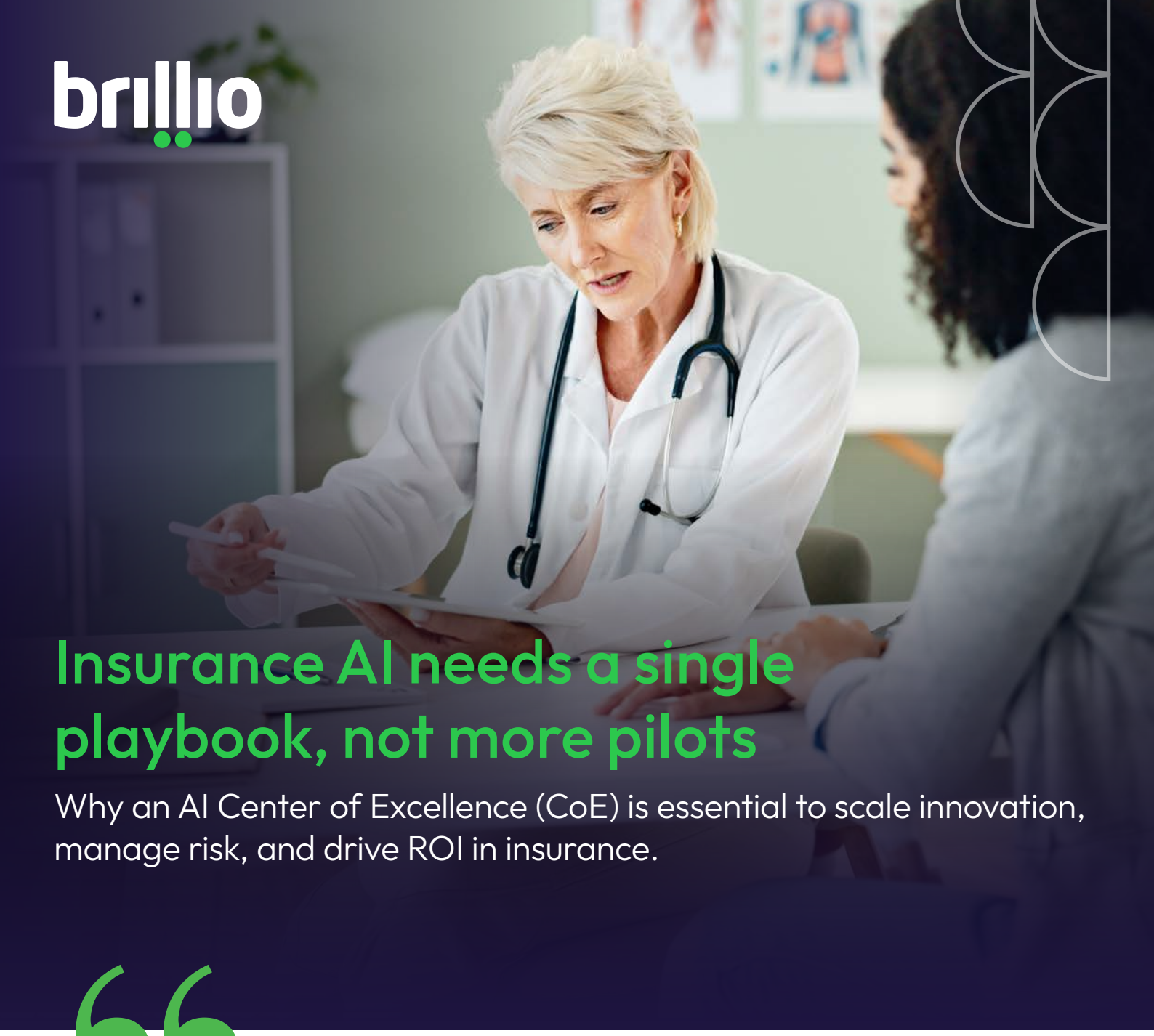

Insurance AI needs a single playbook, not more pilots

Why an AI Center of Excellence (CoE) is essential to scale innovation, manage risk, and drive ROI in insurance.

Fragmented AI pilots are over. Build an enterprise-wide CoE to drive strategic value. Innovation and business impact thrive on centralized expertise, governance, and resources. That's the competitive advantage of a CoE in a turbulent market.

The conversation around insurance and AI has evolved. The core challenge has shifted from whether AI will reshape the enterprise to how leaders build effective AI CoEs. These centers provide strong governance, deliver scalable business value, and bridge the gap between AI's potential and tangible profit and loss impact. Executive leadership must focus on building frameworks that ensure compliance, operational safety, and measurable outcomes to realize sustainable, enterprise-wide innovation.

Key strategic insights for scaling AI in insurance

- Traditional, siloed adoption models cannot keep pace with AI's rapid evolution, growing operational risks, or rising complexity in insurance.
- An enterprise AI CoE is essential for responsible governance and sustainable, organization-wide innovation.
- A hybrid operating model delivers balance: Combining clear central oversight with the agility and ownership needed by business units.
- Strong governance frameworks secure business value by managing risks, regulatory compliance, and operational consistency from the outset.

Why insurance operating models must evolve for scalable AI success

The insurance sector is experiencing a digital transformation that renders old approaches ineffective. Traditional initiatives, marked by siloed projects and slow, incremental efforts, struggle to deliver real progress. As AI, including generative models and intelligent agents, evolves at breakneck speed, the conventional project-by-project method falls behind. This fragmented approach leads to inconsistent governance, missed business opportunities, and increased risk exposure. To remain competitive and secure future growth, insurers must adopt a unified, scalable strategy capable of matching AI's accelerating pace and complexity.

The rise of AI introduces a new set of challenges for insurers. AI brings powerful new tools and complex ethical questions, requiring teams with diverse expertise to deploy solutions effectively. Traditional operating models, built for predictable environments, cannot meet these evolving demands. As competitors leverage AI across underwriting, claims, and customer service, those who stick with outdated processes risk falling behind. To maintain a competitive edge and capitalize on AI's potential, insurers need a structured, organization-wide approach that addresses both speed and complexity.

Enterprise AI CoE: Driving scalable, responsible innovation in insurance

An enterprise AI CoE transforms how insurers approach AI by centralizing expertise, resources, and strategy. Instead of one-off projects or scattered pilots, an AI CoE drives company-wide adoption, enabling scalable innovation that delivers measurable business outcomes. This unified approach ensures every initiative is aligned with organizational goals, reducing inefficiencies and risks while maximizing return on investment. Insurers can focus less on experimentation and more on deploying AI solutions that unlock real value, enhance operational performance, and support long-term growth.

> **The AI CoE acts as the critical coordination hub that brings together governance, strategy, and execution. By centralizing core decisions and expertise, it enables insurers to focus investments and technical resources on high-impact AI initiatives clearly tied to organizational priorities.**

This approach helps executives move from scattered experiments to deploying proven AI platforms that deliver measurable value, reduce risk, and strengthen overall business performance.

AI governance in insurance: Building an effective control tower

For insurers, AI governance must be prioritized from the outset. Robust governance goes beyond standard compliance measures; it is about building strong technical safeguards that ensure every system operates safely and predictably. Without such oversight, errors in deployment can quickly escalate, causing financial losses or harming a company's reputation. Proactive governance is essential for managing risk and delivering consistent, reliable results as adoption increases.

A strong governance framework is at the heart of an effective AI CoE. The AI CoE acts as an 'AI Control Tower,' continuously monitoring data quality, model validation, software reliability, and cloud costs. It actively oversees all systems and agents to ensure they follow ethical standards and deliver safe, predictable results. This 'govern by design' approach makes regulatory compliance and operational risk management core principles from day one. By setting clear standards and automated guardrails, the AI CoE builds trust with regulators, executives, and customers, enabling responsible, controlled scaling across the insurance enterprise.

Building a hybrid AI operating model for scalable insurance success

Achieving scalable success with AI in insurance requires a thoughtful balance between centralized control and business unit flexibility. A strictly centralized AI CoE ensures consistency and strong oversight but may reduce responsiveness to unique operational needs. On the other hand, fully decentralized models empower local teams and boost agility, yet often lead to duplicated efforts, inconsistent standards, and a loss of organizational coherence. To drive sustainable value and rapid innovation, insurers should adopt a model that integrates the strengths of both approaches, enabling central governance while preserving the adaptability needed at the business unit level.

A hybrid, or federated, operating model is the best fit for insurers seeking scalable adoption. In this structure, a central AI CoE sets core strategy, safety standards, and governance frameworks. Meanwhile, business units execute their own projects with guidance and support from the AI CoE. This approach empowers local innovation while maintaining enterprise-wide consistency and compliance. The hybrid model ensures organizations can adapt their level of centralization as maturity grows, balancing oversight with the flexibility needed to drive growth in a constantly changing market.

Building an effective AI CoE team: Roles, skills, and accountability

Building an effective AI CoE in insurance demands a multidisciplinary team structure designed for agility, global execution, and measurable outcomes. At the core is an experienced CoE Lead, responsible for shaping the vision and ensuring all initiatives align with enterprise-wide objectives. Data scientists and machine learning engineers focus on developing, validating, and optimizing models to meet operational and regulatory demands. Data architects create scalable data pipelines that ensure consistent access to reliable, high-quality datasets across geographies. MLOps engineers manage deployment, monitoring, and maintenance, enabling rapid, secure, and compliant production at scale.

Governance officers set clear policies to ensure regulatory compliance and promote responsible practices across the organization. Business experts bridge the gap between technology and operations, identifying use cases that address real-world challenges and drive measurable results. To avoid duplication and foster accountability, the AI CoE should implement a well-defined RACI (Responsible, Accountable, Consulted, Informed) framework. This establishes transparent ownership: central teams manage core platforms, while business units are responsible for delivering tangible value from initiatives.

Scaling AI in insurance: A phased strategy for enterprise growth

To scale AI effectively in insurance, organizations should follow a structured 'Build-Operate-Transfer' journey. Start by establishing strong foundations in the first three months: secure executive buy-in, clearly define success metrics, set robust governance policies, and identify high-value pilot use cases. This foundational approach aligns all teams, ensuring shared goals, regulatory readiness, and targeted impact from the outset.

- The **build and pilot phase (months 3–6)** is dedicated to developing initial solutions under close oversight from the AI CoE. During this time, teams maintain continuous monitoring for risk, performance, and compliance to quickly prove business value.

- The next stage is **operationalizing and scaling these successful pilots (months 6–12),** embedding them into core workflows like claims processing and underwriting, while relying on the AI Control Tower for oversight.

- In the final phase, **autonomous adoption (beyond 12 months),** the organization shifts to a federated approach. Business units take greater ownership within defined guardrails, driving broad adoption and anchoring the transition to a truly AI-enabled insurer.

Maximizing AI value: Prioritizing insurance use cases for ROI

To maximize business impact, an AI CoE in insurance must use a clear, systematic approach to prioritizing use cases. Start by evaluating each initiative based on its measurable contribution to business value, operational feasibility, and alignment with strategic objectives. This clarity enables insurers to direct investment toward projects with the highest potential, such as boosting customer retention or reducing underwriting errors, while minimizing wasted effort and risk. By maintaining transparency in selection criteria and focusing on outcomes, the AI CoE ensures that resources consistently support enterprise growth and operational improvement.

Before launching any new initiative, the AI CoE establishes clear value metrics to set measurable goals and expectations. This ROI-first discipline ensures every project aims to deliver tangible business benefits, such as cutting operating costs through automation or boosting revenue via smarter pricing strategies. The AI CoE also implements a dynamic review process, consistently evaluating and updating the list of active use cases to accelerate successful projects and quickly retire those that do not deliver. Through this structured, results-driven approach, the AI CoE helps insurers focus resources on high-impact solutions that drive measurable returns and sustainable growth.

AI impact in insurance: Delivering measurable results

A well-designed AI CoE directly drives measurable improvements across insurance operations. By standardizing predictive models and centralizing oversight, insurers enhance consistency, reduce errors, and boost performance. For instance, when uniform fraud detection models are implemented across business units, insurers have achieved up to 15% reduction in claims leakage within the first year. This tangible outcome demonstrates the operational gains and clear business value made possible through an enterprise-wide approach.

These results span multiple areas of insurance, including faster claims automation, more accurate risk modeling, and highly personalized customer experiences. With support from the AI CoE, insurers can resolve complex process challenges, streamline workflows, reduce cycle times, and achieve significant cost savings, all while managing risk more effectively. These outcomes demonstrate that an AI CoE enables true digital transformation and positions insurers for long-term market leadership.

Accelerate insurance AI success with the right partners and tools

Insurers can accelerate enterprise adoption without starting from zero. By partnering with specialized technology providers and using proven accelerators, organizations quickly gain access to essential expertise, frameworks, and support. These collaborations deliver cross-industry insights tailored to the unique challenges and opportunities in insurance. Working with experienced partners enables insurers to scale their AI CoE faster, integrate best-practice solutions, and avoid costly missteps, while delivering measurable results and maintaining focus on growth and innovation.

By adopting integrated frameworks such as pre-built governance platforms, insurers can achieve continuous compliance across data, prompts, and agents with greater efficiency. Leveraging established cloud-based services and open-source libraries helps eliminate early technical hurdles, reduces deployment time, and speeds up integration. Relying on tested industry assets and proven best practices accelerates time to value, allowing insurers to move swiftly from experimentation to scaled, enterprise-wide impact.

Executive playbook: Transforming AI potential into business growth

To realize true business growth, insurers must shift away from scattered experiments and toward a unified operating model. Only a structured, enterprise-level approach, anchored by an AI CoE, enables sustainable, scalable success. By putting strong governance at the heart of every initiative, leaders can ensure compliance, manage risk, and guide investments toward measurable outcomes. Now is the moment for decisive action: those who establish clear frameworks and act with conviction will secure a real competitive advantage and drive lasting shareholder value.

The pitfalls of isolated AI experiments

The widespread belief that isolated pilots drive true innovation in insurance is misguided. Relying on uncoordinated, decentralized experiments exposes organizations to elevated operational risk, fragmented governance, and mounting costs, all without producing lasting business value or transformational change. To compete and grow in the global insurance market, leaders must transition from scattered pilots to a unified strategy anchored by enterprise standards and robust oversight.

Executive actions for scalable AI success in insurance

- Evaluate your current maturity to identify gaps, risks, and fragmented pilot projects across the organization.
- Establish a dedicated steering committee to set a clear mandate and objectives for your AI CoE.
- Prioritize and launch high-impact pilot projects under robust central governance to deliver quick, visible business wins.
- Implement performance measurement systems to track results, optimize your portfolio, and ensure ongoing return on investment.

About Brillio

Brillio is a digital technology services company that drives AI-first engineering and design-led experiences for global enterprises. Born digital in 2014, its consulting-led services span Customer Experience, Data & AI, Product Engineering, and Digital Infrastructure. With an industry-leading NPS of 71, Brillio accelerates time to market through its proprietary BrillioOne.ai platform, powered by AI-ready talent with deep domain expertise.

Brillio is the official Digital Transformation Partner and the official Data and AI Services Provider of Atlassian Williams Racing. Brillio partners with leading technology providers including Microsoft, AWS, Google Cloud, Salesforce, Adobe, Databricks, and Snowflake and operates with 6,000+ “Brillians” across 15 global delivery centers. Consistently recognized as a Great Place to Work® since 2021, Brillio blends innovation, talent, and purpose to deliver measurable outcomes for clients and fulfilling careers for employees.

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