PARTNERS IN INCOMINATION



Insurers benefit from innovation capabilities inherent in TCS BaNCS, says TCS vice president **Vijaya Deepti**

We have over 22,000 people...

working with 110 insurers...

in over **20** markets.

seven
of the top 10
global
insurance
companies

Our clients include:

eight
of the top 10
U.S.
insurers

nine
of the top 10
European
insurers

In 2004, we were new entrants to the UK market. We had to build up our brand while supporting a small number of customers in the U.K., and my responsibility was to grow that market. We ended up becoming one of the top three players in the U.K. insurance market. We leapfrogged the competition by becoming a large player in a niche, but very critical, business — third-party processing of closed-book policies, and other lines of business on top of that.

In 2008, I began leading the European delivery team. That was just one year after TCS Financial Solutions was formed with the launch of TCS BaNCS. We started looking at the opportunities for TCS in the global insurance business. Starting with a minimal European presence, we have done quite well since then, and our latest acquisitions have taken us even further.

In 2011, I took charge of an initiative to build out our insurance solutions for global delivery, focusing on the large US operations of some of our global clients. By then, we had completed some large legacy system transformations, and were ready to incorporate that knowledge into our insurance solutions in TCS BaNCS.

Over the last two-and-a-half years, we have been able to build up our global capabilities across multiple markets and multiple lines of business. We focused our energy on delivering a flexible insurance platform through TCS BaNCS, and that has allowed us to support so many disparate insurance businesses, with so many local flavors.

I'm looking forward this year to helping our clients with new technologies to enhance the customer experience, to provide Omni channel capabilities, and to embed analytics into the way they do business.

What are your thoughts on the wide range of TCS BaNCS implementations in the insurance industry?

If you look at the diversity and number of product launches we've managed with our clients, it's just an incredible number. We have to build up and scale very quickly. We have to maintain diversity of capability across a wide range of complex distribution models, pricing models and insurance practices. We work with insurers that write policies for Indian farmers, and we work with insurers that deal with high-net-worth individuals where a single policy may cover multi-million-dollar investment portfolios. We work at both extremes, and with everything in between.

Within this diverse mix, our insurance customers tend to have a few challenges in common:

- Dealing with legacy systems, while also building the capacity to grow.
- Distribution models are changing, with distributor- or broker-led business models often being supplemented by internally-based, online-mediated channels.
- Insurers need to maintain a social presence on multiple networks, and through those channels communicate directly with NGOs, state governments, and other key constituents.

Vijaya Deepti joined TCS in 1982, and by serving in several key roles over the decades has become both a leader and role model within the company as well as a strong face to the customer community. Deepti has been working with insurance industry clients of TCS since 2004, and is now global head of product development and client delivery of TCS BaNCS for insurance.

In an exclusive interview for the TCS BaNCS Customer Newsletter, Deepti provides her insights into the growth of the insurance business for TCS and discusses recent implementations. Deepti also describes the effects that technology and innovation are having on the industry, and explains the role that TCS plays in preparing insurers for the future.

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How is technology changing the insurance industry as a whole?

Traditionally, insurance companies have been manufacturers. They would have a reactive policy administration system, with most functionality happening in the back office.

As they move into this new era, the way they'll need to interact will be very different. Now, they have to provide interactive systems that work in the "social" world of distribution. As insurance moves from baby boomers to the younger generation, the insurance industry will have to come up with different strategies to build up relationships with their clients.

Based on this trend, we do anticipate industry consolidation, as well as challenges from non-traditional players. In particular, traditional insurers have become wary about the possibility that someone such as Google could change the way that insurance products are distributed and manufactured based on advantages in customer knowledge from mobility data and other sources of information.

Mobile technology promises to have a significant impact on the way that insurers operate. For example, if customers share their calorie consumption and distance walked during a day, a health insurer can transform into a wellness insurer. This approach is similar to how telematics is changing the auto insurance industry, and will lead to a significant level of disruption in the marketplace.

Another one of our clients, a commercial property insurer, has started using the "Internet of Things" to assist with property management for best practices such as fire prevention and building safety. They're evolving away from being just a company that simply insures against loss to working directly with customers to understand the sources of claims and reduce the overall volume. That's a win-win for the policyholder and the insurer, and a very different approach to policy administration.

These incremental improvements are going to change the business model of insurance.

How does TCS help insurance organizations with innovative business models of their own?

TCS has been very keen on including innovation in our delivery capability, and the TCS Co-Innovation Network (COIN™) is a key part of that. TCS COIN™ brings together academics, practitioners, and our own substantial internal resources in a single ecosystem to explore emerging – and disruptive – technologies.

Several of our clients are quite focused on innovation, and make great use of the capabilities that we bring to them.

Here's how it works: Our clients will share with us two or three of their key business problems. From there, we go out and look for relevant technologies throughout our network. From there, we'll hold a "Co-Innovation Day" for the business and IT people, where we lay out the range of possible deployment scenarios. As an outcome, they indicate which ideas look most promising for a pilot. It's a collaborative approach to figuring out how our technology can make a difference.

This is a process we've followed with many of our clients. In the U.K., we've done 15 to 20 innovation pilots, and have gone into production with about half of them – which is a great success rate for pilot programs of this type.

Our ability to contribute to business-model innovation enables us to work with insurance line-of-business heads and technology leaders on their most pressing business challenges. We have the bandwidth and resources to undertake a pilot program to a degree that an individual insurance firm's budget may not support on its own.

Plus, what's innovative for one firm in a given country may be something that we've already successfully delivered to another firm somewhere else in the world. From 2010 to 2012, we built over 250 mobile applications for insurance companies. Whenever a new client considers a mobile strategy, we can just give them a catalog of apps and say, "This is what we've already done." Often times, that's all they need. That's the scale we bring to our clients.

We believe there will be a lot of disruption that will happen in the marketplace, and our clients are making that disruption happen. They provide us with deep insight into what's happening throughout the industry, and that gives us the headroom to prepare ourselves better for the future. What are some of the exciting things on the roadmap for TCS in insurance?

We will continue to invest in delivering omnichannel capabilities to our clients. We want to build a customer experience that is device-independent across portals, mobile and tablets and that delivers the capabilities that our customers want.

In data analytics, we are coming up with specific use cases and business opportunities. Recently, we have been building analytics to improve detection of financial crimes and to prevent money laundering. We have already deployed this for our banking clients, and we are extending those capabilities into pensions and other markets having exposure to abuse.

We support a dispersed range of geographical markets, and are addressing the needs of those markets by building up particular lines of business as most appropriate, whether that's improved analytics for the US market, health insurance for European clients, or defined benefits and pensions in the UK. Within India and the broader Asian marketplace, we will continue to invest in creating capabilities for the total insurance enterprise.

How do
packaged solutions
such as
a TCS BaNCS
fit into the
TCS delivery model
for the insurance
industry?

With every engagement, we consider whether we have the ability to replicate a solution across multiple markets. While TCS is certainly ready and willing to build solutions that apply specifically to a particular client, through numerous customer engagements we achieve a higher order of benefits by aligning new capabilities with the TCS BaNCS product roadmap. When clients deploy TCS BaNCS as an off-the-shelf product integrated with their internally-developed solutions, we reduce their time-to-market while improving the overall capabilities of the TCS BaNCS platform.

More and more, customers are willing to configure out-of-the-box features to fit their needs, as the configuration approach takes full advantage of the faster deployment cycles that TCS BaNCS offers. The standardized components are also a boon for ongoing compliance across multiple operating regions. Customers appreciate their ability to let TCS BaNCS absorb and integrate changes in compliance rules.

For example, one of our clients is a global leader in wealth management. We keep track of the latest developments in Singapore, Hong Kong, Dubai, and in the European markets, and then incorporate the required charges in a way that enables the client to continue doing business without scrambling for stopgap compliance fixes. That's a huge differentiator for us. The client runs a single instance of a global platform, consisting of a set of market-leading products, a superior customer experience, and an easy-to-maintain compliance and governance infrastructure. That's a winning combination for our clients, and a key differentiator for TCS BaNCS.