

Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix[®] Assessment 2021

December 2020: Complimentary Abstract / Table of Contents



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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 of the research

Life and Annuities (L&A) insurers are facing dual pressures – significant profitability pressures due to interest rate depressions around the globe and increasing legacy technology costs due to outdated core systems and modernization as compared to their Property and Casualty (P&C) counterparts. This has accelerated the need to rapidly adopt modern core systems, leverage analytics and current technology to rationalize costs, seek insights from existing data to develop new and innovative products with a shorter time-to-market cycle, and at the same time deal with increasing regulatory pressures to be compliant and undertake best-interest sales. The writing on the wall is clear, the time for L&A insurers to change is now.

In this research, we present an assessment and detailed profiles of 21 leading IT service providers on the Application and Digital Services in L&A Insurance PEAK Matrix®. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2020, interactions with leading insurance IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report includes the profiles of the following 21 leading IT service providers featured on the application and digital services in L&A insurance PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, Infosys, Wipro, and TCS
- **Major Contenders:** Atos, Coforge, DXC Technology, HCL Technologies, IBM, LTI, Mindtree, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and Zensar Technologies
- **Aspirants:** Damco Solutions, RapidValue Solutions, and ValueMomentum

Scope of this report:



Geography
Global



Service providers
21 leading IT service providers



Services
Application and digital services Life & Annuities (L&A) insurance

Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the IT service provider landscape in application and digital services for Life and Annuities (L&A) insurance firms and maps various IT service 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 enterprises and IT service providers

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

PEAK Matrix® characteristic for ADS in Life and Annuities

The analysis of 21 IT service providers for ADS in Life and Annuities (L&A) insurance leveraging Everest Group's PEAK Matrix® highlights the following three categories:

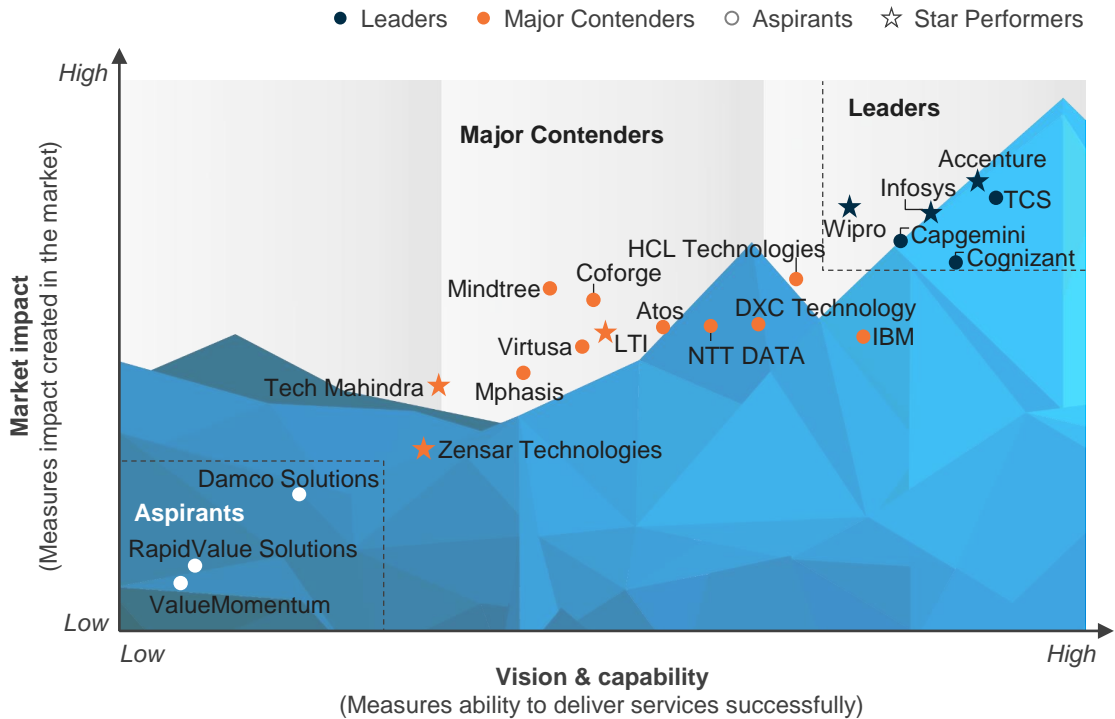
- **Leaders:** Accenture, Capgemini, Cognizant, Infosys, TCS, and Wipro
- **Major Contenders:** Atos, Coforge, DXC Technology, HCL Technologies, IBM, LTI, Mindtree, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and Zensar Technologies
- **Aspirants:** Damco Solutions, RapidValue Solutions, and ValueMomentum

Service provider delivery capability

- Leaders were able to demonstrate strong credentials in L&A insurance application and digital services space with their end-to-end transformation capabilities and position themselves as business transformation partners for their L&A insurance clients. A comprehensive portfolio of domain-specific services/solutions, global delivery capabilities, L&A insurance domain SMEs, and scaled run-the-business and digital capabilities have catapulted them into an enviable position
- Major Contenders have built credibility in the market by developing joint GTM alliances with key technology players & InsurTechs, launching frameworks/accelerators for insurance-specific use cases, and demonstrating strong digital services capabilities
- Aspirants have a niche L&A insurance coverage and are trying to differentiate themselves by offering aggressive and innovative commercial constructs, intent for expanding their partnership ecosystem, and enhancing engineering capabilities to serve the L&A insurance value chain

This study provides a deep dive into key aspects of service provider landscape for ADS in L&A insurance; below are three charts to illustrate the depth of the report

Application and Digital Services in L&A Insurance PEAK Matrix® Assessment 2021^{1,2}



Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

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

Strengths

- Service provider possesses a well-balanced and diversified revenue mix coming in from different geographic regions, as well as presence in onshore, nearshore, and offshore locations that has clients impressed with its ability to reshore resources as needed based on the nature of engagement
- Service provider's market success has been driven largely by winning more of short-term, innovatively-priced deals underscored by themes such as enhancing CRM systems and accelerated new product development

Areas of improvement

- Service provider's market penetration and brand recognition with North American insurers is still weak as compared to its peers and it should invest in building its presence and improving brand recall among L&A carriers in the region
- Clients have expressed concerns about the service provider's limited ability to manage a steady state of resources and attrition in certain engagements; it should look to improve its value proposition and talent retention to maintain a consistent experience for its clients

1 Assessments for IBM and Value Momentum excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers
 2 Analysis for RapidValue Solutions, is based on its capabilities; before its acquisition by Aspire Systems
 Source: Everest Group (2020)

Research calendar

Insurance IT Services

Published
 Planned
 Current release

Flagship Insurance IT Services reports

	Release date
Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix® 2020 – Conflated Growth and Efficiency Agendas	December 2019
Property & Casualty (P&C) Insurance Application and Digital Services PEAK Matrix® 2020 – Coverage, Channels, and Commercial Model Innovation	December 2019
Guidewire Services PEAK Matrix® Assessment 2020 – Setting the Stage for Core on Cloud	May 2020
Guidewire Services – Service Provider Compendium 2020	June 2020
L&A Insurance State of the Market – Platform-first Model to Simplify and Rationalize Systems for Rapid Cost Take-out	June 2020
P&C Insurance State of the Market – Underwriting for the Next Normal	July 2020
Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2020	November 2020
Insurance Business Model Innovation Enablement Services – Service Provider Compendium 2020	December 2020
Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021	December 2020
Application and Digital Services (ADS) in Life and Annuities (L&A) – Service Provider Compendium 2021	Q1 2021

Thematic Insurance IT Services reports

	Release date
Digital Experience Platforms (DXP) in Insurance	April 2020
Guidebook for Insurers to Solve the IFRS 17 Reporting Puzzle	April 2020
Making a Business Case for Modernizing Core Systems for the US Retirements Industry: Value Beyond Cost Savings From a Cloud-enabled Recordkeeping System	May 2020
Life & Annuities (L&A) Insurance Core Platform Software Adoption Trends – Unlocking Efficiency and Growth for L&A Insurers	Q4 2020
Cloud in Insurance – Guidebook	Q1 2021

Note: For a list of all of our published Insurance - IT Services (ITS) reports, please refer to our [website page](#)



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