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[Benefits of cloud computing for the insurance industry](#)

Cloud offers multiple areas of application for insurers, which includes business applications across the insurance value chain from issuance to renewals to claims servicing to engagement for their Customers, Prospects and Partners.

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Cloud computing is looked at as a typical tool for optimizing cost and handling variable demand from an infra perspective. While this is true and today it's 'table stakes' for anyone wanting to migrate to cloud from an on-premises environment, in many ways it is also cliché as many organizations miss out on numerous other benefits that cloud offers for their digital transformation journey.

To elaborate on my point of view - while cloud migration is becoming baseline for any and every modern system or digital transformation journey, it is also a great enabler. It enables the digital transformation journey of an insurer by offering a bunch of out-of-the-box capabilities which can be deployed quickly at scale. These capabilities can be horizontal or vertical. Horizontal capabilities like Artificial Intelligence (AI) and Machine Learning (ML) can be deployed across the insurance value chain and existing systems/process for insurers.

While vertical capabilities like datalake can be setup quickly to enable for instance, the analytics function within an organization and give them a playground for building their models. We have also seen that, while solutions across SaaS, PaaS, IaaS and BPaaS are all relevant and have different use cases for different organizations, our experience is that SaaS has seen the largest use case for pay-per-use, multi-tenancy and external services.

From insurance company's perspective, while this was true before the Covid-19 pandemic, post Covid, many insurers have realized the need to be digitally efficient and lean on infra footprint at the same time. Cloud native apps/solutions therefore offer the right balance of scale-up for business need with a fast go-to market, cost optimization and base security. Take an example of a desktop as a service model which offered relief during Covid times to enable remote working.

Another aspect that cloud has enabled for insurers is – Experimentation. In the world of Build-Buy-Acquire, cloud offers the right environment to operate and scale fast. Agility in business operations comes from the inherent characteristics of cloud and cloud deployed apps for instance SaaS apps.

Businesses can make decisions, go wrong and refine at a marginal cost as against any of the prevalent models. In the recent past, insurers have had to launch products in the sandbox environment which was allowed from a regulatory perspective. Cloud has and can act as a great enabler for faster go-to-market for such experiments. In addition, insurers can now use

cloud as a sandbox to experiment with process changes, implement external, third-party solutions to work in conjunction with their core systems.

This results in improvement in TAT or accuracy/efficiency of processes. Cloud offers multiple areas of application for insurers, which includes business applications across the insurance value chain from issuance to renewals to claims servicing to engagement for their Customers, Prospects and Partners.

Finally, as the collaboration of existing insurance players with start-ups is increasing and insurers are wanting to disrupt their own value chain by offering solutions for their Customers and Partners, cloud is a great enabler which helps insurance carriers to quickly experiment, deploy and scale new /innovative solutions from the vibrant insurtech ecosystem in India and outside. I believe cloud computing helps us aim higher, deliver at hyper speed, offers flexibility as per business needs and customer preferences. Thus, propelling us into a lean customer centric future.

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