5 strategic benefits of hybrid cloud infrastructure for insurance

"We wanted to move to a cloud-native software environment so we could build an engaging customer experience for new and existing applications, as well as significantly enhance agility and time to market."[1]

Nikolas Nehmer
Head of Helvetia Container Platform,
The Helvetia Group

Introduction

While the insurance industry began its journey to the cloud cautiously, today nearly every insurer uses the cloud in some way, though few are using cloud technology to its full potential. To deliver on the benefits of hybrid cloud solutions, insurers seek to balance immediate business requirements with longer term, and often unknown, future needs. This ability to strategically build for change is grounded in a consistent enterprise infrastructure, as it allows the entire organization to adapt, scale, and interoperate to meet changing demands.

Hybrid cloud infrastructure is the combination of one or more public and private clouds using tools and technology to enable workload portability, integration, orchestration, and unified management. Hybrid cloud infrastructure allows insurers to deploy unified business applications by coordinating tasks running in different environments. The continuous flexibility, scale, and interoperability helps you use the technologies and partners that best meet your needs.

5 benefits of hybrid cloud infrastructure for insurance

Innovate on your terms

Forrester Consulting found that 79% of insurers believe that their core system differentiates their firm in the broad marketplace. Furthermore, 62% believe that the modernization of the core, which includes using cloud technology, is the most critical component to their success.[2] While most organizations may start their cloud journey with one or two different providers, a hybrid cloud infrastructure helps insurers innovate by promoting the use of a wider set of technology that is consistent across the datacenter and public clouds. This approach allows teams to build new customer experiences, create and market offers, optimize operations, and manage talent across the enterprise using the same tooling for common tasks. It also helps insurers take advantage of application-specific capabilities, such as machine learning, image recognition, and natural language processing.

Synchronize the enterprise

The insurance industry has struggled with segmentation, particularly with larger multiline carriers. Hybrid cloud infrastructure brings common orchestration that connects tasks across your enterprise to create cohesive workflows, regardless of where they are running. By using a hybrid cloud model, insurers can provide better integration of business units connecting business-critical applications and data sources, which results in unified, governed decisions. A solution like Red Hat® Ansible® Automation Platform provides the needed orchestration for insurers looking to automatically provision or deploy servers, assign storage capacity, create virtual machines, and manage networking across their multiple business units and various cloud environments.

1 Red Hat case study. "*Swiss insurance company Helvetia achieves 99.9% service uptime,*" *Oct. 2019.*

2 *Forrester Consulting Opportunity Snapshot, commissioned by Red Hat, "Core System Modernization: Time For a New Roadmap," May 2020.*

facebook.com/redhatinc
@RedHat
linkedin.com/company/red-hat

Build security-focused, compliant, and resilient operations

One of the early benefits of cloud technology was overall resiliency, helping insurers respond quicker to physical outages and disruptions. However, as data and business applications move to the cloud, it is critically important to maintain compliance and continuity in a uniform and consistent manner—to reduce both business and data risks. Individual cloud providers may offer elevated security protocols for financial services companies, but monitoring multiple cloud providers, each with their own specifications, can become problematic. By engineering policy and governance as part of the infrastructure design in your hybrid cloud strategy, you will help ensure that your systems, software, and people are in compliance as your architecture changes.

Use what you have, scale as you need

Insurers have invested heavily in hardware, development work, and commercial software. A hybrid cloud architecture protects and uses existing investments while providing the foundation for modernization. By building a consistent architecture throughout the enterprise and the various cloud environments that are available both now and in the future, insurers can start to shift processing and applications away from heavy up-front capital spending and toward operational expenditure. In addition, insurers can rapidly scale, increasing or decreasing compute capacity to respond more quickly to market shifts or policyholder demands.

Optimize talent and develop new ways of working

Hybrid cloud, along with containers, microservices, and cloud-native development tooling, presents an opportunity to train teams on the most popular tools of modern technology environments, develop new talent, and build new collaboration methods. Red Hat can provide your organization with the capabilities and solutions to attract new workers and train existing employees in open source skills including DevOps, agile methodologies, and user experience design (UX).

Red Hat and open hybrid cloud

Cloud technology is built for agility, allowing you to rapidly respond to changes and scale to meet policyholder demands. However, without careful planning, you could find yourself locked into specific vendors, facing the same lack of agility you experience with on-premise, legacy solutions. An enterprise open source approach helps you create higher value in your hybrid cloud implementation with a DevOps culture and modern practices such as containerization, continuous deployment, management automation, and analytics-driven decision making.

At Red Hat, our cloud container platform supports insurers in their cloud journey, introducing a modern DevOps methodology while providing the flexibility to build and run scalable applications in any environment. Red Hat OpenShift® Container Platform, combined with cloud-native development and automation technology, delivers enterprise open source software infrastructure that helps insurers meet the interoperability needs of a hybrid cloud, provide security for the critical capabilities of the datacenter, and take advantage of public cloud tooling.

Read more about hybrid cloud infrastructure.

redhat.com
#F23943_0620