EISA

A GUIDE FOR

The AI Execution Era

Why Insurance Is Moving Beyond Systems of Record

> **“The future of enterprise software is not systems of record. It is a system of action.”**
>
> **– Andreessen Horowitz (a16z)**

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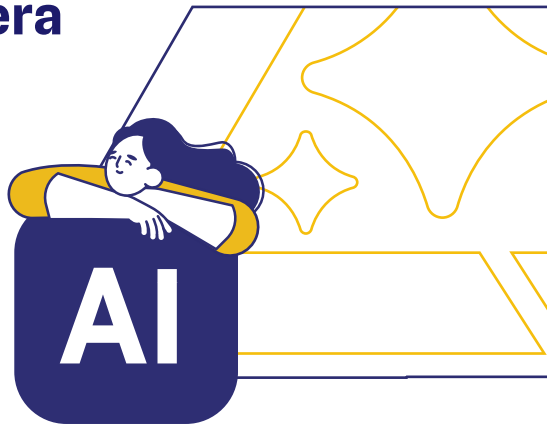
Insurance is entering a **new operational era**



For decades, insurance technology evolved around storing transactions and digitizing workflows. Core systems were designed to manage policies, billing, and claims with accuracy and stability. Later, digital engagement layers improved customer access and experience. But AI is fundamentally changing the role software plays inside the enterprise.

The market is moving beyond systems that simply process transactions toward platforms capable of orchestrating intelligence, coordinating operations, and governing execution across increasingly complex ecosystems.

This shift is being accelerated by:

- **AI-driven operating models**
- **Continuous business change**
- **Ecosystem distribution**
- **Rising customer expectations**
- **Regulatory pressure**
- **Demand for operational agility**

> The next generation of insurance leaders will not be defined by who digitized first, but by who can operationalize intelligence safely and continuously at scale.

This paper explores:

- **Why legacy architectures are reaching structural limits**
- **Why modernization alone is no longer enough**
- **Why the industry is moving toward Systems of Governed Execution**
- **What insurers need to compete in the AI execution era**

> The insurance industry is moving from platforms of record toward platforms of action.

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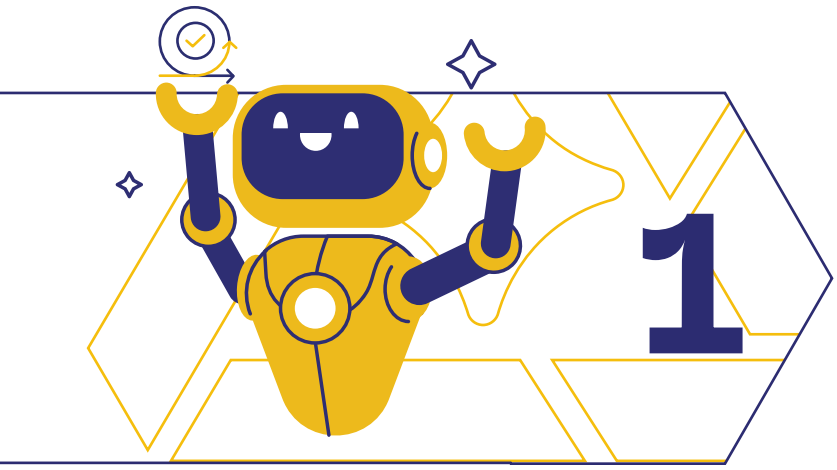

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The Catalyst for Change: **Why Insurers Must Evolve**

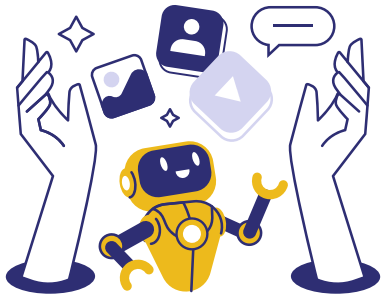
Carriers are confronting a compounding set of market pressures that make traditional operational models increasingly unsustainable. These pressures do not act independently, but rather are intertwined. Together, they create a multi-dimensional acceleration effect that is reshaping the economics, speed, and complexity of insurance operations.

Growth

Insurers are under pressure to:

- Launch products faster
- Expand into new markets
- Support multiple lines of business simultaneously
- Scale distribution more efficiently

Growth increasingly depends on adaptability rather than scale alone.

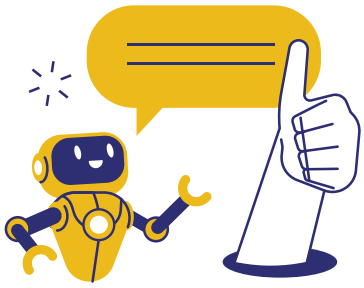


Efficiency

The industry continues to face intense pressure to:

- Reduce operational costs
- Simplify fragmented processes
- Automate manual workflows
- Improve operational productivity

However, incremental automation alone is no longer sufficient. Insurers must redesign how operations are executed.



Customer Expectations

Customer expectations continue to rise. Policyholders increasingly seek:

- Hyper-personalized experiences
- Proactive engagement
- Faster servicing
- Real-time interactions
- Frictionless digital journeys

Insurance is shifting from transactional relationships toward continuous customer engagement.

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Distribution Transformation

Distribution models are also evolving rapidly. Insurers increasingly operate across:

- Embedded insurance ecosystems
- Affinity partnerships
- Digital marketplaces
- API-driven distribution networks
- Non-traditional channels

The result is a far more interconnected operating environment.

AI, Risk & Regulation

At the same time, insurers must navigate an increasing array of challenges::

- AI adoption
- Regulatory scrutiny
- Data governance requirements
- Explainability expectations
- Cybersecurity risks
- Operational resilience mandates

For insurers, the challenge is not simply adopting AI. It is adopting AI while maintaining trust, governance, and operational control.

The New Competitive Differentiator: Speed of Evolution

Historically, insurers have relied on periodic transformation programs to modernize operations.

That model is becoming obsolete. The new competitive differentiator is the ability to continuously evolve:

- Products
- Workflows
- Customer experiences
- Operating models
- Distribution strategies
- AI-enabled processes

McKinsey describes this shift as the transition from digitization toward AI-enabled operating models capable of continuously learning and adapting. Similarly, a16z argues that software is evolving from passive systems of record into active systems capable of orchestrating workflows and operational outcomes. The market is shifting from periodic transformation toward continuous adaptation. To understand why this shift matters, we must first examine why modernization alone is no longer sufficient.

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2 Why Modernization Alone Is No Longer Enough

Many insurers are still approaching transformation primarily as a modernization exercise.

Typical modernization initiatives focus on:

- Cloud migration
- API enablement
- Digital front-ends
- Workflow automation
- Legacy replacement
- Data consolidation

These initiatives improve efficiency and flexibility. But they do not fundamentally redesign how insurers operate. AI changes the requirement. The challenge is no longer simply modernizing systems of record.

The challenge is enabling continuous, governed execution across the enterprise. This requires capabilities that traditional modernization programs were never designed to support:

- Real-time orchestration
- AI-driven operational execution
- Continuous business adaptability
- Cross-ecosystem coordination
- Human + AI collaboration
- Real-time governance and auditability

Modernization improves the past. Governed execution prepares insurers for the future. This shift represents the next major evolution of insurance technology.

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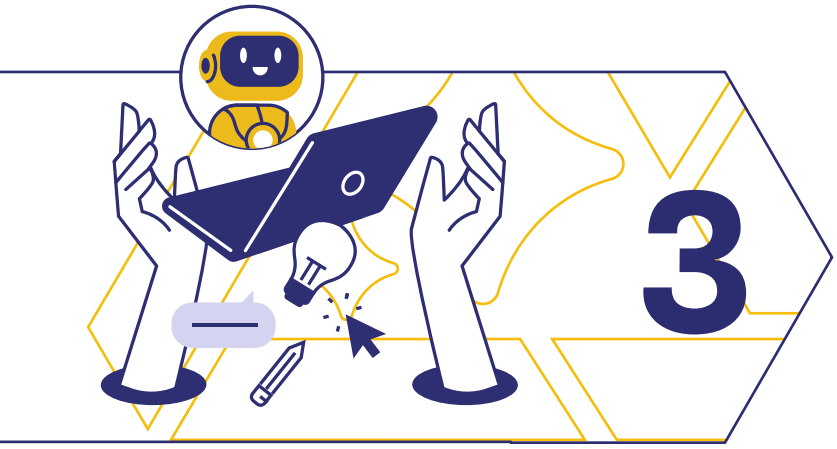

3 The Three Eras of Insurance Technology

The evolution of insurance technology can be understood through three major platform eras. Each era reflects a different strategic purpose.

Era 1: Systems of Record

Primary Focus: Data at Rest

These platforms were designed to:

- Store policies
- Manage billing transactions
- Process claims
- Ensure transactional accuracy

Strategic Strength

Operational stability and reliability.

Strategic Limitation

These systems were:

- Monolithic
- Rigid
- Difficult to change
- Closed to modern ecosystems
- Entirely unprepared for AI-native operations

They were built for transaction processing, not continuous adaptation.

Era 2: Systems of Engagement

Primary Focus: Data in Motion

This era introduced:

- Digital portals
- Mobile applications
- API layers
- Customer journeys
- Omni-channel experiences

Strategic Strength

Improved digital interaction and customer engagement.

Strategic Limitation

Despite digital improvements, execution still depended on legacy back-end systems.

The engagement layer improved the surface experience, but operational complexity remained underneath.

Agility remained constrained by the underlying core.

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Era 3: Systems of Governed Execution

Primary Focus: Knowledge in Action

This new era shifts the role of software from processing transactions to orchestrating execution.

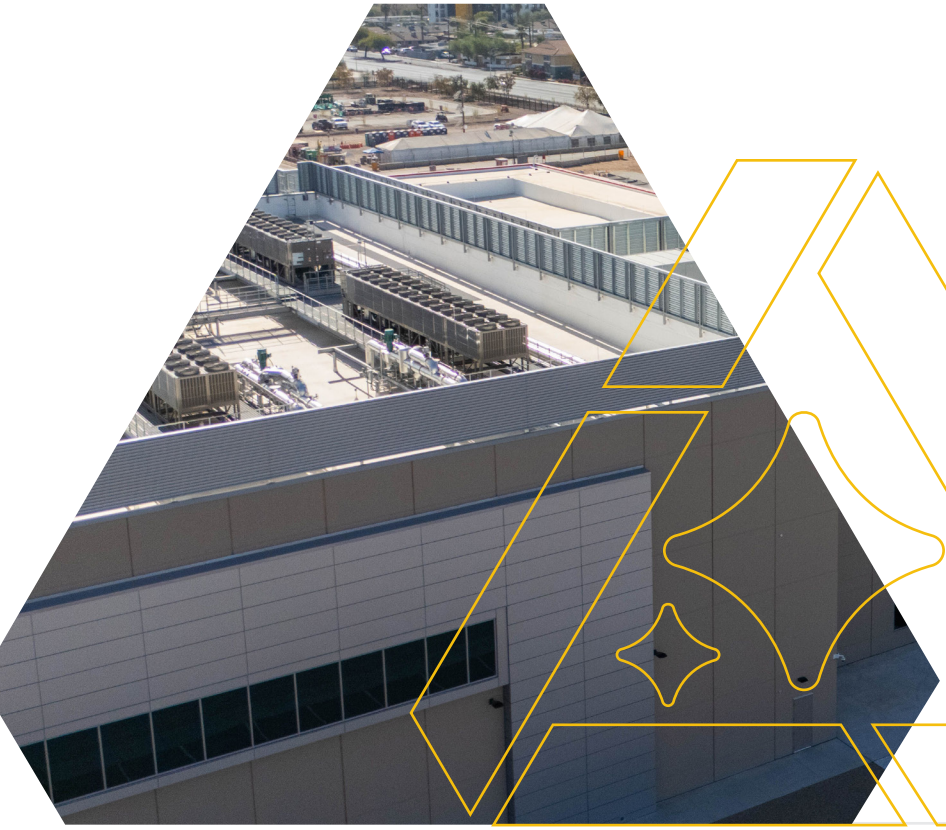
Systems of Governed Execution are designed to:

- Coordinate operations in real time
- Enable AI-driven execution
- Govern AI actions safely
- Orchestrate workflows across ecosystems
- Support continuous business adaptation

This era introduces a fundamentally different operating model. Rather than software simply storing or moving information, platforms now actively coordinate the interaction between:

- Human expertise
- AI reasoning
- Operational workflows
- Enterprise governance
- Ecosystem participants

The transition to "Era 3" is the most significant architectural shift in the history of insurance technology. And it is being accelerated by AI.



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4 The Three Dimensions of AI Disruption

AI is not simply another enterprise tool.

It is fundamentally changing:

- The economics of transformation
- The velocity of operational change
- The structure of insurance ecosystems

Transformation Economics

Historically, transformation programs were:

- Labor-intensive
- Customization-heavy
- Slow to deliver
- Expensive to maintain

Business requirements needed to pass through multiple technical layers before becoming operational change.

AI changes this model. The industry is moving toward knowledge-driven delivery where:

- Configuration increasingly replaces coding
- AI-assisted testing reduces manual effort
- Automated impact analysis improves delivery certainty
- Repeatable deployment patterns reduce implementation friction

The result is a significant reduction in the cost-to-change. Value increasingly shifts away from technical labor arbitrage toward:

- Operational design
- Governance
- Business transformation expertise
- Ecosystem orchestration
- Change management

AI changes the economics of transformation itself.

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Change Velocity

AI is also accelerating the speed at which insurers can evolve.

Historically, operational change was constrained because business intent needed to be translated through multiple technical and organizational layers.

AI removes much of this friction. This enables:

- Faster product evolution
- Accelerated workflow changes
- Rapid operational redesign
- Quicker market response
- Improved ecosystem adaptation

The industry is reaching an inflection point where business-directed change becomes increasingly possible. This fundamentally changes the pace of insurance operations.

Insurers are moving from periodic transformation toward continuous operational evolution.

Delivery & Ecosystem Transformation

Insurance no longer operates within isolated enterprise boundaries. Modern insurers increasingly operate across ecosystems involving:

- Distribution partners
- Brokers
- AI services
- Third-party data providers
- Embedded platforms
- External operational participants

This changes the delivery model. The focus shifts from connecting isolated systems toward orchestrating connected execution. Future platforms must:

- Coordinate operations across participants
- Maintain shared operational context
- Govern permissions and controls
- Support real-time workflows
- Enable ecosystem-scale execution

AI accelerates the need for orchestration. Unfortunately, most legacy architectures were never designed for this level of operational adaptability.

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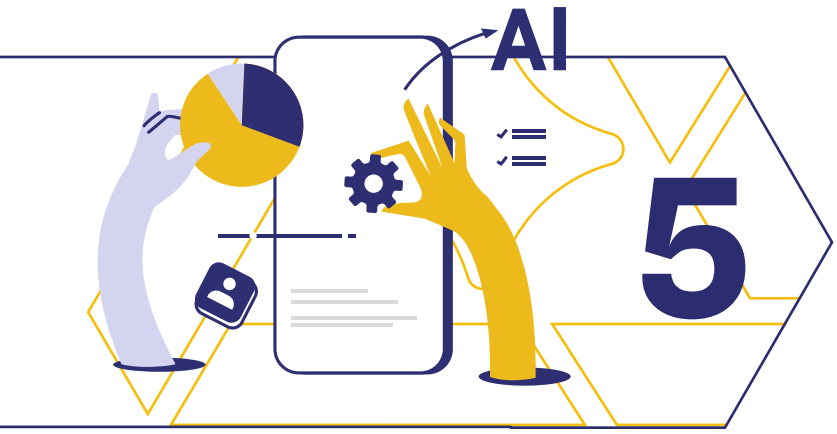

The Legacy Ceiling: Six Structural Constraints

Capgemini describes the current state of the industry as an "architecture mismatch," where legacy operating models, fragmented systems, and siloed workflows prevent insurers from scaling AI effectively.

Legacy insurance platforms were engineered for stability and transaction processing. They were not designed for:

- AI-native operations
- Continuous adaptation
- Ecosystem orchestration
- Real-time execution
- Human + AI collaboration

As insurers attempt to scale AI and operational agility, six structural constraints increasingly create an execution ceiling.

1. Rigid Architecture

Fixed data models and tightly coupled systems make even small changes:

- Slow
- Expensive
- Operationally risky

Every modification becomes a transformation project.

2. Closed to AI Execution

Most legacy platforms do not provide AI with operational transaction authority. As a result:

- AI remains disconnected from core execution
- AI can recommend actions but not safely execute them
- AI becomes a shallow productivity layer rather than an operational capability

AI remains bolted on rather than operationally embedded.

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3. Disconnected Experiences

Fragmented systems create disconnected experiences across:

- Customers
- Employees
- Agents
- Claims handlers
- Distribution partners

Operational fragmentation limits:

- Personalization
- Real-time coordination
- End-to-end journey continuity

4. Slow Product Change

Launching new products, pricing models, or workflows often requires:

- Extensive customization
- Long release cycles
- Heavy testing effort
- Manual operational coordination

This prevents insurers from adapting at market speed.

5. Channel Fragmentation

Each distribution channel often requires:

- Separate integrations
- Independent workflows
- Siloed operational logic
- Stand-alone servicing models

This creates growing complexity and operational overhead.

6. Governance Bolted On

In many environments, governance exists outside operational execution.

Compliance becomes:

- Reactive
- Manual
- Post-event
- Difficult to scale

This creates major limitations for AI adoption. AI execution requires governance to operate natively inside the platform itself. Breaking through this legacy ceiling requires more than modernization. It requires a new execution architecture.

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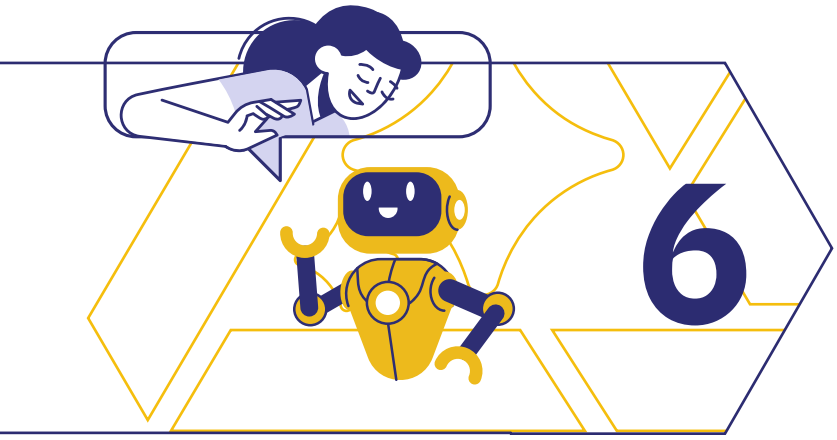

6 The Human + AI Operating Model

The future insurer will not replace human expertise. It will elevate it.

Insurance remains a highly regulated, judgment-intensive industry. Human expertise continues to matter deeply in:

- Underwriting
- Claims
- Risk evaluation
- Escalation handling
- Customer trust
- Regulatory oversight

However, AI fundamentally changes how this expertise is applied.

The Role of AI

AI increasingly handles:

- High-volume operational tasks
- Data analysis
- Workflow coordination
- Pattern recognition
- Recommendation generation
- Routine execution

The bottom line? AI improves speed, scale, and consistency.

The Role of Humans

Human expertise increasingly focuses on:

- Judgment
- Governance
- Strategic oversight
- Exception handling
- Decision escalation
- Customer relationship management

The future operating model is not human versus AI. Rather, it is governed Human + AI collaboration at scale.

The Importance of Governance

As AI gains greater operational authority, governance becomes central.

Insurers must ensure AI actions are:

- Observable
- Permissioned
- Explainable
- Auditable
- Reversible

This is where Systems of Governed Execution become essential. The platform itself becomes the control point that governs how intelligence operates across the enterprise.

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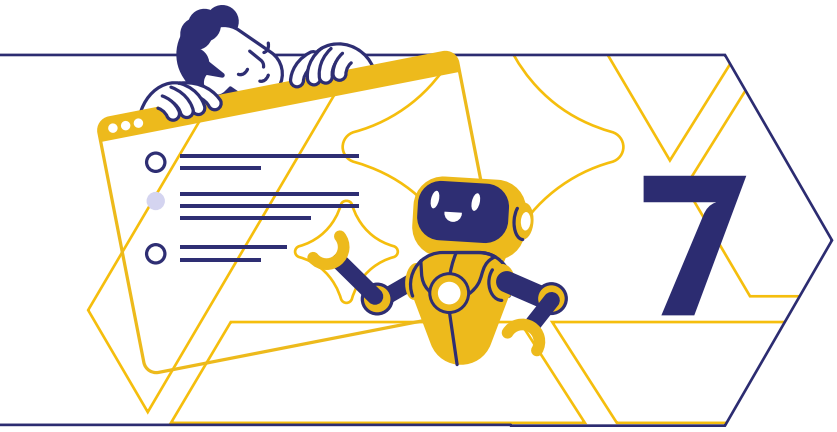

7 Strategic Implications for Insurance Leaders

The transition toward governed execution changes far more than technology architecture.

It changes how insurers:

- Operate
- Deliver change
- Govern risk
- Structure talent
- Coordinate ecosystems
- Scale AI across the enterprise

This shift carries several strategic implications.

From Modernization to Operational Reinvention

Transformation is no longer simply about replacing legacy infrastructure. It is increasingly about redesigning the operating model itself around:

- Continuous adaptation
- AI-enabled workflows
- Real-time orchestration
- Human + AI collaboration

The market is moving from modernization toward operational reinvention.

From Integration to Orchestration

Historically, transformation programs focused heavily on integrating systems. In the execution era, competitive advantage increasingly depends on orchestrating operations across:

- Internal functions
- AI services
- Ecosystem partners
- Distribution networks
- External operational participants

Execution coordination becomes more important than system connectivity alone.

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7

From Labor-Driven Delivery to Knowledge-Driven Delivery

AI changes the economics of implementation and operational change. As AI-assisted configuration, testing, and orchestration become more common, value increasingly shifts away from technical labor intensity toward:

- Operational expertise
- Governance models
- Transformation strategy
- Ecosystem design
- Insurance knowledge

This fundamentally changes how insurers evaluate transformation investments.

From Human-Centric Operations to Human + AI Collaboration

The future insurer will increasingly operate through governed collaboration between:

- Human expertise
- AI reasoning
- Autonomous execution
- Enterprise governance

This requires entirely new operational disciplines around:

- AI supervision
- Escalation management
- Governance frameworks
- Operational trust
- Decision accountability

The future operating model is not human versus AI. It is governed Human + AI execution at scale.

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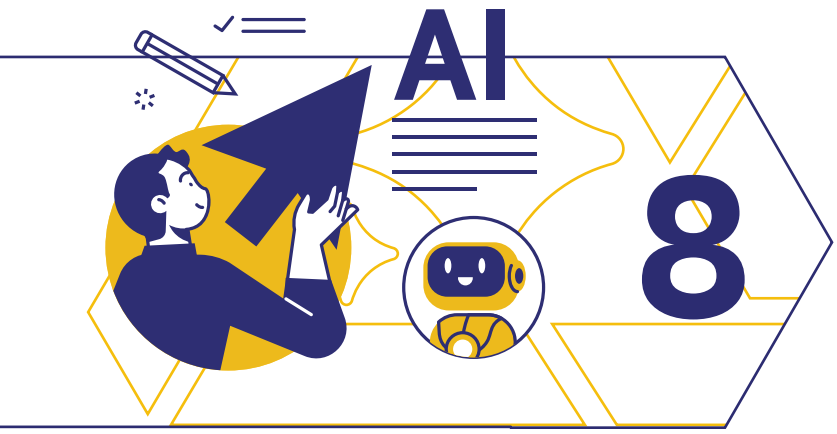

The Blueprint for Era 3: **Governed AI Execution**

A modern execution platform requires three foundational pillars. Together, these pillars enable insurers to bridge the gap between today's operations and tomorrow's AI-driven execution models.

Insurance Depth

Why It Matters

AI cannot operate meaningfully without deep operational insurance capabilities. True execution requires native support for:

- Policy administration
- Billing
- Claims
- Product configuration
- Underwriting operations
- Regulatory complexity

Without operational depth, AI lacks the environment required for meaningful action. Insurance depth provides the grounding for intelligence.

Open Architecture

Why It Matters

AI execution cannot operate in isolation. Modern insurers require platforms capable of orchestrating across:

- APIs
- Ecosystem participants
- Distribution partners
- External services
- Data providers

Open architecture enables:

- Connectivity
- Flexibility
- Ecosystem coordination
- Continuous integration

Future insurance operations will increasingly depend on orchestration across interconnected participants.

Governed Action

Why It Matters

In insurance, AI execution is only viable if it operates safely.

Governance must exist natively inside operational execution.

AI actions must be:

- Governed
- Observable
- Controlled
- Permissioned
- Explainable
- Auditable

Governance becomes the operational control point of the platform. This is the foundation of governed execution.

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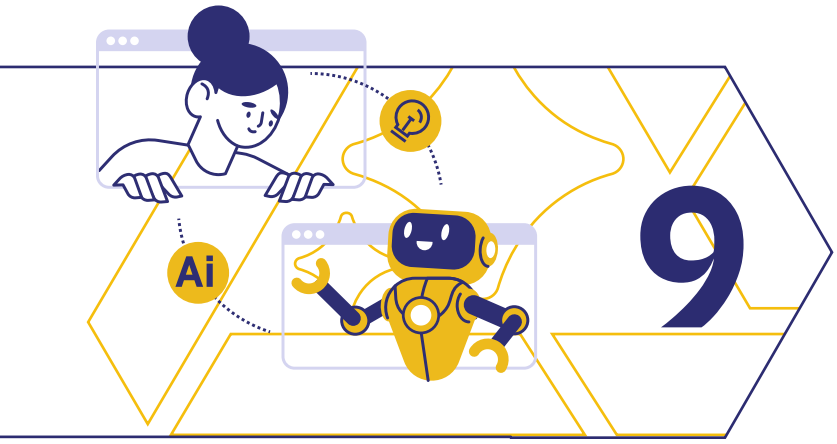

The Execution Stack

The transition to governed execution requires a fundamentally different architectural model. This model can be understood as a three-layer execution stack.

1. Knowledge & Ecosystem Layer

This layer provides:

- Unified operational data
- Real-time business context
- Ecosystem connectivity
- Shared intelligence foundations

It enables AI to reason against continuously evolving operational environments.

2. Agentic Intelligence & Orchestration Layer

This layer coordinates:

- AI-driven reasoning
- Workflow orchestration
- Operational decisioning
- Autonomous execution
- Continuous learning

This becomes the operational intelligence engine of the enterprise.

3. Governed Execution Control Layer

This layer ensures:

- Transaction authority
- Enterprise governance
- Operational control
- Auditability
- Explainability
- Security
- Scalability

It ensures that AI execution remains aligned with enterprise policies, regulatory obligations, and operational boundaries. Together, these layers create a platform capable of continuous adaptation.

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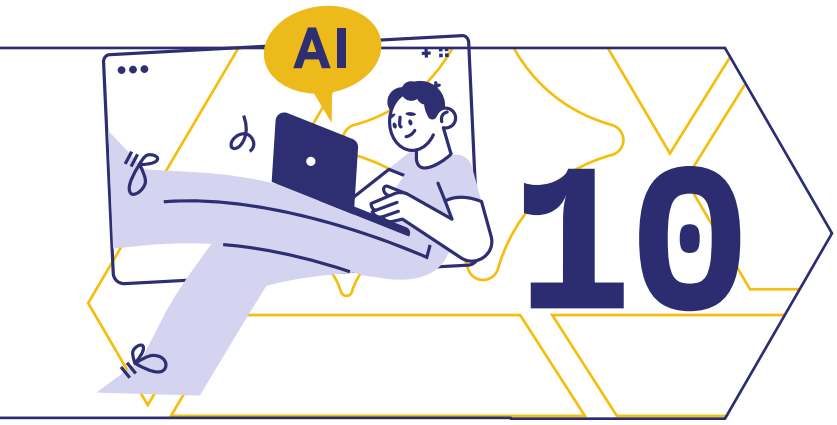

Industry Direction: **Early Signals of the Execution Era**

Several emerging patterns across the market already demonstrate the transition toward governed execution.

AI-Driven Claims Orchestration

Insurers are increasingly moving beyond simple automation toward AI-guided claims workflows capable of:

- Intelligent triage
- Fraud detection
- Dynamic escalation
- Straight-through processing
- Real-time servicing

McKinsey identifies claims orchestration as one of the highest-potential areas for AI-driven operational transformation.

AI-Assisted Underwriting

Leading insurers are increasingly deploying AI-enabled underwriting workbenches capable of:

- Aggregating external data
- Synthesizing risk insights
- Supporting real-time decisioning
- Improving quote-to-bind performance

This changes underwriting from document processing toward intelligence-driven risk orchestration.

Ecosystem-Based Insurance Operations

Celent research highlights the rapid growth of embedded insurance ecosystems and API-driven operating models. This creates increasing demand for platforms capable of:

- Coordinating external participants
- Governing ecosystem execution
- Managing operational complexity
- Supporting continuous integration

Insurance increasingly operates as part of broader digital ecosystems.

AI-Native Operating Models

a16z describes the emergence of "systems of action," where AI no longer simply surfaces information but actively participates in operational execution. This mirrors the broader shift occurring inside insurance operations:

- From workflow support toward workflow orchestration
- From productivity tooling toward operational intelligence
- From transaction processing toward governed execution

These signals collectively point toward the emergence of a new insurance operating model.

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Case Study in Architecture: **EIS OneSuite™ and CoreGentic™**

The EIS architecture was designed to support the requirements of the execution era. By combining deep insurance functionality with a MACH-certified architecture foundation, EIS enables insurers to move beyond modernization toward governed execution.

OneSuite: The Operational Foundation

OneSuite provides:

- Cloud-native policy administration
- Billing operations
- Claims management
- Customer operations
- Lifecycle orchestration
- The platform is designed for:
- Continuous change
- Multi-line operations
- Ecosystem integration
- Real-time adaptability

CoreGentic: The Intelligence Layer

CoreGentic introduces an agentic intelligence layer directly inside operational execution.

Rather than operating outside the core, AI becomes embedded within:

- Workflows
- Decisions
- Transactions
- Operational orchestration

This distinction is critical. By operating inside the execution environment, AI gains:

- Context
- Operational awareness
- Controlled authority
- Governance alignment

This enables AI to move beyond assistance toward governed operational execution.

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Insurance Breadth

EIS supports multiple dimensions of insurance complexity.

Lines of Business

- Property & Casualty
- Life & Annuities
- Group & Voluntary Benefits

Markets

- Multi-country operations
- Multi-regulatory environments
- Embedded insurance models

Lifecycle Operations

- Acquisition
- Onboarding
- Servicing
- Renewals
- Claims

Operating Models

- Self-service
- Assisted operations
- Automated workflows
- Human + AI collaboration
- Agentic execution

Governance & Trust

Governance is embedded directly into the architecture.

Every AI action can be:

- Observed
- Controlled
- Audited
- Reversed
- Governed

This enables insurers to scale AI while maintaining operational trust and regulatory alignment. The result is a platform designed not simply for digitization, but for continuous AI-native operational execution.

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Conclusion: **The Insurance Industry Is Entering the Execution Era**

Insurance has reached a fundamental turning point. For decades, strategic value was defined by the ability to:

- Store policies
- Process claims
- Manage transactions accurately

In the execution era, transaction processing alone is no longer enough. As software becomes increasingly:

- Headless
- AI-driven
- Ecosystem-connected
- Continuously adaptive

Competitive advantage shifts toward the ability to operationalize intelligence safely and continuously at scale.

The future winners in insurance will not be defined by who implemented the most AI tools. Nor by who modernized infrastructure first. They will be defined by who can:

- Adapt continuously
- Govern AI safely
- Coordinate operations in real time
- Orchestrate ecosystems effectively
- Operationalize intelligence across the enterprise

McKinsey describes this as a fundamental redesign of the insurance operating model. a16z frames it as the transition from systems of record toward systems of action. And across the insurance market, leading analysts like Celent continue to emphasize that future competitiveness will increasingly depend on adaptability, ecosystem readiness, and operational agility. The industry is moving beyond platforms built to store transactions. The future belongs to platforms designed to orchestrate governed action. Insurance is entering the era of governed execution.

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Ecosystem Insurance and Embedded Distribution

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