

SURVEY

Understanding Insurer Motivations for Modernisation and Transformation

sapiens 

Introduction

As the pace of change continues to accelerate and technology evolves, insurers who want to compete in this market are looking at ways to modernise existing technology, streamline operations, and achieve greater business agility.

This is shaped by the need for improved efficiency, competitive differentiation, and readiness for emerging challenges. This survey explores key drivers underpinning the decisions of insurance companies globally to adopt transformative strategies, focusing on recurring themes and unique priorities.

We've worked alongside insurers navigating exactly this shift and pulled the proof points that matter from over 30 global insurance organisations. These companies have engaged with us to facilitate change. This gives us valuable insights into the broader trends and motivations, as well as strategic objectives.

Key Drivers of Modernisation in Insurance

1 Retirement of Legacy Systems

One of the most common motivations is the retirement of legacy systems. These outdated systems often impede scalability, increase operational costs, and create dependencies on suppliers or outdated technologies.

The need to replace such systems is driven by:

Cost Reduction

Consolidating legacy systems can significantly reduce maintenance and operational costs.

Operational Agility

Modern systems offer greater flexibility to adapt to changing market demands and regulatory environments.

Future-Proofing

Eliminating legacy systems paves the way for adopting new technologies, such as AI and machine learning.

2 Consolidation and Centralisation

Insurers with operations across multiple regions or business lines frequently pursue consolidation and centralisation initiatives.

The benefits include:

Unified Platforms

Enabling consistency in business processes and data across geographies.

Simplified Operations

Reducing the complexity of managing disparate systems.

Scalability

Creating systems capable of supporting global or regional expansions.

3 Cost Efficiency and Operational Improvement

Efforts to enhance efficiency through automation, self-service, and process optimisation are prevalent:

Straight-Through Processing (STP)

Increasing the volume of automated transactions to reduce administrative burdens.

Self-service Portals

Enabling customers and brokers to manage their policies independently, improving satisfaction and reducing service costs.

Automation and Agentic AI Integration

Leveraging technology to streamline underwriting, claims processing, and risk assessment.

4 Empowering Business Users

Self-sufficiency among business users is a recurring theme, where organisations aim to:

Enable Toolkit-Driven Configurations

Providing business teams with the tools to adapt products and processes without IT intervention.

Foster Innovation

Allowing faster response to market trends and customer needs.

Improve Employee Experience

Enhancing workplace satisfaction and productivity with user-friendly, efficient systems.

5 Customer and Broker Centric Solutions

Customer and broker demands are reshaping modernisation priorities, particularly around:

Improved Responsiveness

Faster speed-to-market for new products.

Enhanced Self-Service Capabilities

Offering intuitive digital platforms for managing policies and claims.

Personalised Experiences

Leveraging data to create tailored products and services.

Common Themes Across Motivations



Technology as an Enabler of Transformation

Modernising the tech stack is a universal priority. By adopting modern platforms and integrating advanced analytics, AI, and machine learning, insurers can:

- Predict risks with greater accuracy
 - Automate mundane tasks, freeing resources for strategic initiatives
 - Adapt quickly to evolving market conditions
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Scalability and Global Reach

For insurers with international or regional operations, scalability remains a pivotal concern. A single cloud-native approach is increasingly preferred, offering:

- Streamlined workflows across geographies
 - Consistent policy and claims management standards
 - Cost efficiencies from reduced duplication
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Operational Efficiency

Operational excellence is a driving force, with goals such as:

- Improved speed-to-market for product changes and new offerings
- Enhanced process automation for lower costs and fewer errors
- Integration of core systems with partners, like reinsurers

Case Study Highlights: A Global Perspective

While motivations vary based on regional and organisational priorities, there are commonalities that illustrate broader trends.

Legacy System Retirement

An organisation in [Germany](#) aimed to retire 40 legacy systems to improve scalability and product development timelines.

In [South Africa](#), modernisation efforts were driven by the need to consolidate multiple systems and reduce costs through automation.

Focus on Self-Sufficiency

In [Denmark](#), a company sought to enable self-sufficiency with toolkit-based solutions for business users, ensuring quicker and cost-effective changes.

Agility and Ecosystem Integration

An [Australian](#) insurer emphasised leveraging automation and machine learning for improved claims management, particularly for natural catastrophe claims.

Another in the [UK](#) prioritised underwriter visibility and automation to streamline surety operations and reduce operational costs.

Strategic Recommendations

1 Prioritise Modularity

Adopt platforms with modular architectures to enable flexibility and future scalability.

2 Invest in Data Integration

Ensure smooth integration between core systems and ecosystem partners to optimise operations.

3 Focus on User-Centric Design

Create systems that work for all users internal (employees) and external (customers and brokers).

4 Use Emerging Technologies

Use agentic AI and advanced analytics to improve risk assessment, pricing sophistication, and customer personalisation.

Conclusion

As you navigate the complexities of modernisation, understanding shared motivations and unique priorities can provide valuable insights into aligning technology investments with strategic goals. Whether driven by cost efficiency, agility, or customer-centricity, these initiatives underscore the industry's commitment to innovation and operational excellence.

Contact us

About Sapiens

Sapiens International Corporation N.V. is a global leader of AI-centric, SaaS-based insurance software, delivering hyper-relevant experiences that are efficient, compliant, and innovative. With agile intelligence, Sapiens' solutions turn real-time data and human insight into precise action at every moment, across every risk. The Sapiens platform includes agentic workflows accelerating every capability across policy, underwriting, claims, reinsurance, decisioning, and finance and compliance. With more than 600 insurers in over 30 countries running on Sapiens, our deep industry expertise is the foundation of our long-term relationships, from initial implementation through to modernization and market transformation. Sapiens is headquartered in London, serving customers in property and casualty, life, reinsurance, specialty, and workers' compensation from offices across North America, Europe, the Middle East, and Asia Pacific.

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