



Duck Creek
Technologies

Payments in 2026: The Carriers Guide to What's Next

Strategic insights for P&C insurance carriers in
North America, EMEA, APAC, and Latin America



Payments 2025:

The Year Insurance Hit the Accelerator

If 2024 was the warm-up for payment transformation in insurance, then 2025 was the acceleration. Across global P&C markets, carriers spent much of the year responding to rising customer expectations for speed and convenience, adapting to regulatory changes reshaping financial services, and embracing new technologies, especially generative AI and real-time payment networks now entering mainstream adoption.

In many ways, 2025 acted as a forcing function. Insurers began confronting the limitations of legacy billing and claims disbursement systems, while simultaneously exploring how modern payment infrastructure could reduce costs, mitigate fraud, and strengthen customer loyalty.

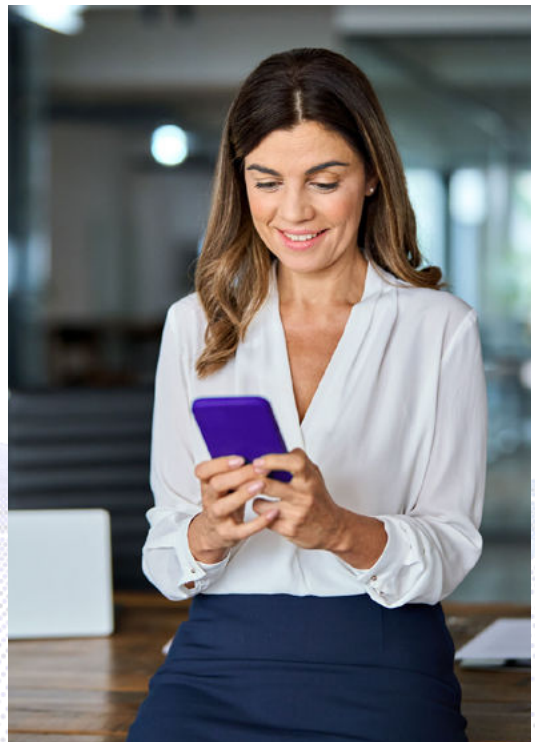
The industry also saw a surge in real-time payments and open banking initiatives, with FedNow adoption growing in the U.S., PSD3 and the EU Instant Payments Regulation advancing in Europe, and APAC and LatAm markets building on already robust instant-payment ecosystems.

Meanwhile, AI evolved rapidly, moving from selective pilots to enterprise-scale deployments focused on fraud detection, conversational service, and revenue optimization. Through this momentum, one trend became unmistakable: payments were no longer a peripheral capability. They had become core to the insurance value chain.

As 2026 begins, the question isn't if carriers should modernize payments, it's how fast they can build the secure, adaptable, and customer-centric foundations to stay competitive.

The stakes are high: speed, flexibility, and compliance are no longer differentiators, their expectations.

In this whitepaper, we break down the insurance payment trends and priorities carriers must act on now to win in 2026.



1 Payments as a Strategic Priority in P&C Insurance

It's 2026, and payments have transcended their historical role as administrative necessities. They now underpin a significant portion of customer experience, financial resilience, and competitive positioning. And carriers increasingly recognize that the payment experience influences both the beginning and end of the policy journey.

When a customer purchases a policy or pays a premium, they also evaluate your convenience and trustworthiness. When they file a claim, the speed of payout determines much of their emotional perception of the insurer. This dual influence makes payment modernization a strategic imperative rather than an operational upgrade.

The interplay of rising customer expectations, evolving regulations, and technological acceleration has created a landscape in which operational agility is essential. Payment modernization is not simply about offering new methods; it is about creating a flexible infrastructure that can adapt to new rails, regulatory mandates, and customer channels without significant disruption.

Carrier Impact: Modernizing payments now gives carriers speed, security, and real-time visibility, while enabling superior

customer experiences, regulatory agility, and operational efficiency. Those that delay risk higher costs, compliance challenges, and losing ground to faster, more customer-focused competitors.

2 Customer Experience: Payments as a Driver of Trust & Retention

Payment interactions are becoming defining moments within the insurance lifecycle, shaping how customers perceive value, reliability, and ease of doing business with their carrier. For premium payments, expectations increasingly mirror those seen in digital commerce. Policyholders want fluid, straightforward experiences that allow them to enroll in automatic payments, adjust methods mid-policy, and complete transactions through the channels and devices they use every day.

Digital wallets, authenticated account-to-account payments, and real-time status updates are no longer differentiators; they are emerging as basic expectations. When carriers rely on rigid or outdated billing workflows, friction arises that leads to higher lapse rates, more failed payments, and unnecessary inbound service calls. In contrast, modern premium payment experiences create predictability for both customers and carriers, ultimately supporting healthier cash flow and stronger retention.

The claims experience carries even more weight, as it often occurs during moments of personal stress or loss. Customers increasingly judge insurers on the speed and transparency of payouts, and as real-time rails expand globally, expectations are shifting sharply toward immediate or near-immediate fund availability. Carriers that offer instant disbursement through push-to-card, bank-based real-time rails, or digital wallets are seeing meaningful improvements in customer satisfaction.

An emerging part of this ecosystem is the use of virtual cards for claims payouts, particularly in scenarios involving approved vendors such as auto repair shops, contractors, or medical service providers. Virtual cards enable carriers to deliver funds securely and instantly while keeping greater control and auditability of spend, including and restricting usage to approved categories or merchants.

For the claimant, this adds convenience and reduces delays associated with traditional reimbursement processes. For the carrier, virtual cards streamline reconciliation and can reduce operational burden, fraud exposure, and leakage.

Carrier Impact: Together, these innovations are redefining what a “good” payment experience looks like in P&C insurance. Carriers investing in real-time disbursements, virtual card issuance, and flexible customer-centric

billing methods are proving deeper trust and differentiating themselves in an increasingly competitive market.

3 Technology Evolution: Rebuilding the Payments Architecture



The shift toward cloud-native, API-first payment infrastructures represents one of the most important technology evolutions for P&C carriers. Legacy systems, often built for batch environments and limited payment types, cannot support the low-latency, real-time, and highly configurable workflows needed in 2026. Modern architectures introduce modular microservices that can be updated independently, allowing insurers to introduce new payment rails, compliance updates, and customer capabilities with far greater speed and stability.

Real-time payment adoption is accelerating across continents, reshaping expectations for both premium collection and claims disbursement. These new rails, from FedNow in North America to Pix in Brazil and UPI in India, offer richer messaging, faster settlement, and enhanced fraud



controls. At the same time, open banking frameworks are giving insurers more secure access to customer-permissioned bank data, reducing the risk of failed payments and easing reconciliation. For carriers, the combination of open banking and real-time rails creates opportunities to lower costs, cut complexity, and deliver differentiated customer experiences.

The rise of embedded payments and partner-based marketplaces is further expanding carriers' ability to integrate disbursements, verifications, identity checks, and compliance partners directly into their operational workflows. As self-service portals and digital claims ecosystems become more sophisticated, embedded payments will become an essential component of a unified policyholder experience.

Carrier Impact: Carriers that invest in real-time disbursements, virtual card issuance, and flexible, customer-centric billing methods will build trust, improve retention, and differentiate themselves in an increasingly competitive market. In jurisdictions like the UK, Australia, and Canada, insurers are being asked to

prove they've taken "reasonable steps" to prevent unintentional lapses, especially in vulnerable populations.

4 Artificial Intelligence Across the Payment Lifecycle

Artificial Intelligence (AI) moved from experimental to essential throughout 2025, and by 2026, it sits at the heart of many payment operations. Its impact is particularly pronounced in fraud and risk mitigation. Unlike traditional rule-based systems, AI-powered engines analyze behavioral biometrics, device information, spending patterns, and transaction context simultaneously, identifying abnormalities in milliseconds. This reduces both fraud losses and the customer friction caused by excessive false positives, a long-standing challenge for insurers operating across diverse customer bases and payment preferences.

Beyond fraud, AI is transforming revenue management. Predictive models can anticipate which customers are likely to miss payments, recommend the most effective communication strategies, and optimize billing schedules for higher

persistence. This allows carriers to intervene earlier and more effectively, boosting revenue stability.

Meanwhile, conversational AI interfaces are becoming sophisticated enough to handle billing queries, disputes, and payment changes without human intervention. When integrated with core systems, these chat-based experiences deliver fast, context-aware answers that reduce operational costs while improving customer satisfaction.

Carrier Impact: As AI becomes embedded in payments, governance frameworks and auditability will be critical. Carriers must ensure that automated decisions remain explainable, consistent, and compliant with regulatory expectations.

5 Security and Digital Trust



Security is still one of the most important strategic concerns in the payments landscape. The rise of real-time payments has elevated the importance of robust fraud controls, as settlement speed decreases the window for intervention. This shift is driving carriers toward zero-trust security models,

which assume no user, device, or API should be inherently trusted. Continuous identity verification, encryption at every layer, and granular access controls are becoming standard requirements, not optional enhancements.

Adaptive authentication is also gaining traction. Instead of relying solely on passwords or static MFA, modern systems analyze the risk associated with each transaction, considering factors such as location, device reputation, behavioral patterns, and transaction type, and apply only the necessary friction. This reduces customer frustration while maintaining strong protection.

Carrier Impact: Across markets, regulators and industry bodies are advocating greater data sharing and the use of verification services to reduce impersonation and authorized push-payment fraud. Carriers will need the ability to ingest real-time fraud intelligence from banks, payment providers, and third-party risk partners.

6 Regulation & Compliance: A Global, Diverging Landscape

While regulation varies significantly across regions, universal themes are emerging globally. Regulators are placing greater emphasis on operational resilience, transparency of fees and payment terms, customer data portability, and strong authentication. These requirements reflect

a shift toward protecting consumers in increasingly digital financial ecosystems. Carriers must ensure that their payment infrastructures can adapt quickly to new requirements without extensive redevelopment.

Regional differences, however, remain substantial. In North America, the CFPB is advancing open banking rules that will mandate new consent and data-access standards. In EMEA, PSD3 and the EU Instant Payments Regulation are introducing mandatory verification requirements and new risk controls. APAC markets continue to evolve through high-speed rails like UPI, NPP, and PayNow, creating opportunities for more efficient collections and payouts. LatAm markets, driven by government-led innovation, are growing some of the world's fastest instant-payment ecosystems.

Carrier Impact: These differences mean that carriers operating across borders must maintain both a unified compliance strategy and localized execution.

7 Operational Efficiency and Managing Cost Pressure

Operational efficiency continues to be a primary motivator for carriers to modernize their payment infrastructure, especially as financial pressures intensify across markets. Manual reconciliation, outdated batch

processes, and exception-heavy workflows drain resources and introduce unnecessary delays. Modern, cloud-based payment systems help reduce these inefficiencies by enabling real-time reconciliation, automated validation steps, and straight-through processing.

As a result, carriers gain more predictability in cash flow, reduce the volume of outstanding items, and decrease the operational lift associated with managing failed payments, chargebacks, and policy reinstatements.

A critical dimension of this modernization, increasingly clear entering 2026, is its impact on treasury operations. Payment modernization gives treasury teams better liquidity visibility by providing intraday or near-real time insight into cash positions across a wider variety of payment rails. Instead of relying on end-of-day bank files or delayed settlement updates, treasurers can see cash movement as it happens, improving forecasting accuracy and enabling more proactive working-capital decisions.

For claims disbursements, real-time payments and virtual cards also enable treasury functions to manage funding windows more precisely, reducing idle float while ensuring that sufficient liquidity is available for peak claims periods. Additionally, improved bank account



verification, tighter API-driven bank connectivity, and centralized payment orchestration reduce the fragmentation that historically complicates settlement and reconciliation across multiple geographies, banking partners, and lines of business.

As regulatory requirements continue to evolve, modernized systems also reduce the cost of compliance. Updates to authentication rules, reporting standards, and dispute-handling processes can be deployed more easily in a cloud-native environment, lowering the long-term maintenance burden.

Carrier Impact: Carriers that modernize payments are able to achieve a more stable financial operating model. Better visibility for treasury, fewer manual interventions, and stronger governance reduce operational risk while supporting strategic growth.

8 Emerging Technologies and the Future of Insurance Payments

While many emerging technologies are still maturing, carriers should stay aware of developments that could influence P&C insurance payment strategies by 2027 and beyond. Stablecoins, for example, are gaining attention from regulators who are exploring frameworks to support their responsible use. Tokenized payment credentials could enhance security and reduce friction across digital channels, while decentralized identity frameworks may strengthen authentication and onboarding.

Cross-border real-time payment schemes are also accelerating, with several markets exploring interoperability between domestic instant rails. Even if adoption remains modest in the near term, payment innovation in insurance could reshape insurance payments more quickly than expected.

Carrier Impact: Carriers that monitor regulatory developments and experiment with these innovations early will be better positioned to reduce fraud, streamline onboarding, and support global customers. Strategic foresight and flexible infrastructure will be critical to adapt quickly as these technologies mature and gain traction.

9 Strategic Priorities for P&C Carriers in 2026

As payments become more critical driver of insurance success, carriers must rethink their strategies to stay competitive and compliant in an increasingly digital, customer-centric environment.

The following priorities will define leadership in 2026:

- ▶ Cloud-Native, API-First Payment Ecosystems
- ▶ Enable agility and scalability to adapt quickly to evolving customer expectations and regulatory changes

Integrated AI Across Payment Operations: Apply AI to fraud detection, revenue management, and customer engagement, supported by strong governance and model oversight.

Strengthen Security with Zero-Trust Principles: Implement adaptive authentication and continuous monitoring to protect sensitive payment data.

Seamless, Real-Time Experiences: Tight integration of payment workflows with billing and claims platforms ensures frictionless customer interactions.

Flexible Compliance Frameworks: Prepare for growing regulatory divergence across regions with adaptable, enterprise-wide governance for enterprise-wide consistency.



Payments in 2026: Why Carriers Can't Stand Still

Payments have become a defining capability for P&C insurers competing in an ever-changing global landscape. What was once a transactional back-office function is now a critical part of customer trust, operational resilience, and regulatory compliance in insurance payments. As 2026 unfolds, carriers that invest in carrier payment modernization will be better positioned to deliver faster and more transparent customer experiences, reduce operational inefficiencies, and respond effectively to an increasingly complex regulatory environment.

The convergence of real-time payments, AI, and cloud-native infrastructure presents an opportunity for carriers to reimagine how money moves through their organizations. Those who act proactively and build adaptable, secure, and integrated payment ecosystems will establish a meaningful competitive advantage that endures well beyond 2026.

Ready to stay ahead of payment innovation?

[Let's talk about how Duck Creek Payments can help your organization stay ahead of what's next in insurance payments.](#)

About Duck Creek Technologies

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