



Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015

BFSI BPO

Market Report: September 2015 – Preview Deck

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Background and methodology of the research

Background of the research

The global L&P insurance BPO market continues to grow steadily with a maturing service provider landscape. It registered 5% growth in terms of revenue in 2014. The market is quite concentrated with United Kingdom and North America together accounting for more than 90% of the revenue. The former leads adoption and accounts for nearly two-thirds of the global revenue. Though Asia Pacific and Eastern Europe have witnessed an increase in contractual activity, adoption of L&P insurance BPO will take some time to become prominent in the overall global market. Two service providers, Capita and TCS¹, continue to enjoy uncontested market share by revenue.

The scope of contracts is expanding beyond transactional work and inclusion of more complex & judgment-intensive work such as analytics, risk management, actuarial, and regulatory reporting is increasing. Robotics Process Automation (RPA) and automation based on cognitive tools have expanded the extent of cost savings and efficiency achievable with BPO and are receiving an increasing acceptance in the industry. Traditional pricing models, such as FTE-based and fixed-fee, are increasingly being replaced by outcome-based pricing models.

With increasing adoption, impact of technology, and evolving pricing models, L&P insurance BPO is expected to evolve rapidly in terms of scale, scope, and cost efficiency.

Scope and methodology

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

- Relative positioning of 19 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 L&P insurance BPO

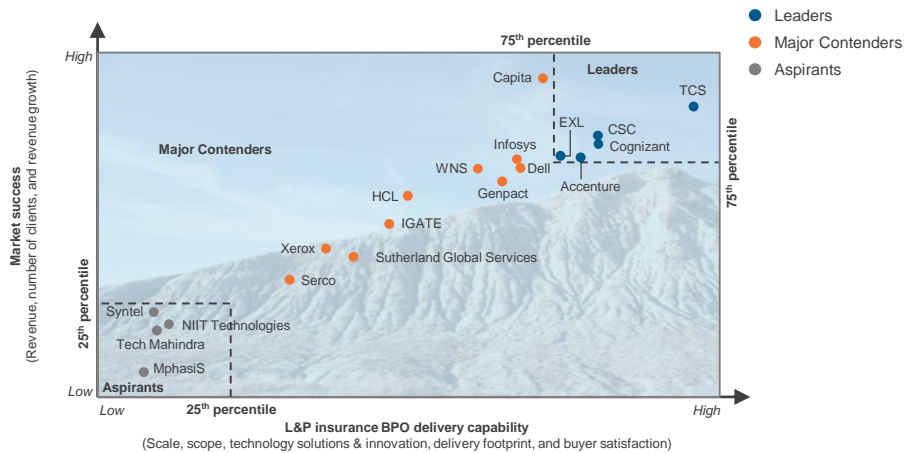
- Everest Group classified 19 L&P insurance BPO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2015 L&P insurance BPO PEAK Matrix positioning is as follows:
 - Leaders: Accenture, Cognizant, CSC, EXL, and TCS
 - Major Contenders: Capita, Dell, Genpact, HCL, IGATE, Infosys, Serco, Sutherland Global Services, WNS, and Xerox
 - Aspirants: Mphasis, NIIT Technologies, Syntel, and Tech Mahindra

Key insights on PEAK Matrix dimensions

- Capita, TCS, and CSC are the top three largest L&P insurance BPO service providers by revenue. Capita, CSC, and Infosys are the top three service providers by client base
- United Kingdom is the largest buyer geography for L&P insurance BPO by revenue, accounting for nearly two-thirds of the overall market size
- North America has a very competitive service provider landscape in the L&P insurance BPO market. UK market, on the other hand, has uncontested dominance of Capita and TCS
- Improving efficiencies and scalability, leveraging better technology solutions, gaining specific expertise, improving agility, and focusing on core and value-added processes are the key drivers from a buyer perspective

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 2015

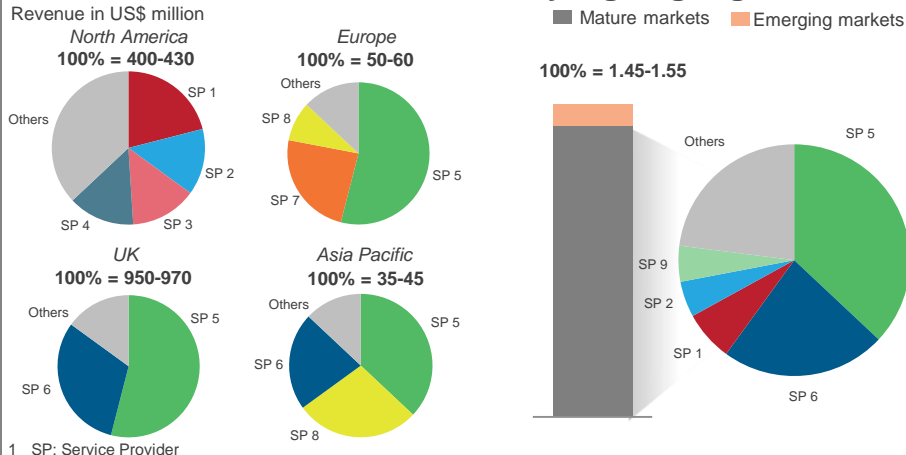


Capability assessment

● Best-in-class ● Very High ● High ● Medium High ● Medium ● Medium Low ● Low ● Not Matured

Service provider	Delivery capability						Market success
	Scale	Scope	Technology	Delivery footprint	Buyer satisfaction	Overall	
Service provider 1	●	●	●	●	●	●	●
Service provider 2	●	●	●	●	●	●	●
Service provider 3	●	●	●	●	●	●	●
Service provider 4	●	●	●	●	●	●	●
Service provider 5	●	●	●	●	●	●	●
Service provider 6	●	●	●	●	●	●	●
Service provider 7	●	●	●	●	●	●	●
Service provider 8	●	●	●	●	●	●	●
Service provider 9	●	●	●	●	●	●	●
Service provider 10	●	●	●	●	●	●	●
Service provider 11	●	●	●	●	●	●	●

L&P insurance BPO market share by signing regions



Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Service Provider	<ul style="list-style-type: none"> With high revenue, large client base, and an outstanding service line growth, it has achieved high market success. This, in conjunction with very high BPO delivery capabilities, has catalyzed its emergence as a Leader on the L&P insurance BPO PEAK Matrix It has very good distribution of revenue across different buyer segments and comprehensively covers multiple processes within L&P insurance BPO It has very good capabilities in emerging areas such as BPSDA, analytics, and regulatory reporting It has a very good delivery footprint covering all prominent regions It enjoys good buyer satisfaction ratings 	<ul style="list-style-type: none"> However, it needs to have a more balanced distribution of revenue across different geographies Though it has strong capabilities to offer point solutions, it needs to enhance offerings of end-to-end platform solutions and holistic suites in L&P insurance BPO, along with increasing their deployment in contracts

Source: Everest Group (2015)

BFSI BPO research calendar

Published Current

Topic	Release date
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
Service Delivery Automation (SDA) – The Business Case for Robotic Process Automation in Insurance Services	March 2015
Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?	May 2015
Commercial Insurance BPO – Rise of Specialty Lines	May 2015
Home Equity Loans – The Next Frontier in Mortgage BPO?	May 2015
Mortgage BPO – Service Provider Landscape with PEAK™ Matrix Assessment 2015	May 2015
Banking Business Process Outsourcing in Europe - Poised for Primetime	May 2015
Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO	June 2015
Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	July 2015
Service Provider Technology Landscape – The Pecking Order	August 2015
P&C insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	September 2015
Banking BPO – Service Provider Landscape with PEAK Matrix Assessment 2015	September 2015
Life and Pensions Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	September 2015
Capital Markets BPO – Annual Report 2015	Q3 2015
Insurance BPO – Annual Report 2015	Q3 2015
Banking BPO – Service Provider Profile Compendium 2015	Q4 2015
Capital Markets BPO – Service Provider Profile Compendium 2015	Q4 2015
P&C Insurance BPO – Service Provider Profile Compendium 2015	Q4 2015
L&P Insurance BPO – Service Provider Profile Compendium 2015	Q4 2015

Additional BFSI 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. Property and Casualty Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-11-R-1543](#)); 2015. 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. Insurance BPO Annual Report 2014 – In Volatile Times, Insurers Taking “BPO Cover”** ([EGR-2014-11-R-1214](#)); 2014. 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
- 3. Insurance BPO Service Provider Profile Compendium** ([EGR-2015-11-R-1375](#)); 2015. This report provides accurate, comprehensive, and fact-based snapshots of 20 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
- 4. Commercial Insurance BPO – Rise of specialty Lines** ([EGR-2015-11-R-1443](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) in understanding the changing dynamics of the Insurance BPO market and emergence of specialty lines. It also helps them identify the recent trends and future outlook. This report covers trend of BPO adoption in commercial insurance, drivers for the growth of adoption, variation of adoption across various models, key characteristics of specialty insurance buyer and contracts along with role of automation in commercial insurance BPO

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