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WHITE PAPER

Reimagining Insurance for the AI Era

How Modern Core Platforms, Operational Transformation, and Embedded Intelligence Are Redefining Insurance Performance

JUNE 2026

Executive Summary

Insurance is entering a new era defined by rising customer expectations, AI acceleration, ecosystem competition, and increasing pressure for operational efficiency and speed.

While many insurers are investing heavily in modernization, transformation often fails because organizations replace technology without simplifying the complexity built around it.

The most successful insurers approach transformation differently. They build adaptable foundations that connect data, streamline operations, support automation, and enable continuous adaptation.

These foundations are creating a new generation of insurers characterized by embedded intelligence, connected ecosystems, AI-augmented workforces, real-time operations, and greater product agility.

Ultimately, success in the AI era will not be determined by technology adoption alone. It will depend on an organization's ability to combine modern platforms, operational simplicity, trusted data, and human expertise into a business capable of continuous adaptation.

Part I – The Pressure

Insurance at an Inflection Point

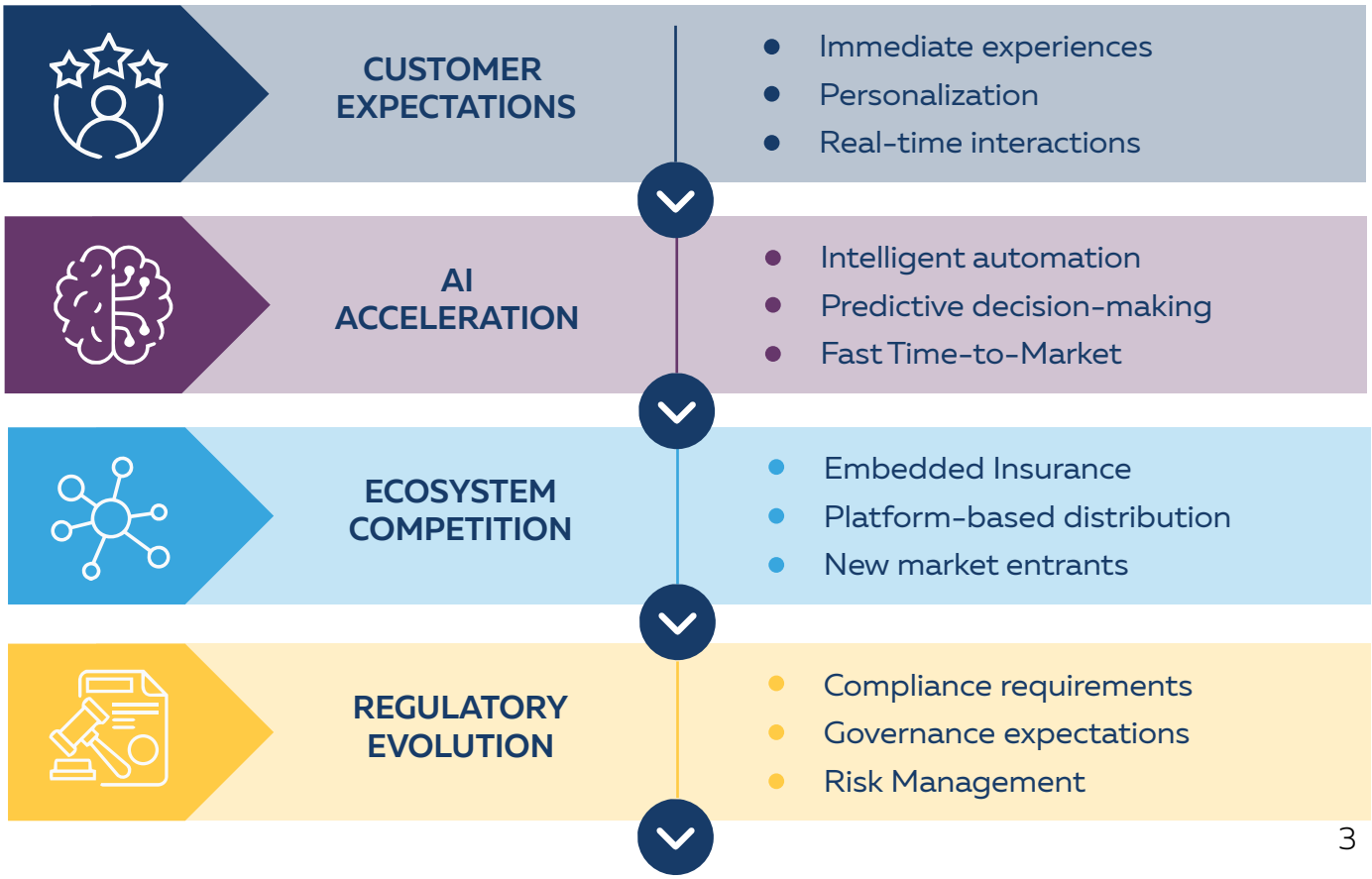
Insurance is entering one of the most significant periods of change in its history. For decades, insurers optimized their organizations around stability, scale, operational control, and regulatory compliance. Those capabilities remain essential, but they are no longer sufficient in an environment defined by accelerating customer expectations, technological disruption, emerging risks, and increasing competitive pressure.

What makes today's market unique is not the presence of change itself. Insurance has always evolved in response to changing risks, regulations, and customer needs. **What makes this moment different is the convergence of multiple forces reshaping the industry simultaneously.**

Organizations are no longer responding to a single trend or disruption. They are navigating several structural shifts at once: the rise of artificial intelligence, growing customer expectations, the emergence of ecosystem-driven business models, increasing regulatory complexity, and mounting pressure to improve efficiency while maintaining growth.

Individually, these challenges are manageable. Collectively, they are redefining what it means to be a competitive insurer.

THE NEW INSURANCE REALITY



The Customer Expectation Gap

Perhaps the most visible force reshaping insurance is the transformation of customer expectations.

Today's customers compare insurance experiences not only with those of competing insurers, but with the best digital experiences they encounter across every industry. Organizations such as banks, retailers, streaming platforms, and digital service providers have fundamentally **changed expectations around speed, convenience, transparency, and personalization.** Customers increasingly expect:

- Faster onboarding
- Simpler interactions
- Personalized products
- Real-time access to information
- Seamless omnichannel experiences

For insurers, meeting these expectations requires more than launching new digital channels. The challenge is deeper.

A customer may interact with a modern mobile application, but if the underlying operational processes remain fragmented, delays and inefficiencies quickly become visible. Claims processing slows down. Service requests require manual intervention. Product changes become difficult to implement.

As a result, customer experience is increasingly becoming an operational challenge rather than a digital one. **The insurers creating the strongest customer experiences are often those that have successfully aligned customer-facing innovation with operational transformation** behind the scenes.

TRANSFORMATION SNAPSHOT

NN

CHALLENGE	Improving customer experience while increasing operational agility and responsiveness.
WHAT DID NN DO	The initiative focused on modernizing core operational capabilities to support greater agility, improved servicing efficiency and a more customer-centric operating model.
OUTCOME	A stronger operational foundation capable of supporting better customer interactions today while enabling future innovation opportunities.
EXECUTIVE LESSON	Customer experience is increasingly determined by operational design, not just digital channels.

AI Is Accelerating the Pressure

Artificial intelligence is rapidly becoming a strategic priority across the insurance industry. Yet the biggest challenge **is no longer identifying AI use cases, it is scaling them.**

While many insurers have launched pilots across underwriting, claims, fraud detection, and customer service, relatively few have achieved enterprise-wide impact. The difference often comes down to operational readiness.

Organizations with accessible data, standardized processes, and modern platforms are better positioned to move from experimentation to execution. Those operating within fragmented environments frequently struggle to scale beyond isolated initiatives. **AI is not simply another technology trend. It is a test of an organization's ability to adapt, integrate, and execute at scale.**

AI EXPERIMENTATION Limited Impact	VS	AI EXECUTION Scalable Impact
Fragmented Data: Siloed, incomplete and inconsistent data		**Unified Data:** High-quality, accessible and trusted data across the enterprise
Disconnected Processes: Manual handoffs and inconsistent workflows		**Standardized Processes:** Consistent workflows designed for efficiency and automation
Legacy Systems: Rigid, monolithic systems that are hard to integrate		**Modern Platforms:** Flexible, API-enabled platforms built for integration and change
Manual Workflows High effort, error-prone and hard to scale		**Automated Workflows:** Intelligent automation driving speed, accuracy and productivity

Pilot Projects
Isolated initiatives with limited governance, operational control, and enterprise impact.

Operational AI
Enterprise-wide AI adoption delivering measurable business impact at scale

THE DIFFERENCE IS OPERATIONAL READINESS | AI delivers its full potential when built on strong foundations of data, processes and platforms.

The New Competitive Reality

The forces reshaping the insurance industry are not temporary disruptions. T**hey represent a fundamental shift in the environment in which insurers operate and compete.** Customer expectations will continue to evolve, AI capabilities will become increasingly embedded in day-to-day operations, regulatory demands will grow more complex, and ecosystem-based business models will continue to challenge traditional market boundaries. Together, these trends are creating a level of pressure and change that few insurers have previously experienced.

Success in this new reality will not be determined solely by the size of technology investments or the number of innovation initiatives launched. **It will depend on an organization's ability to adapt continuously while maintaining operational resilience and control.**

> *The question we should ask is not what AI can do. We should ask: what can AI do for me as a company to make me more competitive, more efficient and create value?*

Torsten Dannenberg
Partner, AI & Data Lead Financial Services Germany, EY Germany

Part II – The Complexity Trap
Why Traditional Transformation Programs Fail

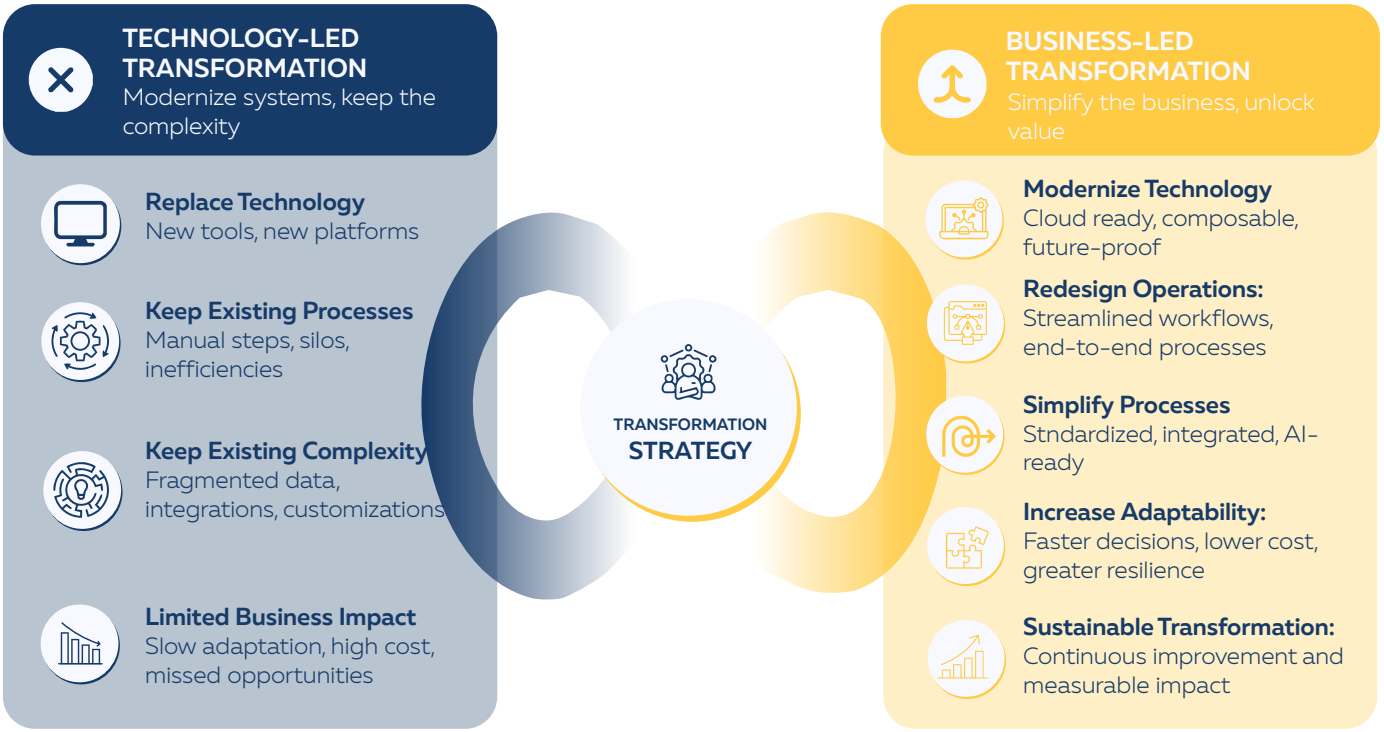
The insurance industry does not suffer from a lack of ambition. Across the market, insurers are investing heavily in modernization, automation, and AI. Yet many transformation programs fail to deliver the agility and business value they promise.

The reason is rarely the technology itself. Over time, insurers have accumulated layers of products, processes, integrations, and customizations that make change increasingly difficult. **Replacing systems without addressing this complexity often results in a modern platform supporting the same operational constraints.**

The insurers achieving the strongest outcomes take a different approach. **They simplify operations while modernizing technology, creating foundations that are easier to adapt, scale, and evolve.**

TWO PATHS. TWO OUTCOMES.

Transformation succeeds when technology modernization and operational simplification happen together



Sustainable transformation happens when insurers simplify the business while modernizing the technology.

Part III – The Intelligent Path
How Transformation Leaders Build for Adaptability

For years, insurers have invested heavily in modernizing technology. Yet many have discovered that replacing systems alone does not create the agility needed to compete in a rapidly changing market.

Leading insurers are taking a broader view of transformation. Rather than focusing solely on replacing systems, they **are redesigning operating models that can continuously adapt to changing customer expectations, emerging technologies, and evolving market demands.**

The result is a shift from platforms built primarily to process transactions to platforms designed to enable change. These organizations are creating **foundations that connect data, streamline operations, support automation, and make innovation easier to scale** across the enterprise.

> *"What began as a system upgrade became a catalyst for organizational transformation.*
>
> **Mihai Tecău**, *CEO, OMNIASIG Vienna Insurance Group*

TRADITIONAL CORE	MODERN CORE	INTELLIGENT INSURANCE PLATFORM
Policy Administration	Integrated Processes	Embedded Intelligence
Claims Processing	Unified Data	Operational Orchestration
Billing	API Connectivity	Ecosystem Integration
Product Management		Continuous Adaptation

Future-ready insurers are building platforms designed to evolve continuously

Organizations that build adaptable foundations can **launch products faster, respond to market changes more effectively, and adopt new technologies without repeatedly rebuilding the systems** underneath them.

Building for Continuous Change

The most successful insurers do not view transformation as a one-time project. They view it as a capability. Their objective is not simply to implement a new platform, but to create an environment where products, processes, and technologies can evolve without repeatedly rebuilding the foundations underneath them.

This shift is already taking place across the industry.

TRANSFORMATION SNAPSHOT

Länsförsäkringar

CHALLENGE	Creating a common operational foundation capable of supporting consistency, scalability, and future innovation across a decentralized organization.
WHAT DID LÄNSFÖRSÄKRINGAR DO	Embarked on a multi-year transformation to establish a shared platform, standardize capabilities, and create a more unified operating environment across the business.
OUTCOME	A stronger foundation designed to support modernization, operational efficiency, and a more competitive digital customer experience.
EXECUTIVE LESSON	The most effective transformations create platforms that make future change easier, not just today's operations more efficient.

Part IV - The Future Operating Model

What Will Differentiate Tomorrow's Insurers?

The insurance industry is entering a new phase of transformation. The question is no longer whether insurers should modernize, simplify, or adopt AI. **The question is what kind of organization emerges once those foundations are in place.**

Across the Summit, a consistent vision of the future insurer emerged. While every organization follows a different path, the leaders creating sustainable competitive advantage share a common set of characteristics.

> *Value is not created by isolated AI tools. It is created by embedded AI integrated into business processes*
>
> **Torsten Dannenberg**, *Partner, AI & Data Lead Financial Services, EY Germany*

Five Characteristics of the Future-Ready Insurer

AI-Augmented Workforce
Employees spend less time gathering information and performing repetitive tasks, and more time applying expertise, judgment, and customer insight.

Embedded Intelligence
AI supports underwriting, claims, servicing, and operational decision-making, helping insurers improve speed, consistency, and efficiency at scale.

Connected Ecosystems
Modern platforms enable seamless integration with partners, distributors, service providers, and embedded insurance ecosystems.

Adaptive Product Operations
New products, services, and customer propositions can be launched and adapted faster as market needs evolve.

Real-Time Operations
Decisions are increasingly informed by trusted data, automation, and intelligent workflows, enabling greater responsiveness and operational control.

Bringing the Vision to Life

NN Insurance, Omniasig, and Länsförsäkringar followed different transformation journeys, yet all three demonstrate the same principle: transformation creates value when it enables organizations to continuously evolve, improve customer experiences, and respond faster to change.

TRANSFORMATION SNAPSHOT

OMNIASIG
VIENNA INSURANCE GROUP

CHALLENGE	Improving operational agility while creating a more responsive and customer-centric organization.
WHAT DID OMNIASIG DO	Used core modernization as an opportunity to simplify operations, redesign workflows, and create a stronger foundation for future innovation.
OUTCOME	A more adaptable operating model capable of supporting better customer experiences, greater operational efficiency, and continuous evolution.
EXECUTIVE LESSON	The greatest transformation value is created when modernization becomes a catalyst for business change rather than a technology replacement project.

Their stories demonstrate that sustainable competitive advantage comes from **combining modern platforms, operational simplicity, and embedded intelligence into a business designed to evolve.**

Transformation Is a Team Sport

Technology may enable transformation, but people determine whether it succeeds. Across the Summit, one message emerged consistently: the most successful transformation programmes are not driven by IT alone. **They bring together business leaders, operations, technology teams, and frontline experts around a shared vision for change.**

Modern platforms, AI, and automation can simplify work and accelerate decision-making, but they **cannot replace collaboration, leadership, or industry expertise.** As AI becomes increasingly embedded across insurance operations, **the role of people evolves—from executing repetitive tasks to applying judgment, solving complex problems, and creating better customer experiences.**

Transformation is therefore not about replacing people with technology. **It is about enabling people to deliver more value through technology.**

Successful Transformation Requires More Than Technology

Technology enables transformation. **People make it succeed.**

Part V - The Leadership Agenda
Turning Vision into Action

The insurers making the strongest progress share a common characteristic: **they view transformation not as a project, but as a long-term business capability.**

As customer expectations, technologies, and business models continue to evolve, leaders must focus on building organizations that can adapt continuously while creating measurable business value.

1

Are we simplifying complexity or digitalizing it?

Technology can also reinforce inefficiencies. Sustainable value comes from simplifying products, processes, and operating models before automation.

FOCUS
Simplify products, processes and models

2

Are our platforms designed for today's requirements or tomorrow's opportunities?

Future-ready insurers build foundations that evolve as customer expectations, technologies, and business models change.

FOCUS
Build foundations that can evolve

3

Can our data support intelligent decision-making at scale?

AI, automation, and operational excellence depend on trusted, accessible, and governed data.

FOCUS
trusted, accessible, and governed data

4

Is intelligence embedded within our operations?

The greatest value from AI comes when intelligence is embedded in workflows, decisions, and customer interactions.

FOCUS
Embed intelligence in daily processes

5

5. Are we building an organization capable of continuous adaptation?

Transformation succeeds when people, processes, and operating models evolve together.

FOCUS
Enable adaptability

The insurers that create sustainable advantatge are building capabilities, not implementing projects

> *Successful transformation happens when technology, people, and processes evolve together.*
>
> **Liselotte Munk**, *CEO, Fadata*

The Opportunity Ahead

The organizations highlighted throughout this paper demonstrate that transformation is no longer about replacing legacy systems. It is about creating the capabilities required to compete in the AI era.

NN Insurance focused on strengthening customer-centric operations. Omniasig used modernization as a catalyst for broader organizational transformation. Länsförsäkringar built a common foundation designed to support long-term adaptability and innovation.

Their journeys differ, but their direction is the same: they are building organizations designed to evolve.

The future of insurance will be defined by how effectively they combine technology, operations, data, and human expertise to create organizations capable of continuous change. The insurers that succeed will not simply respond to disruption. **They will be prepared for whatever comes next.**

Part VI - The Road Ahead
The Next Wave of Insurance Transformation

Over the next decade, insurers will face a new set of opportunities and challenges. AI will become increasingly embedded within business processes, ecosystems will continue to expand, and customer expectations will evolve faster than ever.

Three Trends That Will Shape the Future

Embedded Intelligence Everywhere
AI becomes part of underwriting, claims, servicing, and product management.

Composable Insurance Ecosystems
Insurers connect capabilities, partners, and services through open architectures.

Continuous Product Evolution
Products become easier to configure, launch, and adapt to changing market needs.

The challenge is no longer preparing for transformation. **The challenge is building organizations capable of transforming continuously.**
The future belongs to insurers that can evolve faster than the environment around them.

About Fadata

Fadata is a leading provider of software solutions for insurance companies, providing the heart of the global insurance industry with the next generation of core insurance platform. We are on a mission to empower insurers anywhere in the world to drive customer engagement, innovation and business value. Together with our clients, we're making a difference in millions of people's lives every day.

For more information

To discuss your business' needs and how we can help, please contact us at kirsten.skarnvad@fadata.eu

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