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AI IN INSURANCE

A Four-Part Framework for Agentic AI in Insurance Servicing

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THE PREMISE

Policyholder servicing has become a primary driver of retention, operational efficiency and carrier differentiation. While underwriting and pricing remain important, policyholder perceptions are increasingly shaped by the quality, speed and consistency of servicing interactions.

Policyholders can go for months without contacting their insurer, but when they need something, they expect timely responses, consistent interactions and support across every channel.

But many insurers still rely on staffing-intensive service models that struggle to meet modern expectations or enable operations to scale. As a result, insurers face rising service costs while delivering inconsistent experiences that contribute to policyholder churn.

This framework identifies four high-volume service interactions where insurers can simultaneously improve policyholder satisfaction, reduce operational costs and increase scalability with insurance-native agentic AI. Insurers can use this framework to assess their current processes and develop a roadmap for progress in four critical policyholder servicing interactions.

THE FRAMEWORK: FOUR HIGH-VOLUME SERVICE INTERACTIONS

Although policyholders can call for a variety of reasons, the vast majority of calls fall into a handful of routine categories.

Prioritizing these interactions can deliver measurable improvements in servicing efficiency, policyholder satisfaction and operational scalability

INTERACTION	INSURANCE-NATIVE AI CAPABILITY	BUSINESS IMPACT
1 **Payment Processing**	Collect payment information; process payment; deliver confirmation	Fewer skipped or delayed payments
2 **Coverage Questions**	Engage in human-like conversation to answer questions	Increased retention; improved cross-sell
3 **Document Requests**	Gather information; confirm coverage; issue routine documents	Reduced team workload
4 **Policy Updates**	Gather information; record in system	Increased policy accuracy; improved efficiency

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Interaction 1:

Payment Processing

Insurance payments are often automated, but sometimes policyholders need to make payments manually.

When making a payment, modern policyholders expect:

- **Speed.** The faster this is done, the better.
- **Security.** Identity theft is a massive problem. They need to know their financial information is safe.
- **Confirmation.** If the payment doesn't go through, their coverage could be at risk. They need proof of payment.

54.7%

Of consumers would rather use a chatbot than speak to a human when paying bills or transferring money.

Source: Commonwealth[1]

Payment Processing with a System of Action for Servicing

- **Multimodal support.** Policyholders can call, chat, or text, and the AI can send confirmation in real time.
- **Multilingual capabilities.** Let policyholders speak their own language to remove any language barriers.
- **24/7 availability.** Policyholders don't want to call during work hours because that's when they're working.

Interaction 2:

Coverage Questions

Coverage misconceptions put policyholders at risk, increase the chance of disputes and cause insurers to miss out on sales opportunities. Traditional service models require policyholders to wait for information that should be available instantly.

Policyholders should receive policy servicing that is:

- **Easy.** Few people will peruse dense policy documents. They need to ask questions and get answers in natural language.
- **Convenient.** They need to be able to get answers through the channel they want when they want.
- **Responsive.** Policyholders may not know exactly what questions to ask, or what actions they should take. Traditional rule-based chatbots often lack the contextual understanding required for complex coverage discussions

86%

of Americans say they understand their coverage, and most of them are wrong:

56% don't realize homeowners insurance doesn't cover flood damage

55% don't realize a standard auto policy doesn't cover business use of the vehicle

44% think their car insurance will cover personal items stolen from their car

Source: TrustedChoice[2]

Coverage Questions with a System of Action for Servicing

- Integrate with policy administration systems to look up specific policy details.
- Gather information and ask questions in natural language.
- Orchestrate with the quote process and sales department for efficient workflows if additional coverage is needed

Interaction 3:
Document Requests

Policyholders may contact their insurers because they need documentation, such as proof of insurance or an auto insurance ID card. Commercial policyholders may also need certificates of insurance. These requests are often urgent, so any wait can cause policyholder frustration.

Effective document workflows are characterized by:

- **An immediate response.** Calls should receive an answer instantly.
- **A straightforward process.** Transfers and holds add frustration.
- **Quick resolution.** Policyholders want the actual documents ASAP.

Document Requests with a System of Action for Servicing

- Resolve most routine documentation requests with no human intervention
- Leverage multimodal capabilities to handle a request by phone or text and deliver the document by email, all in real time.

Interaction 4:
Policy Updates

Life changes can necessitate policy updates.

Auto insurance policyholders may need to:

- Add a car to a car insurance policy.
- Add a driver to a car insurance policy.
- Update vehicle usage or commute information.

Home insurance policyholders may need to:

- Report a safety upgrade that's eligible for a discount.
- Schedule a valuable item.
- Report on home renovations or new structures.

Traditional policy update processes often create unnecessary delays and administrative complexity for policyholders while increasing service workload for carriers. If policyholders have to deal with long wait times, call abandonment becomes a serious risk. As a result, policies become outdated, increasing the risk of conflict between the policyholder and insurer in the event of a loss.

Policy Updates with a System of Action for Servicing

- The policyholder initiates a request through voice, text, email or digital messaging channels, and the AI agent responds immediately.
- The insurance-native AI agent gathers information using natural language, validates data, orchestrates workflow execution and updates systems of record automatically.
- The AI agent updates the policyholder's file with the new information. For actions that require human involvement, such as new underwriting, a task is created, but it can be completed asynchronously as needed.

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Operational Constraints of Traditional Servicing Models

Customers will leave a brand after just two poor customer experiences.[3] In the insurance industry, where the product can be similar from carrier to carrier, policyholder servicing is especially vital. Poor servicing experiences can contribute directly to policyholder attrition. Because high-value policyholders often have more competitive options, they may be among the most likely to seek coverage elsewhere.

Many insurers are falling short. J.D. Power's 2025 U.S. Auto Insurance Study found that 38% of auto insurance policyholders are not very satisfied with their insurers, and they're more likely not to renew as a result. The most important factor was a seamless cross-channel experience, and the insurers that are able to deliver on this benefit from great levels of customer trust.[4]

The problem isn't motivation. Insurers want to retain business, and quality policyholder servicing is widely recognized as critical. Nevertheless, there are challenges:

High costs make servicing operations difficult to scale.

Carriers aim to ensure that every call is answered promptly by a dedicated representative who is fully trained on the company's products, processes and brand standards. Providing 24/7 coverage effectively triples call center costs[5] (compared to an eight-hour service window), while maintaining capacity for call-volume surges increases it further. Add payroll taxes, benefits, turnover, office space, equipment and other overhead expenses, and it's clear that scaling servicing operations through traditional staffing models can become financially challenging.

Policyholder expectations continue to evolve.

Two decades ago, telephone support was often sufficient to meet servicing needs. Today, policyholders expect support across multiple channels, including phone, chat, email and text. Expectations have also increased regardless of channel. Policyholders are less willing to tolerate limited business-hour availability or extended hold times and increasingly expect timely assistance around the clock. Meeting these expectations through traditional staffing models can be prohibitively expensive.

These operational challenges create a difficult tradeoff between service quality, responsiveness and cost control. Advances in insurance-native agentic AI provide carriers with a new approach for addressing these competing demands. By deploying insurance-native agentic AI, insurers can meet policyholder expectations while controlling costs, eliminating barriers that make it difficult to scale operations and unlocking growth potential.

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Key Indicators of Servicing Readiness

Policyholder expectations continue to rise, while traditional servicing models face increasing pressure from cost, complexity and channel fragmentation. The following questions can help carriers assess whether their current servicing operations are positioned to meet evolving demands.

Have you eliminated hold times?
A good speed to answer is one second, meaning you answer calls on the first ring.

Can you complete most routine requests without a transfer?
Each transfer drags out the total length of the call and adds frustration.

Are you offering multilingual support?
Around 68 million people in the U.S. speak a language other than English at home.[6]

Do you provide seamless multimodal support?
A single channel can't meet all policyholder servicing needs or individual preferences.

Is the quality of your policyholder servicing always maintained?
Policyholders want to be able to access assistance around the clock and calling after 5 p.m. isn't an excuse for poor service.

Policyholder servicing has become a defining factor in policyholder retention and operational efficiency. Insurers that continue relying on staffing-intensive service models may find it increasingly difficult to meet rising customer expectations while controlling costs.

Agentic AI is emerging as a foundational capability for modern insurance servicing operations. Carriers that successfully deploy insurance-native AI can improve responsiveness, expand servicing capacity and maintain consistent experiences across channels without proportionally increasing staffing costs.

10%

Of financial services organizations have already adopted AI agents at scale.

Source: Capgemini[7]

The Liberate System of Action for Servicing enables carriers to operationalize these capabilities through insurance-native AI agents that integrate directly with policy administration systems and other systems of record. Today, Liberate supports insurance operations representing more than $100 billion in premium volume.

ABOUT LIBERATE

Liberate is the System of Action for Insurance, deploying insurance-native AI agents across sales, service, and claims. Liberate helps carriers, agencies, and insurance operators drive more than 10% revenue growth and delight their customers while cutting operating costs by greater than 25% by resolving customer requests end-to-end across voice and digital channels. Unlike basic voice bots or horizontal AI platforms, Liberate orchestrates complete workflows with built-in governance, safety controls, and full auditability designed for regulated, long-form customer interactions. Today, Liberate supports insurance operations representing over $100B in premium volume.

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