

# Insurance IT Services – State of the Market 2021: Future-readying Insurance Business Through Continuous Digital Unraveling

February 2021: 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

The coronavirus pandemic and the resulting economic fallout have adversely impacted insurance businesses leading to demand stress, revenue compression, and profitability pressure. In addition, consumer needs, habits, and expectations, which were gradually evolving pre-COVID-19, have radically shifted during the pandemic spurred by the demand for compelling online experiences. While the announcement of COVID-19 vaccine and a potential return to normalcy have cheered up industry sentiments, uncertainty still prevails and challenges loom large as the industry recovers from recessionary conditions.

Insurers are focusing on accelerating recovery from the pandemic, while simultaneously focusing on growth and differentiation in a bid to address the industry stress factors, they are facing. Reevaluating key levers of their IT operating model such as sourcing activity, sourcing location strategies, vendor portfolios, and operational agility is proving to be the key to executing cost transformation and resiliency for insurance businesses. Added to this, creating pathways for competitive advantage through hyper-focus on data, cloud, platforms, digital solutions, and talent will be essential to enable business model innovation and drive market share gains. Insurers are, therefore, looking to double down on cost and experience transformation simultaneously to set themselves up for future success.

In this report we cover:

- Strategies adopted by insurance enterprises to counter the existing industry stress factors
- Implications for insurers to accelerate recovery from the pandemic and execute cost and efficiency transformation
- Technology considerations to execute growth and differentiation for insurers and drive future success

### Scope of this report:



**Geography**  
Global



**Industry**  
Insurance



**Services**  
IT services

# Convictions on the insurance IT services market

## Summary of key messages



The quest for cost transformation and resiliency continues for insurance enterprises as the coronavirus pandemic slowly abates, prompting insurers to trim their technology asset portfolio and focus on strategic competencies



Insurance enterprises are reevaluating their entire IT operating model and sourcing strategy to drive higher outsourcing activity, finely balance sourcing location footprint, and consolidate the IT supplier portfolio



While adopting Agile principles and a customer-first culture remains a key priority for insurers, the focus is now shifting to scaled Agile developments across insurance enterprises and digitizing their IT operating model



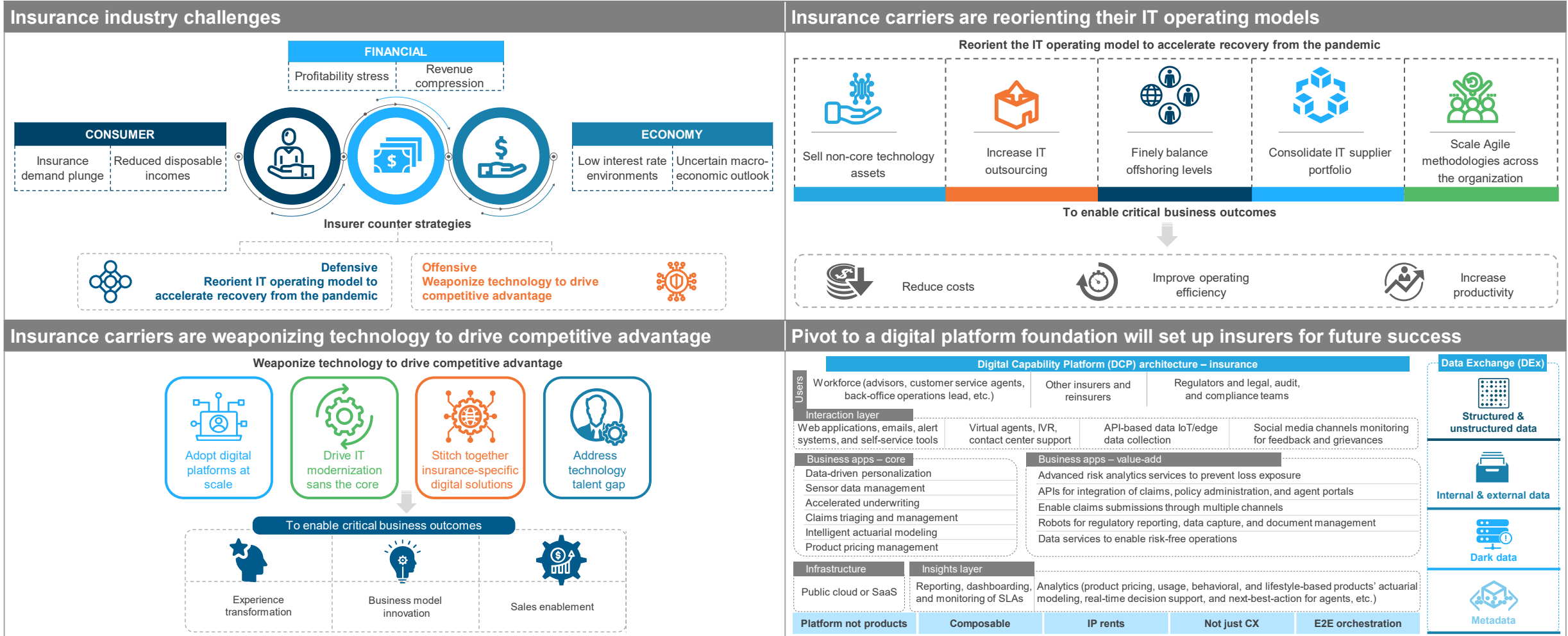
Insurance enterprises are staying away from touching their core systems and are instead investing in optimizing service interactions from core to transform experience management. The focus for insurers is moving from continuous modernization to continuous simplification



Insurers are weaponizing technology to drive growth and differentiation. Investments in composable technology platforms, value chain-specific solutions, and nurturing digital talent are the top insurer priorities in the near term

Source: Everest Group (2021)

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



# Research calendar

## Insurance IT Services

■ Published
 ■ Planned
 ■ Current release

### Flagship Insurance IT Services reports

	Release date
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) Insurance – Service Provider Compendium 2021	January 2021
<b>Insurance IT Services – State of the Market 2021: Future-readying Insurance Business Through Continuous Digital Unraveling</b>	<b>February 2021</b>
Insurance platform services PEAK Matrix assessment 2021	Q2 2021
Insurance platform services – Service provider profile compendium	Q2 2021
Application and digital services in P&C insurance – Services PEAK Matrix assessment	Q3 2021
Application and digital services P&C insurance – Service provider profile compendium	Q3 2021
Digital experience platforms in Insurance – Product PEAK Matrix assessment 2021	Q3 2021

### Thematic Insurance IT Services reports

	Release date
Life & Annuities (L&A) Insurance Core Platform Software Adoption Trends – Unlocking Efficiency and Growth for L&A Insurers	December 2020
Policy administration platforms in the L&A insurance industry – Market report	Q1 2021
Cloud in insurance Guidebook	Q1 2021
Digital experience solutions in the retirements industry – Market report	Q2 2021
London Market – State of the market: Evolution or digital revolution?	Q4 2021

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



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