



The potential of automation and AI in insurance

A benchmark study analyzing cost-saving potential in core processes and showcasing how modern platforms unlock efficiency gains by automating and embedding AI — fast

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This paper is the first in a joint thought leadership series from Synpulse and additiv, exploring where insurers can achieve cost savings in their core processes and how this potential can be realized by modernizing their operating models without large-scale IT transformation. Drawing on structured benchmarking data, covering over 190 core insurance processes, this series quantifies where and how digital platform strategies can reduce cost, accelerate time to value, and unlock automation and AI-driven efficiencies — fast.

In this first paper, we outline the framework behind this approach and share first results of the benchmark-cost-analysis. The co-authors reveal insights into where short-term automation can be applied, how AI can be meaningfully embedded into workflows, and what kind of cost savings are immediately achievable.

The modernization imperative

As insurers face mounting pressure from rising operational costs, stricter regulatory demands, and customer expectations for seamless digital service, many are finding that traditional IT transformation programs are too slow, too expensive, and too risky. But the alternative is not inaction. This series introduces a pragmatic, modular approach: leveraging “platforms of intelligence” that enable automation, orchestration, and integration of AI, without replacing core systems.

More efficiency without core system replacement

The findings are based on a joint study by Synpulse and additiv, combining management consulting expertise with platform technology leadership. Together, the organizations benchmarked more than 190 insurance processes from insurers throughout the DACH region, focusing on offer creation, customer service, and claims management. The analysis quantifies where and how automation can be introduced, and the short-term cost savings that result.

The benchmarking analysis concludes that up to 32% of service cost can be reduced. Platforms of intelligence enable the timely realization of these savings. These platforms help insurers to automate workflows, orchestrate end-to-end processes, and incorporate AI models directly into their operations. They offer a faster, lower-risk alternative to replacing traditional core systems.

This paper explores:

- How platforms of intelligence can quickly unlock cost savings
- How insurers can integrate AI-models into their core processes to unlock efficiency gains
- Where the greatest cost-saving potential lies within core processes — and how it can be realized within months



Short-term cost savings: Three key enablers for real impact

Insurers can achieve substantial efficiency gains in the short term by focusing on three key enablers of process automation:



Optimized, structured, front-end data capture

Effective automation starts with structured data. This involves enabling customers, service teams, and partners to input data in a consistent and usable format. Modern digital interfaces now adapt dynamically to user input, pre-fill known fields, and allow for document upload and parsing. Integration with back-end systems enriches data in real time via caches and adapters.

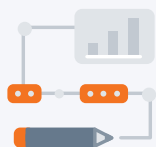
Even when insurers struggle to drive portal adoption, due to the low-touch nature of many insurance relationships, lightweight digital forms and secure links offer a low-friction alternative to capture high-quality, structured data.



AI-powered processing of unstructured data

Artificial intelligence can now reliably extract, classify, and transform unstructured content, such as emails, scanned documents, and PDFs, into structured formats ready for automation. This enables rule-based workflows that trigger actions such as notifications, case creation, or approvals.

Even when full straight-through processing (STP) isn't feasible, AI can still assist service teams, by automatically summarizing documents, organizing case files, and preparing responses. This streamlines manual steps and improves throughput.



Decoupling automation logic from core systems

For automation to be agile and scalable, business logic, such as underwriting rules, workflows, and pricing models, must be separated from legacy systems. Decoupling business logic from core systems enables (cross-functional) process optimization, product bundling, and rapid deployment of tailored propositions for specific distribution channels or partners.

This approach further allows insurers to increase time-to-market, launch products faster, and enables fast iterations and A/B test features¹ — freeing them from the constraints of core systems.

¹ A method of comparing two versions of a product, process, or offer to determine which performs better based on user behavior and data insights.

Where AI delivers the biggest cost impact

Embedded AI models enhance automation across the insurance value chain. Four areas show the greatest immediate impact:

Lead generation and cross-selling

AI identifies high-potential leads and product gaps, enabling context-aware sales opportunities.

Risk scoring and underwriting

Models process structured and unstructured data to generate dynamic risk assessments, improving pricing accuracy, risk selection and speed.

First notice of loss (FNOL) and claims triage

AI structures incoming claims data from emails to recorded videos, enabling immediate assessment, task allocation, and faster resolution. There are several other interesting areas of application for AI in claims, such as fraud detection.

Customer interaction using unstructured inputs

Emails, PDFs, other free-text content, and audiovisual media are interpreted and routed using AI, enabling process automation and response generation.

To realize the full value of AI, integration must go beyond standalone models. Output must be operationalized within workflows through intelligent orchestration and data architecture. Platforms must support rule-based routing, end-to-end automation, and seamless handover between systems and human teams. Two aspects are key when it comes to integrating AI:

1. **Workflow integration:** AI only generates business value when its outputs are embedded into orchestrated workflows. This requires a coordinated architecture of data ingestion, rules engines, and event-driven processing.
2. **AI model independence:** The solution must support AI model-agnostic integration, allowing AI components to be updated, swapped, or refined without systemic disruption or vendor lock-in.

Abstracting business logic and product design from core systems enables insurers to continuously optimize workflows through AI.

For example, damage patterns can be grouped by region and matched with external data, such as weather events, to facilitate real-time adjustments in STP rules and capacity planning following catastrophic events.

Platforms of intelligence are built to support this level of flexibility and integration, making them foundational to any AI-enabled operating model.

Becoming flexible and agile with modern platforms

Traditional IT transformation projects are costly, complex, and slow to deliver. In contrast, modular platforms of intelligence offer a faster, more cost-efficient, and lower-risk route to operational modernization, enabling insurers to implement automation and AI use cases without replacing their core systems.

Platforms of intelligence consolidate data and workflows, enable dynamic frontends, and integrate AI models. They also complement missing functionalities, enabling real-time use cases even with batch-based core systems.

By abstracting process and business logic from legacy infrastructure, these platforms support modular, incremental transformation. Over time, they gradually relieve core systems by taking over certain business functionalities and supporting the progressive decoupling ("hollow-out") of business logic from the core, while maintaining the core system of record for stability. Older systems are often very stable, but they reach their limits when overloaded with business logic.

The automation and orchestration capabilities of these platforms can also be applied across multiple distribution channels whether direct-to-consumer, broker-led, embedded², or advisor-supported and can span across multiple lines of business including life, P&C, and health insurance, enabling true omnichannel experiences.

For instance, after mergers, the hollow-out approach helps to quickly connect data and functionalities from different core systems, enabling a unified customer experience and faster realization of scale effects. Core systems remain in place, performing their essential functions and acting as systems of record.

² Insurance offerings integrated directly into the purchase or use of third-party products or services, providing contextual coverage without requiring a separate insurance process.

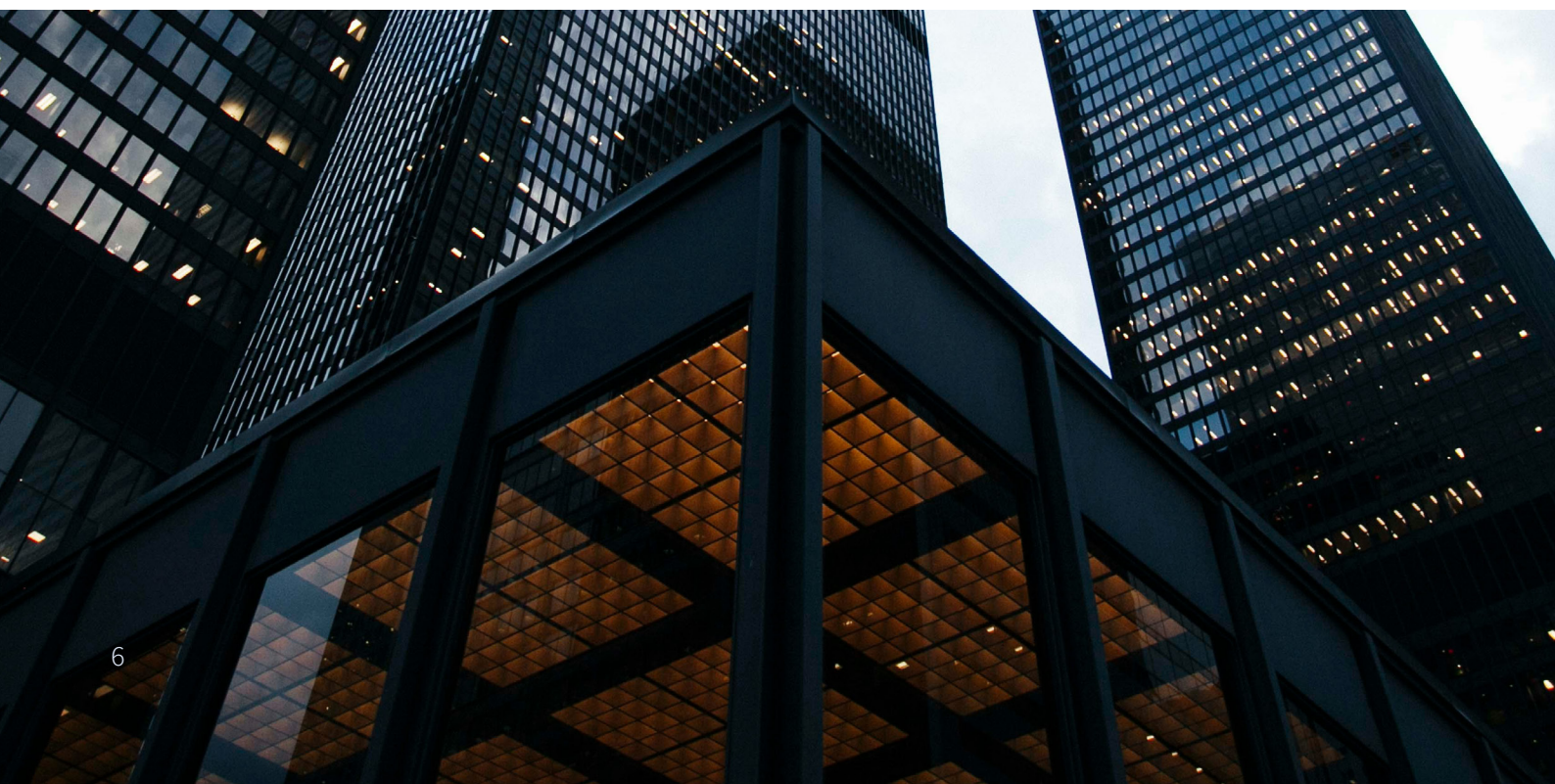


Figure 1 illustrates how a platform functions as a connective layer between existing core systems, services, and frontends, enabling the data-driven empowerment of customers and distribution channels while feeding structured inputs back into backend systems.

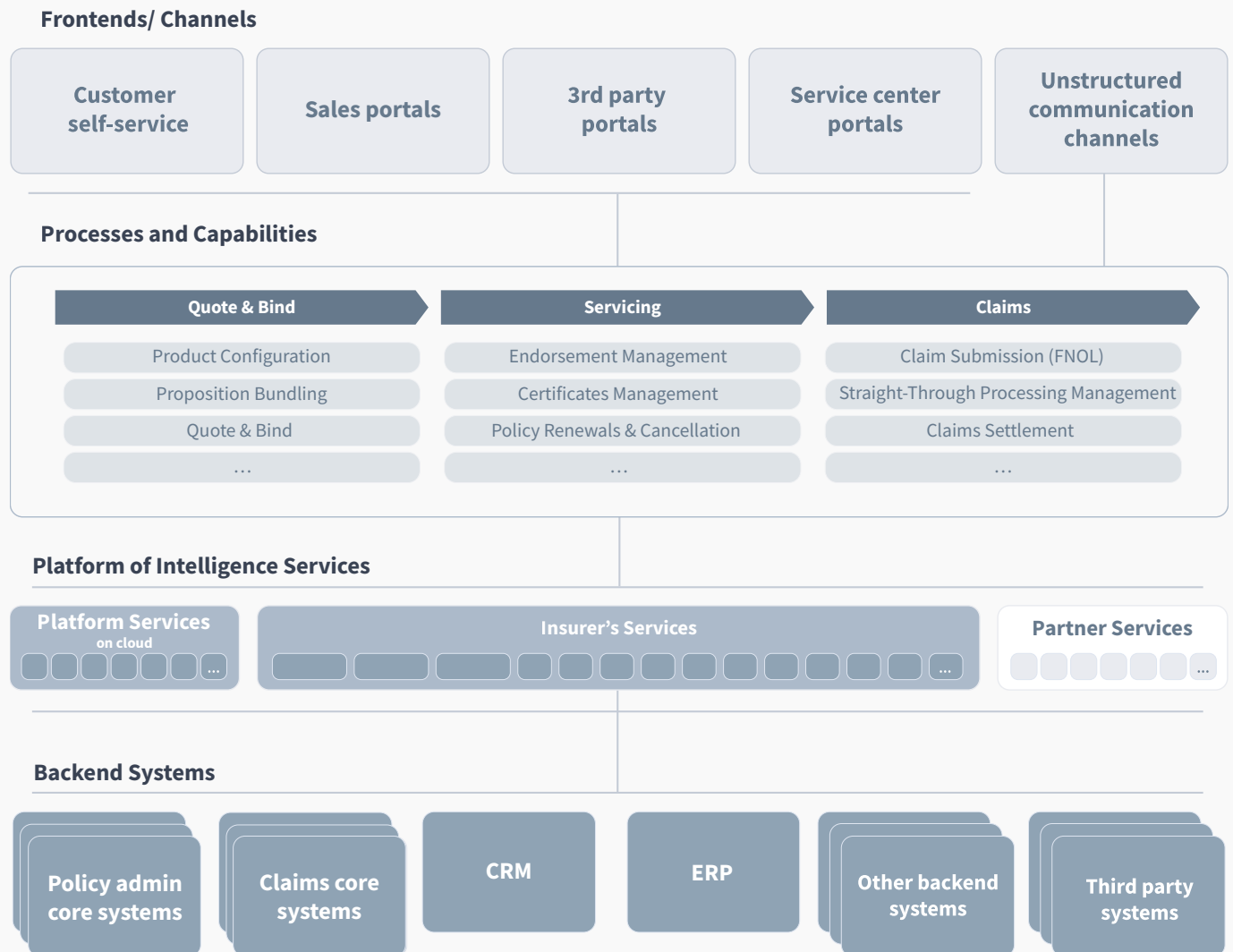


Figure 1 Platform orchestration across the insurance value chain

Cloud-based platforms can be rapidly deployed by insurers without complex installation. This enables the implementation of initial use cases within months and allows for fast and easy scaling to additional use cases. Pre-configured processes and modular architectures in intelligence platforms allow an even faster deployment with low investment requirements. These ready-to-use plug-and-play services enhance and scale existing operating models quickly and effectively.

The result: reduced costs, increased automation rates and fast implementation — without the risk of resource-intensive core system replacements.

Where the greatest savings lie – Up to 32% cost reduction in servicing tasks

Unstructured data, manual processing, and fragmented system landscapes continue to drive up service costs across the insurance value chain. In many organizations, STP remains limited. As a result, tasks such as customer inquiry handling, policy endorsement management, and claims triage remain too manual and inefficient.

The Synpulse x additiv benchmark study confirms that this is where the greatest short-term savings potential lies, one that can be unlocked quickly through platforms of intelligence. Customer service and claims processing offer the most immediate potential for automation-driven cost reduction. Table 1 outlines the addressable savings across key operational areas, based on current cost structures and the feasibility of automation with platforms of intelligence. Modern platform technologies can deliver substantial savings across all areas: up to 32% in customer service, 31% in claims handling, and 23% in quote & bind.

Percentage share	Quote&Bind*	Customer Service **	Claims
Share of operational cost	15–25%	35–55%	25–45%
Savings potential	18–23%	28–32%	25–31%

Table 1: In customer service, a platform of intelligence can reduce costs by up to one third

* Sales employees paid on commission are not in scope

** Management of customer inquiries is assigned to customer service

To quantify this potential, the study modelled a representative, mid-sized, multiline insurer with an annual service cost base of €100 million (pure service staff costs, excluding overhead). Based on current operational cost structures and the level of automation achievable today, the study shows that annual savings range from €19 million to €37 million, depending on the insurer's product mix and automation maturity.

Absolute figures	Quote&Bind	Customer Service **	Claims	Total
Share of operational cost	15mn – 25mn EUR	35mn – 55mn EUR	25mn – 45mn EUR	100m EUR
Savings potential	3mn – 6mn EUR	10mn – 18mn EUR	6mn – 14mn EUR	19mn – 37mn EUR

Table 2: Absolute savings for a multi-line insurer with an annual service cost base of €100 million (pure service staff costs, excluding overhead)

These findings reinforce the conclusion: significant value can be captured through targeted automation with a platform of intelligence by focusing on high-volume, high-cost activities and, without replacing core systems.

Conclusion: Unlocking cost savings through intelligent automation

This study confirms that significant cost and efficiency gains are within reach, without the need for large core system replacements. By targeting high-impact processes, insurers can achieve measurable results through intelligent automation, embedded AI, and modular platforms.

The findings demonstrate that a platform of intelligence-based approach offers a pragmatic, low-risk path to modernization. Plug-and-play modules, delivered via cloud infrastructure, allow insurers to scale automation use cases quickly.

Whether deployed as standalone services or orchestrated across the full value chain, platforms of intelligence provide the foundation for faster time-to-market, better customer experiences, and more efficient operations. Insurers can execute this incrementally, enabling them to “hollow out” or expand the capabilities of the core progressively over time — at their own pace and with a continuous focus on realizing the benefit cases.

To be continued

This is the first in a multi-part series from Synpulse and additiv based on structured benchmarking data. Future papers will further explore specific strategies to quickly realize efficiency gains, focusing on automation and AI integration with modern platforms.

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Synpulse is an internationally established management consultancy focusing on financial service providers, supporting banks and insurance companies along the entire value chain – from strategic orientation to technical implementation.

For the insurance market, Synpulse offers comprehensive support in digital transformation, the development of sustainable operating models, and the automation of key processes such as underwriting, claims management, and customer interaction.

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We are here for you

To learn more or discuss the findings in the context of your operating model, please get in touch with the teams at additiv or Synpulse.