Compliance as a Growth Opportunity in InsurTech

Using AI and Data-First Strategies to Build Customer Loyalty, Reduce Risk, and Drive Market Expansion

Executive Insight by Charlotte Bailey, CEO

Imagine this scenario. The FCA and PRA issue an urgent directive: produce an auditable portfolio of regulatory reports covering pricing fairness, Consumer Duty outcomes, claims performance, solvency metrics, and AI explainability — all within 48 hours.

Your team pulls data from underwriting systems, claims platforms, actuarial models, and finance. Each source tells a subtly different story. Hours slip away. The regulator is waiting.

From 2025 onwards, that scenario becomes the baseline expectation. Under the FCA's Data First agenda and Consumer Duty, combined with the PRA's prudential requirements, insurers must meet higher standards of real-time, auditable data access. This shift covers pricing practices, solvency, operational resilience, ESG, and AI governance.

For insurers, the difference between compliance and non-compliance will increasingly come down to speed, accuracy, and data integrity. In a sector where customer loyalty is fragile and regulatory scrutiny is intensifying, compliance has become a defining factor in competitiveness.

The Regulatory Shift and Why It Matters Now

The FCA and PRA's 2025 roadmap is more than another regulatory update. It represents a structural change in how insurers must capture, evidence, and share data.

The twin regulator challenge:
Unlike fintechs, insurers must satisfy two regulators:
·FCA – focusing on conduct, customer outcomes, and pricing fairness.
·PRA – demanding prudential oversight, solvency, and resilience.
This dual scrutiny increases complexity and requires insurers to deliver evidence that is both granular and consistent.

Case Study – Ebix Europe (Panintelligence-powered):

Ebix Europe moved from static monthly extracts and spreadsheets to embedded Panintelligence dashboards. These dashboards provide regulators, brokers, and internal teams with a shared, drillable view of risk and compliance. The result: reporting effort cut by four to five days per month, and a step-change in transparency.

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Why speed and accuracy matter?
Insurance is a trust business. Delays or failures in evidencing compliance directly impact loyalty, market share, and reputation:

56.7%
of insurance and protection complaints were upheld in H1 2024, with £243m paid in redress.
(FCA Complaints Data, H1 2024)

£200m
in compensation was paid to 270,000 customers following the FCA's motor claims undervaluation probe.
(The Guardian, 2025)

McKinsey analysis shows compliance failures can drive double-digit increases in churn in a single quarter (McKinsey, 2023).

Key 2025 Regulatory Shifts for Insurtechs

Regulatory Domain	**2025 Shift / Expectation**	**Implication for Insurtechs**
Pricing / GIPP (General Insurance Pricing Practices)	Renewal prices must not exceed equivalent new business price for same risk profile	Insurtechs must embed pricing logic with audit trails and dynamic comparisons
Consumer Duty & Outcomes Monitoring	Firms must monitor, test, act on, and evidence outcomes across four domains	Require continuous outcome measurement platforms
Claims Valuation & Under-settlement	Regulators to scrutinize how claims are valued and applied deductions	Need full claims transparency and explainability
Complaints & Redress	High complaint volumes, elevated upheld rates, stronger regulator attention	Must consolidate complaints data and integrate into compliance dashboards
Fraud & Underwriting Risk	Rising detection expectations, model explainability required	Models must be auditable, explainable, and defensible
Operational Resilience & AI Governance	Defining key business services, setting impact tolerances, ensuring AI explainability	Systems must capture resilience status and model transparency across functions

This table frames the shifts and the practical imperatives that insurtechs must internalise.

The Twin Challenge: Compliance for Products and Operations

Meeting FCA and PRA expectations requires insurers to address compliance on two fronts:

Product compliance

- Audit-ready pricing models.
- Claims processes that can evidence fairness in real time.
- Reconciled solvency data, always regulator-ready.

Operational compliance

- Transparent governance frameworks.
- Faster solvency and resilience reporting.
- Unified data across underwriting, claims, actuarial, and finance.

Failure in either area carries commercial risk. Customers, brokers, and partners now depend on insurers' compliance evidence to validate their own obligations.

Case Studies

Mulberry Risk integrated Panintelligence dashboards into its Ada platform, giving MGAs a white-labelled, audit-ready view of actuarial and underwriting data. This strengthened MGA confidence, reduced regulatory misalignment, and positioned compliance as a product feature.

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Metrics That Underscore the Pain Points :

Metric	Finding	Source
Complaints	764,254 in H1 2024; 56.7% upheld	FCA Complaints Data H1 2024
Redress	£243m total redress in H1 2024; avg. £201 per upheld case	FCA Complaints Data H1 2024
Fraud	£1.1bn in fraudulent claims detected, ~84,400 cases	ABI
Motor Claims	£200m compensation ordered to 270,000 policyholders (2025)	Guardian, 2025
Customer Loyalty	67% would switch after 1–2 poor experiences (Accenture, 2023); 73% after poor service	Zendesk CX Trends, 2023

The Measurable Impact of AI-Driven Regulatory Readiness

The cost of non-compliance

Regulatory breaches carry both financial and reputational costs:

- Double-digit churn after breaches (McKinsey, 2023).
- £243m redress in H1 2024 complaints.
- £200m compensation from FCA claims undervaluation ruling.

The cost of inefficiency

Even compliant firms face unnecessary costs when operating with fragmented systems and manual reconciliations.

Strategic benefits of AI alignment

- Transparency – real-time dashboards regulators, partners, and customers can trust.
- Scalability – frameworks can be reused across multiple jurisdictions.
- Explainability – essential under Consumer Duty and AI governance.

Case Study – Mulberry Risk (Panintelligence-powered)

Mulberry's Ada platform, using Panintelligence dashboards, enables clients to drill from high-level metrics into raw actuarial data. This improves compliance evidence and creates customer-facing value

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Compliance as a Growth Opportunity with AI

Regulatory readiness signals credibility not only to regulators, but also to brokers, partners, and investors.

- Commercial products – compliance dashboards offered as white-label services.
- Market expansion – compliance frameworks scale across EU, APAC, and US markets.
- Investor confidence – firms with automated, auditable pipelines present lower risk.

Case Study – Carerix (Panintelligence-powered)

Carerix, though outside insurance, demonstrates how Panintelligence dashboards support multi-jurisdiction compliance. By embedding dashboards, Carerix reduced onboarding times and delivered audit-ready reporting across regions

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The Cost of Waiting vs. the Value of Acting Now

Delaying compliance investment increases both risk and cost:

- Compressed timelines → rushed projects that fail under audit.
- Higher costs → peak demand inflates consultancy rates by 20–40% (McKinsey, 2023).
- Eroded trust → 73% of customers will switch after a poor experience (Zendesk, 2023).

Early adopters gain measurable advantages:

- 14% new revenue growth from compliance-enabled products.
- 10% churn rate vs. 19% for late adopters.
- Faster market entry (4 months vs. 8)

Conclusion and Call to Action

FCA and PRA 2025 are not just compliance deadlines. They are a catalyst for insurers to transform how they manage data, deliver value, and compete.

Firms that act early will:

1. Reduce churn through transparency.
2. Strengthen investor and partner confidence.
3. Unlock new growth opportunities by making compliance visible and auditable.

Panintelligence powers embedded compliance and analytics for leading insurers, MGAs, and insurtechs — from Ebix Europe to Mulberry Risk. By embedding AI-enabled dashboards, Panintelligence helps insurers move from reactive compliance to proactive trust-building and growth.

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