iSG Provider Lens™

Insurance Services

A research report comparing provider strengths, challenges and competitive differentiators

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Introduction

Insurance organizations seek advanced technologies to help them achieve their goal of improving customer value creation by enhancing their performance. They are in various stages of digital change and transformation journeys, with some implementing modern or low-code/no-code for straight-through processing (STP), embedding intelligence in process automation, exploring enterprise-wide AI and ML applications, and migrating from legacy to cloud solutions.

Insurance carriers adopt technology rapidly to enhance operational resilience and delivery capabilities. Insurers increasingly migrate to outsourcing and technology partners to realize their strategic objectives.

The outsourcing and technology landscape is changing rapidly and extends beyond backend transaction process services. Outsourcing and technology providers are becoming strategic partners to insurance organizations, helping them transform their businesses to provide better customer experience through improved productivity and to attain cost optimization across the insurance value chain.
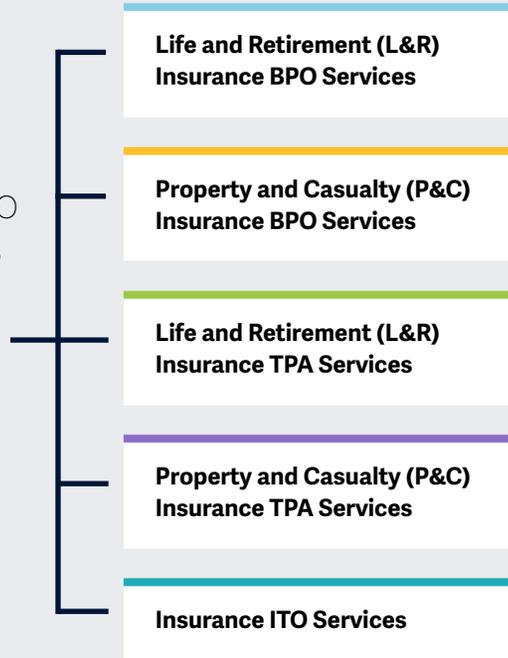
With CX gaining focus as a competitive differentiator in the insurance industry, leaders can grow their businesses cost-effectively and sustainably in the medium to long run.

Service providers are willing to form long-term, mutually beneficial relationships with insurance organizations, enabling them to move up the services value chain. Insurance organizations understand that these strategic partners can create immense value by applying IT, business processes and insurance domain capabilities and can deliver better value with a quick turnaround time.

In this Provider Lens™ study, ISG will assess providers' ability to support insurance firms in areas of **operational efficiency, customer engagement** and **agility**.

Simplified Illustration; Source: ISG 2023

Life and Retirement (L&R) Insurance BPO Services

Property and Casualty (P&C) Insurance BPO Services

Life and Retirement (L&R) Insurance TPA Services

Property and Casualty (P&C) Insurance TPA Services

Insurance ITO Services

The ISG Provider Lens™ Insurance Services 2023 study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Information on each provider's transformation and digital-enabling capabilities
- A perspective on the North America and Europe markets

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.

Life and Retirement (L&R) Insurance BPO Services

Definition

Insurance BPO Services

Business process outsourcing (BPO) is a category where providers manage processes on clients' behalf. This arrangement entails BPO providers bringing process enhancements via digitizing and incorporating emerging technologies, such as intelligent automation, advanced analytics, and AI and ML. Digitized operations incorporate second-generation processes to provide speed, cost or accuracy benefits. The life and retirement (L&R) quadrant refer to these outsourced insurance operations services, including customer care centers, new business support, underwriting, policyholder services, claims processing, actuarial, analytics, and front-, back- and middle-office insurance processes.

Life and Retirement (L&R) Insurance

L&R insurance covers outsourcing services such as consulting, technology enablement, policy administration systems (PAS) and managed services for insurance products, including life, annuity and supplemental benefits.

ISG will evaluate L&R outsourcing providers based on their support across areas such as backend services, front- and middle-office support, and technology enablement services for different insurance products.

The focus is on insurance offerings, with insurance firms modernizing services and improving customer management and technology enablement in each functional area. These offerings are key to improving CX across the L&R lifecycle, from purchasing to post-sales services. Providers help insurance firms transform their BPO into digitized operations and manage it to boost CX, reinvent business designs and improve L&R services.

This study will cover various life insurance, annuities and supplemental benefits products and services as illustrated in the table.

Simplified illustration

Life Insurance	Annuities	Supplemental Insurance
Term life	Fixed annuities	Accidental death & dismemberment
Whole life	Variable annuities	Critical illness
Universal or adjustable life	Fixed indexed annuities	Hospital indemnity
Variable life	Immediate annuities	Short and long-term disability
Variable-universal life	Deferred annuities	Dental
		Vision
		Cancer
		Others

Source: ISG 2023

Life and Retirement (L&R) Insurance BPO Services

Eligibility Criteria

1. Provide **managed services for L&R**, covering one or more products specified in the preceding table

2. Manage **end-to-end L&R processes** with robust domain expertise

3. Demonstrate expertise in enablement with **digital technologies** such as intelligent automation, advanced analytics, cloud, data, security and other applications

4. **Offer innovative solutions and approaches** to the BPO market through various forms (such as pricing and delivery models) and types of partners (such as InsurTechs, industry players, competitors, technology and digital specialists, etc.).

5. **Translate experience and expertise** into tools and reusable components, including playbooks, assessments, templates and blueprints

6. **Substantiate industry experience** through references and use cases across North America or Europe (including the U.K.)

7. Demonstrate the **ability to execute** multiple insurance **L&R BPO projects** across different functional areas, with at least one project underway in the current year

8. Won a minimum of **one new deal with a new client or renewed an existing deal** over the last 12 months

Property and Casualty (P&C) Insurance BPO Services

Definition

Insurance BPO Services

Business process outsourcing (BPO) is a category where providers manage processes on clients' behalf. This arrangement entails BPO providers bringing process enhancements via digitizing and incorporating emerging technologies, such as intelligent automation, advanced analytics, and AI and ML. Digitized operations incorporate second-generation processes to provide speed, cost or accuracy benefits. The property and casualty (P&C) quadrants refer to these outsourced insurance operations services, including customer care centers, new business support, underwriting, policyholder services, claims processing, actuarial, analytics, and front-, back- and middle-office insurance processes.

Property and Casualty (P&C) Insurance

Property and casualty (P&C) outsourcing services include consulting, technology enablement and managed services across coverage areas, including auto, theft, property and natural catastrophes.

ISG will evaluate P&C outsourcing providers based on the extent of support offered across various areas, including backend services, front- and middle-office support, and other support services. With insurance organizations seeking to modernize their services and improve customer management, the focus is on technology enablement, which is key to enhancing CX across the P&C lifecycle.

Service providers are enabling insurance organizations by transforming their BPO into digitized operations and managing it to significantly boost customer experience, reinvent business designs and improve P&C services.

ISG study will cover an array of P&C insurance products and services as illustrated in the table

Simplified illustration

Personal Lines	Commercial Lines	Others
Homeowners	Surety	Specialty Lines
Renters	Property	Parametric & Index
Recreational vehicle	Worker's Compensation	Reinsurance & Large Commercial (RLC)
Boat	Marine	Fleet Telematics
Auto	General liability	On-Demand/Exclusive type Coverage or Risk
Motorcycle	Commercial auto	
Flood	Errors & omissions	
Mortgage protection	Business interruption insurance	
Identity theft protection	Crop-hail damage	

Source: ISG 2023

Property and Casualty (P&C) Insurance BPO Services

Eligibility Criteria

1. Provide **transaction processing** or **managed services for P&C services** that cover one or more P&C products specified in the preceding table

2. **Manage end-to-end P&C insurance processes** with robust domain expertise

3. Demonstrate expertise in enablement with **digital technologies**, including intelligent automation, advanced analytics, cloud, data, security and other applications

4. **Offer innovative solutions and approaches** to the BPO market through various forms (such as pricing and delivery models) and types of partners (such as InsurTechs, industry players, competitors, technology and digital specialists, etc.).

5. **Translate experience and expertise** into tools and reusable components, including playbooks, assessments, templates and blueprints

6. **Substantiate industry experience** through references and use cases across North America or Europe (including the U.K.)

7. Demonstrate the **ability to execute** multiple insurance **P&C BPO projects** across different functional areas, with at least one project underway in the current year

8. Won a minimum of **one new deal with a new client or renewed an existing deal** over the last 12 months

Life and Retirement (L&R) Insurance TPA Services

Definition

The BPO and ITO services listed above are combined to provide insurance companies with an all-encompassing business process as a service (BPaaS), typically through a licensed provider or third-party administrator (TPA). This service typically includes PAS, which is covered as part of the separate Provider Lens™ study – Insurance Policy Administration Systems.

ISG defines BPaaS as a subset of BPO that encompasses the policy administration system (PAS), the ongoing technological support for the PAS and the business processing support for insurance products. BPaaS providers typically offer personnel and processes via the internet, frequently using automated technologies that enable them to operate on a pay-per-policy service model. Because pricing is based on consumption, BPaaS allows insurers to have a variable cost structure that lowers headcount and labor costs and scales as necessary, potentially leading to significant cost savings.

Licensed TPAs offer most BPaaS solutions. These providers vary based on size, scope of offerings and experience. Their offerings range from basic policyholder services and claims administration for closed business blocks to complete end-to-end insurance operations and administration for open business blocks. These open block services encompass all aspects of people, processes and technologies, including actuarial, product development, underwriting, collections, billing and new business acquisition and enrollment.

ISG will assess BPaaS/TPA providers based on criteria that include the extent of support offered across insurance types, including life, annuity and supplemental products and services.

ISG will not evaluate BPaaS/TPA services providers in the Europe report.

Eligibility Criteria

1. Ability to provide **TPA services for L&R** (life, annuity and supplemental) products

2. **Manage end-to-end processes** with robust domain expertise

3. Demonstrate **technology enablement expertise** through a **processing platform** and **digital technologies,** such as intelligent automation, advanced analytics, cloud, data, security technologies and applications

4. **Offer innovative solutions and approaches** to the TPA market through various forms (such as pricing and delivery models) and types of partners (such as InsurTechs, industry players, competitors, technology and digital specialists, etc.).

5. **Translate experience and expertise** into tools and reusable components, including playbooks, assessments, templates and blueprints

6. **Substantiate industry experience** through references and use cases across North America

7. Demonstrate the **ability to execute** multiple **insurance BPaaS projects** across different functional areas, with at least one project underway in the current year

8. Won a minimum of **one new deal with a new client or renewed an existing deal** over the last 12 months

Property and Casualty (P&C) Insurance TPA Services

Definition

The BPO and ITO services listed above are combined to provide insurance companies with an all-encompassing BPaaS, typically through a licensed provider or third-party administrator (TPA). This service typically includes PAS, which is covered as part of the separate Provider Lens™ study – Insurance Policy Administration Systems.

ISG defines BPaaS as a subset of BPO that encompasses the policy administration system (PAS), the ongoing technological support for the PAS and the business processing support for insurance products. BPaaS providers typically offer personnel and processes via the internet, frequently using automated technologies that enable them to operate on a pay-per-policy service model. Because pricing is based on consumption, BPaaS allows insurers to have a variable cost structure that lowers headcount and labor costs and scales as necessary, potentially leading to significant cost savings.

Licensed TPAs offer most BPaaS solutions. These providers vary based on size, scope of offerings and experience. Their offerings range from basic policyholder services and claims administration for closed business blocks to complete end-to-end insurance operations and administration for open business blocks. These open block services encompass all aspects of people, processes and technologies, including actuarial, product development, underwriting, collections, billing, and new business acquisition and enrollment.

ISG will assess BPaaS/TPA providers based on criteria that include the extent of support offered across insurance types, including personal, commercial and specialty lines.

ISG will not evaluate BPaaS/TPA services providers in the Europe report.

Eligibility Criteria

1. Ability to provide **TPA services for P&C** (personal, commercial and specialty lines) products

2. **Manage end-to-end processes** with robust domain expertise

3. Demonstrate **technology enablement expertise** through a **processing platform** and **digital technologies,** such as intelligent automation, advanced analytics, cloud, data security technologies and applications

4. **Offer innovative solutions and approaches** to the TPA market through various forms and partnership levels (Insurtech, industry players, competitors, technology and digital specialists, pricing and delivery models, etc.)

5. **Translate experience and expertise** into tools and reusable components, including playbooks, assessments, templates and blueprints

6. **Substantiate industry experience** through references and use cases across North America

7. Demonstrate the **ability to execute** multiple **insurance BPaaS projects** across different functional areas, with at least one project underway in the current year

8. Won a minimum of **one new deal with a new client or renewed an existing deal** over the last 12 months

Insurance ITO Services

Definition

Insurance ITO services include traditional IT services and modern digital services. Insurance firms observe immense scope and urgency to transform their legacy businesses using modern digital technologies. They seek service providers (either existing or new) with the required modern digital IT skills to help transform and reinvent themselves. These transformation programs can lead to vast improvements in CX for insurance customers and agents and enable a real competitive advantage for insurance firms. This study covers technology support and business transformation programs that are ongoing or implemented across insurance firms and their value chains.

ITO service providers help insurance firms manage multiple services to improve profitability, optimize costs and provide better CX and engagements across various end users' customer journeys by transforming their front-to-back offices through digital technologies. These providers have expertise in system integration and business transformation, with sophisticated IT capabilities and digital technologies, such as AI and ML. They have an advantage in agility, growth and cost and can fulfill the insurance market's needs.

ISG will evaluate ITO service providers based on their ability to support insurance firms, digital change journeys and adoption of business transformation services. These services involve insurance-specific exponential technologies for better business designs and transformational outcomes.

The eligibility criteria and definitions for the Europe report remain the same for ITO services. We will also note aspects of the ITO services in relation to the Lloyd's of London reinsurance and large commercial segments (RLC) for the Europe market.

Eligibility Criteria

1. Provide **ITO services for insurance firms,** L&R and P&C insurance carriers, reinsurers, reinsurance brokers, MGAs, Lloyd's of London Syndicate, bancassurance and InsurTechs

2. **Manage end-to-end transformation** with robust technical expertise

3. **Demonstrate technology enablement and business architecture** expertise through the use of digital technologies, including AI and ML, generative AI, intelligent automation, advanced analytics, cloud, data security, IoT, biometrics, robotics, AR/VR, metaverse, data lakes, distributed ledger technology (DLT) / blockchain and other applications, including core insurance systems, CRM systems, and finance and accounting systems

4. **Offer innovative solutions and approaches to the ITO market** through various forms (such as pricing and delivery models) and partners (InsurTechs, industry players, competitors, technology and digital specialists, etc.).

5. **Translate experience and expertise** into tools and reusable components, including playbooks, assessments, templates and blueprints

6. **Substantiate industry experience** through references and use cases across North America or Europe

7. **Demonstrate the ability to execute multiple insurance ITO projects** across different functional areas, with at least one project underway in the current year

8. Won a minimum of **one new deal with a new client or renewed an existing deal** over the last 12 months

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following five quadrants on Insurance Services 2023.

Quadrant	North America	Europe
Life and Retirement (L&R) Insurance BPO Services	✔	✔
Property and Casualty (P&C) Insurance BPO Services	✔	✔
Life and Retirement (L&R) Insurance TPA Services	✔	
Property and Casualty (P&C) Insurance TPA Services	✔	
Insurance ITO Services	✔	✔

The research phase falls in the period between June and July 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in December 2023.

Milestones	Beginning	End
Survey Launch	June 26. 2023	
Survey Phase	June 26, 2023	July 28, 2023
Sneak Preview	October 2023	
Press Release & Publication	December 2023	

Please refer to the link to view/download the ISG Provider Lens™ 2023 research agenda.

Access to Online Portal

You can view/download the questionnaire from here using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of "Voice of the Customer." The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to nominate their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ website.

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:
ISG.star@isg-one.com

ISG Star of Excellence

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ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three consultant advisors participate as part of each study's quality and consistency review process.

The consultant advisors ensure each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the consultant advisors' group and contribute at different levels depending on their availability and expertise.

The consultant advisors:

- Help define and validate quadrants and questionnaires,

- Advise on service provider inclusion, participate in briefing calls,

- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study

Dennis Winkler

Director, Insurance, U.S.

Rob Brindley

Director, ITO

Yadu Singh

Director, U.K.

David Locke

Consulting Advisor, U.K.

Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

Accenture*	Coforge*	Genpact*	NTT DATA*
Actuarial Management Resources*	Cogneesol*	HCLTech*	Patra Corporation*
AGIA Affinity*	Cognizant*	Helmsman Management Services	Persistent Systems*
Amwins Connect*	Concentrix	Hexaware*	ReSourcePro*
Andesa Services*	Conduent*	HTC Global Services*	Sedgwick
Aspire Systems*	Coverdell*	IBM*	SelmanCo*
Athens Administrators	Crawford & Company	Illumifin*	SLK Software
Atos*	Davies Group*	Infosys*	Solartis*
Birlasoft*	Driasi*	Innovation Group*	Sutherland*
Cannon Cochran Management Services (CCMSI)	DXC Technology*	Key Benefits Administrators*	TCS*
Capita*	Ensono*	LTIMindtree*	Tech Mahindra*
Capgemini*	EPAM Systems*	McLarens	Teleperformance*
Charles Taylor	ESIS	Mphasis*	Tietoevry*
CGI*	EXL*	msg insur:it	Trianz*
	Gallagher Bassett Services	Novum*	UST*

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ValueMomentum*

Vertafore

Winston Benefits*

Wipro*

WNS*

Xceedance*

Zensar*

Zinnia*

About Our Company & Research

ᵢSG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

ᵢSG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: Public Sector.

For more information about ISG Research™ subscriptions, please email contact@isg-one.com, call +1.203.454.3900, or visit research.isg-one.com.

ᵢSG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.

ISG Provider Lens™

JUNE, 2023

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REPORT: INSURANCE SERVICES