TOPICS:

Insurance

SOURCE:

European Insurance and Occupational Pensions Authority

EIOPA Survey on Generative AI Shows Swift But Cautious Adoption Among Europe's Insurers

- This EIOPA report presents the results of an **EU-wide market survey on the adoption, use cases and risk management of Generative AI** (Gen AI) **in the European insurance sector**. Based on responses from 347 insurance undertakings across 25 EU and EEA countries, representing an estimated 80% of EU gross written premiums, the report provides a comprehensive snapshot of the current state of play and expected developments over a three-year horizon.

- The **findings** indicate that **Gen AI adoption is already widespread**: 65% of insurers report active use, while a further 23% plan to implement Gen AI within the next three years. However, most applications remain at an **early stage**, with the majority of use cases still in proof-of-concept or experimentation phases. Adoption is primarily driven by **efficiency gains and cost reduction**, followed by improvements in customer interaction and decision support. Consistent with a cautious implementation strategy, insurers currently prioritise internal, back-office applications - such as productivity tools, coding assistants, document summarisation,

and claims support - over customer-facing uses.

- The report highlights **several key challenges** constraining wider deployment. Data protection and **cybersecurity risks**, regulatory compliance (notably under GDPR and the forthcoming AI Act) and **shortages of skilled personnel** are cited as the most significant barriers. Insurers also report high reliance on third-party Gen AI providers, which increases the importance of **vendor risk management**, contractual safeguards and operational resilience.

- From a governance perspective, Gen AI introduces distinct risks compared with traditional AI, particularly **the risk of "hallucinations", limited explainability** and increased exposure to cyber threats. In response, insurers are adapting existing AI governance frameworks, with greater emphasis on human oversight, output monitoring, prompt management and inference-stage controls.

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