Everest Group®

Everest Group PEAK Matrix® for Life and Pensions (L&P) Insurance BPS / TPA Service Provider 2022

Focus on TCS
December 2021

Everest Group
PEAK MATRIX®

Background of the research

The pandemic adversely impacted the operations and business of the Life and Pensions (L&P) insurance industry. Considering that it is a heavily regulated industry, transitioning operations to a virtual environment seemed to be a tall order. Insurers' continued reliance on legacy systems and outdated technologies made this transition even more difficult. At the same time, the pandemic made insurers realize the pressing need for digitalization and innovation, while creating efficiencies across operations.

Providers are cognizant of these demand themes and are streamlining their go-to-market strategies and capability assets through their platform, digital, data, analytics, location, and talent capabilities. These providers are tapping into opportunities across the spectrum of L&P insurance, from products such as life, annuities, retirement, and group benefits to geographical markets such as North America, UKI, Continental Europe, and Asia Pacific. Business-Process-as-a-Service (BPaaS) and Third-party Administrator (TPA) models are being firmed up, and providers are shifting their overall focus from erstwhile arbitrage-based BPO to capture more value-additive share of the demand. Interestingly, it is not only closed blocks that are the center of attention this time; new products, greenfield launches, and active blocks are just as pertinent, as L&P insurers try to capture a young customer base that sees greater value in life insurance and retirement planning due to the pandemic's jolt.

In this research, we present detailed assessments of 20 L&P insurance BPS/TPA providers, based on their vision, capabilities, and market impact, and look at their relative positioning on the Everest Group PEAK Matrix® for L&P Insurance BPS / TPA Services. Our assessment is based on Everest Group's annual RFI process that was concluded in H1 2021, interactions with leading L&P insurance BPS/TPA providers, client reference checks, and an ongoing analysis of the L&P insurance BPS/TPA market.

This report consists of 20 L&P insurance BPS/TPA providers featured on the PEAK Matrix®:

- **Leaders:** Accenture, DXC Technology, EXL, SE2, and TCS
- **Major Contenders:** Capgemini, Capita, Cognizant, Datamatics, Equiniti, Genpact, HCL Technologies, Illumifin, Infosys, NTT DATA, and WNS
- **Aspirants:** Andesa Services, Atos, Concentrix, and Sutherland Global Services

Scope of this report:

Geography
Global

Service providers
Accenture, Atos, Andesa Services, Capgemini, Capita, Cognizant, Concentrix, Datamatics, DXC Technology, Equiniti, EXL, Genpact, HCL Technologies, Illumifin, Infosys, NTT DATA, SE2, Sutherland Global Services, TCS, and WNS

Services
The report covers L&P 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

Introduction and scope

Everest Group recently released its report titled "Life and Pensions (L&P) Insurance BPS/TPA – Service Provider Landscape with PEAK Matrix® Assessment 2022". This report analyzes the changing dynamics of the L&P insurance landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 20 service providers on the Everest Group PEAK Matrix® for L&P insurance BPS/TPA into Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework that provides an objective, data-driven, and comparative assessment of L&P insurance BPO service providers based on their absolute market success and delivery capability. Everest Group also identified five service providers as the "2022 L&P insurance BPS/TPA Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix® year-on-year (YoY).

Based on the analysis, **TCS emerged a Leader on the PEAK Matrix®** . This document focuses on **TCS's** L&P insurance experience and capabilities and includes:

- TCS's position on the L&P insurance BPS/TPA PEAK Matrix

- Detailed L&P insurance BPS/TPA profile of TCS

Buyers can use the PEAK Matrix® to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix® is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, as well as match them against service provider capability for an ideal fit.

L&P insurance BPS / TPA services PEAK Matrix® characteristics

Everest Group classified 20 L&P insurance BPS/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 five service providers in the Leaders category – Accenture, DXC Technology, EXL, SE2, and TCS

Major Contenders

The Major Contenders category has eleven service providers – Capgemini, Capita, Cognizant, Datamatics, Equiniti, Genpact, HCL Technologies, Illumifin, Infosys, NTT DATA, and WNS

Aspirants

Andesa Services, Atos, Concentrix, and Sutherland Global Services are the Aspirants on the L&P insurance BPS / TPA services PEAK Matrix ®
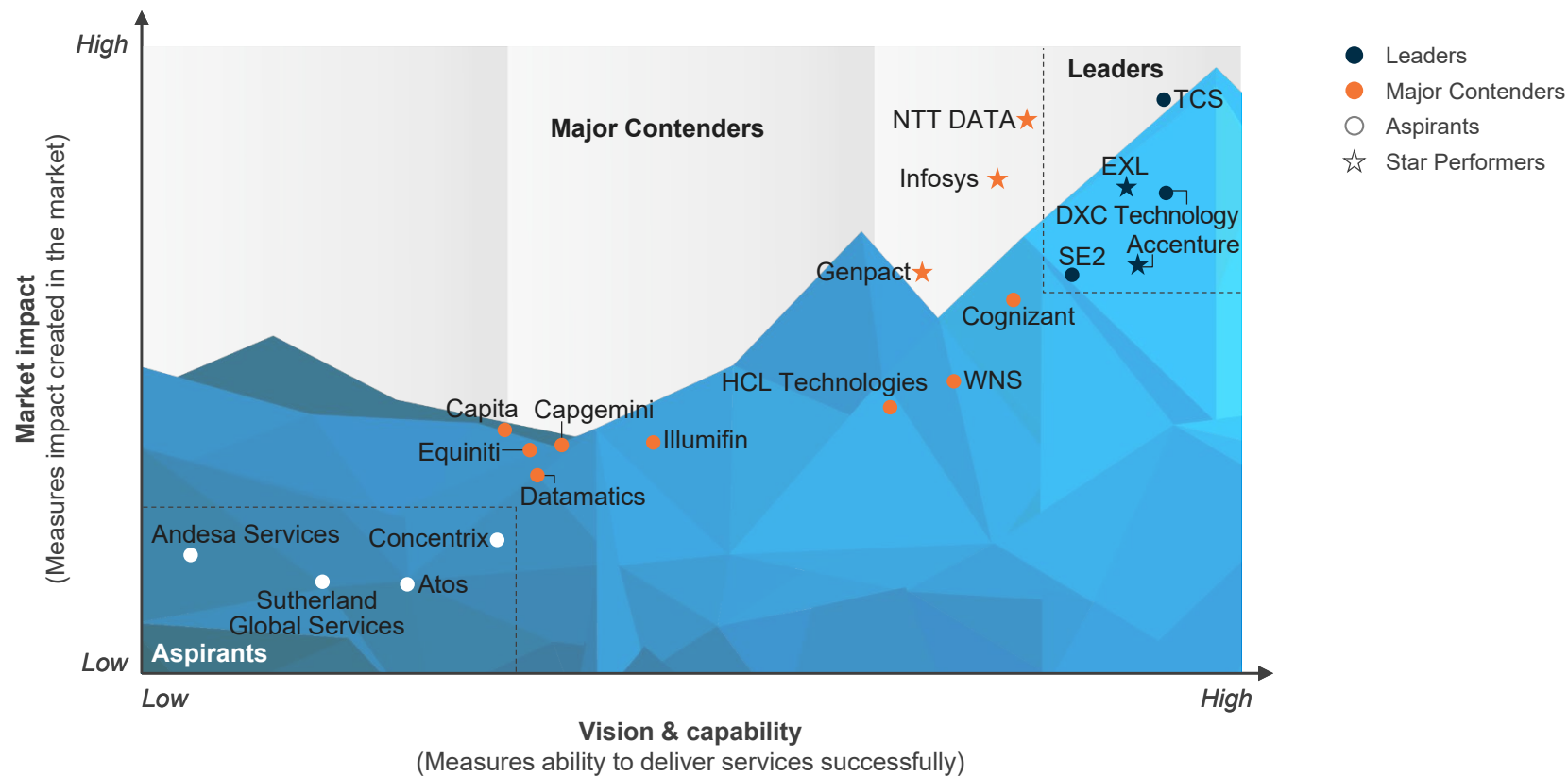
Everest Group PEAK Matrix®
Life and Pensions (L&P) Insurance BPS/TPA PEAK Matrix® Assessment 2022 | TCS positioned as Leader

Everest Group Life and Pensions (L&P) Insurance BPS/TPA PEAK Matrix® Assessment 2022[1]

[1] Assessments for **Andesa Services, Atos, Capita, Capgemini**, **Concentrix, Equiniti, Illumifin, and Sutherland Global Services** exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete.
Source: Everest Group (2021).

TCS | L&P insurance BPS/TPA profile (page 1 of 7)
Overview

Company overview

TCS is an IT services, consulting, business solutions, and Cognitive Business Operations (CBO) provider. It partners with customers to address demands of the changing marketplace through a cognitive approach and develop a host of cognitive solutions while delivering enhanced customer experience, improved operational performance, and rationalized technology landscape. The company has developed domain capabilities while working with various insurance organizations. TCS manages end-to-end business functions for insurers across L&A, P&C, retirement and pensions, and healthcare insurance.

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

Key leaders

- K Krithivasan, Global Head, BFSI
- Mohan R Veeturi, Global Head, BFSI CBO
- Meenu Mittal, Head, Insurance CBO

Suite of services

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

L&P insurance BPS[1]	2018	2019	2020
Revenue (US$ million)		Not disclosed	
Number of FTEs	12,000-12,500	11,700-12,000	11,900-12,400
Number of clients	32-38	36-40	40-45

Recent acquisitions and partnerships

2020: acquired Pramerica Services Unit from insurance giant Prudential, adding new GDC for TCS in Letterkenny, Ireland
2020: added Glasgow, the UK delivery location through new book of business
2019-2020: strengthened L&P insurance unit by partnering with an Ireland-based leading insurer
2018: strengthened its US retirement services with the acquisition of Bridgepoint
2017: Machine First Delivery Model (MFDM): enhancing value through innovative Machine First Delivery Model (MFDM™) based on TCS' cognitive intelligent solutions focused on self-healing and autonomous automation
2017: invested in BaNCS platform for readiness for the US market

Recent developments

- Digital claims and payouts solution – a comprehensive digital solution enabling end-to-end automated intake and processing toward a seamless no touch claims and payouts processing
- TCS Insurance Cognitive Automation Solution (TICAS) helps to automate the intake process by leveraging TCS' cognitive products such as smart email case management, intelligent digital extraction suite, and control line products. This solution helps in automated receipt of requests, document identification, indexing, classification, sorting, extraction, and ingesting the information into downstream systems
- Smart email case management solution, a robust case management solution with provision to allocate, track, and report service requests with a unified workflow across multiple mailboxes. The solution has the capability to identify the intent of the email, classify service request accordingly, and summarize the email as needed
- Robotic automation for auto-gone away process by leveraging UiPath to automate the sequential steps followed by updating the BaNCS platform in a scenario of a return letter received mainly due to the policy holder moving out of the address on our systems
- SMS OTP-based solution for onboarding of members and providing updates using SMS
- Automation of policy renewal for multiple LoBs and regions with pre-defined set of rules and validations
- PredixCX: end-to-end customer analytics across the customer journey in the insurance industry. The solution framework considers customer touch points, disposition, needs, and sentiments to come up with scores for driving growth, retention, and customer satisfaction across their relationship with the insurer

1   12 months ending December 31 of any particular year, i.e., from January 1, YYYY, to December 31, YYYY.

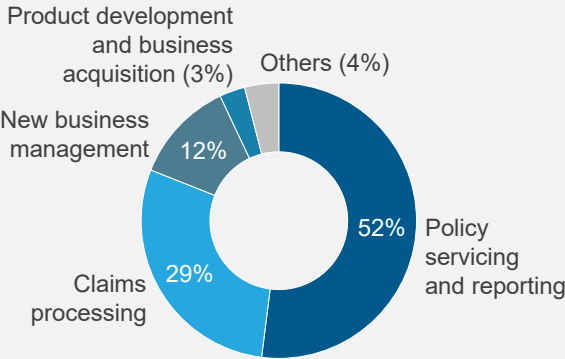# TCS | L&P insurance BPS/TPA profile (page 2 of 7)
Location landscape

Letterkenny
Liverpool
Dublin
Reading
Bristol
Glasgow
Craigforth
Edinburgh
Peterborough
Basingstoke
Salisbury

Cedar Rapids
Pennsylvania[1]
Plano
Baltimore
Little Rock
St Petersburg

Santiago

Nagpur
Gandhinagar
Mumbai
Pune
Bangalore
Kolkata
Hyderabad
Chennai

1   FTEs are distributed throughout the location and are engaging through remote work.
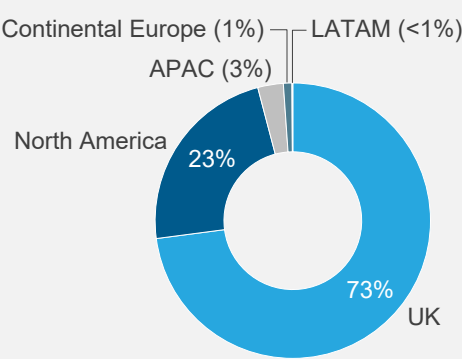
TCS | L&P insurance BPS/TPA profile (page 3 of 7)
Capabilities and key clients

L&P insurance BPS FTE mix by processes covered
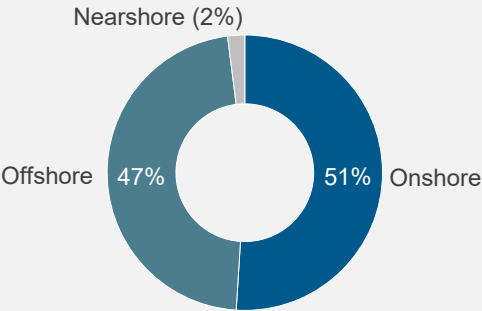FTEs in numbers

100% = 11,900-12,400

- Product development and business acquisition (3%)
- Others (4%)
- New business management 12%
- Claims processing 29%
- Policy servicing and reporting 52%

L&P insurance BPS revenue mix by geography
Revenue in US$ million

100% = Not disclosed

- Continental Europe (1%)
- LATAM (<1%)
- APAC (3%)
- North America 23%
- UK 73%

L&P insurance BPS FTE split by delivery location
Number of FTEs

100% = 11,900-12,400

- Nearshore (2%)
- Offshore 47%
- Onshore 51%

L&P insurance BPS revenue by buyer size[1]
Revenue in US$ million

100% = Not disclosed

- Medium 16%
- Small 43%
- Large 41%
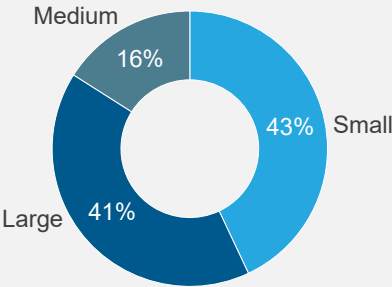
Key L&P insurance BPS engagements

Client name	Region	Client since
An Ireland-based life, retirement, and wealth insurance provider	The UK (Ireland)	2020
One of Ireland's leaders in providing pension and life insurance services	The UK (Ireland)	2019
One of the top L&A providers	North America	2018
A UK-based life and pensions company	The UK	2018
A UK-based pensions company	The UK	2017
A US-based technology and outsourcing advisory provider	North America	2017
One of the Fortune 500 insurers	North America	2016
Indian operations of a leading UK-based financial services provider	Asia Pacific	2015
A Dutch insurance arm of a leading Chinese insurer	Europe	2015

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 | L&P insurance BPS/TPA profile (page 4 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
Litigation analytics	Policy servicing and claims processing	2020	Utilizing text analytics of litigation files from third-party litigation aggregators to develop an advanced model to predict outcomes of litigation in insurance claims processes. The solution can be used to be more data-driven in handling claim denials and leverage out of court settlement options.	Not disclosed
Digital claims and payouts solution	Claims processing	2020	A comprehensive digital solution enabling end-to-end automated intake and processing towards a seamless no touch claims and payouts processing.	Not disclosed
Automation of policy renewal	Product development and policy servicing	2020	The bots process the pre-renewal steps for multiple LoBs and countries on Global Genius Mid Office system. The bots replicate previous underwriting years' policy data and renews the policy using pre-defined set of rules and validations that are created as part of automation.	Not disclosed
Robotic Automation for Auto Gone Away process	Policy servicing	2020	RPA deployment by leveraging UiPath to automate the sequential steps followed in updating the BaNCS platform in a scenario of a return letter received mainly due to the policy holder moving out of the address on our systems.	Not disclosed
TCS integrated business workflow solution	New business, policy servicing, and claims processing	2020	An integrated workflow solution for case management and intake management and enables real-time workflow status tracking with rich analytics and dashboards.	Not disclosed
OTP SMS solution	New business and policy servicing	2020	An SMS OTP-based solution for activation of online account.	Not disclosed
Automation of monthly premium endorsements	Product development and policy servicing	2020	End-to-end automation of monthly premium endorsements initiated by Appian and processed by Blue Prism RPA. It returns the status as success or RPA exception for the submitted request.	Not disclosed
Guaranteed Minimum Income Benefit (GMIB) quotes	Product development and policy servicing	2020	The solution is aimed at reducing the processing time and assisting underwriters to generate the quotes on individual annuity-based policies. Currently the underwriters take about 20-25 minutes per illustration request.	Not disclosed
Group retirement - call center letters / forms	Product development and policy servicing	2020	The solution is aimed at handling the automation end-to-end for letter generation for all annuity-based policies in group retirement area.	Not disclosed
Robotic automation for contribution processing	Policy servicing	2020	RPA deployment by leveraging Automation Anywhere to automate end-to-end contribution processing for one of the largest 403(b) plan recordkeeper in the US.	Not disclosed
Self-service portal for illustrations	New business management	2020	Introduced illustrations self-service portal for Financial Advisors (FAs).	Not disclosed

TCS | L&P insurance BPS/TPA profile (page 5 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
2-way Secure SMS	Policy servicing and reporting	2019	It is enabled for L&P customers in policy servicing and has instant notifications resulting in reduction in customer journey time.	Not disclosed
Robotic automation for remittance processing	Claims processing	2019	An automated end-to-end existing manual remittance processing to increase operational efficiency and reduce lengthy manual effort and reduce cost.	Not disclosed
Lexis Nexis credit check tool	Claims processing	2019	Used for bank account verification checks, IDV checks, and mortality checks in the bereavements and payments out - surrenders and maturity process before releasing the payments.	Not disclosed
Fintrac – Financial Closing Monitor	New business management, policy servicing, and claims processing	2019	The solution helps monitor financial closing process of an enterprise by providing intelligent dashboard to the month-end closing process. It automates recurring tasks by scheduling and replicating from use and tracks dependencies and bottlenecks through the process.	Not disclosed
Adaptive Knowledge Bank (AKB)	New business management, policy servicing, and claims processing	2019	The tool is customized for operations teams as part of smart workplace environment. It facilitates indexing and fast searching of SOPs and forms.	Not disclosed
Next Best Action	New business management	2019	Combination of segmentation and event prediction based on customer interactions, need-based scoring, propensity models, and RFM-based name rotation index to offer right products and services at the right time to customers.	Not disclosed
Project financial tool	New business management and policy servicing	2019	A standard tool across all projects and portfolios for managing financials as against multiple tools and templates. It reduces manual efforts in cost mapping, rebaseline, and data consolidation.	Not disclosed
Intelligent indexing tool	New business management and policy servicing	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 number in excel file.	Not disclosed
SMS tool	Policy servicing and claims processing	2019	An SMS tool developed in-house for faster communication resulting in surge in connect with customer and reduced dependency on customer for documentation.	Not disclosed
Chatbots	Policy servicing	2019	Implementation of chatbots in public area website. The bot is built to answer FAQs. It helps agents across all teams to answer questions quicker, hence increasing the FCR.	Not disclosed
Complex commercial contract management	Product development	2018	A blockchain-based de-centralized platform to manage multi-party contracts. Risk and contract details are recorded in the distributed ledger. Rules and contract negotiations are managed by a smart contract.	Not disclosed

TCS | L&P insurance BPS/TPA profile (page 6 of 7)
Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
Cognitive email automation	Policy servicing and claims processing	2018	An automated response handling solution with in-built classification engine to identify and classify the type of incoming mail. Feedback is incorporated into improving automatic classification. It also has an in-built predictive NLP engine for training and classification. Exceptions are used to build and train the predictive engine.	Not disclosed
Insurance advisor assistant	Policy servicing and claims processing	2018	A chatbot platform that interacts with different chat frameworks and helps users by addressing their queries using NLP and ML.	Not disclosed
Automated disambiguation rule engine for OFAC checks	New business management	2018	Minimizes human dependency by disambiguation of sanction and OFAC hits, specifically before underwriting policy is to be issued or renewed	Not disclosed
Visual interactive voice recognition	New business management, policy servicing, and claims processing	2018	It collects key call information before connecting the caller to the representative, builds sophisticated self-service flow, resolves customer issues within the visual IVR session, and routes the call to the right representative.	Not disclosed
Customer tracing automation	Policy servicing	2018	An RPA solution designed to extract policy-level information from source systems for user to review and complete decision-making. An input file is used to create a bulk trace file, which is uploaded on a third-party trace search portal, read the return file from the third party with the search results, update the source systems again, and create the trace search confirmation letters to be sent out by post.	Not disclosed

TCS | L&P insurance BPS/TPA 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 has continued to expand its client base in L&P insurance BPS, and it now potentially has the largest scale of policies being administered when compared to other TPAs/BPS providers. The growth becomes more favorable to TCS' expansion journey since its it is from different key markets such as the US, Ireland, Continental Europe, and Asia Pacific

- TCS has expanded its transformation value proposition by not only limiting itself to the BaNCS platform – which would be taken up by more large, well-funded insurers, but has also developed an array of cognitive solutions to enable digitalization for BPS clients across areas such as intake digitization, claims adjudication, and illustration generation. The BaNCS platform has also been enhanced through integration with digital modules and third-party data sources for digital verify-cation. Referenced client also acknowledged that TCS has helped them grow in the RPA space

- Being a TPA player, it services the complete value chain from actuarial to claims; however, its scale is comparatively strongest in policy servicing. It has also added niche services and has continued to move up the value chain through new wins. This was also reaffirmed by the referenced clients that acknowledged their domain expertise and ability to upskill resources for complex support. Through its recent Adaptive Knowledge Bank solution, TCS is also firming up its support for front-office agents

Limitations

- BaNCS remains the sole core platform in its go-to-market for BPaaS/TPA deals. This is unlike other TPA/BPS players that are expanding the platform ecosystem through partnerships for relevant product lines including group benefits, annuities, etc. Considering the regulatory risk around large-scale migrations, there could be some hesitation in BaNCS' ability to cover different aspects of different products

- Like other players that are prominent in the UK market, TCS' revenue is largely derived from individual life and pensions segments with comparatively much lesser portfolio size for annuities and group life/benefits

- While TCS has stepped up to enable digitalization for clients, and referenced clients have acknowledged that strategic reorientation lately, however, analytics/forecasting is one area where these clients expect much more from TCS than what they are able to extract. These clients also want TCS to complement various out-of-the-box solutions with more customized solutioning and expend efforts in executing the latter

- TCS' one mega deal that marked its entry in the US market has been constantly under the scanner and a mixed feedback for that could negatively impact future expansion in this region

Appendix

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

**Everest Group PEAK Matrix®**
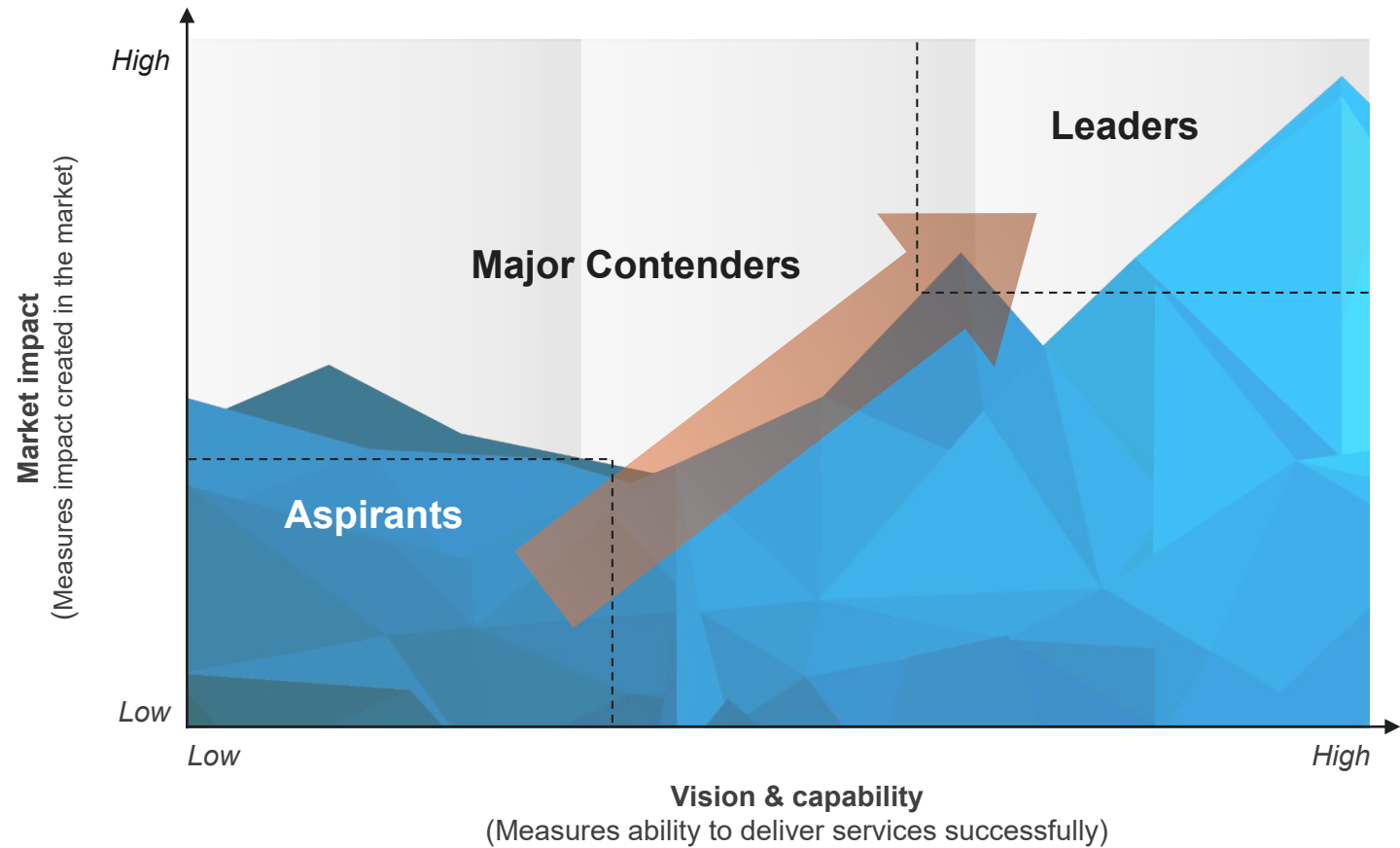
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

No. of clients, revenue base, and YOY growth, 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
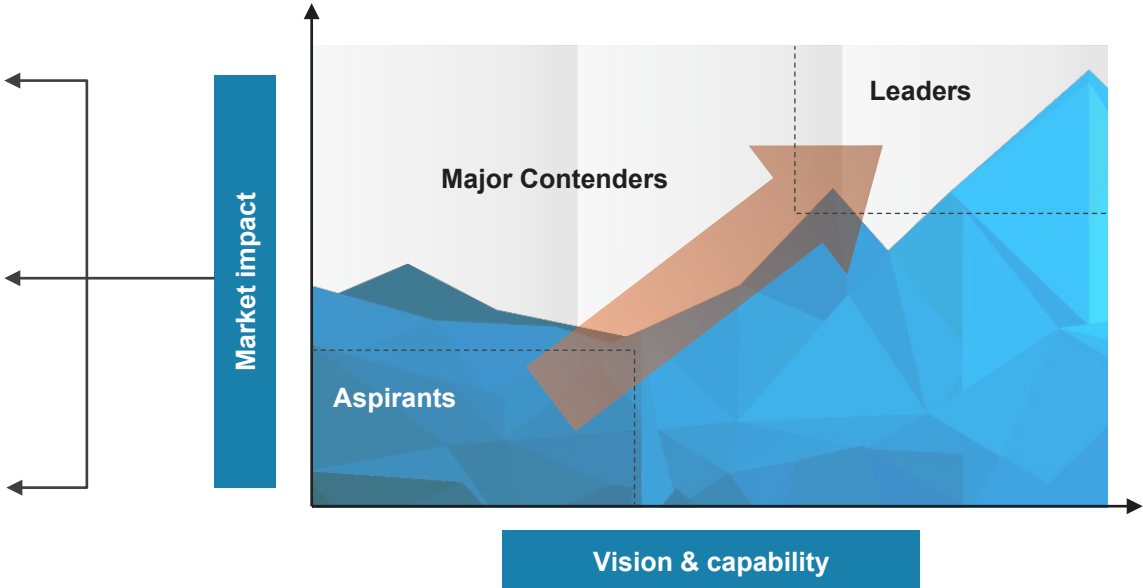
Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy	**Scope of services offered**	**Innovation and investments**	**Delivery footprint**
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service subsegments / processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, and M&A	Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned 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 service 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 PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the marketplace, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix 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 the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises

Everest Group®

With you on the journey

Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **www.everestgrp.com**.

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