

Digital Platform and Augmentation Suite (DPAS) in Insurance BPS – Provider Landscape with Services PEAK Matrix® Assessment 2022

September 2022: Complimentary Abstract / Table of Contents



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Background and methodology of research (page 1 of 2)

Modernization initiatives often tend to have a long-term view, with 5–10-year realization timelines. During the pandemic, a lot of these initiatives got significantly accelerated as insurers realized the inadequacies in their core systems. Disruptions in customer preferences and insurers’ growing needs to move faster have led to a significant change in the sourcing strategy as well. In order to pivot operations in such times, digital solutions offered by BPS providers helped in enhancing speed of delivery, reducing turn-around times, improving accuracy, and the quality of products. Such transformation projects helped in simplifying the insurance process by optimizing support functions across the value chain. This boded well for the insurance BPS market which experienced a double-digit growth in the past year.

In this research, we present an assessment and detailed profiles of 15 insurance BPS providers featured on the DPAS in insurance operations PEAK Matrix®. Each 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 request for information (RFI) process for calendar year 2022, interactions with leading insurance BPS providers, client reference checks, and an ongoing analysis of the insurance BPS market.

This report includes the profiles of the following 15 leading insurance BPS providers featured on the DPAS in insurance operations PEAK Matrix:

- **Leaders:** Accenture, Cognizant, EXL, Genpact, and WNS
- **Major Contenders:** DXC Technology, HCL Technologies, NTT DATA, Patra Corp, SE2, Sutherland, and TCS
- **Aspirants:** Infosys, ReSource Pro, and Xceedance

Scope of this report



Geography
Global



Providers

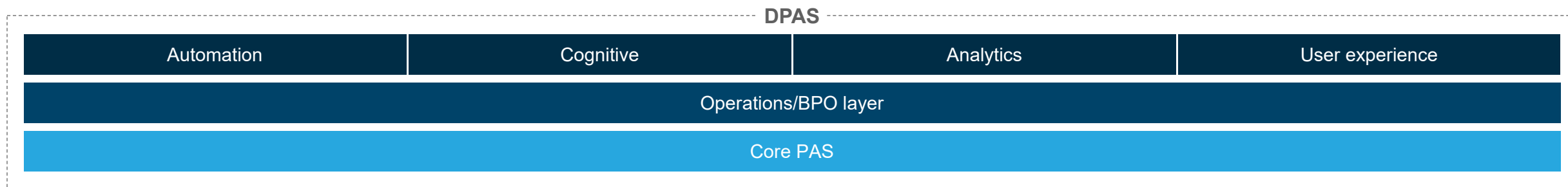
Accenture, Cognizant, EXL, Genpact, WNS, TCS, DXC Technology, SE2, NTT DATA, Patra Corp, Sutherland, Xceedance, HCL, Infosys, and ReSource Pro



Services

The report covers DPAS in insurance BPS and does not cover horizontal business processes such as Finance and Accounting (F&A), Human Resources (HR), procurement, and contact center

Background and methodology of research (page 2 of 2)



As insurance BPS industry shifts from arbitrage-first to digital model, insurers increasingly seek to understand digital capabilities of providers to eliminate/reduce human effort, improve efficiency, and drive better outcomes. This research is to understand insurance operations providers’ readiness to deliver on such digital transformation/optimization demand themes in the market. We are calling such solutions Digital Platform and Augmentation Suite (DPAS).

DPAS deals would fall into at least one of the following engagement models i.e., digitally-augmented BPO, BPaaS, and end-to-end TPA. Further, it should have at least two or more of the digital/technology components listed below:

- **Core policy administration platforms** – these are the core systems of records being used by insurance clients
- **Automation** – it refers to a type of workflow that interacts with a computer-centric process through User Interface (UI) / user objects of the software application supporting that process. It is typically deployed on virtual machines and can enable end-to-end process automation without the need for human triggers
- **Artificial intelligence (AI)/cognitive** – it is an advanced computing system with self-learning abilities, enabled by pattern recognition, Natural Language Processing (NLP), and data mining, to mimic human intelligence such as text or speech recognition, visual perception, decision-making, and language translation without any explicit programming
- **Advance analytics** – these solutions go beyond reporting the as-is state and show to-be scenarios using predictive models, to aid in decision-making and sometimes suggest the next course of action to be performed
- **User experience (user can be insurance agent/broker, insurance clients’ business users, or insurance end-customers)** – it refers to a dedicated solution that provides a connected front-to-back experience delivered through the right customer interface, ensuring that back- and middle-office processes happen in a seamless fashion

Overview and abbreviated summary of key messages

This report examines the global insurance BPS market and its provider landscape. It provides detailed analysis of capabilities and market performance of service providers and their relative positions on the Everest Group PEAK Matrix®. It will assist key stakeholders (insurance providers, service providers, and technology providers) understand the current state of the digital transformation/optimization demand themes in insurance BPS provider landscape.

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

Service provider position and growth

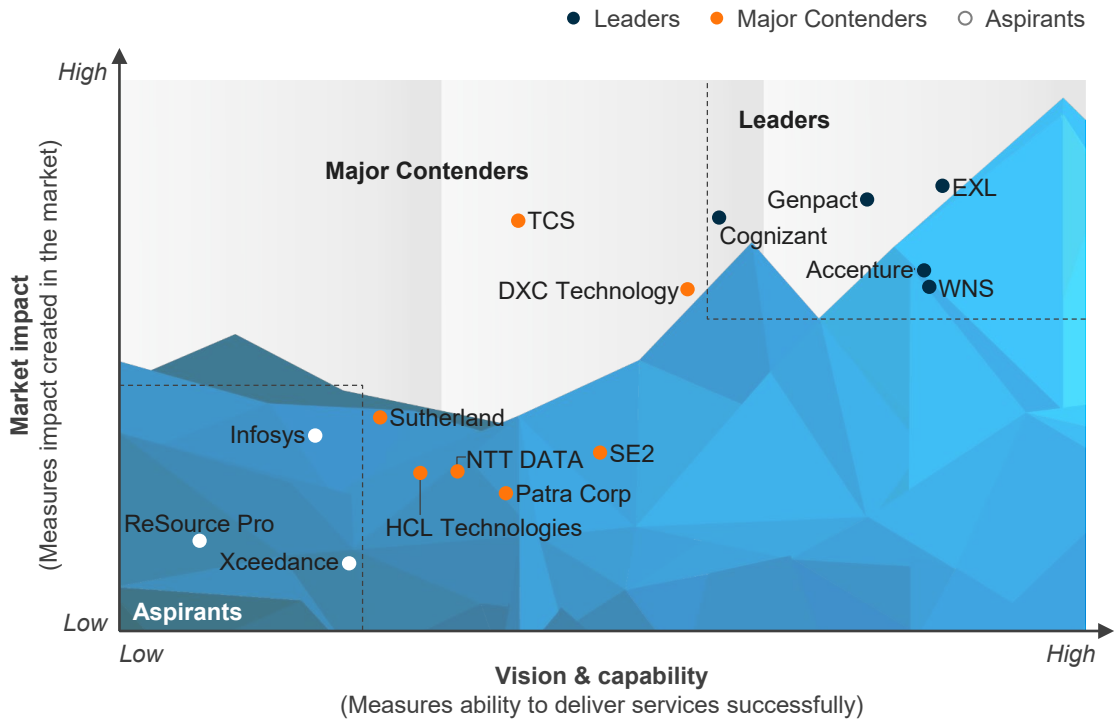
- Everest Group classified 15 insurance BPS providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the overall vision and capability and market impact of service providers
- The 2022 DPAS in insurance BPS PEAK Matrix® positioning is as follows:
 - **Leaders:** Accenture, Cognizant, EXL, Genpact, and WNS
 - **Major Contenders:** DXC Technology, HCL Technologies, NTT DATA, Patra Corp, SE2, Sutherland, and TCS
 - **Aspirants:** Infosys, ReSource Pro, and Xceedance
- In light of COVID-19, the insurance BPS sector experienced double-digit growth with a rise in the need for digital transformation to achieve operational excellence and impart better customer experience; such digitalization initiatives will reduce manual effort on standard workflows and help in plugging the supply-demand gap with talent issue across the global job market
- At the same time insurance enterprises continue to face long-term profitability challenges amid rising costs and a slowdown in revenue in a prolonged low-interest rate environment; where the key objectives for them are focused towards enhancing digital delivery, improving customer journey, develop products focused on emerging millennial and low-income segments, and being agile for reducing the product to market time

Competitive landscape and insights

- DPAS components saw high adoption, with more than 50% of insurance clientele for leading BPS providers including them in their engagements
- North America experienced the largest share of DPAS engagements across regions; as the burden from legacy systems, changing regulatory compliances, cost pressures, and dependence on manual and fragmented operations pushed for integration and digitalization of the insurance value chain
- Digitization of processes got the largest traction among demand themes, followed by target operating model redesign, customer experience transformation, data-driven decision making, and end-to-end transformation
- Insurers are also exhibiting a higher appetite for implementation/maintenance services related to their digitization initiatives whereas demand for product development and process consulting services has remained limited to support functions
- DPAS suite strength for both P&C and L&P insurance segment was focused on tools consisting of RPA, analytics, and intelligent automation services

This study offers three distinct chapters providing a deep dive into key aspects of DPAS in Insurance BPS market; below are three charts to illustrate the depth of the report

DPAS in Insurance BPS PEAK Matrix® Assessment 2022¹



¹ Assessment for DXC Technology, Infosys, HCL Technologies, NTT DATA, and ReSource Pro excludes provider inputs and is based on Everest Group’s proprietary Transaction Intelligence (TI) database, provider 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 (2022)

Capability assessment

Illustrative example

Measure of capability: 🟡 Low ● High

Providers	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Provider 1	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 2	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 3	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 4	🟡	🟡	🟡	🟡	●	🟡	🟡	🟡	🟡
Provider 5	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 6	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 7	🟡	🟡	🟡	🟡	🟡	🟡	●	🟡	🟡
Provider 8	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡
Provider 9	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡	🟡

Everest Group’s remarks on providers

Illustrative example

Measure of capability: 🟡 Low ● High

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

- Provider X’s digital capabilities have been focused on adoption of RPA, Cognitive automation, and analytics/dashboarding solutions among existing clients; where it has been lauded for enablement of automation as well as better accuracy in processing
- It has made investments in integration with third parties for new technologies and services to realize the need for automation, analytics, and reporting for augmenting its digital portfolio

Limitations

- Provider X’s industry segment mix is relatively less inclined towards P&C insurance capabilities where requirements for a DPAS construct have been on a rise
- From a process mix standpoint, buyer expectations have been concentrated more towards digital transformation in claims management and a proactive approach to cater to this function would help provider X in maturing as a comprehensive digital transformation partner for enterprises

Research calendar

Insurance Business Process

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Insurance Analytics and Insights (A&I) Third-party – Service Provider Compendium 2020	September 2020
Life and Pensions (L&P) Insurance BPO – Service Provider Profile Compendium 2021	November 2020
Property & Casualty (P&C) Insurance Third-party Administrator (TPA) Services Compendium 2021	December 2020
AI-powered Insurance Solutions: Content Extraction	February 2021
State of the Market Life and Pensions (L&P) Insurance BPS 2021	May 2021
Property and Casualty (P&C) Insurance BPS – Service Provider Landscape with Services PEAK Matrix® Assessment 2021	June 2021
Property and Casualty (P&C) Insurance BPS Service Provider Compendium 2021	June 2021
Deconstructing Digital Transformation Strategies in Insurance	July 2021
Life and Pensions (L&P) Insurance BPS/TPA – Service Provider Landscape with PEAK Matrix® Assessment 2022	December 2021
Life and Pensions (L&P) Insurance BPS / TPA Service Provider Compendium 2022	December 2021
Property and Casualty (P&C) Insurance BPS – Service Provider Landscape with Services PEAK Matrix® Assessment 2022	April 2022
Property and Casualty (P&C) Insurance BPS – Service Provider Compendium 2022	May 2022
Property and Casualty (P&C) Insurance State of the Market Report 2022: Emerging and Evolving Sourcing Strategies in a Post – COVID Era	June 2022
Digital Platform and Augmentation Suite (DPAS) in Insurance BPS – Provider Landscape with Services PEAK Matrix® Assessment 2022	September 2022
Life and Pensions (L&P) Insurance State of the Market Report 2022	Q4 2022

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