



# **Property and Casualty (P&C) Insurance BPO: Annual Deal Trends Report 2019**

Insurance - Business Process Outsourcing (BPO)

Market Report – June 2019: Complimentary Abstract / Table of Contents

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<ul style="list-style-type: none"> <li>▶ Customer Experience Management Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Locations Insider™</li> </ul>
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<ul style="list-style-type: none"> <li>▶ Engineering Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Recruitment &amp; Talent Acquisition</li> </ul>
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- This report is included in the following research program(s)
  - [Insurance - Business Process Outsourcing \(BPO\)](#)
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In addition to a suite of published research, a membership may include

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- PriceBook
- Virtual Roundtables
- Workshops

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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# Background of the research

## Background of the research

Marketers' favorite dictum – Customer is the king – has never been truer for P&C insurers than it is today. P&C insurers have started investing in transformative steps to cater to the extreme levels of competitiveness in the industry and this need has been impacting their demands from sourcing vendors. Consequently, the P&C insurance BPO market is also adapting to establish itself as the customer experience delivery partner for its clients.

This dynamism created strong growth for P&C insurance BPO in the year 2018, and the momentum is only expected to accelerate as more and more insurers, irrespective of the size of their operations, acknowledge digital as the key to acquiring new and retaining existing customers. Following are the key trends being observed in the P&C insurance BPO market:

- Analytics, automation, and NLP continue to emerge as the key digital levers being employed today, although a few service providers are also differentiating their offerings with drone inspections and blockchain solutions
- Further connected to digital potential and customer experience are the value chain segments—underwriting and claims—emerging as front runners for service providers' businesses. They allow for the greatest digital interventions and are the most sensitive from a customer experience standpoint
- The fact that P&C insurers are now looking for more than just offshore labor arbitrage leverage while deciding on their sourcing partner, which is also evident from the way deal trends are being shaped such as increase in output-based and other outcome-based pricing models, demand for plug-and-play augmentation solutions, and need for onshore delivery capabilities
- Given that digital enablement without investing in strategic planning involving maturity assessments, process optimization, and change management do not yield desired results, a consulting-led approach to delivery of digital solutions is gaining foothold with P&C insurance BPO service providers and is expected to increase competitiveness in this space

In addition to studying such emerging trends, this report also provides detailed analysis of P&C insurance BPO market size and growth, solution characteristics, and the service provider landscape. It will assist key stakeholders (P&C insurers, service providers, TPAs, and technology providers) to understand the changing dynamics of the P&C insurance BPO market and identify the upcoming trends.

## The scope and methodology of this report includes:

- Proprietary database of 350+ P&C insurance BPO contracts (updated annually)
- Coverage of 20+ P&C insurance BPO service providers including Accenture, Atos Syntel, Capgemini, Capita, Cognizant, Conduent, DXC Technology, Exela Technologies, EXL, Genpact, HCL Technologies, Infosys, Intelinet, Mphasis, NIIT Technologies, Sutherland, Shearwater Health, TCS, Tech Mahindra, and WNS

# Overview and abbreviated summary of key messages (page 1 of 2)

This report examines the global third-party, industry-specific P&C insurance BPO. It provides detailed analysis of P&C insurance BPO market size and growth, solution characteristics, emerging trends, and the service provider landscape for the market for P&C insurance BPO. It will assist key stakeholders (P&C insurers, service providers, TPAs, and technology providers) to understand the changing dynamics of the P&C insurance BPO market and identify the upcoming trends

**Some of the findings in this report, among others, are:**

## State of buyer adoption in the P&C insurance BPO market

- With a steady double-digit growth rate since 2015, the P&C insurance BPO market is expected to reach US\$2.9 billion by 2020. Market growth increased in 2018 and is expected to further accelerate in the future owing to multiple demand dynamics such as need for digitalization of operations and rising competition from InsurTechs
- Buyers are incrementally expanding the scope and scale of services outsourced as they gain confidence in their incumbents, driving growth in the P&C BPO market. New contract signing also witnessed an uptick in 2018, with strong outsourcing demand from buyers across multiple geographies
- New deals were signed across almost all the geographies with the exception of Latin America and Middle East & Africa. North America continues to drive the majority of deal activity in P&C insurance BPO
- Small-sized buyers were the largest contributors to both the number and size of deals. Mid-market buyers are also increasingly opening up to leveraging third-party service providers

## Overview and abbreviated summary of key messages (page 2 of 2)

### P&C insurance BPO solution characteristics

- In their efforts to modernize their operations without disturbing underlying systems, insurers are increasingly demanding augmentation solutions
- While RPA leverage in active contracts is on the rise, the adoption is mostly by large-sized buyers that have the strongest business case for RPA
- Both small- and large-sized buyers are invested in leveraging analytics for driving various business outcomes
- Service providers are targeting optimizing their shoring mix to cater to the varied buyers needs. Consequently, service providers are expanding their onshore delivery capabilities to stay competitive
- From a value-chain perspective, service providers are increasingly focusing on building end-to-end capabilities for servicing underwriting and claims
- New contracts being signed have greater leverage of output-based pricing that allows for mutual benefits with digitalization

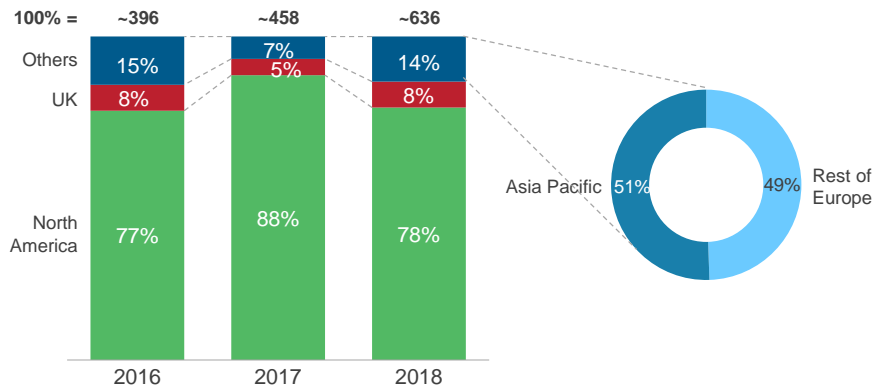
### Service provider landscape

- The top three service providers – DXC Technology, EXL, and Genpact account for nearly 50% of the P&C insurance BPO market
- Cognizant, EXL, Genpact, Sutherland Global Services, TCS, and WNS further solidified their market presence with double-digit revenue growth
- The P&C insurance BPO service provider landscape remains consolidated at the top in all geographies with the top three service providers accounting for more than 50% of the market

# This study offers four distinct chapters providing a deep dive into key aspects of P&C insurance BPO deals; below are four charts to illustrate the depth of the report

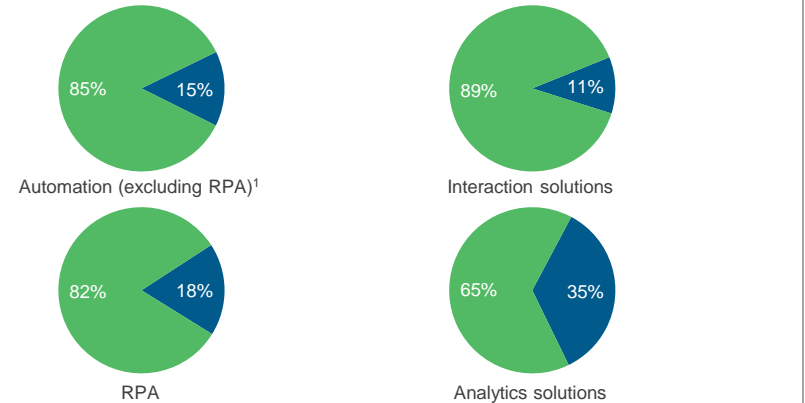
## Buyer adoption by geography in P&C insurance BPO

P&C insurance BPO contracts by signing region  
ACV of contracts signed – new and renewals – in US\$ million



## Augmentation solutions adoption in P&C insurance BPO

Augmentation solution leverage across P&C insurance BPO  
Percentage of active contracts in 2018



## Service provider landscape

Growth of P&C insurance BPO revenue  
June 2018 (TTM); Percentage growth in revenue



## Future outlook

### Geography

**Both leading and emerging markets would continue to provide growth opportunities**  
North America and the United Kingdom would continue to offer opportunity now that buyers have started to engage with service providers for transformative initiatives as well. Additionally, Asia Pacific and Continental Europe are also emerging as favorable grounds for growth for all.

### Processes

**Servicing underwriting and claims is expected to witness greater competition**  
Major service providers in the market are investing in point augmentation solutions for digitalization of underwriting and claims, given that both are the most significant touchpoints in a customer lifecycle. Consequently, building end-to-end handling capabilities is also being targeted through the TPA route

### Talent

**Providing access to digitally proficient talent would become critical**  
Service providers would continue to step up their investments in upskilling and reskilling their onshore and offshore talent in digital technologies and domain expertise. This is critical, given that lack of sufficiently skilled talent is one of the significant issues that insurers face while taking up digital implementations

### InsurTechs

**Emergence of InsurTechs would continue to play favorably for service providers**  
The InsurTechs segment has created new grounds for growth for service providers. InsurTechs are emerging as buyers as well as capability partners for service providers, thus creating new opportunities to explore



# Research calendar – Insurance - Business Process Outsourcing (BPO)

Published
  Planned
  Current release

## Flagship Insurance BPO reports

### Release date

Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 .....	March 2019
Life and Pensions (L&P) Insurance BPO Annual Report 2019 .....	May 2019
<b>Property and Casualty (P&amp;C) Insurance BPO: Annual Deal Trends Report 2019 .....</b>	<b>June 2019</b>
Property and Casualty (P&C) Insurance BPO Service Provider Profile Compendium 2019 .....	June 2019
Property and Casualty (P&C) Insurance BPO Annual Report 2019 .....	June 2019
Insurance Third Party Administrator (TPA) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 .....	Q3 2019
Property and Casualty (P&C) Insurance BPO Casebook 2019 .....	Q3 2019
Life and Pensions (L&P) Insurance Third-Party Service Provider Landscape with PEAK Matrix™ Assessment 2019 .....	Q3 2019
Life and Pensions (L&P) Insurance BPS Deal Trends Report 2019 .....	Q3 2019
Life and Pensions (L&P) Insurance BPO Annual Report and Casebook 2019 .....	Q4 2019
Analytics in Insurance - Third-Party Service Provider Landscape with PEAK Matrix™ Assessment 2019 .....	Q4 2019

## Thematic Insurance BPO reports

Blockchain in P&C Claims – What Insurers Need to Know and How Can They Unlock Potential .....	Q3 2019
InsurTech – Trailblazers & the Market Implications .....	Q3 2019
Viewpoint on Insurance Third Party Administrator (TPA) market .....	Q3 2019
Viewpoint on the annuities market .....	Q4 2019

Note: For a list of all Insurance BPO reports published by us, please refer to our [website page](#)

# Additional Insurance - BPO research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **The Future of Life Insurance & Annuities Operations** ([EGR-2018-28-V-2785](#)); 2018: This viewpoint provides detailed understanding of challenges that L&A insurers are facing, envisages the future of the L&A insurance operations at process and subprocess level, identifies the gaps between current and future states, challenges in addressing the gaps, and role of BPaaS in addressing challenges and becoming future-ready. It also helps insurers in understanding the specific attributes of BPaaS that can help in addressing the challenges they might be facing or state of operations they might desire
2. **Insurance - BPO – Buyers' Perception of the Service Providers' Ability to Deliver on their Expectations** ([EGR-2018-28-R-3002](#)); 2018: This report examines multiple aspects of insurance BPO service provider and buyer engagements to explain what matters to buyers, how satisfied they are, and how can service providers achieve differentiation in the market. The analysis is based on quantitative and qualitative insights generated from interviews and surveys of 130+ enterprises that have engagements with 20+ P&C and L&P insurance BPO service providers
3. **Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment** ([EGR-2019-28-R-3108](#)); 2019: This report examines the global P&C insurance BPO market and its service provider landscape. It provides detailed analysis of the vision & delivery capabilities as well as market impact of service providers and their relative position on the Everest Group PEAK Matrix. It will assist key stakeholders (insurance providers, service providers, and technology providers) understand the current state of the P&C insurance BPO service provider landscape
4. **Life and Pensions (L&P) Insurance BPO Annual Report: Digital a Potential Game-changer but Insurers Stuck in Legacy Mode** ([EGR-2019-28-R-3155](#)); 2019: This report examines the global L&P insurance market and covers market updates around product landscape, regulatory updates and implications, M&As, InsurTechs, and state of digital leverage in 2018. It will assist key stakeholders (L&P insurers, service providers, TPAs, and technology providers) to understand the changing dynamics of the L&P insurance market and the consequent implications, to be able to target the right investments

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