WHITEPAPER

The Power of Partnership in Life Insurance Modernization

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Executive Summary

Modernization is no longer a discrete project with a fixed endpoint. It is now an ongoing capability that insurers must sustain indefinitely, as product lines evolve, distribution channels multiply, and customer expectations keep rising.

Stakeholders expect results immediately, not two years from now. At a time when economic, political and climate unpredictability has become the norm, insurers need partners who contribute industry expertise, execution discipline, innovation, and measurable business outcomes, not simply software. As a continuation of our *Modernization in Motion* whitepaper and eBook, this whitepaper is designed to help insurers build exactly that kind of partnership. As a company that has been working with customers for more than four decades, we understand how to build lasting partnerships that drive measurable results and shared success.

CHAPTER 1

Why Good Technology Isn't Enough

Modernization programs rarely fail at the technology decision. They fail after it, at a rate of approximately 70% in the gap between choosing a system and making it work for the business it was created to support. That gap shows up as workflows nobody redesigned, data nobody cleaned, and users who were never trained. These are the quiet reasons even the best technology falls.

One of the most common is the project that gets delivered but not adopted. After hard work from both the internal and external teams, the new platform goes live on schedule, the old system gets decommissioned, and the rollout is declared a success in the steering committee deck. But, due to organizational entropy, the people doing the actual work route around it: shadow spreadsheets reappear, workarounds multiply, and the system becomes a compliance exercise rather than the way work gets done.

The second type of failure is less cultural than purely technical. It is the system that's implemented but never optimized. It's live, people use it, and it does roughly what the old one did, just on newer infrastructure. The configuration reflects how the previous system worked. Nobody revisits it once it's "done," so the organization ends up paying modernization level costs for legacy-level performance for an operating model that never changed.

The third, and most damaging, failure is the business goal that's never achieved. Somewhere in a business case there was a number: faster claims cycle time, lower cost to serve, higher retention. The system launch gets treated as the finish line when it was the business outcome that was the actual finish line. When nobody owns that outcome past go-live, the number quietly disappears from later reviews, and the program is remembered as complete despite never delivering what it was funded to deliver.

As leaders committed to the long-term, addressing these failures means treating go-live as the midpoint of the program. Ownership, measurement, and optimization need to continue well after the technology decision has been launched. By that point, most people have already moved on.



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CHAPTER 2

The Role of a True Technology Partner

Insurers need a strategic advisor, someone who understands where the business is headed, not just where the system sits today. They also need industry expertise, a team who brings market knowledge you may not have time to build. And, most important, they need an innovation partner, someone who keeps pushing new ideas that unlock opportunity, long after the contract is signed.

"Partnership isn't just about technology, it's about trust, growth, and the future of life insurance." That's how John Borgen, President & CEO of Trusted Fraternal Life put it, and we agree. Insurers need to trust that a vendor will still show up months after go-live. They need growth, not just a working system. And they need a partner who cares about the future of life insurance as much as they do.

Teams who settle for a vendor get a product and a support line. On the other hand, if you choose a true partner, you get a team invested in your outcomes. The difference shows up months after launch, when the software is stable, but the business results still depend on someone staying at the table.

According to CIO Magazine, 80% of top-performing organizations cite proactive communication about risks as the defining trait of their best transformational relationships, as compared to just 35% for transactional suppliers.



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CHAPTER 3

Five Characteristics of High-Impact Modernization Partners

Not every partner is the same. Here are five characteristics to consider when choosing a modernization partner.

1. Industry Expertise

A high-impact partner already speaks the language of life insurance before the first discovery meeting starts. They know how life products are priced, filed, and sold, and how underwriting rules shape which cases get issued quickly. They understand distribution realities, from agent workflows to broker platforms, and how servicing demands shift once a policy is in force. They track regulatory complexity across states/provinces and jurisdictions, because that knowledge determines whether the new system reduces risk or creates it.

2. Outcome Orientation

Performance-driven partners judge success by tangible business results such as placement rates, speed-to-issue, and how quickly a product can adapt to new market demands. They will push to have servicing efficiency tracked long after go-live. The goal is to monitor friction that slows agents or frustrates policyholders. Within such a collaborative framework, retention becomes a key metric that moves the relationship forward.

3. Shared Accountability

Shared accountability means the insurer and the partner both own the outcome, from the first workshop through the years that follow launch. Success gets defined together. This kind of account-ability builds trust, and trust is what keeps a modernization program resilient when conditions change.

4. Innovation Commitment

A committed partner keeps bringing ideas to the table long after the system goes live. They introduce new AI capabilities as they mature, testing where automation can remove manual steps from underwriting or claims. They propose new operating models as the market shifts, and they share emerging best practices drawn from other insurers they work with. This ongoing flow of ideas turns a static system into a living asset that keeps generating value.

5. Long-Term Vision

A partner with long-term vision plans ahead, anticipating where the business and the market are headed. Each project becomes one step in a longer journey, building capability that compounds year after year. Every new initiative starts from a stronger foundation, because the one before it was designed with the future in mind. That kind of vision turns a customer relationship into a multi-year growth engine for the insurer.

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CHAPTER 4

What Partnership Looks Like Across the Life Insurance Value Chain

Partnership shows up differently at every stage of the life insurance value chain. It's a set of contributions that can compound stage by stage, driving greater efficiency, stronger business performance, and lasting customer loyalty.

1

Distribution

At the distribution stage, a strategic partner brings digital engagement and agentic AI expertise that agents and brokers use. That means quoting tools that load fast, portals that answer questions before a producer has to call support, and data that shows which channels are converting.
The result shows up directly in placement rates. Insurers place more business when the digital experience keeps producers moving instead of stalling them at data entry. As we have previously stated, adoption is the lowest bar for modernization. Technology won't change anything unless it works and people want to use it.

2

Illustration & Digital Application

Illustration and digital application workflows are where product innovation meets the realities of the sales process. The right partner understands the complexities of life insurance products, pricing, and underwriting requirements, delivering intuitive illustration and eApp solutions that streamline advisor workflows, communicate product value, reduce friction throughout the application process, and help drive sales. By creating a seamless experience from quote to application submission, insurers can improve advisor productivity, enhance customer experiences, and accelerate policy issuance.

3

Underwriting

In underwriting, decision automation guidance turns a slow, manual process into a seamless experience that producers and applicants barely notice. A partner brings the modeling experience to know which risks can move through straight-through processing and which still need human judgment. They help insurers calibrate rules, so speed comes without sacrificing risk discipline and providing self-sufficiency for future rule changes. The outcome is faster decisions, often in minutes instead of weeks, which keeps applicants engaged and reduces the drop-off that happens when underwriting drags on too long.

4

Policy Administration

Within policy administration, process optimization quietly determines the cost structure of the entire business. A partner examines workflows that have accumulated exceptions and manual steps over years, streamlining them so fewer resources are needed to keep policies current. They bring benchmarks from other insurers, showing where servicing costs run higher than what the market has already proven possible. Lower servicing costs become the outcome, freeing budget that can be reinvested in growth instead of maintenance.

5

Servicing

Servicing is where the relationship with the policyholder either strengthens or quietly erodes. A partner focused on customer experience examines every touchpoint, from a beneficiary change to a claims inquiry, and removes friction that has everything to do with outdated processes and nothing to do with insurance itself. They test new self-service options and measure how policyholders actually respond. Higher retention becomes the outcome, because customers stay with insurers who make their lives easier long after the sale closes.

Partnership adds measurable business outcomes at every handoff, from the first quote to the last renewal. That's what a life insurer should expect before signing anything, and it's what separates a long-term partnership from a one-off project with a technology supplier.



CHAPTER 5

The Partnership Maturity Model

Every partner relationship sits somewhere on a maturity curve, and where an insurer lands determines how much value it generates. Most insurers sign a contract and stop climbing right there. Below we trace the full path, from a basic software purchase to a relationship that becomes a genuine competitive advantage.

Level 1
The engagement is transactional. The insurer buys software, the vendor delivers it, and the relationship ends at go-live. This is where most insurers sign their first contract, and where too many stay for years without realizing there's anywhere else to go.

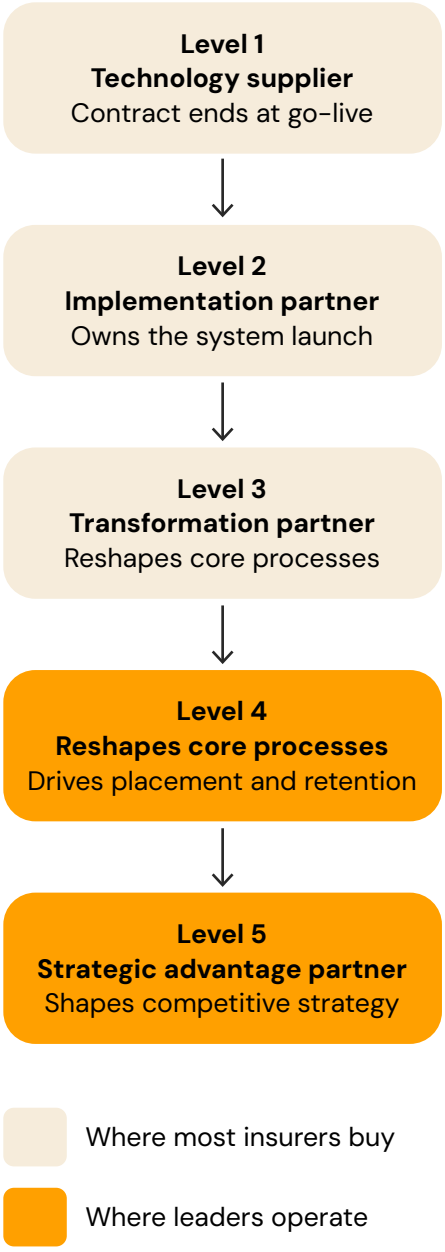
Level 2
The partner takes ownership of getting the system live and working. Timelines tighten, testing gets more rigorous, and the insurer starts dealing with a partner who shows up for the hard parts of a launch instead of disappearing after signature.

Level 3
The scope widens beyond one system. The partner starts reshaping processes, helping the insurer rethink how underwriting, servicing, or claims actually run day to day.

Level 4
The partner's contribution shows up on the business side of the ledger. Conversations shift toward placement, retention, and speed to market, and the partner brings ideas that create growth rather than simply support it.

Level 5
The partner becomes part of how the insurer competes with their specific market segments. Product roadmaps get shaped together, strategy conversations include the partner in the room, and the relationship starts generating advantages with shared values competitors cannot easily copy.

Most insurers buy at Levels 1, 2 or 3. Industry leaders operate at Levels 4 and 5. The difference between the two is the difference between implementing technology and creating a lasting competitive advantage.



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5 Questions Every Insurer Should Ask a Potential Technology Partner

Most RFPs focus on the wrong criteria. Insurers spend months evaluating feature sets, technical requirements, and customer references, only to discover that none of these measures predict whether a vendor will continue driving value long after implementation. The questions that identify true partners are different. They focus on market leadership, pace of innovation, AI-enabled transformation, and the commitment to ongoing optimization and measurable business outcomes after launch. For insurers playing the long game, these are the questions that separate technology providers from strategic partners.

1. How will you help us improve placement?

This question tests whether the vendor thinks about your business or just your system. A good answer talks about digital engagement, agent experience, and the specific friction points slowing down applications today. A weak answer talks about uptime and support tickets. Placement is a business outcome, and any partner worth keeping should already have ideas about moving that number before the contract is even signed.

2. How will you help us accelerate product innovation?

Ask this question and pay close attention to the level of specificity in the response. Strategic partners can articulate where time is lost across product design, pricing, filing, implementation, and distribution, and explain how they've helped insurers reduce those delays. They support their claims with measurable outcomes, not generic promises of agility. Vendors with genuine life insurance expertise speak from experience, and that experience shows up in the details. The quality of the answer often reveals whether a provider has merely implemented technology or successfully helped carriers bring new products to market faster.

3. How will you help us operationalize AI?

Every vendor claims AI capability, so this question pushes past the buzzwords. Ask what specific underwriting, claims, or servicing workflow their AI touches today, at another insurer, with a measurable result attached. A partner should be able to name a use case, a metric, and a timeline. Anything less means the AI story is a slide, not a track record.

4. How do you measure success after implementation?

This question separates vendors from partners faster than any other on the list. A vendor measures success by whether the system is live and stable. A partner measures success by placement, retention, servicing costs, and speed, the metrics that matter months and years later. A vendor who can't answer this without mentioning go-live has already told you the relationship ends at go-live too.

5. How do you help customers continuously evolve?

The best partners keep bringing ideas long after the invoice is paid. Ask for examples of new capabilities, use cases, automation, or operating models they've introduced to existing customers in just the past year. A partner with a real answer will have a specific story ready. A partner without one is telling you, indirectly, that the relationship stops the moment the system goes live.

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, 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 modernisation 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, Asia Pacific and the Middle East including Israel where the company was founded.

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