Life and Pensions (L&P) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Insurance - Business Process Outsourcing (BPO)
Market Report – November 2018: Complimentary Abstract

EGR-2018-28-CA-2832

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- 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 and methodology of the research

Background of the research

The L&P insurance BPO market is currently evolving to assist insurers beyond providing them with only labor arbitrage benefits. Cost reduction – the consistent primary driver of outsourcing – has now become more about leveraging automation and increasing operational efficiencies through domain expertise and analytics. Apart from operational cost reduction, insurers are also demanding faster product introduction support, customer experience delivery, regulatory compliance, and technology capabilities from their service providers.

Service providers are consequently expanding their capabilities such as leveraging digital technologies such as automation, analytics, IoT, and more recently blockchain; providing services close to the insurers through onshore and nearshore delivery centers; and providing an integrated platform-based delivery under Business Process as a Service (BPaaS) construct. The current service provider landscape clearly reflects that those who are investing wholeheartedly in all these delivery capabilities are the ones that are able to drive market growth and those who are not are finding it difficult to compete in the market.

While at present, competition in the L&P insurance BPO market has geographical tenets to it as different geographies require service providers to take different capabilities to the market, it is expected to standardize more in the future as insurers across the globe invest in similar capabilities to drive customer experience and top-line growth. Competition in the market is also expected to intensify as providers start exploring other relatively untapped geographies in search of growth. Continental Europe is one such market where service providers are eyeing opportunities; however, due to the fragmented nature of the region, it would be some time before significant traction is observed here. From the buyer size standpoint, small- and large-sized buyers continue to be the leading outsourcing adopters, and growth potential exists in the mid-sized buyer market too.

Scope and methodology

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

- Relative positioning of 15 service providers on Everest Group's PEAK Matrix™ for L&P insurance BPO
- Service provider market impact
- Service provider vision and capability assessment across key dimensions
- Comments about service providers

EGR-2018-28-CA-2832

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

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:

Service provider positions

- Everest Group classified 15 L&P insurance BPO service providers on the Everest Group PEAK Matrix™ into three categories of Leaders, Major Contenders, and Aspirants
- The 2018 L&P insurance BPO PEAK Matrix™ positioning is as follows:
  - Leaders: Cognizant, DXC Technology, EXL, SE2, and Tata Consultancy Services (TCS)
  - Major Contenders: Accenture, Capgemini, Capita, Concentrix, Infosys, NTT DATA, and WNS
  - Aspirants: Intelenet, Atos Syntel, and Tech Mahindra
- Everest Group conferred the “Star Performers” title on providers that demonstrated the strongest forward and upward movement (2016-2017) on the PEAK Matrix™. Cognizant, Infosys, NTT DATA, and TCS are the “Star Performers” on the L&P insurance BPO Everest Group PEAK Matrix™ for 2018

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

Market dynamics

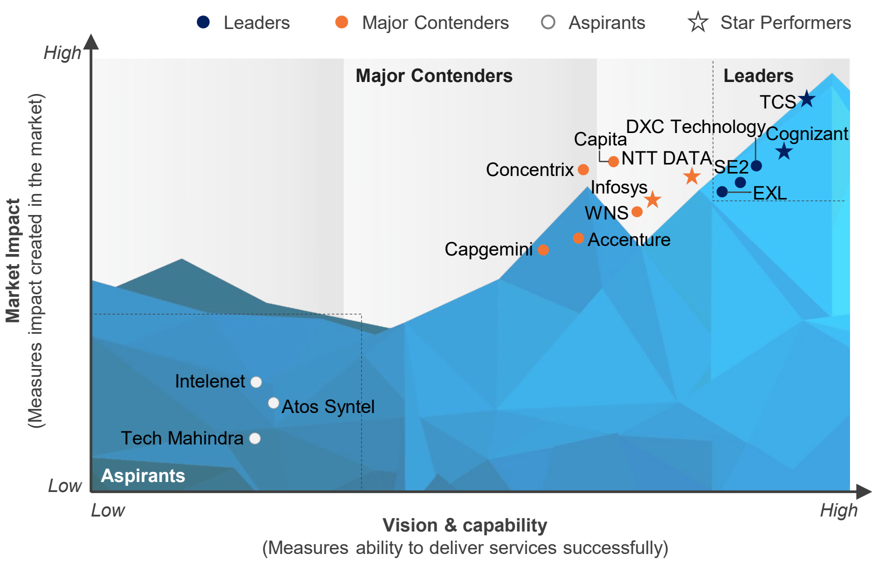
- All the Leaders have a significant focus on leveraging platform and Business-Process-as-a Service (BPaaS) capabilities to service their clients. Concentrix, Infosys, and NTT DATA are the Major Contenders that have a similar platform-based strategy for delivery
- End-to-end delivery capabilities, ability to provide digital support & administration platforms, and localized presence are increasingly being demanded by buyers

Competitive landscape insights

- Capita, DXC Technology, SE2, and TCS are the largest L&P insurance BPO service providers by revenue, together holding approximately two-thirds of the market share
- Cognizant, Infosys, and TCS drove market growth in 2017, and have grown at an average of 500 percentage points above the market average
- The United Kingdom continues to be the largest geography in terms of adoption of L&P insurance BPO by revenue and is closely followed by North America. Continental Europe and North America have been the major growth markets in 2017
- Owing to their large scale of operations and a distributed buyer portfolio, Capita and TCS have dominant shares in all the buyer segments. Large and small buyers continue to lead outsourcing activity and there remains an untapped exploration scope in the mid-market segment

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

Everest Group PEAK Matrix™ for L&P insurance BPO 2018



Note: Assessment for **Accenture, Capita, Intelenet, Atos Syntel, and Tech Mahindra** excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers.
Source: Everest Group (2018)

Capability assessment

Illustrative example

Measure of capability: High Low

Service provider	Market impact: Market adoption	Market impact: Portfolio mix	Market impact: Value delivered	Market impact: Overall	Vision & capability: Scope of services offered	Vision & capability: Innovation and investments	Vision & capability: Delivery footprint	Vision & capability: Vision and strategy	Vision & capability: 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									

Everest Group's remarks on service providers

Illustrative example

Measure of capability: High Low

Market impact: Market adoption	Market impact: Portfolio mix	Market impact: Value delivered	Market impact: Overall	Vision & capability: Scope of services offered	Vision & capability: Innovation and investments	Vision & capability: Delivery footprint	Vision & capability: Vision and strategy	Vision & capability: Overall

Strengths

- Service provider 1, has a robust delivery presence in North America with multiple delivery centers spanning onshore, nearshore, and offshore locations, enabling it to service client requirements efficiently
- It has a good coverage of all buyer segments across geographies thus imparting it crucial experience of servicing diverse clients

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as regulatory reporting, risk management, and analytical support
- It should try to expand into geographies beyond North America and the UK that have almost matured and provide lesser growth opportunities as compared to some of the other underpenetrated markets

Research calendar – Insurance - Business Process Outsourcing (BPO)

Published | Planned | Current release

Flagship Insurance BPO reports	Release date
Life and Pensions (L&P) Insurance BPO – Service Provider Profile Compendium 2018	December 2017
Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	March 2018
Property & Casualty (P&C) Insurance BPO: Addressing Growth Through Digital Empowerment	June 2018
Property and Casualty (P&C) Insurance BPO Service Provider Profile Compendium 2018	June 2018
TPA Services Market Report with PEAK Matrix™ Assessment 2018	June 2018
Life and Pensions (L&P) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	**November 2018**
Life and Pensions (L&P) Insurance BPO Annual Report	Q4 2018
Life and Pensions (L&P) Insurance BPO – Service Provider Profile Compendium 2019	Q4 2018

Thematic Insurance BPO reports	
Insurers' Guide to the World of TPAs and BPOs	August 2017
Evolution of Annuities Market in the Digital Age	October 2017
U.S. Workers' Compensation Industry: Changing Third-Party Outsourcing Models	October 2017
Reinventing Usage-based Insurance with Telematics, Mobility, and Analytics	March 2018
Future of Life Insurance & Annuities Operations	September 2018
Blockchain in P&C Claims – What Insurers Need to Know and How Can They Unlock Potential	Q4 2018
Buyers' Perspective on the Service Providers Ability to Deliver on Their Expectations	Q4 2018

Note: For a list of all of our published Insurance BPO reports, 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. **Property & Casualty (P&C) Insurance BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2018** (EGR-2018-28-R-2587): This report examines the global P&C insurance BPO market and its service provider landscape. It provides detailed analysis of the capabilities and 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.

2. **Insurance Third Party Administrator (TPA) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** (EGR-2018-28-R-2692): This report examines the global insurance TPA market and its service provider landscape. It provides detailed analysis of the capabilities and market impact of TPAs and their relative position on the Everest Group PEAK Matrix. It will assist key stakeholders (insurers, TPAs, and technology providers) understand the current state of the insurance TPA landscape.

3. **Property & Casualty (P&C) Insurance BPO: Addressing Growth Through Digital Empowerment** (EGR-2018-28-R-2690); 2018: This is the annual report for P&C Insurance BPO and provides an overview of the P&C insurance BPO market, including adoption trends across geographies in market size and growth, demand drivers, key solution characteristics, service provider landscape, areas of service investments, and future outlook

4. **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.

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

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