



IT Outsourcing in Insurance – Service Provider Landscape Profile Compendium 2015

Banking, Financial Services, and Insurance (BFSI) IT Services
Market Report: January 2016 – Preview Deck

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Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

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▶ PricePoint™

▶ BFSI¹ Business Process

▶ Finance & Accounting

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▶ Application & Digital

▶ Human Resources

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▶ Global Sourcing

▶ Contact Center

▶ Locations Insider™

▶ Transaction Intelligence

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

Subscription information

- This full report is included in the following subscription(s)
 - **BFSI ITO**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**



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¹ Banking, financial services, and insurance

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Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 Robust definitions and framework
 (PEAK Matrix, market maturity, and technology adoption/investment)

2 Primary sources of information
 (Annual, contractual and operational RFIs, service provider briefings and buyer interviews, and web-based surveys)

3 Diverse set of market touchpoints
 (Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership)

4 Fact-based research
 (Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers)

- Proprietary contractual database of 500+ large active BFSI AO contracts (updated annually)
- Year-round tracking of 25+ BFSI AO service providers
- Dedicated team for BFSI IT outsourcing research, spread over two continents
- Over 20 years of experience BFSI clients on ITO and BPO decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Background and scope of the research

Background of the research

- The insurance industry is grappling with increasing customer expectations, eroding margins & downward pricing pressure, an uncertain economy, and increasing regulatory requirements. To address these challenges, insurance firms are investing in technology solutions and adopting disruptive business models to enhance customer experience, contain cost, improve profitability, and avoid penalties
- As the insurance industry is evolving with new business priorities, IT service providers are looking to capitalize on the opportunity by tailoring their offerings with next-generation technologies, developing in-house solution frameworks/accelerators, collaborating with buyers to invest in innovation, setting up labs and CoEs to demonstrate and evaluate proof-of-concepts, as well as forming alliances with leading insurance-specific product and platform vendors
- In this research, we present detailed profiles of 21 service providers featured on the Insurance Application Outsourcing (AO) PEAK Matrix™. Each service provider profile captures a comprehensive picture of their service suite, scale of operations, domain investments, and delivery locations

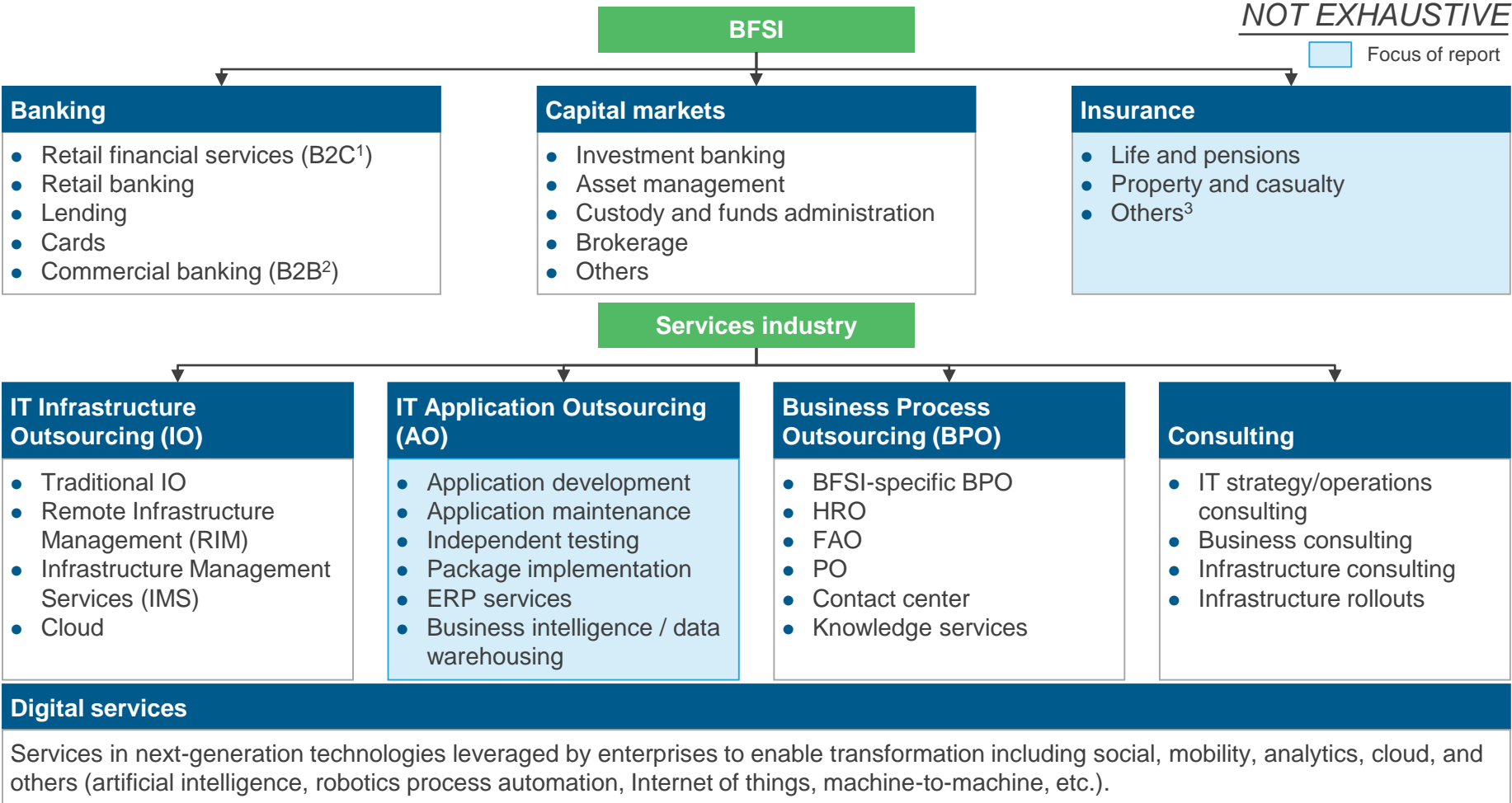
Scope of this report

- **Industry:** Insurance (life, annuities, and pensions; property & casualty insurance); excludes banking, capital markets, and healthcare payers
- **Services:** Large (TCV > US\$25 million), multi-year (>three years), and annuity-based application outsourcing
- **Geography:** Global
- **Service providers:** Includes 21 leading insurance AO service providers (list given on page 10)

This report includes detailed profiles of the following 21 service providers:

- **Insurance AO PEAK Matrix Leaders:** Accenture, Capgemini + IGATE, Cognizant, IBM, Infosys, and TCS
- **Insurance AO PEAK Matrix Major Contenders:** CGI, CSC, HCL, HP, L&T Infotech, Mphasis, Mindtree, Syntel, Tech Mahindra, Virtusa, Wipro, and Zensar Technologies
- **Insurance AO PEAK Matrix Aspirants:** Birlasoft, Dell Services, and Hexaware

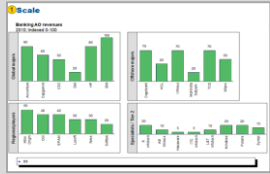
This Everest Group report examines the service provider landscape for large, multi-year application outsourcing relationships in the global insurance sector



1 Business-to-consumer relationships
 2 Business-to-business relationships
 3 Includes other insurance functions such as takaful and reinsurance

This report is a part of Everest Group's series of reports focused on ITO in BFSI in 2015

IT Outsourcing in BFSI – Annual Report

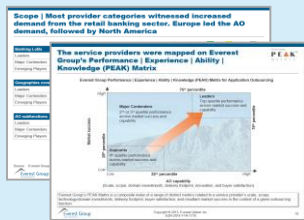


Each report provides:

- An overview of the application services market for the BFSI vertical, capturing key trends in market size, growth, drivers and inhibitors, adoption trends, regional/functional break-outs of the market, emerging themes, key areas of investment, and implications
- Key movements in volumes/values of AO transactions, evolving trends, market dynamics, and emerging priorities of buyers in the last 12 months

- Global Banking
- Global Capital Markets
- Global Insurance

IT Outsourcing in BFSI – Service Provider Landscape



Each report provides:

- Assessment of service provider landscape in AO services and mapping of providers on Everest Group's PEAK Matrix – as Leaders, Major Contenders, and Aspirants
- Benchmarking scale, scope, domain investments, and delivery footprint of each provider's BFSI-AO practice along with comparative evaluation of their BFSI-AO capabilities
- The 2015 BFSI-AO PEAK analyses focus on identifying the "Star Performers", i.e., providers with the strongest forward movement over time – both in terms of market success and capability advancements

- Global Banking
- Global Capital Markets
- **Global Insurance**
- Banking and Capital Markets (BCM) in Europe
- Insurance in Europe
- Mobility in BCM
- Mobility in Insurance
- Analytics in BCM
- Analytics in Insurance
- Risk and Regulatory Compliance in BCM

IT Outsourcing in BFSI – Service Provider Profile Compendium



Capability profiles of service providers capturing their AO services experience in specific subverticals. Each service provider profile includes:

- Service provider overview – details of AO services capabilities, key investments, proprietary solutions, and technological expertise
- Functional / Line of Business (LoB) focus
- Transactions overview for application services offerings and delivery footprint

- Global Banking
- Global Capital Markets
- Global Insurance

Enterprise Digital Effectiveness with APEX Matrix



Two reports as part of an "open source" evaluation of digital effectiveness of the largest retail banks in United Kingdom and the United States and mapping them on Everest Group's APEX Matrix – as Leaders, Optimizers, Innovators, and Aspirants

- APEX Matrix for Digital in the U.S. retail banks
- APEX Matrix for Digital in UK retail banks

Everest Group's BFSI research is based on two key sources of proprietary information

1

- Everest Group's proprietary database of 500+ large, active, multi-year AO contracts within BFSI (updated annually through primary data collection via service provider RFIs)¹
- The database tracks the following elements of each large AO relationship:
 - Buyer details including industry, size, and signing region
 - Contract details including TCV, ACV, term, start date, service provider FTEs, and pricing structure
 - Activity broken down separately for banking, capital markets, insurance, and by line of business (for example, investment banking, asset management, custody, fund administration, and brokerage)
 - Scope includes coverage of buyer geography as well as functional activities
 - Global sourcing including delivery locations and level of offshoring

2

- Everest Group's proprietary database of **operational capability of 20+ BFSI AO service providers** (updated annually through primary data collection via service provider RFIs)
- The database tracks the following capability elements for each service provider:
 - Major BFSI AO clients and recent wins
 - Overall revenue, total employees, and BFSI employees
 - Recent BFSI-related developments
 - BFSI AO delivery locations
 - BFSI AO service suite
 - Domain capabilities, proprietary solutions, and intellectual property investments

Service providers covered in the analysis¹



1 Assessment for Accenture, CSC, Hexaware, HP, IBM, and Mphasis excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers

2 Capgemini acquired IGATE in April 2015; the combined business unit has been analyzed as part of this assessment

Note: We continuously monitor market developments and track additional service providers beyond those included in the analysis

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information, that is contract-specific, will be presented back to the industry only in an aggregated fashion

Company X | Insurance ITO profile (page 1 of 5)

Corporate and BFSI overview

ILLUSTRATIVE

Company description: Company X is a global provider of IT and BPO services. Its IT offerings span technology consulting, application development and maintenance, systems integration, software products and IT infrastructure services. It primarily serves BFSI, telecom, retail and manufacturing verticals.

Headquarters: xxx

Website: www.companyx.com

■ >US\$500 million ■ US\$100-500 million ■ <US\$100 million

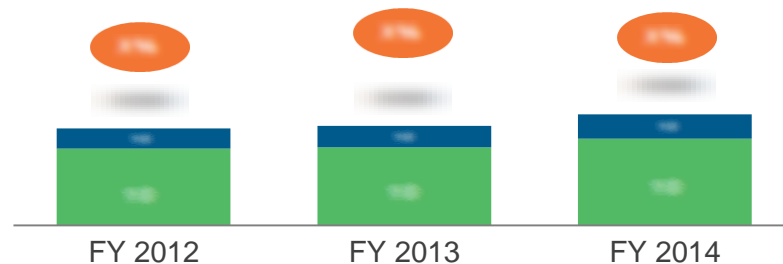
Scale of BFSI subverticals

■ Banking ■ Capital markets ■ Insurance

Key financial parameters

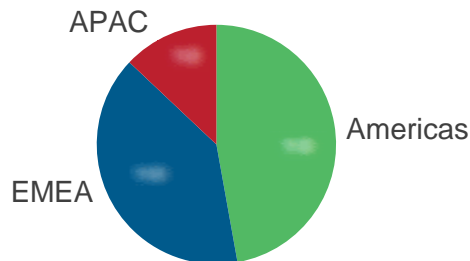
Revenue in US\$ million

■ Revenue¹ from the BFSI vertical
 ■ Revenue¹ from other verticals
 ● Operating margin



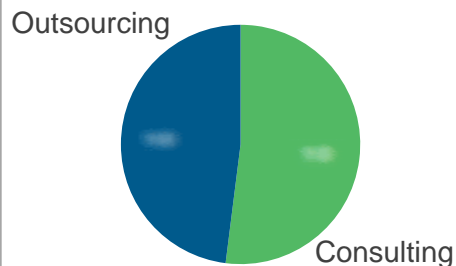
Geographical mix FY 2014; US\$ million

100% =



Service mix FY 2014; US\$ million

100% =



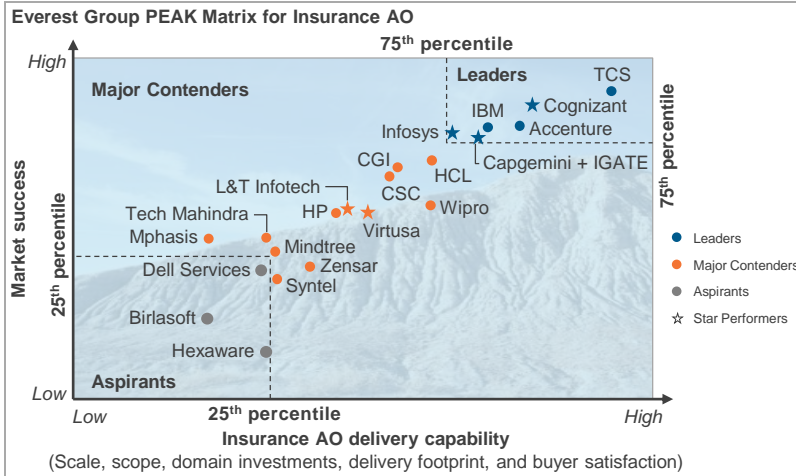
Services offered for the BFSI vertical: Application services for money transfer, credit cards, loans, wealth management, anti-money laundering, and mobile banking; ERP solutions; IT infrastructure support; product licensing and reselling

Major BFSI clients: Bank A, Bank B, Financial Services Firm C, Insurer D, Trading Services Firm E, Investment Bank F

¹ FY ends on December 31
 Source: Everest Group (2015)

Company X | Insurance ITO profile (page 2 of 5)

Insurance AO capability assessment and market success



Capability dashboard

Insurance lines of business ■ Life & pensions ■ Property & casualty ■ Others		Geographic scope ■ North America ■ EMEA ■ Latin America ■ APAC	
Key technology spend areas ■ Risk & regulatory compliance		■ Mobility ■ Analytics ■ Social ■ Cloud	
■ Established: Mature capabilities with high adoption		■ Credible: Strong capabilities with rising adoption	
■ Emerging: Nascent capabilities with limited adoption			

Market share (estimated)	By active ACV	By number of contracts
	XX%	YY%

● High ○ Low

PEAK Matrix dimensions assessment	
Dimension	Rating
Market success	●
Scale	●
Scope	●
Domain investments	●
Delivery footprint	●
Innovation	●
Buyer satisfaction	●

Strengths

- Company X is a leading player in the insurance domain driven by its significant nearshore scale, a unique value proposition for its clients, and sturdy growth and market success
- Well-established capabilities across both life and non-life insurance business segments
- ADM and testing are the key horizontal areas of strength
- Focused investments in the form of setting up insurance-specific innovation hubs to drive digital adoption
- Broad partner ecosystem with multiple domain-specific alliances for leading insurance products such as xx and yy
- Acquired the assets of Firm A to boost capabilities across the P&C insurance services portfolio

Areas of improvement

- Heavily reliant on North America; needs to improve its revenue mix by enhancing focus on Europe and emerging markets
- Digital capabilities lags that of comparable peers
- Perceived as less relevant for regional and mid-sized financial services firms

Source: Everest Group (2015)

Company X | Insurance ITO profile (page 3 of 5)

AO domain investments

ILLUSTRATIVE

Proprietary solutions (representative list)

Line of Business	Solutions
Overall BFSI	<ul style="list-style-type: none">• Data management tools: tools for data cleansing, data generation, data migration solutions, and data-masking tool• 'AAA': financial services CRM solution
Insurance	<ul style="list-style-type: none">• "XYZ": Enterprise customer/agent/broker onboarding system• "ABC": A risk assessment solution that helps underwriters to extract relevant information from the public domain and integrate it with internal data to get intelligent information about customers

Acquisitions (representative list)

Target	Date	Capabilities added
Target A	2014	Software testing capabilities for insurance industry

Key alliances (representative list)

Alliance partner	Purpose of alliance
Partner A	Strategic partnership augmenting Company X's capabilities spanning the P&C insurance lifecycle
Partner B	Tactical partnership to provide client onboarding solution

Source: Everest Group (2015)

Company X | Insurance ITO profile (page 4 of 5)

Insurance ITO transactions activity

ILLUSTRATIVE

NOT EXHAUSTIVE

Recent transaction activity

Buyer's name	Announcement date	TCV estimate (US\$ million)	Duration (years)	AO/IO/both	Contract details and services
Firm A	Jan 2015	XX	XX	IO	Hosting and servicing of mainframe and server environments, service desk, and other technologies at the company's data centers
Firm B	March 2013	XX	XX	AO	Testing services for the entire applications suite as well as setting up of a dedicated test factory.
Firm C	December 2012	XX	XX	Both	Strategic support and maintenance of IT infrastructure and applications, as well as technical support and workstation services.

¹ Publicly-announced insurance ITO transactions during 2012 to 2015

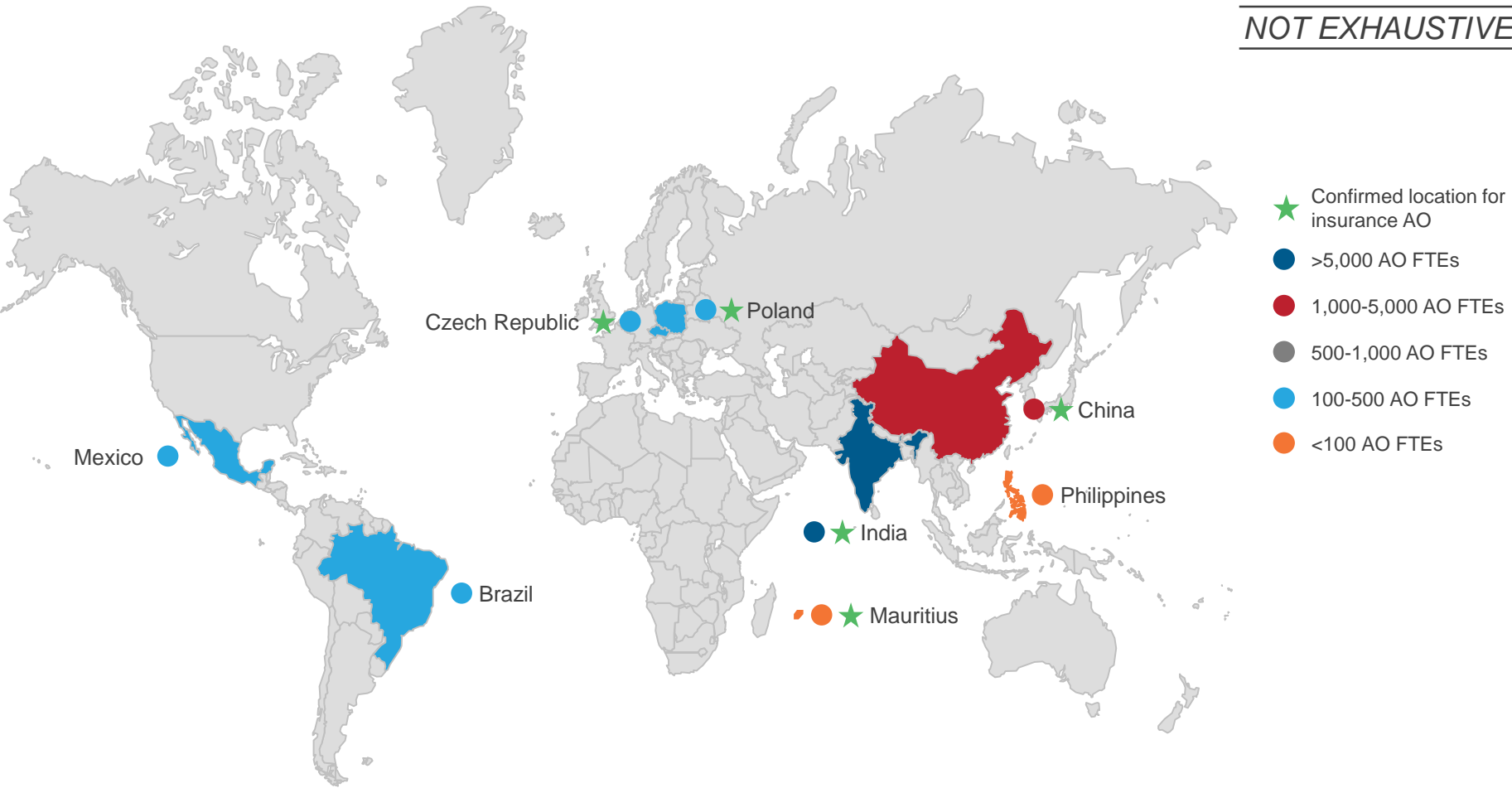
Source: Everest Group (2015)

Company X | Insurance ITO profile (page 5 of 5)

Key BFSI offshore AO delivery locations

ILLUSTRATIVE

NOT EXHAUSTIVE



Note: FTE strength represents the total number of AO FTEs across the BFSI vertical for that particular country
Source: Everest Group (2015)

BFSI ITO research calendar

Published Current

Topic	Release date
Digital Effectiveness in U.S. Retail Banking – Introducing the APEX Matrix™ to Identify the Digital Banking Leaders	July 2015
Digital Effectiveness in UK Retail Banking – Introducing the APEX Matrix™ to Identify the Digital Banking Leaders	July 2015
IT Outsourcing in Capital Markets – Annual Report 2015: Steering Through the Chaos	August 2015
IT Outsourcing in Capital Markets – Service Provider Landscape with PEAK Matrix Assessment 2015	August 2015
IT Outsourcing in Banking – Service Provider Profile Compendium 2015	September 2015
IT Applications Outsourcing in Capital Markets - Service Provider Profiles Compendium – 2015	September 2015
IT Outsourcing in Banking and Capital Markets in Europe – SPL with PEAK Matrix™ Assessment 2015	November 2015
IT Outsourcing in Global Insurance – Annual Report 2015	November 2015
IT Outsourcing in Global Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2015	November 2015
Mobility in Global Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2015	November 2015
Mobility in Global Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2015	November 2015
Big Data and Analytics Services in Global Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2015	December 2015
Big Data and Analytics Services in Global Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2015	December 2015
IT Outsourcing in Insurance – Service Provider Landscape Profile Compendium 2015	January 2016

Additional 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. **IT Outsourcing in Global Insurance – Service Provider Landscape with PEAK Matrix Assessment 2015: Driving Differentiation through Digital** ([EGR-2015-11-R-1615](#)); 2015. This report provides a comprehensive assessment of the service provider landscape in AO services for insurance and maps the providers on Everest Group's PEAK Matrix. It also benchmarks the scale, scope, domain investments, buyer satisfaction, and delivery footprint of each provider's insurance AO practice. Finally, the 2015 insurance AO PEAK analysis focuses on identifying the "Star Performers," providers with the strongest forward movement over time in terms of market success and capability advancements
2. **IT Outsourcing in Insurance – Annual Report 2015: The Digital Frontier** ([EGR-2015-11-R-1611](#)); 2015. This report provides an overview of the Application Outsourcing (AO) market for the insurance industry, through an in-depth analysis of large-sized AO contracts (i.e., contracts over US\$25 million in TCv and over three years in duration). The report analyzes key trends in market size & growth, demand drivers, adoption & scope trends, emerging priorities of buyers, key investment themes, and future outlook for 2015 with regards to such large insurance AO deals
3. **IT Outsourcing in Global Banking – Service Provider Landscape with PEAK Matrix Assessment 2015: Rise of the Challengers** ([EGR-2015-11-R-1479](#)); 2015. This report provides a comprehensive assessment of the service provider landscape in AO services for banking and maps the providers on Everest Group's PEAK Matrix. It also benchmarks the scale, scope, domain investments, buyer satisfaction, and delivery footprint of each provider's banking AO practice. Finally, the 2015 banking AO PEAK analysis focuses on identifying the "Star Performers," providers with the strongest forward movement over time in terms of market success and capability advancements

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About Everest Group

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