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RESEARCH

Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016

Banking, Financial Services, and Insurance BPO Market Report – August 2016 – Preview Deck

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1 Banking, financial services, and insurance

Background and methodology of the research

Background of the research

The global L&P insurance BPO market continues to show steady growth. It registered 7% growth in revenue in 2015, which is slightly higher than the growth in 2014. The market remains concentrated in North America and United Kingdom, which together account for more than 90% of the revenue. While the latter leads the market and accounts for nearly three-fifths of the global revenue, market growth is primarily being driven by North American buyers. Though Asia Pacific and Eastern Europe have been showing traction, these markets are yet to attain the size to drive market growth. Two of the leading service providers, Capita and TCS[1], continue to enjoy dominant market share by revenue despite strong growth by players such as CSC and SE2.

Customers' expectations from their service providers are changing. Outsourcing is increasingly being viewed not only as a cost-saving opportunity but as a source of business transformation. The market is seeing an increasing emphasis on more complex and judgment-intensive work such as analytics, risk management, actuarial, and regulatory reporting. Robotic Process Automation (RPA) has raised the potential for cost savings and efficiency achievable with BPO, and is steadily gaining traction in the industry. This gives service providers the opportunity to deliver greater benefits to their clients and differentiate themselves from the competition. Innovation is also being seen in pricing, with traditional pricing models such as FTE-based and fixed-fee models being replaced by outcome-based pricing models.

These trends are expected to shape and drive the growth of this industry in the years to come.

Scope and methodology

In this research, we analyze the global L&P insurance BPO service provider landscape. We focus on:

- Relative positioning of 20 service providers on Everest Group's PEAK Matrix for L&P insurance BPO
- Service provider market success
- Service provider capability assessment across key dimensions
- Comments about service providers

1 Tata Consultancy Services

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Overview and abbreviated summary of key messages

This report examines the global L&P insurance BPO market and its service provider landscape. It provides detailed analysis of capabilities and market performance of service providers and their relative positions on the Everest Group PEAK Matrix. It will assist key stakeholders (insurance providers, service providers, and technology providers) understand the current state of the L&P insurance BPO service provider landscape.

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

Everest Group PEAK Matrix for P&C insurance BPO

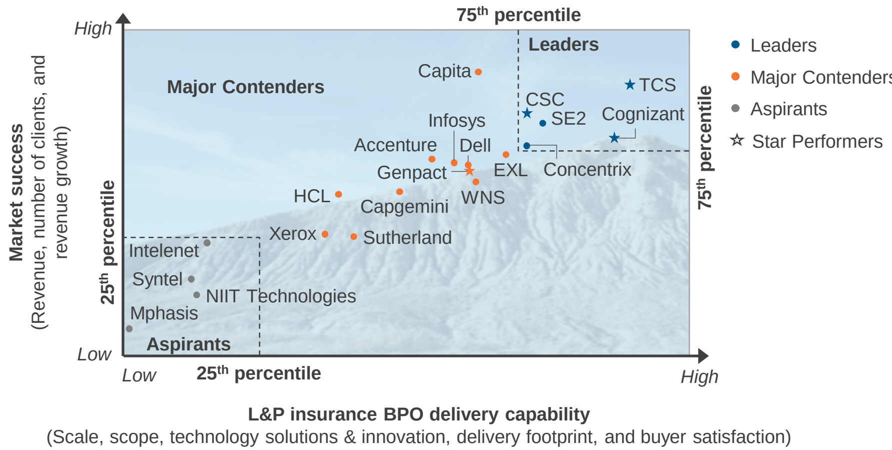
- Everest Group classified 20 P&C insurance BPO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2016 L&P insurance BPO PEAK Matrix positioning is as follows:
  - Leaders: Accenture, Cognizant, Concentrix, CSC, SE2, and TCS
  - Major Contenders: Accenture, Capgemini, Capita, Dell, EXL, Genpact, HCL, Infosys, Sutherland Global Services, WNS, and Xerox
  - Aspirants: Intelenet, Mphasis, NIIT Technologies, and Syntel
- Cognizant, CSC, Genpact, and TCS are the “Star Performers” on the P&C insurance BPO Everest Group PEAK Matrix for 2016

Key insights on PEAK Matrix dimensions (not exhaustive)

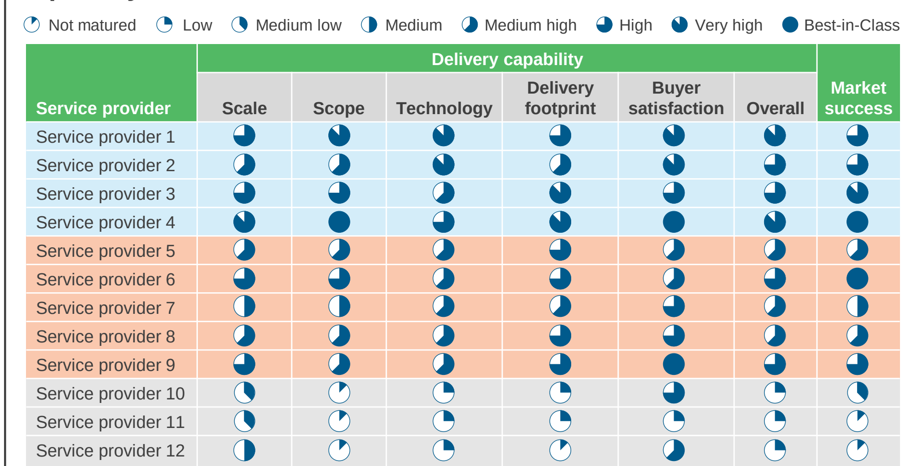
- TCS, CSC, and SE2 drove the market growth, accounting for almost two-thirds of revenue growth
- United Kingdom is the largest buyer geography for L&P insurance BPO by revenue, and accounts for more revenue than all the other geographies combined
- North America’s L&P insurance BPO market is highly competitive with many providers in close competition for market share. United Kingdom, on the other hand, sees uncontested dominance by Capita and TCS, who together have almost 90% market share
- Capita, SE2, and TCS are the three largest L&P insurance BPO service providers by revenue. In terms of the size of client base, Capita, CSC, and Dell are the largest players

This study offers three distinct chapters providing a deep dive into key aspects of the capital markets BPO service provider landscape; below are four charts to illustrate the depth of the report

L&P insurance BPO PEAK Matrix 2016

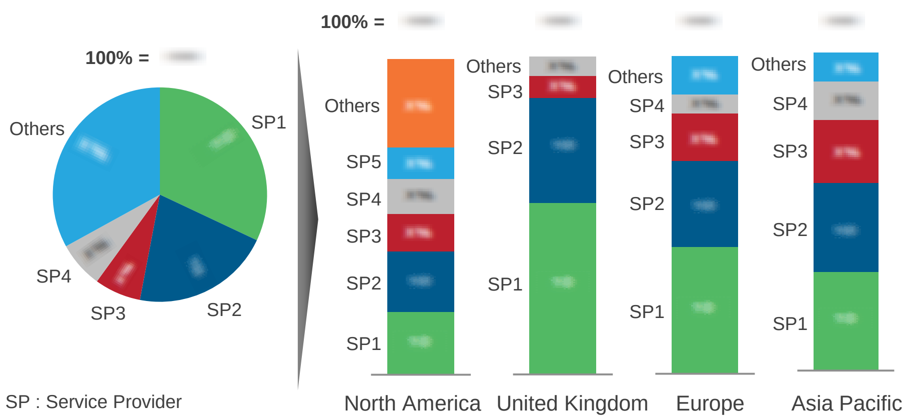


Capability assessment



Overall L&P insurance BPO market share

Revenue in US$ million



SP : Service Provider

Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Service Provider	• Service provider maintains its large client base and has strengthened its position in the market with high growth • It enjoys significant presence in all buyer segments, especially large buyers, and comprehensive coverage of different processes within L&P insurance BPO • It has strong capabilities in the emerging areas of RPA, analytics, and regulatory reporting	• Its revenue is heavily skewed towards North American buyers. It has only a modest presence in the largest market, United Kingdom • There is room for improvement in its offerings, which mainly consist of simple and point solutions. It should enhance its offerings in end-to-end platform solutions, as well as offer more comprehensive suites • Need to focus on bringing about transformation for the client's business rather than managing transactional work

Source: Everest Group (2016)

EGR-2016-11-PD-1871

BFSI BPO research calendar

Published | Current

Topic	Release date
Risk Management – Looking Beyond the Transactions, Credit Leading the Way	March 2016
Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2016
P&C Insurance BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2016
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment 2016	July 2016
Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016	August 2016
Wealth Management BPO	Q3 2016
Banking BPO Annual Report	Q3 2016
Capital Markets BPO Annual Report	Q3 2016
L&P Insurance BPO Annual Report	Q3 2016
P&C Insurance BPO Annual Report	Q3 2016
Retail Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q4 2016
Banking BPO Service Provider Profile Compendium	Q4 2016
Capital Markets BPO Service Provider Profile Compendium	Q4 2016
L&P Insurance BPO Service Provider Profile Compendium	Q4 2016
P&C Insurance BPO Service Provider Profile Compendium	Q4 2016

Additional BFSI BPO research references

The following documents are recommended for additional insight into 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. **Property and Casualty Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016** (EGR-2016-11-R-1813); 2016. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers for property and casualty insurance BPO on their market success and various dimensions of their delivery capabilities. It also highlights the key emerging trends in the P&C insurance BPO market and the key implications for buyers and service providers

2. **Life and Pensions Insurance BPO Service Provider Profile Compendium 2015** (EGR-2016-11-R-1696); 2016. This report provides accurate, comprehensive, and fact-based snapshots of 14 service providers in the market. Each five page service provider profile provides a comprehensive picture of that provider's service suite, scale of operations, technology solutions, and delivery locations; along with Everest Group's assessment of the provider

3. **Insurance BPO Annual Report 2015: RPA and Analytics Powering the Next Wave of BPO Expansion** (EGR-2015-11-R-1598); 2015. This report provides an overview of the insurance BPO market, including adoption trends across geographies and insurance segments, key solution characteristics, service provider landscape, and areas of service investments

4. **Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015** (EGR-2015-11-R-1585); 2015. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers for life and pensions insurance BPO on their market success and various dimensions of their delivery capabilities. It also highlights the key emerging trends in the L&P insurance BPO market and the key implications for buyers and service providers

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Everest Group

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