Most Insurers Don't Have a Claims Problem. They Have a Relevance Problem.

Andy Chow | February 2026

RESEARCHED WITH CLAUDE · PERPLEXITY · CHATGPT · GEMINI · GAMMA

The Necessary Evil

Think about how your customers feel about you.

> Not at renewal.
> Not after a smooth claim.
>
> Right now. On a Tuesday.

They don't think about you at all. And when they do — it's because something went wrong.

That's not a brand problem. That's not a CX problem.

> That's what it means to be a **Necessary Evil**. The thing people pay for. Hope they never need. And resent when they do.

The question isn't how to be a better insurer. The question is how to stop being something people dread.

The Pincer Movement

The industry is being squeezed from two sides simultaneously.

⚡ Unpredictable Risks

- Climate and cyber evolve faster than actuarial tables
- Social inflation drives severity up
- Soft market limits premium growth to ~4%
- The loss model is breaking

👁️ Invisible Customers

- Customers now ask Claude, Perplexity, ChatGPT — not your website
- 58% of searches result in zero clicks
- Zero-party data is drying up
- The acquisition model is breaking

You can't prevent the loss of a customer you can no longer see. Unpredictable risks on one side. Invisible customers on the other.

Three Numbers That Are Not Cycles

These are structural signals — not market fluctuations.

30–50%	110%+	$100B+
Reinsurance Cost Increase	Combined Ratio	Annual Nat-Cat Losses
2020–2024. Source: Aon, Guy Carpenter.	US homeowners 2023. Source: AM Best.	Now routine. Source: Swiss Re, Munich Re.

> IAG raised reinsurance retention **75% in a single renewal cycle.** One company. One renewal. That's how fast the floor moved.

The indemnity model is deteriorating in real time.

Predict

The insurer sees risk before the customer does. The shift: from annual renewals to 24/7 observability.

IoT & Telematics

Continuous sensor data from homes, vehicles, bodies. LeakBot. Parsyl cold-chain sensors. Connected vehicle data. The insurer knows before the customer does.

Satellite & Atmospheric

Real-time imagery. Climate event prediction. Parametric triggers designed before loss occurs.

Digital Twins & Edge AI

Virtual replicas of physical assets. Updated in real time. Latency drops from minutes to milliseconds.

Most insurers collect data. Few act on it before the loss. **That gap is the opportunity.**

Prevent

Agentic AI executes. Before the claim exists.

Agentic AI vs. Chatbots

Chatbots

Summarise. React. Wait for input.

Agents

Act. Dispatch the plumber. Close the valve. Pre-schedule maintenance. The intervention happens before the customer knows there was a risk.

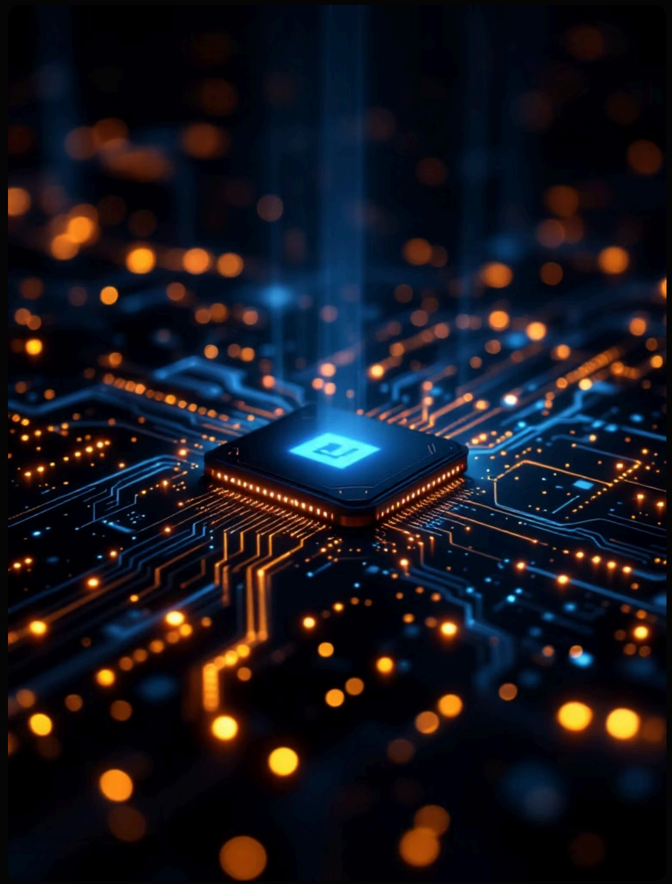
Real-World Interventions

LeakBot detects micro-leak

Smart valve auto-shutoff activates. Plumber dispatched. Customer unaware. Claim never filed.

Driver fatigue detected

Journey rerouted automatically. Frequency is easier to control than severity.



> The insurer that owns the intervention **owns the relationship.**

Protect

When prevention fails — minutes, not days. Parametric structures settle instantly. No claims adjuster. No call centre queue. The payout triggers before the customer calls.

Parametric Triggers

Pre-agreed parameters — wind speed, rainfall, earthquake magnitude. Trigger automatic payouts. No loss assessment. No adjuster.

Straight-Through Processing

ZhongAn: 1 claim every 9 seconds. 95% automated. Not a pilot. The product.

Hybrid Safety Net

When parametric doesn't cover the full loss, indemnity fills the gap precisely. Speed as brand equity. Precision as trust.

The product is no longer the payout. **The product is the resilience.**

The Benchmark Nobody Talks About

ZHONGAN INSURANCE · CHINA

9s	95%	428M
One Claim Every 9 Seconds	Automated	Claims in One Year
Not a pilot. The product.	No human in the loop.	166 million policyholders.

> They didn't automate a legacy claims department. **They built without one.**

> They didn't improve the waiting room. **They questioned why it existed.**

That's the gap you're competing against.

The Platform Threat

The risk is not losing to another insurer.

🛒 The Embedders

Amazon. Tesla. E-commerce. Own the interface and data at point of sale. Insurers become invisible capital pipes. Balance sheet. No customer.

🔗 The Orchestrators

Google Nest. Apple Health. Own the IoT ecosystem and the daily relationship. Already better positioned to be the Guardian. Before you've started.

🤖 The AI Natives

ZhongAn. Lemonade. Built on digital rails from day one. Zero-touch claims. No legacy architecture to defend.

> If they own the prevention relationship before you do — you don't lose to a competitor. **You become infrastructure. Capital with no customer. No data. No moat.**

That customer won't cancel your policy. They'll just stop needing it.

Become the Guardian

In 2026, the risk is not that you will pay too many claims. The risk is that you will become irrelevant to the customer who uses AI to avoid the loss entirely.

Passive

Alerting after the fact. Still the waiting room.

Active

Intervening before the loss. Prevention as a service.

Predictive

Anticipating before the customer sees it. This is where economics permanently change.

That insurer isn't a payer. That insurer isn't a partner. **That insurer is a Guardian.**

Define Your Pilot	Secure the Data	Become the Guardian

> The gap is not capability. **The gap is courage.**