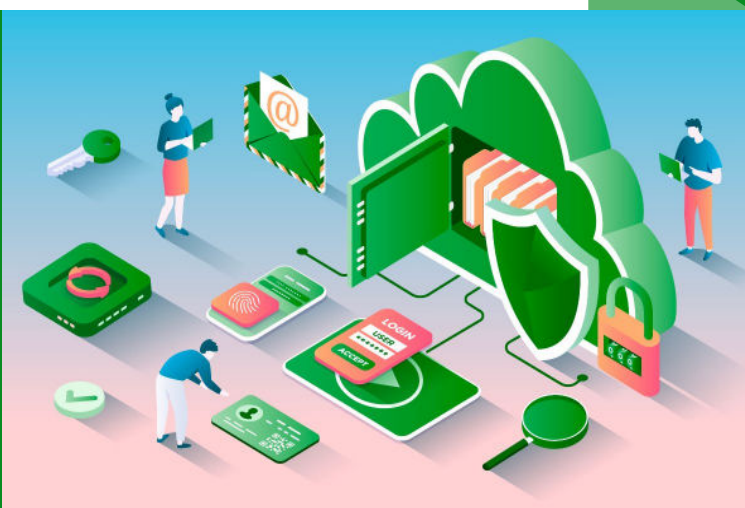


WHITEPAPER

Harnessing Automation, Cloud and SaaS to Transform the Policyholder Experience

Insurers seek tech solutions to future-proof their businesses.



The insurance industry is rapidly evolving, driven by rising customer expectations and more frequent catastrophic claims. Automation and AI are unlocking game-changing improvements in customer experience and efficiency, raising the stakes to keep digital pace with industry peers. Premium payment and claims processing — key touchpoints for policyholders — are prime targets for digital transformation as they represent not only the most frequent customer interactions, but also where the value of premiums being paid are best realized. Insurance professionals see the biggest potential for automation in claims processing and customer service, making technology crucial for long-term customer satisfaction and retention success.

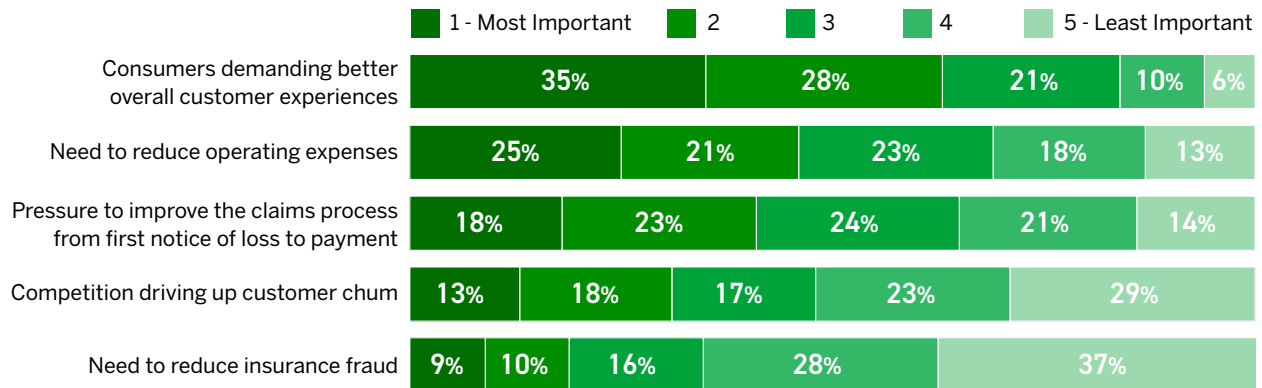
Arizent Research — the parent company of Digital Insurance — surveyed leaders and staff at insurance carriers, agencies and tech firms to see what digital trends they expect to shape their industry, as well as what technologies or processes they are pursuing to make their organizations more competitive and how these will inform their business strategies in 2025 and beyond. The results show that most firms are looking to increase their technology spend in 2025 to improve the customer experience and reduce operational expenses, but they often lack a comprehensive strategy to ensure they maximize the value of their investment.

Customer experience is driving digital strategy in 2025

Above all else, customer experience is driving insurance companies' digital strategies in 2025. More than one-third (35%) of insurance professionals say that consumer demand for a better overall customer experience is the single most important factor in their tech and digital strategy. Angela Abbott, AVP Sales, Insurance at InvoiceCloud, recommends that insurers target premium payments first: "Optimizing the billing and payment touchpoint is the simplest and most effective way to modernize your policyholder's overall experience."

Pressure to improve the claims process, also a key component of the customer experience, ranks highly on its own (see Figure 1).

Figure 1: Insurance companies' 2025 digital priorities are led by CX and efficiency



Source: Arizent Research/Digital Insurance, 2025

Even as insurers ramp their spending on customer experience initiatives, they remain concerned with reducing their operating expenses. These dual goals have the potential to increase their technology budgets further. Over three-quarters (78%) of firms are planning to spend more on tech this year than they did in 2024 — foundational parts of the tech stack that support both objectives are high priorities, including AI tools (36%), data and analytics (28%) and cloud/digital infrastructure (26%). Respondents are largely targeting practice areas that revolve around customer interactions as they plan to deploy these technologies, most frequently in customer service, sales/quotes and claims.

If given a magic wand to fix one thing standing in the way of the future of their business, insurance professionals are most likely to choose improving risk identification (23%), modernizing legacy systems (22%) and understanding customer needs (21%).

“Back-office digital transformation can be a daunting task, so it makes sense to prioritize the processes that directly support key elements of the customer experience,” says Abbott. “For example, make it easier for customers to pay their premiums when, how and where they prefer and give claimants faster, more reliable access to funds.”

American Farmers and Ranchers Insurance modernized its payment technology with InvoiceCloud and achieved 62% digital payment adoption and a tenfold increase in paperless adoption, which saved \$95,000 in print and mail costs the first year. (Watch a [three-minute interview with American Farmers and Ranchers Insurance CFO Bernadette Autrey](#).)

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Automation tools can help improve customer service and operational efficiency goals

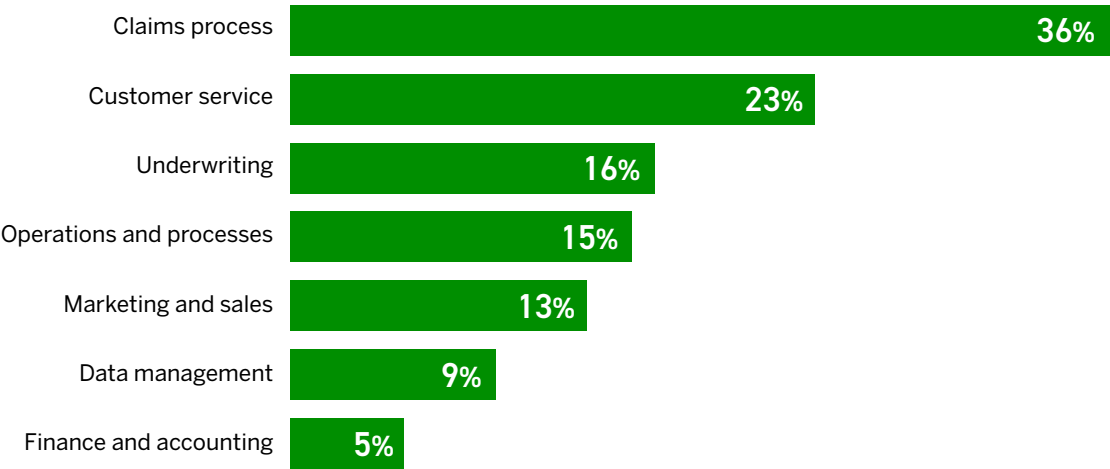
Improvements that advance both customer service and operational efficiency goals at the same time can help insurers get more bang for their technology buck. Advanced automation tools can help achieve this level of efficiency.

Consider two key customer touchpoints: premium payments and claims processing. Premium payment represents the most common interaction between a customer and their insurer. Ensuring those transactions are as seamless as possible is critical in an industry where it has become easier than ever for customers to change carriers.

While the claims process happens less frequently, it’s more sensitive, representing the moment of truth for an insurer to deliver on its promise. When policyholders file a claim, they ultimately discover the true value of their policy. Delays in filing paperwork or processing a claim leave customers waiting for critically needed funds and often have a negative impact on the perceived value of their policy.

Increasing automation in these processes can improve operational efficiencies in ways that directly affect the customer experience. In other words, the efficiency boost automation can provide is likely to benefit both insurers and policyholders. For example, digitized payment solutions can overcome the challenge of splitting payouts among multiple recipients by allowing claimants, lienholders, vendors and partners to receive payment in their preferred method, effortlessly. The right solution reduces fraud and saves time for both insurers and the insured. Indeed, insurance professionals see the greatest potential to leverage automation to their advantage in the claims process and in support of customer service more broadly (see Figure 2).

Figure 2: Insurance professionals see claims processing and customer service as the biggest opportunities for automation

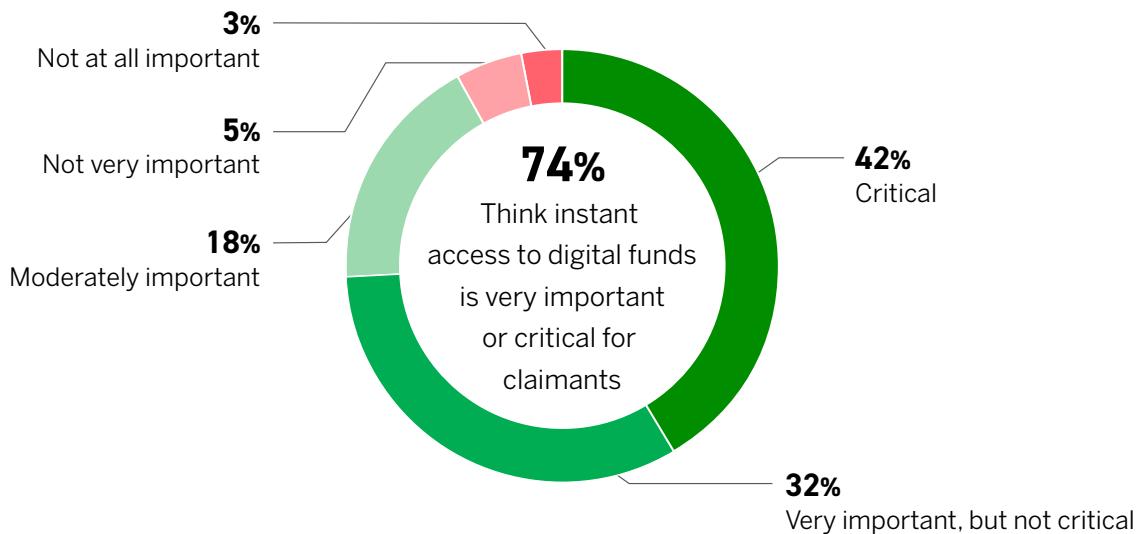


Source: Arizent Research/Digital Insurance, 2025

The value of an improved claims process

As catastrophic weather events have become increasingly common, the potential impact of a cumbersome claims process has grown. For insurers, this trend has increased the importance of reducing the time between first notice of loss and claims payout. Nearly three in four respondents (74%) believe that providing claimants instant access to digital funds is very important or critical in this era of extreme weather (see Figure 3).

Figure 3: Catastrophic weather events have increased the importance of instant access to digital funds



Source: Arizent Research/Digital Insurance, 2025

Automation tools that reduce the burden of manual tasks in the claims process can also have a meaningful impact on both the customer experience and operational efficiency. Policyholders get quicker access to payouts, which allows them to get back on their feet sooner. Meanwhile, insurers free up staff for more valuable operational tasks.

The right automation tools produce long-term benefits

Insurers that take a forward-looking approach have the opportunity to increase the long-term payoff of their digital transformation efforts. If the automation tools they adopt to tackle their near-term priorities establish a platform that allows for future upgrades and expansion, insurers can pave the way for continuous improvements down the road. This approach checks another important item off of insurers' wish lists: More than half (55%) of respondents say that having constant access to the most up-to-date version of their software without any system downtime, additional cost or need for IT resources would meaningfully improve their operations.

Automation platforms that enable future upgrades ensure that firms are offering best-in-class customer experiences now and into the future. This capability will be particularly important as AI-powered tools continue to unearth new automation opportunities — and as the younger generation comes of age. Three-quarters (75%) of insurance professionals believe that younger consumers want a more fully digital experience. Preparing now for future advancements in automation could help firms stay ahead of these shifting consumer preferences.

Insurers may find software-as-a-service (SaaS) solutions particularly advantageous given the pace of innovation in AI technology. As firms seek out SaaS partners, it's worth looking for those that can support a comprehensive technology strategy by demonstrating strong adoption rates among end customers of key features — such as digital payment, autopay and paperless interactions — that directly benefit both the customer experience and the bottom line.

“By taking advantage of today’s best-in-class payment innovation and automation opportunities, insurers can cultivate a modern data infrastructure and customer interface that makes it far easier to adopt new technologies as they emerge,” says Kevin Moon, Senior Sales Manager, Financial Services at InvoiceCloud.

The SaaS difference

A software-as-a-service (SaaS) platform offers several advantages in supporting organizations' CX- and operations-driven digital strategies. But many providers that claim to offer SaaS leave out the most critical feature: automatic, continuous upgrades.

A true SaaS solution requires a one-time integration. After that, the provider handles any upgrades and enhancements to the software — without interrupting service and without further IT work from you.

A few potential benefits of this model:

- Remain compliant with shifting data privacy regulations.
- Save on IT resources.
- Limit downtime.
- Stay on top of advances in technology as they emerge, which makes it possible to continue offering customers the best experience possible.

On average, InvoiceCloud customers see a 49% increase in e-payment adoptions, a 58% increase in paperless enrollment and a 40% reduction in late payments after one year live on the platform.

Visit InvoiceCloud.net to learn more.

Source: Based on data collected from customers that went live on the InvoiceCloud platform in 2022 and 2023 and had 12 months' worth of available payment data as of December 2024.



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— **Kevin Moon**, InvoiceCloud

Methodology

This research was conducted online in October and November 2024 among 120 leaders and staff at insurance carriers, agencies and tech firms. Last year's survey was conducted in October and November 2023 among 100 respondents, allowing for year-over-year comparisons where applicable. .



About InvoiceCloud

InvoiceCloud provides modern digital payment, customer engagement, and outbound disbursement solutions. The company services more than 3,250 customers across the utility, government, and insurance industries and is a leader in the electronic bill presentment and payment (EBPP) space. InvoiceCloud's SaaS platform enables continuous enhancements to the customer experience resulting in higher digital payment, AutoPay, and paperless adoption rates. By switching to InvoiceCloud, clients can improve customer engagement and satisfaction while lowering costs, accelerating payments, and reducing staff workloads.

To learn more, visit InvoiceCloud.net.



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Arizent delivers actionable insights through full-service research solutions that tap into their first-party data, industry SMEs, and highly engaged communities across banking, payments, mortgage, insurance, municipal finance, accounting, HR/employee benefits and wealth management. They have leading brands in financial services including American Banker, The Bond Buyer, Financial Planning and National Mortgage News and in professional services, such as Accounting Today, Employee Benefit News, and Digital Insurance.

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