

Life & Annuities (L&A) Insurance Core Platform Software Adoption Trends – Unlocking Efficiency and Growth for L&A Insurers

December 2020: Complimentary Abstract / Table of Contents



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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
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Contents

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1. Introduction and overview	04
• Research methodology	05
• Key sources of information	06
• Background of the research	07
2. Summary of key messages	08
3. State of core platform adoption in L&A insurance market	10
• Analysis of number of L&A insurance core platform transactions in 2017-2019	11
• L&A insurance core platform deals by buyer size	12
• L&A insurance core platform deals by geography	13
• L&A insurance core platform deals across value chain element	14
• L&A insurance core platform deals by product type	15
• L&A insurance core platform deals across digital technology	16
• Deep dive into L&A insurance cloud platform deal	17
4. Marquee deals signed by platform vendors	18
• Examples of deal transactions signed by the leading L&A insurance core platform software vendors	19
5. Implications	22
• Implications for L&A insurance carriers	23
• Implications for L&A insurance core platform vendors	24
6. Appendix	25
• Glossary	26
• Research Calendar	27

Background of the research

As L&A insurance carriers implement service continuity plans for COVID-19-induced business uncertainties, they are also bracing for the impact of demand shocks, heightened macroeconomic uncertainties, competitive pressures, and complex regulatory compliance mandates that have come into place as a result of the pandemic. As these L&A insurers face up to these challenges and craft strategies to emerge stronger in a post COVID-19 world, core modernization is becoming a strategic mandate for them to enable business transformation. L&A insurers are breaking free from the limitations of legacy core and driving improved operational efficiency, agility and scalability, and front-to-back experiences by taking a platforms-based approach to core modernization. These insurers are realizing that investing in a platform-first operating model and adopting platform-as-a-service constructs will help to provide an engaging experience to consumers, reduce complexity in operations, and lead to cost transformation.

The L&A insurance core platform software vendors are responding to these demand themes by developing solutions to enable insurers to manage full end-to-end lifecycle of life and annuity products and support the entire life insurance value chain from product configuration through new business processing, policy issuance, ongoing policy administration, and claims. In addition, the industry software vendors are investing in building cloud readiness capabilities and modern microservices-enabled architecture, which enables rapid integrations and easy configurability, to help L&A insurers develop a digital foundation with the end-goal of becoming more agile, efficient, and customer centric.

In this report, we analyze the L&A insurance core platform software transactions activity, market size, growth drivers, state of platform adoption across various market segments, and implications for L&A insurance carriers and platform vendors.

Scope of this report:



Geography
Global



Platform vendors
18 L&A insurance core platform software vendors



Industry
L&A insurance

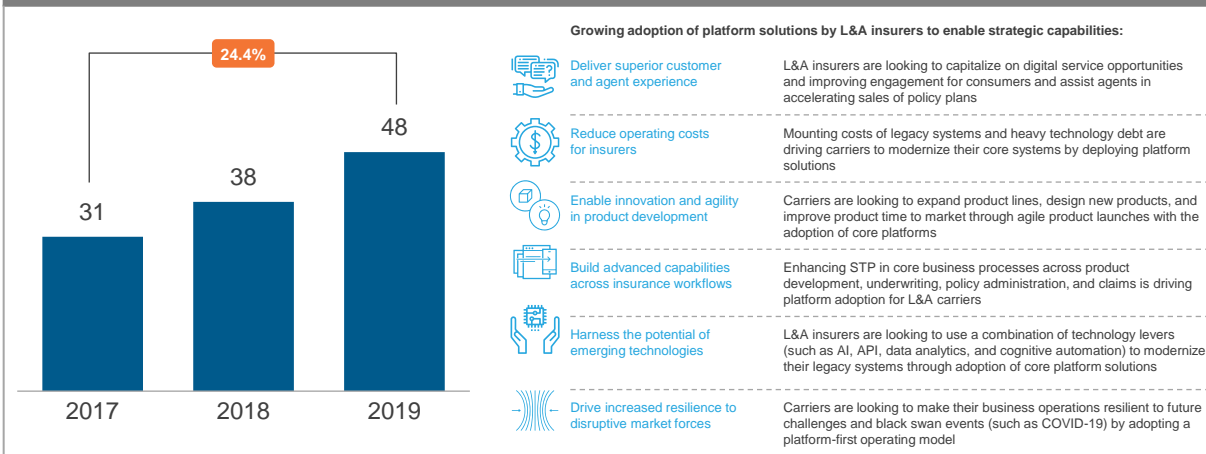
L&A insurance carriers are prioritizing focus on adopting core platform software solutions to drive differentiated strategic capabilities and become resilient to market disruptions



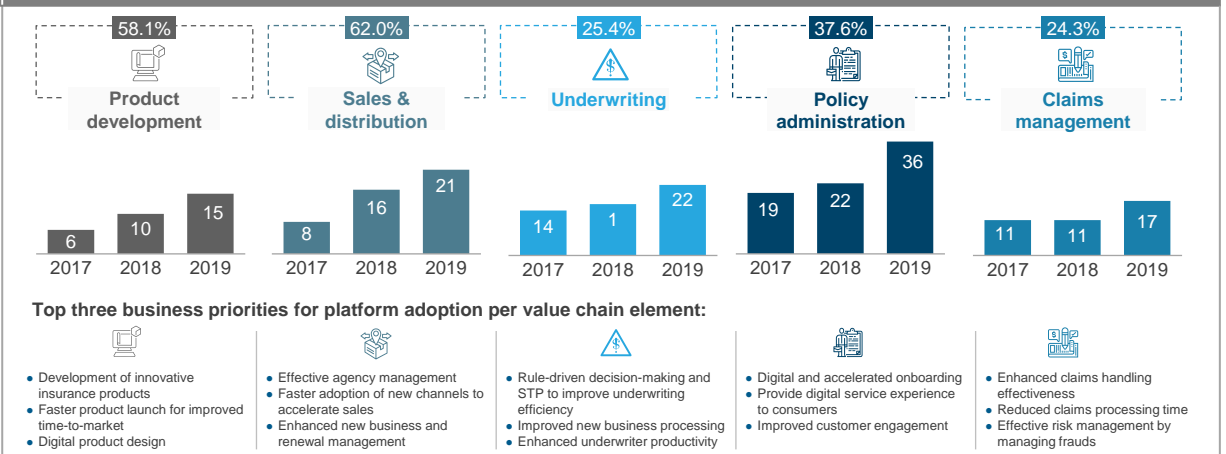
- 1 L&A insurance core platform software deals grew by 24.4%, driven by insurers' pursuit of modernizing their legacy core systems and building operational resilience to changing market conditions
- 2 Tier-1 L&A insurance carriers constitute the largest market segment for core platform software deals; the tier-2 L&A insurance segment is growing at a rapid rate
- 3 North America holds the lion's share of the L&A insurance platform software market, followed by Europe; APAC is seeing a surge in digital platform adoption amongst L&A insurers, especially in developed countries
- 4 L&A insurance carriers are prioritizing modernization of their sales and distribution as well as product development functions by adopting core platform solutions to enable remote selling and support digital business
- 5 L&A insurers are adopting a combination of digital technology levers such as cloud, automation, mobility, data analytics, and AI on top of core platform solutions, to drive differentiation and enable competitive advantage
- 6 L&A insurance core platform software market is seeing a surge in cloud implementations with carriers driving an accelerated adoption of SaaS models to gain advantages of unit costs and OpEx economics

This study offers six distinct chapters providing a deep dive into key aspects of the L&A insurance platform adoption market; below are four charts to illustrate the depth of the report

L&A insurance core platform software deal trends



L&A insurance core platform adoption trends across the insurance value chain



Marquee deals signed by leading L&A insurance core platform software vendors

Vendor name	L&A insurer	Deal description	Value chain element(s)	Key technology themes
accenture	Principal Financial Group	Accenture Life Insurance & Annuity Platform (ALIP) will help improve its customer and advisor experience by automation and straight-through-processing, to enhance customer onboarding and policy administration	Product development, sales and distribution	Automation and mobility
CONCENTRIX	Nassau Reinsurance Group	Phoenix, a Nassau Reinsurance company, chose Genelco Insurance Administration Solution (GIAS) platform from Concentrix for third party administration services	Policy administration	Cloud
DXC technology	Federal Life Insurance Company	Federal Life Insurance Company, chose DXC Assure for its life and wealth lines of business to enhance policy buying experience, streamline key processes, and drive growth	Policy administration, sales and distribution, new business acquisition	Analytics, automation, cloud, and mobility
EXL	Illinois Mutual Life Insurance Company	Illinois Mutual Life Insurance Company implemented EXL's LifePRO platform for its breadth of coverage and web services-based new business functionality	Policy administration, sales and distribution, claims processing	Analytics, automation, and mobility
EIS	Guardian Life Insurance	Guardian chose EIS' digital insurance platform to support direct-to-consumer business to deliver a superior policyholder experience	Policy administration, sales and distribution, claims processing, new business	Cloud
FAST	Amica Life Insurance Company	Amica implemented FAST's modern cloud-based PAS for term life and whole life products to deliver enhanced customer experience	Policy administration	Cloud
FINEOS	OneAmerica	OneAmerica has chosen FINEOS for its implementation record and comprehensive enterprise claims management system across group and individual lines of business	Claims processing	Automation

Implications for L&A insurance carriers

- Build a comprehensive platform strategy to modernize legacy core systems and deliver multiple business objectives around growth, experience, cost, and efficiency
- Drive digital innovation by cultivating an agile, fail-fast culture and build a comprehensive change strategy throughout the modernization process to speed up user adoption
- Evaluate vendors based on their market adoption, platform solution maturity, coverage completeness, and ecosystem capabilities
- Focus on platform solutions having open technology architecture, with easy configurations and out of the box functionality, to integrate digital capabilities seamlessly and mitigate complexities in version upgrades and migration to cloud
- Evaluate the best-fit cloud deployment option for moving the core systems to cloud, based on the long-term cloud strategy of the firm

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 2021 – Pathways to Drive Competitive Advantage Amidst Uncertainties	November 2020
Insurance Business Model Innovation Enablement Services – Service Provider Compendium 2021	December 2020
Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021	December 2020
Application and Digital Services in Life and Annuities (L&A) PEAK Matrix® Assessment 2021 – 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	December 2020

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