

***ISG** Provider Lens™

Insurance BPO Services

U.S. 2020

Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



May 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of January 2021 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

For more information about our studies, please email ISGLens@isg-one.com, call +49 (0) 561-50697537, or visit ISG Provider Lens™ under [ISG Provider Lens™](#).



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EXECUTIVE SUMMARY

THE CHANGING BUSINESS CASE FOR INSURANCE BPO AND TPA SERVICES

Today's insurance companies are facing mounting pressures to grow their business, discover new operational efficiencies, respond to changing market dynamics and ever-increasing regulatory mandates and do more with fewer resources. At the same time, these organizations must provide a pleasant, more modern/digital experience to customers and agents at all touchpoints, from application and onboarding to the claims process and beyond. Insurers also need to optimize their distribution channels and empower agents with the tools and technologies they need. What is more, they have mountains of data flowing into and out of their organizations, and they need to have the ability to harness the power of the information for actionable insights that can help them optimize their business.

Many insurers continue to run legacy systems that hold them back from being truly competitive. Older systems often lack the agility to let insurers respond to changing conditions, or they hamper innovation and keep companies from introducing new products and services quickly and effectively. These older systems are complex, inefficient and costly to operate, with data trapped in silos that cannot interact with one another. This can prevent insurers from getting a unified, 360-degree view of customers, which is so critical to delivering the personalized experience customers demand.

For many insurers, legacy systems may feel like an anvil that holds them down to complicated, unwieldy and largely ineffectual environments. Digital capabilities can cut the chains and help carriers soar. Integrating digital technologies and capabilities throughout an insurance organization can bring about significant improvements across the value chain. Most insurers have already started their digital transformations and are in various stages of progress in their digital journeys.

2020 brought significant challenges to insurers, and COVID-19 has altered the way insurers do business. For example, distribution channels have been turned upside down, with agents now forced to do business virtually instead of in person. With rules barring office contact, prospective policyholders needed an easy and efficient way to apply for coverage. Carriers that were slow to digitally transform are being forced to play catch up just to survive. The pandemic forced carriers to accelerate their digital journeys. In many ways, the situation became clear: Go digital, or go home.

Leveraging BPO and Service Providers to Accelerate the Digital Journey

Life and retirement (L&R) and property and casualty (P&C) carriers are increasingly turning to outside service providers to deliver capabilities they need but do not have or cannot easily deliver. These providers can help to free insurers to devote resources to more strategic activities instead of trying to squeeze out necessary functionality from aging systems. Business process outsourcing (BPO) providers bring robotic process automation (RPA), artificial intelligence (AI), chatbots and other process-enhancing tools as part of their services, and third-party administrators (TPAs) can provide a modern, digital ecosystem as part of their service offerings. Carriers increasingly are utilizing these services either to launch new products on these more modern platforms or to enhance or replace their old systems.

BPO and TPA providers can enable carriers to meet the following objectives.

- **Optimize operational efficiency:** The right provider can help insurers from all segments meet their objectives and deal with the most pressing issues currently disrupting the industry. Carriers across segments are using insurance BPO and TPA services to gain efficiencies across an enterprise, cut costs and reduce technical debt. Policy administration outsourcing, for example, can help insurers improve and streamline operations and, in some cases, automate the insurance policy lifecycle from

application to claims. Because BPO and TPA services can be performed as needed, they enable carriers to quickly scale up or down with changing workloads and demand in their business environment, realizing cost savings. Outsourcing also gives insurance organizations access to the latest technologies without having to deal with massive and repetitive capital expenditures and helps them collaborate and integrate with insurance technology companies, or insurtechs.

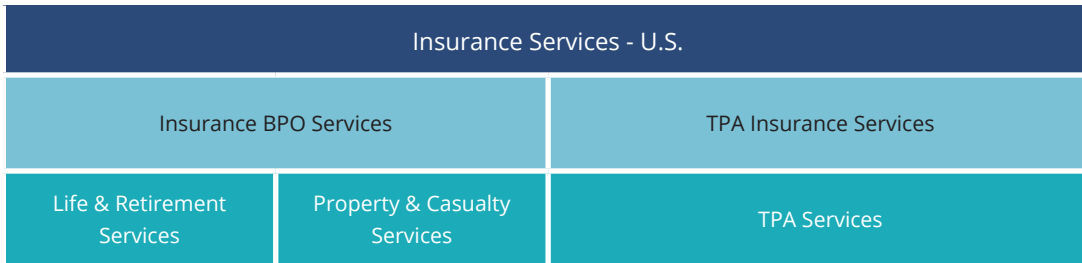
- **Grow the business.** Insurers are also tapping BPO and TPA service providers to help them grow. Outside providers can help insurers speed products to market. What is more, providers with specialized analytics and data management expertise help insurers not only to make sense of the mountains of structured and unstructured data coursing into and out of their organizations but also to use it for the greater good. Using analytics to glean actionable insights can help insurers improve risk management, price more accurately and detect fraud more easily, for example. An insurance BPO services provider with advanced analytics capabilities can give carriers a leg up on the competition by enabling actionable insights from disparate data sources that can help shape product development strategies and tailor specific products to discrete market segments.

- **Meet customer experience expectations.** Customer experience has become a competitive differentiator across industries, and notably in insurance, where one bad interaction can prompt a policyholder to change carriers. For insurance organizations, the ability to optimize the customer experience is essential to achieving growth and, in some cases, viability. Consumers are increasingly tech-savvy and comfortable with purchasing products and dealing with retailers online. Today, consumers expect all interactions with their insurers to be frictionless, efficient and pleasant, the same level of experience they now expect from online retailers. Many insurance BPO and TPA service providers offer a variety of technologies that can help insurers streamline customer-facing processes and provide great experiences across contact channels. Many of today's insurance BPO and TPA service providers can digitize processes across the policy lifecycle. This means life insurers can offer prospective policyholders a fast and simple application process with an immediate response and P&C insurers can enable customers to submit photos of an accident or loss to expedite the claims process. Similarly, BPO service providers can enable an effective and efficient user experience for agents by empowering them with the tools and technologies they need to do their jobs well.

- **Maintain security.** Insurers deal with some of the most sensitive personal data, including health and medical information, financial details and other data that is linked to the identity of a living or deceased person. Ensuring the security of policyholder data is of critical importance to insurers because one data breach can have far-reaching and long-term ramifications, including reputational and financial damage. Maintaining data privacy is always top of mind for insurance organizations and is even more of a concern when they are contemplating entering into a relationship with an insurance BPO or TPA service provider. The good news is that many providers have processes and capabilities in place that not only meet but exceed the data protection standards required by numerous regulatory mandates. BPO and TPA providers can keep insurers one step ahead of claims fraudsters with sophisticated technologies and tools.

Introduction

Simplified Illustration



Source: ISG 2021

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 risk management plan for individuals or companies. Insurance companies are looking to streamline their products and service offerings and provide a seamless experience for customers — from purchasing and onboarding to after-sales services and claims. Insurance enterprises are turning to outsourcing partners to help them realize their objectives.

Definition (cont.)

This ISG Provider Lens™ study offers IT-decision makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by product segment.
- Focus on the U.S. market.

This 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.

Scope of the Report

ISG uses a holistic approach to assess insurance BPO 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

Definition (cont.)

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, AI and cloud solutions. ISG will also measure outsourcing providers on their level of technology adoption to help them better support insurance companies in the following areas:

- **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.
- **Third-party administrator (TPA) services** that are bundled together to provide insurance companies with an all-encompassing BPO/PAS solution (BPaaS), typically through a licensed TPA.

Organizations that are investing in and focusing on digital technologies like automation, AI and cloud solutions to gain deeper insights, achieve efficiencies across the enterprise and boost productivity are poised to pull ahead of their peers that are not embracing digital to the same extent.

ISG studies are intended to anticipate the investigation efforts and buying decisions of typical enterprise clients. When contemplating a significant strategy transformation, making purchase-versus-rent decisions for infrastructure, implementing Agile practices or incorporating automation into their environments, enterprise clients will benefit from a study that examines an entire ecosystem for a certain service line.

Therefore, ISG studies are comprised of multiple quadrants covering the spectrum of services that an enterprise client would require.

Definition (cont.)

The quadrant descriptions are:

Life & Retirement Insurance Services: This quadrant includes providers that offer a wide variety of services that include consulting, technology enablement and managed services, in the form of backend services, front- and middle-office support and other services, for carriers that offer a variety of life insurance, supplemental insurance and retirement products such as annuities. ISG evaluates life and retirement outsourcing providers based on the scope of services offered, vision and ability to execute, market strength and awareness, partner and ecosystem scalability and more.

Property & Casualty Insurance Services: Property and casualty (P&C) insurance business process outsourcing providers offer an array of services that include consulting, technology enablement and managed services for carriers that provide a wide range of coverage in areas that include homeowners, auto, theft and natural catastrophes, as well as coverage to financially protect individuals and businesses

from legal liability claims from outside parties. Provider offerings include backend services, front- and middle-office support and other services. ISG evaluates P&C business process outsourcing providers based on the scope of services offered, vision and ability to execute, market strength and awareness, partner and ecosystem scalability and more.

Third-Party Administrator (TPA) Services: — Third-party administrator (TPA) outsourcing providers offer consulting, technology enablement and managed services, in the form of backend services, front- and middle-office support and other services, for carriers that offer a variety of life insurance, supplemental insurance and retirement products such as annuities. The TPA environment is highly regulated, and it is essential that providers in this space are compliant with all regulations and hold TPA licenses for all states in which they operate. ISG evaluates TPA providers based on the scope of services offered, vision and ability to execute, market strength and awareness, partner and ecosystem scalability and more.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Mid Market:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Insurance BPO Services - Quadrant Provider Listing 1 of 2

	Life & Retirement Services	Property & Casualty Services	TPA Services
Accenture	Rising Star	Rising Star	Rising Star
Capgemini	Not In	Not In	Market Challenger
Cognizant	Leader	Leader	Leader
Concentrix	Not in	Not in	Market Challenger
Datamatics	Contender	Not In	Contender
DXC	Leader	Leader	Leader
EXL	Leader	Leader	Leader
Genpact	Leader	Leader	Not in
Infosys	Leader	Leader	Leader
Mphasis	Not In	Contender	Not in

Insurance BPO Services - Quadrant Provider Listing 2 of 2

	Life & Retirement Services	Property & Casualty Services	TPA Services
NTT DATA	● Market Challenger	● Not In	● Leader
ResourcePro	● Not In	● Product Challenger	● Not in
SE2	● Leader	● Not In	● Leader
Sutherland	● Product Challenger	● Product Challenger	● Product Challenger
TCS	● Product Challenger	● Product Challenger	● Product Challenger
Tech Mahindra	● Contender	● Contender	● Not in
Wipro	● Contender	● Not In	● Contender
WNS	● Leader	● Leader	● Leader



Insurance BPO Services Quadrants

ENTERPRISE CONTEXT

Life & Retirement Services

This report is relevant to enterprises in the U.S. for evaluating providers that offer life and retirement (L&R) business process outsourcing services.

In this quadrant report, ISG assesses the current market positioning of providers offering L&R insurance BPO services in the region, based on the depth of their service offerings and market presence.

Our research indicates that enterprises have shifted from focusing on economic margins to improving the customer experience and building more systematic solutions. In 2020, enterprises in the insurance sector began focusing on overcoming data hurdles to align with regulatory mandates and meet their objectives of flexible and better pricing, claims and risk management, underwriting and more. They are seeking service providers that can support them in a collaborative and innovate way as well as bring in domain and industry experience, analytics, artificial intelligence (AI) and robotics process automation (RPA).

Compared to other regions, the U.S. sees L&R BPO services as a business enabler rather than just a cost-cutting methodology. Enterprises look for providers that offer deep domain and industry experience, including claims administration, channel management, policy servicing and actuarial development. These providers also have digital technologies and flexible commercial models to build better L&R BPO services.

The common obstacles in L&R BPO services today include meeting regional regulatory and compliance standards, shortage of necessary talent and data security risks.

Who should read this report:

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service providers that can help them build and manage complex business management for improving their business data analysis and decision making.

Operational leaders and finance leaders should read this report to understand the relative positioning of service providers and thus engage with the right partner that can ensure high returns on investment and business performance improvements.

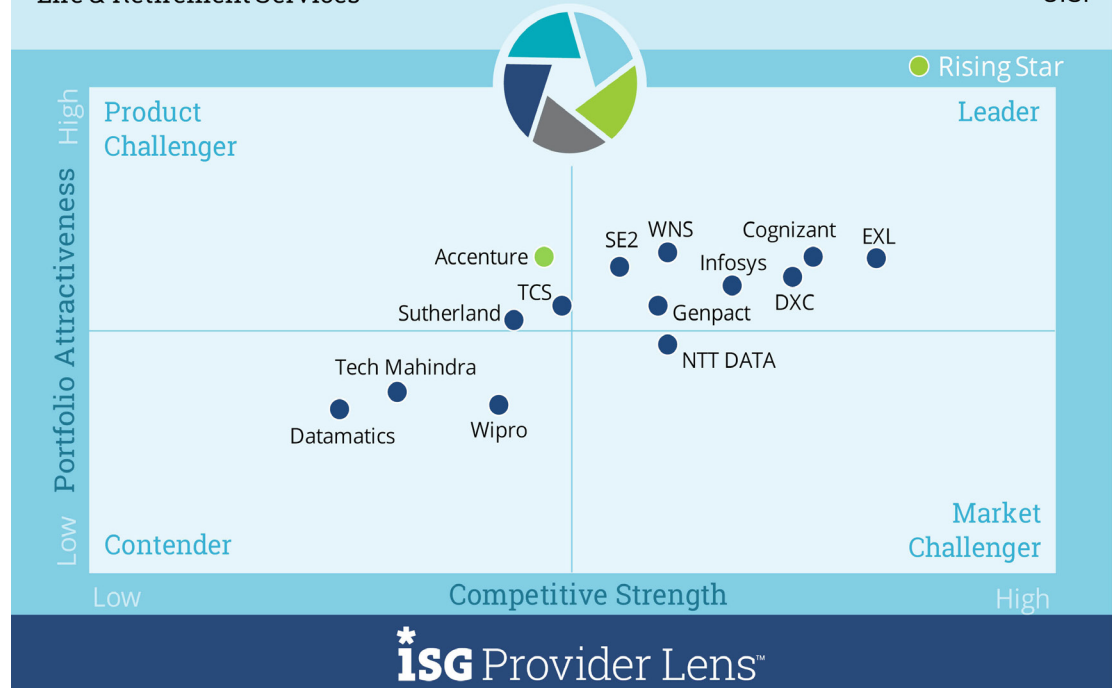
LIFE & RETIREMENT SERVICES

Definition

Life and retirement (L&R) insurance services covers outsourcing services such as consulting, technology enablement, policy administration systems and managed services for insurance types including life, annuity and supplemental healthcare products. ISG measured L&R outsourcing providers based on the extent of support they offer across various areas, including backend services, front- and middle-office support and technology enablement services within different product categories (life versus annuities versus supplemental). With enterprises looking to modernize their services and improve customer management and technology enablement in each functional area (BPO, PAS and TPA/BPaaS), ISG focused 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, application development, analytics, cloud, automation and other service offerings can boost customer experience and improve L&R services significantly.

Insurance BPO Services
Life & Retirement Services

2020
U.S.



Source: ISG Research 2020

LIFE & RETIREMENT SERVICES

Eligibility Criteria

- Provides managed services for L&R that cover one or more services
- Handles end-to-end L&R processes and demonstrates strong proficiency and 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

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

Source: ISG 2021

LIFE & RETIREMENT SERVICES

Observations

- **Cognizant** maintains its standing as a Leader in the L&R insurance BPO quadrant because of its broad operations and technology capabilities, strong suite of digital offerings and industry collaboration.
- With its vast industry presence and technology, **DXC Technology** maintains its standing as a Leader in the Life & Retirement Insurance Services quadrant for U.S. providers.
- **EXL** brings more than 20 years of insurance industry experience. It has a strong U.S. market presence with a growing number of transformation engagements and a solid product portfolio in L&R insurance BPO services.
- **Genpact** has a long history of providing BPO services for insurance organizations. With its deep domain experience, its Cora platform and an analytics and automation-infused approach to digital transformation, it is a Leader in this quadrant.
- With a strong industry presence and deep domain expertise, **Infosys** offers L&R insurance organizations robust transformation solutions across the value chain, reinforcing its position as a Leader in this quadrant.
- **SE2** is a chosen Leader in the L&R insurance BPO market because of its integrated offering in both life and annuity spaces, embedded with advanced automation and analytics for a seamless customer experience. It specializes in this domain and focuses very strongly on the U.S. market.
- **WNS** is a Leader in this quadrant because of its strong business process expertise, focus on automation and analytics as well as its strong actuarial practice.
- **Accenture** is this year's rising star as it has significantly invested in building its L&R capabilities, has built new process-enabling tools and has won several big deals.

DXC TECHNOLOGY

Overview

A mature technology provider that continues to excel in both product strength and market share in the L&R BPO services sector, DXC is once again a leader in the L&R insurance services category. DXC was created by the merger of Computer Sciences Corporation (CSC) and the Enterprise Services business of Hewlett Packard Enterprise in 2017. DXC provides end-to-end support of virtually all L&R insurance functions, including new business, policy servicing, claims, billing, pension risk transfer and agency and commissions support. Its services encompass a wide range of products that include whole, term and universal life; a variety of annuity types; individual accident and health disability; Medicare supplement; long-term care and structured settlements. DXC serves approximately 35 L&R providers and supports more than 11 million policies. It currently has four delivery centers in North America, including three in the U.S.

Strengths

Vast industry presence: Although the company serves multiple verticals, DXC has a considerable foothold in the insurance industry. The firm is widely recognized as a leader in the field, having worked with insurers since 1985.

Creative partnerships: Insurtechs and startups are using technology in new and different ways and can bring a new perspective to insurance technology. Instead of competing with these often industry-disrupting new market entrants, DXC has realized the value of outside-in innovation and encourages and seeks partnerships with agile insurtechs. These partnerships enable the company to innovate and create cutting-edge solutions. In 2017, DXC began a series of insurtech competitions, known as the DXC Invitational, to find and attract the best and brightest new industry players.

Advanced digital capabilities: DXC's growing partnerships with insurtechs, combined with its own digital capabilities, enable the provider to come to the table with robust digital transformation capabilities. The firm's case studies are compelling digital insurance transformation stories.

Caution

Delivery model improvements: Although DXC has a solid and growing customer base in L&R insurance services, the company still is optimizing its delivery model to take advantage of its automation ecosystem.



2020 ISG Provider Lens™ Leader

With a combination of advanced technologies and partnerships with cutting-edge insurtechs and industry startups, DXC is focused on developing and providing innovative solutions to L&R insurers for competitive advantage.

ENTERPRISE CONTEXT

Property & Casualty Services

This report is relevant to enterprises in the U.S. for evaluating providers that offer property and casualty (P&C) business process outsourcing services.

In this quadrant report, ISG assess the current market positioning of providers offering P&C insurance BPO services in the region, based on the depth of their service offerings and market presence.

Today, many enterprises in the insurance sector leverage digital innovations such as data-driven insurance and advanced ecosystems. They are looking for service providers that have significant expertise in the areas of distribution, underwriting, claims and policy administration, operations and other digital insurance operations. They also want support for a wide range of personal and commercial lines (policy administration, underwriting and audit support, new business, customer service, claims management and clinical and billing, customer service)

Who should read this report:

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service providers that can help them build and manage complex business management for improving their business data analysis and decision making.

Operational leaders and finance leaders should read this report to understand the relative positioning of service providers and thus engage with the right partner that can ensure high returns on investment and business performance improvements.

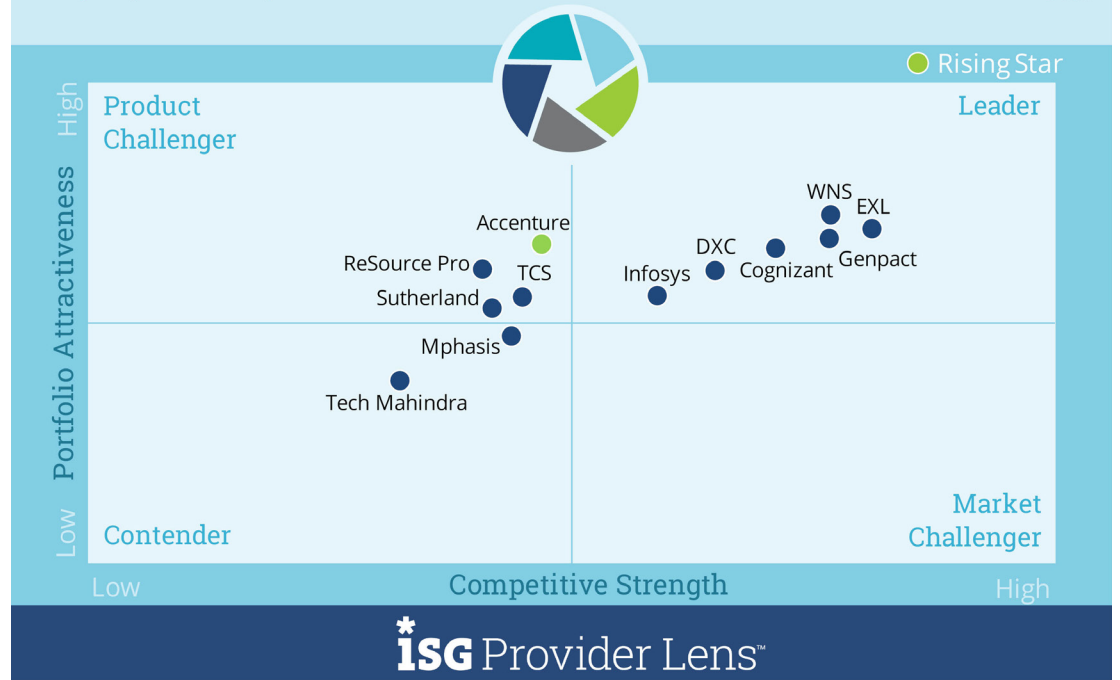
PROPERTY & CASUALTY SERVICES

Definition

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, ISG's focus will be on technology enablement, since this is a key to enhancing customer experience across the P&C lifecycle. Providers that offer omnichannel, application development, analytics, cloud, automation and similar services to facilitate transformation can make a dramatic difference in the efforts of insurance companies to boost customer experience and improve services.

Insurance BPO Services
Property & Casualty Services

2020
U.S.



Source: ISG Research 2020

PROPERTY & CASUALTY SERVICES

Eligibility Criteria

- Provides managed services covering most/all P&C services specified in the table below
- Handles end-to-end P&C insurance processes and demonstrates strong domain expertise
- Possesses expertise in enablement with digital technologies including automation, cloud technologies and applications
- Offers industry solutions and has formed industry partnerships
- Follows a strong consulting practice

Observations

- Offering support for products across the entire P&C spectrum, **Cognizant** is laser-focused on innovation and on bolstering its offerings through internal efforts and by acquiring companies with complementary capabilities, establishing itself as a leader in the Property & Casualty Insurance Services quadrant in the U.S.
- For its strong technology platform, digital claim solutions, capability in providing end-to-end services to insurance organizations and wide market presence, **DXC Technology** has earned a leadership position in this quadrant.
- With robust digital transformation capabilities, market-leading P&C tools and a large analytics shop, **EXL** has emerged as a Leader in this quadrant in 2020.
- **Genpact** is positioned as a leader in the 2020 Property & Casualty Insurance Services quadrant. A combination of a robust partner ecosystem, deep domain knowledge, long-term industry tenure and advanced digital platform and claims solution sets this provider ahead of others in the field.
- With its advanced RPA and AI technologies and extensive capabilities, **Infosys** has earned a top spot in the Property & Casualty Insurance Services quadrant.

PROPERTY & CASUALTY SERVICES

Observations (cont.)

- **WNS** has significant market share, domain knowledge and a strong dedication to and focus on the P&C insurance vertical. The company also brings some of the most innovative approaches to automating and managing end-to-end business processes, earning it a leadership position in this year's quadrant.
- **Accenture** is this year's Rising Star in the P&C insurance services quadrant, as it has significantly invested in building its P&C capabilities, has built new process enabling tools and has won one of the largest deals in P&C BPO history.



DXC TECHNOLOGY

Overview

DXC offers comprehensive P&C insurance services ranging from claims, policy and billing to reinsurance services. The firm has a strong platform approach and advanced digital technologies, backed by vast BPO capabilities to serve clients. It caters to more than 100 P&C clients globally with more than 2,000 employees.

Strengths

Strong technology platform: DXC helps clients to respond quickly to new market opportunities through its DXC Assure for Property and Casualty solution. It has the capability to provide end-to-end services to companies of all sizes in financial services, from small national insurers to large regionals with implementations across multiple states, supporting a diverse insurance product line portfolio. DXC also offers Duck Creek OnDemand through its BPS offerings and partner systems. This offering also has end-to-end processing capabilities such as underwriting using cognitive technology, policy administration, billing, contact center services, compliance and document management.

Intelligent automation platform: DXC's Intelligent Automation Platform enables the company to quickly implement process automation using artificial intelligence, RPA and other digital technologies to improve customer experience and provide operational efficiency to its BPS customers.

Deep insurance industry expertise. DXC has been in the insurance business for more than 35 years and has decades of P&C insurance domain experience.

Caution

BPO value varies based on P&C platform. DXC has strong overall BPO capabilities, but its most impactful transformational value is best matched to specific platforms.



2020 ISG Provider Lens™ Leader

DXC's robust portfolio of technology and platforms to serve its P&C clients makes it an industry leader in this space.

ENTERPRISE CONTEXT

TPA Services

This report is relevant to enterprises in the U.S. for evaluating third-party administrators (TPAs) that offer various operational services to insurers that ranging from basic policyholder services and claims administration to full, end-to-end insurance operations and administration.

In this quadrant report, ISG assesses the current market positioning of TPA insurance service providers in the region, based on the depth of their service offerings and market presence.

Enterprises in this segment want to partner with providers that offer technology support for policy administration systems and insurance product business processing, which typically covers personnel and processes. This is mainly provided via Internet-based automated technologies and enables enterprises to operate on a pay-per-policy pricing model. With this consumption-based model, TPA insurance service providers offer a variable cost structure and help reduce the headcount and labor costs for enterprises.

Who should read this report:

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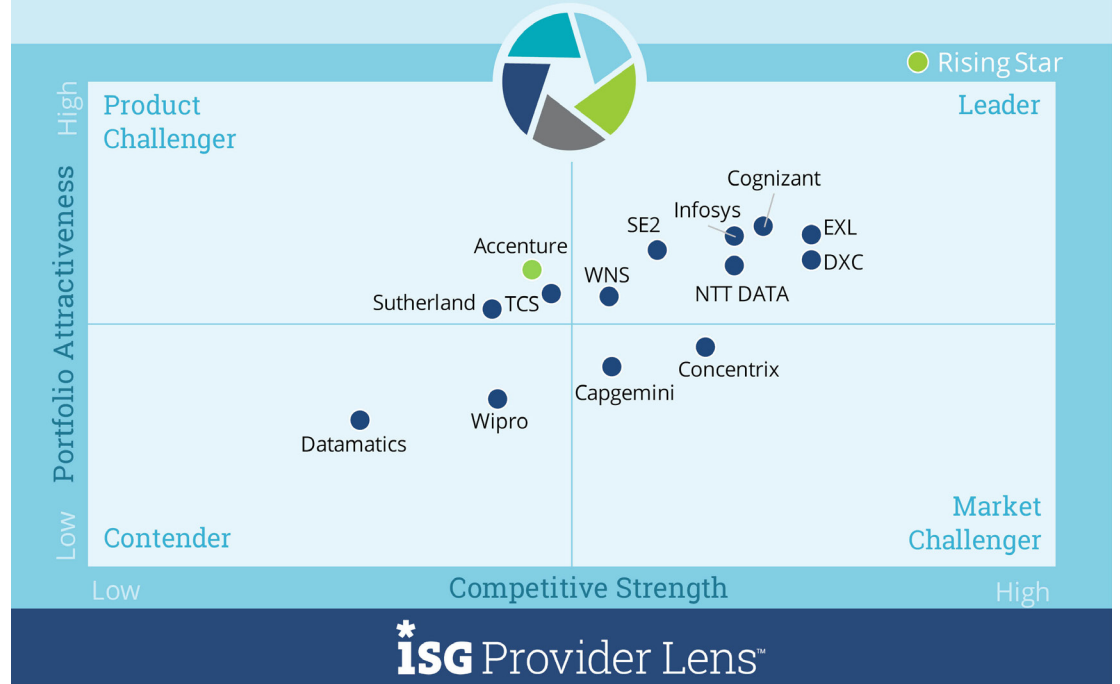
TPA SERVICES

Definition

TPAs provide various insurance operational services to insurers that range from basic policyholder services and claims administration to full, end-to-end insurance operations and administration that can include all aspects of related people, processes and technology. Insurance carriers are increasingly looking for TPAs to help modernize their technology platforms and services and improve customer experience. Providers that can enable this transformation with omnichannel customer service, analytics, automation and other offerings are helping carriers achieve these broader strategic objectives. In this study, ISG evaluated TPAs based on the extent of support they offer across insurance lines and their administration of open versus closed block policies. While the industry includes many small players that serve individual niche areas like workers' comp and benefits, ISG focused on the larger TPAs that provide end-to-end insurance operations.

Insurance BPO Services
TPA Services

2020
U.S.



Source: ISG Research 2020

TPA SERVICES

Eligibility Criteria

- Can provide a variety of TPA services for L&R (life, annuity, supplemental and retirement) and P&C products
- Can handle end-to-end processes, demonstrating strong domain expertise
- Possesses technology enablement expertise through a processing platform and digital technologies such as automation, cloud and other applications
- Offers industry solutions and forms partnerships
- Follows a strong consulting practice

Observations

- For their extensive domain expertise, strong presence in the U.S. insurance TPA market and strong insurance platforms, **Cognizant** and **Infosys** have been named leaders in the U.S. TPA Services quadrant for 2020.
- Both **EXL** and **WNS** have earned Leader spots in the U.S. TPA Services quadrant for 2020 because of their long history of servicing U.S. insurance organizations with TPA services, and both are dominant players in the field of insurance processing services.
- **NTT Data** is a long-time leader in the TPA market with its proprietary LifeSys™ platform and, in the past year, has made significant investments to boost its digital capabilities, including implementing FAST to service variable products.
- One of the largest players in this space, **DXC Technology** offers insurance organizations an integrated solution to improve insurance processing, as well as a strong, balanced delivery model.
- **SE2** retains its leadership position in the TPA services quadrant for 2020. The firm has significant domain expertise and is making a sizable investment in digital technologies, its Aurum platform and its partner ecosystem to improve functionality.
- **Accenture** is this year's Rising Star in TPA services, as it has significantly invested in building its capabilities, has built new process-enabling tools and has won a very large L&R deal providing TPA/BPaaS.

DXC TECHNOLOGY

Overview

DXC has been a TPA market leader for more than two decades, earning its reputation with its ability to support all core insurance functions, spanning distribution, new business and underwriting, policy administration, customer service, claims, compensation, billing and payments, and more. The company converts and manages policies, starting from many legacy insurance systems and incorporating BPO insurance support and platform support to create a successful, integrated TPA/BPaaS solution. DXC serves approximately 35 life and retirement providers and supports more than 11 million policies in North America. DXC has integrated multiple insurtechs into its overall ecosystem in an innovative way.

Strengths

Varied approaches for open versus closed blocks: DXC goes to the TPA market with a combination of technologies that meet the different needs of open- and closed-block TPA customers. The company's CyberLife and Wealth Management Accelerator, integrate with other technologies to create mature platforms appropriate for closed-block TPA customers. DXC offers its open-block clients a more modern technology approach with its end-to-end DXC Assure Digital Platform, which includes software, infrastructure and operations and is suitable for customers looking to modernize their legacy platforms and accelerate their go-to-market strategy.

Deep insurance industry domain experience. DXC has more than 35 years of insurance industry experience. The company's core differentiators are its experience in TPA and the commercial insurance market, which brings a unique aspect to its TPA services.

Strong and balanced delivery model: DXC has offices in 70 countries on six continents, with delivery centers around the world, including hubs in Europe, the Americas and Asia. Six U.S. service centers can deliver services that require analysis and familiarity with local issues, while the offshore centers can deliver services that do not require the same level of interaction and attention.

Caution

DXC company challenges. DXC's strong insurance capabilities sometimes get blurred by some of the previous overall DXC's performance concerns.



2020 ISG Provider Lens™ Leader

DXC has earned its insurance TPA services leadership position with its integrated solution to help carriers improve insurance processing. Its commitment to innovation within the insurance space, along with its vast portfolio of proprietary offerings, advanced digital technologies and strategic partnerships, bring to insurance organizations solid solutions for optimizing processes.



Methodology

METHODOLOGY

The research study “ISG Provider Lens™ – Insurance BPO Services” analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process. It positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Insurance BPO Services market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - Strategy and vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements



Authors and Editors



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Peggy Bresnick Kendler has covered the insurance technology vertical since 1997, writing for and about some of the most prominent editorial brands, technology providers and insurance carriers in the field. In addition to researching and writing in-depth features and articles for Insurance & Technology and Digital Insurance magazines, Peggy was responsible for writing a monthly Virtual Roundtable feature for Insurance & Technology for more than a decade. She has authored hundreds of white papers, case studies, promotional video scripts, thought leadership pieces and additional custom materials for insurance technology vendors. In addition, Peggy regularly moderates and presents popular webinars on cutting-edge B2B topics and technologies and she writes blogs and articles covering innovative technologies across industries.



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Dennis offers over 25 years of experience as a global sourcing leader with multi-industry experience. Dennis has advised hundreds of companies on their sourcing strategies and set up shared service centers and business process outsourcing relationships around the globe. Dennis has advised on the largest US Insurance TPA and BPO deals and has worked with numerous insurance clients including Transamerica, ING/VOYA, CNO, Global Atlantic, Assurant and others. He has also led multiple RPA engagements assisting clients to set-up internal RPA Centers of Excellence or source RPA from a provider. He is a thought-leader on GBS, BPO, RPA, negotiations, governance and benchmarking.

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Nanda Rajgopal is a Director in the Americas Insurance practice. In this role, Nanda is responsible for working directly with clients to address their business challenges and delivery and sales teams to ensure client expectations are met with highest quality deliverables. Nanda has over 25 years of experience in business consulting, information technology and client relationship management. In the last 15 years, he has focused on insurance solutions that included digital transformation, data and cognitive science, managed services and global sourcing. Nanda brings a rich array of acumen, thought leadership and passion in building “Trusted Advisory” relationships.



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Srinivasan is a senior analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Insurance BPO Industry, Mainframe Ecosystem, Cybersecurity Ecosystem and AWS Ecosystem. His area of expertise lies in the space of engineering services and digital transformation. Srinivasan has over 6 years of experience in the technology research industry and in his prior role, he carried out research delivery for both primary and secondary research capabilities. Srinivasan is responsible for developing content from an enterprise perspective and author the global summary report. Along with this, he supports the lead analysts in the research process and writes articles about recent market trends in the industry.

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Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, Partner and Global Head - ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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