How Israeli Insurer Clal Pulled Ahead of the Competition

Clal Insurance and Finance (Clal) is a market leader in Israel's competitive insurance industry, with over two million private and business customers and 4,500 employees. The company, which was founded in 1987, has an annual turnover of over USD 5.7 billion, and includes divisions for non-life insurance, long-term savings and health insurance.

Industry

Financial Services

Strategic priorities

• App Modernization

VMware Footprint

• VMware® Tanzu™ Application Service

• VMware vRealize® Suite

• VMware Site Recovery Manager™

• VMware Horizon®

Israel's insurance industry is one of the world's most competitive and innovative. A new batch of insurance tech companies have aggressively courted investors and deployed a new generation of digital products aimed at luring customers away from established players. Clal, one of Israel's largest insurers, has embarked on a digital transformation, developing new apps and services in order to maintain its strong market position.

A tech leader in the insurance industry

Clal has a goal to remain a leader in a competitive field by continuing to develop new applications and features. Already, the company's innovations have served thousands of insurance agencies and customers with apps that help them with everything from buying policies online to electronically signing documents. But these innovations require advanced IT infrastructure and a secure environment.

Clal faces new players and challenges

Clal faces increased competition from an emerging crop of new insurance tech businesses. The number of these companies in Israel grew dramatically in the five years before the pandemic. Many of them use applications architecture with state-of-the-art technologies. They offer new products such as mileage insurance, IoT device insurance, or smart device-based health insurance. They tend to be lean, with no legacy applications and born in the cloud with modern technologies. Clal understood that to compete, it would need to improve its time to market and its ability to innovate. These goals would require reliable, stable, accessible and always-available IT systems.

"With VMware Tanzu Application Service, our developers get full independence from day one. The platform gives us full elasticity and developers always have the right resources on hand, even in peak times."

Haim Inger, Chief Technology Officer, Clal Insurance

"The Clal approach to IT is to make the company ready for the future, which means installing both the necessary IT infrastructure and the hardware and software solutions that will enable the company to provide and compete in this market," says Clal Chief Technology Officer Haim Inger.

VMware Tanzu for easier app development

Clal selected Tanzu Application Service to help streamline its process for developing apps. Previously, its developers had to wait a long time to provision new servers. That's why Clal hoped to embrace new technologies such as containers, which would allow them to iterate more quickly.

"Our latest adventure together is VMware Tanzu Application Service, which is the only platform that enables our development team to create applications in a self-service approach with minimal interaction with IT. We are now capable of consuming and building scalable, agile and elastic applications using an on-premises cloud at a similar ease to that of the public cloud," says Inger.

Tanzu Application Service also enables Clal to host traditional applications that have not yet been migrated to the latest code. This ability to seamlessly host both traditional (like Windows-based .NET Framework applications) and modern applications (like Linux based .NET Core applications) saves Clal the effort needed to rewrite any code and empowers them to focus on projects that deliver business value instead.

"Being able to modernize these applications on the platform was definitely a game-changing feature for us. With Tanzu Application Service, our developers get full independence from day one. The platform gives us full elasticity and developers always have the right resources on hand, even in peak times. Once the platform was up and running,

developers began to use it on a fully self-service basis, whether it's for set-up, development or integration," Inger says.

> "I think the platform that VMware Tanzu provides will help us provide applications more efficiently and rapidly and give better solutions to our customers."

Miri Gelbort, Chief Information Officer, Clal insurance

New apps and a more competitive business

Tanzu Application Service immediately made it easier for developers at Clal to come up with new apps or modernize existing ones to appeal to Israel's increasingly discerning insurance customers.

"We can release upgrades and updates every two weeks compared to every three months in the old system. Being a back-end service, it is used by everyone, and has a significant effect on the efficiency of the organization across the board, from the developers all the way to the insurance agent who can offer and sell more products," says Inger.

"Looking forward I think that every new solution we develop will run on Tanzu. Every developer who saw the platform wants to use it, simply because it's the right way to work. We started with two developers, and with word of mouth we grew to multiple teams. Teams cooperate and teach each other how to use the platform, and it now has a life of its own," he says.

What's more, planning and adjusting the server load is now a thing of the past. With Tanzu Application Service, adapting the numbers of servers to peak demand or reducing it to save cost is now fully automated. Clal predefined the policies to optimize resources based on the actual number of servers needed at any given time. As a result of improved resource utilization, Clal reduced the number of physical servers it planned to purchase by 20 percent.

VMware and Clal already had a longstanding relationship. Tanzu is just the latest collaboration in a longstanding partnership between the two companies. VMware has helped Clal introduce more than 650 features and innovations since the two businesses began their partnership. In 2019, Clal began a desktop virtualization project using VMware Horizon Virtual Desktop Infrastructure solution.

To ensure business continuity and resilience Clal also employed VMware vRealize Suite and Site Recovery Manager. When the COVID-19 pandemic hit in 2020, employees at Clal were ready to work remotely, with the same functions and capabilities they had in the office.

"Clal Insurance and Finance is a leading company in Israel, and we see the joint venture with VMware over more than a decade as something that helps us to lead the market and to be a technological pioneer. VMware is a true partner for us, and they help us create innovation and new opportunities," says Miri Gelbort, CIO of Clal Insurance and the CEO of Clal IT.

Easier development of better applications

Looking ahead, Clal hopes that its partnership with VMware will prepare it for future investments in virtual and automated infrastructures that will help it to come up with solutions for its customers.

"In the future, we are going to expand our digital transformation and applications to help our customers fully automate their actions using our applications. I think the platform that VMware provides will help us provide applications more efficiently and rapidly and give better solutions to our customers," says Gelbort.

"Instead of talking about the number of servers and the petabyte of storage, we should understand the business needs."

Haim Inger, Chief Technology Officer, Clal insurance

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