

The cloud is vital for insurance growth

With the number of insurers using cloud computing services tripling over the last few years, those still undecided as to its relevance need to start making a serious investment into strategically understanding the impact on their businesses. Patrick Ashton, managing executive at SilverBridge, believes the cloud is becoming the new norm for insurers.



Patrick Ashton, managing executive at SilverBridge

Research from Novarica indicate that 70% of surveyed global insurers are using cloud computing to a lesser or greater degree. It does however caution that the cloud still requires effective planning to work, irrespective of industry type or perceived business benefits which could be unlocked.

“Insurers looking to leverage the increased security, reduced cost, and quicker time-to-market that the cloud provides, must ensure they still carefully strategise how best to integrate the technology into existing processes. It is all too easy to get lost in the rush to implement and not consider the impact on current systems, functions and processes.”

Even so, he says, insurers who are still relying on on-premise solutions will quickly lose relevance in a hyper-connected business world.

“Consumers and other stakeholders expect information to be available immediately and from any device. They want to access their information, be able to make changes, and even submit claims as and when required. This is not possible in a traditional business environment where services are provided within normal working hours but by one that reflects the connected nature of our lives today.”

Status quo

With 83% of enterprise workloads expected to be in the cloud by 2020, the direction the financial services market is going is obvious. Adding further impetus to this shift in South Africa is the imminent arrival of several multi-national data centres that will provide a plethora of cloud-based products and services.

“Initial concerns around the cloud in terms of compliance to a rapidly-evolving regulatory environment have been addressed. Simply put, cloud providers must ensure that all the security and compliance boxes are checked. Failure to do so, will result in significant financial and reputational damage. So, although insurers still need to closely scrutinise their service providers, compliance is becoming less of an issue when looking at hosted services or offerings.”

However, insurers still need to have the internal skills in place to adequately benefit from going the cloud route.

“Even though it has become far more user-friendly to work with the cloud, too often skills development falls by the wayside, with employees unable to effectively benefit from a new online product set. Insurers must, therefore, make change management an integral part of the transition to the cloud.”

Fundamentally, the cloud is required to modernise ageing infrastructure and traditional approaches to insurance.

“From improved efficiency to customisable product offerings, more secure systems to continually updated platforms, the cloud offers a much richer environment for the insurer to drive competitive advantage. Now is the time to change and start utilising the benefits of the cloud. Any organisation not currently working with cloud will be in trouble within a few years.”

For more, visit: <https://www.bizcommunity.com>