



**\*ISG** Provider Lens™

2019

Insurance BPO Digital Services  
2019 – Life, Property &  
Casualty

imagine your future®

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# Definition

Insurance coverage is a critical service that companies offer to consumers to safeguard against financial loss in the event of unforeseen circumstances such as illness, natural calamity and vehicular accidents. It is a contingency or a risk management plan for individuals or companies. It is a basic essential and with the growing number of customers in this market, enterprises are looking to streamline their services, service offerings and provide a seamless experience for customers — starting from purchasing to after-sales services. Insurance enterprises are leaning towards outsourcing partners to bring this journey to fruition.

Insurance BPO involves the outsourcing of insurance functions like life, annuity, health, and property and casualty (P&C). With the outsourcing landscape changing, it is no longer limited to just the backend services; enterprises are seeking to partner with providers and strategically align themselves to support businesses. With enterprises maturing and more open to forming partnerships, we at ISG adopt a holistic approach in assessing insurance outsourcing that includes:

- **Strategy and management** such as strategic management, pricing, product sales and marketing
- **Front and middle office services** such as research and analytics, investment management and sales support
- **Back office/transaction processing** such as underwriting and claims processing

With 'digital' becoming a priority for enterprises to keep pace with their millennial customers and remain competitive, enterprises are embracing digital technologies such as automation, artificial intelligence and cloud solutions. To enable deeper insights, analytics, efficiencies and productivity, insurance BPO will also be measured in terms of technology adoption to gain the digital advantage.

The following table defines a service line and illustrates the various subsets under insurance BPO:

| Sales – Direct Sales Force  | Sales – Telephone sales   | Sales – Online  | Sales – Agency   | Sales – Institutional     |
|---|---|---|--|---------------------------|
| <b>New Business</b> <ul style="list-style-type: none"> <li>Application Input and Validation</li> <li>Specialist Underwriting</li> <li>Proposal Acceptance</li> <li>Proposal Completion</li> <li>Policy Issue</li> <li>Proposal enquiries and monitoring</li> <li>Support</li> <li>Management and Administration</li> </ul>                  | <b>Policy Servicing</b> <ul style="list-style-type: none"> <li>Quotes for Policy Values and Amendments</li> <li>Action Amendments</li> <li>Switches &amp; Redirections</li> <li>Renewals</li> <li>Issue Regular Statements</li> <li>Contractual Changes</li> <li>Calculate reinsurance premiums</li> <li>Specialist Underwriting</li> <li>Policy Servicing Inquiries</li> <li>Support</li> <li>Management and Administration</li> </ul> | <b>Claims Handling</b> <ul style="list-style-type: none"> <li>Notification</li> <li>Appraisal</li> <li>Settlement Management</li> <li>Fraud Investigation</li> <li>Claims Payments</li> <li>Refunds &amp; Recoveries</li> <li>Claims Reserving</li> <li>Claims Inquiries</li> <li>Claims Supplier Management</li> <li>Support</li> <li>Management and Administration</li> </ul> | <b>Premium Maintenance</b> <ul style="list-style-type: none"> <li>Premium Payer Details Maintenance</li> <li>Premium Billing</li> <li>Premium Collection</li> <li>Premium Chasing</li> <li>Reconciliation &amp; Audit</li> <li>Application to Accounts</li> <li>Premium Enquiries</li> <li>Support</li> <li>Management and Administration</li> </ul> | Investment Administration |
|   |   |   |  | Actuarial / Underwriting  |
|   |   |   |  | Marketing                 |
| <b>Agency &amp; Commission</b> <ul style="list-style-type: none"> <li>Commission Guidelines</li> <li>Intermediary Selection</li> <li>Calculate and Apply Commission</li> <li>Maintain Advisor Accounts</li> <li>Issue Commission Statements and Pay Commission</li> <li>Maintain Advisor Portfolio</li> <li>Commission Enquiries</li> </ul> | <b>Annuities</b> <ul style="list-style-type: none"> <li>Annuities Inquires</li> <li>Support</li> <li>Management and Administration</li> </ul>   | <b>Terminations, Reinstatements &amp; Maturities</b> <ul style="list-style-type: none"> <li>Terminations and Reinstatements</li> <li>Process Maturities</li> <li>Process Surrenders, Withdrawals and Transfers Out</li> <li>Process Loans</li> <li>Process Risk Claims</li> </ul>   |  | Product Development       |
|   |   |   |  | Compliance                |
|   |   |   |  | Storage & Retrieval       |
| Information Technology  | HR and Finance  | Other Support Services  | Call Center  |                           |

The ISG Provider Lens™ study on Insurance BPO Digital Services 2019 — Life, Property & Casualty gives:

- A financial and business overview of service providers offering insurance BPO digital services at both the global and US levels (some of the service providers that will be captured in the study will be EXL, Accenture, Atos, Capgemini, Cognizant, Concentrix, Conduent, Wipro and WNS)
- Portfolio and service offerings to life and P&C insurance companies
- Technology enablement such as robotic process automation, artificial intelligence, Internet of Things (IoT) and blockchain to improve insurance processes

Our study serves as an important insight into the positioning, key relationship, service offerings, technology adoption and maturity levels of top insurance companies. ISG advisors and enterprise clients also leverage information from these reports to assess the current relationships and understand the scope of potential new engagements.

# Quadrant Research

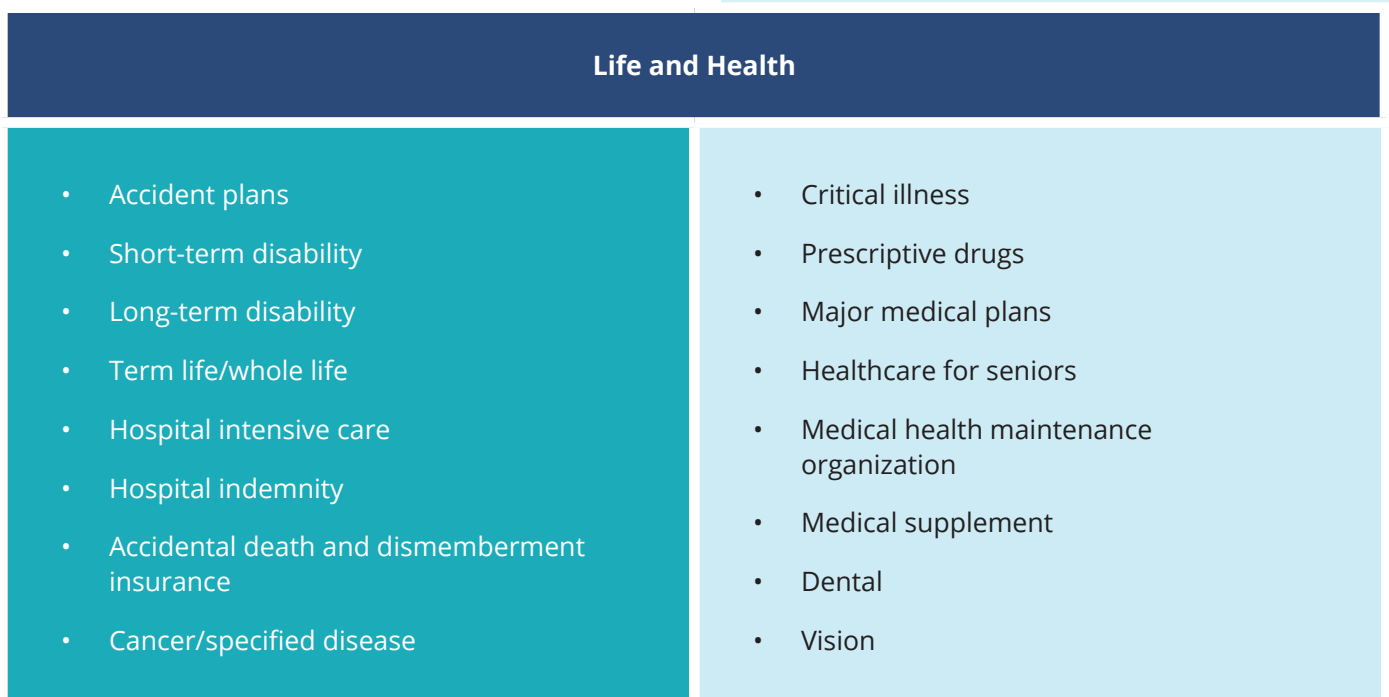
As part of this ISG Provider Lens™ quadrant study, we are introducing two sections of insurance services related to BPO as illustrated below:



## Life Insurance

Life insurance outsourcing involves providing outsourcing services such as consulting, technology enablement and managed services for insurance types like life, annuity, healthcare and term. From providing backend services, front and middle office support and other support services, life insurance outsourcing providers will be measured based on the extent of support offered across various areas. With enterprises looking to modernize their services and improve customer management, technology enablement will be a critical factor. This is key to improving customer experience, starting from the purchasing of policies to providing services post sales. Hence, providers that bring in transformation by introducing omnichannel, application development, analytics, cloud, automation and other services will be integral in enhancing customer experience and improving insurance services.

Some of the products and services handled by life insurance BPO centers are:



### Eligibility Criteria:

- Ability to provide managed services for life insurance services that cover all/most services specified in the preceding table
- Adept at handling end-to-end processes of life insurance; strong and proven demonstration of domain expertise
- Possess expertise in technology enablement with digital technologies such as automation, cloud technologies and applications
- Ability to offer industry solutions and form partnerships
- Follow a strong consulting practice

## Property and Casualty Insurance (P&C)

P&C insurance outsourcing involves providing outsourcing services such as consulting, technology enablement and managed services across areas like auto, theft, property and natural calamities. From providing backend services, front and middle office support and other support services, P&C insurance outsourcing providers will be measured based on the extent of support offered across various areas. With enterprises looking to modernize their services and improve customer management, technology enablement will be a critical factor. This is key to improving customer experience, from purchasing of policies to providing services post sales. Hence, providers bringing in transformation by introducing omnichannel, application development, analytics, cloud, automation and similar services will be integral in enhancing customer experience and improving insurance services.

Some of the products and services handled by P&C insurance BPO centers are:

| Property and Casualty   |  |
|---|--|
| <p><b>Personal Lines</b></p> <ul style="list-style-type: none"> <li>• Homeowners</li> <li>• Auto</li> <li>• Recreational vehicle</li> <li>• Marine</li> <li>• Collected auto</li> <li>• Flood</li> <li>• Disaster mortgage protection</li> <li>• Identity theft protection</li> <li>• Warranties</li> <li>• Motorcycle</li> </ul> | <p><b>Commercial Lines</b></p> <ul style="list-style-type: none"> <li>• Surety</li> <li>• Property</li> <li>• Worker's compensation</li> <li>• General liability</li> <li>• Auto</li> <li>• Errors and omissions</li> <li>• Business insurance offer policies</li> </ul> |

### Eligibility Criteria:

- Ability to provide managed services for P&C insurance services that cover all/most services specified in the preceding table
- Adept at handling end-to-end processes of life insurance; strong and proven demonstration of domain expertise
- Possess expertise in technology enablement with digital technologies such as automation, cloud technologies and applications
- Ability to offer industry solutions and partnerships
- Follow a strong consulting practice

# Quadrants by Region

| Quadrants      | Global | US |
|----------------|--------|----|
| Life Insurance | √      | √  |
| P&C Insurance  | √      | √  |

**Note:** There are some regions which are highlighted as not having a quadrant report. The data for these regions is being collected for the Candidate Provider Qualification program.

## 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.



# Archetype Report

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

**Transactional services buyers:** This archetype represents point solution buying behavior with a focus on non-critical transactions and parts of insurance processes. The objective of clients falling under this archetype is to reduce the cost of transaction processing by leveraging offshore labor arbitrage.

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

**Digitally evolved insurance buyers:** These clients are looking to embark on a digital journey. Their processes have already matured and have little or no burden of legacy. They are seeking providers that can bring digital solutions to improve processes. They want to leverage emerging technological solutions like cloud platforms and robotic process automation and bring elements of IoT and cognitive technologies extensively.

**Integrated insurance solutions buyers:** These clients are looking to outsource end-to-end insurance services, including complex functions, typically through a Third-Party Administrator (TPA) provider. Their objective is to achieve a better outcome through minimal investment on the enterprise front. They may want to offload closed blocks and/or use the provider's digital platform for future open blocks. These clients are looking for strategic partnerships. They have a long-term roadmap for digital transformation and want to leverage emerging technologies especially big data/analytics to enable better decision making and effective management of customers.

**Vertically focused buyers:** Clients falling under this archetype are looking for solutions and frameworks that are specific to their verticals and will help them address both process and regulatory requirements when it comes to insurance outsourcing.

# Schedule

The research phase is between **February** and **August 2019** during which the survey, evaluation, analysis and validation will take place. The results will be presented to the media in **August 2019**.

| <b>Milestones</b>    | <b>Beginning</b>  | <b>End</b>     |
|----------------------|-------------------|----------------|
| Survey Phase         | February 19, 2019 | March 11, 2019 |
| Sneak previews       | June 24, 2019     |                |
| Content provisioning | July 30, 2019     |                |
| Press release        | August 07, 2019   |                |

Please refer to the link below to view/download the Provider Lens 2019 Research Agenda :

[https://isg-one.com/docs/default-source/default-document-library/isg-provider-lens-annual-plan-2019.pdf?sfvrsn=c323cc31\\_0](https://isg-one.com/docs/default-source/default-document-library/isg-provider-lens-annual-plan-2019.pdf?sfvrsn=c323cc31_0)

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Do you need any further information?

If you have any questions, please do not hesitate to contact us at [isglens@isg-one.com](mailto:isglens@isg-one.com).

# List of companies being invited for the Survey

If you are in the following list or see your company as a relevant provider that is missing here, please contact us to ensure your active participation in the research phase.

|            |               |
|------------|---------------|
| Accenture  | IBM           |
| Atos       | Infosys       |
| Capgemini  | Majesco       |
| Cognizant  | Sutherland    |
| Concentrix | TCS           |
| Conduent   | Tech Mahindra |
| DXC        | Trianz        |
| EXL        | Wipro         |
| Genpact    | WNS           |
| HCL        |               |