

# Industry Insights – Insurance

November 2021: Complimentary Abstract / Table of Contents



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## Background of the research

### Background of the research

The report provides fact-based data and analysis on key trends and developments in global outsourcing for the insurance industry. The report captures key developments across offshore locations leveraged for service delivery, offshore penetration and sourcing mix, global sourcing maturity, and adoption of digital services in the insurance industry. Additionally, it presents upcoming opportunities, implications, and challenges for service providers and enterprises in the next normal

### The scope and methodology of this report includes:

- Key value chain process in insurance industry
- Leading offshore locations leveraged for service delivery
- Offshore penetration and sourcing mix across key functions - these include insurance operations, IT-ADM & infrastructure, corporate functions (F&A, HR, and procurement), and digital services (analytics, automation, cloud, Internet of Things (IoT), cybersecurity, mobility, social, and blockchain)
- Global sourcing maturity across key functions – insurance operations, IT services (ADM and infrastructure), corporate functions, and digital functions
- Adoption of digital services (analytics, automation, cloud, Internet of Things (IoT), cybersecurity, mobility, social, and blockchain) in insurance
- Next Normal crisis and challenges

### In this research study, we analyze the insurance global market landscape and its changing dynamics. We focus on:

- The global sourcing adoption of both GBS centers and third-party service providers by leading insurance firms
- Examples of key market participants:
  - Insurance enterprises – Admiral Group, Allianz, Allstate, American International Group (AIG), AXA, Chubb, First American, Gallagher, Great-West, Guardian Life Insurance, Manulife, MetLife, Principal Financial, Prudential, Sun Life Financial, Swiss Re, 10FA, and United Health Group
  - Global service providers supporting insurance industry – Accenture, Capgemini, Cognizant, Deloitte, DXC Technology, EXL, Genpact, HCL, IBM, SAP, Sapiens, TCS, and Wipro
  - Other specialist service providers supporting insurance industry – BinckBank, Cisco, Ciber Global, Competent Software, Ericom, Expleo, Fidelity Investments, Firstsource Solutions, Hexaware, Northern Trust, Persistent Systems, SEI, Thomson Reuters, and Volante Technologies

## Introduction



- At an overall level, COVID-19 initially impacted the insurance industry; however, in the long-term, it did not have a significant impact on the insurance sector. In fact, leading insurers showed noteworthy resilience during the pandemic. However, it undeniably made one significant impact – realization of the need for change and innovation
- Over the period, insurers have made multiple investments – effective capital management through divestitures, expansion into strategic growth markets, product alignment and innovation, IT modernization, and digitalization of process and channels to enhance customer experiences
- Insurers are adopting a wide variety of technologies to meet changing demands including analytics, Artificial Intelligence (AI), automation, blockchain, cloud, and Internet of Things (IoT)
  - Automation and analytics are the most prevalent digital investments
  - Claims processing, policy administration, and new business are the most popular areas for digital deployments
- While multiple insurance enterprises have partnered with third-party service providers to migrate from legacy platforms and establish managed services partnerships, multiple others have set up GBS centers to develop deeper in-house capabilities



# This study offers five distinct chapters providing a deep dive into key aspects of insurance market; below are four charts to illustrate the depth of the report

## Key value-chain process in insurance industry

Areas that witnessed high growth in terms of offshoring/nearshoring in the last 2-3 years

Sales and distribution	New business management	Policy servicing & reporting	Claims processing
Distribution channel support	Initial policy creation and setup	Mid-term adjustments and agency transfers	Initial claims processing
Agent and broker management	Pre-underwriting support and rule-based underwriting	Policy reinstatement and cancelation	Claims management
Regulatory and other compliance	Complex underwriting	Policy records management	Claims review and investigation
Product testing	Premium collection and audit	Eligibility requirement and verification	Claims adjudication, adjustment, and disbursements
	Member enrollment and management		Fraud detection and management
			Claims litigation and recovery/subrogation
			Regulatory and other compliance
Actuarial, e.g., valuation, pricing, risk			

## Leading offshore locations leveraged by insurance firms



## Digital transformation initiatives in insurance industry

Extent of digital adoption: Low (1 blue square) to High (5 blue squares)

Priority listing of insurance functions for digital transformation across industry segments

	L&P insurance	P&C insurance	Reinsurance	Brokers
New product development	4 squares	4 squares	3 squares	2 squares
Sales and distribution	5 squares	5 squares	4 squares	5 squares
Underwriting and new business acquisition	4 squares	4 squares	5 squares	4 squares
Policy servicing	4 squares	4 squares	3 squares	4 squares
Claims	3 squares	5 squares	3 squares	3 squares

## Best-in-class experience by InsurTechs

**Personalized products**

- InsurTechs offer their customers a **high degree of personalization in the product coverage and pricing**
- They leverage multiple data sources, AI, and analytics to gain a 360-degree view of the customer for contextualized product offerings

**Quickquote and buy**

- InsurTechs make the best of their digitized value chain to provide **quick turn-around-times in the quote and buy process**
- They take as less as 90 seconds for providing a quote while best-in-class traditional insurers take at least 15 minutes

**Seamless claims**

- InsurTechs have digitized the claims value chain to offer customers a **seamless claims journey with extensive self-service capabilities**
- They tout their ability to process most claims in minutes with minimal or no human interaction

**Cuvva** provides car insurance on an hourly basis; similarly, **Metromile** pays per mile insurance to save a ton of money for low-mileage drivers

**Lemonade**, a home and property insurer, has an AI-powered app that provides customers with a personalized policy, sign up, and insurance in just 90 seconds

Multiple InsurTechs are providing a seamless claims experience through digital self-service portals to resolve most claims without human involvement

# Research calendar – Market Vista™

■ Published
 ■ Planned
 ■ Current release

Flagship reports	Release date
Market Vista™ : Q1 2021	February 2021
Market Vista™ : 2020 Year in Review and Outlook for 2021	March 2021
Market Vista™ : Q2 2021	May 2021
Market Vista™ : Q3 2021	August 2021
Market Vista™ : Q4 2021	Q4 2022
Market Vista™ : Q1 2022	Q1 2022
Market Vista™ : 2021 Year in Review and Outlook for 2022	Q1 2022

Thematic reports	Release date
Market Vista™ : Industry Insights – Lifesciences	June 2020
Market Vista™ : Industry Insights – Oil & Gas	October 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Recalibrating for Resiliency – 2021 Key Issues in Global Sourcing – Enterprise Perspective	December 2020
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Market Vista™ : Industry Insights – Technology	July 2021
<b>Market Vista™ : Industry Insights – Insurance</b>	<b>November 2021</b>
Market Vista™ : Industry Insights – Banking	Q4 2021

Note: For a list of all of our published Market Vista reports, please refer to our [website page](#)



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