

# The CIO and insurance, always in beta



**Technological advances have turned in-house IT departments on their heads, so where to from here from the person in charge of all of this?**

Every company at its core is a technology company. A bank is a tech company, so is an asset management firm, and an insurer is most certainly one.

The rapid advance of fintech has led to an uprising of startup insurers that seem set on taking business from the giants of industry with innovative solutions but it's also transformed the industry at a structural and operational level.

Information, and the handling of this information, has changed unrecognizably from, say, three decades ago, when the role of Chief Information Officer (CIO) was first introduced in 1981 by Bank of Boston vice president of data processing, William Synnot. He was the first to argue that strategic imperative of information technology (IT), and not just as a cost-saving tool.

"Before then, there were no executives anywhere responsible for refocusing IT on strategic enterprise initiatives", says futurist Thornton May in an article in Computerworld. "Prior to that time, the practice of IT in large enterprises was hodgepodge of tactical projects primarily aimed at automating back-room processes". A situation not too far removed from what South African insurers have experience in the recent past.

From the outset, CIOs were put in place to provide technical solutions to support the strategy of the business, not merely pull the strings of the various IT operations within a company, but it's debatable whether this actually played out in practice. It is, however, evident that the role of the CIO has shifted more to that of business strategist than mere technology pawn.

And this shift will take root as the relationship between technology service providers and businesses deepen, says Steve Symes, CEO and founder of Genasys Technologies, a leading insurtech provider to the South African and European insurance industries.

Many businesses have realized that the total cost of ownership of in-house solutions far outweighs the benefits and have thus sought packaged solutions instead. By partnering with software as a service (SaaS) experts, CIOs can leave the technology and system operations in the hands of technologists that have experience in other countries and best practices gained from working with a variety of companies, Symes explains. CIOs remain the ultimate decision-makers but companies like Genasys can provide additional experiences they would not normally have as a core competency within their business.

The learning curve of new technologies is massive, says Symes, especially for cloud services. "What can be done and can't be done, the

configurations for optimal cloud usage is not trivial". Considering the shifting responsibilities of CIOs, they should rather focus on attaining business benefits than the intricacies of technology, he explains.

For example, in one of our offerings, Genasys takes complete ownership of the entire IT platform, explains Symes. "We handle the maintenance of the cloud offering and ensure that everything is running smoothly with sufficient resources, connectivity, security and penetration testing", he says. "It's a complete solution".

## LET THE TECH DO ITS JOB

As Deloitte noted in a paper, 'Creating the future in an age of disruption, transformation of the financial services CIO, a CIO's tasks can no longer be contained to managing and overseeing internal IT activities and resources, due to the many external providers of IT services, including cloud platforms, technology vendors, startups, alliances, acquisitions and open-source communities'.

Looking ahead, Symes says the CIO role won't be the last to change. He sees more partnerships between the technologist and insurers in future. "For insurers to take advantage of the technology they will need to partner with tech providers", he says, "neither one can exist without the other".

**The CIO of today is in a position where he must speak passionately about the almost talismanic properties of insurtech and how it can transform a company, but, Symes warns, "only if you let it". Many insurers contract a supplier who then attempts to build a package around an old business model without considering how the technology can actually transform the business, he explains. "When implementing these technologies insurers and CIOs should first and foremost recognize the opportunities of these new technologies before they start planning what they want the technology to do".**