

# The Compliance Conundrum: Challenges, Solutions, and the Role of AI

Summary of Industry Report



Compliance in the insurance industry is more complex than ever. Rapidly evolving regulations, increasing scrutiny of AI-driven decisions, and rising fraud risks make it essential for insurers to balance innovation with regulatory adherence. While AI offers solutions to streamline compliance, it also introduces challenges related to bias, governance, and cybersecurity.

This blog explores the **key compliance challenges, industry insights, AI's role in addressing these issues**, and how **Comply** is helping insurers navigate regulatory complexities with ease.

## Key Compliance Challenges Facing Insurers Today

Regulatory frameworks are tightening globally, making compliance more intricate. **Deloitte's 2024 Insurance Regulatory Outlook** highlights stricter capital requirements, evolving data privacy laws, and increasing oversight on AI models. Insurers operating across jurisdictions must constantly adapt or risk fines and reputational damage.

Fraud remains a **\$308 billion annual challenge** for the industry, yet compliance teams struggle to keep up with increasingly sophisticated schemes. At the same time, **economic instability and global elections** add further unpredictability to regulatory priorities, making compliance a moving target.

The top five themes for individuals	The top five themes for the board
Volume and implementation of regulatory change	 Balancing cost pressures
Balancing budgets and resources	  Keeping up with regulatory change
Retaining skilled resources	  Increased regulatory scrutiny
Growing regulatory expectations	  Cyber risk
Availability of skilled resources	  Retaining skilled resources

Figure 1. The greatest compliance challenges (Source: Thomson Reuters, 2023 Cost of Compliance)

## Compliance in Numbers: Key Data and Insights from Industry Reports

**58%**

Insurers face delays exceeding five months in implementing rule changes.

(Deloitte, Earnix 2024)

Insurance fraud costs

**\$308B**

annually, driving regulators to push for AI-powered fraud detection.

(Coalition Against Insurance Fraud)

**80%**

Insurers expect AI-driven fraud detection to become a regulatory requirement by 2026

(Thomson Reuters 2024)

**>50%**

insurers have faced fines or refunds due to compliance errors.

(Insurance Business America)

AI is transforming compliance from a **reactive burden** into a **proactive advantage**. **Real-time regulatory monitoring** ensures insurers stay ahead of rule changes, reducing compliance risks and delays. AI-powered fraud detection enhances security by identifying anomalies **before** they escalate.

Bias detection tools are helping insurers comply with **new fairness regulations**, ensuring AI models remain transparent and non-discriminatory. In cybersecurity, AI-driven systems detect breaches in real time, strengthening data privacy compliance.

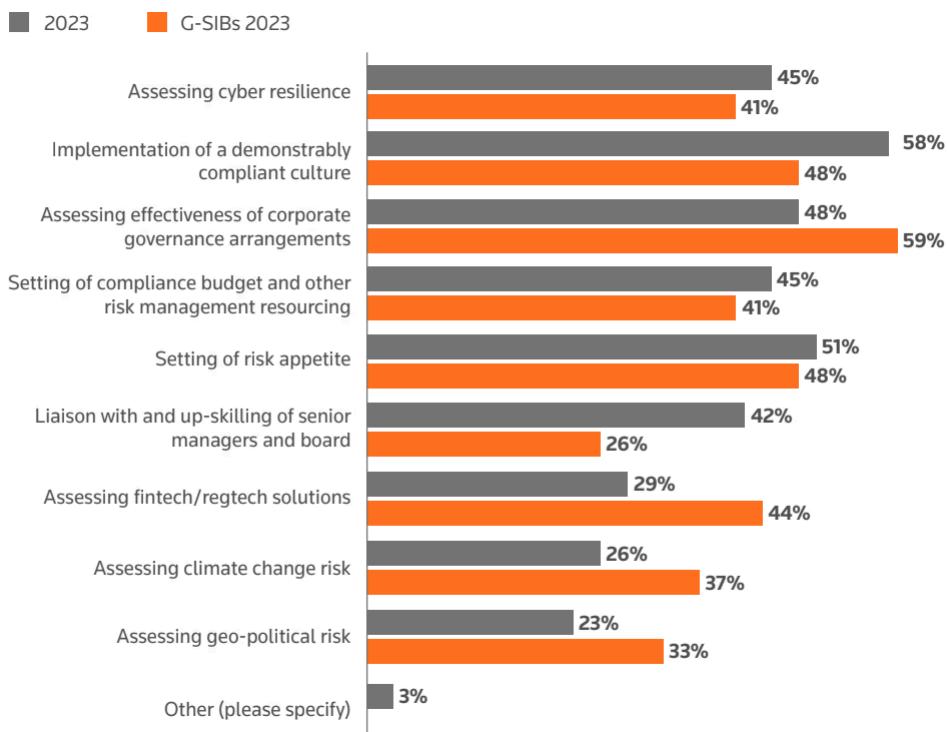


Figure 2. Expectation of more compliance involvement in... (Source: Thomson Reuters, 2023 Cost of Compliance)

## How Comply is Redefining Compliance in the Insurance Industry

At **Comply**, we make regulatory compliance **faster, smarter, and more efficient** for insurers. Our AI-powered platform provides **real-time regulatory updates**, ensuring companies stay ahead of changing requirements and avoid costly fines.

We **eliminate delays** with **pre-submission compliance reviews**, flagging potential objections before filings to speed up approvals and minimize back-and-forth with regulators. Our **automated fraud detection and reporting tools** streamline compliance workflows, **saving time, reducing risk, and boosting operational efficiency**.

## regulatory developments (in hours)?

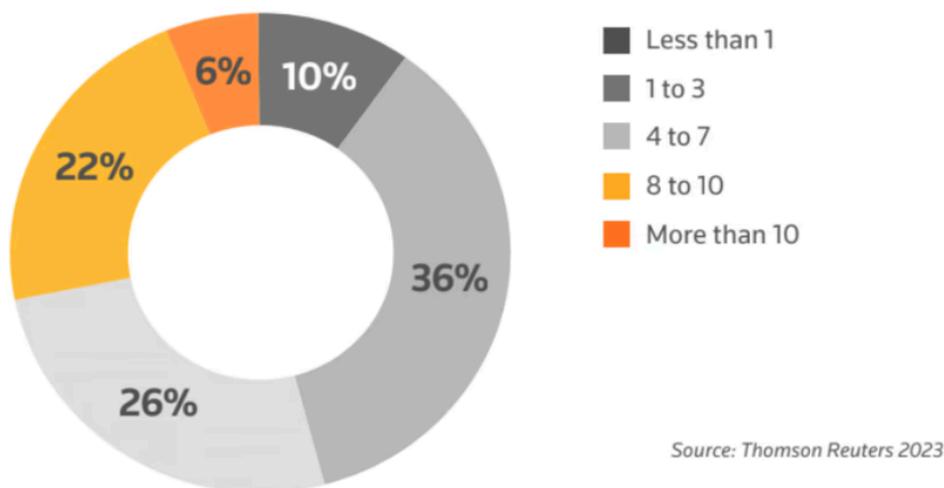


Figure 3. No. of hours spent by compliance teams to track and analyze regulatory development (in hrs) in a week  
(Source: Thomson Reuters, 2023 cost of compliance )

With Comply, insurers turn **compliance from a challenge into a competitive advantage**, ensuring seamless adherence to regulations while **maximizing revenue and minimizing disruptions**.

## Conclusion: The Future of Compliance is AI-Driven

As compliance challenges continue to evolve, insurers must embrace innovative solutions to stay ahead of regulatory risks. AI is no longer just a compliance concern—it is a **compliance enabler** that can help insurers navigate complex regulations while improving efficiency and security.

By **eliminating unnecessary delays, reducing compliance risks, and helping insurers stay ahead of regulatory changes**, Comply transforms compliance from a burden into a **strategic advantage**—one that saves time, reduces costs, and helps insurers focus on growth.

**Want to learn more about how Comply can help your organization stay ahead of compliance challenges?**

**Click Here to Contact Us today!**

Sources:

1. Thomson Reuters, 2023 Cost of Compliance
2. Deloitte, 2025 Insurance Regulatory Outlook
3. Deloitte, 2024 Insurance Regulatory Outlook
4. Thomson Reuters, 10 Global Compliance Concerns for 2023
5. Thomson Reuters, 10 Global Compliance Concerns for 2024
6. KPMG, AI in Insurance: A catalyst for change
7. Swiss Re, The evolution of AI in the insurance industry
8. InsuranceBusiness, Report: AI adoption expanding in insurance, but challenges remain



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STARTUP SPOTLIGHT



### Startup Spotlight: Comply is Revolutionizing Insurance Compliance with AI

MassChallenge is one of the world-class programs for startups. Comply is honored to be part of the program. Thanks to the MassChallenge team was putting us in the spotlight :)

### Announcement

New exciting partnership



First Consulting



### News : Comply + First Consulting

Comply ([www.TheComply.ai](http://www.TheComply.ai)), a leading provider of AI-driven insurance compliance solutions, is pleased to announce a strategic partnership with First Consulting ([www.FirstConsulting.com](http://www.FirstConsulting.com)), a renowned expert in insurance regulatory compliance. Comply will leverage First Consulting's extensive industry experience to enhance its compliance platform, ensuring even greater accuracy, reliability, and regulatory alignment.



## We Like Compliance

The Insurance industry is built on trust and risk management. Compliance is not a regulatory requirement but the very backbone of the insurance sector, affecting not just the insurance companies but also the consumers.

