ISG Provider Lens™

2020-2021

Insurance BPO Services and Platform Solutions 2020 — Life & Retirement and Property & Casualty: BPO and BPaaS Providers

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ISG (Information Services Group) (NASDAQ: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including 75 of the top 100 enterprises in the world, 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; technology strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Connecticut, ISG employs more than 1,300 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.

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Definition

At its most basic level, insurance is a contingency or a risk management plan for individuals or companies who pay premiums to offset financial exposure from a potential unforeseen event or circumstance. Insurance companies are looking to streamline their products, service offerings and provide a seamless experience for customers — beginning with purchasing and onboarding to after-sales services and claims. Insurance enterprises are increasingly turning to outsourcing partners to help them realize their objectives.

Many insurance companies outsource some of the technology and business processes that support their operations, whether they provide life and retirement (L&R) products, including individual and group supplemental products, or property and casualty (P&C) products. The outsourcing landscape is changing. Today it is no longer limited to just the backend services. Instead, enterprises seek to partner with providers and strategically align themselves to transform and grow their businesses in today's digitally-oriented world. With enterprises maturing and becoming more open to forming these long-term relationships, ISG is assessing insurance outsourcing using a holistic approach that includes:

- **Strategy and management,** including strategic management, pricing, product sales and marketing

- **Front and middle office services,** including research and analytics, actuarial and modeling, investment management and sales support

- **Back office/transaction processing** including underwriting, policyholder services and claims processing

Digital transformation has become a priority for enterprises that want to stay relevant to their millennial customers and remain competitive. Enterprises are transforming by embracing digital technologies such as automation, artificial intelligence and cloud solutions. ISG will also measure outsourcing providers in their level of technology adoption that helps them better support insurance companies in the following areas:

The ISG Provider Lens™ study offers insurance carrier decision makers:

- **Business Process Outsourcing (BPO)** services such as customer care centers, new business support, policyholder services, claims processing, actuarial and support for other insurance processes.

- **Policy Administration System (PAS)** software that provides the processing platform for insurance policy administration either as a software license or via a Software as a Service (SaaS) model.

- **Business Process as a Service (BPaaS)** services that are bundled together to provide insurance companies with an all-encompassing BPO/ITO/PAS solution (BPaaS), typically through a licensed provider third party administrator (TPA).

Note that ISG is also conducting a study focusing on life and retirement as well as property and casualty platforms simultaneously.

The ISG Provider Lens™ study offers insurance carrier decision makers:

- Transparency on the strengths and weaknesses of relevant providers

- A differentiated positioning of providers by product segments and functional services

- Information on each provider's transformation and digital-enabling capabilities

- Focus on the US market

The study serves as an important decision-making basis for positioning and go-to-market considerations. ISG advisors and enterprise customers also use information from these reports to evaluate their current and potential new service provider relationships.

Quadrant Research

This ISG Provider Lens™ study will contain the following quadrants:

Insurance BPO Services - U.S.		
Insurance BPO Services		BPaaS and TPA Insurance Services
Life & Retirement Insurance BPO Services	Property & Casualty Insurance BPO Services	BPaaS/ TPA Insurance Services
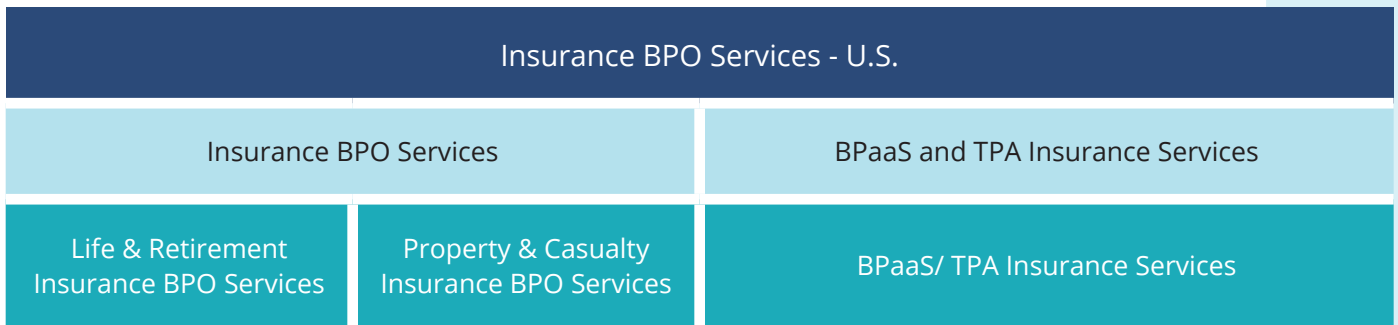
Source: ISG 2020

Life & Retirement

Life and retirement (L&R) covers outsourcing services such as consulting, technology enablement, policy administration systems and managed services for insurance types like life, annuity and supplemental healthcare products. We will measure L&R outsourcing providers based on the extent of the support they offer across various areas including providing backend services, front and middle office support and technology enablement services by the different product categories (life vs. annuities vs. supplemental). With enterprises looking to modernize their services and improve customer management, technology enablement in each functional area, we will focus on these offerings as they are critical to improving customer experience across the L&R lifecycle, from purchasing to post-sales services. Providers that enable transformation by introducing omnichannel, analytics, cloud, automation, and other service offerings can significantly boost customer experience and improve L&R services.

Our study will cover an array of life insurance, annuities and supplemental benefits products and services including:

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 2020

Eligibility Criteria:

- Provides managed services for L&R services that cover one or more products specified in the preceding table

- Handles end-to-end L&R processes; demonstrates strong domain expertise

- Possesses expertise in enablement with digital technologies such as automation, cloud technologies and applications

- Offers industry solutions and forms industry partnerships

- Follows a strong consulting practice

Property and Casualty Insurance (P&C)

Property and casualty (P&C) outsourcing services include consulting, technology enablement and managed services across coverage areas that include auto, theft, property and natural catastrophes. ISG will measure P&C outsourcing providers based on the extent of support offered across various areas that include backend services, front and middle office support and other support services. With enterprises looking to modernize their services and improve customer management, we will focus heavily on technology enablement, since this is a key to enhancing customer experience across the P&C lifecycle. Providers that offer omnichannel, analytics, cloud, automation and similar services to facilitate transformation can make a dramatic difference in insurance organizations' efforts to boost customer experience and improve insurance services.

ISG examines a range of P&C insurance products and services including:

Personal Lines	Commercial Lines
Homeowners	Surety
Renters	Property
Recreational vehicle	Worker's compensation
Boat	Marine
Auto	General liability
Motorcycle	Commercial auto
Flood	Errors and omissions
Mortgage protection	Business interruption insurance
Identity theft protection	Crop-hail damage

Source: ISG 2020

Eligibility Criteria:

- Provides transaction processing or managed services for P&C services that cover one or more products specified in the preceding table

- Handles end-to-end P&C insurance processes; demonstrates strong domain expertise

- Possesses expertise in enablement with digital technologies including automation, cloud technologies and applications

- Offers industry solutions and forms industry partnerships

- Follows a strong consulting practice

Business Process as a Service (BPaaS) and Third-Party Administration (TPA)

ISG defines business process as a service (BPaaS) as a type of business process outsourcing that encompasses the policy administration system (PAS), the ongoing technology support of the PAS, and the business processing support of the insurance products. BPaaS providers typically offer personnel and processes via Internet-based, often-automated technologies that enable them to operate on a pay-per-policy service model. Since pricing is based on consumption, BPaaS can allow insurers to have a variable cost structure that reduces headcount and labor costs, and scale as necessary, potentially leading to significant cost savings.

Most BPaaS solutions are offered by licensed third-party administrators (TPAs). TPAs can vary significantly in size, scope of offerings and experience. They offer services that range from basic policyholder services and claims administration for closed blocks of business to full end-to-end insurance operations and administration for open blocks of business that encompass all aspects of the people, processes and technology, including actuarial, product development, underwriting, collections and billing, new business acquisition and enrollment.

ISG will assess BPaaS/TPA providers by criteria that include the extent of support offered across insurance types, including life, annuity and supplemental with the following eligibility criteria:

- Ability to provide TPA services for L&R (life, annuity and supplemental) products that cover a variety of services

- Can handle end-to-end processes, demonstrating strong domain expertise

- Possess technology enablement expertise through a processing platform and digital technologies like automation, cloud and other applications

- Offers industry solutions and forms partnerships

- Follows a strong consulting practice

Archetype Report

In this report, we identify and classify the typical buyers of L&R insurance and P&C insurance. As part of this exercise, we have identified four major buyer segments:

Transactional buyers: This archetype represents buyers that purchase point solutions for non-critical transactions and/or a specific vertical of insurance processes. When it comes to insurance outsourcing, buyers in this segment strive to reduce the cost of transaction processing by leveraging offshore labor arbitrage. These buyers also may look for solutions and frameworks that are specific to their verticals and can help them address and meet regulatory requirements.

Automation-driven services buyers: These buyers are keen on cost savings, accuracy, and achieving higher efficiencies. Their processes are sufficiently mature, allowing them to implement robotic process automation (RPA). These clients are a step ahead of transactional services buyers, whose processes can accommodate basic rule-based automation, and they have the potential to automate several processes. They are inclined to leverage cognitive technologies for better insights and analytics.

Digitally evolved insurance buyers: These digitally evolved buyers are looking to accelerate their digital journey. Their processes have already matured, they have little or no legacy burden, or they may be interested in starting new digital-enabled offerings. These buyers seek out providers that can deliver digital solutions to improve processes. They are open to leveraging emerging technological solutions like cloud platforms and RPA and they want to incorporate elements of Internet of things (IoT) and cognitive technologies extensively.

Integrated insurance solutions buyers: With a main objective of achieving a better outcome through minimal enterprise investment, these buyers turn to outsourcers for end-to-end insurance services, including complex functions, typically through a business process as a service (BPaaS)/Third-Party Administrator (TPA) provider. They may want to offload closed blocks and/or use the provider's digital platform for future open blocks. These clients actively seek strategic partnerships. With a long-term roadmap for digital transformation, these buyers want to leverage emerging technologies like big data and analytics to enable better decision making and manage customers more effectively.

Quadrants by Region

As part of the ISG Provider Lens™ Quadrant Study, we are introducing the following quadrant (market) research on Insurance Platforms by region:

Quadrants	Global	U.S.
Life & Retirement Insurance - BPO	Overview	√
Property & Casualty Insurance - BPO	Overview	√
BPaaS & TPA - BPO	Overview	√
Archetype report	√	-

Source: ISG 2020

Schedule

The research phase is between **October 2020** and **November 2020**, when the survey, evaluation, analysis and validation will take place. The results will be presented to the media in **January 2021**.

Milestones	Beginning	End
Launch	October 8, 2020	
Survey Phase	October 6, 2020	October 27, 2020
Sneak Preview	November 25, 2020	
Press release	January 30, 2021	

Please refer to the link to view/download the ISG Provider Lens™ 2020 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 work identified by the 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 to produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of 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.

List of companies under consideration for participation:

If your company appears in the following list, or if your company is not listed but you believe it to be a relevant provider, please contact us for consideration in our research.

Accenture	SE2
Atos	Seibels
Birlasoft	SLK
Capgemini	Sofftek
Cognizant	Sutherland
Concentrix	TCS
Conduent	Tech Mahindra
Covenir	Wipro
Datamatics	WNS
DXC	Xceedance
EXL	
Gallagher Basset	
Genpact	
HCL Technologies	
Hexaware	
HGS	
IBM	
Infosys	
Mphasis	
NTT Data	
ReSource Pro	

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