

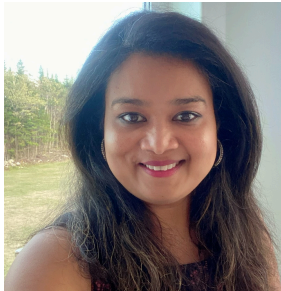


BRIGHT IDEAS

Digital Transformation in Insurance: Technology May be Easy, Adoption Is Hard

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Digital transformation in insurance succeeds not through technology alone, but through people's willingness and confidence to use it. Insurers that accelerate adoption focus on designing tools around real user needs rather than internal systems, building trust through transparency and human oversight, and using technology to genuinely simplify day-to-day work. Ultimately, the most successful insurers recognize that transformation is as much a human and cultural journey as it is a technical one.

Over the past decade, the insurance industry has invested heavily in digital transformation. We hear a lot about artificial intelligence, automation, advanced analytics, and customer self-service platforms. Most insurers today have at least some form of digital strategy in place.

But in practice, I have noticed something interesting: the biggest challenge is usually not the technology itself. It is getting people to actually use it.

Whether the users are customers, agents, or internal employees, adoption often becomes the real hurdle. Many organizations successfully implement new platforms or tools, yet the expected benefits take longer to materialize because users continue to rely on familiar processes.

In my own experience working with insurance processes, I have seen well-designed tools struggle simply because users were not comfortable changing the way they work.

From what I have observed and also through my learning in digital transformation programs, successful insurers focus not only on building technology but also on making sure people feel comfortable using it. Technology alone does not drive transformation; people do.

In this article, I share a few practical strategies that can help insurers accelerate technology adoption, based on industry examples and lessons from companies that have successfully navigated digital transformation.

Start with the User, Not the System

One of the most common challenges in insurance technology projects is that systems are often designed around internal processes rather than user experience.

Many legacy platforms were built years ago to support administrative workflows. When companies digitize those processes without rethinking them, the result can be a digital system that still feels complicated for the user.

Some of the newer InsurTech companies approached this problem differently. Instead of starting with the system, they started with the user journey.

For example, Lemonade designed its platform around a very simple idea: buying insurance or submitting a claim should be quick and straightforward. Their chatbot interface allows customers to interact with the system in a conversational way, which feels more natural than filling out long forms.

I have personally found that even small improvements in user experience like reducing the number of steps in a process can make a noticeable difference in how quickly people adopt a system.

The takeaway here is simple but important. When digital tools are easy to understand and simple to use, adoption happens much faster.



Trust Still Matters in a Digital World

Insurance has always been a business built on trust. Even when processes become digital, that basic principle does not change.

Sometimes new technologies especially automation or AI can create uncertainty for users. Customers may wonder how decisions are being made, and employees may be unsure about how much they should rely on automated recommendations.

This was very much on our minds when we implemented the Risk Analysis and Appetite Scoring feature in Sunlight, our core policy administration system. While the goal was to use analytics to support underwriting decisions, we intentionally designed the solution with a strong human-in-the-loop approach, ensuring that underwriters remain central to the final decision-making process.

In my view, transparency plays a big role here. When organizations explain how digital systems work and allow users to see what is happening behind the scenes, it builds confidence.

For example, some insurers now provide real-time claim tracking so customers can see where their claim stands in the process. This small feature makes a big difference because it removes uncertainty.

People are much more willing to use digital systems when they feel they understand and trust them.

Use Technology to Make Work Easier

One of the best ways to encourage adoption is simply to make people's jobs easier.

In the insurance industry, many roles involve repetitive tasks such as reviewing documents, processing claims, or searching through policy information. When technology reduces that effort, employees quickly recognize its value.

Artificial intelligence is already helping in areas like claims processing, where machine learning models can analyze documents and identify relevant information. Instead of manually reviewing every detail, claims handlers can focus on exceptions and more complex cases.

Similarly, digital tools that help agents quickly access policy details or product recommendations can save a significant amount of time during customer interactions.

I have noticed that once users see even a small time-saving benefit, their resistance to new technology tends to drop quite quickly.

When employees experience these benefits directly, they tend to adopt the technology naturally rather than being forced to use it.



Many organizations are now moving away from traditional one-time training programs and toward continuous learning models. Short digital learning modules, on-demand resources, and interactive tools help employees learn at their own pace.

When training is practical and easy to access, people are much more willing to experiment with new tools instead of avoiding them. I have also seen companies embed guidance directly within digital platforms. This allows users to receive support while they are actually using the system, which makes learning much more practical.

Ultimately, digital transformation is not only about systems; it is also about helping people build confidence in using those systems.

Don't Forget the Agent Ecosystem

Agents and brokers continue to play a critical role in the insurance value chain. Because of this, their acceptance of new technology is extremely important.

Sometimes there is a perception that digital transformation will replace agents. In reality, the most successful approaches focus on supporting them instead.

Digital tools can help agents access customer insights, compare policy options, and complete administrative tasks more efficiently. This allows them to spend more time advising clients and building relationships.

When agents see technology as something that supports their work rather than threatens it, adoption becomes much smoother.

Data Can Help Improve Adoption

Another interesting aspect of digital transformation is the ability to learn from user behavior.

Digital platforms generate valuable data that shows how people interact with systems. For example, insurers can see which features are used most often or where users drop out of a process.

This information helps organizations identify friction points and improve the user experience. With data easily available from policy admin systems and other digital platforms, insurers can make informed decisions on where to invest for maximum productivity gain.

Instead of waiting years to redesign a system, companies can now continuously refine their platforms based on real usage patterns.

Over time, these small improvements can significantly increase adoption.



Culture Is Often the Real Barrier

While technology, training, and user design are important, organizational culture often determines whether digital transformation succeeds or struggles.

Insurance companies have traditionally operated with structured processes and careful decision-making. While these strengths help manage risk, they can sometimes slow innovation.

Organizations that embrace experimentation and collaboration tend to move faster in adopting new technologies. Small teams can test ideas, gather feedback, and adjust solutions before rolling them out more broadly.

Encouraging this kind of environment helps employees feel more comfortable trying new tools and approaches.

Leadership Vision and Clear Communication Helps Greatly

Another factor that often makes a big difference in technology adoption is having a clear and consistent vision from leadership. Digital transformation initiatives can sometimes feel overwhelming or uncertain for employees, especially when they involve changes to long-standing processes.

When leadership clearly explains why a change is happening and how it benefits the organization, people are much more likely to support it. In my experience, it also helps when leaders communicate this message regularly rather than only at the start of a project.

Consistent communication helps reinforce the purpose behind new technologies and reduces resistance to change. Over time, this creates a shared understanding that digital tools are not just another system being introduced, but part of a broader direction the organization is moving toward.

Digital transformation in the insurance industry is often discussed in terms of technology - AI, automation, analytics, and new platforms. But in reality, the success of these initiatives depends heavily on people.

Technology may enable change, but adoption is what ultimately delivers value.

Insurers that succeed in accelerating adoption tend to focus on a few key principles: designing systems around users, building trust in digital processes, simplifying daily work through automation, investing in training, supporting agents, having a clear vision & communication and continuously improving platforms through data insights.

Perhaps most importantly, they recognize that transformation is not just a technical journey but also a cultural one. From my perspective, the biggest shift is not adopting new tools, but helping people feel confident enough to use them in their everyday work.

As the industry continues to evolve, the companies that truly benefit from digital innovation will be those that manage to bring their people along on the journey.

