Everest Group Life and Annuities (L&A) Insurance BPS and Third-Party Administrator (TPA) PEAK Matrix® Assessment 2023

Focus on TCS

May 2023

Introduction

As the global life and pensions insurance market recovered from the pandemic, it is now staring at another major challenge in the form of macroeconomic uncertainties. The effect is likely to be more prominent in the UK and Continental Europe, creating cost pressures for carriers. In such a scenario, cost reduction will be a major priority for insurers, going forward, and insurers might look to cut back on discretionary spend in order to save costs. However, they are likely to continue their digital transformations given the long-term benefits they offer in terms of process improvements and efficiency gains.

Against this backdrop, outsourcing is expected to emerge as a popular cost mitigation strategy for insurers, providing ample opportunities for service providers. Providers are also developing end-to-end capabilities to better position themselves for larger deals as insurers pursue more enterprise-wide transformation. In addition, as insurers grapple with changing customer preferences, product innovation, and legacy challenges, there is a growing demand for support in areas such as actuarial transformation, underwriting streamlining, and new product launch capabilities. Service providers are increasingly investing in these growth areas to differentiate themselves in the market and stay ahead of the competition.

In this research, we present an assessment and detailed profiles of 23 L&A insurance BPS and TPA providers featured on the Everest Group PEAK Matrix® for L&A Insurance BPS / TPA services PEAK Matrix®. Each provider profile presents a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2022, interactions with leading L&A insurance BPS providers, client reference checks, and an ongoing analysis of the L&A insurance BPS services market.

The full report includes the profiles of the following 23 leading providers featured on the Life and Annuities (L&A) Insurance BPS and Third-Party Administrator (TPA) PEAK Matrix® Assessment 2023**:**

- **Leaders:** Accenture, DXC Technology, EXL, Genpact, NTT DATA, and TCS
- **Major Contenders:** Atos, Capgemini, Capita, Cognizant, Datamatics, Equiniti, HCLTech, Illumifin, Infosys, Sutherland Global Services, WNS, and Zinnia
- **Aspirants:** Andesa Services, Concentrix, Flatworld Solutions, Rely Services, and Writer Business Services

Scope of this report

Geography
Global

Providers
Accenture, Andesa Services, Atos, Capgemini, Capita, Cognizant, Concentrix, Datamatics, DXC Technology, Equiniti, EXL, Flatworld Solutions, Genpact, HCLTech, Illumifin, Infosys, NTT DATA, Rely Services, Sutherland Global Services, TCS, WNS, Writer Business Services, and Zinnia

Services
The report covers L&A insurance BPS / TPA services and does not cover horizontal business processes, such as Finance and Accounting (F&A), Human Resource (HR), procurement, and contact center

L&A insurance operations and TPA services PEAK Matrix® characteristics

Everest Group classified 23 L&A insurance BPS and TPA providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the overall vision and capability and market impact of service providers.

Leaders

There are six service providers in the Leaders category – Accenture, DXC Technology, EXL, Genpact, NTT DATA, and TCS.

Major Contenders

The Major Contenders category has twelve service providers – Atos, Capgemini, Capita, Cognizant, Datamatics, Equiniti, HCLTech, Illumifin, Infosys, Sutherland Global Services, WNS, and Zinnia.
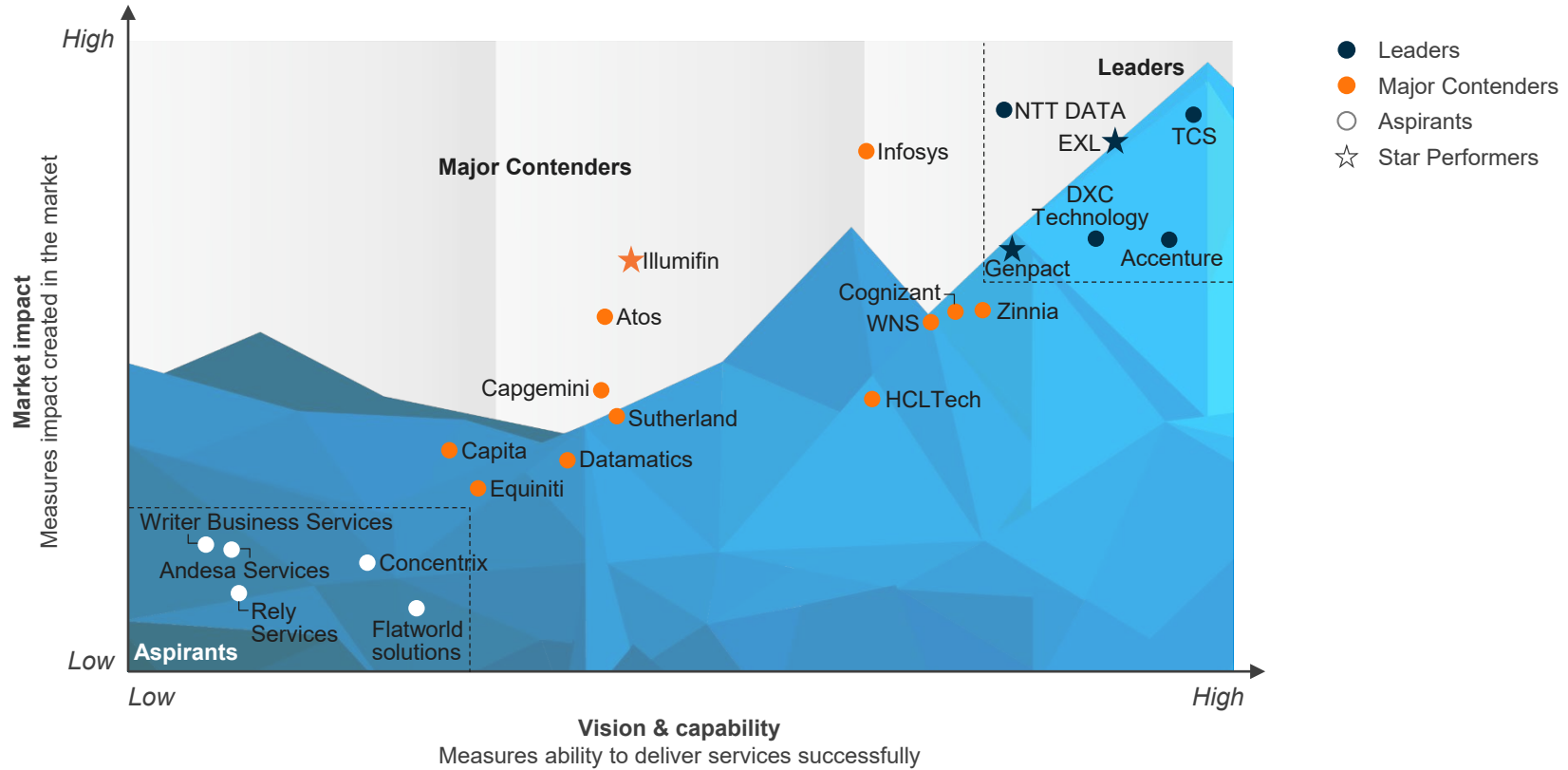
Aspirants

Andesa Services, Concentrix, Flatworld Solutions, Rely Services, and Writer Business Services are the Aspirants on the L&A insurance BPS and TPA services PEAK Matrix®.

Everest Group PEAK Matrix®

Life and Annuities (L&A) Insurance BPS and Third-Party Administrator (TPA) PEAK Matrix® Assessment 2023 | TCS is positioned as a Leader

Everest Group Life and Annuities (L&A) Insurance BPS and Third-Party Administrator (TPA) PEAK Matrix® Assessment 2023[1]

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Chart axes: Market impact (Measures impact created in the market) on vertical axis; Vision & capability (Measures ability to deliver services successfully) on horizontal axis.

Plotted providers: NTT DATA, EXL, TCS, DXC Technology, Accenture, Genpact, Infosys, Cognizant, WNS, Zinnia, Illumifin, Atos, HCLTech, Capgemini, Sutherland, Capita, Datamatics, Equiniti, Writer Business Services, Andesa Services, Concentrix, Rely Services, Flatworld solutions.

Quadrants: Leaders, Major Contenders, Aspirants.

1 Assessments for Andesa Services, Capgemini, Capita, Concentrix, Equiniti, Flatworld Solutions, and Rely Services excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers

Source: Everest Group (2023)

TCS profile (page 1 of 7)
Overview

Company overview

TCS is an IT services, consulting, business solutions, and Cognitive Business Operations (CBO) provider. TCS proactively partners with customers to address the demands of the changing marketplace through a cognitive approach and solutions while delivering customer experience, operational excellence, and a robust technology landscape. The organization is further strengthened by a host of domain and digital solutions ranging from end-to-end administration platforms as well as a suite of modular, cognitive plug-and-play solution offerings to enable digitization and automation for all the clients.

TCS manages end-to-end business functions for insurers across the segments of L&A, P&C, retirements, and healthcare. It believes in guiding its customers on their transformation journeys through its thought leadership framework and has made investments in key areas that include partner ecosystem, digital partnerships, AI, IT operations interplay, Analytics & Insights (A&I), and self-service options by leveraging the digital channels.

Headquarters: Mumbai, India   **Website:** www.tcs.com

Key leaders

- **K Krithivasan,** Global Head, BFSI
- **Meenu Mittal,** Global Head, BFSI CBO
- **Vinay Hansaria,** Business Head, Insurance CBO

Suite of services

- New business and underwriting support
- Policy servicing and claims administration
- Agency and broker services
- Mailroom and document management
- Domain consulting
- Change management services
- Analytics and insights
- Asset management
- Regulatory reporting
- Actuarial support
- Reinsurance

L&A insurance BPS	2020	2021	2022
Revenue (US$ million)	Not disclosed	Not disclosed	Not disclosed
Number of FTEs	11,900 – 12,400	12,000-12,500	12,300-12,800
Number of clients	40-45	45-50	50-55

Recent acquisitions and partnerships/vendors

- **2022:** partnered with an Irish Insurer for a Greenfield setup driven by SaaS-led offerings for wealth management products
- **2022:** partnered with an Australian Superannuation provider on the implementation of TCS' Cognitive Automation Platform to automate back-end processes
- **2021**: launched TCS Customer Journey-as-a-Service (CJaaS©), - TCS' co-innovation partnership offering to enable real-time customer journey visualization and analytics
- **2020:** TCS acquired the Pramerica Services unit from insurance giant Prudential, adding a new Global Delivery Center (GDC) in Letterkenny, Ireland
- **2020:** added Glasgow, a UK delivery location through a new book of business
- **2020**: strengthened its L&P unit by partnering with an Ireland-based leading insurer

Recent developments

- TCS Digital Insurance Hub: it is an insurance-focused data curation and analytics framework enabled by an app market, providing self-contained analytical apps offered to insurance and healthcare clients
- TCS Consent Management Solution: the solution helps customers in implementing effective consent and cookies management along with data protection, in alignment with regulations including GDPR, ADPPA, etc
- Underwriting Cognitive Solution: the Underwriting Cognitive Solution for life insurance customers is meant to offer a next-generation SaaS platform on Microsoft Azure that provides broader digital, data-driven, AI-led underwriting capabilities. It enables automated/accelerated underwriting decisions; accelerates the innovation of new business models, products, services, pricing strategies, and more
- TCS Experience Centre (XC): an integrated platform that connects with various sources by leveraging the built-in rule engine toward simplifying the processing for both the back office and call center. XC fetches the details from various sources or BaNCS™ screens and provides details on a single screen for easy and hassle-free processing of a customer request
- TCS Notification Central: centralized customer outreach hub with configurable communication preferences, templatized messages/signatures, regulatory requirements, rules, etc. It enables proactive notifications to customers with the capability to integrate with SMS / e-mails / social gateways, and APIs. It enables the delivery of standardized and consistent messaging to the customers
- TCS Digital Persona Twin: utilizing digital twin concepts for insurance functions (sales, retention, claims, underwriting, etc.) to model and simulate insurance processes toward the designing of the optimal process changes. This solution complements the TCS process mining capability to discover process bottlenecks, using Industry leading tools such as Celonis
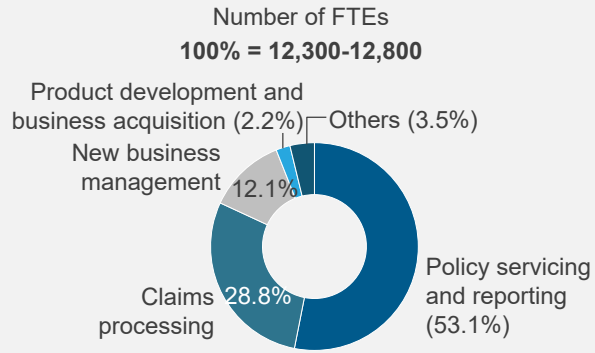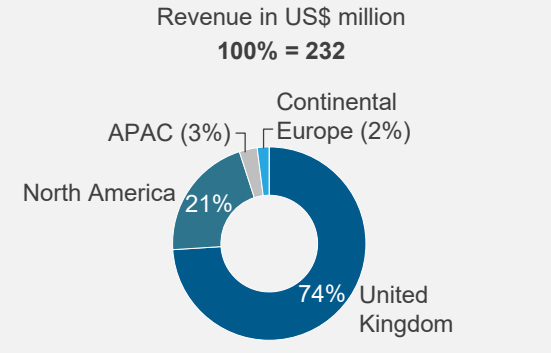
TCS profile (page 2 of 7)
Key delivery locations

Locations marked on map:
- Cedar Rapids
- Pennsylvania
- Baltimore
- Plano
- Little Rock
- St Petersburg
- Queretaro
- Santiago
- Glasgow
- Craigforth
- Liverpool
- Edinburgh
- Letterkenny
- Peterborough
- Dublin
- Basingstoke
- Bristol
- Reading
- Salisbury
- Gandhinagar
- Indore
- Nagpur
- Mumbai
- Kolkata
- Pune
- Hyderabad
- Chennai
- Metro Manila

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TCS profile (page 3 of 7)
Capabilities and key clients

L&A insurance BPS FTE mix by processes covered
Number of FTEs
100% = 12,300-12,800

- Product development and business acquisition (2.2%)
- Others (3.5%)
- New business management 12.1%
- Claims processing 28.8%
- Policy servicing and reporting (53.1%)

L&A insurance BPS revenue mix by geography
Revenue in US$ million
100% = 232

- APAC (3%)
- Continental Europe (2%)
- North America 21%
- United Kingdom 74%

FTE split by delivery location
Number of FTEs
100% = 6,720

- Onshore 50%
- Offshore 49%
- Nearshore (1%)
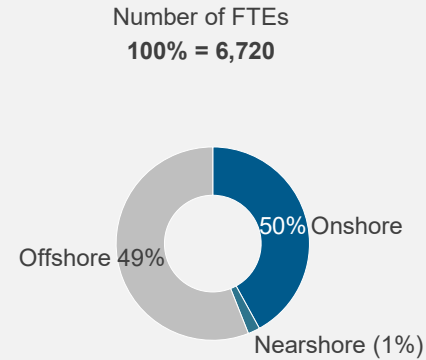
Revenue mix by buyer size[1]
Revenue in US$ million
100% = 232

- Medium 17%
- Large 37%
- Small 46%
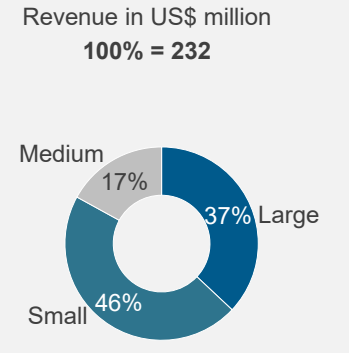
Key L&A insurance BPS engagements

Client name	Region	Client since
A joint venture of leading Irish bank and leading Canadian insurer	UK	2022
A US-based reinsurer of annuities and life products	North America	2021
A German Insurer	Germany	2020
One of Ireland's leaders in providing pension and life insurance services	Ireland	2019
UK government's pension provider	UK	2017
UK-based pensions company	UK	2017
Netherlands-based insurance company	Netherlands	2015
Top 5 superannuation players in Australia	Asia Pacific - Australia	2013
One of the largest insurance providers in the UK	UK	2006

1   Buyer size is defined as large (>US$10 billion in revenue), medium (US$5-10 billion in revenue), and small (<US$5 billion in revenue)

TCS profile (page 4 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of clients
TCS Digital Knowledge Capture Factory	New business management, policy servicing and reporting, and claims processing	2022	TCS Digital Knowledge Capture Factory is used for creating SOP documents during the knowledge transition phase. It provides the ability to create SOP templates that are customized for a specific type of business need. It stores templates and SOP documents in its own repository for future use by the project team	Unable to disclose
Automation of complaints acknowledgement letter	New business management, policy servicing and reporting, and claims processing	2022	Previously, the manual creation of a complaints acknowledgment letter led to an increase in effort and time and also increased the risk of regulatory breaches due to human intervention. TCS created a VBA tool to automatically generate letters	Unable to disclose
TCS Digital Worker	New business management, policy servicing and reporting, and claims processing	2021	TCS Digital Worker enables business teams to train digital workers to handle repetitive business tasks. Using the Agent Twin, business teams can achieve data scrapping, task automation, business rule validation, and platform-independent data entry. It supports web app, desktop app, and API integration	Unable to disclose
Underwriting Cognitive Solution	New business management	2021	The Underwriting Cognitive Solution for life insurance customers is aimed at offering a next-generation SaaS platform on Microsoft Azure that provides broader digital, data-driven, AI-led underwriting capabilities, which enable automated/accelerated underwriting decisions; accelerated innovation of new business models, products, services, pricing strategies, and more	Unable to disclose
Claims submission robotics automation	Claims processing	2021	This solution enabled claim submission via an online portal and voice, upfront ID&V checks, the provision to upload ID&V documents digitally, and payment automation through RPA	Unable to disclose
Bereavement notification automation	Claims processing	2021	Manual pre-checks were being undertaken and the policy would be manually updated accordingly. This increased the operations team's effort and bandwidth. TCS deployed a bot to do pre-checks and terminate the plan basis the bereavement notification received via the online and voice channel	Unable to disclose
Automation - Origo work allocation	Claims processing	2021	Transfer cases received via Origo had to be checked and sifted manually into individual product types for further processing. This led to increased operations efforts and touchpoints. Human intervention meant that there was a high probability of error. TCS deployed an API intervention to auto-sift and allocate cases to the right queue	Unable to disclose
Automation of Genquery resolution	Policy servicing and reporting	2021	The member's policy information is manually updated in the e-mail response from the PA system and hence is susceptible to error. With the increasing number of requests from independent financial advisors, there was a risk of breach of SLA. SAP BO reporting was deployed to extract the required member details from the PA system. A macro was developed for the mail merge process of these details with the Genquery resolution template	Unable to disclose
Digital Persona Twin	Policy servicing and reporting, and claims processing	2021	A demonstratable solution to develop the digital twin of customer personas to undertake predictive, prescriptive actions based on needs and personas. It uses simulation to test actions to design optimal actions and offers at a customer level	Unable to disclose
RPA automation – bereavement payout	Claims processing	2021	A digital proforma created for operations users to pre-fill payout details, which feed into the bot to auto-setup payments – bacs/cheque	Unable to disclose

TCS profile (page 5 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of clients
RPA automation – bereavement chaser letters	Claims processing	2021	Deployment of robotic automation where the bot identifies cases with no response on the raised requirements, auto-creates chaser letters, and saves it in the print folder for issuance	Unable to disclose
RPA automation – Origo transfers automation	Claims processing	2021	The process involved manual pre-checks and transfer payment processing, which increased the operations effort. Deployed bot to perform pre-checks and process transfer payouts (for Legacy pension)	Unable to disclose
Intelligent underwriting	New business management	2020	Digitization of upfront paper intake. Leveraged analytics to automate underwriting steps resulting in a reduction in manual efforts	Unable to disclose
TCS Smart Email Case Management	New business management, policy servicing and reporting, and claims processing	2019	AI-driven e-mail management with an inbuilt ticketing system and intent identifiers for contextual classification and mail management. Automated response handling with an inbuilt classification engine to identify and classify the type of incoming mail. Feedback is incorporated into improving automatic classification. Has the capability to handle multiple mailboxes with automated allocation, canned responses for standard queries, and real-time SLA tracking and reporting	Unable to disclose
Fintrac – Financial Closing Monitor	New business management, policy servicing and reporting, and claims processing	2019	Helps monitor the financial closing process of an enterprise by providing an intelligent dashboard for the month-end closing process. It automates recurring tasks by scheduling and replicating from use and tracks dependencies and bottlenecks throughout the process	Unable to disclose
Adaptive Knowledge Bank (AKB)	New business management, policy servicing and reporting, and claims processing	2019	Cognitive knowledge search provides advanced search functionality with the capability to parse through a vast set of documents stored across systems to provide precise results. The solution searches text within the files and provides refined results enabling to search by text and source	Unable to disclose
Project financial tool	New business management and policy servicing and reporting	2019	A standard tool across all projects and portfolios to manage financials as against multiple tools and templates. It reduces manual efforts in cost mapping, re-baselining, and data consolidation	Unable to disclose
Intelligent indexing tool	New business management and policy servicing and reporting	2019	The tool picks inputs (such as policy number details) from excel file, creates work item in BaNCS™, indexes the case to the right queue, and populates BaNCS™ work item numbers in the excel file	Unable to disclose
SMS Tool	Policy servicing and reporting, and claims processing	2019	An in-house developed SMS tool for faster communication, resulting in a surge in connect with customers and reduced dependency on customers for documentation	Unable to disclose

TCS profile (page 6 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of clients
Chatbots	Policy servicing and reporting	2019	Implementation of chatbots in the public area website. The bot is built to answer FAQs when asked as a question. It help agents across all teams to answer questions quicker, hence increasing the first call resolution	Unable to disclose
Next Best Action	New business management	2019	Combination of segmentation and event predictions based on customer interactions, need-based scoring, propensity models, and RFM-based name rotation indices to offer the right products and services at the right time to customers	Unable to disclose

TCS profile (page 7 of 7)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	◕	◕	◕	◕	●	◔	◕	◕

Strengths

- TCS is one of the leading players in the life and annuities segment and has a strong focus on winning transformation-led deals by leveraging its IT-BPS capabilities

- It saw strong growth momentum in 2022, driven by addition of new logos and expanding existing client relationships; the growth was also broad-based from a geographic and product segment standpoint

- It has recently launched multiple new offerings, mainly in the disability claims and regulatory reporting space, to strengthen its positioning in the group life and pensions market. In addition, the firm is also targeting innovative offerings in newer areas such as creating wellness ecosystems

- Given its dominant position in the market, it also continues to make investments in talent through initiatives such as launching domain CoEs to develop new products and offerings. It has also been focusing to build domain expertise in areas such as underwriting and claims

Limitations

- While TCS has a strategy to expand in the Continental European market, this might prove to be difficult in the near term owing to the macroeconomic challenges in the region

- BaNCS platform continues to remain the primary platform for L&A insurance service delivery. Despite its long-standing position and recognition in the market, clients might demand greater flexibility in terms of platform deployment, which might restrict TCS's ability to service such clients. In addition, there is also scope to bring in more third-party partners to develop a robust ecosystem with BaNCS at the center

- From a services scope standpoint, the current scale of FTEs is skewed toward policy servicing and there is scope to build stronger capabilities on the new business side (actuarial, underwriting, etc.), especially given the emerging demand for these solutions in the market

- TCS buyers are increasingly facing challenges driving down the overall cost of operations and have highlighted that TCS could play a more proactive role in helping them achieve their cost objectives. Further, they also mentioned the need to be more proactive in bringing offerings to clients

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
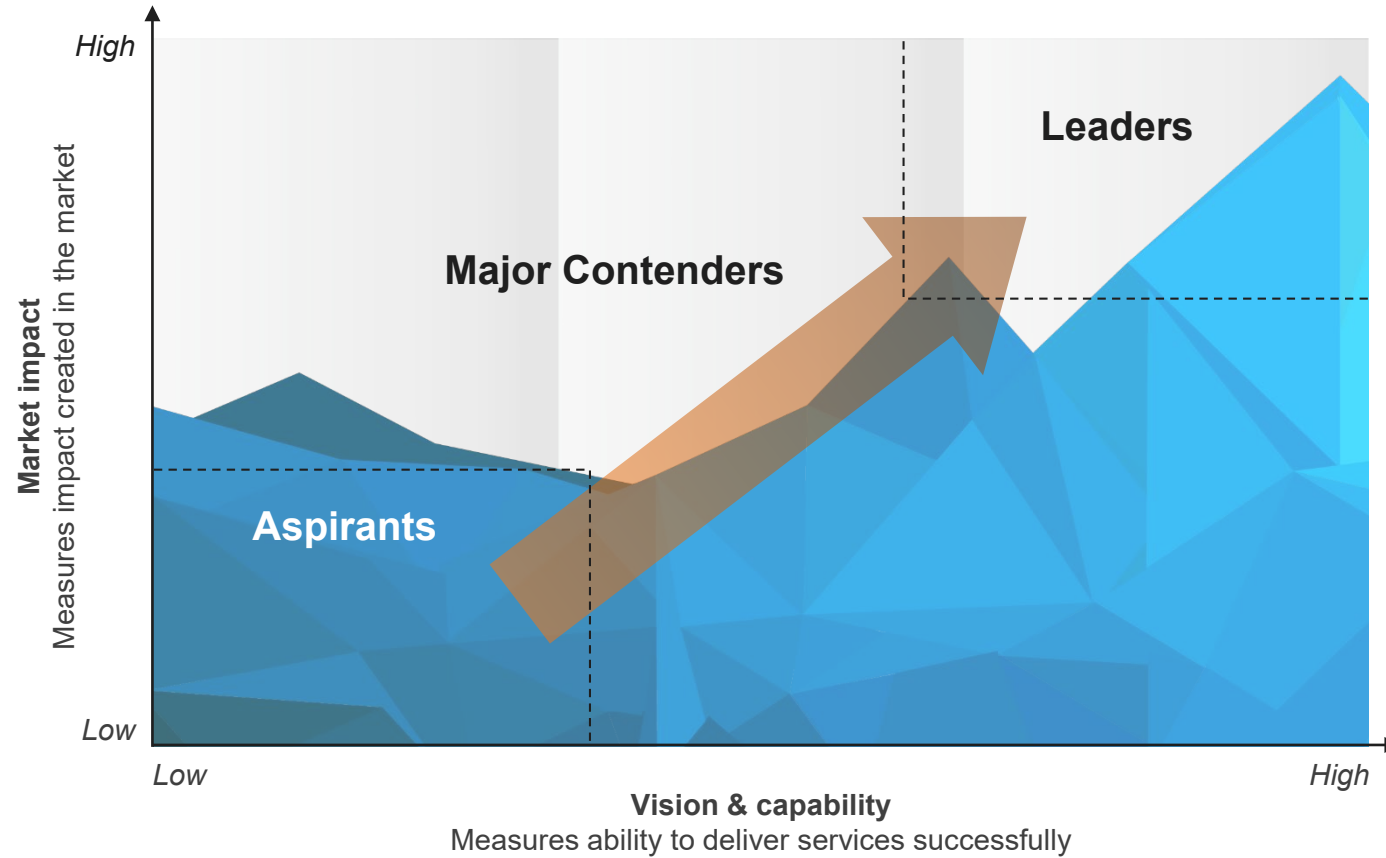
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption

Number of clients, revenue base,
YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across
geographies and type of engagements

Value delivered

Value delivered to the client based
on customer feedback and
transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
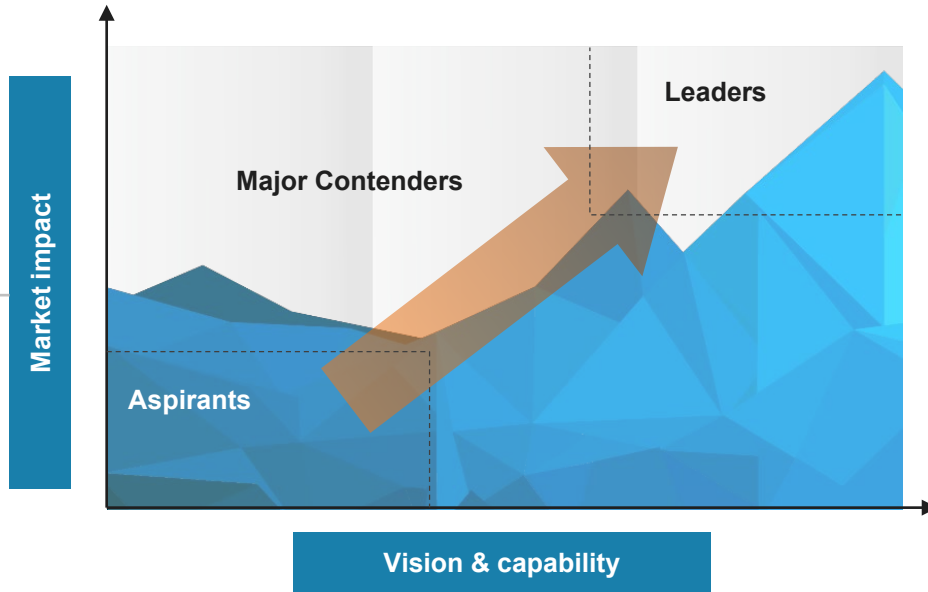
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future
roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio
across service subsegments/processes

Innovation and investments

Innovation and investment in the enabling
areas, e.g., technology IP, industry/domain
knowledge, innovative commercial
constructs, alliances, M&A, etc.

Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology
Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  – The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  – In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  – Issue a press release declaring positioning; see our citation policies
  – Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  – Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

Everest Group®

With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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