



Building the Insurance BPS Workforce of the Future

Insurance – Business Process Outsourcing (BPO)

Catalyst™

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

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Membership information

- This report is included in the following research program(s)
 - [Insurance - Business Process Outsourcing \(BPO\)](#)
 - [Catalyst™](#)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model™ reports
- 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

The Indian insurance BPS industry (offshore/nearshore services) employs 64,000-68,000 FTEs, accounting for 65-70% of the total insurance BPS workforce across all offshore/nearshore locations. Business and technology disruptions such as digital transformation and automation are exhibiting a profound impact on the industry. Automation of transaction-intensive jobs, the need to drive better customer experience, and increase in offshoring of judgment-intensive roles is changing the job profile of the offshore insurance BPS workforce. As a result, the nature of skill required by offshore workforce is evolving at a rapid pace. Unless global companies (both service providers and Global In-house Centers or GICs) take proactive action, this will create significant gaps in skill sets of the existing workforce. In this report, we have assessed the impact of growth and automation on the Indian insurance BPS industry workforce, identified the extent of skill gaps that the industry is expected to witness, and recommended interventions required to prepare the workforce for the future.

Scope of this research



The report covers three key aspects:

- Current delivery landscape and expected impact of growth and disruptions on the offshore/nearshore insurance BPS industry
- Assessment of expected changes in skill requirements for insurance BPS workforce
- Skill gaps identification and recommendations for building workforce of the future

Coverage of the report



Geography

India; while this report is primarily focused on India, it is representative of nearshore/offshore market dynamics that is likely to unfold



Types of companies

Insurance BPS service providers and GICs of insurance companies



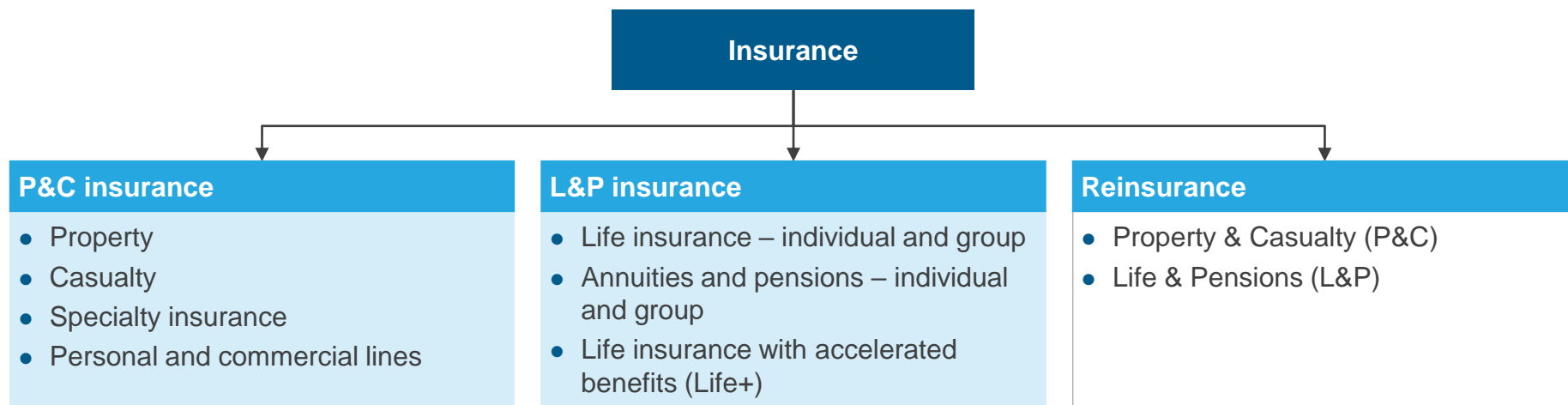
Services included

Offshored insurance BPS services across both P&C and L&P verticals; this report is focused on core insurance back-and middle-office services delivery workforce (located in offshore/nearshore locations) and excludes the impact of technology disruptions and growth on other parts of the organization (e.g., technology, sales, and solution) though they will also witness significant changes

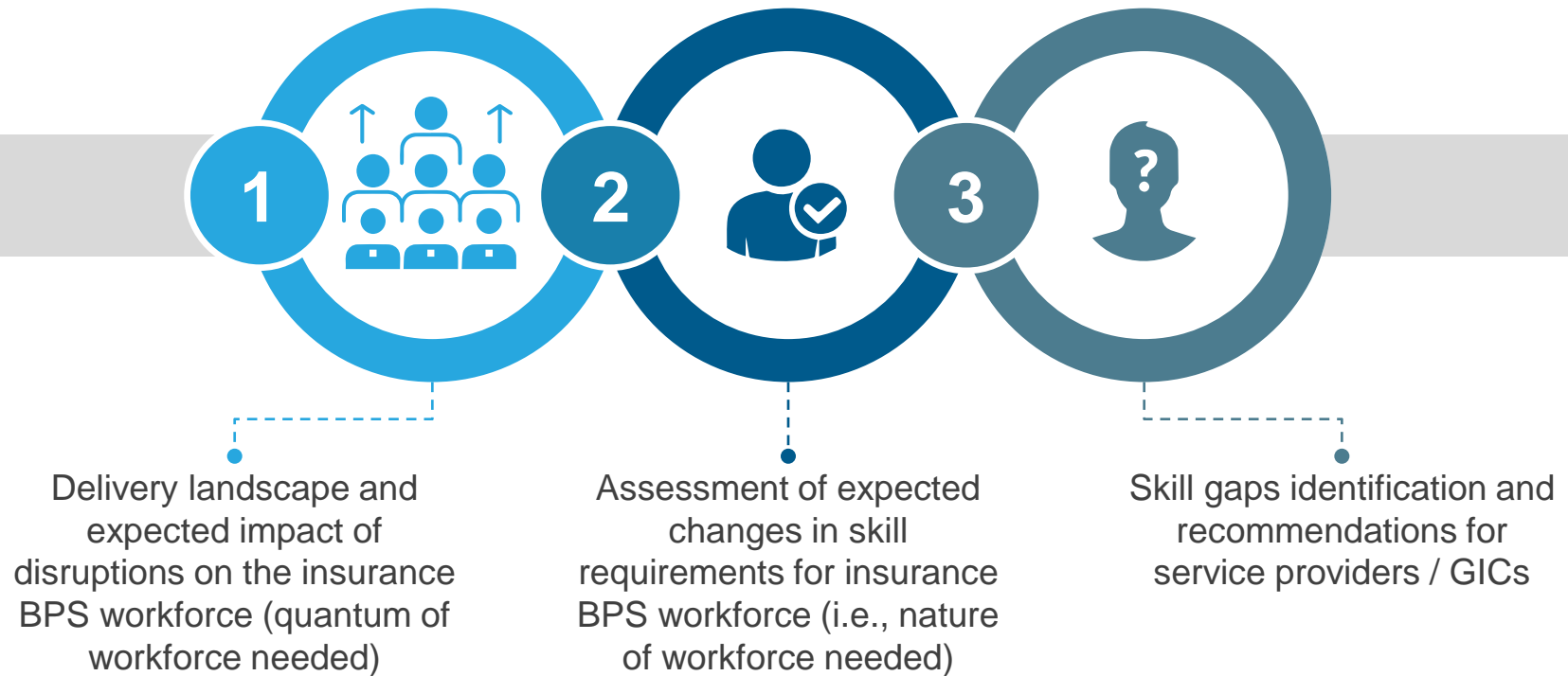
Scope and coverage

Everest Group's definition of insurance includes the following three segments

Focus of research



This report is structured into three key sections

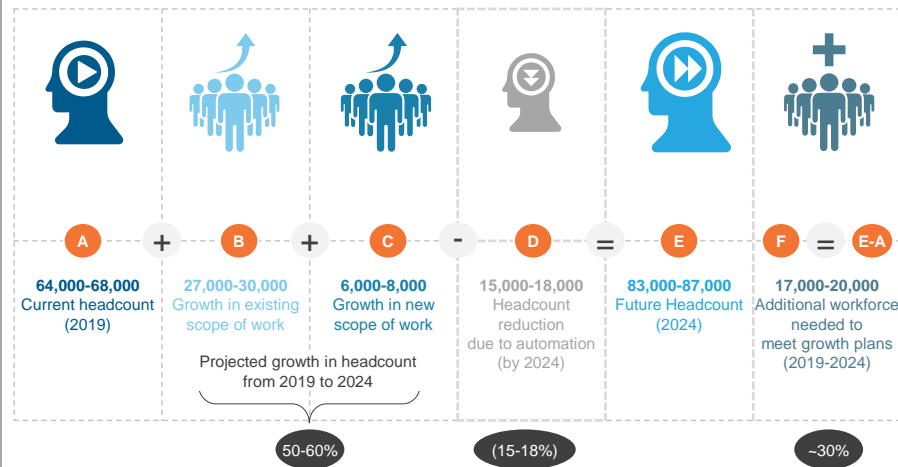


Overview and aggregated summary of the report

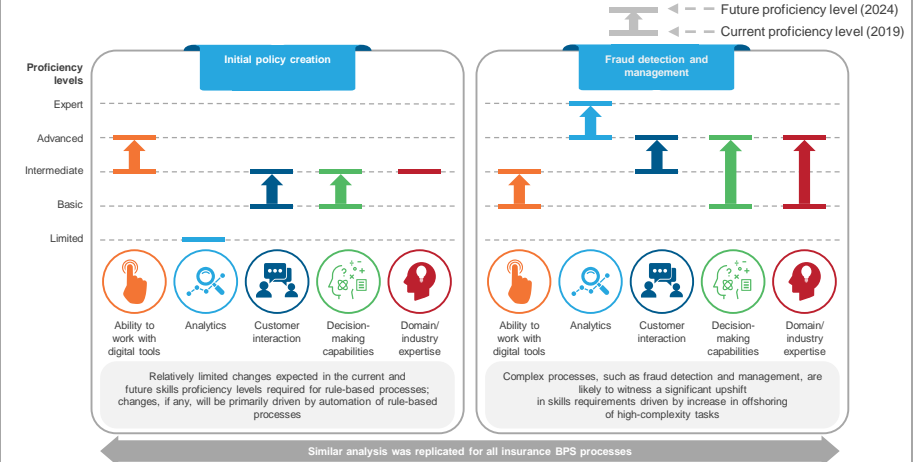
- Despite automation and other digital interventions, the offshore insurance BPS industry headcount is expected to grow, albeit at a meaningfully slower rate, ~5% CAGR in 2019-24 compared to 8-10% in the past
- Automation of transactional processes and increase in offshoring of complex processes will result in substantial change in skill and proficiency levels required
- This will result in significant skill gaps within the existing workforce across various offshored insurance BPS processes
- Insurance service providers need to proactively focus on reskilling/upskilling the existing workforce and train potential employees to address the skill gaps
- Nature of skill gaps and skilling needs will vary across rule-based and judgment-intensive processes, and organizations will need process-specific upskilling strategy
- Each market participant (e.g., Service provider, GICs, Government agencies, industry associations, training agencies, academia, etc.) will have a crucial role to play and work collaboratively to bridge the skill gaps and build future workforce

This study provides a deep dive into expected skill gaps across different processes in the insurance BPS industry and recommendations for building workforce of the future; below are four charts to illustrate the depth of the report

Impact of growth and automation on the Indian insurance BPS industry headcount



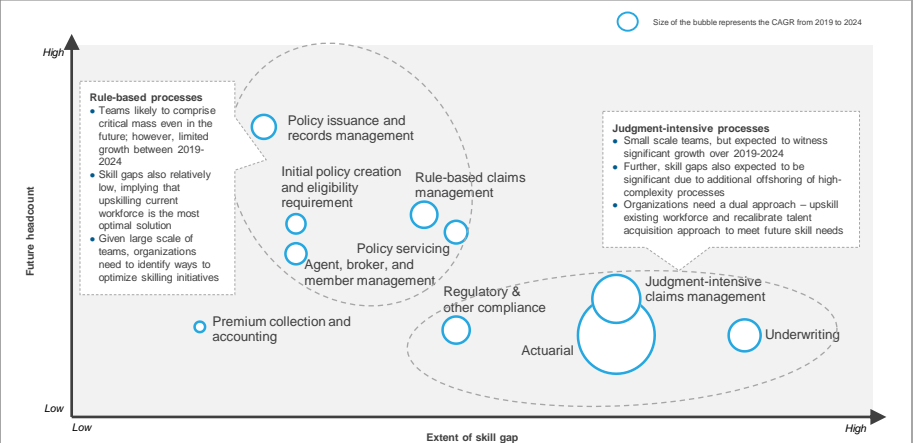
Current and future proficiency levels required across skills by process



Expected gap by process type and skill categories

| Process category | Future headcount (no. of FTEs in '000s) | Skill categories | | | | | Overall skill gaps |
|---|---|------------------------------|---------------------------|------------------------------------|-----------|----------------------|--------------------|
| | | Decision-making capabilities | Domain/industry expertise | Ability to work with digital tools | Analytics | Customer interaction | |
| Actuarial | 2.0-3.0 | High | High | High | High | High | High |
| Judgment-intensive claims management | 4.5-5.5 | High | High | High | High | High | High |
| Initial policy creation and eligibility requirement | 13.0-15.0 | High | High | High | High | High | High |
| Policy issuance and records management | 23.0-25.0 | High | High | High | High | High | High |
| Policy servicing | 11.0-13.0 | High | High | High | High | High | High |
| Regulatory and other compliance | 1.0-2.0 | High | High | High | High | High | High |
| Underwriting | <1.0 | High | High | High | High | High | High |
| Rule-based claims management | 13.0-15.0 | High | High | High | High | High | High |
| Agent, broker, and member management | 9-011.0 | High | High | High | High | High | High |
| Premium collection and accounting | 1.5-2.5 | High | High | High | High | High | High |
| Weighted assessment of gap for each skill | | High | High | High | High | High | High |

Extent of skill gaps and skilling needs by processes



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 |
| Property and Casualty (P&C) Insurance BPO: Annual Deal Trends Report 2019 | June 2019 |
| Property and Casualty (P&C) Insurance BPO Service Provider Profile Compendium 2019 | June 2019 |
| Property & Casualty (P&C) Insurance BPO Annual Report 2019: Combating New-age Risks – How Digital Helps | June 2019 |
| Non-life Insurance Third-Party Administrator (TPA) Landscape with Services PEAK Matrix™ Assessment 2019 | July 2019 |
| Life and Pensions (L&P) Insurance Third-Party Service Provider Landscape with PEAK Matrix™ Assessment 2019 | Q4 2019 |
| Life and Pensions (L&P) Insurance BPS Deal Trends Report 2019 | Q4 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

| | |
|---|---------------------|
| Sedgwick to Acquire York: The Race to Scale in the US TPA Industry Intensifies | July 2019 |
| Building Insurance BPS Workforce of the Future | October 2019 |
| Blockchain in P&C Claims – What Insurers Need to Know and How Can They Unlock Potential | Q4 2019 |
| InsurTech – Trailblazers & the Market Implications | Q4 2019 |

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

Research calendar | Catalyst™

Published
 Planned
 Current release

Flagship Catalyst™ reports

Release date

| | |
|---|-----------|
| Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises | May 2018 |
| Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to Their GICs | July 2019 |

Thematic Catalyst™ reports

| | |
|--|---------------------|
| Digital maturity in GICs Pinnacle Model™ Analysis 2018 (Excerpt) | November 2018 |
| Banking, Financial Services, & Insurance GICs: Gaining Status, Driving Results | December 2018 |
| Leading Innovation and Creating Value: The 2019 Imperative for GICs | December 2018 |
| Redefining the Future of Work – Human Plus Technology | January 2019 |
| Talent Strategy in Global In-house Centers (GICs) Pinnacle Model™ Analysis 2019 | January 2019 |
| Healthcare and Life Sciences – GICs in India Fast-tracking Enterprises' Digital Agenda | July 2019 |
| Building the Insurance BPS Workforce of the Future | October 2019 |
| State of GIC Adoption for Hi-Tech and Manufacturing Companies | Q4 2019 |
| Data & Analytics in GICs Pinnacle Model™ Analysis 2020 (Excerpt) | Q4 2019 |
| GIC 4.0: What is Next in the GIC Evolution Journey? | Q4 2019 |
| Evolving Sourcing Strategy for Engineering Services | Q4 2019 |
| Case Studies on Scaled RPA Adoption in GICs | Q4 2019 |
| State of Adoption for Advanced Automation (RPA++ in GICs) | Q4 2019 |

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Additional research references

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

1. **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
2. **Property and Casualty (P&C) Insurance BPO Annual Report: Combating New-age Risks – How Digital Helps** ([EGR-2019-28-R-3204](#)); 2019: This report draws attention toward how various new-age market dynamics in the P&C insurance industry have impacted insurers' ability to effectively assess and underwrite risks, thus calling for evolution of archaic risk management functions. Digitalizing risk management operations would be key to such adaptation. Third-party service providers could capitalize on the opportunities that would originate from insurers' need to adapt their risk functions, by building requisite capabilities and displaying proactiveness
3. **Redefining the Future of Work – Human Plus Technology** ([EGR-2019-37-V-3035](#)); 2019. This viewpoint aims to establish that the future of services delivery will be centered around redefinition, and not the elimination of human work. It highlights how the role of both humans and technologies will be transformed and work will be redistributed in accordance with the capability and the skill-level of both. This will enable an evolved workplace where both humans and technologies will work together to deliver superior value – one which cannot be achieved by either of the two working alone

For more information on this and other research published by Everest Group, please contact us:

| | |
|---|--|
| Rajesh Ranjan , Partner: | rajesh.ranjan@everestgrp.com |
| Rohitashwa Aggarwal , Practice Director: | rohitashwa.aggarwal@everestgrp.com |
| Hrishi Raj Agarwalla , Senior Analyst: | hrishi.agarwalla@everestgrp.com |

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

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