

SAPIENS

Smarter, Faster, Leaner:

Rethinking Health Cash Plans in the Evolving Insurance Landscape

Across Europe, insurers face growing pressure to control costs while delivering digital, customer-first services - especially in the health cash plan sector, where low margins, high volumes, and regulatory scrutiny intensify the challenge.



There are functional challenges across insurance organisations

Claims and Operational Pressure Points

- Persistent claims leakage caused by inconsistent triage and limited automation
- Claims cycle times that increase both operational cost and policyholder frustration
- Fragmented back-office processes that slow down service and inflate expenses

Underwriting and Pricing Complexity

- Limited visibility into utilisation patterns and benefit frequency
- Inflexible pricing models unable to keep pace with inflation or shifting usage
- Underwriting that cannot respond dynamically to employer-level or individual claim history

Strategic and Financial Constraints

- Combined ratios consistently under pressure as claims costs rise faster than premiums
- Operating expenses held hostage by manual processes and audit-heavy systems
- Inability to scale profitably due to rigid legacy infrastructure and siloed data



The root issue: Without structural change, growth = cost. Real transformation begins when insurers redesign their models to **decouple cost from scale** by leveraging automation, AI, and unified data to shift performance curves.

Breaking the Cost/Growth Relationship: What High-Performing Insurers Do Differently

For over a decade, insurers have faced a frustrating reality: as they grow, so do their costs, almost in lock-step. But this 1:1 ratio is no longer inevitable. Leading insurers are rewriting the rules by embedding AI, automation, and composable infrastructure across their value chains. The result? A structural shift from reactive cost control to proactive margin expansion.

Sapiens enables this transformation by focusing not on incremental tweaks, but on the core cost levers that define operational scalability. Here's how:

1

AI-Powered Claims Flow: Automating Cost Out of the System

Traditional claims models are manual, error-prone, and slow. Sapiens transforms the process by automating intake and enriching unstructured submissions (such as scanned forms and PDFs) through intelligent document processing. By validating data against business rules and triaging for potential fraud or early resolution, insurers can eliminate friction, flag anomalies in real time, and accelerate claims throughput.

Impact:

Lower costs, faster turnaround, and an improved policyholder experience all without increasing headcount.

2

Data-Driven Underwriting: Precision Without the Manual Overhead

Underwriting today must evolve with the risks it prices. Sapiens equips insurers with real-time analytics, enriched behavioural data, and predictive modelling to move underwriting from a retrospective process to a proactive, dynamic engine. By leveraging pattern recognition and cohort analysis, insurers can simulate pricing scenarios instantly and identify emerging risk trends as they unfold.

Impact:

Tighter loss ratios, quicker pricing adjustments, and more accurate targeting driving sustainable, profitable growth.

3

Composable Architecture: Scale What Matters, Modernise Strategically

Full system replacement is often impractical. Sapiens' modular, low-code platform allows insurers to modernise selectively and target areas like claims, underwriting, or product configuration without disrupting the broader ecosystem. With embedded AI capabilities such as natural language search across contracts and documentation, institutional knowledge is retained and made accessible, helping mitigate the impact of workforce turnover and accelerating decision-making.

Impact:

Faster product launches, reduced IT burden, and durable cost advantages through strategic, component-level transformation.

When It All Comes Together: From Constraint to Competitive Edge

Insurers applying this integrated approach are seeing dramatic results. By targeting foundational cost drivers rather than chasing incremental efficiency, they are:



Reducing operating costs in key areas



Decoupling cost from growth, scaling without margin compression



Moving from monolithic systems to agile ecosystems

This is more than digital transformation, it's cost transformation, and it's redefining what profitable growth looks like in insurance.



Reframing the Health Cash Plan Business

Strategic Pressure	Platform Response	Operational Impact
Claims cost volatility	Automated workflows and rules-based intake	Controlled leakage, faster resolution
Price sensitivity and retention	Flexible product configuration	Responsive pricing, plan customisation
Price sensitivity and retention	Embedded regulatory logic	Lower manual audit effort, stronger oversight
Fragmented infrastructure	Modular, cloud-based architecture	Lower technical debt, faster innovation cycles
Data opacity	BI and underwriting analytics	Early trend detection, more accurate forecasting
Fixed cost-growth relationship	Automation, AI, and enriched data integration	Lower unit costs, ability to scale profitably

Practical, Phased Implementation - With the Flexibility to Scale

Transformation doesn't have to mean disruption. While some insurers opt for full-system overhauls to leap ahead, many are proving that meaningful change can start small. Sapiens enables both models, phased modernisation for precision and control, or rip-and-replace deployments for more rapid reinvention depending on your strategy, risk appetite, and internal readiness.

Your health cash-plan business sits at a natural intersection of consumer-facing simplicity and cost heavy execution. Sapiens P&C capabilities offer nimble, data driven and consumer centric capabilities. That means better combined ratios, faster product cycles, and a tighter grip on experience.

Modernising health cash plans isn't just about better IT; it's about building a **new cost model for growth**. Insurers who break the cost/growth relationship will be those who win on scale, margin, and agility.

READY TO BREAK THE COST/GROWTH TRADE-OFF?

Connect with us to see how Sapiens can help you modernise at your pace – and scale with confidence.

Contact Us

About Sapiens

Sapiens International Corporation (NASDAQ and TASE: SPNS) is a global leader in intelligent insurance SaaS-based software solutions. Sapiens' robust platform, customer-driven partnerships, and rich ecosystem empower insurers to achieve operational excellence in a rapidly changing marketplace. Sapiens supports core solutions for property and casualty, workers' compensation, and life insurance, including reinsurance, financial & compliance, data & analytics, digital, and decision management. For more information visit sapiens.com or follow us on [LinkedIn](#)

