



# Transforming Legacy Systems: A Practical Approach to Modernization

Dan Wuest – SVP Tech Portfolio Execution  
CNA Insurance



# Dan's Background

30+ Year

Tech Career

12 Years

Consulting

20+ Years

Insurance Industry



Leading Transformation



SVP – Tech Portfolio  
Execution





# About CNA

Founded in **1897**

*One of the largest  
U.S. commercial lines insurers*

*Currently insures **over one  
million** businesses and  
professionals*

*Offices throughout the U.S.,  
Canada and Europe*

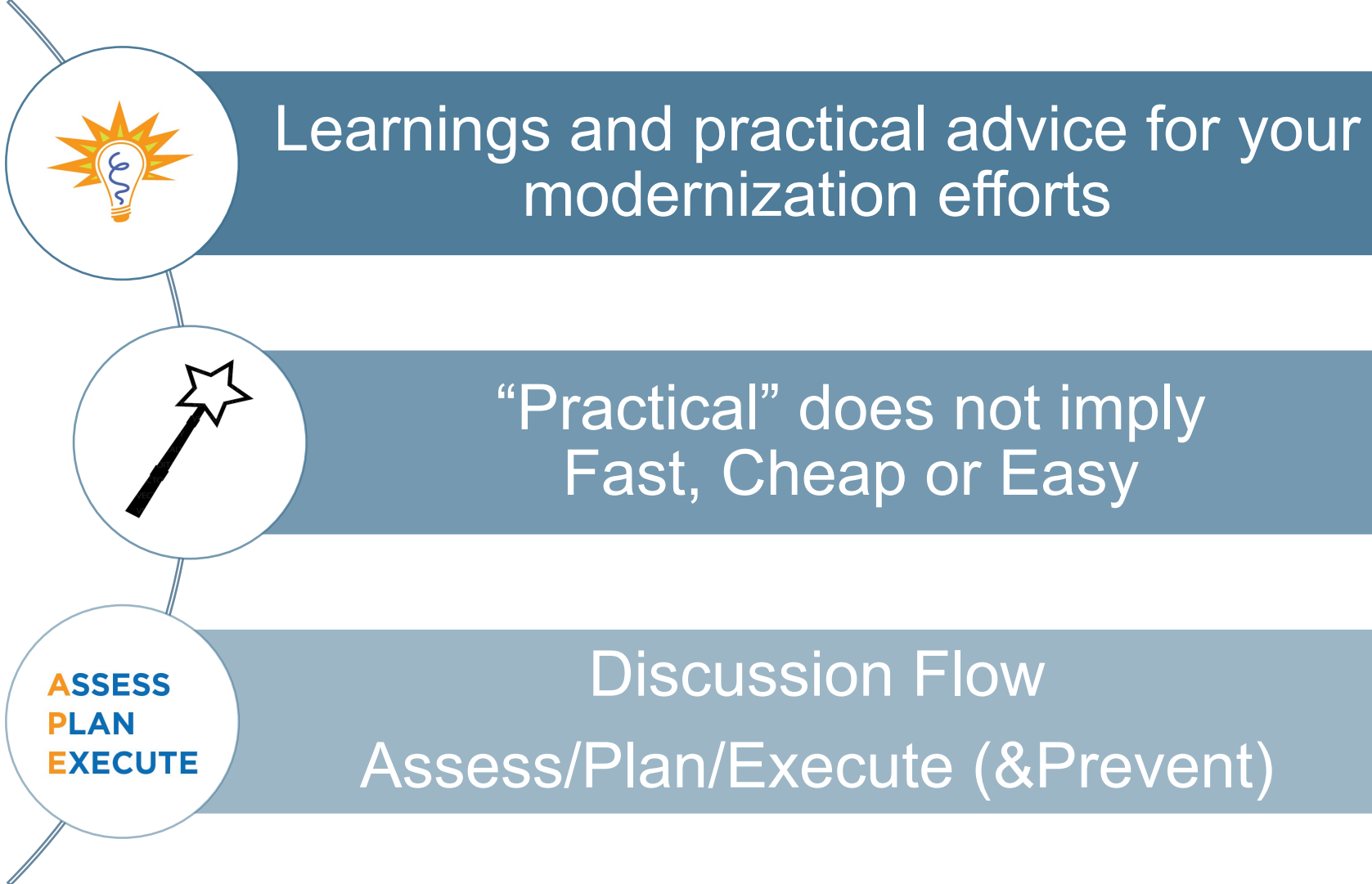
*S&P Rating A+*



## 2023 Financial Highlights



# About Today's Discussion



# Reality Check on Tech Debt and Legacy



# Two Categories of Legacy Issues

## Legacy Fragility



- Impacts Stability, Security, Availability, Performance.....
- Technology Problem
- Tech-Sponsored Solution

VS

## Legacy Inflexibility



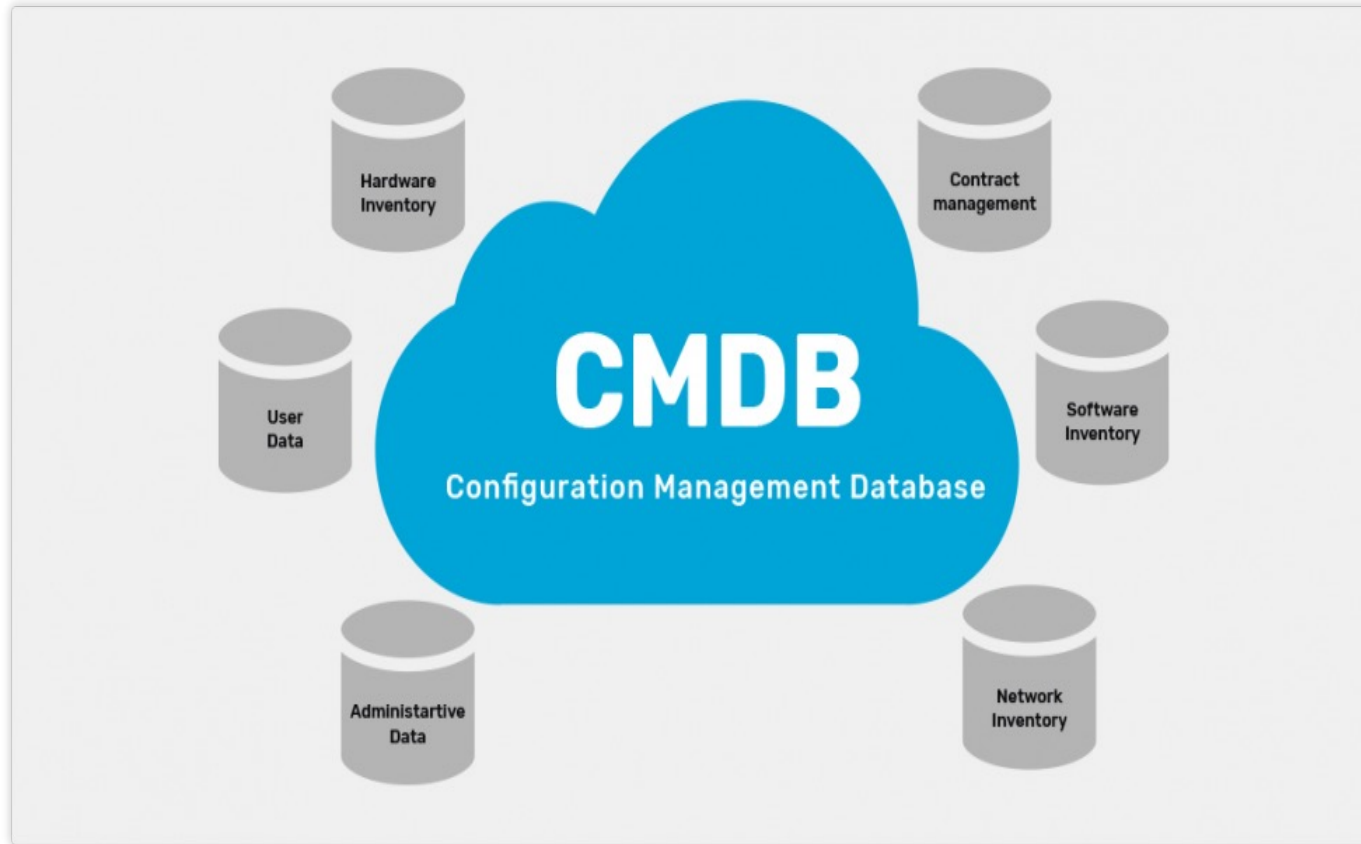
- Impacts Usability, Innovation, Growth, Speed to Market
- Business Problem
- Business-Sponsored Solution



# ASSESS



# Application Inventory - CMDB



- Needed for all aspects of modernization and ongoing maintenance
- Helps inventory and categorize EOL/EOS versions
- Key input to Business Case
- If you don't have a CMDB, get one !



# Assess Tech Debt – Risk Scoring

CNA Business & Technology Risk Factors

## Application Risk

### Application Operational Risk

Overall health, stability, and currency of underlying application frameworks/software and conformance with technology strategy

### Application Mitigation Available

How feasible would it be to mitigate IT issues to support business needs, either through workarounds or replacement applications

## Infrastructure Risk

The overall risk associated to underlying hardware and middleware as a result version currency (e.g. End of Life) and supportability

## Business Risk

### Business Value/Impact

Represents the level of value application provides to the organization as well as financial/resource impacts if issues with application was to arise

### Business Strategy Alignment

How well the application supports the business strategy and the anticipated level of investment/change to support it



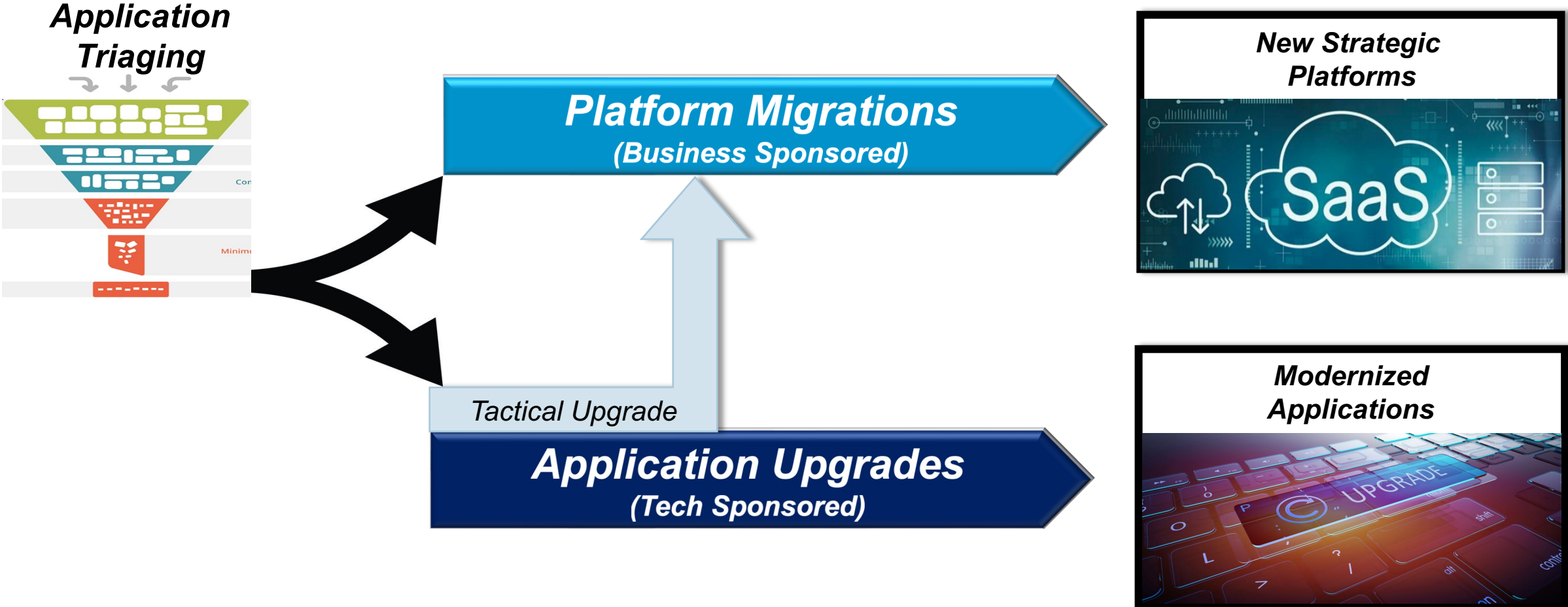
## Security/Compliance Risk

Security risks associated to underlying infrastructure the application is running on, as well as any application-level security exceptions/vulnerabilities and data privacy/compliance considerations

# PLAN

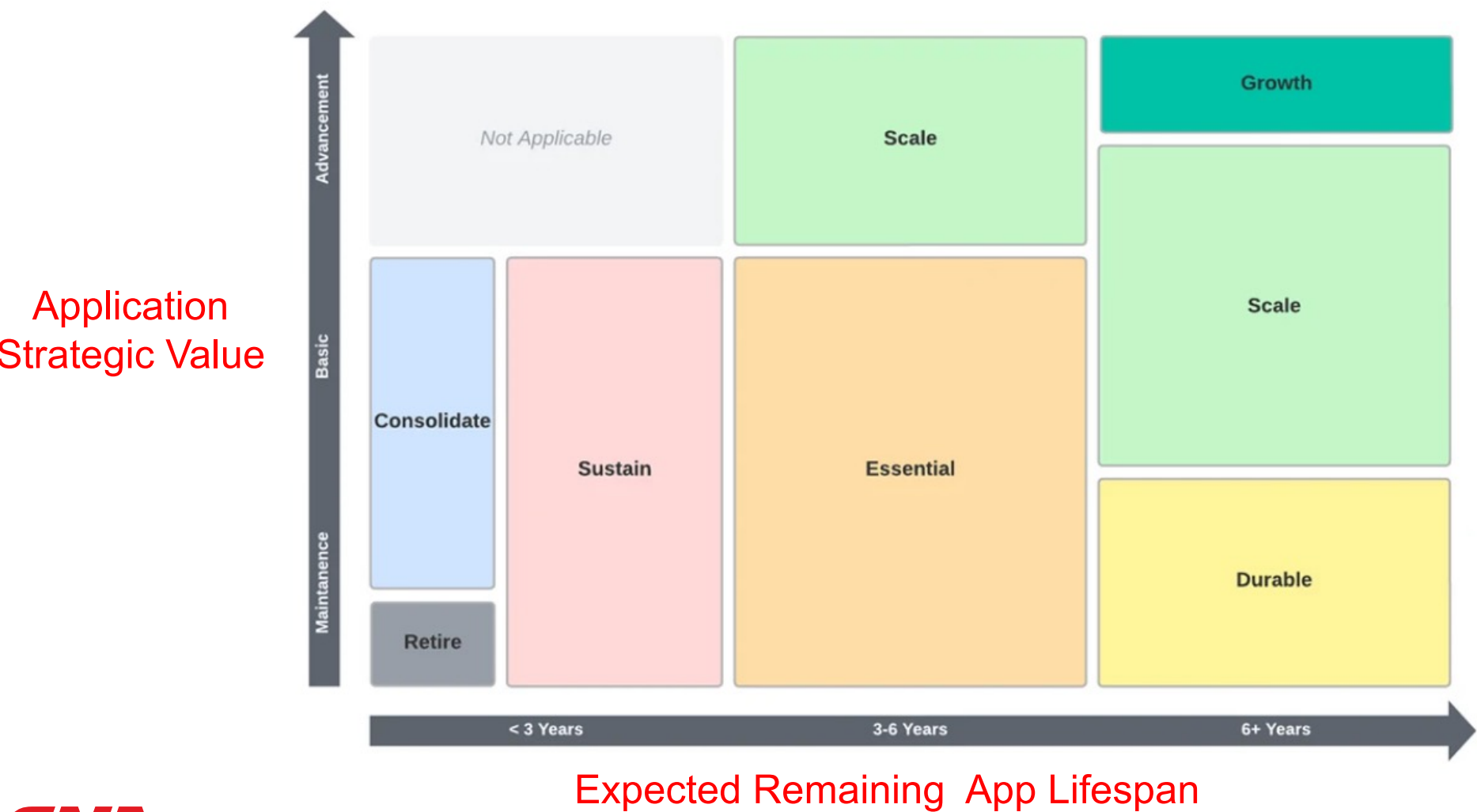


# CNA's Multi-Track Modernization Approach





# Application Upgrade Service Catalog



# Planning Guardrails

## SaaS

- Preferred for new strategic platforms
- ✓ Beware SaaS license cost curve

## PaaS

- PaaS is our minimum for cloud migration
- ✓ No IaaS – No “Lift and Shift”

## Tech-only vs Functional

- Accelerated path is tech-only upgrade
- ✓ New functionality kills factory velocity

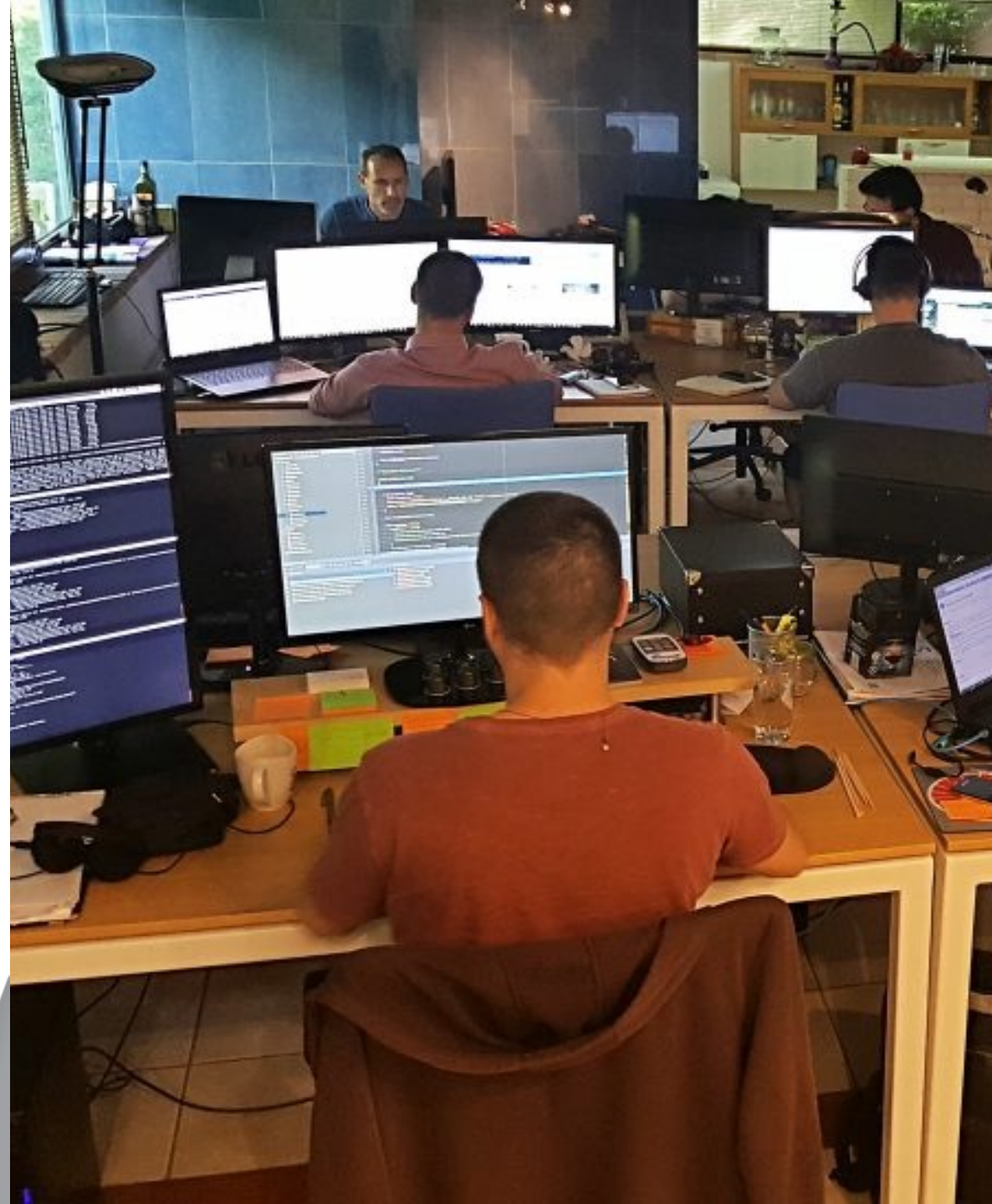
## Mainframe

- MF elimination not a burning priority for us
- ✓ Expensive/inflexible, but stable and fast

## Eliminate in Groups

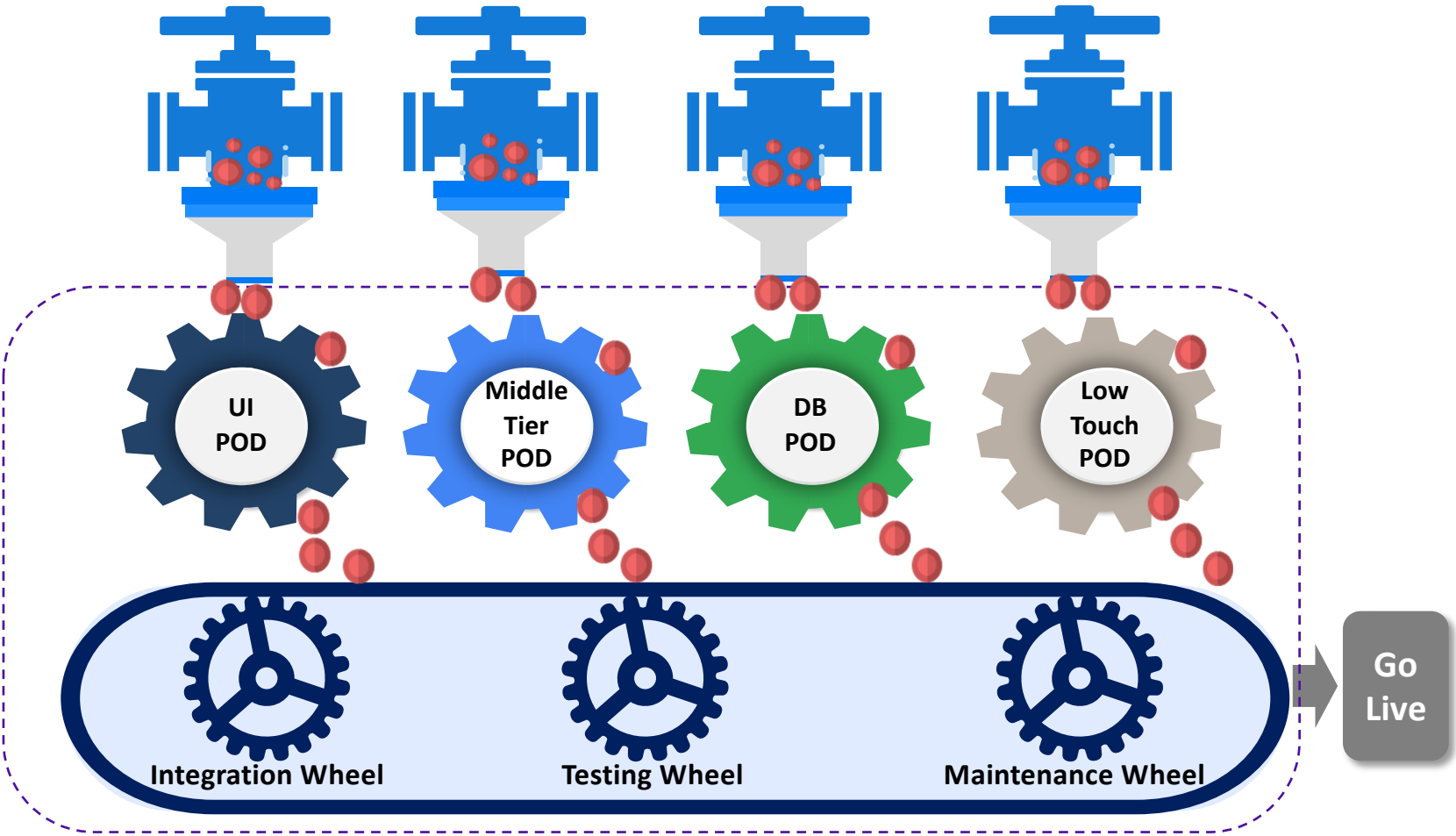
- Group and eliminate legacy tech stacks
- ✓ Beware the stragglers

# EXECUTE





# Transformation Delivery

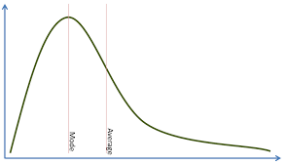


# Accelerators and Partners

## Accelerators



- Leveraging GenAI code migration (Public & Proprietary Models)



- AI works best on “light” upgrades, less gain on full application refactoring and rearchitecting

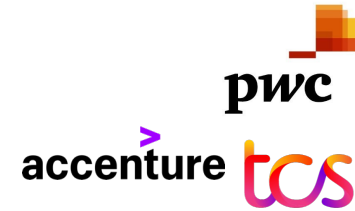


- Use modernization effort to introduce test automation, CI/CD, monitoring, etc

## SI's and Partners



- Select vendors carefully, both for services and COTS



- Utilize SI's for capacity and expertise, but don't hand over the keys and fully outsource



- Scale SI's around core internal team




- Rethink your support model and skills for upgraded tech platforms

# PREVENT & MANAGE





# Tech Debt Management and Prevention

- 
- Architecture
  - Horizon Board
  - Decommission
  - PaaS and SaaS
  - Capacity Allocation

# When to Tackle Your Legacy Tech Debt?



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