

# Your quick guide to Embedded Insurtech

Why the future of  
insurance technology  
is not build vs buy,  
but embed



For more than a decade, insurers have debated whether to build systems internally or buy them from vendors. But the question itself is becoming obsolete.

Across digital industries, a third model is emerging. One that moves beyond both build and buy. Instead of building or licensing software, organisations are embedding optimised services directly into their operating model.

Payments provide the clearest example. Few companies now build payment systems. They embed payment services optimised for checkout performance, fraud prevention and compliance.

The same shift is beginning to happen in insurance. The future of insurtech will not be defined by software ownership. It will be defined by embedded services delivering measurable outcomes.





# 1st Generation

## Building in-house

**The first generation of insurance technology was built internally.** Core policy systems, underwriting engines and claims platforms were developed in-house. Vendors supplied infrastructure or specialist tools, but insurers owned the systems themselves.

This approach provided control and customisation. But it also created significant complexity. Development cycles were long. Maintenance costs were high. Every regulatory change required system modification. Most importantly, insurers became responsible for operating large internal technology estates alongside their core business. Owning the software meant owning the integration burden, the upgrade cycle and the operational risk.

For many years this model made sense. Software was expensive, immature and difficult to integrate. Building internally often appeared more practical than adapting external solutions. But as digital platforms matured, the economics began to change.



**The second generation of insurtech shifted the industry from build to buy.**

Cloud platforms allowed insurers to license software rather than develop it internally. This accelerated deployment and expanded access to new capabilities.

But the underlying operating model changed less than expected. Insurers still configured the systems. They still integrated them with internal platforms. They still orchestrated how those systems worked together. In other words, buying software replaced internal development — but not system ownership.

The debate shifted from how to build systems to which systems to buy. Software moved to the cloud. But insurers still had to integrate, operate and manage the technology estate themselves.



## **2nd Generation**

**Buy (SaaS),  
not build**





# 3rd Generation

## Embedded Decision Intelligence

**A third model is now emerging.** Instead of building systems or licensing software, organisations are embedding fully optimised services directly into their workflows. This model moves beyond Software-as-a-Service toward Service-as-Software. Rather than delivering tools, vendors deliver outcomes.

Payments illustrate the shift clearly. Rather than building or operating payment infrastructure, companies embed a payment service that optimises the transaction. Insurance is beginning to follow the same pattern. But the opportunity is far larger.

Claims handling is ultimately a sequence of structured tasks — capturing facts, evaluating evidence and determining the correct outcome. Instead of building systems to support those steps, insurers can now *embed* a digital claims handler: a service that captures data, evaluates evidence and determines the correct claim outcome.

Technology becomes an embedded performance layer — not a system the insurer must build or manage.



For decades insurers have debated whether to build systems internally or buy them from vendors. But the next wave of insurtech will make that question far less relevant.

The real shift is from software ownership to outcome consumption. Embedded services allow insurers to integrate specialised capabilities without building them or operating them internally. This reduces technical complexity while improving operational performance.

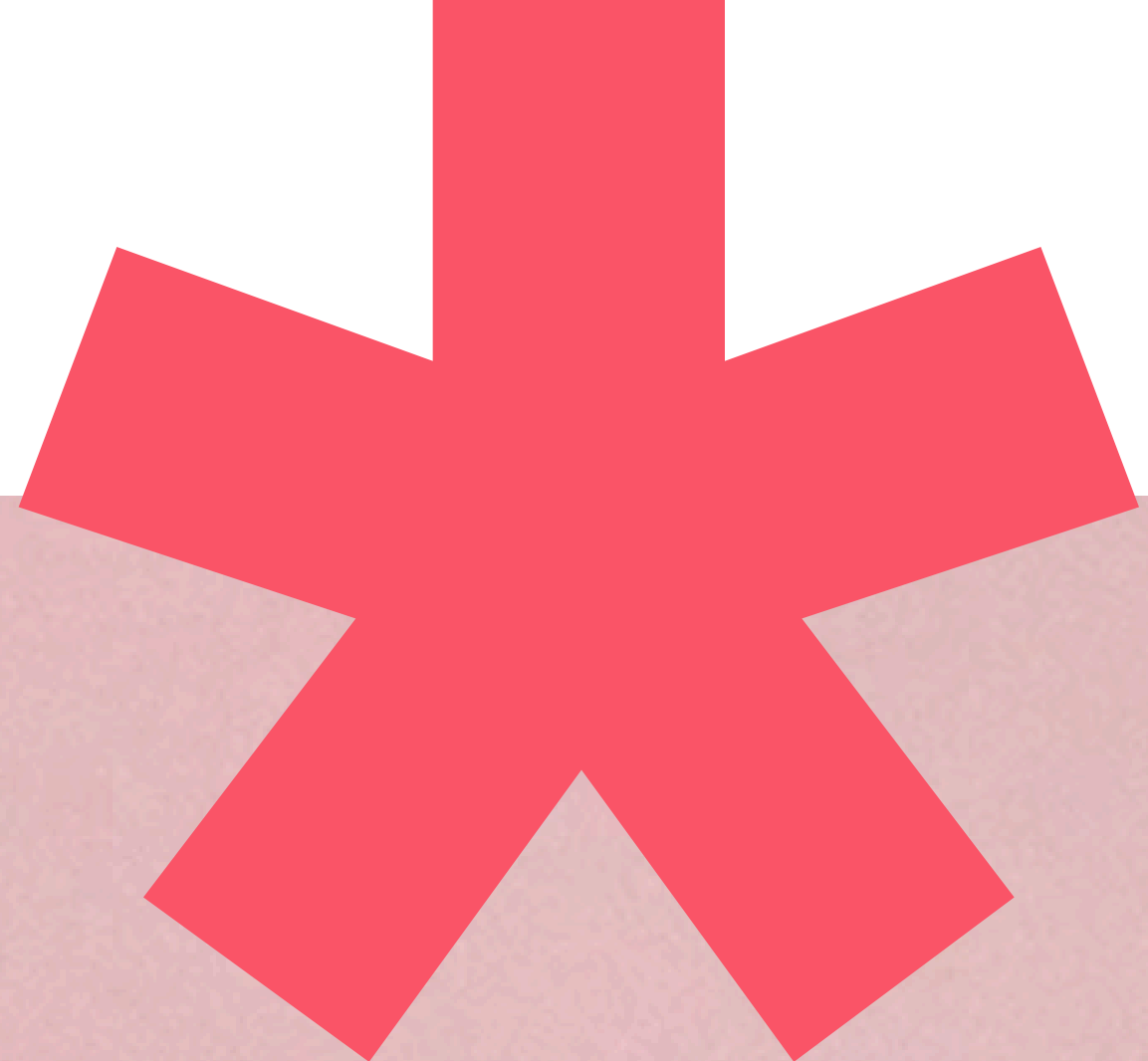
The insurers who succeed will not be those that build the most software — or license the most platforms. They will be those that embed the best services directly into their operating model. Because the future of insurtech is not building systems. It is embedding outcomes.



## Conclusion

**The future is  
embedding  
outcomes**





## Connect with me to discuss embedded claims

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