

Employers achieves market-leading agility with Red Hat OpenShift

EMPLOYERS

Software

Red Hat® OpenShift®

Red Hat Ansible®
Automation Platform

Red Hat Decision Manager

Red Hat Satellite (now Red Hat
Smart Management)

Red Hat Insights

Services

Red Hat Technical Account
Management (TAM)

Red Hat Consulting

Existing Red Hat solutions

Red Hat Enterprise Linux®

Partner

Amazon Web Service (AWS)

To compete in an increasingly digital market, workers' compensation insurance company Employers sought to streamline its operational processes. The company decided to create a central application environment with Red Hat OpenShift and automate policy processes with Red Hat management and middleware solutions. Now, Employers has a foundation for agile, responsive workflows, leading to a 40% increase in three-year sales and a more efficient customer experience. Guidance from Red Hat's technology experts helps Employers continue finding new opportunities to innovate and outpace its competition.



Insurance

704 employees
9 offices

Benefits

- Increased three-year sales by 40%
- Accelerated development from 9 months to 2 weeks
- Improved portability and disaster recovery
- Simplified adoption of new technologies with expert, hands-on support

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Jeff Shaw

Executive Vice President and Chief Information Officer, Employers



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Delivering services at the pace of digital business

Since 1913, Employers has helped America’s small businesses meet their workers’ compensation insurance needs. Its parent group, Employers Holdings, operates in 46 US states and across more than 30 industries, with assets and investments valued at US\$2.93 billion as of 2019.

As in many other industries, the insurance market is shifting to digital business and service delivery. This change creates opportunities, but established organizations like Employers are facing new competition from traditional and fintech vendors. Employers recognized that it needed a more efficient delivery approach. Its existing processes relied on legacy applications and required frequent manual intervention, delaying delivery to underwriters, claim representatives, agents, and other clients.

“It took nine months to deliver a major IT project. A long timeline limits our ability to move at pace with the digital market,” said Jeff Shaw, Executive Vice President and Chief Information Officer at Employers. “Our customers don’t want to worry about their insurance—they want to focus on their business. With our digital strategy, we want to get information to our agents and customers as quickly and efficiently as possible.”

To continue supporting critical legacy applications while building new, digital solutions, Employers decided to migrate from its existing IT infrastructure to a central, scalable, responsive cloud environment, supported by automation capabilities and a microservices-based approach.

Adapting processes to market changes with Red Hat OpenShift

After evaluating several proprietary and open source solutions, Employers decided to work with trusted vendor Red Hat to build a modern digital services environment. Employers has successfully used Red Hat Enterprise Linux for several years and chose to create its new IT infrastructure using Red Hat OpenShift, running on Amazon Web Services (AWS).

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Red Hat OpenShift is an enterprise Kubernetes container platform for reliable operations and management in on-premise, cloud, and edge environments. It automates container infrastructure installation, upgrades, and life-cycle management.

In addition to Red Hat OpenShift, Employers adopted several management solutions from Red Hat to further simplify processes and speed service delivery:

- Red Hat Ansible Automation Platform, to simply and streamline business processes with human-readable language and reusable playbooks.
- Red Hat Decision Manager to automates business rules management, resource optimization, and complex event processing (CEP) for quick updates to business rules as market conditions change.
- Red Hat Smart Management to provision and manage Red Hat Enterprise Linux hosts, including version maintenance.
- Red Hat Insights identifies and remediates security risks.

Working side-by-side with Red Hat consultants, Employers completed implementation of Red Hat OpenShift and the supporting management solutions in just three months, including a quote engine created with Decision Manager that manages 19,000 distinct rules. All new applications are now built in this environment.

Growing revenue and improving customer experiences with an agile approach

Increased new sales by 40% with faster time to market and new lines of business

By standardizing processes and applications in its new Red Hat OpenShift environment, Employers has improved delivery times to both sales agents and customers.

This efficiency has helped Employers take advantage of new business opportunities. For example, faster quote generation means the company can now compete on price comparison aggregator websites. Employers has also introduced a new open application programming interface (API) to integrate with insurance technology (insurtech) companies.

Supported by these new revenue streams, the company's new sales have increased by 40% over three years, and the number of quote requests received and processed has increased by 80%.

"Without this speed, we would have been left out of the insurtech market entirely. Introducing our API helped us capture around US\$40 million in additional revenue in that space in the first year and a half," said Shaw. "We're seeing real financial impact from offering a greater degree of self-service for customers and helping our sales agents be more productive."

Accelerated development with an agile, automated approach

A key part of this change in delivery speed is Employers' adoption of new development approaches such as DevOps and agile, combined with simplified, automated insurance policy management.

Using the complex event processing (CEP) capabilities of Decision Manager, Employers streamlined questions and eliminated manual underwriter review. As a result, its policy processing time improved from 18 minutes to less than 2 minutes.

"Previously, we had to send out an email for each endorsement and manually process each one. Now, with an online tool we created, agents and customers can complete many endorsements without our intervention," said Shaw. "Our customers can now do business with us whenever they want, wherever they want."

Back-end automation capabilities have also contributed to faster delivery. The company uses Ansible Automation Platform to ensure configuration consistency and streamline host provisioning. The remote execution feature lets Employers execute ad-hoc Ansible commands in bulk.

With these changes, Employers has expanded its work volume from 85,000 insurance policies per year to 106,000 policies per year. Now, at a 100-year-old business in a highly regulated industry, IT is seen as an advantage, rather than a bottleneck.

"Working with Red Hat has changed the way we do business from a traditional waterfall approach to agile, iterative work and automation. We can now deliver new features to our agents every two weeks—or every four weeks, which they prefer—instead of every nine months, without increasing headcount," said Shaw. "With IT now closely aligned to our business goals, many of our competitors are chasing us to catch up in the digital space."

Improved infrastructure portability and disaster recovery with enterprise open source

With its new cloud and container environment, Employers has adopted a truly hybrid approach to IT infrastructure. Workloads can be hosted in a variety of environments to optimize performance.

“All new development on Red Hat OpenShift takes places in a private AWS cloud, but we also have workloads and applications running in Microsoft Azure, in IBM, and in Oracle,” said Shaw. “We can choose the best cloud for the task.”

This portability has also helped Employers enhance its disaster recovery approach. Previously, switching between its two datacenters for backup took 48 hours. Now, with multiple availability locations and multiclustering capabilities, the company can more easily move workloads to respond to server malfunctions. Additionally, Red Hat Insights and Ansible Automation Platform work together to automate remediation tasks.

“Before, stretch clustering wasn’t possible,” said Shaw. “Now, with Red Hat OpenShift, we can easily migrate workloads while maintaining connections with other clusters on the original server. It’s a huge benefit to business continuity and stability.”

Built container, cloud, and Kubernetes skills with expert guidance from Red Hat Services

To support these new technologies and work approaches, Employers worked closely with Red Hat Consulting in hands-on, side-by-side tasks and training. In addition to online training and sales workshops, Red Hat Consulting incorporated guidance on DevOps practices from Red Hat Open Innovation Labs, a residency-style engagement where businesses gain the skills to adapt to agile, iterative workflows.

“We had no experience of OpenShift or Kubernetes. If we had built our new infrastructure on our own, it would have taken us a year to get our first app out,” said Shaw. “Having our developers work alongside Red Hat consultants was a great way to get training and implement the platform quickly.”

Additionally, Employers works closely with a Red Hat Technical Account Manager (TAM) as a single contact for quick responses to technical questions and issues across its Red Hat environment.

Integration to further streamline operational efficiency

Employers plans to continue exploring new automation and integration opportunities to further streamline operations and stay ahead of its competition. The company is considering adopting new Red Hat solutions, such as Red Hat Fuse, a distributed integration platform that connects everything from legacy applications and APIs to partner networks and more.

“Going from close to 20 minutes per quote to 2 minutes is a huge improvement, not only for our company but for the industry as a whole,” said Shaw. “The amount of support we’ve had from Red Hat has been key to helping us move quickly and achieve value at the pace the market demands.”

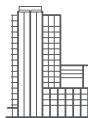
About Employers

Employers is part of Employers Holdings, Inc. It provides workers' compensation insurance under a statutory system wherein employers are required to provide coverage for their employees' medical, disability, vocational rehabilitation, and/or death benefit costs for work-related injuries or illnesses. employers.com



Innovation is the core of open source. Red Hat customers use open source technologies to change not only their own organizations, but also entire industries and markets. Red Hat Innovators in the Open proudly showcases how our customers use enterprise open source solutions to solve their toughest business challenges. Want to share your story? [Learn more.](#)

About Red Hat



Red Hat is the world's leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Linux, hybrid cloud, container, and Kubernetes technologies. Red Hat helps customers integrate new and existing IT applications, develop cloud-native applications, standardize on our industry-leading operating system, and automate, secure, and manage complex environments. Award-winning support, training, and consulting services make Red Hat a trusted adviser to the Fortune 500. As a strategic partner to cloud providers, system integrators, application vendors, customers, and open source communities, Red Hat can help organizations prepare for the digital future.



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