

HIGHLIGHT

**Sutherland: The
disruptor transforming
legacy insurance by
converging business
and tech**

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The insurance industry has long struggled with legacy systems and processes and outdated work methods. Transformation initiatives to address technical debt often ignore the organization's other issues—process, data, and culture debts. Sutherland, an experience transformation service provider, has been working with its carrier clients by applying a business-first lens to tackle legacy issues and drive operational transformation. Its value proposition focuses on outcomes that matter to insurers: reducing costs, improving customer experience (CX), and scaling operations with a risk-sharing approach. Let's examine why Sutherland might be the right partner to address your key imperatives.

Expanding to encompass the full breadth of the insurance services ecosystem

Sutherland's roots in the insurance sector are grounded in policy acquisition and customer service. For more than 20 years, it has developed and deployed licensed agents at scale, supporting property and casualty (P&C) and life insurers with sales and service operations. In 2009, Sutherland set up end-to-end small commercial direct operations for Hiscox. Over the years, it has helped scale operations for digital-first insurers, such as Next, and set up large, direct customer acquisition operations for life and benefits carriers. Through this experience, Sutherland has positioned itself as a market leader in the direct policy acquisition and servicing space with more than 700 licensed agents.

For the past three years, Sutherland has strategically expanded its offerings, establishing itself as a substantial force across a broader

range of insurance segments. This includes scaling up small commercial direct-to-consumer (D2C) operations, entering life and benefits third-party administrator (TPA) ecosystems, disruptive P&C claims solutions for the UK and the US, and making a mark in the self-insured market. The service provider's expansion into the small commercial market has led it to scale a leading insurer from third place to the top market position—a testament to its ability to drive growth in highly competitive segments. This evolution positions Sutherland as a growing contender that insurance leaders cannot afford to ignore.

Capability integration: Where process meets platform

Sutherland characterizes itself as a "process company with products inside it." Unlike many of its peers that sometimes rely on patching together third-party technologies, Sutherland has combined its operational capabilities with proprietary digital platforms, aiming to create a more integrated stack of solutions in the insurance industry. It focuses on operational efficiency and making the whole greater than the sum of its parts.

What does this mean for insurance companies? Instead of dealing with disconnected automation or half-baked digital attempts, Sutherland provides an ecosystem that bridges AI-enabled products, data, digital engineering, CX, and operational processes—all with minimal silos. This integration enables Sutherland to deliver on its aim of measurable business outcomes—something on which it is willing to stake its reputation. Sutherland often links its compensation to achieving key outcomes, as it has in more than 70% of its engagements, reflecting an appetite for risk-sharing.

For example, Sutherland's proprietary automation tools, such as Extracta.ai and Robility, enable it to eliminate third-party dependencies. Its digital acceleration labs support the CX ecosystem, providing continuous improvement, data analytics, and user-centric redesigns. The success stories are tangible: for a major insurance client, Sutherland achieved a 40% reduction in operational costs by leveraging its integrated solutions.

This level of integration directly translates to reduced complexity for insurers, improved visibility across different functions, and the ability to accelerate time-to-value for new digital initiatives. The company's approach speaks of the importance of merging product with process, ensuring that technology supports rather than overwhelms business goals.

A challenger with a fresh value proposition

Sutherland positions itself as a challenger among many larger service providers, targeting inefficiencies in the insurance sector by treating legacy transformation as a business change, not just a tech project. Unlike traditional system integrators (SIs), which sometimes see legacy transformation as purely technical, Sutherland takes a holistic, business-led approach. It understands that legacy technology, while cumbersome, holds valuable data and insights that need to be leveraged.

According to Sutherland, true transformation comes from aligning technology with business outcomes. Using the Robility platform, its automated migration services move clients off legacy systems 50% faster while reducing costs and improving quality. The service provider is testing the use of GenAI in this space to shorten

conversion time. Instead of promising easy fixes, Sutherland offers a strategic and achievable path to modernization.

Consider Sutherland's market impact: it successfully disrupted a 15-year-old incumbent for a UK P&C insurance giant in recent years, using AI-driven claims transformation. By delivering better outcomes faster, Sutherland claims to have demonstrated that incumbents could be challenged effectively with the right blend of innovation, domain knowledge, and execution. In another example, the service provider expanded its footprint in the small commercial D2C space, scaling a leading insurer from the third to the first position in the market.

Building ecosystems: More than discrete services

Sutherland aims to differentiate itself by building ecosystems across the insurance landscape beyond offering isolated tools or talent to clients. Combining digital engineering, domain expertise, and CX capabilities, Sutherland provides solutions that address the entire insurance value chain. It helps its clients expand into new markets or launch new product lines—a challenge we often hear from insurance leaders in our research.

A good example is its connected underwriting solution, developed in partnership with data enrichers such as Bold Penguin and Workbench platforms such as Imaginera. This platform enhances data enrichment capabilities, driving straight-through efficiency that reduces underwriting time and costs. The solution offers carriers a smoother, more effective way to underwrite risk, integrating enriched data to improve decision-making.

Sutherland's work in expanding its TPA ecosystem continues this theme. It integrates life and benefits offerings with other insurance business areas, growing value for clients like LIDP. This ecosystem approach provides clients with a connected view of their business, something that's crucial for insurers trying to scale or innovate in a highly regulated environment.

Sutherland has built a trusted partnership of more than 15 years with a leading NYSE-listed life and annuity insurer. For the first 12 years, Sutherland played a key role in driving the insurer's strategic inorganic growth. Since 2015, Sutherland has helped the firm achieve a 40% reduction in opex through the power of Sutherland's innovative digital fabric. Since 2022, Sutherland has elevated this partnership by onboarding the insurer onto Sutherland Edge, a cutting-edge digital TPA platform. This transition has modernized and optimized their core platform, revolutionized their CX operations, and

introduced an advanced PPPM (per policy per month) pricing structure, positioning them for continued success in the evolving insurance landscape.

Sutherland has also entered the self-insured market, partnering with existing clients, including one of the largest homestay marketplace companies, to offer property claims solutions. Through Sutherland's innovative digital fabric, they delivered a 30% reduction in operating expenses—demonstrating how its ecosystem approach can provide measurable results in efficiency and cost savings.

This focus on building and scaling ecosystems differentiates Sutherland from the typical service provider. Sutherland not only helps insurers address specific pain points but also enables them to grow into new areas with confidence, backed by integrated, data-driven platforms and operational expertise.

The Bottom Line: The insurance sector's transformation isn't only about replacing legacy systems—it's about rethinking the entire approach with a focus on tangible business outcomes.

Sutherland's value proposition, while distinct, should be considered with a clear understanding of the company's appetite for risk-sharing, deep integration, and evolving capabilities. It isn't the traditional SI or BPO provider and doesn't want to be. Legacy transformation requires more than just new technology; it demands rethinking how core insurance processes flow across the organization, allowing for the strategic use of data and, most importantly, talent. Sutherland offers a refreshing and compelling alternative for insurers seeking a transformation partner that looks beyond the technical and genuinely embraces a business-driven approach.

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Reetika Fleming leads coverage for smart analytics, insurance, and finance and accounting for HFS Research. She studies the broad use of data and analytics within enterprises, with a research focus on emerging strategies to institutionalize machine learning and other AI techniques. Her research extends into the impact of digital business models, IoT, smart analytics, and AI on business process services for insurance specifically and finance and accounting broadly.

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