

12 Insurance and Payments Trends Shaping 2025



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By One Inc

This report examines the opportunities and challenges confronting insurance carriers today and explores 12 insurance and payments trends poised to redefine the industry throughout 2025.

● Introduction

The insurance sector continues to undergo rapid transformation as carriers advance their modernization initiatives in response to persistent disruptions and shifting market dynamics.

“Rising catastrophe losses, technological transformation, and evolving risk landscapes are forcing insurers to fundamentally rethink their approaches to underwriting, claims processing, and customer engagement,” according to Datos Insights.¹

The year ahead is expected to witness accelerated adoption of new technologies and practices. Unified insurance payments, open banking, and AI are a few of the advancements at the forefront. These innovations and others promise to reshape policyholder experiences and herald significant changes across operational frameworks and customer interactions.

Here are 12 trends that will drive organizational success for insurance carriers in 2025.

1 Unified, Integrated Insurance Payments

Two-thirds of the insurers who responded to Celent’s 2024 CIO surveys said growth was a ‘significant’ driver of their technology strategy, which was the largest share of any motivating factor.²

A unified payments platform can quickly revolutionize a carrier's operations to boost growth, integrating the software directly into core systems and centralizing inbound and outbound transactions.

The unified platform approach particularly excels in driving innovation, as the common technology infrastructure and coordinated product development enable faster implementation of new features and capabilities across the entire payment ecosystem. This type of platform can then transcend the capabilities of standalone payment solutions, offering distinctive features that create additional value. Unified payments eliminate manual processes, reduce errors, and alleviate administrative burdens. The consolidated payment operations centralize reporting and reconciliation capabilities to simplify financial tracking.

Additionally, a unified payments platform enhances policyholder experiences by offering a consistent interface design for all payment functions. Payment preferences shared across inbound and outbound payment flows further streamline payments to improve customer convenience. For example, a policyholder can easily pay their premiums through Venmo and receive an almost instant payout via the same method should they ever need to make a claim.

A robust platform can also support multiple payment methods to meet policyholder digital preferences. In 2024, 92% of U.S. consumers reported using some form of digital payment, marking a new high.³ In 2025, providing modern payments options for both premiums and claims will further enhance the customer experience by offering faster, more efficient ways to pay and be paid.

2 Open Banking for Insurance Payments

Open Banking is a system that securely shares financial data between banks and authorized third-party providers, enabling innovative payment solutions that allow money to move directly between accounts.

Over 90% of consumers use some form of open banking,⁴ which powers account-to-account (A2A) payments, such as PayPal and Venmo.

Although most transactions today are peer-to-peer, at 69%,⁵ the growing adoption of open banking is expected to expand into insurance — introducing seamless premium collection, claim disbursements, and installment payments. Insurers stand to benefit from enhanced operational efficiency as payment verification becomes faster and more precise, cutting administrative delays. For policyholders, open banking translates into faster, frictionless interactions with their insurers, which helps foster a more positive customer experience. The technology also increases transparency to boost policyholder satisfaction and trust.

Still in its relatively infancy, open banking is expected to grow quickly. The global market is projected to increase from \$30.89 billion in 2024 to \$38.86 billion in 2025, reflecting a compound annual growth rate (CAGR) of 25.8%.⁶ As open banking technologies mature, the industry may see greater interoperability across platforms and regions, widening market reach and scaling operations more effectively.

3 Increase of Operations Efficiency

One way to pave a path for growth is to take friction out of the back office, which allows insurers to be more competitive for business without being bogged down by legacy processes, according to Celent.⁷ To remain competitive, insurers are increasingly looking to improve operational efficiency through automation and advanced technology.

Automated triage systems have already reduced initial routing time by up to 70%, while AI driven damage assessment now handles over 60% of simple property claims without human intervention.⁸

Payments can consume considerable administrative resources, but a platform with an extensive, digitally enabled ecosystem facilitates new levels of efficiency through the interconnectedness of insurance technologies. To further improve efficiency, a unified payment platform can offer a single reconciliation environment for premium and disbursement transactions, simplifying treasury operations by providing an end-to-end treasury management system for carriers. Some payment solutions can save up to an hour of manual effort per transaction,⁹ a significant time and cost savings when multiplied across thousands of payments.

According to Celent, “The best road out of a challenging economic environment is effective digitalization, because only by removing legacy friction from processes can insurers achieve efficiency gains and success.”¹⁰

4 Workers’ Compensation Innovations

The NCCI reported a 1% increase in workers’ compensation premiums in 2024.¹¹ However, workers’ compensation premium rates have been steadily declining in several states over recent years in conjunction with new and proposed changes to many workers’ compensation systems across the country.¹²

Another challenge affecting workers’ compensation insurers is an aging population. Approximately one in four U.S. workers will be 55 or older by 2033 according to the Bureau of Labor Statistics.¹³

Innovative payment options and reconciliation tools will help define the new era of the sector.

Electronic 835 Remittances give doctors precise digital payment reconciliation on medical payments from carriers to streamline operations for healthcare providers. And emerging models such as pay-as-you-go workers' compensation align premiums with real-time data, offering flexibility and efficiency.

These advancements will not only reduce delays but also boost transparency and policyholder satisfaction. Insurers who adapt to these cutting-edge capabilities will position themselves as leaders in a rapidly evolving market.

5 Payment Fraud Detection and Prevention

In 2023, 80% of organizations experienced payment fraud attacks.¹⁴

Checks remain the most vulnerable payment method, with 65% of organizations experiencing fraud attacks or attempts through this channel, a 15% increase from the previous year.¹⁵

Insurers will continue to combat payment fraud by switching to digital payments as well as leveraging advanced technologies like AI and machine learning to identify and mitigate risks in real time. These tools analyze vast amounts of data to detect anomalies and uncover fraud patterns with precision.

Collaboration with financial institutions and sharing fraud intelligence will further fortify defenses, creating a united front against evolving tactics. Continuous monitoring and adaptive algorithms ensure proactive responses to new threats, reducing vulnerabilities. By working with a payments network that employs these strategies, insurers will enhance security, safeguard assets, and build policyholder trust. Ultimately, a provider needs to deliver a fraud-resistant payments ecosystem that supports seamless and secure transactions across the insurance landscape and across all payment channels and workflows — all the time.

6 Life Insurance Transformation

Life insurers demonstrated stability in 2024, maintaining strong solvency and profitability levels thanks to effective underwriting practices and robust investment returns.¹⁶ Additional focus areas of the current transformation include digitalizing payments and workflows, essential initiatives for meeting customer expectations and maintaining competitiveness. In fact, the penetration of life insurance in Western markets has declined, and the line's global penetration rate is roughly 3%, a 1.6% decrease since 2000. A shift in demographics is one of the main reasons for the decline, as consumers of the majority generations — millennials and Gen Z — are typically less likely to purchase coverage compared to baby boomers and Gen X.¹⁷

It will take more than just technology to reach younger consumers and solve life insurance's challenges.

The 5% of carriers who achieve “best-in-class” status do so largely because of their ability to deliver exceptional, deeply personalized policyholder experiences.¹⁸

Digital payments platforms will, however, help enhance the customer experience by making services more accessible and efficient, while automation reduces manual tasks and errors.

Per Celent, while growth is a significant driver of technology investment for the sector, “life insurers worldwide and across tiers are also prioritizing operating cost reduction and process optimization in their technology investments.”¹⁹

7 Payment Orchestration Growth

As the process of centralizing and managing payment operations, payment orchestration plays a vital role in increasing customer satisfaction and reducing costs.

The global digital payment market is expected to grow from \$8.97 trillion in 2023 to \$28.16 trillion by 2032.²⁰

Contactless payments, QR codes, and Buy Now Pay Later (BNPL) are just a few of the digital payment fueling the growth.

With this increasing adoption of digital payments, businesses will prioritize seamless, integrated solutions to manage complex payment ecosystems. These solutions will then enable the organization to streamline processes — supporting multiple payment methods and compliance needs in a unified framework. Payment orchestration through an integrated platform also reduces risk by consolidating security measures across payment channels.

8 Digital Wallets for Insurance

Digital wallet transactions are anticipated to grow by 77% by 2028, topping \$16 trillion.²¹ Also referred to as electronic wallets, these tools are apps for devices like smartphones or computers that securely store a variety of information, such as bank account details, credit and debit card information, gift cards, tickets, and more. With their rising popularity, insurers will fully capitalize on this trend to the benefit of their businesses and their customers.

For insurance carriers, digital wallets enable secure transactions that reduce processing times and eliminate traditional administrative delays. Policyholders likewise benefit from a fast, secure, and user-friendly process.

Already, more than 20% of consumers have used their digital wallets to pay insurance premiums,²² with younger generations driving the shift to digital payments.

Approximately 82% of millennials and 85% of Gen Z prefer contactless digital payments.²³ By integrating digital wallets into their operations, insurers are not just streamlining payment processes but also setting a new standard for customer-centric convenience.

9 Cybersecurity and Risk Management

The global average cost of a data breach in 2024 was \$4.88 million, a 10% increase over the previous year and the highest total ever.²⁴

Global spending on cybersecurity services and products is expected to exceed \$1 trillion over the next five years, highlighting the importance of addressing this issue.²⁵

The insurance industry is prioritizing advanced cybersecurity and compliance to meet evolving regulations and protect sensitive data.

Technologies like real-time payments and open banking will aid improved transparency and efficiency. Investments in AI and data analytics will drive better fraud detection and risk management, reducing vulnerabilities. By embedding cybersecurity into digital transformation, insurers will be able to ensure seamless, end-to-end data protection, strengthening trust and compliance. This proactive approach supports innovation in service delivery and product design, positioning the industry to set new benchmarks for secure, efficient operations in an increasingly digital-first world.

10 Blockchain Technology Adoption

Blockchain is a decentralized, digital ledger to securely record and verify transactions. The blockchain in insurance market is expected to grow from \$1.94 billion in 2024 to \$3.11 billion in 2025.²⁶

Blockchain will increasingly help fight fraud by providing an immutable ledger.

The technology will also automate complex processes like claims processing, policy management, and underwriting. For instance, in parametric insurance, smart contracts

can instantly trigger payments after a weather event, such as a hurricane exceeding a predefined wind speed. By recording these disbursements in the blockchain ledger, smart contracts will enhance transparency and ensure tamper-proof policy records for all parties involved in a claim.

11 Real-Time Payments Increase

The majority of consumers prefer faster payments.

In a recent Mastercard survey, 75% of respondents said they would like all digital payments to be in real-time.²⁷

With instant transaction processing through real-time payments (RTPs) — such as Visa Direct, Mastercard Send, and Zelle — policyholders receive immediate payment confirmation, alleviating anxiety about delays or disruptions.

On the claims side, and crucial to fulfilling the promise of insurance, RTPs for disbursements ensure policyholders receive funds immediately, providing vital support during disasters. This quick access to payouts helps families secure essentials, repair damaged homes, and restore vehicles without delay.

On the operational side, RTP eliminates manual reconciliation tasks, enabling insurers to process claims and billing updates more efficiently. By adopting RTPs, insurers will not only simplify payment processes but also position themselves as leaders in customer-centric innovation.

12 AI Regulatory Compliance Focus

Over 70% of organizations globally are now using AI, a significant increase from 50% in previous years.²⁸ Like other industries, AI advancements are improving many areas of insurance, including risk assessment, fraud detection, and customer service. Agentic AI, capable of autonomously performing tasks, can power applications like personalized policy recommendations, automated claims processing, and proactive risk management. However, as AI adoption grows, regulatory compliance has become a priority.

Despite evolving AI regulations, “the core principles of responsible AI (fairness, ethics, accountability, and transparency) have been established by governments and industry organizations around the world,” according to Celent.²⁹

A decorative graphic in the top-left corner consisting of two concentric circular segments. The outer segment is blue and the inner segment is green, both made of four curved pieces.

To ensure AI technologies are both effective and responsible, insurers will need to carefully balance innovation with shifting regulations. And carriers have expressed concern regarding AI implementation. At Datos Insights' ITC event in 2024, 29% of insurance IT executives polled saw regulatory and compliance concerns as the number one barrier to AI adoption.³⁰

● Are You Ready for 2025?

The upcoming year has the potential to be a transformative one for insurers, as many areas of the industry still require reinvention and innovation. The journey ahead will require strong partnerships to navigate it successfully and make it a watershed year for insurers' adoption and innovative application of modern technology. If you don't have strong digital payments capabilities, you're not ready for 2025. As the leading digital payments network for the insurance industry, we're here to help. [Get in touch.](#)

● About One Inc

One Inc is modernizing the insurance industry through a unified digital payment platform that delivers frictionless experiences. Ranked 'Best-in-Class' for non-bank disbursements platforms by Datos Insights for digital platform capabilities, vendor stability, and client service strength, One Inc is committed to carriers' success.

Changes in consumer behavior toward digital demand will persist and grow. Future-focused insurers have eliminated paper-based workflows and paper checks, investing in more robust digital payment platforms that drive superior experiences for their customers, vendors, and other third parties.

The One Inc unified inbound-outbound payment solution includes customer engagement functionality, integrated reporting with real-time data, and flexible integration with insurer core systems — be they legacy or modern. Our fully hosted, scalable, and PCI-compliant platform reduces risk and increases data security and safely stores tokenized data. Our comprehensive end-to-end digital payments platform delivers emergent payment methods, multi-channel digital communications, premium reimbursement capabilities, and rapid digital claim payments, even for the most complex insurance use cases.



The One Inc comprehensive solution enables insurers to deliver on their brand promise to provide a secure and superior customer experience in any situation. Focusing only on the insurance industry, we help carriers transform operations by reducing costs, increasing security, and optimizing customer experience. As the leading digital payments network in the insurance industry, One Inc processes billions of dollars per year in premium and claim payments.

One Inc provides carriers with the ability to give their customers what they want and expect: control, convenience, consistency, and continuity. That's the strength derived from the **Power of One™** — a cohesive and seamless experience for both inbound and outbound digital payments.

To discuss your digital payment needs, please call **(822) 209-1688** or email inquiries@OneInc.com

Endnotes

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