

# Insurance IT Services – State of the Market 2022: Unveiling the Economic Value of Data and the Road to Actualization

October 2022: Complimentary Abstract / Table of Contents



# Our research offerings

This report is included in the following research program(s):

## Insurance Information Technology, Insurance Technology (InsurTech)

- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Conversational AI
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms (DAP)
- ▶ Digital Engineering Services
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ Global Business Services
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ Human Resources Outsourcing
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing (IDP)
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Executive Insights™
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Outsourcing Excellence
- ▶ Pricing Analytics as a Service
- ▶ Process Mining
- ▶ Procurement
- ▶ Recruitment
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at [info@everestgrp.com](mailto:info@everestgrp.com)

Learn more about our  
**custom research capabilities**

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations,  
risk, technologies

Locations: costs, skills,  
sustainability, portfolios

# Contents

<b>1. Introduction and overview</b>	<b>5</b>
• Research methodology	6
• Background and context	7
• Focus of the research	8
<b>2. Summary of key messages</b>	<b>9</b>
• Convictions on the insurance IT services market	10
<b>3. The Economic Value of Data</b>	<b>11</b>
• Insurance enterprises' transition from assurer to guardian	12
• Building data-driven insurance operations	13
• The economic value of data	14
– Unlocking the economic value of data	14
– The three-fold impact of data on insurance operations	15
<b>4. The art of the possible across the insurance value chain</b>	<b>16</b>
• Key areas for data-driven value creation	17
• Data-driven value realization across the insurance value chain	18
• Future of data-driven claims management	19
– Illustration of a zero-touch claims management	19
– Pain-points across the traditional claims management lifecycle	20
– Business outcomes of the data-driven claims management lifecycle	21
• Leading data and analytics use cases across P&C insurance	22

For more information on this and other research published by Everest Group, please contact us:

**Ronak Doshi**, Partner

**Aaditya Jain**, Vice President

**Shrey Kalawatia**, Senior Analyst

**Rugved Sawant**, Senior Analyst

**Vigitesh Tewary**, Senior Analyst

# Contents

<b>5. Platform-based operating model to transition a data-driven enterprise</b>	<b>23</b>
• Building a platform-based operating model	24
• New and non-traditional data sources in insurance	25
• Need for a collapsed data supply chain	26
<b>6. Data and analytics technology and services market for insurance</b>	<b>27</b>
• Data and analytics technology and services market size and growth outlook	28
• Data and analytics service provider segments	29
• Data and analytics technology provider segments	30
• Data-driven innovation by InsurTechs	31
• Implications for insurers	33
<b>7. Insurance IT services market trends and growth outlook</b>	<b>34</b>
• Analysis of global insurance IT services spend	35
• Analysis of global insurance IT services outsourcing spend	36
• Analysis of global insurance IT application services outsourcing spend	37
• Analysis of global insurance IT infrastructure services outsourcing spend	38
• Analysis of global insurance IT services outsourcing spend – by regions	39
<b>8. Appendix</b>	<b>40</b>
• Glossary	41
• Research calendar	42

## Background and context

- A global pandemic, natural catastrophes, geopolitical risks, and macroeconomic risks, all paired with recessionary market sentiment, have created an extremely uncertain environment for insurance enterprises. While a positive outlook exists among L&A insurers post-pandemic, inflation, among other factors, is a looming threat for P&C insurers globally. Insurers across the board are looking for ways in which they can navigate through some of these overarching challenges – divesting business units to focus on core competencies and geographies, consolidating vendor portfolios, and investing in digital transformation initiatives
- As insurers navigate through this period of uncertainty, they need to tap into the plethora of data they possess to unlock immense value and come out on top. In this report, we estimate the economic value of data – the value that insurers globally can generate across growth and efficiency objectives by investing in data and analytics. Through data and analytics, insurers can achieve cost savings from increased operational efficiency, reduce claims leakage and fraud expenses, and drive premium growth by unlocking higher sales efficiencies and rapid product innovation
- In this report, we also highlight the five key areas where insurers can drive value creation through a data-driven approach, and take claims management as an example to demonstrate the multiple inefficiencies in current processes that can be eliminated through the use of data and analytics to drive operational efficiencies, reduce human intervention, and ultimately drive cost savings and higher customer satisfaction levels
- We also showcase the need for a platform-based operating model with a collapsed data supply chain that can enable insurers to transition themselves to data-driven organizations. We highlight the various services and technology providers across the data and analytics ecosystem that can enable insurers to extract maximum value from their data and analytics initiatives
- We also comment on the global insurance IT services market trends and growth outlook, providing Everest Group estimates of the global insurance IT services outsourcing market along with analyses of the insurance IT services outsourcing market by lines of business, regions, and services sub-segments

### Scope of this report



**Geography**  
Global



**Industry**  
Insurance



**Services**  
Insurance IT services  
state of the market

# Convictions on the insurance IT services market

## Summary of key messages



Insurers' data and analytics spend is growing at an accelerated rate of over 25% annually. Insurance enterprises can unlock value worth US\$874 billion through investments in pivoting to a data-centric organization.



The demand for digitization across the value chain is shaping budget allocations as insurers look to unlock value across growth and efficiency mandates by becoming a data-driven enterprise, starting with the transformation of business operations.



The fundamentals of value creation for insurers are being reimagined – from insuring risk to ensuring protection as insurers transition from being an assurer to being a guardian.



While the supporting ecosystem for data-driven operations has been scaling rapidly, the forward-looking vision of being a guardian will lead to massive investments in a multi-stage transformation journey with hyper-scalers gaining prominence to enable integration with traditional core systems.

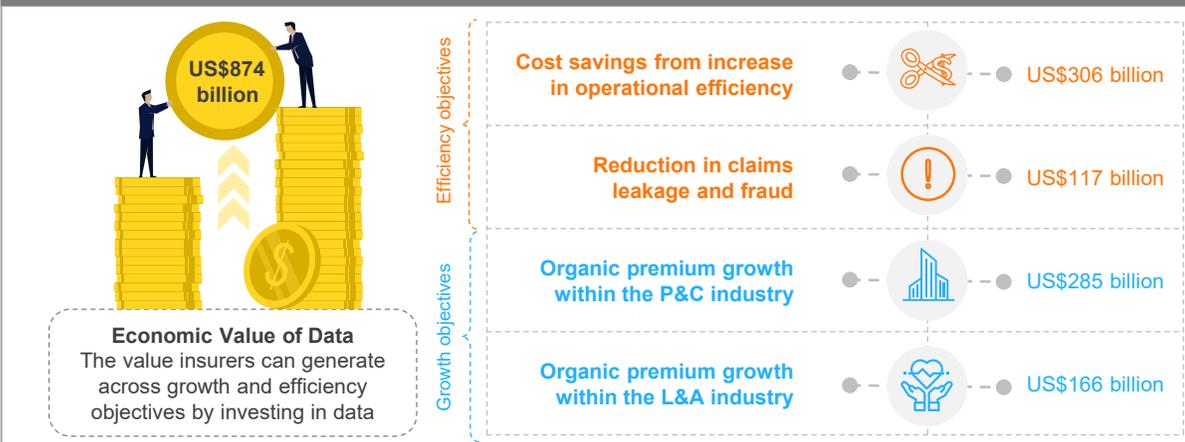


For the insurance industry to transition to the next stage, technology priorities will shift from continuous modernization to continuous simplification and agile developments where data, cloud, and platforms will be the underpinning elements of future success for insurers.

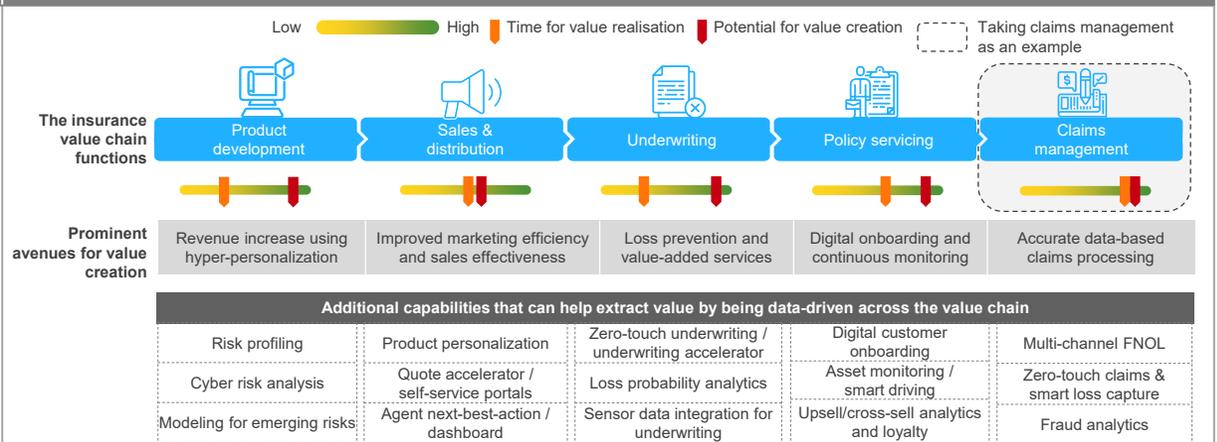
Source: Everest Group (2022)

# This study offers 8 distinct chapters providing a deep dive into key aspects of the insurance technology and services market; below are four charts to illustrate the depth of the report

## The economic value of data in the insurance industry



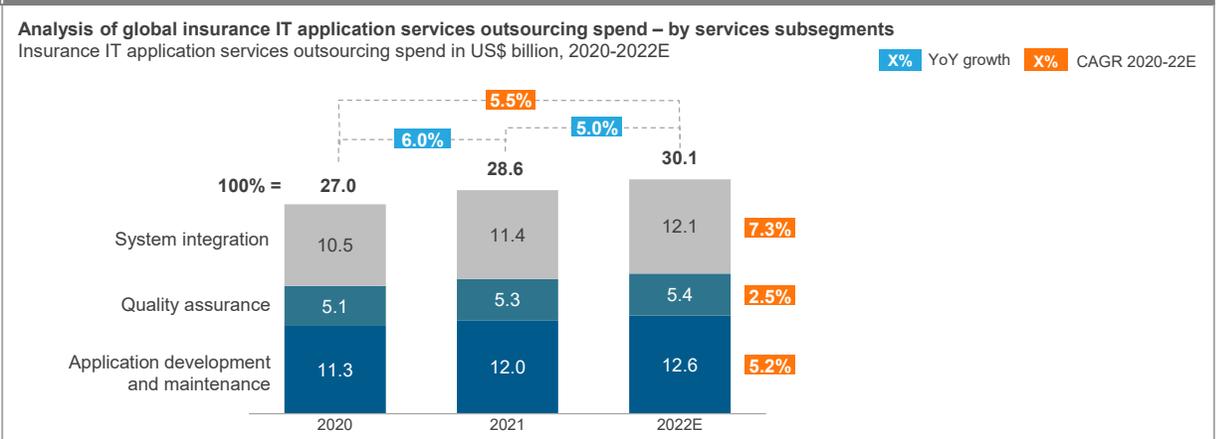
## Key areas for data-driven value creation across the insurance value chain



## Data and analytics technology and service provider market for insurance



## Insurance IT services market trends and growth outlook



# Research calendar

## Insurance Information Technology

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Duck Creek Services – Service Provider Compendium 2022	February 2022
IT Service Provider of the Year - 2022	February 2022
Retirements IT Service Provider Compendium 2022	April 2022
Enterprise Pulse 2022: Solving the Talent Conundrum around Availability, Attrition, and Reskilling of the Workforce	June 2022
Technology as a Strategic Differentiator in an Organization’s Growth	June 2022
Introducing the Rubik’s Cube Supplier Segmentation Approach: Navigating the Talent Crisis by Engaging Specialist IT Service Providers	June 2022
Future of Financial Services – Web 3.0, Metaverse, and Decentralized Finance	July 2022
Retirement Technology Provider Compendium 2022	September 2022
<b>Insurance IT Services – State of the Market 2022: Unveiling the Economic Value of Data and the Road to Actualization</b>	<b>October 2022</b>
Application and Digital Services in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2023	Q4 2022
Application and Digital Services in Property & Casualty (P&C) Insurance - Services Provider Profile Compendium 2023	Q4 2022
Guidewire Services PEAK Matrix® Assessment 2023	Q4 2022
Guidewire Services – Services Provider Profile Compendium 2023	Q4 2022
Group Life Policy Administration Systems (PAS) Products PEAK Matrix® Assessment 2023 – North America	Q1 2023
Group Life Policy Administration Systems (PAS) Product Provider Profile Compendium 2023 – North America	Q1 2023

Note: [Click](#) to see a list of all of our published Insurance Information Technology reports



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

## Stay connected

### Website

[everestgrp.com](http://everestgrp.com)

### Social Media

-  @EverestGroup
-  @Everest Group
-  @Everest Group
-  @Everest Group

### Blog

[everestgrp.com/blog](http://everestgrp.com/blog)

### Dallas (Headquarters)

[info@everestgrp.com](mailto:info@everestgrp.com)  
+1-214-451-3000

### Bangalore

[india@everestgrp.com](mailto:india@everestgrp.com)  
+91-80-61463500

### Delhi

[india@everestgrp.com](mailto:india@everestgrp.com)  
+91-124-496-1000

### London

[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)  
+44-207-129-1318

### Toronto

[canada@everestgrp.com](mailto:canada@everestgrp.com)  
+1-647-557-3475

*This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.*