

HOW INSURERS CAN TAKE ADVANTAGE OF THE CLOUD TO COMPETE AND THRIVE IN A DIGITAL-FIRST WORLD



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I. BUILT FOR GROWTH: HOW CLOUD COMPUTING ENABLES INSURERS TO MEET AND EXCEED CUSTOMER EXPECTATIONS

Thanks to rapidly evolving technologies and growing expectations for companies to deliver solutions with increased speed and higher quality, yesterday's fast is today's slow—and tomorrow's left-behind. Upended by changing consumer preferences for going digital and an evolving competitive landscape, the insurance industry must go beyond its traditional product development, go-to-market, and customer support models to survive and thrive.

In today's world, it's table stakes that insurers have the capabilities to respond to customer needs, wants, and preferences with more urgency while driving new and improved business outcomes. Central to building these capabilities is the technology powering product development, driving operations, and bringing insurers closer to end consumers through digital means.

Where are forward-thinking insurers focusing as they seek to build new digital capabilities with improved flexibility, simplicity, speed, and security?

The cloud.

According to Novarica's report, [*Insurer IT Budgets and Projects 2019*](#), 63% of insurers are looking to expand the migration of their applications to the cloud in 2019. Cloud computing infrastructure and software-as-a-service (SaaS) solutions empower insurers to focus on rapidly realizing business objectives and using technology to drive optimal customer experiences. The benefits of digital transformation for insurers are far-reaching and include better engagement with customers, tools to empower employees, capabilities to optimize operations, and the ability to transform core products and systems while embracing emerging innovation. For insurers seeking to build new digital capabilities and embark on a company-wide digital transformation, creating an effective cloud strategy and migrating core systems to the cloud is vital.

Why is the Cloud Core to Success in Today's Insurance Markets?

Taking advantage of the cloud and SaaS solutions—whether through the public cloud, private cloud, or hybrid cloud deployments—can help unburden insurers of the many limitations they often face when running in on-premise environments.

By taking advantage of the cloud, insurers can increase:

Agility

Companies can move quickly while on the cloud, thanks to the rapid deployment of infrastructure and software, and the ability to embrace agile methods for product development—enabling better response times to shifts in the market and customer feedback. Having the ability to treat infrastructure as code and implement automation-focused practices is a crucial benefit and opportunity.

Flexibility and Scalability

Building on the cloud enables insurers to deploy rapidly from nearly anywhere in the world and scale up and down as they require; companies can then respond to market events and product launches with ease. The flexibility of the cloud also helps internal application support teams rapidly respond to shifting utilization quickly and cost-effectively.

Cost Savings

By moving to an OpEx vs. CapEx model for hardware procurement, insurers can develop an effective risk strategy for managing ongoing costs, wherein they only need to pay for what is required at a given time while quickly scaling to meet market and operational demands.

Time Savings

Management of infrastructure and software updates, upgrades, and support is alleviated for insurers when leveraging SaaS. They can also take advantage of automation to drive faster development cycles and speed-to-market. The time companies save can go toward building new products, experimentation, and engaging in value-added business activities while employee resource utilization is also optimized.



Speed-to-Market

The range of services and infrastructure available in a cloud environment can help companies complete tasks and experiment much more rapidly than they could on-premise. These capabilities, coupled with working with a specialized SaaS, result in faster speed-to-market capabilities for new products and solution updates.

Security

Prioritizing security is top-of-mind for cloud infrastructure and software providers. For example, Amazon Web Services (AWS) built its data center and network architecture to meet the requirements of the most security-sensitive organizations; for example, AWS manages dozens of compliance programs in its infrastructure, puts strong safeguards in place to help protect customer privacy, and provides many services tailored to help customers increase privacy, control network access, encrypt data, monitor environments, and restrict/define user access.

SaaS providers include security services as part of their standard service level agreements (SLAs). They work continuously to revise their information security practices to ensure they account for the evolving regulatory environment in which they operate. Insurers can rely on SaaS providers to be prepared for newly-enacted, complex, security-related regulations, such as NYC DFS and GDPR. Taking advantage of SaaS-based solutions will help to alleviate the information security and regulatory burden on internal IT.

Resiliency

Building on the cloud and taking advantage of SaaS solutions provide more options to design enterprise-grade disaster recovery (DR) solutions; public cloud providers, for example, run in regions around the world and provide many tools and services that help companies design highly available and resilient solutions. Most SaaS providers design software for high availability and ensure a stringent DR and failover solution as part of their standard offering to limit downtime and client impact from service outages.

Innovation

Using advanced tooling and capabilities through SaaS solutions running on the cloud and from SaaS providers, insurers can leverage advanced analytics to become data-driven while also leveraging new ways to run core systems and infrastructure (such as serverless) as well as leveraging emerging technologies (such as artificial intelligence [AI] and machine learning [ML]).

EMBRACING A CLOUD STRATEGY: CHALLENGES AND OPPORTUNITIES FOR INSURERS

Insurers must focus on what matters most to their business: providing products and solutions that solve market challenges, exceeding customer expectations, and driving a stronger bottom line.

Building a cloud-focused strategy is often the first step for insurers seeking to encourage faster development cycles and reach customers more effectively. Encompassing a range of products and services and deployment models—including infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS), and software-as-a-service (SaaS) solutions—insurers can embrace the cloud at their speed and on their terms. After evaluating the benefits of migrating to the cloud, insurers are often intrigued and interested in learning more but don't know where to start.

The cloud opens up new doors for insurers and expands the art of the possible. Undergoing a cloud migration will serve as the foundation upon which to replace legacy, on-premise systems, and to build a plan for digital transformation. Conducting a successful cloud migration is often not within the scope of an insurance company's core competency, and nor should it be. To address this expertise gap and enhance focus on their core competency, insurers need proven partners who can deliver a successful move to the cloud. Insurity seeks to meet this need and embolden insurers as they look toward the future and prioritize the cloud as an enabler to drive innovation.



III.

INSURITY: THE CLOUD LEADER IN COMMERCIAL INSURANCE

“Working with Insurity to completely digitize our internal and customer-facing operations was an easy decision, as it empowers us to provide a better experience for our agents, policyholders, and their injured employees. We completed a comprehensive vendor selection process involving several major technology providers and selected Insurity for their intuitive platform, stellar track record in successful implementations, as well as their leadership in cloud migration and data security.”

– Mike Dileo, President and CEO of Stonetrust

Insurity’s purpose is to “make technology simplify insurance.”

Comprised of insurance industry experts—including more than 150 insurance business analysts—and technology experts managing an advanced insurance cloud operations organization and platform, Insurity’s team understands the insurance market and technological landscape and seeks to provide every client with guidance about technology solutions and approaches that will bring them the most value. In addition to its SaaS solutions and cloud expertise, Insurity offers clients a range of value-added services, including:

- Software updates, upgrades, and support
- Implementation services
- Bureau content management
- Compliance reporting

With over 20 years of experience delivering core systems on a SaaS basis, Insurity’s focus on driving cloud excellence is evident in its proven track record, its approach to development, its implementation methodology, and its prioritization of what makes each client engagement unique.



Cloud-First Emphasis

The right technology empowers insurers to take advantage of market growth and opportunities while providing flexibility and new capabilities for users. Insurity's cloud-based solutions are purpose-built to simplify insurance from end-to-end and enable insurers to focus on growing their business and driving better customer experiences.

Insurity's solutions take advantage of cloud capabilities to extend customer capabilities beyond what previously was possible. For example, the company's [Digital Services Platform](#) offers clients access to various data and services across the full policy lifecycle, as well as access to third-party capabilities. Through this platform, Insurity utilizes standard application programming interfaces (APIs) to support data access, calculation, and process capabilities for digital services including data entry retrieval and updates, risk assessment, predictive scoring, and many others. Combined with a non-proprietary ACORD XML integration model and supporting property and casualty operations, the Digital Services Platform jumpstarts insurers' digital capabilities and helps to drive efficiency and value.

Security-by-Design

At the heart of every Insurity solution and client engagement is a focus on driving proactive and comprehensive security and compliance practices. Insurity's public cloud environment is hosted on Amazon Web Services (AWS), a market leader in providing secure cloud infrastructure and scalable cloud security services and tooling.

Regulatory as a Service

Insurity also helps insurers remain compliant by providing regulatory content management as a service, as part of the Insurity SaaS offering. This capability reduces the strain on the insurer's internal resources to remain compliant concerning their state-mandated regulatory filings. On behalf of clients, Insurity's bureau content specialists monitor, analyze, and interpret ISO, AAIS, NCCI, as well as independent bureau content, assess the impact and resolve conflicts with any custom deviations, allow clients to select which changes they want to take, and make configuration changes to their Insurity applications accordingly.

Hybrid Cloud Expertise

For many insurers seeking to take advantage of a multi-cloud strategy and meet specific data residency, information security, and regulatory requirements, a hybrid-cloud approach is often a requirement. Insurity has helped dozens of companies successfully take advantage of this approach by leveraging its hybrid-cloud capabilities to leverage both the private and public cloud while taking advantage of Insurity enterprise-grade SaaS solutions.

Contractual Commitments

Insurity strives to deliver to clients all the benefits of the cloud while maintaining high levels of security, reliability, and availability. The Insurity platform provides four nines (99.99%) of availability and transparent service level agreements (SLAs) for the workloads that it runs on behalf of its clients.



CLOUD MIGRATION BEST PRACTICES

By migrating to the cloud, insurers gain new capabilities that extend across their environment, software, content, reporting, and resources. Tying all of these capabilities together with a comprehensive approach to security and compliance is critical to successful cloud migration. Planning for complete cloud migration will involve stakeholders from across the organization and a partner deep with expertise and experience.

The Insurity Approach to Cloud Migration

Critical for a successful migration to the cloud is a well-documented strategy and execution plan, realistic expectations and goals, and consistent post-production migration monitoring and support. From kickoff to implementation and beyond, Insurity recommends insurers consider the following best practices at each stage of the migration process:

- Be forward-looking about core application management
- Remember that operational changes are as significant as technical changes
- Engage key stakeholders throughout the process

Having over 200 cloud clients encompassing 100,000+ users in over 100 countries, Insurity has developed a standardized cloud migration methodology and multi-phase approach to help insurers exceed expectations for a successful migration to the cloud.

Key Phases for a Successful Cloud Migration

Phase 1

Develop a Well-Documented Migration Strategy

The success of a cloud implementation begins and ends with the migration strategy and the associated detailed documentation. Insurers must identify the stakeholders and assemble the team to run the migration. This team will be responsible for setting the migration phase timelines, defining deliverables, completing an inventory of the in-scope interfaces and applications, defining the post-migration support and operational processes, and accounting for existing business milestones that could impact the overall migration. Insurers must also work with partners to balance migration planning efforts with minimizing overall business disruption.

Phase 2

Define Requirements

Validating existing on-premise systems architecture documentation while developing a contextual diagram to map how each interface currently works is critical when planning for operational change and developing seamless cloud workflows. Understanding how application and infrastructure management will change when moving to the cloud can help set realistic expectations across teams and ease the transition to a new model of application management, which will be based on a partnership with the SaaS provider.





Phase 3

Pre-Migration Planning and Activities

In this phase, insurers must focus on critical steps and activities to complete before moving on-premise environments to the cloud, while also establishing a plan for post-migration support. For example, a vital aspect of the pre-migration planning phase is implementing the required connectivity to enable the remaining on-premise systems access to the new cloud environment. Phase 3 is also crucial for confirming third-party support models which will shape the migration and extend to everything from legacy systems, third-party interfaces, audit and compliance requirements, and post-migration support.

Phase 4

Cloud Migration and Regression Testing

The cloud migration requires careful orchestration and must follow a detailed migration plan. This plan must include a detailed summary of each migration step needed to cut over the on-premise system to the cloud environment completely. Differentiating between critical path and non-critical activities is an essential step to building an optimal cloud migration plan. An integral component of all cloud migrations is planning and executing a thorough regression test, ensuring that the key system functions and external connections are operational, after each environment is migrated from on-premise to the cloud. The testing should focus on ensuring that each application and the related interfaces function in the same manner in the cloud environment as they do on-premise.

Phase 5

Support Post-Production Migration

Once the migration is complete, carefully managing the post-go-live migration support model will ensure that the migrated systems and associated operational processes are functioning as expected. At this phase, insurers can review that internal and external team roles and responsibilities are understood and aligned, and make any necessary adjustments to optimize business and system workflows. This activity will serve to validate the company's strategy and approach to support the cloud-based application over its lifetime.

INSURITY CLIENT EXAMPLES ACROSS DIFFERENT CLOUD IMPLEMENTATIONS

Through its unique combination of cloud expertise and insurance industry experience, Insurity provides enterprise-grade SaaS services that serve various use cases across the commercial insurance market.

Let's examine a few business scenarios detailing how clients are using Insurity's cloud-based solutions.

CLIENT: Pacific Claims Management

USE CASE: Claims management optimization

INSURITY SOLUTION: ClaimsXPress™

Pacific Claims Management (PCM) is a licensed third-party administrator (TPA) and provides claims administration and management services to both public and private sector self-insured employers in the state of California. With a mission to understand an employer's pain points and drive operational excellence, PCM helps its clients save money, streamline processes, and efficiently serve injured employees. To establish PCM as a different kind of TPA, the team needed a flexible, secure, and customizable software solution to address the unique and evolving needs of its clients.

While initially looking to host its software on-premise, the PCM team realized they weren't experts in running claims management software within their corporate IT environment. After running into cost and time issues, PCM began looking for a hosted claims solution which would be maintained by a trusted provider. The team decided to use Insurity's [ClaimsXPress™](#) SaaS solution running on AWS. PCM and Insurity worked closely throughout the migration process to ensure a smooth transition from an on-premise to a cloud-based operating model.



Since moving to ClaimsXPress, PCM has been able to focus on what's important: building customer relationships and enabling clients to optimize their claims management processes. It's also given PCM the flexibility it needs to respond rapidly to changes in the workers' compensation industry in California. "The costs we were incurring, having consultants make updates and customizations to our self-hosted environment, are no longer an issue," said Jerry Laval, president of PCM. "We're able to maintain the flexibility that has kept us on the cutting edge in the workers' compensation insurance industry, and our uptime on ClaimsXPress has been tremendous."

[Learn more.](#)

CLIENT: HAI Group

USE CASE: Operational improvement and advanced reporting capabilities

INSURITY SOLUTION: Policy Decisions Evolution™, Billing Decisions™, DataHouse™, and ClaimsXPress™ *

As a pioneer in niche insurance programs for the public and affordable housing industry, HAI Group focuses on driving new insurance programs to market that protect, preserve, and promote the sustainability of affordable housing. To drive optimized operations and better reporting capabilities, HAI Group sought to replace its legacy system with one that would increase productivity and improve the quality of data that informs management decisions. The company selected Insurity to take advantage of Insurity's end-to-end policy administration system, which includes billing and automated updates to AAIS. HAI Group felt that Insurity was uniquely positioned to support its needs both for today and the future.

* ClaimsXPress™ to be implemented in Q4 2019.

Working closely with HAI Group on a comprehensive migration strategy and throughout the execution of the migration, Insurity helped HAI Group get to production with its Policy Decisions Evolution™ and Billing Decisions™ solutions, while also integrating with its DataHouse™ solution. With Insurity, HAI group can now adapt its solutions to the shifting needs of its business with flexibility and ease. Through its integration with DataHouse, HAI Group is empowered with enhanced reporting capabilities through better data capture and processing, enabling real-time decision making.

[Learn more.](#)

“As a known leader in public and affordable housing insurance programs, HAI Group’s responsibility to our insureds is not just to provide them with the best insurance products, but also to adopt innovations that enable us to operate more efficiently,” said Sarah Rodriguez, HAI Group’s chief financial officer. “Insurity worked diligently with our team to develop tools to streamline our business processes.”

VI.

ARE YOU READY TO TAKE ADVANTAGE OF THE CLOUD TO GROW YOUR BUSINESS?

By taking advantage of the cloud to drive digital transformation, insurers around the world are learning what is required to compete and thrive in today's competitive and rapidly-evolving market.

Undergoing a cloud migration may, on its surface, seem daunting. Luckily, insurers can leverage experts ready to put their core competencies to work to make the cloud migration experience—from pre-migration planning to ongoing management—seamless. Insurity, fluent in both delivering enterprise-grade SaaS and the nuances of the commercial insurance industry, is ready to put its passion for “making technology simplify insurance” towards helping insurers take the next steps to the cloud.

To learn more about how your company can use the cloud to increase its speed-to-market, drive digital transformation, and provide superior end-user experiences, [contact the SaaS experts at Insurity today.](#)





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