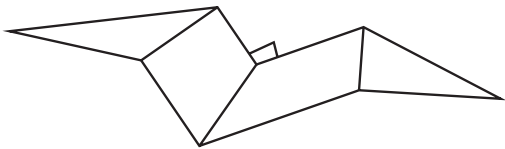




Cloud Maturity: A Practical Guide for Insurers



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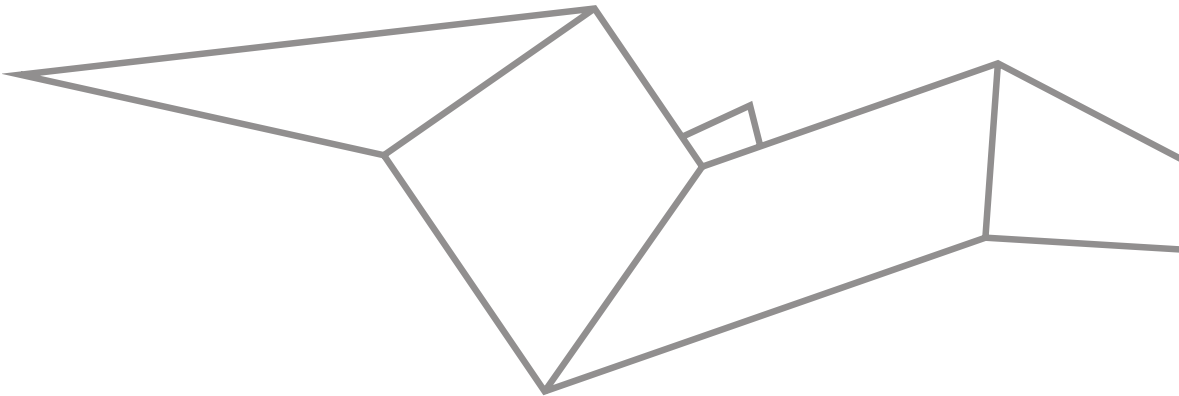
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Executive Summary

Insurance carriers have been dealing with shifts in technology, customer expectations, and risk environments for years. But these changes are only escalating. Regulatory complexity, climate-driven risk, sustainability, and the explosion of AI-powered solutions have further accelerated the need for scalable, resilient, and agile technology foundations.

Cloud computing, particularly hybrid- and multi-cloud models, has become the dominant platform strategy enabling insurers to meet growing business demands. In addition to the agility and scalability needed to pivot with market changes, cloud adoption also delivers AI infrastructure, AI-driven, and automation-focused capabilities, real-time data analytics, and the ability to rapidly launch new products.

Moving to the cloud is no longer simply about taking a “lift-and-shift” approach. True cloud maturity requires strategic alignment with business goals, rigorous governance, and an evolving set of operational practices. Insurers must also address the rising challenge of cloud cost optimization, regulatory compliance, and workload placement, with some carriers strategically repatriating workloads for performance or cost reasons.

In this whitepaper, you will learn:

- **How to prepare for cloud maturity enhancements while factoring in AI-driven, regulatory, and competitive considerations**
- **Which business objectives to focus on for successful cloud initiatives**
- **Four leading cloud migration strategies and the benefits and pitfalls of each**
- **A framework to guide successful cloud maturity investments with real-world insurance examples**

Introduction

Enterprise cloud adoption is nearly universal; in its latest public figure, Forrester found that [94% of U.S. enterprises](#) operate at least some workloads in the cloud, and last year Gartner forecast that a hybrid approach would be present [at 90% of organizations by 2027](#). In the P&C insurance sector, cloud has shifted from an advantage to a table-stakes investment.

Insurers are leveraging cloud capabilities to:

- Accelerate product launches for new coverages (such as cyber, climate, and gig economy insurance)
- Enable AI-powered for claims processing and fraud detection
- Integrate with partner ecosystems for embedded insurance distribution
- Improve resilience against catastrophic events through geo-distributed architectures
- Reduce IT overhead and embrace sustainability goals through data center consolidation

However, while cloud has become a necessity, insurers are still facing challenges in reaching cloud maturity, such as cost overruns ([reported by 69% of enterprises in 2024](#)), talent shortages in cloud-native and AI operations, and evolving compliance requirements around data sovereignty and AI governance.

Insurers can improve their cloud maturity by leveraging an insurance-specific approach built on four key pillars: business, people, process, and technology. Focusing maturity efforts on these four areas enables carriers to assess where they are in their cloud maturity journey, where they need to go, and what steps must be taken to get there.

Preparing for Cloud Initiatives

Mature claims organizations combine modern technologies with disciplined processes and a consistent focus on customer experience. Several investment areas stand out:

Five of the most common business objectives for cloud initiatives at P&C insurance organizations are:

Business Speed and Agility



- Launch new products and features rapidly in response to market shifts and emerging customer needs

Cost Optimization



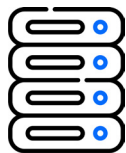
- Adopt FinOps practices to monitor, forecast, and optimize spend across multiple cloud providers
- Leverage spot instances, serverless, and automated scaling for efficiency

Modernization



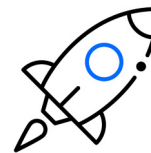
- Replace monolithic policy administration systems with API-driven, microservices-based, and serverless architectures
- Enable data integration with third-party services

Data Center Evacuation



- Consolidate on-premises infrastructure into cloud and edge for resilience, sustainability, and operational continuity

Innovation



- AI infrastructure by deploying AI models and agentic AI frameworks
- Enable connected insurance products via IoT devices

Modernization is no longer optional. To remain competitive, claims organizations must not only address cost pressures and customer demands but also prepare to take advantage of emerging technologies.