

Employee Benefits Insurers Must Act Strategically When It Comes to Enterprise Architecture and AI



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Most employee benefits insurers rely on outdated legacy core systems wrapped with point solutions and layers of expensive, one-off technology integrations. Core data resides across these systems, often missing, inaccurate or duplicated. Similarly, processes can be broken and manual, with swivel-chair screen hopping often the norm.

While their technology environment is slow and expensive, day-to-day business pressures have made it difficult for leaders to think strategically about their future business model and supporting enterprise technology. However, there has never been a more crucial moment to think and act strategically. True enterprise transformation has never been more important or more achievable.

AI is a seismic technology innovation that will change the way we work. The strategic question for employee benefits carriers is not:

"Where can we use AI?"

It really should be:

"What is the correct enterprise architecture if we expect our software to increasingly execute work and give us a competitive edge?"

Change is coming fast and leaders should be asking:

"What must we stop doing and what must we start doing to ensure we correctly embrace this competitive opportunity?"

Those willing to act strategically will win. This is the moment to set the correct course – making the right decisions now, even difficult ones involving sunk costs, will deliver significant gains quickly and will save a lot of pain down the line.

A Modern Core Benefits Platform Enables Carriers to Focus on Having Fewer Systems and Technologies, Not More

The biggest advantage does not come from adding more tools, technology layers and point systems. It comes from having clean, real-time, trustworthy data mastered by an enterprise core platform, architected and purpose-built for a modern life, accident and health benefits environment spanning group, voluntary, individual and absence benefits.

A modern benefits platform is where the work happens and where the core data is mastered. It not only helps people administer benefits, but will increasingly participate in the administration and, indeed, eliminate much of what we term "administration" today, thereby freeing people to focus on protecting, advising and increasing products and services to customers.

A benefits platform with embedded AI in its foundation will continually deliver insight, intelligence and a superior form of automation, providing a huge opportunity to drive business

performance and superior customer experience.

Agents inside the platform understand the data and work context, make decisions within predefined guardrails, execute permitted transactions, monitor outcomes and involve people when oversight and judgment are required.

It is crucial to distinguish this from simply adding AI layers to a legacy or fragmented multi-system and technology environment. An external AI agent can produce an answer to a question, but a core platform-embedded agent can do something about it.

A modern benefits platform should recognize a qualifying life event, determine which information is required, identify what is missing, and guide an employee through only the necessary steps. It should validate submissions against regulatory and plan conditions, collect premiums, make payments, monitor responses, and deliver outcomes, etc.

If something could go wrong, it should identify the exception and bring a person into the process with the relevant context already assembled.

In other words, the system doesn't simply record what happened; it takes permitted actions, provides insights, and helps people deliver optimal outcomes.

The shift from a *"system of record"* to a *"system of automation, intelligence and orchestration"* is already happening.

Architecture and Governance Are Crucial for AI

The architecture of a modern benefits systems environment is vitally important given the regulatory requirements and mission-critical nature of a carrier's business operations. A modern, purpose-built core platform offers the correct foundation, with core data and processes mastered securely and efficiently to the highest industry standards and compliance.

Agents living outside a core platform are another technology layer that must be kept compliant and managed: another inbox, workflow, dashboard, integration, place to maintain context and security. This adds complexity, reduces agility and speed, and increases the cost of ownership. Therefore,

it is vital that external system agents are not duplicating or interrupting what a core agent should be doing, meaning architecture clarity is always crucial.

There should always be a need for secure, two-way data flows through APIs to specialist systems, technologies and industry platforms. Again, getting the enterprise architecture right here ensures these connections are optimized and secure, while the core platform controls and orchestrates the core benefits processes and data.

Core agents exist together with core data, context and workflow – they inherit the platform's integrity, security, robustness, scalability and reliability. Agents are maintained and updated as part of the core platform, enabling them to move beyond generic point assistance in a controlled, monitored and industry-compliant manner. A modern core platform also has the advantage of providing secure and full audit trails of activity across core production operations.

Agents Need Guardrails

As we deploy and "empower" agents in a modern core system, work becomes more streamlined, but we as humans always remain in control. The buck stops with us – we own decisions, with responsibility and accountability.

An agentic modern employee benefits platform is the mission-critical system of control, insight and action. It monitors and governs core agents – it controls what an agent is empowered to do, what requires approval, what requires human judgment, and how every action can be explained and audited.

As part of core platform onboarding, organizations need to answer questions such as:

- ▶ Which actions can an agent execute autonomously?
- ▶ Which actions require employee confirmation?
- ▶ Which decisions require a benefits professional?
- ▶ What data can each agent access?
- ▶ How are actions logged?
- ▶ How can an action be reversed?
- ▶ How are exceptions handled?



- ▶ How do we know why an agent made a particular decision?
- ▶ How do we measure agent performance?

FINEOS has thought deeply about these and other important questions to ensure our clients benefit from a core platform built on integrity, trust and reliability.

This is far more important than simply layering on point intelligence or automation.

People are responsible for system outcomes. A modern benefits platform understands work, coordinates it, executes it, monitors it, delivers data insights and, vitally, enables people to remain in control.

Over time, core agents come to understand the employee, employer, plan, transaction and the moments within the benefits lifecycle.

Architecture is vital. The agentic governance process becomes **understand, decide, act, monitor, escalate**.

The Human Becomes More Valuable

The rise of AI in a modern core benefits platform will inevitably raise the question: What happens to the people who administer benefits?

The better question is: What happens to the work those people spend their time doing?

Employee benefits professionals bring valuable expertise, empathy, judgment, relationships and institutional knowledge. Yet much of their day can be consumed by administrative tasks and coordination:

- ▶ Searching for information
- ▶ Re-keying data
- ▶ Monitoring transactions
- ▶ Sending follow-ups
- ▶ Comparing records
- ▶ Looking for missing documents
- ▶ Checking whether something happened
- ▶ Investigating why it didn't

These tasks should not require a human being as core agents increasingly take responsibility for routine execution and coordination.

People will spend more time working where their expertise creates disproportionate value, advising, resolving complex cases, supporting employers and employees, building relationships, making decisions and strategizing.

The goal is to remove unnecessary administration from people, so they are free to focus on improving the business.

User Experience Improves as Work Is Streamlined, Simplified and Automated

The user experience and productivity gains from a modern benefits platform will continually improve as the carrier adopts more of the platform and as agents automate and take on more routine work.

Of course, people must always know exactly what is happening under the hood. Trust must never be in question. Testing, piloting and training are vital to maintaining strong levels of trust, adoption and success.

People "change management" is also vital with a modern benefits platform as the user experience continually evolves. There are different generational adoption patterns and levels of trust in new technology across the workforce, so how change is introduced, monitored and managed is, therefore, crucial.

An evolving user experience is on the way for the people who are open to it. Innovative advances are certain, and the nature of work will change.

Employee benefits carriers who move to a modern enterprise architecture that supports continual adoption and corporate agility will grow their competitive advantage. Those who keep the status quo and fail to modernize will experience declining economics and will continually fall behind. It doesn't have to be that way.



The Economic Argument: The Power of One Core Benefits Platform

Having all protection products and lines of business on a modern “quote-to-claim” core benefits platform delivers a huge economic and competitive advantage: frictionless straight-through quoting to onboarding, an efficient premium collections system for all lines, strong employer and member relationship management and an expedient claims and payments system improving outcomes and eliminating leakage. This contributes multiple millions of dollars annually to the bottom line in addition to improving customer experience.

Benefits carriers on a single modern core platform can turbocharge the enterprise with embedded agentic AI. The economic argument is not simply “agents make benefits administration more efficient.” It is: “agents become dramatically more valuable when they operate inside a core benefits platform in concert, rather than trying to coordinate within a legacy and fragmented technology stack.”

This is the distinction between automation economics and architecture economics. The latter is the opportunity and should be the focus for benefits carriers.

Recent benefits-industry commentary is pointing toward consolidation because every additional point solution brings its own contract, data flow, governance process, reporting, support model and integration burden.

Employee benefits carrier technology environments have evolved incrementally. Every additional system creates more than another software license. It creates another:

- ▶ Integration
- ▶ Data feed
- ▶ API
- ▶ Contract
- ▶ Renewal
- ▶ User experience
- ▶ Security boundary
- ▶ Reporting environment

- ▶ Reconciliation process
- ▶ Support relationship
- ▶ Source of potential failure

Organizations can spend enormous amounts of time, money and effort not on delivering benefits, but on connecting the things that deliver benefits. This cost is often invisible in a software budget. Instead, it appears as administration, IT resources, implementation projects, upgrades, training, consultants, maintenance, data reconciliation and time spent navigating multiple systems.

The argument for a modern core benefits platform isn't simply that having no legacy systems and fewer vendors is tidier. It is the cost of complexity that compounds.

A modern core platform doesn't need to:

- ▶ Retrieve information from one system
- ▶ Transform it into another system's format
- ▶ Send it through middleware
- ▶ Wait for another system to respond
- ▶ Reconcile the result
- ▶ Determine whether the data is still accurate
- ▶ Escalate when the integration breaks

This is a profound difference.

There is a temptation to think of AI agents as another experience layer that can simply be placed on top of a legacy and fragmented technology stack.

This approach will further automate complexity and lead to more cost. You end up with an intelligent agent trying to navigate several different systems with fragmented data and processes instead of a human doing it.

It may make things a little faster in the short term, but it will not be sustainable because it does not solve the real problem. Typically, it will add system sprawl and maintenance burden.

A significant opportunity emerges when agents sit inside a modern core platform. Consider a qualifying life event on a modern core benefits platform: the relevant employee, eligibility, plan and enrollment context already exist together



on the platform. Agents determine the action, execute it, monitor the result and escalate an exception.

Data, intelligence and transactions live in the same operating environment, making simplicity and economics compelling.

Fewer Systems Mean Much More Than Fewer Licenses

The business case for consolidation is compelling. It includes the cost of the new core platform, as well as the value, both savings and benefits, compared with the current cost of maintaining the multiple IT systems and administrative processes it will replace, plus the additional value and competitive advantage delivered to business.

Onboarding and migration to a modern core benefits platform is faster than ever before. It can be phased with annual cost eliminations, business benefits and ROI making the investment self-funding within as little as a year.

The headline license price of a point solution can initially look attractive, but the economic advantage of a modern “all-in” core platform far outweighs it. Layers of cost can quickly be removed, creating greater value for IT, the business user, the employer and employee.

An example of getting enterprise architecture right and reaping the advantage is New York Life Group Benefit Solutions (NYL GBS), which modernized its ecosystem, initially migrating from 6 core legacy systems to a modern core benefits platform, FINEOS AdminSuite, and then progressing to reduce hundreds of disparate legacy technology systems to just 11 integrated, cloud-native strategic platforms supporting its entire \$5 billion benefits business, agnostic of product line or market segment. Their only core benefits platform, FINEOS AdminSuite, for all group, voluntary and absence lines, runs alongside enterprise financial systems, such as SAP for Financials and its own GBS platforms, plus it feeds into other NYL corporate systems.

CIO Matt Marze explains how NYL GBS operates efficiently with a modern architecture: “We didn’t create projects to shut down legacy systems. We created projects around enhancing products or improving capabilities, and within those efforts, we addressed the legacy environment.”

Other employee benefits carriers are also modernizing quickly and efficiently. For example, Guardian Life implemented FINEOS AdminSuite for absence and group benefits in one year and scaled the system to all new absence and disability business during the second year.

“Technology plays a critical role in shaping the leave experience at moments when clarity, speed, and support matter most,” says Jessica Vanscavish, Head of Disability, Absence, Life, and Supplemental Health Product Management at Guardian.

The events that make up a leave, from intake and eligibility through determination, payment and return to work, sit on one platform rather than being handed between systems. Vanscavish describes the result as a “highly connected flow.”

A modern core benefits platform enables simplified but solid enterprise architecture, providing a controlled regulatory-compliant environment for all products and processes, with unified user and customer experience. This increases agility and dramatically reduces the cost of ownership, with all core benefits data and processes mastered in a single core platform.

The Compounding Business Case

As a modern benefits platform is implemented, the carrier sees opportunities to stop spending on legacy and one-off technologies. It experiences a multiplier ROI effect as it adopts more of the platform and integrates it into its ecosystem.

A combination of business consolidation and agents operating within one core platform becomes more powerful than either strategy independently.

If you have ten systems and add AI agents, you may get ten smarter systems.

If you consolidate onto a modern core platform and progressively empower embedded agents, you create a single intelligent and safe operating environment.

Every new agent will gain from the same underlying data, rules, permissions, workflows, governance and transaction infrastructure.

Quotes and reporting from Anthony R. O'Donnell, Insurance Innovation Reporter, March 27, 2026 and May 1, 2026.



The marginal cost of adding agents becomes much lower than building another standalone application. The agent doesn't need another integration for new work because it already lives where the work happens.

This creates a core platform economic flywheel:

One core system with common data, workflows, integrations and agents delivers: more automation → fewer manual processes → better user experience → lower operating cost → greater value.

The Future Is Not “AI Everywhere”

The leading insurance enterprise will have a modern core platform (or perhaps multiple domain core platforms in the case of a multi-domain Tier 1 carrier) with the enterprise architecture required to be future-ready for the innovation and change ahead.

It shouldn't be about dozens of separate AI systems scattered and overlapping across the ecosystem.

An optimal enterprise architecture enables IT to manage an agentic core benefits platform with the right level of connections to innovative technologies, specialist satellite systems, industry platforms and the broader benefits ecosystem.

The old core systems model was: system of record → human interprets → human acts → another system records the result.

The modern core platform model is: system understands context → agent acts → system verifies outcome → human handles exceptions.

This fundamental change means a core benefits platform is no longer simply where data is stored. It becomes the enterprise operations hub, where events and work are understood, orchestrated, controlled and completed.

About FINEOS

FINEOS accelerates modernization for employee benefits carriers, replacing legacy systems with a cloud-native, AI-ready benefits platform. FINEOS AdminSuite is a quote-to-claim core system used by 6 of the top 10 US employee benefits insurers, and by many more around the world. Supporting group, voluntary and individual life, accident, and health, FINEOS AdminSuite is delivered with deep domain context, compliance and best practice guidance. FINEOS Absence is delivered inside FINEOS AdminSuite (or standalone) to simplify leave compliance, return-to-work, and service delivery.

This will change the economics for the modern benefits carrier because the platform absorbs more of the operational complexity and burden, meaning people spend less time maintaining the machinery and more time overseeing operations while providing prevention, protection and care services for their customers.

Platform Vendor Partnership

A singularly focused agentic core employee benefits platform vendor carries the responsibility for modernizing and advancing the platform to maximize the benefits for the carrier to support their competitive advantage.

Carriers maintain their own products, risks, pricing, channels, processes, ecosystems, experiences and whatever differentiators they require, while taking full advantage of the powerful utility the agentic core platform provides.

The vendor balances investment in platform agility, flexibility, functionality, agents, tooling, content, APIs, integrators and everything required to maintain its purpose: helping carriers care for the people they serve through the delivery of a superior employee benefits platform.

This constant focus means the work is never done, the platform is never “finished,” investment never declines, and the race for excellence is never over.

The Question Worth Taking Back

Not “where can we use AI?” but “what is the correct enterprise architecture if we expect our software to increasingly execute work?” Carriers may answer this question differently depending on their circumstances. We would like to hear your answer.

