

Adapting to disruptive change: The strategic imperative for AI in reinsurance

Introduction

In Spring 2025, Oman Re conducted an independent study to understand how reinsurance leaders view the impact of technology and AI on the industry. With feedback from over 360 market participants, this insight highlights a clear message: embracing AI is no longer optional - it's essential for survival.

Key insight

**AI is a strategic necessity,
not an option**

Over
95%


of participants said understanding AI is important or very important. The adoption of AI is expected to become standard in reinsurance operations by **2027/28**. Failure to act could mean obsolescence.

What will AI change?

1. Competitive Advantage

Early adopters gain a strategic edge. Late adopters risk falling behind.




The main differentiation in the future won't be between large and small companies, but between those companies who can embrace technological change and those who can't. 

Chakib Abouzaid

Secretary General, General Arab Insurance Federation (GAIF)



AI leads to the transformation of all aspects of insurance. For example in medical insurance, AI can help you review more than 3 million transactions of medical insurance in a minute. That makes a big impact on practices. 


Alaa El Zoheiry

Managing Director, GIG Egypt

2. Operational Efficiency & Automation

AI will eliminate repetitive tasks, reduce human error, and free staff for higher-value work.



You can start to contain the cost. It potentially helps everyone create a better margin in an industry where margins are typically thin. It can also bring us to a more accurate assessment of exposure, improve the performance of underwriters, improve processes and contain the cost of claims. 

Joe Azar

Chief Executive Officer, Nasco France

3. Data-Driven Decision Making

AI's ability to process large datasets enhances underwriting, pricing, fraud detection, and claims.



“ AI can analyse vast datasets...enabling better decisions. ”

4. Operational Efficiency & Automation

AI will eliminate repetitive tasks, reduce human error, and free staff for higher-value work.



“ AI helps reinsurers make better predictions and handle claims faster. ”

But human judgement still matters

Participants stressed that while AI will transform operations, human relationships and judgement remain central—especially in complex underwriting and claims.



“ There will need to be a readjustment of staff to be capable of using the new AI environment for example using robots and other AI interventions. Despite the rise of technology in insurance however, I also believe it will continue to need the human context in underwriting, claims analytics and other areas. ”

Patty Karuaihe-Martin
Managing Director, NamibRe

Barriers to Adoption

Despite the enthusiasm, only **44% of organisations** have a strategic plan or have started implementing AI. Common barriers include:

- **Limited infrastructure and regulatory maturity (especially in emerging markets)**
- **Lack of clear understanding on how to use AI effectively**

The Readiness Gap

Even among those who are preparing for AI:

- ✓ Only **24%** have AI in active use
- ✓ **43%** are still developing their solutions

This suggests a gap between aspiration and action.

Implications for Regional Markets

Many noted that regional markets must move quickly to keep pace with global AI-driven models or risk being left behind.



The regional market must prepare to confront the westernized, AI-reliant insurance models.



Conclusion

Success in the age of AI will depend not just on adoption, but on **thoughtful integration, ongoing education, and balancing technology with human expertise.**

In our next insight, we'll explore how organisations can build differentiation through technology, develop underserved markets, and prepare both systems and people for what lies ahead.

Oman Re remains committed to knowledge sharing and collaborative thinking. More results from the research will be communicated through a series of Oman Re Insights.

This research was carried out by an independent specialist research agency, The Thriving Company Limited, UK.

For more details, please email
Mahesh Prabhu, Head of Corporate Services
mprabhu@omanre.com.om

omanre.com