



Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

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As Accenture’s Global and EMEA Insurance Lead, Khalid helps insurance industry giants stay ahead of the curve by driving digital transformation, responsible business operations and sustainable growth. He has a passion for client service and talent development, meeting each challenge with a focus on change.



Targeted actions matter to performance. So do semantics.

Change is a constant in the insurance industry—but clarity is not. Most insurers launch initiatives under the broad banner of “transformation,” yet only a few translate that ambition into measurable gains.

Against a backdrop of heightened geopolitical friction and fractious global trade dynamics, insurers are changing how they plan, price and protect themselves. As the sector faces this rising volatility, tightening margins and shifting customer expectations, resilience has become a vital success factor and outperformers are distinguishing themselves by rethinking how change is defined, executed and sustained.



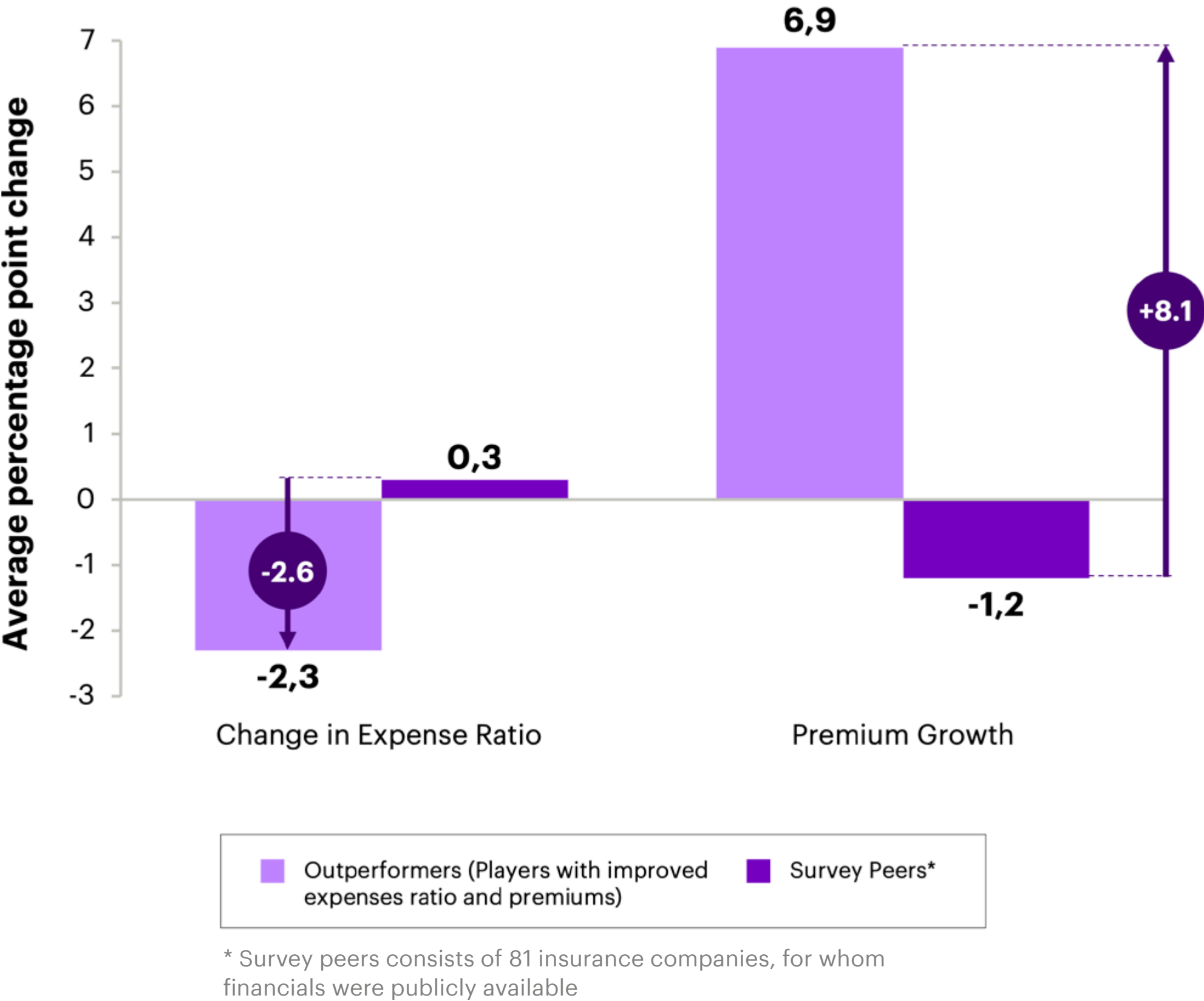
These leaders may use the same labels for change efforts as others; however, they automate with purpose, digitize with discipline and streamline operations around specific performance goals. They embed rigor into every step of the process. As a result, the cumulative impact of their efforts is compelling: Over two years, they outpaced peers by 8.1 percentage points in premium revenues and 2.6 in expense ratio reduction—proof that success lies not in how loudly a company talks about change, but in how precisely it delivers it. (Figure 1).

Research snapshot: Our research included a survey of 324 senior executives across 245 insurance companies globally, in-depth interviews with a dozen transformation leaders and financial analyses of 81 insurers during their change programs. Of this group, 38 insurers emerged as clear outperformers.

How we defined an Outperformer: Accenture Research assessed the relative performance of each insurance company across distinct time periods using publicly available financial data (sourced from S&P Capital IQ, AM Best and local regulatory databases). The measurement spanned from the year the transformation program began to two years after its commencement. Outperformers were defined as companies that showed both an improvement in expense ratios and an increase in premiums during this period. All financial performance was indexed to the start of the transformation program.

In the pages that follow, we explore what’s driving change across the industry and how insurers are responding. With the goal of helping companies unlock the full value of change, we also look more deeply at what sets outperformers apart.

Figure 1. Outperformers’ financial outcomes



n=38 Outperformers / n=43 Survey Peers

Net improvement in expense ratios and premium growth over a two-year period, indexed to the start of insurers’ current / most recent change programs.

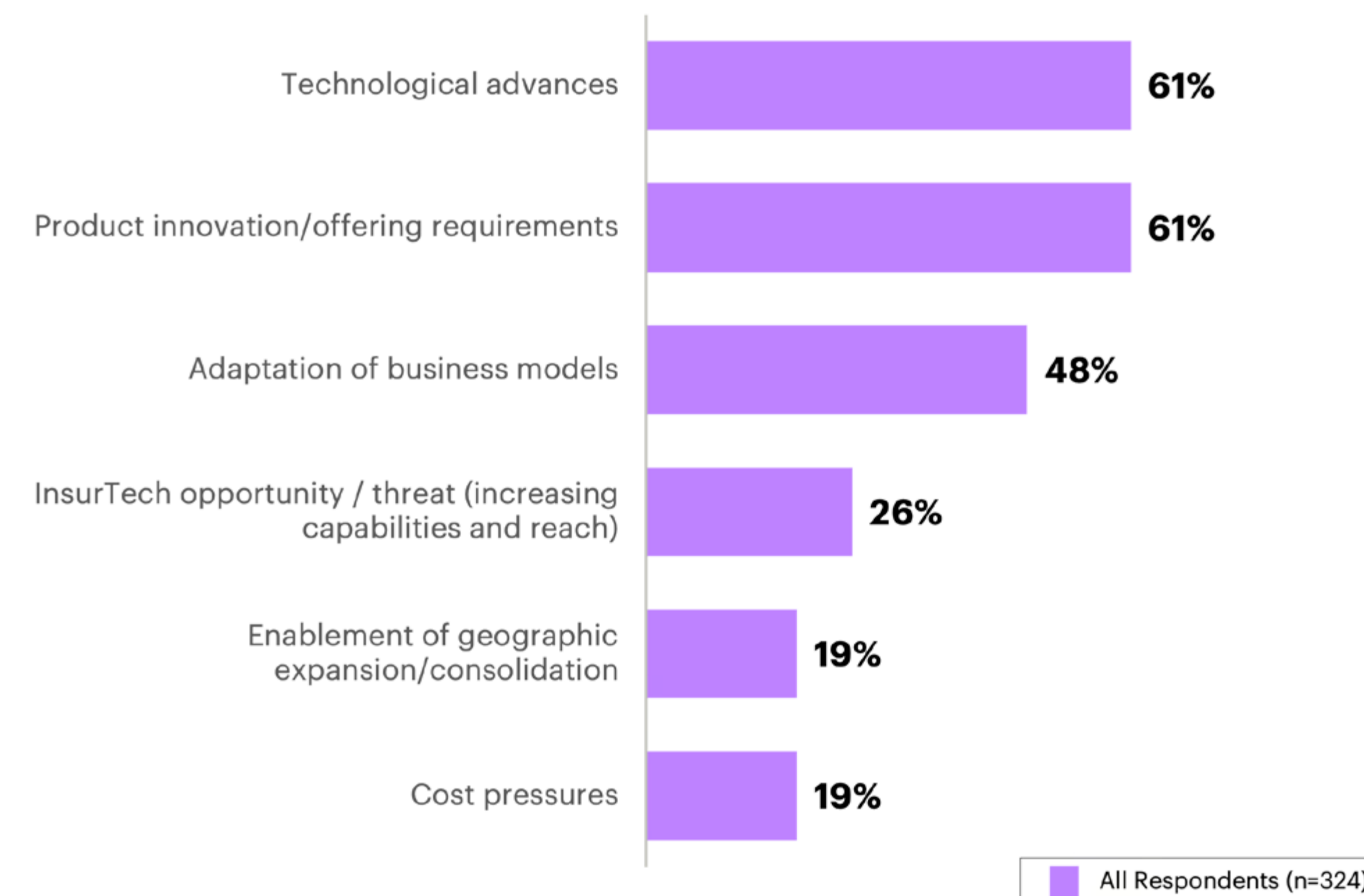
Source: Accenture Research



Technology and innovation needs are key change drivers

New technologies such as Artificial Intelligence (AI) and generative AI offer insurers opportunities to drive widespread improvements in the way they operate. Our survey participants cited technological advances and the need to offer innovative products as the top two drivers of their transformation programs (Figure 2).

Figure 2. The drivers of insurance transformation programs

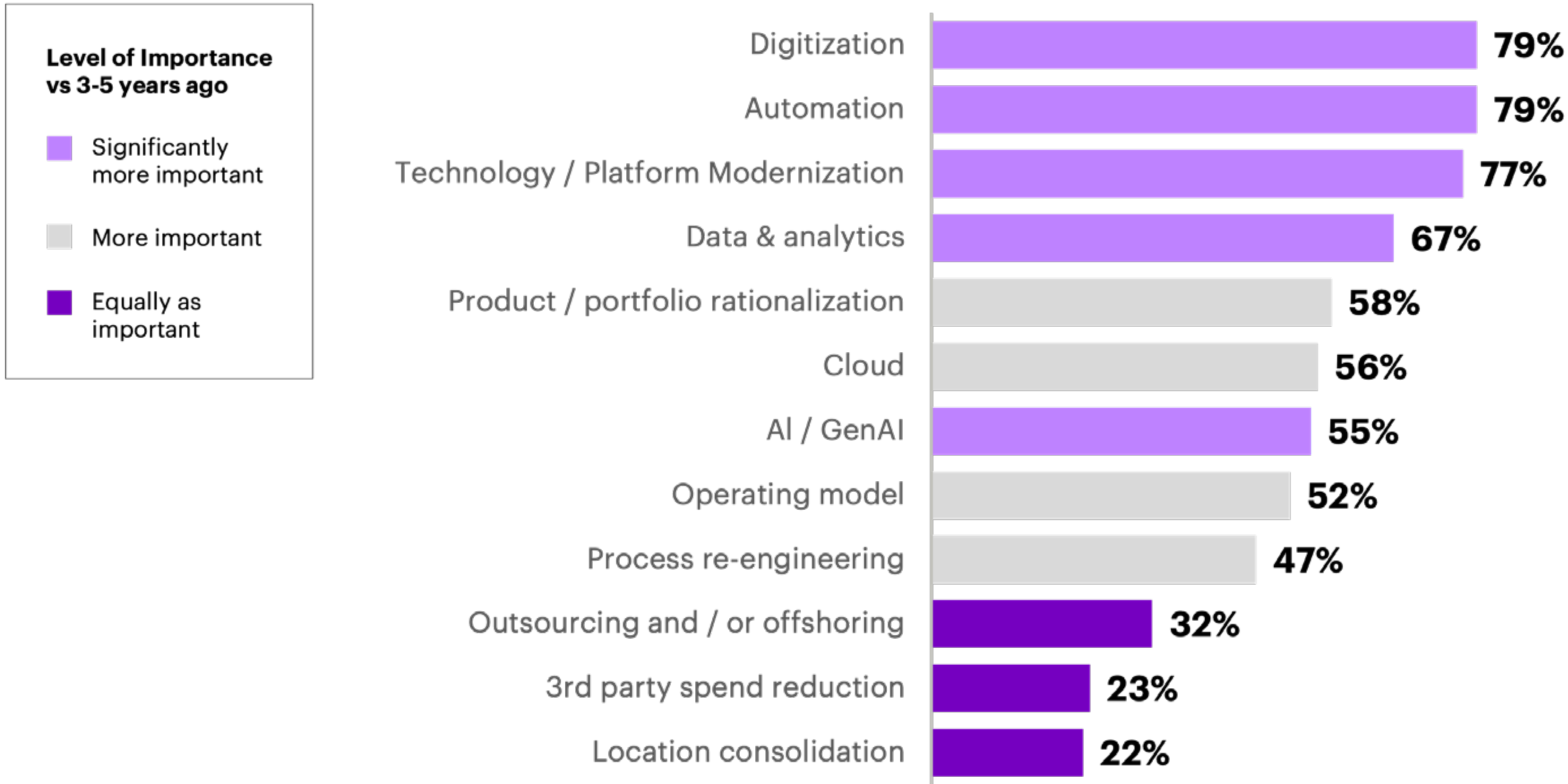


Question: What are/were the primary drivers of your transformation program? (Ranked Top 3)

Source: Accenture Research



Figure 3. Value Drivers



In more detail, we found that insurers are investing heavily in building technology capabilities to streamline core processes and improve their associates’ experiences. Digitization, automation and modernization have become critical levers of value creation, with nearly four out of five respondents indicating these capabilities are significantly more important today than just three to five years ago (Figure 3).

Question: What levers did you use to drive the value?

Source: Accenture Research



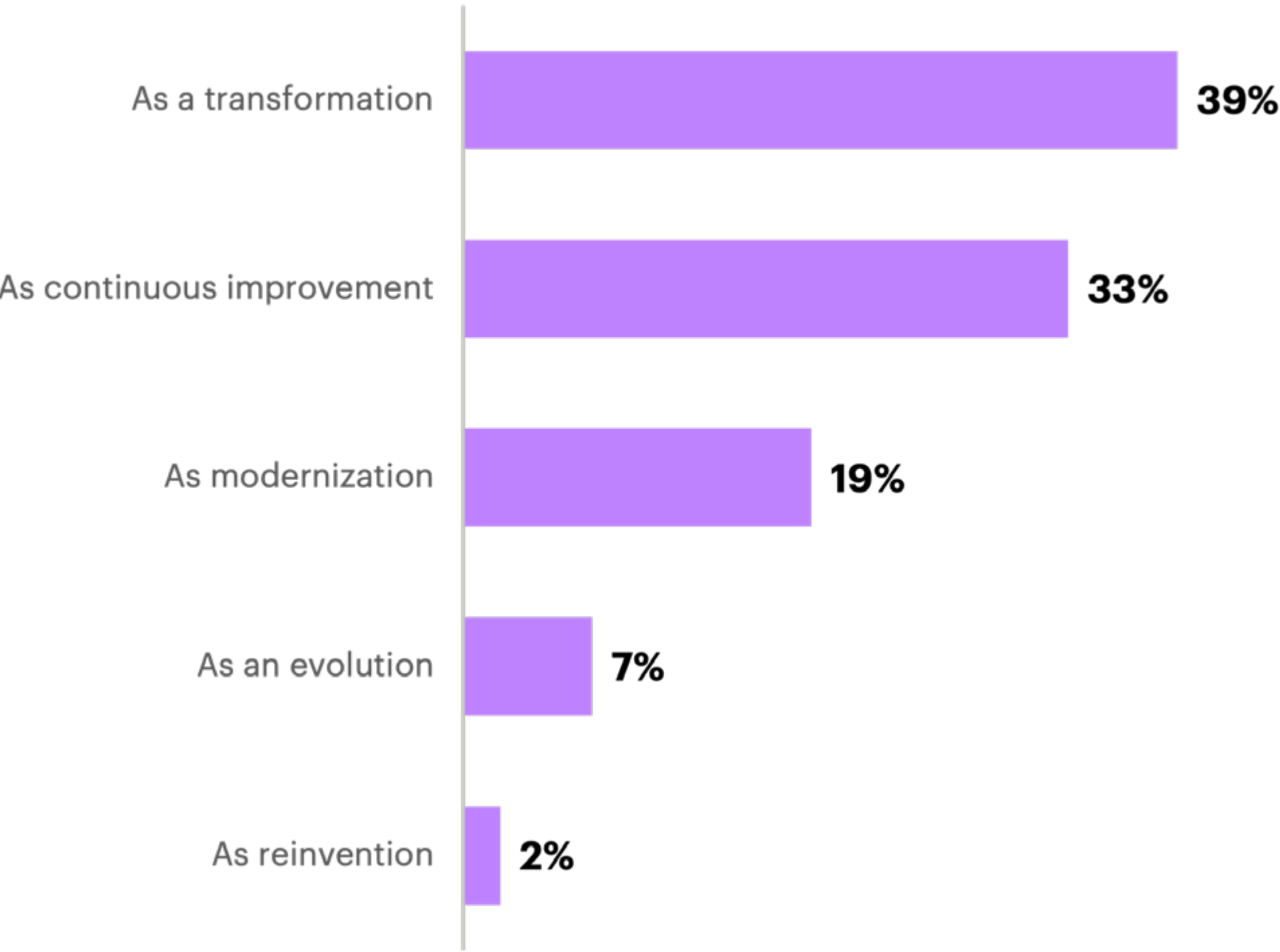


Clarity is critical amid constant change

Even as technology investments rise, however, many insurers remain concerned about impact. In fact, 39% of survey respondents admit they are uncertain about achieving clear business outcomes from their technology spending. One significant reason for this lack of confidence is lack of clarity around expectations. While most change efforts in insurance today carry the label “transformation,” the reality is far more nuanced. They typically start with a clearly defined purpose: to execute a specific portfolio of initiatives to deliver value. Yet over time, the term “transformation” can become diluted, evolving into a catch-all used to bundle disparate activities, align internal stakeholders or simply secure funding.



Figure 4. Transformation program framing



Question: How was your program perceived and executed in your organization?

Source: Accenture Research

Compare, for example, how change programs are perceived (Figure 4), versus their objectives. As our research found, 72% of insurers said their “transformation programs” primarily aim to drive operational efficiency and profitability with the rest (28%) saying their transformation focus is growth. Within the larger group, insurers ranked improving decision-making and profitability through data and technology (64%) and standardizing processes (57%) as the most important shifts supporting their goals.

Insurer perspective: “Depending on who you ask in the organization about the purpose of a transformation program, you may get various answers. The people on the ground might say it is about improving process and efficiency, but, ultimately, the goal is to write more profitable business.”

Ultimately, no matter their moniker, the vast majority of efforts we examined in our research were focused on platform modernization and cost or efficiency improvements. Further, we found limited clarity on how those investments would translate into measurable business outcomes.



And we witnessed how that kind of fuzziness can take a heavy toll on people in the form of:



Transformation fatigue

Employees living in a state of perpetual change experience frustration, disengagement and burnout.



Erosion of confidence

Frequent announcements of new transformation programs signal that something is fundamentally broken, fueling internal skepticism and resistance.



Lack of clear ownership

As “transformation” titles proliferate across departments and business units, clarity around who owns the transformation agenda—and how individual initiatives interconnect—can be lost.



The “fad diet” fear

Only 15% of insurance executives believe the cost savings realized from their transformation programs are largely sustainable. Many fear that improvements are temporary, with costs likely to resurface elsewhere.





It also takes a heavy financial toll through **rising technical debt**. Many insurers struggle to retire legacy systems, incurring the cost of running old and new platforms in parallel. Compounding this, the rapid adoption of AI introduces potential technical debt if implementation and governance aren't managed carefully.

When initiatives lack clear purpose, employees grow skeptical and resistant, questioning leadership's ability to drive genuine progress. Instead of streamlining processes or reducing expenses, ambiguous transformations often increase organizational complexity, burden teams with conflicting priorities and erode confidence in management. The result, too often, is higher costs, operational inefficiencies and diminished employee trust at all levels of the organization. Poorly defined transformation efforts risk creating more drag than lift.



The outperformer approach

How exactly are outperformers pulling ahead of their competitors? As noted, they're doing many of the same things—automating tasks, enhancing customer interactions and streamlining operating models. But they're also approaching each of these initiatives more deliberately than most, by prioritizing specific enablers that deliver measurable performance improvements:





1. Automation and workflow management to drive efficiency and cost reduction

More outperformers (82%) leverage automation, workflow management or similar solutions to streamline operations, compared with 72% of their peers.

Insurer perspective: “Our objective was efficiency and productivity to increase the bottom line and facilitate growth. Legacy systems needed to be removed so we could rely instead on data analytics and cutting-edge tools. We needed to move from paper to STP [straight-through processing], digitizing processes and implementing the infrastructure to be able to use machine learning and AI.”

2. Digitization to enable self-service and omni-channel interaction

A significantly larger share of outperformers (79%) invest in digitization compared with peers (65%) to enhance customer interactions. One insurer, for example, has implemented a new SAP sales steering system and, on the IT security area, has implemented new identification and access management systems and decommissioned legacy systems. Claims are now digitized for customers. Investing in new systems has helped sales partners do their jobs more effectively and smoothly.



3. Operating model streamlining

More than half (55%) of outperformers focus on streamlining and consolidating their operating models, compared with 44% of their peers. One outperformer that has tackled these deeper shifts in operating models reports benefits ranging from faster adoption of innovations (that integrate with existing infrastructure) to improved security and compliance. Benefits also include more flexibility with vendor choice, enhanced data exchange and interoperability with ecosystem partners and improved collaboration and workflows across the enterprise.

Insurer perspective: “Cost cutting and operational efficiency have almost become business as usual. What’s needed now is building capabilities. Tech literacy is the key: data analytics, a bit of Python code, RPAs. Also, [our] people need to understand financial services and how these can be integrated with insurance products.”





Investing in such capabilities is central to driving channel optimization, product innovation and competitive pricing strategies. One insurer, for example, is shifting some traditionally agent-driven sales toward digital channels and exploring flexible agent models such as part-time representatives. Additionally, it is embedding insurance offerings directly within broader financial product sales, including banking, automotive and home sales. In fact, the company is partnering with banks and also establishing specialized “tiger teams” in certain bank locations to better facilitate life insurance sales. This insurer is also evolving product flexibility to focus more explicitly on growing needs in healthcare and elder care sectors.

Insurer perspective: “Capability lies under growth, operational efficiency and profit, like an iceberg.”

Standardized processes offer:

- ✓ Operating efficiency and the ability to automate routine tasks
- ✓ More consistent ways of working and customer experience
- ✓ Improved collaboration and workflows within and across functions
- ✓ Faster adoption of innovations that integrate with existing infrastructure
- ✓ Enhanced data exchange and interoperability with ecosystem partners



Impactful change without illusion

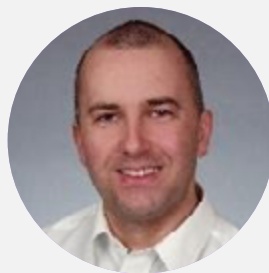
For insurers, the lesson is clear: Sustainable change demands greater discipline—both in how programs are conceived and how they are executed. Leading insurers are proving that when transformation is precisely defined, tightly aligned to business outcomes and supported by decisive action across automation, digitization and operating model improvements, the results can be genuinely transformative. Notably, outperformers are not doing radically different things from their peers. The differences are often subtle. But small gaps in clarity, consistency and execution—compounded over time—lead to large gaps in performance. It's time to sound the death knell on the transformation euphemism and others like it. The industry's challenge now is to approach change with clarity, purpose and staying power. Those who master that discipline won't just change. They will lead.

Interested in learning more?

By applying extensive industry knowledge to continuously enhance its software, Accenture helps insurers reduce operating costs, manage risk and drive growth through improved product development, enhanced policy administration and distribution, and technology platform consolidation and modernization. Please contact any one of the authors for more information.



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As Global Lead of Accenture’s Insurance Research team, Andre shapes the firm’s perspective on the future of insurance through forward-looking, insight-driven thought leadership. He partners closely with business leaders and internal stakeholders to guide client engagements and drive strategic growth. His research spans critical themes such as innovation, operational excellence, Gen AI and sustainability—across life, property & casualty and health insurance markets worldwide.



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Bidisha leads Accenture’s Americas Insurance Research team, where she supports senior leaders with research-backed insights for client conversations and strategic initiatives. She collaborates on high-profile thought leadership in areas such as disruptive technologies, future-ready operations, industry trends and innovation. Her experience includes delivering in-depth market analyses and helping align client strategies with evolving industry priorities.



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With over two decades of experience, Sachin has contributed to developing C-suite strategies, thought leadership and client-focused insights globally. He has supported strategic initiatives in areas such as Future Ready Technology & Operations, Digital Health and IoT, while driving market assessments, competitor intelligence and industry trend analysis. His tools, observatories and financial models have helped clients benchmark performance and identify growth opportunities in a rapidly evolving landscape.



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As part of Accenture’s Insurance Research team, Niman contributes to shaping industry insights and supporting strategic decision-making for both clients and internal stakeholders. He plays an active role in developing thought leadership, supports client engagements and collaborates closely with industry and capability teams. Focused on the ANZ Insurance market, Niman brings a strong research lens to topics such as commercial insurance, sustainability and retirement.

Editorial and Marketing

We would like to thank the team who edited and produced the report and supported the launch.

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Research Methodology

We conducted a survey of 324 senior insurance executives across North America (111 execs / 35% across United States and Canada), Asia Pacific (108 execs / 33% across Japan, China & Hong Kong, Australia, New Zealand, Singapore and Indonesia) and Europe (105 execs / 32% across UK & Ireland, Spain, France, Germany and Switzerland). This was accompanied by 12 in-depth interviews with transformation executives from North America (Farmers, Mass Mutual, Manulife and Prudential), APAC (AXA, Chubb, FWD, PingAn and SunCorp) and Europe (Direct Line, Ergo and MapFre). Finally, we carried out a financial analysis of 81 of the companies for the years following their transformation programs. Of this group, 38 emerged as “Outperformers” with lower expense ratios and significant growth in premium revenue. To identify outperformers, we assessed the relative performance of each company between distinct time periods using publicly available financials (accessed across S&P Capital IQ, AM Best and local regulatory databases). The time-period used for measurement was between the year of the start of transformation program till two years after the program commenced. Outperformers were defined as the ones which saw an improvement in both expense ratios and increase in premiums during this time-period. All financial performance was indexed at the start of the transformation program.