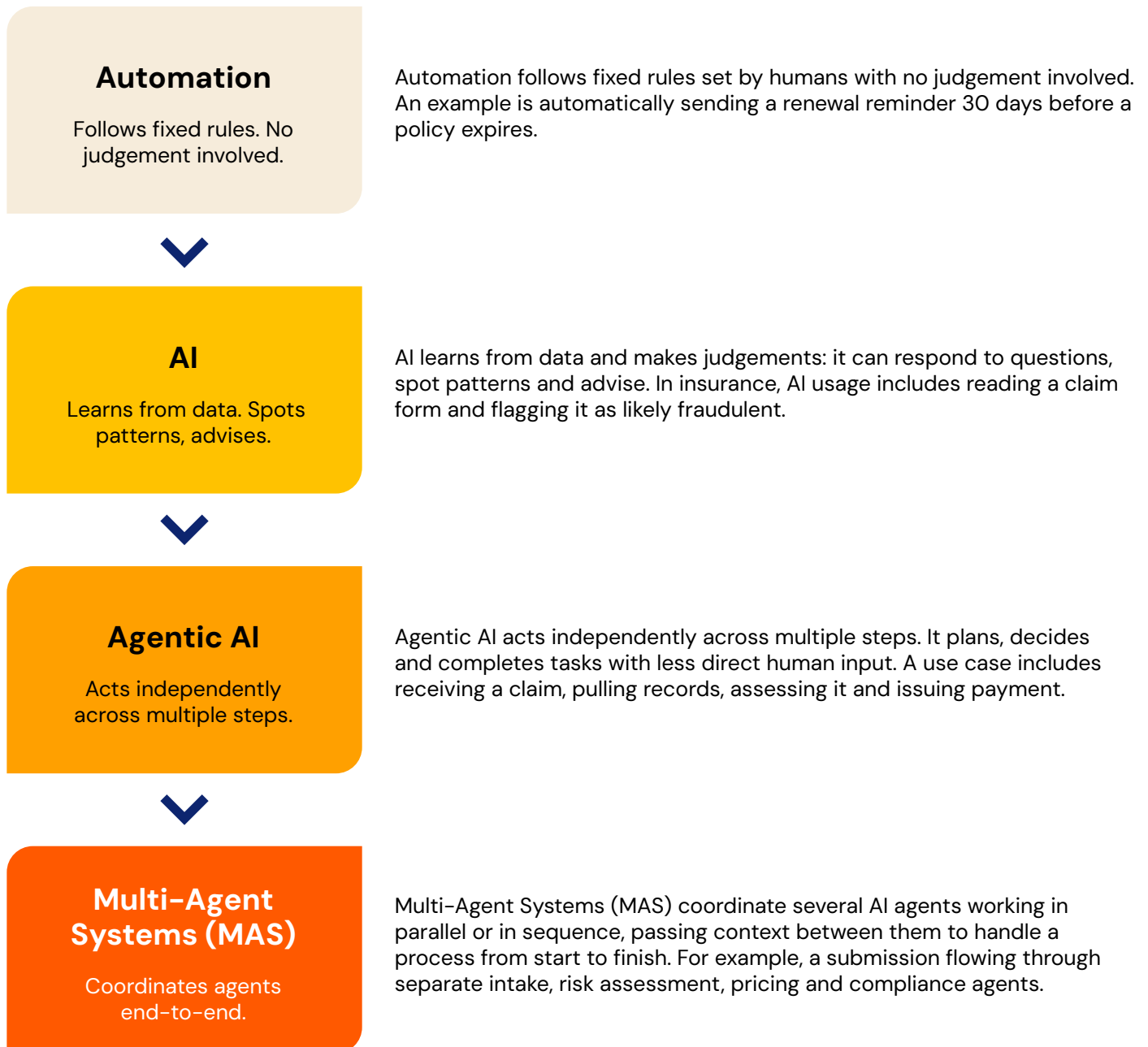


Fig. 2 Defining automation, AI, agentic AI and MAS

Part 2

Findings on the State of AI in Insurance

Ask insurance leaders whether agentic AI matters, and the answer is nearly unanimous: 87% say it is “very” or “quite” important to their business. Ask whether it is running in production, and the picture changes sharply: just 16% have it live today. That gap between conviction and deployment is one of the starkest findings in this research: the industry has made up its mind about agentic AI well before it has built it. A further 50% describe themselves as fully or mostly ready to adopt it, which suggests the gap is closing, but for now, belief in agentic AI is running far ahead of practice.

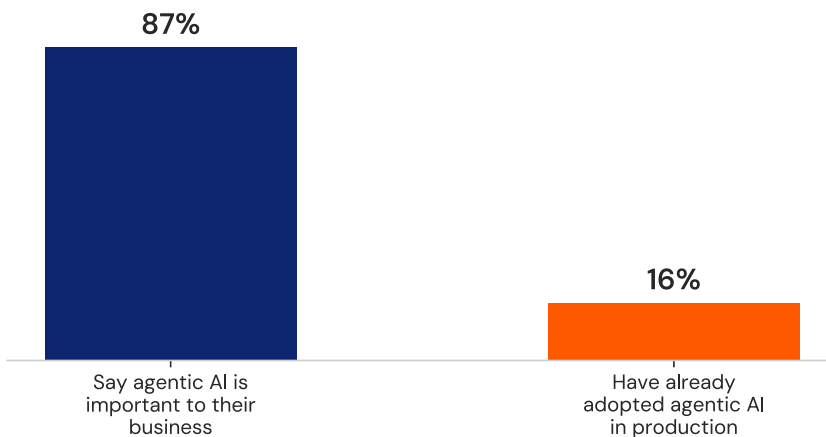
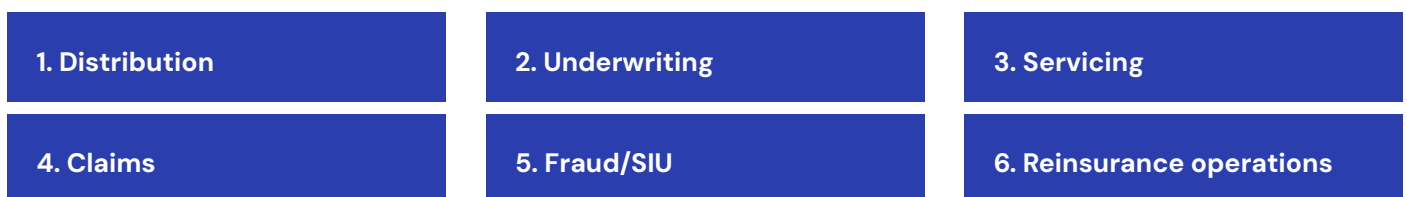


Fig. 3 Importance of agentic AI vs. current adoption



61% of insurance professionals say implementing AI is a key business strategy for their organisation's future. This belief rises to **74%** among Autonomous Leaders, versus **47%** of Reactive organisations.

Insurers report broad use of automation and everyday AI across six core process areas:



Automation is live on average in 40% of processes and AI in 42%. Agentic AI, which can take actions or work through multi-step processes with less direct human input, is live in only 24% on average, the clear laggard of the three.

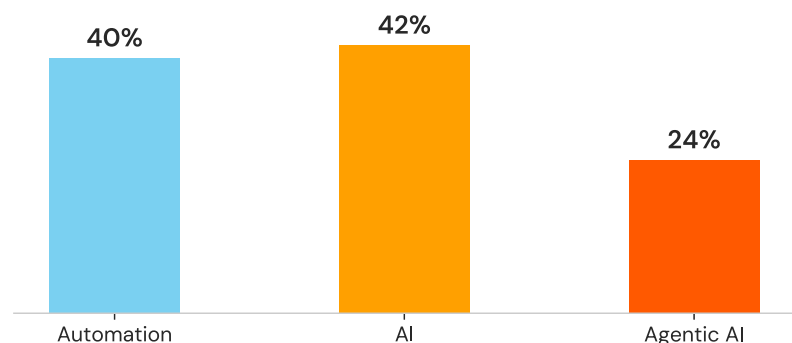


Fig. 4 Average live use of automation, AI and agentic AI across process areas

Breaking usage down by process area shows the three technologies do not cluster the same way everywhere. Respondents could select more than one technology per process area, so figures do not need to add to 100%; the chart below also shows the share who selected none of these technologies, so the gap in each function is visible alongside the progress. Automation is most

common in distribution (52%), where standardised, high-volume communications are the easiest processes to systemise. AI usage peaks in Fraud and SIU (46%), the function best suited to pattern recognition. Agentic AI is most used in servicing (34%), where multi-step case handling benefits most from a system that can act, not just advise. Reinsurance has the lowest automation and AI use

of the six functions, and the largest share reporting none of these technologies in use (16%), making it the least digitised function overall, even though distribution reports the lowest agentic AI use specifically.

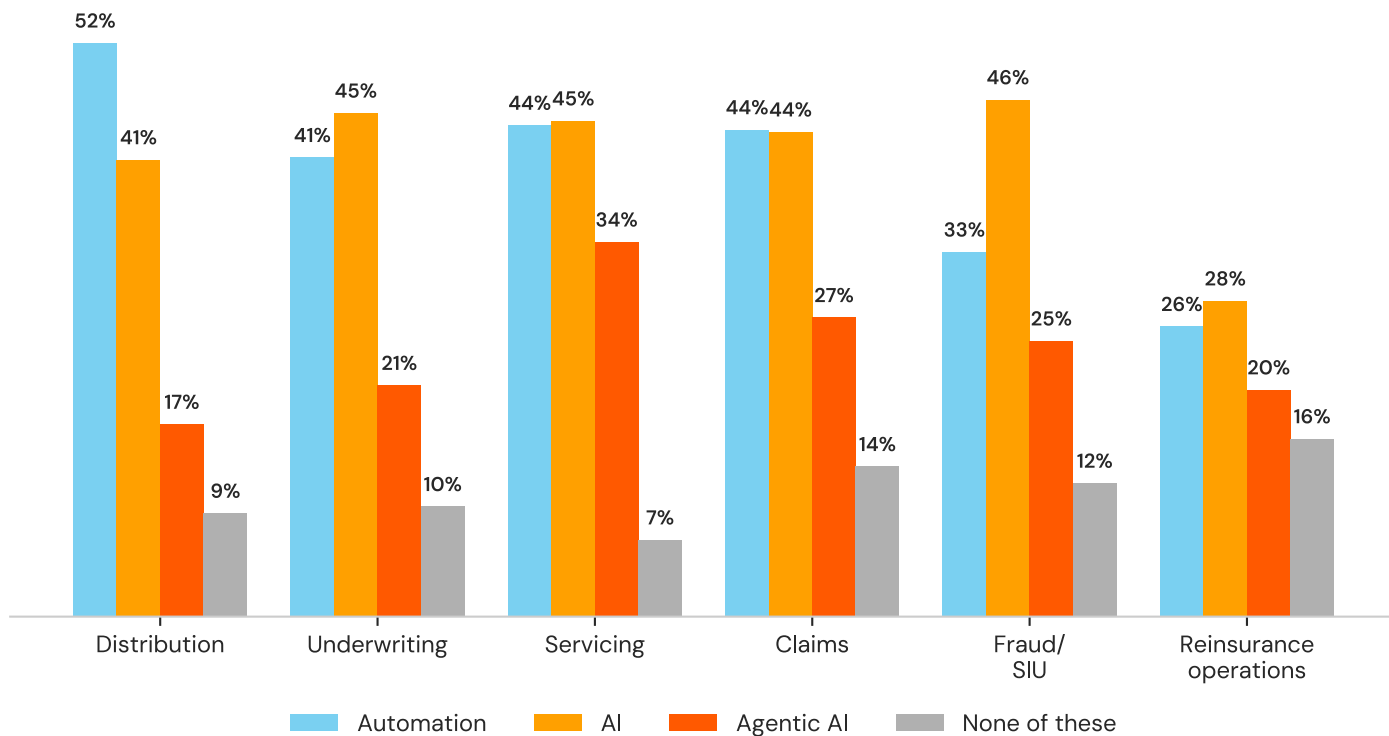


Fig. 5 Use of automation, AI and agentic AI, by process area, including the share using none of these

The size of that gap also depends on which part of the business is doing the work. Distribution shows the widest spread between the three technologies (52% automation versus just 17% agentic AI), while in servicing the three are much closer together (44% automation, 45% AI, 34% agentic AI), suggesting some functions are further along in closing the gap than others.

The most advanced AI is already in market

Asked to pick the single AI technology that best describes their organisation today, nearly one in five Transformation Leaders (17%) say coordinated multi-agent systems (MAS), the most advanced form of AI in this study, are already their organisation's most common approach to AI. Combined with the 33% who point to agentic AI, that means roughly half of Transformation Leaders now describe their organisation's everyday AI use in terms that go beyond one narrow model.

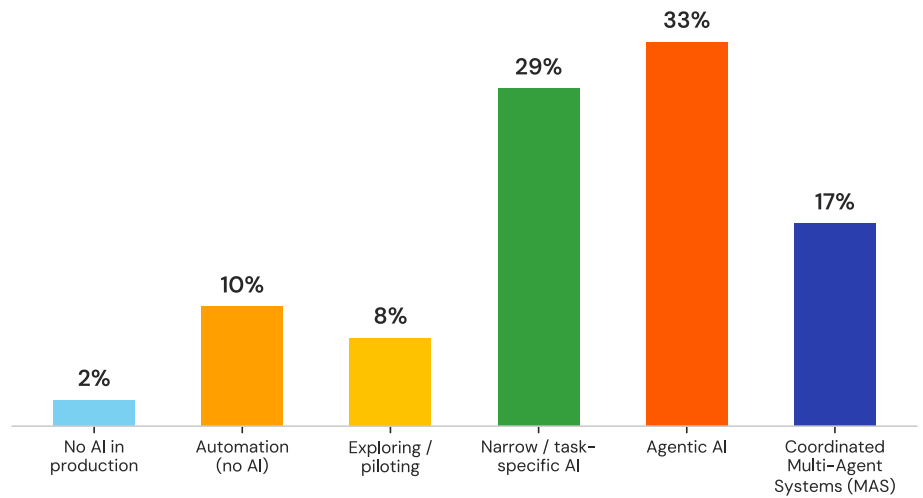


Fig. 6 Transformation Leaders' single best description of their organisation's current AI use

That average conceals an enormous regional split. A third of Transformation Leaders in the Nordics (33%) say coordinated MAS are already their organisation's most common approach to AI vs. just 5% in the UK, where narrow, task-specific AI remains the norm (41%). It is one of the widest gaps anywhere in this research: on this measure, the Nordics are roughly seven times further along than the UK.

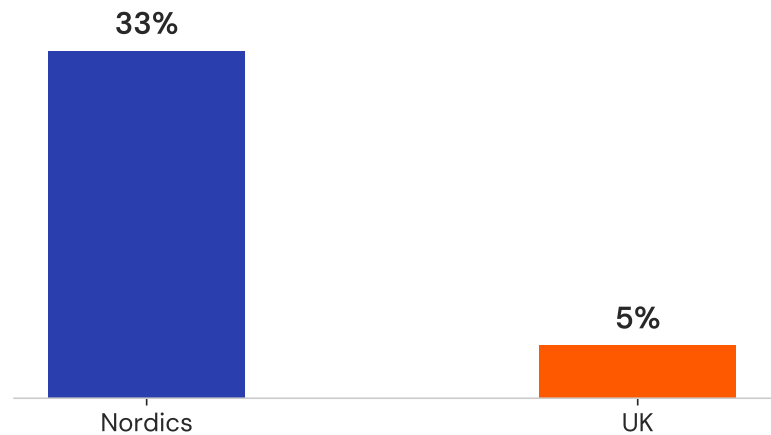


Fig. 7 Coordinated MAS as an organisation's most common AI approach, Nordics vs. UK

A maturing but uneven industry

Applying the index to this year's results shows an industry that is maturing overall but unevenly. Sharp differences exist by geography, line of business, role and organisation size, and are explored in more depth throughout this section.

Insurance AI Maturity Index: Share of Autonomous Leaders by Surveyed Region
Shaded regions were surveyed for this report; unshaded countries are shown for geographic context only.

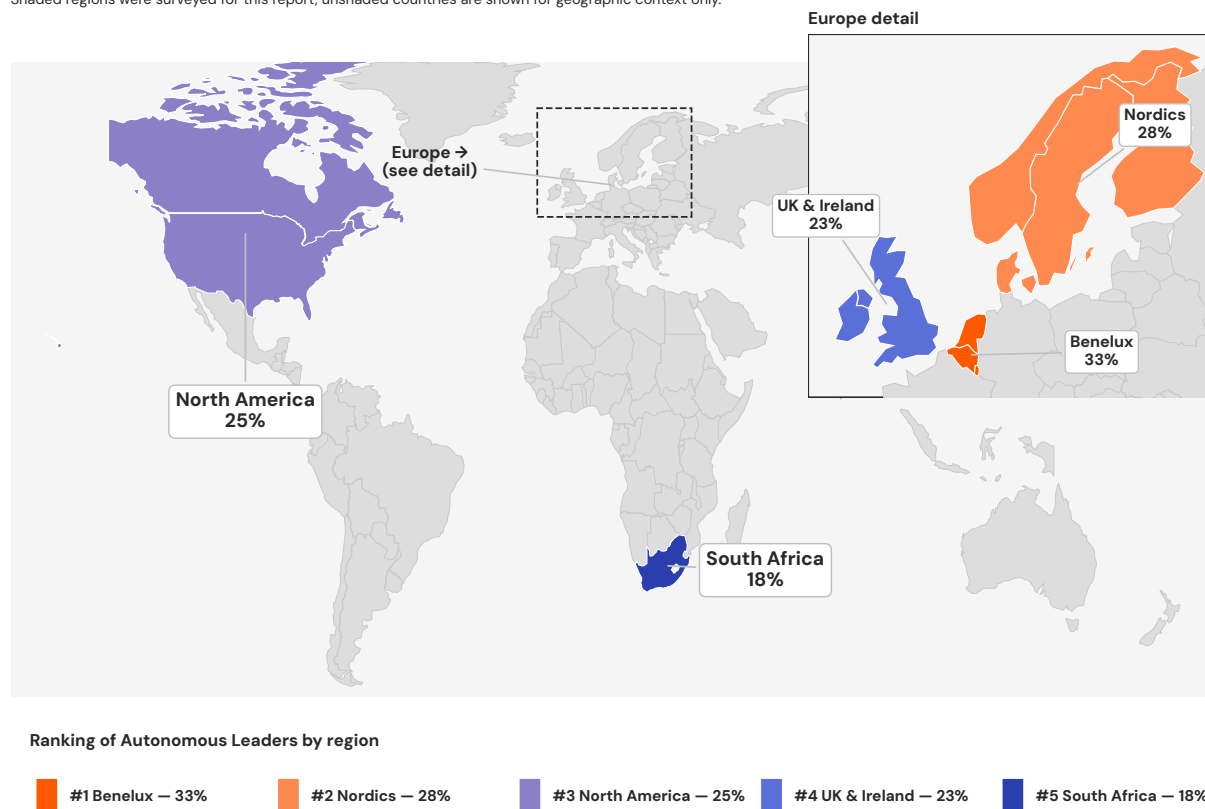


Fig. 8 Maturity index by region

Maturity varies sharply by geography. Benelux and the Nordics are pulling ahead, while South Africa and the UK and Ireland lag. South Africa scores lowest of the five regions on the maturity index itself, while the UK reports the least confidence of any region in its AI decisions and oversight, despite being one of the industry's largest markets.

Progress varies for many reasons, including market maturity, legacy infrastructure, and talent. Regulation alone does not appear to explain it. The EU AI Act, which entered into force in 2024 and is being phased in, classifies AI used

for risk assessment and pricing of individuals in life and health insurance as high-risk. The EU's Digital Omnibus on AI, approved in 2026, eases the near-term burden by delaying those high-risk obligations until December 2027.

The UK, by contrast, has taken a sector-led, principles-based approach rather than adopting a single AI law comparable to the EU AI Act, with regulators such as the FCA and PRA setting expectations under existing rules. In the US, states are introducing their own, varied AI-specific insurance rules. Yet Benelux and the Nordics, where the EU AI Act's stricter, risk-based

regime applies or is being adopted, score higher on the maturity index than the UK and Ireland. Among the many findings in this report, this is one of the most surprising, as it challenges the assumption that regulation necessarily slows adoption.

It's also clear that South Africa and the Nordics sit at opposite ends of the scale on appetite for agentic AI, as well as on maturity. Survey respondents identify the Nordics as placing the greatest importance on agentic AI and reporting the greatest readiness to adopt it of any region studied, while South Africa ranks lowest of the five regions on both measures.



*Just **36%** of insurance professionals feel their organisation is ahead of competitors on AI and agentic AI. This figure jumps to **43%** among Autonomous Leaders but falls to **30%** among Reactive organisations, underscoring how uneven this maturity picture is.*

Role is one of the clearest of the four categories: Transformation Leaders, who set AI strategy, report higher maturity than Business Users, who use it in daily operations: 57% of Transformation Leaders have reached Operational or Autonomous Leader status, versus 51% of Business Users.

By role

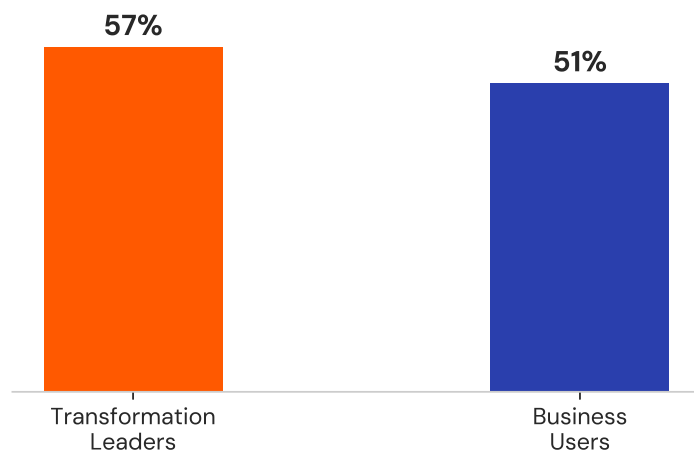


Fig. 9 AI Maturity by role

Line of business shows a consistent gap. P&C insurers report somewhat higher maturity than their Life counterparts. 59% have reached Operational or Autonomous Leader status, versus 52% of Life insurers. The same pattern shows up in data: 18% of P&C insurers have no master data strategy, compared to 30% of Life insurers.

By line of business

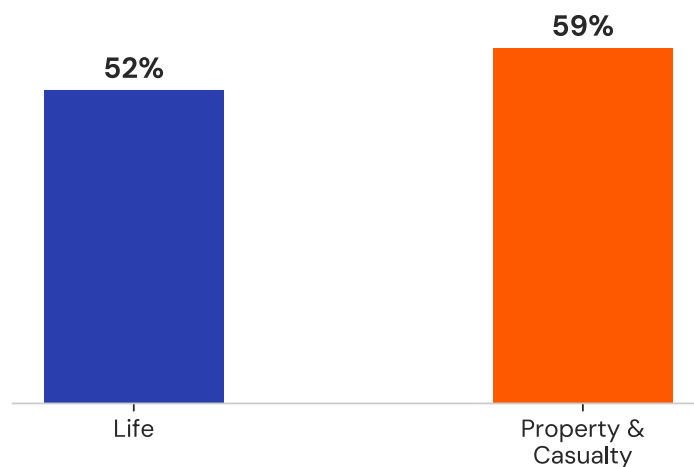


Fig. 10 AI Maturity by line of business

By organisation size

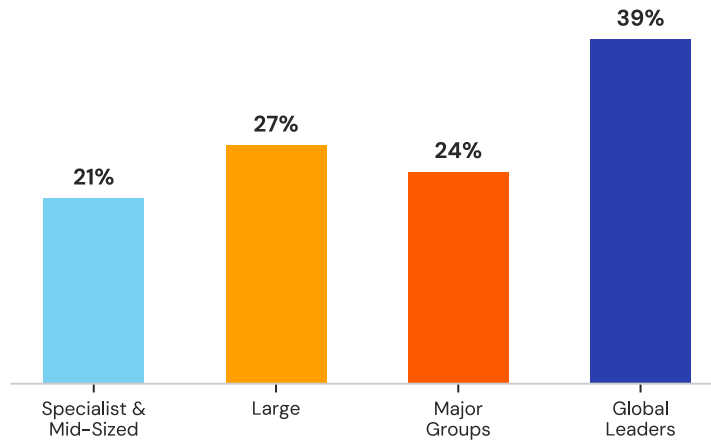


Fig. 11 AI Maturity by organisation size

Size and maturity move together, but not neatly. Global Insurance Leaders (with 20,000 or more employees) are the most mature size band by a wide margin, with 39% reaching Autonomous Leader status. But maturity does not rise steadily with size: Large insurers (1,000–4,999 employees) reach Autonomous Leader status more often than Major Insurance Groups one tier above them (27%

versus 24%), with only Specialist & Mid-Sized insurers (under 1,000 employees) scoring lower still, at 21%.

Size tells a more complicated story than maturity alone. The largest insurers are the most mature segment yet but report the lowest appetite for agentic AI: just 27% call it very important to their business, and only 7% describe themselves as fully ready to adopt

it. Major Insurance Groups, the tier just below them (5,000 to 19,999 employees), show the opposite instinct: 40% are building their agentic AI systems in-house, nearly double the rate of any other size, showing that size and appetite for AI do not move together in a straight line.

Almost every insurer is in the cloud, but not the same way

Cloud migration is one of the four pillars behind the maturity index itself, and on this measure the industry has largely moved past the starting line: 90% of insurers report running at least some infrastructure in the cloud today, with only 5% still fully on-premise, split between those with no migration plans and those already planning one.

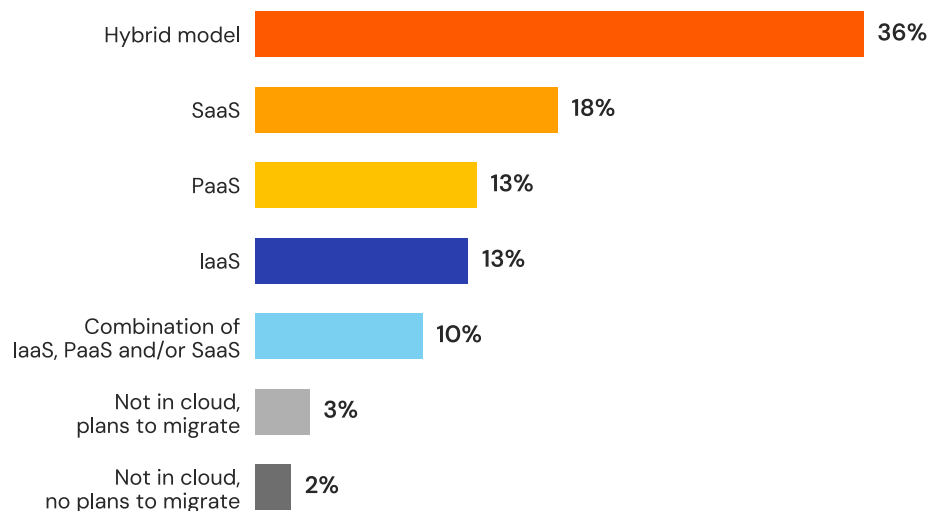


Fig. 12 Current cloud infrastructure model (Total)

How insurers get there varies. A hybrid model, mixing cloud and on-premise infrastructure, is the single most common approach at 36%, ahead of any pure cloud model on its own (SaaS 18%, PaaS 13%, IaaS 13%). And hybrid adoption is not a stepping stone smaller insurers grow out of: it becomes more common, not less, as organisations get larger. Specialist & Mid-Sized insurers split evenly between SaaS and hybrid (24% versus 25%), but among Major Insurance Groups, the second-largest size band, hybrid outpaces SaaS by four to one (45% versus 11%).

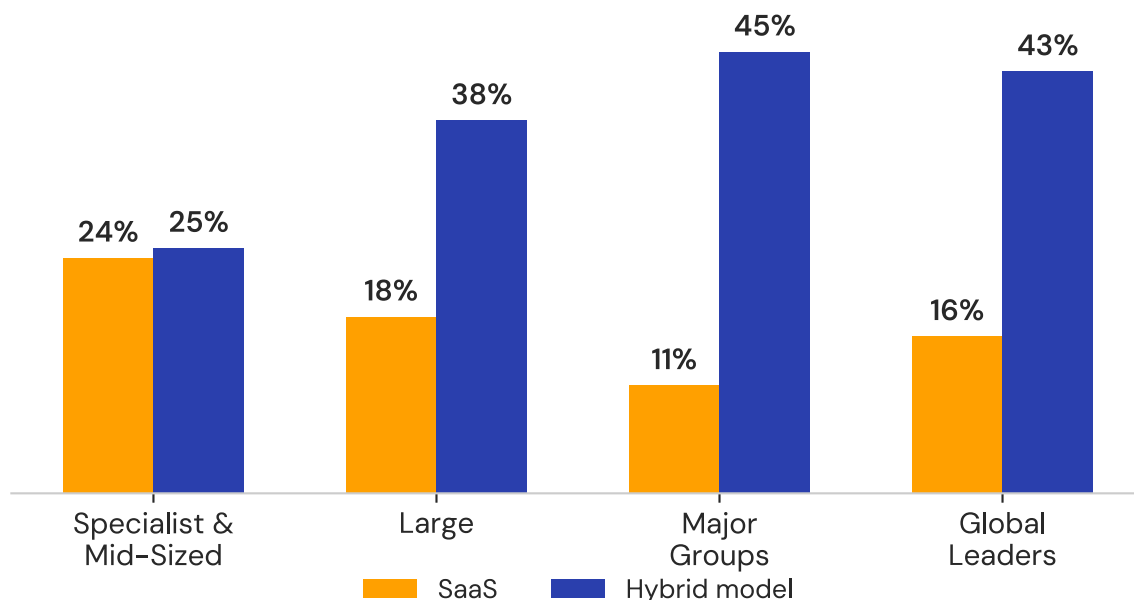


Fig. 13 SaaS vs. hybrid cloud adoption, by organisation size

That pattern is consistent with what insurers are managing rather than what they are missing: large ones tend to carry years of custom-built functionality layered onto established core systems, making a full lift-and-shift to SaaS a far larger undertaking than for a smaller, less encumbered organisation. Hybrid lets those insurers modernise selectively, running newer, AI-ready workloads in the cloud while core systems migrate on their own timeline rather than an all-or-nothing move. Since cloud sits at the foundation of the maturity index itself, the more relevant question for most of the industry is how much further onto it and how quickly they are willing to go.

PART 3

Where Insurers Are Headed

Asked directly, insurance professionals do not think fully autonomous AI is a distant prospect. More than three-quarters (79%) believe AI will be completing tasks fully autonomously within the next two to three years, and nearly two-thirds (66%) say the same of fully autonomous decision-making overall. Roughly one in ten say it is already happening today.

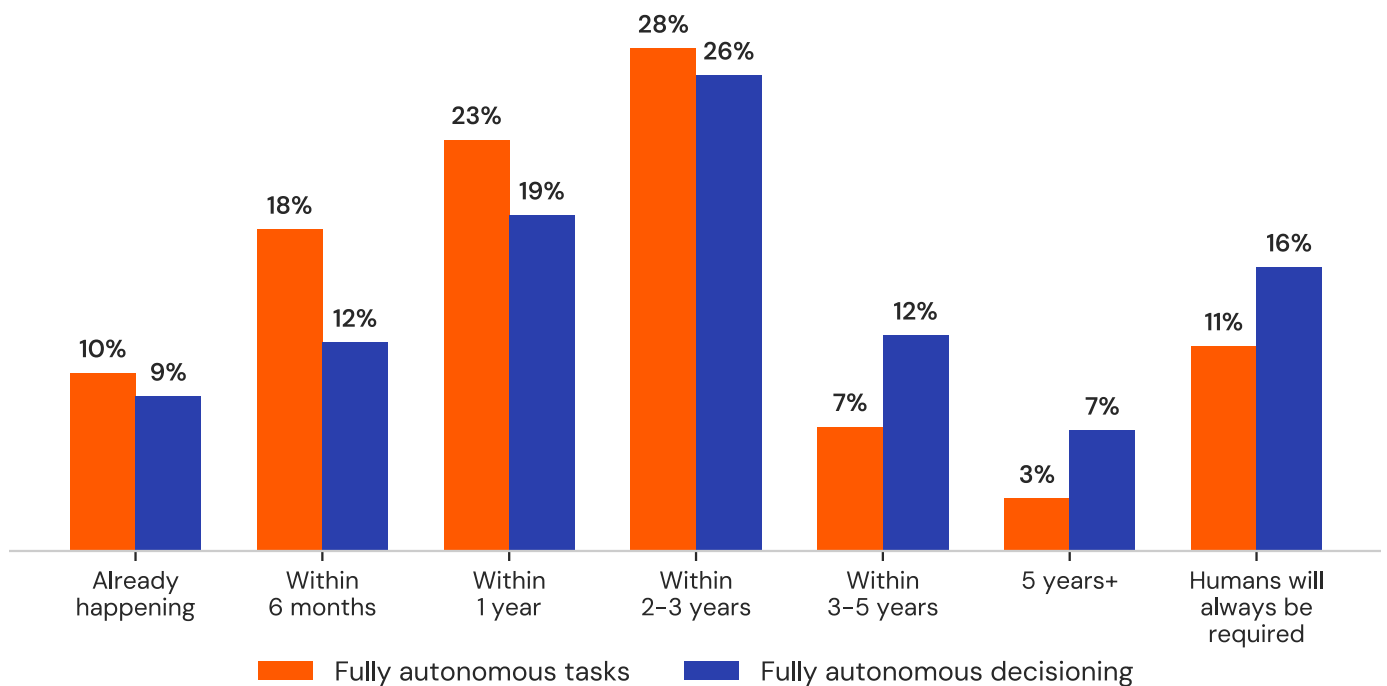


Fig. 14 How soon insurers expect AI to be fully autonomous, tasks vs. decision-making overall

Belief in that timeline is far from universal. By maturity, Autonomous Leaders are the most convinced: one in five already say full autonomy has arrived, well ahead of every other option on the index.

Global Insurance Leaders, the most sceptical group in this study on several measures, are the most cautious here too: 20% say humans will always be required for tasks, and 30% say the same of decision-making overall.

Regionally, the Nordics (4% for tasks, 9% for decision-making overall) and Benelux (5% and 7% respectively) are the least willing to rule out full autonomy altogether.

Where AI is live, it is already paying off



51% of insurance professionals believe AI would give their organisation a competitive advantage over others, and the results below suggest they are not wrong.

Among insurers already using AI or agentic AI, 77% say it has let them identify and deploy new products to market faster. Of those seeing that benefit, savings cluster at the shorter end: 41% save up to three months on a launch, and combined with those saving even less time, nearly four in five save up to three months or less. The remaining fifth save more: 15% save up to six months, 5% up to a year, and 1% over a year.

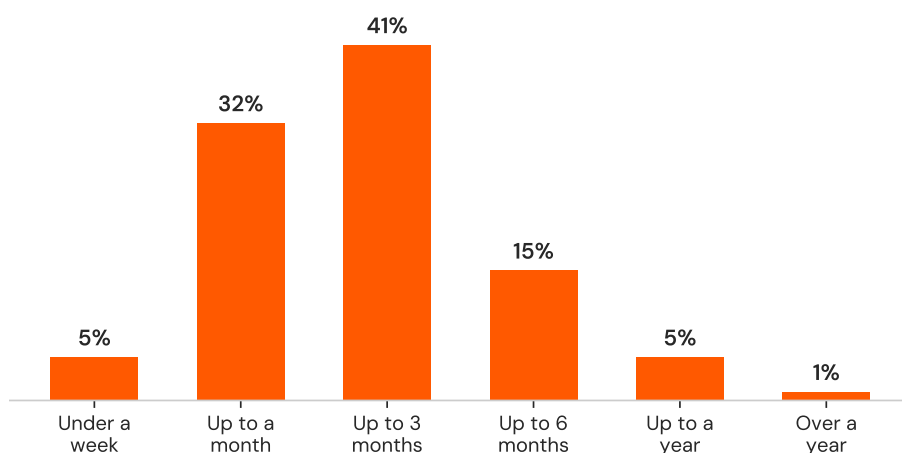


Fig. 15 Time saved bringing new products to market, among respondents who said AI helped them save time

Insurers using AI or agentic AI report gains across several areas of the business:

Turnaround time	Customer experience	Manual handling cost
Error rates	Fraud detection	Underwriting quality

Time saved and improved employee productivity are the two most cited benefits for both technologies; AI users additionally point to cost reduction, while agentic AI users more often cite faster time to value.

Comparing AI and agentic AI directly on those same benefit areas reflects where each technology stands in its adoption journey: insurers report a larger benefit from AI than from agentic AI in every area except one: claims leakage. Agentic AI users report a bigger benefit there (34%) than AI users do (21%).

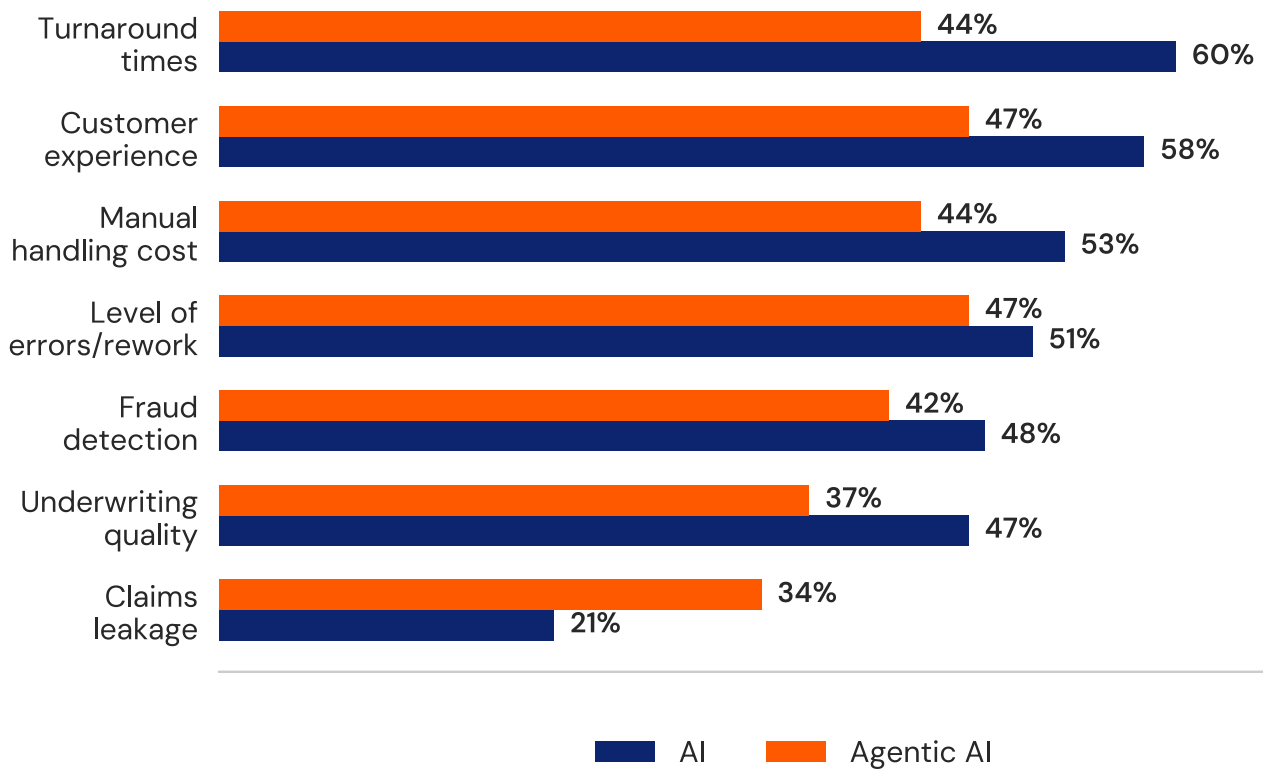


Fig. 16 Share reporting a benefit from AI vs. agentic AI, by area

The three technologies also differ in how fully they are deployed once adopted. Automation is the most operationally mature of the three. In many process areas it is already live at enterprise scale rather than only a pilot or a handful of products. AI is more often still running in selected products or markets rather than across the full enterprise. Agentic AI, despite being the newest and least used of the three, does not lag on scale once insurers commit to it: where it is live, it already runs at enterprise scale slightly more often than AI does (35% versus 29%), and that share rises further among Autonomous Leaders.

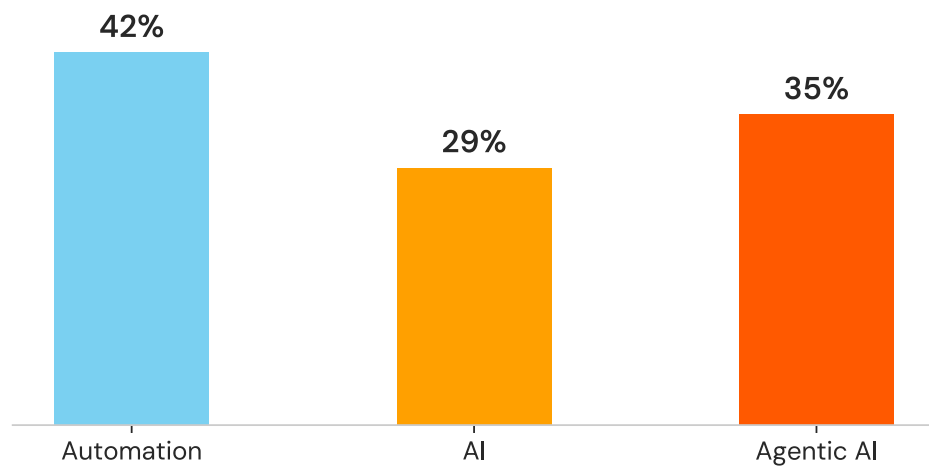


Fig. 17 Average share live at enterprise scale, by technology

Confidence, oversight, and the override gap

At its core, insurance exists to make people and organisations whole again after a loss. It's a promise customers are trusting an insurer to keep when they can least afford it to fail. That sentiment is what makes confidence in AI-driven decisions such high stakes: among insurers using AI or agentic AI, 86% say they are confident in the decisions it is making in their business, and 83% are confident their organisation has the right checks and balances in place to monitor that decision-making. Yet that confidence exists alongside continued human oversight, not in place of it: on average, a human still checks 53% of agentic AI's output, and 15% of AI or agentic decisions are ultimately overridden by a person.

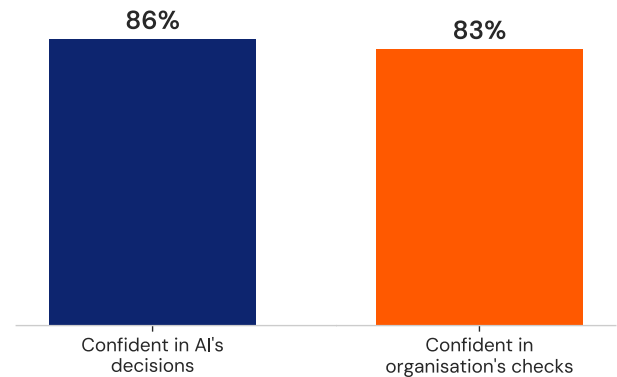


Fig. 18 Confidence in AI decisions and organisational checks

Maturity widens this gap further: 95% of Autonomous Leaders are confident in AI's decisions and 97% are confident in their checks, against 76% and 68% for Reactive organisations. Regional figures show a mixed pattern: South Africa and Nordics report the highest confidence in their AI oversight compared to other regions, yet they also have the highest percentage of decision overrides. The UK reports the lowest confidence in its oversight, alongside a higher share of work checked and a lower override rate.

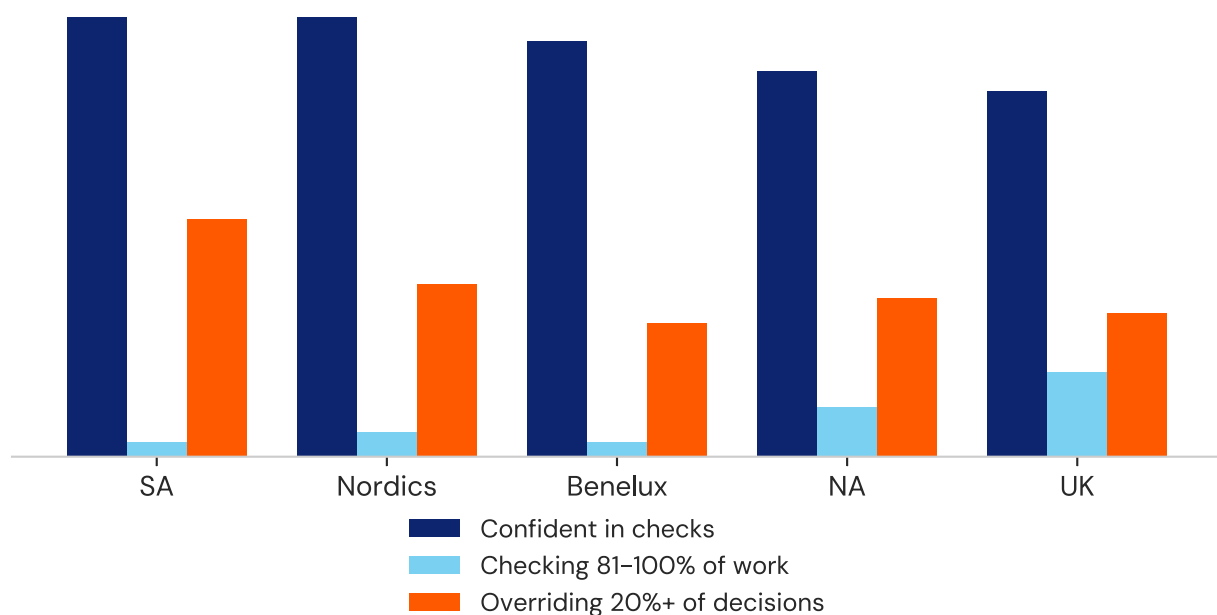


Fig. 19 Confidence, checking intensity and override rate, by region

When a human does override an AI or agentic decision, the reasons are concrete rather than a general lack of trust: compliance or policy requirements, customer vulnerability or exceptional handling, and poor data or missing data quality are the three most common triggers, closely followed by a lack of confidence in the model or rule and cases where the model doesn't fit an edge case.

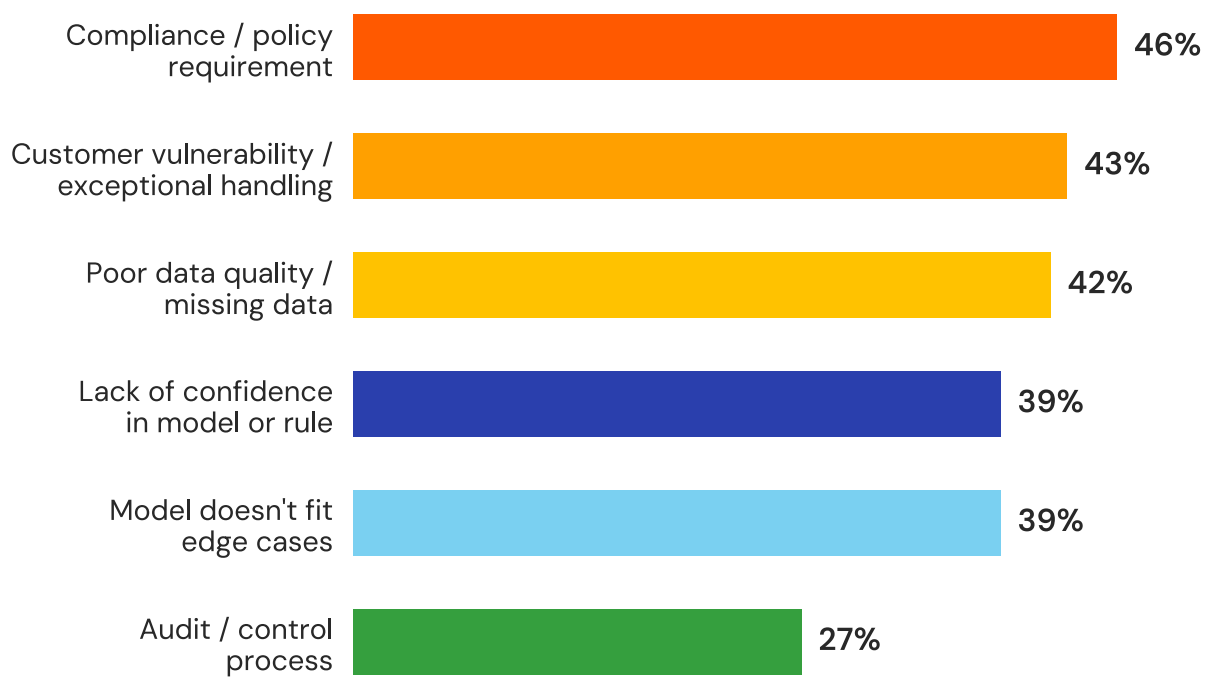


Fig. 20 Most common reasons for human override, among those who have overridden an AI or agentic decision

PART 4

Challenges to Advanced AI Adoption

As the industry advances toward more autonomous, agentic decision-making, obstacles remain and not all of them will disappear as adoption matures. Regulatory and data-quality demands are likely to stay a permanent part of how insurers manage AI responsibly, rather than problems to be solved once and forgotten.

Among insurers not yet using agentic AI, the barriers are specific and familiar: data privacy and security, regulatory and compliance concerns, and the difficulty of integrating new tools into old systems. More than one in four say plainly that their core systems would need a significant overhaul to support agentic AI. Almost one in five say they don't know what solution they need, which points to a gap in guidance as much as in technology.



38% of insurance organisations say they are hiring AI-savvy talent. This rises to 57% among Autonomous Leaders, against just 20% of Reactive organisations, a reminder that closing the skills gap is itself a marker of maturity.

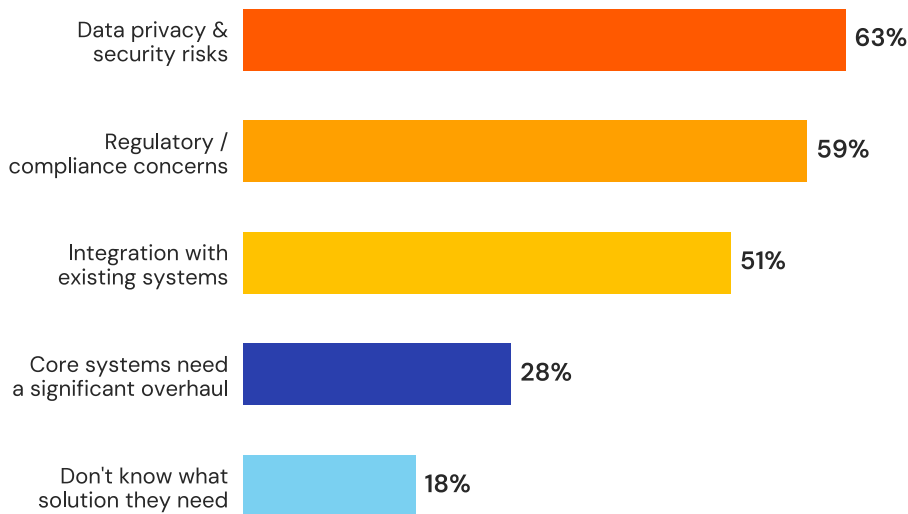


Fig. 21 Top barriers to adopting AI or agentic AI, among insurers not yet using it

Two related figures sit alongside those challenges: 68% of insurers have implemented, or are actively building, a master data strategy, but poor or missing data is still cited by 42% of respondents who have overridden a decision. And while cloud adoption is nearly universal, fewer than a third of insurers have a fully operational AI governance strategy.

PART 5

Ten Key Takeaways

1

Only a quarter of insurers are truly ready for what's coming. While 66% of respondents expect fully autonomous AI in insurance within two to three years, just 25% of insurers are Autonomous Leaders that have the cloud, data, governance, and HR foundations in place to compete in that world.

2

Ambition is outpacing execution, especially in agentic AI. 87% of insurers say agentic AI matters to their future, but only 16% have adopted it, making it the widest intention-to-action gap in the study.

3

The foundations matter more than the AI itself. The Index scores insurers on four practical pillars: cloud adoption, master data strategy, AI governance, and HR strategy, because clean data and sound governance determine whether an AI strategy sticks or stalls.

4

The payoff for getting there is real and measurable. Insurers ahead of the curve report faster turnaround times, better customer experience, and lower error rates, with 77% now bringing products to market up to three months faster.

5

The right teams make a difference. Autonomous Leaders invest more in upskilling (71% vs. 53% globally) and hiring AI-savvy talent (57% vs. 38% globally), a strategic choice any insurer can make.

6

Regional differences are significant. Advanced AI adoption was shown to be further along in Benelux (Belgium, Luxembourg, and the Netherlands) and the Nordics (Sweden, Denmark, Finland, and Norway) than the rest of the regions surveyed.

7

Use cases matter. Automation dominates distribution, while AI is the predominate technology in Fraud and SIU operations. Agentic AI so far shows the most promise in servicing.

8

More insurers are operational. Of the four categories in the Index, more insurers (28%) can be described as operational, i.e., having laid some of the groundwork for agentic AI but lacking other important markers.

9

Multi-agent systems (MAS) are still a way off for most. Only 17% of Transformation Leaders at insurance organisations characterised their AI use as being MAS, with huge regional differences.

10

P&C edges out Life for AI maturity. Overall, P&C insurers reported greater AI maturity than life insurers and were more likely to have a master data strategy.

About this research

The inaugural edition of the Sapiens Insurance AI Maturity Index was conducted by Research in Finance on Sapiens' behalf between July and September 2026. Stage 1 comprised a 10-minute online survey of 475 senior insurance professionals, interviewed evenly across the UK and Ireland, the Nordics, Benelux, South Africa and North America, split between Transformation Leaders and Business Users. Stage 2 will capture qualitative interviews with C-suite leaders in the same regions to supplement the quantitative data. Respondents work across Life and Property & Casualty lines at organisations ranging from under 250 to over 20,000 employees.

About Research in Finance

Research in Finance (RiF) is an award-winning market research, consultancy, publisher and data provider specialising in the financial services sector, covering the global markets. Founded in 2013, RiF's wide-ranging research capabilities, proprietary data and industry knowledge help leading asset management firms, life companies, insurers and industry bodies make critical business decisions and further their product development, marketing and communication strategies.

About Sapiens

Sapiens International Corporation N.V. is a global leader of AI-centric, SaaS-based insurance software, delivering hyper-relevant experiences that are efficient, compliant, and innovative. With agile intelligence, Sapiens' solutions turn real-time data and human insight into precise action at every moment, across every risk. The Sapiens platform includes agentic workflows accelerating every capability across policy, underwriting, claims, reinsurance, decisioning, finance and compliance. With more than 600 insurers in over 30 countries running on Sapiens, our deep industry expertise is the foundation of our long-term relationships, from initial implementation through to modernisation and market transformation. Sapiens is headquartered in London, serving customers in property and casualty, life, reinsurance, specialty, and workers' compensation from offices across North America, Europe, Asia Pacific and the Middle East including Israel where the company was founded.

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