

PwC and Guidewire

Hello, tomorrow.
Cloud-forward is
future certain.

Your Cloud journey:

What you should know when considering the Cloud.

PwC provides below some insights into and suggestions for insurers as they transition to Guidewire Cloud that we've gained supporting clients through initial design, strategy execution and post implementation. Please let us know if you'd like to discuss in more detail the new business models, implementation processes, and roles that a new Cloud implementation requires.

Why are Carriers going to the Cloud?

Insurance platform modernization, specifically for property & casualty carriers, continues to be one of the top trends and areas of spend. The increased number of transformations for core platforms is predicted to grow year after year in the middle-market and small-market segments. With modernized platforms already the new standard, there is a greater emphasis on the way transformations are delivered to support data, security, and digital features that complement the core transformation.

Insurance transformations are increasingly utilizing Cloud architectures to deliver differentiated business value. The increased adoption of Cloud architectures for modern solutions and the availability of Cloud skill sets have made it a good time to go to the Cloud. Carriers are increasingly leveraging Cloud architectures to deliver full technology platforms or components of their overall architecture to improve profitability, gain efficiency and realise cost savings.

Realize the Benefits of Moving to the Cloud

As Cloud technologies and SaaS offerings across the insurance industry continue to mature, carriers making the shift can see long term ROI through profitability, efficiency, and cost savings that benefit both IT and business.



Profitability

As Cloud-enabled services become commonplace, they will be integral to customer base retention and growth. Moreover, Cloud enables rapid response to changes in business requirements and emerging technologies as the needs of customers change.

What's in it for IT?

- Access to InsurTech integrations
- Increased technical innovation
- Improved availability

What's in it for the business?

- Faster speed to market
- Increased product innovation
- Improved end user experience
- Opportunities for market expansion



Efficiency

Gains come from improved workforce productivity and the reduction of manual, time-consuming processes. A streamlined development methodology and availability of pre-built accelerators also reduce overhead in the end-to-end delivery process.

What's in it for IT?

- Improved performance management
- Ease of integration delivery
- Streamlined SDLC methodology

What's in it for the business?

- Increased operational agility
- Enhanced productivity
- Faster regulatory response
- Enhanced reporting and analytics



Cost Saving

Immediate savings can come from reduced infrastructure costs as you move to the Cloud's consumption-based cost model. In the long-term, improving scalability and agility contributes to indirect savings through reduced development complexity for enhancements and upgrades.

What's in it for IT?

- Reduced migration complexity
- Reduced data overhead
- Reduced maintenance footprint
- Overall reduced IT friction

What's in it for the business?

- Claims expense reduction
- Customer self-service model
- Business capable configuration
- Automating manual processes

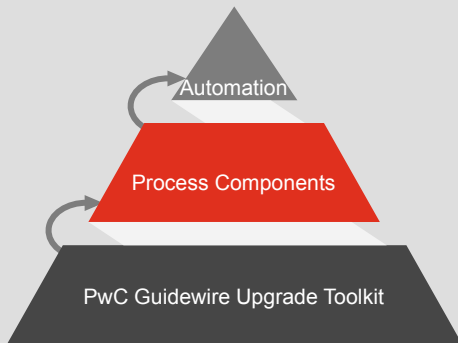
Considerations for moving to the Cloud

Guidewire Cloud introduces a change in upgrade cadence, which carriers should account for in both implementation planning and long-term maintenance. Guidewire produces two upgrades per year for Guidewire Cloud subscribers and require carriers to implement one upgrade per year. In order to determine all potential impacts – effort required, potential downtime, functionality changes, UI/UX changes, etc., carriers need to fully appreciate the effort and process these upgrades require.

1. Shorter implementation cycles, upgrade cadence and cross team collaboration

PwC's has designed its Cloud operating models, service delivery framework and Cloud program management approach for organizations that are interested in product diversification, rapid prototyping and minimally disruptive upgrades. This requires a change in mindset from long running implementation to short cycles with a plan and ability to build on each other with follow-on releases. Carriers should focus on a minimum viable pre-integrated Cloud-enabled solution approach to reduce time to market, at the same time enabling the ability to scale up as per demand and strategic need. This helps carriers leverage Cloud product investment at a rapid rate.

With fast-paced release and upgrade cycles, there needs to be more extensive cross team collaboration between carrier, Cloud provider, and system integrator from the very onset of the project. Carriers should move away from milestone-based handoffs between teams to a more parallel and collaborative approach on research, evaluation, and new feature adoption planning from start to finish. PwC solutions offer quick start capabilities to help clients find their value proposition, achieve a shorter implementation, and a minimum set of enterprise requirements to help realize key Cloud benefits.



PwC's Guidewire Automation Toolkit is PwC's one stop platform to support Guidewire upgrades and your migration journey to the Cloud in a standardized, repeatable, and technically sound fashion

The toolkit combines the value of PwC's specialists and upgrade experience and leverages our accelerators and automation assets. **These are married to Guidewire standards, our templates, and leading practices to accelerate a technical assessment from weeks to minutes.**

2. Technology readiness

Carriers need to understand the complexities of infrastructure and environments and the level of code refactoring needed to move to Cloud. Every Cloud solution requires carriers to adhere to the leading practices of the Cloud product to ensure operational support from Cloud service providers. Environments in the Cloud have to be more secure with obfuscated data unlike on-premise. Application code should follow logging and coding best practices for Cloud, multi-factor authentication, stricter credential encryption and storage mechanisms, stateless REST API based integrations to access data to and from legacy, stricter guidelines for data migration, and access to databases in the Cloud.

PwC's Cloud Automation, DevOps, and Governance framework uses industry standard processes and tools to automate and orchestrate the process of installing, provisioning, deploying, and monitoring infrastructure and applications.

Carriers should work with the Cloud solution provider in **setting up a solid Cloud assurance strategy to mitigate any risks** towards security and compliance



Security Controls

Adhering to the standardized architecture for the Center for Internet Security (CIS) Foundations Benchmark, PwC's Cloud Security Architecture framework helps clients determine and design their cloud security strategy thereby promoting the success of their Cloud migration, including:

- Safety, integrity, and confidentiality of data,
- Controls on personally identifiable information (PII),
- Appropriate access to data,
- Proper security management protocols,
- Accommodation for data residency requirements.



Methodology and Tools

Most cloud solution providers are bringing in behavior driven development (BDD) and automation testing strategy to better align with Cloud standards.

Focus should be on utilizing various Cloud-based tools for monitoring, authentication, process automation and setting up a scalable continuous integration and delivery process. This will better position carriers for BDD, thereby accelerating the cloud migration process.

3. Operational Change Management

PwC's transformation practice advises all segments of the insurance industry. We learn your aspirations and challenges in order to create tailored solutions that enable you to achieve competitive advantage.



Center of excellence

Insurance carriers have recognized the importance of Cloud training and certification for their business and technical resource team. Most Cloud solution providers insist clients become Cloud trained and certified before the implementation phase and create a center of excellence (CoE) within the organization. The CoE team helps provide a holistic approach for Cloud solutions based on cloud best practices. As a market leader in cloud certified resources, PwC can help guide clients through the Guidewire education process.



Early model office

Building a model office for subject matter expert (SME) validation earlier in the project lifecycle will help carriers handle change readiness and create change agents. Carriers can quickly learn if the to be implemented Cloud solution is working according to requirements and obtain feedback so that adjustments can be identified and adapted to ensure that functional, performance, and quality targets are met sooner. PwC can support the knowledge transfer to a wider audience, reducing the learning curve.



Cloud adoption

In the context of people and change management, the Cloud adoption process is the single most important aspect in a Cloud transformation journey. Carriers should initiate the Cloud adoption activities in advance, even before the cloud project is initiated. It's important to strategize an appropriate IT governance structure in consultation with key stakeholders and communicate a new set of expectations from IT and its long-term employment strategy. Identify the mindset change in the user experience and support the user base to bridge any gaps via training and communications, helping users adapt to new roles, processes and skills.

PwC works with business and IT leaders to define a digital transformation and Cloud strategy that supports innovation and Cloud success.

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