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## Guidewire chief exec reveals key trends driving change in insurance

**Speaking at Guidewire's conference last week, its chief executive revealed key insurance trends as well as the launch of Cortina's third release**

There are four key trends in insurance at the moment, according to [Guidewire's chief executive Michael Rosenbaum](#).

Trends include the cloud, productisation of IT, the digitisation of nearly every insurance process and the evolution of data analytics.

Speaking during the keynote at *Guidewire's Connections Reimagined 2021* conference last week, held on 11 and 12 May, Rosenbaum told online delegates: "Over the last decade we have seen a fundamental shift from technical self-reliance to the broad adoption of shared services.

"When common requirements can be delivered centrally as a service, systems become immensely more efficient. That simple idea powers a lot of the world's productivity improvements in economic growth - in the software industry, we call this cloud, SaaS [Software as a Service] or PaaS [Platform as a Service]."

For Rosenbaum, this approach means more than just software running in the cloud.

"It means a shift from point in time solutions to continually evolving services that continue to improve forever," he said.

"We believe that core systems will make this shift and that this shift will extend to data, risk, fraud, telematics, document services – maybe many to all the core P&C functions insurance companies need to operate will be delivered as cloud services.

"The companies that get ahead of this curve and use this shift to their advantage will realise substantial efficiencies, achieve greater business agility and, in the process, serve their customers much more effectively."

### **Change in IT organisation**

Secondly, Rosenbaum referred the productisation of IT, which he described as a change to the way that IT is organised and managed within an insurance company.

For example, taking an intentional approach to align IT and business outcomes, which is made possible by a shift away from physical buildings and maintaining software platforms and leaning towards leveraging cloud-based services.

"The result is an IT-driven product function that is indistinguishable from the business objectives it is linked to; this change is made possible by leveraging lighter weight, more composable cloud services [which] facilitates more agility in the organisation.

"This is why we see so many of our customers launching so many new lines of business on cloud platforms and simultaneously adopting fresh approaches to the implementation methodology and ongoing management of these insurance products," he added.

Rosenbaum believes this strategy will quickly become the norm in insurance.

### **Convenience and competition**

Regarding the digitisation of insurance processes, Rosenbaum said that "convenience and competition" were the main drivers of this trend, however efficiency is also a significant byproduct.

He continued: "This digitisation process is slowed by what I believe is one of the most challenging problems for companies in the insurance industry to solve – striving to make a simple digital experience on top of a complex process.

"The complexity of insurance is real and is very difficult to hide. Attacking the underlying business complexity becomes the key attribute of any successful digital initiative."

Lastly, Rosenbaum mentioned the evolution of data analytics. He described this as "embedding predictive insight in business processes, continually improving decision-making and operational efficiency".

He added: "Eventually everything you do for an insurance company will be informed and improved by data and analytics in real time. The connection of phones, cars, [apps in IoT \[Internet of Things\] devices](#) enable us to better manage, monitor, measure and reduce risk."

### **Cortina 2021**

Guidewire has unveiled the third release of its cloud-based platform Cortina last week, supporting its hypothesis that its "customer base and this industry could be better served by a new cloud-based approach to property and casualty core systems".

Speaking about its release, Diego Devalle, chief product development officer at Guidewire, said: "The significant platform innovations in Cortina set a new bar for openness and reinvent how easy it is to integrate to Guidewire.

"Customers can quickly capitalise on market opportunities, handle claims in new ways and offer new products in record time - like usage-based insurance with our recently announced UBI Solution - while developers are empowered to further innovate on top of Guidewire. We are, in essence, simplifying the business of insurance technology."

Cortina's event-based, application processing interface (API) first integration framework accelerates the connection of Guidewire to other services, so that teams can automate more workflows for faster innovation.

These services include closed-loop analytics, a new holistic solution which involves initial segmentation for motor claims in Guidewire's ClaimCenter product. This then delivers specific insights across the insurance lifecycle to help claims and underwriting professionals make better, faster decisions.

Insurers are also empowered, according to Guidewire, to make better-informed decisions using Data Studio, a new data management tool to access, create and publish business-ready data sets to enable insurers to leverage their data wherever it's needed.