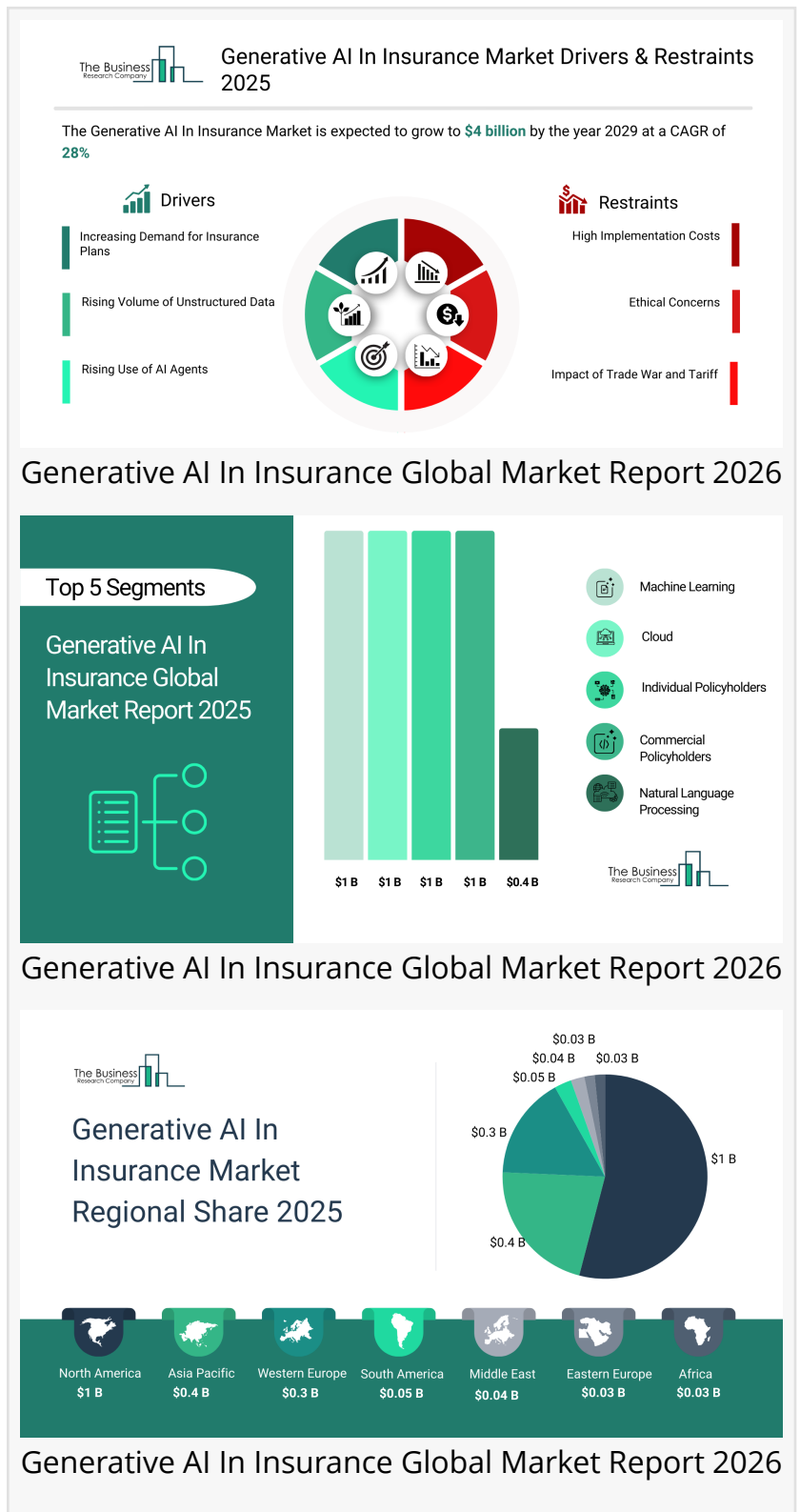# Generative AI In Insurance Market In 2029

The Business Research Company's Generative AI In Insurance Global Market Report 2026 – Market Size, Trends, And Global Forecast 2026-2035

LONDON, GREATER LONDON, UNITED KINGDOM, January 9, 2026 /EINPresswire.com/ -- "Generative AI In Insurance Market to Surpass $4 billion in 2029. In comparison, the Artificial Intelligence market, which is considered as its parent market, is expected to be approximately $250 billion by 2029, with Generative AI In Insurance to represent around 1.6% of the parent market. Within the broader Information Technology industry, which is expected to be $12,711 billion by 2029, the Generative AI In Insurance market is estimated to account for nearly 0.03% of the total market value.

Which Will Be the Biggest Region in the Generative AI In Insurance Market in 2029
North America will be the largest region in the generative AI in insurance market in 2029, valued at $1,422 million. The market is expected to grow from $448 million in 2024 at a compound annual growth rate (CAGR) of 26%. The exponential growth is supported by the widespread adoption of advanced AI technologies, strong investment in digital transformation by insurance companies, increasing

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demand for personalized customer experiences, and the emphasis on efficient risk management and fraud detection in North America.

Which Will Be The Largest Country In The [Global Generative AI In Insurance Market](#) In 2029?
The USA will be the largest country in the generative AI in insurance market in 2029, valued at $1,298 million. The market is expected to grow from $404 million in 2024 at a compound annual growth rate (CAGR) of 26%. The exponential growth can be attributed to the rising volume of unstructured data and the rising use of AI agent.

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What will be Largest Segment in the Generative AI In Insurance Market in 2029?
The generative AI in insurance market is segmented by technology into machine learning, natural language processing and computer vision. The machine learning market will be the largest segment of the generative AI in insurance market segmented by technology, accounting for 50% or $1,981 million of the total in 2029. The machine learning market will be supported by its ability to analyze large volumes of data, detect patterns and anomalies, enhance risk assessment, automate claims processing, improve fraud detection, enable personalized customer experiences, and support predictive modelling for more accurate underwriting decisions.

The generative AI in insurance market is segmented by deployment model into on-premise and cloud. The cloud market will be the largest segment of the generative AI in insurance market segmented by deployment model, accounting for 78% or $3,130 million of the total in 2029. The cloud market will be supported to factors such as the increasing adoption of scalable and cost-effective AI solutions, growing demand for remote accessibility and real-time data processing, rising preference for flexible deployment models, expanding use of cloud-based platforms for seamless integration with existing insurance systems, and the accelerating need for enhanced collaboration, rapid innovation, and reduced IT infrastructure maintenance.

The generative AI in insurance market is segmented by application into personalized insurance policies, automated underwriting, claims processing automation, fraud detection and prevention, virtual assistants and customer support and other applications. The claims processing automation market will be the largest segment of the generative AI in insurance market segmented by application, accounting for 27% or $1,071 million of the total in 2029. The claims processing automation market will be supported by factors such as the increasing demand for faster and more accurate claims settlement, growing adoption of AI-driven tools to reduce manual errors, rising need for operational efficiency and cost optimization, expanding use of predictive analytics and natural language processing to streamline claim evaluations, and the accelerating focus on enhancing customer satisfaction through quicker and more transparent claims handling.

The generative AI in insurance market is segmented by end-user into individual policyholders and commercial policyholders. The commercial policyholders market will be the largest segment of the generative AI in insurance market segmented by end-user, accounting for 55% or $2,207 million of the total in 2029. The commercial policyholders market will be supported by factors such as the increasing need for efficient risk management solutions, growing adoption of AI-driven analytics for business-specific coverage and claims processing, rising demand for automation to reduce operational costs, expanding use of generative AI for predictive modeling and fraud detection, and the accelerating focus on enhancing decision-making, compliance, and overall service efficiency for corporate clients.

What is the expected CAGR for the Generative AI In Insurance Market leading up to 2029?
The expected CAGR for the generative AI in insurance market leading up to 2029 is 28%.

What Will Be The Growth Driving Factors In The Global Generative AI In Insurance Market In The Forecast Period?
The rapid growth of the global generative AI in insurance market leading up to 2029 will be driven by the following key factors that are expected to reshape underwriting, claims management, customer experience, and operational efficiency in the insurance industry worldwide.

Increasing Demand For Insurance Plans - The increasing demand for insurance plans will become a key driver of growth in the generative AI in insurance market by 2029. The increasing demand for insurance plans generates a larger volume of policies, claims, and customer interactions, creating vast amounts of data. Generative AI can leverage this data to automate policy creation, personalize coverage recommendations, and enhance claims processing efficiency. This not only improves customer experience but also enables insurers to scale operations and manage growing demand more effectively. As a result, the increasing demand for insurance plans is anticipated to contributing to a 2.0% annual growth in the market.

Rising Volume Of Unstructured Data - The rising volume of unstructured data will emerge as a major factor driving the expansion of the generative AI in insurance market by 2029. The growing amount of unstructured data such as claims notes, customer emails, medical records and social media content is giving Generative AI a powerful base to identify patterns and deliver insights. When this data is processed and organized, insurers can strengthen risk assessment, improve fraud detection and offer more personalized customer interactions. As a result, underwriting becomes more efficient, claims are handled faster and overall customer experience is greatly enhanced. Consequently, the rising volume of unstructured data is projected to contributing to a 1.5% annual growth in the market.

Rising Use Of AI Agent - The rising use of AI agent will serve as a key growth catalyst for the generative AI in insurance market by 2029. The rising use of AI agents in insurance accelerates the adoption of Generative AI by automating routine tasks such as claims processing, policy management, and customer interactions, allowing insurers to leverage AI-generated insights

more efficiently. This integration enhances risk assessment, personalizes customer experiences, and reduces operational costs, ultimately driving faster, smarter decision-making across the insurance value chain. Therefore, this rising use of AI agent is projected to supporting to a 1.0% annual growth in the market.

Increasing Investments In AI startups - The increasing investments in AI startups will become a significant driver contributing to the growth of the generative AI in insurance market by 2029. Rising investments in AI startups are driving the creation of advanced generative AI solutions specifically for the insurance industry, supporting more accurate risk assessment, automated claims processing, and customized policy offerings. Such funding also encourages innovation by backing AI tools that enhance underwriting processes and strengthen fraud detection. Ultimately, this capital influx allows insurers to implement generative AI more quickly, boosting both efficiency and customer experience. Consequently, the increasing investments in AI startups is projected to contributing to a 0.5% annual growth in the market.

Access the detailed Generative AI In Insurance Market report here:
https://www.thebusinessresearchcompany.com/report/generative-ai-in-insurance-global-market-report

What Are The Key Growth Opportunities In The Generative AI In Insurance Market in 2029?
The most significant growth opportunities are anticipated in the generative AI and machine learning in insurance market, the cloud-based generative AI in insurance market, the generative AI in insurance claims automation market, and the generative AI in insurance for commercial policyholders market. Collectively, these segments are projected to contribute over $6 billion in market value by 2029, driven by advances in automated underwriting, enhanced accuracy in risk assessment and claims processing, and expanding applications across personal, commercial, and enterprise insurance sectors. This surge reflects the accelerating adoption of generative AI technologies that enable real-time, highly personalized insurance solutions, faster claims adjudication, and improved customer engagement, fuelling transformative growth within the broader generative AI in insurance industry.

The cloud-based generative AI in insurance market by $2,332 million, the generative AI in insurance for commercial policyholders market by $1,555 million, the generative AI and machine learning in insurance market is projected to grow by $1,388 million, and the generative AI in insurance claims automation market by $790 million over the next five years from 2024 to 2029.

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