

BLUEPRINTS FOR CHANGE: EXECUTIVE PERSPECTIVES ON DIGITAL TRANSFORMATION IN INSURANCE

In cooperation with





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THE DIGITIZED TREASURY: UNLOCKING INSURANCE'S NEXT COMPETITIVE EDGE

The insurance sector continues to demonstrate resilience. Strong capital positions and a solid structural base mean insurers are well equipped to navigate volatility.

Insurers recorded robust premium expansion and solid investment gains in 2024. OECD figures for both the life and non-life segments indicate that written premiums increased at a faster pace than claims payments.

This growth may reflect durable labor markets, higher real incomes as inflation eases, and favorable long-term interest rates. Yet risks remain tilted to the downside. Geopolitical tensions, policy uncertainty, fragile financial markets, and persistent inflation can complicate the picture.

More pressing still, competition is intensifying. Non-traditional players – from technology giants to insurtech startups – are reshaping the market with agile, digital-first business models.

WHY TRANSFORMATION CANNOT WAIT

Against this backdrop, digital transformation has become imperative. The *Reuters Events' Digital Transformation survey*, conducted in Q2 2025 among 200 insurance executives worldwide, underlines this urgency.

For insurers, financial performance is the leading driver of transformation, cited by 82% of respondents, with 80% highlighting the need to sharpen their competitive advantage.

Transformation is no longer experimental; it is central to insurers' survival and growth. Success depends on translating ambition into execution – moving beyond pilots to embed technology, redesign processes, and reorient operations around measurable outcomes.

SCOPING AND FUNDING WITH DISCIPLINE

Effective scoping is the foundation of successful projects. Weak scoping almost inevitably leads to overruns, undermining executive confidence and slowing momentum. Comprehensive research, careful planning, and realistic budgeting are essential from the outset.

For treasury and finance teams, with their unique functions and specialized tools, effective scoping means ensuring compatibility with legacy infrastructure, and preparing employees through structured training and adoption programs. Data transferability and transformation strategies must be established before integration begins.

Budget discipline is equally critical. The survey finds that most insurers are doing well in this regard: just 8% of projects exceeded budget.

Financing usually comes from central technology pools or dedicated transformation funds, reflecting the cross-enterprise nature of these initiatives. In periods of macroeconomic volatility, project timelines and funding strategies must be stress-tested to ensure resilience.

THE DIGITIZED TREASURY ADVANTAGE

Nowhere is the potential of digital transformation clearer than in treasury. A fully digitized treasury can combine advanced technologies with redesigned processes to deliver efficiency, transparency, and resilience.

Liquidity management is a prime example. More than half of the insurance leaders surveyed report significant improvements after transformation. New technologies such as artificial intelligence can have enormous potential to enhance cash flow forecasting, accelerate analysis, and streamline cash application. Advanced analytics could ultimately facilitate real-time decision-making, improving the agility of day-to-day operations. Similarly, digitization can help to optimize funding efficiency.

However, the treasury function plays an increasingly important role in driving digital transformation across the enterprise.

For instance, payments and collections – which are a key touchpoint for client interaction for the business – are being revolutionized. Instant payment schemes, wallets, and virtual cards enable real-time claims settlement and faster policyholder reimbursement. Virtual accounts automate

premium reconciliation, while digital receivables channels – from QR codes to Pay by Link – reduce friction and strengthen customer experiences.

Likewise, treasury's expertise in risk management means it can help deliver organization-wide benefits by deploying new technology. Stronger security and fraud detection, enabled by AI and advanced validation methods, can help address rising regulatory demands, reinforce trust and more effectively manage counterparty risk.

Above all, digitization can help free treasury teams from routine tasks, allowing them to focus on strategic decision-making, value creation, and providing more wide-ranging and valuable support to the business.

CLOSING THE SKILLS GAP

Technology alone does not deliver transformation. Success depends on people. The survey highlights three key capability gaps: specialized skills, data compatibility, and resistance to change.

Treasury systems are complex, so employees must be trained to use them effectively. While most insurers report that internal training programs are adequate, continuous investment in skills development remains essential. Data integration requires careful preparation to avoid disruption during deployment. Meanwhile, resistance to new ways of working must be managed through early, robust change management strategies.

When these gaps are addressed, insurers can unlock the full benefits of transformation – stronger liquidity management, greater efficiency, and improved financial performance.



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DISPELLING MISCONCEPTIONS

Two misconceptions continue to undermine projects. The first is the belief that transformation is a minor change initiative. In reality, it is a comprehensive strategy that reshapes processes, modernizes technology, and drives measurable performance gains.

The second is the idea that transformation can be delayed. In today's competitive environment, waiting is not an option. Insurers that postpone modernization risk falling behind peers already embedding digital-first approaches.

Beyond misconceptions, recurring pitfalls – weak scoping, inadequate training, poor data preparation, and resistance to change – frequently derail projects. Overcoming these challenges requires rigorous planning, proactive change management, and a clear focus on business outcomes.

FINANCE TAKES THE LEAD

Historically, digital transformation in insurance was seen primarily as an IT project. That has changed. Finance and treasury functions are now central to transformation, reflecting the importance of digitization in driving competitiveness and profitability.

Productivity is a key objective, with 85% of survey respondents targeting improvements and almost half naming it as their most important objective. Liquidity management is another priority, particularly as insurers contend with rising claims costs and broader financial pressures. These goals necessarily reinforce the role of finance and treasury teams.

Transformation initiatives are increasingly targeted, with measurable objectives, and involve the adoption of specialized tools, such as AI-driven forecasting and advanced analytics. Equally, to succeed, projects must be scoped precisely, financed responsibly, and supported by strong training and adoption programs. Again, such requirements play to the strengths of the finance and treasury functions.

Budgets are typically cross-enterprise, emphasizing collaboration between IT, finance, and other functions. When executed well, finance-led transformation delivers not only efficiency but also resilience, agility, and long-term competitiveness across the organization.



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LOOKING AHEAD

The insurance sector stands at a pivotal moment. Though it remains resilient, the industry faces powerful headwinds – from macroeconomic uncertainty to intensifying competition. Digital transformation offers insurers the means to adapt, innovate, and thrive.

As the survey makes clear, the drivers are well understood, the objectives are focused, and the tools are available. What matters now is disciplined execution. By investing in people as well as technology, rigorously scoping and funding projects, and aligning transformation with measurable business outcomes, insurers can unlock the full promise of digitization.

A fully digitized treasury is more than a technical achievement – it is a cornerstone of insurance built for the future. Those firms that embrace this opportunity decisively can not only enhance their financial performance but may also strengthen customer experiences and secure a lasting competitive advantage.



KAMIEL BOUW

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Treasury and Trade Solutions
Citi

ACTIONABLE INSIGHTS



PRIORITIZE PRODUCTIVITY AND PERFORMANCE IN DIGITAL STRATEGY

The leading drivers for digital transformation in insurance are financial performance (82%) and competitive advantage (80%). Leaders should align transformation initiatives with measurable business outcomes to maximize ROI.



MEASURE SUCCESS THROUGH TANGIBLE EFFICIENCY GAINS

Three-quarters of respondents assess digital transformation success by recorded efficiency improvements. Establish clear KPIs tied to cost savings and customer satisfaction to track progress effectively.



TARGET HIGH-IMPACT FUNCTIONS BEYOND IT

While IT remains a core focus, transformation efforts are increasingly directed at customer experience (51%), product development (43%), and treasury/finance teams (43%). Broaden the scope of digital transformation projects to unlock enterprise-wide value.



EMBED NEW TECHNOLOGIES WITH PURPOSE

Ninety percent of projects involve the introduction of new technologies. Ensure these tools are integrated with existing systems and supported by robust change management to overcome resistance and skill gaps.



MODERNIZE TREASURY FUNCTIONS TO STRENGTHEN LIQUIDITY

Over half (53%) of finance leaders report improved liquidity management post-transformation. Tools like SAP Treasury and AI-driven forecasting are proving essential, and their adoption and integration should be prioritized.



INVEST IN DATA ANALYTICS AS A STRATEGIC IMPERATIVE

Body: Enhanced data analytics is seen as central to future digital strategies by 53% of respondents. Make analytics a foundational element of transformation to drive real-time decision-making and agility.



MAINTAIN BUDGET DISCIPLINE THROUGH RIGOROUS PLANNING

Only 8% of projects exceeded budget, with overruns mostly linked to ineffective initial scoping. Effective planning, budgeting, and timeline management are critical to sustaining executive support and long-term investment.



CHOOSE VENDORS STRATEGICALLY AND EXPECT HIGH PERFORMANCE

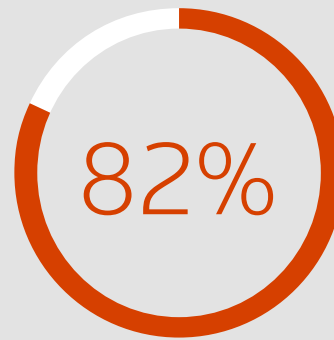
Nearly one-third (34%) of insurers said vendors exceeded expectations, and only five percent reported underperformance. Prioritize partners with proven expertise in generative AI and data analytics to ensure seamless delivery.

WHAT'S DRIVING DIGITAL TRANSFORMATION PROJECTS IN 2025?

Insurance organizations are navigating a landscape shaped by a complex mix of different but often interlinked disruptions. Rising claims costs, intense market competition and acute financial pressures are placing carriers under strain, driving the pursuit of productivity and efficiency gains throughout the business.

In response, many are turning to digital transformation projects to help them compete. While it may be easy to dismiss these as limited change programs, they have emerged as a potential one-stop-solution to drive deep productivity improvements while modernizing insurers to respond to new and emerging disruptions.

The leading drivers behind digital transformation projects are primarily linked to an insurer's overall performance in the market. As *figure 1* highlights, a significant majority



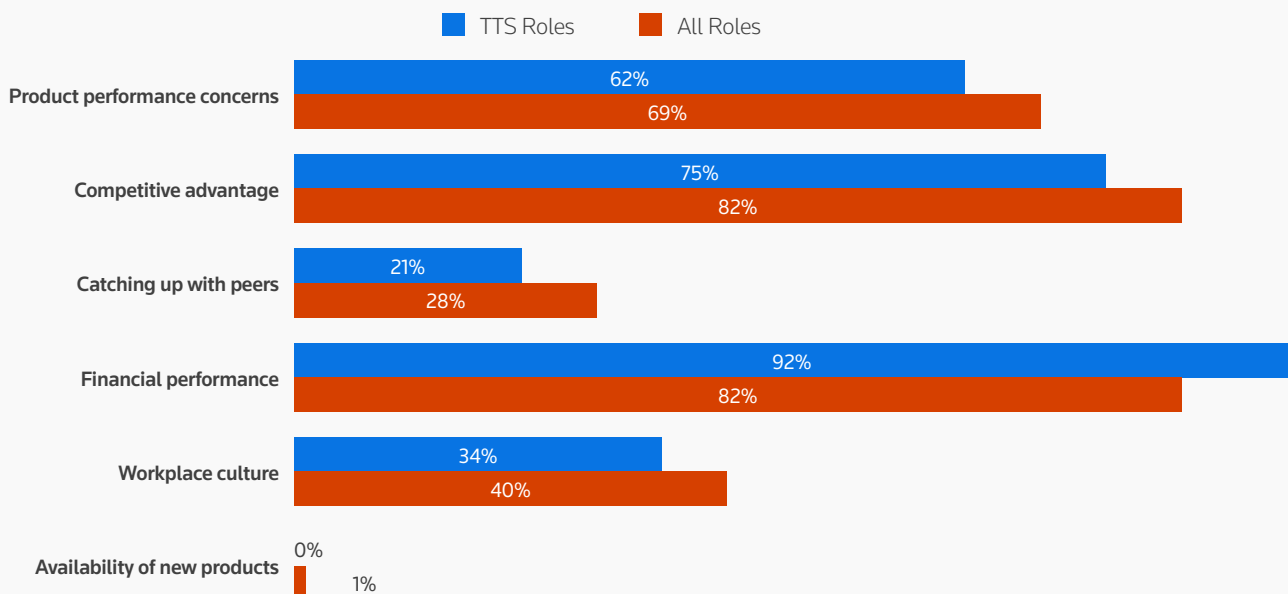
Share of respondents identifying financial performance and competitive edge as key drivers behind digital transformation projects

of insurers selected financial performance (82%) and competitive advantage (80%) as the key drivers behind their organization's most recent digital transformation project. Establishing these priorities reflects a pragmatic shift: digital transformation is no longer about experimentation, but about execution.

Figure 1

Financial performance is the key driver for digital transformation projects today

Thinking back to your organization's most recent digital transformation project, what were the key drivers behind it?
(Select all that apply) - Other (please specify) - Text - Coded by TTS vs Non-TTS



This is equally seen in how the leading objective for digital transformation projects is to improve productivity. Eighty-five percent of respondents identified this as among the key objectives of their organization's most recent digital transformation project, while 45% stated that this was the most important objective. Almost one in four respondents meanwhile stated that improving customer experience was the most important objective, showcasing how outside of the primary objective improving performance, customer experience remains an important consideration.

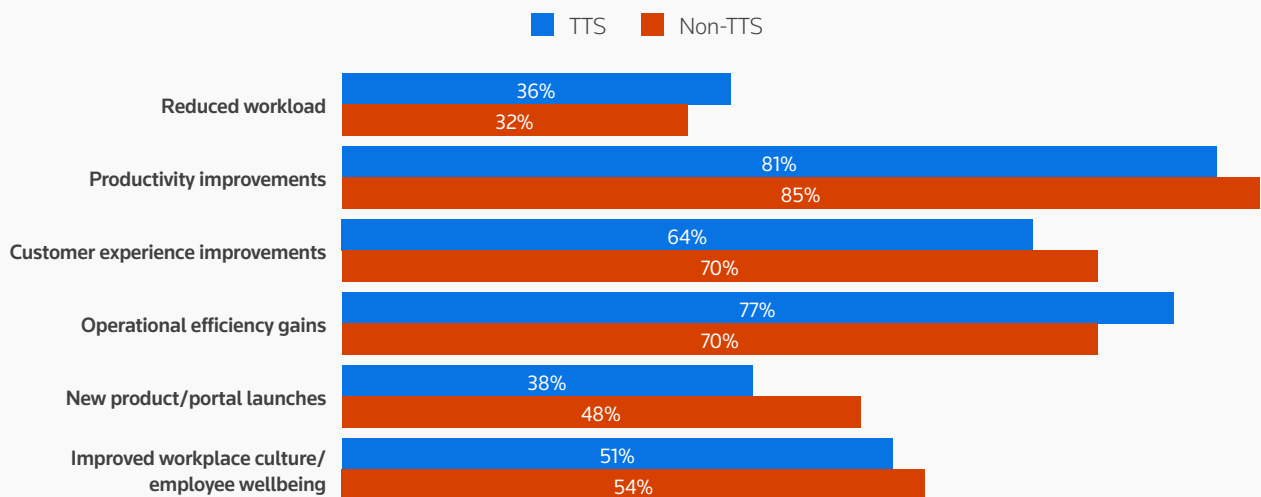


Share of respondents identified productivity improvements as among the key objectives for their most recent digital transformation projects

FIGURE 2

Digital transformation projects are typically being aimed at improving productivity and efficiency

What were the key objectives behind the project? (Select all that apply) by TTS vs Non-TTS



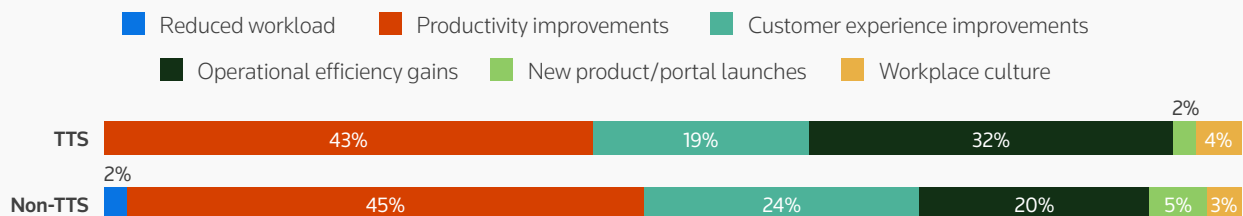
Reuters Events

Total sample - n=200
Reuters Events' Digital Transformation survey 2025

FIGURE 3

Insurers routinely consider productivity to be the most important objective for any digital transformation project

What was the most important objective for the project? (Select one) - Selected Choice by TTS vs Non-TTS



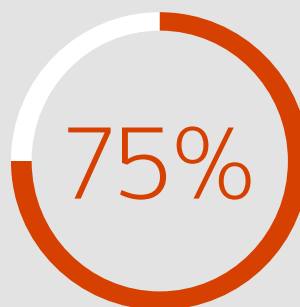
Note: Percentages might not add due to rounding error. This is a multiple choice question.

Reuters Events

Total sample - n=200
Reuters Events' Digital Transformation survey 2025



For that reason, it is unsurprising that three in four respondents said that the success of their organization's digital transformation projects is measured in tangible efficiency improvements that are delivered and recorded. Likewise, that almost two-thirds of respondents indicated that cost savings and improved customer experience/satisfaction are important metrics for success speaks to the operational importance of these two factors.



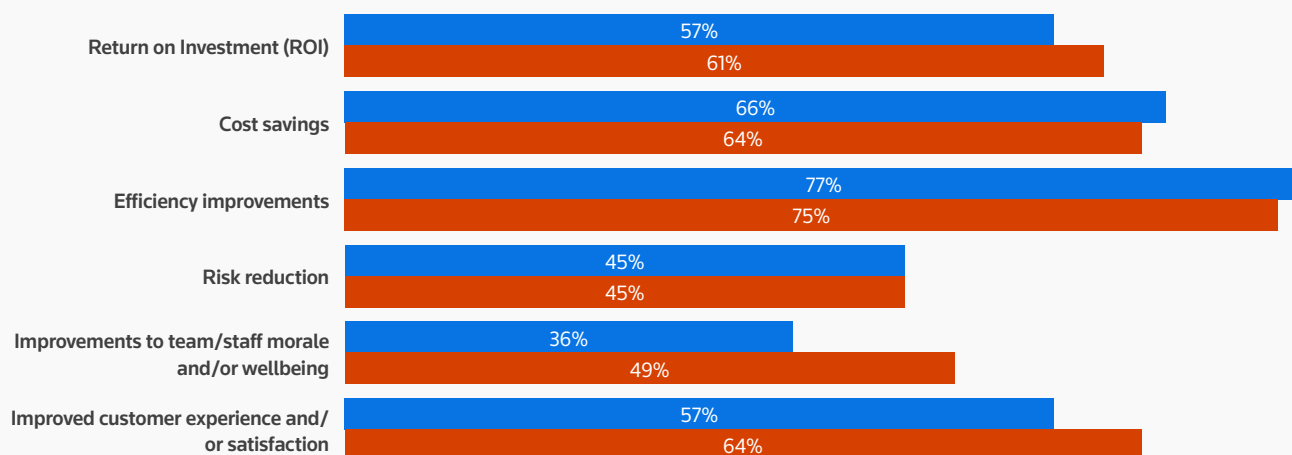
Share of respondents who identified efficiency improvements as the most important metric for success

FIGURE 4

While efficiency is the most important metric, financial factors are also critical for digital transformation

What were the key objectives behind the project? (Select all that apply) by TTS vs Non-TTS

■ TTS ■ Non-TTS



While digital transformation projects are perhaps most targeted at IT teams or functions within insurance organizations, projects are also commonly aimed at customer experience (51%), product development (43%) and treasury or finance teams (43%).

A significant majority of digital transformation projects feature new technologies being introduced and integrated within teams and functions. While introducing new working practices and making targeted improvements to overall team productivity were selected by nearly two-thirds (62%) of respondents each, 90% of respondents indicated that digital transformation projects primarily featured new technologies being introduced, showcasing the significant role new technologies are playing in modernizing insurance teams today.

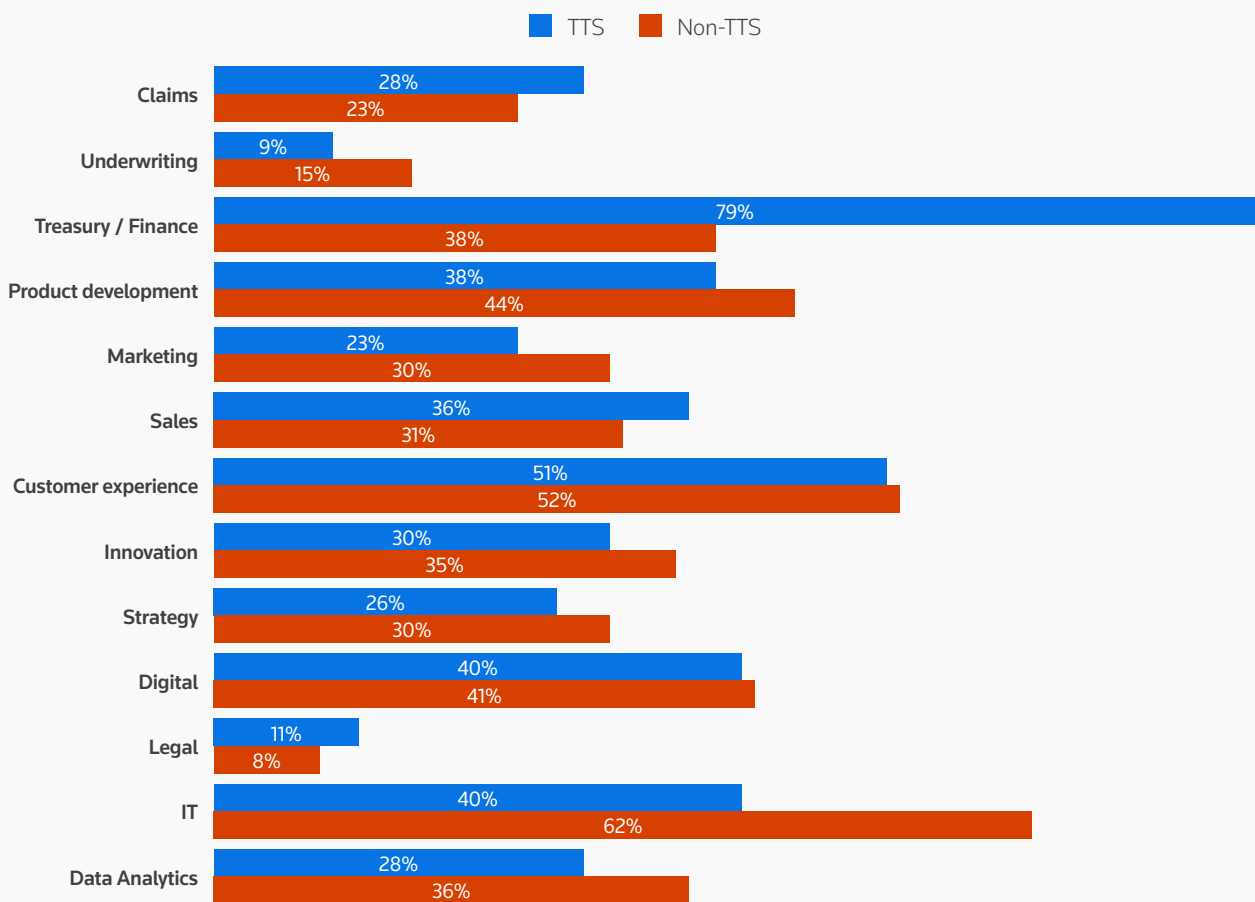


A significant majority of digital transformation projects feature new technologies being introduced and integrated within teams and functions.

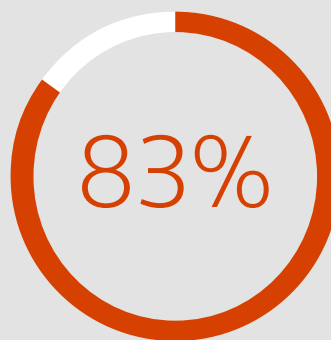
FIGURE 5

Outside of IT, insurers are mostly targeting customer experience, product development and digital teams with transformation projects

What specific departments or functions were the targets of the digital transformation? (Select all that apply) by TTS vs Non-TTS



With technology playing a leading role, it is pivotal that insurers consider three specific challenges: ensuring employees have sufficient skills or training, that new technologies seamlessly integrate with existing systems, and that any resistance to change is carefully managed. These three areas pose the three biggest challenges in delivering successful digital transformation projects and therefore must be taken into consideration and carefully planned for ahead of any project's start.

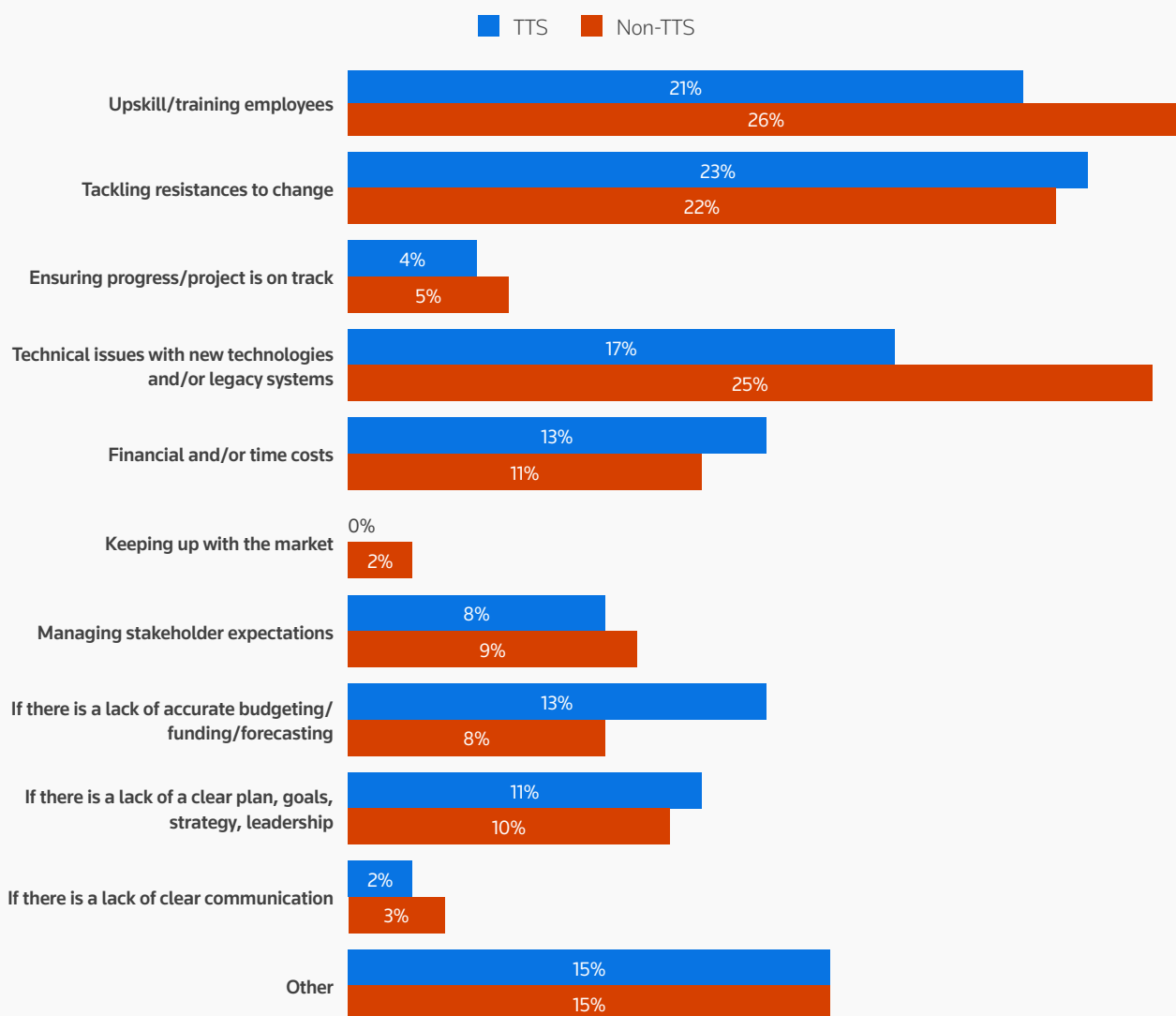


Share of respondents from treasury teams said introducing new technologies was a key feature of their most recent transformation project

FIGURE 6

Change management issues relating to employee training and internal resistance to new approaches are persistent challenges for insurers

What, in your opinion, are the biggest challenges in delivering a digital transformation project? - Coded by TTS vs Non-TTS



MODERNIZING THE TREASURY TEAM

While digital transformation projects are often cross-departmental – as indicated by how IT teams receive considerable focus – treasury and finance teams are often the subject of more dedicated digital transformations. These projects are more targeted in nature, designed to modernize a critical function and improve areas such as liquidity management – critical to the success of insurers facing a multitude of financial constraints and headwinds.

In this respect, we see an overwhelming improvement to liquidity management delivered by effective digital transformation projects. Of those surveyed from treasury and/or finance teams within insurers, more than half (53%) said liquidity management had significantly improved as a result of their most recent digital transformation project.

This may be attributable to new tools and technologies being procured, and our research indicates there is a clear favorite among treasury and finance teams. More than 80% of respondents said their team had procured SAP Treasury and Risk Management as part of their most recent undertaking, with the tool proving to be substantially more popular than FIS Quantum and ION Treasury, amongst others.

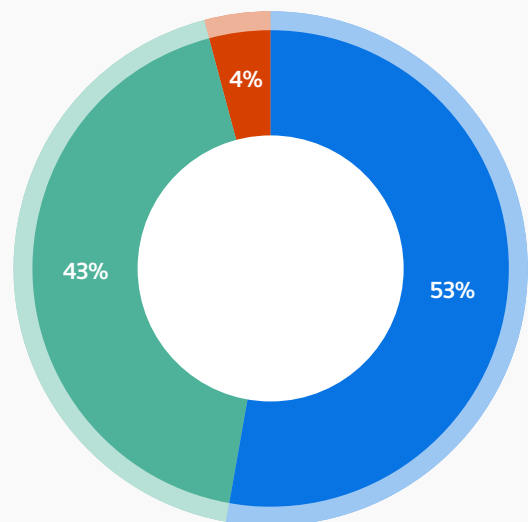
Alongside liquidity risk management software, we also see a considerable lean towards AI-driven financial analysis and real-time cash flow forecasting as tools that have benefitted the treasury and finance teams today. AI is now

Figure 7

A significant majority of digital transformation projects are improving liquidity management processes

How has the digital transformation project impacted your organization's liquidity management processes?

■ Significantly improved ■ Moderately improved
■ No change



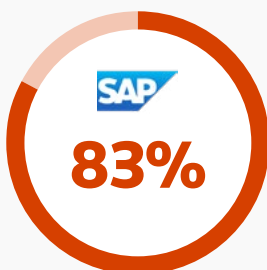
Reuters Events

Total sample - n=53
Reuters Events' Digital Transformation survey 2025

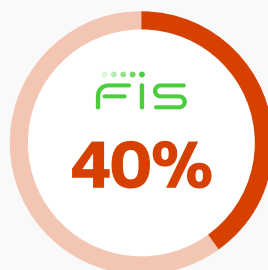
Figure 8

Tools including SAP TRM, FIS Quantum, ION Treasury and Kyriba are the most popular with TTS employees today

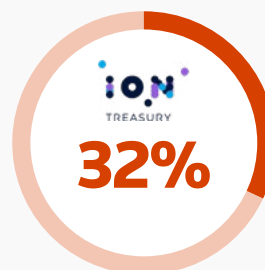
Which of the following Treasury Management Systems (TMSs) or financial software solutions, if any, were implemented as part of the digital transformation project?



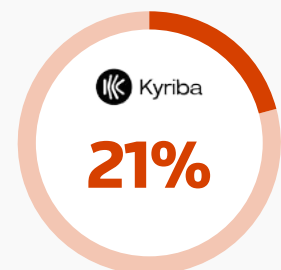
SAP Treasury and Risk Management



FIS Quantum



ION Treasury



Kyriba

Reuters Events

Total sample - n=53
Reuters Events' Digital Transformation survey 2025

an established, prevalent tool within teams and its ability to drastically reduce the lead time for financial analysis can be of significant benefit to teams often having to react quickly to fiscal pressures. Caution must be exercised over the potential for data inconsistencies or hallucinations, but this is clearly not proving a significant barrier for insurers.

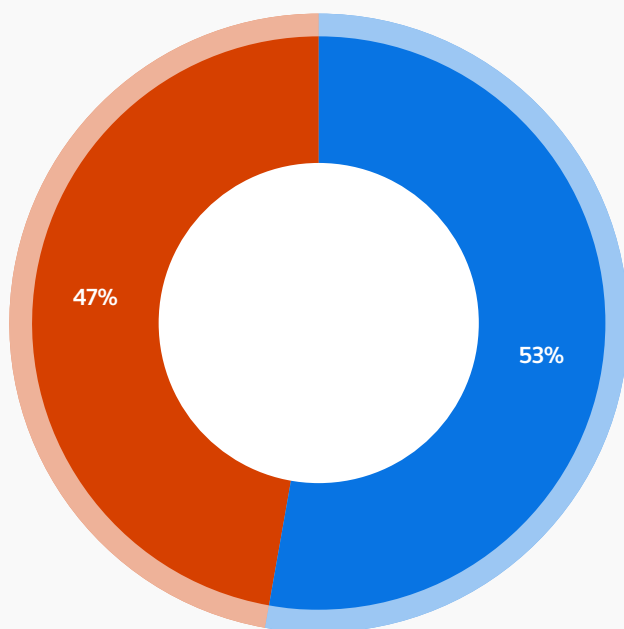
This is also evident in how there was effectively unanimous support for enhanced data analytics playing an important role in digital transformation strategies for treasury and/or finance teams. Furthermore, more than half (53%) said data analytics is set to play a central role in future digital strategies, cementing the notion that projects must not only include data analytics, but place them as the key component.

Figure 9

TTS teams are unanimous that treasury management and financial software solutions are playing at last important roles in transformation strategies

What role does data analytics play in your treasury/finance digital transformation strategy?

■ Central role ■ Important but not central



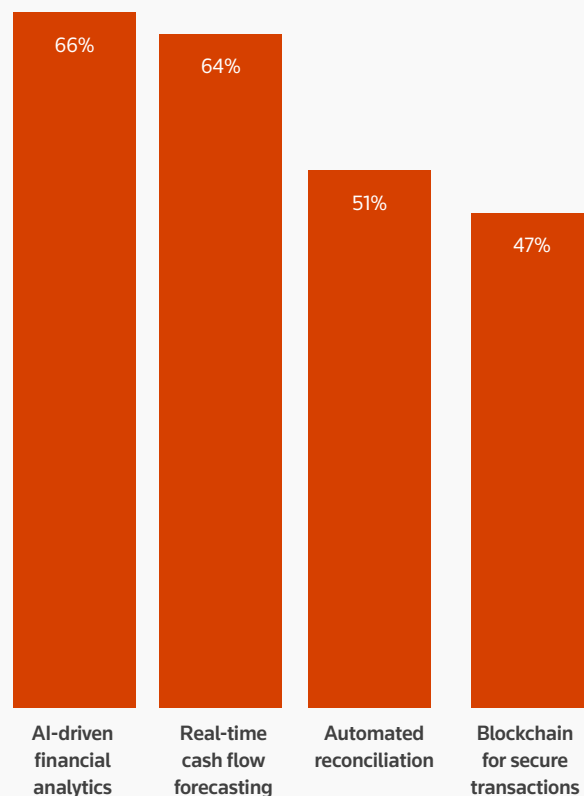
 Reuters Events

Total sample - n=53
Reuters Events' Digital Transformation survey 2025

Figure 10

AI-driven financial analytics and real-time cash flow forecasting are emerging as critical functionalities as treasuries digitize

What specific digital tools or technologies have been beneficial for your treasury/finance operations?



 Reuters Events

Total sample - n=53
Reuters Events' Digital Transformation survey 2025



Given the relatively unique functions and remits of the treasury and finance teams, it is important to consider the more specific challenges these teams may face during digital transformation projects. More dedicated user training and adoption is considered a critical factor in this regard, perhaps an indication as to how specialized such tools are. When procuring an entirely new system for a dedicated function,

it is therefore vital that organizations consider how the tool is to be properly embedded with teams and employees upskilled sufficiently to use it. We also see a majority of respondents indicating data compatibility issues as being challenging, indicating that organizations must consider any data transferability and/or transformation that may be required before a tool is integrated.

FIGURE 11

Treasury teams must consider user training and adoption plans during any integration strategy

What challenges did your organization face in integrating new digital tools with existing treasury/finance systems?

User training and adoption

64%

Data compatibility issues

55%

Budget constraints

49%

System interoperability

45%

FINANCIAL LEVERS AND BUDGET DISCIPLINE

Maintaining budget discipline is critical to the long-term success of digital transformation projects, both in terms of future affordability and how they are perceived by senior management. Projects that overrun or exceed budget are only likely to deter from future investment.

Digital transformation projects can, of course, be costly, especially for large, multinational organizations that may require extensive works. As our research shows, most projects fall within a broad investment range of between \$1 – 20 million, while just 12% of respondents said their most recent project exceeded \$20 million in overall cost.

FIGURE 12

A majority of digital transformation projects are allocated less than \$10 million in funding

What budget was allocated to the digital transformation project? by TTS vs Non-TTS

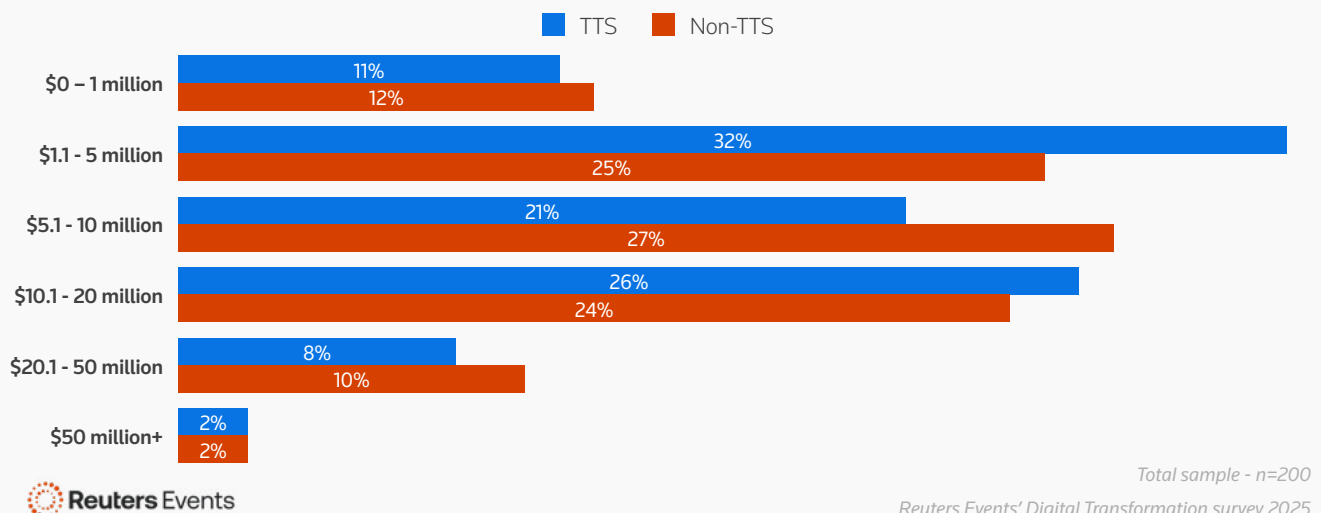
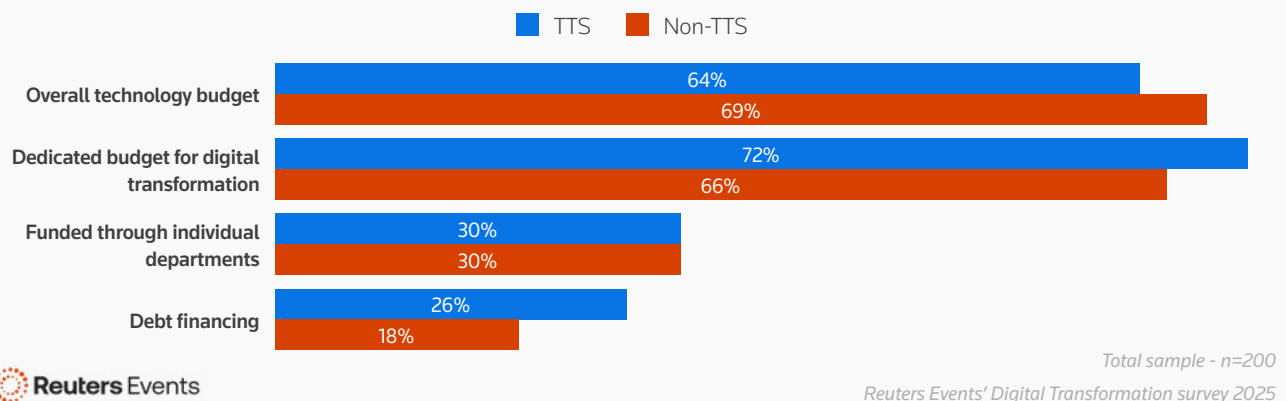


FIGURE 13

Budgets for digital transformation projects are mostly coming from overall tech budgets or dedicated pots of funding

What budget was allocated to the digital transformation project? by TTS vs Non-TTS Where was the budget allocated from? (Select all that apply) by TTS vs Non-TTS



These budgets are for the most part being financed from organizational technology budgets or dedicated funds established for digital transformation. It appears to be rare that insurers are funding transformation through individual departmental budgets – perhaps an indication that such projects are often cross-departmental undertakings – and rarer still that debt financing is being sought.

With such sizeable budgets being afforded to digital transformation projects, budget discipline is critical. For the most part, insurers are successfully showcasing budget discipline, with just eight percent of respondents stating that projects came in over budget. In the rare case that there were cost overruns, this is mostly attributable to costs having

increased over time or the initial budget not being sufficient to cover the scope of works. This indicates the importance of considering the time it takes to deliver widescale digital transformation projects, especially during times of economic volatility and heightened inflationary pressure.

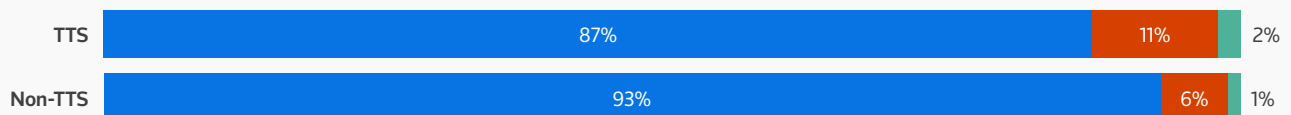
It is perhaps unsurprising to see then that the most critical factor in delivering a digital transformation project on budget is through effective research, planning and budgeting. Having an acute understanding of project costs, timescales and likely barriers or obstacles to deployment is critical to keeping a project on course financially.

FIGURE 14

A significant majority of digital transformation projects come in on budget

Did the digital transformation project come in on budget?

■ Yes ■ No ■ Don't know



Reuters Events

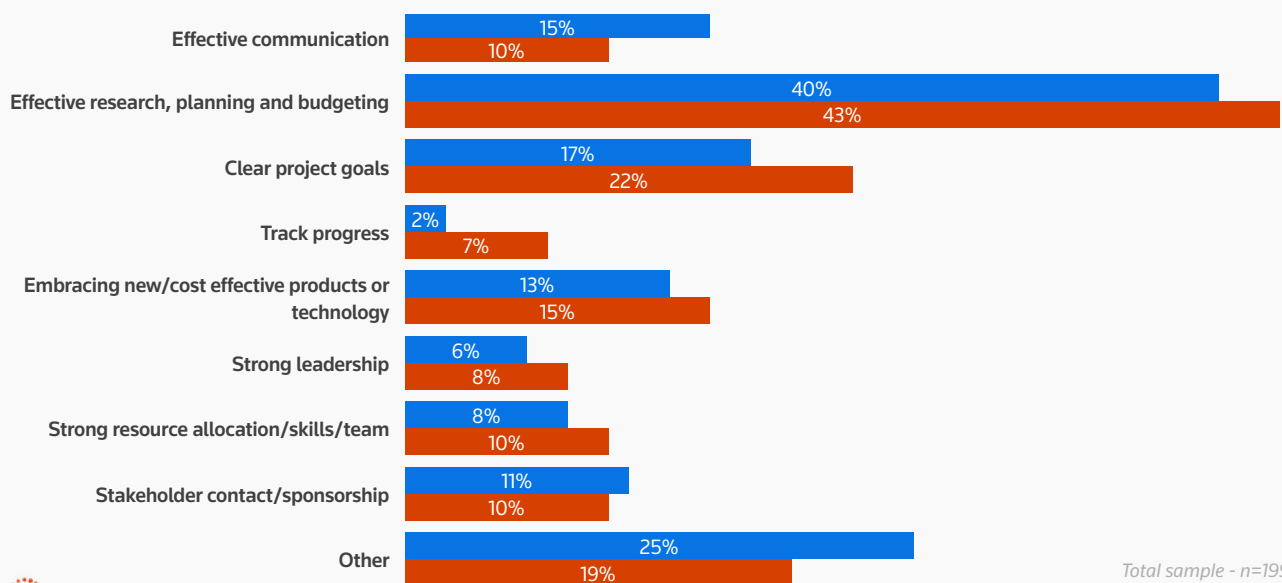
Total sample - n=200
Reuters Events' Digital Transformation survey 2025

FIGURE 15

Insurers consider research, planning and budgeting as critical to the success of digital transformation projects

What do you believe is critical to delivering digital transformation projects on budget?

■ TTS ■ Non-TTS



Reuters Events

Total sample - n=199
Reuters Events' Digital Transformation survey 2025

TECHNOLOGY, VENDORS AND PROCUREMENT BEST PRACTICE

Having established technology procurement as a pivotal factor in any digital transformation project, it's important to understand what makes for successful tech procurement.

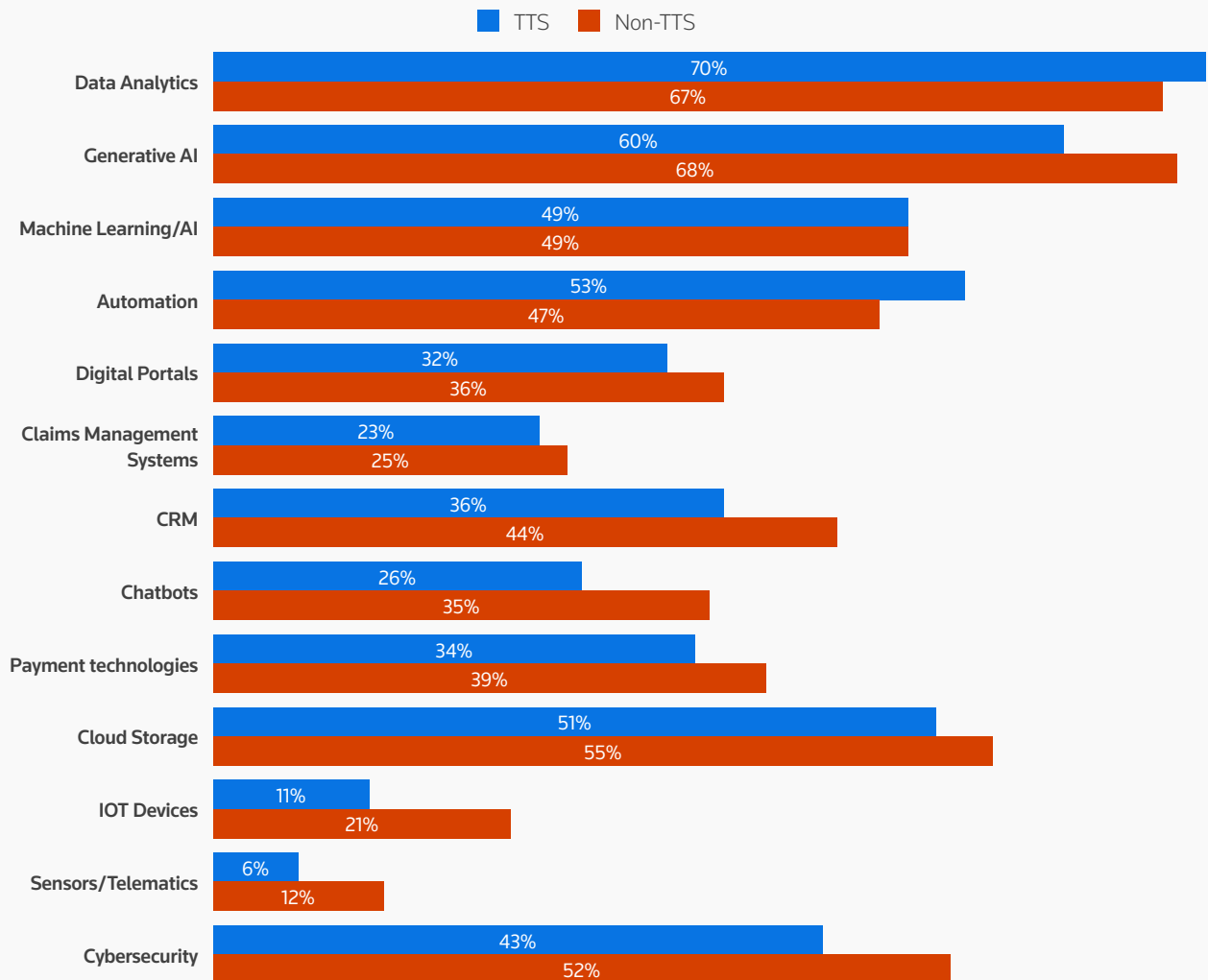
Our research shows that there are two clear front runners in terms of technologies being procured as part of digital transformation projects today: generative AI and data

analytics. These two technologies, identified by around two-thirds of respondents each, have become the cornerstone of technology procurement in recent years with insurers intending to optimize and improve processes through enhanced data and enabling employees to automate routine tasks.

FIGURE 16

Data analytics and generative AI are the two most commonly included technologies within digital transformation projects today

Under the digital transformation project, what specific technologies were invested in and/or procured?
(Select all that apply) by TTS vs Non-TTS





Technology vendors are the most popular partners for digital transformation projects, however consultants and digital agencies are also popular collaborators, highlighting the need for specialist advice and hands-on expertise in certain domains. We see far less use of InsurTechs as partners in digital transformation projects today, indicating the perhaps niche or isolated role for them to play in transforming how insurers operate.

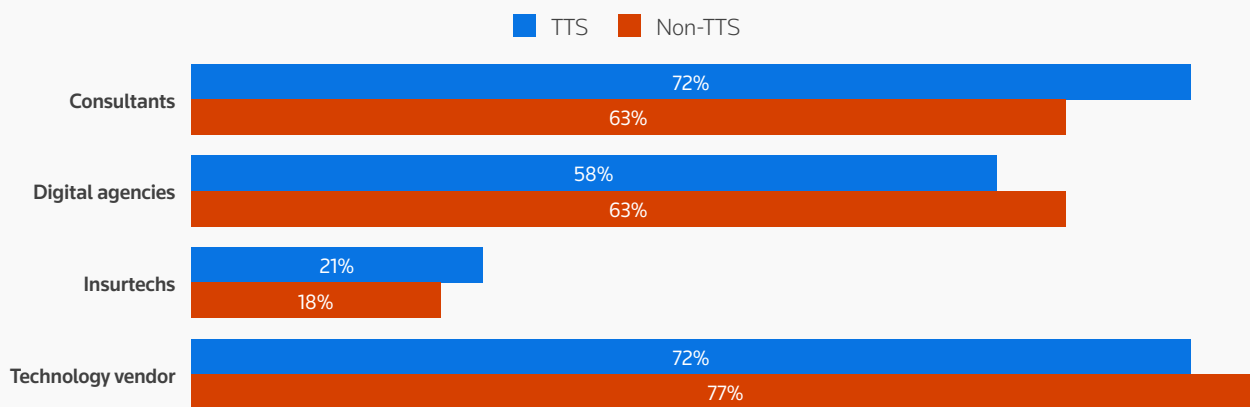


There is far less use of InsurTechs, compared to other partners, in digital transformation projects today.

FIGURE 17

Insurtechs are only used by a minority of insurers for digital transformation projects

Which vendors or partners did you approach to assist on the project? (Select all that apply) by TTS vs Non-TTS



Our research also indicates that very rarely to vendors, supply chain partners or project collaborators fail to live up to expectations. Indeed, just five percent of respondents said previous vendors or partners partially met expectations, while around one-third (34%) said partners actually exceeded expectations. While vendor vetting and due diligence remains critical, it would appear that insurers are – largely – getting this correct.

“

Just five percent of respondents said previous vendors or partners failed to meet expectations.

The same is true of the technologies that are being procured. We see only minimal indications that technologies are living up to their initial promise or premise, suggesting that technologies being integrated with minimal issue.



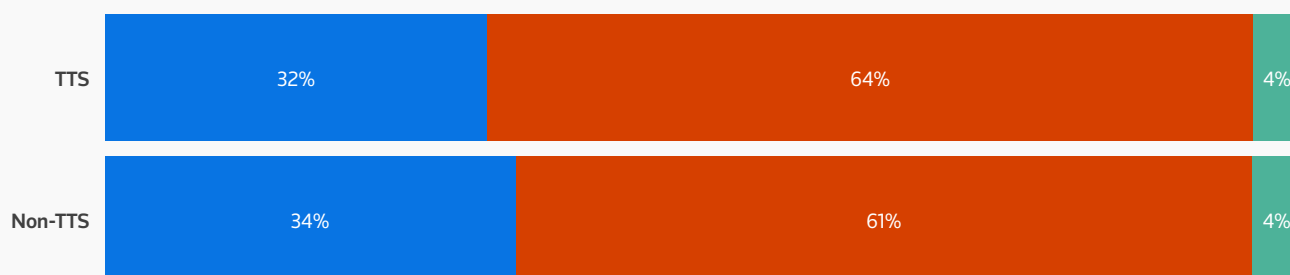
IRSTONE/ADOBE STOCK

FIGURE 18

Both vendors and their technologies are mostly meeting or exceeding expectations

Did those vendors meet expectations? by TTS vs Non-TTS

■ Exceeded expectations ■ Met expectations ■ Partially met expectations



Note: Percentages might not add due to rounding error. This is a multiple choice question.

Total sample - n=200

Have the technologies introduced as part of the transformation project lived up to expectations? by TTS vs Non-TTS



Total sample - n=199

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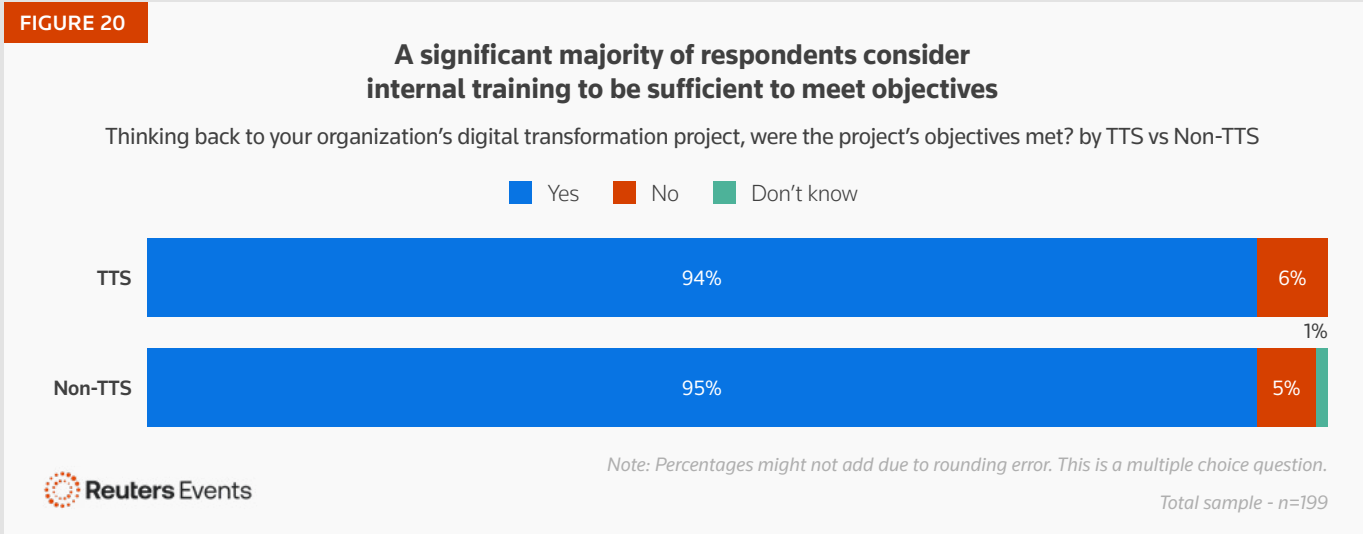
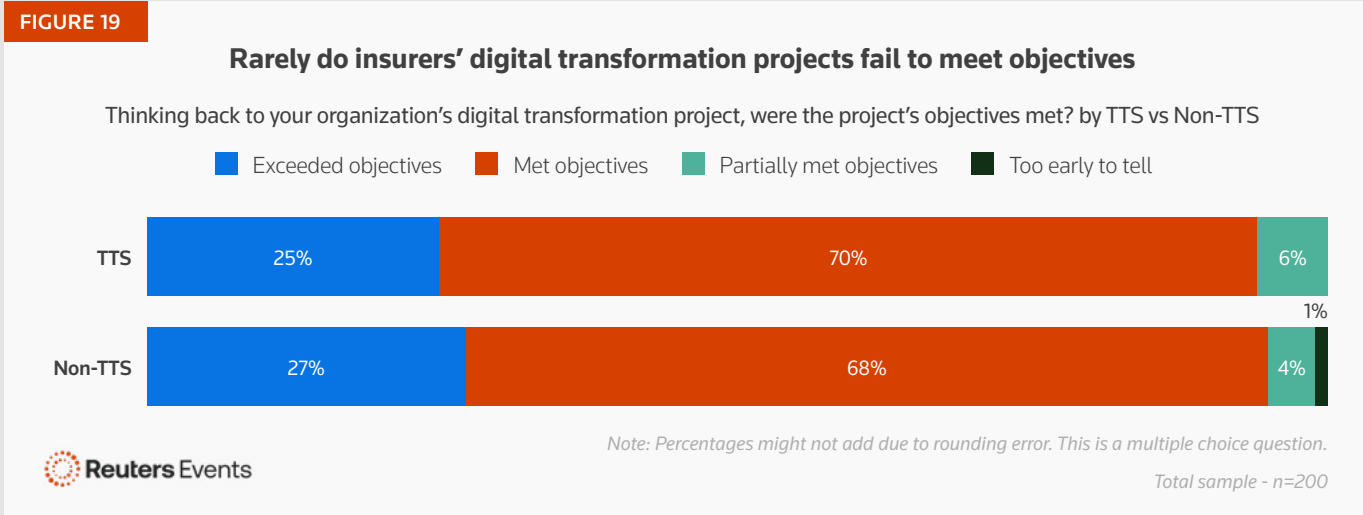
Reuters Events' Digital Transformation survey 2025

This is corresponding to a large degree of success when it comes to digital transformation projects meeting their objectives. Just four percent of respondents said digital transformation projects had only partially met their objectives, while 26% said their most recent project had actually exceeded its objectives. Having already established the primary objectives for such projects to be enhanced productivity, we can conclude that digital transformations are ushering in a new era of efficiency for insurers, and those that have not transformed – or are currently transforming – processes digitally risk being left behind.

We also a significant majority of respondents signaling that internal training was sufficient for delivering the project, with just five percent of respondents indicating that their most recent project was set back by the training on offer.



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METHODOLOGY

This report is based on the findings from *Reuters Events' Digital Transformation survey*, carried out in Q2 2025.

The survey engages with professionals from a range of insurance organizations catering for various markets such as health, auto, reinsurance, travel/assistance and others. Respondents for this survey were required to be part of an insurance organization where they had implemented a digital transformation project in the last three years and have specific first-hand knowledge and/or experience of that digital transformation project. Survey invitations were sent to an external panel.

A total of 200 respondents across the globe participated in the survey with 73% of respondents' organizations operating in North America, 30% in Europe, the Middle East and Africa, 23% in Asia Pacific and 18% in South America.

Twenty-nine percent of respondents were of CEO/senior leadership level, 59% were senior management level who report to organizational leadership and lastly, 13% were in mid-management positions.

The data was gathered through web surveys which were designed and implemented following strict market research guidelines and principles. For data analysis, significance testing at 95% confidence intervals was conducted. There might be limitations where the survey cannot represent an overview of all companies undergoing digital transformation; the representativeness might be limited in certain regions.

ⁱ <https://www.reuters.com/markets/asia/chinese-investors-rush-offshore-assets-spurs-hong-kong-wealth-inflows-2024-06-16/>

ⁱⁱ <https://www.reuters.com/article/business/brexit-boom-lifts-luxembourg-insurance-sector-idUSL5N22I4VI/>