

**For Additional Information:**

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# Overview

**Date:** <Enter submission date>

**Project Name:** <Insert name of the project/initiative here>

**Project Code:** <Provide an enterprise project code as appropriate>

**Lead:** <Provide one Point of Contact/Project Manager/Program Manager/Scrum Master/Release Train Manager/Chief Scrum Master>

**Executive Summary:** <Executive summary of the initiative. Remember to insert synopsis of final recommendations here>

**Executive Sponsor/s:** <List of executive sponsors of the project/initiative>

**Description:** <Provide a summary of the project>

# 2.0 Expected Benefits

**Objective 1:** <Clearly define objectives (for ex: increase customer engagement, increase productivity, reduce content creation time, etc.)>

* Goal a: <Clearly define measurable goals for each objective (for ex: increase customer engagement by x%, increase productivity by x%, reduce content creation time by x%)>
* Goal b:
* Goal c:
* …
* ….
* …..
* Goal n

**Objective 2:**

**Objective 3:**

…

…..

……

**Objective n:**

# 3.0 Expected Costs

## 3.1 DIRECT COSTS:

### 3.1.1 Initial Investments:

* Subscription or Licensing Fees: <Fees paid to the software vendor for using their GenAI solutions>
* Usage and Transaction Costs: <Costs incurred during training and testing from using APIs or transactions required by the GenAI solution, typically as number of credits or tokens>
* Customization: <Costs for customizing the GenAI solutions with existing software>
* Integration: <Costs for integrating the GenAI solutions with existing software>
* Infrastructure: <Infrastructure costs such as hardware, cloud services, and other infrastructure required to support new GenAI initiative>
* Data Management: <Costs for managing and storing data required for the GenAI solution>
* Internal data preparation and management costs: <Costs related to preparing enterprise data — if applicable — to be ingested into GenAI solution>
* Implementation consultant/s costs: <Third-party vendor or partner consulting fees>
* Personnel costs: <Costs related to hiring employees to oversee the new GenAI solution>
* Cybersecurity and Information Security: <Costs for ensuring the GenAI solution meets cybersecurity and information security requirements>
* Risk Management: <Costs for ensuring the GenAI solution meets audit and compliance requirements>
* Legal and Contracts: <Costs associated with internal legal and contracting, typically as FTE costs>
* Additional Costs a: <Additional direct costs incurred by your organization>
* Additional Costs b:
* …
* …..
* …….
* Additional Costs n:

**a. SUBTOTAL OF INITIAL COSTS: $**

### 3.1.2 Operationalization Costs (Implementation):

* Investment in Business Process Changes: <One-time costs across the value chain, quantified in terms of FTE costs, that would be required to support reimagining or recreating business processes>
* Change Management: <One-time costs across the value chain, quantified in terms of FTE costs, that would be associated with enterprise change management to effectuate a cultural change by the use of the new GenAI solution>
* Additional Costs a: <Additional direct costs incurred by your organization for implementation of the new third-party vendor AI solution >
* Additional Costs b:
* …
* …..
* …….
* Additional Costs n:

**b. SUBTOTAL OF IMPLEMENTATION COSTS: $**

### 3.1.3 Operational Costs:

* Subscription or Licensing Fees: <Ongoing fees paid to the software vendor for using their GenAI solutions>
* Usage and Transaction Costs: <Ongoing costs from using APIs or transactions required by the GenAI solution, typically as number of credits or tokens>
* Infrastructure: <Ongoing infrastructure costs such as hardware, cloud services, and other infrastructure required to support new GenAI initiative>
* Data Management: <Ongoing costs for managing data required for the GenAI solution>
* Personnel costs: <Ongoing costs related to FTEs that oversee the new GenAI solution>
* Cybersecurity and Information Security: <Ongoing costs for ensuring the GenAI solution meets cybersecurity and information security requirements>
* Risk Management: <Ongoing costs for ensuring the GenAI solution meets audit and compliance requirements>
* Maintenance and Support: <Annual maintenance and support costs if separate from licensing costs>
* Additional Costs a: <Additional ongoing direct costs incurred by your organization>
* Additional Costs b:
* …
* …..
* …….
* Additional Costs n:

**c. SUBTOTAL OF OPERATIONAL COSTS: $**

## 3.2 INDIRECT COSTS

* Opportunity Costs: < Potential revenue or productivity lost while transitioning to use of new GenAI system, measured as estimated lost revenue or productivity during implementation — for ex: $xx in lost revenue during a 6m transition>
* Downtime and Disruption Costs: <Costs associated with any downtime or disruptions during the implementation phase, measured as estimated cost of downtime per hour/day — for ex: $xx/day for 5 days of downtime, totaling $n>
* Employee Productivity Loss: <Temporary reduction in employee productivity as they learn and adapt to the new system, measured as the estimated loss in productivity per employee and overall — for ex: $xx/employee for n employees, totaling $xx>
* Change Management: <Indirect costs associated with managing the change process, including communication, planning, and support, measured as the total cost of change management activities — for ex: $xx for change management>
* Compliance and Legal Costs: <Initial costs for ensuring the GenAI solution complies with insurance industry regulations and legal requirements, measured by the initial compliance assessment and ongoing compliance monitoring costs — for ex: $xx for initial assessment>
* Performance Monitoring Costs: <Costs for monitoring and assessing the performance of the GenAI solution, measured by indirect costs performance monitoring tools and services>
* Scaling Costs: <Additional costs incurred when scaling the GenAI solution in order to handle increased usage or data, measured by the incremental cost for scaling up>
* Vendor Management Costs: <Costs for managing the relationship with the GenAI vendor, including contract negotiation and periodic reviews, quantified by time and resources allocated to vendor management>
* Project Delay: <Costs from potential delays in implementation of the GenAI solution>
* Project Failure: <Costs from potential that the GenAI solution does not deliver expected business results>
* Additional Costs a: <Additional ongoing indirect costs incurred by your organization>
* Additional Costs b:
* …
* …..
* …….
* Additional Costs n:

**d. SUBTOTAL OF INDIRECT COSTS: $**

|  |  |
| --- | --- |
| **TOTAL COSTS (a+b+c+d)** | **$** |

# 4.0 Expected Benefits

## 4.1 Direct Quantitative Benefits

* Productivity Increases: <Time saved by automating tasks previously done manually>
* Increase in Revenue: <New sources of revenue or additional revenue from products/services enabled by GenAI solution>
* Customer Satisfaction: <Enhanced customer experience leading to higher satisfaction scores, measured as changes in the Net Promoter Score (NPS) and/or the Customer Satisfaction Score (CSAT)>
* Cost Savings: <Reduction in costs due to automation and efficiency improvements>
* Cost Savings — Initial Capital Expenditure: <Total initial costs avoided by not purchasing hardware, software, and infrastructure>
* Cost Savings — Reduced Maintenance Costs: <Annual savings on maintenance, updates, and support — for ex: $xx/year saved in IT maintenance and support costs>
* Cost Savings — Lower IT Overhead: <Reduction in IT staffing costs and resource allocation — for ex: $xx/year saved on IT staff salaries and related costs>
* Cost Savings — Training Costs: <Cost savings on training programs and time spent on upskilling — for ex: $xx/year saved on training and development.
* Error Reduction: <Fewer human errors due to automation, measured as a decrease in error rate percentage — for ex: n% reduction in error, x% improvement in quality, resulting in $xx saved by avoiding rework>
* Additional Benefits a: <Additional ongoing benefits incurred by your organization>
* Additional Benefits b:
* …
* …..
* …….
* Additional Benefits n:

**a. SUBTOTAL OF DIRECT BENEFITS: $**

## 4.2 Qualitative Benefits

* Employee Satisfaction: <Reduced workload due to time saved by automating routine tasks — for ex: xx hours/year saved, equivalent to $xx/year>
* Enterprise Institutional Knowledge: <Better utilization of organizational knowledge due to GenAI solutions, measured as time saved by FTEs in being able to find and use appropriate information>
* Productivity: <Employee engagement and productivity improvements — for ex: n% productivity increase, valued at $xx/year>
* Competitive Edge: <Market share growth due to faster adoption of new technologies — for ex: n% market share increase, valued at $xx/year>
* Innovation and Competitive Advantage: < Increased innovation and speed to market for new products. Time-to-market for new innovations — for ex: innovation cycle will be 6 months faster due to third-party vendor>
* Cross-Enterprise Collaboration: <Improvement in team collaboration across the value chain — for ex: n% increase in collaboration efficiency, valued at $xx/year>
* Additional Benefits a: <Additional ongoing benefits incurred by your organization>
* Additional Benefits b:
* …
* …..
* …….
* Additional Benefits n:

**b. SUBTOTAL OF QUALITATIVE BENEFITS: $**

|  |  |
| --- | --- |
| **TOTAL BENEFITS (a+b)** | **$** |

# 5. Risks and Mitigation

## 5.1 Technical Risks and Mitigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | RISK | MITIGATION | PROBABILITY  OF OCCURRENCE (%) | POTENTIAL IMPACT COST ($) |
| 1 | Data quality |  |  |  |
| 2 | Performance |  |  |  |
| 3 | Reliability |  |  |  |
| n | <Insert additional risks> |  |  |  |

1. **Contingency Budget for Technical Risk Management:** $xx

## 5.2 Operational Risks and Mitigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | RISK | MITIGATION | PROBABILITY  OF OCCURRENCE (%) | POTENTIAL IMPACT COST ($) |
| 1 | Integration challenges |  |  |  |
| 2 | Disruption of existing business processes |  |  |  |
| n | <Insert additional risks> |  |  |  |

1. **Contingency Budget for Operational Risk Management:** $xx

## 5.3 Financial Risks and Mitigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | RISK | MITIGATION | PROBABILITY  OF OCCURRENCE (%) | POTENTIAL IMPACT COST ($) |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| n | <Insert additional risks> |  |  |  |

1. **Contingency Budget for Financial Risk Management:** $xx

## 5.4 Compliance Risks and Mitigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | RISK | MITIGATION | PROBABILITY  OF OCCURRENCE (%) | POTENTIAL IMPACT COST ($) |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| n | <Insert additional risks> |  |  |  |

1. **Contingency Budget for Compliance Risk Management:** $xx

**Total Contingency Budget for Risk Management:** $xx <SUM a through d, add others as appropriate to your firm>

# 6. Total Costs and Benefits

|  |  |
| --- | --- |
| TOTAL OF ANTICIPATED COSTS | $xx |
| TOTAL OF EXPECTED BENEFITS | $xx |

# 7. Outlook

|  |  |  |
| --- | --- | --- |
| Time Span | Benefits | Costs |
| Short-Term (<1 year) |  |  |
| Medium-Term (1 – 3 years) |  |  |
| Long-Term (3+ years) |  |  |

# 8. Net Present Value

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Time Period (t) | Benefits ($) | Costs ($) | Net Benefits ($) | Present Value ($) |
| Year 1 |  |  |  |  |
| Year 2 |  |  |  |  |
| Year 3 |  |  |  |  |
| ... |  |  |  |  |

# 9. Sensitivity **Analysis**

|  |  |  |
| --- | --- | --- |
| Scenario | NPV ($) | Key Assumptions |
| Best-Case |  |  |
| Worst-Case |  |  |
| Most Likely |  |  |

# 10. Decision Summary

|  |  |
| --- | --- |
| Recommendation | |
| Proceed With Project |  |
| Revise and Reassess |  |
| Do not Proceed |  |

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