

BESTOW

Build vs. buy in the era of AI: How life carriers can modernize faster, smarter, and with less risk

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Introduction

It's no secret: carriers that delay modernization risk falling behind more nimble competitors, losing efficiency, and failing to meet evolving agent and applicant expectations.

For years, the response to that pressure came down to a single question our customers wrestle with constantly: could we achieve the same results by building internally rather than partnering with a company like Bestow?

AI has made that question louder, and more consequential. A wave of accessible models and coding tools has convinced many organizations that building sophisticated capabilities in-house is finally within reach, that the barrier has dropped low enough to justify going it alone. The financial logic is as tempting as ever: avoid external costs, preserve control, own the intellectual property, and now, ride the AI wave yourself.

But the full story is more complex. While AI has made some building easier, it has also made the gap between a compelling demo and a production-grade, compliant, maintainable system harder to see. And at the same time, AI has raised the bar on what a modern platform can deliver, in ways that a legacy stack, a web of point solutions, or an internal build struggle to match.

This white paper lays out that story for the AI era. We'll walk through how internal builds derail and why the "we can just build it with AI" instinct is riskier than it looks. We'll discuss where carriers should focus their own "build" resources, and how a platform accelerates time to value. We'll also break down why having the right, properly organized data (rather than simply having the most data) is what makes AI work. Lastly, we'll discuss the hardest modernization problem of all: the book carriers already have, and how the right partnership de-risks modernization while compounding advantage over time.

If you're evaluating build vs. buy, this is your guide to making a modern, capital-efficient, forward-looking decision, one that accounts for what AI actually changes and what it doesn't.

Challenge: projects gone off the rails

Over the past decade, many insurance carriers have attempted to modernize core systems, digital front ends, underwriting engines, or agent portals in-house. The result? Time delays, ballooning budgets, frustrated stakeholders, and in some cases, canceled projects.

Some of the repeating patterns we've seen (and heard about widely in the industry) include:

- **Scope creep and shifting priorities.**

What starts as a digital sales journey can quickly expand to include data architecture, back-end integration, reporting, admin systems, and more. With limited internal bandwidth, teams get pulled into fire drills, deprioritizing the very features the business needs most urgently.

- **Delayed deliverables obsolete on arrival.**

In many build scenarios, the market (demographics, regulation, competitor features, distribution trends) moves faster than delivery. Our conversations with large organizations reveal that internal builds can often take up to 18 months (or longer for more complex core systems). A solution that is delayed that long may already be obsolete on arrival (if it arrives at all).

- **Runaway costs and maintenance burden.**

Even after launch, building internally means owning every bug, patch, update, and adaptation indefinitely. The cost of ongoing maintenance, technical debt, and versioning often dwarfs initial estimates. And while one survey found 78%¹ of insurance leaders planned to increase tech spending in 2026, many firms are also acknowledging difficulty in finding qualified talent with the expertise to manage these efforts effectively.

- **Sunk cost fallacy.**

Many carriers get months into a project before the realization strikes that their internal teams can't deliver on time while also doing the important work of maintaining existing systems. Stakeholders may be tempted to dig in and see it through, even when the prudent course may be to stop the bleeding, stabilize the initiative and seek help in recovering lost ground.

- **The “we have AI now” trap.**

To be clear, some building with AI makes complete sense. Automating a back-office task, standing up an internal dashboard, or deploying an HR chatbot are exactly the kinds of contained, low-risk projects AI now puts within easy reach, and carriers should pursue them. The trap is different: it's assuming that because those wins came easily, a core system will too. Modern AI tools make it remarkably easy to stand up an impressive proof of concept: a working demo, a clever prototype, a model that dazzles in a controlled setting. But a demo is not a production-grade system. The distance between that prototype and a production capability, one that is compliant across jurisdictions, governed against model drift and bias, integrated with real policy data, auditable, secure, and reliable at scale, is exactly the distance that has always made insurance technology hard. AI collapses the first 20% of the work and can obscure the 80% that remains. Carriers who mistake an easy start for an easy finish often discover the hardest problems (data quality, regulatory defensibility, ongoing model maintenance) only after they've committed real budget and timeline to the build.

None of this is to say a fully in-house build can't be done, and AI genuinely does expand what's possible. But it also raises the stakes: the tools that make starting easier don't make finishing easier, and they don't relieve carriers of the compliance, data, and maintenance burdens that break most builds. Carriers should be honest about their strengths and judicious about where they direct internal resources, now more than ever.

Focus: where carriers should (and shouldn't) build

Given these risks, how should carriers think about what to build and what to outsource? A useful principle is: build to support your core competencies, consider buying or partnering for the rest.

Core competencies

Areas like capital optimization, risk modeling, reinsurance strategy, or unique distribution models likely justify internal investment. Because these are high value and extremely specific to your organization, owning them makes sense.

Commodities or functionalities

For software modules like agent distribution support, quoting and illustration, workflow orchestration, document generation, compliance integrations, or policy administration, it can be more cost-effective to work with a partner with both software and insurance expertise.

Here are some of the benefits of following the above rules of thumb.

- **Avoid distraction from the core business.**

Building out specialized technology and capabilities is difficult and requires significant bandwidth, which can take focus away from core business functions.

- **Balance customization vs. maintainability.**

With different workflows and needs across verticals, internal builds can become unmanageable or impossible to scale. A strong SaaS partner brings configuration, extension, and upgrade patterns to keep versions manageable and technical debt low.

- **Ownership and control are not absolutes.**

A SaaS partnership does not mean giving up control; it means leaning on domain expertise, shared roadmaps, and flexible extensibility, while preserving governance and oversight.

In practice, this mindset leads to sharper investments, lower risk, and more predictable outcomes than attempting to own everything.

Time to value: partnership's speed advantage

One of the most compelling arguments for buying or partnering is the time-to-value benefit. Getting features to market quickly is a competitive advantage. The longer you wait, the more your window of relevance (and ROI opportunity) shrinks.

Here's how working with a SaaS partner like Bestow accelerates value delivery:



Pre-built Capabilities

A platform provider can deliver a base set of modules that are tested and production-hardened. Instead of starting from scratch, adaptation and configuration cut development time dramatically. This approach can reduce development timelines exponentially versus full custom builds.



Flexible Architecture

A well-designed SaaS platform supports product, distribution, and system variation through a configurable architecture. That means you can test product tweaks, new workflows, channel variants, or underwriting rules quickly, and without a full rewrite each time.



Integrated Solution Footprint

By consolidating multiple functionalities (e.g., quoting, underwriting, workflow, agent tools, integrations) into a single platform, you avoid vendor handoffs, contract misalignment, duplicated data transformations, and coordination drag. That consolidation aspect alone can shave months off delivery.

The AI advantage: why the right data wins

If AI has raised the ceiling on what modern insurance technology can do, it has also widened the gap between organizations that can realistically capture that value and those that can't. AI is not a feature you bolt on. It is a capability that depends almost entirely on the foundation beneath it, and that foundation is precisely where legacy systems, point solutions, and internal builds fall short.

It's not about more data. It's about the right data.

A common misconception is that AI advantage comes down to sheer data volume, and that whoever has the most records wins. In life insurance, that framing gets it backwards. Established carriers often sit on decades of in-force and mortality experience that no newer platform can match on volume alone. Raw quantity was never the carrier's problem.

The problem is structure and signal. The data that powers modern AI capabilities is frequently the data carriers lack: cross-carrier variance that reveals what's normal and what isn't, digital funnel and conversion behavior, real-time distribution signal, recency, and above all a consistent, well-structured foundation rather than records fragmented across systems and decades of format changes. A platform operating across many carriers and a modern, digital-first book is organized around exactly this kind of signal, structured, current, and consistent by design. That is what turns AI from a promising experiment into a dependable capability: not the biggest dataset, but the cleanest, most relevant, and most consistently structured one.

Point solutions can't see the whole picture

A web of point solutions fragments the very data AI needs. When quoting, underwriting, and administration each live in a separate system with its own schema and its own vendor, the information required to power intelligent decisioning is scattered and disconnected. AI applied to a fragmented stack sees only fragments. A unified platform, by contrast, gives models a coherent, end-to-end view of the applicant and policy lifecycle, which is where the most valuable AI capabilities (real-time routing, risk signals, fraud detection) actually come from. Bestow's real-time recommendation engine is a case in point: it routes applicants to product experience based on minimal data inputs, drawing on platform-scale signal that no siloed system could assemble, without the carrier having to build or maintain the underlying logic.

Legacy systems weren't built for this

Retrofitting AI onto legacy infrastructure is a familiar disappointment. The data layer is brittle, integrations are costly and fragile, and the architecture was never designed for the real-time inputs and continuous retraining that modern AI depends on. Carriers often find that the cost of making legacy systems AI-ready approaches the cost of replacing them, without the benefits of having done so.

The talent and governance burden doesn't disappear

Even carriers with the data and the infrastructure face the harder ongoing challenge: AI is not "set it and forget it." It requires data science talent that is scarce and expensive, model monitoring to catch drift and bias, and governance rigorous enough to satisfy regulators. A platform partner absorbs that burden as a shared, professionalized function, so carriers benefit from AI capabilities without having to build and staff an entire discipline from scratch.

The hardest modernization problem: what to do with the book you already have

For many life carriers, "modernize" doesn't just mean launching a new digital product, it means addressing the far harder problem of the existing book: policies already in force, often closed blocks, still running on legacy administration systems that are expensive to maintain and difficult to service.

This is where the build-vs-buy question is most consequential, and where it has historically been most painful. Migrating an in-force book is among the highest-risk undertakings a carrier can attempt: conversion risk, data integrity, servicing continuity, and regulatory exposure all compound at once. It is precisely the kind of project that derails in the ways described earlier in this paper.

It is also where AI has most credibly changed the calculus. The work that made legacy migration so slow and so risky, deciphering decades-old code, reconstructing specifications from systems whose original authors are long gone, extracting and mapping data trapped in obsolete formats, reconciling records across incompatible schemas, is exactly the kind of work modern AI is newly capable of accelerating. Code and data archaeology that once took specialized teams months can increasingly be assisted and de-risked with AI. This doesn't eliminate the difficulty or the need for deep expertise, but it meaningfully shifts what's possible.

It's an area Bestow takes seriously, and one we're actively investing in as we build toward the broader vision of a unified platform for the life insurance industry. The carriers who will navigate the next decade best are those who treat their in-force modernization not as a project to survive, but as a strategic decision to make deliberately, with a partner who understands both the technology and the stakes.

Force multiplier: shared innovation

Technology investments deliver their full potential when they improve over time. That's where a tech partnership model shines: carriers benefit from a compounding feedback loop of product enhancements and innovations.

With Shared Improvements, Everybody Benefits

Bestow is perpetually innovating, adding new features, optimizations, integrations, refinements, or analytics insights. Every user on the platform can inherit that improvement (subject to versioning or opt-in). Thus, innovations scale, not duplicate. Over time, the cumulative value of shared enhancements often dwarfs what any one carrier could achieve on its own.

Data and Analytics Synergies

When multiple carriers operate on a common platform, anonymized performance data (e.g., conversion metrics, distribution patterns, underwriting outcomes) can fuel benchmarking, predictive models, and smarter defaults. While no individual carrier has access to another's data, this anonymized aggregate data at scale offers a collective intelligence that would be extremely expensive (if not impractical) to replicate for a single carrier in isolation.

Avoiding Technical Debt and Version Fragmentation

In a multi-tenant SaaS environment, version management, backward compatibility, upgrade paths, and extension patterns are baked into architecture. Individual carriers do not accumulate isolated technical debt. Rather, the vendor handles core upgrades, bug patches, and platform refactoring. Internal builds, by contrast, tend to diverge, proliferating out in branches that make upgrades or further innovation painful if not impractical.

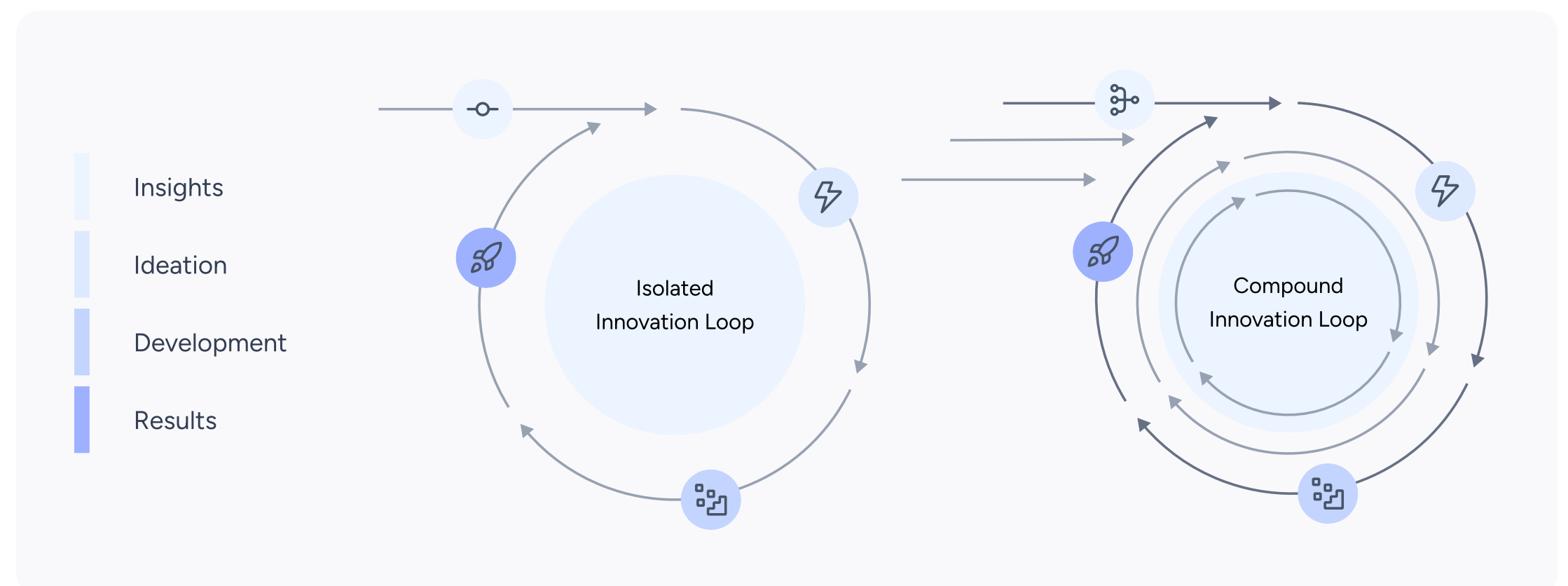
Innovation Velocity

Because a dedicated SaaS vendor supports a broader roadmap, you benefit from R&D into new technologies like AI, new regulatory adaptation, evolving UI/UX practices, security hardening, and integration expansion. You don't have to resource all of that internally; you benefit from economies of scale. Over the lifetime of a partnership, that advantage compounds.

The compounding effect shows up everywhere on the platform: each optimization, integration, and refinement accrues to every carrier, so improvement scales rather than duplicates.

In short: the platform model transforms improvement from a zero-sum internal game into a cumulative engine of innovation.

FIGURE 1: In-house vs. Platform flywheel — how shared insights accelerate results



The Bestow difference: singular platform, domain expertise, proven success

When carriers choose to partner instead of build, big results can follow quickly, but not all partners are created equal.

Bestow is purpose-built to render fragmented vendor ecosystems obsolete. While highly configurable, the end-to-end infrastructure of the platform eliminates integration debt, data silos, and coordination overhead and bottlenecks.

Beyond product and process complexity, life carriers also face an unrelenting set of compliance burdens that spans multiple domains: insurance regulations vary by jurisdiction, payment standards are updated constantly, security protocols demand vigilance, and data governance requirements are rapidly evolving. Each of these areas requires deep subject matter expertise, but some tech providers lack the proficiency your in-house teams have built over years, leaving you vulnerable. Bestow, built and led by industry veterans, helps relieve this burden. Our platform, and our AI, are built with the complexities of compliance in mind.

Additionally, partners less steeped in the nuances of insurance often underestimate critical details or misinterpret edge cases, leading to costly reworks or capabilities that fail to truly serve the business. Workflows, configurations, underwriting decisioning, and audit trails are not generic software problems. Bestow understands the complexities, nuances, and requirements of the insurance industry, because that’s where we come from.

These snapshots illustrate how Bestow helped leading life insurers blow their own outdated expectations out of the water, bringing new products and digital experiences to market in months.

FIGURE 2: Case study Customer A: digital D2C term experience | FIGURE 3: Customer B: digital agent-led final expense experience



Conclusion

Modernization is a must. But the how of that modernization often separates winners from casualties. Ultimately, attempting to build everything internally can leave a trail of missed deadlines, cost overruns, and frustrated stakeholders.

By contrast, choosing the right tech partner — one that offers domain depth, modular architecture, shared innovation, and a track record of success — allows carriers to:

- Preserve focus on their core competencies
- Accelerate time to market and ROI
- Leverage shared enhancements for compounding advantage
- Avoid fragmented vendor ecosystems and integration issues
- Reduce TCO and tech investment while spurring growth

If you're evaluating build vs. buy, the question isn't purely financial; it's strategic. How quickly can you get value in agents' hands? How well can you maintain and evolve over time? How much internal risk do you want to bear? If you're grappling with these questions and tired of standing pat, we should talk.

¹ Arizent, Digital Insurance Predictions 2026

