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Everest Group PEAK Matrix® for Application and Digital Services (ADS) in Property and Casualty (P&C) Insurance Provider 2023

Focus on TCS
January 2023

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Background of the research

In the previous few years, insurance carriers have faced a myriad of unfavorable global events such as the pandemic, economic fallout from regional geopolitical conflicts, and difficult macroeconomic conditions. In order to maintain business resilience and improve profitability, carriers are looking at partners that can help modernize an aging technology landscape and support evolving talent needs, while maintaining their competitiveness in the face of increasing disruption. Service providers are looking to support insurers with these business mandates by investing in talent skilling initiatives, building solutions that aim to fit traditional and emerging needs of carriers, expanding delivery capabilities toward regions with higher geopolitical stability, and support the end-to-end transformation needs of carriers on themes such as data, cloud, and platforms.

In this research, we present an assessment and detailed profiles of 21 IT service providers featured on the Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix®. Each profile provides a comprehensive picture of its strengths and limitations. The assessment is based on Everest Group's annual RFI process for calendar year(s) 2021-22, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the insurance IT services market.

The report includes the profile of TCS featured on the Application and Digital Services (ADS) in Property & Casualty (P&C) PEAK Matrix ® Assessment 2022
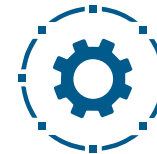
Scope of this report

Geography
Global

Providers
21 leading IT service providers

Services
Application and Digital Services

2

Application and Digital Services (ADS) services in Property and Casualty (P&C) Insurance PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTI, and TCS

- Leaders have seen steady growth in the P&C insurance application and digital services practice revenue due to strong program governance, client intimacy, and their ability to drive large transformation engagement by partnering on strategic business mandates with clients
- Leaders have a large, diverse pool of resources, which are appreciated for their technical and domain expertise that has helped them win multi-geography complex engagements
- Leaders have showcased strong success proof points in working with carriers across the value chain from product development and sales & distribution to claims and payments management

Major Contenders:

Coforge, DXC Technology, EPAM, Mindtree, Mphasis, NTT DATA, Tech Mahindra, ValueMomentum, Virtusa, Wipro, and Zensar Technologies

- Major Contenders have made meaningful investments to bolster capabilities in areas, such as cloud migration, fraud and claims analytics, data management and analysis, and cloud-native digital engineering, to differentiate in the market
- Major Contenders are nimble and usually offer robust PoCs during their negotiations to demonstrate value-add and innovation to clients and are appreciated for their commercial flexibility while pricing engagements
- EPAM, Mindtree, and Virtusa differentiate themselves by offering strong product engineering and digital services capabilities to clients

Aspirants:

Aspire Systems, Damco Solutions, and GFT

- Aspirants specialize in select aspects such as intelligent document management for auto (GFT) and custom & mobile application development (Aspire Systems)
- Aspirants needs to enhance market messaging, build a larger partnership ecosystem, and verticalize solutions for the insurance industry to gain stronger market recall and traction with carriers in the industry

Everest Group PEAK Matrix®
Application and Digital Services in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2022 | TCS positioned as a Leader

Everest Group Application and Digital Services (ADS) in Property & Casualty (P&C) Insurance PEAK Matrix® Assessment 2022[1]
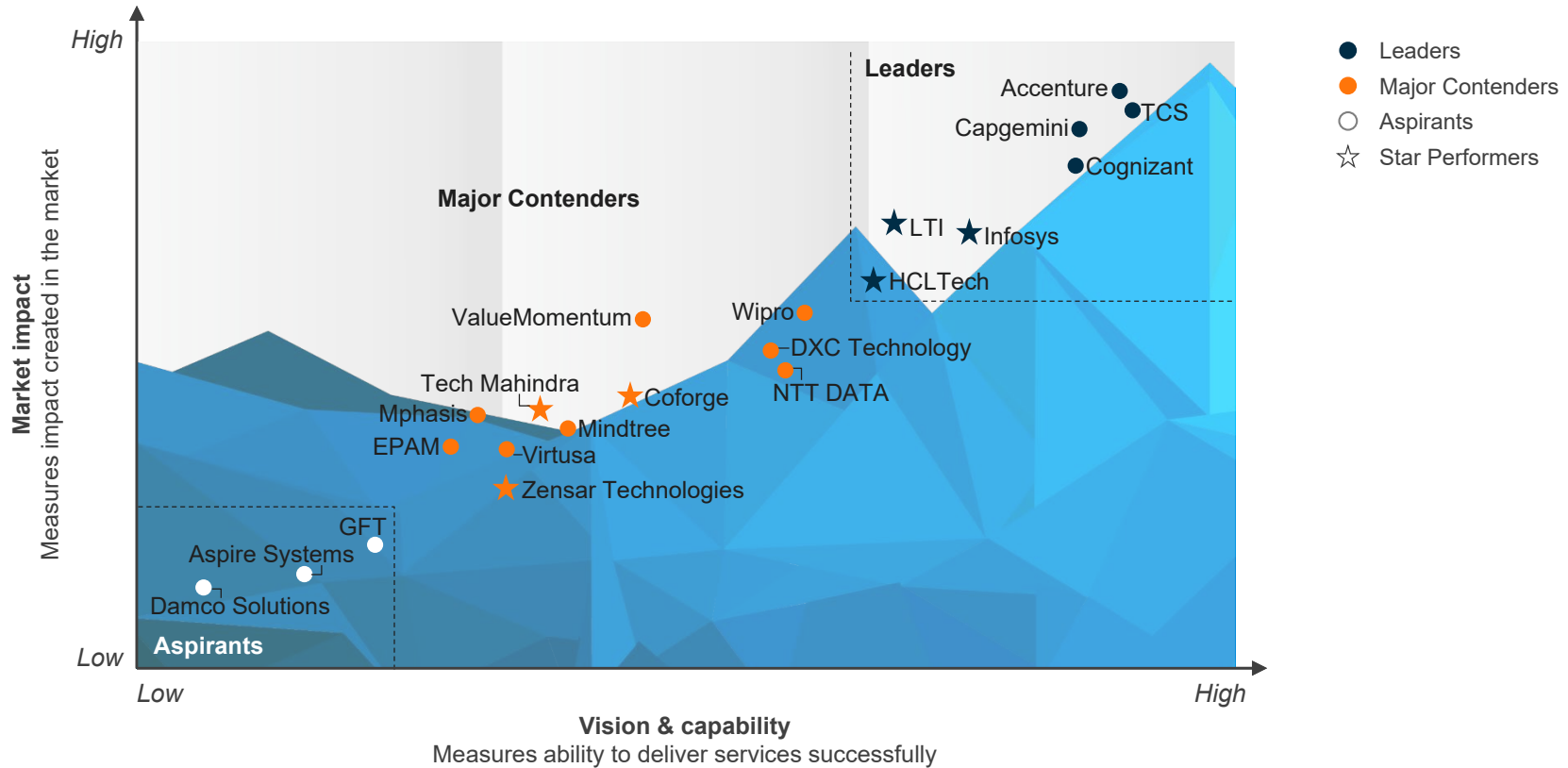
1 The analysis for LTI and Mindtree is based on their capabilities before the merger
Source: Everest Group (2022)

TCS | application and digital services in P&C insurance profile (page 1 of 4)
Overview

NOT EXHAUSTIVE

Vision for ADS in P&C insurance practice:
TCS' vision is to provide the thought leadership, guidance, and support to the P&C carriers to define their digital transformation journeys starting with implementation roadmaps to realization of business value. The aim is to assist insurers in achieving objectives such as increased revenue, increased customer/agent/employee retention, increased competitive differentiation, optimize manual efforts across the value chain.

ADS in P&C insurance revenue

<US$20 million	US$20-50 million	US$50-100 million	>US$100 million
			>US$100 million

Number of active clients for ADS in P&C insurance

<5	5-15	15-30	>30
			>30

Delivery footprint

Ranges for FTEs: <50, 50-100, 100-500, >500

Region	Key cities	No. of FTEs
North America	New York, Atlanta, Boston, Charlotte, Cincinnati, Pittsburgh	N/A
United Kingdom	Peterborough, London, Bristol, Edinburgh, Manchester	N/A
Europe (excluding UK)	Geneva, Budapest, Copenhagen, Paris, Lisbon, Zurich, Amsterdam, Stockholm	N/A
Asia Pacific	Mumbai, Chennai, Bangalore, Hyderabad, Nagpur, Pune, Philippines, Hong Kong	N/A
Latin America	Mexico, Bogota	N/A
Middle East & Africa	Johannesburg, Dubai,	N/A

ADS in P&C insurance revenue mix

Low (<15%)   Medium (15-30%)   High (>30%)

By Line of Business (LoB)

Auto		Aviation		Marine	
Property		Workers' compensation		Specialty	

By geography

North America		Latin America		Asia Pacific	
Europe		United Kingdom		Middle East & Africa	

By services scope

Consulting services		System integration		Application development	
Quality assurance		Application maintenance			

By digital services segment

Analytics		AI/ML		Big data	
Cloud		IoT		Mobility	
Blockchain		AR/VR		Others	

By buyer size

Small (annual client revenue < US$1 billion)		Medium (annual client revenue US$1-5 billion)	
Large (annual client revenue US$5-10 billion)		Very large (annual client revenue US$10-20 billion)	
Mega (annual client revenue > US$20 billion)			

TCS | application and digital services in P&C insurance profile (page 2 of 4)
Key solutions and investments

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Top five proprietary solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to P&C insurance clients	
Solution name	**Details**
Intelligent Conversational Claims	AI-based solution that supports insurers in reducing inefficiencies and complexities in claims reporting and processing
Connected Auto Solution	Provides integration with smart cars for tracking monthly miles to enable usage-based insurance
EzNSure	Enables automation of pre-inspection processes, which helps save time and improve customer experience
Milesnap	Provides odometer reading through images to enable tracking of monthly miles-based insurance parameters
TCS AI Studio Solution	Enables business stakeholders to adapt and operationalize AI-based workflows without expert support and drive data-driven decisions
TCS iResponse Solution	Customer query resolution solution which classifies the input emails, creates reply based on the request, and sends it to the customers

Top five partnerships/alliances/M&As/JVs leveraged to deliver application and digital services to P&C insurance clients		
Name	**Type of alliance**	**Details**
Guidewire	Platinum Partner	Invested in Guidewire implementation assets to enhance productivity and invested in employee training / certifications in Guidewire. Set up a Guidewire Innovation Lab in Chennai to promote digital adoption and accelerate customers' cloud journey leveraging the platforms
Agile Innovation council	Strategic Partnership	Partnered with the customers' innovation organization to set up an agile innovation council focusing on strategic innovation initiatives to solve business problems
W12 Studios	Mergers/acquisitions	Acquisition of W12 Studios adds to TCS Interactive's portfolio of services as it helps the carriers to innovate, create, and deliver superior digital experiences across the entire user journey
Customer	Partnership	TCS partnered with a customer's team to analyze the COVID-19 impact to the support and change portfolios. As an outcome a commercial discount of 8% was provided to manage the business impact and support customer organization to cater to the immediate business priorities
Customer	Partnership	A large managed services engagement to a critical service for customer was proposed and implemented. This involved a zero-transition fee for TCSs' services and the time spent by the customer to enable transition was also paid by TCS

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TCS | application and digital services in P&C insurance profile (page 3 of 4)
Key case studies

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Case study 1	Financial services firm accelerates business expansion through personalization

Business challenge
- Commoditized auto insurance products resulting in no competitive differentiation
- Challenges in acquiring and retaining younger generation
- Inability to tailor the existing products to customers' needs
- Declining market share of auto insurance business
- Rising claims ratio

Solution
- Discussed trends in Auto industry and how they will impact Auto insurance business
- Discussed the scenarios of changes and identified the ones to be responded to, in order to architect and design UBI solution
- Identified solution features, and worked on developing, testing, and deploying solution
- Pilot tested the solution with smaller set of customers and integration of solution with the aggregator sites
- Supported customer's effort by launching campaigns to familiarize the product with customers

Impact
- Increased in the Auto insurance sales by 13%
- Increased new customer acquisition, 96% users are new customers
- Higher close rate through the aggregator channels compared to traditional channels
- Increased cross sell and upsell due to new customers gaining confidence in the products

Case study 2	Developing AI-based solution for fraud detection for a Mutual Group company in Europe

Business challenge
- Absence of fraud detection solution across business lines
- Highly manual and inefficient fraud detection process
- Low fraud detection rate (0.04%) as compared to industry standards / benchmark (around 7-8%)

Solution
- Developed and implemented a fraud management solution to improve fraud detection rate
- Enabled real-time fraud detection by integrating the solution with claims process
- Improved alert management system and provided user interface for investigation
- Implemented business rules framework, AML rules framework, predictive modeling, alert management, SAS VI interface and reports development and real-time integration with claims process

Impact
- Expected savings up to 2% of annual claims spend
- 2X improvement in fraud detection rate
- Daily batch model deployment and fraud/AML alerts reported using VA reports
- Real-time integration with Guidewire Claims System

Case study 3	Developing innovative digital claims solution for a leading European reinsurance and insurance provider to position it to SME insurers

Business challenge
- Manual processes in claims reporting and processing
- Inability to make the required investment to leverage digital technologies to improve customer experience
- Poor customer experience leading to challenges in retaining customers

Solution
- Assessed SME insurers' current state customer journey and interaction maps for claims function in UK and four European countries
- Conducted research to understand customer's experience and interactions with current state claims process
- Leveraged TCS COIN™ partner to conduct surveys of Auto repair shops to identify opportunities to improve damage assessment and estimate processes and improve interactions with insurers
- Develop wireframes for claims mobile application resulting in superior customer experiences

Impact
- Created target-state customer journey and interaction maps for claims function for five countries
- Provided opportunities and solution options to improve customer experience in the above customer journey and interaction maps
- Wireframes depicting the reimagined customer journey for the claims mobile application planned to be developed

TCS | application and digital services in P&C insurance profile (page 4 of 4)
Enterprise sourcing considerations – 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 made significant investments into building a robust suite of solutions and accelerators across the insurance value chain focusing on faster time-to-market and seamless customer experience that have helped it establish credibility as a transformation partner of choice with P&C clients

- TCS possesses credible proof points in assisting P&C insurers with their end-to-end transformation needs across emerging demand themes such as IoT adoption, cloud adoption, AI/ML-based underwriting, touchless claims management, and development of risk mitigation algorithms across engagements

- Clients have appreciated the scale, technical and domain expertise, and client management capabilities of TCS as a significant differentiator amongst similarly-sized peers

Limitations

- TCS needs to broaden its presence across all client segments and capture the demand opportunity arising from small and mid-sized insurers beginning to undertake digital transformation journeys

- Clients have expressed concerns over TCS' ability to enable resources on the ground to drive engagement, program governance, and take faster decisions that can optimize time-to-market

- Clients expect TCS to be more proactive toward knowledge sharing and advising them on their modernization journey by pooling in best practices from other similar engagements with carriers

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Appendix

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

Everest Group PEAK Matrix
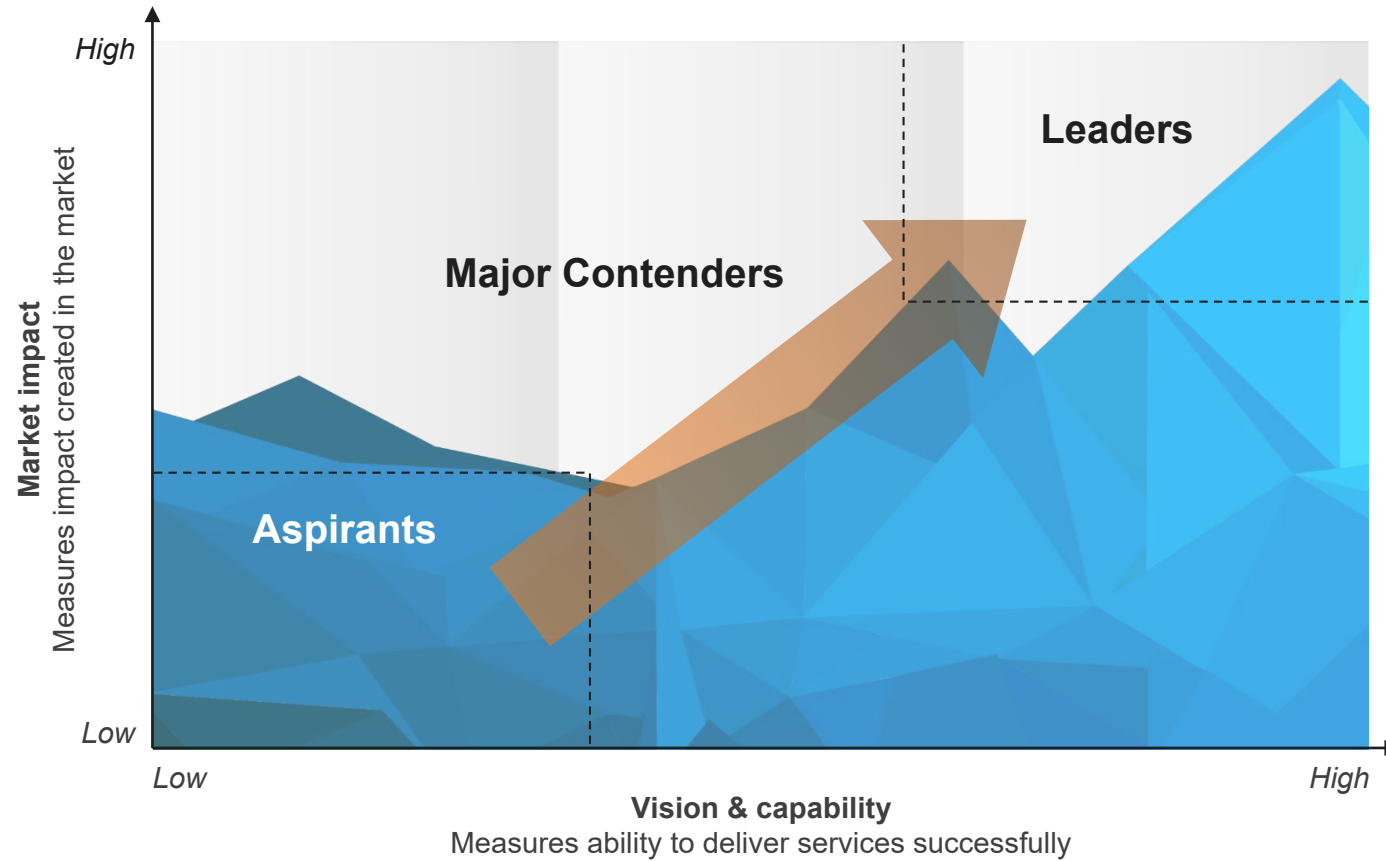
Services PEAK Matrix® evaluation dimensions

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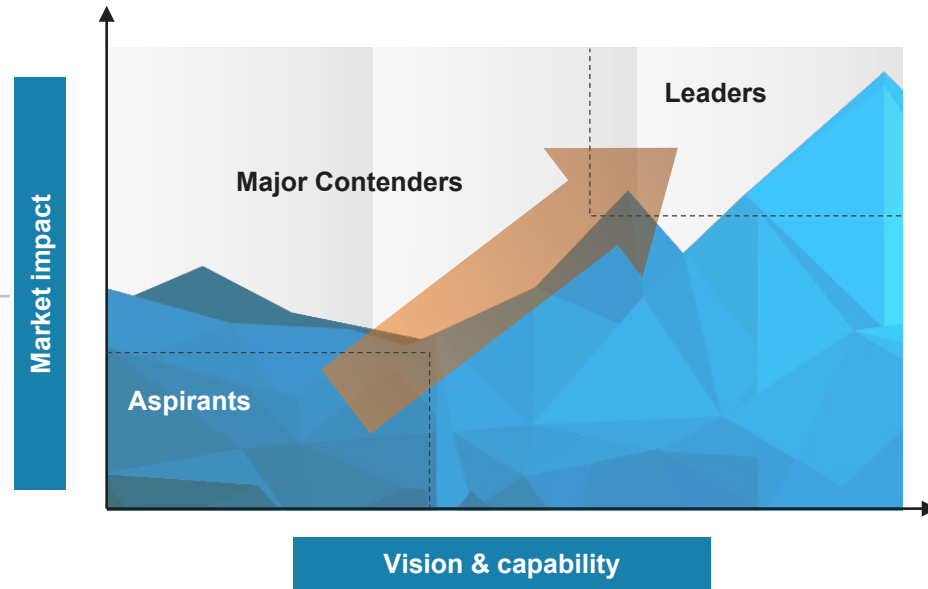
Measures ability to deliver services successfully.
This is captured through four subdimensions

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

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.

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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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