White Paper

Cloud for Insurance

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As with most industries, cloud is proving to be a disruptive force in the insurance sector. It opens up opportunities across the board, helping insurers achieve faster speed to market, lower costs and greater flexibility. It also helps them address the demands of today's consumers, including advances in social and mobile technologies.

Among the key drivers of cloud services for insurance are reduced costs, new business opportunities, amazing scalability, better customer engagement and business innovation.

There's a reason that cloud computing is ranked as a top priority for CIOs today. The cloud truly facilitates transformation in the insurance industry, allowing organizations to react quickly and remain ahead of competition.

Technology Trends in the Insurance Industry

The Evolving CIO Role

With the rise of technological transformation in the business world, the role of the CIO is quickly evolving. Today, a CIO really has to focus on harnessing emerging disruptive technologies and balancing future needs with current operational realities. CIOs are seen as leaders and innovators in the business environment and are the driving force to leveraging emerging capabilities to drive measurable business results. A CIO at an insurance company is in a somewhat conflicted position due to the traditionally risk-adverse industry. Insurers tend to be stragglers when it comes to implementing new technology, so the CIO faces a challenge when moving to take advantage of these opportunities and drive technological change within the insurance organization.

Internet of Things Adoption

The growth of embedded sensors and connected devices is all part of the Internet of Things. This growing trend can positively impact a business, if implemented correctly. Insurance companies have the opportunity to combine "smart things" with analytics, security, data, and integration platforms to allow disparate areas to seamlessly work together. Despite the risk-adverse nature of the industry, it's actually moving quite quickly in this area, as significant opportunities exist to create business value. IoT is already transforming operating models, underwriting approaches and loss-control practices for companies in this sector.

"Significant opportunities exist to create business value for insurers."

Software-Defined Everything

Today's IT developments allow the virtualization and automation of the majority of the infrastructure layer. Software-defined everything is reducing technological complexities, improving speeds, and lowering costs. SDE presents unique challenges to the insurance industry because these businesses traditionally ran on a combination of siloed legacy and modern platforms. To take advantage of SDE, insurers have to analyze their needs and identify the appropriate platforms to migrate to.

Improved Intelligence

Data and analytics are increasingly being used by companies to build their knowledge and competitive advantage. Insurers today can take advantage of advanced analytical tools, machine learning, and predictive modeling to collect and analyze consumer data. The insights garnered from this information are a huge driver for future growth of insurance businesses. With the assistance of smart devices and related applications, insurers can carefully invest in amplified intelligence to drive their business.

Dimensional Marketing

Marketing, like many things, has evolved a lot recently due to technology. And for insurance, it's a process that includes insurers, intermediaries, policyholders, and of course, the end consumers. Today's customers are digitally connected and insurers' marketing teams are investing in tools for marketing automation, content development, analytics, commerce initiatives and more. This stage of marketing is all about customer engagement and insight.
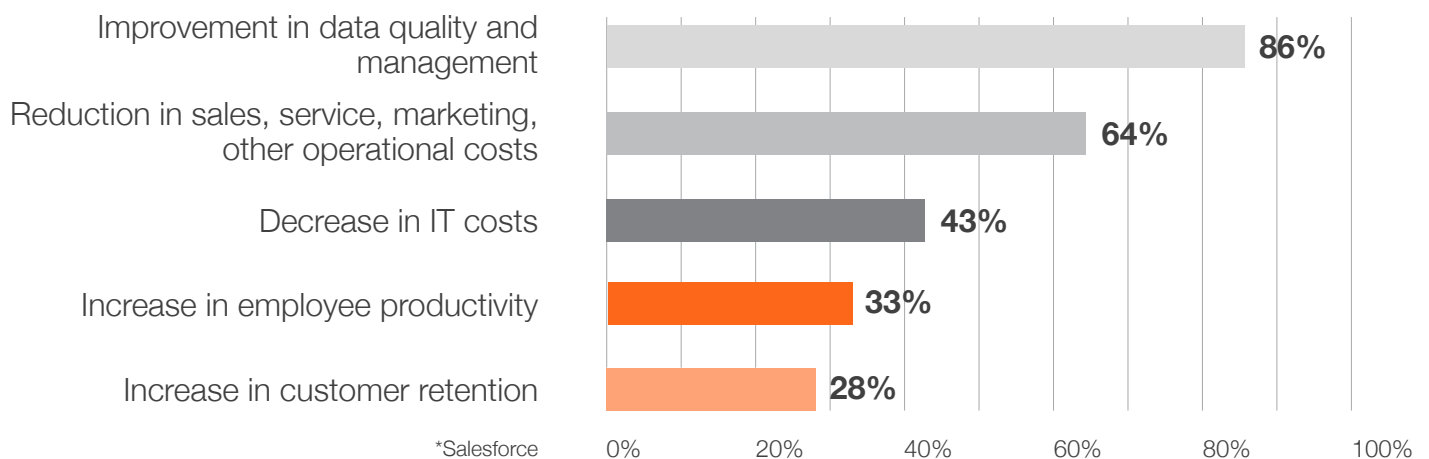
The Evolving IT Role

Insurance companies are challenged to maintain pace with the rapid development of technology today. This requires IT workers to develop greater knowledge and capabilities in order to adapt to these changes. It's increasingly important to have team members with depth, breadth, and the ability to learn quickly - and these people aren't always easy to find. Insurers will have to work on creating IT workers of the future, who must have advanced habits and skills compared to the traditional IT employee.

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Cloud Computing Benefits for Insurance

Insurers are looking to accelerate their use of cloud-based services, especially Infrastructure as a Service and Software as a Service. These companies are looking to streamline their operations overall and refocus their IT resources on customer- and agent-centric initiatives. IT personnel today are no longer meant to just keep the network up - their talents should be aimed towards impacting the business in the most direct and positive ways. Cloud will help create intuitive user interfaces for all audiences and real-time access to policy and claims information. Cloud computing will increasingly be used to take over the IT activities that don't directly add value to the customer experience.

Insurance adopters of cloud computing experienced the following improvements in business operations:

Improvement	Percentage
Improvement in data quality and management	86%
Reduction in sales, service, marketing, other operational costs	64%
Decrease in IT costs	43%
Increase in employee productivity	33%
Increase in customer retention	28%

*Salesforce

0%   20%   40%   60%   80%   100%

Relieve Cost Pressures

As with any other organization in any other sector, insurance companies constantly worry about costs. They need to achieve profitability while also remaining up to date and competitive. The cloud is able to save insurers money in various areas. It cuts operating costs by following a pay-as-you-go model that ensures organizations are only paying for services when they're using them. Additionally, the overall costs of IT ownership are drastically reduced, as many costs transfer over to the cloud provider. By pairing the cost efficiency and scalability of cloud computing, these organizations can handle changes in demand while actually saving money.

Open New Opportunities

The flexibility and efficiency of the cloud opens up opportunities in many areas. Insurance organizations can create strategic, collaborative partnerships while exploring new tools and operations. They can begin to think big and explore new geographical and product markets.

With a flexible and easily scalable solution, insurers can constantly react to market changes, addressing new opportunities or obstacles as they come. Reduced cost and efforts lead to greater business innovation, which ultimately leads to new projects and services.

Allow Business Differentiation

It's been said many times before: cloud computing levels the playing field. With improved responsiveness, unbelievable availability of data and applications, beneficial analytics and impressive flexibility, cloud can transform a business, making it much more competitive. By having the tools to gather and analyze market data, insurance organizations can respond quickly and efficiently, whether that means rolling out new products or simply repricing existing services. They can react to real-time data. It's just easier to do with the cloud on your side. This helps insurers differentiate themselves and maintain a competitive edge at all times.

Accommodate Customer Needs

Customers have become more demanding. This isn't a bad thing - it's simply a fact. They realize the technology exists to accommodate their wants and needs, and they're beginning to expect more from every business interaction. Today, consumers want simplicity, consistency, customizability and affordability. With the help of the cloud, insurance organizations can give customers what they want. Cloud computing helps cut costs on both the business and consumer sides, while offering both parties amazing flexibility. Insurers can also use detailed data and analytics to strategically meet the needs of their customers. With the cloud, insurers can access new customers while improving loyalty of existing ones.

> "By having the tools to gather and analyze market data, insurance organizations can respond quickly and efficiently."

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Support Business Priorities

Cloud computing has a lot to offer businesses, and this includes supporting the unique priorities of each organization. For insurance companies, this means providing capabilities and resources needed on a flexible, efficient and affordable basis. Thanks to the scalability of cloud computing solutions, insurers can respond quickly to changing business conditions without breaking the budget.

Achieve Ease

Cloud offers insurers the chance to achieve ease in every area of their company. By creating a central location for data and applications in the cloud, all parties, including sales agents, employees, developers, and more, can collaborate in real time from any device, in any location. Additionally, the cloud supports all critical functions of insurance organizations, including billing and underwriting.

Address Requirements

Every industry has its own set of regulatory requirements to deal with, and insurance is no exception. The sector needs to maintain security and strong systems that can deal with ever-changing demands and requirements. Cloud computing can address these needs by providing equal, if not greater, security than what an insurer has in place, and can meet the various compliance requirements of the organization.

About RapidScale

RapidScale, a managed cloud services provider, delivers world-class, secure, and reliable cloud computing solutions to companies of all sizes across the globe. Its state-of-the-art managed CloudDesktop platform and market-leading cloud solutions are the reasons why RapidScale is the provider of choice for leading MSOs, VARs, MSPs, Carriers and Master Agents throughout the United States. RapidScale is not only delivering a service but also innovating advanced solutions and applications for the cloud computing space. RapidScale's innovative solutions include CloudServer, CloudDesktop, CloudOffice, CloudMail, CloudRecovery, CloudApps, and more.

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