Insurance Times

Insurance IT execs must balance 'critical' core system functionality with innovation - Guidewire

By **Clare Ruel** | 2 November 2022

The firm's chief executive, Mike Rosenbaum, described core IT systems as the 'heart and lungs of an insurance company'

Information technology (IT) systems are often viewed as the foundation of a business' operations. However, juxtaposing this "heart and lungs" functionality with innovation that can underpin organisational ambitions can be a difficult balancing act for insurance firms - yet this is the challenge that software company Guidewire is keen to assist with.

Addressing IT executives at Guidewire's Connections 2022 conference at the Aria Hotel in Las Vegas last week (23 October 2022), Guidewire's chief executive Mike Rosenbaum said: "You have to maintain these incredibly reliable, incredibly important core [IT] systems.

"Without them, you do not exist, you cannot do business. They are the definition of [a] critical system. And, at the same time, you are [often] asked to continually innovate, continually change, continually try new things.

"Balancing these two things is incredibly difficult."

Rosenbaum described insurers' core IT systems as the "heart and lungs of an insurance company" - however, industry-wide developments such as managing growing cyber risks and inflation, maintaining products, or experimenting with new distribution models means that reliable IT systems, in turn, must evolve to keep pace with business demands.

He believes the answer lies in the adoption of "agile" software platforms that are "built to support a complete insurance lifecycle".

Complete insurance lifecycle

For Rosenbaum, this is where Guidewire steps in.

He thinks that agile software systems, such as Guidewire, can enable insurance firms to offer the right product through the right channel, at the right rate and price, alongside the right claims experience, if needed.

"This is the vision behind Guidewire's product strategy," he said. "We focus specifically on creating this complete insurance lifecycle."

He continued: "Our cloud transformation continues to gain momentum - we continue to be more and more confident that we will successfully transition this entire industry to the cloud, [creating] a better approach for solving this conflict [between innovation and reliable core IT systems]."

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