



vmware®

Become the insurer customers need

Accelerate growth with new business models and services by establishing a multi-cloud platform that runs all applications

Build a technology-enabled **insurance business**

The disruption to insurance markets today is significant. As such, digital transformation is now viewed as a survival imperative. The response has seen a widespread acceleration of transformation initiatives.

Shifting customer demand and the unstoppable rise of digital innovation have forced insurers to reassess the funding constraints and traditional mindsets that have typically slowed the pace of change.

Today, change is non-negotiable. The near future will see insurance leaders employing technology along the value chain to enhance customer experience (CX) and unlock operational efficiencies.

In a sector typically resistant to change, there are concerns about increasing risk and the sheer scale and complexity of applying industry regulations to a digital world.

Yet, change is necessary because, for customers, CX is arguably the biggest service-selecting factor outside of cost. In addition, emerging trends such as ESG – or the absence of it – will also attract or deter younger new customers.

“

Accelerate toward
intuitive insurance by
‘actualizing’ innovation.”



Improvements in CX help create cost efficiency as a by-product and provide competitive advantage for customer acquisition and retention. This really isn't optional anymore. The pandemic has made it necessary to accelerate the adoption of new customer-facing and internal digital capabilities at scale. That's here to stay.

Agile operations and stronger digital capabilities will help insurers meet customer expectations for speed and personalization. As many firms are hindered by legacy systems, they know that digital transformation is a must if they want to meet customer needs, create better outcomes, generate efficiencies, and go through the complex work of simplifying processes for everyone.

At VMware, we're already helping thought leaders across the insurance sector and we can do the same for you. We can be the multi-cloud platform to support new, cohesive operations between your technology stack and your day-to-day operations.

This will help you accelerate toward more intuitive insurance through 'actualizing' innovation. Not only can we help make change real, but we can also help you drive a sustainable competitive advantage by enabling new business models and by helping you to bring new digital capabilities and services onstream.

How VMware can help you reshape insurance:

Be known for your customer experience.

A gap remains between what customers expect and the number of insurers that really meet those demands. Moving to a customer-centric position across all insurance types means delivering quality experiences with speed and security. Whether it's an app or insurance calculator, a great experience will see more customers return, share data, and help enrich your services.

Be free to embrace innovation.

Adopting a multi-cloud approach will put you firmly in a leadership position as you support business initiatives – unlocking cost savings, operating security, and taking a strategic approach to business complexity. Manage thousands of accounts, objects, containers, and applications smartly and match every part of your technology stack to the best environment for it.

Be liked for the products and services you provide.

Whether you're encouraging healthier ways of living in life insurance or providing simple routes to insure goods at the point of sale, applying a data-driven and customer-centric approach will enable you to serve existing customers better – and target new customers – by delivering new products and services, moving into adjacent markets, and creating entirely new markets.

Manage risk as you transform.

Uncertainty can bring inertia to any transformation program. Create a trusted multi-cloud platform for all applications to help mitigate uncertainty as you transform into a digital ecosystem for the future. Optimize, build new capabilities, and accelerate toward a new, agile model in reliable and knowable development stages.

Contents

1. Why accelerated transformation is the critical first step.
2. Welcome to virtual and automated insurance.
3. Why resilience, security, and compliance are more important than ever.
4. Be the insurer people want to work for.
5. Want to find out more?



Why **accelerated transformation** is the critical first step

Insurance is reliable and traditional, but its big players today face competition from Insurtechs unencumbered by legacy processes, attitudes, and infrastructure.

Insurtech firms raised a [record \\$15.4 billion in funding in 2021, nearly doubling 2020's funding levels](#). But the good news for traditional insurers is that they are in a great place to accelerate innovation today and mitigate this threat.

Through optimization of existing offerings and freeing funds that can be reinvested to accelerate digitization further, established insurers can start to deepen innovation and move toward a goal of adopting truly agile, data-driven business models.

The end state is a trusted digital platform with modern apps, intrinsic security – one that is software defined and mobile enabled. But there is no ‘Big Bang’ here. The reality of getting there lies in taking smaller steps – innovating a single business application or single end-to-end process before moving on to the next.

“

Deepen innovation and move toward a goal of adopting truly agile, data-driven business models.”



Like many industries, insurance is looking to adopt new technologies that will enable new and innovative business models, partnerships, services, and that can help embed regulatory oversight.

Artificial intelligence, machine learning, international multi-cloud, the Internet of Things, and blockchain will all be examined for the new ways of working they could promote. However, the approach will be to continuously improve by deploying and modernizing technologies such as these when their application can be aligned with changing customer and employee needs.

At VMware, we can help you accelerate innovation to develop and deploy new products and services in response to dynamic market requirements. Modernize applications quickly and deliver engaging digital services without raising costs and while protecting sensitive information.

We can also help your teams learn modern development methodologies and enhance developer productivity with a software-driven approach. Replace long-term planning with rapid-turn delivery that scales to multi-cloud and makes better use of your capital and operating expenses.

Success story

Headquartered in Philadelphia, the Pennsylvania Lumbermens Mutual Insurance Company (PLM) is a property and casualty insurance carrier. Founded almost 125 years ago, the company offers coverage to lumberyards, retail dealers, and transport vehicles in all states across the US.

As a niche insurance provider, it's imperative for PLM to maintain continuity while keeping IT operations lean. To do so, it is moving workloads to the cloud and managing a hybrid multi-cloud environment.

Its latest move involved migrating its disaster recovery site to reduce costs by nearly 20 percent. PLM also gained the scalability and resiliency to keep business-critical systems running in the event of a disaster.



We aim to have a distributed IT environment across multiple private and public clouds – which ultimately keeps our operations more secure and available.”

BJ Gardner
Lead Systems Architect, PLM

Welcome to **virtual** and **automated** insurance

Automation isn't about replacing people with robotized systems. Its primary focus is bringing greater efficiency.

Do you want to reduce costs and enrich the experiences of customers and staff alike? [According to McKinsey](#), automation can reduce the cost of a claims journey by as much as 30%.

Everything from product design that uses advanced customer analytics, to front office services with self-service processing and integrated, customizable campaigns, can be optimized through 'hyper automation'.

What about underwriting with real-time info and automated processes? Or claims management with real-time monitoring and digitized document submission? That's just the start in this hugely exciting area.



“

Across all insurance types, the value chain is ever more driven by customer needs.”



The productivity boost can speed release cadence by using historical and transactional data to create actionable insights on customer trends and preferences. The time and complexity of developing, testing, and bringing new services to production can therefore be reduced.

This efficiency helps grow revenue via new tech ecosystems, maintain quality, and add resilience across an organization's multi-cloud approach – the result being a more thorough focus on CX.

Across all insurance types, the value chain is ever more driven by customer needs. Let's think once more about point-of-sale insurance or commercial insurance opening new categories for risks like cybercrime. The time to embrace that is now.

What's more, VMware will help you leverage emerging standards, like Guidewire, to move toward a world of on-demand, personalized services that proactively help customers. And where after-event transactions and claims processing are fully automated.

Success story

Headquartered in Tel Aviv, Harel Insurance Investments & Financial Services is a household name in Israel. It provides a full range of insurance solutions and claims 20 percent of the general insurance market and 45 percent in health insurance.

Harel isn't just Israel's largest insurance and finance group, it's the country's most innovative provider, taking a lead in the digital transformation of insurance. Harel has been a VMware customer for more than 10 years. Most recently, we have helped reduce development costs, improve development times, and reduce time to market for new services.

VMware is now a key partner in Harel's drive to create niche products and for reducing – from weeks to hours – the time it takes to bring new services to market.



We can be faster and more efficient in the way we onboard new customers. We can tell it's having an effect because we see our competitors trying to copy us.”

David Ben-Eli
Head of IT Systems
Harel Insurance

Why **resilience, security,** and **compliance** are more important than ever

Over time, transformation will lead to a reengineering of the insurance industry. How should the sector adapt to digital?

Pressures and new considerations are stacking up everywhere. Insurers need to be resilient against the market. They also have increasing data safety requirements. Add in cyberattacks, and you have quite a collection of challenges. But it doesn't stop there: changes like the growth of embedded insurance need a response.

Then there is climate change. Companies with a firm strategy for ESG adoption have seen considerable growth. In fact, [EY says](#) insurers must “build new risk models to better understand and predict the impact of climate change on weather-related events.”

And let's not forget regulatory pressures. Insurers need to automate for changes and oversight. In the UK, for example, the Financial Conduct Authority has new rules for insurers to identify vulnerabilities in a firm's operational resilience.

In the face of such flux, such a dynamic market, how do insurers guarantee that their requirements for resilience, security, and compliance are stronger than ever?

“

Organizations need
to be future-ready
with built-in threat
intelligence.”





Connected security will deliver the full visibility and frictionless operations you need, so apps and data are more secure in any environment. With secure and connected workloads, you can operationalize consistent security and networking across your apps, users, and entities with transparency built in.

APIs are the new endpoints. They need to be secure. VMware will help ensure you stay compliant as you share data. And we'll help centrally manage, secure, connect, and govern your clusters no matter where they reside.

We make a continuous effort to be on the edge of innovation by bringing researchers together who can push the boundaries of technology to solve some of the toughest challenges in computing. One of those is looking at quantum computing as a way to accurately simulate risk, optimize, and quickly sift through large unstructured datasets to train algorithms for fraud detection and customer targeting.

As insurance changes, individual organizations need to be future-ready with built-in threat intelligence that spans users, endpoints, and networks to evolve your protection in a dynamic landscape.

Success story

With headquarters in St Gallen and Basel, Helvetia is Switzerland's leading all-lines insurer. Over 160 years, Helvetia has grown into a successful, international group. Its success is founded on the diversification between life and non-life business. As well as a strong home market, it has profitable positions in other European countries.

Digesting the 2014 acquisition of rivals Nationale Suisse provided an ideal opportunity for the company to rethink its IT approach. The acquisition required the consolidation of four data centers into two. Helvetia's virtualization journey began with VMware in 2003, but the consolidation project was the right time to start micro-segmentation of its data centers.

Doing so strengthened its business continuity, helped deliver more efficient infrastructure, and reduced downtime. Helvetia can now be faster to market with new services. Also, it's easier to integrate new acquisitions or scale up infrastructure in support of growth areas of the business.



Security is becoming more and more important. Micro-segmentation means we have better control of our servers. This is key in the insurance market.”

Andreas Hagin
Lead Engineer,
IT Infrastructure,
Helvetia



Be the insurer **people want to work for**

Like other businesses, insurers can't treat remote working as optional. It's here to stay.

In fact, remote working can be good for insurers. It could help overcome the challenge of hiring talent and guide transformation so that it puts in place a robust digital acquisition pipeline.

According to McKinsey, finance and insurance industries are best placed to make a success of remote working, as three-quarters of their time is spent on activities that can be done remotely without a loss of productivity.

Offering a great workplace experience as a service to your teams – alongside remote hiring and onboarding – can be an efficient way to take on new people and incentivize retention. Deliver an engaging experience, putting employees first with device choice, flexibility, and seamless, consistent, high-quality experiences.

For the organization, the opportunity also lies in managing to outcomes – not tasks – with intelligent compliance, workflow, and performance management. There's a lot to be gained for an insurer prepared to tackle the challenge of shifting to a distributed workforce model. Yet, the barriers to success aren't insignificant.

Organizations may lack the tools and infrastructure to enable a distributed workforce to stay productive. Similarly, tool sprawl – or the multiple disconnected point solutions from different vendors – risks creating technology silos and complication, and only adds to the administrative burden.





Heterogeneity of devices, apps, and networks in a distributed environment increases complexity and makes it trickier to identify and respond to threats and incidents. An expanded attack surface for malicious actors requires new security models. The solution is visibility and compliance across a network and its devices.

With security of this kind baked in, you can shift from supporting remote work to becoming an anywhere organization. Gain the enhanced connectivity that can be a dealbreaker for remote workers.

Success story

Headquartered in Tel Aviv, Clal Insurance is one of Israel's largest insurance and long-term savings companies. It has two million private and business customers, and in 2019 recorded turnover of \$5.7 billion.

That was also the year Clal decided to upgrade its IT infrastructure to create a new work culture enabling remote work options. Clal has been able to smoothly transition its insurance clerks and call service center representatives – who answer thousands of calls daily from agents and customers – to home offices.

For Clal employees, it's been business as usual, including using the same extension phone number as in the office.

Looking ahead, Clal will tackle future remote work challenges by harnessing our technology to create a connected, flexible, and strategic global workforce that ensures continued business success.

“

VMware's solution allows us to embrace a sustainable work-from-home strategy, while consistently providing exceptional user experiences and maintaining all-encompassing security. It does this by scaling access to vital applications and data, managing and securing endpoints, and optimizing the network edge to every employee.”

Haim Inger,
CTO, Clal Insurance

Want to find out more?

Your VMware contacts across the world:

Brian Hayes

Senior Director - FSI Global and EMEA
hayesbr@vmware.com
+44 (0)7867905157

Steve Fusco

Director - FSI AMER
sfusco@vmware.com
+1 (781) 5343916

Orrin Francis

Director - FSI APJ
ofrancis@vmware.com
+61 (417) 200138

