Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix™ 2020 – Conflated Growth and Efficiency Agendas

Insurance - IT Services (ITS)
Market Report – December 2019: Complimentary Abstract / Table of Contents

EGR-2019-41-CA-3438

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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

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Background, scope, and methodology

- Reversal of interest rates has brightened L&A insurers' short-term growth outlook. Amidst general caution on the back of high regulatory pressure and intense price competition, L&A insurers are optimistic about meeting evolving customer demands by investing in digital technologies to meet efficiency mandates and drive the next wave of growth
- Service providers are responding to these demand themes by helping insurers modernize their technology landscape, design a rich user experience to improve customer engagement, and offer advanced analytics solutions to generate personalized customer insights
- In this report, we studied the vision and capabilities of 20 leading service providers specific to their application and digital services portfolio for the global L&A insurance sector. We also evaluated the market impact generated by each service provider
- Service providers were positioned on Everest Group's proprietary PEAK Matrix™ to identify Leaders, Major Contenders, Aspirants, and Star Performers

Scope of this report:

Industry
Life and Annuities (L&A) insurance

Market Segment
IT services

Geography
Global

Sourcing Model
Everest Group's proprietary database of 500+ active, multi-year IT Outsourcing (ITO) contracts within insurance (updated quarterly) and operational capability of 25+ insurance service providers (updated annually through service provider RFIs)

Service providers covered in the analysis

accenture, Atos, Capgemini, CGI, Cognizant, DXC.technology, HEXAWARE, HCL, IBM, Infosys, LTI, Mphasis, NIIT technologies, NTT DATA, RapidValue, TATA CONSULTANCY SERVICES, Tech Mahindra, virtusa, wipro, Zensar Technologies

Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the service provider landscape for application and digital services in the Life and Annuities (L&A) insurance sector and maps various providers on Everest Group's PEAK Matrix™. The report further examines the distinctive characteristics of different service provider clusters i.e., Leaders, Major Contenders, Aspirants, and recognizes the key implications of the rapidly changing landscape for L&A insurance buyers and service providers.

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

L&A insurance application and digital services PEAK Matrix characteristics

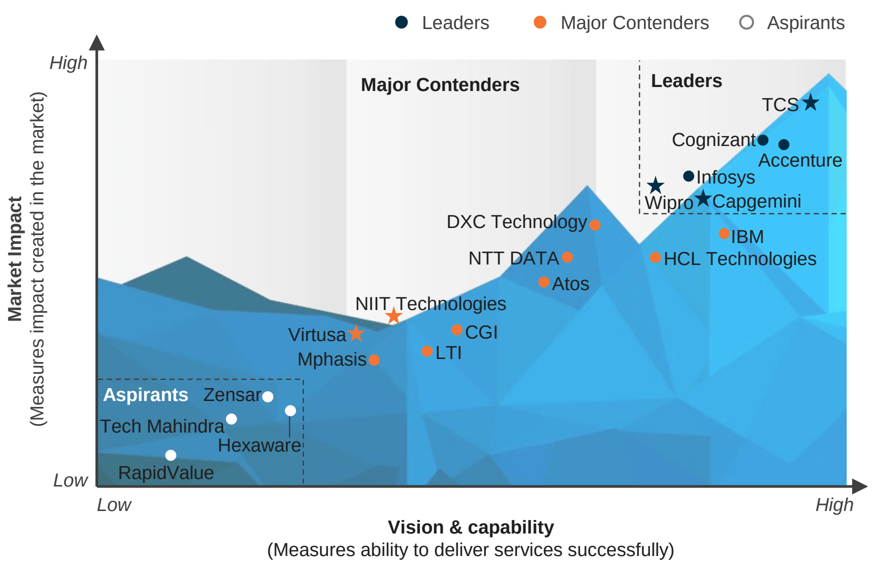
- Leaders are able to tap into high growth pockets in L&A application and digital services space. Enterprise perception of vendors as strategic partners in this segment, combined with a comprehensive portfolio of domain-specific services/solutions, global delivery capabilities, and extensive domain knowledge, helped them win large scale transformation deals
- Major Contenders have built credibility in the market by bringing in a mix of global and regional client focus, forming strategic alliances with key technology vendors, launching frameworks/accelerators on the industry-leading platforms, and expanding their digital services portfolio
- Aspirants, with their limited coverage, are trying to differentiate themselves in the market by offering flexible contracting options and are known for their client focus. They have exhibited focus on expanding their partnership ecosystem and enhancing specific niche capabilities

Implications for buyers and service providers

- L&A insurers need to formulate a holistic strategy around modernizing their technology landscape and move away from making peripheral changes to achieve short-term goals. Transitioning to an OpEx economics for IT initiatives, by demanding deterministic savings from vendors via automation and cognitive technologies, would help in creating a business case for such large scale initiatives
- Service providers need to tap into the technology partner ecosystem to deliver end-to-end platform services. Ability to devise solutioning constructs leveraging as-a-service models would appeal to the cost optimization agenda of L&A insurers

This study provides a deep dive into key aspects of service provider landscape for application and digital services in Life and Annuities (L&A) insurance; below are three charts to illustrate the depth of the report

Assessment of L&A Application and Digital Services Providers



Note 1 PEAK Matrix specific to application and digital services in the L&A insurance sector (excludes P&C and others including reinsurance and Takaful Islamic insurance)

Note 2 Assessment for DXC Technologies, IBM, and Zensar Technologies 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. 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									
Service provider 9									

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 Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

Research calendar – Insurance IT Services

Published | Planned | Current release

Flagship Insurance IT Services reports	Release date
Next-generation IT Infrastructure Services in Insurance PEAK Matrix™ Assessment 2019 – Laying the Foundation for the Digital-first Insurer	June 2019
Insurance IT Service Provider Compendium and Capability Snapshot 2019	September 2019
Application and Digital Services in P&C insurance – PEAK Matrix™ Assessment 2020	December 2019
Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix™ 2020 – Conflated Growth and Efficiency Agendas	**December 2019**
State of the Market – Insurance IT	Q1 2020
Guidewire Services - PEAK Matrix™ Assessment 2020	Q1 2020

Thematic Insurance IT Services reports	
Guidebook for Blockchain Adoption in Insurance: A Compilation of Insights from 30+ Projects	May 2019
State of Cloud Adoption in Insurance	Q1 2020
Digital Experience Platforms (DXP) in Insurance	Q1 2020
IFRS 17 – Enablers for Seamless Regulatory Transition	Q1 2020

Note: For a list of all of our published Insurance IT Services reports, please refer to our website page

Additional Insurance research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

1. **Next-generation IT Infrastructure Services in Insurance PEAK Matrix™ 2019 – Laying the Foundation for the Digital-First Insurer** (EGR-2019-41-R-3202); 2019. In this report, we analyze the vision and capabilities of 16 leading service providers specific to their next-generation IT infrastructure services portfolio for the global insurance sector. These providers were mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to each provider's vision and capability as well as market impact

2. **Life & Pensions (L&P) Insurance Digital Services PEAK Matrix™ 2019 – Leapfrogging the Digital Transformation Stage** (EGR-2018-41-R-3003); 2019: In this research, we studied the vision and capabilities of 19 leading service providers specific to their digital services portfolio for the global L&P insurance sector and analyzed key trends in market size & growth, demand drivers, and state of digital technology adoption amongst L&P insurers. This report also provides insights into investment themes and key capabilities being developed by providers across multiple digital technology stacks to partner with L&P insurers on their core modernization and digital transformation journey

3. **Insurance IT Service Provider Compendium and Capability Snapshot 2019** (EGR-2019-41-R-3336); 2019: Aimed at enterprises, this compendium presents the offerings and capabilities of 20 major insurance IT service providers. In particular, the report enables existing and potential buyers of insurance IT services to assess the service providers on their areas of strength and development in order to choose the most suitable service providers for themselves.

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