

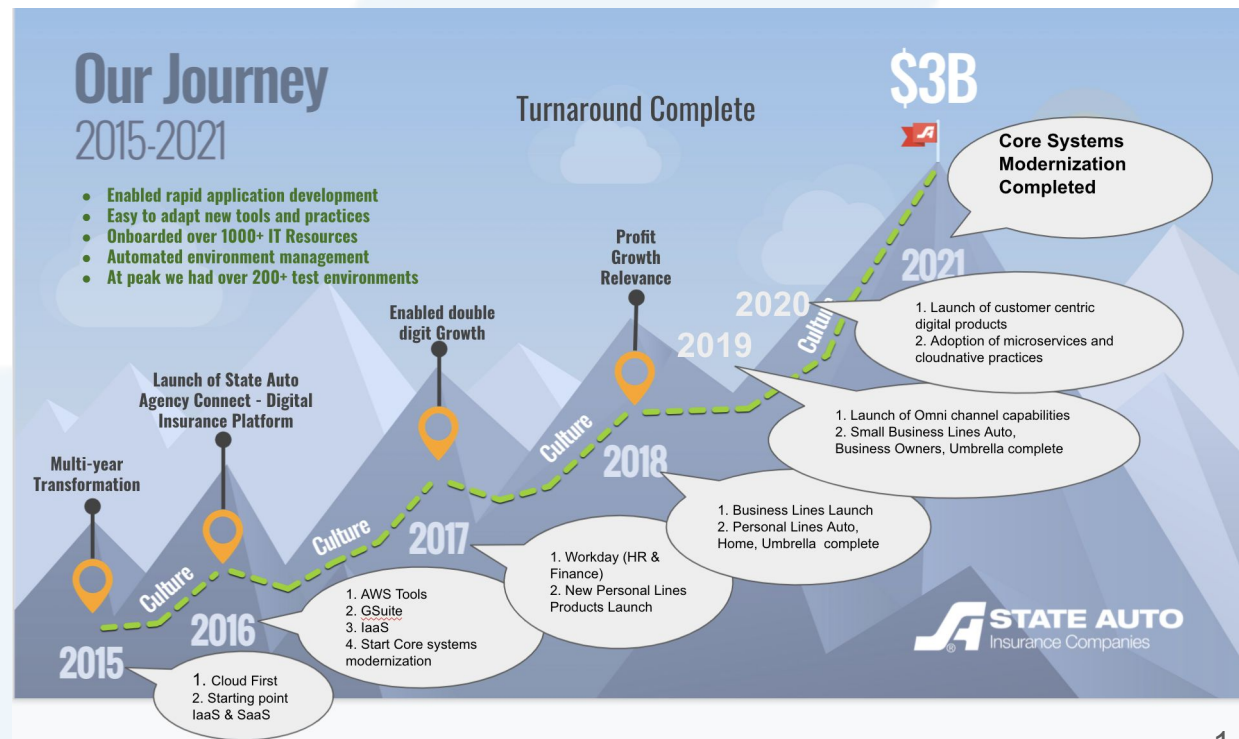
## Best Achievement in an IT Infrastructure & Cloud Program

State Auto Insurance was founded in 1921 out of a desire to treat customers better and offer insurance at a lower cost. A century later, that same spirit remains at the heart of a recently transformed company committed to independent agents.

Our transformation journey started in 2015, to transform our culture, products and technology on a journey to double the size of our written premium. The transformation outcome was to become a nimble digital insurance carrier that can provide all insurance needs for our agents and customers by reinventing our products using modern technologies and practices. After 5 years of the journey we have completely rebuilt our **Core Systems (14 brand new Personal & Commercial Insurance Products)**, **SaaS** capabilities for our Enterprise, Finance and HR systems, **modern Data Lake ecosystem** and **customer centric products** enabling a robust omni channel experience.

With a Cloud First Infrastructure Program Management we have enabled State Auto to operate in a startup mindset, with a culture of open to change, open to innovative ideas, fail fast and focus on continuous cost optimization and simplification. Adoption of these **practices has enabled a 20% reduction in overall IT operating costs, on target to double our written premium, and we are seeing over 30% higher productivity.**

Our initial Cloud Program for Core Systems Modernization followed the principles **IaaS, SaaS, COTS and Custom build UX**. As we built our Customer Centric self-service capabilities we adapted building **Microservices** following Product Team Culture and Cloud Native Architecture.



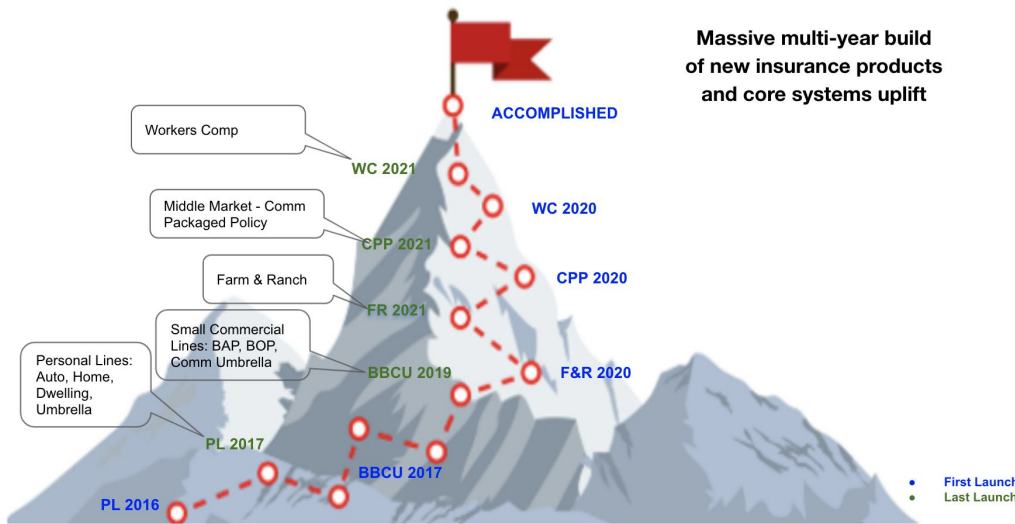
## Core Systems Modernization

**Problem Statement:** State Auto Insurance had reached a point where current technology systems and processes were unsustainable and can't meet to the growing needs of our business. This situation put the company in a position of not being able to adapt quickly enough to the changing needs and demands for growth.

**Strategy:** With a robust Cloud Program using Infrastructure as a Service (IaaS) the teams were able to build future state infrastructure to scale up 1300+ team members to build new insurance products. Building environments quickly has enabled the program to scale up and manage costs. This strategy has enabled us to accelerate software development and delivery for 14 new insurance product lines along with building other enterprise systems over 5 years.

**Outcome:** Easy for Agents to Sell and Service, Consistent experience for all products, Enabled to accelerate towards growth targets.

### State Auto Transformation Journey - SAConnect Digital Platform



Line of Business	Products	Total States
Personal Lines	Personal Auto	28
	Personal Home	28
	Personal Umbrella Policy	28
Small Commercial	Business Auto Policy	30
	Business Owner Policy	30
	Commercial Umbrella Policy	30
Farm and Ranch	Farm Auto	29
	Farm and Ranch	30
	Farm Umbrella	30
Commercial Packaged Product	General Liability	31
	Inland Marine	31
	Commercial Property	31
	Middle Market Umbrella	31
Workers Compensation	Workers Comp	37

# Enterprise Data Lake

Problem Statement	Strategy	Outcome
<ul style="list-style-type: none"> <li>- Ineffective traditional Data Warehouse</li> <li>- High costs to scale</li> <li>- Lack of capability to handle volume and variety of data</li> <li>- Too many point to point integrations</li> </ul>	<ul style="list-style-type: none"> <li>- Modern data lake capabilities on cloud platform</li> <li>- Tool agnostic data processing</li> <li>- Custom ingestion and curation frameworks</li> <li>- Efficient and scalable data platform</li> <li>- Secured and Compliant</li> </ul>	<ul style="list-style-type: none"> <li>- Cost effective, easy to scale</li> <li>- Ability to support batch and streaming</li> <li>- Capable of handling big data and support advanced analytic use cases</li> </ul>

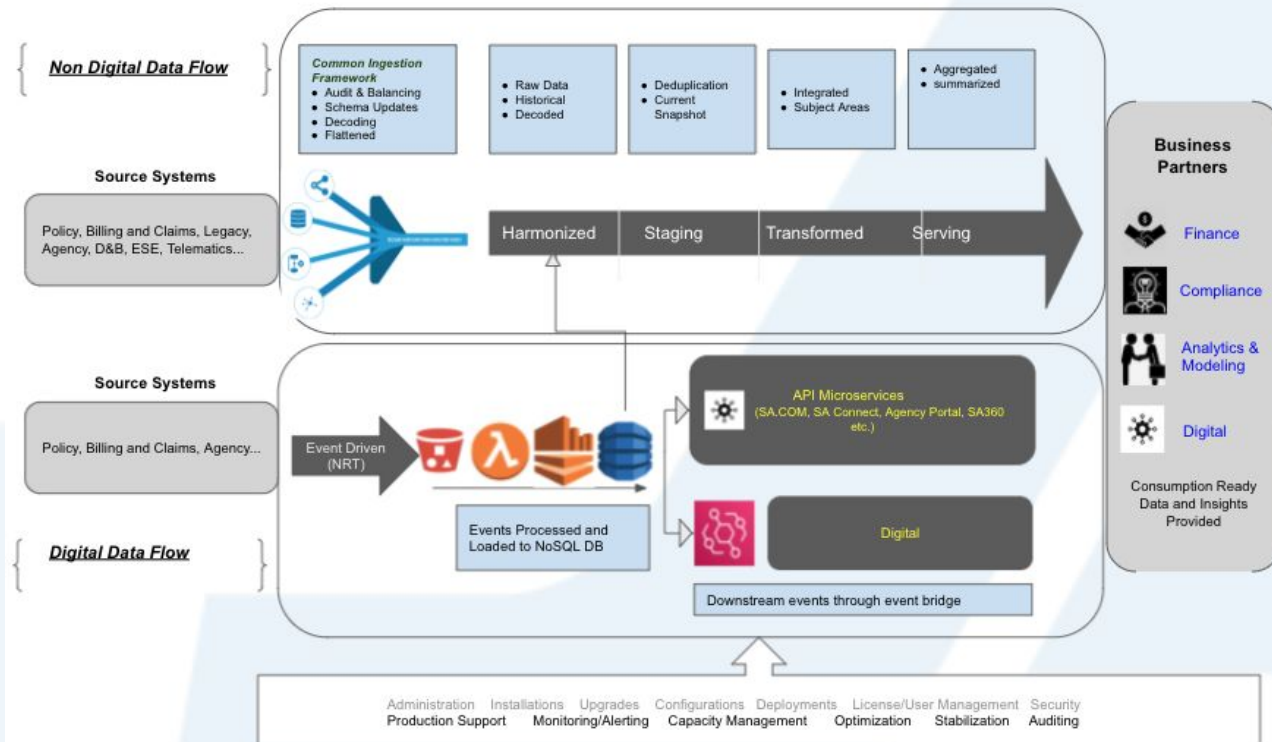
## Capabilities

- Ingest data from applications, databases, IOT, documents and messaging systems
- Batch and Stream data processing
- Multiple consumption channels (APIs, events, visualizations etc.)
- Security and audit compliance
- Standardized reporting
- Pay per use compute and low cost storage
- Data cataloging & democratization
- IT vs Business accounts for better cost governance
- 8K+ daily near real time events processed
- Daily Ingests, stages and processes 10k+ tables & 100+ DBs

## Benefits

- Faster submission of financial, regulatory and operational reports
- Increased operational efficiency
- Telematics data to enable custom pricing solutions
- Data as a Service layer for digital consumption
- Customer 360 to provide comprehensive view and enhance customer experience
- 5 daily, 200 monthly/quarterly & 6 semi-annual/annual reports

### Enterprise Data Lake Flow built on Cloud



## Adoption of Cloud Native Architecture

**Problem Statement:** State Auto has transitioned into the next evolution of IT with a focus on improving velocity, scalability, availability, durability and stability while driving down cost and complexity within the ecosystem.

### Strategy

- Decrease complexity
- Adapt new and evolving technology and techniques
- Provide high availability across regions with automated failover and near-zero interruption
- Update and configure systems with no downtime or maintenance windows
- Adopt a cloud native platform
- Scale automatically based on user activity and growth
- Adoption of Product Team model for product ownership and delivery
- Implement a structured approach to building solutions and services
- Encourage experimentation and innovation using new technology to solve problems

### Outcome

- Product Teams have full ownership of and accountability from inception to end of life.
- This strategy allowed us to build products that are very durable and scalable to serve our agents and customers 24/7
- Some Product Teams are **releasing daily builds into Production**
- End to End pipelines automated all the way from Development to Production
- Work in progress to shift majority of our server based technology spend to server less spend, we are anticipating about **10 to 20% reduction** in Infrastructure Expenses in 1 to 2 years