

The background of the entire page is a photograph of a woman with long, wavy blonde hair, smiling warmly. She is wearing a bright yellow blazer over a white top. She is holding a pair of glasses in her hands. In the foreground, there is a teal-colored graphic overlay that contains the main title and subtitle. The overall scene is set in what appears to be a modern office or meeting environment.

A GUIDE FOR AMBITIOUS INSURERS

# 10 Questions Every Insurance CEO Should Ask Their CIO About Tech Operations



## What do our **contingency plans** look like?

No one likes to think about the potential of a business-critical technology outage happening, but they do occur, and often for reasons out of the individual company's control. Making sure you have a plan in place in case of a critical outage is important, and many jurisdictions have regulations stating that if proper contingency plans aren't in place, significant fines can be handed out.



Especially if you operate in the cloud, making sure your **core systems are truly cloud-native and cloud agnostic**, and that you have a stressed exit plan like **SaaS escrow** in place is essential.

Further, find out what the tech support looks like for all of your core technology vendors. Are they 24/7 and global? Or do they only provide support for 8 hours per day in one specific time zone, excluding holidays, and with a five business day turnaround time to answer a question?

# How ready is our organization to change?



Will our existing core systems  
**help or hinder** transformation?

The culture of every enterprise IT department is reflected in its ability and willingness to embrace change. This cultural mindset is often directly tied to the modernity (or lack thereof) of that company's core systems. CIOs that are unwilling to invest in new technology are hampering the company's ability to compete and digitally transform.

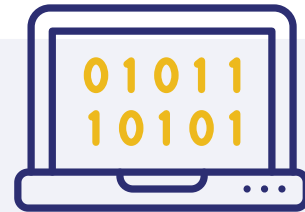
**You can take this question a level deeper and find out how your core system providers handle upgrades or updates.** If you want to operate on the latest version of their software, what's involved? **Do they have CI/CD (continuous integration and deployment) methodology where upgrades are virtually seamless and automatic?** Or does each update to a newer model require a significant investment of time and resources from your internal team?

Knowing this will help you assess just how agile and innovative you'll be able to be in the future... the more seamless the updates are, the more you'll be able to quickly take advantage of new technology advancements.



## How much custom development work...

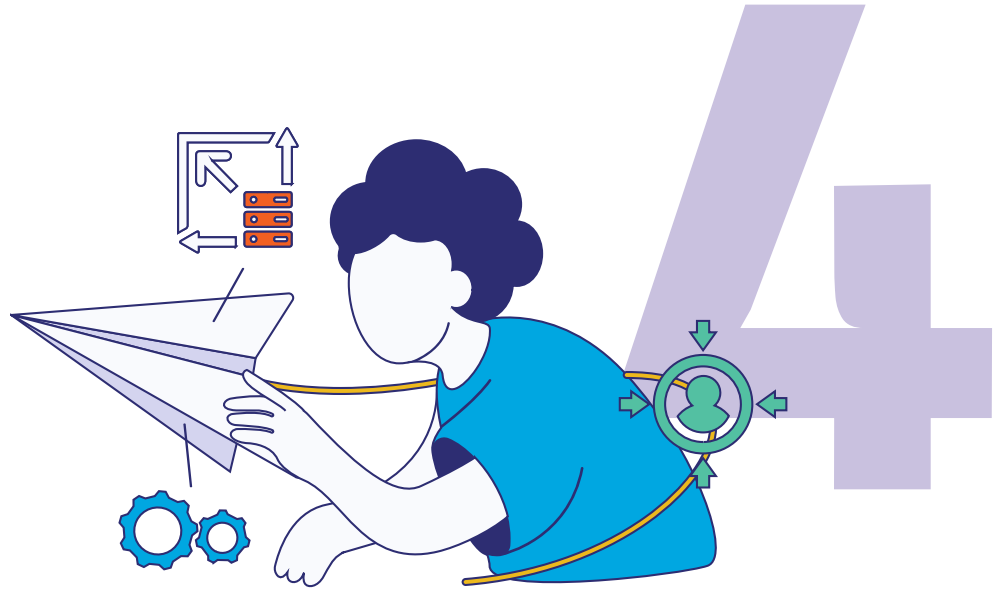
...goes into **building new apps, portals, and products?**



In traditional software development, a team of developers and programmers gather requirements, develop a plan, and create custom code for each application. These projects are often expensive, complex, and riddled with delays.

To improve agility, many digitally focused insurers have moved to packaged low-code platforms, which give non-technical people the ability to configure applications with little or no coding. Users also can create products, workflows, and user experiences with a drag and drop interface and by toggling on/off features. **Whereas traditional software development can take months, low-code tools can reduce that time to days or weeks.**

# What is your team developing...



...that will generate **new sources of revenue** or **improve the customer experience**?

Too many CIO conversations default to how technology can improve efficiency and cut costs. While improving IT efficiency can generate meaningful savings, innovation investments – especially those aimed at transforming business capabilities, processes, products, distribution models, and customer experience – contribute directly to top line revenue growth.



What  
percent of  
**underwriting  
and risk**  
decisions...

...are we making with the help of  
machine learning and business  
process automation?



Digital technology has allowed insurers to reimagine underwriting. As the volume of available data explodes (IoT, wearables, GPS, social media, vehicle usage data, etc.), insurers can rapidly analyze it to gain a fuller understanding of risk. Applying advanced analytics to massive data sets lets you move beyond low-touch customer experiences to high-touch, always-on engagements wherein you can reprice coverage in real time based on the most current knowledge. This opens the door to innovative new business models, such as embedded and usage-based insurance (UBI).

# How can we get more value from our data?



# 23x

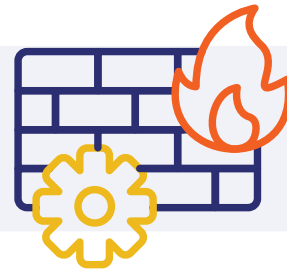
According to McKinsey & Co., data-driven organizations are **23 times** more likely to acquire customers and **19 times** as likely to be profitable as a result.

Unfortunately, for many insurers, the ability to access data and freely innovate with it is a major undertaking. The technologies that power mobile experiences are cloud-based—built using entirely different languages and principles than legacy core systems. Getting data where you need it is difficult. It's important that the CIO has a strategy for modernizing the tech stack so extensive custom integrations aren't the long-term answer.



What are  
we doing to  
**protect our  
business...**

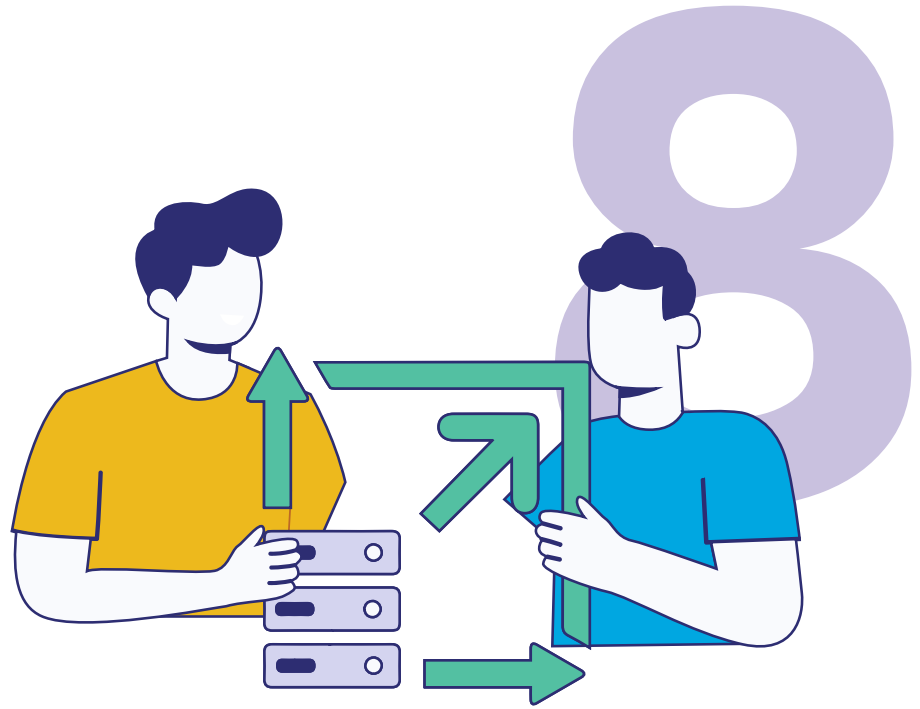
...from **cybersecurity issues?**



Cybersecurity is one of the most serious and significant challenges insurance companies face. The average ransomware attack costs a business \$1.85 million and one breach can cause permanent damage to your reputation. Your leadership team should be aware of what IT is doing to protect data. Outdated systems are a prime target for cybercriminals and malicious actors. Moving to the cloud has become an attractive option because managed cloud data centers like Amazon AWS and Microsoft Azure are given high marks for their strong security measures.



# How quickly can our IT scale?



The **ability to scale up or down** is critical to an insurer's success, both from an operational and financial perspective.

Ask your CIO if your IT is ready to adapt to unanticipated business, climate, economic, or societal changes. If your business relies heavily on legacy on-premises software, chances are your ability to scale is greatly limited. Cloud vendors provide more flexibility with SaaS-based, pay-as-you-go subscriptions with elastic scalability.



## What happens if our company goes through a merger or acquisition?

If you're looking for liquidation or consolidation opportunities for your company, will the technological backbone your CIO has set up be able to handle it? Making sure you have a core system that can (and will) easily integrated with the technologies of the company or companies you're merging with is absolutely crucial.

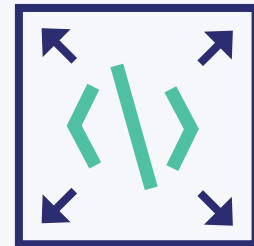


**Core systems** that not only connect with other core systems and technologies, but can also effectively ingest and utilize data from multiple sources and in varying formats will give your company a competitive edge.

# How easy is it for us to connect...



...with insurtechs **or embed  
our products** into partner  
apps or websites?



Partnerships let insurers embed their products into related experiences to create seamless customer journeys, such as selling auto insurance directly on an online car-purchasing platform. Your CIO should recognize the importance of cloud-native, API-first architectures that enable quick “plug and play” integrations. The ability to ingest and share data bidirectionally is paramount.



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