

VOLUME 1

What's Keeping You from Competing in the Cloud?

Learn how insurers can effectively leverage As-A-Service (AAS) cloud-based software to enhance speed-to-market, scale operations rapidly, and enhance the customer experience.



Business Solutions.
Simplified.

This special feature includes an introduction to the As-A-Service economy and the business drivers that are fueling change.

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Introduction: You're Already in the Cloud

Whether you know it or not, you and your business are already functioning in a “cloud” computing world. In fact, without thinking twice about it, you likely use software and computer servers running over the Internet (that is, “in the cloud”) regularly for many day-to-day activities — accessing or purchasing music on your smartphone, ordering products online from major retailers such as Amazon, uploading photos snapped on your vacation to Instagram, sending a Tweet, watching Netflix, or renewing your driver’s license online.


In an office environment, the Internet and the cloud are essential elements of daily commerce, whether you’re using Internet-based tools such as sales and lead tracking Customer Relationship Management (CRM), streaming distance learning webinars to or from remote offices, or backing up computer servers to an online service.

There is no end in sight for cloud computing’s potential. Indeed, its use by public and private organizations is now growing by **50% annually**, according to a recent market analysis by Cisco Systems, Inc. and, by 2019, Cisco forecasts **83%** of all data center traffic will be cloud-related.

That means **eight out of every 10 Internet-based transactions and interactions** will soon be leveraging cloud-based resources.

Wait a minute, though. Isn’t “the cloud” just the same old Internet we’ve come to know and love over the past few decades? No.

More than just the static or database-driven websites first hosted on singular servers linked to the Internet in its early days, cloud computing’s secret sauce is its ability to share a pool of processing resources and data from multiple computers and other devices, on-demand, that are connected to the Internet anywhere in the world.



“EIGHT OUT OF EVERY 10 INTERNET-BASED TRANSACTIONS AND INTERACTIONS WILL SOON BE LEVERAGING CLOUD-BASED RESOURCES.”

This shared pool of scalable and configurable resources — ranging from networked computers to servers to data storage units to powerful software applications — can be called upon and released as needed with little or no human intervention. Distributing the computing load across this network of shared resources creates new levels of stability for business transactions, enhances operational scalability and flexibility, allows for fail-safe disaster recovery, and enables easier software maintenance.

Cloud computing is what gives a garage-based startup the same potential computing power as a global Fortune 1000 company without the need to invest significantly in on-site hardware or software. Just as an electricity grid or network allows users to draw as much or as little power as needed, so too does cloud computing allow businesses of all sizes to be nimble, efficient and cost-effective.

The cloud, though, is not just a global reservoir of potential computing power for storing and processing information. Thanks to innovative companies, such as OneShield, organizations can leverage highly-configurable software platforms and applications designed specifically to operate in the cloud that can run almost every aspect of your business — without any major investments in new hardware or software development. Suddenly, you no longer need to worry about hiring a team of software developers, building a large IT department or mulling over on-site hardware specifications, like random access memory (RAM) or hard drive space, because the cloud's computers and customizable software platforms do all the heavy lifting for you. If your business needs access to more resources, you can scale quickly in the cloud. And, if you need to reduce the use of resources, you can do so just as easily.

Now, let's think about how cloud computing can transform your business...

As you can imagine, cloud-hosted technology and services are revolutionizing how we interact with businesses, governments and each other — storing massive amounts of data safely at a low cost, powering countless software applications, and lowering total cost of ownership with dramatically reduced capital and maintenance expenses for hardware and software. Cloud computing also lets you focus on what you do best — your business.

Welcome to the As-A-Service (AAS) Economy

With the invention of every new and disruptive technology, from the automobile to the Internet, a door opens for a new business ecosystem that supports, augments and enhances its evolution.

In cloud computing, that marketplace has become known as the hardware, software and platform As-A-Service (AAS) economy. Providers ranging from data centers to software vendors are creating customizable services and core business systems accessible through the cloud that can be scaled up or down as needed, often on a pay-as-you-go basis.

In the insurance industry, for example, several analysts and market observers saw early on the great potential for distributed and scalable cloud-based platforms to give insurers and related businesses the ability to roll out new products quickly, communicate efficiently with stakeholders or offices around the globe, and cost-effectively adapt their business model to changing market or regulatory conditions. OneShield was among the pioneers in re-inventing its own market-leading enterprise software platform for the AAS world shortly after cloud-based computing starting emerging.

The legacy challenge

In the beginning, many insurers were slow to move any applications or core functions to the cloud. It wasn't for a lack of vision, however. In many cases, insurers were being held back by their legacy enterprise software systems. Legacy system platforms, often housed on-site on mainframes or private internal networks, suffer from well-known issues. Frequently, they are a patchwork of manual processes and software applications from multiple vendors. Legacy systems may constrain business processes, processing speed, time-to-market for new products and services, as well as overall service capability and flexibility. They also tend to drive up the cost of change and ongoing maintenance. Finally, they complicate the use of new tools such as web portals, inhibit adding new rules to improve risk analysis, leveraging geo-coding data and risk models in pricing algorithms, and performing cost analysis of third-party market partners.

Whether built in-house or acquired from vendors, these decades-old core systems are often upgraded sporadically by inserting exception processes, a wrapper layer of new screens, or by tacking on a new module. The old core, however, remains, with all its limitations, redundancies, cost and complexity. Ultimately, these upgrades make the system slower, harder to maintain and more error-prone.

For many insurers locked in a legacy system world, their business processes cannot adapt easily and quickly to market or technology changes, leading to an ever-widening gap against business needs and, eventually, requiring an expensive “rip and replace” of their system.

The cloud, however, is changing all that.

Small and Nimble Insurers Were Among the First to Adopt AAS

For cloud computing in the insurance sector, change first happened a few years ago — not among the largest and best-funded insurers, but with startups and smaller innovative players. Having less money, time and personnel resources, smaller businesses not tied to legacy systems saw right away the advantages of the cloud and the AAS economy, including:

- **365/24/7 Access:** The cloud can give an insurance business “anytime, anywhere” access to its systems. That becomes a competitive edge as more organizations allow remote access to core functions by employees, customers and third-party market partners. With the cloud, stakeholders can work together around the world.
- **Agility:** We’re talking both innovation and business agility. Unlike legacy systems, AAS software is easily implemented, configured and launched — ideal for smaller businesses. They can quickly test new product lines and processes without major investments in expensive digital infrastructure.
- **Extreme Efficiency:** Highly-evolved AAS platforms offer built-in best practices — a major value-add for a startup or fast-growing company entering new markets. Today’s cloud-based enterprise software is based on the collective learning and input of a broad base of customers. As a result, upgrades and add-on modules are developed rapidly to offer real solutions to real problems — cloud software is never static and gets better thanks to the collaborative nature of the AAS marketplace.
- **Scalability:** Every successful business is going to grow. Smaller and fast-growing businesses don’t want to have to worry about adding new servers or finding more storage capacity for data. Cloud-based software AAS accommodates a business’s needs instantly no matter what level you’re operating at — and makes all your processes more efficient and your operations more competitive.

- **Freeing Up Resources:** Statistics regularly show up to 80% of IT budgets are tied up in routine maintenance. The cloud frees up CIOs and CTOs from worrying about software upgrades, hardware replacements and systems crashes and focusing instead on strategic decisions that further business growth.

One certainty in business is that change is a constant and now that utilization and benefits of the cloud are widely being acknowledged, adoption rates for insurers of all sizes of AAS is happening at exponential rates.

As a result, the insurance industry is fast approaching a tipping point for the move to pre-dominantly cloud-based core systems. According to market studies:

- Over **17% of enterprise buyers** currently say they are moving to AAS.
- **4 out of 5** insurers want to digitize core system operations.
- Over **66% of insurers** see the cloud as reducing overall process cost.
- By 2025, **95% of IT** spending is expected to shift from in-house to the cloud.

For customer-focused enterprises looking to expand into new markets (and who isn’t these days), the ability to maximize your technology spend and resources efficiently through cloud-based computing can deliver a significant competitive edge affecting how and when you service the customers of today and tomorrow.

Business Drivers for AAS in Insurance

Across the business continuum, regardless of the industry sector or geography of an enterprise, the overarching priorities of C-suite teams tend to be focused on three main themes — **Less Cost, Better Data, Fewer People.**

A sampling of recent surveys of C-class leaders, for example, suggests **62% of senior executives** believe it is critical to drive down operating costs, and **49%** see cost-effective and flexible services as important to their business success.

Similar findings crop up in the insurance industry. In fact, as these are key attributes of AAS core systems, it may not be surprising to learn the C-suite among insurers is often driving the shift to move systems to the cloud. For example, one survey found **54% of senior vice presidents and above** among insurers believe AAS is critical (compared with just 29% of vice presidents and below).

Why are C-suite leaders so excited by the cloud and AAS? The answer likely lies in today's "big idea" business trends or drivers in insurance. Namely:

| Operations | Technology | Distribution |
|---|--|---|
| <ul style="list-style-type: none">• Elevate customer responsiveness• Increase productivity and automation• Focus on enabling self-sufficiency | <ul style="list-style-type: none">• Reduce Total Cost of Ownership• Leverage pre-built interfaces and existing content• Ensure data security using restrictions and controls | <ul style="list-style-type: none">• Leverage automation whether working with agents or policyholders• Enhance customer experience with effective, intuitive and self-administering tools |

How "As-A-Service" Delivers Value to Insurers

A recent market study by insurance technology consultants Novarica identified these findings among insurers and related businesses that leverage the cloud:

- Insurers that moved core systems to the cloud report net-positive benefits consistent with expectations.
- Cloud-based implementations lower total costs and improve response time, availability and recoverability.
- IT organizations often overestimate how hard it will be to move core systems to the cloud, due to misinformation or lack of knowledge.
- Pre-conceptions and implementation risk are best mitigated by due diligence in the vendor selection process.
- Organizational resistance is best overcome by communication of direction and cloud benefits.
- Once insurers install a core system in the cloud, it is unlikely they will move it back in-house.

Following years of experience in the market-space, OneShield recognizes the following as key business drivers for insurers moving to cloud-based services include:

- **Faster Speed-to-Market:** Leveraging pre-built content and a tools-based development model reduces implementation time dramatically.
- **Increased Operational Agility:** Taking advantage of extensive integration capabilities, such as those offered by OneShield's portal technology, enables existing and new services to be adopted quickly.
- **Enhanced Flexibility in Product Offerings:** Highly configurable development tools, like OneShield Designer, provide the flexibility to tailor insurance products easily to specific subsets of customers, modify pricing or product features rapidly and adapt smoothly to regulatory changes.

- **Lower Costs with Shared Infrastructure:** Leading AAS providers, such as OneShield, typically host and maintain core services platforms in a private and highly-secure shared cloud infrastructure. You benefit from the cost-efficiencies of having dedicated administrative support and security expertise, as well as the savings gained by having no additional server hardware investments and maintenance costs.
- **Faster Deployments:** Since new environments can be brought online in less time than ever before with virtual technology, the time to deploy a new application drops dramatically. Instead of acquiring, installing and configuring new server hardware, AAS systems can provide a new environment quickly using virtually provisioned servers.
- **Complete Configuration Control:** While core services are hosted by the AAS provider, you still enjoy the full benefits of a highly-configurable product offering. There is no limit to the configurability of a cloud-based system. Your software solution is also independent of any other hosted applications. By retaining the ability to customize your software platform, you enjoy complete self-sufficiency in developing and maintaining your own user interface, workflows, rates, rules, forms and transaction processing methods.
- **Enhance Internal Efficiencies and Achieve Economies of Scale:** Because the AAS provider hosts these core services, you can do more with fewer people and minimize the learning curve for hardware and software issues. This means more time to spend working on your core business activities, and less time spent managing logistics and dealing with IT issues.

With leading AAS providers, such as OneShield, you also get:

- Out-of-the-box integration
- Unlimited scalability
- Disaster recovery and failover protection
- 24/7 support, including software release support, ensuring all updates are managed and automated
- Security for your applications and secure logons for users and third parties
- Rich analytics and reporting on your business
- Customizable, pre-built solutions that are vertical-agnostic for billing, rating, and enterprise risk management
- Full-range of automation features, including workflow handoffs, document routing, report generation and other customizable functions specific to your business model
- Third-party self-service web portal access for agents, consumers, reinsurers and others
- Training

It's no wonder AAS is beginning to change how insurers look at technology. With the ability to pick and choose what core services should move to the cloud, C-suite leaders can identify where they have a competitive advantage and leverage best-of-breed software solutions that add value to their business, such as enhanced customer experiences, real-time analytics, and pricing efficiencies.

**"21% NO LONGER
USE DESKTOP
COMPUTERS TO
GO ONLINE."**



Case Study

Efficiencies Enhanced by Automated Processes

Before it moved to the cloud, **International Catastrophe Insurance Managers, LLC** (ICAT) of Broomfield, CO, was like many insurers. Of the 42,000 catastrophe insurance submissions cleared every 12 months, 40,000 risk management models run each year, and almost 4,000 renewal quotes and thousands more new business quotes produced annually — all were managed, in part, using multi-step and sometimes complex manual processes.

Today, ICAT has been able to automate and streamline its manual processes using a cost-effective, secure and highly configurable end-to-end submission management solution provided by OneShield's cloud-based AAS platform — the first to be implemented by a risk management insurer. It empowered ICAT to automate the handling of all stages of the submissions lifecycle with specialty rate handling, unlimited billing and payment plans, and unlimited other account-specific procedures.

“The automation of our submissions management process will significantly enhance our ability to respond quickly and efficiently to the needs of producers, agents and their customers with a single platform solution that eliminates any redundancies,” says Michael M. Ferber, ICAT's Chief Information Officer and Executive Director of Human Resources.

Enabled by OneShield's robust workflow engine, ICAT's underwriters can now access an online, integrated underwriter workbench that automates workflows, reduces processing costs, and allows ICAT to deliver faster turnaround time to producers.



The OneShield Software Story

Since 1999, OneShield, Inc. has been privileged to provide solutions to many of the strongest and fast-rising names in the global financial services industry, ranging from those with a single lines of business to others with multiple products in P&C, life, health and specialty markets — a combined 50 lines of business in production on the same platform.

OneShield Software delivers core business software solutions to the global insurance and broader financial services industry, deployed in the cloud or on-premise. Our portfolio of standalone, subscription and cloud-based software products include enterprise-class policy management, billing, claims, rating, product configuration, business intelligence, and analytics solutions that leverage a tools-based open architecture and single data model platform to streamline your business. OneShield Software automates and simplifies the complexities of core systems with targeted solutions, seamless upgrades, collaborative implementations, and lower total cost of ownership.

With corporate headquarters in Marlborough, MA, and offices in India, Canada, and Australia, OneShield is committed to supporting their clients' growth, increasing their speed-to-market, enhancing internal and external efficiencies, and enabling client self-sufficiency at the lowest total cost of ownership.

Ready to simplify your business? It all starts with a conversation.

Connect with us at info@oneshield.com or 1.888.663.2565.



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