



# **Life and Pensions (L&P) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019**

Insurance - Business Process Outsourcing (BPO)

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

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# Background and methodology of the research

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## Background of the research

While the L&P insurance industry has traditionally been a laggard in terms of adapting to new market shifts, insurers are now realizing the growing importance of creating a satisfactory customer experience for competitive relevance. This realization, in turn, has significantly changed the nature of demands that the L&P insurers have from their third-party service providers. Buyers and their service providers are now partnering for more expanded reasons beyond securing traditional cost and operational efficiencies such as:

- Gaining speed-to-market for quick entry into competitive product lines, whether for individual or for group life
- Digitizing incoming and existing data for enabling digitalized workflows downstream
- Leveraging innovative distribution channels for creating a favorable customer relationship
- Enabling synergies from various mergers and acquisitions that would create a consistent customer experience across different units

Consequently, outsourcing conversations have continued to move beyond closed blocks administration to active blocks, new product launch, and new market entry support. In order to cater to the various demands of insurers, service providers are increasingly investing in modernized policy administration platforms that would enable insurers to free capital from legacy infrastructure and redirect to more strategically relevant areas. The ability to offer an integrated value proposition of core administration platform offerings augmented with digital solutions would continue to define the competitive landscape for L&P insurance third-party service providers market.

## Scope and methodology

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

- Relative positioning of 16 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

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 16 L&P insurance BPO service providers on the Everest Group PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2019 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, HCL, Infosys, NTT DATA, and WNS
  - Aspirants: Andesa Services, Atos Syntel, and Tech Mahindra
- Everest Group conferred the “Star Performers” title on providers that demonstrated the strongest forward and upward movement (2017-2018) on the PEAK Matrix
  - Cognizant, EXL, Infosys, and TCS are the “Star Performers” on the L&P insurance BPO Everest Group PEAK Matrix for 2019

## Market dynamics

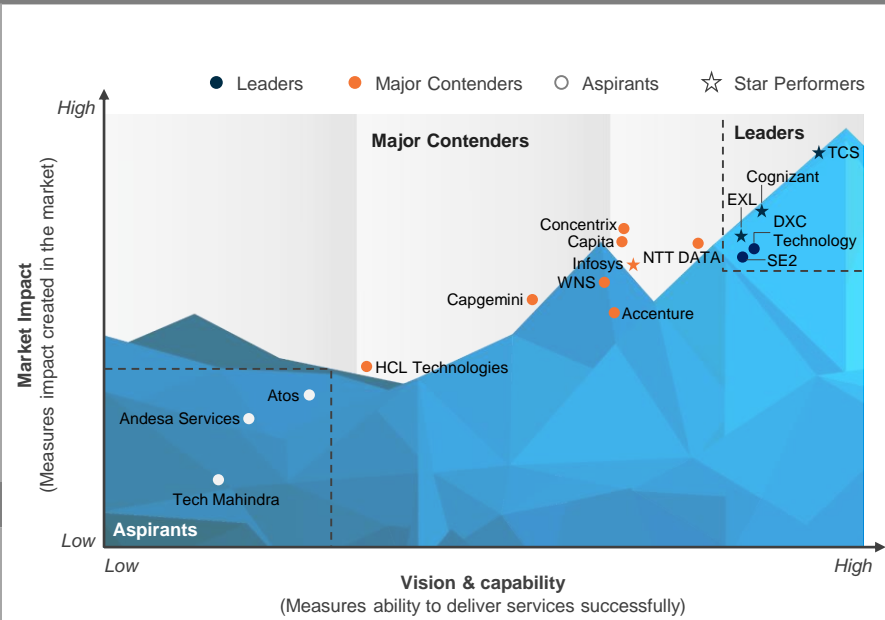
- While there are different engagement models being leveraged by service providers with BPO/TPA capabilities, BPaaS/TPA construct offers the most attractive opportunities in terms of the size of the relationship. Almost all the major players in this market, thus, have a platform-centric growth strategy, whether through proprietary technology or through partnerships
- End-to-end delivery capabilities, ability to provide digital support & administration platforms, and localized presence are increasingly being demanded by buyers

## Competitive landscape and 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
- Both the North American and Asia Pacific markets had double-digit growth in 2018. Business growth support, either for new product launch or for new market entry, is becoming more important for buyers in both the geographies
- In the large-sized buyer segment, TCS has now replaced Capita for the top position in the L&P insurance market. Infosys has gained in the mid-sized buyer segment
- Capita, DXC Technology, and TCS are amongst the leaders by scale of resources employed across the L&P insurance value-chain while Cognizant and EXL are rapidly catching-up

# 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 2019



Note 1: Service providers scored using Everest Group's proprietary scoring methodology given on pages 15 and 16 in its report

Note 2: Assessment for **Andesa Services, Atos, Capita, HCL, 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. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2019)

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

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

Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

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

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
<b>Life and Pensions (L&amp;P) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 .....</b>	<b>September 2019</b>
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

Blockchain in P&C Claims – What Insurers Need to Know and How Can They Unlock Potential .....	September 2019
InsurTech – Trailblazers & the Market Implications .....	Q4 2019
Insurance Third Party Administrator (TPA) State of the Market Report .....	Q4 2019
Viewpoint on the annuities market .....	Q4 2019

Note: For a list of all Insurance BPO reports published by us, 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. 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
- 2. Insurance - BPO – Buyers’ Perception of the Service Providers’ Ability to Deliver on their Expectations** ([EGR-2018-28-R-3002](#)); 2018: This report examines multiple aspects of insurance BPO service provider and buyer engagements to explain what matters to buyers, how satisfied they are, and how can service providers achieve differentiation in the market. The analysis is based on quantitative and qualitative insights generated from interviews and surveys of 130+ enterprises that have engagements with 20+ P&C and L&P insurance BPO service providers
- 3. Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment** ([EGR-2019-28-R-3108](#)); 2019: This report examines the global P&C insurance BPO market and its service provider landscape. It provides detailed analysis of the vision & delivery capabilities as well as 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
- 4. 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

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