Bajaj Allianz General Insurance's cloud bet pays off

Sourabh Chatterjee, President & Head – IT, Web Sales and Travel, Bajaj Allianz General Insurance talks about how the insurance giant manages its workloads between public cloud and on-prem.

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Bajaj Allianz General Insurance Company (BAGIC) started its cloud journey five years ago by taking select workloads onto the cloud environment with an aim to provision the infrastructure at a faster pace and to reduce the time-to-market.

From the very beginning, BAGIC looked at the cloud as a business enabler and only those workloads were chosen, which had tangible business benefits attached to them.

Bajaj Allianz General Insurance took a brave call back then, by taking its core policy platform on the public cloud, a call that many companies within the BFSI industry were afraid to make.

"We are already seeing lots of benefits including faster time-to market, ease of scaling up/ down, and any specific businesses needing a faster TAT," said Sourabh Chatterjee, President & Head – IT, Web Sales and Travel, Bajaj Allianz General Insurance.

Bajaj Allianz General has a customer base of 74 million and witnesses millions of transactions including processing of claims and policies.

During weekends, month ends, quarter ends, and year ends, the company requires a lot of compute resources. With cloud, the load management has been better.

Balancing on-prem and public cloud

Today, more than 50-60 percent of the insurance giant's workloads are on the cloud. Even though Chatterjee has goals to take up to 90 percent of the workloads to the cloud, some of the workloads are always going to remain on-prem.

According to Chatterjee, there are certain workloads which do not lend itself to the Cloud environment at all. Some workloads are used by a very specific set of people which requires a lot of processing and needs to be within the enterprise environment.

"Also, Cloud is not a cheaper option, it is actually more costly when compared to on-prem. One needs to plan which workloads give you the value, value for money, value for business, value for large-scale processing, and then move them on there," he said.

If organizations keep on continuously uploading and downloading data from the cloud environment their Opex bill is going to rise meteorically.

"While we will have our hybrid multi cloud environment where 80-85 percent of our workloads will operate, there will always be a 10-15 percent that will stay inside the enterprise's environment," added Chatterjee.

BAGIC uses a hybrid cloud strategy. However, more percentage of the workload is higher on one cloud service provider. This is because the company chose that CSP for its core policy platform which includes the majority of the workloads.

"We have a stated hybrid cloud strategy approach and then over a period of time, as the percentage of workloads move, it will balance out a little more. It will always be biased towards one strategic partner, just because we have chosen it for our core," he maintained.

Talking about whether it's better to rely on a single provider more, Chatterjee said, The pros and cons are always there for every strategy. "Conventional wisdom always says de-risk and don't put all your eggs in one basket, but it is not easy. Any organization that you see and not just BAGIC or large banks or worldwide, there will always be one dominant CSP. It is just because either the timing or the workload they chose to move, who put it there, there will always be one dominant. But yes, you should balance out over a period."

Organizations need to choose what is right for them, he suggests. While moving the workloads CIOs need to ensure the roadmap has a component which keeps the exit strategy very clear.

"If you have to move the workloads back or go to some other cloud service provider, how much does it take, what happens, how much time is it going to take," Chatterjee said.

Out of the total opex IT budget of the company, cloud currently takes up to 15 percent.

The Cloud Journey

BAGIC's journey began with a few business lines including e-commerce, IRCTC and later the insurance value chain.

The e-commerce business line required faster TAT (3 seconds response time), which the company made cloud-native.

Within the insurance value chain, the issuance of a policy includes lots of quotations. To speed up the process and make the consumer experience seamless, the company decided to move the insurance value chain to the cloud.

By putting these workloads on the cloud, the company aimed for getting quick benefits which will help businesses see value and enhance the business output.

Next step the company took was taking the smaller lines of business to the cloud and building guardrails around it, from the security standpoint.

"While initially the lines of business were smaller from a top line standpoint, we have to build every feature, functionality. As we are moving into cloud, we have to take care of a lot of things, how will it work, what will you bring down, how will you integrate everything, platform as a service, and security," he said.

Later the company moved its health insurance business onto the cloud. The next stop for Bajaj Allianz General Insurance's cloud journey is motor insurance.