Open API insurance technology strategy

Open APIs for insurance

For years, insurers have built their companies system by system, accumulating monolithic, rigid silos all with dedicated needs and requirements. However, today's policyholders demand speed and integrated services. They are looking for insurers, banks, retailers, and other providers to connect with them and with each other to provide a personalized experience.

An open application programming interface (API) environment has become a critical part of modern insurance technology strategy. Whether private, partner, or public, open APIs are the necessary components that define an agile, modular application development and interoperability environment. This environment allows insurers to quickly build applications, respond to new application needs, and deliver new products and services to policyholders.

Use cases are limited only by an insurer's ability to incorporate the APIs, integrating them across the enterprise—which is ultimately the universal challenge that all insurers have faced.

The following set of questions can help assess needs and determine priorities when planning an open API strategy.

Skills and support

The siloed nature of insurance technology has meant that much of the IT knowledge has been dedicated to supporting legacy infrastructure and is therefore unavailable to build and deploy an open API ecosystem. Finding the right technology partner to fill the skills gap can help move your strategy forward.

Considerations:

- Are your teams aligned to specific domains or product lines? Can you quickly form and reform cross-functional teams based on changing needs?

- How are you attracting developer talent? Are you promoting open source community contribution? Is your approach different with your ecosystem partners and emerging technology projects?

- What incentives have you created to encourage sharing lessons learned from prototyping successes and failures? How do you curate the knowledgebase?

- What are the top three critical questions you ask when deciding to build, buy, or rent technology? How does that change when considering technology acquisition?

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

redhat.com

Technology foundation

Changes are typically made to grow, simplify, or protect the business. Doing all three simultaneously depends on the mutability of the technology foundation used for API applications.

Considerations:

- How are you separating organizational intellectual property associated with your products and services relative to the technology used to provide them?

- How easy it is for your developers to access and use the data, tools, and systems they need?

- What standard recipe does your team follow to build microservices-based architectures for individual components? How independent are the life cycles?

- What is your process to solve issues as you build your technology foundation?

Application development and delivery processes

An open API strategy enables an insurer to develop, deploy, and maintain innovative applications by integrating with Insurtechs and startups—providing developer portals and better client connectivity through real-time information exchange and straight-through processing.

Considerations:

- Are you able to design for different consumer segments and distribution channels? At the line of business? For enterprise offerings?

- What is the minimal level of functionality required? How does it compare to alternatives?

- How easy is it for new collaborators to use your APIs? Are the APIs well documented? Are there code snippets? Are there sample applications?

- What guidance is provided for security throughout DevOps? What can be automated?

Measure the value of open APIs

A true measure of success is when enacted changes are directly aligned with, and further expand, business objectives. By applying an open API strategy, an insurer is better able to connect once disparate systems and processes, optimizing them to create a better user experience.

Considerations:

- What key performance indicators (KPIs) do you use to measure the success of your open API strategy?

- Are you able to define different rate structures and fees for different product lines?

- How do you measure successful developer and partner adoption? Do these measurements align with your preferred programs?

- What are your claims handling objectives? Do they change with legacy systems? What are your automation initiatives?
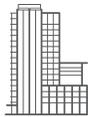
Learn more

Red Hat helps financial organizations adapt their business to new, open digital ecosystems. In fact, 100% of insurance companies in the Fortune 500 rely on Red Hat.[1] Contact us to see how we can help you get started.

---

1 *Red Hat client data and Fortune 500 list, June 2018*

About Red Hat

Red Hat is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux, hybrid cloud, container, and Kubernetes technologies. Red Hat helps customers integrate new and existing IT applications, develop cloud-native applications, standardize on our industry-leading operating system, and automate, secure, and manage complex environments. Award-winning support, training, and consulting services make Red Hat a trusted adviser to the Fortune 500. As a strategic partner to cloud providers, system integrators, application vendors, customers, and open source communities, Red Hat can help organizations prepare for the digital future.

North America	**Europe, Middle East, and Africa**	**Asia Pacific**	**Latin America**
1 888 REDHAT1	00800 7334 2835	+65 6490 4200	+54 11 4329 7300
www.redhat.com	europe@redhat.com	apac@redhat.com	info-latam@redhat.com