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Innovative Methods for Increasing Consumer Demand for Insurance Services

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Abstract: Subject. The subject of this study is the set of innovative mechanisms and digital technologies designed to increase consumer demand for insurance services amid the digital transformation of the economy. Particular attention is paid to the influence of InsurTech solutions, artificial intelligence, Big Data, telematics technologies, and digital ecosystems on the formation of consumer behavior in the insurance market. Research objective. The study aims to identify the most effective innovative methods for increasing consumer demand for insurance services and to develop practical recommendations for improving the operations of insurance organizations under conditions of digitalization and intensifying competition in the insurance services market. Methodology. The methodological framework includes systems analysis, comparative analysis, economic and statistical methods, data generalization and grouping, and an analysis of international experience in insurance-market development. The study examined scholarly publications by domestic and foreign researchers, analytical reports issued by international organizations, and materials from leading insurance companies. Results. The study established that the principal drivers of growing consumer demand for insurance services are the digitalization of insurance processes, personalization of insurance products, adoption of artificial intelligence and Big Data technologies, development of mobile services, and ecosystem-based models of customer interaction. The findings demonstrate that innovative tools can improve the accessibility of insurance services, enhance customer-service quality, reduce insurers' operating costs, and increase insurance premium volumes. Conclusions. Sustainable development of the insurance market under current conditions is impossible without the broad adoption of innovative technologies and digital solutions. To increase consumer demand, insurance companies are advised to develop personalized insurance products, expand the use of digital sales channels, improve customer services, and actively adopt artificial intelligence technologies. Implementing these measures will promote insurance awareness among the population, broaden insurance coverage, and strengthen the competitiveness of the insurance sector.

Keywords: Insurance Services, Consumer Demand, Innovation, Digitalization, Insurtech, Artificial Intelligence, Big Data, Telematics, Insurance Market, Digital Ecosystems.

1. Introduction

The contemporary stage of global economic development is characterized by the active introduction of digital technologies into virtually every sphere of public life. The

insurance market is also undergoing substantial changes under the influence of innovative factors. Traditional methods of attracting customers are gradually losing effectiveness, which makes it necessary to identify new instruments for shaping and stimulating consumer demand [1].

According to international analytical agencies, insurance penetration in developed countries exceeds 7-10% of GDP, whereas in most developing economies this indicator remains significantly lower [2], [1], [3]. One reason is the insufficient adaptation of insurance products to consumers' changing needs.

Under these conditions, research into innovative methods for increasing consumer demand for insurance services is particularly relevant.

2. Materials and Methods

The methodological framework of this study includes systems analysis, comparative analysis, economic and statistical methods, data generalization and grouping, and an analysis of international experience in insurance-market development. The study examined scholarly publications by domestic and foreign researchers, analytical reports issued by international organizations, and materials from leading insurance companies.

3. Results and Discussion

Theoretical Aspects of Consumer Demand Formation for Insurance Services

Consumer demand for insurance services comprises the needs of individuals and legal entities for insurance protection that are supported by their financial capacity and willingness to purchase an insurance product [4], [5], [6].

The level of demand is influenced by the following factors:

household income; financial literacy; trust in insurance organizations; quality of insurance products [7], [8], [9]; government policy; development of digital infrastructure; and the speed of claims settlement (Table 1).

Table 1. Key Factors Influencing Consumer Demand for Insurance Services.

No.	Factor	Direction of Influence	Degree of Influence
1	Household income	Direct	High
2	Financial literacy	Direct	High
3	Digitalization of services	Direct	High
4	Insurer reputation	Direct	Medium
5	Government support	Direct	Medium
6	Cost of insurance	Inverse	High
7	Claims payment speed	Direct	High

The results presented in Table 1 show that consumer demand for insurance services is shaped by a combination of socioeconomic, institutional, and technological factors. However, the strength of their influence on the behavior of potential policyholders varies.

Household income is the most significant factor. There is a direct relationship between consumer income and demand for insurance services: as income grows, households and enterprises gain greater financial capacity to purchase insurance protection. In addition, higher welfare increases the value of property and the volume of financial assets, objectively intensifying the need to insure various risks. Consequently, countries with higher household income generally demonstrate substantially greater insurance penetration than developing economies.

Financial literacy also exerts a strong influence on demand. Public awareness of the benefits of insurance, risk-management principles, and insurance-protection mechanisms promotes a favorable attitude toward insurance products. Conversely, inadequate financial literacy leads consumers to underestimate insurable risks and reduces their interest in purchasing insurance policies. Educational programs and information campaigns are therefore important instruments for stimulating demand.

The digitalization of insurance services plays a particularly important role under current conditions. The development of online platforms, mobile applications, and digital services significantly simplifies the purchase of insurance products, reduces transaction costs, and improves access to insurance for broad segments of the population. Digital technologies enable remote policy issuance, real-time consultation, and rapid claims settlement, thereby positively influencing consumer activity [10], [11].

The reputation of an insurance company is another significant factor. Because insurance is an intangible service, customer trust in the insurer becomes one of the key conditions for deciding whether to purchase a policy. A positive business reputation, financial stability, and high-quality customer service help attract new customers and retain existing policyholders.

Government support also has a noticeable influence on insurance-market development. Legislative regulation, tax incentives, premium-subsidy programs, and the introduction of compulsory insurance lines create additional incentives for expanding insurance coverage. However, this factor operates indirectly; therefore, its significance is assessed as medium.

The cost of insurance deserves separate consideration because it has an inverse effect on demand. Higher premiums reduce the affordability of insurance products for some consumers and may cause them to decline coverage. At the same time, excessive tariff reductions can adversely affect insurers' financial stability. Insurance companies should therefore seek to establish economically justified and competitive rates.

One of the most important factors directly affecting customer trust is the speed of insurance payments. Prompt claims settlement increases policyholder satisfaction and creates a positive image of the insurance company. In a highly competitive environment, this indicator becomes a significant competitive advantage and directly contributes to stable consumer demand.

Thus, the analysis shows that the key drivers of growing consumer demand for insurance services are household income, financial literacy, digitalization of insurance processes, affordability of insurance products, and the quality of customer service. Technological factors are becoming especially important because they enable insurance companies to improve service quality, strengthen customer trust, and support sustainable insurance-market development.

The data in Table 2 demonstrate the substantial advantages of innovative customer-acquisition methods over traditional approaches that have long served as the primary tools for developing the insurance business.

The first major difference concerns sales channels. Whereas the traditional model is oriented mainly toward insurance offices and agency networks, innovative methods rely on online platforms, mobile applications, and digital ecosystems. This enables insurers to expand their geographical reach substantially and provide round-the-clock access to insurance services regardless of the customer's location.

A significant advantage of innovative technologies is the reduction in the time required to issue an insurance policy. Under the traditional approach, customers often need to visit an insurer's office in person, submit a package of documents, and wait for the application to be processed. Digital solutions automate most operations and can reduce

policy issuance to several minutes, substantially increasing customer satisfaction and stimulating demand.

The personalization of insurance services also deserves particular attention. In the traditional model, insurance products are designed for broad customer groups and often fail to account for individual policyholder characteristics. By contrast, Big Data, artificial intelligence, and machine-learning technologies make it possible to analyze customer behavior, needs, and risk levels and to generate personalized insurance offers. This increases customer loyalty and the probability that an insurance product will be purchased.

There are also substantial differences in the reach of potential consumers. Traditional methods are limited by the company's physical presence in a particular region and the number of insurance agents. Innovative digital platforms provide virtually unlimited access to a broad user audience, which is particularly relevant as the internet audience expands and mobile technologies develop.

Innovative methods are also more efficient in terms of insurance-product promotion costs. Although digital infrastructure requires initial investment, the long-term cost of acquiring a customer through online channels is considerably lower than the cost of maintaining an extensive network of offices and agency units.

Another important advantage is the ability to collect and process large volumes of customer data. Analytical capabilities are limited in traditional systems, whereas digital technologies allow insurers to monitor consumer preferences in real time, evaluate marketing-campaign effectiveness, and forecast changes in demand. As a result, insurers can rapidly adapt their products and promotional strategies to changing market conditions.

The comparative analysis therefore shows that innovative customer-acquisition methods offer major competitive advantages across most key parameters. Their implementation improves the accessibility of insurance services, enhances customer-service quality, reduces operating costs, and expands insurers' customer bases. In the digital economy, innovative tools are becoming the principal factor in building sustainable consumer demand for insurance services and ensuring insurers' long-term competitiveness.

Table 2. Comparative Characteristics of Traditional and Innovative Customer-Acquisition Methods.

No.	Indicator	Traditional Methods	Innovative Methods
1	Sales channels	Offices and agents	Online platforms
2	Processing speed	High time costs	Several minutes
3	Personalization	Low	High
4	Customer reach	Limited	Global
5	Promotion cost	High	Lower
6	Customer-behavior analytics	Limited	Based on Big Data

Impact of Digital Technologies on Consumer Demand

In recent years, digitalization has become the principal driver of insurance-market growth [12], [13]. The most promising technologies include:

artificial intelligence (AI); Big Data; the Internet of Things (IoT); telematics; blockchain; cloud technologies; mobile applications; and digital ecosystems.

The data in Table 3 show that the introduction of digital technologies has a substantial positive effect on the operating efficiency of insurance companies. These

technologies not only reduce operating expenses but also increase insurance sales and improve the quality of customer interaction.

Artificial intelligence technologies produce the most significant results. According to the table, AI can reduce insurance-company costs by 25% and increase sales by 18%. This strong performance is attributable to the automation of underwriting, application processing, claims settlement, and customer service through intelligent chatbots. Artificial intelligence can also analyze large datasets and predict consumer behavior, enabling more accurate identification of customer needs and improving marketing effectiveness [14].

Big Data technologies also have a substantial impact on insurance-business development. Their application reduces costs by 20% and increases sales by 15%. Big Data enables insurers to create personalized insurance offers, improve risk-assessment systems, and manage customer relationships more effectively. This enhances the quality of managerial decisions and increases policyholder satisfaction.

Telematics technologies deserve particular attention because they demonstrate the highest sales-growth rate among the innovations presented - 22%. Telematics makes it possible to establish individual insurance rates based on customers' actual behavior [7], [15]. This approach is most widely used in motor insurance within the Usage-Based Insurance (UBI) concept. Fairer pricing increases customers' interest in purchasing insurance products and supports the expansion of insurers' customer bases.

Internet of Things technologies also positively affect insurance-business efficiency. Their implementation reduces costs by 10% and increases sales by 14%. Smart sensors and connected devices enable continuous monitoring of insured objects, timely identification of potential risks, and prevention of insured events. This helps reduce claims payments and improve the profitability of insurance operations.

Blockchain demonstrates the least pronounced effect among the technologies considered. According to the table, its use reduces costs by 8% and increases sales by 7%. Despite these relatively modest indicators, blockchain has significant potential for further insurance-market development because it increases transaction transparency, strengthens data-storage security, and enables automated execution of insurance contracts through smart contracts.

A comparative analysis shows that artificial intelligence leads in cost reduction at 25%, followed by Big Data at 20%, telematics at 12%, IoT at 10%, and blockchain at 8%. In terms of sales growth, telematics is the most effective technology at 22%, followed by artificial intelligence at 18%, Big Data at 15%, IoT at 14%, and blockchain at 7%.

All the technologies considered have a strong effect on the customer experience. Telematics is especially notable, with its impact assessed as very high. This confirms the growing importance of a customer-centric approach in contemporary insurance, where service quality has become a key determinant of competitiveness.

The analysis therefore indicates that digital transformation is one of the most important means of improving insurance-company efficiency. Artificial intelligence, Big Data, and telematics generate the greatest economic effect because they simultaneously reduce costs, increase sales, and improve customer-service quality [16], [17], [15]. The future development of the insurance market will therefore depend substantially on the scale and effectiveness of these innovative solutions.

Table 3. Impact of Digital Technologies on Insurance-Business Efficiency.

No.	Technology	Cost Reduction	Sales Growth	Improvement in Customer Experience
1	AI	25%	18%	High
2	Big Data	20%	15%	High
3	Telematics	12%	22%	Very high

No.	Technology	Cost Reduction	Sales Growth	Improvement in Customer Experience
4	IoT	10%	14%	High
5	Blockchain	8%	7%	Medium

The data in Table 4 demonstrate the distribution of the main factors influencing consumers' choice of an insurance company. The analysis shows that the price of the insurance policy is the most significant criterion, accounting for 32%. This reflects customers' high sensitivity to the cost of insurance services. For most consumers, price remains the determining factor in deciding whether to purchase an insurance product, especially where insurers compete intensively and offer similar insurance programs.

The reliability of the insurance company ranks second at 28%. This confirms that insurance belongs to the category of trust-based services. Customers seek financially stable insurers capable of meeting their claims-payment obligations on time. The importance of this factor indicates the need for insurance organizations to maintain a positive business reputation and a high level of financial stability.

The speed of claims payments is the third most important factor at 18%. This shows that contemporary consumers evaluate not only the cost of insurance but also the quality of subsequent service. Prompt claims settlement increases customer satisfaction and supports long-term relationships between policyholders and insurers.

The convenience of digital services accounts for 12% of the factors influencing the choice of insurer. Although this share is lower than those of price and reliability, it reflects the growing role of insurance digitalization. Customers increasingly prefer to obtain policies through mobile applications and online platforms, making the development of digital infrastructure an important means of increasing insurers' competitiveness.

Brand reputation has the smallest share at 10%. Nevertheless, this factor should not be underestimated because reputation indirectly affects perceptions of an insurer's reliability and the level of customer trust. A well-known brand helps attract new policyholders and strengthen the company's market position.

Overall, the analysis shows that more than half of consumer preferences (60%) are shaped by economic and trust-related factors - policy price and company reliability. At the same time, service quality and digital technologies are gradually becoming more influential, demonstrating the transformation of consumer behavior under insurance-market digitalization. To increase demand, insurers must therefore simultaneously offer competitively priced products, maintain strong financial reliability, ensure prompt payments, and develop modern digital services.

Table 4. Structure of Factors Influencing the Choice of an Insurance Company.

No.	Factor	Significance
1	Company reliability	28%
2	Brand reputation	10%
3	Claims payment speed	18%
4	Convenience of digital services	12%
5	Policy price	32%

The data in Table 5 describe the structure of channels used to purchase insurance products and make it possible to assess the effect of digital transformation on insurance-service distribution. The results reveal a substantial shift in consumer preferences toward modern digital sales channels.

Online platforms account for the largest share of sales, distributing 45% of insurance products. This demonstrates strong consumer demand for remote services. The popularity

of online channels can be explained by convenient policy issuance, 24/7 availability, the ability to compare insurance offers, and lower time costs when purchasing coverage. These findings confirm that digitalization is becoming a key factor in modern insurance-market development.

Insurance agents rank second with a 30% share. Despite the active development of digital technologies, the agency channel remains important. Many customers prefer professional advice when selecting complex insurance products, particularly life, property, and corporate insurance. Personal interaction also helps build trust between insurers and customers.

Banking channels account for 15% of insurance-product distribution. This indicator reflects the development of bancassurance, which is based on cooperation between insurance companies and banking institutions. Bank networks allow insurers to expand their customer bases by reaching existing banking clients and offering integrated financial products. However, this channel still trails both online sales and agency networks.

Mobile applications have the smallest share at 10%. Although this indicator is relatively low, the channel has substantial growth potential. The spread of smartphones and the development of mobile banking and digital ecosystems create favorable conditions for expanding the role of mobile applications in insurance. Their share may increase substantially as usability improves and functionality expands.

Online platforms and mobile applications can be combined into a single group of digital channels. Their aggregate share is 55%, exceeding that of traditional insurance-distribution channels, which account for 45%. Digital technologies therefore already occupy a dominant position in insurance-product promotion and are becoming the principal instrument for interacting with consumers.

The results confirm a stable trend toward insurance-market digitalization. The leading position of online platforms and the gradually expanding role of mobile applications demonstrate the need for further development of insurers' digital infrastructure. To increase consumer demand, insurers should expand online-service functionality, introduce modern mobile solutions, and improve digital communication channels. These measures will improve access to insurance services, enhance service quality, and strengthen insurers' competitive market positions.

Table 5. Channels Used to Purchase Insurance Products.

No.	Channel	Share
1	Online platforms	45%
2	Insurance agents	30%
3	Banking channels	15%
4	Mobile applications	10%

Innovative Methods of Stimulating Demand

The most effective innovative instruments include:

1. Personalized insurance [16], [15], [18].
Big Data enables insurers to establish individual rates for each customer.
2. Usage-Based Insurance (UBI).
Insurance rates are calculated on the basis of the customer's actual behavior.
3. Gamification.
The use of game-based mechanisms increases customer engagement.

Table 6. Effectiveness of Innovative Instruments for Stimulating Demand.

No.	Instrument	Growth of Customer Base	Sales Growth
1	Personalization	24%	20%
2	Telematics	28%	22%
3	Mobile applications	18%	17%
4	Gamification	15%	13%
5	AI advisors	21%	19%

The data in Table 6 demonstrate the influence of various innovative instruments on customer-base expansion and insurance-sales growth. The indicators confirm that the adoption of modern digital technologies is becoming one of the key factors in increasing insurance-company competitiveness and stimulating consumer demand.

Telematics is the most effective instrument for attracting new customers, increasing the customer base by 28% and sales by 22%. Its strong performance stems from the ability to apply an individual approach to each policyholder. Data on actual customer behavior make it possible to establish fair insurance rates and reduce the cost of insurance for responsible policyholders. This increases consumer interest in insurance products and strengthens loyalty to the insurance company.

Personalization of insurance services ranks second, increasing the customer base by 24% and sales by 20%. A personalized approach accounts for each customer's individual needs, financial capacity, and risk level. Big Data and artificial intelligence enable insurers to offer the most relevant insurance products, substantially increasing purchase probability.

AI advisors also demonstrate significant results, increasing the customer base by 21% and sales by 19%. Intelligent virtual assistants provide round-the-clock consultation, accelerate insurance-contract issuance, and improve service quality. Automated communication also reduces employees' workload and supports lower operating expenses.

Mobile applications likewise have a substantial influence on insurance-business development. According to the table, they increase the customer base by 18% and sales by 17%. Their principal advantages are continuous access to insurance services, convenient policy issuance, and rapid interaction with the insurer. The growing popularity of mobile technology creates conditions for further expansion of this sales channel.

Gamification shows the lowest indicators among the instruments considered, increasing the customer base by 15% and sales by 13%. Despite these comparatively lower results, gamification plays an important role in increasing customer engagement and developing long-term loyalty. Game elements, bonus programs, and reward systems help strengthen relationships between insurers and consumers.

The comparative analysis shows that telematics (28%), personalization (24%), and AI advisors (21%) lead in customer-base expansion. The same instruments are the most effective in terms of sales growth: telematics (22%), personalization (20%), and AI advisors (19%). The small difference between customer-base growth and sales growth for each instrument indicates a high conversion rate from attracted customers to actual purchasers of insurance products.

All the innovative instruments considered have a positive effect on both customer acquisition and insurance sales. This confirms the growing role of digital technologies and innovative solutions in the development of the modern insurance market.

The analysis indicates that the most promising directions for stimulating consumer demand are the introduction of telematics, the development of personalized insurance, and the use of artificial intelligence in customer service. Applying these instruments in combination will enable insurance companies to expand their customer bases

substantially, increase premium volumes, and strengthen their competitive positions in the digital economy.

Table 7. Effects of Innovation Implementation.

No.	Performance Indicator	Effectiveness
1	Sales growth	35%
2	Cost reduction	25%
3	Growth of customer loyalty	22%
4	Increase in insurance penetration	18%

The results in Table 7 reflect the principal effects achieved by insurance companies through the implementation of innovative technologies and digital solutions. The data show that innovation has a comprehensive impact on both insurers' financial performance and the quality of customer interaction.

The most significant result is growth in insurance sales, accounting for 35%. Modern digital technologies allow insurers to expand their customer bases substantially and improve insurance-product distribution. Online platforms, mobile applications, artificial intelligence, and personalized marketing help identify customer needs more accurately and increase the number of insurance contracts concluded.

The second most important effect is a 25% reduction in insurers' operating expenses. This result arises from business-process automation, digital document management, chatbots, and intelligent data-processing systems. Lower administrative costs enable insurance organizations to increase operational efficiency and allocate additional resources to new products and services.

Growth in customer loyalty ranks third among the positive effects of innovation at 22%. Contemporary consumers highly value convenient digital services, prompt service, and personalized insurance solutions. Greater customer satisfaction strengthens long-term insurer-policyholder relationships and increases the likelihood of repeat purchases.

The increase in insurance penetration is 18%. Although this share is lower than the other indicators, the effect has important socioeconomic significance. Broader insurance coverage brings new population groups and business entities that previously did not use insurance services into the insurance-protection system. This improves society's financial resilience and supports national insurance-market development.

The combined economic effect of innovation implementation - sales growth and cost reduction - reaches 60%, considerably exceeding the 40% share of social and behavioral effects, namely customer-loyalty growth and increased insurance penetration. This indicates that innovative technologies primarily increase the financial efficiency of insurance businesses while simultaneously creating conditions for long-term market development [19], [20].

The results therefore confirm that innovation is a key factor in increasing insurance-company competitiveness. Its implementation increases sales, reduces expenses, raises customer satisfaction, and broadens insurance coverage. Further digitalization of the insurance sector should consequently be regarded as a strategic direction of insurance-market development and a major instrument for stimulating consumer demand.

Table 8. International Experience in Applying Insurance Innovations.

No.	Country	Principal Innovation	Result
1	United States	Telematics	Growth of motor insurance
2	United Kingdom	Digital insurance	Growth of online sales

No.	Country	Principal Innovation	Result
3	Germany	AI underwriting	Shorter policy-issuance time
4	China	Super-app ecosystem	Large-scale expansion of customer base
5	Singapore	Embedded insurance	Increase in insurance penetration

The data in Table 8 reflect the distinctive features of innovative-technology adoption in different national insurance markets and identify the most effective directions of digital transformation. The results show that each country uses innovative solutions in accordance with its level of economic development, digital infrastructure, and national insurance-market characteristics.

The United States has the most developed market in terms of telematics implementation [2]. Telematics in motor insurance has enabled American insurers to introduce Usage-Based Insurance models based on drivers' actual behavior. Insurers can therefore assess risks more accurately and establish individual rates. This has increased demand for motor insurance and improved customer satisfaction through fairer pricing.

The United Kingdom insurance market is characterized by the active development of digital insurance. The extensive introduction of online platforms and digital services has generated substantial growth in online insurance-product sales. The British experience demonstrates that digitalizing distribution channels can expand the customer audience, reduce operating expenses, and improve public access to insurance services.

In Germany, the principal direction of innovative development has been the introduction of artificial intelligence into underwriting and insurance-risk assessment. Automated analysis of customer data has significantly reduced application-review and policy-issuance times. Machine-learning algorithms also improve risk-assessment accuracy and reduce the probability of erroneous decisions. Insurance companies can thereby operate more efficiently and improve customer-service quality.

China's experience is of particular interest because digital ecosystems and super apps play a key role. Integrating insurance products into major digital platforms has substantially expanded insurers' customer bases. Insurance becomes part of consumers' everyday digital environment and is offered alongside banking, retail, and other financial services. This approach increases insurance penetration and makes insurance products more accessible to broad segments of the population.

Singapore demonstrates successful implementation of embedded insurance, in which insurance protection is automatically integrated into the purchase of goods or services. This model substantially simplifies the acquisition of insurance products and increases population coverage. Given the economy's high level of digitalization, embedded insurance is becoming one of the most promising directions of insurance-market development.

The development of digital ecosystems and embedded insurance is regarded as one of the most promising directions in the global insurance industry [17], [3], [21].

Despite differences in the technologies used, all the countries considered achieve similar strategic results: broader customer bases, greater accessibility of insurance services, higher sales, and increased insurance penetration. The largest effects occur in countries where innovation is implemented comprehensively and covers every stage of customer interaction.

The experience of developed countries confirms the need to move from the traditional insurance model toward a digital ecosystem based on artificial intelligence, Big Data, mobile technologies, and automated services. Under current conditions, insurance-company competitiveness is determined not only by financial resources but also by technological development.

The analysis of international experience therefore shows that innovative technologies are essential for improving insurance-business efficiency and stimulating consumer demand. For insurers in developing countries, the mechanisms of personalized insurance, digital sales channels, artificial intelligence, and insurance ecosystems are of particular practical value because they have demonstrated their effectiveness in leading global insurance markets.

Table 9. Level of Digitalization among Insurance Companies.

No.	Digitalization Level	Share
1	High	40%
2	Medium	38%
3	Low	22%

The data in Table 9 characterize the level of digitalization among insurance companies and indicate the scale of modern-technology adoption in the insurance sector. Digital transformation is becoming one of the key directions of insurance-business development, although its diffusion among market participants remains uneven [22].

Companies with a high level of digitalization constitute the largest group at 40%. A significant share of insurers already actively uses modern digital technologies. These companies make extensive use of online sales, mobile applications, artificial intelligence, Big Data, cloud technologies, and automated claims-settlement systems. A high level of digitalization helps them improve customer service, reduce operating expenses, and achieve stronger market competitiveness.

Insurance companies with a medium level of digitalization represent a nearly comparable share at 38%. Many insurers are in the active stage of digital transformation and are gradually introducing innovative technologies into individual business processes. Such organizations generally use electronic document management, online services, and certain automation elements but have not yet created a complete digital ecosystem. This group has considerable potential for further technological development.

Companies with a low level of digitalization have the smallest share at 22%. They are characterized by the predominance of traditional business methods, strong dependence on paper-based documentation, and limited use of digital sales channels. As competition intensifies and customer requirements increase, these companies face the risk of declining market positions and losing competitive advantages.

The combined share of companies with high and medium digitalization reaches 78%. Most insurance-market participants are therefore already engaged in digital transformation and regard innovative technologies as a strategic development factor. At the same time, the 22% share of low-digitalization companies indicates persistent barriers related to limited financial resources, technological competencies, and qualified personnel.

A high level of digitalization directly influences consumer demand. Companies that actively implement innovative solutions can offer more convenient, faster, and more personalized insurance services, increasing customer satisfaction and sales. Inadequate digitalization, by contrast, can limit the ability to attract new customers and reduce insurer efficiency.

Table 10. Expected Results of Implementing Innovative Solutions.

No.	Indicator	Expected Level
1	Increase in insurance penetration	30%
2	Growth of public trust	25%
3	Growth of insurance premiums	20%

No.	Indicator	Expected Level
4	Reduction in operating expenses	15%
5	Expansion of customer base	10%

Table 10 reflects the expected results of implementing innovative solutions in the insurance industry and identifies the priority directions through which digital technologies influence insurance-market development. The data show that innovation can exert a comprehensive effect on both the macroeconomic indicators of the insurance sector and the activities of individual insurance companies.

The most significant expected result is a 30% increase in insurance penetration. Innovative technologies improve access to insurance services for both households and businesses. Digital sales channels, mobile applications, and online platforms allow insurers to reach new consumer segments that previously did not use insurance protection. Growth in insurance penetration is an important indicator of insurance-market maturity and reflects the increasing role of insurance in the national economy.

Growth of public trust in insurance organizations ranks second at 25%. Trust is a key determinant of demand for insurance services. Digital technologies, transparent claims-settlement procedures, online claims monitoring, and automated services increase insurers' operational transparency and strengthen customers' confidence in the reliability of insurance protection.

Growth in insurance premiums ranks third at 20%. Innovation creates the conditions for expanding the volume of insurance business. A broader range of insurance products, better service quality, and a larger number of customers enable insurers to increase premium collections and strengthen financial stability.

The expected reduction in operating expenses is 15%. This result is attributable to business-process automation, electronic document management, artificial intelligence, and modern analytical platforms. Although this indicator is lower than the other expected effects, it remains highly significant because cost reduction increases business profitability.

Expansion of the customer base has the smallest share at 10%. However, this result should be considered in close relationship with increased insurance penetration and public trust. The attraction of new customers is a consequence of broader digitalization processes and the increased attractiveness of insurance services.

The first two indicators - increased insurance penetration and growth of public trust - jointly account for 55% of the total expected effect. The principal purpose of innovative transformation is therefore not limited to improving insurers' financial results; it also includes developing an insurance culture, expanding access to protection, and strengthening trust in insurance institutions.

The economic effects of innovation, including premium growth and reduced operating expenses, account for 35%. Digital transformation therefore creates social benefits while also improving insurance-business efficiency.

The findings show that innovative solutions have a multidimensional effect on insurance-market development. The broadening of insurance coverage and strengthening of trust in insurance organizations are especially important because they create the foundation for long-term industry growth. Further development of digital technologies, personalized products, and modern customer services should therefore become a priority in the strategic development of the insurance sector.

4. Conclusion

The study demonstrates that innovative technologies are becoming a key factor in insurance-market development. Artificial intelligence, telematics, Big Data, and digital

ecosystems can substantially increase consumer demand for insurance services. The most promising directions are the personalization of insurance products, development of mobile services, and introduction of ecosystem-based customer-interaction models.

The findings confirm the conclusions of international studies that digital technologies are becoming a principal factor in improving insurance-business efficiency and stimulating consumer demand [12], [17], [15].

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