SAPIENS

Whitepaper

The Agile Insurer: Why Adaptability is the Key to Future-Proofing Life Insurance

Sections

Introduction: The Need for Flexible, Customisable Tech is at an All-time High

To stay relevant in today's dynamic marketplace, life and pensions insurers must adopt new technologies that meet both business stakeholder needs and evolving customer expectations.

In this whitepaper, we explore the need for agile, flexible and configurable solutions for today's insurers, the challenges they face, and how to overcome them with the right technology and best practices. At the heart of that technology is an innovative configurable core system that supports rapid adaptation and accelerated product launches.

Market Trends Driving Change

The insurance landscape is undergoing a profound transformation, driven by ever evolving consumer expectations and heightened regulatory demands. As economic conditions fluctuate and digital technologies reshape industries, insurers must respond with agility to remain competitive. Traditional, rigid insurance models and propositions no longer suffice in a world where customers expect flexibility, personalisation, and instant service. This contributes to an urgent need for modernisation of products and processes. Insurers that fail to embrace change risk losing relevance and market share in a fast-moving marketplace.

Consumer Expectations: Modern policyholders expect digital-first, user-friendly solutions that offer personalisation of services from onboarding through to claims.

Constant Regulatory Change: Regional regulations require insurers to adopt changes and reporting outputs rapidly to remain compliant.

Insurers must adapt their proposition and processes to meet the needs of all stakeholders – from the end consumer to the adviser to business users throughout the value chain. This requires a deep understanding and insight of each stakeholder's needs and expectations.

Key Challenges to Modernisation

Despite the urgent need for modernisation, insurers face common challenges that have hindered their ability to remain competitive and appealing:

Legacy Systems – Monolithic, outdated platforms that require extensive coding for even minor product modifications. Legacy systems are incapable of digitalisation due to their outdated architecture and are leaving both policyholders and providers in the cold. The need for transformation is now and whereas previously migrations were perceived as too difficult and risky, migration methodologies have now come a long way and there are now tried and tested practices and procedures that provide a structured approach. By adopting a modern core system approach to migrate off a legacy system, insurers immediately benefit from a controlled single source of truth, removing the risk of siloed data across disparate systems. This is further endorsed by Celent's recent Dimensions Europe Life Insurance IT Pressures & Priorities 2025 report where 41% of insurers listed "limitations of our current technology" as a barrier to achieving their business goals.

Fragmented Processes – Insurers with multiple legacy systems typically have siloed operational structures and as a consequence, process differing levels of service and multiple reporting outputs. This leads to high operational costs and inefficiencies, all of which could be addressed through a legacy system transformation programme.

Slow Product Development – In today's market, being able to bring new products to market at pace is an essential. Without the inherent technical agility, configurability and flexibility in the underlying systems, and digital services, many providers are losing out in this dynamic marketplace. Having less dependency on IT resource and the ability to react to changing market needs, by delivering new products using modern templated and configurable, intelligent technology, insurers can stay ahead of the market and gain competitive advantage.

The Case for Agility and Configurability

Persona Customisation:
There are many differing considerations that insurance companies must deliver across the value chain. A deep understanding of the needs of each persona is essential. Whether it is direct to consumer, business to business, or business to business to consumer, each persona will have specific requirements and expectations. Having a highly configurable toolset, coupled with an agile digital service, will ensure each journey is aligned to the exact persona requirements.

Embedded digital engagement capabilities:
take transformation programmes even further. Today's policyholders expect a fully digital experience, whether they are purchasing a policy, filing a claim, or updating their coverage. By integrating digital self-service portals for customers and their agents, insurers empower users to access information, submit documentation, and track claims in real time. This not only enhances the customer journey but also reduces administrative burdens on insurers, allowing them to focus on strategic growth rather than manual processes.

Automated Underwriting:
While the majority of insurers have embraced some degree of automated underwriting, AI and machine learning is now the accelerator in this space. Dynamic, adaptive questioning in which the system automatically tailors follow-up questions based on the applicant's responses ensures a more personalised and efficient process, enabling instant risk assessment, and real-time decision-making.

How Today's Technology is Delivering Agility

Visual configuration and product workbenches are providing insurers with the ability to adopt a more dynamic approach, enabling them to build, modify and launch new insurance products without extensive IT intervention.

With intuitive, no-code/low-code interfaces, business users can define coverage parameters, set rating variables, and establish underwriting rules in a straightforward, visual environment. This significantly reduces the time required to bring new products to market, allowing insurers to rapidly respond to emerging risks, regulatory changes, or shifts in consumer demand. Additionally, adopting a collaborative product development environment fosters greater alignment between underwriting, product, and IT teams.

To support already established automated migration processes, AI is being introduced to further enhance data profiling, mapping and configuration, reducing and resolving data issues in shorter timeframes to give greater certainty in the data migration.

Regional Adaptability

For multinational or region-specific insurers, multi-layered architectures enable quick configuration of local requirements such as taxes, language, currency, reporting and regulatory compliance. This approach allows insurers to adapt to regional demands without extensive core system modifications, saving time and resources.

By adopting a robust core system, insurers can efficiently meet local market needs while ensuring overall operational efficiency and scalability.
This capability speeds up expansions to new markets or lines of business, enabling insurers to expedite time to market. By capitalising on these opportunities, insurers can lead the way and outpace competition.

Automation in Underwriting & Claims

In both the underwriting and claims arenas, automation is transforming processes by reducing costs, improving accuracy, and enhancing customer satisfaction.

Data sits at the heart of underwriting and claims automation. With time and the advancement of AI and ML, more and more automation will be the norm. However, achieving optimal results requires a balanced approach, combining technology with human expertise, as automation alone cannot provide a complete solution.
There will always be complex cases that will need the expertise of human claims or underwriting accessors, when supported by AI and ML, valuable senior staff resources can be utilised to provide their deep knowledge where needed.

The Choice – Fully Automated or Hybrid?

The challenge for many insurers will be whether to pursue the fully automated approach or a blend. Fully automated approaches will deliver significant operational savings but may well exclude complex cases from those most in need of cover. Insurers embracing a hybrid approach will benefit from operational savings to a more modest level, while also ensuring that the needs of policyholders are met.

Insurers will have the option to design products and processes based on differing distribution nuances for underwriting such as a fully automated approach for D2C and hybrid for B2B and B2B2C.

In the claims arena, the advancement of AI and ML will undoubtedly lead to an increase in claims automation. Claims triage enables instant approvals for straightforward cases with complex claims routed for expert review. Digital self-service portals allow customers to submit claims, upload documents, and track progress in real time. Automated fraud detection leverages pattern recognition to identify anomalies, protecting insurers from fraudulent payouts. Insurers adopting automated claims processing will realise cost savings, increased efficiency and minimised risk, as well as deliver a better customer experience.

Smart Product Deployment for a Competitive Edge

Insurers must reassess their core system and streamline product deployment to stay competitive. Legacy systems and manual workflows slow innovation, making it difficult to launch new products, adapt to regulations, or respond to market trends. Modern, configurable, intelligent solutions enable insurers to deploy and refine offerings with speed and agility.

Key enablers include:

Configurable templates
Standardised yet flexible templates speed up product launches and market expansion.

Automated deployment
Reduces manual effort, ensuring faster, error-free rollouts.

Low-code/no-code tools
Low-code/no-code platforms are transforming product management and enabling business users to update products without IT delays. Instead of relying on IT-dependent processes, insurers can make real-time adjustments based on regulatory changes, customer behaviour and market needs.

Practical Steps for Insurers: The Road Ahead

For insurers looking to modernise their estate, the following roadmap should be considered:

Develop or reassess your strategic plan
Ensure that all decisions are strategically business led, whether that be expanding into new territories, customer segments/ distribution channels, products and services.

Assess current capabilities
Identify inefficiencies in product configuration, underwriting, and claims processes. Seek input from all stakeholders, be that operational staff, underwriters, claims accessors, actuaries, product, sales and marketing etc.

Engage stakeholders
Align underwriting, product, IT, and compliance teams on strategic goals and ensure buy-in for transformation programmes throughout the business.

Select the right technology
Invest in configurable, innovative cloud-based platforms with open APIs and automation capabilities. Select a partner with whom you can build and influence the product roadmap.

Adopt hyperautomation
Automate wherever possible to deliver a tangible return on investment (ROI) and an improved customer and agent experience, coupled with improved operational efficiencies and savings.

Pilot agile product launches
Start with high-impact product enhancements before scaling across all offerings.

Embrace simplicity
Avoid the temptation of over-complicating propositions with features that will add little value and delay time to market while over-engineering the customer and/or agent experience.

Conclusion: Future-Proofing Life Insurance

The life insurance landscape is evolving, and insurers must embrace agility, configurability, and automation to stay competitive. By adopting a modern, configurable core systems, leveraging automation, and streamlining product deployment, insurers can deliver flexible, customer-centric solutions that meet today's workforce realities.

In a competitive market, the ability to quickly introduce innovative, tailored insurance solutions is a key differentiator—one that ensures long-term sustainability and growth. The demand for protection is at an all-time high. Insurers who invest in innovation now will lead the industry into the future.

Sapiens CoreSuite for Life & Pensions is an end-to-end, cloud-native solution with enhanced digital capabilities for the management of both individual and group life and pensions products as well as investments and voluntary benefits.

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