Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

By Jeff Mitch, Kenneth Saldanha and Khalid Lahraoui

Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

By Jeff Mitch, Kenneth Saldanha and Khalid Lahraoui

Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

By Jeff Mitch, Kenneth Saldanha
and Khalid Lahraoui

Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

By Jeff Mitch, Kenneth Saldanha and Khalid Lahraoui

Getting past the transformation euphemism

How insurance outperformers tackle change and deliver sustainable results

By Jeff Mitch, Kenneth Saldanha and Khalid Lahraoui

Targeted actions matter to performance. So do semantics.

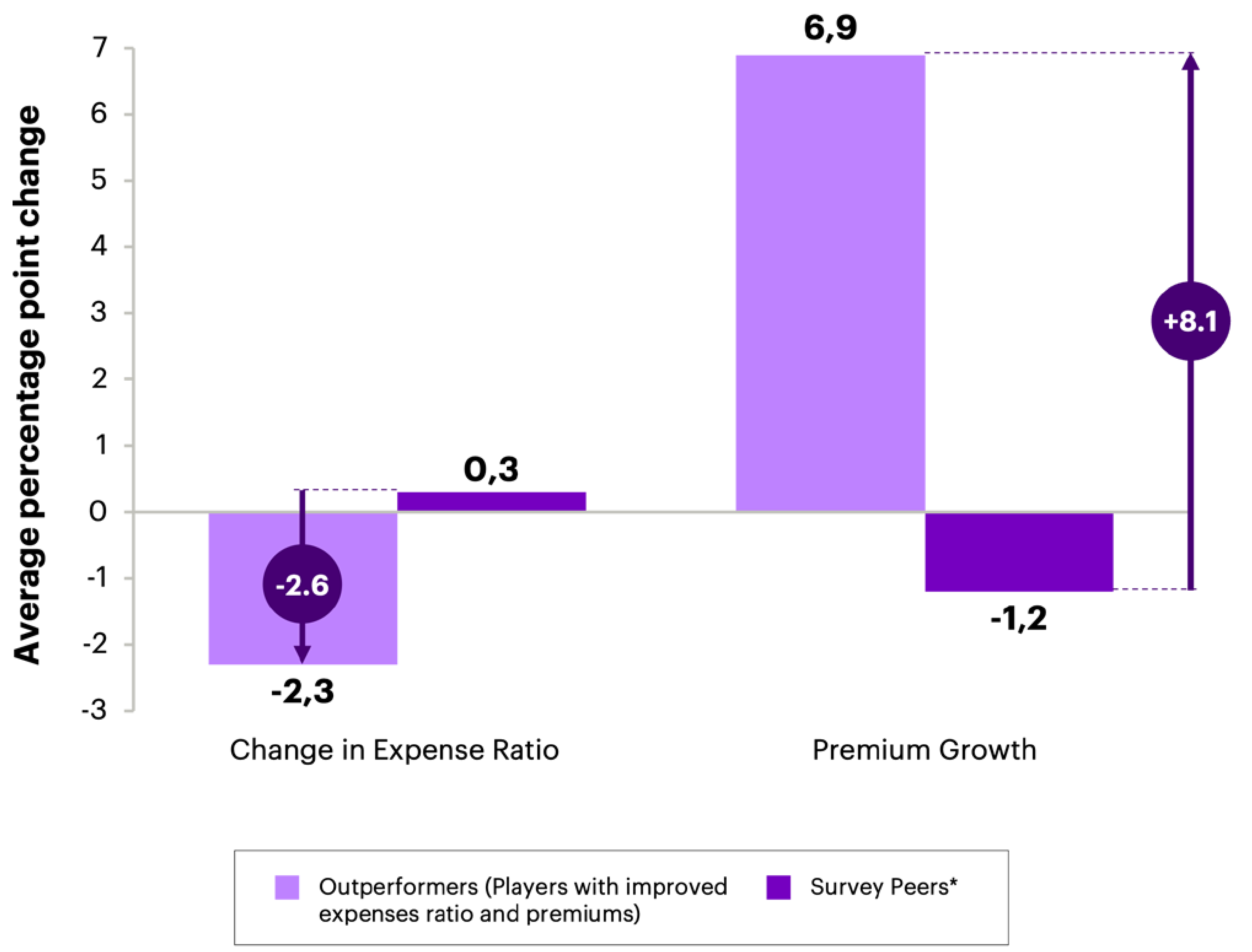
Change is a constant in the insurance industry—but clarity is not. Most insurers launch initiatives under the broad banner of “transformation,” yet only a few translate that ambition into measurable gains. Amid a backdrop of heightened geopolitical friction and fractious global trade dynamics, insurers 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.

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



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

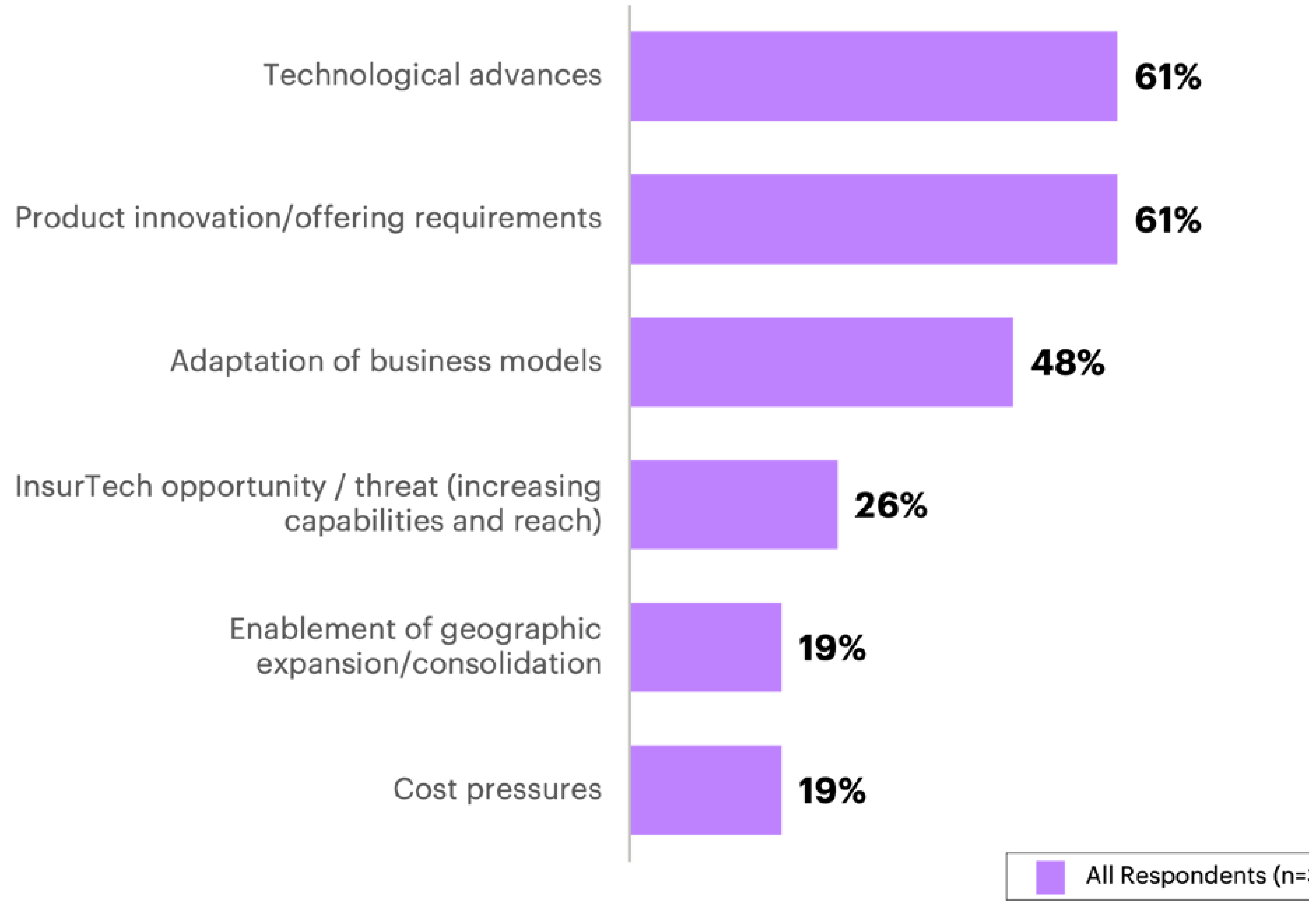
How we defined an Outperformer

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.

Technology and innovation needs are key change drivers

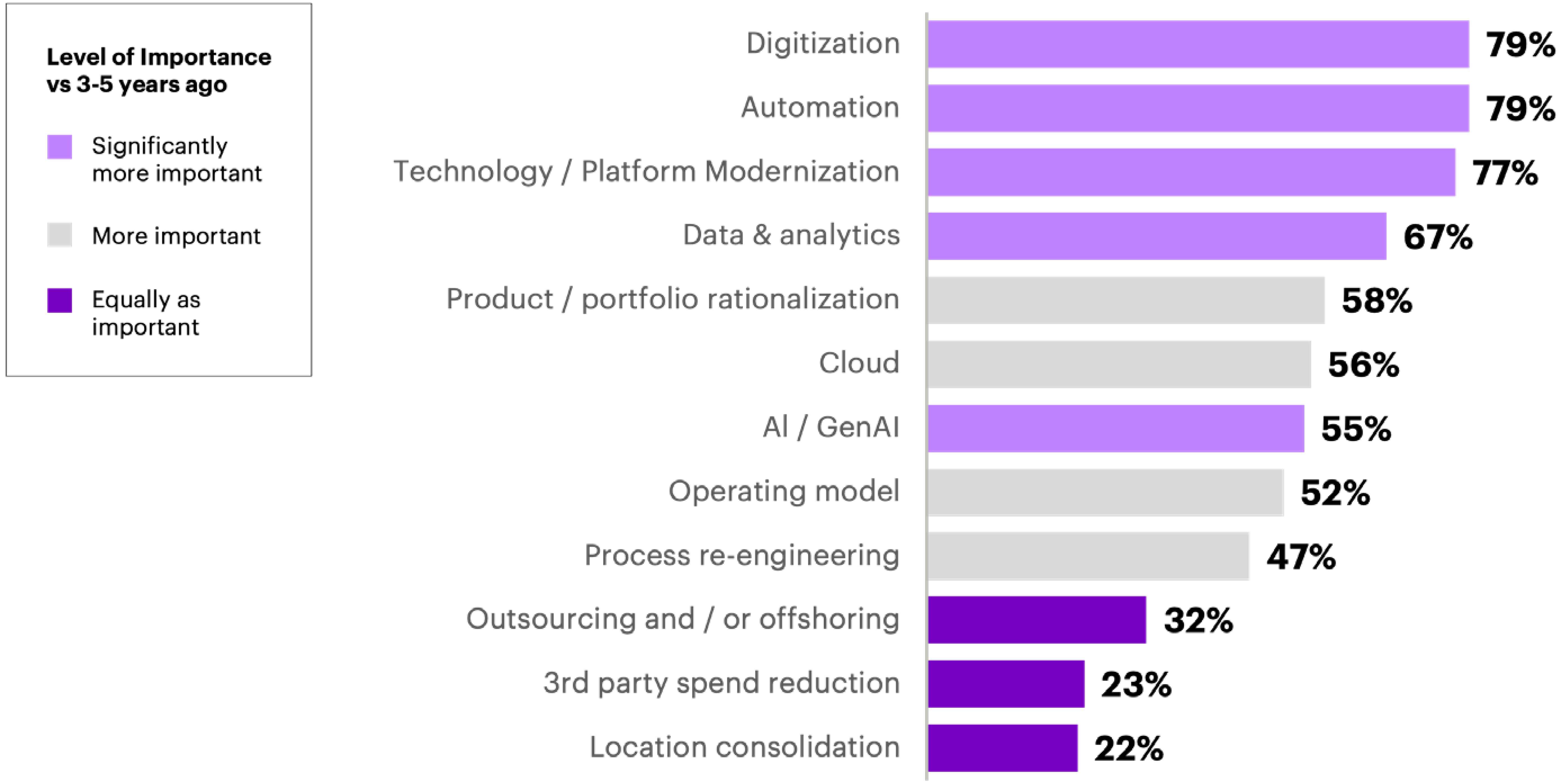
New technologies such as Artificial Intelligence (AI) and generative AI offer insurers opportunities to drive widespread improvements in the way they operate. Our survey participants cited technological advances and the need to offer innovative products as the top two drivers of their transformation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

Figure 1. Outperformers’ financial outcomes



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

Figure 3. Value Drivers



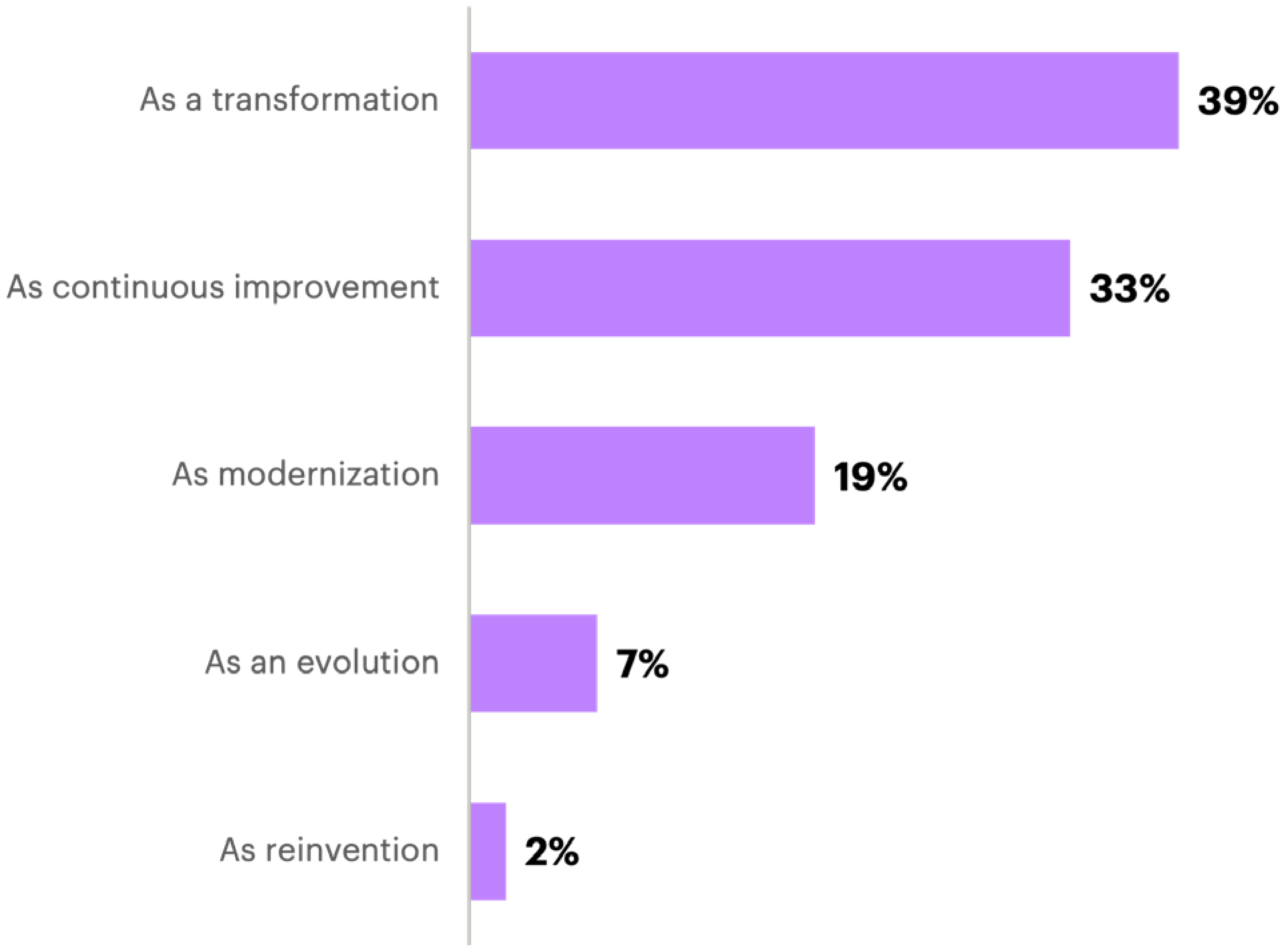
Question: What levers did you use to drive the value?

In more detail, we found that insurers are investing heavily in building technology capabilities to streamline core processes and improve their associates' experiences. Nearly three-quarters (74%) of executives say platform modernization was a key focus of their change initiatives. 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).

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?

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 (67%) and standardizing processes (59%) 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 skepticism and internal 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.

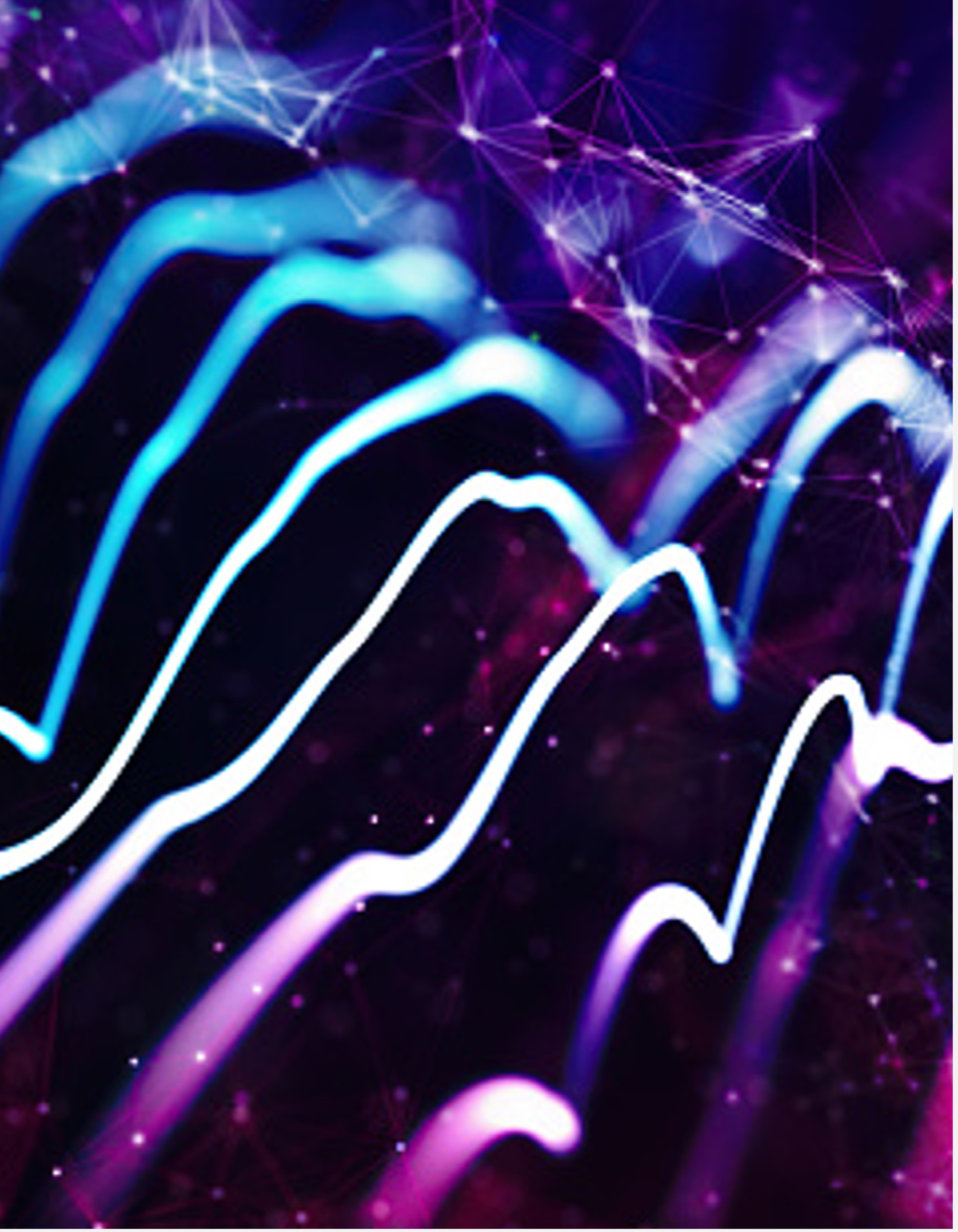
The "fad diet" fear: Only 15% of insurance executives believe the cost savings realized from their transformation programs are largely sustainable. Many fear that improvements are temporary, with costs likely to resurface elsewhere.

It also takes a heavy financial toll through **rising technical debt.** Even as insurers modernize, many find themselves unable to retire legacy systems, resulting in the costly scenario of operating 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 faster and 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:

01 Operating efficiency and the ability to automate routine tasks

02 More consistent ways of working and customer experience

03 Improved collaboration and workflows within and across functions

04 Faster adoption of innovations that integrate with existing infrastructure

05 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.

Authors

Khalid Lahraoui

Senior Managing Director – Insurance Lead, Global and EMEA

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.

Kenneth Saldanha

Senior Managing Director – Insurance Lead, Americas

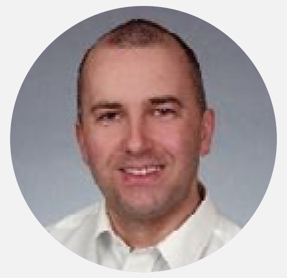
Accenture's Americas Insurance Lead, Kenneth has guided insurance carriers in optimizing their business strategies and operations for over two decades. He has helped clients emerge stronger and more competitive from every kind of challenge—from market headwinds to organizational realignments—and now works with them to navigate the complexities of ongoing industry disruption and convergence.

Jeff Mitch

Managing Director – Strategy, Insurance

As Accenture's 'Future Ready Technology & Operations' offering lead for insurance, Jeff advises leading insurance clients on trends within insurance operations and specializes in large-scale transformations focused on strategic cost reduction. Jeff has led multiple transformation programs across insurance brokers, P&C carriers, and Life insurers in North America and globally to drive profitability improvement and growth, enhance operating models, and enabling intelligent automation and business transformation.

Contributors



Andre Schlieker

Senior Principal at Accenture – Insurance and FS Sustainability Research Lead, Global

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.

Bidisha Chakraborti

Associate Manager at Accenture – Insurance Research Lead, Americas

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.

Sachin Mathur

Senior Principal at Accenture – Insurance Research Lead, APAC

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.

Niman Sood

Associate Manager at Accenture – Insurance Research Lead, ANZ

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.

Regina Maruca

Senior Principal (Editorial) at Accenture - Thought Leadership Research

Joanne Laffan

Senior Manager at Accenture- Insurance Content Lead, Global

Bijoy Anandoth Koyitti

Research Manager (Editorial) at Accenture

About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent- and innovation-led company with approximately 750,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology and leadership in cloud, data and AI with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients reinvent and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

Visit us at **www.accenture.com**.

Disclaimer

About Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research developed with world-leading organizations helps our clients embrace change, create value, and deliver on the power of technology and human ingenuity.

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 year of start of transformation program till 2 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.

