

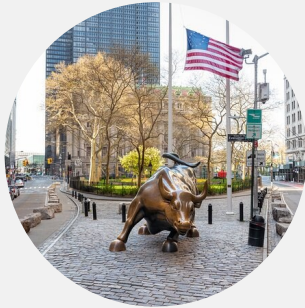
# Future of Insurance

Foresight Factory for ABI

June 2025

# 1 | **Structural shifts** State of the nation

# Structural Shifts



## World Economy Volatility

Global growth remains below pre-Liberation Day levels despite tariff pause. China-US 90-day truce offers temporary relief, but uncertainty persists. Global GDP forecast: 2.3% (2025), down from 2.8% predicted pre-tariffs. Consumer sentiment down 30% since January in US. "Geo-economics" rising as countries prioritize national interests over global cooperation.



## Environmental Challenges

Climate risks forcing insurers to redefine coverage boundaries. Rising extreme weather costs making traditional policies unsustainable in vulnerable regions. What does home insurance mean when climate risks become uninsurable? UK facing similar pressures with increasing flood and storm damage costs.



## Technological Acceleration

AI adoption accelerating across sectors with mixed results. 63% of UK financial institutions now investing in AI (doubled from 2023). Promise of improved productivity and customer insights balanced against implementation missteps. Consumer sentiment mixed - appetite for AI deployment but concerns about quality and ethics remain.



## Shifting Societies

Post-pandemic work attitudes fundamentally changing. Portfolio careers rising as workers build personal brands and multiple income streams. Gen Z's "anti-work" movement challenging traditional 9-5 structures. Trust in traditional institutions declining - from corporate leaders to established career paths. Flexibility and authenticity becoming non-negotiable.

## Trust in insurance hits crisis point globally

The industry faces a pivotal moment where public trust is being tested. Luigi Mangione's murder of UnitedHealthcare CEO Brian Thompson exposed deep consumer frustrations with insurance practices in the US. This sentiment has crossed borders, with trust declining in European markets too.

# 14%

Source: Public Trust Index, Chartered Insurance Institute, 2025

the number of UK people reported being extremely satisfied, the **lowest reported level** since the Index began in 2019.



### Healthcare CEO shooting suspect charged with new federal counts

Complaint alleges Luigi Mangione, 26, had a notebook that expressed 'hostility towards the health insurance industry'

In the UK, regulators are aware of frustrations and help consumers by introducing stricter 'consumer support' requirements, addressing practices like excessive wait times and complex complaints processes that could contribute to eroding public confidence.

# Climate reality keeps forcing redefinition

Climate change is fundamentally altering what insurance can and will cover, creating gaps in protection that challenge the very definition of traditional insurance categories. Severe convective storm (SCS) continue to disrupt the industry.

# £100M

Source: ABI

UK weather related property claims have now **topped this figure for eight quarters in a row**



Storm Éowyn, which affected Ireland and the Central Belt of Scotland from 24 to 25 January, would cost the insurance sector **£520m**

Source: Perils, 2025

# AI continues to deliver paradoxical value

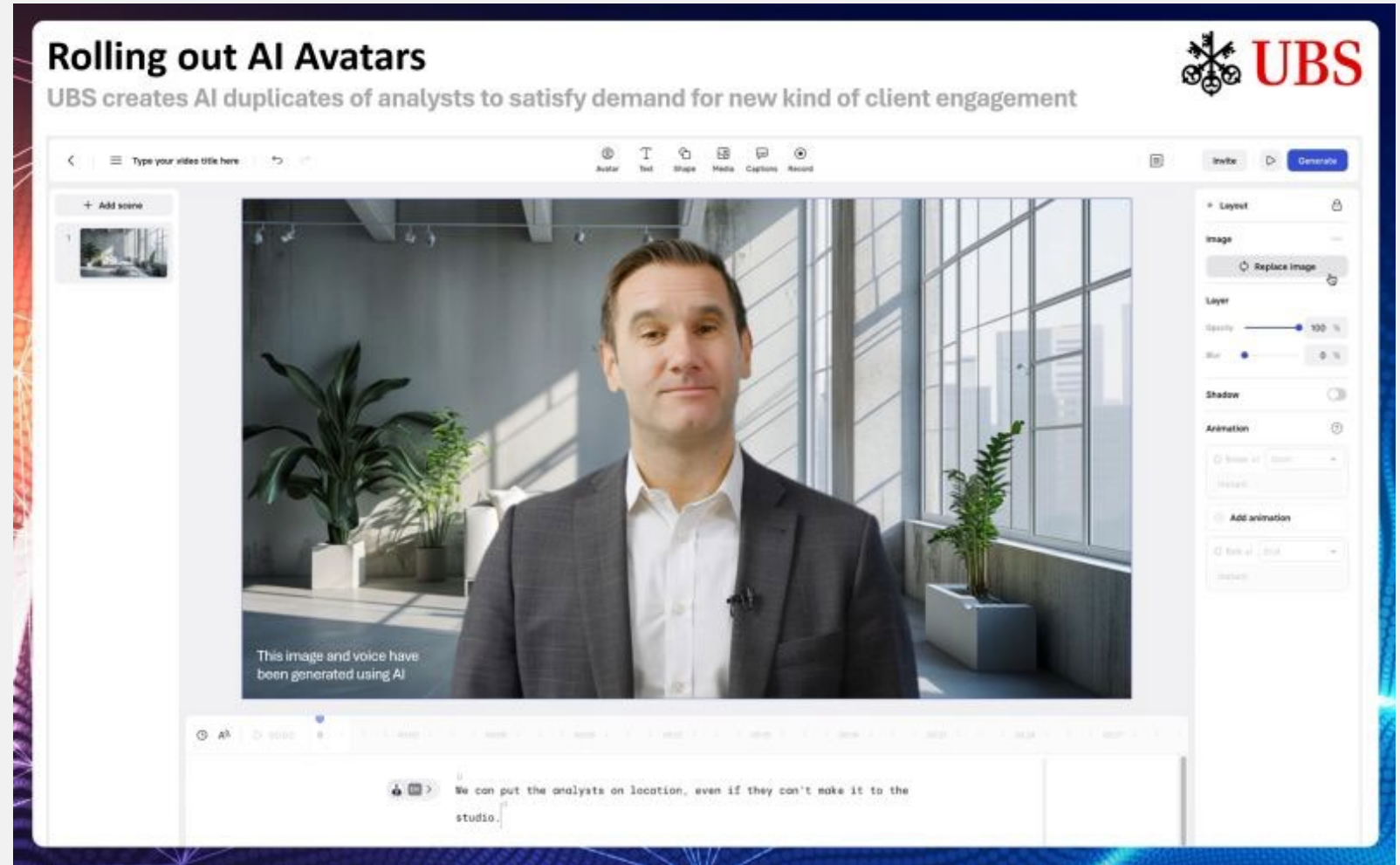
AI implementation in insurance represents both tremendous opportunity and significant risk. An average of £200 million in private sector investment has been funnelled into the UK's world leading AI sector every day since last summer.

(Source: UK Gov 2025)

# 47%

Source: FF, 2025

of GB population perceived the impact of AI to be positive for society, under indexing against Global average (52%)



UBS has started using artificial intelligence to turn its analysts into avatars, sending videos of the simulated bankers to clients in a move to free up staff to focus on more productive tasks

Source: UBI, 2025

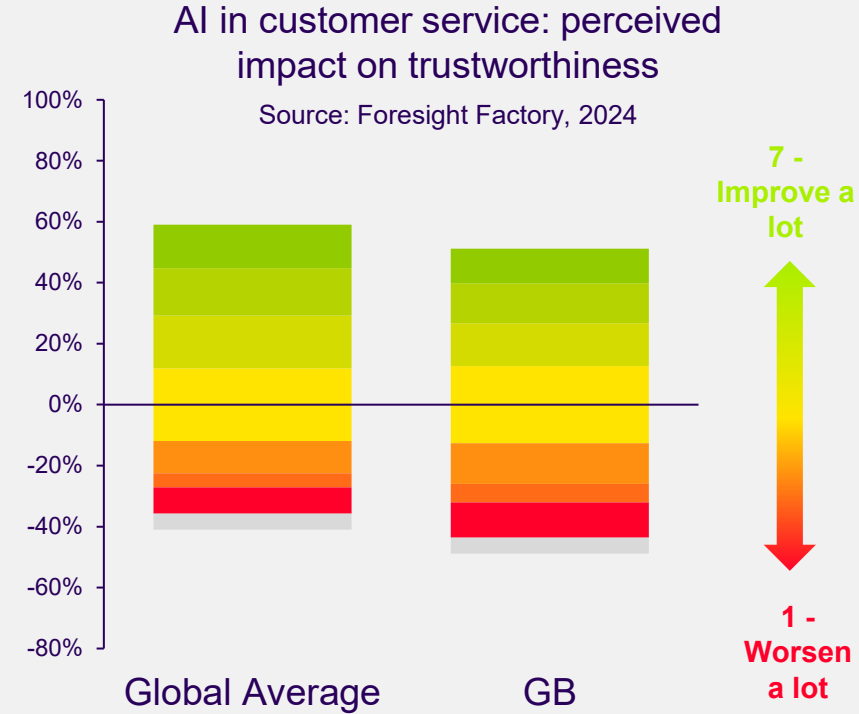
# But trust levels in AI remain low

Massive efficiency gains mask growing consumer scepticism about fairness and oversight. While investment soars and capabilities advance, consumer trust remains fragile.

## 1.2 seconds

Source: Cigna Lawsuit, 2025

The time taken by AI to determine the denying of 300,000 claims in a 2-month period



Despite AI's efficiency gains, people worry about fairness and human oversight. Success will depend on transparent implementation that puts human judgment at the centre, not the sidelines.

# In times of economic instability, maximising value will be a priority

Economic pressure is driving consumers to seek maximum value from every purchase. While cost remains a key factor, it's not the only consideration in consumers' value equation.

# 44%

Source: CII, Public Trust Index - January 2025

consumers use price comparison sites to purchase their insurance product, up by five percentage points since the last wave



**itsu x Vitality**

## Enjoy 33% off itsu each week this October

To celebrate itsu becoming an official reward partner from today, we're boosting your weekly discount to **33% off** for every week in October.

Just keep moving with the Vitality UK app to enjoy weekly discounts and a freshly-made meal each month at itsu\*.

\*Valid on sushi, salads, rice'bowls, rice'box salads, noodle'bowls, gyoza, bao and soups.  
Terms and conditions apply.

### The Vitality' bowl

Don't forget to try our new Vitality' bowl only available in [itsu restaurants](#). It's the perfect dish to support a healthy immune system, packed with vitamins, low in saturated fat, high in protein and only £8.99.

[More on the Vitality' bowl](#)



Smart insurers are redefining value by bundling lifestyle benefits with coverage. Rather than competing solely on price, they're creating partnerships that deliver everyday value to customers' lives.

## When others retreat, insurers can advance on empathy

In challenging economic times, consumers increasingly expect both empathy and value. Following some financial institutions decision to resist roll backs on their DEI commitments, insurers have a unique opportunity to position themselves as human-centred allies who understand their customers'.

# 59%

Source: FF, 2025

of GB consumers say diversity & inclusion policies are positive for society overall



While major companies step back from DEI commitments, insurers can fill the empathy gap. Insurers who combine practical value with genuine empathy can turn moments of vulnerability into lasting loyalty.

# 2

## Future

Trends to shape the journey

# Future Insurance Trends



## 01 Risk Prevention Partners

Proactive monitoring helps consumers avoid potential risks, transforming insurers into lifestyle partners who anticipate needs before claims arise

## 02 AI-powered Insurance

Artificial intelligence revolutionises insurance through instant processing and personalised experiences, while navigating growing ethical concerns.

## 03 Policies get Personal

Insurance has become more flexible, and one-size-fits-all policies are falling out of favour with customers. Customers will start to expect that their coverage is adapted to their lifestyle.

## 04 New Risk Factors

Climate change, autonomous technology, and digital assets create emerging insurance challenges and opportunities requiring innovative solutions

## 05 Instant Insurance

The expectation of convenient, frictionless services with immediate delivery reshapes customer experience benchmarks across the insurance landscape.

## 06 Cool to Be Kind

The dual emphasis on compassion and value drives consumer choices and brand loyalty—offering smart bundling, packages, and demonstrable value in a challenging economy

## 07 Building Resilience

Proactively planning for future uncertainties in an increasingly volatile world, exemplified by organisational responses to cyber attacks like the one on M&S website recently.

# Risk Prevention Partners

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Proactive monitoring helps consumers avoid potential risks, transforming insurers into lifestyle partners who anticipate needs before claims arise



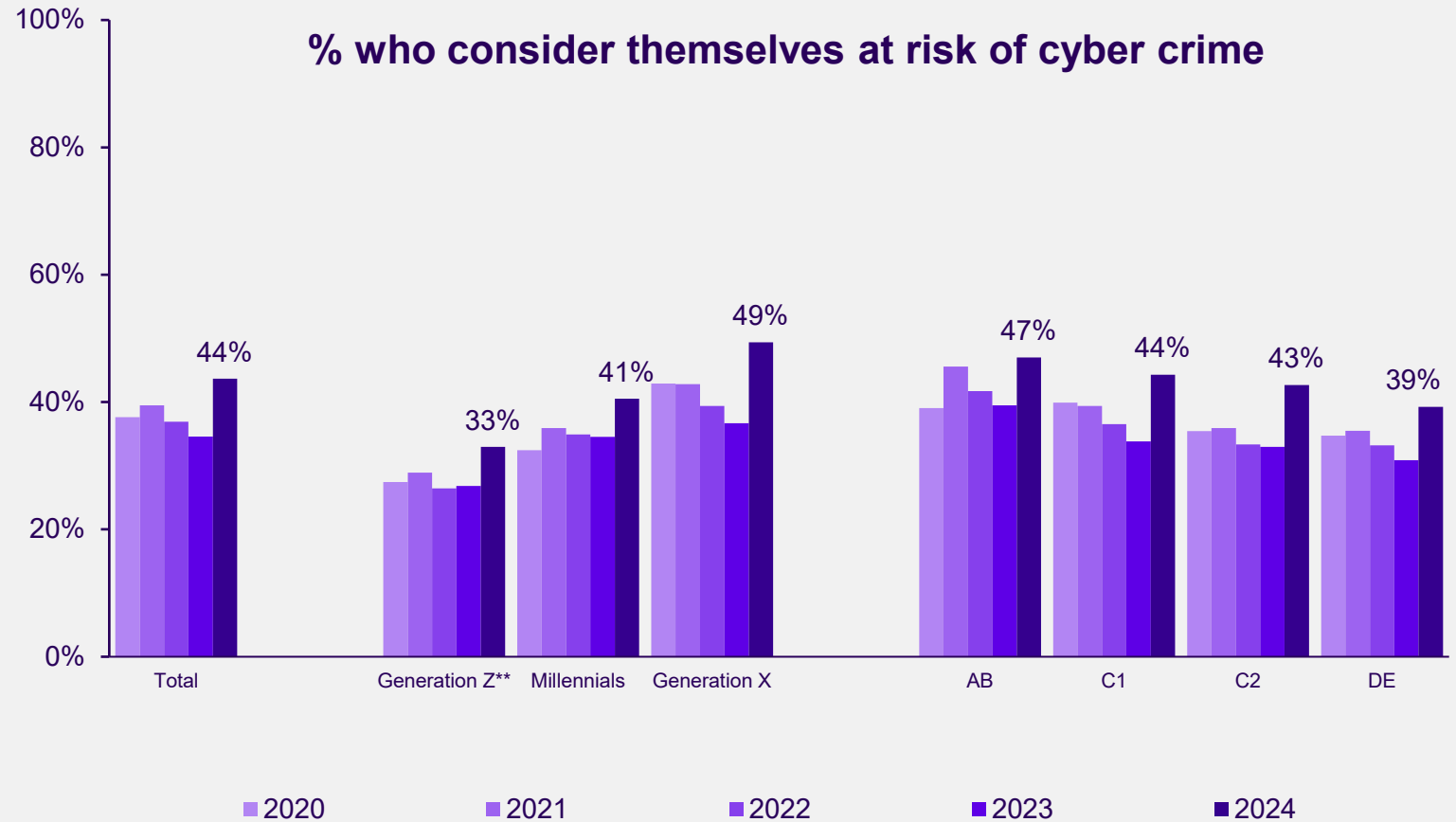
# Proactivity is key

Insurance is evolving from reactive claims processing to proactive risk prevention. Rather than waiting for accidents to happen, forward-thinking insurers are positioning themselves as lifestyle partners who help customers avoid risks before they occur. This shift transforms the insurer-customer relationship from adversarial to collaborative.

# 44%

Source: Foresight Factory 2024

Of GB consumers feel vulnerable to cyber threats.

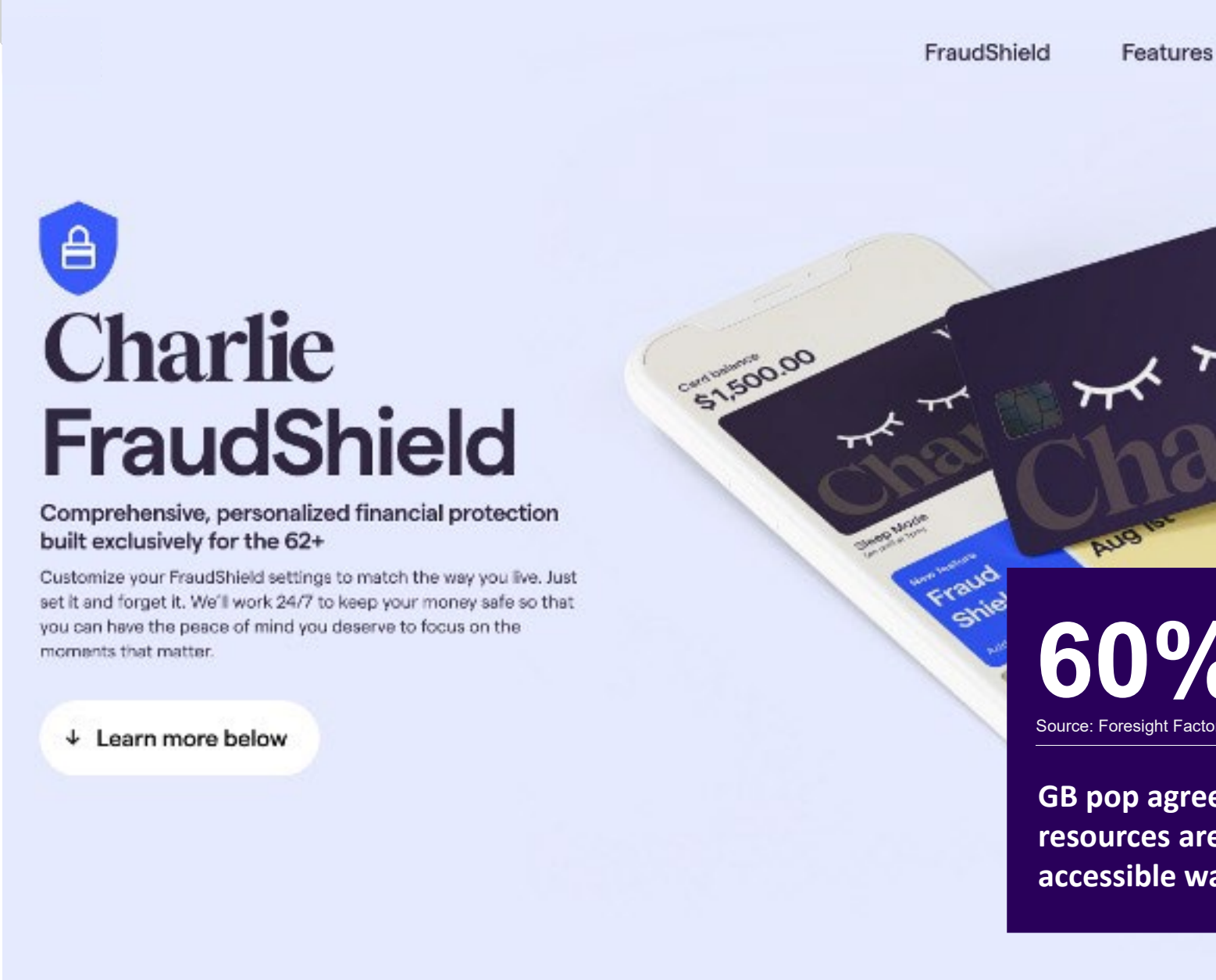


This presents a clear opportunity for insurers to step in as trusted advisors who provide both coverage and prevention tools.

Source: Foresight Factory 2024

## Charlie helps those aged 62+ with banking and fraud prevention

Fintech Charlie exemplifies the shift toward proactive risk prevention by targeting a vulnerable demographic - those over 62 who are disproportionately affected by financial fraud. Rather than simply offering insurance after fraud occurs, Charlie's approach prevents it through real-time monitoring and education.



The advertisement features a smartphone and a credit card. The smartphone screen displays the Charlie FraudShield app interface, showing a card balance of \$1,500.00, a 'Sleep Mode' notification, and a 'New features' banner for 'Fraud Shield'. The credit card is black with white eyelash graphics and the name 'Charlie'.



# Charlie FraudShield

**Comprehensive, personalized financial protection built exclusively for the 62+**

Customize your FraudShield settings to match the way you live. Just set it and forget it. We'll work 24/7 to keep your money safe so that you can have the peace of mind you deserve to focus on the moments that matter.

[↓ Learn more below](#)

FraudShield

Features

**60%**  
Source: Foresight Factory, 2024

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**GB pop agree online resources are an accessible way to learn**

# How is the insurance market catering to risk prevention?



## Insurer encourages preventative health

In the Netherlands, where sun exposure is limited, a health insurer recognized the unique risk of vitamin D deficiency and skin cancer from sun-seeking behavior. Rather than waiting for health claims, they partnered with bars and restaurants to offer sunscreen, turning everyday social venues into health prevention touchpoints.



## Bank educates on deepfake risks

Santander partnered with fraud prevention expert Mr MoneyJar to create realistic deepfake videos demonstrating how AI-generated scams work. Rather than just processing fraud claims, they're educating customers to recognize and avoid these emerging threats before they become victims.

# So what for your business?



## 01 Invest in education

Move beyond policy explanations to genuine risk education. Consider how teaching your customers to recognize and avoid risks creates stronger relationships than simply processing their claims. Educational content positions you as a trusted advisor rather than a necessity.

## 02 Leverage technology

Investigate how different pieces of technology can be deployed in situ to report data live and how can machine learning help identify patterns that will help end users identify dangers such as weather events, theft, poor road conditions, etc. The goal is turning data into prevention rather than just evidence.

## 03 Amp up awareness

Develop campaigns that make people more aware of risks and how to avoid them. Not all solutions need to be high-tech. Consider whether your brand could make marketing campaigns that highlight risks pertinent to a specific geographical area or demographic, and offer advice on how to avoid said risks.

# AI-powered Insurance

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Artificial intelligence revolutionises insurance through instant processing and personalised experiences, while navigating growing ethical concerns.



# Use of AI keeps growing across industry

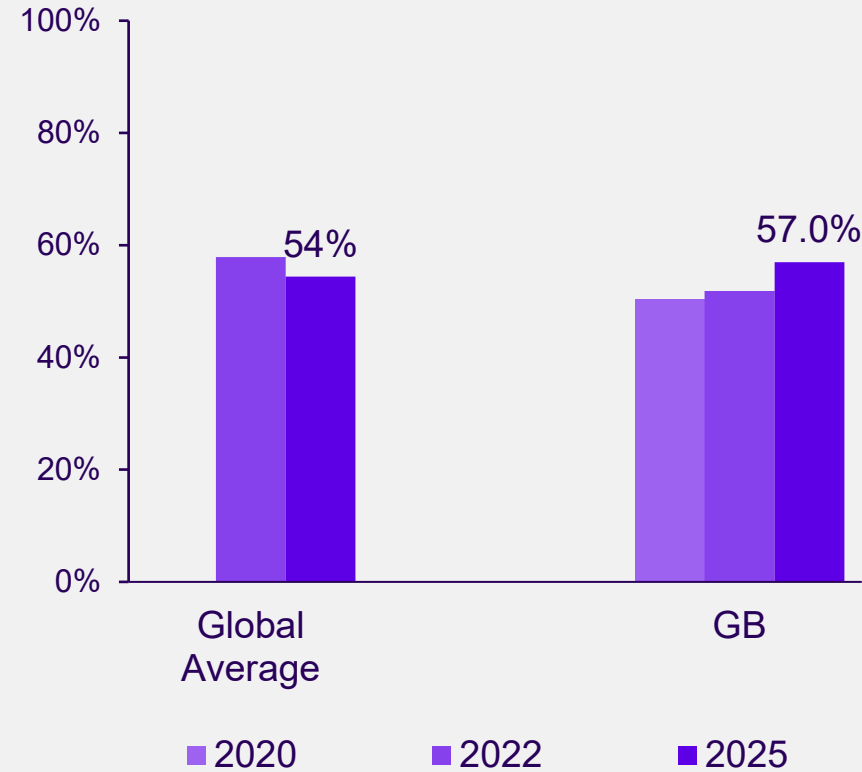
AI is transforming every aspect of the insurance value chain - from underwriting and pricing to claims processing and customer service. LLMs and genAI will become increasingly embedded in the customer service functions of financial institutions, offering human-like interactions to address and answer a range of increasingly sophisticated queries and issues.

## £72.3bn

Source: Gov, UK

Value of the UK's AI sector in 2024. UK's AI sector is larger than any other country in Europe.

% who consider themselves interest in an AI investment service



The technology promises efficiency: AI and automation will transform the experience of buying policies, making claims, and resolving issues to instantaneous experiences, just like it is already impacting finance.

Source: Foresight Factory 2025

## Agentic-AI presents an industry wide opportunity to scale AI use

Agentic AI has emerged as the top buzzword across the insurance industry. Unlike traditional AI applications that require human oversight, agentic AI systems can operate autonomously, making decisions and taking actions without constant human intervention.

# Qover

Well-trained AI performs as well as human agents



”In five years’ time, for example, a mid-sized insurance company with 5,000 human workers could add 10,000 digital synthetic workers to its workforce and essentially triple its operational capacity.

”People are the biggest asset in insurance and when you have teams of workers – in this case, digital workers – undertaking activity much quicker and cheaper than humans, in combination with a human workforce, then you can achieve wonderful things.”

## However, the use of AI is already being met with controversy by the users

Fight Health Insurance represents the controversial side of AI implementation in insurance. Fight Health Insurance is a free-to-use, AI-powered platform dedicated to helping challenge denied health insurance claims. The platform was created by Holden Karau, a Canadian-born living in America, after experiencing claim denials herself.



MAKE YOUR HEALTH INSURANCE COMPANY CRY TOO

# Fight Health Insurance

Writing your appeal to fight the health insurance denial. While an appeal is not always the first step in the appeal process, it is a necessary step to fight back against health insurance denials. Most health plans are required to offer internal and external appeals, but the process can be so confusing, we can help.

If you're a **healthcare professional** (or related), sign up for updates on our pro-version.

You can also **support our development** if you want (not required).

[Generate a Health Insurance Appeal with AI](#) [Professionals Click Here](#) [Support our Development \(optional\)](#)

# So what for your business?



01

## Deploy AI but maintain the human touch

Agentic AI is poised to be the future of insurance but how can you make sure it is working to the advantage of your end user rather than annoying or making your customer base feel unloved and untaken care of

02

## “AI-Washing” will become the new Greenwashing

As AI becomes a marketing buzzword, insurers risk falling into the same trap as sustainability claims. Customers will increasingly distinguish between AI that genuinely improves their experience versus AI that primarily cuts costs while degrading service.

03

## The human premium

As AI handles routine interactions, human contact will become a luxury service. Insurers should prepare for tiered service models where "human agents" become a premium offering, like how artisanal products command higher prices in mass-produced markets.

# Policies get Personal

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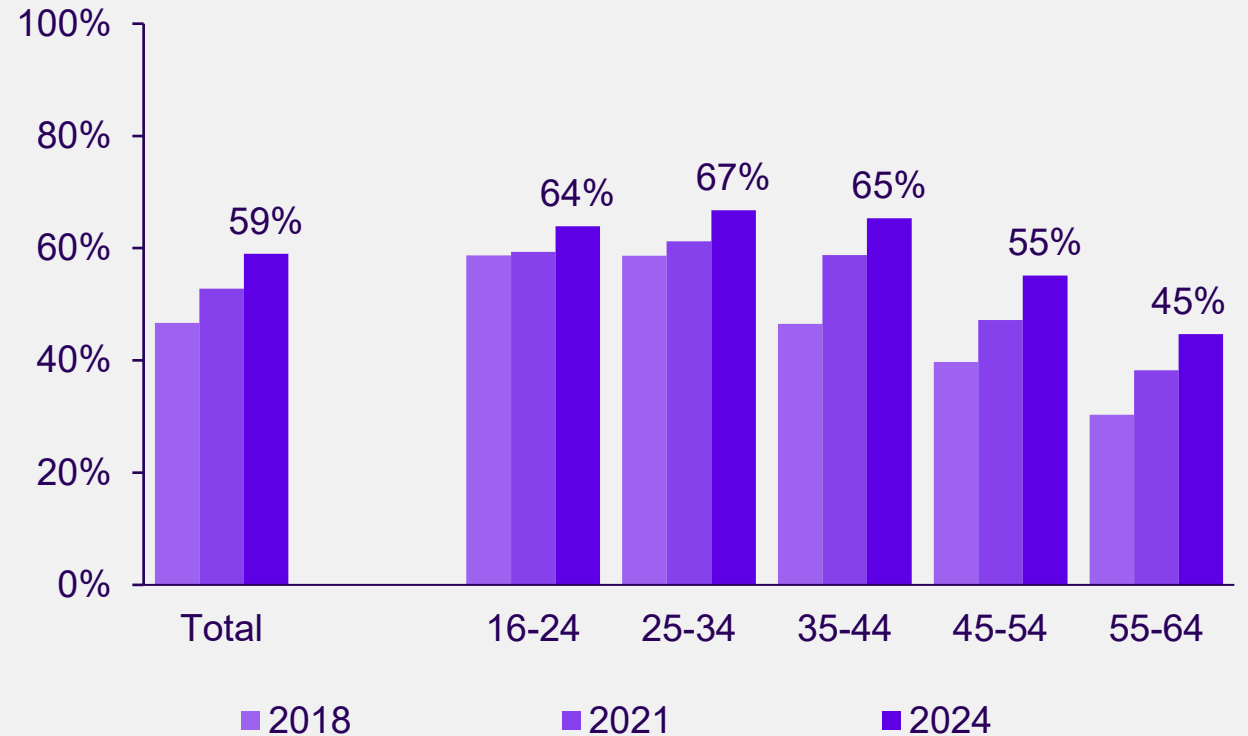
Insurance has become more flexible, and one-size-fits-all policies are falling out of favour with customers. Customers will start to expect that their coverage is adapted to their lifestyle.



# Enter the niche – consumers are looking to ensure on different facets of their lives

Traditional insurance models built around broad demographic categories are becoming obsolete as consumers demand coverage that reflects their individual circumstances and life phases. The shift represents a fundamental change from standardized products to dynamic, lifestyle-responsive policies.

% who desire better personalized product recommendations from brands / companies



## Renault offers 'Relationship Breakdown Cover'

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Renault's Relationship Breakdown Cover represents insurance meeting life's messiest moments. In July 2024, the automaker announced that anyone purchasing a Scenic E-Tech model in cash who subsequently divorces their partner before year-end can return the vehicle and receive a full refund.

While presented humorously, the policy addresses a genuine consumer pain point: the financial entanglement of major purchases during relationship uncertainty.

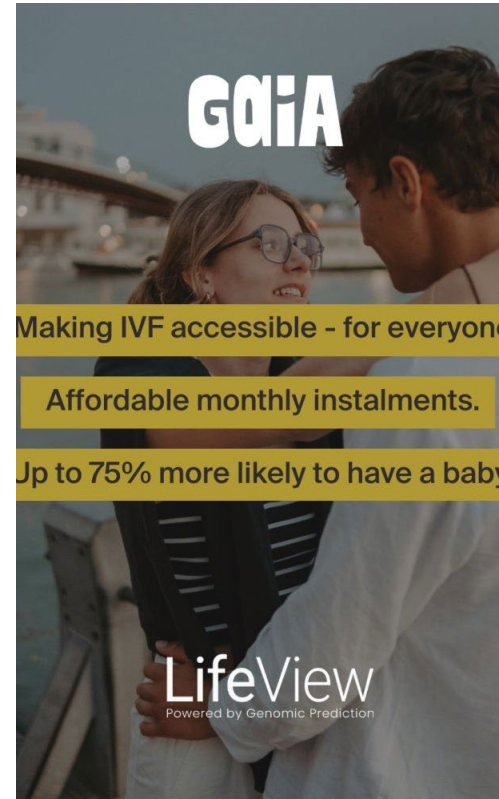


# How is the insurance market catering to personalization policy?



## Cancel Culture Insurance

Samphire Risk's "Preempt" policy represents insurance's response to modern reputational hazards. "Sharing or liking a tweet can bring the whole world down on you. The cancel button is the new guillotine."



## IVF insurer expands to the US

Gaia leverages personal and clinic data to predict IVF treatment success probabilities and provides financial protection where customers only pay full costs upon achieving specific outcomes.

The company's value-based approach acknowledges that while 15% of people globally require fertility assistance, only 2% can access it due to cost barriers.

# So what for your business?



01

## Consider your audiences' lifestyle granularly

Move beyond demographic segments to understand lifestyle micro-moments. Insurance opportunities exist not just in broad life stages but in specific activities, relationships, and personal circumstances.

Consider how your customers' daily routines, relationship status, career transitions, and personal goals create unique risk profiles that standard policies ignore.

02

## Watch out for data over saturation

The hunger for personalisation will create pressure to collect ever-more granular data through wearables, apps, and behavioural monitoring. However, consumers will increasingly experience "tracking fatigue" (Oura Paranoia) and privacy concerns. Successful personalised insurance will focus on meaningful data that genuinely improves outcomes rather than collecting information for its own sake.

03

## Stay close to your user base

Personalised insurance requires ongoing relationship management. As customers' lives change - through relationships, careers, health, and family circumstances - their insurance needs evolve rapidly. Insurers must develop systems to anticipate and respond to these transitions proactively rather than waiting for customers to request changes.

# New Risk Factors

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Climate change, autonomous technology, and digital assets create emerging insurance challenges and opportunities requiring innovative solutions



# The risk landscape is rapidly expanding

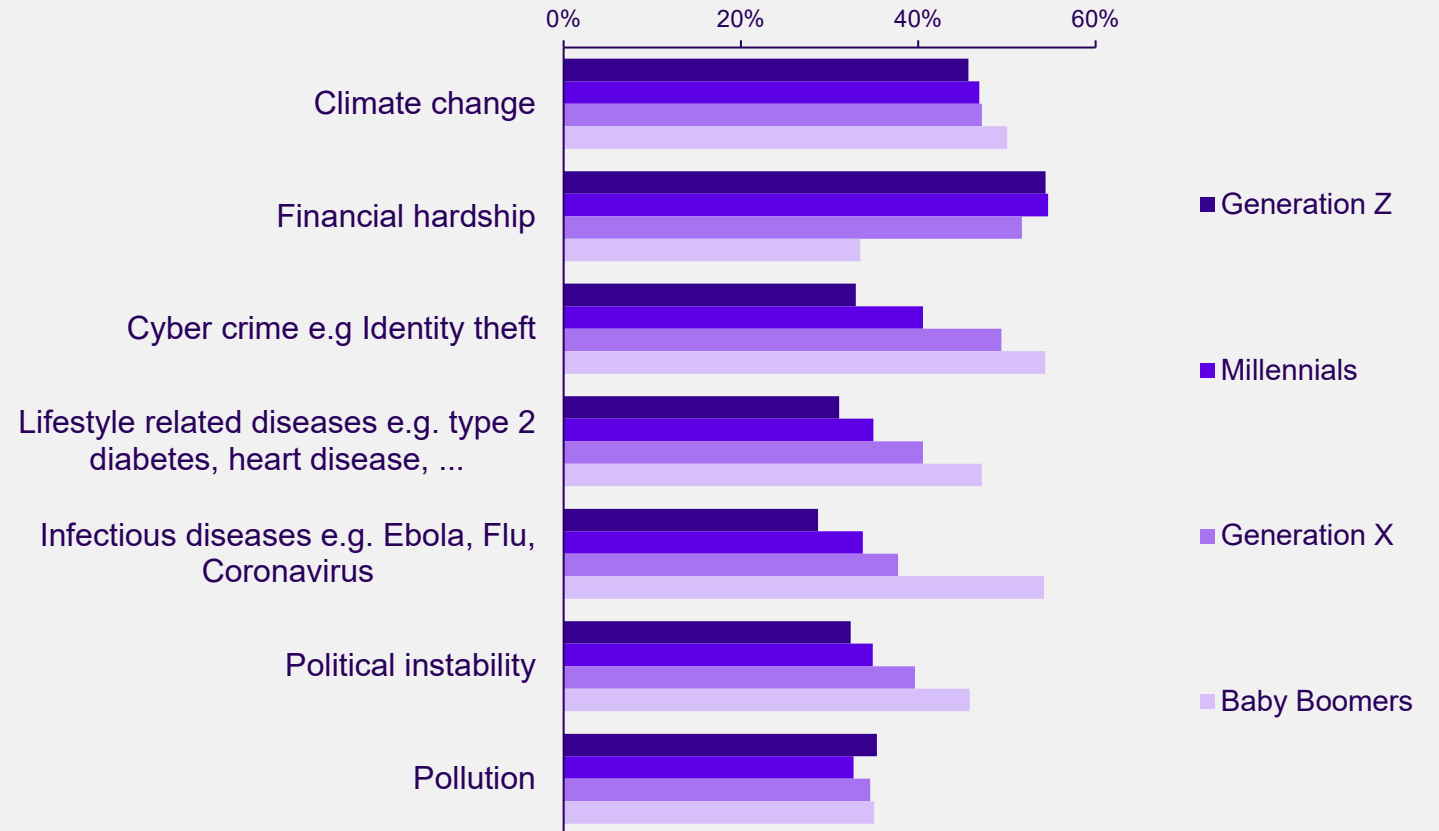
New risk categories are emerging faster than insurers can adapt. AI errors, cyber attacks escalating and climate change now account for big factors in decision making. These threats require entirely new assessment frameworks and coverage models that traditional policies weren't designed to address.

# 10%

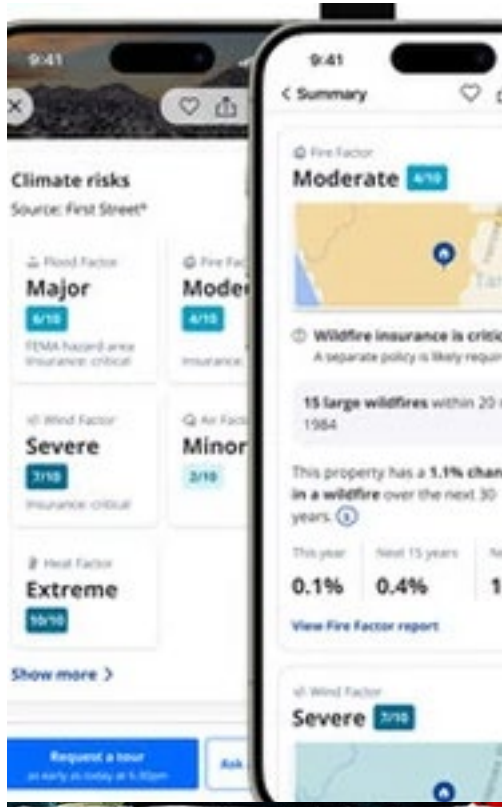
Source: BMS

The expected hike in UK retailers rate following the recent hacking incidents in May 2025

### What people feel more at risk from over the next 5 years per Generation

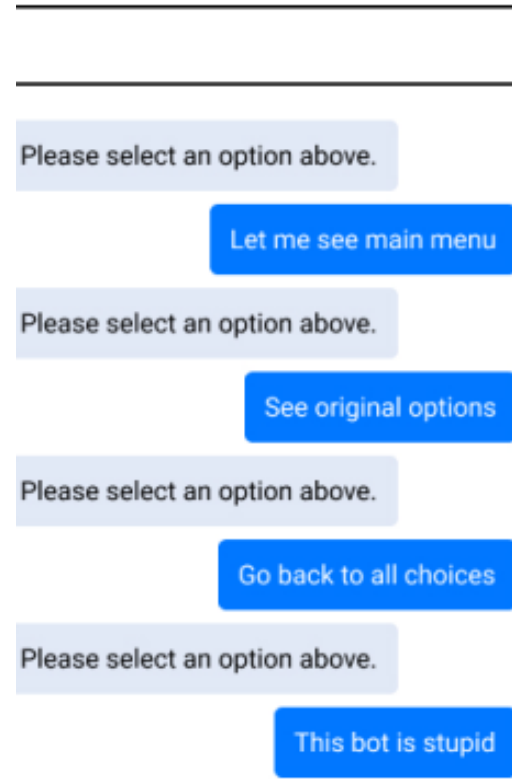


# How is the insurance market catering to new risks?



## Climate change influences homebuying

Zillow now includes climate risk scores in property listings across five categories: flood, wildfire, wind, heat, and air quality. The platform responds to changing buyer behavior - over 80% of homebuyers consider climate factors, particularly Millennials buying their first homes.



## Cover launched for AI chatbots errors

Lloyd's of London insurers now offer specialized AI liability coverage through startup Armilla. The policies cover legal fees and damages when AI systems underperform - like when Air Canada's chatbot invented a discount the company was forced to honor, or when Virgin Money's bot reprimanded customers for using "virgin."

# So what for your business?

01

## Consider how to communicate emerging risks

Success comes from educating markets about emerging risks rather than simply pricing them. Help customers understand threats they've never encountered.

02

## Build ecosystems, not just policies

New risks require collaborative solutions. Climate needs urban planning partnerships. AI liability needs tech provider collaboration. Cyber protection demands intelligence sharing. Encourage collaboration across customer base.

03

## Prepare for regulation

Governments are currently struggling to regulate AI, climate, and cyber simultaneously. Build adaptive compliance capabilities rather than optimising for current regulations.

# Instant Insurance

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The expectation of convenient, frictionless services with immediate delivery reshapes customer experience benchmarks across the insurance landscape.



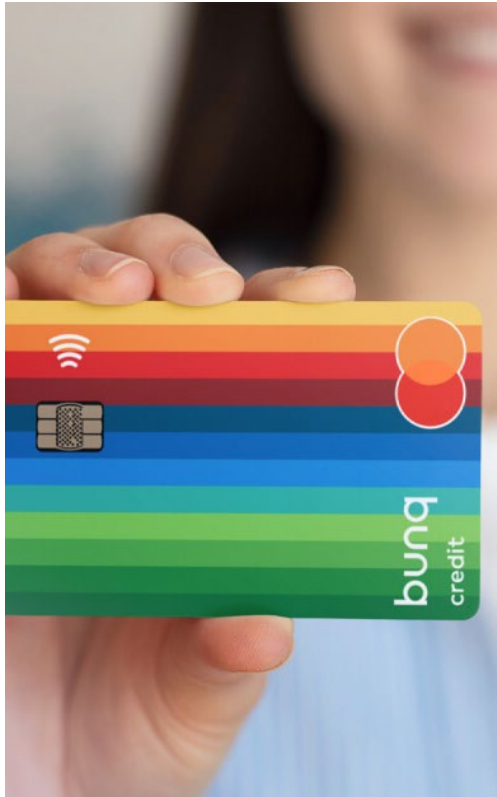
# Speed and simplicity are now paramount

Consumers expect insurance to match the immediacy they experience across all other digital services. Traditional application processes, claims forms, and waiting periods are increasingly seen as outdated friction points that drive customers away. The shift toward instant insurance reflects broader consumer behaviour - people are willing to pay more for quality and convenience when it eliminates hassle.



Source: Foresight Factory 2024

# How is the insurance market catering to instant protection?



## Embedded Travel Coverage

Dutch neobank bunq's partnership with insurtech Qover demonstrates insurance becoming invisible infrastructure. Customers on the bank's Easy Bank Pro XL plan receive automatic worldwide travel coverage without applying for each trip.



## Delays Trigger Instant Benefits

Zurich Singapore's FlyEasy coverage with Klook revolutionizes travel disruption response. When flights are delayed over two hours, travelers automatically receive lounge access codes via email and SMS - no claims forms or applications required.

# So what for your business?



01

## Expand who you consider your competition

Your customer experience benchmark isn't other insurers - it's the smoothest digital experiences your customers use daily. Insurance friction feels more painful when compared to one-click purchases and other seamless experiences.

02

## Sell end goals, not policies

Bundle coverage into the outcomes people actually seek - seamless travel, worry-free purchases, automatic protection.

03

## Be a silent partner

Instant, seamless experiences create powerful customer advocacy. When insurance works invisibly and delivers immediate value, customers become promoters rather than just policyholders.

# Cool to be Kind

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The dual emphasis on compassion and value drives consumer choices and brand loyalty—offering smart bundling, packages, and demonstrable value in a challenging economy



# Cost is key – but it’s not the only consideration in consumers’ value equation

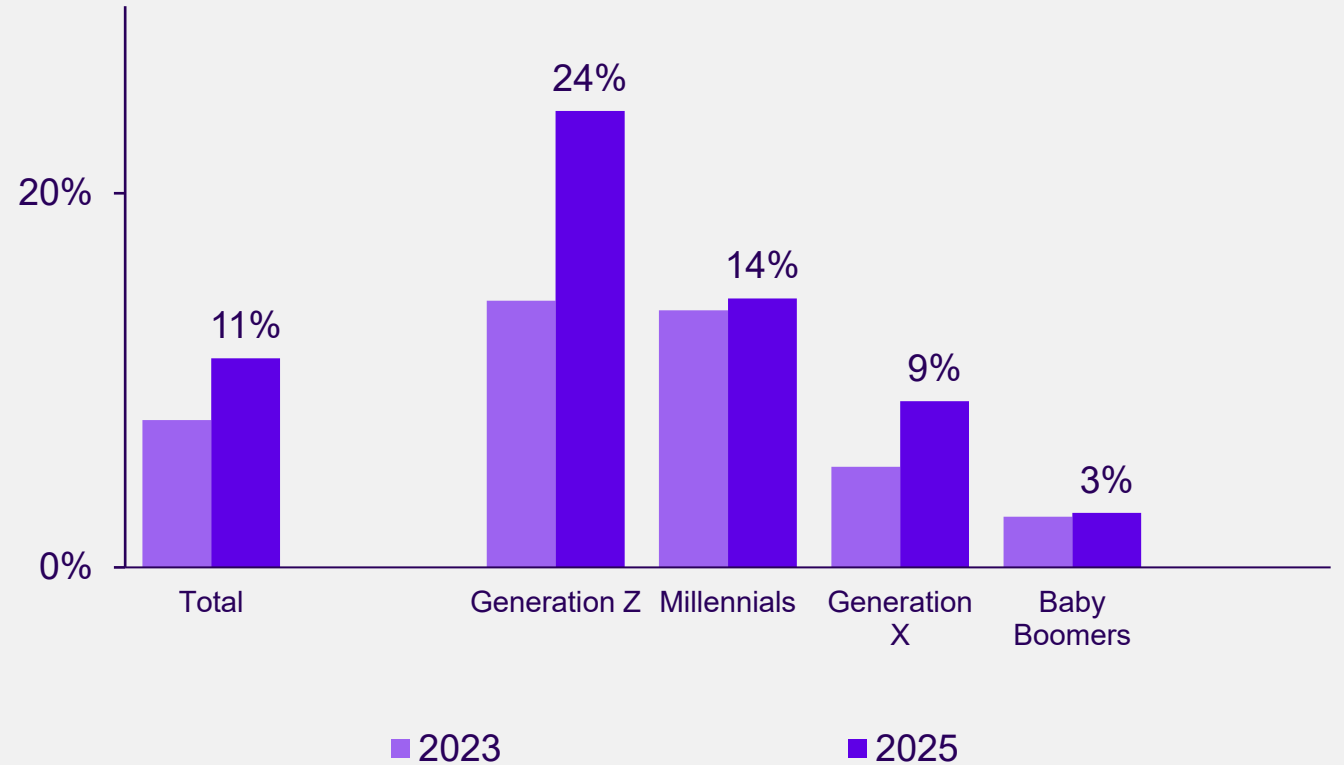
With potential financial crisis looming, insurers cannot rely solely on price. Whilst competitive pricing remains key consumers are looking for brands which offer great deals combined with genuine care, education, and human connection.

**63%**

Source: Foresight Factory 2024

Of global consumers use a price comparison site at least weekly.

% who believe companies should help educate people

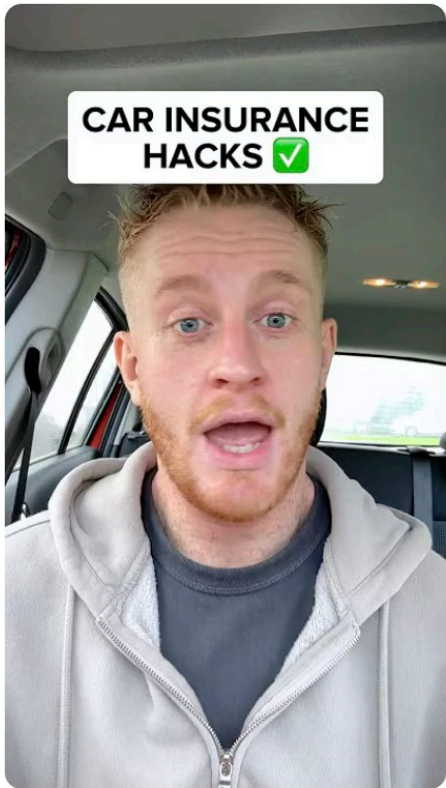


## Brands show solidarity with customers during tariff chaos

US spice importer Burlap and Barrel is one of several brands that launched a “Tariff Sale” in April, offering 20% off sitewide ahead of the tariffs coming into force. In a post announcing the sale, the company also explained that it would not increase prices but instead pull back on expansion plans to protect customers from rising prices.



# How is the finance category being caring and kind?



7 Car Insurance Hacks That Will Save You ...

## Meeting Customers Where They Are

Google actively encourages insurers to use YouTube for customer connection, with Managing Director David Black noting that the platform helps insurers "navigate a highly competitive market with success."



## Banking as Education Platform

BBVA's "Aprendemos juntos 2030" (Learning Together 2030) transforms a financial institution into an educational movement. The program gives voice to over 450 speakers, building a community of 1+ million followers focused on sustainability and inclusive futures.

# So what for your business?

01

## Become a helpful expert

In challenging economic times, customers value brands that educate and inform before they sell. Position your expertise as a public service - help people understand risks, make better decisions, and navigate complexity without immediate sales pressure.

02

## Design for emotional reassurance, not Just efficiency

As consumers face anxiety around finances and uncertainty, insurers who show empathy in tone, UX, and service design will build lasting trust. Shift from transactional interfaces to emotionally intelligent ones. Offer calming language, frictionless claims experiences, and reassurance-driven content that helps people feel safe, not just covered.

03

## Turn care into a brand differentiator

Build campaigns and customer experiences that showcase small acts of care — from checking in during climate events to offering personalised guidance and rewards. Reward loyalty not just with discounts, but with kindness and relevance.

# Building Resilience

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Proactively planning for future uncertainties in an increasingly volatile world, exemplified by organisational responses to cyber attacks like the one on M&S website recently.



# Preparation meets reality

The modern threat landscape demands proactive resilience planning, not reactive crisis management. From cyber attacks to supply chain disruptions, organizations face an expanding array of risks that can instantly derail operations and wipe out years of progress.

## £750m

Source: FT

M&S market capitalization loss since the cyber attack

## Marks and Spencer's share price tumble since the disclose of the attack on April 22nd, 2025

Share price, pence



## The lesson in third-party risk management

M&S was enjoying strong sales and profits when a cyber attack via third-party supplier brought operations to a standstill. Despite boosting cyber security investments by 75% and quadrupling their security team, criminals used simple "social engineering" to trick IT staff at supplier Tata Consultancy Services into changing passwords.

The attack forced M&S to shut online clothing sales for over three weeks, reducing annual operating profit by up to £300m and wiping £750m off market value. Chair Archie Norman reflected: "Just as you think you're on to a good streak, events have a way of putting you on your backside."

## M&S

We are really sorry that we've not been able to offer you the service you expect from M&S over the last week.

We are working day and night to manage the current cyber incident and get things back to normal for you as quickly as possible.

Thank you from me and everyone at M&S for all the support you have shown us. We do not take it for granted and we are incredibly grateful.

Our teams are doing the very best they can, and are ready to welcome you into our stores - whether you are shopping for food or for fashion, home and beauty this bank holiday weekend.

Thank you for your support and thank you for shopping with us. We will continue to keep you updated.



Stuart  
M&S Chief Executive

# So what for your business?



01

## Help customers identify their weakest links

M&S invested heavily in cyber security but was breached through supplier human error. Map your entire ecosystem's vulnerabilities - often the greatest risks lie in partners, suppliers, and human factors rather than your direct operations.

02

## Plan for Emotional Resilience

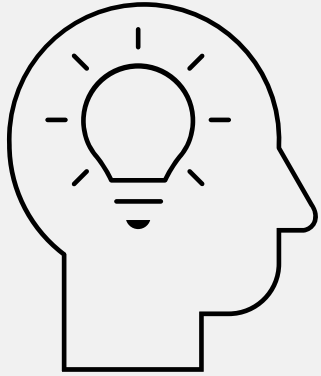
Build psychological preparedness and support systems into crisis plans - resilience is as much about mental fortitude as technical capabilities.

03

## Build during the “ups”

Success can breed complacency. Use periods of strong performance to strengthen defences and stress-test systems rather than assuming momentum will continue ad eternum.

# Future Leaders Pre-Session Homework

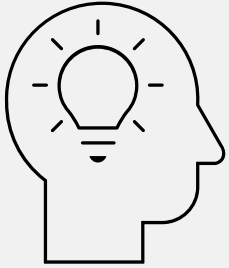


Prior to the Future Leaders event on June 13th please review Foresight Factory’s 7 key trends and think of a commercial idea.

## What is a Commercial Idea?

It could be an innovation, an iteration of an existing product, a CX initiative, a marketing campaign, an internal efficiency – or something else you think of!

My idea	Who is the customer target?	Why is this commercial idea compelling for my company?



# Future Leaders Workshop Exercise

Using your pre-session homework and the trends from Part One, push your idea further

<b>What are the data and proof points to believe in this idea?</b>	<b>Which trends make this idea critical for the future?</b>	<b>How does this idea deliver USP for my brand?</b>

# Future Insurance Trends



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**Want to see tomorrow?  
Let's get you there,  
today.**

Foresight Factory for ABI

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June 2025