Catapulting into the future of insurance with Guidewire

How Guidewire resolves key insurance challenges and why a managed implementation approach is necessary
Introduction

Digital transformation has been a buzzword for the insurance sector for a while now. Research by Oxford Economics suggests that 90% of insurers have a long-term plan for technology innovation, impacting the entire organization\[1\]. Foundational processes on the insurance value chain, including policy formation, claims management, and billing can gain significantly from the use of digital tools. However, the move to digital must be supported by a robust transformation at the core. Before insurers can look at benefiting from emerging tools like artificial intelligence (AI), immersive reality, or blockchain, they must relook at the heart of insurance operations from a digital perspective. This is why platforms like Guidewire are rapidly gaining prominence.

Guidewire is among the premier providers for core platforms in P&C, positioned as a Leader by Gartner’s 2018 Magic Quadrant. And given that the Guidewire solution suite is designed for deep configurations, carriers can gain significantly from partnering with an experienced managed services provider. This will help to cull out the maximum value from implementation, addressing long-standing industry challenges and paving the way for continued innovation.
What are the primary pain points faced by insurers?

Insurance companies holding on to legacy systems face a multitude of challenges, ranging from the inflexibility of their datasets and poor UI to the lack of predictive visibility, inadequate agility to scale up, and delays in customer-facing processes. All of this adds to operating costs as well as the total cost of ownership, driving down the margins.

Meanwhile, digitally-native InsureTech companies are putting up a stiff competition – 2015-founded Lemonade is a good example. Lemonade is a tech-powered P&C provider in the US that promises zero paperwork and seamless customer experience. In 2019, Lemonade broke into the European market, and it is one of the many disruptors compelling incumbent carriers to strengthen their digital stance. Without this, they will continue to face the following primary pain points:

The legacy nature of data

Insurers typically operate based on massive datasets, which inform a customer’s risk profile and eligibility. In our experience, a carrier can have data dating back to 50+ years. The structure and format of these data sets may not be compatible with the latest analytics models, holding back the carrier’s monetization capabilities. On the other hand, data and data-driven machine learning is the number one trend among InsureTechs, comprising 20% of innovations[2].

Insufficient agility for exploring new business models

Today’s customers want more than the traditional insurance policy that follows a set-and-forget approach. There are several trends which insurers could effectively explore and monetize, such as usage-based insurance (UBI), micro-insurance, all-risks coverage, and peer-to-peer plans. Research suggests that there is a 5% increase in consumer demand for subscription-led business models[3], but carriers require agile technology infrastructure to tap into these opportunities.
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**Difficulty in pursuing growth**

Legacy systems are built to evaluate and register policies, not to acquire new customers. Agents cannot collaborate with brokers and other stakeholders easily, stunting the growth of the new business. Without adequate integrations, carriers operate in a siloed environment. For example, less than 50% of P&C insurers track major life events of customers that could trigger a new purchase[4]. This is why a single source of truth is so critical.

**Sub-par customer experience quality**

It’s no secret that we are living in a customer-centric world. Policyholders now expect the same quality of experience from their providers that they receive from digitally-progressive sectors like hospitality and retail. In fact, these are the two leading sectors with a high digital quotient (49 and 42, respectively), with insurance coming in well below the global average of 33[2]. Customer experience should be a major focus area for insurers, with as many as 68% of customer queries shared on digital channels being left unanswered[7].

**The absence of a dedicated environment for underwriters**

Tasks like risk evaluation and relationship management with agents/brokers are not part of traditional policy administration and servicing (PAS) tools. This is particularly challenging for commercial carriers where a tremendous amount of paperwork goes into aggregating risk data and communicating with client stakeholders. The commercial market is witnessing a period of margin compression, after catastrophe losses in Q3 of 2019 – next-gen underwriting environments will be critical for bridging this gap[5].

**Low adaptability to new regulations and data**

Policy creation systems must be able to adapt to new incoming datasets. Consider how the number of data-generating devices has snowballed in the past decade. Since 2008, there are more connected devices in the world than there are people, and this number is expected to cross 50 billion by 2025[2]. Climate data, health data from wearables, and equipment status data from industrial Internet of Things (IoT) sensors could transform policy creation. Adaptable systems can also help to stay ahead of regulatory changes in the insurance sector.
Core insurance platforms like Guidewire can help these issues and go one step further. Guidewire has been instrumental in bolstering operational capabilities at 300+ leading carriers such as Amerisure, Cornerstone, Tower Hill, and Union Mutual. It is also highly configurable so that an experienced managed services provider can intervene and shape the solution in perfect sync with business needs.
Insurance is among our key operating sectors at Zensar, contributing 25% of revenues and impacting approximately three billion policyholders around the globe. From testing different Guidewire components before implementation to ongoing managed services across the digital journey, our end-to-end support model is geared to catapult incumbent insurers into a digital-first future. This includes:

**AI/ML-based insurance analytics**

Insurers can use next-gen connectors to easily acquire data from Guidewire systems, gaining from structured and unstructured data alike. There is incredible potential in this space, given the proliferation of smart devices in the last few years. Carriers can use pre-built reports to shrink their time-to-value from Guidewire and use AI/ML to identify fraudulent claims.

**Self-service on mobile**

Mobile self-service is pivotal to achieving digital maturity, an area where most insurers are lagging behind. A mobile self-service app would improve the user experience and reduce claims cycle.
turnaround times. Guidewire’s mobile solution includes AI-powered First Notice of Loss (FNOL), as well as value-added services like locating hospitals and auto-repair shops.

**Upgrades as a service**

Frequent and timely updates are central to successful Guidewire implementation, and the upgrade process cannot disturb ongoing business. Upgrade support from a managed services provider can help formulate a best-fit schedule, mitigate technical debt, maintain data quality, and establish success factors. This drives sustainable digital transformation, seamlessly blending new features into the existing IT blueprint.

**One-touch test automation**

Whether you’re already live on Guidewire applications or are working on your first core transformation to Guidewire, a tailor-made but comprehensive testing solution that covers a full development lifecycle is a necessity. With our new Testing model, you can achieve this at a reduced cost by up to 40% across the Insurance value chain. Our experts have developed the Guidewire test automation framework—One Touch, which is a Behavior-driven development automation platform that enables continuous testing processes, speeding up implementation without compromising on quality.

**Robotic process automation (RPA)**

RPA is vital for introducing efficiency gains to the insurance value chain. Zensar partners with companies like Automation Anywhere to create purpose-built RPA solutions for Guidewire customers. Our alliances could be extremely beneficial for delivering Automation at leading insurance companies such as Assurant and Sanlam.

**Digital consulting**

Every enterprise requires a bespoke transformation blueprint, aligned with its business requirements. This depends on the current maturity state of the enterprise as well as its future goals. Zensar offers advisory services to insurers looking to embrace business process reengineering and digitalization. We provide consultations on platform selection, possible growth areas, product changes, and the to-be-achieved operating model.

The above differentiators equip us to help the world’s leading insurance companies on their digital transformation journey, leveraging Guidewire as a strategic business lever. By intelligently configuring Guidewire to meet unique business challenges and opportunities, insurers can
fast-track their journey toward digital transformation and gain from cutting-edge technologies.

Salesforce capabilities

As a Salesforce Gold Partner, we offer consulting led services with our innovative 2-in-a-box model (Domain + Salesforce consultants) to help customers chart a winning cloud strategy, envision a seamless digital customer experience and program roadmaps. With our complete suite of Salesforce Service Offerings like Sales Cloud, Marketing Cloud, Service Cloud, Community Cloud, Force.com etc. companies can measurably improve their marketing, service, sales, IT, and more.

By partnering with us, insurance carriers can

Simplify data management

Good data is the backbone of modern enterprises, in the absence of which the average organization can lose a staggering $8.2 million[i]. We assist in data quality assurance and migration to ensure Guidewire readiness. This allows insurers to access reliable business intelligence reports, fine-tuning their operational and business strategies.

Transition to the cloud

The cloud can increase agility and flexibility for insurers, without being held back by resource constraints or capacity limits. Zensar helps insurers identify the right cloud framework for current and future needs, providing consultations on private, public, multi, and hybrid cloud environments. We are among the first system integrators (SIs) to lead the transition to the Guidewire cloud. Our ACE-certified experts help insurers to overcome on-premise dependencies and embrace digital transformation.
Towards agility and unbridled growth: The way forward

The traditional insurance landscape is characterized by legacy dependencies, sub-par customer experiences, limited growth, and low adaptability to new regulations.

Guidewire’s award-winning solutions could address these challenges, empowering underwriters with the requisite set of technologies and collaboration capabilities to drive growth. Further, the benefits of Guidewire implementation can be maximized by working with an experienced and domain-centric technology services partner. Bespoke consultations and Guidewire augmentation with AI, ML, automated testing, and RPA will be critical as insurers look at gaining maximum ROI from their Guidewire investments.

At Zensar, we have 15+ years of experience in digitally transforming the insurance sector, spearheading 100+ Guidewire implementation and upgrade projects. We are a Guidewire PartnerConnect™ consulting partner, as well as a Guidewire DevConnect partner™. This allows us to create proprietary add-ons and accelerators to streamline the implementation process. As part of our partnership, we are also certified to conduct internal training on Guidewire technology, enabling continuous upskilling and growth.

In fact, we believe that Guidewire Cloud has the potential to revolutionize how insurance providers operate. Powered by AWS, Guidewire Cloud combines mission-critical software, services, and ecosystems into a scalable SaaS model. This makes Guidewire accessible to insurance carriers even without heavy CAPEX, once the right implementation strategy is in place.

At Zensar, we are uniquely positioned to assist our customers through this transformation journey of embracing the cloud, adopting Guidewire, and catapulting into the future of insurance.
Zensar is a leading digital solutions and technology services company that specializes in partnering with global organizations across industries on their Digital Transformation journey. A technology partner of choice, backed by a strong track record of innovation, credible investment in Digital solutions; and unwavering commitment to client success. Zensar’s comprehensive range of digital and technology services and solutions enables its clients to achieve new thresholds of business performance. Zensar, with its experience in delivering excellence and superior client satisfaction through myriad of technology solutions, is uniquely positioned to help its clients surpass challenges they face running their existing business most efficiently, helping in their legacy transformation, and planning for business expansion and growth through innovative and digital ways.

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